

Earnings Presentation

Financial Results for Q1 FY2022

August 10, 2022
FUJIFILM Holdings Corporation

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.

Agenda

Consolidated Financial Results for Q1 FY2022

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FUJIFILM Holdings Corporation
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Masayuki Higuchi, CFO, Director and Corporate Vice President,
FUJIFILM Holdings Corporation
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Masayuki Higuchi, CFO, Director and Corporate Vice President,
FUJIFILM Holdings Corporation

Q1 FY2022

Earnings Highlights and Key Points

Earnings Highlights for Q1 FY2022

FUJIFILM

Consolidated Performance for Q1 FY2022

Revenue

¥ **625.9 billion**

Change from FY21 (+7.4%)

Operating Income

¥ **49.6 billion**

(-12.0%)

Net Income
Attributable to FUJIFILM Holdings

¥ **41.4 billion**

(-27.8%)

- Revenue increased in all segments due to solid sales of medical systems and electronic materials, and the impact of exchange rates.
- Operating income fell, hit by lower COVID-19-related demand than in the previous year and the surging costs for components and energy.
- Net income attributable to FUJIFILM Holdings decreased due to the absence of valuation gains on marketable and investment securities recorded in the previous fiscal year.

Full Year Forecast for FY2022

Revenue

¥ **2,700.0 billion**

Change from previous forecast (+50.0 billion)

Operating Income

Record high
¥ **250.0 billion**

(+5.0 billion)

Net Income
Attributable to FUJIFILM Holdings

¥ **195.0 billion**

(+3.0 billion)

- Revenue forecast was revised upward in line with the revision of the foreign exchange rate assumption.
- Forecasts for operating income and net income attributable to FUJIFILM Holdings have also been revised upward as higher profit margin resulting from higher revenue offset the negative impact of surging costs for components and energy.
- Annual dividend is planned to be ¥120 per share, marking the 13th consecutive annual increase.

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Revenue amounted to ¥625.9 billion and operating income amounted to ¥49.6 billion.

Revenue increased in all segments due to solid sales of medical systems and electronic materials, in addition to the impact of exchange rates.

Operating income fell, hit by lower COVID-19-related demand than in the previous year and higher-than-expected surge in components and energy costs.

Net income attributable to FUJIFILM Holdings decreased due to the absence of valuation gains on marketable and investment securities recorded in the previous fiscal year.

With regard to full-year consolidated performance forecast for the fiscal year ending March 31, 2023, we revised revenue forecast upward by ¥50.0 billion from the previous forecast to ¥2,700.0 billion in line with the revision of the foreign exchange rate assumption for the second quarter onwards.

Although costs for components and energy are expected to remain high, we revised forecast for operating income upward by ¥5.0 billion from the previous forecast to ¥250.0 billion and revised net income attributable to FUJIFILM Holdings upward by ¥3.0 billion to ¥195.0 billion, as the impact of the lockdown in China in the first quarter will be offset over the full year and higher revenue will result in positive impact on profits. Despite increasing uncertainty about the global economy outlook, we will make group-wide efforts to achieve our goals.

As announced previously, annual dividends for the fiscal year ending March 2023 is forecasted at ¥120, marking the 13th consecutive annual increase.

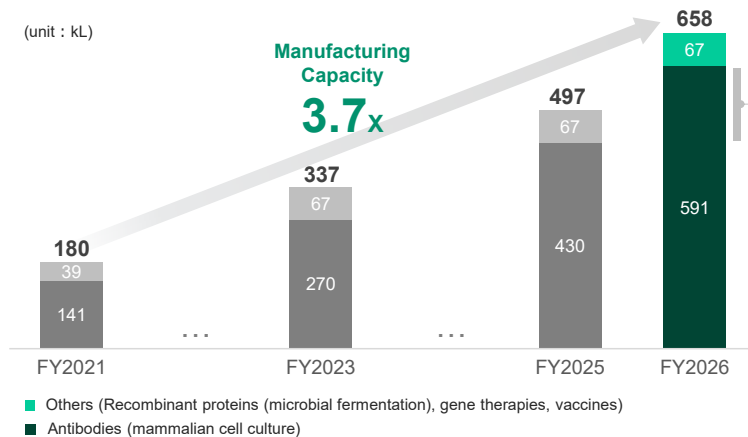
Key Points for Q1 FY2022

Bio CDMO

Large-scale investments totaling approx. ¥200.0 billion will be made in our sites in the U.S. and Europe. Plans are to further accelerate growth of contract development and manufacturing of biopharmaceuticals to achieve a revenue of ¥500.0 billion in FY2030.

- 20kL Bioreactors Curt. **6** → FY2026 **28** Expansion
- Manufacturing Capacity (total) Curt. **180**kL → FY2026 **660** kL Expansion

(unit : kL)



Details of capital investments totaling ¥200.0 billion

Denmark Site:

- Construction of new building
- 20,000L bioreactors for mammalian cells (8 units)
- Introduction of purification equipment, etc.

U.S. Site (Texas State):

- Equipment capable of GMP production through a continuous production system (second site to introduce the equipment following the U.K. site)

I will now explain the performance highlights for the first quarter.

First, let me talk about new large-scale capital investments in the bio CDMO business announced on June 30.

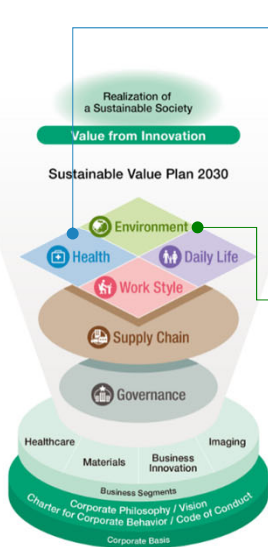
To accelerate further growth of contract development and manufacturing of biopharmaceuticals, we decided to make large-scale investments totaling approx. ¥200.0 billion in the bio CDMO sites located in the U.S. and Europe.

In response to the brisk demand for contract manufacturing of antibody drugs, which exceeds the production capacity currently being expanded, we will make large-scale capital investments to install eight additional 20,000-liter bioreactors at our Denmark site. Through this investment, the number of 20,000-liter bioreactors will increase to 20 at the Denmark site by 2026, for a total of 28 worldwide.

Moreover, we will introduce equipment capable of GMP production through a continuous production system at the Texas site in the U.S., in addition to the U.K. site. We will aim for early commercialization, not only in collaboration with customers developing new drugs, but also with regulatory authorities to shape a global market for contract manufacturing by using continuous production systems.

This investment is expected to increase the total Group-wide capacity of bioreactors by 3.7-fold, from the current 180,000 liters to approximately 660,000 liters.

We will meet the needs for contract development of manufacturing process, small- to large-scale production, and contract manufacturing covering substances to drug formulation / packaging, targeting a wide range of biopharmaceuticals. We will also aim to become the best partner in the pharmaceutical sector by providing new values to pharmaceutical companies through contract manufacturing based on the continuous production method in addition to the batch production method, and achieve a revenue of ¥500.0 billion in FY2030.



Health

Launched two new NURA health screening centers focusing on cancer screening in India

- A total of three sites: Gurugram (opened in July 2022), Mumbai (will open in September 2022) as well as Bengaluru (February 2021)
- Contribute to early detection of cancer and lifestyle diseases using AI technology that assists diagnostic imaging.*
- Aim to launch 100 sites in emerging countries, including Middle-eastern Africa and Southeast Asia.

*Through this project, which is selected as one of the "Supply Chain Resilience Projects in the Indo-Pacific Region" promoted by the Ministry of Economy, Trade and Industry, we will build a data coordination infrastructure based on blockchain technology to verify an AI-based mechanism for analyzing screening data collected from the three NURA sites to provide feedback to NURA users.

Environment

Initiatives toward carbon neutral at the bio CDMO site in Denmark

FUJIFILM Diosynth Biotechnologies Denmark ApS

- Introduction of electric boilers
 - Adoption of electricity derived from renewable energy sources
- ▶ Achieve carbon neutrality at the Denmark site by 2030

Multifunction printer recycling site in China has become carbon neutral

FUJIFILM Eco-Manufacturing (Suzhou) Corp.

- Installed solar photovoltaic panels (approx. 8,000 m²) within the site. → Cover 90% of all electricity used.
- Purchase electricity accompanied with renewable energy certificates*.

*Certificates for the "environmental value" of electricity generated by renewable energy sources.

Let's move on to our initiatives toward sustainability.

We have placed resolution of social issues through our business activities at the core of our management, and set four priority issues in the Sustainable Value Plan 2030, which is a CSR plan demonstrating our commitment to the long-term goal targeting FY2030. Among these issues, I would like to talk about our initiatives to address "health" and "environment" issues.

First, about "health." We are launching two new NURA health screening centers focusing on cancer screening in India.

Since opening NURA in Bengaluru in February 2021, we have provided health screening services to more than 3,500 people. In many emerging countries, including India, awareness of the importance of health screening for prevention and early detection purposes has not been established, and health screening systems and facilities remain inadequate.

Including the two new locations that have recently been announced, we will be providing health screening services at three locations for 100,000 people over the next five years. We are also aiming to expand NURA sites in Middle-eastern Africa and Southeast Asia to increase the number of sites to 100 in emerging countries.

Next, about "environment." We plan to introduce electric boilers for equipment to be installed at the bio CDMO site in Denmark, which we explained on the previous slide.

Furthermore, we will adopt electricity from renewable energy sources to power the electric boilers. Through these initiatives, we aim to achieve carbon neutrality at the Denmark site by FY2030, ahead of our goal of achieving "net zero CO2 emissions by FY2040."

In addition, at the Suzhou recycling site in China, where used multifunction devices and other products are recycled, we will achieve carbon neutrality by installing approximately 8,000 square meters of additional solar panels within the site, while purchasing electricity derived from renewable energy sources to switch all electricity used to electricity from renewable energy sources.

Q1 FY2022

Financial Results and Business Summary by Operating Segment

Financial Results for Q1 FY2022 (April to June 2022)

FUJIFILM

(Billions of yen)

	Q1				
	FY2021	FY2022	Change	Impact of exchange rate	Constant-currency basis
Revenue	582.7 100.0%	625.9 100.0%	43.2 +7.4%	43.3	(0.1) (0.0%)
Operating Income	56.3 9.7%	49.6 7.9%	(6.7) (12.0%)	9.2	(15.9) (28.4%)
Income before Income Taxes	77.8 13.3%	55.2 8.8%	(22.6) (29.0%)	13.0	(35.6) (45.8%)
Net Income Attributable to FUJIFILM Holdings	57.3 9.8%	41.4 6.6%	(15.9) (27.8%)	9.0	(24.9) (43.6%)
Net Income Attributable to FUJIFILM Holdings per Share	¥143.34	¥103.21	(¥40.13)	Other change factors (YoY): Impact of raw materials prices on operating income: ¥6.2 billion (Excluding prices of semiconductors and other components)	
Exchange Rates	¥/US\$	¥109	¥130	¥21	
	¥/€	¥132	¥138	¥6	

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In the first quarter ended June 30, 2022, revenue increased by 7.4% year-over-year to ¥625.9 billion, while operating income decreased 12% year-over-year to ¥49.6 billion. Revenue increased in all segments due to solid sales of medical systems and electronic materials and as a result of the weak yen, but operating income fell mainly due to lower demand related to COVID-19 than in the previous year, surging costs for components and energy, and the lockdown in China.

Net income attributable to FUJIFILM Holdings decreased by 27.8% to ¥41.4 billion mainly due to the absence of valuation gains on marketable and investment securities recorded in the previous year.

Revenue and Operating Income by Operating Segment

(Billions of yen)

Revenue	Q1		Change		Constant-currency basis	
	FY2021	FY2022				
Healthcare	174.2	180.2	6.0	+3.5%	(8.6)	(4.9%)
Materials	149.8	175.0	25.2	+16.8%	11.6	+7.7%
Business Innovation	186.1	188.2	2.1	+1.2%	(5.2)	(2.8%)
Imaging	72.6	82.5	9.9	+13.6%	2.1	+2.8%
Total	582.7	625.9	43.2	+7.4%	(0.1)	(0.0%)

Note: After elimination of intersegment transactions

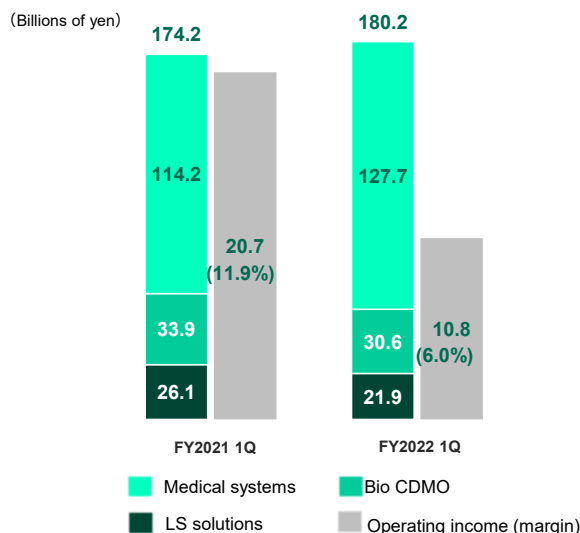
(Billions of yen)

Operating Income	Q1		Change		Constant-currency basis	
	FY2021	FY2022				
Healthcare	20.7	10.8	(9.9)	(47.7%)	(13.7)	(66.0%)
Materials	21.3	22.8	1.5	+7.3%	(3.3)	(15.1%)
Business Innovation	14.0	14.2	0.2	+1.3%	2.2	+15.7%
Imaging	8.0	10.5	2.5	+31.8%	(0.3)	(3.6%)
Corporate Expenses & Eliminations	(7.7)	(8.7)	(1.0)	-	(0.8)	-
Total	56.3	49.6	(6.7)	(12.0%)	(15.9)	(28.4%)

Revenue and operating income of each segment are as shown here.

Business Summary: Healthcare

Revenue increased by 3.5% year-over-year, while operating income decreased by 47.7% year-over-year. Medical systems boosted revenue on stronger sales, but bio CDMO and LS solutions recorded lower revenue as demand related to COVID-19 in the previous year ran its course.



Medical Systems Revenue ¥127.7 billion (+11.9% YoY)

- Revenue rose mainly due to steady sales of medical IT, ultrasound and endoscope systems.
- CT/MRI systems secured increased revenue due to strong sales of the whole-body X-ray CT system *Supria*, despite the impact of semiconductor and other component shortages.

Bio CDMO Revenue ¥30.6 billion (-9.5% YoY)

- Although contract process development and manufacturing of biopharmaceuticals remained firm at the Denmark site, revenue declined due to the absence of revenue in the previous year from COVID-19 vaccine candidates produced at the U.S. site.
- Contract process development of gene therapies at the Boston site in the U.S. started. Plans are to accelerate growth of Bio-CDMO through the April 2022 business acquisition* and the fully-launched contract development and manufacturing services for cell therapeutics, while responding to customer needs in cutting-edge therapies.

*Acquisition of a cell therapy manufacturing facility from U.S. bio-venture Atara Biotherapeutics, Inc.

LS Solutions Revenue ¥21.9 billion (-16.5% YoY)

- Life Sciences maintained the same level of revenue year-over-year. Lower revenue from cell culture media for biopharmaceuticals resulting from waning demand related to COVID-19 was covered by higher sales of reagents and iPS cells.
- Pharmaceuticals recorded lower revenue due to the transfer of the radiopharmaceutical business completed in March 2022.

*LS solutions: Disclosure segment consisting of life sciences business (iPS cells, cell culture media, reagents), pharmaceutical business and consumer healthcare business (cosmetics, supplements)

First, we will look at an overview of the Healthcare segment.

Revenue increased by 3.5% year-over-year to ¥180.2 billion as the medical systems boosted revenue through solid sales, while the bio CDMO and LS solutions recorded lower revenue due to demand related to COVID-19 in the previous year ran its course.

Operating income decreased by 47.7% year-over-year to ¥10.8 billion, mainly due to lower revenue from the LS solutions, the absence of grant income related to COVID-19 vaccine manufacturing compared to the last fiscal year, and non-operating compensation for vaccine substance manufacturing will be reflected from the second quarter onwards.

In the medical systems, revenue rose mainly due to strong sales of medical IT, ultrasound, and endoscope systems. CT and MRI systems secured higher revenue due to favorable sales of the whole-body X-ray CT system *Supria*, despite the impact of semiconductor and other component shortages.

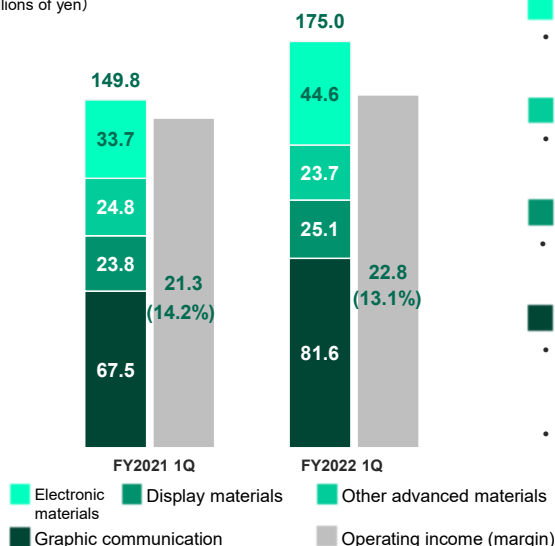
In the bio CDMO, contract process development and manufacturing of biopharmaceuticals remained firm at the Denmark site, but revenue declined due to the absence of revenue in the previous year from COVID-19 vaccine candidates produced at the U.S. site. In addition to the CDMO sites for gene therapies in Texas, U.S. and in the U.K., the third site was opened in Boston, U.S. and started contract process development services. In the field of cellular therapeutics, which is a cutting-edge medicine along with gene therapeutics, we acquired a manufacturing facility from U.S. bio-venture Atara Biotherapeutics, Inc. in April 2022 to accelerate growth of the bio CDMO business by responding to customer needs in cutting-edge therapies.

In LS solutions, overall revenue fell year-over-year. The life sciences maintained the same level of revenue year-over-year by covering lower revenue resulting from waning demand for biopharmaceutical cell culture media in connection to COVID-19 with higher revenue from reagents and iPS cells, but revenue from the pharmaceutical fell as a result of the transfer of the radiopharmaceutical business completed in March 2022.

Business Summary: Materials

Revenue and operating income increased by 16.8% and 7.3%, respectively, year-over-year. The electronic materials grew in line with brisk semiconductor demand and each business recovered steadily from COVID-19 impact.

(Billions of yen)



Electronic materials Revenue ¥44.6 billion (+32.4% YoY)

- Revenue increased due to brisk sales of wide-ranging products, including CMP slurries, polyimide, and photolithography-related materials, in line with rising semiconductor demand.

Display materials Revenue ¥23.7 billion (-4.4% YoY)

- Despite steady growth in sales of TV-related products, revenue fell, hit by the impact of lower demand for WV film.

Other advanced materials Revenue ¥25.1 billion (+5.5% YoY)

- In the fine chemicals, revenue increased due to steady sales of active pharmaceutical ingredients (API) to pharmaceutical companies as well as polymerization materials and other chemical products in the U.S. and Europe.

Graphic communication Revenue ¥81.6 billion (+20.8% YoY)

- In the graphic communication, revenue increased as sales of printing plates recovered from the COVID-19 impact, selling prices were gradually revised in each region in response to a surge in raw material prices, and the market for digital printing continued to recover.
- In the inkjet, revenue increased due to strong sales of industrial inkjet printheads reflecting increased demand, mainly in the construction material printing market in Europe, and growth in sales mainly of dye inks for household and office markets.

*Other advanced materials: Disclosure segment consisting of industrial equipment business, fine chemicals business and recording media business.

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Moving on to the performance of the Materials segment.

Revenue increased by 16.8% year-over-year to ¥175.0 billion, and operating income increased by 7.3% year-over-year to ¥22.8 billion. This was due to growth in the electronic materials reflecting strong semiconductor demand and a steady recovery from the COVID-19 impact at each business.

In the electronic materials, revenue increased due to steady sales of wide-ranging products, including CMP slurries, polyimide and photolithography-related materials, in line with rising semiconductor demand.

In the display materials, revenue fell as steady growth in sales of TV-related products was offset by a drop in demand for *WV (wide view) Film*.

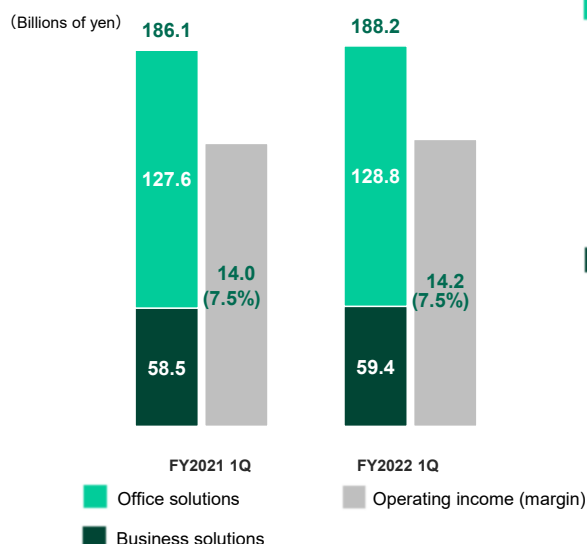
In the graphic communication, revenue increased as sales of printing plates recovered from the COVID-19 impact, selling prices were gradually revised in each region in response to a surge in raw material prices, and the market for digital printing continued to recover.

In the inkjet business, revenue increased due to strong sales of industrial inkjet printheads reflecting increased demand mainly in the construction material printing market in Europe and growth in sales of dye inks for household and office markets.

Business Summary: Business Innovation

Revenue and operating income climbed by 1.2% and 1.3%, respectively, year-over-year. Despite the impact of the lockdown in China, export sales of consumables and revenue from overseas BPO services* increased.

* Business Process Outsourcing



Office solutions Revenue ¥128.8 billion (+1.1% YoY)

- Despite the impact of the COVID-19 lockdown in China, revenue rose mainly due to higher export sales of consumables and the impact of exchange rates.
- On July 1, 2022, the Device Technology (DT) Division was established as a new organization to lead planning / promotion of overall strategies for multi-function devices and printers, including R&D. We will promptly develop competitive devices tailored to market needs and facilitate global expansion, including OEM supply partnerships.

Business solutions Revenue ¥59.4 billion (+1.4% YoY)

- Revenue increased mainly due to higher revenue from overseas BPO services and the impact of exchange rates.
- In May 2022, we launched the *Bridge DX Library*, new solutions that strongly support customers in resolving DX issues on a business / operation basis and accelerates DX for small and midsize companies in Japan. The lineup increased to a total of 103 solutions in July 2022.
- On July 1, 2022, the Business Solution & Service (BSS) Division was established to integrate overall strategy planning / promotion for the solution service business and the BPO business.

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Moving on to the performance of the Business Innovation segment.

Revenue rose by 1.2% year-over-year to ¥188.2 billion, and operating income climbed by 1.3% year-over-year to ¥14.2 billion. Despite the impact of the lockdown in China, export sales of consumables and revenue from overseas BPO services increased.

In the office solutions, revenue increased despite the impact of the COVID-19 lockdown in China thanks to an increase in export sales of consumables and the impact of exchange rates. On July 1, 2022, the Device Technology Division was established as a new organization to lead planning/promotion of overall strategies for multi-function devices and printers, including R&D. Plans are to promptly develop competitive devices tailored to market needs and facilitate global expansion, including OEM supply partnerships.

In the business solutions, revenue increased mainly due to higher revenue from overseas BOP services and the impact of exchange rates.

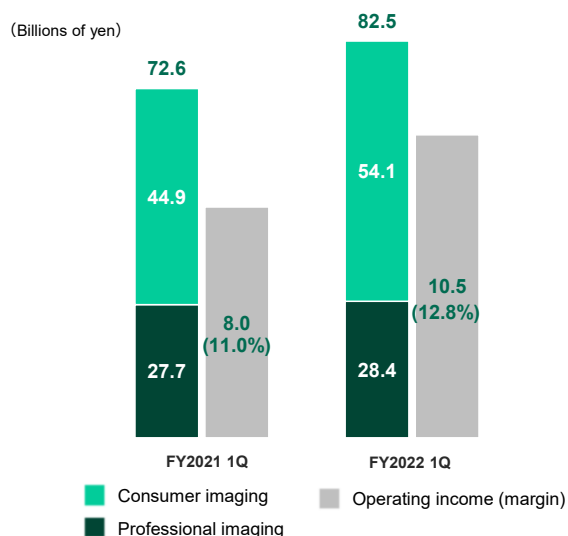
In May 2022, we launched the *Bridge DX Library*, new solutions that strongly support customers in resolving DX issues on a business / operation basis and accelerates DX for small and midsize companies in Japan. The lineup further increased to a total of 103 solutions in July 2022.

On July 1, 2022, the Business Solution & Service Division was established to integrate overall strategy planning/promotion for the solutions service business and the BPO business.

We will expand the business solutions as the segment's core business by further accelerating overseas development and offering solutions / services that support customers' DX.

Business Summary: Imaging

Revenue and operating income increased by 13.6% and 31.8%, respectively, year-over-year. Although digital cameras were hit by the impact of the lockdown in China, sales of instant photo systems and color photographic paper remained firm.



Consumer imaging Revenue ¥54.1 billion (+20.4% YoY)

- Revenue increased due to favorable sales of instant photo systems, color photographic paper and dry minilabs/materials.
- In July 2022, we launched the smartphone printer *instax mini Link 2* in Japan, which is well received in the market for its new built-in features, including *instaxAiR* spacial drawing function based on AR (augmented reality) technology.
- In response to expanding demand for film used in instant photo systems, we decided to invest approximately ¥2.0 billion in additional production lines at the Kanagawa site. Operations are scheduled to start this fall.

Professional imaging Revenue ¥28.4 billion (+2.5% YoY)

- Revenue increased year-over-year as the sales recovery of broadcast camera lenses from the COVID-19 impact offset the negative impact of the lockdown in China mainly on digital cameras.
- In July 2022, we launched the *FUJIFILM X-H2S* mirrorless digital camera that boasts the fastest continuous-shooting, Auto Focus and video performance in the history of the *X Series*, which delivers premium image quality despite being compact and lightweight.
- The *SX System* service was fully launched in June 2022, delivering a package consisting of the *SX800* long range surveillance camera with built-in lens, an all-weather swivel platform and dedicated video management software.

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Moving on to the performance of the Imaging segment.

Revenue increased by 13.6% year-over-year to ¥82.5 billion, and operating income increased by 31.8% year-over-year to ¥10.5 billion. Digital cameras were hit by the lockdown in China, but sales of instant photo systems and color photographic paper remained firm.

In the consumer imaging, revenues increased due to steady sales of instant photo systems, color photographic paper and dry minilabs / materials. With regard to instant photo systems, we launched the smartphone printer *instax mini Link 2* in July 2022 in Japan. It is well received in the market for its new built-in features, including *instaxAiR* spacial drawing function using AR (augmented reality) technology. As shipments of film for instant photo systems are increasing in line with higher demand for cameras and printers, we have decided to invest approximately ¥2.0 billion to expand production lines at the Kanagawa site. With operations scheduled to start this fall, production capacity is expected to increase by 20%.

In the professional imaging, digital cameras were hit by the lockdown in China, but revenue increased as sales of broadcast camera lenses recovered from the COVID-19 impact.

In July 2022, we launched the *FUJIFILM X-H2S* mirrorless digital camera that boasts the fastest continuous-shooting, Auto Focus and video performance in the history of the *X Series*, which delivers premium image quality despite being compact and lightweight.

Consolidated Balance Sheet

FUJIFILM

(Billions of yen)

	Mar. 2021	Mar. 2022	Jun. 2022	Change from Mar. 2022		Mar. 2021	Mar. 2022	Jun. 2022	Change from Mar. 2022
Cash and cash equivalents	394.8	486.3	538.1	51.8	Short-term and long-term debt	503.0	447.2	570.7	123.5
Notes and accounts receivable	605.7	598.6	602.6	4.0	Notes and accounts payable	239.9	303.2	308.8	5.6
Inventories	417.7	504.5	591.1	86.6	Other liabilities	584.1	680.0	686.8	6.8
Other current assets	89.2	135.3	160.9	25.6	Total liabilities	1,327.0	1,430.4	1,566.3	135.9
Total current assets	1,507.4	1,724.7	1,892.7	168.0	Total FUJIFILM Holdings shareholders' equity	2,204.6	2,502.7	2,656.5	153.8
Property, plant and equipment	635.3	736.8	804.4	67.6	Noncontrolling interests	17.6	22.2	24.0	1.8
Goodwill, net	804.2	824.0	861.7	37.7	Total equity	2,222.2	2,524.9	2,680.5	155.6
Investment securities and other	602.3	669.8	688.0	18.2	Total liabilities and equity	3,549.2	3,955.3	4,246.8	291.5
Total noncurrent assets	2,041.8	2,230.6	2,354.1	123.5					
Total assets	3,549.2	3,955.3	4,246.8	291.5					

	Mar. 2021	Mar. 2022	Jun. 2022	Change from Mar. 2022
Exchange Rates				
¥/US\$	¥111	¥122	¥137	¥15
¥/€	¥130	¥137	¥143	¥6

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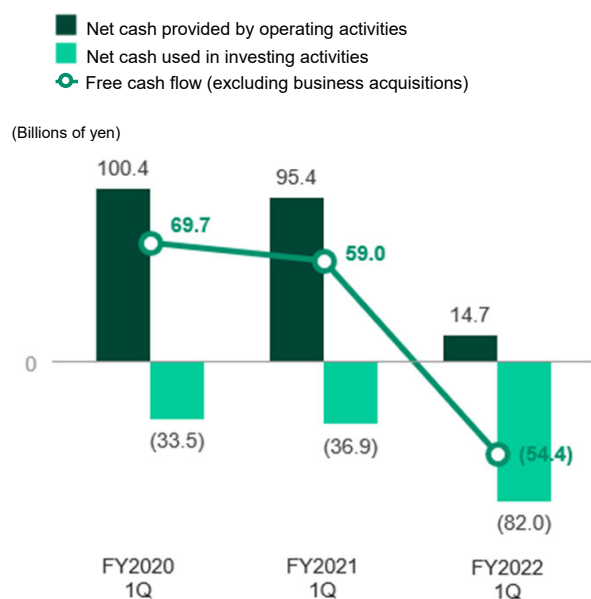
Now, let's take a look at the Balance Sheet.

Assets as of the end of June 2022 totaled ¥4,246.8 billion, which was ¥291.5 billion higher than at the end of March 2022, mainly due to increases in cash and cash equivalents and inventories.

Liabilities increased by ¥135.9 billion to ¥1,566.3 billion due to such factors as the issuance of the social bond.

FUJIFILM Holdings shareholders' equity increased by ¥153.8 billion to ¥2,656.5 billion.

Consolidated Cash Flow



(Billions of yen)

	FY2020 Q1	FY2021 Q1	FY2022 Q1
Net income	27.7	58.3	41.4
Depreciation & amortization	29.9	31.3	35.1
Change in notes and accounts receivable	97.9	72.1	23.3
Change in inventories	(45.5)	(39.6)	(62.5)
Change in notes and accounts payable - trade	(16.6)	5.1	(5.1)
Others	7.0	(31.8)	(17.5)
C/F from operating activities	100.4	95.4	14.7
Capital expenditure	(23.0)	(27.5)	(52.0)
Purchases of software	(3.8)	(7.0)	(11.3)
Sales and purchases of marketable and investment securities	(2.8)	(0.5)	1.9
Acquisitions of businesses	0.0	0.0	(14.8)
Others	(3.9)	(1.9)	(5.8)
C/F from investing activities	(33.5)	(36.9)	(82.0)
Free cash flows	66.9	58.5	(67.3)
Free cash flows without acquisitions of businesses and others *	69.7	59.0	(54.4)

*Business acquisitions, sale/purchase of marketable and investment securities are deducted from free cash flow.

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Let's move on to cash flow.

Net cash provided by operating activities in the first quarter ended June 30, 2022 amounted to ¥14.7 billion due to a temporary buildup of inventories to prepare for tight supply and demand of materials, coupled with an increase in receivables resulting from higher sales than the previous year.

Net cash used in investing activities amounted to ¥82.0 billion, mainly due to capital investment focusing on the bio CDMO.

As a result, free cash flow excluding business acquisitions and similar was ¥54.4 billion.

For the full fiscal year ending March 31, 2023, net cash provided by operating activities of ¥290.0 billion is forecast in line with plans as we utilize the parts and materials accumulated as inventory for product shipments. In addition, we plan to invest ¥410.0 billion on capital expenditures and software purchases.

In addition to achieving our profit targets for the current fiscal year, we will generate cash by promoting CCC improvement and make growth investments as planned.

This concludes the overview of the Company's performance for the first quarter of the fiscal year ending March 2023.

FY2022

Consolidated Financial Forecast

FY2022 Financial Forecast (as of August 10, 2022)

(Billions of yen)

	FY2021	FY2022 Previous forecast (announced on May 11, 2022)	FY2022 Revised forecast (announced on Aug 10, 2022)	Change from FY2021	Change from previous forecast
Revenue	2,525.8 100.0%	2,650.0 100.0%	2,700.0 100.0%	174.2 +6.9%	50.0 +1.9%
Operating Income	229.7 9.1%	245.0 9.2%	Record high 250.0 9.3%	20.3 +8.8%	5.0 +2.0%
Income before Income Taxes	260.4 10.3%	255.0 9.6%	260.0 9.6%	(0.4) (0.2%)	5.0 +2.0%
Net Income Attributable to FUJIFILM Holdings	211.2 8.4%	192.0 7.2%	195.0 7.2%	(16.2) (7.7%)	3.0 +1.6%
Net Income Attributable to FUJIFILM Holdings per Share	¥527.33	¥479.05	¥486.53	(¥40.80)	¥7.48
ROE	9.0%	7.6%	7.6%	(1.4%)	-
ROIC	5.6%	5.7%	5.7%	+0.1%	-
CCC	122 days	114 days	114 days	(8 days)	-
Exchange Rates					
¥ /US\$	¥113	¥120	¥126	¥13	¥6
¥ /€	¥131	¥132	¥134	¥3	¥2
Silver Price (/kg)	¥89,000	¥95,000	¥97,000	¥8,000	¥2,000

*1 Net income attributable to FUJIFILM Holdings per share is calculated by using the number of shares issued as of June 30, 2022 (excluding treasury shares) as the average number of shares for the relevant period.

*2 FY2022 Exchange rate sensitivity for operating income: US\$: ¥0.3 billion/year, €: 0.8 ¥billion/year

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As mentioned at the beginning, we revised the foreign exchange rate assumption for the second quarter onwards, and revised revenue forecast for the fiscal year ending March 2023 upward by ¥50.0 billion from the previous forecast to ¥2,700.0 billion.

Although costs for components and energy are expected to remain high, we revised forecast for operating income upward by ¥5.0 billion from the previous forecast to ¥250.0 billion, and revised net income attributable to FUJIFILM Holdings upward by ¥3.0 billion to ¥195.0 billion, as the impact of the lockdown in China in the first quarter will be offset over the full year and higher revenue will result in positive impact on profits.

FY2022 Forecast by Operating Segment (as of August 10, 2022)

FUJIFILM

(Billions of yen)

Revenue	FY2021	FY2022 Previous forecast <small>(announced on May 11, 2022)</small>	FY2022 Revised Forecast <small>(announced on Aug 10, 2022)</small>	Change	Impact of exchange rate
Healthcare	801.7	850.0	860.0	10.0	17.5
Materials	627.2	670.0	680.0	10.0	14.0
Business Innovation	763.5	790.0	800.0	10.0	6.5
Imaging	333.4	340.0	360.0	20.0	10.0
Total	2,525.8	2,650.0	2,700.0	50.0	48.0

Operating Income	FY2021	FY2022 Previous forecast <small>(announced on May 11, 2022)</small>	FY2022 Revised Forecast <small>(announced on Aug 10, 2022)</small>	Change	Impact of exchange rate
Healthcare	100.5	110.0	112.0	2.0	5.0
Materials	68.4	71.0	72.0	1.0	3.5
Business Innovation	57.9	70.0	67.0	(3.0)	(3.0)
Imaging	37.0	37.0	42.0	5.0	2.5
Corporate Expenses & Eliminations	(34.1)	(43.0)	(43.0)	-	-
Total	229.7	245.0	250.0	5.0	8.0

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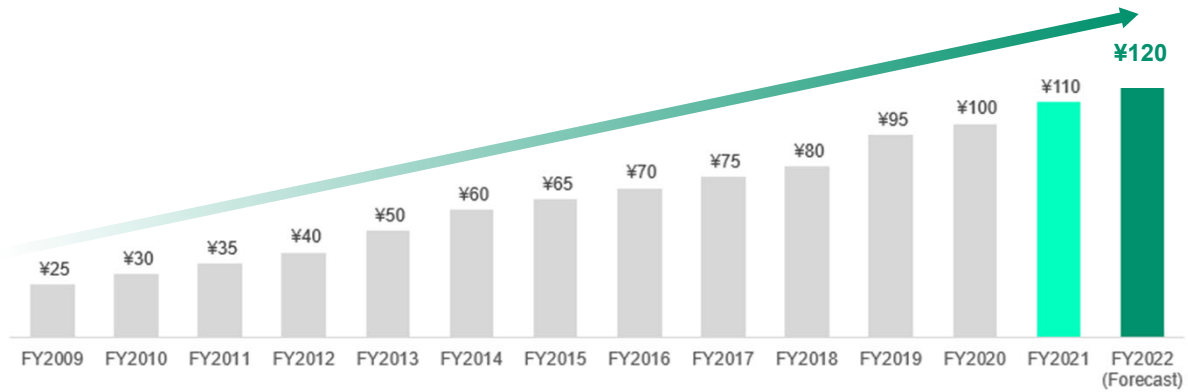
Financial forecast by operating segments is as shown here.

Revenue forecasts for all segments have been revised upward. Operating income for the Business Innovation segment, which is negatively affected by the strong dollar exchange rate, has been revised downward, while those for Healthcare, Materials and Imaging have been revised upward.

Shareholder Returns

Dividends

➤ Annual dividends for FY2022 are planned at ¥120 per share, marking the 13th consecutive annual increase.



Share buybacks

➤ We will buy back shares flexibly, in consideration of cash flow situation, according to changes in stock price.

As announced by Goto at the beginning, annual dividend forecast has been raised to ¥120, marking the 13th consecutive annual increase.

Appendix

Q1 Earnings: Healthcare

(Billions of yen)

Revenue	Q1					
	FY2021	FY2022	Change		Constant-currency basis	
Medical Systems	114.2	127.7	13.5	+11.9%	4.1	+3.7%
Bio CDMO	33.9	30.6	(3.3)	(9.5%)	(7.3)	(21.3%)
LS Solutions	26.1	21.9	(4.2)	(16.5%)	(5.4)	(21.1%)
Total	174.2	180.2	6.0	+3.5%	(8.6)	(4.9%)

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1					
	FY2021	FY2022	Change		Constant-currency basis	
Healthcare	20.7 [11.9%]	10.8 [6.0%]	(9.9)	(47.7%)	(13.7)	-66.0%

Q1 Earnings: Materials

(Billions of yen)

Revenue	Q1				
	FY2021	FY2022	Change		Constant-currency basis
Electronic Materials	33.7	44.6	10.9	+32.4%	5.3 +15.7%
Display Materials	24.8	23.7	(1.1)	(4.4%)	(1.2) (4.8%)
Other Advanced Materials	23.8	25.1	1.3	+5.5%	(0.9) (3.3%)
Graphic Communication	67.5	81.6	14.1	+20.8%	8.4 +12.2%
Total	149.8	175.0	25.2	+16.8%	11.6 +7.7%

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1				
	FY2021	FY2022	Change		Constant-currency basis
Materials	21.3 [14.2%]	22.8 [13.1%]	1.5	+7.3%	(3.3) -15.1%

Q1 Earnings: Business Innovation

(Billions of yen)

Revenue	Q1					
	FY2021	FY2022	Change		Constant-currency basis	
Office Solutions	127.6	128.8	1.2	+1.1%	(4.0)	(3.0%)
Business Solutions	58.5	59.4	0.9	+1.4%	(1.2)	(2.2%)
Total	186.1	188.2	2.1	+1.2%	(5.2)	(2.8%)

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1					
	FY2021	FY2022	Change		Constant-currency basis	
Business Innovation	14.0 [7.5%]	14.2 [7.5%]	0.2	+1.3%	2.2	+15.7%

Q1 Earnings: Imaging

(Billions of yen)

Revenue	Q1					
	FY2021	FY2022	Change		Constant-currency basis	
Consumer Imaging	44.9	54.1	9.2	+20.4%	3.6	+7.8%
Professional Imaging	27.7	28.4	0.7	+2.5%	(1.5)	(5.3%)
Total	72.6	82.5	9.9	+13.6%	2.1	+2.8%

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1					
	FY2021	FY2022	Change		Constant-currency basis	
Imaging	8.0 [11.0%]	10.5 [12.8%]	2.5	+31.8%	(0.3)	-3.6%

Operating Income Analysis (Q1 FY2022 vs Q1 FY2021)

FUJIFILM

(Billions of yen)

	Q1		Change		FX	Raw material price	One-time cost	Lockdown in China	Operation and others ^{*1}
	FY2021	FY2022							
Healthcare	20.7	10.8	(9.9)	-47.7%	3.8	(0.4)	(1.3)	(1.1)	(10.9)
Materials	21.3	22.8	1.5	+7.3%	4.8	(5.2)	(0.4)	(0.6)	2.9
Business Innovation	14.0	14.2	0.2	+1.3%	(2.0)	-	3.1	(0.8)	(0.1)
Imaging	8.0	10.5	2.5	+31.8%	2.8	(0.6)	(1.0)	(1.5)	2.8
Corporate Expenses & Eliminations	(7.7)	(8.7)	(1.0)	-	(0.2)	-	-	-	(0.8)
Total	56.3	49.6	(6.7)	-12.0%	*2 9.2	*3 (6.2)	*4 0.4	(4.0)	(6.1)

*1: Including the impact of surging costs for components and distribution due to tight supply and demand for semiconductors

*2 : Exchange Rate

	FY2021	FY2022 Forecast
¥ /US\$	¥ 109	¥ 130
¥ /€	¥ 132	¥ 138

*3 : Raw Material Prices(w/o Semiconductor)

	1Q
Silver	(0.1)
Aluminum	(3.4)
Others(fuel etc)	(2.7)
Total	(6.2)

*4 : One-time Cost Breakdown

	FY2021	FY2022	Change
Healthcare	-	1.3	(1.3)
Acquisition(CDMO)	-	1.1	(1.1)
Others	-	0.2	(0.2)
Materials	-	0.4	(0.4)
Graphic / Others	-	0.4	(0.4)
Business Innovation	4.3	1.2	3.1
Structure strengthening expenses	1.6	0.5	1.1
Rebranding expenses	2.7	0.7	2.0
Imaging	-	1.0	(1.0)
Structure strengthening expenses / Others	-	1.0	(1.0)
Corporate	-	-	-
Total	4.3	3.9	0.4

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Consolidated Financial Forecast for FY2022 (as of August 10, 2022)

FUJIFILM

Revenue by Business

(Billions of yen)

	FY2021	FY2022 Previous forecast (announced on May 11, 2022)	FY2022 Revised forecast (announced on August 10, 2022)	Change		Change from previous forecast	
Healthcare	801.7	850.0	860.0	58.3	+7.3%	10.0	+1.2%
Medical Systems	533.8	570.0	585.0	51.2	+9.6%	15.0	+2.6%
Bio CDMO	150.3	160.0	165.0	14.7	+9.8%	5.0	+3.1%
LS Solutions	117.6	120.0	110.0	(7.6)	-6.5%	(10.0)	-8.3%
Materials	627.2	670.0	680.0	52.8	+8.4%	10.0	+1.5%
Electronic Materials	146.7	168.0	170.0	23.3	+15.9%	2.0	+1.2%
Display Materials	94.7	92.0	85.0	(9.7)	-10.2%	(7.0)	-7.6%
Other Advanced Materials	96.4	100.0	97.0	0.6	+0.6%	(3.0)	-3.0%
Graphic Communication	289.4	310.0	328.0	38.6	+13.3%	18.0	+5.8%
Business Innovation	763.5	790.0	800.0	36.5	+4.8%	10.0	+1.3%
Office Solutions	507.5	515.0	520.0	12.5	+2.5%	5.0	+1.0%
Business Solutions	256.0	275.0	280.0	24.0	+9.4%	5.0	+1.8%
Imaging	333.4	340.0	360.0	26.6	+8.0%	20.0	+5.9%
Consumer Imaging	219.0	230.0	240.0	21.0	+9.6%	10.0	+4.3%
Professional Imaging	114.4	110.0	120.0	5.6	+4.9%	10.0	+9.1%
Total	2,525.8	2,650.0	2,700.0	174.2	+6.9%	50.0	+1.9%
Exchange Rates							
¥/US\$	¥113	¥120	¥126	¥13		¥6	
¥/€	¥131	¥132	¥134	¥3		¥2	

Operating Income Analysis (Full-year forecast vs previous forecast)

FUJIFILM

(Billions of yen)

	FY2022 Full year		Change		FX	Raw material price	One-time cost	Operation and others ^{*1}
	Previous forecast (as of May 11, 2022)	Revised forecast (as of August 10, 2022)						
Healthcare	110.0	112.0	2.0	+1.8%	5.0	(0.5)	-	(2.5)
Materials	71.0	72.0	1.0	+1.4%	3.5	(0.5)	-	(2.0)
Business Innovation	70.0	67.0	(3.0)	-4.3%	(3.0)	-	-	-
Imaging	37.0	42.0	5.0	+13.5%	2.5	(0.5)	-	3.0
Corporate Expenses & Eliminations	(43.0)	(43.0)	-		-	-	-	-
Total	245.0	250.0	5.0	+2.0%	^{*2} 8.0	^{*3} (1.5)	^{*4} -	(1.5)

*1: Including the impact of surging costs for components and distribution due to tight supply and demand for semiconductors

*2 : Exchange Rates

	Previous (5/11/2022)	Revised (8/10/2022)
¥/US\$	¥ 120	¥ 126
¥/€	¥ 132	¥ 134

*3 : Raw Material Prices(w/o Semiconductor)

	Revised
Silver	(0.5)
Aluminum	+0.5
Others(fuel etc)	(1.5)
Total	(1.5)

*4 : One-time cost Breakdown

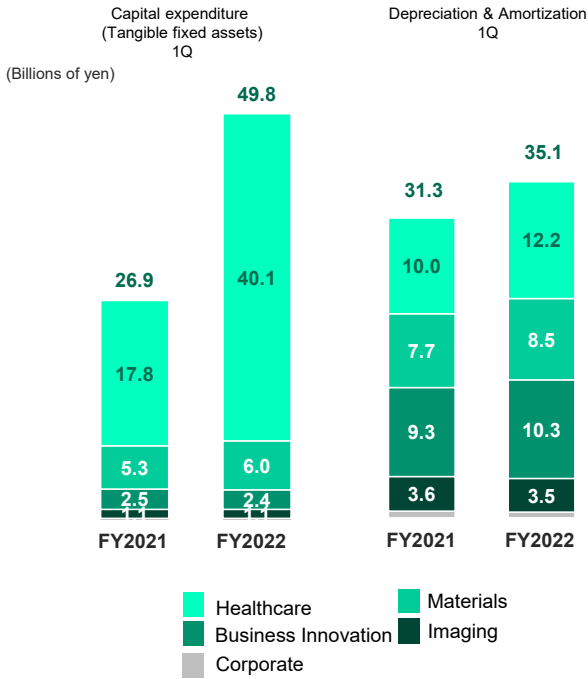
	Previous forecast (as of 2022/5/11)	Revised forecast (as of 2022/8/10)	Change
Healthcare	6.5	6.5	-
Acquisition(CDMO)	4.5	4.5	-
Others	2.0	2.0	-
Materials	2.5	2.5	-
Graphic / Others	2.5	2.5	-
Business Innovation	11.5	11.5	-
Structure strengthening expenses	8.0	8.0	-
Rebranding expenses	3.5	3.5	-
Imaging	2.5	2.5	-
Structure strengthening expenses / Others	2.5	2.5	-
Corporate	0.5	0.5	-
Total	23.5	23.5	-

Consolidated Revenue by Geographical Area

(Billions of yen)

	FY2021 Q1		FY2022 Q1		Change	
	Ratio (%)		Ratio (%)			
Japan	38.2%	222.4	35.8%	224.0	1.6	+0.7%
The Americas	21.1%	122.9	21.4%	133.7	10.8	+8.8%
Europe	12.5%	73.0	15.1%	94.2	21.2	+29.0%
China	14.2%	83.1	13.9%	86.7	3.6	+4.4%
Asia and others	28.2%	164.4	27.7%	174.0	9.6	+5.8%
Overseas	61.8%	360.3	64.2%	401.9	41.6	+11.5%
Consolidated total	100.0%	582.7	100.0%	625.9	43.2	+7.4%

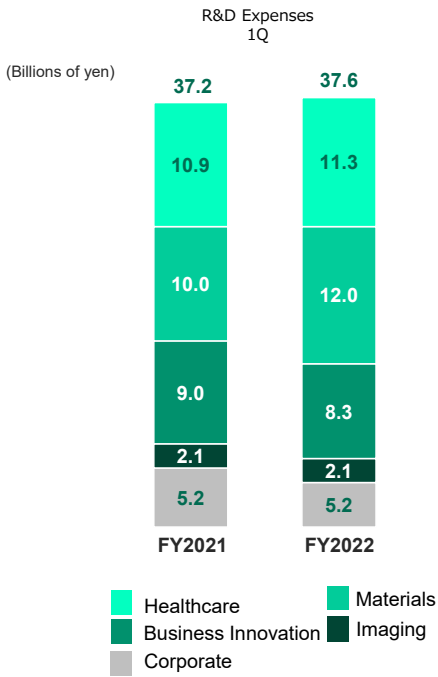
Capital Expenditure | Depreciation & Amortization



(Billions of yen)

	Q1		Full Year	
	FY2021	FY2022	FY2021	FY2022 Forecast
Healthcare	17.8	40.1	103.9	260.0
Materials	5.3	6.0	31.7	65.0
Business Innovation	2.5	2.4	12.1	11.0
Imaging	1.1	1.1	5.5	11.0
Corporate	0.2	0.2	2.0	3.0
Capex (Tangible fixed assets)	26.9	49.8	155.2	350.0
Healthcare	2.8	2.4	11.3	15.0
Materials	1.0	1.6	6.8	5.0
Business Innovation	5.2	12.4	31.4	30.0
Imaging	1.2	1.2	5.4	5.0
Corporate	0.7	0.8	3.9	5.0
Capex (Software, rental equipment and others)	10.9	18.4	58.8	60.0
Healthcare	10.0	12.2	44.5	54.0
Materials	7.7	8.5	32.4	35.0
Business Innovation	9.3	10.3	39.0	44.0
Imaging	3.6	3.5	14.1	15.0
Corporate	0.7	0.6	3.0	2.0
Depreciation & Amortization	31.3	35.1	133.0	150.0

R&D Expenses | SG&A Expenses



(Billions of yen)

	Q1		Full Year	
	FY2021	FY2022	FY2021	FY2022 Forecast
Healthcare	10.9	11.3	45.3	
Materials	10.0	12.0	39.9	
Business Innovation	9.0	8.3	33.2	
Imaging	2.1	2.1	8.5	
Corporate	5.2	3.9	23.6	
R&D Expenses	37.2	37.6	150.5	162.0
<Ratio to revenue>	6.4%	6.0%	6.0%	6.0%
SG&A Expenses	159.2	167.2	653.0	
<Ratio to revenue>	27.3%	26.8%	25.8%	

Market Trend and Number of Employees

Exchange Rates

(Yen)

	FY2021					FY2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2-Q4 Forecast	Full Year Forecast
¥/US\$	109	111	114	116	113	130	125	126
¥/€	132	130	130	130	131	138	132	134

Raw Material Prices (Average)

(¥1,000/kg)

	FY2021					FY2022		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2-Q4 Forecast	Full Year Forecast
Silver	93	86	86	88	89	95	98	97

Number of Employees

	Jun. 2021	Sep. 2021	Dec. 2021	Mar. 2022	Jun. 2022
Consolidated Total	75,879	75,007	74,842	75,474	75,341

Pipeline (as of August 10, 2022)

Development code	Therapeutic category	Formulation	Region	Development stage
T-705	Anti-COVID-19 drug	Oral	Japan	Submitted an application for permission
	Severe fever with thrombocytopenia syndrome virus drug		U.S.A.	P II
T-817MA	Alzheimer's disease drug	Oral	Japan	P III
			U.S.A.	P II
	Functional recovery after stroke (Promoting the effect of rehabilitation)		Japan	P II
	Europe		P II	
T-4288	New fluoroketolide antibacterial drug	Oral	Japan	Submitted an application for permission
FF-10501	Myelodysplastic syndrome drug	Oral	Japan	P I
			U.S.A.	P II
FF-10502	Advanced/recurrent solid cancer drug	Injection	U.S.A.	P II
FF-10832	Advanced solid cancer drug (Gemcitabine liposome)	Injection	U.S.A.	P I
FF-10850	Advanced solid cancer drug (Topotecan liposome)	Injection	U.S.A.	P I

*FF-10101: Development discontinued based on the results of clinical trials in the U.S.

References

- **FUJIFILM Holdings - Investor Relations**
<https://ir.fujifilm.com/en/investors.html>
- **FUJIFILM Holdings Integrated Reports**
<https://ir.fujifilm.com/en/investors/ir-materials/integrated-report.html>
- **IR Materials**
<https://ir.fujifilm.com/en/investors/ir-materials.html>
- **Business Activities of the Fujifilm Group**
<https://ir.fujifilm.com/en/investors/value/business.html>
- **Global Branding Campaign: NEVER STOP**
<https://brand.fujifilm.com/neverstop/en/>
- **Fujifilm's Response to the COVID-19 Pandemic**
<https://brand.fujifilm.com/covid19/>

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 Communications Division

<https://holdings.fujifilm.com/en>
