

# Earnings Presentation

## Financial Results for Q1 FY2023

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August 9, 2023

**FUJIFILM Holdings Corporation**

**NEVER  
STOP**

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.

**FUJIFILM**  
Value from Innovation

# Agenda

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FUJIFILM Holdings Corporation

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

# 01 Q1 FY2023 Earnings Highlights and Key Points

## Earnings Highlights for Q1 FY2023

### Consolidated Performance for Q1 FY2023

Revenue

**¥660.8 billion**

Change from FY22

↑+5.6%

Operating income

**¥52.2 billion**

↑+5.4%

Net income  
attributable to FUJIFILM Holdings

**¥54.4 billion**

↑+31.5%

- › Revenue increased mainly due to strong sales in Medical Systems and Imaging, and the impact of exchange rates.
- › Operating income rose mainly due to surging revenue from Imaging, despite a stagnant semiconductor market and other factors.
- › Net income attributable to FUJIFILM Holdings increased due to valuation gains on marketable and investment securities.

### Full-year Forecast for FY2023

Revenue

Record high

**¥2,950.0 billion**

Operating income

Record high

**¥290.0 billion**

Net income  
attributable to FUJIFILM Holdings

Record high

**¥225.0 billion**

(Announced on May 10, 2023)

- › Full-year forecast remains unchanged from the previous forecast, aiming to achieve record-high revenue and profit.
- › Annual dividend is planned to be ¥150 per share, marking the 14th consecutive annual increase.

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In the first quarter ended June 2023, revenue amounted to ¥660.8 billion, operating income amounted to ¥52.2 billion, and net income attributable to FUJIFILM Holdings amounted to ¥54.4 billion.

Revenue increased due to steady sales in the Medical Systems business and the Imaging segment, coupled with the impact of exchange rates.

Operating income rose mainly due to surging revenue in the Imaging segment, despite a stagnant semiconductor market and other factors.

Net income attributable to FUJIFILM Holdings increased due to valuation gains on marketable and investment securities and other factors.

In light of the strong performance of the Imaging segment and the current economic environment, including the semiconductor market, the overall full-year forecast for the fiscal year ending March 2024 will remain unchanged as we aim to achieve record-high revenue and profits, although full-year forecasts for some businesses will be revised.

As announced previously, the annual dividend for the fiscal year ending March 2024 is planned at ¥150, marking the 14th consecutive annual increase.

## Key Topics for Q1 FY2023 1/3

### Medical Systems

Reorganization of group companies in Japan has started in the current fiscal year to maximize Group synergies with FUJIFILM Healthcare Corporation.\*<sup>1</sup> We will rapidly build a robust business structure based on our Group's further enhanced collective capabilities, with the aim of achieving ¥1.0 trillion in revenue in FY2030.

FY2020  
Revenue  
¥349.0 billion

\*<sup>1</sup> Established through the acquisition of the diagnostic imaging-related business of Hitachi, Ltd. in March 2021

STEP 1  
FY2021  
Revenue  
¥533.8 billion

#### Creating sales and manufacturing synergies

- Started cross-selling
- Integrated manufacturing companies in Japan
- Integrated sales subsidiaries in the U.S.

#### Creating development synergies

- Launch of CTs and ultrasound diagnostic systems with AI-based functions
- Integrated local subsidiaries in Asia-Pacific and Europe

STEP 2  
FY2022  
Revenue\*<sup>2</sup>  
¥621.8 billion

#### Expanding Group synergies

- Launched X-ray diagnostic, fluoroscopic imaging systems
- Function-based reorganization of group companies in Japan (planned for completion in summer 2024)
  - > Consolidation of business strategy planning and R&D functions
  - > Consolidation of sales and maintenance service functions

Progressing as planned

STEP 3  
FY2023 to FY2024  
Revenue forecast  
¥650.0 billion

\*<sup>2</sup>: From FY2023, revenue and operating income from the non-destructive inspection equipment business are reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation. © FUJIFILM Holdings Corporation 5

I will now go over the performance highlights for the first quarter.

First, I would like to talk about the reorganization of our Medical Systems group companies in Japan that we announced in July.

Since we completed the acquisition of the diagnostic imaging-related business of Hitachi, Ltd. and established FUJIFILM Healthcare Corporation in March 2021, we have taken various measures to maximize Group synergies in stages.

In FY2021, the first year of such efforts, the Fujifilm Group focused on creating sales synergies, including the expansion of cross-selling, by integrating its sales subsidiaries in the U.S., the largest medical equipment market, to develop one-stop solutions that leverage the Group's technologies and products to meet the needs of the medical field.

In FY2022, the second year of such efforts, we created synergies in development, such as the launch of CTs and ultrasound diagnostic systems incorporating Fujifilm's AI technology, and also proceeded with the integration of subsidiaries in Asia Pacific and Europe.

And in the current fiscal year, the third year of such efforts, we will start reorganizing our group companies in Japan, which are our largest organization, to maximize synergies and further accelerate business growth. Specifically, we will consolidate our business strategy planning, R&D, and sales and maintenance service functions, which have been dispersed among the companies, on a company basis. We will further enhance the Group's collective capabilities by strengthening integrated operations and combining knowledge and expertise.

We have been implementing these measures in accordance with plans, and by completing the reorganization, which is the final stage, by the summer of 2024, we will further strengthen the Medical Systems business structure and aim to achieve revenue of ¥700.0 billion by FY2026 and ¥1.0 trillion in FY2030.

## Key Topics for Q1 FY2023 2/3

### Bio CDMO

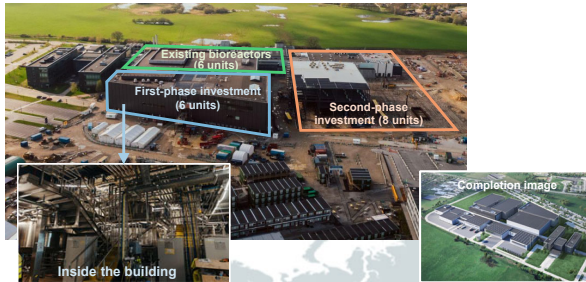
Large capital expenditure (20,000L bioreactors)

Progressing as planned at both the Denmark site (first-phase / second-phase) and North Carolina site in the U.S. Business negotiations with major pharmaceutical manufacturers are steadily progressing in preparation for full-scale operation



#### Denmark site

(First-phase investment: Scheduled to start operations in FY2024)



#### North Carolina site in the U.S.

(Scheduled to start operations in FY2025)



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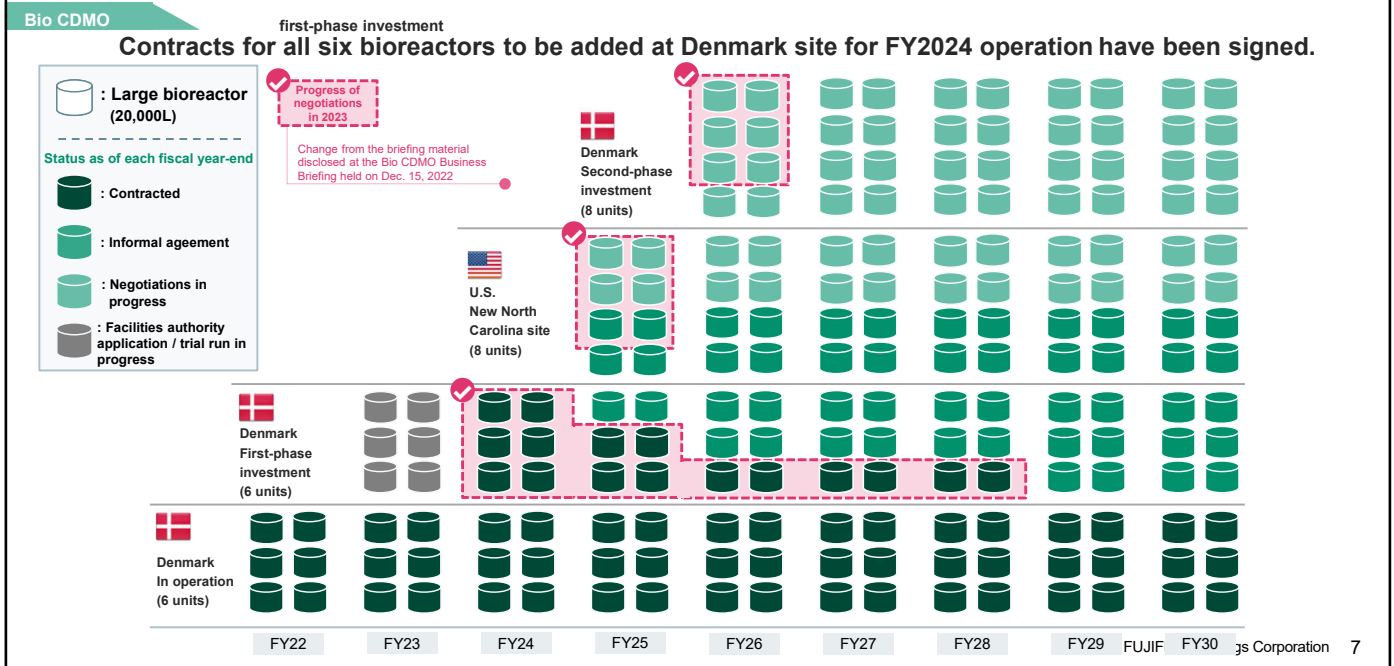
Next, about large capital expenditures in the Bio CDMO business.

In response to the strong need for biopharmaceutical contract manufacturing, we are making large-scale capital expenditures to add 20,000-liter bioreactors at our sites in Denmark and North Carolina in the U.S.

Through these expenditures, the number of 20,000-liter bioreactors, of which six are currently in operation at the Denmark site, will be increased to 28 in total at both sites by 2026, expanding the total global production capacity, including medium and small bioreactors, from the current 180,000 liters to an industry-leading level of 660,000 liters.

The photos on the slide show the latest status of this construction work at the Denmark and North Carolina sites. Construction at both sites is progressing in line with initial plans.

## Key Topics for Q1 FY2023 3/3



This chart shows the progress of negotiations with customers for 20,000-liter bioreactors, which are currently in operation or will gradually start operating in the future.

Progress has been made from the situation explained at the Bio CDMO Business Briefing held last December, and contracts for the FY2024 operation of six units to be added through first-phase investment at the Denmark site have been signed.

In addition, of the eight units scheduled to begin operations in FY2025 at the U.S. North Carolina site, informal agreements for additional two units have taken place and negotiations for the four units are in progress, putting us on track to conclude contracts with customers to begin full-fledged operation in FY2025. In addition, negotiations for the eight units scheduled to begin operations in FY2026 at the Denmark site as the second-phase investment are all in progress.

We will ensure the launch of the new facilities as planned and further accelerate growth of the Bio CDMO business from FY2024, when the large facilities will start operations, with the aim of recording revenue of ¥500.0 billion in FY2030.

# 02 Q1 FY2023 Financial Results and Business Summary by Operating Segment



## Financial Results for Q1 FY2023 (April to June 2023)

(Billions of yen)

	Q1				
	FY2022	FY2023	Change	Impact of exchange rate	Constant-currency basis
Revenue	625.9 100.0%	<b>660.8</b> <b>100.0%</b>	34.9 +5.6%	17.3	17.6 +2.8%
Operating Income	49.6 7.9%	<b>52.2</b> <b>7.9%</b>	2.6 +5.4%	4.0	(1.4) (2.6%)
Income before Income Taxes	55.2 8.8%	<b>69.3</b> <b>10.5%</b>	14.1 +25.5%	2.9	11.2 +20.2%
Net Income Attributable to FUJIFILM Holdings	41.4 6.6%	<b>54.4</b> <b>8.2%</b>	13.0 +31.5%	2.0	11.0 +26.6%
Net Income Attributable to FUJIFILM Holdings per Share	¥103.21	<b>¥135.66</b>	¥32.45	Other change factors (YoY): Impact of raw materials prices on operating income: -¥0.7 billion (Excluding prices of semiconductors and other components)	
Exchange Rates	¥/US\$ ¥/€	¥130 ¥138	¥8 ¥12		

In the first quarter of the fiscal year ending March 2024, revenue increased by 5.6% year-over-year to ¥660.8 billion due to strong sales in the Medical Systems, the Bio CDMO and the Imaging, coupled with the impact of exchange rates.

Operating income increased by 5.4% year-over-year to ¥52.2 billion due to higher profit on higher revenue and the impact of exchange rates, despite inventory write-downs in the Bio CDMO and LS Solutions businesses as well as the impact of a market slowdown for the Electronic Materials and Display Materials businesses.

Net income attributable to FUJIFILM Holdings increased by 31.5% year-over-year, to ¥54.4 billion, mainly due to valuation gains on marketable and investment securities.

## Consolidated Revenue and Operating Income by Operating Segment

(Billions of yen)

Revenue	Q1		Change		Constant-currency basis	
	FY2022	FY2023				
Healthcare	182.8	206.8	24.0	+13.1%	17.2	+9.4%
Materials	172.4	154.6	(17.8)	(10.4%)	(22.5)	(13.1%)
Business Innovation	188.2	194.2	6.0	+3.2%	3.8	+2.0%
Imaging	82.5	105.2	22.7	+27.6%	19.1	+23.2%
Total	625.9	660.8	34.9	+5.6%	17.6	+2.8%

Note: After elimination of intersegment transactions

(Billions of yen)

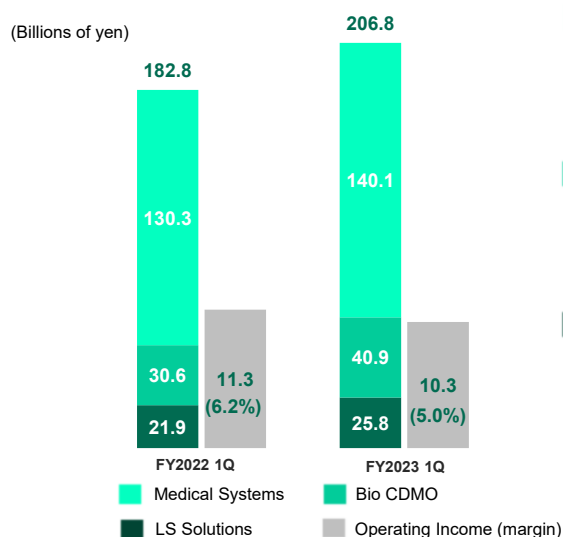
Operating Income	Q1		Change		Constant-currency basis	
	FY2022	FY2023				
Healthcare	11.3	10.3	(1.0)	(9.1%)	(1.8)	(16.2%)
Materials	22.3	9.3	(13.0)	(58.1%)	(14.6)	(65.5%)
Business Innovation	14.2	16.9	2.7	+18.7%	2.7	+18.4%
Imaging	10.5	23.3	12.8	2.2 times	11.3	2.1 times
Corporate Expenses & Eliminations	(8.7)	(7.6)	1.1	-	1.0	-
Total	49.6	52.2	2.6	+5.4%	(1.4)	(2.6%)

\*From FY2023, revenue and operating income from the non-destructive inspection equipment business are reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

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

## Business Summary: Healthcare

Revenue increased by 13.1% year-over-year due to higher contributions from all sub-segments, while operating income decreased by 9.1% year-over-year due to inventory write-downs in Bio CDMO and LS Solutions.



### Medical Systems

Revenue ¥140.1 billion (up 7.5% YoY)

- Revenue rose mainly due to steady sales of endoscope and medical IT systems. In endoscopes, sales of new products were brisk in Japan and sales grew mainly in Europe and China. In medical IT, strong sales of systems/services, in particular the Picture Archiving and Communication System (PACS) *SYNAPSE* and the 3D image analysis system *SYNAPSE VINCENT*, contributed to higher revenue.

### Bio CDMO

Revenue ¥40.9 billion (up 33.4% YoY)

- Revenue increased due to steady growth in contract manufacturing of antibody drugs, mainly at the Denmark site.
- Due to sluggish orders for gene therapy drugs, etc. against a backdrop of difficult fundraising climate for biotech venture customers, write-downs were recorded on components and consumables nearing the end of shelf life.

### LS Solutions

Revenue ¥25.8 billion (up 18.2% YoY)

- In Life Sciences, revenue increased mainly due to growth in shipments reflecting the easing of the tight supply-demand situation for raw materials to be used in biopharmaceutical cell culture media.
- Write-downs were recorded on some raw materials for use in cell culture media for coronavirus vaccines, which were secured in advance in response to a longer procurement lead time during the COVID-19 pandemic, as their shelf life was nearing its end.

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We will now look at an overview of the Healthcare segment.

Revenue increased 13.1% year-over-year to ¥206.8 billion due to higher contributions from all sub-segments, while operating income decreased 9.1% year-over-year to ¥10.3 billion due to inventory write-downs in the Bio CDMO and LS Solutions businesses.

In the Medical Systems business, revenue was driven higher by steady sales of endoscopes and medical IT systems.

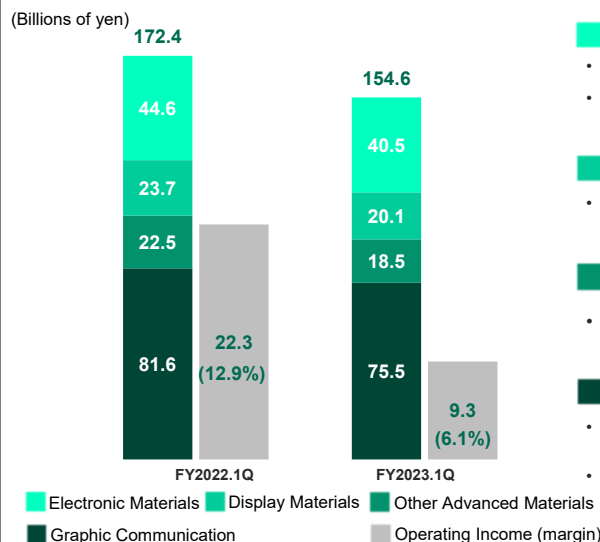
In the endoscope field, sales of new products fared well in Japan and overall sales grew mainly in Europe and China. In the Medical IT business, sales of systems and services, in particular the Picture Archiving and Communication System (PACS) *SYNAPSE* and the 3D image analysis system *SYNAPSE VINCENT*, were strong.

In the Bio CDMO business, revenue was higher mainly due to solid performance of contract manufacturing of antibody drugs mainly at the Denmark site. Meanwhile, sluggish orders for gene therapy and other drugs reflecting difficult fundraising climate for biotech venture customers led to write-downs on components and consumables nearing the end of their shelf life.

In the LS Solutions business, revenue was driven higher mainly due to growth in shipments, reflecting the easing of the tight supply-demand situation for raw materials to be used in biopharmaceutical cell culture media. However, write-downs were recorded on some raw materials for use in cell culture media for coronavirus vaccines, which were secured in advance in response to a longer procurement lead time during the COVID-19 pandemic, as their shelf life was nearing its end.

## Business Summary: Materials

Revenue and profit decreased by 10.4% and 58.1% year-over-year, respectively, mainly hit by the stagnant semiconductor market and lower demand for printing.



### Electronic Materials Revenue ¥40.5 billion (down 9.1% YoY)

- Revenue declined due to the impact of a slowdown in the semiconductor market.
- In May 2023, we announced the acquisition of the semiconductor process chemical business of Entegris, Inc. of the U.S. Various procedures are underway to complete the acquisition within the current fiscal year.

### Display Materials Revenue ¥20.1 billion (down 15.1% YoY)

- Revenue declined due to production adjustments across the entire supply chain in reaction to extraordinary demand during the COVID-19 pandemic and sluggish demand for consumer devices.

### Other Advanced Materials Revenue ¥18.5 billion (down 17.6% YoY)

- In Industrial Products, revenue fell as sales of EXCLEAR sensor film for touch panels were driven down by slow demand for business PCs.

### Graphic Communication Revenue ¥75.5 billion (down 7.6% YoY)

- In Graphic Communication, revenue in the printing plates field declined due to lower demand for printed materials mainly in Japan, Europe, and the U.S.
- In the inkjet business, revenue fell as sales of inkjet printheads to the ceramic market were driven down by sluggish demand in the European and Chinese markets.

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Moving on to the performance of the Materials segment.

Revenue decreased 10.4% year over year to ¥154.6 billion and operating income decreased 58.1% year over year to ¥9.3 billion mainly hit by the stagnant semiconductor market and lower printing demand.

In the Electronic Materials business, revenue decreased, hit by a slowdown in the semiconductor market. Regarding the acquisition of the semiconductor process chemical business of Entegris, Inc. of the U.S. that we announced in May 2023, various procedures are underway to complete the acquisition by the end of the current fiscal year.

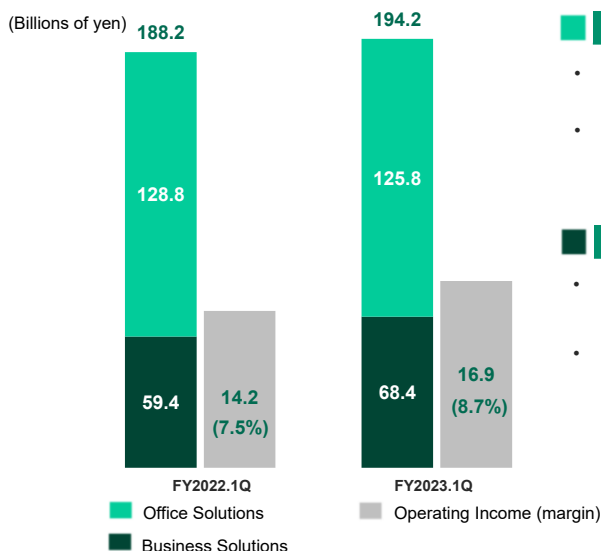
Revenue from the Display Materials business declined due to production adjustments across the entire supply chain in reaction to extraordinary demand during the COVID-19 pandemic, and also to sluggish demand for consumer devices.

In the Graphic Communication business, revenue in the printing plates field declined mainly due to lower demand for printed materials mainly in Japan, Europe, and the U.S.

In the inkjet business, revenue fell as sales of inkjet printheads to the ceramic market were driven down by sluggish demand in Europe and China.

## Business Summary: Business Innovation

Revenue and profit increased by 3.2% and 18.7% year-over-year, respectively, due to higher revenue from Business Solutions.



### Office Solutions

Revenue ¥125.8 billion (down 2.3% YoY)

- Revenue decreased as expansion of new OEMs and worldwide price revisions, among other factors, were not enough to offset lower exports to Europe and the U.S.
- In July 2023, we announced an expansion of production capacity for *Super EA-Eco Toner*, which features industry-leading low-temperature fusing performance. A new manufacturing process that reduces CO<sub>2</sub> emissions has also been introduced as we contribute to a decarbonized society through product supply.

### Business Solutions

Revenue ¥68.4 billion (up 15.2% YoY)

- Revenue rose due to an increase in sales to municipalities in Japan and contributions from the Australian IT service company MicroChannel Services acquired in the previous fiscal year.
- In June 2023, we started offering the *Integrated Damage Survey System* and the *House Damage Assessment Application* to help speed up the issuance of disaster victim certificates by municipalities. In addition, as a solution / service to realize CHX (Customer Happy Experience) through customers' DX activities, we launched the *IT Expert Services*, which is a one-stop IT support service tailored to customer needs, providing everything from IT asset visualization and operation/management to environmental improvement support.

Moving on to the performance of the Business Innovation segment.

Higher revenue from the Business Solution business boosted overall revenue by 3.2% year-over-year to ¥194.2 billion and operating income by 18.7% year-over-year to ¥16.9 billion.

In the Office Solutions business, revenue declined as expansion of new OEMs, worldwide price revisions and other factors were not enough to offset lower exports to Europe and the U.S.

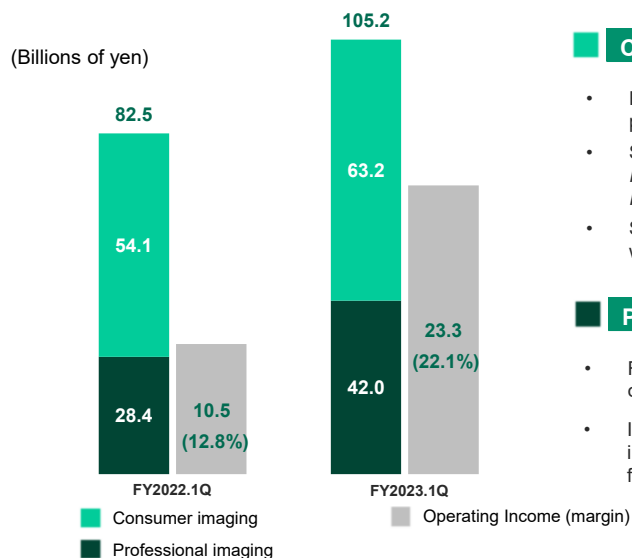
In July 2023, we announced an expansion of production capacity for the *Super EA-Eco Toner*, which features industry-leading low-temperature fusing performance. A new manufacturing process that reduces CO<sub>2</sub> emissions has also been introduced as we contribute to a decarbonized society through product supply.

In the Business Solutions business, revenue was driven upward by an increase in sales to municipalities in Japan and contribution to sales from Australian IT service company MicroChannel Services acquired in FY2022.

In June 2023, we started offering the *Integrated Damage Survey System* and the *House Damage Assessment Application* to help speed up the issuance of disaster victim certificates by municipalities. In addition, as a solution/service to realize CHX (Customer Happy Experience) through customers' DX activities, we announced the *IT Expert Services*, which is a one-stop IT support service tailored to customer needs, providing everything from IT asset visualization and operation/management to environmental improvement support.

## Business Summary: Imaging

Revenue rose by 27.6% year-over-year and operating income increased 2.2 times year-over-year due to brisk sales of instant photo systems and digital cameras.



### Consumer Imaging

Revenue ¥63.2 billion (up 17.0% YoY)

- Revenue increased due to steady sales of instant photo systems, color photographic paper and dry minilabs/materials.
- Sales of the latest entry-level model *INSTAX mini 12*, the hybrid instant camera *INSTAX mini Evo* incorporating digital technology, and the smartphone printer *INSTAX mini Link2* fared well.
- Sales of the *INSTAX SQUARE SQ40* compatible with square format films, which was released in June 2023, were also strong.

### Professional Imaging

Revenue ¥42.0 billion (up 47.9% YoY)

- Revenue from digital cameras increased significantly, mainly due to solid sales of *X-H2*, *X-H2S* and *X-T5*, which were released in FY2022.
- In June 2023, we launched the *X-S20* all-in-one compact and lightweight model incorporating a high-capacity battery, high-performance AF and video recording functions.

Moving on to the performance of the Imaging segment.

Revenue rose by 27.6% year-over-year to ¥105.2 billion and operating income soared 2.2 times year-over-year to ¥23.3 billion due to brisk sales of instant photo systems and digital cameras.

In the Consumer Imaging business, revenue was boosted by strong sales of instant photo systems, color photographic paper and dry minilabs/materials.

Regarding instant photo systems, sales fared well for the latest entry-level model *INSTAX mini 12*, the hybrid instant camera *INSTAX mini Evo* incorporating digital technology, and the smartphone printer *INSTAX mini Link2*. In June 2023, we launched the *INSTAX SQUARE SQ40* compatible with square format films, which has been well received.

In the Professional Imaging business, revenue increased significantly due mainly to strong sales of *X-H2*, *X-H2S* and *X-T5*, which were launched in the previous fiscal year. In June 2023, we released the *X-S20* all-in-one compact and lightweight model, incorporating a high-capacity battery, high-performance AF and video recording functions.

## Consolidated Balance Sheets

					(Billions of yen)				
	Mar. 2022	Mar. 2023	Jun. 2023	Change from Mar. 2023		Mar. 2022	Mar. 2023	Jun. 2023	Change from Mar. 2023
Cash and cash equivalents	486.3	268.6	250.0	(18.6)	Short-term and long-term debt	447.2	376.2	464.4	88.2
Notes and accounts receivable	598.6	633.1	611.6	(21.5)	Notes and accounts payable	303.2	320.4	325.1	4.7
Inventories	504.5	567.3	630.3	63.0	Other liabilities	680.0	649.8	676.7	26.9
Other current assets	135.3	162.1	191.8	29.7	<b>Total liabilities</b>	<b>1,430.4</b>	<b>1,346.4</b>	<b>1,466.2</b>	<b>119.8</b>
<b>Total current assets</b>	<b>1,724.7</b>	<b>1,631.1</b>	<b>1,683.7</b>	<b>52.6</b>	Total FUJIFILM Holdings shareholders' equity	2,502.7	2,763.1	2,905.0	141.9
Property, plant and equipment	736.8	976.1	1,094.9	118.8	Noncontrolling interests	22.2	24.8	3.4	(21.4)
Goodwill, net	824.0	858.3	888.8	30.5	<b>Total equity</b>	<b>2,524.9</b>	<b>2,787.9</b>	<b>2,908.4</b>	<b>120.5</b>
Investment securities and other	669.8	668.8	707.2	38.4	<b>Total liabilities and equity</b>	<b>3,955.3</b>	<b>4,134.3</b>	<b>4,374.6</b>	<b>240.3</b>
<b>Total noncurrent assets</b>	<b>2,230.6</b>	<b>2,503.2</b>	<b>2,690.9</b>	<b>187.7</b>					
<b>Total assets</b>	<b>3,955.3</b>	<b>4,134.3</b>	<b>4,374.6</b>	<b>240.3</b>					
					(yen)				
					Exchange Rates	Mar. 2022	Mar. 2023	Jun. 2023	Change from Mar. 2023
					¥/US\$	¥122	¥134	¥145	¥11
					¥/€	¥137	¥146	¥158	¥12

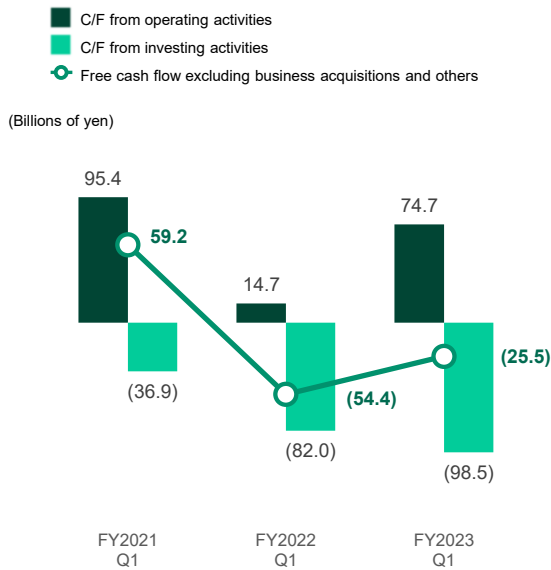
Now, let's take a look at the Balance Sheet.

Total assets as of June 30, 2023 amounted to ¥4,374.6 billion, up ¥240.3 billion from the end of March 2023, mainly due to increases in property, plant and equipment and inventories.

Total liabilities increased by ¥119.8 billion to ¥1,466.2 billion.

FUJIFILM Holdings shareholders' equity increased by ¥141.9 billion to ¥2,905.0 billion.

## Consolidated Cash Flow



(Billions of yen)

	FY2021 Q1	FY2022 Q1	FY2023 Q1
<b>Net income</b>	<b>58.3</b>	<b>41.4</b>	<b>53.4</b>
Depreciation & amortization	31.3	35.1	36.0
Change in notes and accounts receivable	72.1	23.3	43.3
Change in inventories	(39.6)	(62.5)	(39.3)
Change in notes and accounts payable - trade	5.1	(5.1)	(0.9)
Others	(31.8)	(17.5)	(17.8)
<b>C/F from operating activities</b>	<b>95.4</b>	<b>14.7</b>	<b>74.7</b>
Capital expenditure	(27.5)	(52.0)	(93.4)
Purchases of software	(7.0)	(11.3)	(8.0)
Sales and purchases of marketable and investment securities	(0.5)	1.9	1.7
Acquisitions of businesses	(0.2)	(14.8)	-
Others	(1.7)	(5.8)	1.2
<b>C/F from investing activities</b>	<b>(36.9)</b>	<b>(82.0)</b>	<b>(98.5)</b>
<b>Free cash flows</b>	<b>58.5</b>	<b>(67.3)</b>	<b>(23.8)</b>
<b>Free cash flows excluding business acquisitions and others*</b>	<b>59.2</b>	<b>(54.4)</b>	<b>(25.5)</b>

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

Let's move on to cash flow.

Net cash provided by operating activities increased by ¥60.0 billion year over year to ¥74.7 billion, mainly due to a decrease in notes and accounts receivable.

Net cash used in investing activities increased by ¥16.5 billion year-over-year to ¥98.5 billion, due to an expansion of capital expenditure mainly on the Bio CDMO business.

As a result, free cash flow excluding business acquisitions and others was a negative ¥25.5 billion.

This concludes the overview of the Company's performance for the first quarter of the fiscal year ending March 2024.



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## 03 Financial Forecast for FY2023

## Full-year Forecast for FY2023

	(Billions of yen)				
	FY2022 Actual	FY2023 Previous forecast (as of May 10, 2023)	FY2023 Revised forecast (as of August 9, 2023)	Change from FY2022	Change from previous forecast
Revenue	2,859.0 100.0%	2,950.0 100.0%	<b>2,950.0</b> <b>100.0%</b> Record high	91.0 +3.2%	-
Operating Income	273.1 9.6%	290.0 9.8%	<b>290.0</b> <b>9.8%</b> Record high	16.9 +6.2%	-
Income before Income Taxes	282.2 9.9%	295.0 10.0%	<b>295.0</b> <b>10.0%</b> Record high	12.8 +4.5%	-
Net Income Attributable to FUJIFILM Holdings	219.4 7.7%	225.0 7.6%	<b>225.0</b> <b>7.6%</b> Record high	5.6 +2.5%	-
Net Income Attributable to FUJIFILM Holdings per Share (*)	¥547.21	¥560.96	<b>¥560.95</b>	¥13.74	(¥0.01)
ROE	8.3%	8.0%	<b>8.0%</b>	(0.3%)	-
ROIC	6.1%	5.9%	<b>5.9%</b>	(0.2%)	-
CCC	125 days	111 days	<b>111 days</b>	(14 days)	-
Exchange Rates					
¥ /US\$	¥136	¥135	<b>¥136</b>	-	¥1
¥ /€	¥141	¥145	<b>¥146</b>	¥5	¥1
Silver Price (/kg)	¥93,000	¥106,000	<b>¥106,000</b>	¥13,000	-

\*Net income attributable to FUJIFILM Holdings per share is calculated by using the number of shares issued as of June 30, 2023 (excluding treasury shares) as the average number of shares for the relevant period.

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Our full-year consolidated forecast for the fiscal year ending March 2024 remain unchanged from the previous forecast, with revenue of ¥2,950.0 billion, operating income of ¥290.0 billion, and net income attributable to FUJIFILM Holdings of ¥225.0 billion, aimed at breaking our record highs.

## Financial Forecast by Operating Segment

(Billions of yen)

Revenue	FY2022 Actual	FY2023 Previous forecast (as of May 10, 2023)	FY2023 Revised forecast (as of August 9, 2023)	Change		Constant-currency basis	
Healthcare	928.6	970.0	970.0	-	-	(3.0)	(0.3%)
Materials	682.0	715.0	705.0	(10.0)	(1.4%)	(12.0)	(1.7%)
Business Innovation	838.1	845.0	845.0	-	-	(1.0)	(0.1%)
Imaging	410.3	420.0	430.0	10.0	+2.4%	8.5	+2.0%
Total	2,859.0	2,950.0	2,950.0	-	-	(7.5)	(0.3%)

Operating Income	FY2022 Actual	FY2023 Previous forecast (as of May 10, 2023)	FY2023 Revised forecast (as of August 9, 2023)	Change		Constant-currency basis	
Healthcare	102.8	116.0	112.0	(4.0)	(3.4%)	(4.6)	(4.0%)
Materials	65.4	63.0	58.0	(5.0)	(7.9%)	(5.5)	(8.7%)
Business Innovation	69.5	75.0	78.0	3.0	+4.0%	2.9	+3.9%
Imaging	72.9	75.0	80.0	5.0	+6.7%	4.2	+5.6%
Corporate Expenses & Eliminations	(37.5)	(39.0)	(38.0)	1.0	-	1.0	-
Total	273.1	290.0	290.0	-	-	(2.0)	(0.7%)

\*From FY2023, revenue and operating income from the non-destructive inspection equipment business are reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

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Financial forecast by segment is as shown here.

We will revise revenue and operating income in light of the first quarter results, current business conditions, and the future market environment.

Revenue for the Imaging segment, where performance is strong, will be revised upward by ¥10.0 billion, while revenue for the Materials segment, where the Electronic Materials business is being hit by the semiconductor market downturn, will be revised downward by ¥10.0 billion.

Operating income for the strong Imaging segment and the Business Innovation segment, where costs are being reduced, will be revised upward, but operating income for the Healthcare segment, where inventory write-downs were recorded, and the Materials segment, which has been affected by the semiconductor market, will be revised downward.

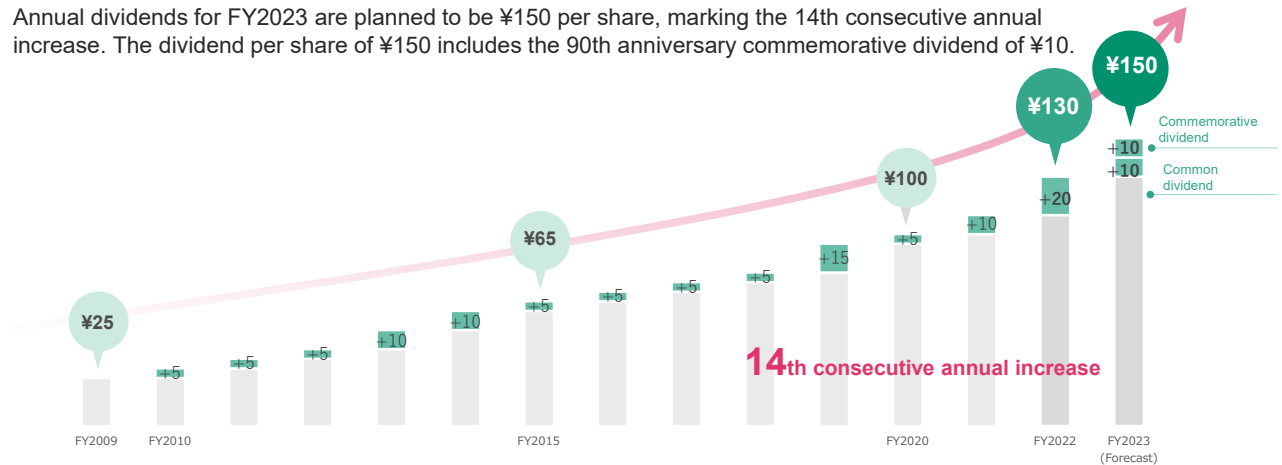
For revision on a segment basis, please refer to page 28.

# Shareholder Returns

## Shareholder Returns

### Dividends

- > Annual dividends for FY2023 are planned to be ¥150 per share, marking the 14th consecutive annual increase. The dividend per share of ¥150 includes the 90th anniversary commemorative dividend of ¥10.



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The annual dividend forecast for the fiscal year ending March 2024 is ¥150 per share, including the 90th anniversary commemorative dividend of ¥10, marking the 14th consecutive annual dividend increase.

# 04 Appendices: Financial Results for Q1 FY2023

## Q1 Earnings: Healthcare

(Billions of yen)

Revenue	Q1					
	FY2022	FY2023	Change		Constant-currency basis	
Medical Systems	130.3	140.1	9.8	+7.5%	6.0	+4.5%
Bio CDMO	30.6	40.9	10.3	+33.4%	8.0	+26.1%
LS Solutions	21.9	25.8	3.9	+18.2%	3.2	+14.8%
Total	182.8	206.8	24.0	+13.1%	17.2	+9.4%

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1					
	FY2022	FY2023	Change		Constant-currency basis	
Healthcare	11.3 [6.2%]	10.3 [5.0%]	(1.0)	(9.1%)	(1.8)	(16.2%)

\*From FY2023, revenue and operating income from the non-destructive inspection equipment business are reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

## Q1 Earnings: Materials

Revenue	Q1				
	FY2022	FY2023	Change		Constant-currency basis
Electronic Materials	44.6	40.5	(4.1)	(9.1%)	(5.9) (13.1%)
Display Materials	23.7	20.1	(3.6)	(15.4%)	(3.6) (15.4%)
Other Advanced Materials	22.5	18.5	(4.0)	(17.6%)	(4.6) (20.0%)
Graphic Communication	81.6	75.5	(6.1)	(7.6%)	(8.4) (10.6%)
Total	172.4	154.6	(17.8)	(10.4%)	(22.5) (13.1%)

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1				
	FY2022	FY2023	Change		Constant-currency basis
Materials	22.3 [12.9%]	9.3 [6.1%]	(13.0)	(58.1%)	(14.6) (65.5%)

\*From FY2023, revenue and operating income from the non-destructive inspection equipment business are reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

## Q1 Earnings: Business Innovation

Revenue	Q1					
	FY2022	FY2023	Change		Constant-currency basis	
Office Solutions	128.8	125.8	(3.0)	(2.3%)	(5.0)	(3.9%)
Business Solutions	59.4	68.4	9.0	+15.2%	8.8	+14.9%
Total	188.2	194.2	6.0	+3.2%	3.8	+2.0%

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1					
	FY2022	FY2023	Change		Constant-currency basis	
Business Innovation	14.2 [7.5%]	16.9 [8.7%]	2.7	+18.7%	2.7	+18.4%



## Q1 Earnings: Imaging

Revenue	Q1					
	FY2022	FY2023	Change		Constant-currency basis	
Consumer Imaging	54.1	63.2	9.1	+17.0%	6.4	+11.9%
Professional Imaging	28.4	42.0	13.6	+47.9%	12.7	+44.7%
Total	82.5	105.2	22.7	+27.6%	19.1	+23.2%

Note: After elimination of intersegment transactions

Operating Income [Operating Margin]	Q1					
	FY2022	FY2023	Change		Constant-currency basis	
Imaging	10.5 [12.8%]	23.3 [22.1%]	12.8	2.2 times	11.3	2.1 times

## Operating Income Analysis (Q1 FY2023 vs Q1 FY2022)

	Q1		Change		FX	Raw material price	One-time cost	Operation and others
	FY2022 Actual	FY2023 Actual						
*4 Healthcare	11.3	10.3	(1.0)	(9.1%)	0.8	(0.5)	(4.6)	3.3
Materials	22.3	9.3	(13.0)	(58.1%)	1.6	0.1	(0.2)	(14.5)
Business Innovation	14.2	16.9	2.7	+18.7%	0.0	(0.1)	1.2	1.6
Imaging	10.5	23.3	12.8	2.2 times	1.5	(0.2)	0.5	11.0
Corporate Expenses & Eliminations	(8.7)	(7.6)	1.1	-	0.1	-	-	1.0
<b>Total</b>	<b>49.6</b>	<b>52.2</b>	<b>2.6</b>	<b>+5.4%</b>	<b>*1 4.0</b>	<b>*2 (0.7)</b>	<b>*3 (3.1)</b>	<b>2.4</b>

\*1: Foreign exchange rate

	FY2022	FY2023
¥/US\$	¥ 130	¥ 138
¥/€	¥ 138	¥ 150

\*2: By raw materials (excluding semiconductor impact)

	Q1
Silver	(0.7)
Aluminum	1.2
Others(fuel etc)	(1.2)
<b>Total</b>	<b>(0.7)</b>

\*3: One-time cost breakdown

	FY2022	FY2023	Change
<b>Healthcare</b>	<b>1.3</b>	<b>5.9</b>	<b>(4.6)</b>
Acquisition (CDMO)	1.1	-	1.1
Inventory write-downs(CDMO / LS)	-	5.0	(5.0)
Others	0.2	0.9	(0.7)
<b>Materials</b>	<b>0.4</b>	<b>0.6</b>	<b>(0.2)</b>
Graphic / Others	0.4	0.6	(0.2)
<b>Business Innovation</b>	<b>1.2</b>	<b>-</b>	<b>1.2</b>
Structure strengthening expenses	0.5	-	0.5
Rebranding expenses	0.7	-	0.7
<b>Imaging</b>	<b>1.0</b>	<b>0.5</b>	<b>0.5</b>
Structure strengthening expenses / Others	1.0	0.5	0.5
<b>Corporate</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3.9</b>	<b>7.0</b>	<b>(3.1)</b>

\*4: From FY2023 onwards, revenue and operating income from the non-destructive inspection equipment business will be reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

# Full-year Forecast for FY2023

## Revenue by Business

	FY2022 Actual	FY2023 Previous forecast (as of May 10, 2023)	FY2023 Revised forecast (as of August 9, 2023)	Change from previous year		Change from previous forecast	
						(Billions of yen)	
<b>Healthcare</b>	<b>928.6</b>	<b>970.0</b>	<b>970.0</b>	<b>41.4</b>	<b>+4.5%</b>	-	-
Medical Systems	621.8	650.0	650.0	28.2	+4.5%	-	-
Bio CDMO	194.2	195.0	195.0	0.8	+0.4%	-	-
LS Solutions	112.6	125.0	125.0	12.4	+11.0%	-	-
<b>Materials</b>	<b>682.0</b>	<b>715.0</b>	<b>705.0</b>	<b>23.0</b>	<b>+3.4%</b>	<b>(10.0)</b>	<b>(1.4%)</b>
Electronic Materials	180.6	200.0	190.0	9.4	+5.2%	(10.0)	(5.0%)
Display Materials	70.1	75.0	75.0	4.9	+6.9%	-	-
Other Advanced Materials	89.3	95.0	95.0	5.7	+6.3%	-	-
Graphic Communication	342.0	345.0	345.0	3.0	+0.9%	-	-
<b>Business Innovation</b>	<b>838.1</b>	<b>845.0</b>	<b>845.0</b>	<b>6.9</b>	<b>+0.8%</b>	-	-
Office Solutions	555.5	555.0	555.0	(0.5)	(0.1%)	-	-
Business Solutions	282.6	290.0	290.0	7.4	+2.6%	-	-
<b>Imaging</b>	<b>410.3</b>	<b>420.0</b>	<b>430.0</b>	<b>19.7</b>	<b>+4.8%</b>	<b>10.0</b>	<b>+2.4%</b>
Consumer Imaging	266.9	270.0	275.0	8.1	+3.0%	5.0	+1.9%
Professional Imaging	143.4	150.0	155.0	11.6	+8.1%	5.0	+3.3%
<b>Total</b>	<b>2,859.0</b>	<b>2,950.0</b>	<b>2,950.0</b>	<b>91.0</b>	<b>+3.2%</b>	-	-
<b>Exchange Rates</b>							
¥ /US\$	¥136	¥135	¥136	-		¥1	
¥ /€	¥141	¥145	¥146	¥5		¥1	

\*From FY2023, revenue and operating income from the non-destructive inspection equipment business are reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

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

(announced on May 10, 2023)

	FY2023 Full year		(Billions of yen)					
	Previous forecast (as of May 10, 2023)	Revised forecast (as of August 9, 2023)	Change		FX	Raw material price	One-time cost	Operation and others
*4 Healthcare	116.0	112.0	(4.0)	(3.4%)	0.6	-	(5.0)	0.4
Materials	63.0	58.0	(5.0)	(7.9%)	0.5	-	(1.0)	(4.5)
Business Innovation	75.0	78.0	3.0	+4.0%	0.1	-	-	2.9
Imaging	75.0	80.0	5.0	+6.7%	0.8	-	-	4.2
Corporate Expenses & Eliminations	(39.0)	(38.0)	1.0	-	-	-	-	1.0
Total	290.0	290.0	-	-	*1 2.0	*2 -	*3 (6.0)	4.0

## \*1: Foreign exchange rate

	Previous (5/10/2023)	Revised (8/9/2023)
¥/US\$	¥ 135	¥ 136
¥/€	¥ 145	¥ 146

## \*2: By raw materials (excluding semiconductor impact)

	Full year
Silver	-
Aluminum	-
Others(fuel etc)	-
Total	-

## \*3: One-time cost breakdown

	Previous forecast (as of May 10, 2023)	Revised forecast (as of August 9, 2023)	Change
<b>Healthcare</b>	2.5	7.5	(5.0)
Inventory write-downs(CDMO / LS)	-	5.0	(5.0)
Others	2.5	2.5	-
<b>Materials</b>	4.5	5.5	(1.0)
Acquisition (Electronic Materials)	-	1.0	(1.0)
Graphic / Others	4.5	4.5	-
<b>Business Innovation</b>	-	-	-
Structure strengthening expenses	-	-	-
Rebranding expenses	-	-	-
<b>Imaging</b>	2.0	2.0	-
Structure strengthening expenses / Others	2.0	2.0	-
<b>Corporate</b>	-	-	-
<b>Total</b>	9.0	15.0	(6.0)

\*4: From FY2023 onwards, revenue and operating income from the non-destructive inspection equipment business will be reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

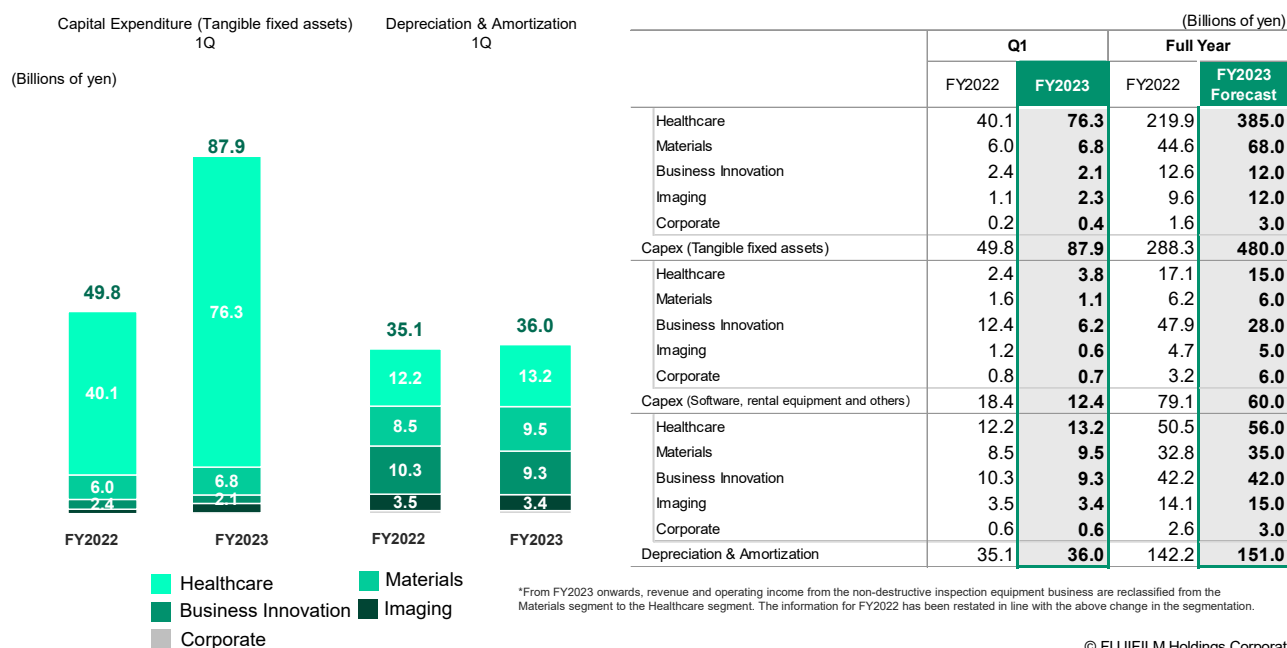
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## Consolidated Revenue by Geographical Area

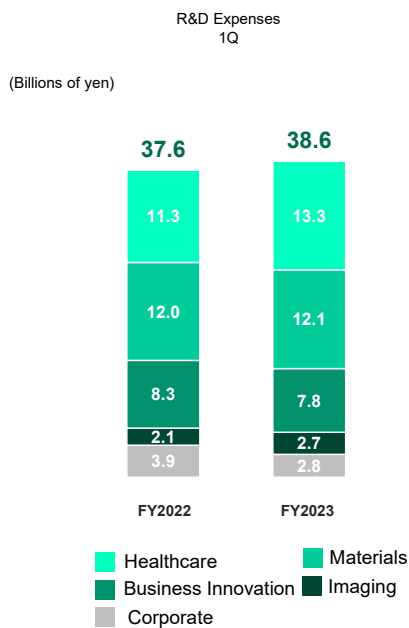
(Billions of yen)

	FY2022 Q1		FY2023 Q1		Change	
	Ratio (%)		Ratio (%)			
Japan	35.8%	224.0	36.2%	239.1	15.1	+6.7%
The Americas	21.4%	133.7	22.2%	146.5	12.8	+9.6%
Europe	15.1%	94.2	13.6%	89.9	(4.3)	(4.6%)
China	13.9%	86.7	14.4%	95.3	8.6	+9.9%
Asia and others	27.7%	174.0	28.0%	185.3	11.3	+6.5%
Overseas	64.2%	401.9	63.8%	421.7	19.8	+4.9%
Consolidated total	100.0%	625.9	100.0%	660.8	34.9	+5.6%

## Capital Expenditure and Depreciation & Amortization



## R&D Expenses and SG&A Expenses



(Billions of yen)

	Q1		Full Year	
	FY2022	FY2023	FY2022	FY2023 Forecast
Healthcare	11.3	13.3	49.0	
Materials	12.0	12.1	46.4	
Business Innovation	8.3	7.8	33.1	
Imaging	2.1	2.7	9.5	
Corporate	3.9	2.8	16.1	
<b>R&amp;D Expenses</b>	<b>37.6</b>	<b>38.6</b>	<b>154.1</b>	<b>165.0</b>
<Ratio to revenue>	6.0%	5.8%	5.4%	5.6%
<b>SG&amp;A Expenses</b>	<b>167.2</b>	<b>172.4</b>	<b>710.7</b>	
<Ratio to revenue>	26.8%	26.1%	24.8%	

\*From FY2023 onwards, revenue and operating income from the non-destructive inspection equipment business are reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated in line with the above change in the segmentation.

## Market Trend and Number of Employees

### Exchange Rates

(Yen)

	FY2022					FY2023		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2-Q4 Forecast	Full Year
¥/US\$	130	139	141	132	136	138	135	136
¥/€	138	139	144	142	141	150	145	146

### Exchange rate sensitivity: Impact of 1 yen change (full year)

	Revenue	Operating Income
US\$ (per 1 yen)	5.0 billion yen	0.6 billion yen
€ (per 1 yen)	1.5 billion yen	0.8 billion yen

### Raw Material Prices (Average)

(¥1,000/kg)

	FY2022					FY2023		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2-Q4 Forecast	Full Year
Silver	95	86	94	97	93	106	106	106

### Number of Employees

	Jun. 2022	Sep. 2022	Dec. 2022	Mar. 2023	Jun. 2023
Consolidated Total	75,341	75,090	74,491	73,878	73,583



## Pipeline (as of August 9, 2023)

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

## References

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- **FUJIFILM Holdings Integrated Reports**  
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- **Business Activities of the Fujifilm Group**  
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- **Global Branding Campaign: NEVER STOP**  
<https://brand.fujifilm.com/neverstop/en/>

# 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>