FUJIFILM Holdings Corporation

Earnings Presentation for the First Quarter Ended June 30, 2024

August 7, 2024

Event Summary

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Teiichi Goto	President and CEO, Representative Director
Masayuki Higuchi	CFO, Director and Corporate Vice President
Naoki Hama	Director/President, Representative Director & CEO of FUJIFILM Business Innovation Corp.
Chisato Yoshizawa	Director & Corporate Vice President, General Manager of Corporate Communications Division and General Manager of ESG Division
Toshihisa Iida	Corporate Vice President, General Manager of Life Sciences Strategy Headquarters and General Manager of Bio CDMO Division, FUJIFILM Corporation

Presentation

Moderator: We will now begin the presentation of FUJIFILM Holdings' Q1 financial results for the fiscal year ending March 31, 2025. Thank you very much for taking time out of your busy schedule to attend our information session today.

I would like to introduce today's attendees. Teiichi Goto, President and CEO of FUJIFILM Holdings.

Goto: Thank you.

Moderator: Masayuki Higuchi, CFO, Director and Corporate Vice President of FUJIFILM Holdings.

Higuchi: My name is Higuchi. Thank you.

Moderator: Naoki Hama, Director of FUJIFILM Holdings, President, Representative Director & CEO of FUJIFILM Business Innovation Corp.

Hama: I am Hama. Thank you.

Moderator: Chisato Yoshizawa, Director & CorporateVice President, General Manager of Corporate Communications Division and General Manager of ESG Division of FUJIFILM Holdings.

Yoshizawa: My name is Yoshizawa. Thank you.

Moderator: Toshihisa Iida, Corporate Vice President, General Manager of Life Science Strategy Headquarters and General Manager of Bio CDMO Division, FUJIFILM Corporation.

Iida: My name is Iida. Thank you.

Moderator: My name is Nagasawa from Corporate Communications Division, and I will be your moderator today. Thank you very much for your cooperation.

Agenda

Consolidated Financial Rsults for Q1 FY2024 (April to June 2024)

1 **Earnings Highlights and Key Topics**
TeiichiGoto, Presidentand CEO, RepresentativeDirector,
FUJIFILM HoldingsCorporation

2 **Financial Results and Business Summary by Operating Segment**
Masayuki Higuchi, CFO, Director and Corporate Vice President,
FUJIFILM HoldingsCorporation

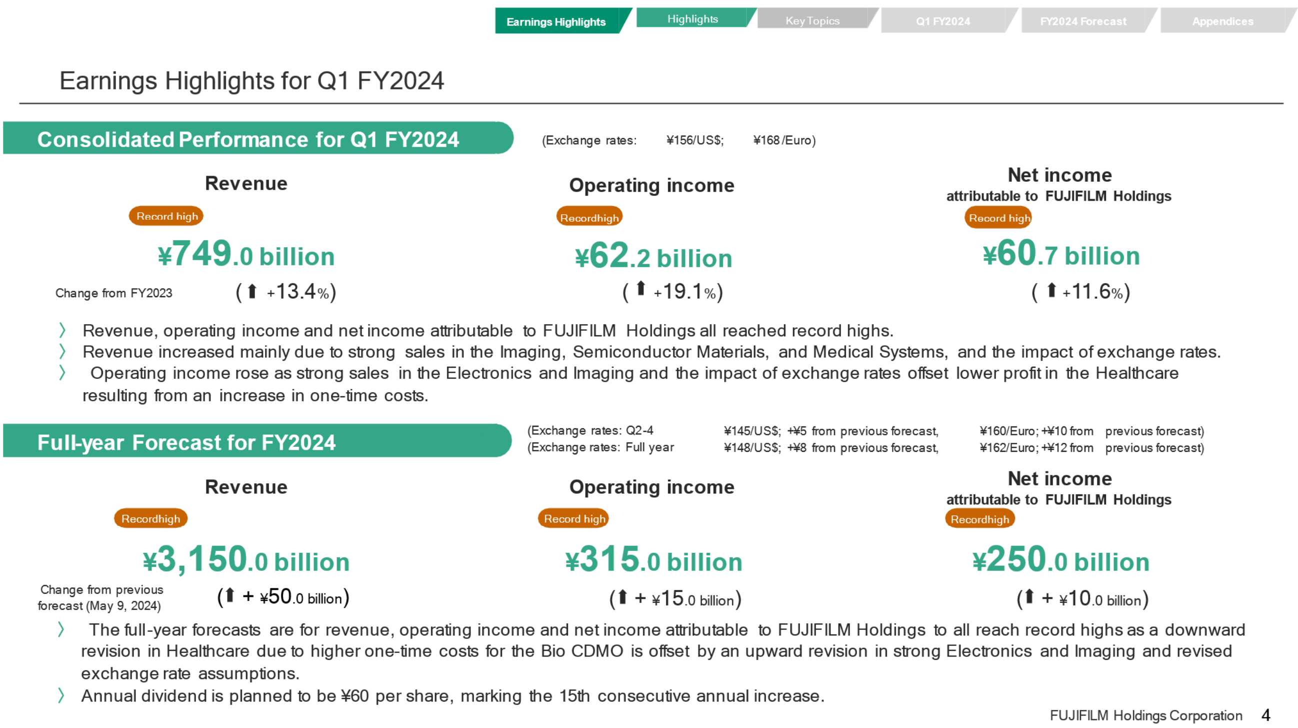
FY2024 (Fiscal Year Ending March 2025)

3 **Financial Forecast for FY2024**
Masayuki Higuchi, CFO, Director and Corporate Vice President,
FUJIFILM HoldingsCorporation

FUJIFILM Holdings Corporation 2

At today's briefing, Goto will first present financial highlights and topics. Next, Higuchi will explain the consolidated financial results and business overview, and the consolidated financial forecast for the fiscal year ending March 31, 2025. A question-and-answer session will follow.

Now, Goto will begin the explanation.



Goto: I am Goto. I will begin with an overview of FUJIFILM Holdings consolidated financial results for Q1 of the fiscal year ending March 31, 2025.

Net sales for Q1 were JPY749 billion, operating income was JPY62.2 billion, and net income attributable to FUJIFILM Holdings was JPY60.7 billion. Net sales, operating income, and net income attributable to FUJIFILM Holdings for the quarter reached record highs.

Revenue increased due to strong sales in the Imaging, Semiconductor Materials and Medical Systems, as well as foreign exchange effects.

Operating income increased due to strong sales in the Electronics and Imaging, which offset a decrease in the Healthcare due to an increase in one-time costs and other factors, as well as contributions from foreign exchange effects and other factors.

Regarding the full-year consolidated earnings forecast for the fiscal year ending March 31, 2025, we have revised our foreign exchange assumptions for Q2 and beyond, and our sales forecast has been increased by JPY50 billion from the previous forecast to JPY3,150 billion.

The operating income forecast was revised upward by JPY15 billion from the previous forecast to JPY315 billion, as the downward revision of the Healthcare segment due to a one-time increase in Bio CDMO expenses was offset by upward revisions of the Electronics and Imaging segments, which are performing well, and a revision of the full-year foreign exchange assumptions. The forecast for net income attributable to FUJIFILM Holdings was revised upward by JPY10 billion to JPY250 billion.

In the current fiscal year, the first year of our medium-term management plan VISION2030, the entire Company will work together to achieve record highs in both sales and profit.

As previously reported, the annual dividend for the fiscal year ending March 31, 2025 is expected to be JPY60 per share, an increase for the 15th consecutive year.

Next, I will discuss three topics for Q1.

The first is reorganization in the Electronics.

On June 27, the Display Materials, Industrial Products, and Fine Chemicals businesses in the Electronics segment were merged to form the Advanced Functional Materials Division. In conjunction with this, two Divisional Laboratories, the Display Materials Research Laboratory and the Advanced Materials Research Laboratory, were merged to form the Advanced Functional Materials Development Center.

The aim of the integration is twofold. The first is to maximize profits from existing businesses. We will unify the human resources and business assets of each business to create synergies in proximity areas and develop strong human resources through active personnel rotation. The second is to strengthen and accelerate the creation of new materials businesses. We will share the knowledge and expertise of each business's core technologies and business-building capabilities to strengthen our overall business creation capabilities.

By achieving these two goals, we will shift resources to the creation of new businesses that will lead to the growth of the entire group, accelerate growth in the Electronics area, which, along with the Healthcare, is our growth driver, and maximize sales and profits.

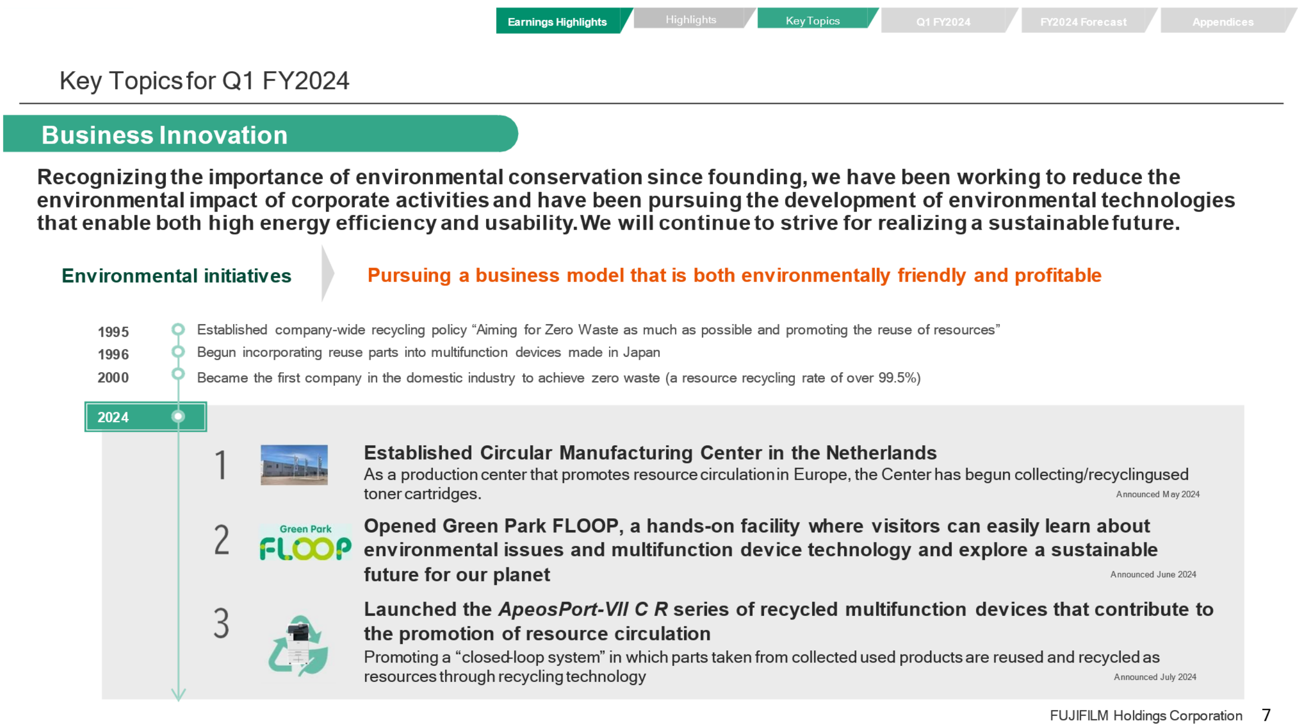
Second, I would like to talk about the Medical Systems.

The Medical Systems business achieved substantial growth in both revenue and operating income thanks to the expansion of group synergies and value-added enhancement through the use of IT and AI technologies, which were the key issues addressed in the previous medium-term management plan, VISION2023.

In VISION2030, we will continue to leverage our proprietary technologies to provide a wide range of products and services that meet the needs of various medical facilities to further improve the efficiency of diagnosis and the quality of medical care, and to contribute to the maintenance and improvement of people's health. This slide summarizes what we have done so far this year to achieve this goal.

Expansion of business by adding value to existing products such as endoscopes and MRI. As announced last year, the domestic sales division of FUJIFILM Healthcare was integrated on July 1 to strengthen the management foundation by integrating business strategy, R&D, and manufacturing. Expansion of new businesses, including the development of NURA, a health screening center in emerging countries to reduce the risk of mortality and serious illness through early detection of diseases; and the development of SYNAPSE Creative Space to meet expectations for promoting the development of AI technology to support diagnostic imaging for a variety of diseases, including rare diseases. Basic research efforts for new businesses in the future.

We will continue our activities in each of these areas to achieve sustainable growth.



The third is environmental initiatives in the Business Innovation.

FUJIFILM Business Innovation Corp. has recognized the importance of environmental conservation since its inception, and is working to promote resource recycling and address climate change with the aim of becoming a company that contributes to the realization of a sustainable society.

Here are three specific initiatives implemented in Q1. First, we opened the Circular Manufacturing Center, a production base that promotes resource recycling in the European region, on the premises of our production subsidiary in the Netherlands, and started operation in June 2024. Second, in the same month, we opened Green Park FLOOP, a hands-on facility for exploring the future of a sustainable planet, at our Yokohama Minatomirai site. Third, in July 2024, we launched six recycled models of ApeosPort-VII C R series A3 color MFPs, which contribute to promoting resource recycling and addressing climate change.

In addition to these activities, we also contribute to reducing environmental impact by providing solutions that enable diverse work styles, thereby reducing the movement of people and goods. We will continue our efforts to realize a sustainable society while pursuing a business model that is both environmentally friendly and profitable.

That is all I have to say.

Moderator: Higuchi will now explain.

Financial Results for Q1 FY2024 (April to June 2024)

(Billions of yen)

	Q1				
	FY2023	FY2024	Change	Impact of exchange rate	Constant-currency basis
Revenue	660.8 100.0%	Record high 749.0 100.0%	88.2 +13.4%	51.3	36.9 +5.6%
Operating Income	52.2 7.9%	Record high 62.2 8.3%	10.0 +19.1%	13.3	(3.3) (6.3%)
Income before Income Taxes	69.3 10.5%	71.7 9.6%	2.4 +3.5%	15.6	(13.2) (19.0%)
Net Income Attributable to FUJIFILM Holdings	54.4 8.2%	Record high 60.7 8.1%	6.3 +11.6%	10.9	(4.6) (8.3%)
EPS	¥45.22	¥50.44	¥5.22		
Exchange Rates ¥/US$	¥138	¥156	¥18		
Exchange Rates ¥/€	¥150	¥168	¥18		

Other change factors (YoY):
Impact of raw materials prices on operating income: -¥3.7 billion
(Excluding prices of semiconductors and other materials)

Higuchi: I would like to present our consolidated financial results and business overview.

Here are results for Q1 of the fiscal year ending March 31, 2025.

Revenue increased 13.4% from the previous year to JPY749 billion due to strong sales of the Imaging and Semiconductor Materials and the impact of yen depreciation.

Operating income increased 19.1% YoY to JPY62.2 billion, mainly due to increased profits from the Imaging and Semiconductor Materials and the impact of yen depreciation.

Net income attributable to FUJIFILM Holdings was JPY60.7 billion, up 11.6% from the previous year, mainly due to an increase in operating income and foreign exchange gains.

Q1 FY2024 (April to June 2024)

Consolidated Revenue and Operating Income by Operating Segment

(Billions of yen)

Revenue	Q1 FY2023	Q1 FY2024	Change		Constant-currency basis	
Healthcare	206.8	**229.2**	22.4	+10.8%	4.5	+2.2%
Electronics	79.1	**109.1**	30.0	+37.9%	22.2	+28.2%
Business Innovation	269.7	**280.0**	10.3	+3.9%	(3.8)	(1.4%)
Imaging	105.2	**130.7**	25.5	+24.2%	14.0	+13.2%
Total	660.8	**749.0**	88.2	+13.4%	36.9	+5.6%

Operating Income	Q1 FY2023	Q1 FY2024	Change		Constant-currency basis	
Healthcare	10.3	**3.4**	(6.9)	(67.1%)	(10.5)	(101.5%)
Electronics	9.8	**20.1**	10.3	2.1 times	7.9	+80.8%
Business Innovation	16.6	**14.4**	(2.2)	(12.9%)	(4.2)	(24.9%)
Imaging	23.4	**32.5**	9.1	+38.9%	3.7	+16.1%
Corporate Expenses & Eliminations	(7.9)	**(8.2)**	(0.3)		(0.2)	
Total	52.2	**62.2**	10.0	+19.1%	(3.3)	(6.3%)

* The Graphic Communications business has been reclassified from the Electronics (formerly Materials) segment to the Business Innovation segment as of the three months ended June 30, 2024. Accordingly, in light of the progress of integrated operation on a segment basis, revenue and operating income for each segment have been changed to the amounts after elimination of inter-segment transactions. The information for FY2023 has been restated in line with the above change in the segmentation.

Revenue and operating income by segment are as shown.

In the Healthcare, strong sales of the Medical Systems and steady growth in contract manufacturing of antibody drugs at the Bio CDMO's Denmark site led to an increase in revenue, but operating income decreased.

In addition to the planned restructuring costs of JPY5 billion for small- and medium-sized manufacturing facilities in the bio CDMO business, the main reason for the decrease in profit was the JPY6 billion in costs to strengthen the system for reinforcing commercial manufacturing at the Texas Plant in the US.

Q1 FY2024 (April to June 2024)

Business Summary: Healthcare

YoY Change

Revenue	Operating income
↑+10.8%	↓-67.1%

Revenue increased in the Medical Systems and Bio CDMO. Operating income decreased due to structural reforms costs for small- to medium-scale facilities and costs for reinforcing commercial production at the Texas site in the U.S.

Medical Systems Revenue ¥157.7 billion (up 12.6% YoY)

- Revenue rose due to growing sales of endoscopes and CT/MRI systems. Endoscope sales increased in the U.S., Europe and other major markets. CT/MRI systems remained strong with sales increasing in the U.S., Europe and South/Central America.
- The new FUJIFILM Medical Co., Ltd. launched operation following the integration of domestic sales divisions of FUJIFILM Healthcare Corporation.

Bio CDMO * Refer to p.28 for profitability — Revenue ¥47.1 billion (up 15.2% YoY)

- Large-scale facilities: Contract manufacturing of antibody drugs remained steady at the Denmark site.
- Small- to medium-scale facilities: Implemented structural reforms as planned in Q1 2024, reflecting the impact of market stagnation, and restructured the production system based on demand conditions.
- Temporarily suspended operations of the small and medium-scale manufacturing facilities at the Texas site in the U.S. in order to expand contract manufacturing of commercial products, for which demand is expected to increase, by implementing system upgrades to achieve stable production and measures to strengthen the quality assurance system to improve regulatory compliance. As a result, losses from non-operation of facilities and corresponding expenses were recorded.

LS Solutions Revenue ¥24.4 billion (down 5.7% YoY)

- In the Life Sciences, performance remained flat YoY as higher revenue from cells, sales of which were strong, offset lower revenue from cell culture media resulting from a reactionary drop in shipments, which increased in the year-ago period due to the easing of the tight supply-demand situation for raw materials.
- In the Consumer Healthcare, revenue declined mainly due to lower sales of supplements where overall market temporalily slowed down.

Let's take a look at the Healthcare business.

Revenue increased 10.8% from the previous year to JPY229.2 billion, as sales growth was secured in the Medical Systems and Bio CDMO. Operating income decreased 67.1% from the previous year to JPY3.4 billion due to the recording of restructuring costs for small- and medium-sized manufacturing facilities for the Bio CDMO and expenses for reinforcing a framework for the expansion of commercial manufacturing at the Texas site in the United States.

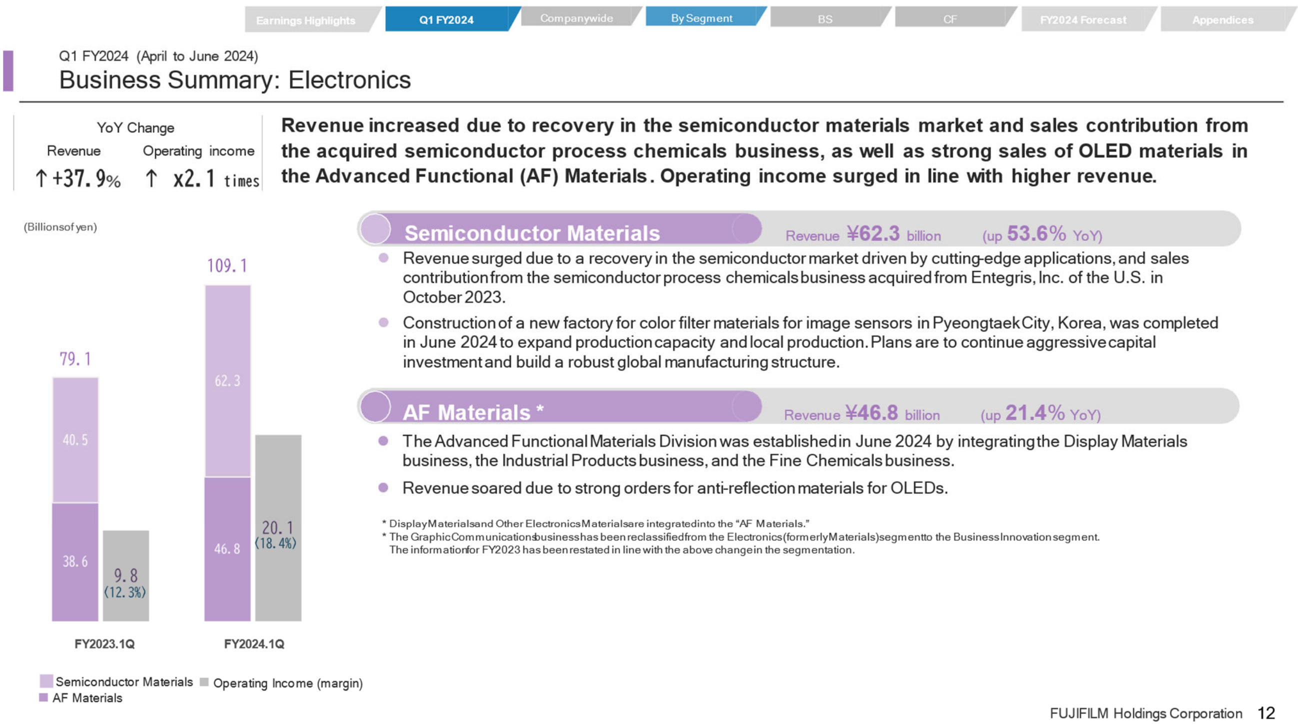
In the Medical Systems, revenue increased due to strong sales of endoscopes, CT/MRI, and other products. Sales of endoscopes grew in major markets including the US and Europe. Sales of CT/MRI were strong, mainly due to increased sales in the US, Europe, and Central and South America.

In the Bio CDMO, revenue increased due to steady growth in contract manufacturing of antibody drugs, mainly at the Denmark site. On the other hand, in the small- and medium-sized manufacturing facilities that were affected by the stagnant market, structural reforms were implemented in Q1 as planned, and the production system is being restructured to meet the demand situation.

In addition, the Company temporarily suspended operations at its small- and medium-sized manufacturing facilities in Texas, USA, to strengthen its quality assurance system to improve regulatory compliance and upgrade systems to achieve stable production, in order to expand contract manufacturing of commercial products, for which demand is expected to increase.

Please refer to page 28 for an explanation of the profitability of Bio CDMO.

In the LS solutions, in life science, the decrease in revenue due to the absence of an increase in shipments in the same period of the previous year, which was caused by the improvement of the problem of the tight supply and demand of raw materials for culture media, was offset by an increase in sales of cells, which had been selling well. On the other hand, revenue i Consumer Healthcare declined, mainly due to lower sales of dietary supplements as the overall market temporarily slowed down.



Next is the electronics business.

Revenue increased 37.9% from the previous year to JPY109.1 billion and operating income increased 2.1 times to JPY20.1 billion due to the increase in revenue, reflecting a recovery in the semiconductor materials market and the contribution from sales of acquired semiconductor process chemicals business, as well as strong sales of materials for OLEDs in the AF Materials.

In the Semiconductor Materials, revenue increased significantly due to the impact of market recovery driven by semiconductors for advanced applications, as well as the contribution of the semiconductor process chemicals business, which was acquired from Entegris, Inc. in the US in October 2023. In June this year, we completed construction of a new plant in Pyeongtaek City, Korea, to expand production capacity and local production of color filter materials for image sensors. We will continue to make aggressive capital investments to build a robust global manufacturing system.

Revenue of the AF Materials, which integrate Display Materials and Other Electronics Materials, increased significantly due to strong orders for antireflective materials for OLEDs.

Earnings Highlights | Q1 FY2024 | Companywide | By Segment | BS | CF | FY2024 Forecast | Appendices

Q1 FY2024 (April to June 2024)

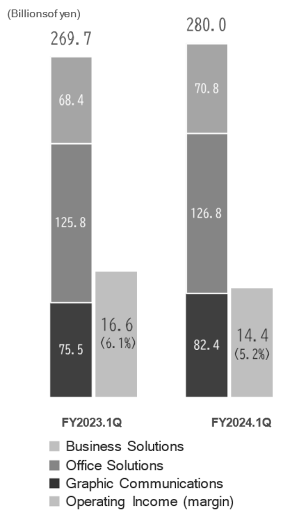
Business Summary: Business Innovation

YoY Change

Revenue ↑+3.9%

Operating income ↓-12.9%

Revenue rose mainly due to increased sales of digital transformation (DX) solutions and inkjet printheads. Operating income fell, mainly hit by higher personnel and new product development costs.



Business Solutions — Revenue ¥70.8 billion (up 3.5% YoY)

- Revenue increased mainly due to higher sales of DX solutions.
- Started providing the *beat air*, a secure wireless network service to support flexible work styles for small and medium-sized companies. The service supports building office infrastructure by designing and managing the operation of IT environments on behalf of clients that lack IT staff.

Office Solutions — Revenue ¥126.8 billion (up 0.7% YoY)

- Revenue increased mainly due to higher exports of consumables to Europe and the U.S., where inventory adjustment ran its course.
- Signed a shareholders agreement on July 8, 2024 with Konica Minolta, Inc. to establish a joint venture to coordinate the procurement of raw materials and parts. Both companies will leverage their extensive supplier networks to strengthen the business foundations by establishing a robust product supply system and streamlining operation processes.

Graphic Communications — Revenue ¥82.4 billion (up 9.4% YoY)

- In addition to higher sales of printing plates in the U.S., revenue was driven higher by increases in sales of digital printers in Europe and the U.S. and inkjet printheads for the ceramic and commercial printing markets.
- At drupa 2024, one of the world's largest international print/media industry exhibitions, we showcased the Group's comprehensive strength to the world by exhibiting our diverse lineup of products, from offset printing to digital printing and DX solutions for printing workflow.

* The Graphic Communications business has been reclassified from the Electronics (formerly Materials) segment to the Business Innovation segment. The information for FY2023 has been restated in line with the above change in the segmentation.

FUJIFILM Holdings Corporation 13

Next, you will see a summary of the Business Innovation's performance.

Revenue increased 3.9% YoY to JPY280 billion due to higher sales of DX-related solutions and inkjet printheads. Operating income, on the other hand, declined 12.9% from the previous year to JPY14.4 billion due to development expenses for new products and higher personnel costs.

In the Business Solutions, revenue increased mainly due to higher sales of DX-related solutions. We have launched *beat air*, a secure wireless network service that supports flexible work styles for small and midsize companies. The *beat air* contributes to support the construction of office environments by building, operating, and managing IT environments on behalf of customers who lack IT personnel.

In the Office Solutions, revenue increased mainly due to an increase in exports of consumables to Europe and the US, where inventory adjustments have progressed. We decided to establish a joint venture company with Konica Minolta, Inc. to collaborate in the procurement of raw materials and components, and signed a shareholders' agreement on July 8, 2024. The two companies will leverage their extensive supplier networks to build a robust supply system for products, streamline business processes, and otherwise promote the strengthening of their business foundations.

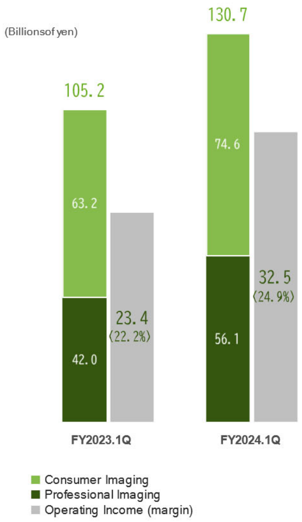
Graphic Communications reported a YoY increase in revenue due to higher sales of digital printers for the US and Europe, as well as higher sales of inkjet printheads for the ceramic and commercial printing markets, in addition to higher sales of printing plates for the US market. At drupa 2024, the world's largest international printing and media industry exhibition, we exhibited a diverse lineup of products ranging from offset printing to digital printing and DX solutions related to printing workflows, appealing the Group's comprehensive capabilities to the world.

Q1 FY2024 (April to June 2024)

Business Summary: Imaging

YoY Change
Revenue ↑+24.2%
Operating income ↑+38.9%

Revenue and operating income soared due to solid sales of instant photo systems and digital cameras.



Consumer Imaging — Revenue ¥74.6 billion (up 17.8% YoY)

- Revenue increased due to brisk sales of the *instax* instant photo systems.
- Launched the *instax WIDE 400*, a wide-format analog instant camera, and renewed the *instax mini LiPlay*, a hybrid instant camera with a voice message recording function, in July 2024.
- Rolled out Business-to-Business services by holding photo sessions using *instax Biz* at the Undisputed Masters international breakin competition held in Paris, France in May 2024 and at the Lions Collection event hosted by the Seibu Lions baseball team in Japan in the same month.

Professional Imaging — Revenue ¥56.1 billion (up 33.8% YoY)

- Sales of digital cameras, in particular models released in the previous fiscal year, were steady.
- Launched two latest models, the *FUJIFILM GFX100S II* in the *GFX series* and the *FUJIFILM X-T50* in the *X series*, as well as two new lenses in June 2024.

FUJIFILM Holdings Corporation 14

The last section is a summary of the Imaging performance.

Strong sales of instant photo systems and digital cameras led to a 24.2% YoY increase in revenue to JPY130.7 billion and a 38.9% YoY increase in operating income to JPY32.5 billion, a significant increase in both revenue and operating income.

In the Consumer Imaging, revenue increased mainly due to strong sales of instant photo systems. In addition to its existing product lineup of instant photo systems, we launched the *instax WIDE 400* in July 2024, and relaunched the *instax mini LiPlay*, a hybrid instant camera with the ability to record voice messages. We also developed our B-to-B services by holding photo sessions using *instax Biz* at the international Breakin convention in Paris, France, in May 2024, and at the Lions Collection, an event organized by the Seibu Lions in Japan in the same month.

In the Professional Imaging, revenue increased significantly due to strong sales mainly of models launched in the previous fiscal year. In June 2024, we launched the *GFX100S II*, the latest model in the *GFX series*, and the *X-T50*, the latest model in the *X series* as well as two lenses.

Q1 FY2024 (April to June 2024)

Consolidated Balance Sheets

(Billions of yen)

	Mar. 2023	Mar. 2024	Jun. 2024	Change from Mar. 2024
Cash and cash equivalents	268.6	179.7	195.3	15.6
Notes and accounts receivable	633.1	696.6	689.2	(7.4)
Inventories	567.3	547.8	600.6	52.8
Other current assets	162.1	150.6	167.9	17.3
Total current assets	**1,631.1**	**1,574.7**	**1,653.0**	**78.3**
Property, plant and equipment	976.1	1,395.7	1,553.0	157.3
Goodwill, net	858.3	953.8	986.3	32.5
Investment securities and other	668.8	859.3	885.3	26.0
Total noncurrent assets	**2,503.2**	**3,208.8**	**3,424.6**	**215.8**
Total assets	**4,134.3**	**4,783.5**	**5,077.6**	**294.1**

	Mar. 2023	Mar. 2024	Jun. 2024	Change from Mar. 2024
Short-term and long-term debt	376.2	502.8	580.6	77.8
Notes and accounts payable	320.4	346.5	369.8	23.3
Other liabilities	649.8	760.9	751.4	(9.5)
Total liabilities	**1,346.4**	**1,610.2**	**1,701.8**	**91.6**
Total FUJIFILM Holdings shareholders' equity	2,763.1	3,169.2	3,371.6	202.4
Noncontrolling interests	24.8	4.1	4.2	0.1
Total equity	**2,787.9**	**3,173.3**	**3,375.8**	**202.5**
Total liabilities and equity	**4,134.3**	**4,783.5**	**5,077.6**	**294.1**

(yen)

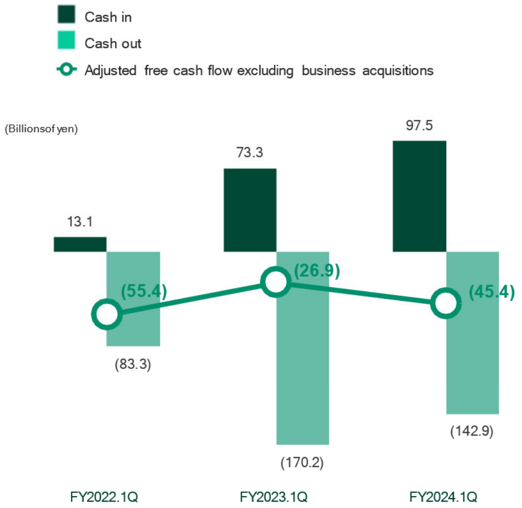
Exchange Rates	Mar. 2023	Mar. 2024	Jun. 2024	Change from Mar. 2024
￥/US$	¥134	¥151	¥161	¥10
￥/€	¥146	¥163	¥172	¥9

I will now explain about the balance sheet.

Total assets as of June 30, 2024 amounted to JPY5,077.6 billion, a JPY294.1 billion increase from March 31, 2024, mainly due to an increase in tangible fixed assets. Liabilities increased by JPY91.6 billion to JPY1,701.8 billion. Shareholders' equity increased by JPY202.4 billion to JPY3,371.6 billion.

Q1 FY2024 (April to June 2024)

Consolidated Cash Flow



(Billions of yen)

	FY2022 1Q	FY2023 1Q	FY2024 1Q
Net income	**41.4**	**53.4**	**60.9**
Depreciation & amortization	35.1	36.0	39.7
Change in notes and accounts receivable / others	21.1	52.1	52.6
Change in inventories	(62.5)	(39.3)	(34.5)
Change in notes and accounts payable - trade / others	(7.3)	(6.4)	12.4
Change in working capital	(48.7)	6.4	30.5
Others	(14.7)	(22.5)	(33.6)
Cash-In	**13.1**	**73.3**	**97.5**
Capital expenditure	(49.8)	(87.9)	(118.6)
Purchases of software / rental assets	(18.7)	(12.3)	(24.3)
Acquisitions of businesses	(14.8)	(70.0)	-
Cash-Out	**(83.3)**	**(170.2)**	**(142.9)**
Adjusted free cash flows (FCF)	**(70.2)**	**(96.9)**	**(45.4)**
Adjusted free cash flows excluding business acquisitions*	**(55.4)**	**(26.9)**	**(45.4)**

*Business acquisitions are deducted from adjusted free cash flow.

FUJIFILM Holdings Corporation 16

I would like to explain about cash flow.

Cash-in increased by JPY24.2 billion from the previous year to JPY97.5 billion, mainly due to an increase in net income and improved working capital efficiency.

Cash-out amounted to JPY142.9 billion, a decrease of JPY27.3 billion from the previous year due to business acquisitions in the previous year, despite increased capital expenditures, mainly for the Bio CDMO.

As a result, adjusted free cash flow excluding business acquisitions was a negative JPY45.4 billion.

That concludes the explanation of the financial results for Q1 of the fiscal year ending March 31, 2025.

Full-year Forecast for FY2024

(Billions of yen)

	FY2023 Actual	FY2024 Previous forecast (as of May. 9, 2024)	FY2024 Revised forecast (as of Aug. 7, 2024)	Change from FY2023	Change from previous forecast
Revenue	2,960.9 100.0%	3,100.0 100.0%	Record high 3,150.0 100.0%	189.1 +6.4%	50.0 +1.6%
Operating Income	276.7 9.3%	300.0 9.7%	Record high 315.0 10.0%	38.3 +13.8%	15.0 +5.0%
Income before Income Taxes	317.3 10.7%	310.0 10.0%	Record high 330.0 10.5%	12.7 +4.0%	20.0 +6.5%
Net Income Attributable to FUJIFILM Holdings	243.5 8.2%	240.0 7.7%	Record high 250.0 7.9%	6.5 +2.7%	10.0 +4.2%
EPS	¥202.29	¥199.32	* ¥207.63	¥5.34	¥8.31
ROE	8.2%	7.8%	7.8%	(0.4 pt)	-
ROIC	5.6%	5.4%	5.4%	(0.2 pt)	-
CCC	116 days	115 days	115 days	(1 day)	-
* Exchange Rates ¥/US$	¥145	¥140	¥148	¥3	¥8
¥/€	¥157	¥150	¥162	¥5	¥12
Silver Price (/kg)	¥109,000	¥112,000	¥151,000	¥42,000	¥39,000

* Exchange rates: Q2-4 ¥145/US$; +¥5 from previous forecast, ¥160/Euro; +¥10 from previous forecast
Full year ¥148/US$; +¥8 from previous forecast, ¥162/Euro; +¥12 from previous forecast)

* Net income attributable to FUJIFILM Holdings per share is calculated by using the number of shares issued as of June 30, 2024 (excluding treasury shares) as the average number of shares for the relevant period.

Next, we present our forecast for the fiscal year ending March 31, 2025.

As reported by Goto at the beginning of the presentation, we have revised our full-year consolidated earnings forecast for the fiscal year ending March 31, 2025, and in light of the current business environment and performance trends in each business segment, we have raised our previous forecasts to JPY3,150 billion for revenue, JPY315 billion for operating income, and JPY250 billion for net income attributable to FUJIFILM Holdings.

Financial Forecast by Operating Segment

(Billions of yen)

Revenue	FY2023 Actual	FY2024 Previous forecast (as of May. 9, 2024)	FY2024 Revised forecast (as of Aug. 7, 2024)	Change from previous forecast		Constant-currency basis	
Healthcare	975.1	1,010.0	**1,010.0**	-		(28.0)	(2.8%)
Electronics	358.4	410.0	**420.0**	10.0	+2.4%	-	-
Business Innovation	1,157.7	1,200.0	**1,210.0**	10.0	+0.8%	(3.0)	(0.3%)
Imaging	469.7	480.0	**510.0**	30.0	+6.3%	16.0	+3.3%
Total	2,960.9	3,100.0	**3,150.0**	50.0	+1.6%	(15.0)	(0.5%)

Operating Income	FY2023 Actual	FY2024 Previous forecast (as of May. 9, 2024)	FY2024 Revised forecast (as of Aug. 7, 2024)	Change from previous forecast		Constant-currency basis	
Healthcare	97.4	112.0	**100.0**	(12.0)	(10.7%)	(17.0)	(15.2%)
Electronics	46.3	57.0	**72.0**	15.0	+26.3%	12.0	+21.1%
Business Innovation	67.4	73.0	**73.0**	-	-	(1.0)	(1.4%)
Imaging	102.0	100.0	**112.0**	12.0	+12.0%	6.0	+6.0%
Corporate Expenses & Eliminations	(36.4)	(42.0)	**(42.0)**	-	-	-	-
Total	276.7	300.0	**315.0**	15.0	+5.0%	-	-

* The Graphic Communications business has been reclassified from the Electronics (formerly Materials) segment to the Business Innovation segment as of the three months ended June 30, 2024. Accordingly, in light of the progress of integrated operation on a segment basis, revenue and operating income for each segment have been changed to the amounts after elimination of inter-segment transactions. The information for FY2023 has been restated in line with the above change in the segmentation.

FUJIFILM Holdings Corporation 19

The forecast by segment is as shown.

The downward revision to the Healthcare forecast due to a one-time increase in the Bio CDMO expenses will be offset by upward revisions to the Electronics and Imaging forecasts, which are performing well, as well as a revision to the full-year foreign exchange assumptions, which are expected to result in record-high revenue, operating income, and net income attributable to FUJIFILM Holdings.

Revenue forecasts are revised upward in the Electronics, Business Innovation and Imaging segments.

The forecast for operating income has been revised upward for the Electronics and Imaging, both of which are performing well. On the other hand, the operating income forecast for the Bio CDMO has been revised downward, taking into account a one-time cost of JPY13 billion for the full year to reinforce the system to expand commercial manufacturing at the Texas Plant in the US, a slower than expected recovery in the market for cell gene therapy drugs, a delayed recovery in sales of cell culture media in the Life Science business, and the impact of raw material price hikes.

Please refer to page 26 for details on the revision of the revenue forecast by segment.

That is all I have to say.

Question & Answer

Moderator [M]: We will now take your questions.

Mr. Shibano of Citigroup Global Markets, please ask your question.

Shibano [Q]: First, I would like to ask you about the results for the April to June period. I would like to know the results of your analysis of the differences from your internal assumptions at the beginning of the period. Please tell us, by segment if possible, the positive impact of the yen's depreciation and the upswing or downswing from the Company's plan due to other factors.

Just to confirm, did you say that the one-time cost of the Healthcare CDMO was JPY6 billion?

Higuchi [A]: First of all, regarding the results for the April to June period against the internal plan, although there was certainly some impact from the weak yen, even excluding that, revenue and operating income exceeded the plan in almost all businesses.

Overall revenue exceeded the plan by JPY45 billion to JPY50 billion, and even excluding the effect of exchange rates, revenue exceeded the plan by more than JPY10 billion. The actual operating income was JPY62.2 billion, but even excluding foreign exchange effects and one-time costs, the total of all businesses exceeded the plan by more than JPY10 billion.

By segment, in the Electronics, were much higher than planned due to a rapid recovery in the market for advanced AI semiconductors and very strong sales of the Display Materials, such as materials for OLEDs. As a result, profits were also much higher than planned.

In the Business Innovation, revenue and operating income increased beyond the impact of foreign exchange rates due to increased sales of DX-related solutions, increased exports of consumables to Europe and the US, and increased sales of inkjet printheads.

Similarly in the Imaging, revenue of *instax* and instant cameras were strong worldwide, and both revenue and operating income exceeded projections.

In the Healthcare, excluding foreign exchange effects, revenue and operating income did not reach the plan.

In the Medical Systems, both revenue and operating income exceeded forecasts. However, as explained earlier, in the Bio CDMO, we intentionally suspended operations temporarily in order to reinforce our ability to respond to the shift from investigational drugs to small- and medium-sized commercial products, mainly at our Texas facility. As a result, the revenue did not reach the plan for that portion of the project, and a one-time cost was incurred for the loss of operation.

In addition, the market for cell gene therapeutics has not yet recovered as much as expected, which contributed to revenue and operating income falling short of plans. Therefore, excluding the effect of foreign exchange rates, revenue and operating income for the Healthcare did not reach the target.

Earnings Highlights | Q1 FY2024 | FY2024 Forecast | Appendices

Operating Income Analysis (Q1 FY2024 vs Q1 FY2023)

(Billions of yen)

	Q1							
	FY2023 Actual	FY2024 Actual	Change		FX	Raw material price	One-time cost	Operation and others
Healthcare	10.3	3.4	(6.9)	(67.1%)	3.6	(1.4)	(6.4)	(2.7)
*4 Electronics	9.8	20.1	10.3	2.1 times	2.4	(0.4)	(0.7)	9.0
*4 Business Innovation	16.6	14.4	(2.2)	(12.9%)	2.0	(1.4)	(0.5)	(2.3)
Imaging	23.4	32.5	9.1	+38.9%	5.4	(0.5)	0.4	3.8
Corporate Expenses & Eliminations	(7.9)	(8.2)	(0.3)	–	(0.1)	-	-	(0.2)
Total	52.2	62.2	10.0	+19.1%	*1 13.3	*2 (3.7)	*3 (7.2)	7.6

*1: Foreign exchange rate

	FY2023 Q1	FY2024 Q1
¥/US$	¥138	¥156
¥/€	¥150	¥168

*2: By raw materials (excluding semiconductor impact)

	Full Year
Silver	(2.3)
Aluminum	(1.3)
Others(fuel etc)	(0.1)
Total	(3.7)

*3: One-time cost breakdown

(Billions of yen)

	FY2023 Q1	FY2024 Q1	Change
Healthcare	**5.9**	**12.3**	**(6.4)**
Structure strengthening expenses (CDMO)	-	5.0	(5.0)
Reinforcing the commercial production in Texas (CDMO)	-	6.0	(6.0)
FHC domestic sales division integration costs (medical)	-	1.3	(1.3)
Inventory write-downs / Others (CDMO / LS)	5.0	-	5.0
Others	0.9	-	0.9
Electronics	**-**	**0.7**	**(0.7)**
Acquisition (Semiconductor Materials)	-	0.7	(0.7)
Business Innovation	**0.6**	**1.1**	**(0.5)**
Disputed Cost / Others (Graphic/Inkjet)	-	0.8	(0.8)
Structure strengthening expenses (Graphic/Inkjet)	-	0.2	(0.2)
Others	0.6	0.1	0.5
Imaging	**0.5**	**0.1**	**0.4**
Structure strengthening expenses / Others	0.5	0.1	0.4
Corporate	**-**	**-**	**-**
Total	**7.0**	**14.2**	**(7.2)**

*4 The Graphic Communications business has been reclassified from the Electronics (formerly Materials) segment to the Business Innovation segment. The information for FY2023 has been restated in line with the above change in the segmentation.

FUJIFILM Holdings Corporation 25

One-time costs for the Healthcare were JPY12.3 billion in Q1. The breakdown is shown on page 25.

We used JPY5 billion for the originally planned structural reform of the UK and US small- and medium-sized equipment plants, and JPY6 billion for reinforcing our Texas facility to shift to commercial production on a small- and medium-sized scale, for which demand is extremely strong. In addition, we incurred about JPY1 billion in expenses to integrate the organization of the former Hitachi's medical imaging business. The total of these activities amounted to slightly more than JPY12 billion.

Shibano [Q]: Secondly, regarding CDMO, any update on the status of the FDB (FUJIFILM Diosynth Biotechnologies) launch, additional project wins, etc.?

Iida [A]: I think your question is about the Denmark site of FDB. Regarding the timing of the six bioreactors to start operation, which is the first-phase investment in Denmark, we are currently promoting various validations with the goal of Q3 of the fiscal year, or the end of this calendar year.

As shown in the tank diagram presented last year when we announced our medium-term management plan, we have almost sold out of capacity for 2024 and 2025, and are now in the process of conducting business negotiations for 2026. We are actively receiving various inquiries, including RFPs from major pharmaceutical companies.

Shibano [Q]: Finally, I would like to ask about Imaging. I believe that both *instax* and digital cameras are doing very well. Also, seeing how these are sold out in stores, and the response to the lack of availability and not taking back orders, it appears that this plateau condition will continue for a year. What is the reality of this situation? I think you are already at full capacity, but even so, do you think it will go up further in Q3 due to seasonality? Please tell us about these expectations.

Goto [A]: As you said, the supply is not keeping up with the demand. The demand for digital cameras is quite strong, and our features and brand power are gaining ground. From the beginning, we planned to double the production of the previous model and put it on the market, but even so, production has not been able to catch up, and we are now trying hard to catch up.

The rate-limiting factor is that the manufacturing of semiconductors, be they image sensors or processors, must be included in the semiconductor manufacturers. Another problem is the design of the top part of camera, although this is related to our excellent design. The X100VI, with its various dials and such, is so popular as its design is quite retro. Their production is done by cutting and other process, in order to create a classy design, which is close to handmade and difficult to mass-produce.

We are taking various steps, such as accelerating the delivery date from the vendor, and will do our utmost to make it available to customers.

Our idea is to create brand power. Especially after the introduction of interchangeable lenses, sales will not continue without brand power. So we are experimenting with different sizes of CMOS, developing different functions and processors, and many other things. This will continue for all time. Companies are competing with each other for improved features and image quality. Recently, more and more movies are being taken with mirrorless cameras, and we believe that the market in this area will continue to expand due to competition.

Meanwhile, we have had problem in supplying film for instant photo systems, *instax,* but we will begin to increase production in early fall of this fiscal year. The plant will be at full capacity in the next fiscal year, FY2025, and will be able to produce 20% more film than the current capacity. We are taking measures to increase production after that.

In the case of *instax,* one of the main factors is that we have launched many different models of cameras in the world, both digital and analog. However, a more significant factor is the overwhelming increase in film consumption by the *Link* series printers.

One of the reasons for this is the improved quality of the photos from iPhones and other cell phones and when transferred to our *Link* smartphone printer for printing out, transfer times are also much shorter than in the past. In addition, it is said that the silver halide film-based image quality expresses the depth of a photograph, and the ability to express the advanced image processing of a digital camera exactly as it is on a print is a major point.

We are working very hard to promote this in foreign countries, expressing it as "don’t just take, give," which means "don't just take, give to others and display, which is the establishment of a photographic culture." The number of smart phone shots is probably about over 3 trillion shots right now, and depending on what percentage of that will be output, this business will be very different.

Also, we are now developing the use of QR codes, etc., and the use of QR codes for business purposes is also on the rise quite a bit right now.

There is still much to sell in the world. The US is currently number one in the world, followed by Europe, China, Japan, and India, but there is still unlimited space to sell more. Therefore, we believe that this uptrend will continue for the foreseeable future.

Moderator [M]: Mr. Wakao from JPMorgan Securities, please ask your question.

Wakao [Q]: I have three questions related to CDMO. First, please tell us a little more about the market environment you just mentioned. From your answer to Mr. Shibano's question just now, I understand that orders for large facilities, antibodies, etc. are firm. On the other hand, sales of cell and gene therapies were weaker than expected. How does this weakness affect your company's performance? I don't think you expect much sales from them, so I don't think they will affect your performance that much, but I would like to know this.

By the way, if you know of any, please let me know. I believe that in Lonza's earnings announcement, there was a comment that cell and gene therapies are recovering reasonably well. On the other hand, what is the reason why we have yet to see improvement in your company's cell and gene therapies? If you could explain the difference between your company and Lonza, it would be very helpful.

Iida [A]: First of all, regarding the market environment, as you mentioned, there is no change in the steady trend of orders, inquiries, and market growth for antibodies. Regarding the impact of cell and gene therapies , we originally thought it would take time for the biotech ventures and funds to recover, so we have not factored any major estimates into our plans, but the stagnation of contracting is likely to have an impact of about the low double-digit billion yen.

Regarding the return of the cell and gene therapies market, we have received a good number of inquiries, but most of them are in the pre-clinical stage. The monetary size of each project is not very large, and we feel that even if we receive those orders, they will not make a significant contribution to our earnings.

If they move into the clinical trial phase, they will be of a reasonable size. However, at present, we feel that the number of projects is large but on a small pre-clinical scale.

Wakao [Q]: Have you factored in the low double-digit billion yen decline into your revised plan?

Iida [A]: Yes. This full-year forecast incorporates it.

Wakao [Q]: Second, I would like to talk about the JPY13 billion for reinforcing the commercial manufacturing system in Texas. Since the switch to small- and medium-sized products was mentioned from the beginning of this fiscal year, I think that the JPY13 billion could have been expected from the beginning of the fiscal year. I would like to know a little more background on how this became necessary during Q1.

Also, am I correct in assuming that there will be no further one-time costs for CDMO? Various one-time costs have been incurred since last year, including inventory write-downs. I am wondering if this will happen again in the future.

Iida [A]: First, I would like to reiterate the background of this one-time cost in Texas. The Texas site is relatively new among our sites. This expanded significantly and rapidly during the COVID-19 pandemic. Over the past few years, we have expanded our facilities and our people significantly.

After the pandemic, we have continued to contract mainly for investigational drugs, but recently we have seen several programs that will move into commercial production in the next fiscal year and beyond. In order to make it through that commercial production, we had to temporarily suspend operations, control the quality of the system, upgrade the internal system, train people accordingly, and upgrade some of the systems, and we temporarily recorded the cost of those upgrades.

This will allow us to successfully complete all programs of commercial production in 2025, gain competence, and then receive orders for next programs. We have determined that by doing so we should increase the certainty of profitability growth and profitability improvement that we have indicated in our medium-term management plan for 2025 and 2026.

At the beginning of the period, we thought that the outage would be short-lived, but we decided that we needed to take the time to upgrade our systems and train our people in order to properly prepare for commercial production. For this reason, the shutdowns were made at this time for a longer period of time than originally anticipated.

Wakao [Q]: Am I correct in assuming that there will be no further one-time costs?

Iida [A]: Yes. Last year, one-time expenses were incurred due to the disposal of materials piled up during the pandemic. In Q1 of this fiscal year, structural reforms were implemented to change the structure to meet demand, and one-time costs were incurred in Texas. We have determined that the other sites are relatively old, have a good track record and ability for licensed commercial production, and have adequately trained their personnel. The costs in Texas are for what has happened rapidly at this young site, where we are setting up a commercial production structure. So we do not expect to incur such a large one-time costs in the future.

Earnings Highlights | Q1 FY2024 | FY2024 Forecast | Appendices

Bio CDMO Profitability (Q1 FY2023 vs Q1 FY2024 and full-year forecast vs previous forecast)

Profitability excluding one-time costs is expected to be flat YoY in 1Q, and to improve and return to profitability for the full year due to the effect of the structure reforms for small- to medium-scale facilities.

（Billions of yen

Bio CDMO	Q1			Full Year		
	FY2023	FY2024	Change	Previous forecast (as of May 9, 2024)	Revised forecast (as of Aug 7, 2024)	Change
Revenue	40.9	47.1	6.2	215.0	200.0	(15.0)
Inventory write-downs	(3.0)		3.0			-
Structure strengthening expenses		(5.0)	(5.0)	(5.0)	(5.0)	-
Reinforcing the commercial production in Texas		(6.0)	(6.0)		(13.0)	(13.0)
Total one-time costs	(3.0)	(11.0)	(8.0)	(5.0)	(18.0)	(13.0)
EBITDA Margin (excludes one-time costs)	Mid-teens %	Mid-teens %	-	High-teens %	High-teens %	-
Large scale facilities	Approx. 30%	Approx. 30%	-	Approx. 30%	Approx. 30%	-
Small- to medium-scale facilities	Negative single digit %	Negative single digit %	-	Mid-single digit %	Mid-single digit %	-

FUJIFILM Holdings Corporation 28

Wakao [Q]: Finally, according to the figures on page 28, is it correct to assume that the breakdown of revenue between large and small- and medium-sized facilities is roughly 6:4? There may be others, but considering they are the only ones, the breakdown is 6:4, and small- and medium-sized facilities appear to contribute more. I would appreciate a brief explanation of that.

Also, according to this document, will CDMO's operating income be in the red this fiscal year?

Iida [A]: The revenue contribution from the first year's sales of the large facilities in Denmark is not very large yet, as many of the batches are small in the first fiscal year, resulting in this figure. Large facilities will be 50% to 60% at the end, with the rest being small and medium ones.

Wakao [Q]: So operating income will be in the red?

Higuchi [A]: We are projecting one-time costs of JPY18 billion, including JPY5 billion for structural reforms and JPY13 billion for reinforcing the commercial manufacturing system in Texas. Operating income will be positive if we exclude those one-time costs, but if we include them, operating income will be negative for the current year.

Moderator [M]: Ms. Yoshihara of UBS Securities, please ask your question.

Yoshihara [Q]: Let me ask you two questions about the Healthcare. The first point is about Bio CDMO. I do not believe there have been any new developments for the BIOSECURE Act since then, but in your explanation, you commented that inquiries for the mater were strong. Please explain any positive impact on your company, including the BIOSECURE Act.

Iida [A]: I am aware that the BIOSECURE bill itself has not changed significantly since the last time. As for the number of inquiries, we feel that the number of inquiries is increasing in our company against the backdrop of the BIOSECURE bill. Although such contracts will not yet make a significant contribution to revenue immediately this fiscal year, we feel that at the inquiry stage, there are movements of biotech ventures and pharmaceutical companies on the back of the BIOSECURE bill.

Yoshihara [Q]: Secondly, the visibility of the cell and gene therapies business, as you explained earlier, is tougher than expected. If something were to change in the interest rate environment or other factors in the future, would that increase the likelihood of improvement beyond expectations? Currently, I think the situation has always been bad in terms of communication with customers, but if the funding situation changes, will it change all at once?

My impression is that it varies a bit from customer to customer, with some customers who have a good pipeline recovering, while others are not in that situation. I would be interested to hear what your company feels about the current situation.

Iida [A]: Well, I think the overall movement of funds while interest rates have remained high has been about flat compared to the previous year, so I don't have a sense that the situation is changing much at the moment.

However, if the flow of funds changes in the future as interest rates in the US fall, cell and gene therapies will react positively to this change, and we will be watching with anticipation.

Yoshihara [Q]: If the interest rate problem were to be resolved at some point this year, do you think there will be a silver lining next year?

Iida [A]: It is difficult to predict that. Considering the time frame for funding to recover and move from the pre-clinical to the clinical trial phase that I mentioned earlier, I think the change will be in H2 of next fiscal year at the earliest.

Yoshihara [Q]: Finally, I would like to ask you about the Medical Systems. In Q1, I think the overall business was very strong. Can you update the situation a little more by region?

Regarding the US market, I have heard from other companies in your industry that the market is turning around very well. Is this situation likely to continue? If possible, I would also like to know the sentiment of hospitals in major markets such as Europe, Japan, and China in terms of capital expenditures, etc.

Goto [A]: I have also read the announcements of each company, and the trends by region are roughly the same.

In particular, China has been leading the growth market until now, but our Q1 business in China was almost flat and slowing down compared to the previous growth rate.

One reason for this is that budget cuts from the Chinese government have overwhelmingly reduced the number of bids received. Second, to prevent corruption, hospitals are quite nervous and do not declare bid for what they want to buy. Another report we have received is that, although the impact on our company is not sobig, local production for local consumption, or rather the recommendation of products made by manufacturers in China, has become stronger than in the past.

In Japan, more budget was spent during the pandemic, and we thought sales would drop with the loss of that budget, but sales are still growing compared to last year. The situation in the US is similar to other companies. The European market is also not as bad as expected.

Moderator [M]: Several people are still raising their hands, but since it is past the end time, we are very sorry, but we would like to end the question-and-answer session now.

Finally, two upcoming IR events are being held. First, on September 24 at 17:00 JST, we will hold a business briefing for the Business Innovation.

The other is that we plan to disclose financial results at 14:00 JST, one hour earlier than the previous 15:00 JST, starting from Q2 of the fiscal year ending March 31, 2025, which is scheduled to be released in November. Accordingly, the time slot for the financial results briefing will be moved forward by approximately one hour. We will inform you of the details of both the business briefing and the next financial results briefing as soon as they are finalized.

This concludes the FUJIFILM Holdings financial results briefing. Thank you very much for your participation today.

[END]

Document Notes

Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.