FUJIFILM
Value from Innovation

# FUJIFILM Holdings Corporation

Earnings Presentation for the Fiscal Year Ended March 2025

May 8, 2025

# Event Summary

| | |
|---|---|
| **[Company Name]** | FUJIFILM Holdings Corporation |
| **[Company ID]** | 4901 |
| **[Event Language]** | JPN |
| **[Event Type]** | Earnings Announcement |
| **[Event Name]** | Earnings Presentation for the Fiscal Year Ended March 2025 |
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| **[Venue]** | Webcast |
| **[Number of Speakers]** | 6 |

| | |
|---|---|
| Teiichi Goto | President, Representative Director and CEO |
| Masayuki Higuchi | Director and Corporate Vice President, CFO |
| Naoki Hama | CEO, Director, FUJIFILM Holdings Corporation<br>President, Representative Director & CEO, FUJIFILM Business Innovation Corp |
| Chisato Yoshizawa | Director & Senior Vice President, General Manager of Corporate Communications Division and General Manager of ESG Division, FUJIFILM Holdings Corporation |
| Tetsuya Iwasaki | Director and Corporate Vice President, Deputy General Manager of Electronic Strategy Headquarters, General Manager of Electronic Materials Business Division, FUJIFILM Corporation |
| Toshihisa Iida | Director and Corporate Vice President, General Manager of Life Sciences Strategy Headquarters, General Manager of Bio CDMO Division, FUJIFILM Corporation |

# Presentation

**Moderator:** We will now begin the earnings presentation for the fiscal year ended March 2025 for FUJIFILM Holdings Corporation. Thank you very much for taking the time out of your busy schedules to join us today.

Let me begin by introducing today's participants. First, we have Teiichi Goto, President and CEO of FUJIFILM Holdings Corporation.

**Goto:** Thank you for having me.

**Moderator:** Next, Masayuki Higuchi, Director and CFO of FUJIFILM Holdings Corporation.

**Higuchi:** I'm Higuchi. Thank you very much.

**Moderator:** Naoki Hama, Director of FUJIFILM Holdings Corporation and President and CEO of FUJIFILM Business Innovation Corp.

**Hama:** I'm Hama. Thank you very much.

**Moderator:** Chisato Yoshizawa, Director & Senior Vice President, General Manager of Corporate Communications Division and General Manager of ESG Division of FUJIFILM Holdings Corporation.

**Yoshizawa:** I'm Yoshizawa. Thank you very much.

**Moderator:** Tetsuya Iwasaki, Director and Corporate Vice President, Deputy General Manager of Electronic Strategy Headquarters, General Manager of Electronic Materials Business Division of FUJIFILM Corporation.

**Iwasaki:** I'm Iwasaki. Thank you very much.

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

**Iida:** I'm Iida. Thank you very much.

**Moderator:** I am Nagasawa from the Corporate Communications Division, and I will be your moderator for today's session. Thank you for your attention.

Agenda

**FY2024 (Fiscal Year Ended March 2025)**

1 **Earnings Highlights and Key Topics**
Teiichi Goto, President, Representative Director & CEO
FUJIFILM Holdings Corporation

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

**FY2025 (Fiscal Year Ending March 2026)**

3 **Financial Forecast for FY2025**
Masayuki Higuchi, Director & Corporate Vice President, CFO
FUJIFILM Holdings Corporation

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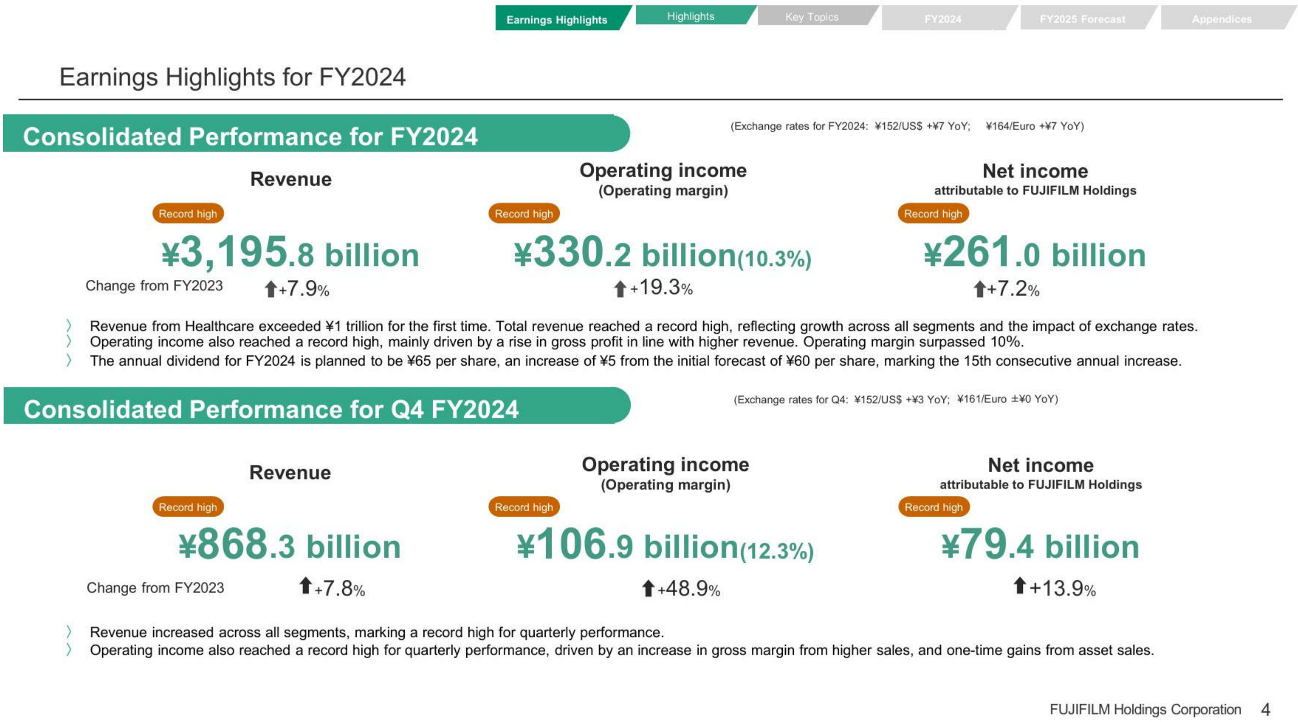
Today’s presentation will proceed as follows. First, Goto will present the highlights and key topics of the earnings results. Next, Higuchi will explain the consolidated financial results and business overview, as well as the full-year earnings forecast for the fiscal year ending March 2026. After that, we will move on to the Q&A session.

Now, Goto will begin his presentation.




**Goto:** I'm Goto. First, I would like to provide an overview of the consolidated financial results for FUJIFILM Holdings for the fiscal year ended March 2025.

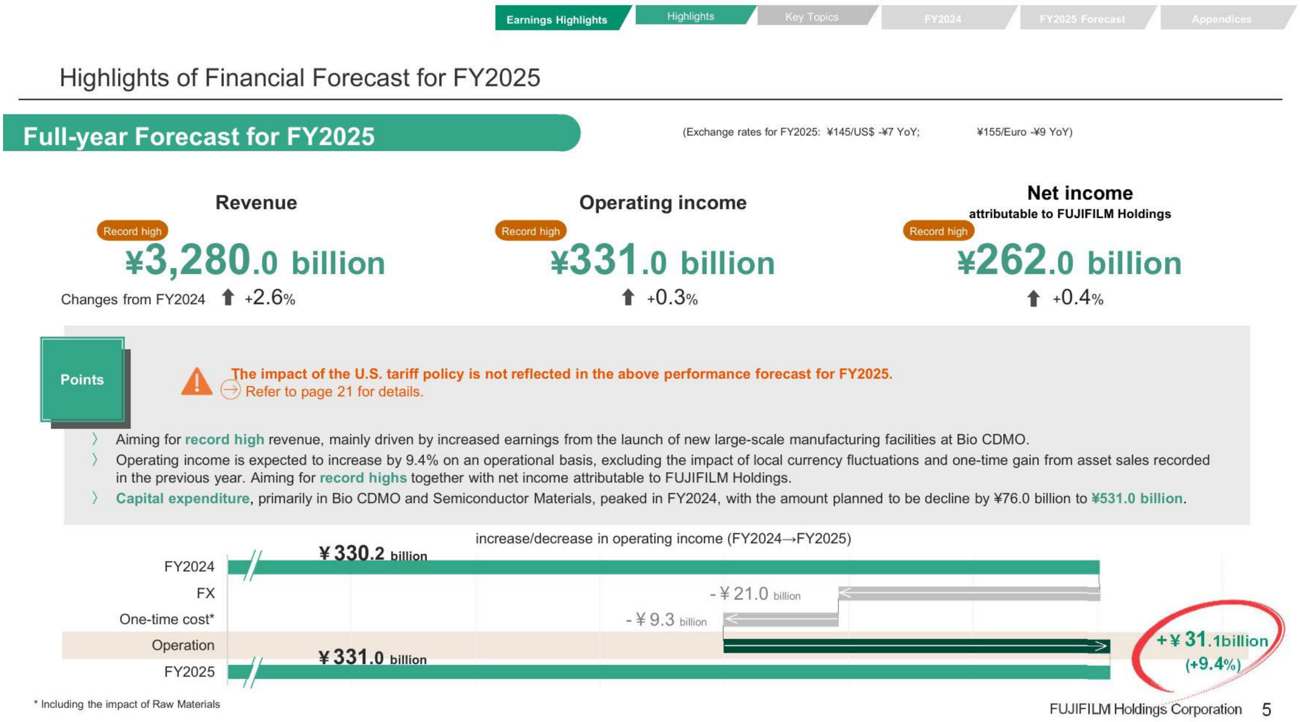
For the fiscal year ended March 2025, revenue came in at JPY3,195.8 billion, operating income was JPY330.2 billion, and net income attributable to FUJIFILM Holdings was JPY261.0 billion.

Revenue surpassed JPY1 trillion in Healthcare for the first time, and all segments recorded YoY increases in revenue, with foreign exchange effects also contributing. As a result, we achieved a record high in revenue. Operating income also reached a record high, driven by increased gross profit from higher sales, and our operating margin exceeded 10%.

We plan to raise the annual dividend for the fiscal year ended March 2025 by JPY5, from the initial forecast of JPY60 per share to JPY65 per share, marking the 15th consecutive year of dividend increases.

Furthermore, in Q4 as well, we achieved record-high quarterly results across the board in revenue, operating income and net income attributable to FUJIFILM Holdings.

Revenue increased across all segments due to strong sales. Operating income also increased in all segments, supported not only by increased gross profit from higher sales, but also by one-time gains from asset sales.

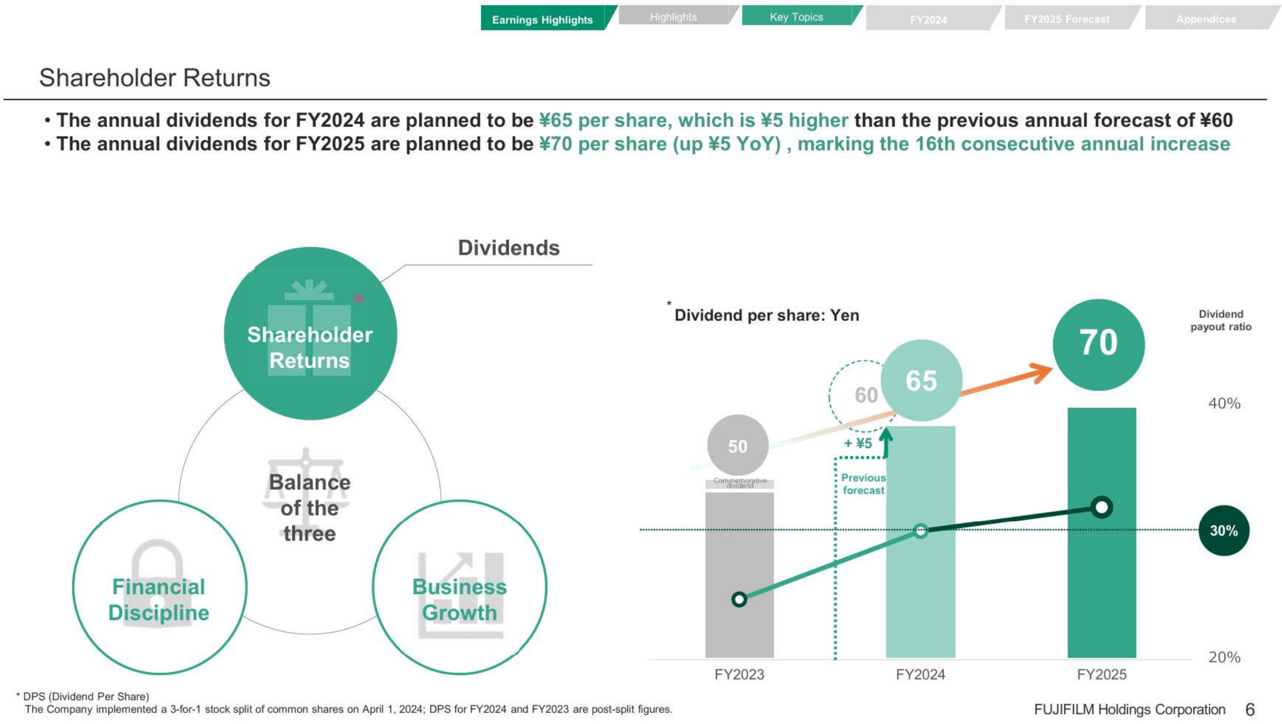



Next, I will explain the full-year earnings forecast for the fiscal year ending March 2026.

We are targeting revenue of JPY3,280.0 billion, a 2.6% YoY increase, driven by higher sales resulting from the launch of new large-scale Bio CDMO facilities. Operating income, on an operational basis, excluding one-time gains, such as the asset sale recorded last year and foreign exchange impacts, is projected to rise 9.4% YoY to JPY331.0 billion.

We aim to update the record highs for both operating income and net income attributable to FUJIFILM Holdings. Capital investment, primarily in Bio CDMO and Semiconductor Materials, is expected to peak out, with a planned amount of JPY531.0 billion, which is approximately JPY76.0 billion less than the previous year.

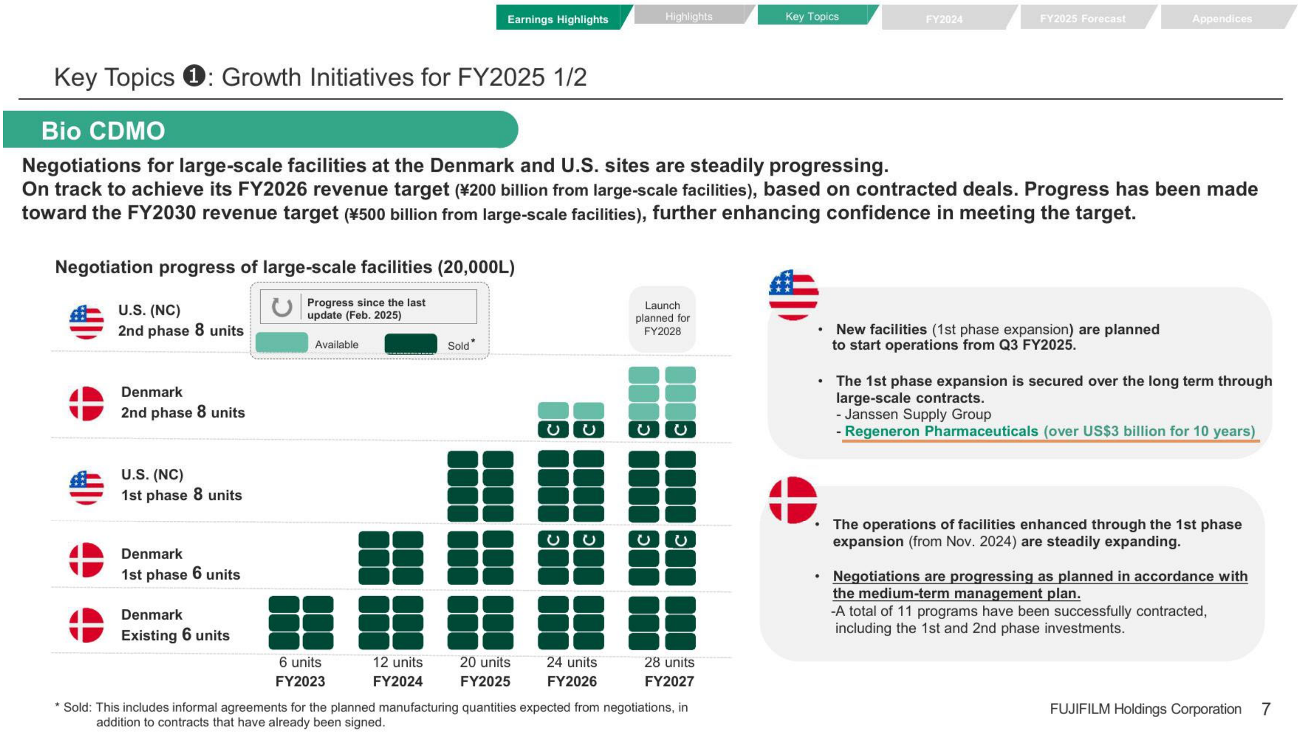
It should be noted that this earnings forecast does not factor in any effects from US tariff policy. Higuchi will explain the details shortly.




Next, I will speak about shareholder returns.

For the fiscal year ended March 2025, we plan an annual dividend of JPY65 per share, an increase of JPY5 from the previous forecast, marking the 15th consecutive annual increase.

For the fiscal year ending March 2026, we plan an additional increase of JPY5 from the prior year, to JPY70 per share, which would mark the 16th consecutive year of dividend increases.



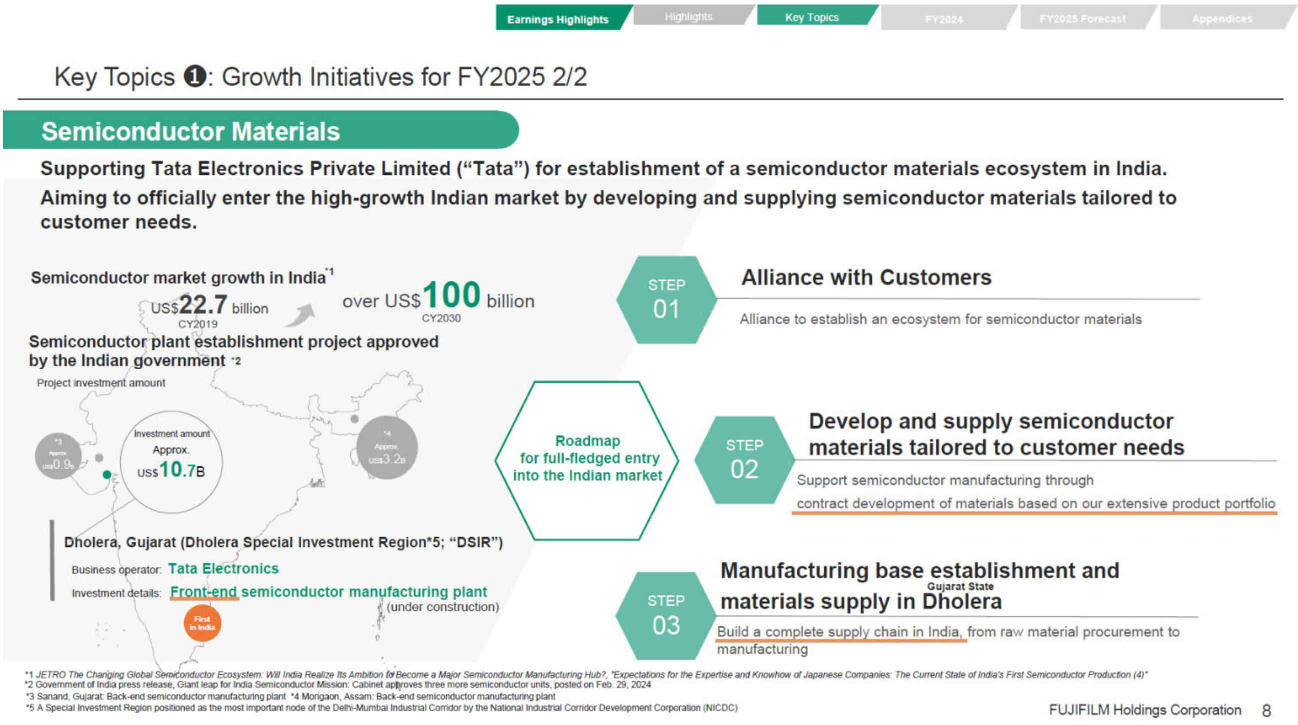

Now, I will move on to initiatives toward growth in the fiscal year ending March 2026, starting with the Bio CDMO business.

In our large-scale manufacturing facilities equipped with 20,000-liter bioreactors, both our Denmark and US sites are progressing steadily in contract negotiations.

At the new US site, which is scheduled to begin operations in Q3 of this fiscal year, we signed in April a manufacturing agreement with Regeneron Pharmaceuticals with a total value exceeding USD3.0 billion over 10 years. With this agreement, along with the major contract announced in FY2023 with Janssen Supply Group, LLC, a Johnson & Johnson company, the initial investment facilities at the U.S. site are now fully booked for the long term.

At our Denmark site, the Phase 1 investment facility that commenced operation in November last year is running smoothly, and contracts for FY2026 and FY2027 have already been secured. For the Phase 2 investment facility, scheduled to start operations in FY2026, we have already secured several programs, and progress is on track with our medium-term management plan.

The revenue targets for these large-scale manufacturing facilities are JPY200.0 billion in FY2026 and JPY500.0 billion in FY2030. We expect to achieve the FY2026 target based on already-contracted projects, and the likelihood of achieving the FY2030 target is also increasing.




Next, I will explain our initiatives regarding Semiconductor Materials.

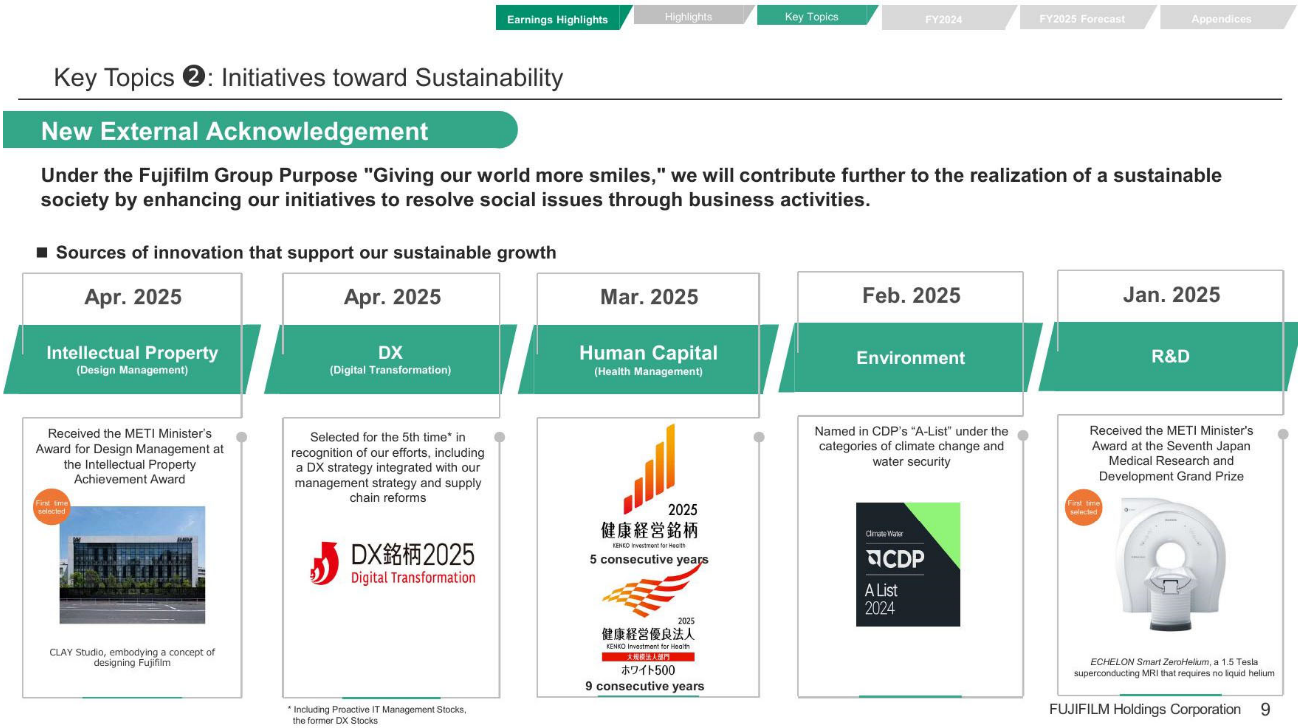
We have recently reached a consensus with Tata Electronics Private Limited, a leading semiconductor manufacturer in India, for a partnership aimed at establishing a production system and supply chain for semiconductor materials in India.

We will support Tata's launch of semiconductor manufacturing by developing and supplying semiconductor materials tailored to the company's needs, as it moves forward with the construction of India's first front-end semiconductor fabrication plant and a large-scale back-end semiconductor processing facility.

Furthermore, we are also considering the establishment of a manufacturing site for semiconductor materials in Dholera, Gujarat, which aims to become a hub for the semiconductor industry. Through this, we intend to make a full-scale entry into the Indian market.

India's semiconductor market is expected to grow rapidly, backed by government-led localization initiatives. The market is projected to expand to over USD100.0 billion, or approximately JPY15.0 trillion, by FY2030. We position our Semiconductor Materials business as one of the Fujifilm Group's core growth drivers, and we view the expanding Indian semiconductor-related market as a critical region for further business development.

We are confident that our partnership with Tata, which is playing a central role in forming India's semiconductor ecosystem, combined with Fujifilm's broad portfolio of semiconductor materials covering both front-end and back-end manufacturing processes, will contribute significantly to the development of the Indian semiconductor industry.




Lastly, I would like to touch on our sustainability initiatives.

We are actively pursuing initiatives to contribute to the realization of a sustainable society and have received various forms of recognition for our efforts.

As a recent example, we received the METI Minister's Award for Design Management at the Intellectual Property Achievement Award, jointly hosted by the Ministry of Economy, Trade, and Industry and the Japan Patent Office. This award recognized us as a company that effectively leverages intellectual property while incorporating design management, which uses the power of design to build brands and drive innovation.

Additionally, regarding our development of the *ECHELON Smart ZeroHelium*, a 1.5 tesla superconducting MRI system that does not use any liquid helium—a product we successfully commercialized—we received METI's Minister's Award at the 7th Japan Medical Research and Development Awards, hosted by the Cabinet Office.

Guided by the Fujifilm Group purpose, "Giving our world more smiles," we will continue to deliver innovative technologies, products, and services, and intensify our efforts to address social issues through our business activities, aiming to further contribute to the realization of a sustainable society.

That concludes my explanation.

**Moderator:** Next, Higuchi will present.

## Financial Results for FY2024

(Billions of yen)

| | Q4 | | | | | Full Year | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | FY2023 | FY2024 | Change | Impact of exchange rate | Constant-currency basis | FY2023 | FY2024 | Change | Impact of exchange rate | Constant-currency basis |
| Revenue | 805.5<br>100.0% | Record high 868.3<br>100.0% | 62.8<br>+7.8% | 6.2 | 56.7<br>+7.0% | 2,960.9<br>100.0% | Record high 3,195.8<br>100.0% | 234.9<br>+7.9% | 85.9 | 149.0<br>+5.0% |
| Operating Income | 71.8<br>8.9% | Record high 106.9<br>12.3% | 35.1<br>+48.9% | 0.5 | 34.6<br>+48.2% | 276.7<br>9.3% | Record high 330.2<br>10.3% | 53.4<br>+19.3% | 19.6 | 33.8<br>+12.2% |
| Income before Income Taxes | 87.6<br>10.9% | Record high 103.4<br>11.9% | 15.8<br>+18.1% | (9.3) | 25.1<br>+28.7% | 317.3<br>10.7% | Record high 340.6<br>10.7% | 23.3<br>+7.3% | 13.0 | 10.3<br>+3.2% |
| Net Income Attributable to FUJIFILM Holdings | 69.7<br>8.7% | Record high 79.4<br>9.1% | 9.7<br>+13.9% | (6.5) | 16.2<br>+23.1% | 243.5<br>8.2% | Record high 261.0<br>8.2% | 17.4<br>+7.2% | 9.0 | 8.4<br>+3.5% |
| EPS | ¥44.97 | ¥65.92 | ¥20.95 | | | ¥202.29 | ¥216.67 | ¥14.38 | | |
| ROE | - | - | - | | | 8.2% | 8.0% | (0.2 pt) | | |
| ROIC | - | - | - | | | 5.6% | 5.9% | 0.3 pt | | |
| CCC | - | - | - | | | 116 days | 95 days | (21 days) | | |
| Exchange Rates ¥/US$ | ¥149 | ¥152 | ¥3 | | | ¥145 | ¥152 | ¥7 | | |
| Exchange Rates ¥/€ | ¥161 | ¥161 | - | | | ¥157 | ¥164 | ¥7 | | |

Q4: Other change factors (YoY): Impact of raw materials prices on operating income: : -¥1.0 billion (Excluding prices of semiconductors and other materials)

Full Year: Other change factors (YoY): Impact of raw materials prices on operating income: -¥10.0 billion (Excluding prices of semiconductors and other materials)

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**Higuchi:** I'm Higuchi.

As Goto explained earlier, for both the three-month period of Q4 and the full fiscal year ended March 2025, we achieved record highs in revenue, operating income, and net income attributable to FUJIFILM Holdings. As a result, EPS increased by JPY14.38 from the previous year, reaching JPY216.67.

While proactively investing in growth businesses, we also worked to improve capital efficiency. ROIC improved by 0.3 percentage point from the previous year. Additionally, CCC improved by 21 days YoY, coming in at 95 days, due to improvements in the turnover of accounts receivable and optimization initiatives within the supply chain that shortened inventory turnover days.

FY2024 (Fiscal Year Ended March 2025)

## Consolidated Revenue and Operating Income by Operating Segment

(Billions of yen)

| Revenue | Q4 | | | | | | Full Year | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY2023 | FY2024 | Change | | Constant-currency basis | | FY2023 | FY2024 | Change | | Constant-currency basis | |
| Healthcare | 284.4 | **310.0** | 25.6 | +9.0% | 22.1 | +7.8% | 975.1 | **1,022.6** | 47.5 | +4.9% | 17.0 | +1.7% |
| Electronics | 102.6 | **106.6** | 4.0 | +3.9% | 3.3 | +3.2% | 358.4 | **432.8** | 74.4 | +20.7% | 62.1 | +17.3% |
| Business Innovation | 317.5 | **336.4** | 19.0 | +6.0% | 16.7 | +5.3% | 1,157.8 | **1,198.5** | 40.7 | +3.5% | 16.1 | +1.4% |
| Imaging | 101.1 | **115.3** | 14.2 | +14.1% | 14.5 | +14.4% | 469.7 | **542.0** | 72.3 | +15.4% | 53.8 | +11.5% |
| Total | 805.5 | **868.3** | 62.8 | +7.8% | 56.7 | +7.0% | 2,960.9 | **3,195.8** | 234.9 | +7.9% | 149.0 | +5.0% |

| Operating Income | Q4 | | | | | | Full Year | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY2023 | FY2024 | Change | | Constant-currency basis | | FY2023 | FY2024 | Change | | Constant-currency basis | |
| Healthcare | 37.1 | **44.8** | 7.7 | +20.6% | 7.1 | +19.0% | 97.4 | **77.6** | (19.8) | (20.3%) | (25.7) | (26.4%) |
| Electronics | 12.9 | **18.2** | 5.4 | +41.7% | 5.2 | +40.1% | 46.3 | **77.3** | 31.0 | +67.1% | 26.8 | +58.0% |
| Business Innovation | 18.9 | **31.9** | 13.0 | +68.6% | 12.2 | +64.8% | 67.4 | **74.6** | 7.2 | +10.7% | 3.9 | +5.7% |
| Imaging | 13.1 | **24.2** | 11.1 | +85.2% | 12.0 | +92.1% | 102.0 | **139.2** | 37.2 | +36.4% | 30.8 | +30.2% |
| Corporate Expenses & Eliminations | (10.2) | **(12.2)** | (2.0) | | (1.9) | | (36.4) | **(38.6)** | (2.2) | +6.1% | (2.0) | |
| Total | 71.8 | **106.9** | 35.1 | +48.9% | 34.6 | +48.2% | 276.7 | **330.2** | 53.4 | +19.3% | 33.8 | +12.2% |

* The Graphic Communications business has been reclassified from the Electronics (formerly Materials) segment to the Business Innovation segment.
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.



Segment-wise revenue and operating income results are shown here.

FY2024 (January to March 2025)

## Business Summary: Healthcare

| YoY Change | |
|---|---|
| Revenue | Operating income |
| ↑+9.0% | ↑+20.6% |

**Revenue increased driven by strong sales of medical IT, endoscope and others in Medical Systems, as well as contributions from the launch of a new large-scale plant at Bio CDMO. Operating income increased, driven mainly by a rise in gross profit in line with higher revenue and gains on sale of assets.**

### Medical Systems — Revenue ¥206.1 billion (up 8.4% YoY)

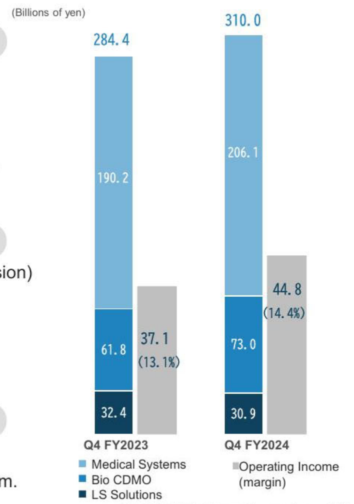
- Revenue increased, driven mainly by higher sales of endoscopes in Japan, the U.S., Europe and China, as well as growth in medical IT, including Picture Archiving and Communication System (PACS) and IVD (In-Vitro Diagnostics) products.
- Domestic sales of *ECHELON Smart ZeroHelium**, a superconducting MRI system that requires no liquid helium launched in April 2024, fared well. The launch of *ECHELON Synergy ZeroHelium*, a wide-bore 1.5 Tesla superconducting MRI system, is scheduled for June 2025. * Refer to Key Topics

### Bio CDMO * Profitability: See P.32 — Revenue ¥73.0 billion (up 18.1% YoY)

- Revenue increased, mainly driven by sales contributions from new large-scale facilities (1st phase expansion) at the Denmark site launched in November 2024, as well as higher pass-through adjustments for raw material costs charged to customers.
- Signed a 10-year contract agreement with Regeneron Pharmaceuticals, Inc. for the manufacturing of antibody drugs (totaling over US$3 billion) at the North Carolina site in the U.S. (scheduled for launch in Q3 FY2025). *Refer to Key Topics

### LS Solutions — Revenue ¥30.9 billion (down -4.5% YoY)

- In Life Sciences, despite an upturn in demand for culture media, revenue declined due to the absence of the previous year's licensing income from BlueRock Therapeutics LP for an eye disease treatment program.

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Let me begin with an overview of the performance in Healthcare.

Sales of endoscopes and medical IT in Medical systems were strong, and the launch of new large-scale facilities in Bio CDMO contributed as well. As a result, revenue increased 9% YoY to JPY310 billion, and operating income rose 20.6% YoY to JPY44.8 billion, driven by higher gross profit from increased revenue and the recording of gains on asset sales.

Medical Systems saw revenue growth due to strong performance in endoscopes, medical imaging information systems and other medical IT solutions, and in vitro diagnostic systems, not only in Japan, the U.S., and Europe, but also in China.

Bio CDMO revenue increased due to contributions from the new large-scale facilities at the Denmark site, which commenced operations in November last year, and a rise in passthrough settlements for raw materials charged to customers.

Earnings Highlights | FY2024 | Company-wide | By Segment | CF | FY2025 Forecast | Appendices

FY2024 (January to March 2025)

## Business Summary: Electronics

| YoY Change | |
|---|---|
| Revenue | Operating income |
| ↑+3.9% | ↑+41.7% |

**Revenue increased as we successfully tapped into demand for advanced semiconductor materials, such as those for generative AI, in Semiconductor Materials, while demand for display materials in AF Materials remained strong. Operating income rose in line with higher revenue.**

### Semiconductor Materials

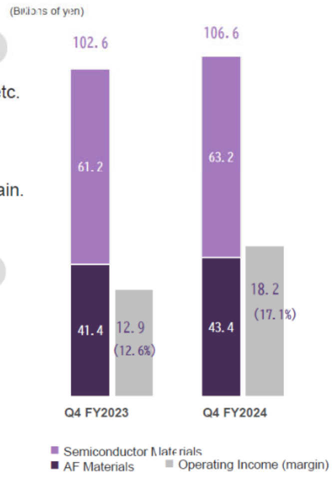
Revenue ¥63.2 billion (up 3.2% YoY)

- Revenue increased as we tapped into demand for advanced semiconductor materials for generative AI, etc.
- Supporting Tata Electronics from India to establish an ecosystem for semiconductor materials in India.
  * Refer to the Key Topics.
- Received the 2025 Intel EPIC Supplier Award as a top performer demonstrating a strong commitment to EPIC (Excellence, Partnership, Inclusion, Continuous Improvement) performance within Intel's supply chain.

### AF Materials*

Revenue ¥43.4 billion (up 4.8% YoY)

- In Display Materials, revenue increased, mainly due to strong demand in China supported by the ongoing replacement subsidy policy, as well as the adoption of new materials.
- Revenue rose, driven by growth in semiconductor-related materials and components for consumer electronics in the electronics market.




* Display Materials and Other Electronics Materials are integrated into the "AF Materials."
* 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.

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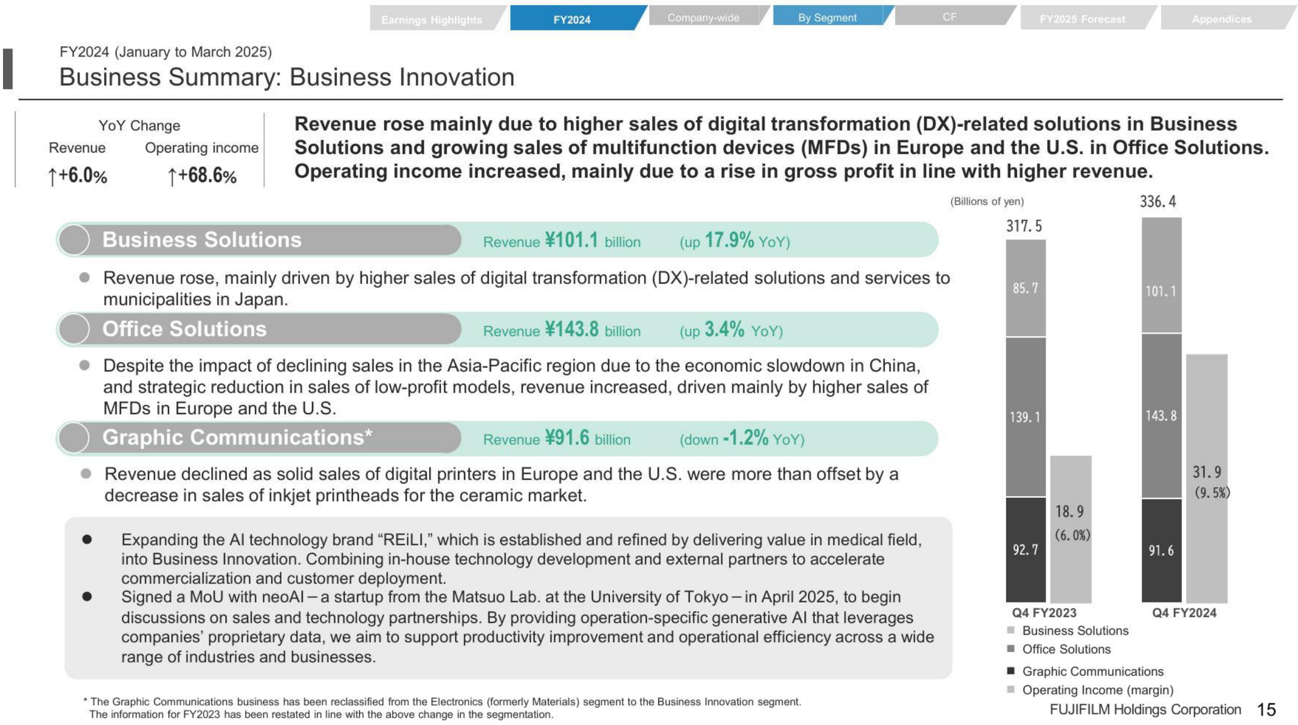
Next, Electronics.

Both Semiconductor Materials and AF Materials posted strong sales, leading to revenue of JPY106.6 billion, a 3.9% increase YoY, and operating income of JPY18.2 billion, a 41.7% increase YoY.

Semiconductor Materials achieved revenue growth by capturing demand for advanced materials, including those for generative AI applications.

AF Materials also recorded revenue growth, supported by continued strong demand for Display Materials under China's replacement subsidy policy, as well as greater adoption of new materials.




Next is the Business Innovation segment.

Revenue increased 6% YoY to JPY336.4 billion, driven by higher sales of DX-related solutions and increased sales of multifunction devices for the U.S. and European markets under Office Solutions. Operating income rose significantly, up 68.6% YoY to JPY31.9 billion, due to increased gross profit accompanying the rise in revenue.

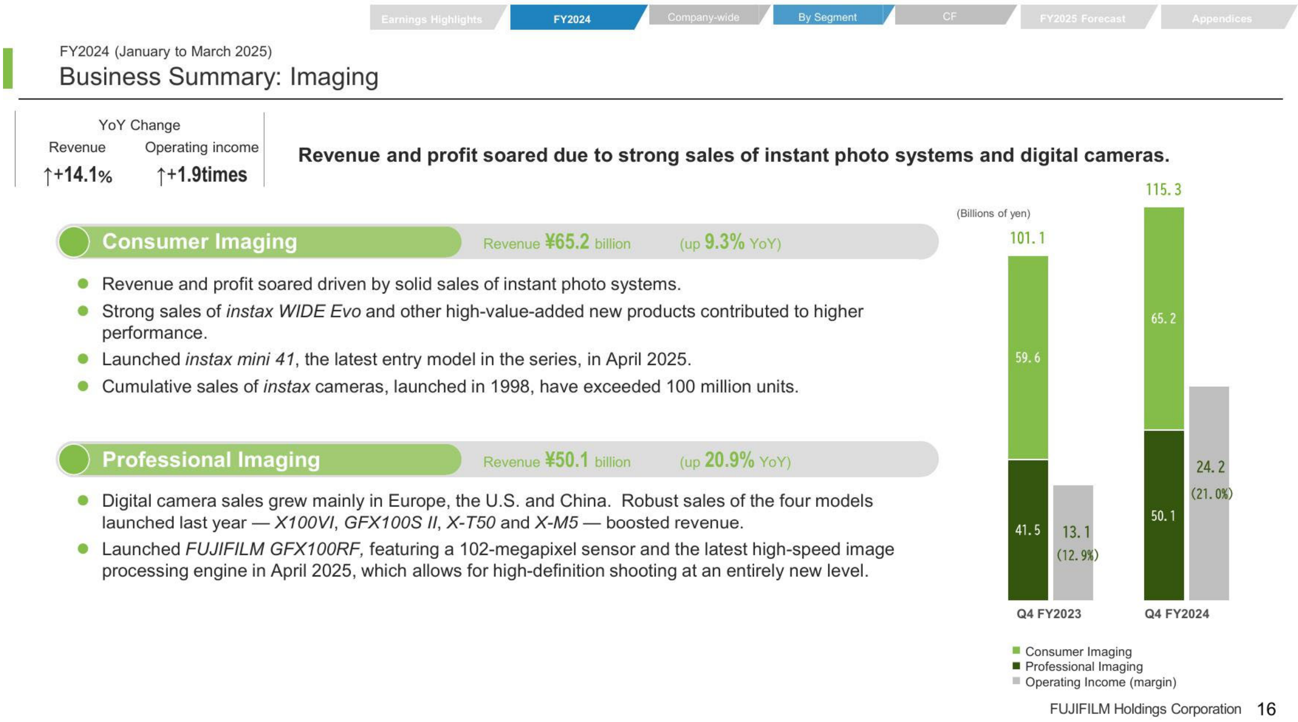
In Business Solutions, revenue increased due to higher sales of DX-related solutions and services for local governments.

In Office Solutions, although the Asia-Pacific region was affected by an economic slowdown in China and a strategic reduction in sales of low-profit models, overall revenue increased, thanks to growth in multifunction device sales in Europe and the U.S.

In Graphic Communications, sales of digital printers for Europe and the U.S. remained strong, but overall revenue declined due to lower sales of inkjet heads for the ceramics market, which was impacted by a sluggish real estate sector.

In the Business Innovation segment, we are working to rapidly bring products to market and implement them for customers by leveraging our AI technology brand REiLI, which has been developed through providing value in the medical field, in collaboration with external partners.

In April of this year, we signed a basic agreement with neoAI, a venture originating from Professor Matsuo's lab at the University of Tokyo, to initiate discussions toward a sales and technology partnership. By offering generative AI specially designed for specific business operations using companies' proprietary data, we aim to support productivity improvements and operational efficiency across a wide range of industries and business functions.

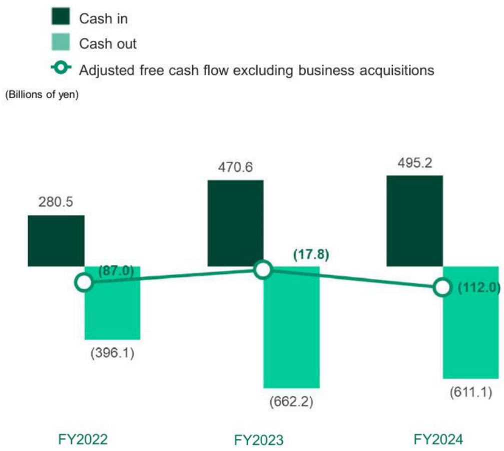



Lastly, Imaging.

Sales of high value-added new products in our instant photo system performed strongly, and digital cameras also showed robust sales, especially in markets such as the U.S., Europe and China. As a result, revenue rose 14.1% YoY to JPY115.3 billion, and operating income increased 1.9 times YoY to JPY24.2 billion, marking significant gains in both revenue and profit.

FY2024 (April 2024 to March 2025)

## Consolidated Balance Sheets




(Billions of yen)

| | FY2022 Full Year | FY2023 Full Year | FY2024 Full Year |
|---|---|---|---|
| **Net income** | **221.7** | **243.3** | **261.7** |
| Depreciation & amortization | 142.2 | 150.0 | 163.6 |
| Change in notes and accounts receivable / others | (76.6) | (5.8) | 34.4 |
| Change in inventories | (51.5) | 62.0 | (0.3) |
| Change in notes and accounts payable - trade / others | 9.2 | 7.5 | 47.6 |
| Change in working capital | (118.9) | 63.7 | 81.7 |
| Others | 35.5 | 13.6 | (11.7) |
| **Cash-In** | **280.5** | **470.6** | **495.2** |
| Capital expenditure | (288.3) | (422.1) | (532.1) |
| Purchases of software / rental assets | (79.1) | (66.3) | (75.0) |
| Acquisitions of businesses | (28.7) | (173.8) | (3.9) |
| **Cash-Out** | **(396.1)** | **(662.2)** | **(611.1)** |
| **Adjusted free cash flows (FCF)** | **(115.6)** | **(191.6)** | **(115.8)** |
| **Adjusted free cash flows excluding business acquisitions*** | **(87.0)** | **(17.8)** | **(112.0)** |

* Business acquisitions are deducted from adjusted free cash flow.



Now I will explain the cash flow.

Cash inflow increased by JPY24.6 billion YoY to JPY495.2 billion, thanks to improved working capital efficiency, including a shorter cash conversion cycle.

Cash outflow decreased by JPY51.1 billion YoY to JPY611.1 billion. While capital expenditures centered on Bio CDMO increased, spending associated with business acquisitions declined.

As a result, adjusted free cash flow, excluding business acquisitions, came to an outflow of JPY112 billion.

That concludes my explanation of the fiscal year ended March 2025.

## Full-year Forecast for FY2025 (Excluding the Impact of the U.S. Tariff Policy)

(Billions of yen)

| | FY2024 Actual | FY2025 forecast | Change from FY2024 |
|---|---|---|---|
| Revenue | 3,195.8<br>100.0% | Record high 3,280.0<br>100.0% | 84.2<br>+2.6% |
| Operating Income | 330.2<br>10.3% | Record high 331.0<br>10.1% | 0.8<br>+0.3% |
| Income before Income Taxes | 340.6<br>10.7% | Record high 343.0<br>10.5% | 2.4<br>+0.7% |
| Net Income Attributable to FUJIFILM Holdings | 261.0<br>8.2% | Record high 262.0<br>8.0% | 1.0<br>+0.4% |
| * EPS | ¥216.67 | ¥217.46 | ¥0.79 |
| ROE | 8.0% | 7.7% | (0.3 pt) |
| ROIC | 5.9% | 5.5% | (0.4 pt) |
| CCC | 95 days | 104 days | 9 days |
| Exchange Rates ¥/US$ | ¥152 | ¥145 | ¥7 |
| Exchange Rates ¥/€ | ¥164 | ¥155 | ¥9 |
| Silver Price (/kg) | ¥148,000 | ¥155,000 | ¥7,000 |

* EPS (net income attributable to FUJIFILM Holdings per share) is calculated by using the number of shares issued as of March 31, 2025 (excluding treasury shares) as the average number of shares for the relevant period.

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Next, I will explain the earnings forecast for the fiscal year ending March 2026.

As Goto mentioned at the beginning, we aim to set new record highs for the full-year consolidated results for the fiscal year ending March 2026, with revenue of JPY3,280 billion, operating income of JPY331 billion, and net income attributable to FUJIFILM Holdings of JPY262 billion. Please note that this forecast does not incorporate the impact of US tariff policy.

## Financial Forecast by Operating Segment (Excluding the Impact of the U.S. Tariff Policy)

**Total revenue of ¥3,280.0 billion is forecast for FY2025, with the launch of new large-scale facilities at Bio CDMO expected to be a major driving force.Operating income is forecast at ¥331.0 billion as higher sales, primarily in Healthcare and Business Innovation, are expected to offset lower profits caused by the strong yen.**

(Billions of yen)

| Revenue | FY2024 Actual | FY2025 forecast | Change from FY2024 | | Constant-currency basis | |
|---|---|---|---|---|---|---|
| * Healthcare | 1,047.8 | 1,100.0 | 52.2 | +5.0% | 87.2 | +8.3% |
| Electronics | 407.6 | 420.0 | 12.4 | +3.0% | 25.4 | +6.2% |
| Business Innovation | 1,198.5 | 1,220.0 | 21.5 | +1.8% | 38.5 | +3.2% |
| Imaging | 542.0 | 540.0 | (2.0) | (0.4%) | 17.0 | +3.1% |
| Total | 3,195.8 | 3,280.0 | 84.2 | +2.6% | 168.2 | +5.3% |

| Operating Income | FY2024 Actual | FY2025 forecast | Change from previous forecast | | Excluding foreign exchange, one-time cost, and raw material effects | |
|---|---|---|---|---|---|---|
| Healthcare | 79.9 | 86.0 | 6.1 | +7.7% | 14.2 | +17.8% |
| Electronics | 75.1 | 78.0 | 2.9 | +3.9% | 6.9 | +9.2% |
| Business Innovation | 74.6 | 79.0 | 4.4 | +5.9% | 9.1 | +12.2% |
| Imaging | 139.2 | 127.0 | (12.2) | (8.8%) | 1.3 | +0.9% |
| Corporate Expenses & Eliminations | (38.6) | (39.0) | (0.4) | - | (0.4) | - |
| Total | 330.2 | 331.0 | 0.8 | +0.3% | 31.1 | +9.4% |

* The Chemical Reagent business has been reclassified from the Electronics (AF Materials) segment to the Healthcare (LS Solutions) segment. The information for FY2024 has been restated in line with the above change in the segmentation.

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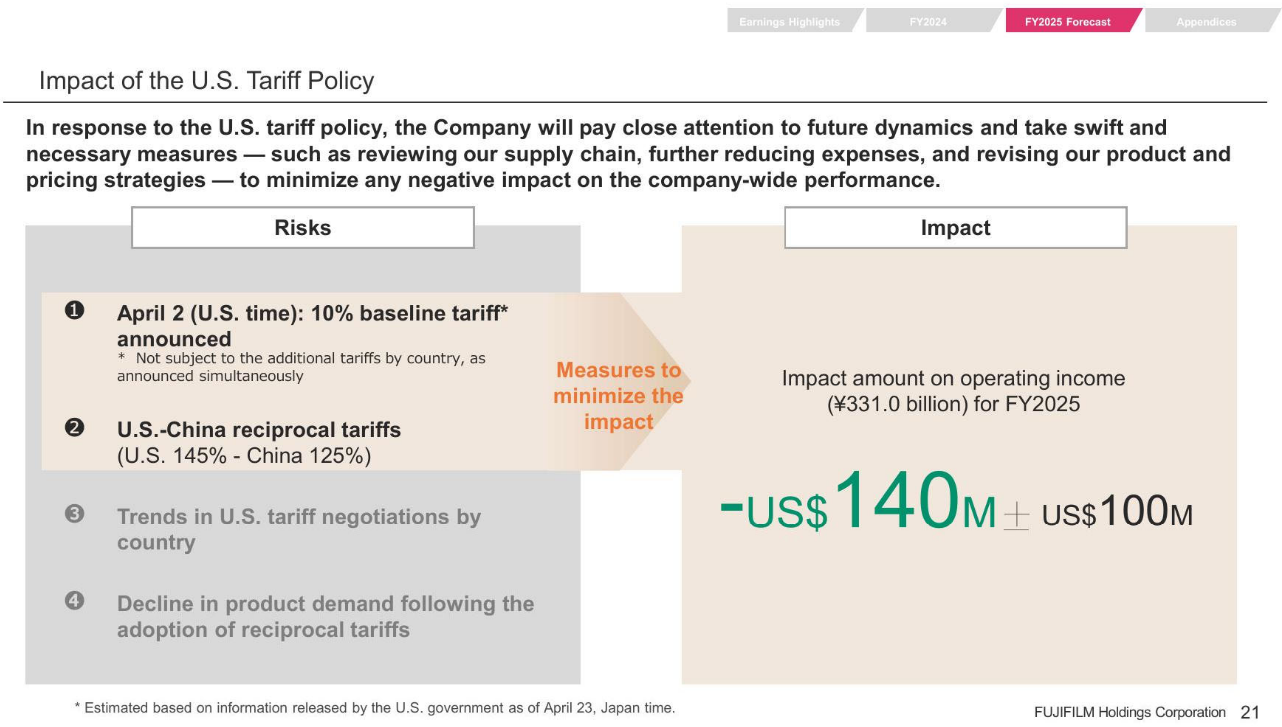
Segment-based earnings forecasts are as shown.

Revenue is expected to increase by JPY84.2 billion, reaching JPY3,280.0 billion, driven primarily by increased sales from the operation of new large-scale facilities in Bio CDMO. Operating income is expected to come in at JPY331.0 billion, up JPY8.0 billion from the previous year. Although this includes the negative impact of a stronger yen and the absence of one-time gains, such as asset sales recorded in the previous year, these will be offset by higher sales.

In Healthcare, we expect growth in revenue and profit, supported by the continued expansion of sales in Medical Systems and contributions from the operation of large-scale Bio CDMO facilities. In Electronics, we expect to capture demand for advanced semiconductor materials. For Business Innovation, we expect higher revenue and operating income, driven by the continued strong performance in DX solutions.

In Imaging as well, both *instax* and digital cameras are expected to remain strong. Excluding foreign exchange effects and the one-time gain from asset sales in the prior year, we are planning for revenue and profit growth on an operational basis.




Next, I will explain the estimated impact of tariff policies on our business.

We are currently assuming that the effect on our operating income target of JPY331.0 billion will fall within a range of minus USD140 million, plus or minus USD100 million. This is based on expected impacts from the global flat-rate 10% common tariff and reciprocal tariffs between the U.S. and China. We plan to respond appropriately and in a timely manner through measures such as supply chain adjustments, additional cost reductions, and reviews of product and pricing strategies, while paying close attention to future dynamics.

However, impacts from potential future dynamics—such as fluctuations arising from ongoing tariff negotiations with the U.S. by various countries, or demand decline from the application of reciprocal tariffs—are not included in this estimate, as it is currently difficult to reasonably quantify those effects. We will continue to closely monitor the situation and implement necessary measures swiftly to minimize any impact on our performance.

## ROIC (Return on Invested Capital)

**In FY2024, ROIC was 5.9%, up 0.3 pt YoY, driven primarily by improvements mainly in Electronics and Imaging.**
**In FY2025, ROIC is planned to decline by 0.4 pt to 5.5% as we continue to make growth investments in Healthcare and Electronics.**

### Former segment basis (the Chemical Reagent business* included in Electronics)

| | FY2023 Actual | FY2024 Actual | Change from FY2023 |
|---|---|---|---|
| Healthcare | 3.7% | 2.5% | (1.2pt) |
| Electronics | 7.0% | 11.4% | ⬆ +4.4pt |
| Business Innovation | 4.9% | 5.4% | +0.5pt |
| Imaging | 41.8% | 54.8% | ⬆ +13.0pt |
| *Segment ROIC = NOPAT/(working capital + fixed assets) | | | |
| **Total** | **5.6%** | **5.9%** | ⬆ **+0.3pt** |

*Company-wide ROIC = NOPAT/(interest-bearing debt + shareholders' equity)

### New segment basis (the Chemical Reagent business* reclassified to Healthcare)

| | FY2024 Actual | FY2025 Forecast | FY2025 Forecast |
|---|---|---|---|
| Healthcare | 2.5% | 2.5% | - |
| Electronics | 12.3% | 11.2% | (1.1pt) |
| Business Innovation | 5.4% | 5.6% | +0.2pt |
| Imaging | 54.8% | 46.8% | (8.0pt) |
| *Segment ROIC = NOPAT/(working capital + fixed assets) | | | |
| **Total** | **5.9%** | **5.5%** | ⬇ **(0.4pt)** |

*Company-wide ROIC = NOPAT/(interest-bearing debt + shareholders' equity)

* The chemical reagent business has been reclassified from the Electronics (AF Materials) segment to the Healthcare (LS Solutions) segment. The information for FY2024 has been restated in line with the above change in the segmentation.

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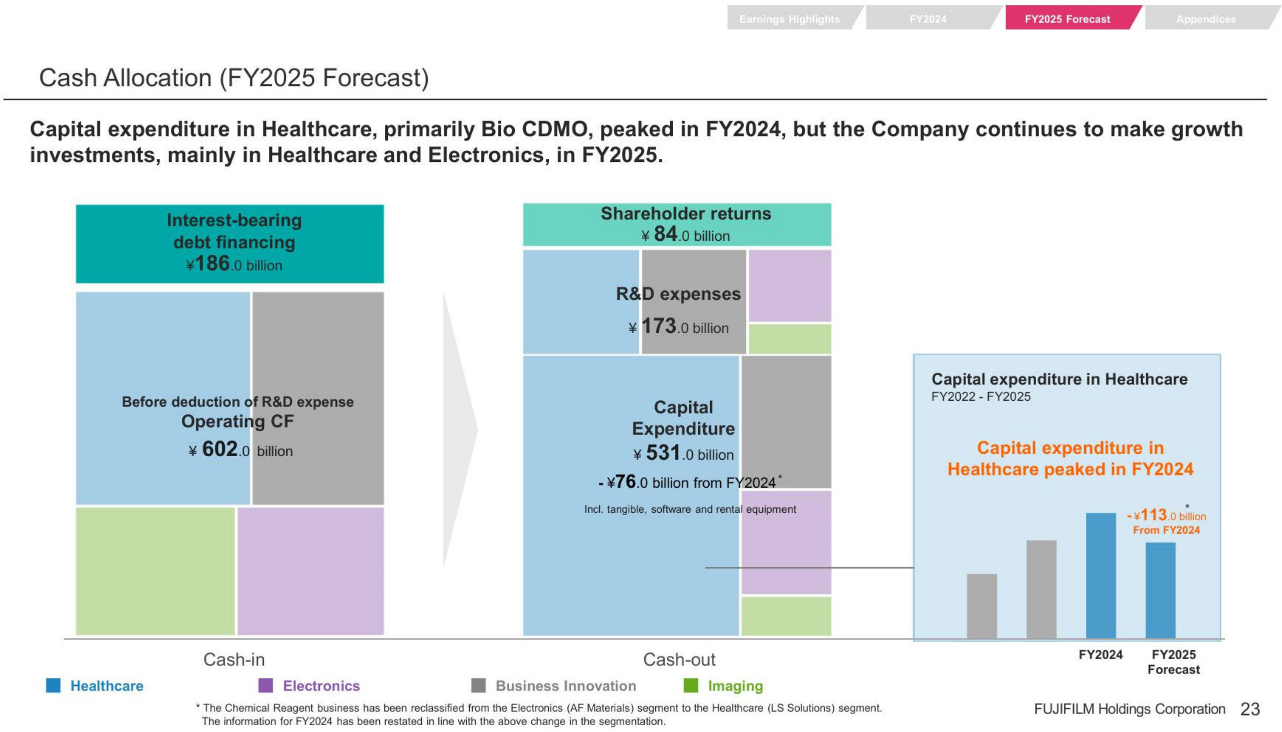
Next, regarding ROIC.

For the fiscal year ended March 2025, ROIC improved significantly, mainly due to increased profitability in Electronics and Imaging, and ended at 5.9%, a 0.3 percentage point increase from the previous year.

For the fiscal year ending March 2026, we expect ROIC to decline by 0.4 percentage points to 5.5%, reflecting continued growth investments mainly in Healthcare and Electronics.




Now, regarding cash allocation for the fiscal year ending March 2026.

Capital expenditures for Healthcare, particularly centered on Bio CDMO, already peaked in the previous year. We expect a reduction of JPY113.0 billion from the prior year. For the fiscal year ending March 2026, we plan to continue capital investments for growth, focused on Healthcare and Semiconductor Materials, at a scale over JPY530.0 billion, with financing also utilizing interest-bearing debt.

Looking ahead, we expect contributions from cash generation through the launch of new Bio CDMO facilities, and forecast a return to positive free cash flow for the Group beginning in the fiscal year ending March 2027.

## Implement Management that Is Conscious of Cost of Capital and Stock Price

**Aiming to achieve an ROE of 10% or higher in FY2030 by continuously striving to improve ROIC across all business segments, while also contributing to the sustainable enhancement of stock price (PBR).**

| | VISION2030 Targets ROIC progress (%) FY23 | FY24 | FY26 | Major efforts to improve ROIC |
|---|---|---|---|---|
| Healthcare* | 3.7 | ▶ 2.5 | ▶ 4.1 | Large-scale facilities for Bio CDMO have started operations as planned, with a focus on steadily securing contracts from ongoing business negotiations to achieve investment returns in line with initial plans. |
| Electronics* | 7.0 | ▶ 11.4 | ▶ 9.3+ | Strengthening the global supply structure for semiconductor materials and enhancing profitability through synergies created with Process Chemicals business, which has been fully integrated. |
| Business Innovation | 4.9 | ▶ 5.4 | ▶ 6.7 | Maximizing opportunities driven by the transition to digital printing and enhancing profitability of Business Solutions. |
| Imaging | 41.8 | ▶ 54.8 | ▶ 37.2+ | Maintain high profitability and investment returns. Strengthen the supply chain to sustain a high level of ROIC. |
| Company | 5.6 | ▶ 5.9 | ▶ 5.8+ | |

*Before reclassification of Chemical Reagents business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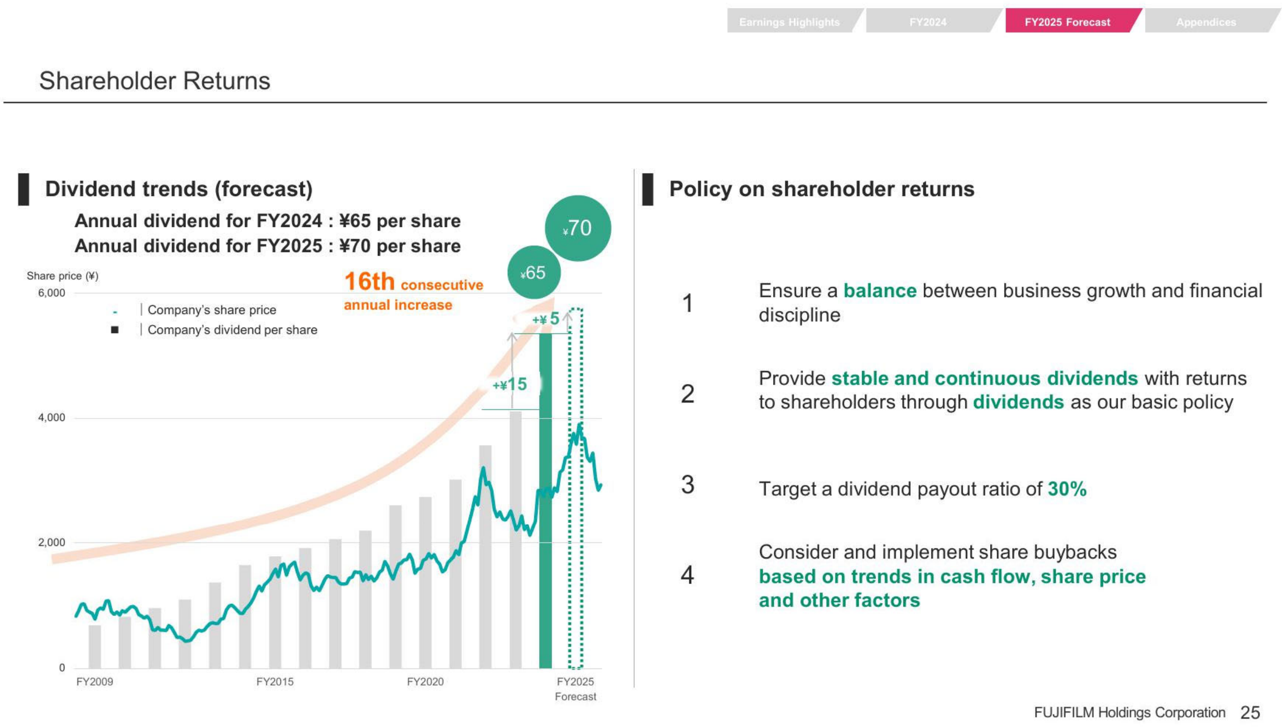
Next, I would like to speak about our management approach with a focus on capital cost and stock price.

To enhance PBR, we recognize the need to further improve capital efficiency, and we will continue our efforts to raise ROIC in each business segment. Our goal is to achieve ROE of over 10% by FY2030. Going forward, we will continue to manage the Company with an awareness of capital cost and share price, aiming to further enhance profitability and capital efficiency.




Lastly, regarding shareholder returns.

The annual dividend forecasts for the fiscal years ended March 2025 and ending March 2026 are as Goto stated at the outset. Going forward, while maintaining a balance between business growth and financial discipline, we will continue to provide stable and consistent dividends, with a target payout ratio of 30%.

Regarding share buybacks, we plan to assess and implement them flexibly, taking into account factors such as cash flow and stock price conditions in a comprehensive manner.

That concludes my explanation.

## Question & Answer

**Moderator [M]:** We will now move on to the Q&A session.

Mr. Shibano from Citigroup Securities, please unmute yourself and go ahead.

**Shibano [Q]:** This is Shibano from Citigroup Securities.

I would like to ask President Goto about your thinking behind the new fiscal year plan for the fiscal year ending March 2026.

This time, you've presented the figure of JPY331.0 billion while separately identifying the impact from tariffs. On the other hand, when looking at the numbers, it seems to carry the message that, at least on an operating income basis, you are aiming for profit growth compared to the previous year.

So, once again, as a message—since you've separated out the tariff impact—should we understand this as indicating that you have the confidence to absorb the impact of the tariffs, or, through self-help efforts such as cost improvements, still achieve profit growth? Or is it more a matter of wanting to aim for that level? I'd like to confirm your thinking on that point. That is my first question.

**Goto [A]:** To begin with, in a word, yes—we set JPY331.0 billion with confidence. In my personal view, it may still be a bit on the conservative side, but considering that the business environment is quite uncertain right now, I am convinced that, if we do everything that's within our ability, we will definitely be able to reach this level.

We have set out our medium-term management plan, VISION2030, and in aiming to enhance corporate value toward that goal, we are focusing on four pillars: first, invest in growth and emphasize profitability; second, improve capital efficiency; third, practice R&D management; and fourth, generate steady investment returns. I feel that we are beginning to see tangible results, and I have a strong sense that this is going to work.

In particular, if we look at the numbers for last fiscal year, revenue exceeded JPY3.0 trillion—that's a first for the Fujifilm Group. Profit exceeded JPY300 billion—again, a first. And our profit margin surpassed the double-digit 10% mark—that's significant.

Another point is Healthcare. Two years ahead of schedule, we surpassed JPY1.0 trillion in revenue in that segment. Now, Bio CDMO—while we've been making up-front growth investments, and it's not yet contributing the kind of profits we want—considering the status of the new facilities and those that have already started operating, I believe things will continue to move in a favorable direction. I am confident that at some point, there will be a big jump, like surpassing the K-point in ski jumping.

Based on that, we are also reviewing businesses with operating margins of 10% or below, and making various detailed adjustments, and I am confident that we can achieve what we've set out to do.

**Shibano [Q]:** Just to confirm then—if we subtract around USD140 million from JPY331 billion, some may view Fujifilm's de facto plan for the new fiscal year as being around JPY310.0 billion. But would it be correct to say that, from your standpoint, you are aiming for the JPY331.0 billion figure?

**Goto [A]:** That's right. We positioned tariff impact of USD140 million as the midpoint, but, well, we did various simulations. We ran simulations that suggest it could swing by about USD100 million either way, but right now, the sense I have is that it won't swing upward—it won't go higher than that. So we're operating under the sense that it will likely move toward the lower side of that USD140 million impact.

Also, we've already been working for quite some time on efforts like shifting the country of origin, and now that we're at this stage, we're able to move quickly in that area.

As for price pass-through, we are also reaching a point where we need to consider that. The key is how effectively we can implement that, and we intend to proceed while looking at each product individually.

**Shibano [Q]:** My second question is about Imaging.

You have planned for a profit decline again this fiscal year, but I personally think there's a strong possibility that it could instead turn into profit growth. This is a business that you, Mr. Goto, have high hopes for, and currently, the sense of product shortages hasn't really changed. So, even if there were to be some impact from tariffs, I feel that the strong demand might more than offset that through price pass-through. Why, then, have you formulated a plan that assumes a decline in profit? Or is there a potential upside that could bring this into profit growth? I'd appreciate your thoughts on that.

**Goto [A]:** First of all, we're looking at a negative foreign exchange (forex) impact of about JPY19.0 billion in revenue. If we exclude that, we're actually looking at revenue growth compared to the previous year. And in terms of profit, it's the same—the one-time factor from last year was the asset sale gain. So, if we exclude that along with the forex effect, then on an operational basis, we're talking about a JPY1.3 billion increase—a profit increase.

So, yes, excluding forex and one-time effects, we're looking at revenue and profit growth. Whether or not this is conservative—the main point is that *instax* and mirrorless cameras are discretionary consumer goods, and thus are susceptible to global economic trends.  Also, the main sales market of *instax* is the U.S. In the current situation, that market is expected to be subject to around a 10% tariff. Since the main *instax* models for the U.S. market are mostly not manufactured in China, we think the impact is expected to be limited to around 10%.

As you know, these products are relatively supply-constrained—tight in terms of supply and demand. We are negotiating pricing in the U.S. market, and if we allocate products globally, across various regions worldwide, we believe that both sales and profits can be increased. That's my honest view. But given the current lack of clarity regarding economic conditions, we decided to present conservative, cautious figures—that's the current state of things.

**Moderator [M]:** Mr. Wakao from JPMorgan Securities, please go ahead.

**Wakao [Q]:** This is Wakao from JPMorgan. I have two questions regarding the Bio CDMO business.

The first concerns the results for the past quarter—Q4—and the outlook for the current fiscal year. Q4 ended up coming in above plan, so I'd like to understand the factors behind that outperformance. Also, for the current fiscal year, you've laid out a revenue plan of JPY260.0 billion. In the prior Bio CDMO briefing, the YoY growth was said to be in the 20% to 30% range, and this JPY260.0 billion is right at the upper end of that range. Could you explain the background behind setting this figure?

**Iida [A]:** First, regarding the Q4 results—sales came in above the last forecast, and the main factor behind that was pass-through of raw material costs coming in higher than initially anticipated. That was a significant contributor. Therefore, in terms of profit, the results basically landed in line with the previous outlook.

Now, about the JPY260.0 billion figure for the coming fiscal year. When we originally mentioned 20% to 30% growth, the assumption was a JPY200.0 billion base for the current fiscal year. So JPY260.0 billion would represent the high end of that range. The reason we are confident about this level is that the launch of our large-scale facilities is going smoothly. Additionally, our Texas site in the U.S.—which we temporarily suspended its operation last year—has now received FDA approval as a commercial production facility, and productivity is increasing there. Taking all this into account, we believe it is feasible to plan for JPY260.0 billion, which corresponds to the upper bound we had in mind from the beginning.

**Wakao [Q]:** So that means the Texas site will also be contributing to the top line. While I understand that areas such as cell and gene therapies remain weak, do you believe you can still build revenue despite that? And on the other hand, regarding operating income, should we understand that, as you explained in the Bio CDMO business briefing, the size of the loss will remain roughly in line with the previous year?

**Iida [A]:** Yes. In terms of revenue, the continued weakness in cell and gene therapies is something we plan to cover by focusing on high-demand antibody drugs. Regarding profit, our forecast is in line with what we presented in the business briefing. However, compared to last year, one-time expenses will decrease, so that reduction should contribute positively to profitability. We believe the decrease in one-time expenses will be a tailwind for earnings.

**Wakao [Q]:** My second question is about the deal pipeline on slide seven. There was an update on Denmark, which I see as a positive development.

One thing I'd like to understand is: I think pharmaceutical companies are beginning to shift manufacturing to the U.S. in response to the upcoming drug tariff issues. From here, I expect demand in the U.S. to grow. What will your company do to make sure you don't miss out on that demand?

On the flip side, from an outside perspective, with demand shifting more toward the U.S. rather than Europe, I wonder if it might become a little harder to get a clear view of how Denmark is doing. Can you ensure that Denmark continues to receive contracts, even amid the rising prominence of the U.S.?

**Iida [A]:** With the recent U.S. tariff issues, attention has naturally been focusing on the American side. The U.S. has always been a market where demand exceeds supply, so the pattern of manufacturing in the U.S. for the U.S. market was already in place—and yes, that trend seems to be accelerating.

At the same time, what we are now hearing from our customers is a growing preference to manufacture U.S. demand in the U.S., and European demand in Europe. The idea is that if the U.S. imposes tariffs and then the EU retaliates with its own tariffs, it becomes much more rational to produce and sell within each respective region.

To be specific, up until now, it had been more efficient to manufacture a single drug in one place—say, in Europe—and then export to the U.S. and also sell within Europe. But now, we are hearing requests to manufacture the same drug at both the U.S. site and the European site—in other words, in two locations.

This is where one of our key strengths comes into play: the ability to offer the same equipment and the same system—KojoX. Whether it's produced in Denmark or in North Carolina, it's the same facility operating under the same conditions. This has been positively received. While a lot of attention is currently focused on the U.S., the deal pipeline in Denmark is also active. So we do not believe Denmark will be left behind as the U.S. gains prominence.

**Wakao [Q]:** Just a quick follow-up. Regarding the available capacity in Denmark's Phase 2 investment—should we assume that there's no particular issue and that you will be able to secure contracts without problems? Also, if you could, please share anything you're able to about the status of the Phase 2 site in the U.S., which is slated to begin operations in 2028.

**Iida [A]:** Both in the U.S. and Denmark, Phase 1 capacity is already fully booked. Currently, we're seeing strong activity in deal discussions for Phase 2 investments in both regions.

As for Denmark's Phase 2, we have two programs for which we've already allocated capacity. And in terms of the remaining space, we're currently in multiple discussions with major pharmaceutical companies. We're getting the sense that the level of certainty for securing those contracts is rising.

For North Carolina's Phase 2, scheduled to begin operations in 2028, we are currently moving forward with the launch and construction. There, too, we're already in large-scale deal negotiations, and we're sensing increasing levels of confidence in securing those as well.

**Moderator [M]:** Mr. Okazaki from Nomura Securities, please go ahead.

**Okazaki [Q]:** This is Okazaki from Nomura Securities.

Regarding the Q4 results, I believe the sale of idle assets and the one-time income had a rather significant impact. It seems to have come in substantially above what was originally expected, so could you please explain what kinds of items were involved from January to March?

Earnings Highlights | FY2024 | FY2025 Forecast | Appendices

## Operating Income Analysis (FY2024 Results vs Previous Forecast)

(Billions of yen)

| | Previous forecast (Feb 6,2025) | FY2024 Actual | Change | Operation and others | FX | Raw Material price | (b-a) One-time cost | (a) Previous forecast | (b) FY2024 Actual | Operating Segment | Detail |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Healthcare | 80.0 | 77.6 | (2.4) | (9.2) | 0.2 | - | 6.6 | (15.5) | (8.9) | | |
| | | | | | | | - | (5.0) | (5.0) | CDMO | Structural reform costs |
| | | | | | | | - | (13.0) | (13.0) | CDMO | Reinforcing the commercial production in Texas |
| | | | | | | | (1.5) | (1.3) | (2.8) | Medical | FHC* domestic sales division integration costs |
| | | | | | | | (1.0) | - | (1.0) | LS solutions | Business divestiture costs |
| | | | | | | | 9.1 | 3.8 | 12.9 | Others | Sale of unutilized assets/ Others |
| Electronics | 77.0 | 77.3 | 0.3 | (2.3) | 0.1 | - | 2.5 | (2.5) | - | | |
| | | | | | | | - | (3.0) | (3.0) | Semiconductor | Acquisition |
| | | | | | | | 0.1 | (1.5) | (1.4) | AF | Structure strengthening expenses |
| | | | | | | | 2.4 | 2.0 | 4.4 | Others | Sale of unutilized assets/ Others |
| Business Innovation | 68.0 | 74.6 | 6.6 | 4.3 | (0.4) | 0.5 | 2.2 | (4.5) | (2.3) | | |
| | | | | | | | 0.8 | (2.5) | (1.7) | Graphic | Structure strengthening expenses |
| | | | | | | | (0.2) | (2.5) | (2.7) | Graphic | Disputed Cost / Others |
| | | | | | | | - | (0.5) | (0.5) | Office Solutions | Impact of Typhoon at Vietnam Factory |
| | | | | | | | 1.6 | 1.0 | 2.6 | Others | Sale of unutilized assets /Others |
| Imaging | 130.0 | 139.2 | 9.2 | 6.1 | 0.1 | - | 3.0 | 2.5 | 5.5 | | |
| | | | | | | | 0.4 | (1.5) | (1.1) | Imaging | Structure strengthening expenses/ Others |
| | | | | | | | 2.6 | 4.0 | 6.6 | Others | Sale of unutilized assets/ Others |
| Corporate Expenses & Eliminations | (40.0) | (38.6) | 1.4 | 1.5 | (0.1) | - | - | - | - | | |
| Total | 315.0 | 330.2 | 15.2 | 0.5 | (0.1) | 0.5 | 14.3 | (20.0) | (5.7) | | |

| | | | | | |
|---|---|---|---|---|---|
| Exchange Rates | USD | ¥152 | ¥152 | - | |
| | EUR | ¥164 | ¥164 | - | |

| | |
|---|---|
| Silver | - |
| Aluminum | - |
| Others (fuel etc) | 0.5 |

* FUJIFILM Healthcare Corporation

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**Higuchi [A]:** If you take a look at slide 31, that is on a full-year basis. However, the figures shown here were based on the guidance issued after the Q3 earnings announcement. So, the difference between the full-year numbers on this slide and the prior Q4 plan represents the deviation for Q4.

As for the idle asset sales you mentioned, you'll find "sale of unutilized assets / others" noted near the bottom of each segment's section. We moved forward with the sale of several properties we owned, and that resulted in approximately JPY15.0 billion more in asset sale gains than we had expected. That is the source of the upside in Q4 from the real estate sales.

**Okazaki [Q]:** So, to confirm, where it says “sale of unutilized assets / others”—it wasn’t that there were other unrelated items involved, but simply that the sale price differed from what was assumed. Is that the correct understanding?

**Higuchi [A]:** Yes, that’s correct.

**Okazaki [Q]:** My second question is about Business Solutions within the Business Innovation segment. In Q4, it suddenly gained momentum and posted very strong numbers. Your plan for the new fiscal year also shows solid growth. What is the background behind that?

From an industry perspective, I imagine there may have been some special factors, like a spike in demand from PC replacements. But I’d like to know whether this was more of a temporary effect, or something more lasting.

**Hama [A]:** The biggest factor this time was the increase in public sector-related services. These orders have been coming in since H2 of FY2024 and have continued into FY2025, so for FY2025, we see it continuing as a trend.

What we’re shifting toward in solutions is a recurring business model, and in the initial stage, it’s quite difficult to generate high profit margins. However, we’ve been carrying out our sales activities without hesitation—without holding back—and that approach is gradually starting to yield results. But this is still just the beginning.

What we’re seeing right now is mostly growth in services for the public sector, and we expect this to continue through FY2025 as well.

**Moderator [M]:** Ms. Yoshihara from UBS Securities, please go ahead.

**Yoshihara [Q]:** This is Yoshihara from UBS Securities.

I’d like to ask about the operating income plan for the Healthcare segment in the fiscal year ending March 2026. I’m looking at slide 20. I assume the tariff impact is not included, but considering that you had one-time gains like asset sales in the previous year, and also assuming that foreign exchange will be a negative factor, the JPY86.0 billion in profit does appear to be quite a significant jump from the approximately JPY80.0 billion of the previous year.

Just to confirm, is it correct to assume that, on an operating income basis, the Bio CDMO loss or deficit will remain roughly flat compared to the previous year for the fiscal year ending March 31, 2026? If that’s the case, it seems that Medical Systems and Life Sciences would have to deliver quite a substantial profit increase. Could you please walk us through the breakdown of operating income changes in this area?

**Higuchi [A]:** As Iida mentioned earlier, in the Bio CDMO business, the one-time structural reform costs we recorded in FY2024 will not be present this year, and facility utilization is also improving. So, on an operating income basis, we expect an improvement of around JPY3.0 billion to JPY4.0 billion. As for the rest, the Medical Systems is projected to maintain an operating margin in the mid-10% range, and we expect to see profit growth driven by revenue growth there as well. These two—Bio CDMO and Medical Systems—will be the major drivers behind the overall improvement in profitability, leading us to the JPY86.0 billion target for the coming year.

**Yoshihara [Q]:** My second question is about the tariff impact. Just to confirm again—this is not included in the earnings forecast, and given how your company operates across many different businesses, it's admittedly quite hard to assess from the outside.

For example, I believe tariffs on pharmaceuticals are currently under negotiation. I assume that's not included in your assumptions here—meaning that even if there were indirect impacts, they're probably not factored into this forecast. Could you clarify whether such risks are included in the plus or minus USD100 million range?

And similarly, I assume that the details around semiconductors are still undecided, but within the scope of what you're able to share, could you let us know what kind of assumptions you're working with?

**Higuchi [A]:** First, regarding the USD140 million—broadly speaking, this is mainly tied to products manufactured in Japan or other parts of Asia and exported to the U.S., such as Imaging products or medical devices in the Medical Systems. Those are expected to bear the brunt of the impact. As for Bio CDMO, the model is based on local production for local consumption, so fundamentally, we do not anticipate any material impact there.

Regarding Semiconductor Materials business—we handle both imports and exports with the U.S., so we expect to see a certain level of impact there as well.

Now, whether we've factored in risks such as new pharmaceutical tariffs into the plus-or-minus USD100-million estimate—the answer is no, we have not. Rather, we expect that the current range of potential impact can be absorbed through pricing measures and supply chain adjustments across the mentioned businesses. So, we see the USD140 million potentially moving in the direction of a lower actual impact. On the flip side, if things don't come out as expected, the impact could increase. That's the kind of fluctuation we've factored in. But we have not included any assumptions about new pharmaceutical tariffs or similar measures in the estimate.

**Moderator [M]:** Mr. Tokumoto from SMBC Nikko Securities, please go ahead.

**Tokumoto [Q]:** This is Tokumoto from SMBC Nikko Securities, thank you.

There was just a discussion about tariffs, and I'd like to ask for an update on your discussions with your printing partner, Xerox.

I believe there are two aspects to this tariff risk—first, the universal flat tariff, and second, the issue of how Vietnam's role in your production allocation might be affected. What kind of discussions are you having with your OEM partner regarding this, and to what extent is this impact already factored in?

**Hama [A]:** First, regarding the current situation—under the current terms of our transactions, tariffs are entirely borne by the partner, so from our side, there is no direct financial impact. However, if tariffs are fully applied, then that would significantly affect their sales activities and other operations.

Our production setup involves manufacturing production machines in Japan. For office equipment, we produce in both China and Vietnam, but we've structured things so that nearly all products can be made at either site. In fact, with the exception of one model, we're now able to produce everything in Vietnam. So basically, we are planning to supply from Vietnam. As for the models that are still produced in China, although the original plan was to shift production by FY2026, we are now expediting that transfer to ensure timely supply.

This is the approach we are planning, and we are working with the U.S. company to ensure smooth sales operations. Compared to other companies, I believe our reliance on Chinese production is already the lowest in the industry, and we intend to fully leverage that and continue cooperating closely with our partner.

**Tokumoto [Q]:** As a follow-up—this is about reciprocal tariffs. I understand that future developments are uncertain, but even if Xerox bears the tariff costs, there's been discussion that sending products from Vietnam to the U.S. could still result in a high tariff rate. So, although things are still unclear, is it safe to assume that your current production assumptions remain valid even if the tariff rate from Vietnam turns out to be as high as what was announced in early April?

**Hama [A]:** It's true that a high tariff rate on products from Vietnam has been announced, but I've also heard that the Vietnamese government is actively negotiating. Meanwhile, many other manufacturers still have no choice but to import from China. In contrast, we are able to import from Vietnam or Japan, and our partner sees that as enough to remain competitive. What they've asked us is to avoid Chinese-made products as much as possible, and we're now building a framework to support that.

**Tokumoto [Q]:** My second question is about the profitability section on slide 32 related to Bio CDMO. I believe you've explained this earlier, but looking at the plan for this fiscal year—especially considering the startup of the large-scale facility in North Carolina—the EBITDA margin appears to be falling from the upper-20% range to the lower-20% range. What is your outlook for the margin of the large-scale manufacturing facilities, excluding the new North Carolina site?

**Iida [A]:** You're absolutely right that the EBITDA margin is temporarily declining, and the reason is that, as the new North Carolina facility begins operations, fixed costs will come in ahead of full revenue generation. However, if we exclude that, the existing facilities in Denmark—the ones that are now fully operational as well as Phase 1 investment facility—are steadily ramping up, and EBITDA is clearly trending toward improvement. That's how we're currently modeling the outlook.

**Moderator [M]:** Ms. Yamazaki from Morgan Stanley MUFG Securities, please go ahead.

**Yamazaki [Q]:** This is Yamazaki from Morgan Stanley MUFG Securities.

I'd like to revisit the performance and outlook for the Healthcare segment—specifically the results for the fiscal year just ended, and the thinking for the current fiscal year.

On page 31, if I'm reading it correctly, the operating results came in significantly below plan for the previous fiscal year. Could you walk us through the reasons behind that, and also how you are viewing this for the new fiscal year?

Also, at the time of the Q3 results, I believe the outlook for Healthcare operating income was said to be roughly flat YoY. But now we see a growth plan for this year. If there's been a change in your thinking over the past three months, could you explain what caused the shift?

**Higuchi [A]:** First, looking at slide 31, and as your question overlaps with previous ones—we did indeed see gains from real estate sales. But as you noted, there's a negative JPY9.2 billion listed under the Healthcare operations line, which means that operationally, we fell short of the plan. There are several factors behind that.

The first is related to the Life Sciences business. We had a business sale scheduled, and the associated revenue had been included in our initial guidance. However, the deal was delayed and is now expected to close in FY2025, so that portion was pulled out of this year's results.

Second, also in Life Sciences, the culture media business did not recover as much as expected, which became a downward factor. In addition, in the same area, we recorded accelerated depreciation of fixed assets—this included about JPY2.0 billion to JPY3.0 billion in accelerated depreciation, including some related to cell therapy.

These items are reflected in our operations line, and that is why we missed the operational target for the Healthcare segment.

Now, regarding the guidance for the coming fiscal year: when we said things would be flat, I believe that was specifically referring to Bio CDMO.

We've just finished drawing up the plan for Bio CDMO, and since the structural reform costs from last year are no longer present, and since Denmark's Phase 1 capacity is now filled, we are planning for operating profit growth from FY2024 to FY2025, so I believe the previous comment about being "flat" referred specifically to Bio CDMO, and that's probably where the major change in outlook lies.

**Moderator [M]:** That concludes the Q&A session.

With that, we conclude the earnings presentation for FUJIFILM Holdings. Thank you very much for your participation today.

[END]

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***Note***

*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.*