

Earnings of Q1 FY2020

FUJIFILM Holdings Corporation

August 13, 2020

FORWARD-LOOKING STATEMENTS

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

Performance Summary of Q1 FY2020

Overview of Performance for Q1 of FY2020 Ending March 2021

■ Consolidated Performance of Q1 FY2020

(Billions of yen)

	Actual	YoY	COVID-19 impact
Revenue	456.3	-79.0 (-14.8%)	-93.0
Operating Income	20.4	-16.7 (-45.1%)	-24.0
Net Income Attributable to FUJIFILM Holdings	27.5	12.8 (+87.6%)	-17.0

- ✓ Revenue and Operating Income decreased due to the impact of COVID-19
- ✓ Net Income Attributable to FUJIFILM Holdings increased due to an improvement of net income attributable to the noncontrolling interests resulting from factors such as making Fuji Xerox a wholly owned subsidiary

Consolidated Financial Forecast for FY2020

Consolidated Financial Forecast for FY2020

(Billions of yen)

	Forecast	YoY	COVID-19 impact
Revenue	2,200.0	-115.1 (-5.0%)	-220.0
Operating Income	140.0	-46.6 (-25.0%)	-65.0
Net Income Attributable to FUJIFILM Holdings	120.0	-5.0 (-4.0%)	-45.0

✓ Dividend for the fiscal year ending March 2021 is planned at ¥95 per share

Next Medium-term Management Plan

- ✓ Plan to announce three-years Medium-term Management Plan, beginning in FY2021, the fiscal year ending March 2022, next spring
- ✓ The outline of the next Medium-term Management Plan
 - Accelerate growth in Healthcare and Highly-functional Materials
 - Expand sales channels worldwide with a new framework of the Document Solutions business under the FUJIFILM brand
 - Further strengthen company structure in line with post COVID-19 market changes

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Fujifilm's Response to the COVID-19 Pandemic

Prevention

- ✓ Agreed to manufacture bulk drug substance for a COVID-19 vaccine candidate with Novavax, Inc., a biotechnology company in the U.S. U.S. government grants approx. 27.0 billion yen including expansion of manufacturing facility
- ✓ Provides *Hydro Ag+*, environment-cleaning agent to medical sites and homes



Diagnosis

- ✓ Started sales of PCR test reagents that enable rapid detection of COVID-19 with the use of saliva
- ✓ Started to develop AI-based technology to aid COVID-19-induced pneumonia diagnosis
- ✓ Provides medical diagnostic equipment and materials used for pneumonia diagnosis, etc.



Treatment

- ✓ COVID-19 therapeutic drug candidate *Avigan®* Tablet Aligns with Dr. Reddy's, a global pharmaceutical company headquartered in India, and Global Response Aid, a global provider of medical supplies and pharmaceuticals for global deployment.
- ✓ Reserves manufacturing capacity for a future COVID-19 therapy for the "COVID-19 Therapeutics Accelerator"

As a "Total Healthcare Company", Fujifilm group is committed to working on measures against COVID-19, through prevention, diagnosis and treatment

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Consolidated Performance of Q1 FY2020 (April 2020 – June 2020)

(Billions of yen)

	Q1				
	FY2019	FY2020	Change	Impact of exchange rate	Constant-currency basis
Revenue	535.3 100.0%	456.3 100.0%	(79.0) -14.8%	(9.7)	(69.3) -13.0%
Operating Income	37.1 6.9%	20.4 4.5%	(16.7) -45.1%	(3.4)	(13.3) -36.0%
Income before Income Taxes	26.4 4.9%	42.2 9.2%	15.8 +59.9%	(2.0)	17.8 +67.6%
Net Income Attributable to FUJIFILM Holdings	14.7 2.7%	27.5 6.0%	12.8 +87.6%	(1.4)	14.2 +97.2%
Net Income Attributable to FUJIFILM Holdings per Share	¥35.82	¥68.80	¥32.98		
Exchange Rates	US\$/¥ ¥110	¥108	(¥2)		
Rates	€/¥ ¥123	¥119	(¥4)		

<Other factors of change (YoY) >
 Operating income
 --- Raw material prices: + ¥1.0 billion

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Consolidated Revenue and Operating Income by Operating Segment

(Billions of yen)

Revenue	Q1		Change	Impact of exchange rate	COVID-19 impact
	FY2019	FY2020			
Healthcare	104.1	107.9	3.8 (+3.7%)	(2.2)	(6.0)
Healthcare & Material Solutions	227.6	217.1	(10.5) (-4.6%)	(3.9)	(23.0)
Document Solutions	233.1	189.4	(43.7) (-18.7%)	(4.2)	(44.0)
Imaging Solutions	74.6	49.8	(24.8) (-33.2%)	(1.6)	(26.0)
Total	535.3	456.3	(79.0) (-14.8%)	(9.7)	(93.0)

Note: After elimination of intersegment transactions

(Billions of yen)

Operating Income	Q1		Change	Impact of exchange rate	COVID-19 impact
	FY2019	FY2020			
Healthcare	5.3	4.4	(0.9) (-16.7%)	(0.5)	(3.0)
Healthcare & Material Solutions	18.9	18.0	(0.9) (-4.7%)	(0.9)	(6.0)
Document Solutions	21.7	12.9	(8.8) (-40.8%)	(1.8)	(10.0)
Imaging Solutions	4.5	(3.0)	(7.5) -	(0.7)	(8.0)
Corporate Expenses & Eliminations	(8.0)	(7.5)	0.5 -	0.0	0.0
Total	37.1	20.4	(16.7) (-45.1%)	(3.4)	(24.0)

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Summary by Operating Segment

(Billions of yen)

Healthcare & Material Solutions

Revenue	YoY		Operating income	YoY	
217.1	(10.5)	(-4.6%)	18.0	(0.9)	(-4.7%)

- In the medical systems, revenue decreased due to COVID-19 impact, but the sales of mobile X-ray imaging systems and portable ultrasound diagnostic devices increased.
- In the bio CDMO, contract process development and manufacturing business for biopharmaceuticals progressed steadily.
- In the display materials, revenue remained the same level of the previous year, as the sales of dry films for tablets, of which demand is increasing for work-from-home and studying at home, kept strong, although the sales of TAC films and others decreased.
- In the electronic materials, the sales of Chemical Mechanical Planarization (CMP) slurries mainly for logic were in a strong trend due to an increased demand for tablets and others used for work-from-home and studying at home.
- In the graphic systems, reduced printing demand due to cancellation of events resulted in a decline in revenue.

- Revenue decreased in total mainly due to COVID-19 impact, but revenue of Healthcare field showed an increase with a strong performance in bio CDMO. In Material field, revenue of Highly-functional materials increased.
- Operating income decreased but increased when excluding COVID-19 impact.

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Summary by Operating Segment

(Billions of yen)

Document Solutions

Revenue	YoY		Operating income	YoY	
189.4	(43.7)	(-18.7%)	12.9	(8.8)	(-40.8%)

- In the office products and printers, both sales volume and revenue increased in Japan contributed by bulk deals. Print volume decreased due to office shutdowns under COVID-19 pandemic. In overseas, both sales volume and print volume decreased due to self-restraint of sales activities, postponement of sales negotiations and low operations at offices as well as a decline in exports to Europe and the U.S. Demand increased for the *Netprint*® service, that allows user to use multifunction printers installed at Seven-Eleven stores.
- In the production services, sales volume decreased from the previous year as customers restrained investment under uncertainties facing COVID-19 pandemic.
- In the solutions and services, the sales in paperless fax solutions for checking documents sent to an office at home increased, although total revenue decreased.

- Revenue decreased due to a negative impact of foreign exchange from depreciation of Asian currencies as well as COVID-19 impact.
- Operating income decreased due to a decline in revenue, but increased when excluding COVID-19 impact.

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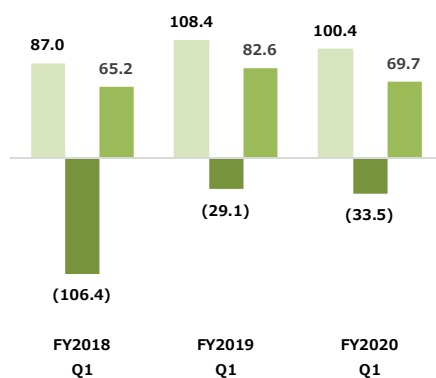
Cash Flow

□ Cash Flow from operating activities

■ Cash Flow from investing activities

■ Free Cash Flows
(without acquisitions of businesses)

(Billions of yen)



(Billions of yen)

	FY2018 Q1	FY2019 Q1	FY2020 Q1
Net income	31.3	18.8	27.7
Depreciation & amortization	31.3	30.0	29.9
Change in notes and accounts receivable	58.5	85.9	97.9
Change in inventories	(29.3)	(30.4)	(45.5)
Change in notes and accounts payable - trade	(7.5)	(8.9)	(16.6)
Others	2.7	13.0	7.0
C/F from operating activities	87.0	108.4	100.4
Capital expenditure	(14.8)	(18.5)	(23.0)
Purchases of software	(3.8)	(3.8)	(3.8)
Sales and purchases of marketable and investment securities	(0.2)	(3.3)	(2.8)
Acquisitions of businesses	(84.4)	0.0	0.0
Others	(3.2)	(3.5)	(3.9)
C/F from investing activities	(106.4)	(29.1)	(33.5)
Free cash flows	(19.4)	79.3	66.9
Free cash flows without acquisitions of businesses and others *	65.2	82.6	69.7

* After deduction of acquisitions of businesses, sales and purchases of marketable and investment securities.

Earnings of Q1 FY2020

Forecast for FY2020

Consolidated Financial Forecast for FY2020 (as of August 13, 2020)

(Billions of yen)

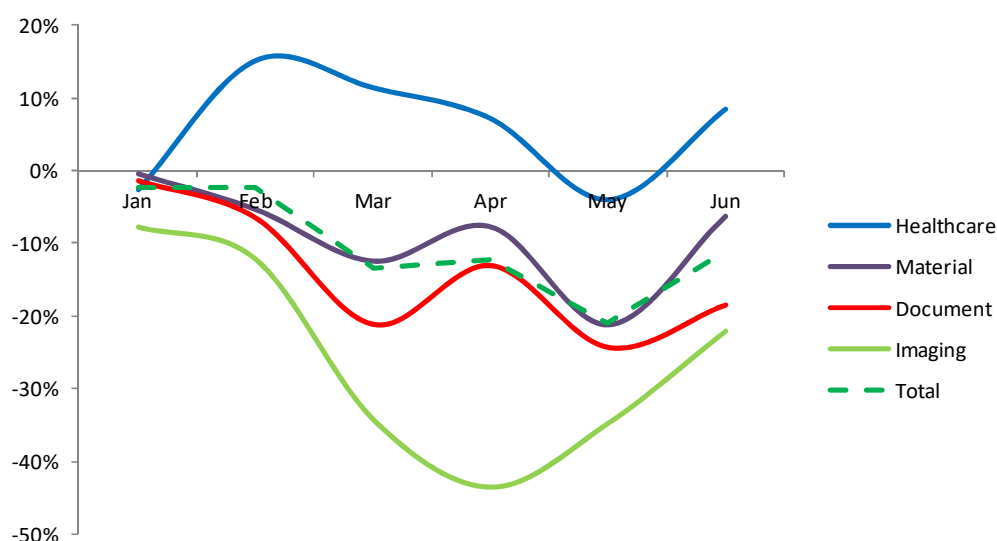
	FY2019	FY2020	Change from previous year	COVID-19 impact
Revenue	2,315.1 100.0%	2,200.0 100.0%	-115.1 -5.0%	-220.0 -
Operating Income	186.6 8.1%	140.0 6.4%	-46.6 -25.0%	-65.0 -
Income before Income Taxes	173.1 7.5%	170.0 7.7%	-3.1 -1.8%	-65.0 -
Net Income Attributable to FUJIFILM Holdings	125.0 5.4%	120.0 5.5%	-5.0 -4.0%	-45.0 -
Net Income Attributable to FUJIFILM Holdings per Share	¥306.18	¥300.20	¥5.98	-
ROE	6.3%	6.0%	-0.3%	-
Exchange Rates US\$/¥	¥109	¥108	(¥1)	-
€¥	¥121	¥118	(¥3)	-
Silver Price (/kg)	¥57,000	¥61,000	¥4,000	-

* Exchange rate sensitivity for operating income (FY2020 full year) US\$/¥: 0.8 billion yen €¥: 0.8 billion yen

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Consolidated Financial Forecast for FY2020 (reference)

January to June 2020 Revenue increase/decrease Year over Year (%)



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Consolidated Financial Forecast for FY2020 by Operating Segment (as of August 13, 2020)

(Billions of yen)

Revenue	FY2019	FY2020	Change from previous year		COVID-19 impact
Healthcare	504.1	535.0	30.9	(+6.1%)	(40.0)
Material	520.1	485.0	(35.1)	(-6.7%)	(44.0)
Healthcare & Material Solutions	1,024.2	1,020.0	(4.2)	(-0.4%)	(84.0)
Document Solutions	958.3	895.0	(63.3)	(-6.6%)	(81.0)
Imaging Solutions	332.6	285.0	(47.6)	(-14.3%)	(55.0)
Total	2,315.1	2,200.0	(115.1)	(-5.0%)	(220.0)

Note: After elimination of intersegment transactions.

(Billions of yen)

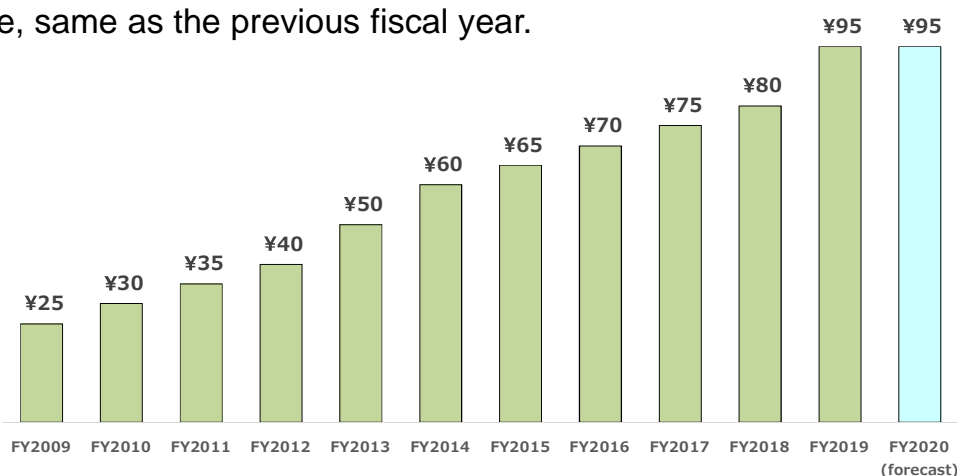
Operating Income	FY2019	FY2020	Change from previous year		COVID-19 impact
Healthcare	33.1	42.0	8.9	(+27.0%)	(15.0)
Material	59.3	43.0	(16.3)	(-27.5%)	(14.0)
Healthcare & Material Solutions	92.4	85.0	(7.4)	(-8.0%)	(29.0)
Document Solutions	105.0	80.0	(25.0)	(-23.8%)	(21.0)
Imaging Solutions	25.1	10.0	(15.1)	(-60.1%)	(15.0)
Corporate Expenses & Eliminations	(35.9)	(35.0)	0.9	-	0.0
Total	186.6	140.0	(46.6)	(-25.0%)	(65.0)

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Shareholder Returns

Dividend

Dividend for FY2020 is planned at ¥95 per share, same as the previous fiscal year.



Share buybacks

Flexibly buy back shares in consideration of the situation of cash flows, according to change in the stock price

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Earnings for Q1 FY2020

Appendices

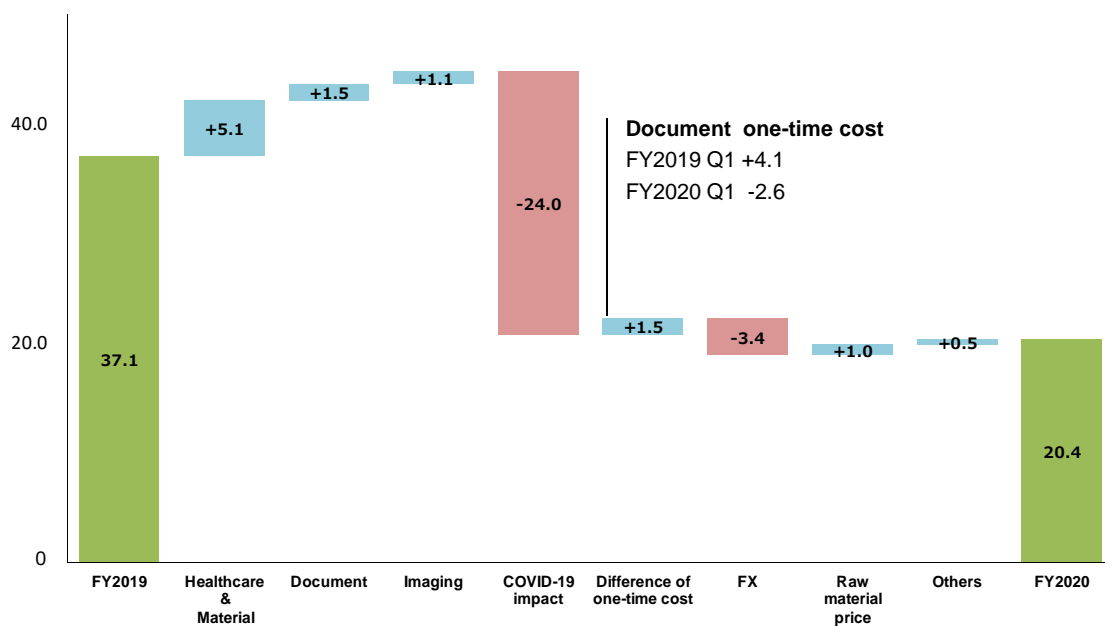
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Q1 FY2020 Appendix

FUJIFILM

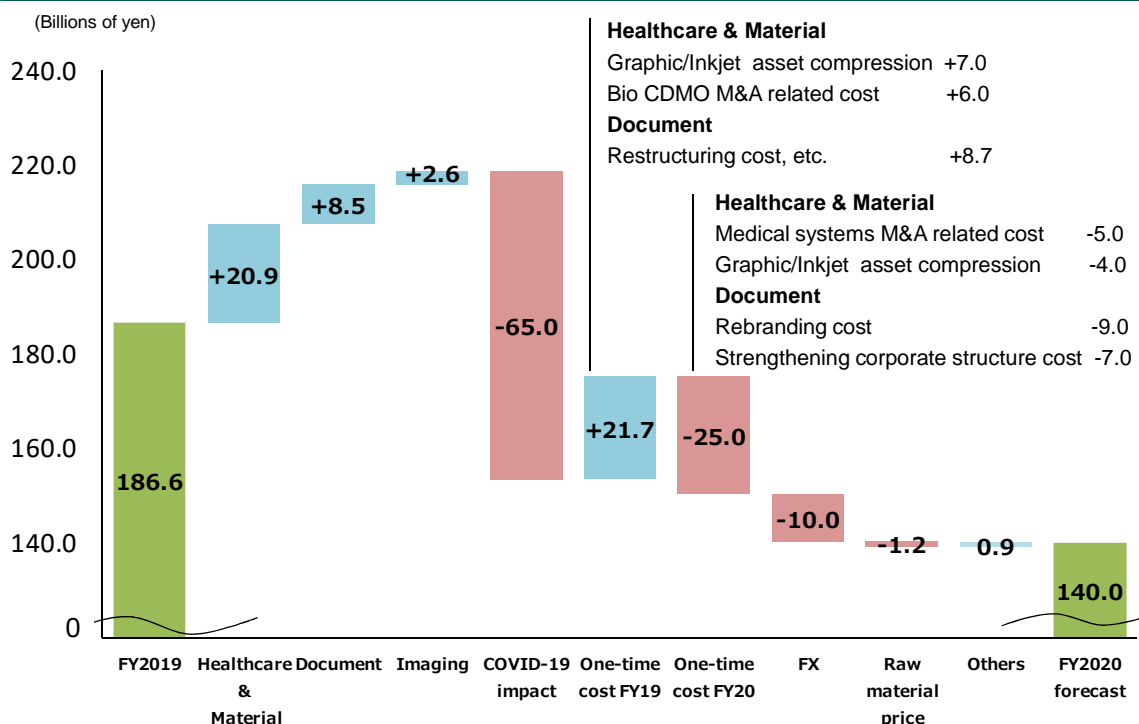
Analysis of Operating Income Change (Q1, against Q1 FY2019)

(Billions of yen)



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Analysis of Operating Income Change (Full-year forecast, against FY2019)



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Earnings for Q1 FY2020

Healthcare & Material Solutions

(Billions of yen)

Revenue	Q1			
	FY2019	FY2020	Change	Constant-currency basis
Healthcare	104.1	107.9	3.8 (+3.7%)	6.0 (+5.8%)
Display Materials	20.8	20.7	(0.1) (-0.2%)	(0.1) (-0.2%)
Industrial Products Electronic Materials Fine Chemical	41.2	46.1	4.9 (+11.9%)	5.6 (+13.8%)
Highly Functional Materials	62.0	66.8	4.8 (+7.9%)	5.5 (+9.1%)
Recording Media	9.7	5.5	(4.2) (-43.5%)	(4.1) (-42.1%)
Graphic Systems/Inkjet	51.5	36.5	(15.0) (-29.2%)	(14.3) (-27.6%)
Others	0.3	0.4	0.1	0.3
Total	227.6	217.1	(10.5) (-4.6%)	(6.6) (-2.9%)

Note: After elimination of intersegment transactions

(Billions of yen)

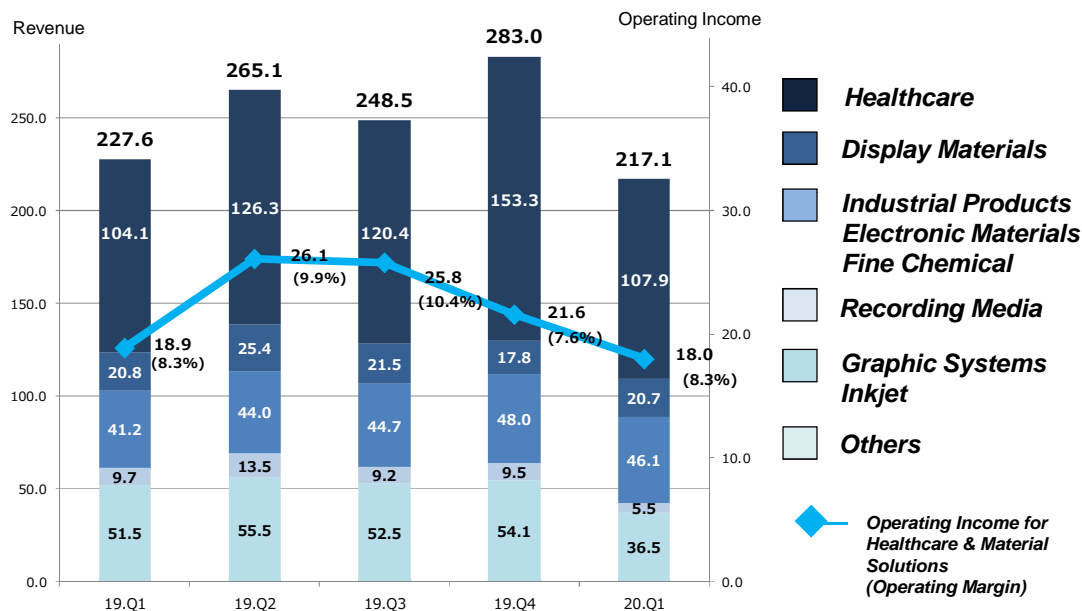
Operating Income [Operating Margin]	Q1			
	FY2019	FY2020	Change	Constant-currency basis
Healthcare	5.3 [5.1%]	4.4 [4.1%]	(0.9) (-16.7%)	(0.4) (-6.6%)
Healthcare & Material Solutions	18.9 [8.3%]	18.0 [8.3%]	(0.9) (-4.7%)	0.0 (+0.2%)

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Changes in Quarterly Earnings by Operating Segment

Healthcare & Material Solutions

(Billions of yen)



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Earnings for Q1 FY2020

Document Solutions

(Billions of yen)

Revenue	Q1			
	FY2019	FY2020	Change	Constant-currency basis
Office Printers	28.8	23.4	(5.4) (-18.7%)	(4.9) (-16.9%)
Office Products & Printers	133.7	108.4	(25.3) (-18.9%)	(23.1) (-17.3%)
Production Services	27.3	21.0	(6.3) (-22.9%)	(5.7) (-20.7%)
Solutions & Services	62.5	51.7	(10.8) (-17.3%)	(9.7) (-15.5%)
Others	9.6	8.3	(1.3)	(1.0)
Total	233.1	189.4	(43.7) (-18.7%)	(39.5) (-17.0%)

Note: After elimination of intersegment transactions

(Billions of yen)

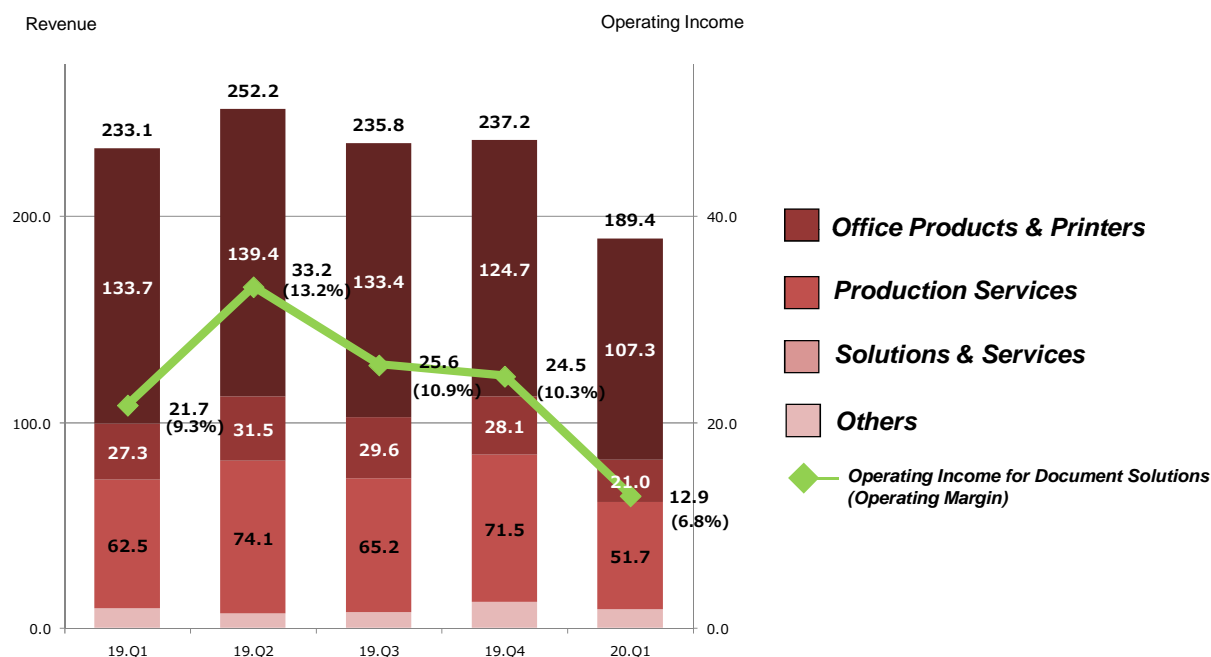
Operating Income [Operating Margin]	Q1			
	FY2019	FY2020	Change	Constant-currency basis
Document Solutions	21.7 [9.3%]	12.9 [6.8%]	(8.8) (-40.8%)	(7.0) (-32.7%)

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Changes in Quarterly Earnings by Operating Segment

Document Solutions

(Billions of yen)



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Earnings for Q1 FY2020

Imaging Solutions

(Billions of yen)

Revenue	Q1					
	FY2019	FY2020	Change		Constant-currency basis	
Photo Imaging	46.9	30.4	(16.5)	(-35.1%)	(15.6)	(-33.2%)
Electronic Imaging	19.6	15.2	(4.4)	(-22.3%)	(3.8)	(-19.0%)
Optical Devices	8.1	4.2	(3.9)	(-48.8%)	(3.8)	(-48.1%)
Optical Device & Electronic Imaging Products	27.7	19.4	(8.3)	(-30.1%)	(7.6)	(-27.5%)
Total	74.6	49.8	(24.8)	(-33.2%)	(23.2)	(-31.1%)

Note: After elimination of intersegment transactions

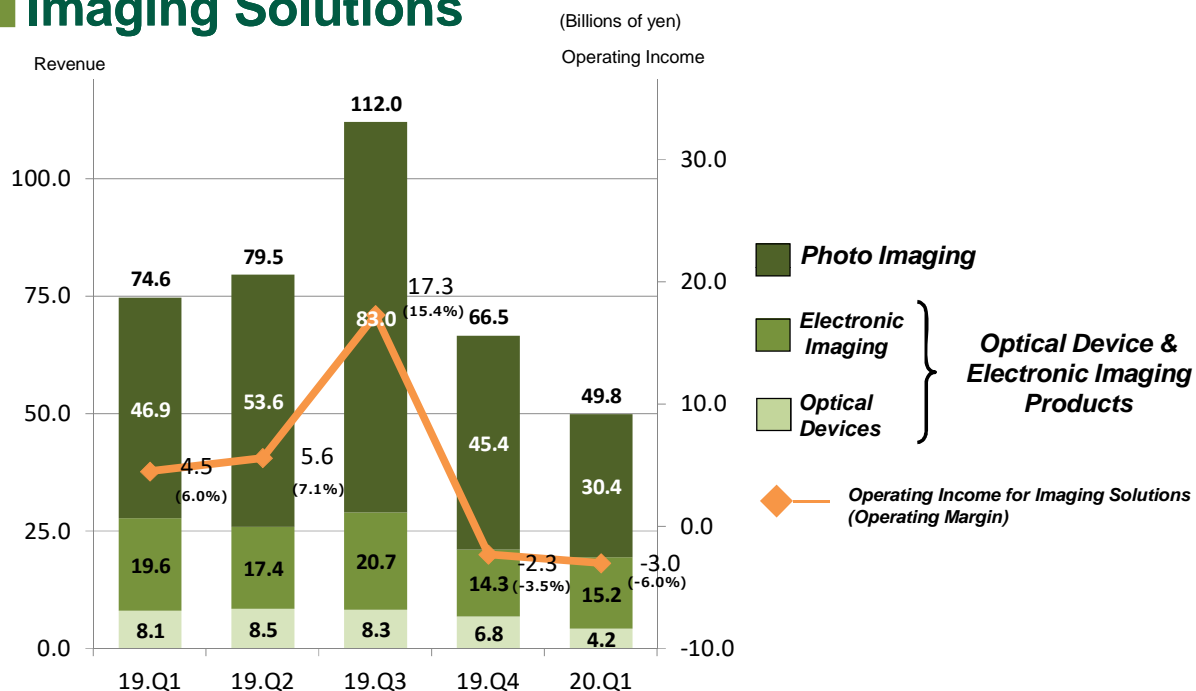
(Billions of yen)

Operating Income [Operating Margin]	Q1					
	FY2019	FY2020	Change		Constant-currency basis	
Imaging Solutions	4.5 [6.0%]	-3.0 [-6.0%]	(7.5)	-	(6.8)	-

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Changes in Quarterly Earnings by Operating Segment

Imaging Solutions



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Revenue by Geographical Area

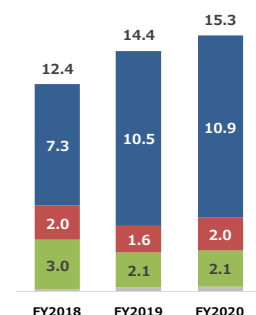
(Billions of yen)

	FY2019 Q1		FY2020 Q1		Change	
	Ratio (%)		Ratio (%)			
Japan	41.4%	221.4	44.5%	202.9	(18.5)	(-8.4%)
The Americas	18.5%	99.2	17.2%	78.4	(20.8)	(-21.0%)
Europe	12.8%	68.8	10.8%	49.6	(19.2)	(-27.9%)
China	12.8%	68.7	15.0%	68.4	(0.3)	(-0.5%)
Asia and others	27.3%	145.9	27.5%	125.4	(20.5)	(-14.1%)
Overseas	58.6%	313.9	55.5%	253.4	(60.5)	(-19.3%)
Consolidated total	100.0%	535.3	100.0%	456.3	(79.0)	(-14.8%)

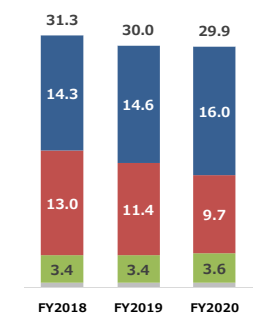
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Capital Expenditure, Depreciation and Amortization

Capital Expenditure (Q1)



Depreciation & Amortization (Q1)



(Billions of yen)

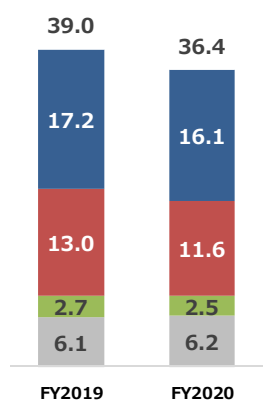
	Q1			Full year		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020 (forecast)
Healthcare & Material	7.3	10.5	10.9	50.5	58.2	
Document	2.0	1.6	2.0	11.7	13.4	
Imaging	3.0	2.1	2.1	10.6	12.5	
Corporate	0.1	0.2	0.3	2.6	1.6	
Capex *	12.4	14.4	15.3	75.4	85.7	95.0
Healthcare & Material	14.3	14.6	16.0	63.1	63.9	
Document	13.0	11.4	9.7	50.1	41.8	
Imaging	3.4	3.4	3.6	14.1	14.6	
Corporate	0.6	0.6	0.6	2.6	2.4	
Depreciation & Amortization	31.3	30.0	29.9	129.9	122.7	135.0
Depreciation *	16.7	16.3	16.5	70.9	68.6	

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

■ Healthcare & Material
 ■ Document
 ■ Imaging
 ■ Corporate

R&D Expenses, SG&A Expenses

R&D Expenses (Q1)



■ Healthcare & Material
 ■ Document
 ■ Imaging
 ■ Corporate

(Billions of yen)

	Q1		Full Year	
	FY2019	FY2020	FY2019	FY2020 (forecast)
Healthcare & Material	17.2	16.1	69.5	
Document	13.0	11.6	50.7	
Imaging	2.7	2.5	10.1	
Corporate	6.1	6.2	27.6	
R&D Expenses	39.0	36.4	157.9	150.0
<ratio to revenue>	7.3%	8.0%	6.8%	6.8%
SG&A Expenses	152.3	130.6	610.0	
<ratio to revenue>	28.5%	28.6%	26.3%	

Exchange Rates, Raw Material Prices, and Number of Employees

Exchange Rates

(yen)

	FY2019					FY2020	
	Q1	Q2	Q3	Q4	Full year	Q1	Full year (forecast)
US\$/¥	110	107	109	109	109	108	108
€/¥	123	119	120	120	121	119	118

Raw Material Prices (Average)

(¥1,000/kg)

	FY2019					FY2020	
	Q1	Q2	Q3	Q4	Full year	Q1	Full year (forecast)
Silver	53	57	60	61	57	55	61

Number of Employees

	2019.Jun	2019.Sep	2019.Dec	2020.Mar	2020.Jun
Consolidated Total	72,358	72,842	73,092	73,906	73,569

Pipeline (as of August 13, 2020)

Development code	Therapeutic category	Formulation	Region	Development stage
T-705	Anti-COVID-19 drug	Oral	Japan	P III
	Severe fever with thrombocytopenia syndrome virus drug		U.S.A.	P II
T-817MA	Alzheimer's disease drug	Oral	Japan	P III
			U.S.A.	P II
	Europe		P II	
	Japan		P II	
	Functional recovery after stroke (Promoting the effect of rehabilitation)		Japan	P II
T-4288	New fluoroquinolone antibacterial drug	Oral	Japan	Submitted an application for permission
FF-10501	Myelodysplastic syndrome drug	Oral	Japan	P I
FF-10502	Advanced/recurrent solid cancer drug	Injection	U.S.A.	P II
FF-21101	Bio Advanced/recurrent solid cancer drug (Armed antibody)	Injection	U.S.A.	P I / II a
			Japan	P I
F-1311	Diagnostic drug for prostate cancer (Radiopharmaceuticals)	Injection	Japan	P II
FF-10101	Acute Myeloid Leukemia (AML) drug	Oral	U.S.A.	P I
F-1515	Anti-tumor (neuroendocrine tumors) drug (Radiopharmaceuticals)	injection	Japan	P I / II
FF-10832	Advanced solid cancer drug (Gemcitabine liposome)	Injection	U.S.A.	P I
FF-10850	Advanced solid cancer drug (Topotecan liposome)	Injection	U.S.A.	P I
F-1614	Anti-tumor (pheochromocytoma) drug (Radiopharmaceuticals)	Injection	Japan	P II

Related Information

FUJIFILM Holdings — Investor Relations

<https://ir.fujifilm.com/en/investors.html>

FUJIFILM Holdings Integrated Report 2019

<https://ir.fujifilm.com/en/investors/ir-materials/integrated-report.html>

IR Events Materials

<https://ir.fujifilm.com/en/investors/ir-materials/presentations.html>

Business Activities of FUJIFILM Group

<https://ir.fujifilm.com/en/investors/value/business.html>

Global Branding Campaign: NEVER STOP

<https://brand.fujifilm.com/neverstop/en/>

Response to the COVID-19 Pandemic

<https://brand.fujifilm.com/covid19/>

FUJIFILM

Value from Innovation

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

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

FUJIFILM Holdings Corporation

Corporate Communications Div.

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