

## 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.

## 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

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As for the performance of FUJIFILM Holdings for the first quarter of FY2020, the fiscal year ending March 2021, revenue totaled 456.3 billion yen, down 14.8% from the previous fiscal year, and operating income totaled 20.4 billion yen, down 45.1% from the previous fiscal year.

Negative impact of COVID-19 was 93.0 billion yen on revenue and 24.0 billion yen on operating income. Our business performance was also greatly affected by the stagnation of economic activities and consumer activities due to the spread of pandemic globally.

Net income attributable to FUJIFILM Holdings totaled 27.5 billion yen, up 87.6% from the previous fiscal year due to gains on equity securities or an improvement in Net income attributable to the noncontrolling interests resulted from making Fuji Xerox a wholly owned company.

Although the performance of some of our business was significantly affected under the COVID-19 pandemic, we have minimized the negative impacts by hedging risks through a diversified business portfolio, the strengthening of business structure of each business and a drastic cost reduction we have conducted so far.

## 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

Next, as for the performance forecast for FY2020, we forecast revenue of 2,200.0 billion yen, operating income of 140.0 billion yen, and net income attributable to FUJIFILM Holdings of 120.0 billion yen, respectively.

We plan on the assumption that COVID-19 will continue to impact on our performance mainly in business such as Imaging Solutions, Document Solutions, medical systems and graphic systems business during the second quarter and onwards, however, it will bottom out in the first quarter and gradually recover toward the fourth quarter as the economy resumes.

In terms of organic growth based comparison excluding the impacts of COVID-19, foreign currency exchange and one-time costs such as structural reform costs from both the previous year's actual and this year's forecast, we will achieve higher revenue and profits than the previous year.

We plan dividend for FY2020, fiscal ending March 2021, at 95 yen per share, which is the same as the previous year, despite the small decrease in net income attributable to FUJIFILM Holdings.

We position this fiscal year as a period to respond to COVID-19 and prepare for the next leap forward. As for the next Medium-term Management Plan, it will be a three-year medium-term management plan beginning in FY2021, the fiscal year ending March 2022. We are in the process of formulating the next Medium-term Management Plan so that we could share it with you next spring.

The outline of the next Medium-term Management Plan will be as follows:

- 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

## 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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We are making every possible effort to contribute to the prevention of epidemic of COVID-19.

In terms of prevention, we agreed to manufacture bulk drug substance for a COVID-19 vaccine candidate with Novavax, Inc., a biotechnology company in the U.S. Also, in July of this year, U.S. government grants approx. 27.0 billion yen, including expansion of manufacturing facility as part of "Operation Warp Speed (OWS)", a U.S. government program that aims to develop vaccine for COVID-19. We will manufacture drug substance for vaccine candidates supported by OWS, including that of Novavax, Inc., at our U.S. site.

In terms of diagnosis, FUJIFILM Wako Pure Chemical Corporation has started sales of PCR test reagents that enable rapid detection of COVID-19 with the use of saliva. In the medical systems, we provide mobile X-ray imaging equipment or ultrasound diagnostic device used for pneumonia diagnosis and others, and support stable operations of equipments. Also, we started to develop AI-based technology to aid COVID-19-induced pneumonia diagnosis.

In terms of treatment, regarding *Avigan®* Tablet developed by FUJIFILM Toyama Chemical, the company's clinical trial targeting patients with COVID-19 infections in Japan takes longer than originally planned, but we are increasing the number of hospitals that cooperate with the clinical trial. We will complete the clinical trial and proceed with application for approval as soon as possible. We Align 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 for global deployment of *Avigan®* Tablet.

In the bio CDMO, we undertake process development and manufacturing of therapeutic drugs from "COVID-19 Therapeutics Accelerator", an initiative launched by the Bill & Melinda Gates Foundation, the largest charitable foundation in the world, to speed-up the response to the epidemic of COVID-19 infectious diseases.

As a total healthcare company, we are committed to fulfilling our corporate social responsibility by making every possible effort to end the COVID-19 pandemic through process of Prevention, Diagnosis and Treatment.

## 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 ¥123	¥108 ¥119	(¥2) (¥4)	(Other factors of change (YoY) ) Operating income --- Raw material prices: + ¥1.0 billion

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Regarding the performance for the first quarter of the fiscal year ending March 2021, revenue totaled 456.3 billion yen, down 14.8% from the previous fiscal year, and operating income totaled 20.4 billion yen, down 45.1% from the previous fiscal year.

Income before income taxes came to 42.2 billion yen, up 59.9% from the previous fiscal year, net income attributable to FUJIFILM Holdings totaled 27.5 billion yen, down 87.6% from the previous fiscal year.

## 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)

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

## Summary by Operating Segment

### Healthcare & Material Solutions

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

Moving on to each operating segment, let us start with our Healthcare & Material Solutions segment.

Looking at the healthcare field, in the medical systems, although sales were negatively impacted by the COVID-19 pandemic, such as refrained sales activities to hospitals and delayed business negotiations, sales increased for mobile X-ray imaging systems and ultrasound diagnostic devices for pneumonia tests.

In the bio CDMO, revenue increased as contract process development and manufacturing business for biopharmaceuticals progressed steadily as well as the effect of the consolidation of Denmark site.

As for the material field, in the display materials, revenue stayed flat against 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, even though the sales of TAC films for LCD panels decreased.

In the electronic materials, the sales of Chemical Mechanical Planarization (CMP) slurries, etc. used for logic were in a strong trend due to an increased demand for PCs and tablets.

In the industrial products, the sales of materials for PCs and tablets were strong.

In the graphic systems, on top of a decline in demand for printing plates, printing demand such as for posters and leaflets went down due to self-restraint of events under COVID-19, thus revenue decreased.

In the Healthcare & Material Solutions segment, although the overall revenue decreased, sales in Healthcare increased as the bio CDMO performed strong. And revenue of Highly-functional materials in Material field grew by accurately responding to the increasing demand under COVID-19. Operating Income decreased, but increased when excluding COVID-19 impact.

Performance Summary of Q1 FY2020 FUJIFILM

## Summary by Operating Segment

### Document Solutions

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

(Billions of yen)

- 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.

Next, the Document Solutions segment.

In the office products and printers, both sales volume and revenue increased in Japan thanks to bulk deals. Print volume decreased due to office shutdowns under COVID-19 pandemic resulted in decreased operation of MFPs. In overseas, both sales volume and print volume decreased due to such factors as self-restraint of sales activities, postponement of sales negotiations and low decreased operation of MFPs as well as a decline in exports to Europe and the U.S. On the other hand, a demand for the *Netprint*® service, that allows user to use multifunction printers installed at Seven-Eleven stores, increased.

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.

In the Document Solutions segment, revenue decreased due to a negative impact of foreign exchange from depreciation of Asian currencies as well as COVID-19 impact. Operating Income decreased, but increased when excluding COVID-19 impact.

## Summary by Operating Segment

### ■ Imaging Solutions

(Billions of yen)				
Revenue	YoY		Operating Income	YoY
49.8	(24.8)	(-33.2%)	(3.0)	(7.5)

- In the photo imaging, a decrease in demand for color paper and impacts of stay-at-home orders, business shutdowns including temporary closure of retailers under COVID-19 resulted in a decline in revenue. Sell-through of *instax*, in particular the *instax mini 11*, increased in June from the previous year in the U.S., major countries in Europe and China.
- In the electronic imaging, overall revenue decreased as the digital camera industry is facing severe challenges as well as COVID-19 impact. The sales of *FUJIFILM X100V*, a high-end mode of compact digital camera and *FUJIFILM X-T4*, a mirrorless digital camera highly known for its high-speed AF and high video performance are steadily increasing.
- In the optical device, revenue decreased, reflecting a decline in demand for broadcast and cinema lenses, as well as reduced sales in vehicle-mounted lenses due to stagnation in automotive industry.

- Revenue decreased due to impacts of stay-at-home orders, temporary closure of retailers and self-restraint or cancellation of events under COVID-19.
- Operating Income decreased due to a decline in revenue, but increased when excluding COVID-19 impact.

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Moving on to the Imaging Solutions segment.

In the photo imaging, in addition to a decrease in demand for color paper, impacts of stay-at-home orders, business shutdowns including temporary closure of retailers under COVID-19 resulted in a decline in revenue. However, the sell-through of *instax* in June, in particular the *instax mini 11*, showed growth in the U.S., major countries in Europe and China, compared to the previous year. Thus we see a recovering trend in sales of the instant photo system.

In the electronic imaging, overall revenue decreased as the digital camera industry is facing severe challenges as well as less opportunities to take photos due to closure of retailers or stay-at-home orders under COVID-19. However, the sales of *FUJIFILM X-T4*, a mirrorless digital camera highly known for its high-speed AF and high video performance have steadily increased.

In the optical device, revenue decreased, reflecting a decline in demand for broadcast and cinema lenses, as well as reduced sales in vehicle-mounted lenses due to stagnation in the automotive industry.

In the Imaging Solutions segment, revenue decreased compared to the previous fiscal year mainly due to COVID-19, and operating income decreased accordingly, but increased when excluding COVID-19 impact.

## Consolidated Balance Sheet

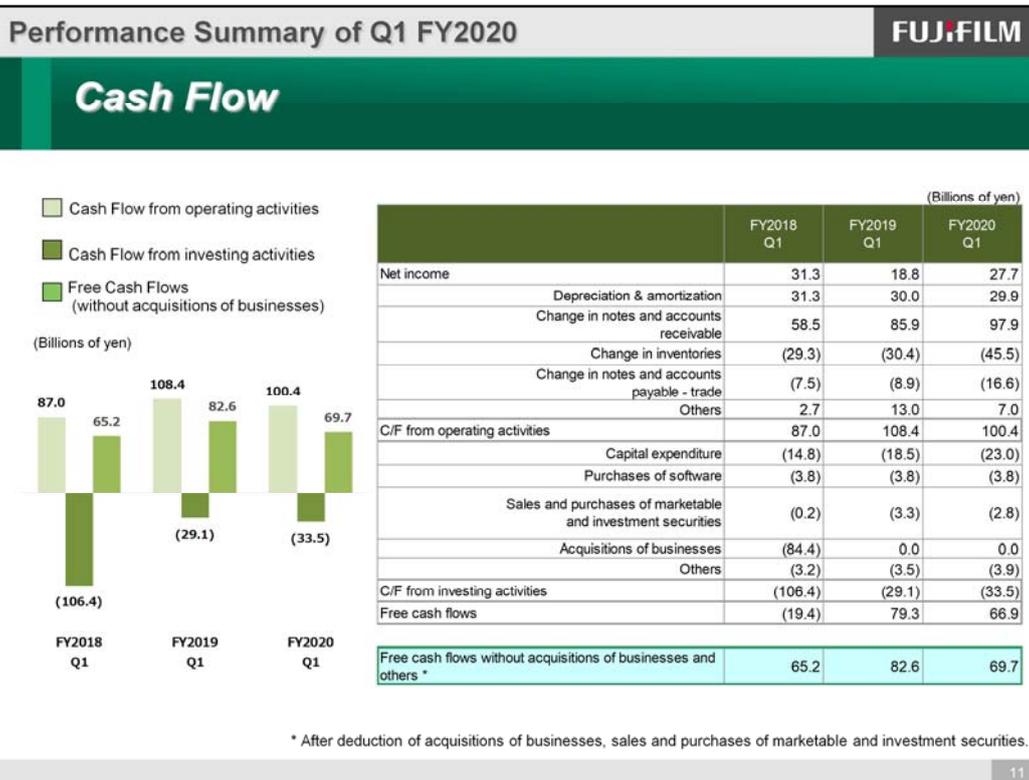
	Mar.19	Mar.20	Jun.20	Change from Mar.20		Mar.19	Mar.20	Jun.20	Change from Mar.20					
(Billions of yen)														
Cash and cash equivalents	654.7	396.1	386.3	(9.8)	Short-term and long-term debt	524.1	624.2	562.3	(61.9)					
Notes and accounts receivable	617.8	558.4	462.9	(95.5)	Notes and accounts payable	238.4	222.3	198.3	(24.0)					
Inventories	374.5	380.9	426.4	45.5	Other liabilities	407.3	481.4	491.0	9.6					
Other current assets	83.9	153.8	166.0	12.2	Total liabilities	1,169.8	1,327.9	1,251.6	(76.3)					
Total current assets	1,730.9	1,489.2	1,441.6	(47.6)	Total FUJIFILM Holdings shareholders' equity	2,037.0	1,953.3	1,987.9	34.6					
Property, plant and equipment	526.8	600.5	598.9	(1.6)	Noncontrolling interests	207.9	40.5	42.7	2.2					
Goodwill, net	655.5	687.2	686.9	(0.3)	Total equity	2,244.9	1,993.8	2,030.6	36.8					
Investment securities and other	501.5	544.8	554.8	10.0	Total liabilities and equity	3,414.7	3,321.7	3,282.2	(39.5)					
Total noncurrent assets	1,683.8	1,832.5	1,840.6	8.1	(yen)									
Total assets	3,414.7	3,321.7	3,282.2	(39.5)	Exchange Rates	Mar.19	Mar.20	Jun.20	Change from Mar.20					
					US\$/¥	¥111	¥109	¥108	(¥1)					
					€/¥	¥125	¥120	¥121	¥1					

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Turning to our balance sheet.

Assets as of the end of June 2020 totaled 3,282.2 billion yen, decreased by 39.5 billion yen from the end of March 2020 due to a decrease in notes and accounts receivable and other factors.

Liabilities totaled 1,251.6 billion yen, decreased by 76.3 billion yen mainly due to a decrease in a corporate bond and debt, and shareholders' equity totaled 1,987.9 billion yen, increased by 34.6 billion yen.



Lastly, turning to cash-flow, net cash provided by operating activities totaled 100.4 billion yen due to a decrease in notes and accounts receivable and other factors, which decreased by 8.0 billion from the previous fiscal year.

Net cash used in investing activities amounted to 33.5 billion yen, mainly due to such factors as capital expenditures.

As a result, free cash flow without acquisitions of businesses and others was 69.7 billion yen.

In FY2020, given the uncertainty of the economic environment, we will carefully set priorities in cash allocation for investment such as capital investment with respect to growth opportunities and investment efficiency. Through introduction of ROIC and CCC to business management, we will strengthen cash generation and balance sheet management to maintain a sound financial position.

Earnings of Q1 FY2020

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## **Forecast for FY2020**

Forecast for FY2020		FUJIFILM		
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

Revenue for the fiscal year ending March 2021 is planned at 2.2 trillion yen, down by 5.0% year over year.

Operating income is planned at 140.0 billion yen, down by 25.0% year over year.

Income before income taxes is planned at 170.0 billion yen, down by 1.8% year over year, net income attributable to FUJIFILM Holdings is planned at 120.0 billion yen, down by 4.0% year over year.

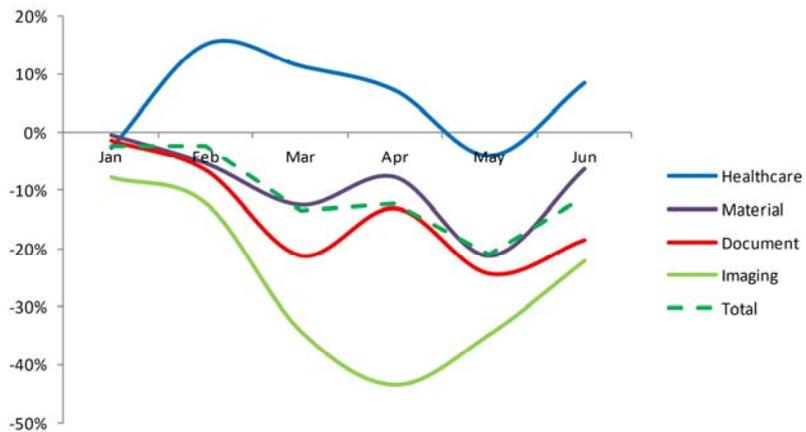
We expect a gradual recovery from the impact of COVID-19 toward the fourth quarter, but we estimate the negative impact of COVID-19 in revenue and operating income for the full year will be 220.0 billion yen and 65.0 billion yen, respectively.

In addition, we estimate one-time costs of 25.0 billion yen in total, including 9.0 billion yen for rebranding costs from Fuji Xerox to "FUJIFILM Business Innovation Corp.", 5.0 billion yen for M&A related cost in Diagnostics Imaging-related business from Hitachi, Ltd., and 11.0 billion yen to further strengthen our corporate structure.

In terms of organic growth based comparison excluding the impacts of COVID-19, foreign currency exchange and one-time costs such as structural reform costs, we will achieve higher revenue and profits than the previous year.

**Consolidated Financial Forecast for FY2020**  
(reference)

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



This is a graph showing the year over year changes in revenue by operating segment from January to June. As you can see, we hit the bottom from April to May, and we are in the recovery trend from June. According to this background, the full-year earnings forecast for this fiscal year is based on the assumption that we will gradually recover after hitting the bottom in the first quarter.

## 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)
<b>Total</b>	<b>2,315.1</b>	<b>2,200.0</b>	<b>(115.1)</b>	<b>(-5.0%)</b>	<b>(220.0)</b>

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
<b>Total</b>	<b>186.6</b>	<b>140.0</b>	<b>(46.6)</b>	<b>(-25.0%)</b>	<b>(65.0)</b>

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In the healthcare, we expect an increase in revenue and profit. The bio CDMO will drive sales and profit growth. National stockpile of *Avigan*<sup>®</sup> Tablet, pharmaceuticals, is also included in revenue and profit. For the medical systems, the revenue and profit from diagnostic imaging-related business of Hitachi, Ltd., of which closing date is yet to be decided, is not included.

Revenue and profit of the Material decrease due to the impact of COVID-19. In the graphic systems/inkjet, we project that the demand for printing plates, our main product, will gradually recover, but do not expect to return to the level we saw before the pandemic. On the other hand, as the transition from analog to digital is progressing mainly in the commercial printing field, we will expand our business by expanding line up of equipments and materials that support the digital market while ensuring the profitability of printing plate materials. With regard to the display materials, we assume that business will be affected by production volume adjustment for TVs due to a recession on consumer spending, but we will accelerate the development of new materials such as for VR/AR, which will be of practical use in the future.

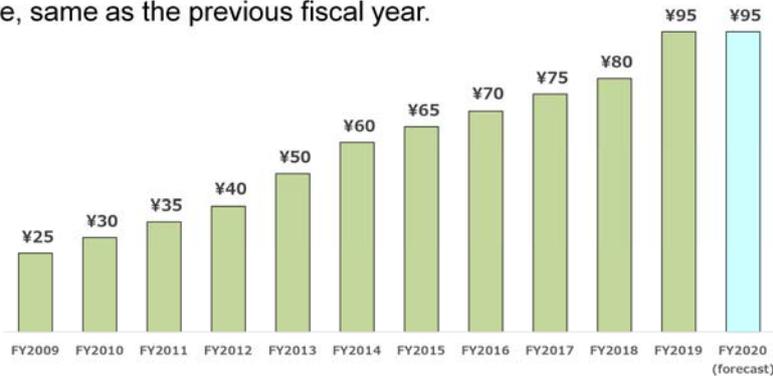
In the Document Solutions, although we also expect revenue and profit decrease due to the impact of COVID-19, we are planning a temporary cost of 16.0 billion yen including 9.0 billion yen to change the company name of Fuji Xerox, develop FUJIFILM brand products, and 7.0 billion yen to strengthen its corporate structure in the post COVID-19 economy. Print volume will bottom out in May and gradually recover as offices reopen, but as more companies roll out work-from-home and online meetings, there may be some regions where the print volume does not return to the level before the pandemic. Therefore, we will further accelerate our initiatives to provide solutions and services for new ways of working, and from the next fiscal year, we will expand the sales area with FUJIFILM brand products. Furthermore, we will expand OEM business to companies other than Xerox Corporation in the U.S.

The Imaging Solutions is the area most affected by COVID-19, but the effects of new products such as the *instax mini 11* and *FUJIFILM X-T4* and ease of restrictions on stay-at-home orders resulted in a significant improvement in sales after April. While thoroughly controlling costs and expenses, we will strive to recover revenue by introducing new attractive products including *instax* and digital cameras, and by enhancing online sales. In addition, we will promote the development of products utilized our unique technology such as ultra-short throw projectors and long throw security cameras, and expand our business into new areas.

## 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

Finally, let us move on to our shareholder returns.

We had increased dividends for the ten consecutive years until FY2019, the fiscal year ended March 2020, but due to the uncertainty of the business forecast under the COVID-19, the dividend for FY2020, the fiscal year ending March 2021 is planned at 95 yen per share, the same as the previous year.

Regarding share buybacks, we will flexibly execute it according to changes in stock price, taking cash flows into consideration.

## Earnings for Q1 FY2020

# Appendices

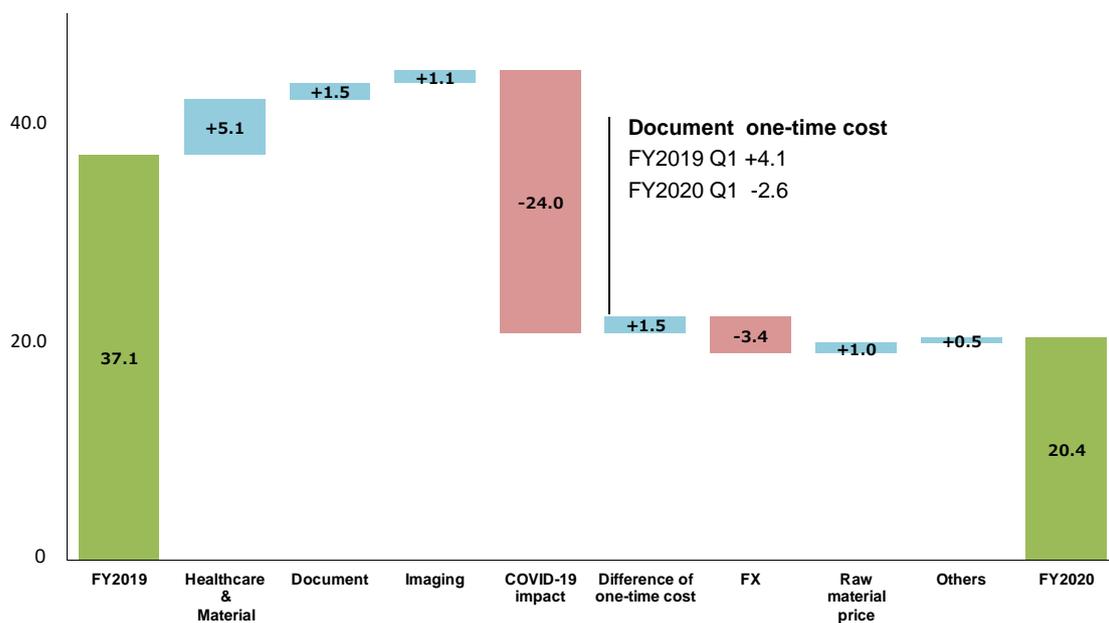
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### Q1 FY2020 Appendix

**FUJIFILM**

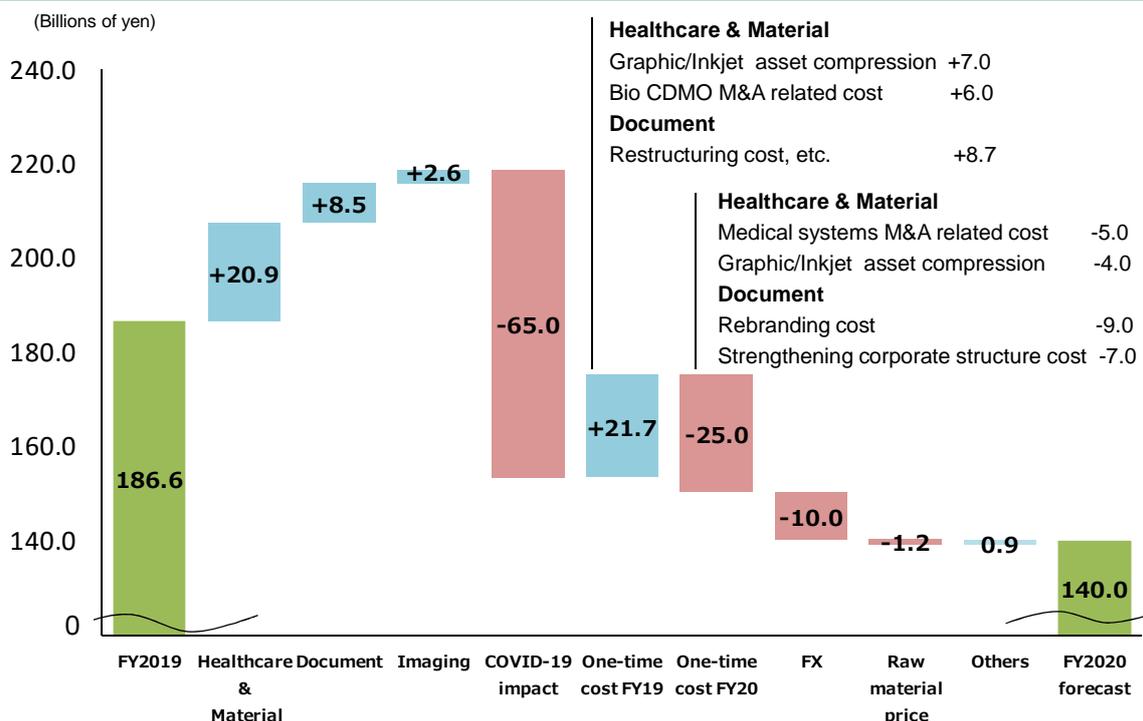
## Analysis of Operating Income Change (Q1, against Q1 FY2019)

(Billions of yen)



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



## 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

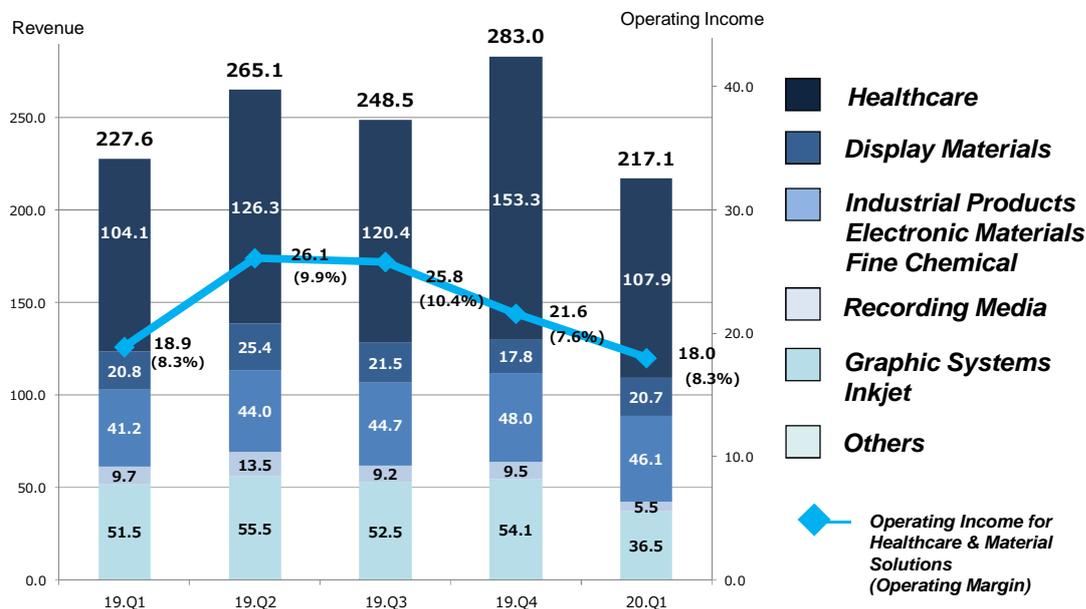
(Billions of yen)

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%)

## 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)

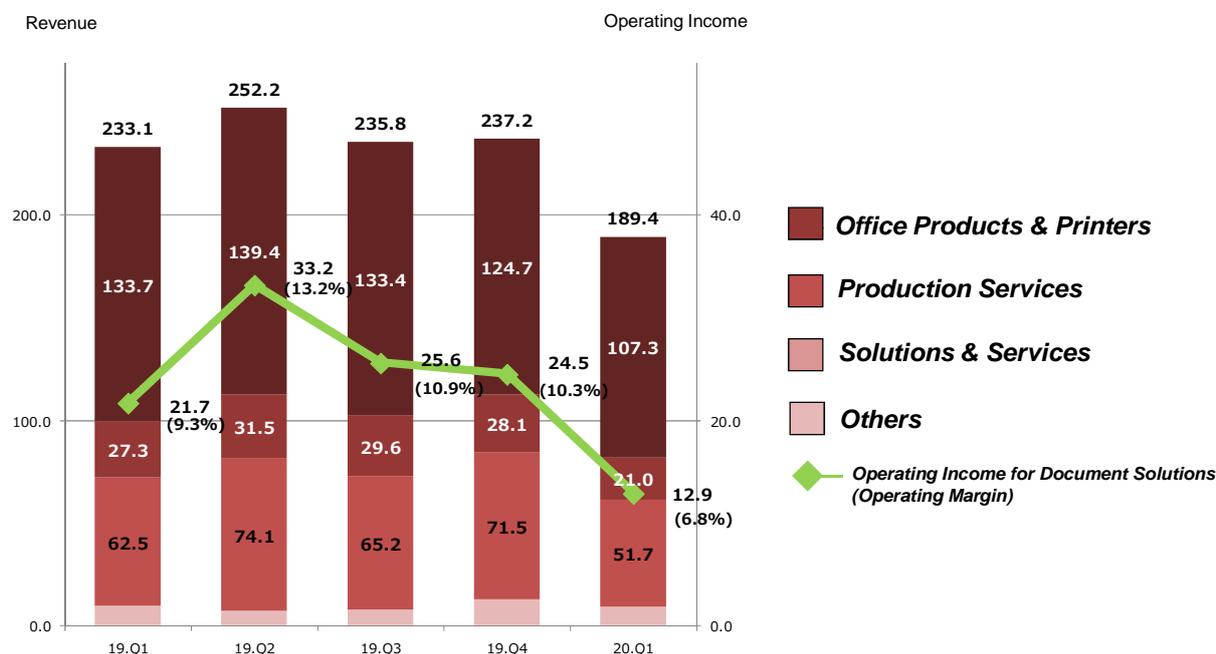
Operating Income [Operating Margin]	Q1			
	FY2019	FY2020	Change	Constant-currency basis
Document Solutions	21.7 [9.3%]	12.9 [6.8%]	(8.8) (-40.8%)	(7.0) (-32.7%)

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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

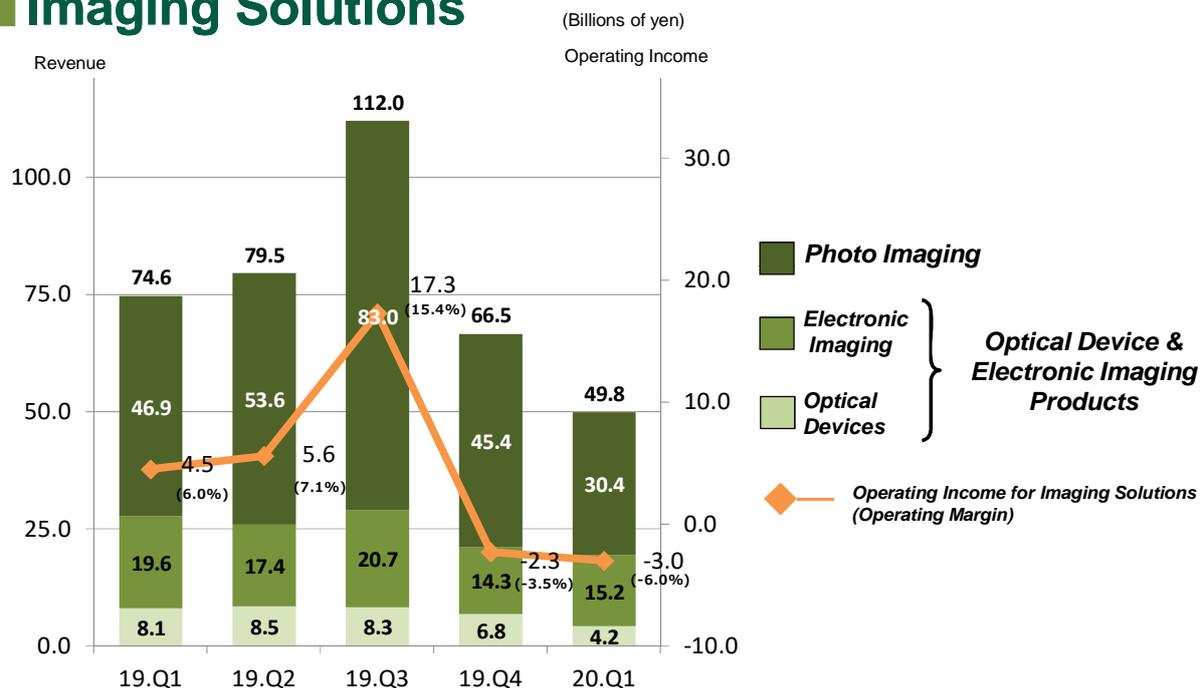
(Billions of yen)

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

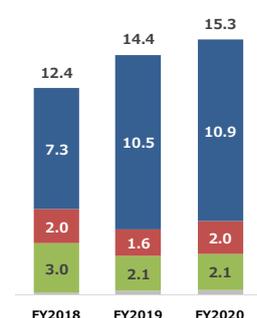
(Billions of yen)

	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%)

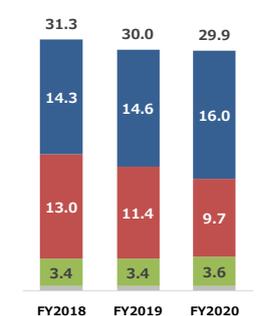
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# Capital Expenditure, Depreciation and Amortization

Capital Expenditure (Q1)



Depreciation & Amortization (Q1)



(Billions of yen)

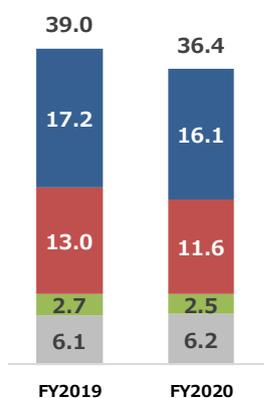
	Q1			Full year		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020 (forecast)
Healthcare & Material	7.3	10.5	10.9	50.5	58.2	
Document	2.0	1.6	2.0	11.7	13.4	
Imaging	3.0	2.1	2.1	10.6	12.5	
Corporate	0.1	0.2	0.3	2.6	1.6	
Capex *	12.4	14.4	15.3	75.4	85.7	95.0
Healthcare & Material	14.3	14.6	16.0	63.1	63.9	
Document	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)

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

### [FUJIFILM Holdings Integrated Report 2019](https://ir.fujifilm.com/en/investors/ir-materials/integrated-report.html)

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

### [IR Events Materials](https://ir.fujifilm.com/en/investors/ir-materials/presentations.html)

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

### [Business Activities of FUJIFILM Group](https://ir.fujifilm.com/en/investors/value/business.html)

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

### [Global Branding Campaign: NEVER STOP](https://brand.fujifilm.com/neverstop/en/)

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

### [Response to the COVID-19 Pandemic](https://brand.fujifilm.com/covid19/)

<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>