

Earnings of Q1 FY2021

August 13, 2021

FUJIFILM Holdings Corporation

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.

Consolidated Performance for Q1 FY2021

(Billions of yen)

	Actual	Change from FY20 Q1	Change from FY19 Q1
Revenue	582.7	+27.7%	+8.8%
Operating Income	56.3	2.8 times	+51.7%
Net Income Attributable to FUJIFILM Holdings	Record high 57.3	2.1 times	3.9 times

- ✓ Revenue and profits increased in all business segments. Steady recovery from the previous fiscal year when performance was affected by COVID-19.
- ✓ Highest ever Q1 net income attributable to FUJIFILM holdings. In addition to favorable performance, major contribution was from valuation gains on marketable and investment securities resulting from the IPO of an advanced medical company in which we had invested.

Full-year Forecast for FY2021

(Billions of yen)

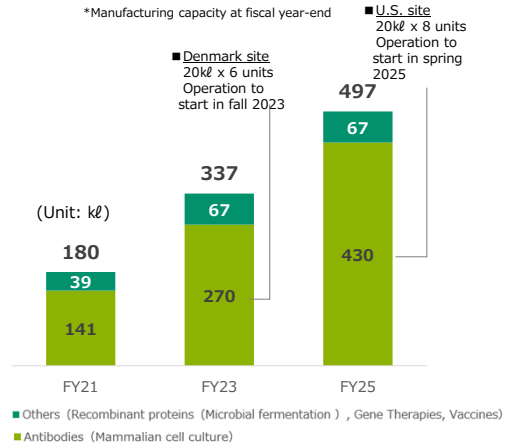
	Previous forecast	Current forecast	Change
Revenue	2,440.0	2,500.0	+60.0
Operating Income	180.0	200.0	+20.0
Net Income Attributable to FUJIFILM Holdings	130.0	160.0	+30.0

- ✓ Full-year forecast has been revised upward reflecting strong Q1 performance.

Bio CDMO Business

- Decided to make large-scale capital investment in the U.S. and Europe sites. Investment of approx. ¥90.0 billion; operations planned to start in H2 2023
- Drug substance manufacturing capacity for recombinant vaccines will be doubled in the U.S. to meet the growing demand for COVID-19 vaccines.
- In addition to expanded manufacturing capacity, we will capitalize on industry's top-class productivity to meet the growing demand for biopharmaceuticals and contribute to steady supply of high quality drugs.

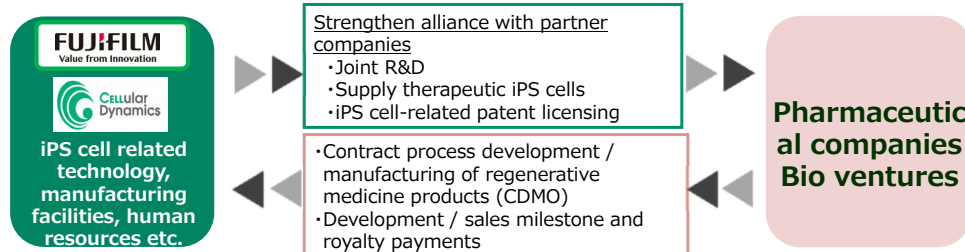
Manufacturing capacity expansion plan*



Make aggressive capital investment to achieve FY2024 revenue target of ¥200.0 billion and CAGR of 20% in and after FY2025.

Life Sciences Business (Regenerative Medicine)

- Century Therapeutics, Inc., which U.S. subsidiary FCDI invested in and established with the aim of developing next-generation cancer immunotherapeutic drugs using allogeneic iPS cells, made IPO on the U.S. NASDAQ market. As a result, valuation gains on marketable and investment securities of ¥17.6 billion were recorded.
- A strategic R&D alliance agreement* was reached with BlueRock Therapeutics LP, a subsidiary of Germany-based Bayer AG, regarding iPS cell therapies for ocular diseases. An upfront payment of US\$30 million has been received and up to US\$40 million funding for R&D and part of investigational agent manufacturing is planned to be received for the development of the three retinal disease therapy programs.



Strengthen alliance with partner companies and promote industrialization of cell therapy in the regenerative medicine field by leveraging our iPS cell technology and manufacturing facilities

*Tri-party agreement between FUJIFILM Cellular Dynamics, Inc. (FCDI), Opsis Therapeutics, LLC, (both Fujifilm group companies) and BlueRock Therapeutics LP, which is a subsidiary of major pharmaceutical company Bayer AG

(Billions of yen)

	Q1				
	FY2020	FY2021	Change	Impact of exchange rate	Constant-currency basis
Revenue	456.3 100.0%	582.7 100.0%	126.4 +27.7%	19.7	106.7 +23.4%
Operating Income	20.4 4.5%	56.3 9.7%	35.9 2.8 times	4.0	31.9 2.6 times
Income before Income Taxes	42.2 9.2%	Record high 77.8 13.3%	35.6 +84.3%	5.1	30.5 +72.3%
Net Income Attributable to FUJIFILM Holdings	27.5 6.0%	Record high 57.3 9.8%	29.8 2.1 times	3.5	26.3 +95.6%
Net Income Attributable to FUJIFILM Holdings per Share	¥68.80	¥143.34	¥74.54	Other change factors (YoY): Impact of raw materials prices on operating income: -¥5.3 billion	
Exchange Rates	US\$/¥ ¥119	¥109 ¥132	¥1 ¥13		

(Billions of yen)

Revenue	Q1		Change	Constant-currency basis
	FY2020	FY2021		
Healthcare	110.2	174.2	64.0 (+58.0%)	58.8 (+53.3%)
Materials	127.4	149.8	22.4 (+17.7%)	17.9 (+14.2%)
Business Innovation	168.9	186.1	17.2 (+10.2%)	11.0 (+6.5%)
Imaging	49.8	72.6	22.8 (+45.6%)	19.0 (+38.0%)
Total	456.3	582.7	126.4 (+27.7%)	106.7 (+23.4%)

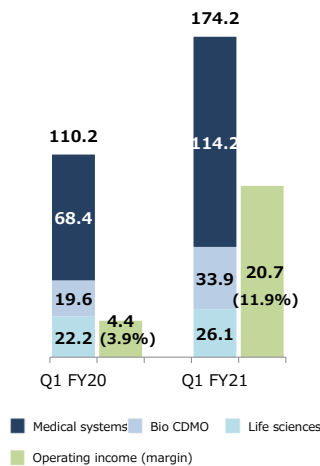
Note: After elimination of intersegment transactions

(Billions of yen)

Operating Income	Q1		Change	Constant-currency basis
	FY2020	FY2021		
Healthcare	4.4	20.7	16.3 (4.7 times)	15.5 (4.6 times)
Materials	13.1	21.3	8.2 (+62.9%)	7.6 (+58.4%)
Business Innovation	13.4	14.0	0.6 (+4.5%)	(0.2) (-1.3%)
Imaging	(3.0)	8.0	11.0 Turned to the black	9.1 Turned to the black
Corporate Expenses & Eliminations	(7.5)	(7.7)	(0.2)	(0.1)
Total	20.4	56.3	35.9 (2.8 times)	31.9 (2.6 times)

- In addition to organic growth in all sub-segments, consolidation of FUJIFILM Healthcare in the medical systems business contributed to a sharp year-over-year increase of 58% in revenue and a 4.7 times increase in operating income.

(Billions of yen)



Medical systems: Revenue ¥114.2 billion (up 67.1% YoY)

- In addition to turning FUJIFILM Healthcare into a consolidated subsidiary, the steady demand for ultraportable digital X-ray imaging systems and ultrasound diagnostic devices, both useful for pneumonia diagnosis, contributed to a surge in revenue.

Bio CDMO: Revenue ¥33.9 billion (up 72.5% YoY)

- Favorable performance of contract process development and manufacturing of biopharmaceuticals and manufacture of drug substances for COVID-19 vaccine candidates at the U.S. site resulted in a surge in revenue.

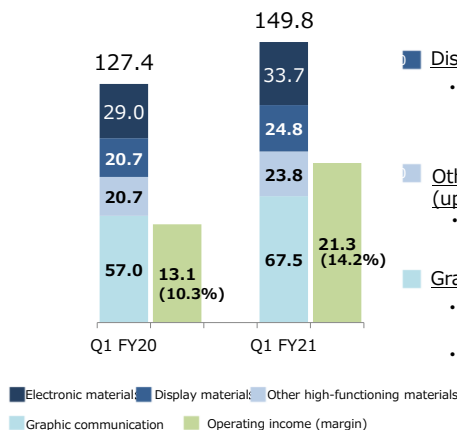
Life sciences*: Revenue ¥26.1 billion (up 17.5% YoY)

- In the life sciences business, solid sales of cell culture media for biopharmaceutical manufacturing led to a surge in revenue.
- In the consumer healthcare business, favorable sales of *MetabARRIER EX* and other supplements and steady sales of new cosmetic products contributed to higher revenue.

*Life sciences: Disclosure segment consisting of life sciences business (cells, culture media, reagents), pharmaceutical business, and consumer healthcare business (cosmetics, supplements)

- Significant year-over-year increases of 17.7% in revenue and 62.9% in operating income led by steady recovery from the COVID-19 pandemic as well as growth in the electronic materials business in tandem with the increasing demand for semiconductors.

(Billions of yen)



Electronic materials: Revenue ¥33.7 billion (up 16.1% YoY)

- Revenue rose on favorable sales of wide ranging products, including CMP slurries and polyimide, reflecting a rise in semiconductor demand.

Display materials: Revenue ¥24.8 billion (up 19.6% YoY)

- Revenue rose on strong sales of various high-functioning film, driven by the steady demand for smartphones as well as a rise in demand for monitors, tablets and TVs amid the COVID-19 pandemic.

Other high-functioning materials*: Revenue ¥23.8 billion (up 15.6% YoY)

- In the recording media business, revenue increased due to a gradual recovery in demand for tapes, which had fallen amid the COVID-19 pandemic.

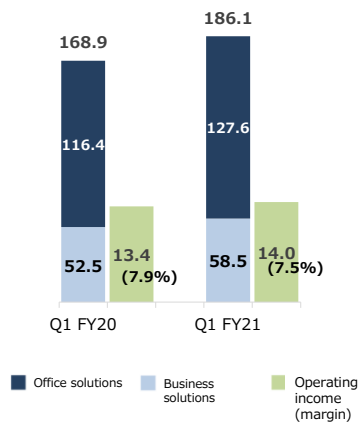
Graphic communication: Revenue ¥67.5 billion (up 18.5% YoY)

- Revenue rose as active implementation of online negotiations led to higher sales.
- In the inkjet business, revenue increased on steady sales of industrial inkjet printheads, reflecting the growing demand in the ceramics markets in China and Europe.

*Other high-functioning materials: Disclosure segment consisting of industrial products business, fine chemicals business, and recording media business.

- Revenue and operating income increased 10.2% and 4.5% year-over-year respectively as the business recovered from the COVID-19 pandemic.
- Started to launch new products under the FUJIFILM brand. We will further accelerate global expansion including new OEM supplies.

(Billions of yen)



Office solutions: Revenue ¥127.6 billion (up 9.5% YoY)

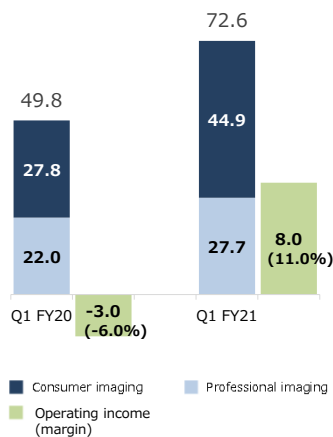
- In the office products field, unit sales increased year-over-year in Japan, China, and the Asia-Pacific region, and also for exports to Europe and the U.S. After-sales revenue also rose sharply, driven by the recovery from the COVID-19 pandemic.
- For global expansion under the FUJIFILM brand, new models of Apeos series, digital color multifunction devices / printers with a totally new design and stronger security features, were released in April 2021.

Business solutions: Revenue ¥58.5 billion (up 11.5% YoY)

- Revenue climbed due to acquisition of system orders from domestic municipalities and a sales increase in the BPO (Business Process Outsourcing) business mainly overseas.
- Of total revenue, the “industrial solution field” centering on the BPO business that offers document digitalization accounts for 60%, and “DX solution field” centering on IT outsourcing that provides IT infrastructure for the SMB market accounts for 40%. Aim to accelerate growth by strengthening both fields further.

- Performance recovered sharply as revenue surged 45.6% YoY and operating income returned to the black year-over-year, due to strong sales of instant photo systems.

(Billions of yen)



Consumer imaging: Revenue ¥44.9 billion (up 61.0% YoY)

- In addition to the recovery from the COVID-19 pandemic, revenues soared year-over-year on solid sales of instant photo systems and dry minilabs / materials for retailers in the U.S.
- As an entry model of instant photo systems, the *instax mini 40* compatible with mini format film was released in April 2021. It was rated highly in the market for its classic camera design that never goes out of style, and achieved firm sales in Japan and overseas.

Professional imaging: Revenue ¥27.7 billion (up 26.1% YoY)

- *FUJIFILM GFX100S*, a mirrorless digital camera which has gained a high reputation worldwide for its superior image quality using a large format sensor despite its compact body, increased its user base and continued to boost sales.
- Revenue climbed as sales of broadcast and cinema lenses, which had been hit by a drop in demand due to the COVID-19 pandemic, began to pick up. Sales in the monitoring / measurement field, including long-range surveillance cameras and machine vision lenses, also fared well.

Consolidated Balance Sheet

(Billions of yen)

	Mar.2020	Mar.2021	Jun.2021	Change from Mar.2021		Mar.2020	Mar.2021	Jun.2021	Change from Mar.2021
Cash and cash equivalents	396.1	394.8	431.4	36.6	Short-term and long-term debt	624.2	503.0	502.7	(0.3)
Notes and accounts receivable	558.4	605.7	535.5	(70.2)	Notes and accounts payable	222.3	239.9	242.2	2.3
Inventories	380.9	417.7	458.0	40.3	Other liabilities	481.4	584.1	589.2	5.1
Other current assets	153.8	89.2	121.3	32.1	Total liabilities	1,327.9	1,327.0	1,334.1	7.1
Total current assets	1,489.2	1,507.4	1,546.2	38.8	Total FUJIFILM Holdings shareholders' equity	1,953.3	2,204.6	2,269.0	64.4
Property, plant and equipment	600.5	635.3	643.1	7.8	Noncontrolling interests	40.5	17.6	17.9	0.3
Goodwill, net	687.2	804.2	807.8	3.6	Total equity	1,993.8	2,222.2	2,286.9	64.7
Investment securities and other	544.8	602.3	623.9	21.6	Total liabilities and equity	3,321.7	3,549.2	3,621.0	71.8
Total noncurrent assets	1,832.5	2,041.8	2,074.8	33.0					
Total assets	3,321.7	3,549.2	3,621.0	71.8					

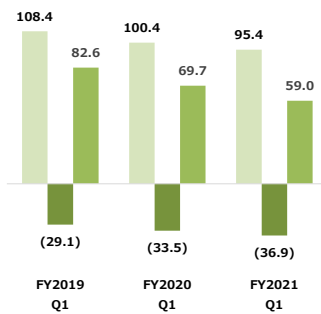
Exchange Rates	Mar.2020	Mar.2021	Jun.2021	Change from Mar.2021
US\$/¥	¥109	¥111	¥111	-
€/¥	¥120	¥130	¥132	¥2

Cash Flow

(Billions of yen)

- Net cash from operating activities
- Net cash from investing activities
- Free cash flow (excluding business acquisitions)

(Billions of yen)



	FY2019 Q1	FY2020 Q1	FY2021 Q1
Net income	18.8	27.7	58.3
Depreciation & amortization	30.0	29.9	31.3
Change in notes and accounts receivable	85.9	97.9	72.1
Change in inventories	(30.4)	(45.5)	(39.6)
Change in notes and accounts payable - trade	(8.9)	(16.6)	5.1
Others	13.0	7.0	(31.8)
C/F from operating activities	108.4	100.4	95.4
Capital expenditure	(18.5)	(23.0)	(27.5)
Purchases of software	(3.8)	(3.8)	(7.0)
Sales and purchases of marketable and investment securities	(3.3)	(2.8)	(0.5)
Acquisitions of businesses	0.0	0.0	0.0
Others	(3.5)	(3.9)	(1.9)
C/F from investing activities	(29.1)	(33.5)	(36.9)
Free cash flows	79.3	66.9	58.5
Free cash flows without acquisitions of businesses and others *	82.6	69.7	59.0

Forecast for FY2021

Consolidated Financial Forecast for FY2021 (as of August 13, 2021)

(Billions of yen)

	FY2020	FY2021 (Previous forecast)	FY2021	Change	Change from previous forecast
Revenue	2,192.5 100.0%	2,440.0 100.0%	2,500.0 100.0%	307.5 +14.0%	60.0 +2.5%
Operating Income	165.5 7.5%	180.0 7.4%	200.0 8.0%	34.5 +20.9%	20.0 +11.1%
Income before Income Taxes	235.9 10.8%	185.0 7.6%	220.0 8.8%	-15.9 -6.7%	35.0 18.9%
Net Income Attributable to FUJIFILM Holdings	181.2 8.3%	130.0 5.3%	160.0 6.4%	-21.2 -11.7%	30.0 +23.1%
Net Income Attributable to FUJIFILM Holdings per Share	¥453.28	¥325.16	¥400.18	-¥53.10	¥75.02
ROE	8.7%	6.2%	7.1%	-1.6%	+0.9%
ROIC	4.3%	4.6%	4.9%	+0.6%	+0.3%
CCC	123 days	124 days	124 days	+1 day	-
Exchange Rates	US\$/¥ ¥106	¥104	¥109	¥3	¥5
	€/¥ ¥124	¥124	¥132	¥8	¥8
Silver Price (/kg)	¥74,000	¥84,000	¥95,000	+¥21000	+¥11000

*FY2021: Exchange rate sensitivity for operating income US\$/¥: 0.3 billion yen €/¥: 0.8 billion yen

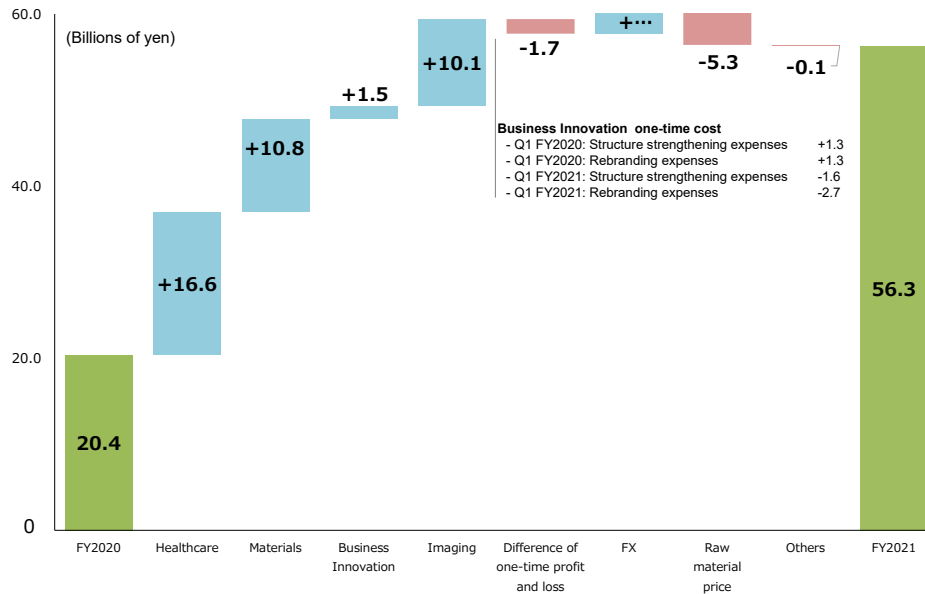
(Billions of yen)

Revenue	FY2021 (Previous forecast)	FY2021	Change from previous forecast
Healthcare	750.0	770.0	20.0
Materials	600.0	620.0	20.0
Business Innovation	800.0	800.0	0.0
Imaging	290.0	310.0	20.0
Total	2,440.0	2,500.0	60.0

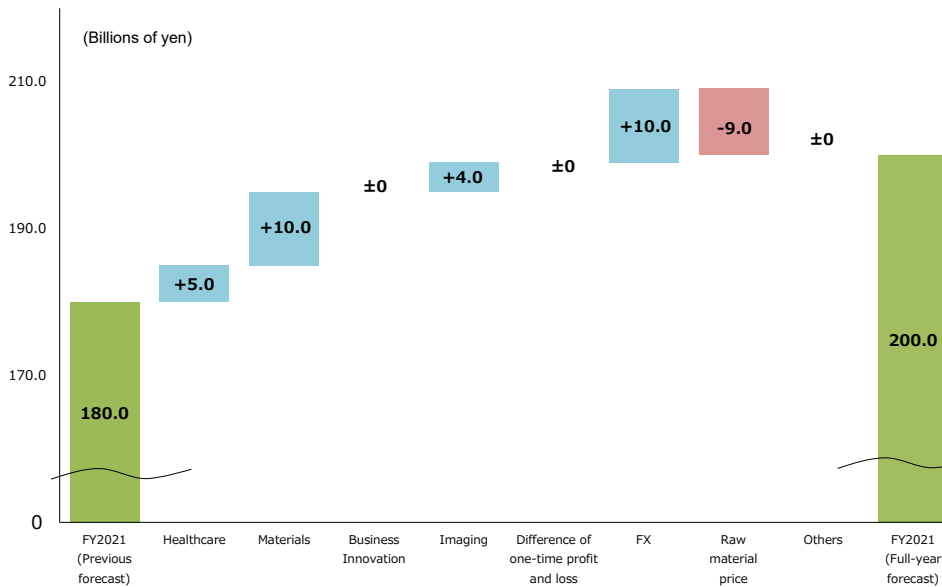
Operating Income	FY2021 (Previous forecast)	FY2021	Change from previous forecast
Healthcare	70.0	78.0	8.0
Materials	56.0	62.0	6.0
Business Innovation	75.0	75.0	0.0
Imaging	16.0	22.0	6.0
Corporate Expenses & Eliminations	(37.0)	(37.0)	0.0
Total	180.0	200.0	20.0

Appendices

Analysis of Operating Income Change (Q1, against Q1 FY2020)



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



(Billions of yen)

Revenue	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Medical Systems	68.4	114.2	45.8 (+67.1%)	42.0 (+61.5%)
Bio CDMO	19.6	33.9	14.3 (+72.5%)	13.2 (+67.1%)
Life Sciences	22.2	26.1	3.9 (+17.5%)	3.6 (+16.1%)
Total	110.2	174.2	64.0 (+58.0%)	58.8 (+53.3%)

Note: After elimination of intersegment transactions

(Billions of yen)

Operating Income [Operating Margin]	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Healthcare	4.4 [3.9%]	20.7 [11.9%]	16.3 (4.7 times)	15.5 (4.6 times)

(Billions of yen)

Revenue	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Electronic Materials	29.0	33.7	4.7 (+16.1%)	3.6 (+12.3%)
Display Materials	20.7	24.8	4.1 (+19.6%)	4.0 (+19.0%)
Other Highly Functional Materials	20.7	23.8	3.1 (+15.6%)	2.6 (+13.2%)
Graphic Communication	57.0	67.5	10.5 (+18.5%)	7.7 (+13.8%)
Total	127.4	149.8	22.4 (+17.7%)	17.9 (+14.2%)

Note: After elimination of intersegment transactions

(Billions of yen)

Operating Income [Operating Margin]	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Materials	13.1 [10.3%]	21.3 [14.2%]	8.2 (+62.9%)	7.6 (+58.4%)

(Billions of yen)

Revenue	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Office Solutions	116.4	127.6	11.2 (+9.5%)	7.0 (+5.9%)
Business Solutions	52.5	58.5	6.0 (+11.5%)	4.0 (+7.7%)
Total	168.9	186.1	17.2 (+10.2%)	11.0 (+6.5%)

Note: After elimination of intersegment transactions

(Billions of yen)

Operating Income [Operating Margin]	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Business Innovation	13.4 [7.9%]	14.0 [7.5%]	0.6 (+4.5%)	(0.2) (-1.3%)

(Billions of yen)

Revenue	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Consumer Imaging	27.8	44.9	17.1 (+61.0%)	14.9 (+53.0%)
Professional Imaging	22.0	27.7	5.7 (+26.1%)	4.1 (+18.9%)
Total	49.8	72.6	22.8 (+45.6%)	19.0 (+38.0%)

Note: After elimination of intersegment transactions

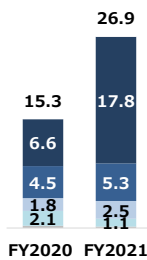
(Billions of yen)

Operating Income [Operating Margin]	Q1			
	FY2020	FY2021	Change	Constant-currency basis
Imaging	(3.0) [(0.6%)]	8.0 [11.0%]	11.0 Turned to the black	9.1 Turned to the black

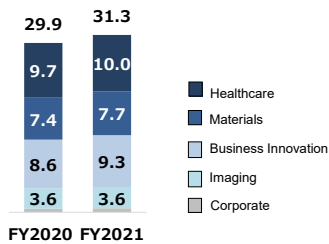
(Billions of yen)

	Q1 FY2020		Q1 FY2021		Change	
	Ratio (%)		Ratio (%)			
Japan	44.5%	202.9	38.2%	222.4	19.5	(+9.6%)
The Americas	17.2%	78.4	21.1%	122.9	44.5	(+56.7%)
Europe	10.8%	49.6	12.5%	73.0	23.4	(+47.2%)
China	15.0%	68.4	14.2%	83.1	14.7	(+21.5%)
Asia and others	27.5%	125.4	28.2%	164.4	39.0	(+31.2%)
Overseas	55.5%	253.4	61.8%	360.3	106.9	(+42.2%)
Consolidated total	100.0%	456.3	100.0%	582.7	126.4	(+27.7%)

Capital Expenditure (Tangible fixed assets) (Q1)



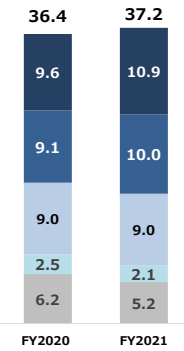
Depreciation & Amortization (Q1)



(Billions of yen)

	Q1		Full Year	
	FY2020	FY2021	FY2020	FY2021 (forecast)
Healthcare	6.6	17.8		
Materials	4.5	5.3		
Document	1.8	2.5		
Imaging	2.1	1.1		
Corporate	0.3	0.2		
Capex(Tangible fixed assets)	15.3	26.9	100.9	200.0
Healthcare	1.7	2.8		
Materials	0.9	1.0		
Document	3.1	5.2		
Imaging	1.1	1.2		
Corporate	0.4	0.7		
Capex(rental equipment)	7.2	10.9	44.4	60.0
Healthcare	9.7	10.0		
Materials	7.4	7.7		
Document	8.6	9.3		
Imaging	3.6	3.6		
Corporate	0.6	0.7		
Depreciation& Amortization	29.9	31.3	123.4	140.0

R&D Expenses (Q1)



■ Healthcare
 ■ Materials
 ■ Business Innovation
■ Imaging
 ■ Corporate

(Billions of yen)

	Q1		Full Year	
	FY2020	FY2021	FY2020	FY2021 (forecast)
Healthcare	9.6	10.9		
Materials	9.1	10.0		
Business Innovation	9.0	9.0		
Imaging	2.5	2.1		
Corporate	6.2	5.2		
R&D Expenses	36.4	37.2	152.2	160.0
<ratio to revenue>	8.0%	6.4%	6.9%	6.4%
SG&A Expenses	130.6	159.2	552.0	
<ratio to revenue>	28.6%	27.3%	25.3%	

Exchange Rates

(yen)

	FY2020					FY2021	
	Q1	Q2	Q3	Q4	Full Year	Q1	Full Year
US\$/¥	108	106	105	106	106	109	109
€/¥	119	124	125	128	124	132	132

Raw Material Prices (Average)

(¥1,000/kg)

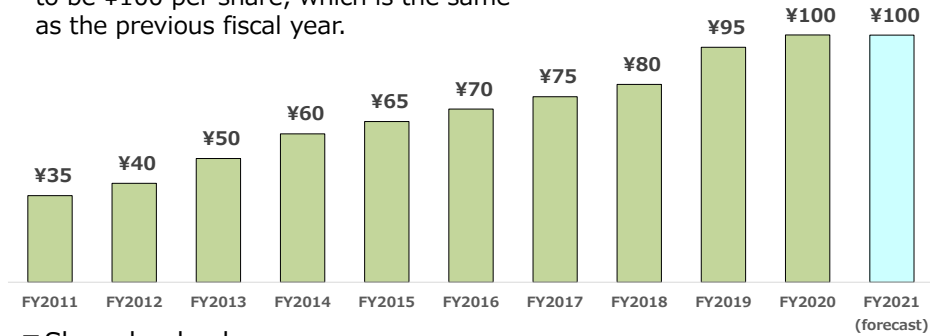
	FY2020					FY2021	
	Q1	Q2	Q3	Q4	Full Year	Q1	Full Year
Silver	55	78	83	91	74	93	95

Number of Employees

	Jun.2020	Sep.2020	Dec.2020	Mar.2021	Jun.2021
Consolidated Total	73,569	72,176	71,474	73,275	75,879

■ Dividend

Annual dividend for FY2021 is expected to be ¥100 per share, which is the same as the previous fiscal year.



■ Share buybacks

We will buy back shares flexibly, in consideration of cash flow situation, according to changes in stock price.

Development code	Therapeutic category	Formulation	Region	Development stage
T-705	Anti-COVID-19 drug	Oral	Japan	Submitted an application for permission
	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 fluoroketolide antibacterial drug	Oral	Japan	Submitted an application for permission
FF-10501	Myelodysplastic syndrome drug	Oral	Japan	P I
			U.S.A.	P II
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	Approved
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	Submitted an application for permission

[FUJIFILM Holdings – Investor Relations](https://ir.fujifilm.com/en/investors.html)

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

[FUJIFILM Holdings Integrated Report 2020](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/>

[Fujifilm’s 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>