

## Earnings of FY2019/3 1Q

### FUJIFILM Holdings Corporation

Aug. 9, 2018

**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.

I would like to present FUJIFILM Holdings' financial results for the first quarter of the fiscal year ending March 2019.

**Performance for FY2019/3 1Q : Main Points**

**Both revenue and operating income proceeded according to the initial target.  
The revenue were flat, while the operating income increased  
compared to the previous fiscal year.**

Performance  
by segment

- ✓ Revenue  
Document decreased due to reduction of business of low-profit, low-end printers, while medical systems and electronic materials continued to increase
- ✓ Operating income  
Medical systems, electronic materials and document increased

## Special note

- ✓ Structural reforms of document made good progress
- ✓ Irvine Scientific Sales Company and IS JAPAN became consolidated subsidiaries
- ✓ Buyback of the Company's shares of ¥100.0 billion decided

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Let me explain the main points for the first quarter of the fiscal year ending March 2019.

In the first quarter of the fiscal year ending March 2019, both revenue and operating income proceeded according to the initial target planned at the beginning of this fiscal year. Compared to the previous fiscal year, revenue remained at the same level while operating income increased.

Regarding performance by segment, sales continued to increase in the medical systems and electronic materials.

Though sales decreased in the document business due to reduction of low-profit, low-end printers and due to a change in an accounting method for recognizing revenue from purchased products, if these negative impact are excluded, the overall revenue had increased.

Operating income increased in the medical systems, electronic materials, and document business.

As for the special note, the structural reforms of Fuji Xerox, announced in January this year, made good progress.

In June 2018, Irvine Scientific Sales Company and IS JAPAN, leading companies for cell culture media, became consolidated subsidiaries.

Our Board of Directors, at its meeting today, decided to conduct a buyback of the Company's shares of ¥100.0 billion.

From the fiscal year ending March 2019, the classification of the retirement benefit cost other than service costs was changed from "operating expenses" to "non-operating income or expenses", in accordance with the update of U.S. accounting standards.

The change of the classification has also been applied retroactively to the fiscal year ended March 2018.

## Consolidated Performance for FY2019/3 1Q (Apr. 2018 – Jun. 2018)

(Billions of yen)

	FY2018/3 1Q (After amendment)*	FY2019/3 1Q	Change	Influence of exchange rate	Constant-currency basis
Revenue	571.5 100.0%	564.9 100.0%	(6.6) -1.2%	0.1	(6.7) -1.2%
Operating Income	34.1 6.0%	36.9 6.5%	2.8 +8.2%	2.0	0.8 +2.4%
Income before Income Taxes	57.6 10.1%	45.8 8.1%	(11.8) -20.5%	1.6	(13.4) -23.3%
Net Income Attributable to FUJIFILM Holdings	43.8 7.7%	28.3 5.0%	(15.5) -35.3%	1.1	(16.6) -37.8%
Net Income Attributable to FUJIFILM Holdings per Share	¥100.06	¥65.83	(¥34.23)		
Exchange Rates	US\$/ €/¥	¥109 ¥130	(¥2) ¥8		

<Other factors of change (YoY) > Operating income — Raw material prices: ¥0.7 billion

\*The changes in the classification of the presentation of net periodic pension cost and net periodic postretirement benefit cost are applied retroactively, according to the update of U.S. accounting standards.

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Let's move on to detailed performance information.

Consolidated revenue in the first quarter of the fiscal year ending March 2019 totaled ¥564.9 billion, down 1.2% from the previous fiscal year, reflecting such factors as a sales decrease in the document business due to a reduction of low-profit, low-end printer business, while sales increased in such businesses as the photo imaging business, medical systems business and electronic materials business.

Operating income increased with improvements in profitability in such businesses as the medical systems business, electronic materials business and document business, to ¥36.9 billion, up 8.2% from the previous fiscal year.

Income before income taxes came to ¥45.8 billion, down 20.5% from the previous fiscal year. Net income attributable to FUJIFILM Holdings totaled ¥28.3 billion, down 35.3% from the previous fiscal year.

These reductions are because of a profit of about ¥20 billion gained from the stock valuation booked in the previous fiscal year at the time of consolidating Wako Pure Chemical Industries, Ltd.

## Consolidated Revenue and Operating Income by Segment

(Billions of yen)

Revenue	1Q		Change		Influence of exchange rate	Constant-currency basis	
	FY2018/3	FY2019/3					
Imaging Solutions	85.0	87.9	2.9	(+3.5%)	0.6	2.3	(+2.8%)
Healthcare	91.3	101.8	10.5	(+11.5%)	0.0	10.5	(+11.4%)
Healthcare & Material Solutions	230.0	235.9	5.9	(+2.6%)	0.0	5.9	(+2.6%)
Document Solutions	256.5	241.1	(15.4)	(-6.0%)	(0.5)	(14.9)	(-5.8%)
Total	571.5	564.9	(6.6)	(-1.2%)	0.1	(6.7)	(-1.2%)

Note: After elimination of intersegment transactions.

(Billions of yen)

Operating Income	1Q		Change		Influence of exchange rate	Constant-currency basis	
	FY2018/3 (After amendment)	FY2019/3					
Imaging Solutions	12.5	12.2	(0.3)	(-2.2%)	0.8	(1.1)	(-8.8%)
Healthcare	(1.1)	0.8	1.9	-	0.0	1.9	-
Healthcare & Material Solutions	18.5	18.1	(0.4)	(-2.2%)	0.1	(0.5)	(-2.7%)
Document Solutions	10.4	14.9	4.5	(+43.4%)	1.1	3.4	(+33.2%)
Corporate Expenses & Eliminations	(7.3)	(8.3)	(1.0)	-	0.0	(1.0)	-
Total	34.1	36.9	2.8	(+8.2%)	2.0	0.8	(+2.4%)

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Let's move on to segment specific information.

The Imaging Solutions segment recorded revenue of ¥87.9 billion, up 3.5% year-on-year.

Operating income totaled ¥12.2 billion, down 2.2% from the previous fiscal year due to upfront R&D investment for next generation processors and sensors for digital cameras.

The Healthcare & Material Solutions segment recorded revenue of ¥235.9 billion, up 2.6% year-on-year.

Operating income totaled ¥18.1 billion, down 2.2% from the previous fiscal year, due to a negative impact of ¥0.7 billion from such factors as increased raw material price of aluminum and so on.

Within the Healthcare & Material Solutions segment, the healthcare business recorded revenue of ¥101.8 billion, up 11.5% year-on-year.

Operating income totaled ¥0.8 billion, up ¥1.9 billion from the previous fiscal year.

Document Solutions recorded revenue of ¥241.1 billion, down 6.0% year-on-year, mainly due to the reduction of low-profit, low-end printer business.

Operating income totaled ¥14.9 billion, up 43.4% from the previous fiscal year.

## Summary by Operating Segment

### ■ Imaging Solutions

Revenue	YoY		Operating income	YoY	
	(Billions of yen)			(Billions of yen)	
87.9	2.9	(+3.5%)	12.2	(0.3)	(-2.2%)

- In the photo imaging business, sales were strong for instant photo systems such as the *instax* series and *instax* films. *Wall Decor*, *Photobook* and other value-added printing businesses also expanded and contributed to revenue.
- The sales volume of *instax* series totaled 1.75 million units. The targeted annual sales volume has been revised upward from 9.0 million to 10.0 million units.
- In the electronic imaging business, in addition to *FUJIFILM X-H1*, which was launched in March 2018, *FUJIFILM X-T100* was launched in June 2018. Sales of interchangeable lenses were solid.
- In the optical device business, sales increased, reflecting steady performance of various industrial-use lenses. 4K lenses for use in broadcasting are highly valued for their image quality, seeking to increase the market share with a diverse lineup of 8 models.

**Revenue increased due to strong sales in all businesses, while operating income remained at the same level, due to upfront investment such as R&D and others.**

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First, I would like to present the results for our Imaging Solutions segment.

In the photo imaging business, sales were strong for instant photo systems such as the *instax* series and *instax* films. The sales volume of the *instax* series totaled 1.75 million units in this quarter. Sales increased with *instax SQUARE SQ6*, the instant camera with a simple and stylish design which adopted a square format, launched in May 2018. *Wall Decor*, *Photobook* and other value-added printing businesses also expanded and contributed to revenue.

Regarding *instax*, we have revised the targeted annual sales volume upward from the previously announced 9.0 million units to 10.0 million units, estimating a sales increase both in the U.S. and Europe, where sales are strong, and in emerging countries.

In the electronic imaging business, overall revenue increased due to solid sales of the *X Series* such as *FUJIFILM X-H1*, a flagship model launched in March 2018, and *FUJIFILM X-T100*, an entry-level model, launched in June 2018, and interchangeable lenses. Professional photographers and camera enthusiasts have given high praise to our proprietary technology, which enables impressive depictions such as unrivalled, superior color reproduction, and the extensive line-up of 39 lenses.

In the optical device business, sales increased, reflecting steady performance of various industrial-use lenses such as those for vehicle cameras. Fujifilm is the pioneer of 4K lenses for use in broadcasting with highly valued image quality, and is seeking to increase its market share with a diverse lineup of 8 models.

In the Imaging Solutions segment, revenue increased due to strong sales in all businesses, while operating income remained at the same level, due to such factors as upfront R&D investment for next generation processors and sensors for digital cameras and so on.

## Summary by Operating Segment

Healthcare & Material Solutions	(Billions of yen)				
	Revenue	YoY		Operating income	YoY
	235.9	5.9	(+2.6%)	18.1	(0.4) (-2.2%)

- In the healthcare business field, medical systems business enjoyed brisk sales in such business areas as In-vitro Diagnostic systems, X-ray imaging diagnostics and endoscopes. In the pharmaceutical business, *Avigan Tablet*, the anti-influenza drug, was supplied to a national stockpile in Japan. Fujifilm decided to form FUJIFILM Toyama Chemical as of October 2018 to accelerate the development of new diagnostic and therapeutic drugs. In the bio CDMO business, the expansion of facilities contributed to contract manufacturing and development of biopharmaceuticals.
- As for the highly functional materials business field, though the overall sales decreased mainly due to the decline in demand for WV film, sales of products related to touch-panels were strong in the display materials business. In the electronic materials business, sales increased mainly for advanced products of photo resists and peripheral materials related to photolithography.
- In the recording media business, sales decreased due to the inventory adjustment of magnetic tape for data storage and other factors. In the graphic systems business, sales decreased due to a decline in total demand for graphic arts film and CTP plates. In the inkjet business, favorable sales were seen in industrial inkjet printheads, mainly in the ceramics field.

**Revenue increased due to strong sales in the medical systems and electronic materials. Operating income was in line with the previous fiscal year due to such factors as increased raw material cost.**

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Next is our Healthcare & Material Solutions segment.

In the healthcare business field, the medical systems business enjoyed brisk sales in such business areas as In-vitro Diagnostic (IVD) systems, X-ray imaging diagnostics and endoscopes.

In the pharmaceutical business, overall sales increased due to the supply of the *Avigan Tablet*, the anti-influenza drug, to a national stockpile in Japan. Also, Fujifilm decided to make TOYAMA CHEMICAL a wholly-owned subsidiary and to merge the company with FUJIFILM RI Pharma to form FUJIFILM Toyama Chemical as of October 2018 in order to accelerate the development of new diagnostic and therapeutic drugs.

In the bio CDMO business, the contract manufacturing of cultured animal cells and microbes progressed favorably. The expansion of facilities, which has been conducted since last fiscal year contributed to sales increases.

In the regenerative medicine business, sales increased due to the acquisition of Irvine Scientific Sales Company and IS JAPAN in June 2018.

In the life science business, revenue increased due to strong sales of products including *ASTALIFT WHITE cream* for skin whitening and *ASTALIFT BB cream* of a base makeup series, as well as supplements such as the *MetabARRIER* series.

As for the highly functional materials business field, though the overall sales decreased mainly due to the decline in demand for WV film, sales of products related to touch-panels were strong in the display materials business.

Among the industrial products, the sales of *EXCLEAR* and *Prescale* delivered good results.

In the electronic materials business, sales increased mainly for advanced products of photo resists and peripheral materials related to photolithography. As the semiconductor market expands, Fujifilm aims to achieve growth that exceeds the market rate with its extensive product line-up.

In the fine chemical business, the sales of each major product were in line with the previous fiscal year.

In the recording media business, sales decreased due to the inventory adjustments of magnetic tape for data storage and other factors.

In the graphic systems business, sales decreased due to a decline in total demand for graphic arts film and CTP plates.

In the inkjet business, favorable sales were seen in industrial inkjet printheads, mainly in the ceramics field. Fujifilm plans to expand its sales not only in the existing field, but also in new areas such as textile and others by introducing unique products.

In the Healthcare & Material Solutions segment, revenue increased due to strong sales in the medical systems and electronic materials business. Operating income was in line with the previous fiscal year due to a negative impact of ¥0.7 billion from such factors as increased raw material price of aluminum and so on.

## Summary by Operating Segment

■ Document Solutions	Revenue		Operating income	
	(Billions of yen)	YoY	(Billions of yen)	YoY
	241.1	(15.4)	14.9	4.5
		(-6.0%)		(+43.4%)

- In the office products business, overall sales volume increased from the previous fiscal year, due to strong sales of a newly developed small-sized multifunction device in China and increased export shipments of new products to the U.S. and Europe.  
In the office printer business, sales volume decreased due to reduction of business of low-end printers.
- In the production services business, though the overall number of sales units decreased mainly in the low-mid speed model, strong sales were seen for a high-speed and high-quality on-demand color production printer, launched in the U.S. and Europe after it was released in November 2017 in Japan and Asia, .
- In the solutions and services business, though the sales of business-specific solutions and existing BPO contracts showed steady growth, overall sales decreased due to a change in an accounting method for recognizing revenue from purchased products.

**Revenue declined despite strong sales in China and export to Europe and the U.S. due to a reduction in low-profit, low-end printer business and others. Operating income increased due to the benefit of the structural reforms and improvements in profitability.**

Lastly, I would like to talk about the Document Solutions segment.

First, as for the office products business within the office products and printers business, overall sales volume increased from the previous fiscal year, due to strong sales of a newly developed small-sized multifunction device in China and increased export shipments of new products to the U.S. and Europe. In the office printer business, sales volume decreased due to a reduction of business in low-end printers.

In the production services business, though the overall number of sales units fell, strong sales were seen for an on-demand production color printer called the *Iridesse™ Production Press* as it was launched in the U.S. and Europe following Japan and Asia. In May 2018, Fuji Xerox opened Future Edge, a hub for open innovation to work together with its customers on transforming communications utilizing printing technologies. The expansion of sales is targeted through the demonstration of enhanced productivity of print operations and work-style innovations.

In the solutions and services business, though the sales of business-specific solutions and existing BPO (Business Process Outsourcing) contracts showed steady growth, overall sales decreased due to a change in an accounting method for recognizing revenue from purchased products. In the future, Fuji Xerox will, with the new value creation strategy called *Smart Work Innovation*, expand business with the use of AI (artificial intelligence), IoT (Internet of Things) and IoH (Internet of Humans) technologies to provide innovative solutions and services, facilitating transformation into creative workstyles and assisting companies to reinforce their corporate competitiveness.

Revenue in the Document Solutions segment declined due to a reduction in some low-profit, low-end printer business and others. Operating income increased due to such factors as the benefit of structural reforms and improvements in profitability.

We will continue our efforts to expand growing areas such as the solutions and services business and the production service business, while enhancing profitability by accomplishing structural reforms.

## Consolidated Balance Sheet

(Billions of yen)									
	Mar.17	Mar.18	Jun. 18	Change from Mar.18		Mar.17	Mar.18	Jun. 18	Change from Mar.18
Cash and cash equivalents	876.0	768.2	723.9	(44.3)	Short-term and long-term debt	558.8	454.2	452.8	(1.4)
Notes and accounts receivable	635.8	619.1	561.8	(57.3)	Notes and accounts payable	257.9	248.5	238.3	(10.2)
Inventories	339.2	361.3	393.9	32.6	Other liabilities	448.4	491.5	479.6	(11.9)
Other current assets	183.8	112.2	136.9	24.7	Total liabilities	1,265.1	1,194.2	1,170.7	(23.5)
Total current assets	2,034.8	1,860.8	1,816.5	(44.3)	Total FUJIFILM Holdings shareholders' equity	2,043.6	2,079.1	2,117.9	38.8
Property, plant and equipment	520.6	537.5	532.2	(5.3)	Noncontrolling interests	224.5	219.6	219.4	(0.2)
Goodwill, net	499.8	591.6	676.9	85.3	Total equity	2,268.1	2,298.7	2,337.3	38.6
Investment securities and other	478.0	503.0	482.4	(20.6)	Total liabilities and equity	3,533.2	3,492.9	3,508.0	15.1
Total noncurrent assets	1,498.4	1,632.1	1,691.5	59.4					(yen)
Total assets	3,533.2	3,492.9	3,508.0	15.1	Exchange Rates	Mar.17	Mar.18	Jun. 18	Change from Mar.18
					US\$/¥	¥112	¥106	¥111	¥5
					€/¥	¥120	¥131	¥128	(¥3)

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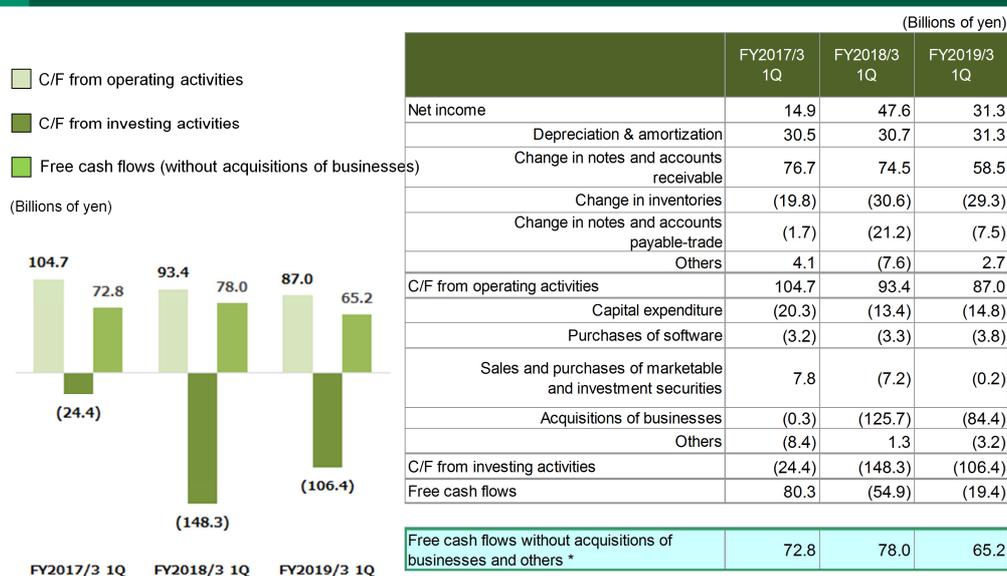
Next, let's look at our balance sheet.

Assets as of the end of June 2018 totaled ¥3,508.0 billion, an increase of ¥15.1 billion from the end of March 2018, mainly due to an increase in goodwill.

Liabilities decreased by ¥23.5 billion to ¥1,170.7 billion, while shareholders' equity increased by ¥38.8 billion to total ¥2,117.9 billion.

The current ratio increased by 3.6 percentage points to 283.7%. Our debt-equity ratio decreased by 2.1 percentage points to 55.3%, and our shareholders' equity ratio increased by 0.9 percentage points to 60.4%.

## Cash Flows



\* After deduction of acquisition of business, sales and purchases of marketable and investment securities .

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Next, with regard to our cash-flow, net cash provided by operating activities totaled ¥87.0 billion due to decrease in notes and accounts receivable and other factors.

Net cash used in investing activities amounted to ¥106.4 billion, due to acquisition of Irvine Scientific Sales Company and IS JAPAN and others.

As a result, free cash flow was minus ¥19.4 billion.

Earnings for FY2019/3 1Q

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**Structural Reforms of Fuji Xerox**

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Let me talk about our initiatives for structural reforms of Fuji Xerox, a consolidated subsidiary.

## Structural Reforms of Fuji Xerox

Structural reforms in FY2019/3 1Q progressed as planned.  
Business base to be established in new growth areas.

	FY2018/3 Actual	FY2019/3 Forecast	From FY2020/3 Forecast
Structural reform expenses etc.	¥70.0 billion (Full year)	¥25.0 billion	¥6.0 billion
Benefit	-	¥27.0 billion	¥55.0 billion

FY2019/3	1Q (actual)	Full year (forecast)
Structural reform expenses etc.	¥3.3 billion	¥25.0 billion
Benefit	¥1.0 billion	¥27.0 billion

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As for our initiatives for structural reforms of Fuji Xerox, announced on January 31 this year, one-time expenses including structural reform costs in the first quarter of the fiscal year ending March 2019 totaled ¥3.3 billion, while the benefit from the structural reforms executed from the previous year was ¥1.0 billion.

By executing structural reforms, we aim to establish a business base where sustainable growth can be realized by reducing expenses and maintaining profitability and productivity to withstand market changes and competition, while reinvesting in new growth areas.

Earnings of FY2019/3 1Q

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**Forecast for FY2019/3**

## Consolidated Financial Forecast for FY2019/3 (as of Aug. 9, 2018)

(Billions of yen)

	FY2018/3 (After amendment)	FY2019/3	Change from previous year	
Revenue	2,433.4 100.0%	2,510.0 100.0%	76.6 +3.1%	
Operating Income	123.3 5.1%	200.0 8.0%	76.7 +62.2%	Operating income excluding one-time expenses
Income before Income Taxes	197.8 8.1%	205.0 8.2%	7.2 +3.6%	One-time expenses including structural reform expenses
Net Income Attributable to FUJIFILM Holdings	140.7 5.8%	130.0 5.2%	(10.7) -7.6%	Operating income
Net Income Attributable to FUJIFILM Holdings per Share	¥322.62	¥302.16	(¥20.46)	
ROE	6.8%	6.2%	-0.6%	
Exchange Rates US\$/¥	¥111	¥110	(¥1)	
€/\$	¥130	¥130	-	
Silver Price (/kg)	¥61,000	¥62,000	¥1,000	

	FY2018/3	FY2019/3
Operating income excluding one-time expenses	193.3	225.0
One-time expenses including structural reform expenses	(70.0)	(25.0)
Operating income	123.3	200.0

Note: Exchange rate sensitivity for operating income (FY2019/3 full year) US\$/¥: ¥0.8 billion €/¥: ¥0.8 billion

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Regarding our consolidated financial forecast for the fiscal year ending March 2019, no changes have been made from the one announced on May 18, 2018.

The consolidated performance of the whole company proceeded as planned during the first quarter of the fiscal year ending March 2019.

In the following quarters, we will continue to advance our growth strategy, while promoting further expansion of sales and improvement in profitability in order to achieve our consolidated financial forecast.

Our Board of Directors, at its meeting today, decided to conduct a buyback of the Company's shares of ¥100.0 billion.

The annual dividend for the fiscal year ending March 2019 is expected to be 80 yen per share, an increase of 5 yen from the previous fiscal year.

We will strengthen shareholder returns, in addition to achieving the operating profit target through business activities.

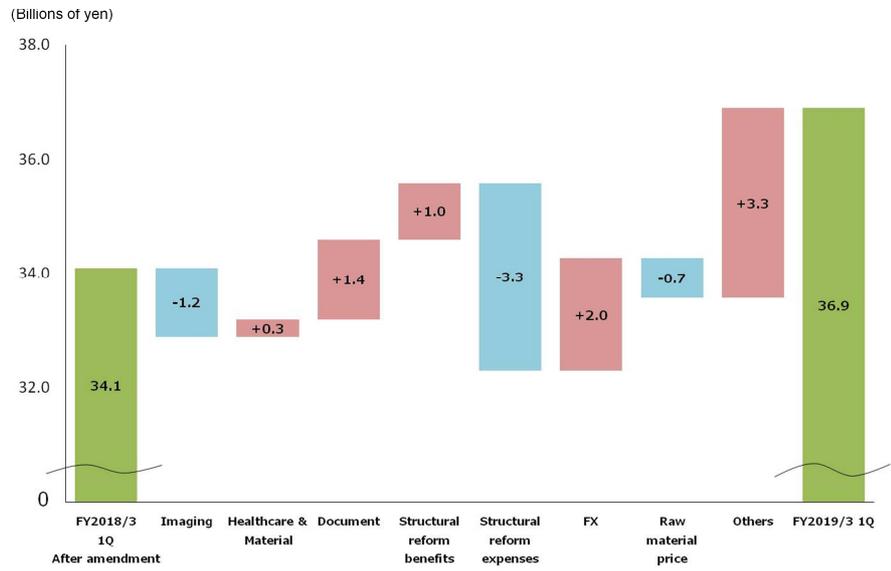


Earnings for FY2019/3 1Q

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## Appendix

## Analysis of Operating Income Change (Against FY2018/3 1Q)



## Earnings for FY2019/3 1Q

### ■ Imaging Solutions

(Billions of yen)

Revenue	1Q				
	FY2018/3	FY2019/3	Change		Constant-currency basis
Photo Imaging	53.8	55.8	2.0	(+3.8%)	1.8 (+3.4%)
Electronic Imaging	22.3	22.8	0.5	(+2.2%)	0.2 (+0.9%)
Optical Devices	8.9	9.3	0.4	(+5.0%)	0.3 (+4.4%)
Optical Device & Electronic Imaging Products	31.2	32.1	0.9	(+3.0%)	0.5 (+1.9%)
Total	85.0	87.9	2.9	(+3.5%)	2.3 (+2.8%)

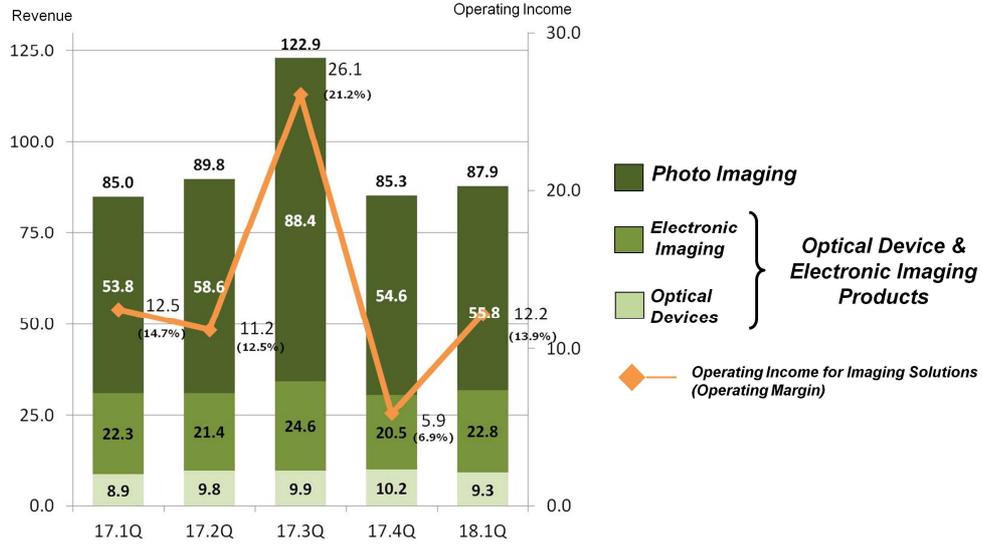
Note: After elimination of intersegment transactions.

Operating Income [Operating Margin]	1Q				
	FY2018/3 (After amendment)	FY2019/3	Change		Constant-currency basis
Imaging Solutions	12.5 [14.7%]	12.2 [13.9%]	(0.3)	(-2.2%)	(1.1) (-8.8%)

## Change in Quarterly Earnings by Segment

### ■ Imaging Solutions

(Billions of yen)



## Earnings for FY2019/3 1Q

### Healthcare & Material Solutions

(Billions of yen)

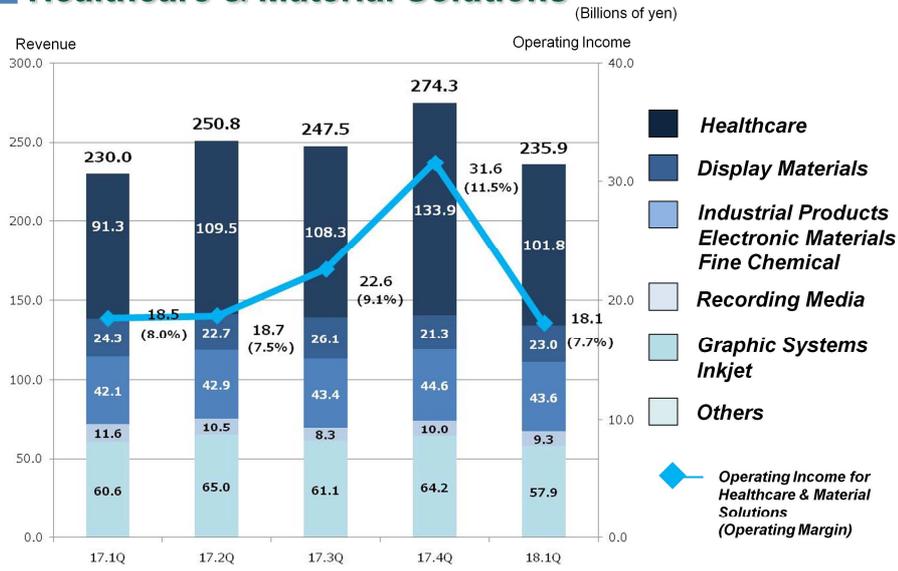
Revenue	1Q					
	FY2018/3	FY2019/3	Change		Constant-currency basis	
Healthcare	91.3	101.8	10.5	(+11.5%)	10.5	(+11.4%)
Display Materials	24.3	23.0	(1.3)	(-5.5%)	(1.3)	(-5.6%)
Industrial Products Electronic Materials Fine Chemical	42.1	43.6	1.5	(+3.4%)	1.7	(+4.0%)
Highly Functional Materials	66.4	66.6	0.2	(+0.1%)	0.4	(+0.5%)
Recording Media	11.6	9.3	(2.3)	(-19.2%)	(2.2)	(-18.3%)
Graphic Systems/Inkjet	60.6	57.9	(2.7)	(-4.4%)	(3.0)	(-4.8%)
Others	0.1	0.3	0.2		0.2	
<b>Total</b>	<b>230.0</b>	<b>235.9</b>	<b>5.9</b>	<b>(+2.6%)</b>	<b>5.9</b>	<b>(+2.6%)</b>

Note: After elimination of intersegment transactions.

Operating Income [Operating Margin]	1Q					
	FY2018/3 (After amendment)	FY2019/3	Change		Constant-currency basis	
Healthcare	(1.1) [-1.2%]	0.8 [0.8%]	1.9	-	1.9	-
Healthcare & Material Solutions	18.5 [8.0%]	18.1 [7.7%]	(0.4)	(-2.2%)	(0.5)	(-2.7%)

## Change in Quarterly Earnings by Segment

### Healthcare & Material Solutions



## Earnings for FY2019/3 1Q

### Document Solutions

(Billions of yen)

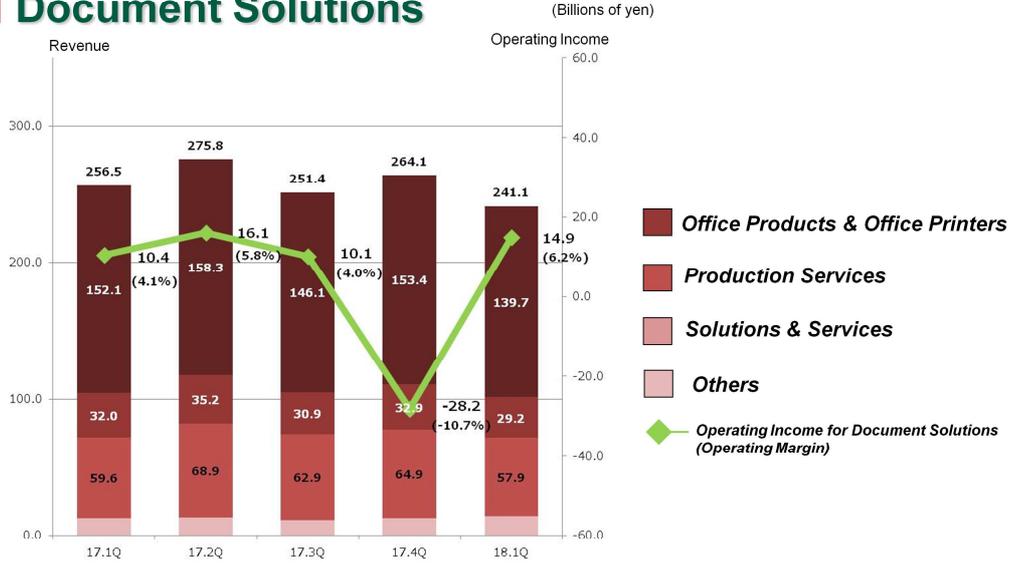
Revenue	1Q					
	FY2018/3	FY2019/3	Change		Constant-currency basis	
Office Printers	38.8	30.1	(8.7)	(-22.5%)	(8.4)	(-21.7%)
Office Products & Printers	152.1	139.7	(12.4)	(-8.2%)	(12.1)	(-8.0%)
Production Services	32.0	29.2	(2.8)	(-8.9%)	(2.8)	(-9.0%)
Solutions & Services	59.6	57.9	(1.7)	(-2.9%)	(1.5)	(-2.5%)
Others	12.8	14.3	1.5		1.5	
Total	256.5	241.1	(15.4)	(-6.0%)	(14.9)	(-5.8%)

Note: After elimination of intersegment transactions.

Operating Income [Operating Margin]	1Q					
	FY2018/3 (After amendment)	FY2019/3	Change		Constant-currency basis	
Document Solutions	10.4 [4.1%]	14.9 [6.2%]	4.5	(+43.4%)	3.4	(+33.2%)

## Change in Quarterly Earnings by Segment

### Document Solutions



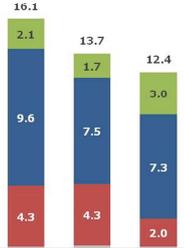
## Revenue by Destination

(Billions of yen)

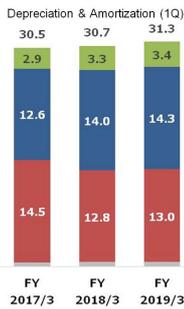
	FY2018/3 1Q		FY2019/3 1Q		Change	
	Ratio (%)		Ratio (%)			
Domestic	40.5%	231.5	40.7%	229.9	(1.6)	(-0.7%)
The Americas	19.8%	113.1	19.0%	107.6	(5.5)	(-4.9%)
Europe	12.0%	68.4	12.7%	71.8	3.4	(+4.9%)
China	12.4%	71.0	12.9%	73.1	2.1	(+2.8%)
Asia and others	27.7%	158.5	27.6%	155.6	(2.9)	(-1.9%)
Overseas	59.5%	340.0	59.3%	335.0	(5.0)	(-1.5%)
Consolidated total	100.0%	571.5	100.0%	564.9	(6.6)	(-1.2%)

## Capital Expenditure , Depreciation & Amortization

Capital Expenditure (1Q)



Depreciation & Amortization (1Q)



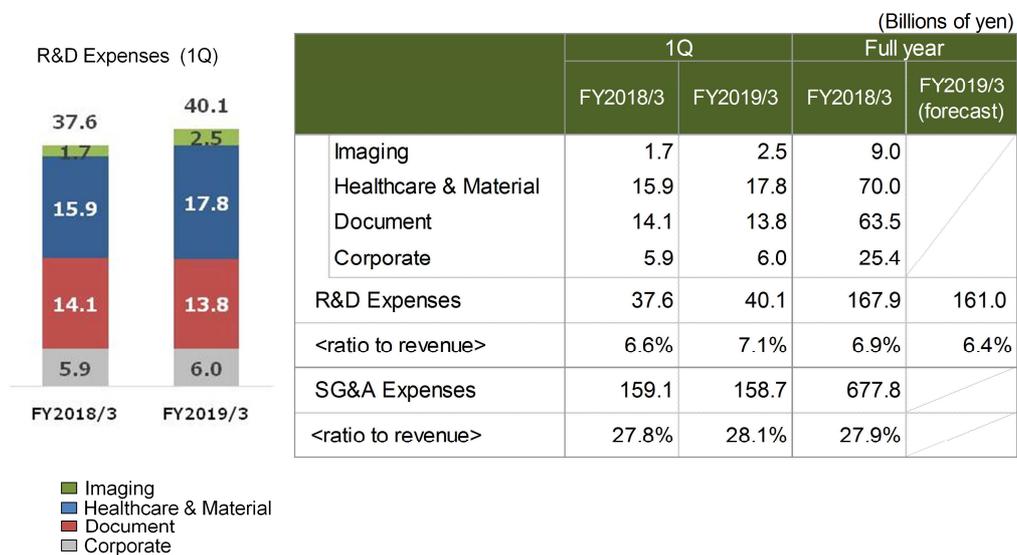
(Billions of yen)

	1Q			Full year		
	FY 2017/3	FY 2018/3	FY 2019/3	FY 2017/3	FY 2018/3	FY2019/3 (forecast)
Imaging	2.1	1.7	3.0	10.3	9.4	
Healthcare & Material	9.6	7.5	7.3	40.1	42.7	
Document	4.3	4.3	2.0	20.0	13.8	
Corporate	0.1	0.2	0.1	1.4	1.6	
Capex *	16.1	13.7	12.4	71.8	67.5	80.0
Imaging	2.9	3.3	3.4	11.1	13.3	
Healthcare & Material	12.6	14.0	14.3	49.1	57.5	
Document	14.5	12.8	13.0	55.3	54.7	
Corporate	0.5	0.6	0.6	2.1	2.1	
Depreciation & Amortization	30.5	30.7	31.3	117.6	127.6	119.0
Depreciation *	14.2	16.2	16.7	58.9	66.5	

- Imaging
- Healthcare & Material
- Document
- Corporate

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

## R&D Expenses, SG&A Expenses



**Exchange rates, Raw Material Prices, and Number of Employees****Exchange Rates**

(yen)

	FY2018/3					FY2019/3	
	1Q	2Q	3Q	4Q	Full year	1Q	Full year (forecast)
US\$/¥	111	111	113	108	111	109	110
€/¥	122	130	133	133	130	130	130

**Raw Material Prices (Average)**

(¥1,000/kg)

	FY2018/3					FY2019/3	
	1Q	2Q	3Q	4Q	Full year	1Q	Full year (forecast)
Silver	63	60	61	58	61	58	62

**Number of Employees**

	2017.Jun	2017.Sep	2017.Dec	2018.Mar	2018.Jun
Consolidated Total	80,672	80,315	80,067	77,739	77,060

**Amendment to FY2018/3 Financial Results (Operating Income )  
Accompanying the Change in Accounting Method**

(Billions of yen)

Operating Income	FY 2018/3 (Before amendment)				
	1Q	2Q	3Q	4Q	Full Year
Imaging Solutions	12.6	11.3	26.1	6.0	56.0
Healthcare	(0.8)	2.7	5.5	13.3	20.7
Healthcare & Material Solutions	18.9	19.1	23.2	31.6	92.8
Document Solutions	11.7	17.4	11.4	(26.5)	14.0
Corporate Expenses & Eliminations	(7.4)	(7.7)	(8.0)	(9.0)	(32.1)
Total	35.8	40.1	52.7	2.1	130.7

(Billions of yen)

Operating Income	FY 2018/3 (After amendment)									
	1Q	Change	2Q	Change	3Q	Change	4Q	Change	Full Year	Change
Imaging Solutions	12.5	(0.1)	11.2	(0.1)	26.1	0.0	5.9	(0.1)	55.7	(0.3)
Healthcare	(1.1)	(0.3)	2.4	(0.3)	5.2	(0.3)	13.3	0.0	19.8	(0.9)
Healthcare & Material Solutions	18.5	(0.4)	18.7	(0.4)	22.6	(0.6)	31.6	0.0	91.4	(1.4)
Document Solutions	10.4	(1.3)	16.1	(1.3)	10.1	(1.3)	(28.2)	(1.7)	8.4	(5.6)
Corporate Expenses & Eliminations	(7.3)	0.1	(7.8)	(0.1)	(8.0)	0.0	(9.1)	(0.1)	(32.2)	(0.1)
Total	34.1	(1.7)	38.2	(1.9)	50.8	(1.9)	0.2	(1.9)	123.3	(7.4)

## Consolidated Financial Forecast for FY2019/3 (as of Aug. 9, 2018)

(Billions of yen)

	FY2018/3 (After amendment)	FY2019/3 1H	FY2019/3 2H	FY2019/3	Change from previous year
Revenue	2,433.4 100.0%	1,190.0 100.0%	1,320.0 100.0%	2,510.0 100.0%	76.6 +3.1%
Operating Income	123.3 5.1%	75.0 6.3%	125.0 9.5%	200.0 8.0%	76.7 +62.2%
Income before Income Taxes	197.8 8.1%	79.0 6.6%	126.0 9.5%	205.0 8.2%	7.2 +3.6%
Net Income Attributable to FUJIFILM Holdings	140.7 5.8%	46.0 3.9%	84.0 6.4%	130.0 5.2%	(10.7) -7.6%

### Consolidated Financial Forecast for FY2019/3 by Segment (as of Aug. 9, 2018)

(Billions of yen)

Revenue	FY2018/3 (After amendment)	FY2019/3	Change from previous year	
Imaging Solutions	383.0	400.0	17.0	(+4.4%)
Healthcare	443.0	475.0	32.0	(+7.2%)
Healthcare & Material Solutions	1,002.6	1,060.0	57.4	(+5.7%)
Document Solutions	1,047.8	1,050.0	2.2	(+0.2%)
Total	2,433.4	2,510.0	76.6	(+3.1%)

Note: After elimination of intersegment transaction.

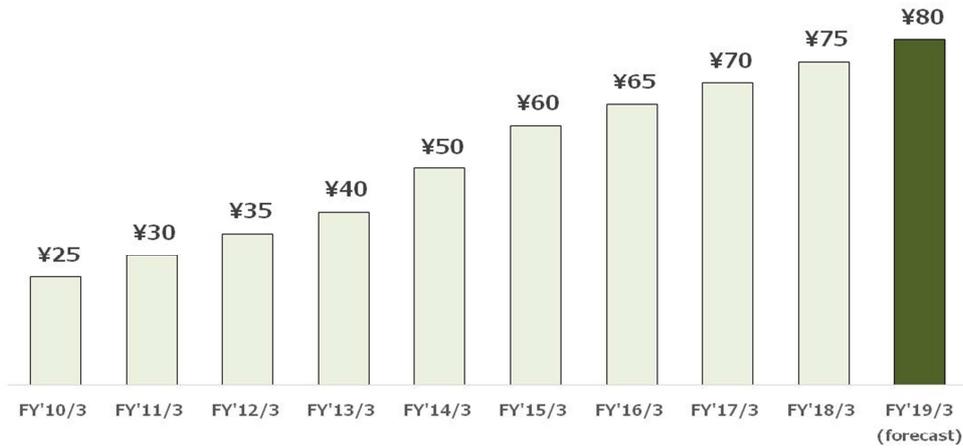
Operating Income	FY2018/3 (After amendment)	FY2019/3	Change from previous year	
Imaging Solutions	55.7	60.0	4.3	(+7.7%)
Healthcare	19.8	21.0	1.2	(+6.1%)
Healthcare & Material Solutions	91.4	91.0	(0.4)	(-0.4%)
Document Solutions	8.4	82.0	73.6	(9.8 times)
Corporate Expenses & Eliminations	(32.2)	(33.0)	(0.8)	
Total	123.3	200.0	76.7	(+62.2%)

	FY2018/3	FY2019/3
Operating income excluding one-time expenses	78.4	107.0
One-time expenses including structural reform expenses	(70.0)	(25.0)
Operating income	8.4	82.0

## Shareholder Returns

### ■ Dividend

Dividend for FY2019/3 is planned at ¥80 per share, increased by ¥5 from the previous fiscal year. The dividend increase is expected for 9 consecutive years.



## Pipeline (as of Aug. 9, 2018)

Development code	Therapeutic category	Formulation	Region	Development stage
T-705	Anti-influenza drug	Oral	Japan	Approved
			U.S.A.	P III
	Severe fever with thrombocytopenia syndrome virus drug	Oral	Japan	P III
T-3811	Quinolone synthetic antibacterial drug	Oral	China	Submitted an application for permission
T-2307	Antifungal drug	Injection	U.S.A.	P I
T-817MA	Alzheimer's disease drug	Oral	U.S.A.	P II
			Japan	P II
T-4288	New fluoroketolide antibacterial drug	Oral	Japan	P III
ITK-1	Castration-resistant prostate cancer drug	Injection	Japan	P III
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	<small>Bio</small> Advanced/recurrent solid cancer drug (Armed antibody)	Injection	U.S.A.	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
FF-10832	Advanced solid cancer drug (Gemcitabine liposome)	Injection	U.S.A.	P I
F-1614	Anti-tumor (pheochromocytoma) drug (Radiopharmaceuticals)	Injection	Japan	P II

Note: FKB327 (a biosimilar of adalimumab) of FUJIFILM KYOWA KIRIN Biologics (FKB), an equity method affiliated company, is filed in EU.

FKB238 (a biosimilar of bevacizumab) of JV between FKB and AstraZeneca is under phase III clinical trial in U.S.A., Europe, and others.

## Appendix

### **FUJIFILM Holdings – Investor Relations**

<http://www.fujifilmholdings.com/en/investors/index.html>

### **FUJIFILM Holdings Integrated Report 2017**

[http://www.fujifilmholdings.com/en/investors/ir\\_library/integrated\\_reports/index.html](http://www.fujifilmholdings.com/en/investors/ir_library/integrated_reports/index.html)

### **IR Events Materials**

[http://www.fujifilmholdings.com/en/investors/ir\\_events/business\\_presentations/index.html](http://www.fujifilmholdings.com/en/investors/ir_events/business_presentations/index.html)

- Business presentation materials
- Dec. 2016 Business Presentation for Pharmaceuticals/Regenerative Medicine Business
- Mar. 2017 Business Presentation for Electronic Materials Business
- Mar. 2018 Business Presentation for Imaging Solutions Businesses

### **What Kind of Company is Fujifilm?**

<http://www.fujifilmholdings.com/en/investors/guidance/index.html>

# 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 Communication Office, Corporate Planning Div.

<http://www.fujifilmholdings.com/en/index.html>