

**Briefing on “FY2019/3 Results”  
Main questions and answers**

Q: The operating income of the Healthcare has turned to be substantially favorable. Which business units are driving growths in profit?

A: All the businesses in the Healthcare have been improving its profitability. In FY2019/3, the medical systems business increased both sales and operating income in each product field. The CDMO business also increased both sales and operating income thanks to the positive impact from capital investment. In the regenerative medicine business, the sales of cell culture of FUJIFILM Irvine Scientific proceeded better than expected, which was consolidated in June 2018. In the pharmaceuticals business, operating income largely improved by prioritizing allocation of R&D expenses. In FY2020/3, we are planning to bring the three businesses of pharmaceuticals, CDMO, and regenerative medicine business out of the red in total, and to largely increase operating income of the Healthcare.

Q: What made the operating income of the Imaging Solutions behind the forecast in FY2019/3? Were the sales of *instax* weak?

A: The sales of *instax* proceeded well, achieving the accumulated sales volume of 10.02 million units in FY2019/3. Though the operating income was behind the forecast due to the upfront investment decided by management in R&D expenses and promotional activities featuring Taylor Swift, the business itself has been proceeding well.

Q: What is the targeted sales volume of *instax* in FY2020/3?

A: We don't chase the sales volume. We are planning to maintain or increase sales and operating income of instant business by expanding sales of *instax* film and high-value added products, while maintaining the sales volume of 10 million units in FY2019/3.

Q: Why is the sales forecast of the Imaging Solutions in FY2020/3 planned above that of the medium-term management plan VISION2019?

A: We took into consideration a large increase of the sales of *instax*, sales increase of value-added printing including *Wall Decor* services, and favorable sales of mirrorless digital cameras. We have been increasing the sales of mirrorless digital cameras by differentiation from other companies with *X series*, which realize small-sized, light-weight body and high-image quality, and *GFX series*, which realize tremendous high-image quality incorporating a large sensor 1.7 times the size of full-size sensor. We are aiming to continue the sales growth in FY2020/3.

Q: What is the policy for the shareholder returns for FY2020/3?

A: In the current medium-term management plan VISION2019, we announced the shareholder returns plan worth 300.0 billion in total over the three years from FY2018/3 to FY2020/3, combining share buybacks of ¥200.0 billion and dividend payout of ¥100.0 billion. As for the share buybacks, we completed ¥150.0 billion of buybacks in the past two years, and ¥50.0 billion of buybacks is planned in FY2020/3. The dividend is planned to be ¥95 per share and the total dividend is expected to be of over ¥100.0 billion in the three years.

Q: How is the current situation of the business integration of Xerox Corporation and Fuji Xerox? Is there any update?

A: There is no update at this time. There is no change in our stance that we would be better off with this transaction, but it is not necessary.

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