

July 27, 2012

FUJIFILM Holdings Corporation

FY2013/3 First Quarter Performance Explanation Briefing

Main Questions and Answers

Q1: Under the new management structure, what does the new President (COO) Nakajima think that needs to be done to succeed and what needs to be discontinued from the results by the new Chairman (CEO) Komori?

A1: The overall strategy has been already determined by the CEO. We should follow it and do our best to achieve the targets.

Q2: This is the question to COO Nakajima. You say that you can realize VISION 80 by the enhancement of the “*Gemba capabilities*”(*). However, I think FUJIFILM has these capabilities already. How can you overcome difficult circumstances by improving “*Gemba capabilities*”?

A2: I think still there is a room to improve the “*Gemba capabilities*”. From the point of view of whether we manufacture the products that have the functions only customers evaluate or not in expanding their new businesses, we sometimes spend excessive amounts of money. If we strengthen our activities for customer satisfaction via using our “*Gemba capabilities*”, we can minimize financial waste and improve efficiency.

**Gemba capabilities*: The capabilities of each division, department, and individual member of staff

Q3: Do you think the positive trend in the photo color paper business will continue after the second quarter of FY2013/3?

A3: Yes, we expect this trend will continue.

Q4: What were the results from the first quarter of FY2013/3 and the forecast for the second quarter for the FPD material business?

A4: Sales for the first quarter of FY2013/3 were ¥37,2 billion, and down 30.4% from the same period of the previous year. FUJITAC, VA film, and IPS film are selling well but the point is WV film. We expect the market situation for monitors where our WV-film is used will gradually improve after the second quarter, and recover after the third quarter. The reason is because LCD panel manufacturers will lower their inventory level significantly.

Q5: What do you think of the future for TN modes (WV film) for FPD material?

A5: We see some movement in the changes from WV film to IPS film but we have predicted these changes. We think the market size for monitors will not decrease too

much, and it should remain stable or grow slightly.

Q6: Will you continue with your M&A efforts in the medical and life science businesses?

A6: We have conducted M&A mainly in the medical and life science businesses to shorten the amount of time of change in our business structure and to obtain technological know-how. From now on, we will focus on the integration of the companies that we have bought and expand these businesses.

Q7: What is the reason for the decline in the number of employees in comparison with the end of March 2012?

A7: It is because production efficiency has been improved at the factory in China for our optical devices business.

Q8: Were the results of the Document Solution Business within your forecast?

A8: If we review by area, all sales in Japan and the Asian-Oceania region, and the shipment volume to Xerox Corporation increased. By product, sales of office products and office printers are increasing. We think results for the first quarter of FY2013/3 were good.

Q9: What do you think of the forecast for the shipment volume to Xerox Corporation?

A9: We have not collected any information about this so far.

Q10: Regarding the Olympus issue, what do you think is the advantage of the alliance with FUJIFILM in comparison with other companies for Olympus?

A10: We think that we can support the medical area by combining with our medical IT system services, which include storage and diagnosis images.

Q11: What is your plan concerning how you will use free cash flows and what do you think about your shareholder return?

A11: As mentioned previously, we focus more so on dividend payout than buybacks; adequate buybacks will be undertaken considering the cash flow situation.

However, as we think our current share price is too low, we should consider some necessary measures to raise that price.

End