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.
Fujifilm commemorated its 80th anniversary on January 20 of this year, and formulated a new corporate slogan, “Value from Innovation,” in conjunction with the anniversary.

The slogan encapsulates the desire to continuously provide innovative technologies, products, and services that offer excellent value to society, and that empower the potential and expand the horizons of tomorrow’s businesses and lifestyles in accordance with the innovator’s DNA of Fujifilm.

Under this desire, Fujifilm is committed to implementing CSR activities from the new perspectives of “creating value for society” and “contributing to resolving social issues,” and set the medium-term CSR plan as a foundation for the Group's business management, with which Fujifilm actively aims to resolve social issues through products, services, and technologies.

Fujifilm will continue to resolve various social issues in such areas as the environment, health, daily life, and working styles and contribute to the development of a sustainable society by creating new value to meet true customers’ needs.
The demand for photographic film peaked in 2000, in the year I was inaugurated as the president, and then decreased significantly.

Under such circumstances, Fujifilm was forced to reform its profit structure speedily and drastically.

Then, Fujifilm implemented structural reforms centered on the Imaging Division, in which demand decreased rapidly, and built a robust corporate constitution.

In addition, to build a new profit structure, Fujifilm has been focusing its management resources on the important business area through sorting out in which business area it can utilize its technological assets. Fujifilm has established a growth base especially in three main pillars for further growth: Healthcare, Highly Functional Materials, and Document.

These reforms paid off, and then, finally, Fujifilm managed to build a firm and strong management base where it can generate stable profit and cash.

To sum up Fujifilm’s current circumstances, though the Pharmaceuticals business hasn’t contributed to profit yet due to the R&D investment ahead of schedule, a great leap forward of the business can be expected in around 2018, when the new drugs launch. On the other hand, it became possible to generate stable profit through maintaining profit continuously in FPD materials business, achieving profit growth in such businesses as Medical systems and Graphic systems, Recording media, which answers the growing demands for data archiving, Industrial Products, which introduces various new products to the market, and Electronic Materials, which provides a wide line-up of materials.

Today, I will explain our growth strategy under this management base.
The goals for the medium-term management plan VISION 2016 are to achieve record high profit and to improve ROE.

To accomplish these goals, Fujifilm will efficiently utilize profit and cash that can be generated stably by a firm and strong management base, and will realize mainly these two points.

First: Build a business portfolio to realize stable growth in the medium-to-long term

Positioning these businesses, Healthcare, Highly-functional Materials and Document, as the growth drivers, Fujifilm will expand sales, market share, and profit by introducing new products and implementing promotional activities. In addition, to accelerate profit growth, Fujifilm will strategically utilize M&A.

Also, Fujifilm will maintain business scales and market advantages in mature businesses, and will improve profitability in all businesses by improving productivity and efficiency in every corporate activity.

Second: Enhance shareholder returns, including share buybacks

By combining these two measures, Fujifilm will achieve record high profit and improve its ROE.
### Financial Targets for VISION 2016

<table>
<thead>
<tr>
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<th>FY2014/3</th>
<th>FY2017/3 (vs.FY2014/3)</th>
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<tbody>
<tr>
<td>Revenue (billions of yen)</td>
<td>2,440.0</td>
<td>2,630.0 (+7.8%)</td>
</tr>
<tr>
<td>Operating Income (billions of yen)</td>
<td>140.8</td>
<td>220.0 (+56.3%)</td>
</tr>
<tr>
<td>Ratio of Operating Income (%)</td>
<td>5.8</td>
<td>8.4 (+2.6 points)</td>
</tr>
<tr>
<td>Net Income Attributable to FUJIFILM Holdings (billions of yen)</td>
<td>81.0</td>
<td>120.0 (+48.1%)</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>4.2</td>
<td>7.0 (+2.8 points)</td>
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**FY2019/3**

- **Target: 10%**
  - Full achievement of operating income
  - Add on profit by strategic investment activities
  - Enhancement of shareholder returns

**Target: 8%**

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In the final year of VISION 2016, Fujifilm will achieve revenue of ¥2,630.0 billion and operating income of ¥220.0 billion.

Operating income is expected to be increased significantly and to reach a record high.

The ratio of operating income to revenue will improve significantly to 8.4%. This figure is regarded as a waypoint to achieve 10% in FY2019/3.

Net income attributable to FUJIFILM Holdings will be ¥120.0 billion, marking a record high.

If the current level of exchange rate continues, for example under the assumption rate of ¥110 to the U.S. dollars, around ¥10 billion might be added on annual operating income.

By attaining these income targets, adding on profit through strategic M&A investment, and the enhancement of shareholder returns, Fujifilm will achieve an ROE of 7% in FY2017/3, and in FY2019/3, Fujifilm aims to achieve an ROE of 8%.
In the Imaging Solutions segment, operating income will increase significantly by securing stable income from Photo Imaging business through the growth of instax and value-added printing business, and via major improvement in profitability in Optical Device & Electronic Imaging business.

In the Information Solutions segment, 10% of the operating margin will be achieved by Healthcare business as a growth driver and by maintaining the advantages of the FPD materials business and launching new products in the Highly Functional Materials business and other measures. In addition, stable growth is expected in other businesses as Graphic Systems, which has competitive product in digital printing, and Recording Media, in which the market of magnetic tape for data storage, containing BaFe (barium ferrite) particles has been expanding.

In the Document Solutions segment, 10% of the operating margin will be achieved by the measures that include sales increase mainly in the Asia-Oceania region, expanding service businesses and continued cost reductions.

From the next slide, I will explain Fujifilm’s three core businesses, Healthcare, Highly Functional Materials, and Document in detail.
The revenue target for Healthcare is ¥440.0 billion, 15% increase compared to the figure of FY2014/3. Medical Systems will be a key driver of the growth.

In Medical Systems, Fujifilm will increase revenue by 10% annually in the growing fields of medical IT, which contributes to efficiency in medical treatment; endoscopes, where Fujifilm is characterized by such differentiated products as transnasal endoscopes; and ultrasound diagnostic equipment, centered on portable equipment, where the market is growing.

As for X-ray diagnostic equipment and X-ray film, Fujifilm will implement further cost reduction measures and increase sales in emerging markets.

In the business total, Fujifilm will achieve an operating margin of 10% via a marginal profit increase through revenue growth and cost reductions.

In Pharmaceuticals, the contract manufacturing of biopharmaceuticals business will drive growth in these three years.

In addition, the important measure in this three years is to accelerate R&D for new drugs. Though it is estimated that the earliest timing for launching actual pipelines is around the year 2018, Fujifilm is trying to make this business contribute to profit ahead of schedule as soon as possible.

In Life Science, Fujifilm will expand its product lineup with various innovative functional cosmetics and supplements utilizing its technologies and increase sales.
I will explain the business strategy in medical IT, one of the growth fields in Healthcare.

One unique characteristic of Fujifilm’s product is its open platform. It is possible to integrate diagnostic images taken by other companies’ equipment and to collectively manage image data that is separately stored at hospitals, where various equipment is being used.

As the volume of image data increases, Fujifilm’s system becomes more indispensible for hospitals and other medical institutions, thus, Fujifilm will be able to build a stronger position.

In addition, Fujifilm will expand value-added services, which support diagnosis by doctors through analyzing stored data.

Such diagnosis time reduction with ease in storing data and in diagnosis can help each country’s demand of efficiency in medical treatment.

Fujifilm will respond to such market demand and realize over 10% annual revenue growth.
I will explain our strategy for the contract manufacturing of biopharmaceuticals, which is becoming a growth driver in Pharmaceuticals business.

In the Fujifilm group, there is a biopharmaceuticals contract manufacturing organization (CMO), FUJIFILM Diosynth Biotechnologies, acquired from Merck & Co., Inc. in the United States in 2011.

The company is enhancing its business by reinforcing the mammalian expression facility that is required for the production of anti-body pharmaceuticals with especially high needs, in addition to a microbial culture facility.

FUJIFILM Diosynth has acquired the U.S. company Kalon, which has cutting-edge facilities that can produce vaccines. Kalon also has world-class technologies for robust, high containment manufacturing, which completely contains viruses used to manufacture vaccines inside production sites. In addition, Kalon utilizes mobile clean rooms featuring compactness and mobility. It will be possible to manufacture with high efficiency by separating the cleaning process to meet the increasing demand for the high-variety, low-volume manufacturing of biopharmaceuticals.

Fujifilm will expand the CMO of biopharmaceuticals business, where high growth is expected, by combining FUJIFILM Diosynth’s high technologies and Kalon’s strength to establish a one-stop solution system that can meet various needs.
The other key measure in Pharmaceuticals is to accelerate R&D for the product pipeline.

Fujifilm will accelerate R&D for new drugs by cooperating with experienced leading research organizations and therapeutic institutions, and differentiate from competitors’ drugs by creating innovative new drugs with new mechanisms.

As for anticancer drugs, Fujifilm has been conducting clinical trials in cooperation with the MD Anderson Cancer Center.

Regarding Alzheimer’s disease, Fujifilm is conducting clinical trials for the drug called T-817MA in the United States and in Japan. In the United States, Fujifilm is undertaking phase II clinical trials with the world’s largest Alzheimer’s disease therapeutic research consortium, and in Japan, Fujifilm will make use of the results of collaborative research with the Center for iPS Cell Research and Application of Kyoto University.

Concerning Alzheimer’s disease drugs, Fujifilm also decided to enter the market of PET (positron emission tomography) radiopharmaceuticals, which detect a buildup of the protein called amyloid-beta in brains. Fujifilm will contribute to Alzheimer’s disease from diagnosis to treatment.

The clinical trials of AVIGAN, which was approved as an anti-influenza drug in Japan and has been expected to have effects on Ebola hemorrhagic fever, are planned to be conducted by French and Guinean governments in Guinea in November.
Fujifilm has been engaged in regenerative medicine in the field of scaffolds, utilizing its collagen technologies cultivated through photographic business.

In addition, to accelerate industrialization of regenerative medicine, Fujifilm formed a capital partnership with Japan Tissue Engineering Co., Ltd. (J-TEC) in 2010, which has technological capacity and know-how in cell cultivation, and introduced Japan-first regenerative products.

The improvement of the legal systems for early commercialization of regenerative medicine in Japan is also proceeding. Especially, the fast track approval process for the medicine and outsourcing cell culturing from medical institutions to external companies, are designed as a form of deregulation that accelerates the industrialization of regenerative medicine in Japan. In such circumstances, Fujifilm decided to make J-TEC a consolidated subsidiary of Fujifilm Holdings in this fiscal year.

Fujifilm aims to continue to be a leading company of regenerative medicine in Japan by strengthening the synergy with J-TEC, promoting the development of regenerative medicine products, and expansion of its business domain.
The revenue target for Highly Functional Materials is ¥236.0 billion, 8% increase compared to the figure of FY2014/3.

In FPD Materials business, Fujifilm will maintain its strong market position through sales expansion of such existing products as protective film for polarizers used in LCD TVs and small and medium-sized displays. In addition to that, Fujifilm will expand sales of new peripheral material products.

In Industrial Products business, Fujifilm will achieve revenue and profit increases through the contributions to sales of such new products as photo resist, peripheral products of photolithography, CMP slurry and by expanding product range with new peripheral products and others.

In Electronic Materials business, Fujifilm estimates high growth among its Highly Functional Materials. Fujifilm will achieve more than 10% annual sales growth by sales expansion of existing products and by expanding its product range with new peripheral products and others.

Highly Functional Materials is one of the fields of expertise of Fujifilm, where it can utilize its high technological capabilities cultivated through its photographic film business. In this field, Fujifilm will increase profit by timely introducing new highly profitable products.
To achieve this target, Fujifilm established the Open Innovation Hub on its day of establishment, January 20, this year.

This facility was established to continuously develop new products and introduce them to the market through “co-creation” of values by matching Fujifilm’s fundamental / core technologies and business partners’ issues, needs, and ideas. Though it has not been even one year since it was established, a lot of business partners have already visited the hub, and various new businesses are being created.

To meet diversified needs speedily, it is necessary to think of the cooperation with other companies as an important option, while fully leveraging its strengths.

In addition to Japan, Fujifilm will also establish other two Open Innovation Hubs in the United States and in Europe to expand business opportunities.
Strategies in Each Business

Optical Device and Electronic Imaging
Expand sales of such business-use products as broadcasting/cine, security, in-vehicle cameras utilizing optical design and image processing technologies.
Focus on high-end digital cameras “X Series” and expand sales of highly profitable interchangeable lenses.

Photo Imaging
Maintain profitability of color paper by increasing market share and cost reductions, expanding sales of such value-added printing business as photobooks, and capturing printing demand from smartphones.
Further expand sales of instant camera “instax”

Graphic Systems
Expand digital printing business through collaboration with Heidelberg and other measures while maintaining share in CTP plates.

Recording Media
Expand sales of high storage capacity tapes containing barium ferrite (BaFe) particles, further accelerate data archive service toward long-term data storage needs in “big data” era.

I’m going to explain the strategies in other business divisions in Imaging and Information Solutions.

In Optical Device and Electronic Imaging, Fujifilm will expand businesses in various use and domains by maximizing the advantage of the integration of two business divisions, utilizing optical design and image processing technologies.

In Photo Imaging, Fujifilm will maintain profitability by such measures as increasing market share and cost reduction in color paper business, expanding such value-added printing business as photobooks, and capturing printing demand from smartphones.

In addition, Fujifilm will expand sales of the instant camera “instax,” which is showing high sales growth recently.

In Graphic Systems, Fujifilm will maintain the top market share in CTP plates, and expand its digital printing business, where the demand is growing, utilizing cooperation with Heidelberg.

In Recording Media, Fujifilm will expand sales of high storage capacity data tapes containing barium ferrite (BaFe) particles and of data archive services toward long-term data storage needs in the “big data” era.
The third core business is Document Solution, which Fuji Xerox handles. The revenue target for Document Solution is ¥1240.0 billion and it will achieve 10% operating margin by accelerating growth as well as reinforcing its corporate constitution.

As for its business strategy, Fuji Xerox will reinforce sales in growth businesses and in growth regions to accelerate its own growth.

In Japan and other developed countries, Fuji Xerox will accelerate the transformation of its business structure by expanding such service businesses as Global Services and Production Services as well as its solutions business. Especially in Global Services, Fuji Xerox will expand its service businesses in the Asia-Oceania region maximizing synergies with an Australian service provider acquired in FY2013/3.

In China and other emerging countries, Fuji Xerox will reinforce its business for large enterprises and government administration offices using its direct sales system, as well as increase its sales volumes by enhancing its dealer network and reinforcing the development of new products focusing on local needs.

In addition to these growth measures, Fuji Xerox will reinforce its corporate constitution by manufacturing cost improvement to achieve a 10% operating margin.
In Document Solutions, the business in the Chinese market is especially growing rapidly.

Fuji Xerox has achieved high profitability by providing highly functional equipment and solutions for large enterprises and government administration offices utilizing its direct sales system. At the same time, Fuji Xerox is reinforcing its dealer network and is increasing sales volumes to small and medium-scale enterprises by providing cost-competitive products, and it has gained the No.1 share in the A3 color multifunction device market in the Chinese market. It has the position as the leading group in all A3 equipment markets including for monochrome equipment.

An A3 full-color, low-end model DocuCentre SC2020, which was developed focusing on the local needs in China, was launched in May 2014, and it largely committed to acquiring the new market where Fuji Xerox could not have reached before.

In addition to a production base in China, a new production base in Vietnam was established and started operation last year to deal with an anticipated increase in production. Fuji Xerox will reduce equipment manufacturing costs by increasing production volume, while continuing its cost reduction measures in other fields.
Fujifilm will achieve its targeted operating income by significantly improving profitability throughout the Company in addition to the growth in business fields. Furthermore, Fujifilm will manage business portfolio appropriately, with an eye on changing the portfolio as one of the options.

In addition to the measures for each business as mentioned, Fujifilm will bolster competitiveness for enhancing “on-site capabilities” by Company-wide efforts including in R&D, production, administrative divisions and other business units, to construct a stronger management base.
Finally, I’m going to explain the policy for cash applications. Out of the total cash including cash and cash equivalents at the end of FY2014/3, and future cash flows estimated to be generated in these three years, Fujifilm will return over ¥200 billion through dividends and share buybacks to shareholders in the three years until FY2017/3.

In particular, under the dividend payout ratio of 25%, about ¥80 billion of dividends in three years and about ¥50 billion of annual share buybacks are expected by achieving this management plan.

Besides that, Fujifilm plans to invest about ¥400 billion to ¥500 billion as necessary in these three years, as strategic investments to accelerate further profit growth utilizing its actual operating base.

In addition to accomplishing its targeted operating income in each business strategy, by adding profit through these strategic M&A investments and enhancing shareholder returns, Fujifilm will achieve an ROE of 7%, its target figure for this medium-term management plan.
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.