



FUJIFILM Holdings Corporation

Kenji Sukeno

President and Chief Operating Officer

December 18, 2019

Notice of Acquisition of Diagnostic Imaging-related Business from Hitachi, Ltd.

FUJIFILM Corporation, a wholly owned subsidiary of FUJIFILM Holdings Corporation, today announced that it has entered into an agreement with Hitachi, Ltd. (“Hitachi”) to acquire Hitachi’s Diagnostic Imaging-related Business (the “Business”) to further expand its Healthcare business. Prior to the acquisition, Hitachi will establish a company (the “New Company”) and implement an absorption-type company split whereby the New Company will absorb the Business. Under the share purchase agreement between Fujifilm and Hitachi signed today, Fujifilm will acquire all the outstanding shares of the New Company from Hitachi. The completion of this acquisition is subject to customary closing conditions and regulatory approvals. The purchase price is expected to be approximately JPY179bn*.

By applying its proprietary image processing and AI technologies to Hitachi’s extensive product lineup, Fujifilm will further expand its Medical Systems business and create new values to contribute to improve the quality of medical care. In addition, the company will provide new values and solutions to the global market by leveraging its strong global sales network.

Since its launch of X-ray system in 1953, Hitachi has been providing solutions using diagnostics imaging system, IT and electronic health record to enhance the quality of care and efficiency. Its Diagnostic Imaging Systems business has a strong global presence, providing a comprehensive suite of products including CT, MRI, X-ray, and ultrasound systems. The business not only serves as a stable revenue base, but also shows potential for further growth. Especially with its ultrasound systems, Hitachi is one of the global leaders offering its wide range of products with high image quality and excellent operability.

Positioning Healthcare business as one of its important pillars of growth, Fujifilm has been actively investing its management resources in the business to become a comprehensive healthcare company, encompassing “Prevention” including cosmetics and supplements, “Diagnosis” including diagnostic imaging system and medical IT, and “Treatment” including regenerative medicine and biopharmaceuticals. Medical Systems business, covering “Diagnosis” field, is leading the overall Healthcare business, offering a wide variety of medical diagnostic products and services with medical IT at its core, ranging from X-ray, endoscopy, ultrasound to in-vitro diagnostics system. In the medical IT field, Fujifilm is leveraging its distinctive image processing heritage and also working to develop AI technologies that have the potential to support diagnostic imaging workflows under the “REiLI” brand.

Through this acquisition, Fujifilm will establish a solid business foundation to become a world’s leading healthcare company and play a leading role in improving the quality of medical care.

Intended synergies:

(1) Providing one-stop total solutions through comprehensive product line-up

By acquiring Hitachi's Diagnostic Imaging Systems business, Fujifilm will be able to provide a one-stop total solution that includes CT, MRI diagnostics imaging, medical IT, in-vitro diagnostics and endoscopy. This will dramatically enhance its capability to offer a comprehensive solution to medical institutions. In addition, Fujifilm, a comprehensive healthcare company covering "Diagnosis" and "Treatment", will be able to create new business that can generate synergies between its Medical Systems business and other businesses in healthcare field such as pharmaceuticals and regenerative medicine.

(2) Providing innovative solutions by leveraging Fujifilm's proprietary image processing and AI technologies.

By leveraging Fujifilm's unique image processing technologies utilized in picture archiving communication systems (PACS) and AI technologies, Fujifilm will be able to provide new value-added solutions. For example, the use of AI technology on CT images can reduce noise and offer better image quality in low-dose examinations. In addition, through its extensive production portfolio, Fujifilm will be able to enhance its relationships with medical institutions and medical specialists, and access to high quality diagnostic images and operation data. By leveraging such data, Fujifilm will be able to expand into new areas, including "AI-supported Diagnosis" and "AI-supported Maintenance".

(3) Expanding sales capability through cross-selling

Fujifilm will further expand the business in the global market through cross-selling, utilizing the extensive sales channels of both companies.

The acquisition is scheduled to be completed in July 2020. There is no impact on the consolidated results for the fiscal year ending March 2020 from the acquisition.

*The purchase price is subject to the Business's level of cash, net debt and working capital at the timing of closing.

【Overview of the Acquiring Business】

Business Description:

Research and development, manufacturing, sales and maintenance of diagnostics imaging systems (CT, MRI, X-ray, ultrasound systems) and electronic health record.

【Overview of FUJIFILM Corporation】

(1)	Name	FUJIFILM Corporation
(2)	Address	26-30, Nishiazabu 2-chome, Minato-ku, Tokyo
(3)	Name and Title of Representative	Kenji Sukeno President and COO

(4) Business Description	Development, production, sales and services of Imaging solutions (color films, digital cameras, color paper, services and equipment for photofinishing, instant photo systems, optical devices, etc.) and Healthcare & Material solutions (equipment and materials for medical systems, life science products, pharmaceuticals, equipment and materials for graphic arts, display materials, recording media and electronic materials, etc.), etc.
(5) Paid-in Capital	40,000 million yen (as of March 31, 2019)