



FUJIFILM Holdings Corporation

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President and Chief Operating Officer

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Notice of Revised Consolidated Earnings Forecast
for the Fiscal Year Ending March 2018

FUJIFILM Holdings Corporation (the “Company”) announced today the following revision to its consolidated earnings forecast for the fiscal year ending March 2018 (from April 1, 2017 to March 31, 2018) announced on October 31, 2017.

1. Revision to Earnings Forecast for the Fiscal Year Ending March 2018
(from April 1, 2017 to March 31, 2018)

(Amount unit: Millions of yen, unless otherwise specified)

	Last FY results (FY ended March 2017)	Previously announced forecast	Latest revised forecast	Change (amount)	Change (percentage)
	(Reference)	(A)	(B)	(B – A)	(%)
Revenue	2,322,163	2,460,000	2,460,000	0	0.00%
Operating income	172,281	185,000	130,000	-55,000	-29.70%
Net income before income taxes	194,775	200,000	200,000	0	0.00%
Net income attributable to FUJIFILM Holdings	131,506	125,000	140,000	15,000	12.00%
Net income attributable to FUJIFILM Holdings per share	296.27 yen	285.55 yen	322.16 yen	36.61 yen	12.00%

Note: For the average number of shares during the period that forms the basis for calculation of “Net income attributable to FUJIFILM Holdings per share,” the number of issued shares (excluding treasury shares) as of December 31, 2017 has been used.

2. Reasons for the Revision

In light of the fact that it has been decided that the Company’s subsidiary Fuji Xerox Co., Ltd. (“Fuji Xerox”) will implement a structural reform and it is expected to entail one-time expenses, including the expenses for such structural reform, of approximately 49 billion yen in the second half of the fiscal year ending March 2018, and in light of the current performance of the information solutions and document solutions businesses, the Company has downwardly revised its forecast for “Operating income”.

The Company has also sold a portion of its stockholdings in pursuit of asset efficiency, and due to reasons such as the fact that this is expected to result in the recording of a 49 billion yen gain on sale of investment securities under “non-operating income and expenses” in the second half of the fiscal year ending March

2018, the Company has not revised its forecast for “Income before income taxes.”

Further, as a result of factors such as a decrease of the amount to be deducted as “profit (loss) attributable to non-controlling interests,” the Company has upwardly revised its forecast for “Net income attributable to FUJIFILM Holdings” and “Net income attributable to FUJIFILM Holdings per share.” “Net income attributable to FUJIFILM Holdings” is forecast to be the highest in the history of the Company.

3. Structural reform of Fuji Xerox

The market environment surrounding the Company’s subsidiary Fuji Xerox has grown increasingly severe. In order to win out through the competition going forward and to realize further business growth, a fundamental structural reform will be implemented to attain a sturdy footing by improving profitability and productivity.

The specific measures to be implemented as part of the structural reform are as follows:

- reorganization of the domestic and overseas sales structure;
- closures and integrations of manufacturing bases and reorganization of the development structure;
- revision of product lineups aimed at improved business profitability;
- abolition and integration of head office functions and expansion of shared services; and
- compression of fixed assets.

Through these measures, cost reductions of 50 billion yen are expected in and after the fiscal year ending March 2020, including personnel reductions of 10,000 people domestically and overseas. One-time expenses of 72 billion yen are also expected to be incurred over the three years from this fiscal year, such as expenses entailed by the structural reform.

(Amount unit: Millions of yen)

	FY ending March 2018	FY ending March 2019	FY ending March 2020	After FY ending March 2020
Structural reform expenses, etc.	49,000	17,000	6,000	—
Effect	—	25,000	50,000	50,000

Note: These forecasts are based on the Company’s current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company’s actual results may differ materially from those discussed in the forward-looking statements.