

Notice of Launch of the Medium-Term Management Plan "VISION 2019"

FUJIFILM Holdings Corporation ("the Company") has drawn up a new medium-term management plan, VISION2019, covering a three year period from the fiscal year ending March 2018 (FY2018/3) to the fiscal year ending March 2020 (FY2020/3.) Through a series of structural reforms, Fujifilm has been able to establish a solid management base that generates profits. By efficiently utilizing those profits, the Company has built a diversified and extensive business portfolio. The VISION2019 aims to further enhance this portfolio by reinforcing each of the business segments and thus achieve sustainable growth.

Under the corporate slogan of "Value from Innovation," the Fujifilm Group actively works on creating new values for resolving a variety of social issues, based on the understanding that resolving such issues leads to opportunities of its business growth. The Company also promotes its new CSR program, "FUJIFILM Sustainable Value Plan 2030," continuously addressing social issues through the use of innovative technologies, products and services to emerge as a leading force of transition into better society.

The VISION2019 maps out its "Imaging," "Information" and "Document" solution businesses to the following three stages: (1) improving the profitability to generate stable cash-flow, (2) accelerating the growth of main business areas to expand revenues and profits, and (3) develop businesses with high profitability that will constitute the cornerstones of its future business operations, thereby further strengthening the business portfolio to achieve a strategic leap forward. Fujifilm will also pursue further growth by enhancing its overseas sales foundation, established through existing business operations, while accelerating overseas deployment of healthcare products and new highly functional products.

With these initiatives, Fujifilm plans to achieve 2,600 billion yen in revenues, a record 230 billion yen in operating income and a record 150 billion yen in net income attributable to shareholders in FY2020/3, which is the final year of this three-year plan. Shareholder returns will be boosted to 300 billion yen in dividends and share buybacks over the three-year period from FY2018/3 to FY2020/3, raising the Return on Equity (ROE) to 7.3% by FY2020/3. A total of 500 billion yen will be set aside as investment fund for strategic M&A over the three-year period for further growth in revenues and profits.

[Overview of the medium-term management plan, VISION2019]

I. Goal of the plan

To reinforce each of the Company's business segments to strengthen its business portfolio, which has been established to enable mid- to long-term stable growth. To achieve sustainable growth by addressing various social issues and become a leading force of transition into better society.

II. Performance targets

 FY2020/3 targets:
 2,600 billion yen in revenues,

 230 billion yen in operating income [record-high],

 150 billion yen in net income attributable to shareholders [record-high]

 7.3% in return on equity (ROE)

 (targeting ROE of 8% by the fiscal year ending March 2021)

III. Outlines of the plan

1. Further strengthening the business portfolio to accelerate business growth

The plan maps out the "Imaging," "Information" and "Document" solution businesses to the stages of "improving profitability," "accelerating growth" and "investing for the future," and promotes the following:

(1) Promoting each of the business segments' growth strategies to improve profitability and create stable cash-flow ("improving profitability")

(2) Accelerating growth of main business areas to expand revenues and profits ("accelerating growth")

(3) Investing funds generated by the above-stated measures in businesses that will constitute the cornerstones of its future business operations, and further develop these businesses to ensure they make a significant contribution to profitability ("investing for the future")

These activities will strengthen each of the business segments and establish an even stronger business portfolio, thereby accelerating business growth. It will also pursue further growth by enhancing its overseas sales foundation, established through existing business operations, while accelerating overseas deployment of healthcare products and new highly functional products.

(See IV for specific measures planned for each of the business segments.)

2. Boosting shareholder returns

The plan foresees shareholder returns worth 300 billion yen over the three-year period from FY2018/3 to FY2020/3 (100 billion yen in dividends and 200 billion yen in share buybacks).

3. Making strategic M&A investments

<u>A total of 500 billion yen will be invested in the three-year period from FY2018/3 to FY2020/3</u> to achieve further growth in revenues and profits.

IV. Specific measures by business segment

 Imaging Solution segment: FY2020/3 targets: 380 billion yen in revenues, 45 billion yen in operating income and 11.8% in operating income ratio

(1) Photo Imaging

Profit Growth Investment *1

With regard to the "INSTAX" instant camera and film, expand the sales of existing products and promote its square-format products for greater proliferation. Expand printing service solutions with added convenience, e.g. incorporating AI, to boost printing demand from smartphones to maintain the upward trend in profits.

(2) Electronic Imaging and Optical Devices

Profit Growth Investment

Growth

Investment

- In digital cameras, work toward capturing No.1 market share in the premium mirrorless camera market, promoting the X Series that continues to evolve with outstanding image quality, fast speed and mobility, alongside the medium-format GFX Series that uses a large sensor, 1.7 times bigger than that of full-frame cameras, to pursue the pinnacle of image quality.
- Reinforce the lineup of its highly reputable interchangeable lenses to continue to achieve increased revenues and profits in the mirrorless system business as a whole.
- Broaden the lens business by expanding the lineup of 4K broadcast lenses, launched ahead of the rest of the world, as well as the lineup of lenses for the fast-growing new video production market, including online video.

2. Information Solution segment:

FY2020/3 targets: 1,120 billion yen in revenues, 125 billion yen in operating income and 11.2% in operating income ratio

healthcare category 500 billion yen in revenues, 40 billion yen in operating income and 8% in operating income ratio

- (1) Pharmaceuticals and Bio CDMO^{*2}
 - In bio-pharmaceutical CDMO operations, expand production capacity through capital investments and technological development, and boost profitability through scale merit to accelerate business growth, so as to achieve a two-digit

Profit

- sales growth per annum, outstripping the market growth.
 In innovative drug development, target disease areas with high un-met medical needs, such as cancer and Alzheimer's Disease and promote efficient R&D. Further promote the development of candidate drugs in the pipeline, including T-817MA for the Alzheimer's Disease.
- Accelerate initiatives for commercial application of formulation technology that makes use of its proprietary technologies such as micro-needles and liposomes.

(2) Regenerative Medicine	Profit	Growth	Investment

- Accelerate business growth by expanding the lineup of iPSC-derived differentiation cells in the drug discovery support business, and promoting the sales of autologous cultured epidermis / cartilage in the cell therapy business.
- In cutting-edge regenerative medicine products using iPSC, accelerate R&D for the areas of eve diseases, heart diseases, neurological disorders and cancer.
- Broaden the contract cell culture business and deploy the culture medium business globally.

(3) Medical Systems

- Provide extensive solutions to customers with its far-reaching product lineup unique to Fujifilm, covering X-ray diagnostic imaging systems, endoscopes, ultrasound and IVD systems, advanced medical IT systems of strong competitive edge, and the comprehensive capabilities based on these technologies. Offer products and services that meet local needs of emerging economies' markets to achieve the sales growth of 7% per annum.
- Promote the medical ICT business that makes maximum use of medical imaging data.

(4) Life Science

- Reinforce the ASTALIFT brand with the introduction of the top-of-the-range "ASTALIFT IN-FOCUS" series to attract new customers and increase per-customer spending among existing customers.
- Target the markets of growth potential for lifestyle disease prevention and healthy aging skincare for business expansion with the introduction of "foods with function claims"- foods submitted to the Secretary-General of the Consumer Affairs Agency as products whose labels bear function claims based on scientific evidence, under the responsibility of food business operators.

highly functional materials and others

620 billion yen in revenues, 85 billion yen in operating income and 13.7% in operating income ratio

Achieve business growth outperforming competitors through expanding the sales of existing products such as photoresists, photolithography peripherals and CMP slurries, and expanding the product lineup by introducing new peripheral materials.

(2) Display materials

(1) Electronic materials

Make use of its proprietary thin-film and multi-layer coating technologies to expand the sales of materials for OLED and touchscreen panels, thereby raising the sales ratio of new materials to 30%.

(3) Industrial Products

- Expand the sales of highly functional products that use proprietary technologies, such as the EXCLEAR sensor film for touchscreen panels and the precision filtering Micro Filter.
- Enter into the inspection services business for social infrastructures, such as tunnels and bridges, by utilizing proprietary diagnostic imaging technology.

(4) Fine Chemicals

- Market the chemical compounds from its extensive chemical compound library through Wako Pure Chemical Industries' refined sales network across Japan.
- Integrate the two companies' technologies to develop competitive chemicals and reagents.
- Wako Pure Chemical Industries, a core subsidiary of Fujifilm's fine chemical business, will utilize Fujifilm's resources including the overseas sales networks to accelerate the overseas deployment of products as well as the products in the medical systems and electronic materials categories, and thus achieve a double-digit sales growth in FY2020/3 from the FY2017/3 level.

Profit Growth Investment

Profit Growth Investment

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Profit Growth Investment



Growth

Investment

Profit

-	Increase the market share in the magnetic tape market by offering greater storage capacity compared to the current		
	mainstream, LTO6, with Barium Ferrite magnetic particles using its proprietary technologies.		

- Accelerate the global introduction of the "Dternity" data storage solution.
- Promote the switchover from hard disks to magnetic tapes as a solution that accommodates the advancement of Big Data.

(6) Graphics and inkjets

- Promote the sales expansion of value-added products in the field of printing plate materials, including highly eco-friendly processless printing plates.
- Promote the company's industrial printheads and inks, known for advanced image quality and durability, not only in commercial printing but also to explore new fields of growth potential, such as industrial applications and 3D printing.
- 3. Document Solution segment:

FY2020/3 targets:

1,100 billion yen in revenues, 95 billion yen in operating income and 8.6% in operating income ratio (Targeting the operating income ratio of 10% by the fiscal year ending March 2021)

(1) Office products and office printers

- Link multifunction devices to cloud services to provide new values.
- Develop cost-competitive products that meet market needs.
- Reviewing the profitability model through expanding high-end models and solutions for the SMB market.

(2) Production Services

Strengthen inkjet systems and expanding printing applications for business growth.

Tap into the strong customer base to accelerate the delivery of services covering the entire printing workflow.

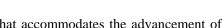
(3) Solutions & Services

- Strengthen values provided through services and solutions, and optimize the structure for service and solution delivery.
- Make greater use of ICT to boost competitiveness of Managed Print Services (MPS) and Business Process Outsourcing (BPO).
- Make active investments to create new values that facilitate work-style and productivity reforms by way of utilizing offices' massive Big Data and technologies such as IoT / AI.

In order to strengthen business structure and secure profits in the Document Solution segment, optimize the product lineup with emphasis on profitability, and enforce thorough cost reduction and cut-backs in fixed costs. Add Group-wide cost reduction measures and streamline operations through additional compliance measures and integration of the business management divisions.

- *1 The three icons "Profit," "Growth," "Investment" refer to the stages of each business within its lifecycle. "Profit" is improving the profitability to generate cash-flow, "Growth" is accelerating growth to expand revenues and profits, "Investment" is investing to develop businesses that will constitute the cornerstones of its future business operations.
- *2 CDMO stands for Contract Development & Manufacturing Organization. CDMO provides clients such as pharmaceutical and biotechnology companies with a wide range of services from cell line development in the early stage of pharmaceutical development to process development, stability testing, process development / manufacturing of investigational drugs and commercial drug manufacturing.

Profit	Growth	Investment



Growth

Growth

Investment

Investment

Profit

Profit

Profit Growth Investment

Profit Growth Investment

(5) Recording Media