Fujifilm’s Healthcare Business Strategy

January 13, 2021

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President & COO,
FUJIFILM Holdings Corporation
Target Revenue for Healthcare

Revenue Target
1 trillion yen
($9.3 bn*)

Result of acquisition

545 billion yen
($5.0 bn*)

1 trillion yen
($9.3 bn*)

(*108 yen/USD)

(FY)

2016
2017
2018
2019
2020 (forecasted)
2021 (forecasted)

Mid 2020s

(*108 yen/USD)
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About Fujifilm
## About Fujifilm

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<th>Established</th>
<th>January 20, 1934</th>
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<tr>
<td><strong>Consolidated Revenue</strong></td>
<td>FY2019 2,315.1 billion yen ($21.4 billion*)</td>
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<td><strong>Operating Income</strong></td>
<td>FY2019 186.6 billion yen ($1.7 billion*)</td>
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<td><strong>Net Income Attributable to FUJIFILM Holdings</strong></td>
<td>FY2019 125.0 billion yen ($1.2 billion*)</td>
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<td><strong>Number of Group Companies</strong></td>
<td>FY2019 317</td>
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<td><strong>Employees</strong></td>
<td>FY2019 73,906</td>
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<td><strong>Leadership</strong></td>
<td>Shigetaka Komori, Chairman and CEO</td>
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(*108 yen/USD)
Digitalization led to a rapid decline in the demand for color film, our Group’s main business.
Change in Business Portfolio

**FY2019**

- **Healthcare**: 22%
- **Industrial Products**: 44%
- **Photo related business**: 14%
- **Document business**: 42%

**FY2000**

- **Industrial products**: 46%
  - Other Industrial Products Business: 20%
  - Display Materials: 2%
  - Medical Systems: 12%
  - Graphic Systems: 12%

**Revenue**

- **FY2019**: ¥2,315.1 bn ($21.4 bn*)
- **FY2000**: ¥1,440.3 bn ($13.3 bn*)

(*108 yen/USD)
Strategies for Further Growth within Healthcare
Fujifilm’s Healthcare

Bio CDMO and Life Science Businesses
- Bio CDMO
- Pharmaceuticals
- Regenerative Medicine
- Cell Culture Media
- Small-molecule CDMO

Medical Systems Business
- Diagnostic Imaging Systems
- Medical IT
- Endoscopes
- In-vitro Diagnosis
- Ultrasound Systems

Bio CDMO, Pharmaceuticals, and Regenerative Medicine Businesses
- Bio CDMO
- Regenerative Medicine
- Cell Culture Media
- Pharmaceuticals
- Small-molecule CDMO

Prevention
- Bulk Drug Substance for Vaccine
- Functional Cosmetics
- Supplements

Diagnosis

Treatment
Our Growing Medical Systems Business

Revenue Transition of the Medical Systems Business

Average growth of 8% per annum (FY2016 - 2019)

Revenue Target approx. ¥500 bn ($4.6 bn*)

Acquisition of Hitachi’s Diagnostic Imaging-related Business (Closing date TBD)

Transaction value: approx. ¥179 bn ($1.7 bn)
Est. total revenue for FY2021: approx. ¥500 bn ($4.6 bn)

Effects of Acquisition

1. One-stop total solutions through expansion of product portfolio
2. Application of Fujifilm’s IT/AI technology to Hitachi’s diagnostic instruments
3. Strengthening of global sales through an increase in sales channels

(*108 yen/USD)
Business Strategy for Medical Systems Business

Creating new value by applying AI & IT to all modalities

- Diagnostic X-ray Imaging
- Ultrasound Systems
- CT & MRI
- Endoscopy
- Medical IT
- IVD (In-vitro Diagnostics)
Fujifilm’s Bio CDMO Business

Involved in the market from the beginning

Sales growth of the Bio CDMO business
Growth rate exceeding the market growth of 10% CAGR*
*According to Fujifilm data

Growth rate of 16% per annum
(2013-2018)

Revenue target
¥200 bn
($1,890 mn*)

Revenue target
¥100 bn
($930 mn*)

Capital investment
• Accelerating investments in partnership with the United States Government to make additional capacity available for the manufacture of COVID-19 vaccines.
• Prioritizing capacity allocation to support COVID-19 therapies including “COVID-19 Therapeutics Accelerator” launched by the Bill & Melinda Gates Foundation and others.

COVID-19 related
M&A
Acquisition of Biogen (Denmark) Manufacturing ApS.

Capital investment
Announcement of ¥100 bn in extra capital investment

M&A
MSD Biologics/Diosynth (now called FUJIFILM Diosynth Biotechnologies)

M&A
Kalon Biotherapeutics (now called FUJIFILM Diosynth Biotechnologies)

Capital investment
Capital investments worth ¥50 bn in cumulative total (FY2017-)

COVID-19 related demands
50% per annum
(2018-20)

Early entry and proactive investments in both capacity and capability have set us on track to reach an annual revenue of ¥200 bn by 2024
New Investment for the Further Growth

Decided to invest more than ¥200 bn to establish a new facility in U.S.

• One of the largest facilities to date (8 x 20,000L reactors and a line for formulation & packaging)
• First step to support a CAGR of more than 20% after reaching ¥200 bn in annual revenue
Global Footprint of our Bio CDMO Business

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<tr>
<td>Services</td>
<td>Mammalian cell culture</td>
<td>Microbial fermentation</td>
<td>Gene therapeutics (GT)</td>
<td>Vaccines</td>
<td>Drug products</td>
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<td>Investment Scale (MUSD)¹</td>
<td>120</td>
<td>60</td>
<td>280</td>
<td>890</td>
<td>930</td>
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<tr>
<td>Main investments</td>
<td>• 2 x 2,800L reactors for Microbial fermentation • Facilities for GT process development, etc.</td>
<td>• 1 x 2,000L reactor for mammalian cell culture</td>
<td>• 9 x 2,000L reactors for COVID-19 vaccine candidates • Facilities for GT process development, etc.</td>
<td>• Acquired from Biogen Inc. in 2019 • 6 x 20,000L reactors for mammalian cell culture • Additional 6 x 20,000L reactors for mammalian cell culture, lines for drug products and AL&amp;P</td>
<td>• 8 x 20,000L reactors for mammalian cell culture, lines for drug products, AL&amp;P</td>
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*1 (108 yen/USD) Investments announced after 2017

- 5 sites in the EU and U.S. that handle process development and contract manufacturing from clinical to commercial scale.
- Total investments of more than $4,000 mn (limited to public announcements since 2017)
Fujifilm’s Response to the COVID-19 Pandemic
As a “Total Healthcare Company,” the Fujifilm group is committed to working on measures against COVID-19, through prevention, diagnosis and treatment.

**Prevention**
- Support U.S. government “Operation Warp Speed” initiative through the allocation of significant production capacity for manufacture of COVID-19 vaccine candidates.
- Agreement with Novavax Inc. for manufacture in U.K., North Carolina and Texas.
- Provides environment-cleaning agent to medical sites and homes.

**Diagnosis**
- Started development of AI-based technology to aid COVID-19-induced pneumonia diagnosis.
- Provides medical diagnostic systems for pneumonia diagnosis.
- Started sales of PCR test reagents that enables rapid detection of COVID-19.

**Treatment**
- COVID-19 therapeutic drug candidate Avigan® Tablet
- Partners with Dr. Reddy’s in India and Global Response Aid for global supply of Avigan.
- Reserves manufacturing capacity for a future COVID-19 therapy from the COVID-19 Therapeutics Accelerator
- Provides environment-cleaning agent to medical sites and homes.
Achieving Continual Growth: “NEVER STOP”