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.
2. Wave of Digitalization and Management Reform

Demand for photographic film dropped rapidly after its peak in 2000 due to digitalization. 

Core technologies created from its photographic business:

- Making film bases
- Making photosensitive emulsions
- Coating functional materials on base films
- Photographing with a camera
- Developing and printing photographs

Expanding and uniformly flattening molten materials in units of micrometers to make an optically warp-free, thin film. Designing functional materials at the nanometer level. High-speed simultaneous coating of multiple uniform layers. Ensuring the high-quality design and manufacture of lenses, hardware, and systems. Controlling chemical reactions to ensure proper images and building appropriate systems.

Boldly diversified its business utilizing its high technological capabilities cultivated through photographic business.

Concentrated management resources into the selected six priority business fields.

Developing wide-range of businesses utilizing core technologies cultivated through its photographic business.

Concentrated management resources into the selected six priority business fields.
3. Priority business fields

Business Portfolio

Three fields that drive growth among priority business fields

Healthcare
- Consists of medical systems, pharmaceuticals, Bio-CDMO, regenerative medicine and life sciences (cosmetics).
- Realize stable profit growth in medical systems. Aim to launch new drugs around 2018

Highly Functional Materials
- Consists of display materials, industrial products & electronics materials and fine chemical.
- Maintain stable profit in display materials. Create a number of new businesses with high profitability in highly functional materials fields

Document
- A Fuji Xerox business that offers multifunction devices, printers, and solution services.
- Strengthen device sales in emerging countries and promote solution services in developed countries

Support growth by stable profit base

Large-scale businesses such as Graphic systems and Photo imaging

4. Imaging Solutions

Photo Imaging

- Main products are photographic paper (color paper) and the instax instant camera

Color paper
Expand business by reinforcing sales of such high-value-added printing services as Photobook

Instax instant camera
- Sales are expanding worldwide triggered by the boom in sales in Asia.
- Unit sales are breaking records.

Optimized business structure to meet the decline in demand for photographic film and created a structure that can generate stable profit
Expand sales by appealing FUJINON brand’s advanced lens technologies and imaging technologies. Strengthen sales of the products such as high-end digital cameras, surveillance lenses, where the market growth is expected.

**4. Imaging Solutions**

**Optical Device & Electronic Imaging (Digital camera)**

- Focus on high-end models “X Series” and differentiated products
- Realize high image quality that surpasses single-lens reflex cameras by premium mirrorless cameras

Focus on high-end models, mainly X Series and interchangeable lenses
5. Information Solutions

Healthcare

Revenue in FY2017/3 ¥384.0 billion

Medical Systems: Diagnosis

X-ray diagnostic imaging systems (FCR/DR/film)
Medical-use picture archiving and communications systems (PACS)
Endoscopes
Ultrasound
IVD

Life Sciences: Prevention

Functional cosmetics
Supplements

Pharmaceuticals: Treatment

Pharmaceuticals

Bio-CDMO: Treatment

Bio pharmaceuticals

Regenerative Medicine: Treatment

Autologous Cultured epidermis
Autologous Cultured cartilage

Generate stable profit in medical systems
Launch unique new drugs in pharmaceuticals in the medium term

5. Information Solutions

Healthcare (Medical Systems)

X-ray Imaging Diagnostic Equipment
Endoscopes
Ultrasound
Medical IT
In Vitro Diagnosis

Services

ASSISTA

Prescient
CORNACORE

SYNAPSE ERm

VINCENT

SYNAPSE

- Growth fields are medical-use picture archiving and communications systems (medical IT), endoscopes, ultrasound, and In Vitro Diagnosis.
  - Improve cost competitiveness by cost reduction and minimizing fixed costs in equipment
  - Increase market share for materials, making it a cash cow business
  - Strengthen sales in emerging countries
5. Information Solutions

Healthcare (Medical Systems)

Medical IT
- SYNAPSE medical-use picture archiving and communications systems (PACS) attain the No.1 share in Japan.
- Gain a position as owner of big data by utilizing advantage of open platform.
- Provide various applications, which support image diagnosis by analyzing accumulated data.

Data accumulated in systems of Fujifilm is expanding

Other hospitals and clinics in regions
Regional Partnership

Medical IT systems to integrate images and information at hospitals FUJIFILM

CT/MRI
Ultrasound equipment
X-ray imaging diagnostic equipment
Electronic medical records
Patient information
LD
IVD
Endoscopes

Launch differentiated products with high value-added, that utilizes image processing technology cultivated through the photographic business and thinner sizing technology etc.
- Transnasal endoscopes
- Endoscope systems with laser light sources
- Double-balloon endoscopes

Transnasal endoscopes

Lessen the patient's discomfort by streamlining superfine transnasal endoscope

Endoscope system with laser light sources
By fusing Fujifilm's image processing technology, the visibility of the diseased part improved.

Realize sales growth by expanding sales of differentiated products
In March 2012, Fujifilm acquired SonoSite, the U.S.-based leading manufacturer of bedside and point-of-care (POC) ultrasound diagnostic equipment.

**Group Synergies**

- **FUJIFILM**
  - High image processing technology
  - Sales network in Asia
  - Strong in diagnosis market

- **SonoSite**
  - Rich know-how/knowledge
  - Over half of its sales in North America
  - Strong in POC market

Develop new products utilizing group synergies
Strengthen sales utilizing sales channels of both companies

Aim to achieve top share in portable ultrasound diagnostic equipment market, where high growth is expected

**X-ray film**

- Global demand is gradually declining and Fujifilm is focusing on increasing its market share.
- In emerging countries, demand for film used for output proceeds steadily.

**X-ray diagnostic imaging systems**

- **FCR: Fuji Computed Radiography.** Fujifilm was the first to develop this medical equipment (launched in 1983) and has a high market share. There are only four manufacturers of CR equipment in the world.
- **DR: Digital Radiography.** Several manufacturers are entering this field and competition is intensifying.

Realized significant X-ray diagnostic imaging system cost reductions of by reviewing its equipment design and parts procurement costs. Improved profitability.
### 5. Information Solutions

#### Healthcare (Pharmaceuticals)

- Built a business foundation via M&A of business firms
- Conduct sales of existing drugs from consolidated subsidiaries, mainly from Toyama Chemical, and R&D for new drugs

#### Business foundation by group companies

**Low-molecular drugs**

- **Toyama Chemical**
  - A top-class pharmaceuticals company for infectious disease medicines in Japan
  - Conduct development and manufacture

- **FUJIFILM Pharma**
  - Sales company that offers brand-name drugs and generics

- **FUJIFILM Finechemicals**
  - Manufacture of raw materials

**Biopharmaceuticals**

- **FUJIFILM RI Pharma**
  - One of two specialty pharmaceutical companies in Japan that develops, manufactures, and markets radiopharmaceuticals and medicines

- **FUJIFILM Diosynth Biotechnologies**
  - A contract Development & manufacturing organization (CDMO) for biopharmaceuticals and manufacturing base.

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#### Fujifilm R&D

**Pharmaceuticals & Healthcare Research Laboratories**

Conducts R&D of new drugs, using Fujifilm’s core technologies

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#### Development code

<table>
<thead>
<tr>
<th>Development code</th>
<th>Therapeutic category</th>
<th>Formulation</th>
<th>Region</th>
<th>Development stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-705</td>
<td>Anti-influenza drug</td>
<td>Oral</td>
<td>Japan</td>
<td>Approved</td>
</tr>
<tr>
<td>T-3811</td>
<td>Quinolone synthetic antibacterial drug</td>
<td>Oral</td>
<td>China</td>
<td>Submitted an application for permission</td>
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<td>Antifungal drug</td>
<td>Injection</td>
<td>U.S.A.</td>
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<tr>
<td>T-817MA</td>
<td>Alzheimer's disease drug</td>
<td>Oral</td>
<td>U.S.A.</td>
<td>P I completed</td>
</tr>
<tr>
<td>F-4288</td>
<td>New fluoroketolide antibacterial drug</td>
<td>Oral</td>
<td>Japan</td>
<td>P I</td>
</tr>
<tr>
<td>ITK-1</td>
<td>Castration-resistant prostate cancer drug</td>
<td>Injection</td>
<td>Japan</td>
<td>P I</td>
</tr>
<tr>
<td>FF-10501</td>
<td>Relapsed or Refractory myelodysplastic syndrome drug</td>
<td>Oral</td>
<td>Japan</td>
<td>P I completed</td>
</tr>
<tr>
<td>FF-10502</td>
<td>Advanced/recurrent pancreatic/ovarian cancer drug</td>
<td>Injection</td>
<td>U.S.A.</td>
<td>P I completed</td>
</tr>
<tr>
<td>FF-21101</td>
<td>Advanced/recurrent solid cancer drug (armed antibody)</td>
<td>Injection</td>
<td>U.S.A.</td>
<td>Preparing for P I</td>
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<tr>
<td>FF-1311</td>
<td>Diagnostic drug for prostate cancer (Radiopharmaceuticals)</td>
<td>Injection</td>
<td>Japan</td>
<td>P I completed</td>
</tr>
<tr>
<td>FF-10101</td>
<td>Acute Myeloid Leukemia (AML) drug</td>
<td>Oral</td>
<td>U.S.A.</td>
<td>P I</td>
</tr>
<tr>
<td>F-1515</td>
<td>Neuroendocrine carcinoma drug (Radiopharmaceuticals)</td>
<td>Injection</td>
<td>Japan</td>
<td>P I</td>
</tr>
<tr>
<td>FF-10102</td>
<td>Autoimmune disease drug</td>
<td>Oral</td>
<td>U.S.A.</td>
<td>Non clinical trial</td>
</tr>
<tr>
<td>FF-10832</td>
<td>Advanced solid cancer drug (Gemcitabine liposome)</td>
<td>Injection</td>
<td>U.S.A.</td>
<td>Non clinical trial</td>
</tr>
</tbody>
</table>

Note: FKB327 (a biosimilar of adalimumab) of FUJIFILM KYOWA KIRIN Biologics (FKB), an equity method affiliated company, is filed in EU. FKB238 (a biosimilar of bevacizumab) of JV between FKB and AstraZeneca is under phase II clinical trial in U.S.A., Europe, and others.
5. Information Solutions

Healthcare (Regenerative Medicine)

The Three Key Components for Regenerative Medicine

- Cell
- Scaffold (recombinant peptide)
- Cell Culture Medium/ Cytokine

Contributing to the elevation of regenerative medicine business to the industrial stage while leveraging synergies between the three companies.

- Expansion of drugs discovery support business that utilize iPS cells
- Commercialization of cell therapy
  (Age-related macular degeneration, Parkinson's disease, heart failure, etc.)

5. Information Solutions

Healthcare (Life Sciences)

- Utilizing technologies cultivated through its photographic business, Fujifilm started its cosmetics business in 2006.
- Fujifilm expanded its lineups, such as the ASTALIFT series, the Lunamer series with women in their 20s and 30s as its main target.
- The ASTALIFT series is a total healthcare brand that includes base makeup, supplements, and hair care products in addition to skincare products.

Differentiate itself from competitors and offer its original products supported by science, utilizing proprietary technologies.
5. Information Solutions

Healthcare (Life Sciences)

- Link between photographic technologies and cosmetics

The major component of photo film is collagen, the same as that of the skin.

Collagen
Main ingredient of photo film
Forms about 70% of dermis

The antioxidant technology of photo film is used

Without antioxidant technology
25 years after
With antioxidant technology

Oxidation
Causes color fading of photos
Causes skin blemishes and aging

The nano-technology for photographic exposure and color development is used

Conventional Nano-technology
New Nano-technology

Nano-technology
Used for exposure and color development of photos
Improves permeability and absorption of ingredients

5. Information Solutions

Highly Functional Materials (Display Materials)

Our functional materials which are used in LCDs

Front

Polarizer
Protective film for polarizer
PVA (stretched PVA doped with iodine)
Compensation film
Glass Substrate
TFT
Compensation film
Glass Substrate
PVA
Protective film for polarizer

Our Products

FUJITAC
WV/VA/IPS film
Transfer Film
Color filter transferred on to the glass substrate
WV/VA/IPS film
FUJITAC

Differences in LCD modes

<table>
<thead>
<tr>
<th></th>
<th>TN mode</th>
<th>VA mode</th>
<th>IPS mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contrast</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Viewing angle</td>
<td>△→○ (Using WV film)</td>
<td>△→○ (Using retardation film)</td>
<td>△→○ (Using Z-TAC)</td>
</tr>
<tr>
<td>Efficiency of light emission</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Manufacturing cost</td>
<td>Low</td>
<td>Middle</td>
<td>High</td>
</tr>
</tbody>
</table>

⇒ To cover weak points or improve quality, “compensation films” are used.
5. Information Solutions

Highly Functional Materials (Display Materials)

**FUJITAC**  
- Protective film for polarizer. Used regardless of any difference in LCD mode.

**WV film**  
- A compensation film that widens the viewing angle in TN mode. Fujifilm has 100% market share.

**VA film**  
- A film used for the polarizer in VA mode to control the inflection of light for better viewing angles and contrast.

**IPS film (Z-TAC)**  
- A film used for the polarizer in IPS mode to contain tint fluctuations when the screen is viewed diagonally.

![Diagram showing volume of panel shipments and main films used by application](image)

(as of Jan.-Dec.201, internal investigation)

<table>
<thead>
<tr>
<th></th>
<th>FUJITAC</th>
<th>WV (TN)</th>
<th>VA</th>
<th>Z-TAC (IPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVs</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Monitors</td>
<td>●</td>
<td>●</td>
<td>Partly used</td>
<td>●</td>
</tr>
<tr>
<td>Notebook PCs</td>
<td>●</td>
<td>Partly used</td>
<td>Partly used</td>
<td>●</td>
</tr>
<tr>
<td>Small and medium-sized displays</td>
<td>●</td>
<td>Partly used</td>
<td>●</td>
<td></td>
</tr>
</tbody>
</table>

For TVs

- Screens for LCD panels continues to expand owing to such factors as the increase in the size of TVs
- Promote sales of VA/IPS film and FUJITAC
- Introduced low-shrinkage Z-TAC to meet the needs of low moisture permeability for IPS mode

For small and medium-sized displays

- Reinforce sales of super-thin 25μm FUJITAC and Z-TAC for smartphones, where the demand is expected to grow, and for tablet PC

Depreciation costs have been reduced as large capital investments have almost run their course. Maintain high profitability as a cash cow business.
Highly Functional Materials
(Industrial Products, Electronics Materials & Fine Chemical)

5. Information Solutions

Industrial Products

Existing business
- Non-destructive testing equipment and materials
  (Industrial-use X-ray films, digital X-ray imaging system)
- Microfilters
- PRESCALE (pressure measurement film)

New business
- <EXCLEAR>
  - Sensor film for touch panels
  - Realize high transparency and flexibility by patterning with silver on a transparent PET base film.
  - Low resistance and can be adjusted to medium-to-large-sized touch panels. Enables simplified manufacturing process.
- <Backsheets for solar cells>
  - Have a role in protecting the reverse side of outdoor solar cells from rain, UV, and other damaging elements.
  - Three times more durable than general PET, and have acquired certification in a module base.

Continuously create new high-value-added businesses/products that can utilize Fujifilm’s technologies and have high profitability, mainly in the growth fields of touch panels and environment/energy.

Highly Functional Materials
(Industrial Products, Electronics Materials & Fine Chemical)

Electronics Materials

Offer products used when manufacturing semiconductors

- IC chip
- Cross section
- Wirings are bonded within the multi-layer structure
- Wiring
- Image sensor consists of red (R), green (G), and blue (B)
- Image sensor

Photoresist
A material indispensable for manufacturing ultra-small circuit patterns on semiconductors. It is used during the process where the circuit pattern is printed onto a wafer.

CMP slurry
An abrasive material used to precisely planarize substrate that has various materials in its circuit structure, like metal or dielectrics.

Color resist
A photo-sensitive coloring material for manufacturing micro color filters, used in image sensors.

Expand sales by offering leading-edge products, leveraging Fujifilm’s wide-ranging product portfolio and stable supply capabilities.
5. Information Solutions

Highly Functional Materials
(Industrial Products, Electronics Materials & Fine Chemical)

Fine Chemical

Expand its business of high-function chemicals and laboratory chemicals.

Laboratory Chemicals

Use in R&D for new drugs and other cutting-edge technologies and products, as well as in environmental analysis on water and soil quality. Expanding sales by utilizing its product development and manufacturing system to match small quantity of diversified products needs and a sales network that covers all of Japan.

High-function chemicals

Utilize chemical synthesis technology cultivated from laboratory chemicals manufacturing to develop competitive products including Azo polymerization initiator necessary to manufacture superabsorbent polymer used in disposable diaper and others.

Launched the Fine Chemical Division as of April, 2017
Reinforcing the business structure for synergy with Wako Pure Chemical Industries

5. Information Solutions

Recording Media

• Since Fujifilm developed professional-use videotapes in 1959, the Company has offered products with high performance and high reliability to tape drive manufacturers throughout the world.

Magnetic tapes for data storage

Fujifilm’s magnetic tapes for data storage with barium ferrite particles (BaFe), which were developed by Fujifilm’s proprietary technologies, are achieving a high reputation in the market.

• Large capacity
• Long archival life
• Highly cost effectiveness
• Recording stability
• Energy-saving

Further usage in the data archive field is expected, reflecting the rapid increase of data in the world and the popularization of cloud computing.

Professional-use videotapes

Mainly used by broadcasting stations

New data archiving service dtemity

Revenue in FY2017/3
¥47.6 billion

Reinforce sales promotion, leveraging original BaFe products
5. Information Solutions

Graphic Systems/ Inkjet

■ Offset printing materials and equipments
  - Graphic arts films
  - Printing plates (conventional plates, CTP (Computer to Plate) plates)

■ Inkjet digital presses
  - JetPress series
  - Wide-format inkjet systems

■ Inkjet heads and inks for industrial-use printers
  - On-demand printing suitable for small print runs. Expect future growth by diversification of market needs
  - Suitable for commercial printing such as package printing

Focusing on the growth market of inkjet digital presses and inkjet heads for industrial-use printers while securing stable profit with CTP plates

6. Document Solutions

Document

- Document solutions is a business conducted by Fuji Xerox.
- FUJIFILM Holdings has a 75% share of the stock, and the rest is held by Xerox Corporation.

Products that Fuji Xerox develops and manufactures are also exported to Xerox Corporation. Through Xerox Corporation, Fuji Xerox offers products globally.

Business is operated in cooperation with U.S.-based Xerox Corporation.
6. Document Solutions

**Document**

**Asia (China)**
- A region where Fuji Xerox is strong
- Cover by long experience of direct sales
- Prepare/strengthen dealer networks and aggressively reach the mass retailer market

**Japan/Oceania**
- Document-intensive business processes within your organization (Internal Processes, Finance and Administration, Customer Acquisition, Communications)
- Covered by long experience of direct sales
- Prepare/strengthen dealer networks and aggressively reach the mass retailer market
- Offer solution services that support and resolve management as well as operational issues, which are becoming more diversified and complex, from a document viewpoint

**Continuous measures to reduce costs**
- Expand customer bases in Asia, mainly China, and reinforce solution services in such developed countries as Japan and Oceania by utilizing Fuji Xerox’s long experience of direct sales
- Increase profitability by continuous cost reductions

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**Office products & printers**

**Office products**
- Offer multifunction devices and consumables for offices.
- Offer a wide range of solution services for document management and mission-critical operations through software that realizes interoperability of multifunction devices with various types of operational systems and applications.

**Office printers**
- Offer small, highly functional, and high image quality color and monochrome laser printers in Japan and the Asia-Oceania region as well as in the European and U.S. markets through OEM supply.
6. Document Solutions

Document

Production Services

• Offer on-demand printing systems for the digital printing market and continuous feed printers for clients’ mission-critical operations.
• Offer services that will support operating workflows and marketing communications

Solutions & Services

• Conclude contracts for the continuous optimization of document-related operating processes or whole value chains, which include the pre and post-procedures of the operating process. Contracts to include services that support the optimization of clients’ overall print environments (Managed Print Service: MPS).
• Expand business in the Asia-Oceania region by maximizing synergies with an Australian service provider acquired in FY2013/3.

Appendix

Investor Relations Website

Fujifilm Holdings — Investor Relations

Earnings Presentations
Earnings presentation materials (transcript attached), main responses to queries, and more…

IR Events Materials
Conference materials, business presentation materials, and more…

What Kind of Company is Fujifilm?