

Medium-term Management Plan
VISION2019

FUJIFILM Holdings Corporation

August 30, 2017

Description of performance projections and future business forecast, found in this material, are based on currently-available information, and contain potential risks and uncertainties. For this reason, actual business performance could be different due to various factors.



1. Fujifilm's Future Vision

Chairman and CEO
Shigetaka Komori

2. Medium-Term Management Plan “VISION2019”

President and COO
Kenji Sukeno

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2. Medium-Term Management Plan “VISION2019”

FUJIFILM

Concept of the VISION2019



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Financial targets

(Billions of yen)

	FY2017/3	FY2020/3	Change
Revenue	2,322.2 100.0%	2,600.0 100.0%	+277.8 +12.0%
Operating Income	172.3 7.4%	Record high 230.0 8.8%	+57.7 +33.5%
Net Income Attributable to FUJIFILM Holdings	Record high 131.5 5.7%	Record high 150.0 5.8%	+18.5 +14.1%
ROE	6.5%	7.3%	+0.8%
Exchange Rates	US\$/¥ ¥108 €/¥ ¥119	¥110 ¥120	+¥2 +¥1
Silver Price (/kg)	¥59,000	¥62,000	+¥3,000

FY2021/3

Achieving 8.0%
in ROE

*Impact of exchange rate fluctuations on operating income (Full year, ¥1 change) US\$/¥:¥0.8 billion, €/¥:¥0.8 billion

Achieving the operating income target
Enhancement of shareholder returnsAchieving 7.3%
in ROETopping up revenues and profits
through strategic M&A

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Financial targets by segment

(Billions of yen)

Revenue	FY2017/3	FY2020/3	Change
Imaging Solutions	341.8	380.0	38.2 (+11.2%)
Healthcare	384.0	500.0	116.0 (+30.2%)
Information Solutions	899.5	1,120.0	220.5 (+24.5%)
Document Solutions	1,080.9	1,100.0	19.1 (+1.8%)
Total	2,322.2	2,600.0	277.8 (+12.0%)

Note: After elimination of intersegment transaction.

Operating Income [Operating Margin]	FY2017/3	FY2020/3	Change
Imaging Solutions	36.8 [10.8%]	45.0 [11.8%]	8.2 (+22.3%)
Healthcare	12.4 [3.2%]	40.0 [8.0%]	27.6 (3.2 times)
Information Solutions	83.0 [9.2%]	125.0 [11.2%]	42.0 (+50.6%)
Document Solutions	82.7 [7.6%]	95.0 [8.6%]	12.3 (+14.9%)
Corporate Expenses & Eliminations	(30.2)	(35.0)	(4.8)
Total	172.3 [7.4%]	230.0 [8.8%]	57.7 (+33.5%)

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Imaging Solutions

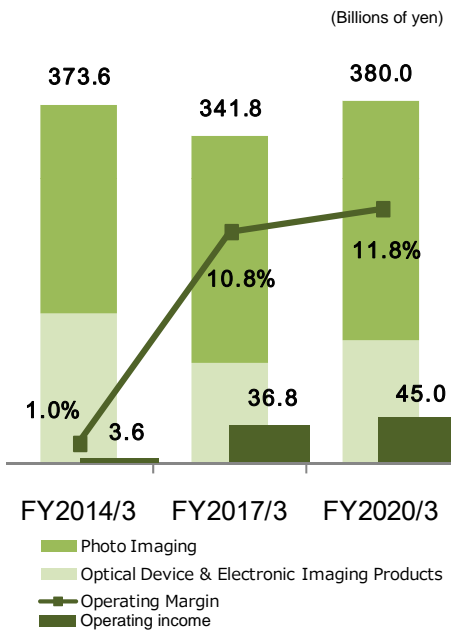


Photo imaging

Profit Growth Investment

- Promote the sales of hybrid instant camera for the new square format film in addition to the conventional Instax systems
- Expand printing service solutions with added convenience, e.g. incorporating AI, to boost printing demand from smartphones to maintain the upward trend in incomes.



Optical Device & Electronic Imaging Products

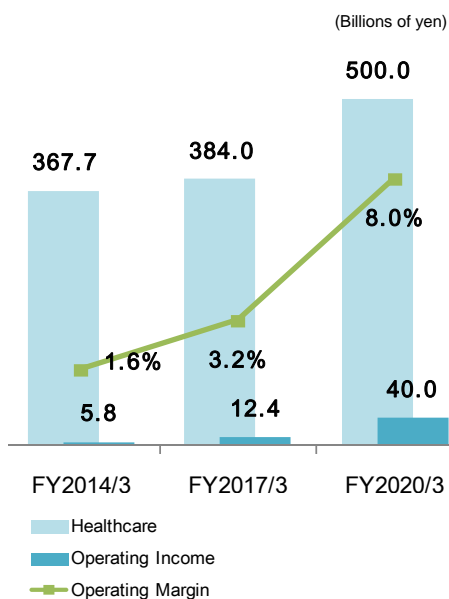
Profit Growth Investment

- Work to capture No.1 market share in the premium mirrorless camera market, promoting the X Series that continues to evolve with premium 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 size, to pursue the pinnacle of image quality
- The lineup of our highly reputable interchangeable lenses will be reinforced to achieve increased revenues and profits in the mirrorless system business as a whole.
- The lens business will be broadened, expanding the lineup of 4K 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.



Delivering highly competitive products that incorporate proprietary technologies to generate stable profits, while contributing to the development of photographic cultures

Information Solutions (healthcare)



Pharmaceuticals and Bio CDMO

Profit Growth Investment

- The bio CDMO operation will expand its production capacity through capital investments and technological development. Profitability will be boosted through scale merit to accelerate business growth, so as to achieve a two-digit sales growth per annum, outstripping the market growth (approx. 8% per annum).
- Our innovative drug development will target disease areas with high un-met medical needs, such as cancer and Alzheimer's Disease and promote efficient R&D. We will also accelerate initiatives for commercial application of formulation technology that makes use of our proprietary technologies such as micro-needles and liposome.



Regenerative medicine

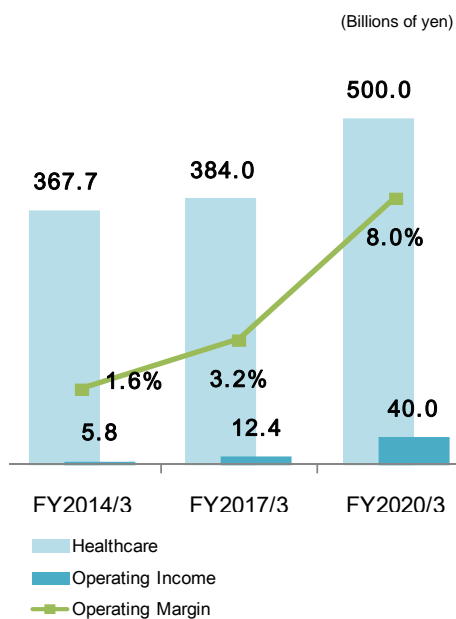
Profit Growth Investment

- We will accelerate business growth by expanding the lineup of iPS cell-derived differentiated cells in the drug discovery support business, and promoting the sales of autologous cultured epidermis / cartilage in the cell therapy business.
- The R&D for cutting-edge regenerative medicine products, using iPS cells, will be accelerated for the areas of eye diseases, heart diseases, neurological disorders and cancer.
- Other efforts for business expansion include broadening the contract cell culture business and deploying the culture medium business globally.



The Bio CDMO and Medical systems business will drive sales growth to ensure increased revenues and profits. R&D is accelerated for Pharmaceuticals and Regenerative medicine under controlled profit – loss balance.

Information Solutions (healthcare)



Medical systems

Profit Growth Investment

- The medical systems business boasts a far-reaching product lineup, unseen in competitors, covering X-ray imaging diagnostic systems, endoscopes, ultrasound units, IVD systems, and medical IT systems of strong competitive edge. These are integrated together to strengthen our ability to offer solutions to customers.
- Furthermore, goods and services that meet the needs of local markets in fast-growing emerging economies will be provided to achieve the annual sales growth of 7%.
- Information such as medical imaging data is to the maximum extent to promote the medical ICT business.



Life science

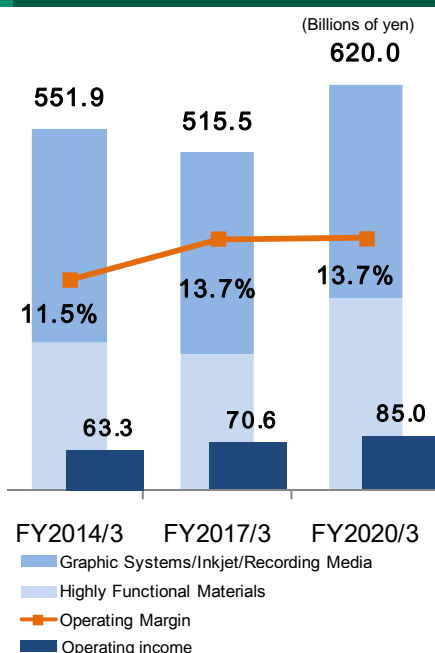
Profit Growth Investment

- The *ASTLAIFT* brand will be reinforced 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.
- The markets of growth potential for lifestyle disease prevention and healthy aging skincare will be targeted for business expansion with the introduction of "foods with function claims."



The Bio CDMO and Medical systems business will drive sales growth to ensure increased revenues and profits. R&D is accelerated for Pharmaceuticals and Regenerative medicine under controlled profit – loss balance.

Information Solutions (highly functional materials, etc.)



Electronic materials

Profit Growth Investment

- Business growth outperforming competitors will be achieved through expanding the sales of existing products such as photoresists, photolithography peripherals and CMP slurries, and introducing new peripheral materials to expand the product lineup.

Display materials

Profit Growth Investment

- Our thin-film and multi-layer coating technologies are utilized to expand the sales of materials for OLED and touchscreen panels, thereby raising the sales ratio of new materials to 30%.

Industrial products

Profit Growth Investment

- Efforts will be made to expand the sales of *EXCLEAR*, Micro Filter and other highly functional products based on our proprietary technologies.
- We will also expand into inspection services for social infrastructures, such as tunnels and bridges, by utilizing our diagnostic imaging technology.

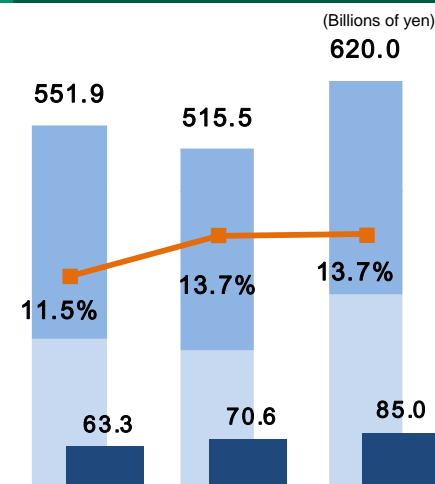
Fine chemicals

Profit Growth Investment

- A wide range of chemical compounds from our library will be marketed through Wako Pure Chemical Industries' extensive sales network across Japan.
- Wako Pure Chemical Industries' chemicals and reagents are marketed through our overseas sales networks.

We will maintain existing business operations' competitive edge, and make use of proprietary technologies to introduce highly profitable products that meet local market needs in a timely fashion to ensure expansion of sales and profits.

Information Solutions (highly functional materials, etc.)



FY2014/3 FY2017/3 FY2020/3
 ■ Graphic Systems/Inkjet/Recording Media
 ■ Highly Functional Materials
 — Operating Margin
 ■ Operating income

Recording media

Profit Growth Investment

- Increase the market share in the magnetic tape market by offering greater storage capacity compared to the current mainstream, LTO6, with Barium Ferrite (BaFe) magnetic particles using our proprietary technologies.
- The overseas introduction of the "Dternity" data archive solution will be accelerated.
- The switchover from hard disks to magnetic tapes is promoted as a solution that accommodates the advancement of Big Data.

Graphic systems and Inkjets

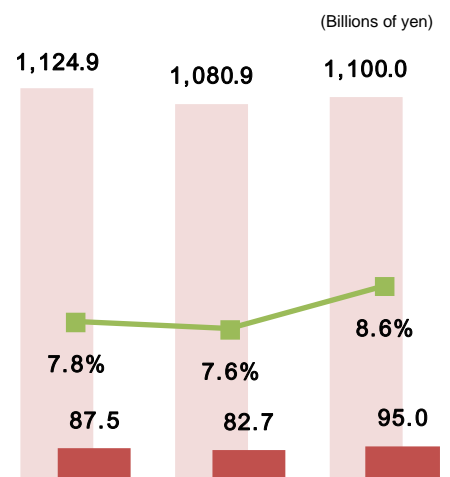
Profit Growth Investment

- The sales expansion of high value-added products will be promoted in the field of CTP plate, including process-less CTP plate with its high environmental performance.
- Our industrial printheads and inks, known for advanced image quality and durability, will be promoted not only in commercial printing but also to explore new fields of growth potential, such as industrial applications and 3D printing.



We will maintain existing business operations' competitive edge, and make use of proprietary technologies to introduce highly profitable products that meet local market needs in a timely fashion to ensure expansion of revenues and profits.

Document Solutions



FY2014/3 FY2017/3 FY2020/3
 ■ Revenue
 ■ Operating Income
 — Operating Margin

Office Products and Printers

Profit Growth Investment

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

Production Services

Profit Growth Investment

- Strengthening inkjet systems and expanding printing applications for business growth
- Tapping into the strong customer base to accelerate the delivery of services covering the entire printing workflow

Solutions & Services

Profit Growth Investment

- Strengthening values provided through services and solutions, and optimizing the structure for service and solution delivery
- Making greater use of ICT to boost competitiveness of MPS and BPO
- Making 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

Strengthening business operation

Profit Growth Investment

- Optimizing the product lineup with emphasis on profitability, and enforcing thorough cost reduction and cut-backs in fixed costs to improve profitability
- Adding Group-wide cost reduction measures and streamlining operations through integration of business management divisions.

We will shift operational focus to profitability while maintaining the No.1 market position, so as to strengthen the corporate structure, bringing the ratio of operating income to 10% by FY2021/3.

Shareholder returns and M&A investments

<p>Shareholder returns</p> <p>(Share buybacks + Dividends)</p>	<p>Total: ¥300.0 billion</p> <p>Share buybacks: ¥200.0 billion Dividends: ¥100.0 billion ¥70 per share in FY2017/3 -> ¥95 per share in FY2020/3 (Continuous dividend increase for 10 years)</p>
<p>M&A investment</p>	<p>Total: ¥500.0 billion</p> <p>Investment allocation for further accelerating revenue / profit growth</p>

We will improve ROE to 7.3% by achieving record profits in organic business operations, and boosting shareholder returns. Furthermore, the ROE will be raised to 8.0% in FY2021/3 by accelerating growth and profitability enhancement with strategic M&A investments.

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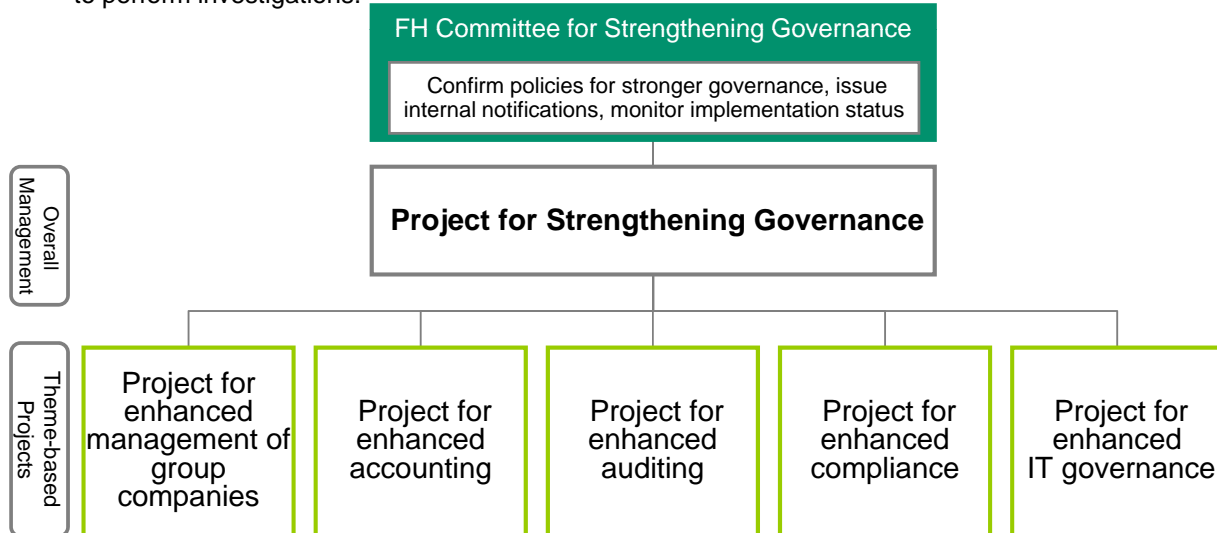
3. Activities for Strengthening of Governance

General Manager of Corporate Planning Division
Masaru Yoshizawa

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Frameworks for Implementation

- FH Committee for Strengthening Governance (Chair: FH President K. Sukeno) is setting up projects for addressing each theme, to analyze the cause of the issue and to formulate measures to prevent recurrence.
- Each project will invite members from FH, FF, and FX, and the three companies will come together to perform investigations.



(note) FH: FUJIFILM Holdings Corporation, FF: FUJIFILM Corporation, FX: Fuji Xerox Co., Ltd.

Issues and Measures

Projects	Issues	Measures currently under taken
Project for enhanced management of group companies	<ul style="list-style-type: none"> ■ Stronger supervision of group companies 	<ul style="list-style-type: none"> ■ Strengthening supervising functions by the Board of Directors ■ Rebuilding risk management structures ■ Establishing Subsidiaries Administration Division ■ Redesigning regional integration functions ■ Reviewing procedures for supervising, selecting and evaluating senior local executives, checking compensation ■ Reviewing processes for budget planning
Project for enhanced accounting	<ul style="list-style-type: none"> ■ Ensuring appropriateness of accounting procedures, establishing systems that demonstrate control functions 	<ul style="list-style-type: none"> ■ Separating functions for management/ financial accounting ■ Integrating/rebuilding FH's financial accounting functions
Project for enhanced auditing	<ul style="list-style-type: none"> ■ Rebuilding/strengthening internal audit systems ■ Rebuilding/strengthening J-SOX systems ■ Strengthening auditing functions through FH Audit & Supervisory Board Members 	<ul style="list-style-type: none"> ■ Integrating internal audit functions into FH/ implementing global audit ■ Integrating J-SOX evaluation systems into FH/ making internal controls more effective ■ Establishing Audit & Supervisory Board Office/strengthening coordination between auditors
Project for enhanced compliance	<ul style="list-style-type: none"> ■ Raising and spreading awareness of compliance issues ■ Establishing highly effective/reliable internal whistleblowing system 	<ul style="list-style-type: none"> ■ Implement compliance re-education ■ Rebuild internal whistleblowing system/ raise wider awareness of the system/strengthen information sharing with accounting auditor
Project for enhanced IT governance	<ul style="list-style-type: none"> ■ Strengthening monitoring of group companies, engaging in more efficient communication within the group 	<ul style="list-style-type: none"> ■ Harnessing IT to establish foundations for improved monitoring/establishing foundations for improved communications

Appendix

[FUJIFILM Holdings – Investor Relations](#)

<http://www.fujifilmholdings.com/en/investors/index.html>

[FUJIFILM Holdings Annual Report 2016](#)

http://www.fujifilmholdings.com/en/investors/annual_reports/2016/index.html

[IR Events Materials](#)

http://www.fujifilmholdings.com/en/investors/ir_events/business_presentations/index.html

- Business presentation materials
- May. 2016 Presentation of Document Solutions
- Dec. 2016 Business Presentation for Pharmaceuticals/Regenerative Medicine Business
- Mar. 2017 Business Presentation for Electronic Materials Business

[What Kind of Company is Fujifilm?](#)

<http://www.fujifilmholdings.com/en/investors/guidance/index.html>

FUJIFILM

Value from Innovation

At Fujifilm, we are continuously innovating — creating new technologies, products and services that inspire and excite people everywhere.

Our goal is to empower the potential and expand the horizons of tomorrow’s businesses and lifestyles.

FUJIFILM Holdings Corporation

Corporate Communications Office, Corporate Planning Div.

<http://www.fujifilmholdings.com/en/index.html>