

Notice of Launch of the Medium-Term Management Plan “VISION 2023” and Earnings Forecast for the Fiscal Year ending March 31, 2022

FUJIFILM Holdings Corporation has drawn up a new medium-term management plan, VISION 2023, covering a three-year period from the fiscal year ending March 2022 to the fiscal year ending March 2024.

Earnings forecast for the current fiscal year is as follows.

- Forecast for the Fiscal Year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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

	Forecast (FY ending March 2021) (A)	Forecast (FY ending March 2022) (B)			Target (FY ending March 2024) (C)	Change (C)-(A)	Change (%)
			Change (B)-(A)	Change (%)			
Revenue	2,180,000	2,440,000	260,000	11.9	2,700,000	520,000	23.9
Operating income	160,000	180,000	20,000	12.5	260,000	100,000	62.5
Income before income taxes	210,000	185,000	-25,000	-11.9	265,000	55,000	26.2
Net income attributable to FUJIFILM Holdings	160,000	130,000	-30,000	-18.8	200,000	40,000	25.0
Net income attributable to FUJIFILM Holdings per share	400.22 yen	325.18 yen	-75.04 yen		500.27 yen	100.05 yen	

Note: Net income attributable to FUJIFILM Holdings per share in each period is calculated using the number of shares issued as of December 31, 2020 excluding treasury shares for the average number of shares for the relevant period.

Please refer to the attached materials for more details of the medium-term management plan and the outline of the earnings forecast.

[Attachment]

- Briefing material “Medium-Term Management Plan VISION 2023”
- NEWS RELEASE

Medium-Term Management Plan **VISION 2023**

April 15, 2021

FUJIFILM Holdings Corporation

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.

Our Ideal Fujifilm Vision

Using leading-edge, proprietary technologies to provide top-quality products and services, we will strive to "resolve social issues through our business activities" and contribute to the realization of a sustainable society.

**VISION
2019**

Sales: ¥2.3151 trillion
OP: ¥186.6 billion
Cut CO₂ emissions: 30%
(v. FY2013 levels)

**VISION
2023**

Sales: ¥2.7 trillion
OP: ¥260.0 billion
Cut CO₂ emissions: 38%
(v. FY2013 levels)

Medium-Term Management Plan that sets concrete action plans for realizing SVP 2030 targets

Sustainable Value Plan 2030 (SVP2030)

Sales: over ¥3.5 trillion
Cut CO₂ emissions: 45%
(v. FY2013 levels)

SVP 2030 are long-term targets with goals set for FY2030

From the perspectives of solving social issues through our business activities and considering society and the environment in all our business processes, identify issues and set targets for the four priority areas of Environment, Health, Daily Life, and Work Style and for our supply chain and governance processes, which underpin our business activities.

VISION 2019 Management Policy

Positioning each business into one of three stages: improve profitability, accelerate further growth, and invest to create a new future. Strengthen our business portfolio and inspire further leaps forward by developing measures to suit that growth process.

(Billions of Yen)

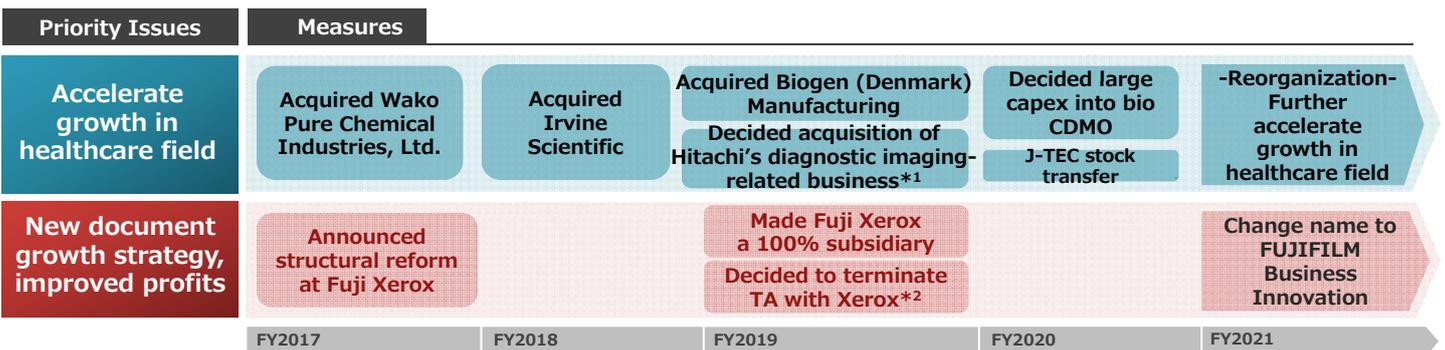
	FY2019			FY2020
	MTP (VISION2019)	Actual Results	Change	Forecast
Revenue	2,600.0 100.0%	2,315.1 100.0%	(284.9) -11.0%	2,180.0 100.0%
Operating income	230.0 8.8%	186.6 8.1%	(43.4) -18.9%	160.0 7.3%
Net income attributable to	150.0 5.8%	125.0 5.4%	(25.0) -16.7%	Record High 160.0 7.3%
ROE	7.3%	6.3%	-1.0%	7.8%

	FY2017-FY2019	
	MTP (VISION2019)	Actual Results
Shareholder returns	300.0	300.0+
M&A investment	500.0	about 700.0

- ✓ Develop appropriate measures for the growth stage of each business, such as aggressive investment in the bio CDMO business, structural reform of Fuji Xerox, and making it a 100% subsidiary, and then build a structure that reliably generates profits even during COVID-19.
- ✓ Could have accomplished medium-term plan in FY2019 without COVID-19 and exchange rates fluctuations. Expect to achieve record net income attributable to shareholders of 160 billion yen in FY2020 due to such factor as making Fuji Xerox our wholly owned subsidiary.

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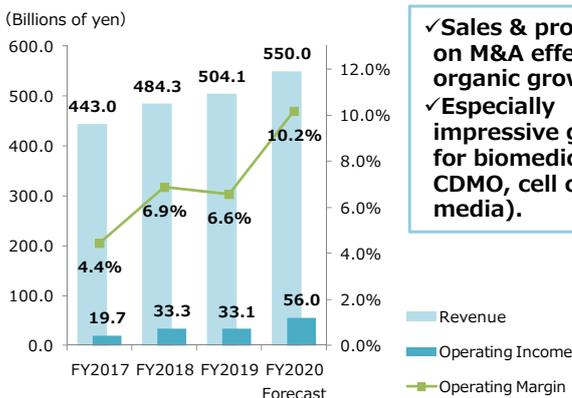
VISION 2019 Priority Issues



*1 Acquisition completed Mar.31, 2021

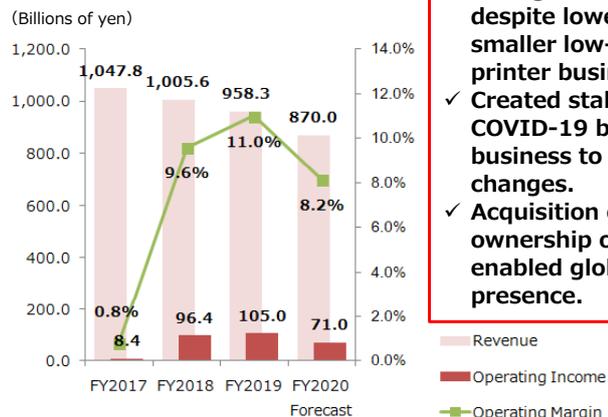
*2 When current agreement ends on Mar.31, 2021

Healthcare Performance



✓ Sales & profits up on M&A effect, organic growth.
 ✓ Especially impressive growth for biomedical (bio CDMO, cell culture media).

Document Performance



✓ Profits up sharply on stronger company structure despite lower sales from smaller low-profit, low-end printer business.
 ✓ Created stable profits despite COVID-19 by reforming business to anticipate market changes.
 ✓ Acquisition of 100% ownership of Fuji Xerox enabled global operational presence.

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(Billions of yen)

	FY2020 forecast	FY2021 VISION2023	FY2023 VISION2023	Change from FY2020
Revenue	2,180.0 100%	2,440.0 100%	2,700.0 100%	520.0 +23.9%
Operating Income before One-time Costs	185.0 8.5%	215.0 8.8%	270.0 10.0%	85.0 +45.9%
One-time Costs	25.0	35.0	10.0	(15.0)
Operating Income	160.0 7.3%	180.0 7.4%	Record High 260.0 9.6%	100.0 +62.5%
Income before Income Taxes	210.0 9.6%	185.0 7.6%	Record High 265.0 9.8%	55.0 +26.2%
Net Income Attributable to FUJIFILM Holdings	160.0 7.3%	130.0 5.3%	Record High 200.0 7.4%	40.0 +25.0%
Net Income Attributable to FUJIFILM Holdings per Share	¥400.22	¥325.18	¥500.27	¥100.05
ROE	7.8%	6.2%	8.4%	0.6%
ROIC	4.2%	4.6%	6.1%	1.9%
CCC	125days	124days	103days	(22)days

* Exchange rates US\$/¥:¥104, €/¥:¥124 Silver price (/Kg):¥84,000

* Exchange rate sensitivity for Operating Income US\$/¥:¥0.3 billion, €/¥:¥0.8 billion

Resolution of Social Issues through Business Activities

Priority Areas	Segments	SDGs Goals
<ul style="list-style-type: none"> •Countermeasures to climate change. •Promote recycling of resources. •Address energy issues. •Ensure product and chemical safety. 	Healthcare Materials Business Innovation Imaging	
<ul style="list-style-type: none"> •Create a healthy society through providing advanced products and services globally in all areas of prevention, diagnosis, and treatment to reduce health disparities. 	Healthcare	
<ul style="list-style-type: none"> •Contribute to creating a safe and secure society by developing and providing advanced functional materials in the era of promoting DX. •Contribute to enriching humanity and peaceful life by developing and providing high-quality and high-performance products and services in picture and imaging field. 	Materials Imaging	
<ul style="list-style-type: none"> •Contribute to a social change where people feel motivated to work through providing products and solution services worldwide that increase productivity and inspire creativity. 	Business Innovation	

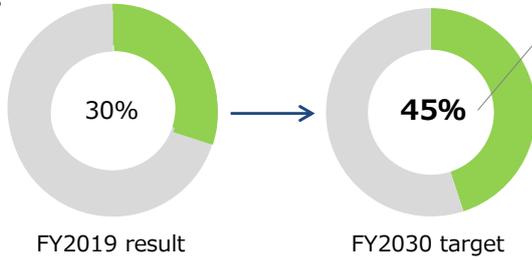
Environment

Countermeasures to climate change

Achieved original 30% reduction target by FY2019.
Revised target up to 45%.
Received SBT*³ well below 2°C*⁴ certification.

*³ Science Based Targets initiative *⁴ well-below2°C

▶ **Target 1: Reduce CO₂ emissions over product lifecycle*¹**



*¹ Reduction target for entire FF product lifecycle (v. FY2013 levels)

Environment-conscious investment

- Decarbonization perspective considered when making investment decision.
- > Aim to use renewable energy at a new factory of bio CDMO business.

Energy strategy

- Switch to efficient equipment groupwide.
- Environmental initiatives for social infrastructure development.

▶ **Target 2: Reduce CO₂ emissions through products and services*²**



*² Target to reduce CO₂ emissions in society by replacing conventional products and similarly functioning products with our products and services. Cumulative reduction since FY2017.

Revised up target from 50 to 90 million tons.

Devise and disseminate environment-conscious products

- Reduce general energy consumption by encouraging the use of large-capacity magnetic tapes instead of hard discs.
- Introduce processless plates to reduce electric power burden.
- Develop materials that promote energy storage.

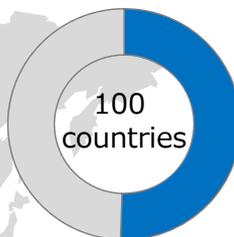
Setting new KPIs in the areas of "Health" and "Work Style".

Health

Improve medical accessibility by introducing our AI-driven medical products and services to all countries and regions by FY2030.



FY2019 result



FY2023 target



FY2030 target

Work Style

Offer 50 million people work styles that help workers improve productivity and demonstrate creativity by providing solution services that spur business innovation.



Accelerate Healthcare & Materials growth. Build more resilient business platform to facilitate sustainable growth.

- Secure growth investment capital.
- Concentrate management resources on new/future potential and growth driver businesses.
- Accelerate/strengthen cash generation and investment cycle.

Business portfolio management

- Appropriate strategies to suit business phase
- Optimum allocation of Group resources

Enter new markets with high growth potential

- Continue to invest in technology fields and markets that demonstrate FF strengths*1

Stronger cash flow management

- Capital efficiency-focused, thorough business operation
- Improve ROE/ROIC/CCC

Create stronger integrated business synergies through M&A

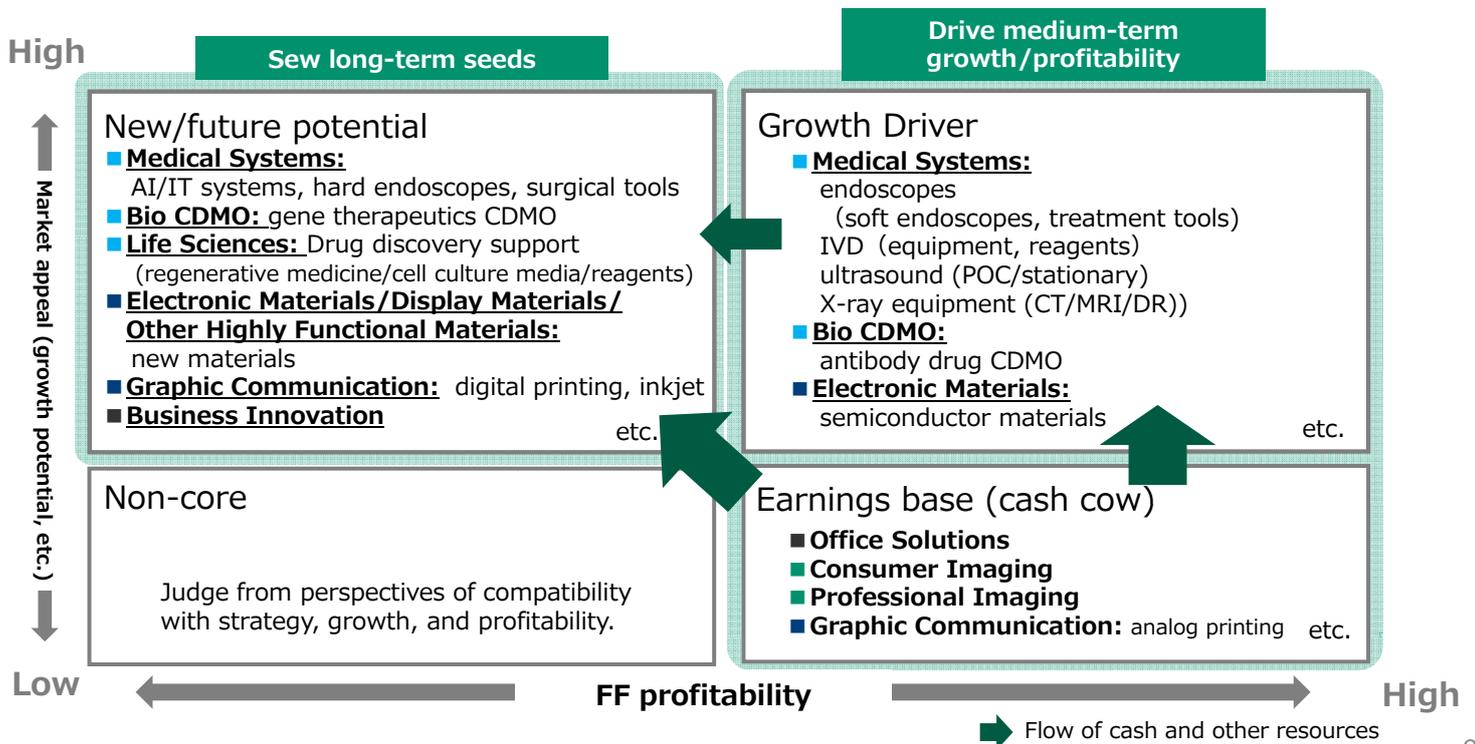
- FUJIFILM Healthcare*2
 - Create new value by combining AI technologies and broad product lineup.
- FUJIFILM Business Innovation
 - accelerate global operational presence strengthen solutions & services business

*1 AI/IT, biotechnology, photo regulation materials

*2 The company that inherited Hitachi's diagnostic imaging-related business acquired on March 31, 2021.

Inject ¥1.2 trillion growth investment* over 3 years, with ¥1.0 trillion channeled into new/future potential and growth driver areas.

*Total R&D investment and capex for FY2021-FY2023

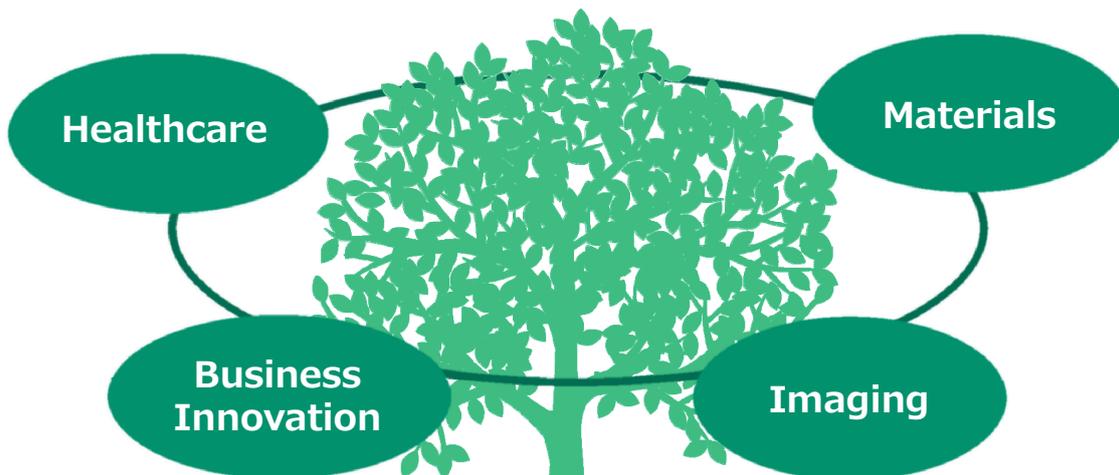


Reorganized into 4 business segments: Healthcare, Materials, Business Innovation, Imaging

Healthcare	<ul style="list-style-type: none"> ■ Medical Systems ■ Bio CDMO 	<ul style="list-style-type: none"> ■ Life Sciences <ul style="list-style-type: none"> • Life Sciences (drug discovery support : iPS cells, cell culture media, reagent) • Pharmaceutical • Consumer Healthcare (cosmetics, supplements)
Materials	<ul style="list-style-type: none"> ■ Electronic Materials ■ Display Materials <div style="border: 1px dashed #003366; padding: 5px; margin: 5px 0;"> <div style="background-color: #003366; color: white; text-align: center; padding: 2px;">Highly Functional Materials</div> </div>	<ul style="list-style-type: none"> ■ Other Highly Functional Materials <ul style="list-style-type: none"> • Industrial Products • Fine Chemical • Recording Media ■ Graphic Communication <ul style="list-style-type: none"> • Graphic Communication • Inkjet
Business Innovation	<ul style="list-style-type: none"> ■ Office Solutions ■ Business Solutions 	<p>Plan to disclose business results* from FY2021 under 4 segments (Healthcare, Materials, Business Innovation, Imaging) and 11 subsegments (■ ■ ■ ■)</p> <p>*4 segments: disclose sales and operating profit 11 subsegments: disclose sales</p>
Imaging	<ul style="list-style-type: none"> ■ Consumer Imaging ■ Professional Imaging 	

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Business Portfolio Linked with Unique Technologies



Unique technologies advanced while we diversified our operations based on the technologies cultivated in photographic business

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Cash Flow Management

- Sales/OP growth, plus strengthen total cash output to improve ROIC & CCC*
 ROIC FY2020(E) 4.2% → FY2023 target 6.1%
 CCC FY2020(E) 125 days → FY2023 target 103 days
*Cash conversion cycle = Inventory turnover days + Operating receivables turnover days - Operating payables turnover days
- Generate one trillion yen cash flow from operating activities in total for FY2021-FY2023.
- Channel cash primarily into capital investment, etc. for growth areas. (750 billion yen in the three years)
- Focus on both growth and financial discipline. Prioritize investment for growth while ensuring financial soundness.

Shareholder Returns

- Focus on steady and continuous dividends.
- Conduct timely share buybacks while looking at cash balance.

Launch new management structure upon approval by June General Shareholders' Meeting and Board of Directors.

	<u>New Position</u>	<u>Current Position</u>
Shigetaka Komori	Chief Advisor	Chairman and CEO, Representative Director
Kenji Sukeno	Chairman, Representative Director and Board Chairman	President and COO, Representative Director
Teiichi Goto	President and CEO, Representative Director	Director

- Incoming CEO Teiichi Goto replaces current CEO Shigetaka Komori in overseeing overall management and business execution. Incoming Chairman Kenji Sukeno supports the new CEO from a governance perspective as chairman of the Board of Directors.
- The new management structure clarifies the Board of Directors role in decision-making and supervision regarding business execution, and provides value to all stakeholders (shareholders, customers, employees, etc.) by appropriately balancing business execution and supervision.

Medium-Term Management Plan **VISION 2023**

Business Strategies

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Financial Targets by Segment

(Billions of yen)

Revenue ^{*1}	FY2020 forecast	FY2021 VISION2023	FY2023 VISION2023	Change from FY2020
Healthcare	550.0	750.0	860.0	310.0 (+56.4%)
Materials ^{*2}	570.0	600.0	720.0	150.0 (+26.3%)
Business Innovation ^{*2}	780.0	800.0	820.0	40.0 (+5.1%)
Imaging	280.0	290.0	300.0	20.0 (+7.1%)
Total	2,180.0	2,440.0	2,700.0	520.0 (+23.9%)

*1 After elimination of intersegment transactions

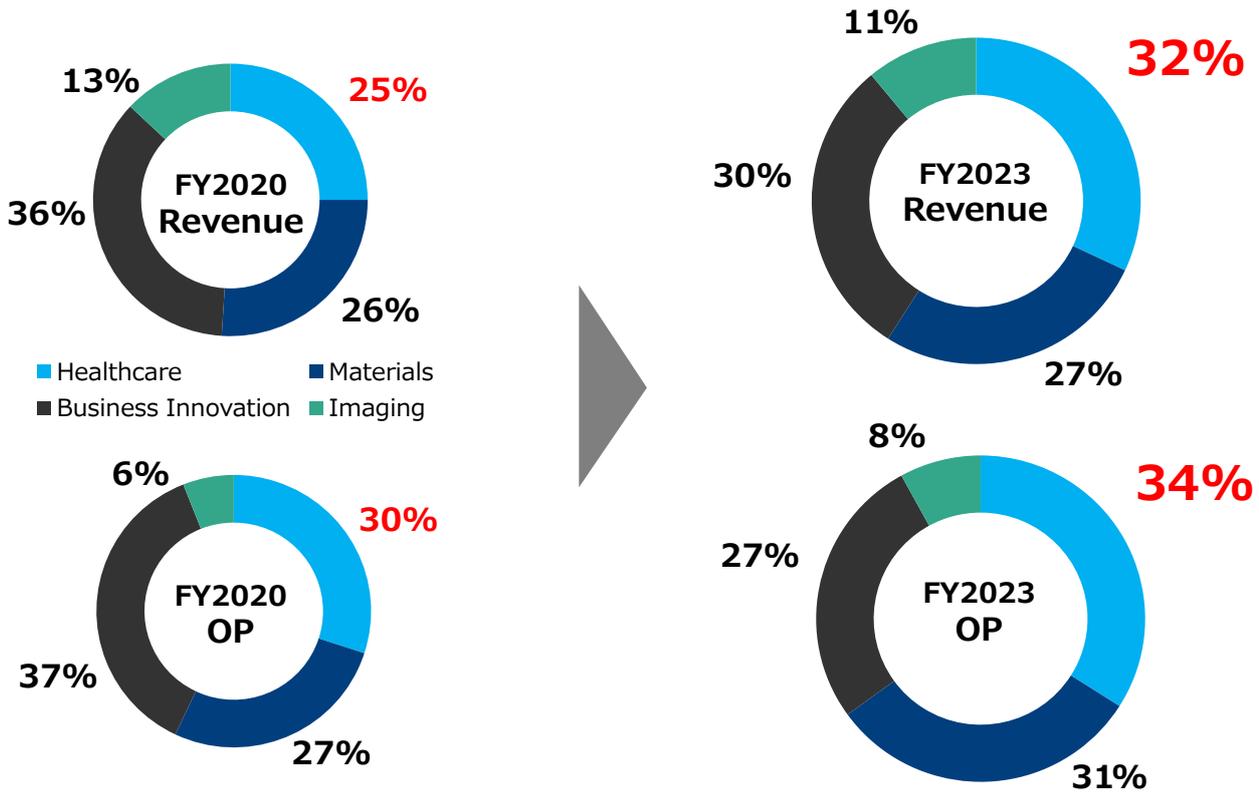
*2 FY2020 sales forecast reflects the production services sales estimate announced February 9 adjusted from Business Innovation (former Document) to Materials (reference value).

(Billions of yen)

Operating Income [Operating Margin]	FY2020 forecast	FY2021 VISION2023	FY2023 VISION2023	Change from FY2020
Healthcare	56.0 [10.2%]	70.0 [9.3%]	103.0 [12.0%]	47.0 (+83.9%)
Materials	52.0 [9.1%]	56.0 [9.3%]	95.0 [13.2%]	43.0 (+82.7%)
Business Innovation	71.0 [9.1%]	75.0 [9.4%]	82.0 [10.0%]	11.0 (+15.5%)
Imaging	11.0 [3.9%]	16.0 [5.5%]	25.0 [8.3%]	14.0 (+127.3%)
Corporate Expenses & Eliminations	(30.0)	(37.0)	(45.0)	(15.0)
Total	160.0 [7.3%]	180.0 [7.4%]	260.0 [9.6%]	100.0 (+62.5%)

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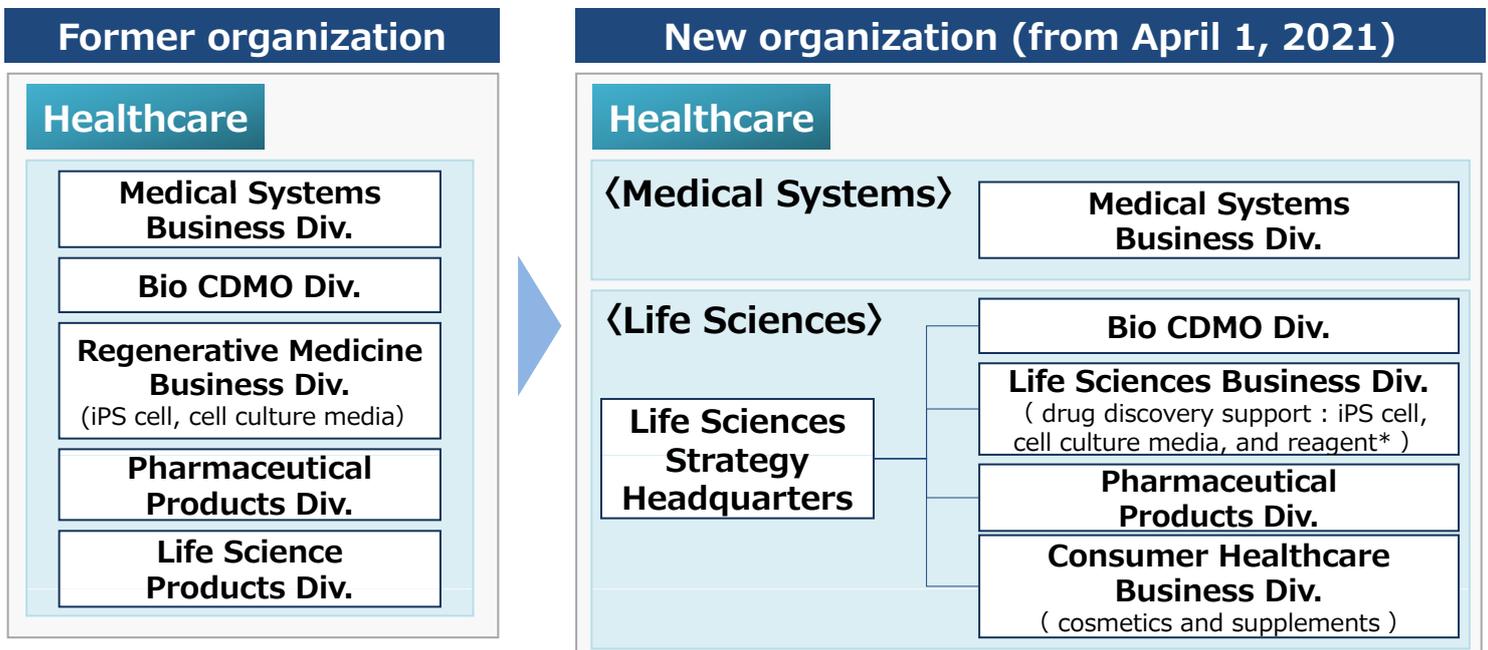
Healthcare to be the largest segment both in revenue and operating profit*



*OP excluding corporate expenses and eliminations

► Redefine priority areas, restructure an organization

- Categorize healthcare into medical systems and Life Sciences (covering Bio CDMO, drug discovery support and such), with Life Sciences Strategy Headquarters established to oversee life sciences field.
- In life sciences, make CDMO and drug discovery support priority areas.



* Integrating the life science reagents business within the fine chemical business

Health

Create a healthy society through providing advanced products and services globally in all areas of prevention, diagnosis, and treatment to reduce health disparities.

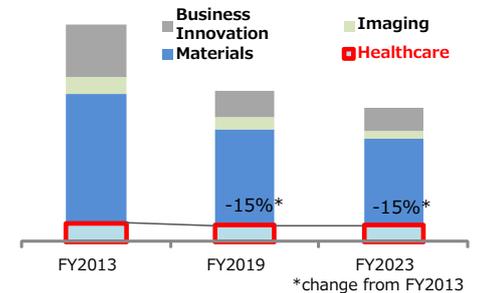
Medical Systems business

Create new value and help solve social issues by combining our enviable AI/IT technology with a wide product lineup.

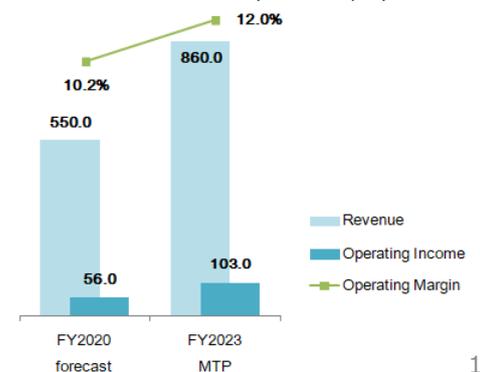
- Increase earnings with AI/IT solutions business accelerating development of various medical devices centered on our AI platform "REiLI".
- Create synergies for FUJIFILM Healthcare*.
- Strengthen IVD business overseas marketing, expand sales.
- Capture top endoscopy hospitals in North America and gain market share by expanding "operating room" business armed with surgical tools.
- Step up social contribution to prevent spread of COVID-19 (ultrasound, X-ray equipment for doctor's rounds, antigen test kits, Hydro AG+ alcohol spray, etc.).

*The company that inherited Hitachi's diagnostic imaging-related business acquired on March 31, 2021.

CO₂ Emissions by Segment



Healthcare Business Results (billions of yen)



Bio CDMO business

Help improve medical accessibility and fulfill unmet medical needs through stable supply of high-quality biopharmaceuticals and process development and contract manufacture of gene therapeutics, an advanced medical field.

- Respond to rapidly expanding biopharmaceutical demand with industry-leading production technology and large-scale capital investment primarily in animal cell culture.
- Strengthen production capacity of cutting-edge gene therapeutics and genetically modified cell therapeutics by establishing a new manufacturing base (near Boston, US).
- Promote contract development and manufacturing of COVID-19 vaccines and therapeutics.

Life Sciences business (Drug discovery support: regenerative medicine, cell culture media, reagents)

Help further develop the pharmaceutical industry and create a regenerative medicine industry by actively promoting business in the biomedical field.

- Focus on regenerative medicine, cell culture media, and reagents that make use of our strengths to develop a total solution business for drug discovery support.
- Promote the contract development and manufacture of regenerative medicine products such as cell therapeutics.
- Strengthen supply and customer support capabilities for cell culture media with three production sites: the US, Europe, and Japan.

Pharmaceutical business

Help further develop the pharmaceutical industry by utilizing our unique DDS* technology, manufacturing facilities, and infrastructure.

- Promote liposomal formulation development using our nano-dispersion, analysis, and process technologies.
- Use our lipid nanoparticulate manufacturing facilities and infrastructure to build a process development and contract manufacture business for next-generation nucleic acid drugs and mRNA vaccines.

*Drug Delivery System

Consumer Healthcare business (cosmetics, supplements)

Offer highly unique products that capture more needs and contribute to people's beauty and health by fully exploiting our long-cultivated core technologies.

- Cosmetics: Develop highly original products such as ASTALIFT White Jelly Aquarysta and develop ASTALIFT into a top-class brand.
- Supplements: Respond to growing needs to maintain and improve health, focusing on our MetabARRIER series.



Daily Life

Contribute to creating a safe and secure society by developing and providing advanced functional materials in the era of promoting DX.

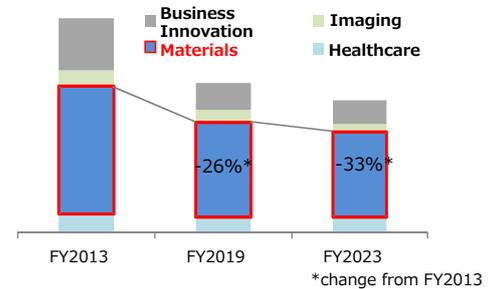
► Highly Functional Materials

Electronic Materials business

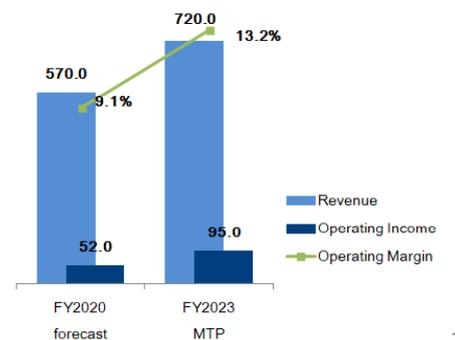
Accelerate market share expansion and strengthen profitability by offering a wide range of products that address miniaturization and high integration for cutting-edge semiconductors that are vital to 5G, AI, autonomous driving, etc.

- Expand sales of resist and other pre-process materials for the promising EUV market as well as post-process materials such as polyimide insulating film for 3D integration.
- Sensors: In addition to our image sensor materials that boast a high market share, we aim to develop new markets by supplying Wave Control Mosaic (WCM), electromagnetic wave control materials for ranging.

CO₂ Emissions by Segment



Materials Business Results (billions of yen)



Display Materials business

Create timely new products to suit changing market environments by utilizing our wide-ranging technical capabilities that can also be used for next-generation displays.

- Extend materials (anti-reflection film) for organic EL that have gained de facto standards for smartphone applications to TV applications as well.
- Develop new technologies focused on foldable smartphones and rollable TVs, which are expected to witness growing demand, by leveraging our advanced thin film formation technology.
- Introduce differentiated products in the in-vehicle market, a new target area.

Other Highly Functional Materials

Fine Chemical: Create new businesses (highly functional polymers, colorant dyes, battery materials, etc.).

Industrial Materials: Develop solutions business with existing products such as inspection materials (NDT, *Prescale*) and create new businesses (optical sensors and communication-related materials).

Recording Media: Expand sales of storage tapes to support data growth in the 5G/AI era and accelerate sales expansion in China.

► Redefine priority areas, restructure an organization

- Fujifilm's Graphic Systems Business Div. and FUJIFILM Business Innovation's Graphic Communication Service Business Group will be integrated into the **Graphic Communication Div.** as of July 1, 2021.
- Develop one-stop solutions from analog to digital and lead industry digitalization by combining the sales, technology and product prowess of the graphic systems business, which has a broad customer base centered on commercial printing and package printing, with that of the production business, which is renowned for its digital printing technology.

Graphic Communication business

- **Digital Printing**
Accelerate growth by establishing overseas businesses through integration synergies and expanding sales areas fully utilizing available Fujifilm channels.
- **Analog Printing**
Increase market share by focusing on the replacement of offset printing plates to environment-conscious processless plates.

Inkjet business

- Develop, introduce, and expand sales of high-precision, high-productivity inkjet printer heads, food-safe watercolor pigment inks, and custom system integrating head and ink according to customer needs for growing markets (commercial printing, and package printing).

Daily Life

Contribute to enriching humanity and peaceful life by developing and providing high-quality and high-performance products and services in picture and imaging field.

► Redefine priority areas, restructure an organization

- The Photo Imaging Products Div. and the Optical Device & Electronic Imaging Products Div. have been integrated into the **Imaging Solutions Div.** Use wide-ranging technical assets, from photographic devices to printing, as a base to accelerate new product and service creation.

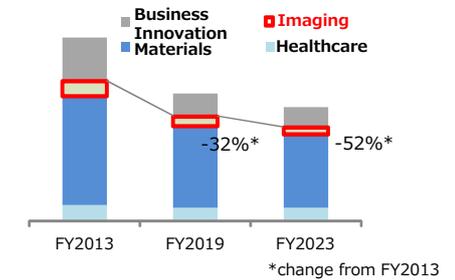
Consumer Imaging

- *Instax* instant photo systems: Introduce various new products and apps and promote cross-industry cooperation to propose different ways to enjoy *instax* and expand user base.
- Expand environment-conscious dry systems (inkjet, xerography, etc.) to meet strong smartphone printing demand.

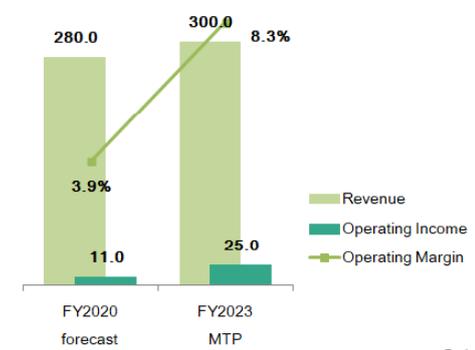
Professional Imaging

- Develop high-end mirrorless camera (GFX/X series) that achieves outstanding image quality with our unique color reproduction technology and is small and light.
- Monitoring, measurement, digital signage: Promote image recognition solutions business.

CO₂ Emissions by Segment



Imaging Business Results (billions of yen)



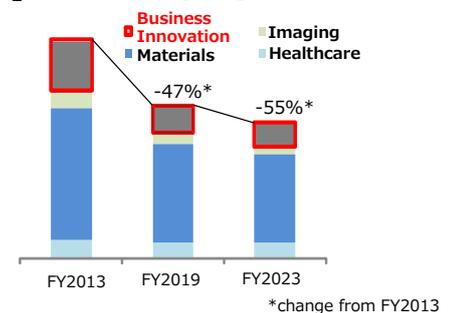
Work Style

Contribute to a social change where people feel motivated to work through providing products and solution services worldwide that increase productivity and inspire creativity.

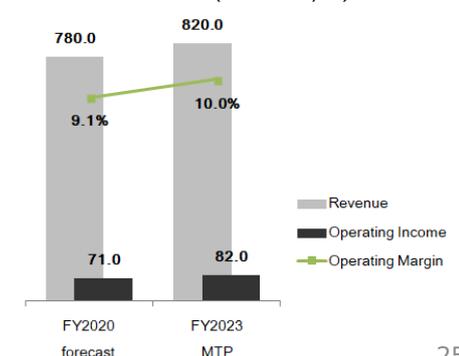
► Accelerate global development

- Invigorate market and expand share by introducing new products under the Fujifilm brand.
- Expand OEM supply.
- Build a distributor network in Europe and emerging countries to develop the Fujifilm brand.
- Exploit business foundations and technology assets shared with Fujifilm.
- Provide solution services globally that support innovation of work styles and DX.

CO₂ Emissions by Segment



Business Innovation Results (billions of yen)



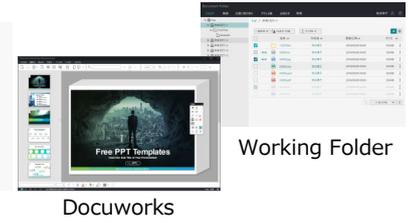
New Productions with FUJIFILM brand



▶ **Accelerate growth by further strengthening solution services**

1. Improve productivity derived from multifunction devices

Enhance document management and cloud collaboration using multifunction devices with strong security as gateways
(Docuworks/Working Folder/Inter-company cloud linking, etc.)



Docuworks

Working Folder

2. Expand IT services for SMB*1 customers

Provide total IT services to SMB*1 customers with IT issues due to the "one-person system,"*2 etc.
(IT Expert Service/IT Safety Premium/beat/Multi-Vendor Service, etc.)



IT Expert Service

beat

3. Solve management issues with work style reforms and DX

Accelerate support for customer work style innovation and DX based on the digitization of paper documents
(Ripcord/CocoDesk/Netprint Service, etc.)



Ripcord



CocoDesk

*1 Small and Medium Business

*2 Issues of operating IT properly with only one employee or no full-time employees in information systems



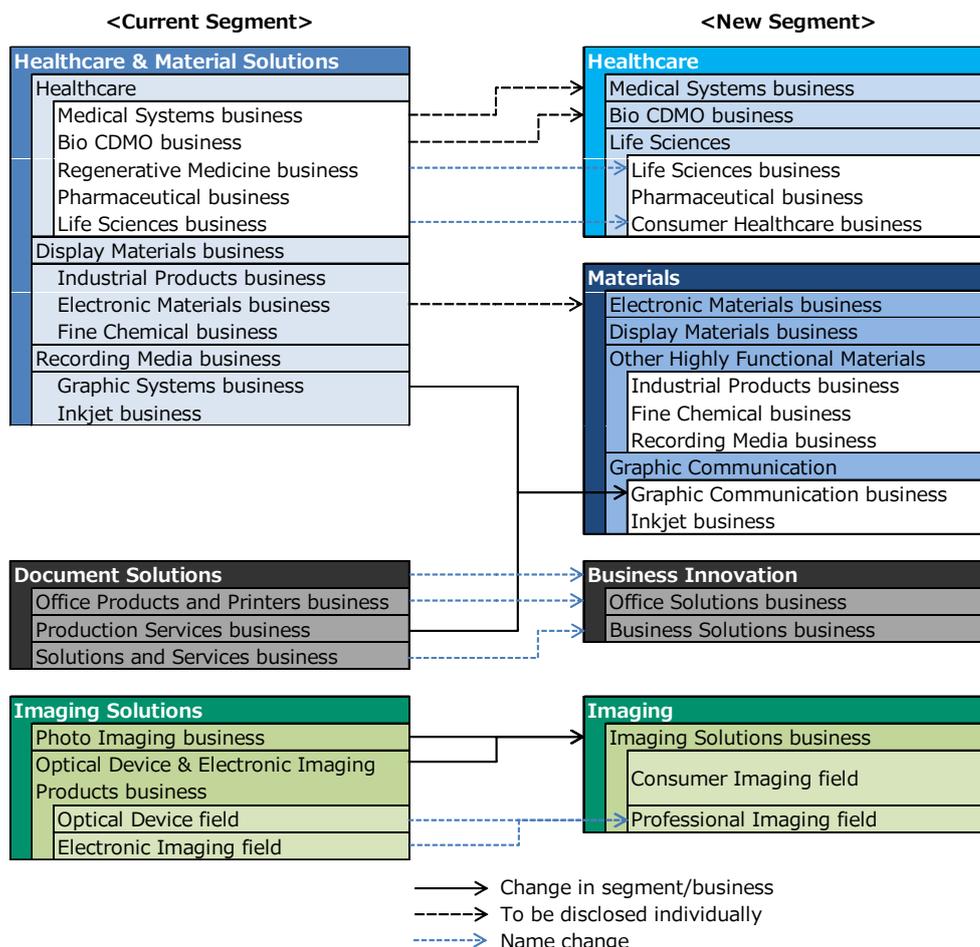
Medium-Term Management Plan **VISION 2023**

Appendices

Looking Back on VISION 2019

SVP 2030: Main Goals and Activity Results

Priority Areas	Priority Issues	FY2030 Targets	Activity Results
Environment	Countermeasures to climate change.	Reduce Fujifilm Group CO ₂ emission levels by 30% by FY2030 (compared to FY2013 level).	Achieved the 30% reduction target ahead of schedule. → Revised FY2030 target up to 45%.
		Help reduce accumulated CO ₂ emissions in society through products and services by 50 million tons by FY2030.	Heading steadily towards target. → Revised the target from 50 to 90 million tons.
Health	Fulfill unmet medical needs.	Develop and disseminate new treatments including regenerative medicine and cell therapy.	Supported drug discovery by providing bio CDMO services, iPS cells, and cell culture media.
	Improve accessibility to medical services.	Reduce burden on medical professionals by utilizing IT.	Developed and launched products and services in 57 countries to aid diagnosis with AI technology.
Daily Life	Contribute to creating a safe and secure society.	Develop and promote product and service technologies that help create an ICT society.	Developed and launched new products, incl. magnetic tape data storage media (30TB maximum recording capacity).
	Contribute to enriching spiritual wealth and human relationships.	Contribute to peaceful and enriched life with inspiring photographic and video records and photographic products that immortalize memories.	Held participatory photo exhibitions worldwide incl. "PHOTO IS" Connecting Ideas—The Photography of 50,000 People 2019.
Work Style	Create motivated working environments (offer solution services).	Help generate innovations for organizations and society by offering solution services that improve worker productivity and inspire worker creativity.	Provide solution services such as "Net Print® Service" to support COVID-induced teleworking.



ROIC*

	FY2020 forecast	FY2021 VISION2023	FY2023 VISION2023
Healthcare	3.5%	4.3%	5.3%
Materials	8.1%	8.2%	12.9%
Business Innovation	8.8%	9.1%	10.6%
Imaging	6.1%	7.0%	12.1%

*ROIC (by segment) = NOPAT / (working capital + fixed assets)

Consolidated total	4.2%	4.6%	6.1%
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*ROIC (cons. total) = NOPAT / (interest-bearing debt + shareholders' equity)

Depreciation & Amortization

(Billions of yen)

	FY2020 forecast	FY2021 VISION2023	FY2023 VISION2023
Healthcare	44.0	54.0	57.0
Materials	28.0	28.0	35.0
Business Innovation	40.0	39.0	38.0
Imaging	15.0	15.0	15.0
Corporate Expenses & Eliminations	3.0	4.0	5.0
Total	130.0	140.0	150.0

CAPEX & R&D Expenses

cumulative total (FY2021 - FY2023)

(Billions of yen)

	Capex	R&D Expenses	Total
Healthcare	450.0	144.0	594.0
Materials	110.0	125.0	235.0
Business Innovation	120.0	114.0	234.0
Imaging	40.0	27.0	67.0
Corporate Expenses & Eliminations	30.0	80.0	110.0
Total	750.0	490.0	1,240.0

■ **Fujifilm Group Corporate Philosophy**

We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.

■ **Fujifilm Group Vision**

Anchored by an open, fair and clear corporate culture and with leading-edge, proprietary technologies, Fujifilm is determined to remain a leading company by boldly taking up the challenge of developing new products and creating new value.

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 Div.

<https://holdings.fujifilm.com/en>

Fujifilm launches a Medium-Term Management Plan, VISION2023

- Investing 1.2 trillion yen over three years to accelerate growth mainly in the healthcare and highly-functional material businesses
- Expanding the healthcare business into the largest segment in terms of revenue and operating income

TOKYO, April 15, 2021 --- FUJIFILM Holdings Corporation (President: Kenji Sukeno) launched a new medium-term management plan, VISION2023, covering the period of three years from fiscal year ending March 2022 (FY2021) to FY2023. The VISION2023 foresees investments totaling 1.2 trillion yen over the three-year period to accelerate business growth with a focus on healthcare and highly-functional materials businesses. The healthcare business is to be expanded to the largest segment in terms of both revenue and operating income to build a robust business foundation that enables sustainable growth.

In FY2017, Fujifilm drew up the CSR plan, Sustainable Value Plan 2030 (SVP2030), setting out long-term goals to be achieved by the target year of FY2030. The SVP2030 sets out goals for four priority areas, namely “Environment,” “Health,” “Daily Life” and “Work Style,” as well as “Supply Chain” and “Governance,” which provides the base for business activities, from the perspective of “solving social issues through business activities” and “considering society and the environment in business processes” to contribute to establishing a sustainable society. The VISION2023 serves as a concrete action plan for realizing goals listed in the SVP2030.

The VISION2023 has the primary goals of accelerating business growth in healthcare and highly-functional materials and building more resilient business platform to facilitate sustainable growth. To this end, Fujifilm will promote four priority measures, (1) reinforcing business portfolio management, (2) strengthening cash flow management, (3) entering into new markets for further growth, (4) creating stronger integrated business synergies through M&A.

Under the VISION2023, each of the company’s business is positioned to the stages of “new / future potential”, “priority” and “earnings base”. Over the three-year period from FY2021 to FY2023, Fujifilm will make growth investments worth 1.2 trillion yen in total, including investments in R&D investments and capital expenditures in “new / future potential” and “priority” businesses in particular. An approach that emphasizes capital efficiency will be adopted to strengthen the ability to generate cash in order to create an operating cash flow of 1 trillion yen in cumulative total over three years. Fujifilm will continue to invest in categories where its technological strengths can be leveraged and create a synergistic effect through M&A.

These initiatives are to bring the revenue of 2.7 trillion yen in the plan’s final year of FY2023. The plan also foresees record profits, generating 260 billion yen in operating income and 200 billion yen in net income attributable to FUJIFILM Holdings, while developing healthcare into the company’s largest segment in terms of revenue and operating income during the VISION2023 period.

Ideal Vision

Using its leading-edge, proprietary technologies to provide top-quality products and services, Fujifilm will strive to resolve social issues through business activities and contribute to the realization of a sustainable society.

FY2030 targets set out in the SVP2030:

- Over 3.5 trillion yen in revenue
- 45% reduction in CO₂ emissions across the entire product lifecycle (compared to the FY2013 level)

Overview of the medium-term management plan, VISION2023

1. Financial targets

(Billions of yen)

	FY2020 forecast	FY2023 VISION2023	Change from FY2020
Revenue	2,180.0 100%	2,700.0 100%	520.0 +23.9%
Operating Income	160.0 7.3%	Record High 260.0 9.6%	100.0 +62.5%
Net Income Attributable to FUJIFILM Holdings	160.0 7.3%	Record High 200.0 7.4%	40.0 +25.0%
ROE	7.8%	8.4%	0.6%
ROIC	4.2%	6.1%	1.9%
CCC	125days	103days	(22)days

CCC (Cash Conversion Cycle) = inventory turnover days + operating receivables turnover days – operating payables turnover days, the target figure excludes the impact of M&A.

2. Outlines and priority measures in the plan

The plan calls for securing active growth investments, concentrating management resources to “new / future potential” and “priority” businesses and accelerating / strengthening cash generation and investment cycle in order to accelerate growth in healthcare and highly-functional materials and build more resilient business platform to facilitate sustainable growth. Four priority measures are promoted to this end.

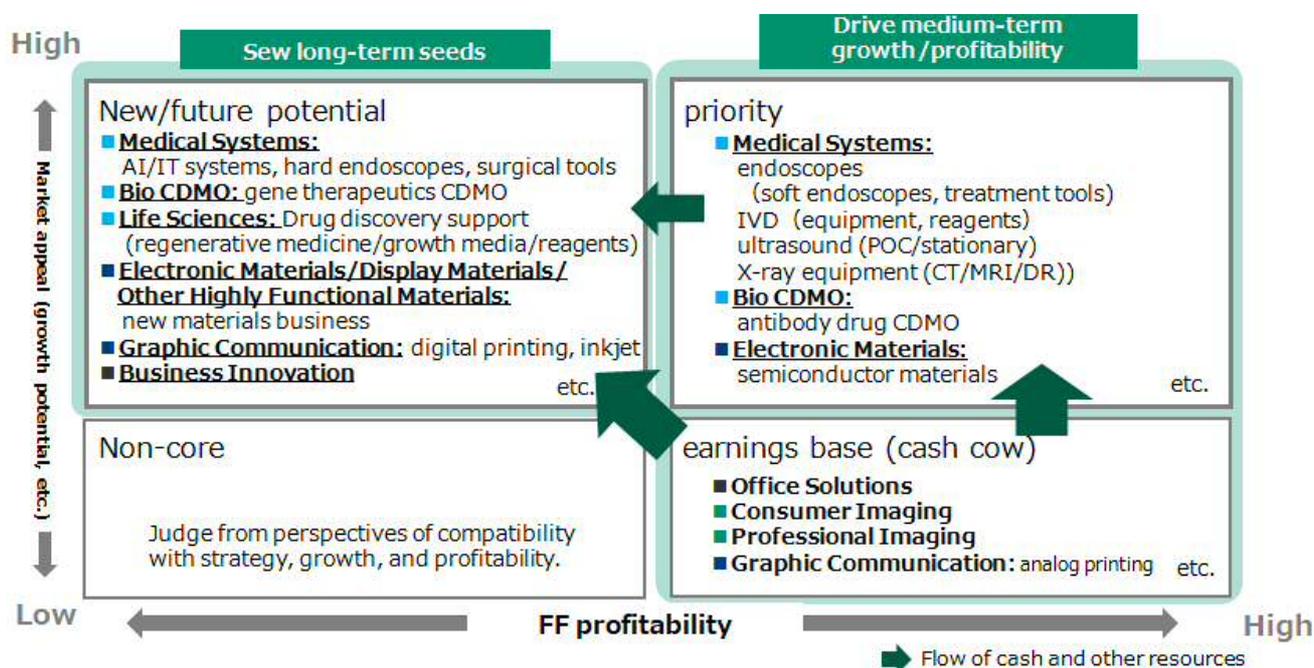
(1) Reinforcing business portfolio management

Reorganize business segments into Healthcare, Materials, Business Innovation and Imaging. Position each business in these segments to the stages of “new / potential”, “priority” and “earnings base”, and implement strategic measures in line with their respective business phases.

- New / potential business: Position them as next-generation growth fields and invest management resources to this business obtained from priority and earnings base businesses in these fields.
- Priority business: Invest management resources intensively to achieve sales growth and improve profitability further.
- Earnings base business: Emphasize their profitability and efficiency to maximize cash generation. Businesses that are positioned as “non-core” based on their strategy compatibility, growth potential and profitability will be either reinforced to be reclassified as earnings base or considered for sell-off or withdrawal.

Over the three-year period from FY2021 to FY2023, Fujifilm will make growth investments worth 1.2 trillion yen in total, including R&D investments and capital expenditures in “new / potential” and “priority” businesses in particular.

(See 3 below for main measures for each of the segments.)



(2) Strengthening cash flow management

- Strengthen Fujifilm’s total cash output with the aim of increasing revenue / operating income with ROIC / CCC as an index. In particular, from the perspective of effective utilization of invested capital, the Fujifilm places greater emphasis on ROIC, which indicates management efficiency, and set the FY2023 target of 6.1%.
- Manage business portfolio and make efficient use of management assets to generate cash flow of one trillion yen in cumulative total over the three-year period, and prioritize growth investments in distributing generated cash.

(3) Entering into new markets for further growth

Continue investing in fields where Fujifilm’s technological strengths can be leveraged, such as AI technology, biotechnology and photo regulation materials technology^{*1}, as the company attempts to enter into new markets.

^{*1} Technology that realizes various optical characteristics by controlling light. It is used in polarizing plate protective films (Display materials) that can expand the viewing angle, and color resists for image sensors (Electronic Materials) that achieve high resolution, low noise, and faithful color reproduction.

(4) Creating stronger integrated business synergies through M&A

Generate integration benefits, such as synergy with FUJIFILM Healthcare, which took over Hitachi’s diagnostic imaging-related business, and acceleration of global operational presence and reinforcement of solution & services business by FUJIFILM Business Innovation.

3. Main measures for each segments

(1) Healthcare

Business fields: Medical Systems, Bio CDMO, Life Sciences (including regenerative medicine and drug discovery support such as cell culture media and reagent), Pharmaceutical Products,

Consumer Healthcare (cosmetics and supplements)

FY2023 target: 860 billion yen in revenue, 103 billion yen in operating income and 12.0% in operating margin

- Medical Systems business: Offer an end-to-end solution for various needs at the medical frontline by taking advantage of the expanded product lineup, including CT and MRI. Combine these products with Fujifilm's technological strengths in image processing and AI to provide even greater value-added solutions centered around medical IT.
- Bio CDMO business: Cater to a strong demand for biopharmaceuticals by using the industry's top-level production technology and making large-scale capital investments in areas mainly for antibodies. Newly establish a base for process development and bulk drug substance manufacturing of gene therapeutics in Boston area in the United States, home to a number of pharmaceutical companies that carry out cutting-edge R&D. Provide Bio-CDMO services from early development stages to assist clients' efforts to develop new drugs.
- Life Sciences business: Focus on areas where Fujifilm's strengths can be leveraged, such as cells, culture media and reagents, to deploy a comprehensive solutions business in support of drug discovery. Promote contract development and manufacturing of regenerative medicine products, such as cell therapeutics. In the culture media business, which is performing well in sales for biopharmaceutical manufacturers, establish a tri-polar production structure of the United States, Europe and Japan to reinforce supply capacity and customer support capability.

(2) Materials

Business fields: Electronic Materials, Display Materials, Fine Chemical, Industrial Products, Recording Media, Graphic communication, Inkjet

FY2023 target: 720 billion yen in revenue, 95 billion yen in operating income and 13.2% in operating margin

- Electronic Materials business: Offer a wide range of products that can cater to finer and more integrated cutting-edge semiconductors essential for the development of 5G, AI and self-driving technology, in order to accelerate market share expansion and profitability reinforcement. In the sensor category, pioneer a new market with the electromagnetic wave controlling material called WCM (Wave Control Mosaic) for ranging, in addition to supplying materials for image sensors, for which the company already has a large market share.
- Display Materials business: Make use of far-reaching technological capability that can even cater to next-generation displays, to create new products that accommodate changes in market conditions. More specifically, apply organic EL materials, for which the company already has a strong market share in smartphone applications, to televisions, and introduce products for in-vehicle displays / VR / AR in order to venture into new categories.
- Graphic Communication business: On July 1 this year, Fujifilm's Graphic Systems business will integrate with FUJIFILM Business Innovation's Production Service business to establish the Graphic Communications Business Division. Combine the Graphic Systems business, which has a broad customer base mainly in the categories of commercial and package printing, with the sales capacity and technological / product strength of the Production Service business, whose strength lies in digital printing technology, to offer an end-to-end analogue and digital solutions to drive the industry's digitization trend.

(3) Business Innovation

Business fields: Office Solutions, Business Solutions

FY2023 target: 820 billion yen in revenue, 82 billion yen in operating income and 10% in operating margin

- Office Solutions business: Introduce Fujifilm-branded new products to activate the market and expand the company's market share. In global operational presence, pioneer agencies to expand into new markets in Europe or emerging countries. In addition to marketing Fujifilm-branded products, actively offer OEM supplies to expand global sales opportunities.
- Business Solutions business: Offer solutions services that cater to customers' challenges to accelerate business growth. More specifically, provide multifunction devices with advanced security features as a gateway to strengthen linkage with document management and cloud services. Also, expand the delivery of comprehensive IT services to SMB* customers who have IT resource issues. Furthermore, provide services such as high-speed and automated conversion of stored hardcopy documents in large quantities into image data and AI-based auto-sorting of documents to contribute to customers' work process reforms.

* Stands for Small and Medium Business.

(4) Imaging

Business fields: Imaging Solutions

FY2023 target: 300 billion yen in revenue, 25 billion yen in operating income and 8.3% in operating margin

- Tap into Fujifilm's wide-ranging technological assets that cover fields ranging from imaging devices to photo printing systems and services as the base for creating new products and services.
- For the instax series of instant cameras, introduce a diverse range of new products and apps or collaborate with different industry sectors to advocate fun usages, thereby expanding the user base. Expand environmentally-considerate dry printing systems, such as inkjet and xerography, to cater to active demand for smartphone printing.
- Use Fujifilm's proprietary color reproduction technology to promote the GFX and X series of high-end mirrorless digital cameras, which boast outstanding image quality and portability due to their compact and lightweight design. Also promote images / videos solution business in the categories of surveillance / measurement and digital signage.

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