

Fujifilm Launches New Medium-Term Management Plan "VISION2030"

- Fujifilm aims to "VISION2030" setting out the strengthening of Fujifilm Group's corporate value by prioritizing profitability and capital efficiency in its management approach.
- Plans for investment of 1.9 trillion-yen over the next 3 years, FY2024 – FY2026, focusing on bio-CDMO and semiconductor materials.
- Aims to increase revenue by 35% from FY2023 ended March 2024 (forecast), setting 4 trillion-yen revenue target and operating profit margin of approx. 15% or over by FY2030, year ending 31 March 2031.

TOKYO, April 17, 2024 — FUJIFILM Holdings Corporation has formulated its medium-term management plan, VISION2030, which ends in the fiscal year 2030 ending 31st March 2031 (FY2030) for further enhancing its corporate value by promoting management that emphasizes profitability and capital efficiency, and to evolve into a company that creates value (more smiles) for various stakeholders as a collection of global top-tier businesses.

"The new Medium-term management plan sets out a crucial strategy for increasing profits, outperforming the competition, and further enhancing Fujifilm's global standing as a collection of global top-tier businesses" says Teiichi Goto, president and chief executive officer, representative director, FUJIFILM Holdings Corporation. "With a commitment to further invest in growing our already strong business portfolio, we will focus on increasing our earnings and ensuring that the new value we create benefits society as a whole. Ultimately, our goal is to be a company that brings smiles to the faces of our various stakeholders, as expressed in our Group Purpose 'Giving our world more smiles'."

In VISION 2030, Fujifilm sets the ideal state of the Fujifilm Group in FY2030 as "a collection of global top-tier businesses that further enhances the corporate value of the Fujifilm Group by promoting management that emphasizes profitability and capital efficiency, and it change the world step-by-step and create value (more smiles) for various stakeholders." To achieve this goal, Fujifilm has prioritized (1) focusing on growth investment and profitability, (2) improving capital efficiency, (3) strengthening R&D management, and (4) ensuring return on investment, and has formulated appropriate strategies for each segment while strengthening its business portfolio management.

In business portfolio management, each business is classified into "earnings base," "growth driver," "new/future potential," and "value reconstruction" based on two axes: market attractiveness and the company's profitability. For businesses positioned as "value reconstruction," new strategies will be formulated and implemented to shift them to "earnings base." In addition, Fujifilm will invest 1.9 trillion yen more than the previous medium-term management plan "VISION2023" for growth investment,^{※1} mainly in "new/future potential" and "growth drivers" such as bio-CDMO and semiconductor materials.

Through these efforts, it targets revenue of 3,450 billion yen, operating income of 360 billion yen, and net income attributable to Fujifilm shareholders of 270 billion yen in FY2026. In FY2030, the final year of "VISION2030," it aims to achieve revenue of 4 trillion yen and an operating profit margin of approximately 15%, and in FY2027 and beyond, by shifting from the active investment phase to the profit-making phase in bio-CDMO, it strives to achieve ROE of 10% or higher and ROIC of 9% or higher.

Fujifilm's CSR plan "Sustainable Value Plan 2030" (SVP2030), established in 2017 and targeting the fiscal year 2030, sets targets in four priority areas, both in terms of "solving social issues through business" and "considering the environment and society in the business processes". The company aims to contribute to the realization of a sustainable society by setting targets in the four key areas of "Environment," "Health," "Lifestyle," and "Work style," as well as in "Supply Chain" and "Governance," which form the foundation of our business activities. VISION2030 is a concrete action plan to realize the goals of SVP2030.

Fujifilm celebrated its 90th anniversary by establishing the Group Purpose, "Giving our world more smiles." It will continue to provide innovative value to society by executing "VISION2030" with aspiration of employees to realize the Purpose.

1 Total R&D and capital expenditures for FY2024-FY2026.

Outline of the Medium-Term Management Plan "VISION2030"

1. financial targets

	Forecast for FY2023	FY2024	FY 2026	FY2030
Revenue	2,960 billion yen	3,100 billion yen	3,450 billion yen	4 trillion yen
Operating income	277 billion yen	300 billion yen	360 billion yen	OPM 15% or more
Net income attributable to FUJIFILM Holdings	240 billion yen	240 billion yen	270 billion yen	-
ROE	8.2%	7.8%	8.1%	10% or more
ROIC	5.6%	5.4%	5.8%	9% or more
CCC	122 days	119 days	112 days	-

2. Fujifilm's vision and priorities for 2030

Fujifilm is committed to enhancing its corporate value by focusing on profitability and capital efficiency in its management approach. Fujifilm will focus its efforts on four priority areas in VISION2030.

(1) Focus on growth investment and profitability

Fujifilm will actively invest in bio-CDMO and semiconductor materials, which are expected to expand in the market and are growth areas and will achieve an operating margin of 10% or more in all businesses through profit-margin-oriented business operations.

(2) Improvement of capital efficiency

It will focus on ROIC as a KPI to increase the efficiency of capital invested and combine it with our

capital policy to improve ROE.

(3) R&D Management

It will increase resources to promote the commercialization of research themes in areas close to its businesses, and in basic research, it will improve the accuracy and speed of commercialization by more carefully selecting themes that will lead to the creation of new businesses.

(4) Investment returns

It will improve the profitability of the medical diagnostic imaging business acquired from Hitachi, Ltd. in 2021. Synergies will also be realized from the semiconductor process chemicals business acquired from Entegris in 2023. It will also ensure profit generation through active capital investment in bio-CDMO and semiconductor materials.

3. Goals and strategies for each segment

Financial targets and basic strategies have been established for each segment, with FY2026 as the milestone.

(1) Healthcare

Targets for FY2026: Revenue of 1,200 billion yen, operating income of 140 billion yen, and operating margin of 11.7%.

- **Medical Systems:** By integrating its wide range of medical equipment with AI/IT technology, it will strengthen its presence and expand its recurring business with AI/IT. By 2030, the company is committed to providing products and services with AI technology to all 196 countries in the world against the backdrop of a shortage of doctors. In addition, it will accelerate its health checkup business centered on the NURA health checkup center.
- **Bio-CDMO:** From FY2024 to FY2026, it will smoothly launch new large-scale facilities while building a flexible production system for small and medium-sized facilities to meet demand. By increasing the proportion of sales from large-scale facilities, it will achieve stable and high profitability, generating positive free cash flow on a non-consolidated basis in FY2027, growing to 700 billion yen in sales by FY2030.
- **LS Solutions:** In the field of iPS cell, the company will obtain milestone revenues in line with the progress of cell therapy drug development by providing and licensing cell lines, while building a track record in contract service of process development and establishing a CDMO business using iPS cells. In the culture media business, it will strive to achieve business growth and improve profitability through capital investment in line with market demand, mainly for antibody drug production, while stabilizing product supply by expanding its global production bases and strengthening the supply chain. It will also strengthen product development and customer service for next-generation cell and gene therapies.

(2) Electronics^{※2}

Targets for FY2026: Revenue 470 billion yen, operating income 70 billion yen, operating margin 14.9%.

- **Semiconductor Materials:** The company will invest actively in response to the expansion of major semiconductor manufacturers in the U.S., Europe, and Asia, for winning business in cutting-edge nodes based on product lines that have high market share and are Fujifilm's strength. In addition, it will prioritize economic security by building a supply chain network that considers geopolitical risks and strives for early entry into emerging markets. Leveraging its extensive portfolio and technologies,

it intends to develop high value-added products. It will also accelerate the integration of the semiconductor process chemicals business acquired in 2023 to create synergies. The target is to achieve sales of 500 billion yen in FY2030.

- Display Materials and others: It will promote business growth in emerging markets, such as anti-reflective materials for OLEDs, touch sensor materials, and light-emitting layer materials. It aims to offer a range of new materials to micro-OLED manufacturers, AR/VR manufacturers, and mobility manufacturers, enabling them to overcome challenges and securing its position as a leader in each industry. In addition, it will propose and implement new materials that meet customer needs in the telecommunications and energy markets by leveraging our core technologies and knowledge.

※2 The graphic communications business was reclassified from "Materials" to "Business Innovation" and the segment name was changed from "Materials" to "Electronics."

(3) Business Innovation

Targets for FY2026: Revenue of 1,275 billion yen, operating income of 90 billion yen, and operating margin of 7.1%.

- Business Solutions: The growth strategy will focus on "IT/Operational Solutions," specifically developed for small and medium-sized enterprises (SMEs), while expanding a revenue by offering "ERP Solutions." In addition, it will strive to create new value by facilitating business optimization based on the data accumulated in each solution.
- Office Solutions: It will maintain and improve profitability by focusing on the A3 color area, where it has a leading market share, while further improving sales efficiency as well as strengthening the environmental responsiveness and the production base. In addition, Fujifilm's MFPs (Multifunction printers) will be newly handled by leading distributors in European countries.
- Graphic Communications: To improve profitability in analog printing, it will focus on expanding sales of high-value-added, non-processing plates. In digital printing, it will invest in digital transformation (DX) of commercial printing, a growth market, and allocate resources to develop devices and DX solutions that meet customers' digital transformation needs.

(4) Imaging

Targets for FY2026: Revenue 505 billion yen, operating income 105 billion yen, operating margin 20.8%.

- INSTAX will continue to introduce attractive new products that combine unparalleled analog value with the latest digital technology to expand its user base and drive the capture of events and business demand.
- In the field of digital cameras, the company will strengthen its presence in the market by further reinforcing its two-line strategy, namely the "X Series" and "GFX Series." This will include expanding the range of shooting and image expression options.
- It will promote the creation of new businesses that address social challenges by integrating its distinctive technological resources and expertise in imaging. In particular, it will focus on expanding its presence in the BtoB sector by offering DX solutions based on image processing technology.

For inquiries on information in this news release, please contact:
Media contact:
FUJIFILM Holdings Corporation
PR Group, Corporate Communications Division, Tel: +81 3-6271-2000