



# FUJIFILM

## [Updated] Financial Results (Consolidated) for the Six months ended September 30, 2016 FUJIFILM Holdings Corporation

October 27, 2016

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President and Chief Operating Officer

Projected date of Quarterly report: November 11, 2016 Projected date of the beginning of cash dividends: December 2, 2016

Reference materials regarding operating results of the current quarter to be prepared: Yes

Meeting to explain operating results of the current quarter to be held: Yes

(Consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.)

### 1. Results of Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)

#### (1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified / Figures are rounded off to the nearest million yen  
%: Changes from the corresponding period of the previous fiscal year

	Revenue		Operating income		Income before income taxes		Net income attributable to FUJIFILM Holdings	
		%		%		%		%
Six months ended Sept. 30, 2016	1,113,617	(8.4)	67,354	(13.3)	64,353	(21.1)	34,384	(22.8)
Six months ended Sept. 30, 2015	1,215,606	3.8	77,715	10.9	81,579	9.9	44,530	15.8

Note: Comprehensive income

Six months ended Sept. 30, 2016 ¥ (76,818) million(-%) Six months ended Sept. 30, 2015 ¥ 25,268 million(73.7)%

	Net income attributable to FUJIFILM Holdings per share	Net income attributable to FUJIFILM Holdings per share (Assuming full dilution)
	Yen	Yen
Six months ended Sept. 30, 2016	76.54	76.28
Six months ended Sept. 30, 2015	93.75	93.45

#### (2) FINANCIAL POSITION

	Total assets	Total equity (Net asset)	FUJIFILM Holdings shareholders' equity	FUJIFILM Holdings shareholders' equity ratio to total assets
				%
As of Sept. 30, 2016	3,129,998	2,109,457	1,899,335	60.7
As of March 31, 2016	3,311,970	2,231,997	2,014,826	60.8

### 2. Cash Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Year Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	-	32.50	-	32.50	65.00
Year ending March 31, 2017	-	35.00	-	-	-
Year ending March 31, 2017 (Forecast)	-	-	-	35.00	70.00

Note: Changes in dividends forecast during the quarter under review: No

### 3. Forecast for the Fiscal Year ending March 31, 2017 (From April 1, 2016 to March 31, 2017)

Amount Unit: Millions of yen unless otherwise specified / Figures are rounded off to the nearest million yen  
 %: Changes from the corresponding period of the previous fiscal year

	Revenue		Operating income		Income before income taxes		Net income attributable to FUJIFILM Holdings		Net income attributable to FUJIFILM Holdings per share
		%		%		%		%	Yen
For the Year ending March 31, 2017	2,400,000	(2.5)	192,000	6.3	192,000	5.4	112,000	(3.8)	252.51

Note : Changes in forecast which was recently announced: Yes

Note: Net income attributable to FUJIFILM Holdings per share is calculated using the number of shares issued as of March 31, 2016 excluding treasury shares for the average number of shares for the relevant period.

#### Notes

(1) Changes in status of material subsidiaries during this quarter

(Company newly consolidated or removed from consolidation): None

(2) Adoption of simplified method of accounting or specific accounting treatments: None

(3) Changes in accounting principles

1. Changes in accounting policies accompanied by revisions of accounting standards: None

2. Changes in accounting policies other than 1. above: None

(4) Number of shares outstanding

1. Issued (including treasury stock):

2. Treasury stock, at cost:

3. Average number of shares:

As of Sept. 30, 2016	514,625,728	As of March 31, 2016	514,625,728
As of Sept. 30, 2016	71,076,524	As of March 31, 2016	64,128,303
Six months ended Sept. 30, 2016	449,232,781	Six months ended Sept. 30, 2015	474,975,071

#### Disclosure Regarding the Status of the Quarterly Audit Process

This press release is out of scope of the quarterly review process based on the Financial Instruments and Exchange Law. As of the press release date, the quarterly review process is ongoing.

#### Explanation of Appropriate Use of Forecast and Other Special Items

Statements regarding future events including forecasts of operating results are based on limited available information and reasonable assumptions as of today. The Company does not have an intention of guaranteeing the realization of the forecasts. Actual operating results are always subject to change significantly due to various matters. Assumptions for the forecasts and warnings for users of the forecasts are mentioned in the page 6, (3) Explanation on Projected Information on Forecasts of the Consolidated Operating Results in 1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER.

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# 1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER

## (1) Explanation on Consolidated Operating Results

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2016 From April 1, 2016 To September 30, 2016		Second Quarter ended September 30, 2015 From April 1, 2015 To September 30, 2015		Change	
					Amount	%
Domestic revenue	41.4%	460.6	38.7%	470.4	(9.8)	(2.1)
Overseas revenue	58.6%	653.0	61.3%	745.2	(92.2)	(12.4)
Revenue	100.0%	1,113.6	100.0%	1,215.6	(102.0)	(8.4)
Operating income	6.0%	67.4	6.4%	77.7	(10.3)	(13.3)
Income before income taxes	5.8%	64.4	6.7%	81.6	(17.2)	(21.1)
Net income attributable to FUJIFILM Holdings	3.1%	34.4	3.7%	44.5	(10.1)	(22.8)
Exchange rates (Yen / US\$)		¥105		¥122		¥(17)
Exchange rates (Yen / Euro)		¥118		¥135		¥(17)

Overviewing the global economy during the second quarter year to date of the fiscal year ending March 31, 2017 (April 1, 2016 through September 30, 2016), the general trend of gradual economic recovery persisted while there were signs of weak economic conditions in emerging countries in Asia and resource-rich countries. In the United States, centering on the personal consumption, the trend of moderate economic recovery persisted. In Europe, the trend of gradual economic recovery persisted coupled with a continuation of economic recovery in the United Kingdom. A moderate economic slowdown in China was seen and Asian countries as a whole showed weak economic conditions. In Japan, the trend of gradual economic recovery persisted with the improvement in the employment and income environment.

Based on the medium-term management plan -VISION 2016 (April 1, 2014 through March 31, 2017)-, formulated in November 2014, the Fujifilm Group has been further expanding sales, market share, and operating income using the growth drivers of healthcare, highly functional materials, and document, with sales promotion and new product launches. The Fujifilm Group is also working together to accelerate the improvement of the profitability by improving productivity and efficiency in every corporate activity, and maintaining business scales and advantages in the market.

During the second quarter year to date of the fiscal year ending March 31, 2017, the Fujifilm Group recorded ¥1,113.6 billion in consolidated revenue (down 8.4% from the same period of the previous fiscal year), reflecting such factors as the negative impact of yen appreciation, while the sales of such businesses as flat panel display (FPD) materials and electronic materials increased.

Operating income totaled ¥67.4 billion (down 13.3% from the same period of the previous fiscal year), reflecting such factors as the negative impact of yen appreciation, while the improvement of profitability in each business continued. In addition, consolidated income before income taxes amounted to ¥64.4 billion (down 21.1% from the same period of the previous fiscal year), and consolidated net income attributable to FUJIFILM Holdings totaled ¥34.4 billion (down 22.8% from the same period of the previous fiscal year). These declines were mainly due to the negative impact of foreign exchange losses, despite gains on sales of investment securities (¥4.0 billion) recorded as other income.

The effective currency exchange rates for the U.S. dollar and the euro against the yen during the second quarter of this fiscal year were ¥105 and ¥118, respectively.

## Revenue by Operating Segment

Amount Unit: Billions of yen

Segment	Second Quarter ended September 30, 2016 From April 1, 2016 To September 30, 2016	Second Quarter ended September 30, 2015 From April 1, 2015 To September 30, 2015	Change	
			Amount	%
Imaging Solutions	154.3	173.8	(19.5)	(11.2)
Information Solutions	422.0	452.8	(30.8)	(6.8)
Document Solutions	537.3	589.0	(51.7)	(8.8)
Consolidated Total	1,113.6	1,215.6	(102.0)	(8.4)

## Operating Income (Loss) by Operating Segment

Amount Unit: Billions of yen

Segment	Second Quarter ended September 30, 2016 From April 1, 2016 To September 30, 2016	Second Quarter ended September 30, 2015 From April 1, 2015 To September 30, 2015	Change	
			Amount	%
Imaging Solutions	9.2	13.3	(4.1)	(30.8)
Information Solutions	32.7	32.6	0.1	0.3
Document Solutions	40.5	46.7	(6.2)	(13.3)
Corporate Expenses and Eliminations	(15.0)	(14.9)	(0.1)	-
Consolidated Total	67.4	77.7	(10.3)	(13.3)

### Imaging Solutions

In the Imaging Solutions segment, consolidated revenue amounted to ¥154.3 billion (down 11.2% from the same period of the previous fiscal year), due to the negative impact of yen appreciation and other factors.

Consolidated operating income amounted to ¥9.2 billion (down 30.8% from the same period of the previous fiscal year), reflecting such factors as the sales decline impacted by yen appreciation.

In the photo imaging business, sales of instant photo systems which enable users to enjoy on-the-spot printing of photos, such as the *instax* series and *instax* films, remained strong especially in the United States and Europe. In July 2016, *instax SHARE Smartphone Printer SP-2*, which can print high-quality credit-card sized instant photos from smartphones was released. Fujifilm tries to meet the rising demand for printing photos of smartphones users. Overall sales decreased due to the negative impact of yen appreciation and other factors, while the high-value-added printing businesses such as the *photobook* services expanded.

In the electronic imaging field of the optical device and electronic imaging business, sales of digital cameras decreased due to the negative impact of yen appreciation, while the sales of the flagship models of the mirrorless digital camera such as *FUJIFILM X-Pro2*, which realized the best image quality and comfortable operability among *X Series*, and *FUJIFILM X-T2*, which has high-speed response and the high-precision autofocus function released in September 2016, and interchangeable lenses increased steadily. In the optical device field, sales decreased due to the sales decrease of camera modules for use in smartphones. Fujifilm tries to expand global market share in broadcast zoom lens with such products as those for use with 4K cameras, which were launched ahead of its competitor and highly appreciated in the aspects of imaging quality in the market.

## Information Solutions

In the Information Solutions segment, consolidated revenue amounted to ¥422.0 billion (down 6.8% from the same period of the previous fiscal year) due to the negative impact of yen appreciation and other factors, while sales increased in the FPD materials business, electronic materials business and others.

Operating income amounted to ¥32.7 billion (up 0.3% from the same period of the previous fiscal year), due to the recovery of profitability in each business, though the sales decline impacted by yen appreciation.

In the medical systems business, the overall sales decreased due to the negative impact of yen appreciation and other factors, while steady sales persisted in the growth fields such as medical IT. In the X-ray imaging diagnostic field, Fujifilm recorded strong sales of *CALNEO* (overseas name: *D-EVO*) series, DR cassette in the digital X-ray imaging diagnostic system and others. In the medical IT field, integration archive system *SYNAPSE VNA* was launched in April 2016 in Japan, which can manage and keep centrally various medical care information such as diagnostic pictures and movies saved in its stand-alone system by department in a hospital as well as in picture archiving communication systems (PACS) of different companies. In May 2016, *SYNAPSE 5* was launched, which helps doctors diagnose more efficiently enabling to process and show images twice faster than before. Fujifilm is strengthening more effective solutions to contribute to the diagnosis. In the endoscope field, the sales of the endoscope systems using laser light, under the brand name of *LASEREO*, equipped with high-quality image CMOS sensor and new endoscopic ultrasonography systems proceeded smoothly. In the ultrasound diagnostic field, Fujifilm strengthened its product lineups, releasing *SonoSite iViz*, small and light weight tablet typed product in May 2016 in Japan. In the field of In-vitro Diagnostics fields (IVD), Fujifilm has acquired Monolith Co., Ltd., and has entered into contracted veterinary diagnostic testing services.

In the pharmaceutical business, revenue decreased mainly due to the influence of generic drugs in the small-molecular drugs, though the sales in Contract Manufacturing Organization (CMO) of biopharmaceuticals business proceeded smoothly. In the field of research and development, Fujifilm is promoting the development of pipeline such as anti-cancer agents and Alzheimer's Disease drug steadily.

In the regenerative medicine business, Cellular Dynamics International, Inc. (CDI) in the United States established a Cooperative Research and Development Agreement, related to the treatment of retinal degenerative disease with the National Eye Institute in the United States. Moreover, CDI established a new company in the United States in order to develop cell therapy for treatment of retinal diseases utilizing iPS cells in cooperation with Dr. David Gamm, a world authority on treatment of retinal diseases. Going forward, Fujifilm aims to expand its business, conducting research and development in cooperation with academia and research institutes.

In the life sciences business, overall sales increased, reflecting strong sales of multifunction UV clear lotion *ASTALIFT WHITE Perfect UV Clear Solution*, skin-whitening serum *ASTALIFT WHITE ESSENCE INFILT*, and high-function skin lotion of *ASTALIFT MOIST LOTION* which was renewed in September 2016.

Regarding the FPD materials business, revenue increased due to the favorable sales of *WV film*, *VA film* and film for IPS mode. Fujifilm is working to maintain sales of products for LCD TV, and to expand sales of high-end products for use in small and medium-sized displays. Moreover, Fujifilm is promoting the expansion of new business fields related to touch-panels and backlight units.

In the industrial products business, overall sales decreased mainly due to the sales decrease in the existing businesses such as industrial-use X-ray films as well as the negative impact of yen appreciation, while the sales of new business of touch-panel sensor films *EXCLEAR* were strong.

Revenue in the electronic materials business increased, reflecting favorable sales of such advanced products as peripheral materials related to photolithography including developers and treatment agent, and CMP slurries.

Fujifilm aims to expand the electronic materials business, utilizing broad product lineups, production facilities, and its strong customer bases of Ultra Pure Solutions, Inc., a U.S. manufacturer of high-purity solvents, which became a consolidated subsidiary of Fujifilm last year.

The whole revenue in the recording media business remained almost unchanged mainly due to the influence of yen appreciation and other factors, while sales of computer tape, which has unique technologies such as barium ferrite (BaFe) particles, proceeded smoothly. As a rapid increase in the data volume generated around the world is expected, Fujifilm is expanding the sales of products and services, using BaFe particles and also encouraging the spread of its data archive service *d:ternity* to meet the long-term storage needs.

In the graphic systems business, overall sales decreased due to the negative impact of yen appreciation, while favorable sales were seen in digital printing devices and industrial inkjet printheads. Going forward, Fujifilm aims to expand its sales by developing digital printing devices for soft packaging materials and providing various added values based on alliances with other companies.

### **Document Solutions**

In the Document Solutions segment, consolidated revenue amounted to ¥537.3 billion (down 8.8% from the same period of the previous fiscal year), due to the sales decrease in export shipments to the United States and Europe, centering on the office printer business, the negative impact of yen appreciation (¥36.4 billion) and other factors.

Operating income amounted to ¥40.5 billion (down 13.3% from the same period of the previous fiscal year), reflecting the negative impact of depreciation of Asian currencies, sales decrease in export shipments to the United States and Europe, and other factors.

Regarding the office products business, overall sales volume remained almost unchanged from the same period of the previous fiscal year. In Japan, though the sales of monochrome models were strong, the sales volume of full-color models decreased due to the reaction from the replacement of devices in major domestic convenience stores in the previous fiscal year and other factors. In Asia-Oceania region, sales volume of both monochrome models and full-color models increased mainly due to steady growth in China. In export shipments to the United States and Europe, sales volume slightly decreased.

In the office printer business, overall sales volume decreased. While sales volume decreased in Japan and in export shipments to the United States and Europe, sales volume increased in Asia-Oceania region due to strong sales of monochrome models.

Regarding the production services business, overall sales volume decreased. Though sales volume in Asia-Oceania region and in export shipments to the United States and Europe decreased, sales volume in Japan increased, reflecting strong sales of printing system for mission-critical operations.

In the global services business, though revenue decreased due to the negative impact of depreciation of Asian currencies, managed print service business proceeded smoothly both in Japan and Asia-Oceania region.

### **(2) Explanation on the Consolidated Financial Position**

At the end of the second quarter of the fiscal year ending March 31, 2017, total assets decreased by ¥182.0 billion, compared with the end of the previous fiscal year, to ¥3,130.0 billion, owing to a decrease in notes and accounts receivable and other factors. Total liabilities decreased by ¥59.5 billion, compared with the end of the previous fiscal year, to ¥1,020.5 billion. FUJIFILM Holdings shareholders' equity decreased by ¥115.5 billion, compared with the end of the previous fiscal year, to ¥1,899.3 billion reflecting the effects of exchange rates due to yen appreciation and other factors. As a result, the current ratio decreased by 5.2 percentage points, to 285.9%, the

debt-equity ratio increased by 0.1 percentage points from the end of the previous fiscal year of 53.7%, and the equity ratio decreased by 0.1 percentage points, to 60.7%, compared with the end of the previous fiscal year. Fujifilm is confident that it is maintaining a stable level of asset liquidity and a sound capital structure.

### (Cash Flows)

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2016 From April 1, 2016 To September 30, 2016	Second Quarter ended September 30, 2015 From April 1, 2015 To September 30, 2015	Change
Net cash provided by operating activities	139.9	96.8	43.1
Net cash used in investing activities	(35.5)	(92.3)	56.8
Net cash used in financing activities	(24.1)	(98.6)	74.5

During the second quarter of the fiscal year ending March 31, 2017, net cash provided by operating activities totaled ¥139.9 billion, due to a decrease in notes and accounts receivable and other factors. Net cash used in investing activities amounted to ¥35.5 billion, mainly due to the purchases of property, plant and equipment. Thus, free cash flows—or the sum of cash flows from operating and investing activities— were ¥104.4 billion. Net cash used in financing activities amounted to ¥24.1 billion, due to the buyback of company shares, the payments of dividends and other factors.

As a result, cash and cash equivalents at the end of the quarter under review amounted to ¥650.0 billion, up ¥49.1 billion from the end of the previous fiscal year.

### (3) Explanation on Projected Information on Forecasts of the Consolidated Operating Results (Revised Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017)

For the first half of the fiscal year ending March 31, 2017, Fujifilm's overall sales and operating income have been behind the plan owing to the negative impact of yen appreciation. Moreover, the business environment surrounding the Fujifilm Group includes concerns about a downturn in the emerging countries in Asia, including China, and the possibility of continued yen appreciation owing to the growing uncertainty about overseas economic conditions including Brexit. In Japan, the sense of economic stagnation is becoming more pronounced because of the economic slowdown in the world.

Considering these circumstances, FUJIFILM Holdings has revised down its forecasts of revenue, operating income, income before income taxes, net income attributable to FUJIFILM Holdings, and net income attributable to FUJIFILM Holdings per share for the fiscal year ending March 31, 2017. The projected currency exchange rates for the U.S. dollar and the euro against the yen from the third quarter of the fiscal year ending March 31, 2017 are ¥105 and ¥115, respectively.



(Amount Unit: Millions of yen unless otherwise specified)

	Revenue	Operating income	Income before income taxes	Net income attributable to FUJIFILM Holdings	Net income attributable to FUJIFILM Holdings per share
Previous forecast (A) (announced on Apr. 27, 2016)	2,550,000	220,000	220,000	125,000	Yen 277.47
Latest revised forecast (B)	2,400,000	192,000	192,000	112,000	252.51
Change (B-A)	(150,000)	(28,000)	(28,000)	(13,000)	(24.96)
Percentage (%)	(5.9)	(12.7)	(12.7)	(10.4)	(9.0)
(Ref.) Actual results for FY 2016/3	2,460,383	180,626	182,242	116,402	250.03

Note: While net income attributable to FUJIFILM Holdings per share in the previous forecast is calculated using the number of shares issued as of March 31, 2016 excluding treasury shares for the average number of shares for the relevant period, that in the latest revised forecast is calculated using the number of shares issued as of September 30, 2016 excluding treasury shares.

The Company concluded that the interim cash dividends would be paid at ¥35.00 per share. Together with the year-end cash dividends of ¥35.00 per share, cash dividends applicable to the fiscal year under review are expected to be paid at ¥70.00 per share, up ¥5.00 per share from the previous fiscal year.

## 2. MATTERS RELATING TO SUMMARY (OTHER) INFORMATION

**(1) Changes in Status of Material Subsidiaries during This Quarter (Company Newly Consolidated or Removed from Consolidation): None**

**(2) Adoption of Simplified Method of Accounting or Specific Accounting Treatments: None**

**(3) Changes in Accounting Principles: None**

## 3. OVERVIEW OF MATERIAL EVENTS REGARDING THE GOING CONCERN ASSUMPTION: NONE

Note: This document is a faithful translation into English of an earnings report prepared in Japanese by FUJIFILM Holdings Corporation in accordance with Tokyo Stock Exchange guidelines.

Accordingly, the explanations for each business segment may include references to products that are marketed under different product names overseas or are not marketed overseas and may also include references to product marketing periods that differ by region.

## 4. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

Amount Unit: Millions of yen

	As of September 30, 2016	As of March 31, 2016	Change
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	650,055	600,897	49,158
Marketable securities	7,000	28,012	(21,012)
Notes and accounts receivable:			
Trade and finance	556,662	641,837	(85,175)
Affiliated companies	18,136	26,444	(8,308)
Allowance for doubtful receivables	(22,982)	(24,711)	1,729
	551,816	643,570	(91,754)
Inventories	336,501	349,166	(12,665)
Prepaid expenses and other	131,295	144,603	(13,308)
Total current assets	1,676,667	1,766,248	(89,581)
(A) Revenue by Operating Segment			
Investments and long-term receivables:			
Investments in and advances to affiliated companies	28,385	30,265	(1,880)
Investment securities	129,084	144,472	(15,388)
Long-term finance and other receivables	134,331	148,510	(14,179)
Allowance for doubtful receivables	(2,857)	(3,567)	710
Total investments and long-term receivables	288,943	319,680	(30,737)
Property, plant and equipment:			
Land	90,627	91,596	(969)
Buildings	686,429	693,705	(7,276)
Machinery and equipment	1,597,994	1,632,503	(34,509)
Construction in progress	25,563	36,526	(10,963)
	2,400,613	2,454,330	(53,717)
Less accumulated depreciation	(1,886,282)	(1,921,729)	35,447
Total property, plant and equipment	514,331	532,601	(18,270)
Other assets:			
Goodwill, net	477,278	506,870	(29,592)
Other intangible assets, net	77,469	86,249	(8,780)
Other	95,310	100,322	(5,012)
Total other assets	650,057	693,441	(43,384)
<b>Total assets</b>	<b>3,129,998</b>	<b>3,311,970</b>	<b>(181,972)</b>

Amount Unit: Millions of yen

	As of September 30, 2016	As of March 31, 2016	Change
<b>LIABILITIES</b>			
Current liabilities:			
Short-term debt	92,123	55,305	36,818
Notes and accounts payable:			
Trade	206,392	229,893	(23,501)
Construction	17,444	23,421	(5,977)
Affiliated companies	3,768	3,834	(66)
	227,604	257,148	(29,544)
Accrued income taxes	15,609	18,359	(2,750)
Accrued liabilities	163,266	183,955	(20,689)
Other current liabilities	87,921	92,041	(4,120)
Total current liabilities	586,523	606,808	(20,285)
Long-term liabilities:			
Long-term debt	289,794	310,388	(20,594)
Accrued pension and severance costs	55,154	64,756	(9,602)
Customers' guarantee deposits and other	89,070	98,021	(8,951)
Total long-term liabilities	434,018	473,165	(39,147)
Total liabilities	1,020,541	1,079,973	(59,432)
<b>EQUITY</b>			
FUJIFILM Holdings shareholders' equity	40,363	40,363	-
Common stock, without par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares			
Additional paid-in capital	80,757	80,507	250
Retained earnings	2,193,825	2,174,965	18,860
Accumulated other comprehensive income (loss)	(138,964)	(30,780)	(108,184)
Treasury stock, at cost	(276,646)	(250,229)	(26,417)
Total FUJIFILM Holdings shareholders' equity	1,899,335	2,014,826	(115,491)
Noncontrolling interests	210,122	217,171	(7,049)
Total equity	2,109,457	2,231,997	(122,540)
Total liabilities and equity	3,129,998	3,311,970	(181,972)

Note: Details of accumulated other comprehensive income (loss)

	As of September 30, 2016	As of March 31, 2016	Change
Unrealized gains (losses) on securities	41,631	50,864	(9,233)
Foreign currency translation adjustments	(73,113)	29,655	(102,768)
Pension liability adjustments	(106,184)	(109,747)	3,563
Unrealized gains (losses) on derivatives	(1,298)	(1,552)	254

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**(Consolidated Statements of Income)**  
**Six months ended September 30**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016		Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015		Change	
					Amount	%
Revenue:	%		%			
Sales		945,249		1,037,909	(92,660)	(8.9)
Rentals		168,368		177,697	(9,329)	(5.2)
	100.0	1,113,617	100.0	1,215,606	(101,989)	(8.4)
Cost of sales:						
Sales		593,518		664,161	(70,643)	(10.6)
Rentals		71,710		72,697	(987)	(1.4)
	59.7	665,228	60.6	736,858	(71,630)	(9.7)
Gross profit	40.3	448,389	39.4	478,748	(30,359)	(6.3)
(A) Revenue by Operating Segment						
Operating expenses:						
Selling, general and administrative	27.0	300,074	26.2	318,118	(18,044)	(5.7)
Research and development	7.3	80,961	6.8	82,915	(1,954)	(2.4)
	34.3	381,035	33.0	401,033	(19,998)	(5.0)
Operating income	6.0	67,354	6.4	77,715	(10,361)	(13.3)
Other income (expenses):						
Interest and dividend income		2,910		3,598	(688)	
Interest expense		(2,422)		(2,466)	44	
Foreign exchange gains (losses), net		(7,614)		(3,077)	(4,537)	
Gains (losses) on sales of investment securities, net		3,981		5,623	(1,642)	
Other, net		144		186	(42)	
	(0.2)	(3,001)	0.3	3,864	(6,865)	-
Income before income taxes	5.8	64,353	6.7	81,579	(17,226)	(21.1)
Income taxes	1.9	20,098	2.3	27,455	(7,357)	(26.8)
Equity in net earnings (losses) of affiliated companies	(0.2)	(2,663)	(0.1)	(1,341)	(1,322)	-
Net income	3.7	41,592	4.3	52,783	(11,191)	(21.2)
Less: Net (income) loss attributable to the noncontrolling interests	(0.6)	(7,208)	(0.6)	(8,253)	1,045	-
Net income attributable to FUJIFILM Holdings	3.1	34,384	3.7	44,530	(10,146)	(22.8)

## Three months ended September 30

Amount Unit: Millions of yen

	Three months ended September 30, 2016 From July 1, 2016 To September 30, 2016		Three months ended September 30, 2015 From July 1, 2015 To September 30, 2015		Change	
	Amount	%	Amount	%	Amount	%
Revenue:		%		%		
Sales	485,602		541,631		(56,029)	(10.3)
Rentals	82,170		87,299		(5,129)	(5.9)
	100.0	567,772	100.0	628,930	(61,158)	(9.7)
Cost of sales:						
Sales	304,475		343,412		(38,937)	(11.3)
Rentals	35,266		36,767		(1,501)	(4.1)
	59.8	339,741	60.4	380,179	(40,438)	(10.6)
Gross profit	40.2	228,031	39.6	248,751	(20,720)	(8.3)
(A) Revenue by Operating Segment						
Operating expenses:						
Selling, general and administrative	26.2	148,986	26.0	163,133	(14,147)	(8.7)
Research and development	7.3	41,191	6.6	41,798	(607)	(1.5)
	33.5	190,177	32.6	204,931	(14,754)	(7.2)
Operating income	6.7	37,854	7.0	43,820	(5,966)	(13.6)
Other income (expenses):						
Interest and dividend income	879		1,464		(585)	
Interest expense	(1,189)		(1,414)		225	
Foreign exchange gains (losses), net	(1,157)		(4,841)		3,684	
Gains (losses) on sales of investment securities, net	3,981		(3)		3,984	
Other, net	381		275		106	
	0.5	2,895	(0.8)	(4,519)	7,414	-
Income before income taxes	7.2	40,749	6.2	39,301	(1,448)	(3.7)
Income taxes	2.1	12,040	1.9	12,310	(270)	(2.2)
Equity in net earnings (losses) of affiliated companies	(0.4)	(2,056)	(0.1)	(464)	(1,592)	-
Net income	4.7	26,653	4.2	26,527	126	0.5
Less: Net (income) loss attributable to the noncontrolling interests	(0.8)	(4,337)	(0.7)	(4,760)	423	-
Net income attributable to FUJIFILM Holdings	3.9	22,316	3.5	21,767	549	2.5

**(Consolidated Statements of Comprehensive Income)****Six months ended September 30**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016	Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015	Change
Net income	41,592	52,783	(11,191)
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(9,317)	(12,586)	3,269
Foreign currency translation adjustments	(113,494)	(16,402)	(97,092)
Pension liability adjustments	4,160	1,842	2,318
Unrealized gains (losses) on derivatives	241	(369)	610
Other comprehensive income (loss)	(118,410)	(27,515)	(90,895)
Comprehensive income (loss)	(76,818)	25,268	(102,086)
Less: Comprehensive income (loss) attributable to noncontrolling interests	3,018	(4,603)	7,621
Comprehensive income (loss) attributable to FUJIFILM Holdings	(73,800)	20,665	(94,465)

**Three months ended September 30**

Amount Unit: Millions of yen

	Three months ended September 30, 2016 From July 1, 2016 To September 30, 2016	Three months ended September 30, 2015 From July 1, 2015 To September 30, 2015	Change
Net income	26,653	26,527	126
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	1,654	(16,999)	18,653
Foreign currency translation adjustments	(13,983)	(46,255)	32,272
Pension liability adjustments	2,280	673	1,607
Unrealized gains (losses) on derivatives	376	(372)	748
Other comprehensive income (loss)	(9,673)	(62,953)	53,280
Comprehensive income (loss)	16,980	(36,426)	53,406
Less: Comprehensive (income) loss attributable to noncontrolling interests	(3,695)	1,739	(5,434)
Comprehensive income (loss) attributable to FUJIFILM Holdings	13,285	(34,687)	47,972

**(3) Consolidated Statements of Cash Flows**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016	Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015	Change
<b>Operating activities</b>			
Net income	41,592	52,783	(11,191)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	58,992	59,175	(183)
(Gains) losses on sales of investment securities	(3,981)	(5,623)	1,642
Equity in net (gains) losses of affiliated companies, net of dividends received	3,062	1,976	1,086
Changes in operating assets and liabilities:			
Notes and accounts receivable	50,250	42,050	8,200
Inventories	(9,174)	(5,860)	(3,314)
Notes and accounts payable - trade	(7,518)	(17,568)	10,050
Accrued income taxes and other liabilities	(17,714)	(18,774)	1,060
Other	24,386	(11,329)	35,715
Subtotal	98,303	44,047	54,256
Net cash provided by operating activities	139,895	96,830	43,065
<b>Investing activities</b>			
Purchases of property, plant and equipment	(39,296)	(29,081)	(10,215)
Purchases of software	(10,598)	(12,088)	1,490
Proceeds from sales and maturities of marketable and investment securities	29,711	23,306	6,405
Purchases of marketable and investment securities	(1,478)	(19,035)	17,557
(Increase) decrease in time deposits, net	874	(951)	1,825
Increase in investments in and advances to affiliated companies	(2,479)	(1,000)	(1,479)
Acquisitions of businesses, net of cash acquired	(1,334)	(35,241)	33,907
Other	(10,902)	(18,221)	7,319
Net cash used in investing activities	(35,502)	(92,311)	56,809
<b>Financing activities</b>			
Proceeds from long-term debt	23,963	2,279	21,684
Repayments of long-term debt	(6,056)	(2,823)	(3,233)
Increase (decrease) in short-term debt, net	3,359	6,717	(3,358)
Cash dividends paid to shareholders	(14,641)	(16,878)	2,237
Subsidiaries' cash dividends paid to noncontrolling interests	(4,023)	(3,746)	(277)
Net purchases of stock for treasury	(26,516)	(84,150)	57,634
Other	(139)	-	(139)
Net cash used in financing activities	(24,053)	(98,601)	74,548
Effect of exchange rate changes on cash and cash equivalents	(31,182)	(4,346)	(26,836)
Net increase (decrease) in cash and cash equivalents	49,158	(98,428)	147,586
Cash and cash equivalents at beginning of period	600,897	726,888	(125,991)
Cash and cash equivalents at end of period	650,055	628,460	21,595

**(4) Notes to Consolidated Financial Statements****Note Relating to the Going Concern Assumption**

N/A

**Segment Information****1. Six months ended September 30****(A) Operating Segment Information****a. Revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016		Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	13.9	154,334	14.3	173,805	(19,471)	(11.2)
Intersegment		1,302		1,548	(246)	-
(A) Revenue by Operating Segment		155,636		175,353	(19,717)	(11.2)
Information Solutions:						
External customers	37.9	421,957	37.2	452,783	(30,826)	(6.8)
Intersegment		687		978	(291)	-
Total		422,644		453,761	(31,117)	(6.9)
Document Solutions:						
External customers	48.2	537,326	48.5	589,018	(51,692)	(8.8)
Intersegment		3,826		4,512	(686)	-
Total		541,152		593,530	(52,378)	(8.8)
Eliminations		(5,815)		(7,038)	1,223	-
Consolidated total	100.0	1,113,617	100.0	1,215,606	(101,989)	(8.4)

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016		Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015		Change	
	%		%		Amount	%
Operating Income :						
Imaging Solutions	5.9	9,213	7.6	13,307	(4,094)	(30.8)
Information Solutions	7.7	32,657	7.2	32,556	101	0.3
Document Solutions	7.5	40,476	7.9	46,708	(6,232)	(13.3)
Total		82,346		92,571	(10,255)	(11.0)
Corporate expenses and eliminations		(14,992)		(14,856)	(136)	-
Consolidated total	6.0	67,354	6.4	77,715	(10,361)	(13.3)

Note: The major products and services of each operating segment are as follows:

Imaging Solutions:	Color films, digital cameras, color paper, services and equipment for photofinishing, instant photo systems and optical devices
Information Solutions:	Equipment and materials for medical systems and life sciences, pharmaceuticals, equipment and materials for graphic arts, flat panel display materials, recording media and electronic materials
Document Solutions:	Office copy machines/MFPs, printers, production systems and services, office services, paper and consumables



**(B) Geographic Information****a. Revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016		Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015		Change	
	%		%		Amount	%
Revenue:						
Japan:						
External customers	50.1	557,270	48.6	590,884	(33,614)	(5.7)
Intersegment		216,700		222,355	(5,655)	-
Total		773,970		813,239	(39,269)	(4.8)
The Americas:						
External customers	18.0	200,348	18.0	218,687	(18,339)	(8.4)
Intersegment		19,367		23,348	(3,981)	-
Total		219,715		242,035	(22,320)	(9.2)
Europe:						
(A) Revenue by Operating Segment	8.4	93,896	8.8	106,826	(12,930)	(12.1)
Intersegment		7,851		9,834	(1,983)	-
Total		101,747		116,660	(14,913)	(12.8)
Asia and others:						
External customers	23.5	262,103	24.6	299,209	(37,106)	(12.4)
Intersegment		144,654		168,981	(24,327)	-
Total		406,757		468,190	(61,433)	(13.1)
Eliminations		(388,572)		(424,518)	35,946	-
Consolidated total	100.0	1,113,617	100.0	1,215,606	(101,989)	(8.4)

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016		Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015		Change	
	%		%		Amount	%
Operating Income (Loss):						
Japan	4.2	32,348	4.0	32,187	161	0.5
The Americas	4.2	9,302	3.8	9,289	13	0.1
Europe	1.8	1,806	4.8	5,633	(3,827)	(67.9)
Asia and others	6.5	26,393	6.1	28,786	(2,393)	(8.3)
Eliminations		(2,495)		1,820	(4,315)	-
Consolidated total	6.0	67,354	6.4	77,715	(10,361)	(13.3)

**(C) Overseas revenue (Destination Base)**

Amount Unit: Millions of yen

	Six months ended September 30, 2016 From April 1, 2016 To September 30, 2016		Six months ended September 30, 2015 From April 1, 2015 To September 30, 2015		Change	
	%		%		Amount	%
Revenue:						
Domestic	41.4	460,618	38.7	470,354	(9,736)	(2.1)
Overseas:						
The Americas	19.5	217,516	21.3	259,013	(41,497)	(16.0)
Europe	11.2	125,092	11.2	136,425	(11,333)	(8.3)
Asia and others	27.9	310,391	28.8	349,814	(39,423)	(11.3)
Subtotal	58.6	652,999	61.3	745,252	(92,253)	(12.4)
Consolidated total	100.0	1,113,617	100.0	1,215,606	(101,989)	(8.4)

Note: The presentation of the overseas revenue (Destination Base) has been classified and disclosed based on the customer's location.

**2. Three months ended September 30****(A) Revenue by Operating Segment**

Amount Unit: Millions of yen

	Three months ended September 30, 2016 From July 1, 2016 To September 30, 2016		Three months ended September 30, 2015 From July 1, 2015 To September 30, 2015		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions	13.5	76,532	14.0	88,168	(11,636)	(13.2)
Information Solutions	38.2	216,973	38.0	238,764	(21,791)	(9.1)
Document Solutions	48.3	274,267	48.0	301,998	(27,731)	(9.2)
Consolidated total	100.0	567,772	100.0	628,930	(61,158)	(9.7)

Note: The major products and services of each operating segment are as follows:

Imaging Solutions	Color films, digital cameras, color paper, services and equipment for photofinishing, instant photo systems and optical devices
Information Solutions	Equipment and materials for medical systems and life sciences, pharmaceuticals, equipment and materials for graphic arts, flat panel display materials, recording media and electronic materials
Document Solutions	Office copy machines/MFPs, printers, production systems and services, office services, paper and consumables

**(B) Overseas Revenue (Destination Base)**

Amount Unit: Millions of yen

	Three months ended September 30, 2016 From July 1, 2016 To September 30, 2016		Three months ended September 30, 2015 From July 1, 2015 To September 30, 2015		Change	
	%		%		Amount	%
Revenue:						
Domestic	42.6	241,700	39.5	246,834	(5,134)	(2.1)
Overseas:						
The Americas	19.1	108,379	21.0	132,140	(23,761)	(18.0)
Europe	10.6	60,560	10.4	65,210	(4,650)	(7.1)
Asia and others	27.7	157,133	29.4	184,746	(27,613)	(14.9)
Subtotal	57.4	326,072	60.8	382,096	(56,024)	(14.7)
Consolidated total	100.0	567,772	100.0	628,930	(61,158)	(9.7)

**Note on Significant Changes to FUJIFILM Holdings Shareholders' Equity**

N/A