



# FUJIFILM

## [Updated] Financial Results (Consolidated) for the the Fiscal Year ended March 31, 2017 FUJIFILM Holdings Corporation

June 12, 2017

Kenji Sukeno

URL: <http://www.fujifilmholdings.com/>

President and Chief Operating Officer

Date of annual shareholders' meeting: June 29, 2017 Projected date of the beginning of cash dividends: June 30, 2017

Projected date of annual securities report: June 30, 2017

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

Meeting to explain operating results of the current fiscal year 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 the Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

#### (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	
		%		%		%		%
Year ended March 31, 2017	2,322,163	(5.6)	172,281	(4.6)	194,775	6.9	131,506	13.0
Year ended March 31, 2016	2,460,383	(0.1)	180,626	9.9	182,242	(3.6)	116,402	4.9

Note: Comprehensive income

Year ended March 31, 2017 ¥ 123,244 million (-%)

Year ended March 31, 2016 ¥ (41) million ((100)%)

	Net income attributable to FUJIFILM Holdings per share	Net income attributable to FUJIFILM Holdings per share (Assuming full dilution)	Return on FUJIFILM Holdings shareholders' equity	Ratio of income before income taxes to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
Year ended March 31, 2017	296.27	295.22	6.5	5.7	7.4
Year ended March 31, 2016	250.03	249.20	5.5	5.3	7.3

(Ref) Equity in net losses of affiliated companies

Year ended March 31, 2017 ¥ (3,463) million

Year ended March 31, 2016 ¥ (302) million

#### (2) FINANCIAL POSITION

	Total assets	Total equity (Net asset)	FUJIFILM Holdings shareholders' equity	FUJIFILM Holdings shareholders' equity ratio to total assets	FUJIFILM Holdings shareholders' equity per share
				%	Yen
Year ended March 31, 2017	3,533,189	2,268,058	2,043,559	57.8	4,668.26
Year ended March 31, 2016	3,311,970	2,231,997	2,014,826	60.8	4,472.45

#### (3) CASH FLOWS

	Net Cash provided by Operating Activities	Net Cash used in Investing Activities	Net Cash used in Financing Activities	Cash and Cash Equivalents at the end of year
Year ended March 31, 2017	288,619	(116,439)	111,290	875,958
Year ended March 31, 2016	223,479	(157,320)	(171,665)	600,897

## 2. Cash Dividends

	Cash dividends per share					Total cash dividends	Consolidated pay out ratio	Ratio of cash dividends to shareholders' equity
	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	29,737	26.0	1.4
Year ended March 31, 2017	-	35.00	-	35.00	70.00	30,845	23.6	1.5
Year ending March 31, 2018 (Forecast)	-	37.50	-	37.50	75.00		26.3	

## 3. Forecast for the Fiscal Year ending March 31, 2018 (From April 1, 2017 to March 31, 2018)

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, 2018	2,460,000	5.9	185,000	7.4	200,000	2.7	125,000	(4.9)	285.55

Note: Net income attributable to FUJIFILM Holdings per share is calculated using the number of shares issued as of March 31, 2017 excluding treasury shares for the average number of shares for the relevant period.

### Notes

(1) Changes in status of material subsidiaries during the period

(Company newly consolidated or removed from consolidation): None

(2) Changes in accounting principles

1. Changes in accounting policies accompanying amendment of accounting standards: None

2. Other changes in accounting policies: None

(3) Number of shares outstanding

1. Issued (including treasury stock):

2. Treasury stock:

3. Average number of shares:

As of March 31, 2017	514,625,728	As of March 31, 2016	514,625,728
As of March 31, 2017	76,869,546	As of March 31, 2016	64,128,303
Year ended March 31, 2017	443,873,684	Year ended March 31, 2016	465,555,759

## (Reference) Summary of Financial Results (Non-Consolidated)

### Results of the Fiscal Year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(1) OPERATING RESULTS

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

	Revenue		Operating income		Ordinary income		Net income	
		%		%		%		%
Year ended March 31, 2017	29,646	(45.7)	25,633	(49.6)	39,080	(25.9)	34,023	(34.8)
Year ended March 31, 2016	54,588	44.2	50,828	48.0	52,759	57.1	52,219	58.7

	Net income per share of common stock	Net income per share of common stock (Assuming full dilution)
	Yen	Yen
Year ended March 31, 2017	76.65	76.37
Year ended March 31, 2016	112.17	111.78

## (2) FINANCIAL POSITION

	Total assets	Net assets	Net asset ratio to total assets	Net assets per share of common stock
			%	Yen
Year ended March 31, 2017	1,968,036	1,380,484	69.9	3,142.76
Year ended March 31, 2016	1,878,158	1,415,304	75.1	3,132.32

(Ref) Shareholders' equity

Year ended March 31, 2017 ¥ 1,375,764 million

Year ended March 31, 2016 ¥ 1,411,100 million

### Disclosure regarding the status of the year-end audit process

These Financial Results (Consolidated) for the Fiscal Year ended March 31, 2017 are out of scope for the year-end audit procedure under Financial Instruments and Exchange Act. As of the press release date, the year-end audit process is still in progress. The Company will correct the Yearly and Quarterly Financial Results from fiscal year ended March 31, 2011 to third quarter ended December 31, 2016 as a result of uncovering inappropriate accounting of the Company's consolidated subsidiaries. Note that, Financial Results for the fiscal year ended, March 31, 2016, Financial Results for the fourth quarter ended, March 31, 2016 are after the corrections have been made; therefore the Financial Results that had been reported previously differ from these Financial Results. (The cumulative effect of error correction before the fiscal year ended March 31, 2016 has been reflected to beginning balance of Consolidated Statements of Changes in Shareholders' Equity for the fiscal year ended March 31, 2016.) These Financial Results are subject to change as current process of re-review and re-audit. Further, the Financial Results for the fiscal year ended March 31, 2017 under this report is based on the premise that the Financial Results up to the third quarter ended, December 31, 2016 were corrected. These Financial Results are also subject to change as current process of re-review and re-audit.

### 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 the intention of guaranteeing the realization of future performance. Actual operating results are always subject to change significantly due to various matters.

Assumptions for the forecast and warnings for users of the forecast are mentioned in the page 6, Outlook for the Fiscal Year ending March 31, 2018 of the section (1) Analysis of Results of Operations in 1. ANALYSIS OF OPERATING RESULTS AND CONSOLIDATED FINANCIAL POSITION.

**[INDEX]**

1.	ANALYSIS OF OPERATING RESULTS AND CONSOLIDATED FINANCIAL POSITION		
(1)	Analysis of Results of Operations	.....	P. 2
(2)	Analysis of Consolidated Financial Position	.....	P. 6
(3)	Basic Policy Regarding Distribution of Profits and Dividends Applicable to the Fiscal Year under Review and Subsequent Fiscal Year	.....	P. 7
2.	CORPORATE STRUCTURE OF FUJIFILM GROUP	.....	P. 7
3.	MANAGEMENT POLICIES	.....	P. 8
4.	BASIC RATIONALE FOR SELECTION OF ACCOUNTING STANDARDS	.....	P. 9
5.	CONSOLIDATED FINANCIAL STATEMENTS		
(1)	Consolidated Balance Sheets	.....	P.10
(2)	Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	.....	P.12
	Consolidated Statements of Income	.....	P.12
	Year ended March 31	.....	P.12
	Three months ended March 31	.....	P.13
	Consolidated Statements of Comprehensive Income	.....	P.14
	Year ended March 31	.....	P.14
	Three months ended March 31	.....	P.14
(3)	Consolidated Statements of Changes in Shareholders' Equity	.....	P.15
(4)	Consolidated Statements of Cash Flows	.....	P.16
(5)	Notes to Consolidated Financial Statements	.....	P.17
	Note Relating to the Going Concern Assumption	.....	P.17
	Summary of Significant Accounting Policies	.....	P.17
	Segment Information	.....	P.18
	1. Year ended March 31	.....	P.18
	2. Three months ended March 31	.....	P.22
	Fair Value on Marketable and Investment Securities	.....	P.23
	Amounts Per Share of Common Stock	.....	P.23
	Subsequent Event	.....	P.23

# 1. ANALYSIS OF OPERATING RESULTS AND CONSOLIDATED FINANCIAL POSITION

## (1) Analysis of Results of Operations

Amount Unit: Billions of yen

	Yearended March 31, 2017 From April 1,2016 To March 31,2017		Year ended March 31, 2016 From April 1,2015 To March 31,2016		Change	
					Amount	%
Domestic revenue	41.5%	962.7	40.0%	983.7	(21.0)	(2.1)
Overseas revenue	58.5%	1,359.5	60.0%	1,476.7	(117.2)	(7.9)
Revenue	100.0%	2,322.2	100.0%	2,460.4	(138.2)	(5.6)
Operating income	7.4%	172.3	7.3%	180.6	(8.3)	(4.6)
Income before income taxes	8.4%	194.8	7.4%	182.2	12.6	6.9
Net income attributable to FUJIFILM Holdings	5.7%	131.5	4.7%	116.4	15.1	13.0
Exchange rates (Yen / US\$)		¥108		¥120	(¥12)	
Exchange rates (Yen / Euro)		¥119		¥133	(¥14)	

Overviewing the global economy during the fiscal year ended March 31, 2017 (April 1, 2016 through March 31, 2017), the general trend of gradual economic recovery persisted. In the United States, personal consumption and inventory investment increased, and the trend of economic recovery persisted. In Europe, the trend of gradual economic recovery lasted in parallel with a economic recovery in the United Kingdom. China and other Asian countries showed gradual economic recovery. In Japan, the trend of gradual economic recovery persisted with the improvement in the employment and corporate earnings.

In order to achieve the medium-term management plan -VISION 2016 (April 1, 2014 through March 31, 2017)- the Fujifilm Group (the Group) has been further expanding sales, market share, and profit centering on the growth drivers of healthcare, highly functional materials, and document, with sales promotion and new product launches. The Group has also acquired required technologies and assets for the next growth, conducting M&A aggressively, focusing on the key business areas. The Group has also accelerated the improvement of the profitability, setting the three key issues of “new businesses contributing to profitability,” “accelerating our global development” and “efficient management.”

In the fiscal year ended March 31, 2017, the Group recorded ¥2,322.2 billion in consolidated revenue (down 5.6% from the previous fiscal year), reflecting such factors as the negative impact of yen appreciation (¥152.7 billion) and sales decline in the document solutions, while sales of such businesses as electric imaging field of the optical device and electronic imaging business, and electronic materials business increased.

Operating income totaled ¥172.3 billion (down 4.6% from the previous fiscal year). Consolidated income before income taxes amounted to ¥194.8 billion (up 6.9% from the previous fiscal year) and consolidated net income attributable to FUJIFILM Holdings totaled ¥131.5 billion (up 13.0% from the previous fiscal year) due to the positive impact of gains on sales of investment securities recorded as other income and other factors.

The effective currency exchange rates for the U.S. dollar and the euro against the yen during this fiscal year were ¥108 and ¥119, respectively.

FUJIFILM Holdings Corporation (the Company) plans to disburse year-end cash dividends of ¥35.00 per share. As another ¥35.00 per share interim cash dividends have already been disbursed, cash dividends applicable to the fiscal year are expected to total ¥70.00 per share.

## Revenue by Operating Segment

Amount Unit: Billions of yen

Segment	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Year ended March 31, 2016 From April 1, 2015 To March 31, 2016	Change	
			Amount	%
Imaging Solutions	341.8	352.9	(11.1)	(3.2)
Information Solutions	899.5	942.1	(42.6)	(4.5)
Document Solutions	1,080.9	1,165.4	(84.5)	(7.2)
Consolidated Total	2,322.2	2,460.4	(138.2)	(5.6)

## Operating Income by Operating Segment

Amount Unit: Billions of yen

Segment	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Year ended March 31, 2016 From April 1, 2015 To March 31, 2016	Change	
			Amount	%
Imaging Solutions	36.8	32.0	4.8	15.1
Information Solutions	83.0	90.7	(7.7)	(8.5)
Document Solutions	82.7	87.9	(5.2)	(6.0)
Corporate Expenses and Eliminations	(30.2)	(30.0)	(0.2)	-
Consolidated Total	172.3	180.6	(8.3)	(4.6)

### Imaging Solutions

In the Imaging Solutions segment, consolidated revenue amounted to ¥341.8 billion (down 3.2% from the previous fiscal year), due to the negative impact of yen appreciation (¥32.0 billion) and other factors.

Consolidated operating income amounted to ¥36.8 billion (up 15.1% from the previous fiscal year), due to the recovery of profitability in each business, though the negative impact from the decreased sales due to yen appreciation was observed.

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, were strong especially in the United States and Europe. Overall sales decreased due to the negative impact of yen appreciation, despite the high-value-added printing businesses progressed steadily (*Wall Décor* services that enhance the fun of decorating and displaying photographs by adding panels to the photographs started its online order in Japan in January 2017).

In the electronic imaging field of the optical device and electronic imaging business, overall sales increased due to strong sales in *FUJIFILM X-T2* launched in September 2016, *FUJIFILM X-A3* and interchangeable lenses. In addition, *FUJIFILM GFX 50S*, a medium format mirrorless digital camera, adopting a big sensor (43.8mm by 32.9mm) which was released in February 2017, together with *FUJIFILM X100F* and *FUJIFILM X-T20* as the latest models of X Series which enables the prominent photograph image quality through its unique technology in re-generating original colors, led the sales increase. In the optical device field, though the sales of camera modules for use in smartphones decreased, the Group is seeking to expand global market share of the cinema lenses with *FUJINON MK18-55mm T2.9*, released in February 2017, which has gained high reputation from the market for its advanced optical performance, ultra-compact and lightweight design, and excellent cost performance.

## Information Solutions

In the Information Solutions segment, consolidated revenue amounted to ¥899.5 billion (down 4.5% from the previous fiscal year) due to the negative impact of yen appreciation (¥63.5 billion) and other factors, while sales increased in the FPD materials business, electronic materials business and others.

Operating income amounted to ¥83.0 billion (down 8.5% from the previous fiscal year), reflecting such factors as the sales decline impacted by yen appreciation.

In the medical systems business, sales decreased primarily due to the negative impact of yen appreciation, despite strong sales in the growing field of In-vitro Diagnostics fields (IVD), endoscope and others. In the X-ray imaging diagnostic field, sales of *CALNEO* (overseas name: *D-EVO*) series, the DR cassette type digital X-ray imaging diagnostic system, were prominent. In November 2016, Fujifilm started to sell “*FUJIFILM DR CALNEO AQRO*”, an ultra-light weight mobile digital X-ray system, accomplishing to cut down its weight to 1/5 compared to the previous model. In the medical IT field, sales of systems, particularly the Picture Archiving Communication Systems (PACS) increased steadily. Fujifilm has been strengthening more effective and diagnosis-contributive solutions by promoting the diagnosis integration archive system *SYNAPSE VNA* launched in Japan in April 2016, and by offering *SYNAPSE 5*, which facilitates the efficiency of doctor diagnose by its improved double speed in image featuring. In the endoscope field, strong sales were observed particularly in *LASEREO*, the endoscope systems paired with laser light, and in the new series of gastroscopes released in Europe in October 2016. In the ultrasound diagnostic field, sales increased steadily in a range of ultrasound imaging diagnostic devices that were newly launched in various countries and regions in January 2016, such as the portable *SonoSite Edge II*, the full-flat typed *SonoSite S II*, and the compact sized, light weighted and tablet typed *SonoSite iViz*. In particular, sales increase of the *SonoSite iViz* in the domestic market contributed to the overall sales increase. In the field of IVD, Fujifilm launched a mycoplasma antigen inspection kit “*FUJI DRI-CHEM IMMUNO AG Cartridge Myco*” in October 2016, as the vitro diagnostics reagent for use with “*FUJI DRI-CHEM IMMUNO AGI*”, the densitometry analysis machine that automatically detects the antigen of virus and bacteria. Fujifilm seeks to contribute to early diagnostics of mycoplasma pneumonia by offering quick, simple and precise inspection.

In the pharmaceutical business, overall sales decreased mainly due to the influence of generic drugs in the small-molecular drugs, though the sales in Contract Development and Manufacturing Organization (CDMO) of biopharmaceuticals business progressed steadily. As the nation-wide stockpile in Japan of the anti-influenza drug *Avigan® Tablet 200mg* was announced by the Japanese government in March 2017, Fujifilm has started the supply of the anti-influenza drug. In the field of research and development, Fujifilm is promoting the development of pipelines, for example, in the United States in March 2017, initiating Phase II of the clinical investigation of “*FF-10501*”, an anti cancer drug for refractory myelodysplastic syndromes as a type of hematological malignancies. Furthermore, Fujifilm newly established the Bio CDMO Division in March 2017, a market segment that is expected to make strong growth to expand its contract development and manufacturing operations for biopharmaceuticals. The ratio of biopharmaceuticals in the pharmaceutical market is rising, and it is perceived as a promising market, as they deliver strong efficacy despite of having minimal side effects. Separated from the pharmaceutical business, the Bio CDMO aims to accelerate business growth by further speeding up decision making and devote management resources more timely.

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 in June 2016. Moreover, in September 2016, 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. Moreover, in September 2016, CDI was granted a patent in Japan related to the technology required for the safe and efficient generation of

iPS cells, following the United States and Australia. With the acquisition of this patent, Fujifilm aims to harness synergies across the Group, by leveraging assets including Fujifilm's engineering technology and the quality management systems in place of Japan Tissue Engineering Co., Ltd. (J-TEC), in order to expand its iPS cells contract manufacturing business.

In the life sciences business, overall sales increased, reflecting strong sales of high-function skin lotion of *ASTALIFT MOIST LOTION*, which was renewed in September 2016, and whitening skin lotion *ASTALIFT WHITE Bright Lotion*, which was released in March, 2017 and others.

Regarding the FPD materials business, overall sales increased due to the strong sales of *WV film*, film for VA mode 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 others.

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 as touch-panel sensor films *EXCLEAR* were strong.

Overall sales in the electronic materials business increased, reflecting strong sales of such advanced products as photo resists and peripheral materials related to photolithography including developers and treatment agent, CMP slurries, Image Sensor Color Mosaic and others. Fujifilm aims to expand the electronic materials business by selling broad product lineups, including the ones of Ultra Pure Solutions, Inc., which became a consolidated subsidiary of Fujifilm in the previous fiscal year, to the customers centering on the large accounts.

Overall sales in the recording media business increased, reflecting the strong sales of computer tape, which has unique technologies such as barium ferrite (BaFe) particles. 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 mainly due to the negative impact of yen appreciation, while favorable sales were seen in digital printing equipments and industrial inkjet printheads. Fujifilm has newly established its Inkjet Business Division in January 2017, to meet the diverse needs of the market, and to work toward expanding this business. Fujifilm plans to expand its sales while drawing on its strengths as a group with integrated development capabilities in printing “heads”, “ink” and “imaging processing” to create new businesses not only in the existing commercial printing field and sign display field, but also in new areas where future growth is expected, such as industrial applications of printing for textile, wall paper, and flooring material, as well as 3D printing.

### **Document Solutions**

In the Document Solutions segment, consolidated revenue amounted to ¥1,080.9 billion (down 7.2% from the previous fiscal year), due to the sales decrease in export shipments to the United States and Europe, centering on the office printer business, and the negative impact of depreciation of Asian currencies against yen (¥57.2 billion) and other factors.

Operating income amounted to ¥82.7 billion (down 6.0% from the previous fiscal year), mainly due to the negative impacts from the decline in export shipments to the United States and Europe and yen appreciation.

Regarding the office products business, in addition to the strong sales in Asia-Oceania region, especially in China, sales of “*ApeosPort-VI C*” and “*DocuCentre-VI C*” series launched in Japan and Asia-Oceania region in December 2016, which can be linked with its own and other companies' cloud services, increased steadily.



Overall sales volume remained unchanged from the previous fiscal year, while sales volume decreased in Japan, reflecting the backlash against the replacement of multi-function devices in major domestic convenience stores in the previous fiscal year and decrease in sales volume, centering on monochrome models in export shipments to the United States and Europe.

In the office printer business, overall sales volume decreased mainly due to the decrease in export to the United States and Europe.

Regarding the production services business, overall sales volume decreased due to the sales volume decrease in Asia-Oceania region and in export shipments to the United States and Europe, though sales volume increased in Japan, 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.

### Outlook for the Fiscal Year ending March 31, 2018

Amount Unit: Billions of yen

	Year ending March 31, 2018 (Forecast)	Year ended March 31, 2017 (Actual)	Change (%)
Revenue	2,460.0	2,322.2	5.9
Operating income	185.0	172.3	7.4
Income before income taxes	200.0	194.8	2.7
Net income attributable to FUJIFILM Holdings	125.0	131.5	(4.9)
Exchange rates			
(Yen / US \$)	¥ 110	¥ 108	¥ 2
(Yen / Euro)	¥ 120	¥ 119	¥ 1

Regarding consolidated performance in the fiscal year ending March 31, 2017, owing to business growth centered on the three businesses, healthcare, highly functional materials and document as priority business fields, improvements of profitability in all businesses and other factors, the Company projects ¥2,460.0 billion in revenue (up 5.9% from the previous fiscal year), operating income of ¥185.0 billion (up 7.4% from the previous fiscal year), income before income taxes of ¥200.0 billion (up 2.7% from the previous fiscal year), and net income attributable to FUJIFILM Holdings of ¥125.0 billion (down 4.9% from the previous fiscal year). The effect on revenue by making Wako Pure Chemical Industries, Ltd. as a consolidated subsidiary on April 2017 was ¥79.0 billion. In addition, the Company expects a gain on revaluation of the shares of Wako Pure Chemical Industries, Ltd. that are held by FUJIFILM Corporation, amounted ¥21.0 billion, which will be recorded as other income. The projected currency exchange rates for the U.S. dollar and the euro against the yen during the fiscal year ending March 31, 2017 are ¥110 and ¥120, respectively.

### (2) Analysis of Consolidated Financial Position

(Assets, Liabilities, Shareholders' Equity, and Cash Flows)

At the end of the fiscal year, total assets increased by ¥221.2 billion compared with the end of the previous fiscal year, to ¥3,533.2 billion, owing to an increase in cash and cash equivalent. Total liabilities increased by ¥185.1 billion compared with the end of the previous fiscal year, to ¥1,265.1 billion. FUJIFILM Holdings shareholders' equity increased by ¥28.8 billion compared with the end of the previous fiscal year, to ¥2,043.6 billion. As a result, current ratio increased by 8.1 percentage points, to 299.2%, debt-equity ratio increased by 8.3 percentage points, to 61.9%, and equity ratio decreased by 3.0 percentage points, to 57.8%, compared with the end of the previous fiscal year. The Company is confident that it is maintaining a stable level of asset liquidity and a sound capital

structure.

During the fiscal year ended March 31, 2017, net cash provided by operating activities totaled ¥288.6 billion, mainly due to the decrease in depreciation and amortization, and notes and accounts receivable. Net cash used in investing activities amounted to ¥116.4 billion due to purchases of property, plant and equipment and other factors. Thus, free cash flows—or the sum of cash flows from operating and used in investing activities—resulted in cash in flows of ¥172.2 billion, up ¥106.0 billion from the previous fiscal year. Net cash used in financing activities amounted to ¥111.3 billion due to issuance of corporate bonds, increase of long-term debt and other factors.

As a result, cash and cash equivalents at the end of the fiscal year under review amounted to ¥876.0 billion, up ¥275.1 billion comparing to the end of the previous fiscal year ended March 31, 2016.

### Cash Flow Related Indices (Consolidated)

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Year ended March 31, 2016 From April 1, 2015 To March 31, 2016
Ratio of shareholders' equity to total assets (%)	57.8	60.8
Ratio of market capitalization to total assets (%)	53.9	60.5
Ratio of interest-bearing debt to operating cash flow (years)	1.9	1.6
Interest coverage ratio (times)	60.2	51.1

Notes:

1. Market capitalization equals the stock price at the end of the year multiplied by the number of shares outstanding at the end of the fiscal year, excluding treasury stock.
2. Interest-bearing debt includes corporate debt securities and short- and long-term debt.
3. Interest coverage ratio: Operating cash flow divided by interest paid

### (3) Basic Policy Regarding Distribution of Profits and Dividends Applicable to the Fiscal Year under Review and Subsequent Fiscal Year

In addition to reflecting consolidated performance trends, dividend levels are to be determined based on the consideration of such factors as the level of funds required for M&A transactions, capital investment and new product development investments needed to support priority business expansion, as well as other measures aimed at increasing the Company's corporate value in the future. Adequate buybacks will be undertaken considering the situation of cash flows and stock prices. The Company has the policy of shareholder returns that puts emphasis on cash dividends, setting the dividend payout ratio of 25% or more.

The Company plans to disburse year-end cash dividends of ¥35.00 per share. As interim cash dividends of ¥35.00 per share have already been disbursed, cash dividends applicable to the fiscal year under review are expected to total ¥70.00 per share.

Regarding the fiscal year ending March 31, 2018, the Company anticipates that interim dividends, year-end dividends and total dividends applicable to the year will be ¥37.50, ¥37.50, and ¥75.00 per share, respectively.

## 2. CORPORATE STRUCTURE OF FUJIFILM GROUP

Since there have not been any significant changes in business and group structures disclosed in the latest Annual Security Report filed on June 30, 2016, we omit the relevant disclosure.

### 3. MANAGEMENT POLICIES

After the year 2000, when the demand for photographic films started to decline sharply and rapidly, the Group proceeded with a conversion of its business structure with speed and confidence. As a result, the Group has built a strong management base to generate stable profit and cash to enter into a new growth phase. In 2014, the Group established its new medium-term management plan “VISION2016”, which presents a growth strategy for development, mainly in the fields of healthcare, highly functional materials, and the document business. The Group has also actively conducted M&A and has acquired the necessary technology and resources for the next stages of growth.

In the fiscal year ending March 31, 2018, if conditions continue to be unstable, including geopolitical risks as issues in Europe related to Brexit (the departure of the United Kingdom from the EU) and the refugee problem, many issues in the U.S. market that will require attention including future policies under the new administration and their impact, and trends in the economies of emerging countries including China. Even though the economic environment is expected to be severe, the Group will still take advantage of accumulated technologies, know-how, human resources, and other assets, and will involve in improving corporate value by focusing on the three key issues, namely “new businesses contributing to profitability”, “accelerating our global development” and “efficient management”, in order to achieve a strategic leap forward.

Regarding “new businesses contributing to profitability”, the Group is entering new businesses through the combinations of strategic M&A and flexible realignment of its internal organization and resources, to accelerate its growth. Especially in the healthcare business, the Group is proceeding M&A, focusing on the areas of regenerative medicine and drug discovery. In April, 2017, Wako Pure Chemical Industries Ltd., which has advanced technology in “cell culture medium and cytokine” and plays major roles in regenerative medicine, joined the Group. Working together with CDI, which is the leading company in the development and manufacture of iPS cells, J-TEC, which provides cartilage and skin cells that it cultures in-house, and Fujifilm, which has strengths in “scaffold materials” for regenerative medicine, the Group now has the three important elements for regenerative medicine internally, namely “cells,” “cell culture medium and cytokine,” and “scaffolding materials,” and is positioned with the systems needed for development within the Group. The Group will also work to accelerate the development of regenerative medicine products and expand the business of regenerative medicine as it strengthens its collaboration with government and academic circles and endeavors to contribute to the industrialization of regenerative medicine. In the development of pipeline, the Group is working to develop new drugs that will respond unmet medical needs, including the anti-cancer agents such as *FF-10501* and Alzheimer’s disease drug *T-817MA*. The Group will also work to strengthen CDMO of biopharmaceuticals, and enable these business activities to contribute to profitability at an early date. In addition, to accelerate the speed of decision making and respond quickly to fast-changing market needs, the Group has launched the Bio CDMO Division. Separated from the pharmaceutical business, the Bio CDMO aims to accelerate business growth by devoting management resources more timely and to contribute profitability from the new launched business.

Regarding “accelerating our global development”, the Group concluded business cooperation agreements with the China Resources (Holdings) Company Limited, one of the largest conglomerate enterprise in China in November 2016, and with JSC R-Pharm, a major pharmaceutical company in Russia in December 2016. The partners to these agreements will accelerate their collaboration, and, by using their sales and distribution networks, the Group will expand its business activities in the big markets in China and Russia. In the R&D area, the Group will utilize all the three Open Innovation Hubs established in Japan, the United States and Europe to create new value with business partners by developing groundbreaking products, technologies, and services.

Regarding “efficient management”, the Group will work to increase profitability by examining and verifying the effectiveness of its R&D expenses, realigning its development and production systems, and continuing to reduce equipment manufacturing costs and costs of purchasing parts. Also, the Group introduces the advanced production

technologies of Fujifilm into the production lines of the companies that have become Group subsidiaries through strategic M&A, including Toyama Chemical Co., Ltd. and FUJIFILM Diosynth Biotechnologies U.S.A., Inc., with the objectives of increasing productivity and reducing costs. Going forward, while continuing and strengthening these activities and applying them to Wako Pure Chemical Industries, Ltd., which was newly converted to a consolidated subsidiary, the Group will improve the profitability of its businesses. Through the shared service units established in Japan, Europe, and the United States, the Group will enhance impetus for the activities of Group companies and promote ongoing cost reduction activities. The Group will also implement the “Work Style Innovation” activities with the aims of enabling various employees to exercise the abilities of their own, and fostering a new culture that encourages accomplishment achieved through efficient work styles.

In addition, activities based on the “Corporate Governance Guidelines” that were issued in October 2015 are aimed at enhancing the effectiveness of the Group’s corporate governance, strengthening compliance and risk management, and fulfilling its corporate social responsibilities by diligently working on solutions for social issues through the course of its business operations and contribute to the development of society as a whole. In particular, the Group takes the investigation results of the Independent Investigation Committee arising from the inappropriate accounting practices and transactions related to an overseas subsidiary of Fuji Xerox Co., Ltd. seriously, and will strive to prevent recurrence by implementing multifaceted measures. Specifically, we will integrate some headquarters and corporate management functions of Fuji Xerox Co., Ltd. into the Company, further expand the exchanges of personnel within the Group, including management executives, and review and reorganize the internal control system of Fuji Xerox Co., Ltd. and its subsidiaries, including the system for reporting to the Company, to make business processes more transparent and strengthen Group governance.

The Group has adopted “Make innovative Results Swiftly!” as its basic policy for the fiscal year ending March 31, 2018. To this end, the Group is accelerating its effort in improving profitability of the entire business by raising productivity and efficiency of every aspect of corporate activities through the drastic review of on-site business processes and the initiation of innovation.

#### **4. BASIC RATIONALE FOR SELECTION OF ACCOUNTING STANDARDS**

Due to the agreement related to the Eurodollar convertible bond issuance in 1970, the Fujifilm Group has prepared and disclosed its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

As preparation for applying IFRS in the future, the Group is performing such efforts as obtaining knowledge about IFRS, gap analysis between IFRS and U.S. accounting standards, and impact analysis by introducing IFRS. On the other hand, the timing of applying IFRS is yet to be determined at this time.

Note: This document is a faithful translation into English of a financial condition-related 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.

“Xerox” is a registered trademark of Xerox Corporation in the United States and other countries. All other product names contained in this material are trademarks of their respective companies.

## 5. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

Amount Unit: Millions of yen

	As of March 31, 2017	As of March 31, 2016	Change
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	875,958	600,897	275,061
Marketable securities	6,044	28,012	(21,968)
Notes and accounts receivable:			
Trade and finance	640,279	641,837	(1,558)
Affiliated companies	19,708	26,444	(6,736)
Allowance for doubtful receivables	(24,207)	(24,711)	504
	635,780	643,570	(7,790)
Inventories	339,242	349,166	(9,924)
Deferred income taxes	61,423	77,828	(16,405)
Prepaid expenses and other	116,353	66,775	49,578
Total current assets	2,034,800	1,766,248	268,552
Investments and long-term receivables:			
Investments in and advances to affiliated companies	28,962	30,265	(1,303)
Investment securities	134,032	144,472	(10,440)
Long-term finance and other receivables	139,124	148,510	(9,386)
Allowance for doubtful receivables	(2,579)	(3,567)	988
Total investments and long-term receivables	299,539	319,680	(20,141)
Property, plant and equipment:			
Land	90,772	91,596	(824)
Buildings	697,327	693,705	3,622
Machinery and equipment	1,619,959	1,632,503	(12,544)
Construction in progress	31,259	36,526	(5,267)
	2,439,317	2,454,330	(15,013)
Less accumulated depreciation	(1,918,703)	(1,921,729)	3,026
Total property, plant and equipment	520,614	532,601	(11,987)
Other assets:			
Goodwill, net	499,833	506,870	(7,037)
Other intangible assets, net	76,448	86,249	(9,801)
Deferred income taxes	12,005	9,040	2,965
Other	89,950	91,282	(1,332)
Total other assets	678,236	693,441	(15,205)
<b>Total assets</b>	<b>3,533,189</b>	<b>3,311,970</b>	<b>221,219</b>

Amount Unit: Millions of yen

	As of March 31, 2017	As of March 31, 2016	Change
<b>LIABILITIES</b>			
Current liabilities:			
Short-term debt	123,999	55,305	68,694
Notes and accounts payable:			
Trade	234,217	229,893	4,324
Construction	19,913	23,421	(3,508)
Affiliated companies	3,733	3,834	(101)
	257,863	257,148	715
Accrued income taxes	32,005	18,359	13,646
Accrued liabilities	179,055	183,955	(4,900)
Other current liabilities	87,256	92,041	(4,785)
Total current liabilities	680,178	606,808	73,370
Long-term liabilities:			
Long-term debt	434,843	310,388	124,455
Accrued pension and severance costs	39,444	64,756	(25,312)
Deferred income taxes	50,736	36,976	13,760
Customers' guarantee deposits and other	59,930	61,045	(1,115)
Total long-term liabilities	584,953	473,165	111,788
Total liabilities	1,265,131	1,079,973	185,158
<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	81,761	80,507	1,254
Retained earnings	2,275,626	2,174,965	100,661
Accumulated other comprehensive income (loss)	(54,720)	(30,780)	(23,940)
Treasury stock, at cost			
As of March 31, 2016: 64,128,303 shares			
As of March 31, 2017: 76,869,546 shares	(299,471)	(250,229)	(49,242)
Total FUJIFILM Holdings shareholders' equity	2,043,559	2,014,826	28,733
Noncontrolling interests	224,499	217,171	7,328
Total equity	2,268,058	2,231,997	36,061
Total liabilities and equity	3,533,189	3,311,970	221,219

Note: Details of accumulated other comprehensive income (loss)

	As of March 31, 2017	As of March 31, 2016	Change
Unrealized gains (losses) on securities	42,693	50,864	(8,171)
Foreign currency translation adjustments	4,057	29,655	(25,598)
Pension liability adjustments	(100,486)	(109,747)	9,261
Unrealized gains (losses) on derivatives	(984)	(1,552)	568

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**(Consolidated Statements of Income)**  
**Year ended March 31**

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Year ended March 31, 2016 From April 1, 2015 To March 31, 2016		Change	
					Amount	%
Revenue:	%		%			
Sales		1,992,022		2,115,363	(123,341)	(5.8)
Rentals		330,141		345,020	(14,879)	(4.3)
	100.0	2,322,163	100.0	2,460,383	(138,220)	(5.6)
Cost of sales:						
Sales		1,249,237		1,347,882	(98,645)	(7.3)
Rentals		142,282		143,876	(1,594)	(1.1)
	59.9	1,391,519	60.6	1,491,758	(100,239)	(6.7)
Gross profit	40.1	930,644	39.4	968,625	(37,981)	(3.9)
Operating expenses:						
Selling, general and administrative	25.8	598,131	25.5	624,972	(26,841)	(4.3)
Research and development	6.9	160,232	6.6	163,027	(2,795)	(1.7)
	32.7	758,363	32.1	787,999	(29,636)	(3.8)
Operating income	7.4	172,281	7.3	180,626	(8,345)	(4.6)
Other income (expenses):						
Interest and dividend income		5,404		6,206	(802)	
Interest expense		(4,795)		(4,376)	(419)	
Foreign exchange gains (losses), net		(1,280)		(8,898)	7,618	
Gains (losses) on sales of investment securities, net		22,513		11,996	10,517	
Other, net		652		(3,312)	3,964	
	1.0	22,494	0.1	1,616	20,878	1,292.0
Income before income taxes	8.4	194,775	7.4	182,242	12,533	6.9
Income taxes						
Current		47,056		40,226	6,830	
Deferred		(2,934)		8,219	(11,153)	
	1.9	44,122	2.0	48,445	(4,323)	(8.9)
Equity in net earnings (losses) of affiliated companies	(0.2)	(3,463)	(0.0)	(302)	(3,161)	-
Net income	6.3	147,190	5.4	133,495	13,695	10.3
Less: Net (income) loss attributable to the noncontrolling interests	(0.6)	(15,684)	(0.7)	(17,093)	1,409	-
Net income attributable to FUJIFILM Holdings	5.7	131,506	4.7	116,402	15,104	13.0

## Three months ended March 31

Amount Unit: Millions of yen

	Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017		Three months ended March 31, 2016 From January 1, 2016 To March 31, 2016		Change	
					Amount	%
Revenue:						
Sales		551,458		554,331	(2,873)	(0.5)
Rentals		78,444		81,110	(2,666)	(3.3)
	100.0	629,902	100.0	635,441	(5,539)	(0.9)
Cost of sales:						
Sales		349,505		357,562	(8,057)	(2.3)
Rentals		34,506		34,755	(249)	(0.7)
	61.0	384,011	61.7	392,317	(8,306)	(2.1)
Gross profit	39.0	245,891	38.3	243,124	2,767	1.1
Operating expenses:						
Selling, general and administrative	24.0	151,675	23.8	150,775	900	0.6
Research and development	6.4	40,252	6.3	40,329	(77)	(0.2)
	30.4	191,927	30.1	191,104	823	0.4
Operating income	8.6	53,964	8.2	52,020	1,944	3.7
Other income (expenses):						
Interest and dividend income		192		906	(714)	
Interest expense		(772)		(1,145)	373	
Foreign exchange gains (losses), net		(3,392)		(5,654)	2,262	
Gains (losses) on sales of investment securities, net		15,053		2,326	12,727	
Other, net		(787)		(2,544)	1,757	
	1.6	10,294	(1.0)	(6,111)	16,405	-
Income before income taxes	10.2	64,258	7.2	45,909	18,349	40.0
Income taxes	0.9	5,674	0.6	4,392	1,282	29.2
Equity in net earnings (losses) of affiliated companies	(0.2)	(972)	(0.1)	(503)	(469)	-
Net income	9.1	57,612	6.5	41,014	16,598	40.5
Less: Net (income) loss attributable to the noncontrolling interests	(0.7)	(4,844)	(0.8)	(4,878)	34	-
Net income attributable to FUJIFILM Holdings	8.4	52,768	5.7	36,136	16,632	46.0



**(Consolidated Statements of Comprehensive Income)****Year ended March 31**

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Year ended March 31, 2016 From April 1, 2015 To March 31, 2016	Change
Net income	147,190	133,495	13,695
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(8,199)	(20,124)	11,925
Foreign currency translation adjustments	(28,241)	(72,886)	44,645
Pension liability adjustments	11,935	(39,873)	51,808
Unrealized gains (losses) on derivatives	559	(571)	1,130
Other comprehensive income (loss)	(23,946)	(133,454)	109,508
Comprehensive income (loss)	123,244	41	123,203
Less: Comprehensive (income) loss attributable to noncontrolling interests	(15,678)	(1,881)	(13,797)
Comprehensive income (loss) attributable to FUJIFILM Holdings	107,566	(1,840)	109,406

**Three months ended March 31**

Amount Unit: Millions of yen

	Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017	Three months ended March 31, 2016 From January 1, 2016 To March 31, 2016	Change
Net income	57,612	41,014	16,598
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(8,494)	(16,400)	7,906
Foreign currency translation adjustments	(21,582)	(54,076)	32,494
Pension liability adjustments	7,602	(42,040)	49,642
Unrealized gains (losses) on derivatives	26	136	(110)
Other comprehensive income (loss)	(22,448)	(112,380)	89,932
Comprehensive income (loss)	35,164	(71,366)	106,530
Less: Comprehensive (income) loss attributable to noncontrolling interests	(5,681)	6,816	(12,497)
Comprehensive income (loss) attributable to FUJIFILM Holdings	29,483	(64,550)	94,033

**(3) Consolidated Statements of Changes in Shareholders' Equity**

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interest	Total Equity
Balanced at March 31, 2015	40,363	80,315	2,088,300	87,462	(100,901)	2,195,539	222,638	2,418,177
Comprehensive income (loss):								
Net income			116,402			116,402	17,093	133,495
Change in net unrealized losses on securities				(19,968)		(19,968)	(156)	(20,124)
Foreign currency translation adjustments				(64,921)		(64,921)	(7,965)	(72,886)
Pension liability adjustments				(32,781)		(32,781)	(7,092)	(39,873)
Change in net unrealized gains (losses) on derivatives				(572)		(572)	1	(571)
Net comprehensive income (loss)						(1,840)	1,881	41
Purchases of stock for treasury					(150,050)	(150,050)		(150,050)
Sales of stock from treasury		117			722	839		839
Dividends paid to FUJIFILM Holdings shareholders			(29,737)			(29,737)		(29,737)
Dividends paid to noncontrolling interests							(7,295)	(7,295)
Issuance of stock acquisition rights		73				73		73
Equity transactions with non controlling interests and other		2				2	(53)	(51)
Balanced at March 31, 2016	40,363	80,507	2,174,965	(30,780)	(250,229)	2,014,826	217,171	2,231,997
Comprehensive income (loss):								
Net income			131,506			131,506	15,684	147,190
Change in net unrealized losses on securities				(8,171)		(8,171)	(28)	(8,199)
Foreign currency translation adjustments				(25,598)		(25,598)	(2,643)	(28,241)
Pension liability adjustments				9,261		9,261	2,674	11,935
Change in net unrealized gains (losses) on derivatives				568		568	(9)	559
Net comprehensive income (loss)						107,566	15,678	123,244
Purchases of stock for treasury					(50,022)	(50,022)		(50,022)
Sales of stock from treasury		(146)			780	634		634
Dividends paid to FUJIFILM Holdings shareholders			(30,845)			(30,845)		(30,845)
Dividends paid to noncontrolling interests							(6,371)	(6,371)
Issuance of stock acquisition rights		534				534		534
Equity transactions with non controlling interests and other		866				866	(1,979)	(1,113)
Balanced at March 31, 2017	40,363	81,761	2,275,626	(54,720)	(299,471)	2,043,559	224,499	2,268,058

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

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Year ended March 31, 2016 From April 1, 2015 To March 31, 2016	Change
<b>Operating activities</b>			
Net income	147,190	133,495	13,695
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	117,635	124,960	(7,325)
(Gains) losses on sales of investment securities	(22,513)	(11,996)	(10,517)
Deferred income taxes	(2,934)	8,219	(11,153)
Equity in net (gains) losses of affiliated companies, net of dividends received	4,546	2,302	2,244
Changes in operating assets and liabilities:			
Notes and accounts receivable	3,444	(20,061)	23,505
Inventories	4,891	5,784	(893)
Notes and accounts payable - trade	5,692	1,680	4,012
Accrued income taxes and other liabilities	(5,997)	(12,057)	6,060
Other	36,665	(8,847)	45,512
Subtotal	141,429	89,984	51,445
Net cash provided by operating activities	288,619	223,479	65,140
<b>Investing activities</b>			
Purchases of property, plant and equipment	(74,647)	(63,810)	(10,837)
Purchases of software	(22,318)	(22,278)	(40)
Proceeds from sales and maturities of marketable and investment securities	63,801	45,254	18,547
Purchases of marketable and investment securities	(20,055)	(30,798)	10,743
(Increase) decrease in time deposits, net	(38,589)	(271)	(38,318)
Increase in investments in and advances to affiliated companies	(5,527)	(3,950)	(1,577)
Acquisitions of businesses, net of cash acquired	(1,334)	(36,697)	35,363
Other	(17,770)	(44,770)	27,000
Net cash used in investing activities	(116,439)	(157,320)	40,881
<b>Financing activities</b>			
Proceeds from long-term debt	226,495	2,955	223,540
Repayments of long-term debt	(6,777)	(6,110)	(667)
Increase (decrease) in short-term debt, net	(26,233)	20,808	(47,041)
Cash dividends paid to shareholders	(30,165)	(31,974)	1,809
Subsidiaries' cash dividends paid to noncontrolling interests	(6,371)	(7,295)	924
Net purchases of stock for treasury	(50,021)	(150,049)	100,028
Other	4,362	-	4,362
Net cash provided by (used in) financing activities	111,290	(171,665)	282,955
Effect of exchange rate changes on cash and cash equivalents	(8,409)	(20,485)	12,076
Net increase (decrease) in cash and cash equivalents	275,061	(125,991)	401,052
Cash and cash equivalents at beginning of year	600,897	726,888	(125,991)
Cash and cash equivalents at end of year	875,958	600,897	275,061

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

N/A

**Summary of Significant Accounting Policies****(A) Scope of consolidated subsidiaries**

Number of Subsidiaries : 277

Main companies : FUJIFILM Corporation, Fuji Xerox Co., Ltd., Toyama Chemical Co., Ltd.,  
and others**(B) Scope of affiliated companies**

Number of Affiliates : 26

Main companies : SANRITZ CORPORATION, FUJIFILM KYOWA KIRIN BIOLOGICS Co.,  
Ltd., and others**(C) Significant Accounting Policies**

The consolidated financial statements of FUJIFILM Holdings Corporation are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Since there have been no significant changes in significant accounting policies disclosed in the latest Annual Security Report filed on June 30, 2016, we omit the relevant disclosures.

**Segment Information****1. Year ended March 31****(A) Operating Segment Information****a. Revenue**

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Year ended March 31, 2016 From April 1, 2015 To March 31, 2016		Change	
					Amount	%
Revenue:	%		%			%
Imaging Solutions:						
External customers	14.7	341,744	14.3	352,922	(11,178)	(3.2)
Intersegment		2,586		2,910	(324)	-
Total		344,330		355,832	(11,502)	(3.2)
Information Solutions:						
External customers	38.7	899,543	38.3	942,100	(42,557)	(4.5)
Intersegment		1,198		1,830	(632)	-
Total		900,741		943,930	(43,189)	(4.6)
Document Solutions:						
External customers	46.6	1,080,876	47.4	1,165,361	(84,485)	(7.2)
Intersegment		8,171		8,567	(396)	-
Total		1,089,047		1,173,928	(84,881)	(7.2)
Eliminations		(11,955)		(13,307)	1,352	-
Consolidated total	100.0	2,322,163	100.0	2,460,383	(138,220)	(5.6)

**b. Operating income**

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Year ended March 31, 2016 From April 1, 2015 To March 31, 2016		Change	
					Amount	%
Operating Income:	%		%			%
Imaging Solutions	10.7	36,847	9.0	32,013	4,834	15.1
Information Solutions	9.2	82,969	9.6	90,701	(7,732)	(8.5)
Document Solutions	7.6	82,683	7.5	87,954	(5,271)	(6.0)
Total		202,499		210,668	(8,169)	(3.9)
Corporate expenses and eliminations		(30,218)		(30,042)	(176)	-
Consolidated total	7.4	172,281	7.3	180,626	(8,345)	(4.6)

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

**Total Assets**

Amount Unit: Millions of yen

	As of March 31, 2017	As of March 31, 2016	Change	
			Amount	%
Total assets:				%
Imaging Solutions	365,939	314,766	51,173	16.3
Information Solutions	1,542,355	1,457,622	84,733	5.8
Document Solutions	1,115,381	1,138,105	(22,724)	(2.0)
Subtotal	3,023,675	2,910,493	113,182	3.9
Eliminations	(3,608)	(3,908)	300	-
Corporate assets	513,122	405,385	107,737	26.6
Consolidated total	3,533,189	3,311,970	221,219	6.7

**Depreciation and amortization, and Capital expenditures**

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Year ended March 31, 2016 From April 1, 2015 To March 31, 2016	Change	
			Amount	%
Depreciation and amortization:				%
Imaging Solutions	11,095	12,865	(1,770)	(13.8)
Information Solutions	49,088	51,990	(2,902)	(5.6)
Document Solutions	55,340	58,092	(2,752)	(4.7)
Corporate	2,112	2,013	99	4.9
Consolidated total	117,635	124,960	(7,325)	(5.9)
Capital expenditures:				%
Imaging Solutions	10,333	10,167	166	1.6
Information Solutions	40,139	39,273	866	2.2
Document Solutions	20,021	23,293	(3,272)	(14.0)
Corporate	1,312	1,410	(98)	(7.0)
Consolidated total	71,805	74,143	(2,338)	(3.2)

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

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Year ended March 31, 2016 From April 1, 2015 To March 31, 2016		Change	
					Amount	%
Revenue:	%		%			%
Japan:						
External customers	49.7	1,155,194	49.4	1,215,142	(59,948)	(4.9)
Intersegment		446,797		445,855	942	-
Total		1,601,991		1,660,997	(59,006)	(3.6)
The Americas:						
External customers	18.2	421,471	17.6	432,997	(11,526)	(2.7)
Intersegment		43,513		45,140	(1,627)	-
Total		464,984		478,137	(13,153)	(2.8)
Europe:						
External customers	8.9	206,837	8.9	220,249	(13,412)	(6.1)
Intersegment		16,505		19,129	(2,624)	-
Total		223,342		239,378	(16,036)	(6.7)
Asia and others:						
External customers	23.2	538,661	24.1	591,995	(53,334)	(9.0)
Intersegment		295,869		331,679	(35,810)	-
Total		834,530		923,674	(89,144)	(9.7)
Eliminations		(802,684)		(841,803)	39,119	-
Consolidated total	100.0	2,322,163	100.0	2,460,383	(138,220)	(5.6)

**b. Operating income**

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Year ended March 31, 2016 From April 1, 2015 To March 31, 2016		Change	
					Amount	%
Operating Income (Loss):	%		%			%
Japan	6.1	97,344	5.6	92,988	4,356	4.7
The Americas	4.5	20,942	4.4	21,107	(165)	(0.8)
Europe	3.6	7,956	3.8	9,156	(1,200)	(13.1)
Asia and others	5.8	48,234	5.9	54,835	(6,601)	(12.0)
Eliminations		(2,195)		2,540	(4,735)	-
Consolidated total	7.4	172,281	7.3	180,626	(8,345)	(4.6)

**c. Long - lived assets**

Amount Unit: Millions of yen

	As of March 31, 2017	As of March 31, 2016	Change	
			Amount	%
Long - lived assets				
Japan	374,673	379,161	(4,488)	(1.2)
The Americas	50,741	49,504	1,237	2.5
Europe	32,146	37,722	(5,576)	(14.8)
Asia and others	63,054	66,214	(3,160)	(4.8)
Consolidated total	520,614	532,601	(11,987)	(2.3)

**d. Overseas revenue (Destination Base)**

Amount Unit: Millions of yen

	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Year ended March 31, 2016 From April 1, 2015 To March 31, 2016		Change	
	%		%		Amount	%
Revenue:						
Domestic	41.5	962,711	40.0	983,703	(20,992)	(2.1)
Overseas:						
The Americas	19.4	450,368	20.3	500,445	(50,077)	(10.0)
Europe	11.8	273,938	11.6	284,040	(10,102)	(3.6)
Asia and others	27.3	635,146	28.1	692,195	(57,049)	(8.2)
Subtotal	58.5	1,359,452	60.0	1,476,680	(117,228)	(7.9)
Consolidated total	100.0	2,322,163	100.0	2,460,383	(138,220)	(5.6)

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



## 2. Three months ended March 31

### (A) Operating Segment Information

#### Revenue

Amount Unit: Millions of yen

	Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017		Three months ended March 31, 2016 From January 1, 2016 To March 31, 2016		Change	
					Amount	%
Revenue:	%		%			%
Imaging Solutions:						
External customers	13.4	84,261	12.6	79,678	4,583	5.8
Intersegment		699		623	76	-
Total		84,960		80,301	4,659	5.8
Information Solutions:						
External customers	40.8	257,130	39.8	253,058	4,072	1.6
Intersegment		232		467	(235)	-
Total		257,362		253,525	3,837	1.5
Document Solutions:						
External customers	45.8	288,511	47.6	302,705	(14,194)	(4.7)
Intersegment		2,323		2,303	20	-
Total		290,834		305,008	(14,174)	(4.6)
Eliminations		(3,254)		(3,393)	139	-
Consolidated total	100.0	629,902	100.0	635,441	(5,539)	(0.9)

Note: 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

#### Overseas Revenue (Destination Base)

Amount Unit: Millions of yen

	Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017		Three months ended March 31, 2016 From January 1, 2016 To March 31, 2016		Change	
					Amount	%
Revenue:	%		%			%
Domestic	43.1	271,489	43.1	273,636	(2,147)	(0.8)
Overseas:						
The Americas	18.2	114,949	18.7	118,708	(3,759)	(3.2)
Europe	11.8	74,059	11.0	70,158	3,901	5.6
Asia and others	26.9	169,405	27.2	172,939	(3,534)	(2.0)
Subtotal	56.9	358,413	56.9	361,805	(3,392)	(0.9)
Consolidated total	100.0	629,902	100.0	635,441	(5,539)	(0.9)

**Fair Value on Marketable and Investment Securities**

Amount Unit: Millions of yen

	As of March 31, 2017				As of March 31, 2016			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:								
Corporate debt securities	6,000	1	1	6,000	28,000	18	6	28,012
Total marketable securities	6,000	1	1	6,000	28,000	18	6	28,012
Investment securities:								
Government debt securities	-	-	-	-	250	3	-	253
Stocks	59,658	67,942	924	126,676	53,344	76,175	936	128,583
Investment trusts	306	-	44	262	5,598	3,541	-	9,139
Total investment securities	59,964	67,942	968	126,938	59,192	79,719	936	137,975
Total	65,964	67,943	969	132,938	87,192	79,737	942	165,987

Note: This statement is prepared in accordance with accounting principles generally accepted in the United States of America.

All debt and equity securities held by FUJIFILM Holdings Corporation and subsidiaries are classified as available-for-sale securities.

**Amounts Per Share of Common Stock**

	Year ended March 31, 2017	Year ended March 31, 2016
	Yen	Yen
FUJIFILM Holdings shareholders' equity per share	4,668.26	4,472.45
Net income attributable to FUJIFILM Holdings per share	296.27	250.03
Net income attributable to FUJIFILM Holdings per share (Assuming full dilution)	295.22	249.20

**Subsequent Event**

FUJIFILM Corporation ("FUJIFILM"), a wholly owned subsidiary of FUJIFILM Holdings Corporation acquired 16,824,481 shares of Wako Pure Chemical Industries Ltd. ("Wako Pure Chemical"), a comprehensive manufacturing company of laboratory chemicals for ¥ 143,597 million through a tender offer in order to further expand business in the fields of "healthcare" and "highly functional materials". Wako Pure Chemical then became a consolidated subsidiary of FUJIFILM with 93.5% of ownership on April 21, 2017.