



Financial Results (Consolidated) for Six months ended September 30, 2019

FUJIFILM Holdings Corporation

Kenji Sukeno

President and Chief Operating Officer

Projected date of Quarterly report: November 14, 2019

Projected date of the beginning of cash dividends: December 3, 2019

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.)

November 12, 2019

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

1. Results of Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(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, 2019	1,132,134	(3.5)	92,039	9.7	97,532	(1.3)	61,145	(6.6)
Six months ended Sept. 30, 2018	1,172,743	(1.3)	83,930	16.0	98,831	(1.3)	65,494	(7.6)

Note: Comprehensive income

Six months ended Sept. 30, 2019 ¥ 17,645 million (-81.8%)

Six months ended Sept. 30, 2018 ¥ 96,876 million (-11.0%)

	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, 2019	149.38	148.91
Six months ended Sept. 30, 2018	152.43	151.98

(2) FINANCIAL POSITION

Amount Unit: Millions of yen unless otherwise specified / Figures are rounded off to the nearest million yen

	Total assets	Total equity (Net asset)	FUJIFILM Holdings shareholders' equity	FUJIFILM Holdings shareholders' equity ratio to total assets
				%
As of Sept. 30, 2019	3,480,787	2,245,789	2,035,904	58.5
As of March 31, 2019	3,414,692	2,244,841	2,036,963	59.7

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, 2019	-	40.00	-	40.00	80.00
Year ending March 31, 2020	-	47.50	-	-	-
Year ending March 31, 2020 (Forecast)	-	-	-	47.50	95.00

Note: Changes in dividends forecast during the quarter under review: None

3. Forecast for the Fiscal Year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

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, 2020	2,435,000	0.1	240,000	14.4	245,000	15.2	162,000	17.3	395.72

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 September 30, 2019 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: Yes

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

Note: See "(3) Changes in Accounting Principles" in "2. MATTERS RELATING TO SUMMARY (OTHER) INFORMATION" on page 6 for more details.

(4) Number of shares outstanding

1. Issued (including treasury stock):

2. Treasury stock:

3. Average number of shares:

As of Sept. 30, 2019	514,625,728	As of March 31, 2019	514,625,728
As of Sept. 30, 2019	105,246,429	As of March 31, 2019	105,340,377
Six months ended Sept. 30, 2019	409,332,091	Six months ended Sept. 30, 2018	429,670,455

This report is not reviewed.

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

	Six months ended September 30, 2019		Six months ended September 30, 2018		Change	
					Amount	%
Domestic revenue	43.5%	491.9	41.0%	480.8	11.1	2.3
Overseas revenue	56.5%	640.2	59.0%	691.9	(51.7)	(7.5)
Revenue	100.0%	1,132.1	100.0%	1,172.7	(40.6)	(3.5)
Operating income	8.1%	92.0	7.2%	83.9	8.1	9.7
Income before income taxes	8.6%	97.5	8.4%	98.8	(1.3)	(1.3)
Net income attributable to FUJIFILM Holdings	5.4%	61.1	5.6%	65.5	(4.4)	(6.6)
Exchange rates (Yen / US\$)		¥109		¥110		(¥1)
Exchange rates (Yen / Euro)		¥121		¥130		(¥9)

Overviewing the global economy during the first half of the fiscal year ending March 31, 2020 (April 1, 2019 through September 30, 2019), the U.S. economy continued to recover steadily as personal consumption and government spending increased. In Europe, the trend of gradual economic recovery persisted due to increased consumption, despite weaknesses seen in some areas. In Asia, Chinese economy has slowed moderately, influenced by lower consumption growth and decreased exports. Other Asian regions showed gradual economic recovery, although weak trends were observed in some areas. In Japan, the trend of gradual economic recovery continued as personal consumption is picking up with the improvement in the employment and income environment.

Since 2000, when demand for photographic film, our core business, drastically declined, the Fujifilm Group (the Group) has established a business foundation that generates profits stably through by actively promoting transformation of its business structure, and entered a new growth phase. In August 2017, the Group formulated “Sustainable Value Plan 2030” (“SVP2030”), a new CSR plan with targets for FY2031/3. We will continue to be a company that contributes to the realization of a sustainable society by making further efforts to solve social issues through business activities such as providing innovative technologies, products and services. In addition, the medium-term management plan VISION2019 was formulated as a concrete action plan to achieve the vision shown in “SVP2030”. The plan positions each business in three stages of “improving profitability”, “accelerating further growth” and “investing for creating the future”, and deploys measures tailored to their growth process in order to enhance profitability and build a strong business portfolio for a further leap forward.

In the first half of the fiscal year ending March 31, 2020, the Fujifilm Group recorded ¥1,132.1 billion in consolidated revenue (down 3.5% from the same period of the previous fiscal year), reflecting such factors as a sales increase in the medical systems business, bio CDMO business and regenerative medicine business, and a sales decrease in the photo imaging business and document business.

Operating income increased to ¥92.0 billion (up 9.7% from the same period of the previous fiscal year). Consolidated income before income taxes amounted to ¥97.5 billion (down 1.3% from the same period of the previous fiscal year) and consolidated net income attributable to FUJIFILM Holdings totaled ¥61.1 billion (down 6.6% from the same period of the previous fiscal year).

The effective currency exchange rates for the U.S. dollar and the euro against the yen during the first half of this fiscal year were ¥109 and ¥121, respectively.

Revenue by Operating Segment

Amount Unit: Billions of yen

Segment	Six months ended September 30, 2019	Six months ended September 30, 2018	Change	
			Amount	%
Imaging Solutions	154.1	175.9	(21.8)	(12.4)
Healthcare & Material Solutions	492.7	499.0	(6.3)	(1.3)
Document Solutions	485.3	497.8	(12.5)	(2.5)
Consolidated Total	1,132.1	1,172.7	(40.6)	(3.5)

Operating Income by Operating Segment

Amount Unit: Billions of yen

Segment	Six months ended September 30, 2019	Six months ended September 30, 2018	Change	
			Amount	%
Imaging Solutions	10.1	21.6	(11.5)	(53.0)
Healthcare & Material Solutions	45.0	37.5	7.5	20.0
Document Solutions	54.9	43.3	11.6	26.9
Corporate Expenses and Eliminations	(18.0)	(18.5)	0.5	-
Consolidated Total	92.0	83.9	8.1	9.7

Imaging Solutions

In the Imaging Solutions segment, consolidated revenue amounted to ¥154.1 billion (down 12.4% from the same period of the previous fiscal year).

Consolidated operating income amounted to ¥10.1 billion (down 53.0% from the same period of the previous fiscal year).

In the photo imaging business, revenue declined due to such factors as decreased sales of color paper. For instant photo systems, which enable users to enjoy on-the-spot printing of photos, sales of *instax mini LiPlay*, the hybrid instant camera launched in June 2019, were strong both in Japan and overseas. Its excellent portability with a compact and lightweight body, the print function from smartphones and the sound function that can record audio along with photos are gaining popularity. In October 2019, we launched *instax mini Link*, a printer that can print images taken with smartphones on instax film. In the value-added printing business, the cloud photo service *FUJIFILM PhotoBank* was launched in May 2019.

In the electronic imaging field of the optical device and electronic imaging business, revenue declined due to such factors as decreased sales of entry-level digital cameras, although sales were strong for middle and high-end models such as *FUJIFILM GFX100*, a mirrorless digital camera equipped with a large format sensor with the world's highest 102 million pixels resolution, launched in June 2019. In September 2019, *FUJINON Lens GF50mmF3.5 R LM WR*, a compact prime lens weighing just 335g, was added to the lineup as an interchangeable lens for the *GFX* series. The lineup of 10 lenses in total covers a broad range of shooting conditions, offering users a joy of shooting with the *GFX* series.

In the optical device field, revenue decreased as the demand for industrial lenses such as on-vehicle lenses declined mainly due to economic slowdown in China. Fujifilm is enhancing the deployment of new products for business growth such as *FUJIFILM PROJECTOR Z5000*, a projector that drastically expands the flexibility for installation with a rotatable lens, and the *Premista* series of zoom lenses for cinema cameras compatible with large format sensors, launched in April 2019.

Healthcare & Material Solutions

In the Healthcare & Material Solutions segment, consolidated revenue amounted to ¥492.7 billion (down 1.3% from the same period of the previous fiscal year).

Operating income amounted to ¥45.0 billion (up 20.0% from the same period of the previous fiscal year).

In the medical systems business, revenue increased due to strong sales in such business fields as X-ray

imaging diagnostics, medical IT, endoscopes and in-vitro diagnostics (IVD). In the X-ray imaging diagnostics field, sales of DR were strong mainly in emerging markets such as Middle East, Africa and Southeast Asia. In the medical IT field, revenue largely increased with strong sales of systems, particularly *SYNAPSE*, Picture Archiving Communication Systems (PACS), mainly in Japan and the United States. In July 2019, domestic sales started for *SYNAPSE SAI viewer*, an AI platform that supports diagnosis using AI technologies such as automatic organ extraction from CT images. By utilizing AI technologies, Fujifilm will work on supporting doctors and improving workflow in diagnostic imaging. In the endoscopes field, strong sales were seen for such products as the *7000* systems capable of unique special-light illumination. In the ultrasound diagnostics field, sales of the *FCI-X*, a portable ultrasound diagnostic device with a new automatic blood flow measurement function for dialysis applications, increased significantly in Japan. Sales of portable ultrasound diagnostic devices such as *SonoSite Edge II* were also strong in China and emerging countries, and the sales of full-flat ultrasound diagnostic device *SonoSite S II* increased mainly in the U.S. In the field of IVD, sales were favorable with *FUJI DRI-CHEM Series*, the blood examination system, and contracted examinations in the domestic veterinary market.

In the pharmaceutical business, revenue declined due to reduced sales of generic drugs aimed at improving profitability. In July 2019, Fujifilm obtained an imported drug approval in China for *T-3811*, a quinolone oral synthetic antibacterial agent, mainly for respiratory infections such as pneumonia. We will continue to contribute to the further development of medicine through the development, manufacture and sale of high-value-added medicines.

In the bio CDMO business, revenue increased as the contract process development and manufacturing business for biopharmaceuticals progressed favorably. In August 2019, the acquisition was completed for Biogen (Denmark) Manufacturing ApS, a manufacturing subsidiary of Biogen Inc., a U.S. based large biopharmaceutical company. Through this acquisition, we acquired mass production facilities such as six 15,000-liter mammalian cell culture tanks. Along with the significant buildup of production capacity, we have established a system that can respond quickly to a wide range of customer needs from small to large quantities. While bolstering its production capacity, Fujifilm will, through the development of highly efficient, highly productive technology, expand its biopharmaceutical contract process development and manufacturing business.

In the regenerative medicine business, revenue increased due to favorable sales of cell culture media for biopharmaceuticals by FUJIFILM Irvine Scientific, Inc., which became a consolidated subsidiary in June 2018. In July 2019, Century Therapeutics, Inc., a company established by FUJIFILM Cellular Dynamics, Inc., our U.S. subsidiary and a leading iPS cell development and manufacturing company, and Versant Venture Management, LLC, a leading U.S. venture capital firm, announced that it would start the development of next-generation cancer immunotherapeutic drugs using allogeneic iPS cells. Bayer AG, a major pharmaceutical company, will also participate in this development. Fujifilm will contribute to early industrialization of regenerative medicine by leveraging technologies and expertise of its group companies.

In the life sciences business, revenue increased due to strong sales of renewed *ASTALIFT JELLY AQUARYSTA*, a jelly-type beauty serum, and supplements such as *MetabARRIER EX* series. In addition, Fujifilm entered the male cosmetics market with the launch of *ASTALIFT MEN*, men's skincare series in November 2019. We will contribute to people's beauty and health by providing unique products that meet customer needs.

Regarding the display materials business, although overall sales decreased due to such factors as a declined demand for *WV film*, sales were strong for products related to OLED.

In the industrial products business, although overall sales declined mainly due to inventory adjustment by customers for *EXCLEAR*, touch-panel sensor films, sales were solid for non-destructive testing equipment.

In the electronic materials business, although revenue remained at the same level as the previous year as the sales of peripheral materials for advanced photolithography were affected by the sluggish semiconductor market, sales remained solid for products such as Image Sensor Color Mosaic and polyimide for advanced package.

In the fine chemical business, revenue remained at the same level as the previous year, reflecting the solid sales of such products as laboratory chemicals for research institutes and contract services for inspections and analysis in the life science field.

In the recording media business, revenue increased due to favorable sales of high-capacity magnetic tapes for data storage. In September 2019, *FUJIFILM LTO Ultrium8 Data Cartridge*, a magnetic data storage tape with a maximum recording capacity of 30 TB, was launched. Fujifilm is making sure to meet customer needs in the big data era by expanding the sales of magnetic data storage tapes that utilize unique technologies such as barium ferrite (BaFe) particles, and by providing data archive services.

In the graphic systems business, revenue decreased mainly due to a declined demand for printing plates. In the printing plates field, we are expanding the sales of environmentally responsive products, including *SUPERIA ZN-II*, the thermal process-less CTP plate for newspaper that won the Minister of Economy, Trade and Industry Award at the Eco-Pro Award sponsored by the Industrial Environment Management Association in September 2019. In the digital printing field, Fujifilm continues to develop and provide innovative products to the rapidly digitalized commercial printing market for business growth, centering on *Jet Press750S*, a new lineup of the *Jet Press* series of commercial inkjet digital press, launched in March 2019.

In the inkjet business, revenue decreased as the sales of industrial inkjet printheads were affected by the decline in demand due to economic slowdown in China. Fujifilm plans to expand its business not only in the existing commercial printing and display field, but also in new areas such as textile and packaging by providing unique products.

Document Solutions

In the Document Solutions segment, consolidated revenue amounted to ¥485.3 billion (down 2.5% from the same period of the previous fiscal year).

Operating income amounted to ¥54.9 billion (up 26.9% from the same period of the previous fiscal year), due to such factors as favorable domestic sales, improved profitability by reducing low-profit businesses and a positive impact from structural reforms.

Regarding the office products field of the office products and printers business, although overall sales volume decreased from the same period of the previous fiscal year due to a decrease in exports to Europe and the United States, the sales of color multifunction devices were strong in the Asia Pacific area including Japan and China.

In the production services business, although the sales of printers for mission-critical systems decreased, the overall number of sales units increased from the same period of the previous fiscal year as strong sales remained for an on-demand production color printer called the *Iridesse™ Production Press*, and sales were also favorable for color devices for DTP (desktop publishing) in Japan.

In the solutions and services business, overall revenue increased due to a large BPO (Business Process Outsourcing) contract acquired in Australia and solid sales of solution services that support design/introduction/operation/management of IT environments in the office. We aim for further growth in the service filed by continuously providing new services that support customers in the diversification of work styles.

(2) Explanation on the Consolidated Financial Position

At the end of the second quarter of the fiscal year ending March 31, 2020, total assets increased by ¥66.1 billion, compared with the end of the previous fiscal year, to ¥3,480.8 billion, owing to an increase in property, plant and equipment. Total liabilities increased by ¥65.1 billion, compared with the end of the previous fiscal year, to ¥1,235.0 billion. FUJIFILM Holdings shareholders' equity decreased by ¥1.1 billion, compared with the end of the previous fiscal year, to ¥2,035.9 billion. As a result, the current ratio increased by 0.0 percentage points, to 246.5%, the debt-equity ratio increased by 3.3 percentage points, to 60.7%, and the equity ratio decreased by 1.2 percentage points, to 58.5%, compared with the end of the previous fiscal year. Fujifilm is maintaining a stable level of asset liquidity and a sound capital structure.

(Cash Flows)

Amount Unit: Billions of yen

	Six months ended September 30, 2019	Six months ended September 30, 2018	Change
Net cash provided by operating activities	157.6	85.3	72.3
Net cash used in investing activities	(163.5)	(131.1)	(32.4)
Net cash used in financing activities	(2.6)	(128.6)	126.0

During the first half of the fiscal year ending March 31, 2020, net cash provided by operating activities totaled ¥157.6 billion, due to a decrease in accounts receivable and other factors. Net cash used in investing activities amounted to ¥163.5 billion, due to the acquisition of businesses and other factors. Thus, free cash flow—or the sum of cash flow from operating and investing activities—was ¥(5.9) billion. Net cash used in financing activities amounted to ¥2.6 billion, due to payment of dividends and other factors.

As a result, cash and cash equivalents at the end of the quarter under review amounted to ¥628.0 billion, down ¥26.7 billion from the end of the previous fiscal year.

(3) Explanation on Projected Information on Forecasts of the Consolidated Operating Results

In the forecast for the fiscal year ending March 31, 2020, revenue has been lowered in view of the impact of revising the exchange rate to the strong yen and other factors. On the other hand, operating income and income before income taxes have not been revised due to increased profitability from strong sales in the medical systems business and bio CDMO business, and improved profitability and structural reforms in the Document Solutions. Net income attributable to FUJIFILM Holdings has been revised upward by making Fuji Xerox a wholly owned subsidiary, incorporating its profit attributable to non-controlling interests.

Regarding the structural reforms in the document business, one-time expenses of ¥10.0 billion and positive impact of ¥18.0 billion are projected.

The projected currency exchange rates for the U.S. dollar and the euro against the yen during the fiscal year ending March 31, 2020 are ¥108 and ¥122, respectively.

Amount Unit: Billions of yen

	Previous forecast (A) (announced on May 8, 2019)	Latest revised forecast (B)	Change (B-A)	Change (%)	(Ref.) Actual results for FY2019/3
Revenue	2,480.0	2,435.0	(45.0)	(1.8%)	2,431.5
Operating income	240.0	240.0	-	-	209.8
Income before income taxes	245.0	245.0	-	-	212.8
Net income attributable to FUJIFILM Holdings	155.0	162.0	7.0	4.5%	138.1
Net income attributable to FUJIFILM Holdings per share	¥378.71	¥395.72	¥17.01	4.5%	¥326.81

Note: Net income attributable to FUJIFILM Holdings per share in the previous forecast is calculated using the number of shares issued as of March 31, 2019 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, 2019 excluding treasury shares.

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: Yes

In February 2016, U.S. Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02 “Lease”. The standard document 842 prescribed by this standard replaces the standard document 840. This standard stipulates that the lessee of the lease should recognize lease liabilities and the right-of-use assets

on the balance sheet. In addition, the standard requires qualitative and quantitative disclosures about leases. This standard is effective from the consolidated fiscal year (including the interim period) beginning after December 15, 2018, with early adoption permitted. We have applied this standard from the consolidated fiscal year that began on April 1, 2019. In applying this standard, we adopted the method of recognizing the cumulative effect of applying this standard at the commencement date, which is permitted as a transitional measure. As a result, the figures in the previous consolidated fiscal year, as comparative information, is reported based on the standard 840 and not restated.

We apply the following practical expedients: for contracts that already expired or exist on the date of standard application, it is not reevaluated whether they fall under leases, classification of the leases, or their initial direct costs, and for leasehold that already expired or exists on the date of standard application, it is not reevaluated whether the portion of the leasehold that has not been accounted for falls under a lease.

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.

“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.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

Amount Unit: Millions of yen

	As of September 30, 2019	As of March 31, 2019	Change
ASSETS			
Current assets:			
Cash and cash equivalents	628,044	654,747	(26,703)
Notes and accounts receivable:			
Trade	505,470	580,423	(74,953)
Lease receivables	56,192	58,857	(2,665)
Affiliated companies	3,339	5,634	(2,295)
Allowance for doubtful receivables	(25,143)	(27,119)	1,976
	539,858	617,795	(77,937)
Inventories	398,782	374,456	24,326
Prepaid expenses and Other	91,199	83,908	7,291
Total current assets	1,657,883	1,730,906	(73,023)
Investments and long-term receivables:			
Investments in and advances to affiliated companies	30,927	33,445	(2,518)
Investment securities	107,672	105,678	1,994
Long-term lease receivables	62,741	72,814	(10,073)
Other long-term receivables	28,801	31,509	(2,708)
Allowance for doubtful receivables	(3,564)	(3,754)	190
Total investments and long-term receivables	226,577	239,692	(13,115)
Property, plant and equipment:			
Land	97,560	98,211	(651)
Buildings	722,602	690,207	32,395
Machinery and equipment and other	1,474,055	1,447,115	26,940
Construction in progress	40,402	36,420	3,982
	2,334,619	2,271,953	62,666
Less accumulated depreciation	(1,751,040)	(1,745,156)	(5,884)
Total property, plant and equipment	583,579	526,797	56,782
Other assets:			
Operating lease right-of-use assets	79,687	-	79,687
Goodwill, net	684,000	655,508	28,492
Other intangible assets, net	137,443	145,013	(7,570)
Other	111,618	116,776	(5,158)
Total other assets	1,012,748	917,297	95,451
Total assets	3,480,787	3,414,692	66,095

Amount Unit: Millions of yen

	As of September 30, 2019	As of March 31, 2019	Change
LIABILITIES			
Current liabilities:			
Short-term debt	140,430	170,579	(30,149)
Notes and accounts payable:			
Trade	196,765	210,658	(13,893)
Construction	19,297	25,758	(6,461)
Affiliated companies	1,897	1,940	(43)
	217,959	238,356	(20,397)
Accrued income taxes	18,328	18,950	(622)
Accrued liabilities	180,043	182,833	(2,790)
Short-term operating lease liabilities	25,486	-	25,486
Other current liabilities	90,312	91,567	(1,255)
Total current liabilities	672,558	702,285	(29,727)
Long-term liabilities:			
Long-term debt	403,298	353,533	49,765
Accrued pension and severance costs	33,982	40,335	(6,353)
Long-term operating lease liabilities	55,040	-	55,040
Other long-term liabilities	70,120	73,698	(3,578)
Total long-term liabilities	562,440	467,566	94,874
Total liabilities	1,234,998	1,169,851	65,147
EQUITY			
FUJIFILM Holdings shareholders' equity			
Capital	40,363	40,363	-
Common stock, without par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares			
Additional paid-in capital	24,946	24,494	452
Retained earnings	2,549,322	2,507,719	41,603
Accumulated other comprehensive income (loss)	(144,093)	(100,593)	(43,500)
Treasury stock, at cost	(434,634)	(435,020)	386
Total FUJIFILM Holdings shareholders' equity	2,035,904	2,036,963	(1,059)
Noncontrolling interests	209,885	207,878	2,007
Total equity	2,245,789	2,244,841	948
Total liabilities and equity	3,480,787	3,414,692	66,095

Note: Details of accumulated other comprehensive income (loss)

	As of September 30, 2019	As of March 31, 2019	Change
Unrealized gains (losses) on securities	(13)	(2)	(11)
Foreign currency translation adjustments	(43,548)	2,112	(45,660)
Pension liability adjustments	(100,412)	(102,463)	2,051
Unrealized gains (losses) on derivatives	(120)	(240)	120

(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, 2019 From April 1, 2019 To September 30, 2019		Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018		Change	
					Amount	%
	%		%			
Revenue	100.0	1,132,134	100.0	1,172,743	(40,609)	(3.5)
Cost of sales	58.2	658,550	58.5	685,836	(27,286)	(4.0)
Gross profit	41.8	473,584	41.5	486,907	(13,323)	(2.7)
Operating expenses:						
Selling, general and administrative	26.7	301,861	27.5	323,489	(21,628)	(6.7)
Research and development	7.0	79,684	6.8	79,488	196	0.2
Operating income	33.7	381,545	34.3	402,977	(21,432)	(5.3)
Operating income	8.1	92,039	7.2	83,930	8,109	9.7
Other income (expenses):						
Interest and dividend income		2,672		2,705	(33)	
Interest expense		(1,376)		(1,936)	560	
Foreign exchange gains (losses), net		(2,736)		126	(2,862)	
Gains (losses) on equity securities, net		(677)		8,788	(9,465)	
Other, net		7,610		5,218	2,392	
Income before income taxes	0.5	5,493	1.2	14,901	(9,408)	(63.1)
Income before income taxes	8.6	97,532	8.4	98,831	(1,299)	(1.3)
Income taxes	2.2	24,948	2.0	23,524	1,424	6.1
Equity in net earnings (losses) of affiliated companies	(0.0)	(575)	(0.1)	(1,130)	555	(49.1)
Net income	6.4	72,009	6.3	74,177	(2,168)	(2.9)
Less: Net (income) loss attributable to the noncontrolling interests	(1.0)	(10,864)	(0.7)	(8,683)	(2,181)	25.1
Net income attributable to FUJIFILM Holdings	5.4	61,145	5.6	65,494	(4,349)	(6.6)

Three months ended September 30

Amount Unit: Millions of yen

	Three months ended September 30, 2019 From July 1, 2019 To September 30, 2019		Three months ended September 30, 2018 From July 1, 2018 To September 30, 2018		Change	
					Amount	%
	%		%			
Revenue	100.0	596,808	100.0	607,851	(11,043)	(1.8)
Cost of sales	58.9	351,642	58.7	356,668	(5,026)	(1.4)
Gross profit	41.1	245,166	41.3	251,183	(6,017)	(2.4)
Operating expenses:						
Selling, general and administrative	25.1	149,523	27.1	164,763	(15,240)	(9.2)
Research and development	6.8	40,717	6.5	39,345	1,372	3.5
Operating income	31.9	190,240	33.6	204,108	(13,868)	(6.8)
Operating income	9.2	54,926	7.7	47,075	7,851	16.7
Other income (expenses):						
Interest and dividend income		1,008		847	161	
Interest expense		(651)		(975)	324	
Foreign exchange gains (losses), net		186		(311)	497	
Gains (losses) on equity securities, net		8,606		7,561	1,045	
Other, net		7,065		(1,163)	8,228	
Income before income taxes	2.7	16,214	1.0	5,959	10,255	172.1
Income before income taxes	11.9	71,140	8.7	53,034	18,106	34.1
Income taxes	3.0	17,914	1.6	10,003	7,911	79.1
Equity in net earnings (losses) of affiliated companies	(0.0)	(45)	(0.0)	(107)	62	(57.9)
Net income	8.9	53,181	7.1	42,924	10,257	23.9
Less: Net (income) loss attributable to the noncontrolling interests	(1.1)	(6,698)	(1.0)	(5,754)	(944)	16.4
Net income attributable to FUJIFILM Holdings	7.8	46,483	6.1	37,170	9,313	25.1

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

Amount Unit: Millions of yen

	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019	Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018	Change
Net income	72,009	74,177	(2,168)
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(11)	3	(14)
Foreign currency translation adjustments	(50,606)	30,461	(81,067)
Pension liability adjustments	2,385	2,590	(205)
Unrealized gains (losses) on derivatives	135	232	(97)
Total	(48,097)	33,286	(81,383)
Comprehensive income (loss)	23,912	107,463	(83,551)
Less: Comprehensive (income) loss attributable to noncontrolling interests	(6,267)	(10,587)	4,320
Comprehensive income (loss) attributable to FUJIFILM Holdings	17,645	96,876	(79,231)

Three months ended September 30

Amount Unit: Millions of yen

	Three months ended September 30, 2019 From July 1, 2019 To September 30, 2019	Three months ended September 30, 2018 From July 1, 2018 To September 30, 2018	Change
Net income	53,181	42,924	10,257
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	2	1	1
Foreign currency translation adjustments	(16,413)	22,089	(38,502)
Pension liability adjustments	1,170	1,135	35
Unrealized gains (losses) on derivatives	42	102	(60)
Total	(15,199)	23,327	(38,526)
Comprehensive income (loss)	37,982	66,251	(28,269)
Less: Comprehensive (income) loss attributable to noncontrolling interests	(5,347)	(7,407)	2,060
Comprehensive income (loss) attributable to FUJIFILM Holdings	32,635	58,844	(26,209)

(3) Consolidated Statements of Cash Flows

Amount Unit: Millions of yen

	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019	Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018	Change
Operating activities			
Net income	72,009	74,177	(2,168)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	60,516	63,200	(2,684)
(Gains) losses on equity securities, net	677	(8,788)	9,465
Equity in net (gains) losses of affiliated companies, net of dividends received	1,633	5,229	(3,596)
Changes in operating assets and liabilities:			
Notes and accounts receivable	64,441	38,733	25,708
Inventories	(31,975)	(35,192)	3,217
Notes and accounts payable - trade	(6,652)	(8,083)	1,431
Accrued income taxes and other liabilities	(5,438)	(79,678)	74,240
Other	2,341	35,673	(33,332)
Subtotal	85,543	11,094	74,449
Net cash provided by operating activities	157,552	85,271	72,281
Investing activities			
Purchases of property, plant and equipment	(43,120)	(29,764)	(13,356)
Purchases of software	(9,582)	(10,075)	493
Proceeds from sales and maturities of marketable and investment securities	7	2,314	(2,307)
Purchases of marketable and investment securities	(1,718)	(524)	(1,194)
(Increase) decrease in time deposits, net	(2,919)	(2,443)	(476)
(Increase) decrease in investments in and advances to affiliated companies	(945)	37	(982)
Acquisitions of businesses, net of cash acquired	(105,709)	(84,310)	(21,399)
Other	485	(6,332)	6,817
Net cash used in investing activities	(163,501)	(131,097)	(32,404)
Financing activities			
Proceeds from long-term debt	50,117	36	50,081
Repayments of long-term debt	(32,126)	(1,599)	(30,527)
Increase (decrease) in short-term debt, net	170	(5,959)	6,129
Cash dividends paid to shareholders	(16,371)	(16,134)	(237)
Subsidiaries' cash dividends paid to noncontrolling interests	(3,513)	(4,038)	525
Net purchases of stock for treasury	(9)	(22,190)	22,181
Capital transactions with noncontrolling interests and other	(840)	(78,753)	77,913
Net cash used in financing activities	(2,572)	(128,637)	126,065
Effect of exchange rate changes on cash and cash equivalents	(18,182)	6,788	(24,970)
Net decrease in cash and cash equivalents	(26,703)	(167,675)	140,972
Cash and cash equivalents at beginning of period	654,747	768,246	(113,499)
Cash and cash equivalents at end of period	628,044	600,571	27,473

(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, 2019 From April 1, 2019 To September 30, 2019		Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	13.6	154,070	15.0	175,912	(21,842)	(12.4)
Intersegment		1,175		1,105	70	-
Total		155,245		177,017	(21,772)	(12.3)
Healthcare & Material Solutions:						
External customers	43.5	492,745	42.6	499,061	(6,316)	(1.3)
Intersegment		1,011		673	338	-
Total		493,756		499,734	(5,978)	(1.2)
Document Solutions:						
External customers	42.9	485,319	42.4	497,770	(12,451)	(2.5)
Intersegment		6,730		3,839	2,891	-
Total		492,049		501,609	(9,560)	(1.9)
Eliminations		(8,916)		(5,617)	(3,299)	-
Consolidated total	100.0	1,132,134	100.0	1,172,743	(40,609)	(3.5)

b. Operating income

Amount Unit: Millions of yen

	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018		Change	
	%		%		Amount	%
Operating Income:						
Imaging Solutions	6.5	10,144	12.2	21,599	(11,455)	(53.0)
Healthcare & Material Solutions	9.1	45,025	7.5	37,511	7,514	20.0
Document Solutions	11.2	54,921	8.6	43,287	11,634	26.9
Total		110,090		102,397	7,693	7.5
Corporate expenses and eliminations		(18,051)		(18,467)	416	-
Consolidated total	8.1	92,039	7.2	83,930	8,109	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
- Healthcare & Material Solutions: Equipment and materials for medical systems, cosmetics and supplements, pharmaceuticals, contract development and manufacturing organization of biopharmaceuticals, regenerative medicine, fine chemicals, equipment and materials for graphic arts, inks and industrial inkjet printheads, display materials, recording media, electronic materials
- Document Solutions: Digital MFPs, publishing systems, document management software and related solutions and services

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

Amount Unit: Millions of yen

	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018		Change	
	%		%		Amount	%
Revenue:						
Japan:						
External customers	50.1	566,724	48.9	573,721	(6,997)	(1.2)
Intersegment		234,304		251,406	(17,102)	-
Total		801,028		825,127	(24,099)	(2.9)
The Americas:						
External customers	17.7	200,590	18.5	217,375	(16,785)	(7.7)
Intersegment		25,788		24,890	898	-
Total		226,378		242,265	(15,887)	(6.6)
Europe:						
External customers	9.7	110,119	9.7	113,196	(3,077)	(2.7)
Intersegment		8,394		9,358	(964)	-
Total		118,513		122,554	(4,041)	(3.3)
Asia and others:						
External customers	22.5	254,701	22.9	268,451	(13,750)	(5.1)
Intersegment		119,650		147,169	(27,519)	-
Total		374,351		415,620	(41,269)	(9.9)
Eliminations		(388,136)		(432,823)	44,687	-
Consolidated total	100.0	1,132,134	100.0	1,172,743	(40,609)	(3.5)

b. Operating income

Amount Unit: Millions of yen

	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018		Change	
	%		%		Amount	%
Operating Income (Loss):						
Japan	6.8	54,244	6.3	51,594	2,650	5.1
The Americas	2.7	6,053	3.7	8,853	(2,800)	(31.6)
Europe	1.7	2,059	3.3	4,098	(2,039)	(49.8)
Asia and others	9.3	34,876	7.6	31,770	3,106	9.8
Eliminations		(5,193)		(12,385)	7,192	-
Consolidated total	8.1	92,039	7.2	83,930	8,109	9.7

c. Overseas revenue (Destination Base)

Amount Unit: Millions of yen

	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Six months ended September 30, 2018 From April 1, 2018 To September 30, 2018		Change	
					Amount	%
Revenue:	%		%			
Domestic	43.5	491,929	41.0	480,787	11,142	2.3
Overseas:						
The Americas	18.0	203,837	18.8	220,024	(16,187)	(7.4)
Europe	12.4	139,851	12.8	150,391	(10,540)	(7.0)
Asia and others	26.1	296,517	27.4	321,541	(25,024)	(7.8)
Subtotal	56.5	640,205	59.0	691,956	(51,751)	(7.5)
Consolidated total	100.0	1,132,134	100.0	1,172,743	(40,609)	(3.5)

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, 2019 From July 1, 2019 To September 30, 2019		Three months ended September 30, 2018 From July 1, 2018 To September 30, 2018		Change	
					Amount	%
Revenue:	%		%			
Imaging Solutions	13.3	79,434	14.5	87,996	(8,562)	(9.7)
Healthcare & Material Solutions	44.4	265,119	43.3	263,156	1,963	0.7
Document Solutions	42.3	252,255	42.2	256,699	(4,444)	(1.7)
Consolidated total	100.0	596,808	100.0	607,851	(11,043)	(1.8)

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
Healthcare & Material Solutions	Equipment and materials for medical systems, cosmetics and supplements, pharmaceuticals, contract development and manufacturing organization of biopharmaceuticals, regenerative medicine, fine chemicals, equipment and materials for graphic arts, inks and industrial inkjet printheads, display materials, recording media, electronic materials
Document Solutions	Digital MFPs, publishing systems, document management software and related solutions and services

(B) Overseas Revenue (Destination Base)

Amount Unit: Millions of yen

	Three months ended September 30, 2019 From July 1, 2019 To September 30, 2019		Three months ended September 30, 2018 From July 1, 2018 To September 30, 2018		Change	
					Amount	%
Revenue:	%		%			
Domestic	45.3	270,532	41.3	250,855	19,677	7.8
Overseas:						
The Americas	17.5	104,592	18.5	112,466	(7,874)	(7.0)
Europe	11.9	71,062	12.9	78,557	(7,495)	(9.5)
Asia and others	25.3	150,622	27.3	165,973	(15,351)	(9.2)
Subtotal	54.7	326,276	58.7	356,996	(30,720)	(8.6)
Consolidated total	100.0	596,808	100.0	607,851	(11,043)	(1.8)

Note on Significant Changes to FUJIFILM Holdings Shareholders' Equity

N/A