



# FUJIFILM

## [Updated] Financial Results (Consolidated) for Six months ended September 30, 2014 FUJIFILM Holdings Corporation

October 30, 2014

Shigehiro Nakajima

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

President and Chief Operating Officer

Projected date of Quarterly Report: November 14, 2014 Projected date of the beginning of cash dividends: December 2, 2014

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

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

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

### 1. Results of Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)

#### (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, 2014	1,171,655	0.4	70,086	34.0	74,222	29.2	38,463	37.8
Six months ended Sept. 30, 2013	1,166,957	10.5	52,318	23.7	57,437	75.6	27,905	161.2

Note: Comprehensive income

Six months ended Sept. 30, 2014 ¥ 96,127 million( 21.0%) Six months ended Sept. 30, 2013 ¥ 79,458 million( -%)

	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, 2014	79.80	79.57
Six months ended Sept. 30, 2013	57.91	57.76

#### (2) FINANCIAL POSITION

	Total assets	Total equity (Net asset)	FUJIFILM Holdings shareholders' equity	FUJIFILM Holdings shareholders' equity ratio to total assets
				%
As of Sept. 30, 2014	3,280,831	2,242,950	2,065,803	63.0
As of March 31, 2014	3,191,847	2,159,465	1,990,986	62.4

### 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, 2014	-	20.00	-	30.00	50.00
Year ending March 31, 2015	-	25.00			
Year ending March 31, 2015 (Forecast)			-	25.00	50.00

Note: Changes in dividends forecast during the quarter under review: Yes

Note: Breakdown of year end dividends for the fiscal year ended March 31, 2014: 20.00 Yen regular dividend, 10.00 Yen commemorative dividend

### 3. Forecast for the Fiscal Year ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

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 Year ending March 31, 2015	2,460,000	1.7	160,000	24.6	160,000	10.5	85,000	18.8	176.36

Note : Changes in forecast which was recently announced: No

#### Notes

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

(Company newly consolidated or removed from consolidation): None

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

(3) Changes in accounting principles

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

2. Changes in accounting policies other than 1. above: Yes

(4) Number of Shares Outstanding

1. Issued (including treasury stock):

2. Treasury stock, at cost:

3. Average number of shares:

As of Sept. 30, 2014	514,625,728	As of March 31, 2014	514,625,728
As of Sept. 30, 2014	32,603,179	As of March 31, 2014	32,652,712
Six months ended Sept. 30, 2014	481,975,751	Six months ended Sept. 30, 2013	481,882,281

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

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

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

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

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

## (1) Explanation on Consolidated Operating Results

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2014 From April 1, 2014 To September 30, 2014		Second Quarter ended September 30, 2013 From April 1, 2013 To September 30, 2013		Change	
					Amount	%
Domestic revenue	41.0%	480.1	41.6%	485.0	(4.9)	(1.0)
Overseas revenue	59.0%	691.6	58.4%	682.0	9.6	1.4
Revenue	100.0%	1,171.7	100.0%	1,167.0	4.7	0.4
Operating income	6.0%	70.1	4.5%	52.3	17.8	34.0
Income before income taxes	6.3%	74.2	4.9%	57.4	16.8	29.2
Net income attributable to FUJIFILM Holdings	3.3%	38.5	2.4%	27.9	10.6	37.8
Exchange rates (Yen / US\$)		¥103		¥99	¥4	
Exchange rates (Yen / Euro)		¥139		¥130	¥9	

Overviewing the global economy during the second quarter year to date of the fiscal year ending March 31, 2015 (April 1, 2014 through September 30, 2014), the general trend of gradual economic recovery persisted. In the United States, against the background of showing an increasing trend in consumption, improvement in employment, and increases in housing starts, the economy is recovering steadily. In Europe, the economic recovery in the UK was followed by the trend of recovery in the Euro area led by Germany. Regarding Asia, countries generally sustained firm economic growth. Although there were signs of slowdown of economic expansion in China, the economy in Taiwan improved. In Japan, although some weak signs were seen due to a big reaction against a rush demand before consumption tax increase, the trend of gradual economic recovery persisted.

Through concentrated investments of management resources in priority business fields such as healthcare, highly functional materials, and document solutions, of significant growth potential, where the Fujifilm Group has technological advantages, as well as in globalization mainly in emerging countries, the Group is moving ahead to increase its sales and expand its market shares by engaging in speedy and dynamic activities.

During the second quarter year to date of the fiscal year ending March 31, 2015, the Fujifilm Group recorded ¥1,171.7 billion in consolidated revenue (up 0.4% from the same period of the previous fiscal year). The sales of photo imaging business, medical systems business, electronic materials business and document solutions increased, while the sales of electronic imaging business decreased because the Group reduced the lineup of compact digital cameras focusing on high-end models, and the sales of flat panel display (FPD) materials business decreased.

Consolidated operating income totaled ¥70.1 billion, up 34.0% from the same period of the previous fiscal year, reflecting such factors as improvement of profitability in each segment and a change in depreciation method.

Consolidated income before income taxes amounted to ¥74.2 billion, up 29.2% from the same period of the previous fiscal year, and the consolidated net income attributable to FUJIFILM Holdings totaled ¥38.5 billion, up 37.8% 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 second quarter year to date of this fiscal year were ¥103 and ¥139, respectively.

## Revenue by Operating Segment

Amount Unit: Billions of yen

Segment	Second Quarter ended September 30, 2014 From April 1, 2014 To September 30, 2014	Second Quarter ended September 30, 2013 From April 1, 2013 To September 30, 2013	Change	
			Amount	%
Imaging Solutions	168.9	176.4	(7.5)	(4.2)
Information Solutions	436.2	443.4	(7.2)	(1.6)
Document Solutions	566.6	547.2	19.4	3.5
Consolidated Total	1,171.7	1,167.0	4.7	0.4

## Operating Income (Loss) by Operating Segment

Amount Unit: Billions of yen

Segment	Second Quarter ended September 30, 2014 From April 1, 2014 To September 30, 2014	Second Quarter ended September 30, 2013 From April 1, 2013 To September 30, 2013	Change	
			Amount	%
Imaging Solutions	4.6	(5.4)	10.0	-
Information Solutions	32.4	30.8	1.6	5.2
Document Solutions	48.2	42.1	6.1	14.4
Corporate Expenses and Eliminations	(15.0)	(15.2)	0.2	-
Consolidated Total	70.1	52.3	17.8	34.0

### Imaging Solutions

In the Imaging Solutions segment, consolidated revenue amounted to ¥168.9 billion, down 4.2% from the same period of the previous fiscal year due to the decreases in sales of digital cameras and other factors, despite the increases in sales of photo imaging business.

Consolidated operating income amounted to ¥4.6 billion, due to strong sales of instant cameras, cost reduction and profit improvement of digital camera.

In the photo imaging business, sales of instant cameras, such as *instax mini 90* and *instax mini 8*, and the *instax SHARE Smartphone Printer SP-1*, with which the pictures in smartphones can be printed on instant films easily, increased substantially. Sales increased as a result of expansion in the high-value-added print business and other factors. Contributing to this expansion were sales of the *Year Album* service, which can select good photographs and arrange them automatically in a minimum of five minutes. Fujifilm made this service available not only in Japan but also overseas.

Sales in the optical device and electronic imaging business decreased due to reduction of compact digital camera's lineup, while the sales of premium digital cameras *X Series* were strong.

In the electronic imaging field, sales of premium interchangeable lens camera, *FUJIFILM X-T1*, which was launched in February 2014, and others were strong. Looking ahead, Fujifilm is expanding the product lineup and stepping up marketing of *FUJIFILM X100T* premium compact digital cameras and large-diameter telephoto zoom lenses, including the *FUJINON XF50-140mm F2.8 R LM OIS WR*. Launches of these items are scheduled in November 2014.

In the optical device field, the sales of camera modules for use in smartphones decreased, but the sales of TV lenses were strong.

### Information Solutions

In the Information Solutions segment, consolidated revenue amounted to ¥436.2 billion, down 1.6% from the same period of the previous fiscal year. While the sales of the medical systems business and electronic materials business increased, those of flat panel display (FPD) materials business decreased.

Consolidated operating income amounted to ¥32.4 billion, up 5.2% from the same period of the previous fiscal year, mainly due to profit improvement of each business unit and an influence associated with the change in depreciation method.

In the medical systems business, in spite of a big reaction against a rush demand before consumption tax increase in Japan mainly in the first quarter, the overall sales increased due to strong sales of ultrasound systems, medical IT field and other factors.

In the medical instrument field, Fujifilm recorded strong sales of *FCR PRIMA Series*, a compact and relatively low-priced *FCR line* in the digital X-ray diagnostic imaging system, centering around such overseas markets as emerging countries, and *CALNEO Series*, DR cassette in the digital X-ray diagnostic imaging system, centering in Japan.

In the endoscope field, the sales of new transnasal endoscopes were strong and also sales of new-generation endoscope systems, under the brand name of *LASEREO*, were strong.

In the ultrasound systems field, sales of high-end products *X-Porte*, which was launched in 2013, were strong. Fujifilm is strengthening the domestic sales of the portal ultrasound diagnostic system *FUJIFILM FC1*, which was developed by a combination of the technologies of Fujifilm and FUJIFILM SonoSite.

In the medical IT field, Fujifilm has been working to expand its business centering on medical-use picture archiving and communications systems (PACS) in the diagnostic field for the support with integration of medical information. In Japan, Fujifilm's *SYNAPSE* line of PACS is continuously maintaining the leading market share in this field.

In the pharmaceutical product business, over all sales decreased primarily due to the weakness of domestic antimicrobial market, however the sales of *ZOSYN*, an antibiotic combination product incorporating a  $\beta$ -lactamase inhibitor of Toyama Chemical Co., Ltd. were strong. In the field of research and development, the Phase II clinical trial of Alzheimer's Disease drug "T-817MA" started in late May 2014 in Japan. In the United States, also the Phase II clinical trial of "T-817MA" started in June 2014 with the Alzheimer's Disease Cooperative Study, the largest Alzheimer's Disease therapeutic research consortium in the United States. Moreover, the Phase I clinical trial of anti-cancer agent "FF-10501" in patients with relapsed or refractory myelodysplastic syndromes (MDS) at The University of Texas MD Anderson Cancer Center in the United States started in August 2014. Fujifilm is promoting the development of pipeline steadily.

In the life sciences business, sales decreased due to slow recovery in sales of store retailing from a reaction against a rush demand before consumption tax increase in the first half. Sales of mail-order remained at the same level as the previous year due to a rapid recovery in the second half. In September 2014, Fujifilm launched new products, such as new base makeup series *ASTALIFT lighting Perfection*, scalp care series *ASTALIFT scalp focus*. By enhanced line up of "ASTALIFT" brand, Fujifilm will meet the needs of women as a total aging care brand that supports the overall beauty of women,

In the graphic systems business, overall sales increased due to the sales recovery in the second half of the period, even though the sales were affected by a reaction against a rush demand before consumption tax increase in domestic market in the first half of the period. Going forward, Fujifilm plans to expand its market share of the computer-to-plate (CTP) plate, which is one of the main products, sales of digital printing devices and industrial inkjet printhead.

Regarding the FPD materials business, overall sales decreased reflecting the impact of the robust demand in China in April and May last year, while the sales of *FUJITAC* and VA film proceeded smoothly owing to increasing screen sizes of LCD TV. Fujifilm is working to continue to expand sales of thinner products, including IPS film, *FUJITAC*, and WV film, for use in small and medium-sized items where growth in demand is expected.

In the industrial products business, overall sales decreased by some delays of new business. On the other hand, sales of existing business proceeded smoothly. Going forward, Fujifilm is working to expand its sales of new businesses, which are expected to grow in the future such as touch-panel sensor films *EXCLEAR*, mounted on smartphones, tablet PCs and notebook PC, and solar cell backsheet applications.

Sales in the electronic materials business significantly increased, reflecting strong sales of advanced photo resist products, CMP slurries, and peripheral materials related to photolithography like treatment agent, as well as previous-generation's photo resist and polyimide in all the regions.

Sales in the recording media business increased. Although sales of professional-use videotapes were reduced by the influence of the decrease in total demand, sales of computer tape increased. Going forward, Fujifilm is seeking to expand its sales in the field of archived data, realizing higher-capacity tapes with Fujifilm's unique technologies like barium ferrite (BaFe) particles and encouraging the spread of the data archive service *d:ternity*.

### **Document Solutions**

In the Document Solutions segment, consolidated revenue increased to ¥566.6 billion, up 3.5% from the same period of the previous fiscal year, reflecting such factors as the growth in revenues from operations in the all regions of Japan, Asia-Oceania region, and export shipments to Xerox Corporation, and contributed sales of Fuji Xerox Service Link Co., Ltd., a new consolidated subsidiary from this fiscal year as well as other factors.

Consolidated operating income amounted to ¥48.2 billion, up 14.4% from the same period of the previous fiscal year, reflecting an increase in gross profit by the growth in revenues, the positive effects of measures aimed at the ongoing cost improvement and the reduction of SGA ratio, in spite of the negative impact of a continuous decline in unit sales price.

Regarding the office products business, in Japan, sales volume of monochrome products and full-color products decreased from the same period of the previous fiscal year, because of the influence from large-scale contracts in the same period of the previous fiscal year and the reaction from the demand growth in the second half of the previous fiscal year. The revenue from consumables sales and the maintenance services declined, reflecting the decrease in per-page copy prices, despite the increase in the number of multifunction devices working in the domestic market and in the number of copies made per unit. Regarding sales in the Asia-Oceania region, the sales volume of full-color models increased. Regarding sales in export shipments to Xerox Corporation, the sales volume of full-color models increased slightly, but sales volume of monochrome models decreased. In the office products business, the overall sales volume increased.

In the office printer business, in Japan, the sales volume of both monochrome models and full-color models decreased. In Asia-Oceania, the sales volume of monochrome models increased. As for exports to Xerox Corporation, the sales volume of full-color models increased slightly, but the sales volume of monochrome models

decreased. In the office printer business, the overall sales volume increased.

Regarding the production services business, in Japan, overall sales volume decreased, reflecting the decrease in the sales volume of monochrome production printers and color on-demand publishing systems. In the Asia-Oceania region, sales volume of color on-demand publishing systems decreased, and as such the overall sales volume decreased. Regarding exports to Xerox Corporation, the overall shipment volume increased, reflecting an increase in the sales volume of color on-demand publishing systems.

In the global services business, revenue increased in Japan from the same period of the previous fiscal year, owing to a rise in the managed print service (MPS) and contributed sales of Fuji Xerox Service Link Co., Ltd. In the Asia-Oceania region, revenue also increased.

## (2) Explanation on the Consolidated Financial Position

At the end of the second quarter of the fiscal year ending March 31, 2015, total assets increased by ¥89.0 billion, or 2.8% compared with the end of the previous fiscal year, to ¥3,280.8 billion, owing to an increase in cash and cash equivalents, positive impacts of yen depreciation and other factors. Total liabilities increased by ¥5.5 billion, or 0.5% compared with the end of the previous fiscal year, to ¥1,037.9 billion, owing primarily to an increase in short-term debt. FUJIFILM Holdings shareholders' equity increased by ¥74.8 billion, or 3.8% compared with the end of the previous fiscal year, to ¥2,065.8 billion. As a result, the current ratio increased by 10.5 percentage points, to 302.0%, the debt-equity ratio decreased by 1.7 percentage points, to 50.2%, and the equity ratio increased by 0.6 percentage points, to 63.0%, compared with the end of the previous fiscal year. Fujifilm is confident that it is maintaining a stable level of asset liquidity and a sound capital structure.

## (Cash Flows)

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2014 From April 1, 2014 To September 30, 2014	Second Quarter ended September 30, 2013 From April 1, 2013 To September 30, 2013	Change
Net cash provided by operating activities	131.6	130.9	0.7
Net cash used in investing activities	(81.4)	(69.9)	(11.5)
Net cash (used in) provided by financing activities	(2.7)	1.8	(4.5)

During the second quarter year to date of the fiscal year ending March 31, 2015, net cash provided by operating activities totaled ¥131.6 billion, due to an increase in net income, a decrease in notes and accounts receivable and other factors. Net cash used in investing activities amounted to ¥81.4 billion, due primarily to purchases of property, plant and equipment. Thus, free cash flows—or the sum of cash flows from operating and investing activities— were ¥50.2 billion. Net cash used in financing activities amounted to ¥2.7 billion, due to payments of dividends and other factors.

As a result, cash and cash equivalents at the end of the second quarter under review amounted to ¥663.9 billion, up ¥59.3 billion from the end of the previous fiscal year.

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

The Fujifilm Group expects that it will achieve increases both in its sales and profit in the fiscal year ending March 31, 2015, because of its strategy of moving ahead with an improvement in its profitability of priority business fields and other factors.



Regarding consolidated performance in the fiscal year ending March 31, 2015, the Fujifilm Group has left unchanged the performance forecast of ¥2,460.0 billion in revenue (up 1.7% from the previous year), operating income of ¥160.0 billion (up 24.6% from the previous year), income before income taxes of ¥160.0 billion (up 10.5% from the previous year), and net income attributable to FUJIFILM Holdings of ¥85.0 billion (up 18.8% from the previous year) as initially forecasted.

The projected currency exchange rates for the U.S. dollar and the euro against the yen are ¥100 and ¥135, respectively.

Regarding the fiscal year ending March 31, 2015, the Company concluded that interim dividends would be ¥25.00 per share and anticipates annual dividends will be ¥50 per share (including year-end dividends of ¥25.00 per share), the same amount as the previous fiscal year (including commemorative dividend of ¥10 per share).

## **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:**

(Change in depreciation method)

On April 1, 2014, the Fujifilm Group changed its primary depreciation method of property, plant and equipment from the declining-balance method to the straight-line method.

Following the changes in recent years, in its business environment, the Fujifilm Group reviewed and revised both the future utilization of its major equipment and its capital expenditure program. The Fujifilm Group estimates that such revision in the future utilization of its major equipment would result in a more stable production structure with a normalized production level. In addition, as the capital expenditure program focuses mainly on maintenance and improvement of existing equipment, the Fujifilm Group expects that the utilization of its major equipment will continue to be stable in the future. For these reasons, the Fujifilm Group believes that the straight-line method is preferable as it better reflects the pattern of consumption of the future economic benefits embodied in its equipment and makes a better distribution of their cost over their estimated useful lives. In accordance with the provisions of ASC250 "Accounting Changes and Error Corrections", the effect of this change in depreciation method is accounted for prospectively as a change in accounting estimate, without restating or retrospectively adjusting amounts reported in prior periods.

The effect of the change, compared to the original depreciation method, was to increase Income before income taxes by ¥3,433 million and Net income attributable to FUJIFILM Holdings by ¥2,198 million, or ¥4.56 per share (basic) and ¥4.55 per share (diluted) for the second quarter year to date of the fiscal year ending March 31, 2015.

## **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

	Consolidated balance sheet for the 2nd quarter As of September 30, 2014	Condensed consolidated balance sheet for the fiscal year As of March 31, 2014	Change
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	663,903	604,571	59,332
Marketable securities	32,022	16,635	15,387
Notes and accounts receivable:			
Trade and finance	592,404	617,804	(25,400)
Affiliated companies	26,419	28,969	(2,550)
Allowance for doubtful receivables	(25,412)	(25,147)	(265)
	593,411	621,626	(28,215)
Inventories	373,300	360,628	12,672
Prepaid expenses and other	152,428	141,643	10,785
Total current assets	1,815,064	1,745,103	69,961
Investments and long-term receivables:			
Investments in and advances to affiliated companies	42,025	41,526	499
Investment securities	158,282	138,118	20,164
Long-term finance and other receivables	138,027	137,334	693
Allowance for doubtful receivables	(3,766)	(3,396)	(370)
Total investments and long-term receivables	334,568	313,582	20,986
Property, plant and equipment:			
Land	93,586	92,609	977
Buildings	697,685	688,310	9,375
Machinery and equipment	1,644,221	1,627,148	17,073
Construction in progress	20,971	21,518	(547)
	2,456,463	2,429,585	26,878
Less accumulated depreciation	(1,926,887)	(1,900,099)	(26,788)
Total property, plant and equipment	529,576	529,486	90
Other assets:			
Goodwill, net	430,002	423,088	6,914
Other intangible assets, net	81,926	81,521	405
Other	89,695	99,067	(9,372)
Total other assets	601,623	603,676	(2,053)
<b>Total assets</b>	<b>3,280,831</b>	<b>3,191,847</b>	<b>88,984</b>

Amount Unit: Millions of yen

	Consolidated balance sheet for the 2nd quarter As of September 30, 2014	Condensed consolidated balance sheet for the fiscal year As of March 31, 2014	Change
<b>LIABILITIES</b>			
Current liabilities:			
Short-term debt	60,242	44,731	15,511
Notes and accounts payable:			
Trade	230,833	245,152	(14,319)
Construction	14,501	17,464	(2,963)
Affiliated companies	3,202	3,556	(354)
	248,536	266,172	(17,636)
Accrued income taxes	20,665	22,228	(1,563)
Accrued liabilities	186,765	182,907	3,858
Other current liabilities	84,711	82,565	2,146
Total current liabilities	600,919	598,603	2,316
Long-term liabilities:			
Long-term debt	315,590	314,968	622
Accrued pension and severance costs	24,905	32,466	(7,561)
Customers' guarantee deposits and other	96,467	86,345	10,122
Total long-term liabilities	436,962	433,779	3,183
Total liabilities	1,037,881	1,032,382	5,499
<b>EQUITY</b>			
FUJIFILM Holdings shareholders' equity	40,363	40,363	-
Common stock, without par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares			
Additional paid-in capital	80,397	80,234	163
Retained earnings	2,035,112	2,006,289	28,823
Accumulated other comprehensive income (loss)	11,462	(34,213)	45,675
Treasury stock, at cost	(101,531)	(101,687)	156
Total FUJIFILM Holdings shareholders' equity	2,065,803	1,990,986	74,817
Noncontrolling interests	177,147	168,479	8,668
Total equity	2,242,950	2,159,465	83,485
Total liabilities and equity	3,280,831	3,191,847	88,984

Note: Components of accumulated other comprehensive income (loss)

	As of September 30, 2014	As of March 31, 2014	Change
Unrealized gains on securities	47,339	36,878	10,461
Foreign currency translation adjustments	45,661	10,853	34,808
Pension liability adjustments	(80,819)	(81,882)	1,063
Unrealized losses on derivatives	(719)	(62)	(657)

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**(Consolidated Statements of Income)**  
**Six months ended September 30<sup>th</sup>**

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014		Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013		Change	
					Amount	%
Revenue:	%		%			
Sales		996,547		991,587	4,960	0.5
Rentals		175,108		175,370	(262)	(0.1)
	100.0	1,171,655	100.0	1,166,957	4,698	0.4
Cost of sales:						
Sales		648,039		652,405	(4,366)	(0.7)
Rentals		71,508		70,135	1,373	2.0
	61.4	719,547	61.9	722,540	(2,993)	(0.4)
Gross profit	38.6	452,108	38.1	444,417	7,691	1.7
Operating expenses:						
Selling, general and administrative	25.8	302,255	26.4	307,670	(5,415)	(1.8)
Research and development	6.8	79,767	7.2	84,429	(4,662)	(5.5)
	32.6	382,022	33.6	392,099	(10,077)	(2.6)
Operating income	6.0	70,086	4.5	52,318	17,768	34.0
Other income (expenses):						
Interest and dividend income		2,803		3,134	(331)	
Interest expense		(2,024)		(1,976)	(48)	
Foreign exchange gains, net		3,051		2,301	750	
Other, net		306		1,660	(1,354)	
	0.3	4,136	0.5	5,119	(983)	(19.2)
Income before income taxes	6.3	74,222	4.9	57,437	16,785	29.2
Income taxes	2.3	28,304	1.7	19,625	8,679	44.2
Equity in net earnings (losses) of affiliated companies	0.0	441	(0.1)	(1,606)	2,047	-
Net income	4.0	46,359	3.1	36,206	10,153	28.0
Less: Net income attributable to noncontrolling interests	(0.7)	(7,896)	(0.7)	(8,301)	405	-
Net income attributable to FUJIFILM Holdings	3.3	38,463	2.4	27,905	10,558	37.8

Three months ended September 30<sup>th</sup>

Amount Unit: Millions of yen

	Three months ended September 30, 2014 From July 1, 2014 To September 30, 2014		Three months ended September 30, 2013 From July 1, 2013 To September 30, 2013		Change	
	Amount	%	Amount	%	Amount	%
Revenue:		%		%		
Sales	530,010		515,027		14,983	2.9
Rentals	85,529		85,694		(165)	(0.2)
	100.0	615,539	100.0	600,721	14,818	2.5
Cost of sales:						
Sales	343,754		342,790		964	0.3
Rentals	36,075		30,972		5,103	16.5
	61.7	379,829	62.2	373,762	6,067	1.6
Gross profit	38.3	235,710	37.8	226,959	8,751	3.9
Operating expenses:						
Selling, general and administrative	25.0	153,622	25.8	154,348	(726)	(0.5)
Research and development	6.7	41,170	6.7	40,483	687	1.7
	31.7	194,792	32.5	194,831	(39)	(0.0)
Operating income	6.6	40,918	5.3	32,128	8,790	27.4
Other income (expenses):						
Interest and dividend income		925		1,290	(365)	
Interest expense		(1,110)		(1,081)	(29)	
Foreign exchange gains (losses), net		4,099		(2,001)	6,100	
Other, net		232		1,722	(1,490)	
	0.7	4,146	(0.0)	(70)	4,216	-
Income before income taxes	7.3	45,064	5.3	32,058	13,006	40.6
Income taxes	2.6	16,329	1.7	10,558	5,771	54.7
Equity in net earnings (losses) of affiliated companies	0.0	300	(0.1)	(378)	678	-
Net income	4.7	29,035	3.5	21,122	7,913	37.5
Less: Net income attributable to noncontrolling interests	(0.7)	(4,400)	(0.8)	(4,854)	454	-
Net income attributable to FUJIFILM Holdings	4.0	24,635	2.7	16,268	8,367	51.4

**(Consolidated Statements of Comprehensive Income)****Six months ended September 30<sup>th</sup>**

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014	Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013	Change
Net income	46,359	36,206	10,153
Other comprehensive income (loss), net of tax:			
Net unrealized gains on securities	10,554	12,788	(2,234)
Foreign currency translation adjustments	38,576	27,473	11,103
Pension liability adjustments	1,269	2,398	(1,129)
Net unrealized gains (losses) on derivatives	(631)	593	(1,224)
Other comprehensive income	49,768	43,252	6,516
Comprehensive income	96,127	79,458	16,669
Less: Comprehensive income attributable to noncontrolling interests	(11,989)	(8,539)	(3,450)
Comprehensive income attributable to FUJIFILM Holdings	84,138	70,919	13,219

**Three months ended September 30<sup>th</sup>**

Amount Unit: Millions of yen

	Three months ended September 30, 2014 From July 1, 2014 To September 30, 2014	Three months ended September 30, 2013 From July 1, 2013 To September 30, 2013	Change
Net income	29,035	21,122	7,913
Other comprehensive income (loss), net of tax:			
Net unrealized gains on securities	7,602	4,232	3,370
Foreign currency translation adjustments	47,960	1,644	46,316
Pension liability adjustments	612	988	(376)
Net unrealized gains (losses) on derivatives	67	(1,180)	1,247
Other comprehensive income (loss)	56,241	5,684	50,557
Comprehensive income	85,276	26,806	58,470
Less: Comprehensive income attributable to noncontrolling interests	(8,759)	(4,294)	(4,465)
Comprehensive income attributable to FUJIFILM Holdings	76,517	22,512	54,005

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

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014	Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013	Change
<b>Operating activities</b>			
Net income	46,359	36,206	10,153
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	60,730	69,190	(8,460)
Equity in net earnings of affiliated companies, net of dividends received	2,284	4,578	(2,294)
Changes in operating assets and liabilities:			
Notes and accounts receivable	41,684	36,903	4,781
Inventories	(3,419)	8,433	(11,852)
Notes and accounts payable - trade	(22,306)	(12,684)	(9,622)
Accrued income taxes and other liabilities	(4,440)	(3,655)	(785)
Other	10,718	(8,083)	18,801
Subtotal	85,251	94,682	(9,431)
Net cash provided by operating activities	131,610	130,888	722
<b>Investing activities</b>			
Purchases of property, plant and equipment	(32,185)	(37,867)	5,682
Purchases of software	(10,559)	(11,606)	1,047
Proceeds from sales and maturities of marketable and investment securities	1,728	5,835	(4,107)
Purchases of marketable and investment securities	(21,969)	(2,440)	(19,529)
Decrease (Increase) in time deposits, net	68	(7,548)	7,616
Increase in investments in and advances to affiliated companies	(1,750)	(3,100)	1,350
Other	(16,723)	(13,128)	(3,595)
Net cash used in investing activities	(81,390)	(69,854)	(11,536)
<b>Financing activities</b>			
Proceeds from long-term debt	2,476	955	1,521
Repayments of long-term debt	(4,538)	(5,671)	1,133
Increase in short-term debt, net	17,322	19,343	(2,021)
Cash dividends paid to shareholders	(14,459)	(9,637)	(4,822)
Subsidiaries' cash dividends paid to noncontrolling interests	(3,497)	(3,199)	(298)
Net purchases of stock for treasury	(19)	(8)	(11)
Net cash (used in) provided by financing activities	(2,715)	1,783	(4,498)
Effect of exchange rate changes on cash and cash equivalents	11,827	6,678	5,149
Net increase in cash and cash equivalents	59,332	69,495	(10,163)
Cash and cash equivalents at beginning of period	604,571	445,394	159,177
Cash and cash equivalents at end of period	663,903	514,889	149,014

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

**Segment Information**

**1. Six months ended September 30th**

**(A) Operating Segment Information**

**a. Revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014		Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	14.4	168,937	15.1	176,371	(7,434)	(4.2)
Intersegment		1,175		1,152	23	-
Total		170,112		177,523	(7,411)	(4.2)
Information Solutions:						
External customers	37.2	436,174	38.0	443,401	(7,227)	(1.6)
Intersegment		1,037		640	397	-
Total		437,211		444,041	(6,830)	(1.5)
Document Solutions:						
External customers	48.4	566,544	46.9	547,185	19,359	3.5
Intersegment		4,625		5,019	(394)	-
Total		571,169		552,204	18,965	3.4
Eliminations		(6,837)		(6,811)	(26)	-
Consolidated total	100.0	1,171,655	100.0	1,166,957	4,698	0.4

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014		Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013		Change	
	%		%		Amount	%
Operating Income (Loss):						
Imaging Solutions	2.7	4,581	(3.0)	(5,387)	9,968	-
Information Solutions	7.4	32,364	6.9	30,763	1,601	5.2
Document Solutions	8.4	48,175	7.6	42,111	6,064	14.4
Total		85,120		67,487	17,633	26.1
Corporate expenses and eliminations		(15,034)		(15,169)	135	-
Consolidated total	6.0	70,086	4.5	52,318	17,768	34.0

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

Imaging Solutions	Color films, digital cameras, optical devices, photofinishing equipment, and color paper, chemicals, and services for photofinishing
Information Solutions	Equipment and materials for medical systems, life sciences products, 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

Notes: On April 1, 2014, the Fujifilm Group changed its primary depreciation method of property, plant and equipment from the declining-balance method to the straight-line method. The effect of this change was to increase Operating income of Imaging Solutions, Information Solutions and Corporate expenses and eliminations by ¥421 million, ¥2,568 million and ¥444 million, respectively, for the second quarter year to date of the fiscal year ending March 31, 2015.



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

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014		Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013		Change	
	%		%		Amount	%
Revenue:						
Japan						
External customers	51.4	602,290	53.3	622,016	(19,726)	(3.2)
Intersegment		204,182		194,290	9,892	-
Total		806,472		816,306	(9,834)	(1.2)
The Americas						
External customers	16.3	190,702	15.8	184,720	5,982	3.2
Intersegment		21,972		20,908	1,064	-
Total		212,674		205,628	7,046	3.4
Europe						
External customers	9.3	109,125	9.4	109,672	(547)	(0.5)
Intersegment		9,857		10,124	(267)	-
Total		118,982		119,796	(814)	(0.7)
Asia and others						
External customers	23.0	269,538	21.5	250,549	18,989	7.6
Intersegment		157,155		172,351	(15,196)	-
Total		426,693		422,900	3,793	0.9
Eliminations		(393,166)		(397,673)	4,507	-
Consolidated total	100.0	1,171,655	100.0	1,166,957	4,698	0.4

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014		Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013		Change	
	%		%		Amount	%
Operating Income (Loss):						
Japan	4.9	39,139	3.3	26,737	12,402	46.4
The Americas	3.3	7,000	3.4	6,990	10	0.1
Europe	1.8	2,133	(1.3)	(1,599)	3,732	-
Asia and others	6.1	26,215	4.8	20,320	5,895	29.0
Eliminations		(4,401)		(130)	(4,271)	-
Consolidated total	6.0	70,086	4.5	52,318	17,768	34.0

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

Amount Unit: Millions of yen

	Six months ended September 30, 2014 From April 1, 2014 To September 30, 2014		Six months ended September 30, 2013 From April 1, 2013 To September 30, 2013		Change	
	%		%		Amount	%
Revenue:						
Domestic	41.0	480,047	41.6	484,936	(4,889)	(1.0)
Overseas						
The Americas	18.8	220,089	18.1	211,823	8,266	3.9
Europe	11.8	139,087	12.0	140,001	(914)	(0.7)
Asia and others	28.4	332,432	28.3	330,197	2,235	0.7
Subtotal	59.0	691,608	58.4	682,021	9,587	1.4
Consolidated total	100.0	1,171,655	100.0	1,166,957	4,698	0.4

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

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

Amount Unit: Millions of yen

	Three months ended September 30, 2014 From July 1, 2014 To September 30, 2014		Three months ended September 30, 2013 From July 1, 2013 To September 30, 2013		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:	14.6	89,925	15.0	90,360	(435)	(0.5)
Information Solutions:	37.7	232,249	37.9	227,413	4,836	2.1
Document Solutions:	47.7	293,365	47.1	282,948	10,417	3.7
Consolidated total	100.0	615,539	100.0	600,721	14,818	2.5

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

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

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

Amount Unit: Millions of yen

	Three months ended September 30, 2014 From July 1, 2014 To September 30, 2014		Three months ended September 30, 2013 From July 1, 2013 To September 30, 2013		Change	
	%		%		Amount	%
Revenue:						
Domestic	41.6	256,172	42.1	252,559	3,613	1.4
Overseas						
The Americas	19.0	116,630	18.0	108,100	8,530	7.9
Europe	10.9	67,062	11.9	71,733	(4,671)	(6.5)
Asia and others	28.5	175,675	28.0	168,329	7,346	4.4
Subtotal	58.4	359,367	57.9	348,162	11,205	3.2
Consolidated total	100.0	615,539	100.0	600,721	14,818	2.5

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

N/A