



## Financial Results (Consolidated) for Six months ended September 30, 2011

### FUJIFILM Holdings Corporation

Shigetaka Komori

President and Chief Executive Officer

October 31, 2011

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

Projected date of Quarterly Report: November 11, 2011

Projected date of the beginning of cash dividends: December 2, 2011

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, 2011 (From April 1, 2011 to September 30, 2011)

#### (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, 2011	1,083,432	(2.0)	59,043	(31.3)	32,743	(57.5)	14,898	(63.0)
Six months ended Sept. 30, 2010	1,105,345	5.9	85,890	-	76,984	-	40,301	-

Note : Comprehensive income (loss)

Six months ended Sept. 30, 2011 ¥ (28,549) million

- %

Year ended March 31, 2010 ¥ (8,558) 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, 2011	30.93	29.90
Six months ended Sept. 30, 2010	82.48	75.57

#### (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, 2011	2,603,277	1,813,936	1,684,382	64.7
As of March 31, 2011	2,708,841	1,850,871	1,722,526	63.6

### 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, 2011	-	15.00	-	15.00	30.00
Year ending March 31, 2012	-	17.50	-	-	-
Year ending March 31, 2012 (Forecast)	-	-	-	17.50	35.00

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

### 3. Forecast for the Fiscal Year ending March 31, 2012 (From April 1, 2011 to March 31, 2012)

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		FUJIFILM Holdings shareholders' equity per share
		%		%		%		%	Yen
For Year ending March 31, 2012	2,290,000	3.3	136,500	0.1	107,500	(8.2)	54,000	(15.4)	112.10

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

#### 4. Other

(1) Changes in status of material subsidiaries during the quarter under review (Companies newly consolidated or removed from consolidation): None

(2) Adoption of simplified accounting methods and specific accounting methods: None

(3) Changes to consolidated financial statement principles, preparation processes, disclosure methods, etc.

1. Changes accompanying amendment of accounting principles: None
2. Other changes: None

(3) Number of Shares Outstanding

1. Issued (including treasury stock):
2. Treasury stock, at cost:
3. Average number of shares (accumulated):

As of Sept. 30, 2011	514,625,728	As of March 31, 2011	514,625,728
As of Sept. 30, 2011	32,918,487	As of March 31, 2011	32,939,343
Six months ended Sept. 30, 2011	481,690,795	Six months ended Sept. 30, 2010	488,602,852

#### 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. 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 7, (3) Qualitative Information on Forecasts of the Consolidated Operating Result in 1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER.

**[INDEX]**

1.	QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER		
(1)	Qualitative Information on Consolidated Operating Results	••••••••	P. 2
(2)	Qualitative Information on the Consolidated Financial Position	••••••••	P. 6
(3)	Qualitative Information on Forecasts of the Consolidated Operating Results	••••••••	P. 7
(4)	Distribution of Profits to Shareholders	••••••••	P. 7
2.	MATTERS RELATING TO SUMMARY (OTHER) INFORMATION		
(1)	Significant changes in subsidiaries during the current quarter	••••••••	P. 7
(2)	Application of specific accounting treatments for preparation of quarterly consolidated financial statements	••••••••	P. 7
(3)	Accounting changes, changes in assumptions for accounting estimates and restatements in consolidated financial statements	••••••••	P. 7
3.	OVERVIEW OF MATERIAL EVENTS REGARDING THE GOING CONCERN ASSUMPTION	••••••••	P. 8
4.	CONSOLIDATED FINANCIAL STATEMENTS		
(1)	Consolidated Balance Sheets	••••••••	P. 9
(2)	Consolidated Statements of Income		
	Six months ended September 30 <sup>th</sup>	••••••••	P. 11
	Three months ended September 30 <sup>th</sup>	••••••••	P. 12
(3)	Consolidated Statements of Cash Flows	••••••••	P. 13
(4)	Note Relating to the Going Concern Assumption	••••••••	P. 14
(5)	Segment Information		
	1. Six months ended September 30 <sup>th</sup>	••••••••	P. 14
	2. Three months ended September 30 <sup>th</sup>	••••~••••	P. 16
(6)	Note on Significant Changes to Fujifilm Holdings Shareholders' Equity	••••~••••	P. 16

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

## (1) Qualitative Information on Consolidated Operating Results

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2011 From April 1, 2011 To September 30, 2011		Second Quarter ended September 30, 2010 From April 1, 2010 To September 30, 2010		Change	
					Amount	%
Domestic revenue	45.0%	487.3	46.2%	510.2	(22.9)	(4.5)
Overseas revenue	55.0%	596.1	53.8%	595.1	1.0	0.2
Revenue	100.0%	1,083.4	100.0%	1,105.3	(21.9)	(2.0)
Operating income	5.4%	59.0	7.8%	85.9	(26.9)	(31.3)
Other income (expenses)	(2.4)%	(26.3)	(0.8)%	(8.9)	(17.4)	-
Income before income taxes	3.0%	32.7	7.0%	77.0	(44.3)	(57.5)
Net income attributable to FUJIFILM Holdings	1.4%	14.9	3.6%	40.3	(25.4)	(63.0)
Exchange rates (Yen / US\$)		¥80		¥89	¥(9)	
Exchange rates (Yen / Euro)		¥114		¥114	-	

Overviewing the global economy during the second quarter of the fiscal year ending March 31, 2012 (April 1, 2011, through September 30, 2011), such factors as modulation in economic conditions in the United States and Europe began to cast a shadow over global economic conditions, and the difficulty of anticipating future trends further increased. There was an increasingly strong trend of deceleration in the U.S. economic recovery, and concerns regarding the financial difficulties in Greece and other factors have created a potential for economic stagnation in Europe. In addition, there was a trend of decrease in the pace of economic growth in emerging countries and regions in Asia and elsewhere. In Japan, the impact of the Great East Japan Earthquake and nuclear power plant accidents inevitably weakened manufacturing and consumption activities, causing severe conditions, but progress in recovery from those conditions has become apparent. On the other hand, we still have risks that the business is declining under the stable yen appreciation and the unstable economic condition in the United States and Europe.

With respect to the Fujifilm Group's business environment, the impact of component supply shortages, electric power restrictions, and other situations associated with the Great East Japan Earthquake remained slight overall, but certain businesses were affected by demand decreases stemming from the deterioration of economic conditions. In addition, the impact of yen appreciation, surges in prices of silver, aluminum, and other principal raw materials prices, and other factors caused conditions in the operating environment to become harsh. On the other hand, sales in the markets of China and other emerging country markets continued to be strong.

The Fujifilm Group has created a corporate constitution that is able to reliably generate profits even amid the severe economic environment by the implementation of structural reforms throughout the entire Group through the two-year period. Beginning from the current fiscal year, the Group plans to leverage its robust corporate constitution and emphasize the realization of sales growth through proactive investments and product launches. In this way, the Group is undertaking the full-scale promotion of growth strategies throughout global markets. Through concentrated investments of management resources in priority business fields of significant growth potential, where the Group has technological advantages as well as in emerging countries that have been achieving economic growth, the Group plans to progressively increase its sales and expand its market shares going forward.

During the second quarter of the fiscal year ending March 31, 2012, the Fujifilm Group recorded ¥1,083.4 billion in consolidated revenue (down 2.0%, or up 0.1% excluding the impact of foreign exchange fluctuations from the same period of the previous fiscal year). Despite the launch of new products and the Group's moves to step up sales promotion measures in response to growth in emerging countries' markets, consolidated

revenue decreased by ¥21.9 billion, comparing to the same period of the previous fiscal year, reflecting such factors as the negative impact of yen appreciation, which had the effect of reducing consolidated revenue by ¥22.5 billion, the decrease in domestic demand associated with the Great East Japan Earthquake, and other factors.

Operating income totaled ¥59.0 billion, down 31.3% from the same period of the previous fiscal year, reflecting the negative impact of yen appreciation by ¥2.7 billion and surges in prices of raw materials by ¥18.3 billion.

Income before income taxes amounted to ¥32.7 billion, down 57.5% from the same period of the previous fiscal year and the net income attributable to FUJIFILM Holdings totaled ¥14.9 billion, down 63.0% from the same period of the previous fiscal year, as a result of the decline in sales, the negative impact of yen appreciation, and recognition of impairment loss of ¥15.0 billion on investment securities.

The effective currency exchange rates for the U.S. dollar and the euro against the yen during the second quarter were ¥80 and ¥114, respectively.

### Revenue by Operating Segment

Amount Unit: Billions of yen

Segment	Second Quarter ended September 30, 2011 From April 1, 2011 To September 30, 2011	Second Quarter ended September 30, 2010 From April 1, 2010 To September 30, 2010	Change	
			Amount	%
Imaging Solutions	162.4	166.1	(3.7)	(2.2)
Information Solutions	434.9	458.2	(23.3)	(5.1)
Document Solutions	486.1	481.0	5.1	1.0
Consolidated Total	1,083.4	1,105.3	(21.9)	(2.0)

### Operating Income (Loss) by Operating Segment

Amount Unit: Billions of yen

Segment	Second Quarter ended September 30, 2011 From April 1, 2011 To September 30, 2011	Second Quarter ended September 30, 2010 From April 1, 2010 To September 30, 2010	Change	
			Amount	%
Imaging Solutions	(3.7)	0.3	(4.0)	-
Information Solutions	33.7	61.1	(27.4)	(44.8)
Document Solutions	43.7	38.4	5.3	13.6
Corporate Expenses and Eliminations	(14.7)	(13.9)	(0.8)	-
Consolidated Total	59.0	85.9	(26.9)	(31.3)

### Imaging Solutions

In the Imaging Solutions segment, consolidated revenue amounted to ¥162.4 billion, down 2.2%, or up 1.9% excluding the impact of foreign exchange fluctuations from the same period of the previous fiscal year. Although the sales of digital camera products were robust, such factors as the negative impact of yen appreciation, which caused a drop in consolidated revenue of ¥6.7 billion, and the decrease in domestic demand associated with the Great East Japan Earthquake caused Fujifilm's sales to decline.

The segment's operating loss amounted to ¥3.7 billion, reflecting the negative impact of yen appreciation, surging raw materials prices, and other factors.

In the photo imaging business, the negative impact of yen appreciation, a decrease in domestic demand associated with the Great East Japan Earthquake, and other situations caused Fujifilm's sales to decline. Regarding color paper business, robust sales of color paper primarily in emerging countries enabled a rise in sales volume and the expansion of market share.

In the electronic imaging business field, despite the decrease in domestic demand associated with the Great East Japan Earthquake, robust sales of new products centered on high-end products that offer special features based on exclusive technologies supported a rise in Fujifilm's average unit selling prices as well as in its sales. Strong sales were recorded of such products as the *FUJIFILM X100* high-grade compact digital camera, which offers image quality and expressive power superior to that of digital SLR cameras, and the *FinePix F600EXR*, which incorporates the EXR CMOS sensor and the EXR processor that automatically selects the optimal setting from among 99 shooting patterns. Moreover, considerable growth was achieved in sales of the *FinePix S4000* and other long-zoom digital cameras in Japan, North America, and Europe as well as in emerging countries. The Company has been working to upgrade its brand power in this business field by strengthening its advertising and sales promotion programs.

### Information Solutions

In the Information Solutions segment, consolidated revenue amounted to ¥434.9 billion, down 5.1%, or down 2.2% excluding the impact of foreign exchange fluctuations from the same period of the previous fiscal year. Although sales of the pharmaceutical product business and the life sciences business rose, the negative impact of yen appreciation, which caused a drop in consolidated revenue of ¥13.0 billion, and the decrease in domestic demand associated with the Great East Japan Earthquake and other factors caused the segment's sales to decline.

Operating income amounted to ¥33.7 billion, down 44.8% from the same period of the previous fiscal year, reflecting the negative impact of yen appreciation, surging raw materials prices, and other factors.

Sales of the medical systems business decreased owing to such factors as the negative impact of yen appreciation and a decrease in domestic demand associated with the Great East Japan Earthquake.

In the modality field, Fujifilm recorded robust sales of *FCR PRIMA*, a compact and relatively low-priced product in the *FCR (Fuji Computed Radiography)* line. In September 2011, the Company further strengthened its product lineup with the launch of such models as the *FCR PRIMA T*, a desktop model offering the highest level of processing capacity in its class, and the *FUJIFILM DR CALNEO C 1417 Wireless SQ*, a wireless-type, cassette-sized model that employs an optical signal inputting method to enable a large reduction in radiation dose for medical x-ray examinations.

With respect to the field of endoscope products, Fujifilm continued to record strong sales of endoscope system products, including wide-angle transnasal endoscopes and information management systems.

In the network system related products business, the Company's *SYNAPSE* medical-use picture archiving and communications systems have now been adopted by approximately 1,600 medical facilities in Japan, and Fujifilm is maintaining the leading market share in this field. In June 2011, the Company began marketing the *i-Stroke* remote image diagnosis and treatment assistance system, which uses smartphones to support emergency care for people who suffer cerebral strokes. In addition, from July 2011, we began the full-scale provision to medical facilities of the *ASSISTA Portal* cloud computing service, which enables online regional medical collaboration as well as remote maintenance services.

In the pharmaceutical product business, sales of *Zosyn*—an antibiotic combination product incorporating a  $\beta$ -lactamase inhibitor—were robust, and the sales of Toyama Chemical Co., Ltd., increased. Having completed Phase III clinical trials in Japan for *T-705*—a drug candidate being developed for an application as an anti-influenza viral drug that has been confirmed to have a different mechanism of action from that of existing therapeutic drugs—Toyama Chemical submitted an application for the approval of *T-705* in March 2011. Having acquired two contract manufacturers of biopharmaceuticals from U.S.-based Merck & Co., Inc., in March 2011, Fujifilm has transferred 20% equity interests in those companies to Mitsubishi Corporation, begun operational collaboration with Mitsubishi Corporation, and moved ahead with the implementation of other measures designed to expand biopharmaceutical contract manufacturing business. In addition, in July 2011, Fujifilm signed a Memorandum of Understanding with Dr. Reddy's Laboratories Ltd.—a major manufacturer of generic pharmaceuticals—to establish a joint venture to engage in generic pharmaceuticals business in the Japanese market.

In the life sciences business, sales of *ASTALIFT* functional cosmetics products increased due to such factors as the launch of a skin brightening series and a base makeup series as well as the proactive implementation of sales promotion measures for supplement products.

In the graphic arts business, such factors as the negative impact of yen appreciation and a decrease in domestic demand for plate processing materials associated with the Great East Japan Earthquake caused a decline in net sales. In the growth field of digital printing business, Fujifilm has worked to bolster its lineup of wide-format UV inkjet systems through initiatives that include the September 2011 announcement of the *Acuity LED 1600* (provisional name) model, and the Company is continuing to strengthen its measures aimed at expanding sales in that field. With respect to the *Jet Press 720* next-generation, inkjet digital color printing system, Fujifilm has completed a user testing program in Japan and is moving ahead with final preparations for the market launch of that system.

Regarding the flat panel display (FPD) materials business, sales of *FUJITAC* and *WV film* products were down compared with the same quarter of the previous fiscal year, when demand of LCD TVs was particularly strong owing to such factors as the Eco-Point system in Japan and government policies for promoting the ownership of household electric products in China. To respond to growing demand associated with large LCD TVs, Fujifilm inaugurated an additional *ultra-wide FUJITAC* manufacturing line in April 2011, following the introduction of another line of that type in October 2010. The Company also plans to initiate the operation of two more *ultra-wide FUJITAC* lines by December 2012. In conjunction with the creation of new manufacturing lines, one existing line will be turned into a specialized facility for the development of products for small and medium-sized displays. Going forward, the Company plans to progressively strengthen its new product development and manufacturing capabilities for meeting rapidly expanding demand for films incorporated in tablet PCs and smartphones.

In the office and industry business, although the marketing of industrial-use x-ray films proceeded smoothly, sales declined, reflecting the negative impact of yen appreciation and other factors. During the current fiscal year, the Company plans to begin the marketing of *EXCLEAR* transparent conductive film products and highly weather-resistant PET film products. Through the launch of these products, the Company is endeavoring to expand its sales in the touch panels and energy fields, which are projected to grow.

Sales of the electronics materials business increased owing to robust sales of such products as ArF immersion resist products image sensor-use *COLOR MOSAIC* products.

In the optical device business, a decrease in demand for camera phone lens units caused a decline in sales. Going forward, the Company plans to progressively expand its business in such new fields as camera modules for mobile phones and security camera lens units

In the recording media business, Fujifilm successfully engaged in the marketing of various products—including enterprise data storage tape cartridges that employ unique barium ferrite particle technology to achieve the world's highest areal density on linear magnetic tape as well as other kinds of data storage tape products and professional-use video tape products—and overall sales increased.

### **Document Solutions**

In the Document Solutions segment, consolidated revenue grew to ¥486.1 billion, up 1.0%, or up 1.6% excluding the impact of foreign exchange fluctuations from the same period of the previous fiscal year. This reflected such factors as a second-quarter recovery from the first-quarter impact of the earthquake disaster, which enabled the Company to record domestic consolidated revenue at roughly the same level as in the same period of the previous fiscal year, along with the continued robustness of sales in the Asia-Oceania region.

Operating income totaled ¥43.7 billion, up 13.6% from the same period of the previous fiscal year owing to the rise in revenue, the implementation of measures to make more-efficient use of expenditures, and other factors.

With respect to the office products business, domestic sales of full-color digital multifunction *Fuji Xerox ApeosPort-IV/DocuCentre-IV* series models continued to be strong, and overall unit sales of full-color products rose. A decrease in the number of copies being made that reflected the deterioration of business sentiment due to the earthquake disaster turned to a trend of recovery during the current quarter. In the Asia-Oceania region, greater sales volume was recorded in both full-color and monochrome models. Regarding exports to Xerox Corporation, the growth in full-color models shipment volume caused an increase in total shipment volume.

In the office printer business, domestic sales volume increased. In the Asia-Oceania region, although sales volume of full-color models increased, a decrease in sales volume of monochrome models caused a decrease in total sales volume. Regarding exports to Xerox Corporation, shipment volume declined.

In production services business, Fuji Xerox's overall domestic sales volume grew owing to a rise in sales of such light production color models as the *Fuji Xerox DocuColor 1450 GA* and the *Fuji Xerox Color 1000 Press/Color 800 Press* entry light production color system. In the Asia-Oceania region, sales of the *Fuji Xerox Color 1000 Press/Color 800 Press* entry light production color system were robust, and overall sales volume increased. With respect to exports to Xerox Corporation, shipment volume decreased.

Revenue in the global services business grew, reflecting a large increase achieved in the Asia-Oceania region and other factors. In addition, from July 2011, the Company has begun providing *Enterprise Print Services* in Japan and the Asia-Oceania region. This end-to-end enterprise document management outsourcing service helps companies better manage documents from the office to the in-house print center to remote/mobile printing.

Fuji Xerox was again ranked highest in the industry in the surveys—the *2011 Japan Color Copier Customer Satisfaction Study<sup>SM</sup>* and the *2011 Japan Color Printer Customer Satisfaction Study<sup>SM</sup>*—conducted by J.D. Power Asia Pacific, Inc., a specialized institution focused on customer satisfaction-related surveys and consulting services, this year. Going forward, Fuji Xerox intends to sustain and strengthen its efforts aimed at generating customer satisfaction by continuing to provide products and support commensurate with its industry-leading evaluation as well as by aiming to supply high-quality services that contribute to improvements in customers' operational efficiency and to the resolution of management challenges.

## (2) Qualitative Information on the Consolidated Financial Position

At the end of the second quarter, total assets decreased by ¥105.5 billion, or 3.9% compared with the end of the previous fiscal year, to ¥2,603.3 billion, impacted by a decrease in cash, trade and finance receivables, the negative impact of yen appreciation, and other factors. Total liabilities decreased by ¥68.5 billion, or 8.0% compared with the end of the previous fiscal year, to ¥789.4 billion, owing to a decrease in trade payables and other factors. FUJIFILM Holdings shareholders' equity decreased by ¥38.1 billion, or 2.2% compared with the end of the previous fiscal year, to ¥1,684.4 billion. As a result, the current ratio increased by 18.8 percentage points, to 242.3%, the debt-equity ratio decreased by 2.9 percentage points, to 46.9%, and the equity ratio increased by 1.1 percentage points, to 64.7%, 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.

### (Cash Flows)

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2011 From April 1, 2011 To September 30, 2011	Second Quarter ended September 30, 2010 From April 1, 2010 To September 30, 2010	Change
Net cash provided by operating activities	59.7	105.5	(45.8)
Net cash used in investing activities	(57.5)	(80.8)	23.3
Net cash provided by (used in) financing activities	(19.3)	5.1	(24.4)

During the second quarter of the fiscal year ending March 31, 2012, net cash provided by operating activities decreased by ¥45.8 billion from the same period of the previous fiscal year, to ¥59.7 billion, due to the resultant net income, fluctuations in assets and liabilities through operating activities, and other factors. Net cash used in investing activities amounted to ¥57.5 billion, due to purchase of property, plant and equipment and other factors. Thus, free cash flow—or the sum of cash flows from operating and investing activities—was ¥2.2 billion. Net cash used in financing activities amounted to ¥19.3 billion due to repayments of long-term debt and other factors.

As a result, cash and cash equivalents at the end of the quarter under review amounted to ¥279.9 billion, down ¥33.1 billion from the previous fiscal year ended March 31, 2011.

**(3) Qualitative Information on Forecasts of the Consolidated Operating Results**

Revised Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2012

(Amount Unit: Millions of yen unless otherwise specified)

	Revenue	Operating income	Income before income taxes	Net income attributable to FUJIFILM Holdings	Net income attributable to FUJIFILM Holdings per share
Previous forecast (A) (announced on Jul. 29, 2011)	2,340,000	160,000	155,000	80,000	Yen 166.08
Latest revised forecast (B)	2,290,000	136,500	107,500	54,000	112.10
Change (B-A)	(50,000)	(23,500)	(47,500)	(26,000)	(53.98)
Percentage (%)	(2.1)	(14.7)	(30.6)	(32.5)	(32.5)
(Ref.) Actual results for FY 2011/3	2,217,084	136,356	117,105	63,852	131.30

Fujifilm's operating environment is expected to be affected by the increasingly strong deceleration trend in the U.S. economy as well as the growing potential for economic stagnation in Europe owing to concerns regarding the financial difficulties in Greece and other factors. These situations, along with such factors as the start of an economic growth rate slackening in emerging countries and regions, are making it difficult to anticipate future developments. Similarly, in Japan, a demand decrease accompanying yen appreciation and export environment deterioration is combining with other factors to create the risk for an economic downturn.

In view of these conditions, Fujifilm has been strengthening marketing systems, launching new products, and taking other measures that have been supporting robust sales in China and other emerging markets. However, overall sales have been below planned levels owing to the impact of such factors as a demand decrease associated with yen appreciation and the perception of deteriorating economic conditions. Operating income has also been below planned levels owing to the impact of the decrease in sales as well as yen appreciation and other factors. Income before income taxes and net income attributable to FUJIFILM Holdings have also been below planned levels as a consequence of negative factors that include impairment losses on investment securities recognized under the stagnant stock markets.

Considering these circumstances, the Company has revised down its forecasts of revenue, operating income, income before income taxes, net income attributable to FUJIFILM Holdings, and net income attributable to FUJIFILM Holdings per share for the fiscal year ending March 31, 2012.

**(4) Distribution of Profits to Shareholders**

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 investment needed to support future business expansion, as well as other measures aimed at increasing the Company's corporate value in the future.

The Company concluded that the interim cash dividends would be paid at ¥17.50 per share. Together with year-end cash dividends of ¥17.50 per share, cash dividends applicable to the fiscal year under review are expected to be paid at ¥35.00 per share, up ¥5.00 per share from the previous fiscal year.

**2. MATTERS RELATING TO SUMMARY (OTHER) INFORMATION****(1) Significant changes in subsidiaries during the current quarter: None****(2) Application of specific accounting treatments for preparation of quarterly consolidated financial statements: None****(3) Accounting changes, changes in assumptions for accounting estimates and restatements in consolidated financial statements: None**

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

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.

## 4. CONSOLIDATED FINANCIAL STATEMENTS

### (1) Consolidated Balance Sheets

Amount Unit: Millions of yen

	Consolidated balance sheet for the 2nd quarter As of September 30, 2011	Condensed consolidated balance sheet for the fiscal year As of March 31, 2011	Change
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	279,933	313,070	(33,137)
Marketable securities	16,505	23,188	(6,683)
Notes and accounts receivable:			
Trade and finance	468,168	490,554	(22,386)
Affiliated companies	27,614	29,268	(1,654)
Allowance for doubtful receivables	(15,902)	(17,645)	1,743
	479,880	502,177	(22,297)
Inventories	349,820	342,165	7,655
Prepaid expenses and other	152,274	130,243	22,031
Total current assets	1,278,412	1,310,843	(32,431)
Investments and long-term receivables:			
Investments in and advances to affiliated companies	40,461	42,684	(2,223)
Investment securities	115,879	139,352	(23,473)
Long-term finance and other receivables	111,158	117,305	(6,147)
Allowance for doubtful receivables	(3,134)	(3,259)	125
Total investments and long-term receivables	264,364	296,082	(31,718)
Property, plant and equipment:			
Land	93,968	97,237	(3,269)
Buildings	654,529	668,897	(14,368)
Machinery and equipment	1,525,352	1,548,837	(23,485)
Construction in progress	41,161	34,742	6,419
	2,315,010	2,349,713	(34,703)
Less accumulated depreciation	(1,763,365)	(1,785,648)	22,283
Total property, plant and equipment	551,645	564,065	(12,420)
Other assets:			
Goodwill, net	334,607	344,444	(9,837)
Other intangible assets, net	46,109	44,223	1,886
Other	128,140	149,184	(21,044)
Total other assets	508,856	537,851	(28,995)
Total assets	2,603,277	2,708,841	(105,564)

Amount Unit: Millions of yen

	Consolidated balance sheet for the 2nd quarter As of September 30, 2011	Condensed consolidated balance sheet for the fiscal year As of March 31, 2011	Change
<b>LIABILITIES</b>			
Current liabilities:			
Short-term debt	51,406	70,343	(18,937)
Notes and accounts payable:			
Trade	205,131	228,224	(23,093)
Construction	27,271	29,435	(2,164)
Affiliated companies	3,129	3,714	(585)
	235,531	261,373	(25,842)
Accrued income taxes	14,824	13,805	1,019
Accrued liabilities	169,667	179,315	(9,648)
Other current liabilities	56,118	61,622	(5,504)
Total current liabilities	527,546	586,458	(58,912)
Long-term liabilities:			
Long-term debt	123,701	119,314	4,387
Accrued pension and severance costs	64,376	78,806	(14,430)
Customers' guarantee deposits and other	73,718	73,392	326
Total long-term liabilities	261,795	271,512	(9,717)
Total liabilities	789,341	857,970	(68,629)
<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	75,480	73,956	1,524
Retained earnings	1,924,127	1,917,659	6,468
Accumulated other comprehensive income (loss)	(253,060)	(206,858)	(46,202)
Treasury stock, at cost	(102,528)	(102,594)	66
Total FUJIFILM Holdings shareholders' equity	1,684,382	1,722,526	(38,144)
Noncontrolling interests	129,554	128,345	1,209
Total equity	1,813,936	1,850,871	(36,935)
Total liabilities and equity	2,603,277	2,708,841	(105,564)

Note: Details of accumulated other comprehensive income (loss)

	As of September 30, 2011	As of March 31, 2011	Change
Unrealized gains (losses) on securities	1,520	2,263	(743)
Foreign currency translation adjustments	(175,084)	(128,943)	(46,141)
Pension liability adjustments	(79,520)	(80,269)	749
Unrealized gains (losses) on derivatives	24	91	(67)

## (2) Consolidated Statements of Income

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

Amount Unit: Millions of yen

	Six months ended September 30, 2011 From April 1, 2011 To September 30, 2011		Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Change	
					Amount	%
Revenue:	%		%			
Sales		914,757		936,146	(21,389)	(2.3)
Rentals		168,675		169,199	(524)	(0.3)
	100.0	1,083,432	100.0	1,105,345	(21,913)	(2.0)
Cost of sales:						
Sales		579,815		571,054	8,761	1.5
Rentals		75,751		75,739	12	0.0
	60.5	655,566	58.5	646,793	8,773	1.4
Gross profit	39.5	427,866	41.5	458,552	(30,686)	(6.7)
Operating expenses:						
Selling, general and administrative	26.4	285,537	25.4	280,999	4,538	1.6
Research and development	7.7	83,286	7.5	83,039	247	0.3
	34.1	368,823	32.9	364,038	4,785	1.3
Operating income before restructuring and other charges	-	-	8.6	94,514		
Restructuring and other charges	-	-	0.8	8,624		
Operating income	5.4	59,043	7.8	85,890	(26,847)	(31.3)
Other income (expenses):						
Interest and dividend income		2,701		2,729	(28)	
Interest expense		(1,606)		(2,025)	419	
Foreign exchange gains (losses), net		(11,876)		(10,014)	(1,862)	
Impairment of investment securities		(15,031)		(271)	(14,760)	
Other, net		(488)		675	(1,163)	
	(2.4)	(26,300)	(0.8)	(8,906)	(17,394)	-
Income before income taxes	3.0	32,743	7.0	76,984	(44,241)	(57.5)
Income taxes	1.1	11,747	3.1	34,232	(22,485)	(65.7)
Equity in net earnings of affiliated companies	0.1	492	0.2	2,196	(1,704)	(77.6)
Net income	2.0	21,488	4.1	44,948	(23,460)	(52.2)
Less: Net income attributable to the noncontrolling interests	(0.6)	(6,590)	(0.5)	(4,647)	(1,943)	-
Net income attributable to FUJIFILM Holdings	1.4	14,898	3.6	40,301	(25,403)	(63.0)

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

Amount Unit: Millions of yen

	Three months ended September 30, 2011 From July 1, 2011 To September 30, 2011		Three months ended September 30, 2010 From July 1, 2010 To September 30, 2010		Change	
					Amount	%
Revenue:	%		%			
Sales		469,186		476,994	(7,808)	(1.6)
Rentals		84,110		80,908	3,202	4.0
	100.0	553,296	100.0	557,902	(4,606)	(0.8)
Cost of sales:						
Sales		297,778		291,218	6,560	2.3
Rentals		40,317		37,099	3,218	8.7
	61.1	338,095	58.8	328,317	9,778	3.0
Gross profit	38.9	215,201	41.2	229,585	(14,384)	(6.3)
Operating expenses:						
Selling, general and administrative	25.7	142,091	25.4	141,525	566	0.4
Research and development	7.8	43,060	7.9	43,999	(939)	(2.1)
	33.5	185,151	33.3	185,524	(373)	(0.2)
Operating income before restructuring and other charges	-	-	7.9	44,061		
Restructuring and other charges	-	-	0.9	5,033		
Operating income	5.4	30,050	7.0	39,028	(8,978)	(23.0)
Other income (expenses):						
Interest and dividend income		1,015		1,096	(81)	
Interest expense		(804)		(1,019)	215	
Foreign exchange gains (losses), net		(9,460)		(1,512)	(7,948)	
Impairment of investment securities		(14,928)		(68)	(14,860)	
Other, net		(1,247)		1,003	(2,250)	
	(4.6)	(25,424)	(0.1)	(500)	(24,924)	-
Income before income taxes	0.8	4,626	6.9	38,528	(33,902)	(88.0)
Income taxes	0.1	482	2.6	14,774	(14,292)	(96.7)
Equity in net earnings of affiliated companies	(0.0)	(59)	0.1	1,039	(1,098)	-
Net income	0.7	4,085	4.4	24,793	(20,708)	(83.5)
Less: Net income attributable to the noncontrolling interests	(0.6)	(3,700)	(0.4)	(2,251)	(1,449)	-
Net income attributable to FUJIFILM Holdings	0.1	385	4.0	22,542	(22,157)	(98.3)

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

Amount Unit: Millions of yen

	Six months ended September 30, 2011 From April 1, 2011 To September 30, 2011	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010	Change
<b>Operating activities</b>			
Net income	21,488	44,948	(23,460)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	70,405	76,755	(6,350)
Impairment of investment securities	15,031	271	14,760
Equity in net earnings of affiliated companies, less dividends received	261	(891)	1,152
Changes in operating assets and liabilities:			
Notes and accounts receivable	1,459	7,358	(5,899)
Inventories	(19,105)	(34,858)	15,753
Notes and accounts payable - trade	(16,031)	(4,026)	(12,005)
Accrued income taxes and other liabilities	(16,001)	(6,677)	(9,324)
Other	2,174	22,634	(20,460)
Subtotal	38,193	60,566	(22,373)
Net cash provided by operating activities	59,681	105,514	(45,833)
<b>Investing activities</b>			
Purchases of property, plant and equipment	(51,007)	(48,474)	(2,533)
Purchases of software	(9,830)	(8,542)	(1,288)
Proceeds from sales and maturities of marketable and investment securities	25,714	20,561	5,153
Purchases of marketable and investment securities	(10,616)	(33,508)	22,892
(Increase) decrease in investments in and advances to affiliated companies	122	(407)	529
Acquisitions of businesses and noncontrolling interests, net of cash acquired	(1,850)	(4,087)	2,237
Other	(9,962)	(6,350)	(3,612)
Net cash used in investing activities	(57,429)	(80,807)	23,378
<b>Financing activities</b>			
Proceeds from long-term debt	6,785	28	6,757
Repayments of long-term debt	(19,117)	(13,906)	(5,211)
Increase in short-term debt, net	622	26,281	(25,659)
Cash dividends paid	(7,225)	(6,108)	(1,117)
Subsidiaries' cash dividends paid to noncontrolling interests	(2,061)	(1,213)	(848)
Net purchases of stock for treasury	(2)	(8)	6
Other	1,710	—	1,710
Net cash provided by (used in) financing activities	(19,288)	5,074	(24,362)
Effect of exchange rate changes on cash and cash equivalents	(16,101)	(17,533)	1,432
Net increase (decrease) in cash and cash equivalents	(33,137)	12,248	(45,385)
Cash and cash equivalents at beginning of period	313,070	406,177	(93,107)
Cash and cash equivalents at end of period	279,933	418,425	(138,492)

**(4) Note Relating to the Going Concern Assumption**

N/A

**(5) Segment Information****1. Six months ended September 30<sup>th</sup>****(A) Operating Segment Information****a. Revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2011 From April 1, 2011 To September 30, 2011		Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	15.0	162,395	15.0	166,075	(3,680)	(2.2)
Intersegment		334		358	(24)	-
Total		162,729		166,433	(3,704)	(2.2)
Information Solutions:						
External customers	40.1	434,959	41.5	458,209	(23,250)	(5.1)
Intersegment		725		918	(193)	-
Total		435,684		459,127	(23,443)	(5.1)
Document Solutions:						
External customers	44.9	486,078	43.5	481,061	5,017	1.0
Intersegment		4,821		3,949	872	-
Total		490,899		485,010	5,889	1.2
Eliminations		(5,880)		(5,225)	(655)	-
Consolidated total	100.0	1,083,432	100.0	1,105,345	(21,913)	(2.0)

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2011 From April 1, 2011 To September 30, 2011		Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Change	
	%		%		Amount	%
Operating Income (Loss):						
Imaging Solutions	(2.3)	(3,693)	0.2	256	(3,949)	-
Information Solutions	7.7	33,733	13.3	61,088	(27,355)	(44.8)
Document Solutions	8.9	43,654	7.9	38,421	5,233	13.6
Total		73,694		99,765	(26,071)	(26.1)
Corporate expenses and eliminations		(14,651)		(13,875)	(776)	-
Consolidated total	5.4	59,043	7.8	85,890	(26,847)	(31.3)

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

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

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

Amount Unit: Millions of yen

	Six months ended September 30, 2011 From April 1, 2011 To September 30, 2011		Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Change	
	%		%		Amount	%
Revenue:						
Japan						
External customers	58.6	634,566	61.6	680,904	(46,338)	(6.8)
Intersegment		200,626		191,705	8,921	-
Total		835,192		872,609	(37,417)	(4.3)
The Americas						
External customers	14.6	158,254	13.9	153,830	4,424	2.9
Intersegment		12,047		10,873	1,174	-
Total		170,301		164,703	5,598	3.4
Europe						
External customers	9.7	104,826	9.3	102,990	1,836	1.8
Intersegment		7,331		5,160	2,171	-
Total		112,157		108,150	4,007	3.7
Asia and others						
External customers	17.1	185,786	15.2	167,621	18,165	10.8
Intersegment		128,674		133,487	(4,813)	-
Total		314,460		301,108	13,352	4.4
Eliminations		(348,678)		(341,225)	(7,453)	-
Consolidated total	100.0	1,083,432	100.0	1,105,345	(21,913)	(2.0)

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2011 From April 1, 2011 To September 30, 2011		Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Change	
	%		%		Amount	%
Operating Income (Loss):						
Japan	4.7	39,309	7.1	62,332	(23,023)	(36.9)
The Americas	2.2	3,702	2.4	3,932	(230)	(5.8)
Europe	(0.6)	(723)	4.4	4,740	(5,463)	-
Asia and others	5.0	15,738	5.6	16,914	(1,176)	(7.0)
Eliminations		1,017		(2,028)	3,045	-
Consolidated total	5.4	59,043	7.8	85,890	(26,847)	(31.3)

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

Amount Unit: Millions of yen

	Six months ended September 30, 2011 From April 1, 2011 To September 30, 2011		Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Change	
	%		%		Amount	%
Revenue:						
Domestic	45.0	487,328	46.2	510,262	(22,934)	(4.5)
Overseas						
The Americas	16.9	183,294	17.0	188,194	(4,900)	(2.6)
Europe	12.3	133,515	11.6	128,158	5,357	4.2
Asia and others	25.8	279,295	25.2	278,731	564	0.2
Subtotal	55.0	596,104	53.8	595,083	1,021	0.2
Consolidated total	100.0	1,083,432	100.0	1,105,345	(21,913)	(2.0)

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<sup>th</sup>****(A) Revenue by Operating Segments**

Amount Unit: Millions of yen

	Three months ended September 30, 2011 From July 1, 2011 To September 30, 2011		Three months ended September 30, 2010 From July 1, 2010 To September 30, 2010		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:	14.6	80,740	14.8	82,889	(2,149)	(2.6)
Information Solutions:	39.2	216,915	41.7	232,414	(15,499)	(6.7)
Document Solutions:	46.2	255,641	43.5	242,599	13,042	5.4
Consolidated total	100.0	553,296	100.0	557,902	(4,606)	(0.8)

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

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and materials for medical systems and life sciences, pharmaceuticals, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet 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, 2011 From July 1, 2011 To September 30, 2011		Three months ended September 30, 2010 From July 1, 2010 To September 30, 2010		Change	
	%		%		Amount	%
Revenue:						
Domestic	45.5	251,871	46.8	260,938	(9,067)	(3.5)
Overseas						
The Americas	17.1	94,387	16.9	94,395	(8)	(0.0)
Europe	12.3	67,917	11.2	62,644	5,273	8.4
Asia and others	25.1	139,121	25.1	139,925	(804)	(0.6)
Subtotal	54.5	301,425	53.2	296,964	4,461	1.5
Consolidated total	100.0	553,296	100.0	557,902	(4,606)	(0.8)

**(6) Note on Significant Changes to Fujifilm Holdings Shareholders' Equity**

N/A