



Financial Results (Consolidated) for the Six months ended September 30, 2020

FUJIFILM Holdings Corporation

Kenji Sukeno

President and Chief Operating Officer

Projected date of Quarterly report: November 13, 2020

Projected date of the beginning of cash dividends: December 2, 2020

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 10, 2020

URL: <https://holdings.fujifilm.com/en>

1. Results of Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(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, 2020	997,389	(11.9)	56,471	(38.6)	99,569	2.1	67,606	10.6
Six months ended Sept. 30, 2019	1,132,134	(3.5)	92,039	9.7	97,532	(1.3)	61,145	(6.6)

Note: Comprehensive income

2nd Quarter ended September 30, 2020 ¥ 81,916 million (364.2%) 2nd Quarter ended September 30, 2019 ¥ 17,645 million (-81.8 %)

	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, 2020	169.12	168.56
Six months ended Sept. 30, 2019	149.38	148.91

(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, 2020	3,308,208	2,058,028	2,014,538	60.9 %
As of March 31, 2020	3,321,692	1,993,757	1,953,252	58.8

2. Cash Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Year Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	-	47.50	-	47.50	95.00
Year ending March 31, 2021	-	47.50	-	47.50	95.00
Year ending March 31, 2021 (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, 2021 (From April 1, 2020 to March 31, 2021)

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, 2021	2,210,000	(4.5)	143,000	(23.4)	175,000	1.1	125,000	0.0	312.68

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, 2020 excluding treasury shares for the average number of shares for the relevant period.

Notes

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

(Company newly consolidated or removed from consolidation): None

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

(3) Changes in accounting principles

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

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

(4) Number of shares outstanding

1. Issued (including treasury stock):

2. Treasury stock:

3. Average number of shares:

As of Sept. 30, 2020	514,625,728	As of March 31, 2020	514,625,728
As of Sept. 30, 2020	114,859,602	As of March 31, 2020	114,914,288
Six months ended Sept. 30, 2020	399,741,792	Six months ended Sept. 30, 2019	409,332,091

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, 2020		Six months ended September 30, 2019		Change	
					Amount	%
Domestic revenue	42.7%	426.1	43.5%	491.9	(65.8)	(13.4)
Overseas revenue	57.3%	571.3	56.5%	640.2	(68.9)	(10.8)
Revenue	100.0%	997.4	100.0%	1,132.1	(134.7)	(11.9)
Operating income	5.7%	56.5	8.1%	92.0	(35.5)	(38.6)
Income before income taxes	10.0%	99.6	8.6%	97.5	2.1	2.1
Net income attributable to FUJIFILM Holdings	6.8%	67.6	5.4%	61.1	6.5	10.6
Exchange rates (Yen / US\$)		¥107		¥109	(¥2)	
Exchange rates (Yen / Euro)		¥122		¥121	¥1	

In the first half of the fiscal year ending March 31, 2021, the Fujifilm Group recorded ¥997.4 billion in consolidated revenue (down 11.9% from the same period of the previous fiscal year), reflecting such factors as sales increases in the bio CDMO business and electronic materials business, and sales decreases in the document business, photo imaging business, and graphic systems business.

Operating income increased to ¥56.5 billion (down 38.6% from the same period of the previous fiscal year). Consolidated income before income taxes amounted to ¥99.6 billion (up 2.1% from the same period of the previous fiscal year) and consolidated net income attributable to FUJIFILM Holdings totaled ¥67.6 billion (up 10.6% 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 ¥107 and ¥122, respectively.

Revenue by Operating Segment

Amount Unit: Billions of yen

Segment	Six months ended September 30, 2020	Six months ended September 30, 2019	Change	
			Amount	%
Imaging Solutions	113.9	154.1	(40.2)	(26.1)
Healthcare & Material Solutions	473.3	492.7	(19.4)	(3.9)
Document Solutions	410.2	485.3	(75.1)	(15.5)
Consolidated Total	997.4	1,132.1	(134.7)	(11.9)

Operating Income (loss) by Operating Segment

Amount Unit: Billions of yen

Segment	Six months ended September 30, 2020	Six months ended September 30, 2019	Change	
			Amount	%
Imaging Solutions	(2.1)	10.1	(12.2)	-
Healthcare & Material Solutions	45.8	45.0	0.8	1.6
Document Solutions	28.3	54.9	(26.6)	(48.4)
Corporate Expenses and Eliminations	(15.5)	(18.0)	2.5	-
Consolidated Total	56.5	92.0	(35.5)	(38.6)

Imaging Solutions

In the Imaging Solutions segment, consolidated revenue amounted to ¥113.9 billion (down 26.1% from the same period of the previous fiscal year). Sales of products and services in general decreased due to the impacts of stay-at-home orders, temporary closure of retailers, and a variety of events not being held, or being cancelled, in many cities worldwide due to the spread of the COVID-19 pandemic.

Consolidated operating loss amounted to ¥2.1 billion.

In the photo imaging business, revenue declined as a result of factors including the impact of events not being held, or being cancelled, due to the spread of the COVID-19 pandemic. For instant photo systems, which enable users to enjoy on-the-spot printing of photos, we are expanding online sales by using social media to promote a new way of enjoying *instax* at home. As a result, sales are now recovering, particularly in Europe and the U.S. Sales were strong for the *instax mini Link* smartphone printer, and in May 2020 we provided customers with added value and a new way to enjoy the printer by adding the new “Sketch, edit & print” feature to the printer’s dedicated app. The new feature enables users to export sketches and text from photos taken on a smartphone to merge them with other photos and print them. Meanwhile, the *instax mini II* instant camera, launched in March 2020, also achieved a solid increase in sales, resulting in higher revenue for instant cameras in the second quarter compared to that of the same period of the previous fiscal year. Also, in April 2020, new personalized features were added to the *Year Album*, a photo book service, enabling automatic selection and layout of photos according to individual interests and preferences through use of AI technology. We will continue communicating to the world the traditional photographic values of “shooting, preserving, displaying, and gifting,” as well as delivering innovative, user-friendly products and services, thereby meeting increasingly diversified customer needs.

In the electronic imaging field of the optical device and electronic imaging business, temporary closure of retailers and fewer opportunities to take photos due to the COVID-19 pandemic resulted in a decline in revenue. The digital camera market as a whole faced severe challenges and overall demand declined far below the previous year’s level. Nonetheless, sales increased steadily for *FUJIFILM X100V*, a high-end, compact digital camera launched in February 2020, and *FUJIFILM X-T4*, a mirrorless digital camera highly regarded for its high-speed AF and advanced video performance, launched in April 2020. In July 2020 we launched the *FUJINON Lens GF30mmF3.5 R WR* as a new interchangeable lens for the *GFX* Series, providing a compact wide-angle prime lens that delivers ultra-high resolution. Then, in September 2020, we launched a new addition to our lineup of interchangeable lenses for the X Series in the form of the *FUJINON Lens XF50mmF1.0 R WR*, a large-diameter mid-telephoto prime lens, thereby enhancing the appeal of our products as systems through a generous lineup of lenses. Going forward, we will continue providing value-added products and revitalizing the market, along with sharing the joy of taking photos.

In the optical device field, revenue decreased, reflecting reduced sales of broadcast and cinema lenses due to cancellation of sports events, and suspended filming of television dramas and movies, as well as reduced sales of vehicle-mounted lenses due to lower demand in the automotive industry worldwide. Demand for lenses for security purposes held firm, and revenue for the second quarter was higher than the same period of the previous fiscal year. Aiming to achieve business growth in this field, we are expanding our business domains and developing innovative products that satisfy the diverse needs of the market, including developing and launching ultra-short-throw projectors and long-throw security cameras, and developing new multispectral camera systems.

Healthcare & Material Solutions

In the Healthcare & Material Solutions segment, consolidated revenue amounted to ¥473.3 billion (down 3.9% from the same period of the previous fiscal year). Sales were negatively impacted by the effects of the COVID-19 pandemic, such as delays in business negotiations and installation of equipment involving hospitals in the medical systems business, cancellation of in-store events and temporary closure of directly-managed stores in the life science business, and reduced printing demand due to events not being held, or being cancelled, in the graphic systems business.

Operating income amounted to ¥45.8 billion (up 1.6% from the same period of the previous fiscal year).

In the medical systems business, revenue declined overall due to the COVID-19 pandemic. However revenue increased significantly in the antibacterial materials field, which witnessed a surge in sales of products such as medicated hand gel and antibacterial wipes that make use of our proprietary Hydro Ag+ technology combining the disinfectant effect of alcohol with the sustained disinfection of a silver-based antibacterial agent and a hyper-hydrophilic coating. In the X-ray imaging diagnostics field, robust demand continued for *FUJIFILM DR CALNEO AQRO* and *FUJIFILM DR CALNEO Go PLUS*, which are mobile digital X-ray imaging systems that can be moved freely between hospital bedsides for screening. Sales of these products remained strong in the United States and Europe, Asia, Latin America, the Middle East, and Africa. In the ultrasound diagnostics field, we started selling the *SonoSite PX* high-end ultrasound diagnostic device in the United States in July 2020, and in Europe in August 2020, and sales performed well. The medical IT field witnessed strong sales of systems, particularly *SYNAPSE* Picture Archiving and Communication Systems (PACS), mainly in Japan and the United States. In August 2020 we commenced sales in Japan of the *SYNAPSE VINCENT Ver. 6.1* 3D image analysis system, designed using AI technology and featuring applications including an automated organ segmentation function. In the endoscopes field, robust sales were seen in China for such products as the *7000* system, capable of special-light observation. In the In Vitro Diagnostics (IVD) field, sales in Japan were solid for the *FUJI DRI-CHEM* series of blood examination systems. In May 2020, we undertook the launch in Japan of *μTAS Wako COVID-19*, a gene detection reagent that automatically detects COVID-19 genes quickly and easily, for use with the *μTAS Wako g1*, a fully automatic gene analyzer.

In the pharmaceutical business, revenue increased due to such factors as licensing revenue under the licensing agreement signed in June 2020 with Dr. Reddy's Laboratories Ltd., a major pharmaceutical company headquartered in India, and Global Response Aid, a global provider of medical supplies and pharmaceuticals. This agreement targeted deployment outside Japan of the anti-influenza virus drug *Avigan*[®] Tablet (generic name: *favipiravir*), which shows promise as a COVID-19 treatment. The phase III clinical trial of *Avigan*[®] conducted in Japan for COVID-19 patients met its primary endpoint for efficacy, and in October 2020 we filed an application for partial changes to the items covered by the drug's manufacturing and marketing approval to include an additional indication for COVID-19. In addition, we signed a manufacturing contract agreement with biotechnology company VLP Therapeutics Japan LLC regarding a COVID-19 vaccine candidate formulation. This vaccine comprises a formulation

using lipid nanoparticles, which are a type of Drug Delivery System (DDS) technology; we will utilize the Fujifilm Group's manufacturing facilities and infrastructure to handle operations relating to the formulation from process development to manufacturing for clinical trials. Meanwhile, in the radiopharmaceuticals field, we filed an application in August 2020 for approval of Japan-based manufacturing and marketing of the new radiopharmaceutical compound F-1515* for the treatment of pancreatic, gastrointestinal, and pulmonary neuroendocrine tumors. The Fujifilm Group will continue contributing to the further development of medicine by supplying high-value-added pharmaceutical products.

* Known overseas as Lutathera[®]. In 2015, FUJIFILM Toyama Chemical Co., Ltd. signed a licensing agreement with Advanced Accelerator Applications International S.A. for the compound's development and marketing in Japan.

In the bio CDMO business, revenue increased as biopharmaceutical process development and manufacturing under contract progressed favorably. In June 2020, we announced an investment of approximately ¥100.0 billion for major improvements to manufacturing facilities at our Denmark site to further enhance our production capacity for biopharmaceuticals. The improved facilities will go into operation in stages during 2022 through 2023, doubling the Denmark site's current capacity for production of biopharmaceutical drug substances. The investment will also establish end-to-end capabilities for manufacturing under contract on this one site, encompassing everything from drug substance manufacturing to formulation and packaging. In another development at the Denmark site, we have agreed to commence production under contract of the drug substances necessary for commercial manufacturing of Eli Lilly and Company's COVID-19 therapeutic antibody from April 2021. This will enable us to help make Eli Lilly and Company's antibody widely available in low- and middle-income countries. At our U.S. site, we entered into a drug substance manufacturing contract for a COVID-19 vaccine candidate developed by Novavax, Inc., a biotechnology company in the U.S. In addition, the U.S. government granted us approximately ¥27.0 billion for purposes including the expansion of manufacturing facilities as part of Operation Warp Speed (OWS), a public-private partnership project launched by the U.S. government to develop a vaccine for COVID-19. We plan to manufacture drug substances for vaccine candidates supported by OWS, including the Novavax vaccine candidate. At our U.K. site, we entered into a drug substance manufacturing contract with Novavax for a COVID-19 vaccine candidate to be procured by the U.K. government, and we plan to start manufacturing at the beginning of 2021. Also at the U.K. site, we are investing in plant and equipment to build a new facility that will conduct process development specifically for gene therapeutics, as well as manufacturing of drug substances. We plan to bring the new facility on line in stages, aiming to commence production process development in spring 2021, and manufacturing of drug substances under contract in the fall of 2021. We are committed to supporting our customers' creation of new drugs through the stable supply of high-quality pharmaceuticals, as well as solving social issues by such means as responding to unmet medical needs, and contributing to the development of the healthcare industry.

In the regenerative medicine business, revenue increased due to favorable sales of cell culture media by (U.S.-based) FUJIFILM Irvine Scientific, Inc., combined with strong performance in the outsourced development business for allogeneic iPS cells used in next-generation cancer immunotherapeutic drugs operated by FUJIFILM Cellular Dynamics, Inc. (also based in the U.S.). In September 2020, Japan Tissue Engineering Co., Ltd. applied for manufacturing and marketing approval for autologous cultured oral mucosal epithelium (development name: COMET01) for the treatment of corneal epithelial stem cell deficiency. We will continue contributing to the early commercialization of regenerative medicine by leveraging the technologies and expertise of our group companies.

In the life sciences business, although sales at stores were affected by the COVID-19 pandemic, total revenue increased as sales of supplements such as *MetabARRIER EX* were strong, particularly via online channels. In April 2020 we launched *Astalift Supplement White Shield* and *Astalift Drink White Shield*,

which are Foods with Functional Claims (a category of health food products in Japan) that help to protect the skin from harmful UV rays. These were followed in September 2020 with the launch of *Astalift Luminous Essence*, a foundation makeup incorporating an ingredient that retains water to preserve the skin's moisture, and *Astalift Sparkle Tight Serum*, which uses bursting bubbles to tighten the skin. We will continue to provide unique products that meet customer needs and make a difference in people's lives.

In the display materials business, although overall revenue decreased due to reduced demand for smartphones, sales were strong for retardation films.

In the industrial products business, total revenue increased as sales of *EXCLEAR* touch-panel sensor films were strong due to increased demand from those working and studying at home, although sales of products such as equipment for non-destructive inspection decreased due to the COVID-19 pandemic.

In the electronic materials business, revenue increased due to robust sales of materials for data center servers, reflecting more widespread working from home during COVID-19, as well as other products such as Chemical Mechanical Planarization (CMP) slurries and advanced resists used for cutting-edge logics.

In the fine chemical business, revenue increased due to solid sales of products benefitting from higher demand, such as disinfection ethanol, despite the impact of factors such as reduced demand for reagents caused by delays in research activities at universities and corporations resulting from the spread of COVID-19.

In the recording media business, corporate activities stagnated under the COVID-19 pandemic, while corporations prioritized the enhancement of network infrastructure to support work-from-home demand over investment in data archiving. This resulted in lower revenue due to reduced demand for magnetic data storage tape. Over the medium- to long term, however, we believe that data volume will continue to increase, and magnetic data storage tape will retain its superiority, so investment in data archiving can be expected to recover. In such circumstances, we are endeavoring to grow our business by extending our lineup of products and services that can meet customer needs in the big data era.

In the graphic systems business, revenue decreased due to reduced demand for printing plates under the impact of the COVID-19 pandemic. Henceforth, we intend to promote sales of process-less CTP plates and other environmentally friendly products. In the digital printing field, we will continue to aim for business growth by developing and providing innovative products such as the *Jet Press750S*, a commercial inkjet digital press, to the commercial and package printing market, where digitization is advancing.

In the inkjet business, revenue decreased overall as the demand for ink used in the wide format printer market in Europe decreased sharply, although sales of industrial inkjet printheads were on a recovery trend as our customers resumed operations in China. We will continue to develop and supply innovative products for the industrial inkjet printer market, whose areas of application are expanding, thereby contributing to the advancement of various industries.

Document Solutions

In the Document Solutions segment, consolidated revenue amounted to ¥410.2 billion (down 15.5% from the same period of the previous fiscal year) due to such factors as the COVID-19 pandemic and the negative impact of foreign exchange from depreciation of Asian currencies.

Operating income amounted to ¥28.3 billion (down 48.4% from the same period of the previous fiscal year).

In the office products business, overall sales volume increased from the same period of the previous fiscal year mainly due to higher sales in Japan, China, and other countries/regions. In Japan, the increase in working from home as a means of dealing with the COVID-19 pandemic has led to greater demand for the *Netprint*[®] service, which enables use of multi-copiers installed at Seven-Eleven stores throughout Japan to print files that have been registered via the internet. In the office printers field, sales volume decreased in all geographical areas.

In the production services business, sales volume decreased from the previous year as customers curtailed investment due to economic uncertainties resulting from the COVID-19 pandemic.

In the solutions and services business, sales activities were restricted as a result of the temporary closure of offices and the increase in working from home due to the COVID-19 pandemic, resulting in a decrease in overall sales. On the other hand, more working from home increased sales of *beat*, a service that provides strong security and an easy and convenient network environment, as well as paperless fax solutions for home-based access to faxes sent to an office. We aim to achieve further growth in the service field as we continuously provide new solutions and services that support customers' diversifying work styles.

(2) Explanation on the Consolidated Financial Position

At the end of the second quarter of the fiscal year ending March 31, 2021, total assets decreased by ¥13.5 billion, compared with the end of the previous fiscal year (March 31, 2020), to ¥3,308.2 billion, owing to a decrease in accounts receivable. Total liabilities decreased by ¥77.8 billion, compared with the end of the previous fiscal year, to ¥1,250.2 billion. FUJIFILM Holdings shareholders' equity increased by ¥61.3 billion, compared with the end of the previous fiscal year, to ¥2,014.5 billion. As a result, the current ratio increased by 20.0 percentage points, to 245.6%, the debt-equity ratio decreased by 5.9 percentage points, to 62.1%, and the equity ratio increased by 2.1 percentage points, to 60.9%, 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, 2020	Six months ended September 30, 2019	Change
Net cash provided by operating activities	194.6	157.6	37.0
Net cash used in investing activities	(62.2)	(163.5)	101.3
Net cash used in financing activities	(74.5)	(2.6)	(71.9)

During the first half of the fiscal year ending March 31, 2021, net cash provided by operating activities totaled ¥194.6 billion, due to a decrease in accounts receivable and other factors. Net cash used in investing activities amounted to ¥62.2 billion, due to the acquisition of property, plant, equipment, and other factors. Thus, free cash flow—or the sum of cash flow from operating and investing activities—was ¥132.4 billion. Net cash used in financing activities amounted to ¥74.5 billion, due to payment of short-term debt with maturities and other factors.

As a result, cash and cash equivalents at the end of the quarter under review amounted to ¥457.5 billion, up ¥61.4 billion from the end of the previous fiscal year.

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

Amount Unit: Billions of yen

	Previous forecast (A) (announced on August 13, 2020)	Latest revised forecast (B)	Change (B-A)	Change (%)	(Ref.) Actual results for year ending March 31, 2020
Revenue	2,200.0	2,210.0	10.0	0.5%	2,315.1
Operating income	140.0	143.0	3.0	2.1%	186.6
Income before income taxes	170.0	175.0	5.0	2.9%	173.1
Net income attributable to FUJIFILM Holdings	120.0	125.0	5.0	4.2%	125.0
Net income attributable to FUJIFILM Holdings per share	¥300.20	¥312.68	¥12.48	4.2%	¥306.18
ROE (%)	6.0%	6.3%	-	0.3% points	6.3%
Exchange rates (Yen / US\$)	¥108	¥108	-	-	¥109
Exchange rates (Yen / Euro)	¥118	¥120	¥2	-	¥121

Note: Net income attributable to FUJIFILM Holdings per share in the previous forecast is calculated using the number of shares issued as of June 30, 2020 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, 2020, excluding treasury shares.

In the forecast for the fiscal year ending March 31, 2021, revenue and operating profit have been revised upward reflecting the growth of the bio CDMO business. In addition, income before income taxes and minority interests attributable to shareholders of the FUJIFILM Holdings will also be revised upward reflecting such factors as selling investment securities.

One-time costs of ¥25.0 billion are expected such as for the brand renewal for the Document Solutions segment. The projected currency exchange rates for the U.S. dollar and the euro against the yen during the fiscal year ending March 31, 2021, are ¥108 and ¥120, respectively.

2. MATTERS RELATING TO SUMMARY (OTHER) INFORMATION

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

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

(3) Changes in Accounting Principles: None

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

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

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

“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, 2020	As of March 31, 2020	Change
ASSETS			
Current assets:			
Cash and cash equivalents	457,533	396,091	61,442
Notes and accounts receivable:			
Trade	464,655	524,120	(59,465)
Lease receivables	54,475	55,419	(944)
Affiliated companies	2,192	2,640	(448)
Allowance for doubtful receivables	(24,209)	(23,761)	(448)
	497,113	558,418	(61,305)
Inventories	406,039	380,911	25,128
Prepaid expenses and Other	97,221	153,783	(56,562)
Total current assets	1,457,906	1,489,203	(31,297)
Investments and long-term receivables:			
Investments in and advances to affiliated companies	26,060	27,770	(1,710)
Investment securities	114,425	87,209	27,216
Long-term lease receivables	60,680	61,724	(1,044)
Other long-term receivables	24,974	30,497	(5,523)
Allowance for doubtful receivables	(3,691)	(4,067)	376
Total investments and long-term receivables	222,448	203,133	19,315
Property, plant and equipment:			
Land	98,826	96,776	2,050
Buildings	745,266	732,716	12,550
Machinery and equipment and other	1,496,008	1,478,270	17,738
Construction in progress	46,154	47,481	(1,327)
	2,386,254	2,355,243	31,011
Less accumulated depreciation	(1,779,348)	(1,754,696)	(24,652)
Total property, plant and equipment	606,906	600,547	6,359
Other assets:			
Operating lease right-of-use assets	79,588	75,261	4,327
Goodwill, net	686,256	687,155	(899)
Other intangible assets, net	139,297	142,071	(2,774)
Other	115,807	124,322	(8,515)
Total other assets	1,020,948	1,028,809	(7,861)
Total assets	3,308,208	3,321,692	(13,484)

Amount Unit: Millions of yen

	As of September 30, 2020	As of March 31, 2020	Change
LIABILITIES			
Current liabilities:			
Short-term debt	72,881	120,998	(48,117)
Notes and accounts payable:			
Trade	178,249	195,214	(16,965)
Construction	15,303	25,360	(10,057)
Affiliated companies	1,596	1,724	(128)
	195,148	222,298	(27,150)
Accrued income taxes	17,126	24,893	(7,767)
Accrued liabilities	166,193	171,989	(5,796)
Short-term operating lease liabilities	27,277	25,696	1,581
Other current liabilities	115,038	94,133	20,905
Total current liabilities	593,663	660,007	(66,344)
Long-term liabilities:			
Long-term debt	493,051	503,171	(10,120)
Accrued pension and severance costs	29,631	33,818	(4,187)
Long-term operating lease liabilities	55,047	52,652	2,395
Other long-term liabilities	78,788	78,287	501
Total long-term liabilities	656,517	667,928	(11,411)
Total liabilities	1,250,180	1,327,935	(77,755)
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			
Retained earnings	2,609,836	2,563,091	46,745
Accumulated other comprehensive income (loss)	(149,790)	(164,100)	14,310
Treasury stock, at cost	(485,871)	(486,102)	231
Total FUJIFILM Holdings shareholders' equity	2,014,538	1,953,252	61,286
Noncontrolling interests	43,490	40,505	2,985
Total equity	2,058,028	1,993,757	64,271
Total liabilities and equity	3,308,208	3,321,692	(13,484)

Note: Details of accumulated other comprehensive income (loss)

	As of September 30, 2020	As of March 31, 2020	Change
Unrealized gains (losses) on securities	(20)	(11)	(9)
Foreign currency translation adjustments	(37,075)	(46,201)	9,126
Pension liability adjustments	(112,722)	(117,780)	5,058
Unrealized gains (losses) on derivatives	27	(108)	135

(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, 2020 From April 1, 2020 To September 30, 2020		Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Change	
					Amount	%
	%		%			
Revenue	100.0	997,389	100.0	1,132,134	(134,745)	(11.9)
Cost of sales	60.2	600,153	58.2	658,550	(58,397)	(8.9)
Gross profit	39.8	397,236	41.8	473,584	(76,348)	(16.1)
Operating expenses:						
Selling, general and administrative	26.6	266,356	26.7	301,861	(35,505)	(11.8)
Research and development	7.5	74,409	7.0	79,684	(5,275)	(6.6)
Operating income	34.1	340,765	33.7	381,545	(40,780)	(10.7)
Operating income	5.7	56,471	8.1	92,039	(35,568)	(38.6)
Other income (expenses):						
Interest and dividend income		1,903		2,672	(769)	
Interest expense		(1,105)		(1,376)	271	
Foreign exchange gains (losses), net		(3,712)		(2,736)	(976)	
Gains (losses) on equity securities, net		31,225		(677)	31,902	
Other, net		14,787		7,610	7,177	
Income before income taxes	4.3	43,098	0.5	5,493	37,605	684.6
Income before income taxes	10.0	99,569	8.6	97,532	2,037	2.1
Income taxes	2.9	28,602	2.2	24,948	3,654	14.6
Equity in net earnings (losses) of affiliated companies	(0.3)	(2,651)	(0.0)	(575)	(2,076)	361.0
Net income	6.8	68,316	6.4	72,009	(3,693)	(5.1)
Less: Net (income) loss attributable to the noncontrolling interests	0.0	(710)	(1.0)	(10,864)	10,154	(93.5)
Net income attributable to FUJIFILM Holdings	6.8	67,606	5.4	61,145	6,461	10.6

Three months ended September 30

Amount Unit: Millions of yen

	Three months ended September 30, 2020 From July 1, 2020 To September 30, 2020		Three months ended September 30, 2019 From July 1, 2019 To September 30, 2019		Change	
					Amount	%
	%		%			
Revenue	100.0	541,119	100.0	596,808	(55,689)	(9.3)
Cost of sales	61.2	331,315	58.9	351,642	(20,327)	(5.8)
Gross profit	38.8	209,804	41.1	245,166	(35,362)	(14.4)
Operating expenses:						
Selling, general and administrative	25.1	135,713	25.1	149,523	(13,810)	(9.2)
Research and development	7.0	38,010	6.8	40,717	(2,707)	(6.6)
	32.1	173,723	31.9	190,240	(16,517)	(8.7)
Operating income	6.7	36,081	9.2	54,926	(18,845)	(34.3)
Other income (expenses):						
Interest and dividend income		507		1,008	(501)	
Interest expense		(523)		(651)	128	
Foreign exchange gains (losses), net		(2,113)		186	(2,299)	
Gains (losses) on equity securities, net		17,680		8,606	9,074	
Other, net		5,738		7,065	(1,327)	
	3.9	21,289	2.7	16,214	5,075	31.3
Income before income taxes	10.6	57,370	11.9	71,140	(13,770)	(19.4)
Income taxes	2.9	15,683	3.0	17,914	(2,231)	(12.5)
Equity in net earnings (losses) of affiliated companies	(0.2)	(1,044)	(0.0)	(45)	(999)	2,220.0
Net income	7.5	40,643	8.9	53,181	(12,538)	(23.6)
Less: Net (income) loss attributable to the noncontrolling interests	(0.1)	(538)	(1.1)	(6,698)	6,160	(92.0)
Net income attributable to FUJIFILM Holdings	7.4	40,105	7.8	46,483	(6,378)	(13.7)

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

Amount Unit: Millions of yen

	Six months ended September 30, 2020 From April 1, 2020 To September 30, 2020	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019	Change
Net income	68,316	72,009	(3,693)
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(9)	(11)	2
Foreign currency translation adjustments	9,242	(50,606)	59,848
Pension liability adjustments	5,254	2,385	2,869
Unrealized gains (losses) on derivatives	135	135	0
Total	14,622	(48,097)	62,719
Comprehensive income (loss)	82,938	23,912	59,026
Less: Comprehensive (income) loss attributable to noncontrolling interests	(1,022)	(6,267)	5,245
Comprehensive income (loss) attributable to FUJIFILM Holdings	81,916	17,645	64,271

Three months ended September 30

Amount Unit: Millions of yen

	Three months ended September 30, 2020 From July 1, 2020 To September 30, 2020	Three months ended September 30, 2019 From July 1, 2019 To September 30, 2019	Change
Net income	40,643	53,181	(12,538)
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(6)	2	(8)
Foreign currency translation adjustments	1,921	(16,413)	18,334
Pension liability adjustments	3,931	1,170	2,761
Unrealized gains (losses) on derivatives	(41)	42	(83)
Total	5,805	(15,199)	21,004
Comprehensive income (loss)	46,448	37,982	8,466
Less: Comprehensive (income) loss attributable to noncontrolling interests	(965)	(5,347)	4,382
Comprehensive income (loss) attributable to FUJIFILM Holdings	45,483	32,635	12,848

(3) Consolidated Statements of Cash Flows

Amount Unit: Millions of yen

	Six months ended September 30, 2020 From April 1, 2020 To September 30, 2020	Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019	Change
Operating activities			
Net income	68,316	72,009	(3,693)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	60,137	60,516	(379)
(Gains) losses on equity securities, net	(31,225)	677	(31,902)
Equity in net (gains) losses of affiliated companies, net of dividends received	2,919	1,633	1,286
Changes in operating assets and liabilities:			
Notes and accounts receivable	65,334	64,441	893
Inventories	(26,238)	(31,975)	5,737
Notes and accounts payable - trade	(17,453)	(6,652)	(10,801)
Accrued income taxes and other liabilities	(23,015)	(5,438)	(17,577)
Other	95,783	2,341	93,442
Subtotal	126,242	85,543	40,699
Net cash provided by operating activities	194,558	157,552	37,006
Investing activities			
Purchases of property, plant and equipment	(49,044)	(43,120)	(5,924)
Purchases of software	(9,700)	(9,582)	(118)
Proceeds from sales and maturities of marketable and investment securities	4,431	7	4,424
Purchases of marketable and investment securities	(433)	(1,718)	1,285
(Increase) decrease in time deposits, net	(1,807)	(2,919)	1,112
Increase in investments in and advances to affiliated companies	(2,540)	(945)	(1,595)
Acquisitions of businesses, net of cash acquired	-	(105,709)	105,709
Other	(3,077)	485	(3,562)
Net cash used in investing activities	(62,170)	(163,501)	101,331
Financing activities			
Proceeds from long-term debt	2,574	50,117	(47,543)
Repayments of long-term debt	(14,574)	(32,126)	17,552
Increase (decrease) in short-term debt, net	2,813	170	2,643
Payments of short-term debt with maturities longer than three months	(50,000)	-	(50,000)
Cash dividends paid to shareholders	(18,986)	(16,371)	(2,615)
Subsidiaries' cash dividends paid to noncontrolling interests	(89)	(3,513)	3,424
Net purchases of stock for treasury	(7)	(9)	2
Other	3,726	(840)	4,566
Net cash used in financing activities	(74,543)	(2,572)	(71,971)
Effect of exchange rate changes on cash and cash equivalents	3,597	(18,182)	21,779
Net increase (decrease) in cash and cash equivalents	61,442	(26,703)	88,145
Cash and cash equivalents at beginning of period	396,091	654,747	(258,656)
Cash and cash equivalents at end of period	457,533	628,044	(170,511)

(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, 2020 From April 1, 2020 To September 30, 2020		Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	11.4	113,898	13.6	154,070	(40,172)	(26.1)
Intersegment		936		1,175	(239)	-
Total		114,834		155,245	(40,411)	(26.0)
Healthcare & Material Solutions:						
External customers	47.5	473,321	43.5	492,745	(19,424)	(3.9)
Intersegment		643		1,011	(368)	-
Total		473,964		493,756	(19,792)	(4.0)
Document Solutions:						
External customers	41.1	410,170	42.9	485,319	(75,149)	(15.5)
Intersegment		2,984		6,730	(3,746)	-
Total		413,154		492,049	(78,895)	(16.0)
Eliminations		(4,563)		(8,916)	4,353	-
Consolidated total	100.0	997,389	100.0	1,132,134	(134,745)	(11.9)

b. Operating income (loss)

Amount Unit: Millions of yen

	Six months ended September 30, 2020 From April 1, 2020 To September 30, 2020		Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Change	
	%		%		Amount	%
Operating Income (Loss):						
Imaging Solutions	(1.9)	(2,146)	6.5	10,144	(12,290)	-
Healthcare & Material Solutions	9.7	45,756	9.1	45,025	731	1.6
Document Solutions	6.9	28,316	11.2	54,921	(26,605)	(48.4)
Total		71,926		110,090	(38,164)	(34.7)
Corporate expenses and eliminations		(15,455)		(18,051)	2,596	-
Consolidated total	5.7	56,471	8.1	92,039	(35,568)	(38.6)

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

- Imaging Solutions: Color films, digital cameras, color paper, services and equipment for photofinishing, instant photo systems and optical devices
- 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, 2020 From April 1, 2020 To September 30, 2020		Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Change	
	%		%		Amount	%
Revenue:						
Japan:						
External customers	48.3	481,204	50.1	566,724	(85,520)	(15.1)
Intersegment		205,363		234,304	(28,941)	-
Total		686,567		801,028	(114,461)	(14.3)
The Americas:						
External customers	18.2	181,916	17.7	200,590	(18,674)	(9.3)
Intersegment		28,869		25,788	3,081	-
Total		210,785		226,378	(15,593)	(6.9)
Europe:						
External customers	11.1	110,509	9.7	110,119	390	0.4
Intersegment		5,166		8,394	(3,228)	-
Total		115,675		118,513	(2,838)	(2.4)
Asia and others:						
External customers	22.4	223,760	22.5	254,701	(30,941)	(12.1)
Intersegment		115,342		119,650	(4,308)	-
Total		339,102		374,351	(35,249)	(9.4)
Eliminations		(354,740)		(388,136)	33,396	-
Consolidated total	100.0	997,389	100.0	1,132,134	(134,745)	(11.9)

b. Operating income

Amount Unit: Millions of yen

	Six months ended September 30, 2020 From April 1, 2020 To September 30, 2020		Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Change	
	%		%		Amount	%
Operating Income:						
Japan	3.6	24,435	6.8	54,244	(29,809)	(55.0)
The Americas	2.8	6,002	2.7	6,053	(51)	(0.8)
Europe	3.0	3,482	1.7	2,059	1,423	69.1
Asia and others	6.9	23,399	9.3	34,876	(11,477)	(32.9)
Eliminations		(847)		(5,193)	4,346	-
Consolidated total	5.7	56,471	8.1	92,039	(35,568)	(38.6)

c. Overseas revenue (Destination Base)

Amount Unit: Millions of yen

	Six months ended September 30, 2020 From April 1, 2020 To September 30, 2020		Six months ended September 30, 2019 From April 1, 2019 To September 30, 2019		Change	
	%		%		Amount	%
Revenue:						
Domestic	42.7	426,098	43.5	491,929	(65,831)	(13.4)
Overseas:						
The Americas	18.7	186,028	18.0	203,837	(17,809)	(8.7)
Europe	11.4	114,106	12.4	139,851	(25,745)	(18.4)
Asia and others	27.2	271,157	26.1	296,517	(25,360)	(8.6)
Subtotal	57.3	571,291	56.5	640,205	(68,914)	(10.8)
Consolidated total	100.0	997,389	100.0	1,132,134	(134,745)	(11.9)

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, 2020 From July 1, 2020 To September 30, 2020		Three months ended September 30, 2019 From July 1, 2019 To September 30, 2019		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions	11.8	64,059	13.3	79,434	(15,375)	(19.4)
Healthcare & Material Solutions	47.4	256,264	44.4	265,119	(8,855)	(3.3)
Document Solutions	40.8	220,796	42.3	252,255	(31,459)	(12.5)
Consolidated total	100.0	541,119	100.0	596,808	(55,689)	(9.3)

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

Imaging Solutions	Color films, digital cameras, color paper, services and equipment for photofinishing, instant photo systems and optical devices
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, 2020 From July 1, 2020 To September 30, 2020		Three months ended September 30, 2019 From July 1, 2019 To September 30, 2019		Change	
	%		%		Amount	%
Revenue:						
Domestic	41.3	223,231	45.3	270,532	(47,301)	(17.5)
Overseas:						
The Americas	19.9	107,587	17.5	104,592	2,995	2.9
Europe	11.9	64,494	11.9	71,062	(6,568)	(9.2)
Asia and others	26.9	145,807	25.3	150,622	(4,815)	(3.2)
Subtotal	58.7	317,888	54.7	326,276	(8,388)	(2.6)
Consolidated total	100.0	541,119	100.0	596,808	(55,689)	(9.3)

Note on Significant Changes to FUJIFILM Holdings Shareholders' Equity

N/A