

This document is a translation of the Consolidated Financial Statements in the “YUKASHOKEN HOKOKUSHO” originally issued in Japanese.

Consolidated Financial Statements

FUJIFILM Holdings Corporation and Subsidiaries

March 31, 2025

with Report of Independent Auditors

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Financial Statements

March 31, 2025

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[English Translation of the Independent Auditor's Report Originally Issued in Japanese Language]

Independent Auditor's Report on the Consolidated Financial Statements

June 25, 2025

The Board of Directors of FUJIFILM Holdings Corporation

KPMG AZSA LLC
Tokyo Office, Japan

Hiroataka Tanaka
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yusuke Matsumoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yusuke Okamoto
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of FUJIFILM Holdings Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Financial Information" section in the company's Annual Report, which comprise the consolidated balance sheet as at March 31, 2025 and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, and supplementary schedules, in accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America pursuant to Paragraph 3 of the Supplementary Provisions of the Cabinet Office Order on Partial Amendment to the Regulations on Terminology, Forms and Preparation Methods of Consolidated Financial Statements of Japan (Cabinet Office Order No. 11 of 2002).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in

accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Company's judgment as to whether an impairment loss should be recognized on the goodwill	
The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet for the fiscal year ended March 31, 2025, FUJIFILM Holdings Corporation recognized goodwill of ¥947,924 million, which represented approximately 18.1% of total assets in the consolidated financial statements. As described Note 9, "Goodwill and Other Intangible Assets" to the consolidated financial statements, this amount is broken down into ¥363,533 million in the healthcare field, ¥291,002 million in the electronics field, and ¥293,389 million in the business innovation field.</p> <p>As described in Note 2, "Goodwill and Other Intangible Assets" to the consolidated financial statements, for goodwill, the Company assesses whether it is impaired (impairment test) as of January 1 each year, in addition to when objective facts or changes in circumstances indicate that its fair value may fall below the carrying amount. The fair value is measured based on discounted present value of future cash flows.</p> <p>Future cash flows are estimated based on the medium-term management plan approved by the Board of Directors. This plan has been formulated according to the recent profits and losses in each reporting unit, and also taking into consideration the forecasts of changes in the sales volumes and prices, based mainly on reports by external research companies concerning the market environment by product category and market growth rates, and the forecasts of changes, etc. in manufacturing cost and selling, general and administrative.</p> <p>There are the following expectations under the medium-term management plan. In the healthcare field, added value is expected to be improved by utilizing IT and AI technologies in the medical systems business, and business growth is expected by continuing capital investments in the bio CDMO business, among others. In the electronics field, business growth is expected through proactive capital investment in manufacturing facilities and further expansion of the product lineup through the development of new products. In the business innovation field, business growth is expected to be realized through maintaining and improving profitability by transitioning to an efficient sales structure amid a gradual decline in print volumes in the office market, expanding sales in regions such as Europe and the United States, and expanding</p>	<p>The primary audit procedures we performed to assess whether the Company's judgment with respect to the recognition of an impairment loss on goodwill was appropriate included the following:</p> <p>(1) Internal control testing</p> <p>We evaluated the effectiveness of design and operation of key internal controls related to estimate of fair value in impairment test of goodwill, especially focusing on controls related to estimate of future cash flows formulated by the medium-term management plan.</p> <p>(2) Assessment of the reasonableness of the estimated fair value</p> <p>To evaluate major assumptions in the formulation of the medium-term management plan underlying the estimate of future cash flows, we mainly performed the following audit procedures:</p> <ul style="list-style-type: none"> • We made inquiries to management as to grounds for major assumptions used in the formulation of the medium-term management plan and how risks were reflected in the medium-term management plan based on the market environment by product category, and inspected relevant documents. • As for market growth rates used for future sales forecasts in the medium-term management plan, we carefully examined the management's assumptions for each of the healthcare, electronics and business innovation segments by checking consistency with data on forecasts of market growth released by external organizations. • Based on the results of our assessment of the appropriateness of major assumptions and the causes of the differences between the actual achievements and planned figures in the past business plans, we independently estimated future cash flows by incorporating certain uncertainties into the medium-term management plan and compared them with those estimated by management. • We compared the total fair value of each reporting unit with the market capitalization of the Company.

The Company's judgment as to whether an impairment loss should be recognized on the goodwill	
The key audit matter	How the matter was addressed in our audit
<p>sales for solutions and services. The future sales forecasts for each field in the medium-term management plan involve high uncertainties in market growth in the healthcare and electronics fields and decreasing demand for printing as paperless operations and remote work become established at client companies in the business innovation field, and require significant judgments by management.</p> <p>In addition, selecting appropriate models and input data for estimating the discount rate used to calculate the fair value requires a high degree of expertise in valuation.</p> <p>We, therefore, determined that our assessment of the appropriateness of the Company's judgment as to whether an impairment loss should be recognized on goodwill was the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, the "key audit matter".</p>	<p>Furthermore, we performed the following procedures by engaging valuation specialists within our domestic network firms to assist our evaluation of the discount rate:</p> <ul style="list-style-type: none"> • As for the calculation method for the discount rate, we assessed its appropriateness based on the inputs and requirements of the applicable accounting standards and others. • As for input data used to calculate the discount rate, we assessed the appropriateness by checking the input data against the data for each field that valuation specialists independently obtained.

Other Information

The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, the non-consolidated financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in the United States of America.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on our judgment, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting principles generally accepted in the United States of America, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and instruction of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, convey details of measures taken in order to eliminate obstruction factors or safeguards applied in order to reduce obstruction factors to acceptable levels.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest in the Company

Our firm and its designated engagement partners do not have any interest in the Group which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the reader of audit report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report on the Consolidated Financial Statements as required by the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan ("the FIEAJ") and does not include the English translation of the Independent Auditor's Report on the internal control audits as required by the Article 193-2, Paragraph 2 of the FIEAJ.

FUJIFILM Holdings Corporation states that internal control over financial reporting was effective as at March 31, 2025 in the Internal Control Report

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Balance Sheets

	March 31		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Assets			
Current assets:			
Cash and cash equivalents	¥ 172,111	¥ 179,715	\$ 1,147,407
Notes and accounts receivable:			
Trade <i>(Notes 21 and 22)</i>	680,635	674,112	4,537,567
Lease receivables <i>(Notes 5 and 21)</i>	32,821	39,248	218,807
Affiliated companies	2,371	2,397	15,807
Allowance for credit losses <i>(Notes 5 and 21)</i>	(15,841)	(19,172)	(105,607)
Inventories <i>(Note 7)</i>	543,976	547,803	3,626,506
Prepaid expenses and other <i>(Notes 18, 19, 20 and 22)</i>	165,608	150,525	1,104,053
Total current assets	1,581,681	1,574,628	10,544,540
Investments and long-term receivables:			
Investments in and advances to affiliated companies <i>(Notes 8 and 19)</i>	37,785	40,771	251,900
Investment securities <i>(Notes 4 and 20)</i>	72,298	83,458	481,987
Long-term lease receivables <i>(Notes 5 and 21)</i>	47,431	55,296	316,207
Other long-term receivables <i>(Note 21)</i>	53,176	30,537	354,507
Allowance for credit losses <i>(Notes 5 and 21)</i>	(1,396)	(2,185)	(9,307)
Total investments and long-term receivables	209,294	207,877	1,395,294
Property, plant and equipment <i>(Notes 2 and 6)</i> :			
Land	110,067	113,350	733,780
Buildings and structures <i>(Note 23)</i>	934,470	818,610	6,229,800
Machinery, equipment and other <i>(Note 23)</i>	1,717,518	1,611,452	11,450,120
Construction in progress <i>(Note 23)</i>	888,245	685,176	5,921,633
Subtotal	3,650,300	3,228,588	24,335,333
Less accumulated depreciation	(1,863,825)	(1,832,853)	(12,425,500)
Total property, plant and equipment	1,786,475	1,395,735	11,909,833
Other assets:			
Operating lease right-of-use assets <i>(Note 6)</i>	113,476	100,094	756,507
Goodwill, net <i>(Note 9)</i>	947,924	953,835	6,319,493
Other intangible assets, net <i>(Note 9)</i>	157,547	178,335	1,050,313
Deferred income taxes <i>(Note 12)</i>	42,895	38,815	285,967
Other <i>(Notes 2, 9, 11 and 22)</i>	410,616	334,141	2,737,440
Total other assets	1,672,458	1,605,220	11,149,720
Total assets	¥5,249,908	¥4,783,460	\$34,999,387

See notes to consolidated financial statements.

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Balance Sheets (continued)

	March 31		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Liabilities and equity			
Current liabilities:			
Short-term debt <i>(Notes 6, 10 and 19)</i>	¥ 215,103	¥ 317,103	\$ 1,434,020
Notes and accounts payable:			
Trade	279,362	262,752	1,862,413
Construction	109,543	82,421	730,287
Affiliated companies	1,672	1,305	11,147
Accrued income taxes <i>(Note 12)</i>	32,701	47,947	218,007
Accrued liabilities <i>(Note 11)</i>	252,788	251,205	1,685,253
Short-term operating lease liabilities <i>(Note 6)</i>	31,582	32,589	210,547
Other current liabilities <i>(Notes 18, 19, 20 and 22)</i>	203,189	170,519	1,354,593
Total current liabilities	<u>1,125,940</u>	1,165,841	<u>7,506,267</u>
Non-current liabilities:			
Long-term debt <i>(Notes 6, 10 and 19)</i>	470,805	185,716	3,138,700
Accrued pension and severance costs <i>(Note 11)</i>	25,368	21,055	169,120
Long-term operating lease liabilities <i>(Note 6)</i>	84,795	72,223	565,300
Deferred income taxes <i>(Note 12)</i>	101,437	90,747	676,247
Other non-current liabilities <i>(Notes 11, 12, 19, 20 and 22)</i>	88,881	74,563	592,540
Total non-current liabilities	<u>771,286</u>	444,304	<u>5,141,907</u>
Total liabilities	<u>1,897,226</u>	1,610,145	<u>12,648,174</u>
Commitments and contingent liabilities <i>(Note 15)</i>			
Equity <i>(Note 13)</i> :			
FUJIFILM Holdings shareholders' equity:			
Capital	40,363	40,363	269,087
Common stock, without par value:			
Authorized: 2,400,000,000 shares			
Issued: 1,243,877,184 shares			
Retained earnings	2,930,151	2,741,416	19,534,340
Accumulated other comprehensive income <i>(Notes 2, 11, 14 and 18)</i>	433,047	443,619	2,886,980
Treasury stock, at cost (39,043,399 shares in 2025; 39,809,292 shares in 2024)	(55,081)	(56,151)	(367,207)
Total FUJIFILM Holdings shareholders' equity	<u>3,348,480</u>	3,169,247	<u>22,323,200</u>
Noncontrolling interests	4,202	4,068	28,013
Total equity	<u>3,352,682</u>	3,173,315	<u>22,351,213</u>
Total liabilities and equity	<u>¥5,249,908</u>	¥4,783,460	<u>\$34,999,387</u>

Note: The number of shares of treasury stock as of March 31, 2025 includes 687,450 shares of the Company's shares held in the Trust Account under the medium-term performance-linked share-based remuneration plan.

See notes to consolidated financial statements.

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Statements of Income

	Year ended March 31		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Revenue <i>(Notes 2, 5, 22 and 24)</i>	¥3,195,828	¥2,960,916	\$21,305,520
Cost of sales <i>(Notes 2, 6 and 24)</i>	1,895,749	1,774,656	12,638,327
Gross profit	1,300,079	1,186,260	8,667,193
Operating expenses:			
Selling, general and administrative <i>(Notes 2, 6, 9, 17, 20 and 24)</i>	806,525	752,427	5,376,833
Research and development <i>(Notes 2 and 24)</i>	163,399	157,108	1,089,327
	969,924	909,535	6,466,160
Operating income <i>(Note 24)</i>	330,155	276,725	2,201,033
Other income (expenses):			
Interest and dividend income	13,380	12,226	89,200
Interest expense <i>(Note 14)</i>	(8,752)	(8,483)	(58,347)
Foreign exchange gains (losses), net <i>(Notes 14 and 18)</i>	(3,909)	2,702	(26,060)
Gains (losses) on equity securities, net <i>(Notes 4 and 14)</i>	(3,107)	24,675	(20,713)
Other, net <i>(Notes 14, 18 and 20)</i>	12,827	9,443	85,514
	10,439	40,563	69,594
Income before income taxes	340,594	317,288	2,270,627
Income taxes <i>(Note 12)</i> :			
Current	81,809	79,809	545,393
Deferred	(4,214)	(1,707)	(28,093)
	77,595	78,102	517,300
Equity in net income (loss) of affiliated companies	(1,320)	4,111	(8,800)
Net income	261,679	243,297	1,744,527
Less: Net (income) loss attributable to the noncontrolling interests	(728)	212	(4,854)
Net income attributable to FUJIFILM Holdings	¥ 260,951	¥ 243,509	\$ 1,739,673
	<i>(Yen)</i>		<i>(U.S. dollars)</i> <i>(Note 3)</i>
Amounts per share of common stock:			
Net income attributable to FUJIFILM Holdings <i>(Note 16)</i> :			
Basic	¥216.67	¥202.29	\$1.44
Diluted	216.46	202.05	1.44
Cash dividends declared	(Plan) 65.00	150.00	0.43

See notes to consolidated financial statements.

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

	Year ended March 31		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Net income	¥261,679	¥243,297	\$1,744,527
Other comprehensive income (loss), net of tax <i>(Note 14)</i> :			
Foreign currency translation adjustments	(31,357)	227,828	(209,047)
Pension liability adjustments	20,635	48,189	137,567
Net unrealized gains (losses) on derivatives	(33)	(122)	(220)
Total	(10,755)	275,895	(71,700)
Comprehensive income	250,924	519,192	1,672,827
Less: Comprehensive income attributable to noncontrolling interests	(545)	4,116	(3,634)
Comprehensive income attributable to FUJIFILM Holdings	¥250,379	¥523,308	\$1,669,193

See notes to consolidated financial statements.

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

	Capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
	<i>(Millions of yen)</i>							
Balance as of April 1, 2023	¥40,363	¥ –	¥2,616,191	¥ 163,820	¥(57,229)	¥2,763,145	¥ 24,715	¥2,787,860
Cumulative effect of adoption of Accounting Standard Update No. 2016-13	–	–	(234)	–	–	(234)	–	(234)
Comprehensive income (loss):								
Net income	–	–	243,509	–	–	243,509	(212)	243,297
Foreign currency translation adjustments (<i>Note 14</i>)	–	–	–	232,225	–	232,225	(4,397)	227,828
Pension liability adjustments (<i>Note 14</i>)	–	–	–	47,696	–	47,696	493	48,189
Net unrealized gains (losses) on derivatives (<i>Notes 14 and 18</i>)	–	–	–	(122)	–	(122)	–	(122)
Comprehensive income						523,308	(4,116)	519,192
Purchases of treasury stock	–	–	–	–	(31)	(31)	–	(31)
Sales of treasury stock	–	551	–	–	1,109	1,660	–	1,660
Dividends paid to FUJIFILM Holdings shareholders	–	–	(60,201)	–	–	(60,201)	–	(60,201)
Dividends paid to noncontrolling interests	–	–	–	–	–	–	(12,577)	(12,577)
Share-based payment transactions	–	(464)	–	–	–	(464)	–	(464)
Transfer from retained earnings to additional paid-in capital	–	53,838	(53,838)	–	–	–	–	–
Equity transactions with noncontrolling interests and other	–	(53,925)	(4,011)	–	–	(57,936)	(3,954)	(61,890)
Balance as of March 31, 2024	¥40,363	¥ –	¥2,741,416	¥ 443,619	¥(56,151)	¥3,169,247	¥ 4,068	¥3,173,315
Comprehensive income (loss):								
Net income	–	–	260,951	–	–	260,951	728	261,679
Foreign currency translation adjustments (<i>Note 14</i>)	–	–	–	(31,174)	–	(31,174)	(183)	(31,357)
Pension liability adjustments (<i>Note 14</i>)	–	–	–	20,635	–	20,635	–	20,635
Net unrealized gains (losses) on derivatives (<i>Notes 14 and 18</i>)	–	–	–	(33)	–	(33)	–	(33)
Comprehensive income						250,379	545	250,924
Purchases of treasury stock	–	–	–	–	(16)	(16)	–	(16)
Sales of treasury stock	–	1,151	–	–	1,086	2,237	–	2,237
Dividends paid to FUJIFILM Holdings shareholders	–	–	(72,289)	–	–	(72,289)	–	(72,289)
Dividends paid to noncontrolling interests	–	–	–	–	–	–	(291)	(291)
Share-based payment transactions	–	(697)	–	–	–	(697)	–	(697)
Transfer from additional paid-in capital to retained earnings	–	(73)	73	–	–	–	–	–
Equity transactions with noncontrolling interests and other	–	(381)	–	–	–	(381)	(120)	(501)
Balance as of March 31, 2025	¥40,363	¥ –	¥2,930,151	¥ 433,047	¥(55,081)	¥3,348,480	¥ 4,202	¥3,352,682

See notes to consolidated financial statements.

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity (continued)

	Capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
	<i>(Thousands of U.S. dollars)</i>							
	<i>(Note 3)</i>							
Balance as of March 31, 2024	\$269,087	\$ —	\$18,276,107	\$2,957,460	\$(374,340)	\$21,128,314	\$27,120	\$21,155,434
Comprehensive income (loss):								
Net income	—	—	1,739,673	—	—	1,739,673	4,854	1,744,527
Foreign currency translation adjustments <i>(Note 14)</i>	—	—	—	(207,827)	—	(207,827)	(1,220)	(209,047)
Pension liability adjustments <i>(Note 14)</i>	—	—	—	137,567	—	137,567	—	137,567
Net unrealized gains (losses) on derivatives <i>(Notes 14 and 18)</i>	—	—	—	(220)	—	(220)	—	(220)
Comprehensive income						1,669,193	3,634	1,672,827
Purchases of treasury stock	—	—	—	—	(107)	(107)	—	(107)
Sales of treasury stock	—	7,673	—	—	7,240	14,913	—	14,913
Dividends paid to FUJIFILM Holding shareholders	—	—	(481,927)	—	—	(481,927)	—	(481,927)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(1,940)	(1,940)
Share-based payment transactions	—	(4,647)	—	—	—	(4,647)	—	(4,647)
Transfer from additional paid-in capital to retained earnings	—	(487)	487	—	—	—	—	—
Equity transactions with noncontrolling interests and other	—	(2,539)	—	—	—	(2,539)	(801)	(3,340)
Balance as of March 31, 2025	\$269,087	\$ —	\$19,534,340	\$2,886,980	\$(367,207)	\$22,323,200	\$28,013	\$22,351,213

See notes to consolidated financial statements.

FUJIFILM Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Year ended March 31		
	2025 <i>(Millions of yen)</i>	2024	2025 <i>(Thousands of U.S. dollars) (Note 3)</i>
Operating activities			
Net income	¥ 261,679	¥ 243,297	\$ 1,744,527
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	163,567	150,014	1,090,447
(Gains) losses on equity securities, net	3,107	(24,675)	20,713
Deferred income taxes	(4,214)	(1,707)	(28,093)
Equity in net (gains) losses of affiliated companies, net of dividends received	1,856	(3,469)	12,373
Changes in operating assets and liabilities:			
Increase in notes and accounts receivable	(5,348)	(21,157)	(35,653)
(Increase) decrease in inventories	(310)	62,023	(2,067)
Increase in notes and accounts payable – trade	18,254	3,382	121,693
(Increase) decrease in prepaid expenses and other current assets	(11,667)	6,512	(77,780)
Increase in accrued income taxes and other liabilities	22,615	4,341	150,767
Other	(21,377)	(10,620)	(142,514)
Net cash provided by operating activities	428,162	407,941	2,854,413
Investing activities			
Purchases of property, plant and equipment	(502,794)	(417,966)	(3,351,960)
Purchases of software	(55,211)	(46,746)	(368,073)
Proceeds from sales of property, plant and equipment	33,926	23,110	226,173
Proceeds from sales and maturities of investment securities	8,705	13,443	58,033
Purchases of investment securities	(462)	(729)	(3,080)
Decrease in time deposits, net	297	945	1,980
Increase in investments in and advances to affiliated companies	(42)	(343)	(280)
Acquisitions of businesses, net of cash and cash equivalents acquired	(3,873)	(103,849)	(25,820)
Proceeds from sale of businesses, net of cash and cash equivalents disposed of	–	12,416	–
Other	(22,499)	(7,697)	(149,993)
Net cash used in investing activities	(541,953)	(527,416)	(3,613,020)
Financing activities			
Proceeds from long-term debt	350,000	–	2,333,333
Repayments of long-term debt	(82,320)	(104,561)	(548,800)
Increase (decrease) in short-term debt with maturities of three months or less, net	(86,625)	229,062	(577,500)
Cash dividends paid to shareholders	(68,252)	(56,170)	(455,013)
Cash dividends paid to noncontrolling interests	(292)	(12,577)	(1,947)
Net purchases and sales of stock for treasury	(16)	(31)	(107)
Equity transactions with noncontrolling interests	(671)	(57,895)	(4,473)
Other	(2,941)	1,710	(19,606)
Net cash provided by (used in) financing activities	108,883	(462)	725,887
Effect of exchange rate changes on cash and cash equivalents	(2,696)	31,044	(17,973)
Net decrease in cash and cash equivalents	(7,604)	(88,893)	(50,693)
Cash and cash equivalents at beginning of year	179,715	268,608	1,198,100
Cash and cash equivalents at end of year	¥ 172,111	¥ 179,715	\$ 1,147,407
Supplemental disclosures			
Cash paid for interest	¥ 8,752	¥ 8,483	\$ 58,347
Cash paid for income taxes	¥88,662	¥65,673	\$591,080

See notes to consolidated financial statements.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2025

1. Nature of Operations

FUJIFILM Holdings Corporation (the “Company”) is engaged in healthcare, electronics, business innovation, and imaging businesses. The Healthcare segment develops, manufactures, sells and provides services of equipment and materials for medical systems, contract development and manufacturing organization of biopharmaceuticals, iPS cells (regenerative medicine), drug discovery support such as cell culture media and reagents, pharmaceuticals, cosmetics and supplements, and other related products. The Electronics segment develops, manufactures, sells and provides services of semiconductor materials, display materials, industrial equipment, fine chemicals, and other related products. The Business Innovation segment develops, manufactures, sells and provides services of solutions and services, digital MFPs, equipment and materials for graphic communication, inks and industrial inkjet printheads, and other related products. The Imaging segment develops, manufactures, sells and provides services of instant photo systems, color films, services and equipment for photofinishing, digital cameras, optical devices, and other related products. The Company operates throughout the world, and the overseas revenue consists of approximately 66% of the Company’s total revenue, predominantly in North America, Europe and Asia. The Company’s principal manufacturing operations are located in Japan, the United States, China, the Netherlands and Vietnam.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements are presented in accordance with generally accepted accounting principles in the United States of America (“US GAAP”) (the Accounting Standards Codification (“ASC”) issued by the Financial Accounting Standards Board (“FASB”)).

The Company has prepared its consolidated financial statements in pursuant to US GAAP according to the agreement concerning the issuance of Euro-dollar denominated bonds in 1970. The Company’s listing of American Depositary Receipts listed on the NASDAQ since 1971 were abolished on July 31, 2009. Nevertheless, the Company continues to prepare and disclose its consolidated financial statements in accordance with US GAAP.

The main differences between the principles and procedures of the presentation methodology between the generally accepted accounting principles in Japan and US GAAP are summarized as follows:

- (1) In accordance with ASC 715, net periodic benefit costs are recorded based on actuarial calculations. Using the corridor approach, actuarial gains and losses are amortized over the average remaining years of service of the employee.
- (2) In accordance with ASC 350, goodwill and other indefinite lived intangible assets are not amortized. Instead, they are tested annually for impairment and impaired if necessary.
- (3) In accordance with ASC 842, operating lease right-of-use assets and liabilities are recorded using the present value of the lease payments over the lease term. A lease cost is recognized on a straight-line basis over the lease term.

Principles of Consolidation and Accounting for Investments in Affiliated Companies

The consolidated financial statements include the accounts of the Company and entities that the Company directly or indirectly controls. All significant intercompany transactions and accounts have been eliminated.

The Company’s investments in affiliated companies (generally 20% to 50% owned companies), in which the ability to exercise significant influence exists, are accounted for by the equity method. Consolidated net income includes the Company’s equity in the current net earnings or losses of such companies after the elimination of unrealized intercompany profits.

From the year ended March 31, 2025, the Company and its certain subsidiaries have introduced a share-based remuneration plan that utilizes a Share-Delivery Trust. Under this plan, the Company disposes of treasury stock to the trust or purchases the Company’s shares from the stock market through the trust. The Company’s shares and cash equivalent to the redemption value of the Company’s shares are distributed to Directors, etc. and employees holding positions above a certain level, according to their roles and the degree of achievement of performance targets.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Principles of Consolidation and Accounting for Investments in Affiliated Companies (continued)

The Company and its certain subsidiaries have a right to direct activities that have the most significant impact on the trust through designing a trust system. In addition, the Company and its certain subsidiaries potentially have obligations because there is a possibility of entrusting additional funds to the trust, as needed, in order to further acquire the Company's shares through the trust. Accordingly, the Company has determined that the Company and its certain subsidiaries are the primary beneficiaries of this entity and has included this entity in the scope of consolidation as a variable interest entity.

Cash and cash equivalents of ¥32 million (\$213 thousand) and treasury stock of ¥2,200 million (\$14,667 thousand) held by this entity are included in the consolidated balance sheet as of March 31, 2025.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make assumptions and estimates that affect the amounts reported in the financial statements and notes.

Material items subject to such assumptions and estimates include the valuation of notes and accounts receivable, inventories, investment securities and deferred income tax assets; the valuation (including impairment) for property, plant and equipment, goodwill and intangible assets; asset retirement obligations; determination of useful lives and depreciation or amortization method; uncertain tax positions; assumptions related to the estimation of actuarially determined employee benefit obligations and accruals; or contingent liabilities for environmental remediation, litigation and regulatory investigations. Actual results could differ from those estimates. The Company does not record asset retirement obligations, in cases when assets are not expected to be dismantled, and it is not possible to reasonably estimate expenses borne by the Company.

Foreign Currency Translations

The Company's foreign subsidiaries generally use the local currency as their functional currency. Accordingly, assets and liabilities are translated into the reporting currency using exchange rates prevailing at the balance sheet date and income and expenses are translated using average exchange rates prevailing during the year. Gains and losses resulting from translation are included and presented in "Accumulated other comprehensive income", a separate component of equity, as foreign currency translation adjustments.

Assets and liabilities denominated in currencies other than the functional currency are remeasured into the functional currency using exchange rates in effect at the respective balance sheet dates with the resulting gains or losses included in earnings.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

The Company considers all highly liquid investments which are readily convertible into cash and that have original maturities of three months or less to be cash equivalents.

Certain debt securities with original maturities of three months or less are included and presented in “Cash and cash equivalents” in the consolidated balance sheets and the consolidated statements of cash flows.

Investment Securities

Of investment securities, equity securities are measured at fair value and unrealized gains or losses before tax effect are included and presented in “Gains (losses) on equity securities, net” in consolidated statements of income. Certain non-marketable equity securities without readily determinable fair value are measured at cost, minus impairment, if any, in principle. If any observable price changes in orderly transactions for the identical or similar investment of the same issuer are identified, the equity security is measured at fair value as of the date that the observable transaction occurred.

Regarding available-for-sale debt securities in investment securities, the Company separates an impairment loss for debt securities into the amount related to credit loss, which is recognized in earnings, and the amount related to all other factors, which is included and presented in “Accumulated other comprehensive income (loss)” when a decline in the value is deemed to be other-than-temporary. In determining whether such decline of debt securities is other-than-temporary, the Company also evaluates various factors including the Company’s intent to sell the securities, the available evidence to assess whether it is more likely than not that the Company will be required to sell the security as well as the available evidence to assess whether the entire amortized cost basis of the security will be recovered. In addition, held-to-maturity debt securities are measured at amortized cost.

The cost of investment securities sold is based on the moving-average-cost method. Dividends are included in “Interest and dividend income” in the consolidated statements of income.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses

An allowance for credit losses on financial assets is accounted for by estimating all credit losses expected to occur in future over the remaining life.

In recognizing the allowance for credit losses, the Company manages the credit quality of financial assets as individually evaluated receivables and collectively evaluated receivables. Financial assets are evaluated individually or collectively based on historical credit losses, including the financial positions of its customers and delays in payment, and reasonable and supportable forecasts.

Inventories

Inventories are valued at the lower of cost or market with cost being determined principally by the moving-average method. The Company reviews inventories for obsolete, slow-moving or excess amounts and, if required, provides an allowance to recognize their estimated net realizable values.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are carried at cost. Depreciation is computed primarily using the straight-line method.

Estimated useful lives for buildings and structures are primarily 15 to 50 years and for machinery, equipment and other are 2 to 15 years.

Machinery, equipment and other includes machines rented to customers under operating leases with a cost and accumulated depreciation of ¥168,926 million (\$1,126,173 thousand) and ¥128,990 million (\$859,933 thousand) as of March 31, 2025 and ¥158,143 million and ¥109,613 million as of March 31, 2024, respectively.

Losses (gains) on sales of property, plant and equipment are included in cost of sales, selling, general and administrative, and research and development in the consolidated statements of income. The losses (gains) on sales of property, plant and equipment for the year ended March 31, 2025 was ¥(29,436) million (\$196,240 thousand), and ¥(134) million (\$893 thousand), ¥(29,297) million (\$195,313 thousand), and ¥(5) million (\$33 thousand) were included in the cost of sales, selling, general and administrative, and research and development, respectively. The losses (gains) on sales of property, plant and equipment for the year ended March 31, 2024 was ¥(14,416) million, and ¥85 million, ¥(14,401) million, and ¥(100) million were included in the cost of sales, selling, general and administrative, and research and development, respectively.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Leases

As for lessor accounting, the Company provides leasing arrangements primarily for the sales of MFPs, printing and copying machines, and other office equipment. At the inception date of each contract, the Company determines whether a contract is, or contains, a lease. Sales-type lease and operating lease income are recorded, and included and presented in “Revenue” in the consolidated statements of income. Revenue from the sales of equipment under sales-type leases is recognized at the commencement of leases. Interest income equivalent on the sales-type leases is recognized using the effective interest method with the allocation based on the net investment in outstanding leases. Leases not qualifying as sales-type leases are accounted for as operating leases and related revenue is recognized ratably over the respective lease term. For contracts bundling equipment leases with maintenance and other services, the Company has applied the practical expedients permitted under ASC 842 and these contracts are all accounted for as lease components in accordance with ASC 842. Normally, these contracts combine the minimum usage fees and variable charges according to print runs. Some of the contracts include options to terminate the lease before the end of the lease term by giving notice to the lessor before a certain period.

As for lessee accounting, the Company has finance and operating leases primarily for assets including office buildings and vehicles. At the inception date of each contract, the Company determines whether a contract is, or contains, a lease, and recognizes right-of-use assets and lease liabilities on the commencement date of the lease. Some of the lease contracts include options to extend the lease term or terminate the lease. The Company takes into accounts the respective period of such options to determine the lease term when it is reasonably certain that it will exercise these options. The Company has lease contracts with lease and non-lease components, which are normally accounted for separately. Since most of the Company’s leases do not provide an implicit rate, the Company normally uses incremental borrowing rate based on the information available at the lease commencement to determine the present value of total lease payments. For short-term leases with a lease term of 12 months or less, the Company elects not to recognize right-of-use assets and lease liabilities. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired. Other intangible assets principally consist of costs allocated to technology-based intangibles and customer-related intangibles.

Under ASC 350, goodwill and other indefinite lived intangible assets are tested annually for impairment. Impairment tests for goodwill are performed based on the fair value of estimated future cash flows of each reporting unit. The discount rate used is based on the reporting unit's weighted average cost of capital. In addition to the annual impairment test, which the Company performs as of January 1, an interim test for goodwill impairment would be performed if events occur or circumstances indicate that the carrying amounts may not be recoverable.

Intangible assets other than those with an indefinite life are amortized on a straight-line basis over their estimated useful lives.

Capitalized Software Costs

The Company capitalizes certain costs incurred in connection with developing and obtaining internal use software in accordance with ASC 350-40. These costs consist primarily of payments made to third parties and salaries of employees working on such software development. In connection with developing internal use software, costs incurred at the application development stage or later are capitalized. In addition, the Company develops or obtains certain software to be sold, leased, or otherwise marketed where related costs incurred after establishment of technological feasibility are capitalized in accordance with ASC 985. Capitalized costs are amortized on a straight-line basis over the estimated useful lives of the software of approximately three to five years. Costs and accumulated amortization of total capitalized software amounted to ¥284,655 million (\$1,897,700 thousand) and ¥114,747 million (\$764,980 thousand), respectively, as of March 31, 2025 and ¥257,190 million and ¥115,210 million, respectively, as of March 31, 2024. Costs and accumulated amortization of capitalized software to be sold, included in the above, amounted to ¥43,115 million (\$287,433 thousand) and ¥29,511 million (\$196,740 thousand), respectively, as of March 31, 2025 and ¥43,372 million and ¥28,932 million, respectively, as of March 31, 2024. Capitalized software costs are included in "Other" of "Other assets" in the consolidated balance sheets.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Impairment of Long-lived Assets

The Company reviews long-lived assets, excluding goodwill and other indefinite lived intangible assets, for impairment whenever events or changes in business circumstances indicate the carrying amount of the assets may not be fully recoverable. If there is any indication of impairment, the estimated undiscounted future cash flows associated with the assets would be compared to the assets' carrying amount to determine if a write-down is required. If this evaluation indicates that the carrying amounts of the asset exceeds the sum of the undiscounted future cash flows, the carrying amounts of the assets would be reduced to their estimated fair value. In determining the fair value, the Company uses quoted market prices in active markets or other valuation methods. If quoted market prices are unavailable, the Company primarily uses the discounted cash flow method based on the estimated discounted future cash flows expected to result from the use of the assets and their eventual disposition, the relief from royalty method or the excess earnings method.

Long-lived assets to be disposed of by sale are recorded at the lower of carrying amount or fair value less cost to sell.

Revenue Recognition

In accordance with ASC 606, the Company recognizes revenue in the amount of consideration to which it expects to be entitled in exchange for the specified goods or service transferred using the five step approach as follows.

Step 1: Identify the contract

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when (or as) performance obligations are satisfied

Product Warranties

The Company provides product warranties for certain of its products. These warranties generally extend for a period of one year from the date of sale. A liability for expected warranty costs is accrued at the time that the related revenue is recognized. In estimating the warranty liability, historical experience is considered.

Shipping and Handling Costs

Shipping and handling costs are included in "Selling, general and administrative" in the consolidated statements of income. Shipping and handling costs amounted to ¥79,673 million (\$531,153 thousand) and ¥71,953 million for the years ended March 31, 2025 and 2024, respectively.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Advertising Costs

Advertising costs are expensed as incurred and included in “Selling, general and administrative” in the consolidated statements of income. Advertising costs amounted to ¥28,335 million (\$188,900 thousand) and ¥26,923 million for the years ended March 31, 2025 and 2024, respectively.

Income Taxes

Income taxes have been provided using the asset and liability method in accordance with ASC 740.

Deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse. A valuation allowance is recognized to reduce the deferred tax assets to the amount that is considered more likely than not to be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities in accordance with ASC 740. Recognized tax positions are measured at the largest amount of benefit which is more likely than not to be realized upon ultimate settlement with the taxing authority.

Consumption Taxes

Revenues, costs and expenses in the consolidated statements of income do not include consumption taxes.

Derivative Financial Instruments

The Company recognizes all derivative financial instruments, such as forward foreign exchange contracts, currency swaps, cross currency interest rate swaps and interest rate swaps in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Generally, changes in fair values of derivatives accounted for as fair value hedges are recorded in earnings along with the portions of the changes in the fair values of the hedged items that relate to the hedged risks. Changes in fair values of derivatives accounted for as cash flow hedges, to the extent they are effective as hedges, are recorded in accumulated other comprehensive income, net of deferred taxes and reclassified to earnings in the period when the gain or loss associated with the hedged item was recorded. Changes in fair values of derivatives, which are not designated or qualified as hedges, are reported in earnings, immediately.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Net Income Attributable to FUJIFILM Holdings per Share

Basic net income attributable to FUJIFILM Holdings per share is calculated based on the weighted average number of shares of common stock outstanding during the year. Diluted net income attributable to FUJIFILM Holdings per share is adjusted for the effect of dilutive common stocks to be additionally issued when stock options are exercised or performance share units are delivered.

Share-Based Remuneration

The Company measures and recognizes share-based compensation cost based on fair value on the grant date and monetary-based compensation cost based on fair value at the end of year, in accordance with ASC 718.

Subsequent Events

The Company evaluated all subsequent events through June 25, 2025, the date on which the consolidated financial statements are available to be issued in accordance with ASC 855.

Reclassifications

Certain reclassifications to the prior year's consolidated financial statements have been made to conform with current year presentation.

Accounting Standards Adopted in the Year Ended March 31, 2025

In November 2023, FASB issued ASU No. 2023-07, "Improvements to Reportable Segment Disclosures" ("ASU 2023-07"). ASU 2023-07 expands disclosure requirements for segment information, and requires disclosures of significant segment expenses that are regularly provided to the chief operating decision maker and a description of the composition of other segment profit or loss items by reportable segment. ASU 2023-07 is effective for annual reporting periods beginning after December 15, 2023 and interim reporting periods within annual reporting periods beginning after December 15, 2024, and the amendments are applied retrospectively to all prior periods presented. The Company has adopted ASU 2023-07 from the year beginning April 1, 2024 and interim reporting periods within the year beginning April 1, 2025. There is no impact that the adoption of ASU 2023-07 has on the Company's financial position and results of operations since ASU 2023-07 is related to disclosure.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Standards to be Adopted

In December 2023, FASB issued ASU No. 2023-09, “Improvements to Income Tax Disclosures” (“ASU 2023-09”). ASU 2023-09 requires to provide disclosures of specific categories in the rate reconciliation, income taxes paid disaggregated by domestic and foreign, income from continuing operations before income tax expense disaggregated by domestic and foreign, and income tax expense from continuing operations disaggregated by domestic and foreign. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2024. The Company will adopt ASU 2023-09 from the year beginning April 1, 2025. There is no impact that the adoption of ASU 2023-09 has on the Company’s financial position and results of operations since ASU 2023-09 is related to disclosure.

In November 2024, FASB issued ASU No. 2024-03, “Disaggregation of Income Statement Expenses” (“ASU 2024-03”). ASU 2024-03 requires to disclose in a tabular format in the notes to financial statements, disaggregated information about specific categories underlying certain income statement expense line items that contain any of the following five costs or expenses: purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion. Specified expenses, gains, or losses that require disclosure under existing US GAAP, need to be presented in the same tabular disclosure as separate items. ASU 2024-03 also requires to disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. In addition, ASU 2024-03 requires to disclose the total amount of selling expenses recognized in continuing operations, and in annual reporting periods, an entity’s definition of selling expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact that the adoption of ASU 2024-03 will have on its disclosure information.

There is no impact that the adoption of ASU 2024-03 has on the Company’s financial position and results of operations.

3. U.S. Dollar Amounts

Solely for the convenience of the reader and as a matter of arithmetical computation only, the 2025 amounts in the consolidated financial statements have been translated from Japanese yen into U.S. dollars at the rate of ¥150 = US\$1.00, the approximate exchange rate prevailing on March 31, 2025. The amounts shown in U.S. dollars are not intended to be computed in accordance with US GAAP for the translation of foreign currency amounts. The translation should not be construed as a representation that Japanese yen could be converted into U.S. dollars at this or any other rate.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Investments in Equity Securities

Realized and unrealized gains or losses of equity securities included in “Investment securities” on the consolidated balance sheets as of March 31, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Total gains (losses) of equity securities	¥(3,107)	¥24,675	\$(20,713)
Less: Realized gains (losses) on equity securities sold during the period	41	(1,756)	273
Unrealized gains (losses) on equity securities held at end of year	¥(3,066)	¥22,919	\$(20,440)

Certain non-marketable equity securities without readily determinable fair value are measured at cost, minus impairment, if any, in principle. If an entity identifies observable price changes in orderly transactions for the identical or similar investment of the same issuer, it shall measure the equity security at fair value as of the date that the observable transaction occurred. The carrying amounts of these investments were ¥15,014 million (\$100,093 thousand) and ¥11,456 million as of March 31, 2025 and 2024, respectively. The Company did not record significant impairment or other adjustments for the years ended March 31, 2025 and 2024.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Lease Accounting for Lessor

Lease income information as lessor for the years ended March 31, 2025 and 2024 is as follows. Lease income is included and presented in “Revenue” in the consolidated statements of income.

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Sales-type lease income			
Income (loss) recognized on the commencement date	¥10,619	¥12,866	\$ 70,793
Interest income from lease receivables	7,192	7,343	47,947
Total	17,811	20,209	118,740
Operating lease income	18,974	18,903	126,493
Variable lease income	60,268	57,387	401,787

Lease receivables mainly consist of the sales-type lease receivables on the Company’s MFPs, printing and copying machines, and other office equipment. The current portion of lease receivables and the portion due after one year are recorded in “Lease receivables” and “Long-term lease receivables” in the consolidated balance sheets, respectively. The components of lease receivables as of March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Lease receivables, gross	¥90,250	¥105,924	\$601,667
Unearned income	(10,005)	(11,380)	(66,701)
Allowance for credit losses	(2,546)	(4,873)	(16,973)
Lease receivables, net	¥77,699	¥ 89,671	\$517,993

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Lease Accounting for Lessor (continued)

The minimum lease payments receivable under the sales-type leases and operating leases for the next five years and thereafter as of March 31, 2025 are summarized as follows:

	Sales-type leases	Operating leases
	<i>(Millions of yen)</i>	
Year ending March 31		
2026	¥36,504	¥14,369
2027	24,523	10,641
2028	16,389	8,074
2029	8,987	5,957
2030	3,298	4,595
2031 and thereafter	549	7,168
Total minimum lease payments receivable	¥90,250	¥50,804

	Sales-type leases	Operating leases
	<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>	
Year ending March 31		
2026	\$243,360	\$ 95,793
2027	163,487	70,940
2028	109,260	53,827
2029	59,913	39,713
2030	21,987	30,633
2031 and thereafter	3,660	47,787
Total minimum lease payments receivable	\$601,667	\$338,693

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Lease Accounting for Lessee

Consolidated statements of income information related to leases is as follows. Lease cost is primarily included in “Cost of sales” and “Selling, general and administrative” in the consolidated statements of income.

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Operating lease cost	¥ 36,187	¥ 38,236	\$ 241,247
Short-term lease cost	5,771	7,254	38,473

Supplemental balance sheet information related to leases is as follows.

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Finance lease right-of-use assets			
Property, plant and equipment (cost)	¥ 6,905	¥ 6,460	\$ 46,033
Accumulated depreciation	(3,629)	(3,441)	(24,193)
Property, plant and equipment (carrying amount)	3,276	3,019	21,840
Finance lease liabilities			
Short-term debt	2,172	2,068	14,480
Long-term debt	5,460	5,269	36,400
Total finance lease liabilities	7,632	7,337	50,880

Operating cash flows from operating leases for the years ended March 31, 2025 and 2024 amounted to ¥36,067 million (\$240,447 thousand) and ¥38,946 million, respectively. Operating lease right-of-use assets acquired in exchange for lease liabilities amounted to ¥68,566 million (\$457,107 thousand) and ¥44,711 million, and those reduced in exchange for lease liabilities due to cancellations amounted to ¥18,862 million (\$125,747 thousand) and ¥3,866 million, for the years ended March 31, 2025 and 2024, respectively.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Lease Accounting for Lessee (continued)

Other information related to leases is as follows.

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term		
Finance leases	5 years	5 years
Operating leases	6 years	7 years
Weighted average discount rate		
Finance leases	1.50%	1.31%
Operating leases	1.06%	3.10%

Future minimum lease payments payable under finance leases and operating leases by year as of March 31, 2025 are summarized as follows:

	Finance leases	Operating leases
	<i>(Millions of yen)</i>	
Year ending March 31		
2026	¥ 2,232	¥ 32,985
2027	1,748	22,434
2028	1,314	16,285
2029	978	11,248
2030	627	8,745
2031 and thereafter	885	25,112
Total lease payments	7,784	116,810
Less: Imputed interest	(152)	(433)
Total	¥ 7,632	¥ 116,377

	Finance leases	Operating leases
	<i>(Thousands of U.S. dollars)</i>	
	<i>(Note 3)</i>	
Year ending March 31		
2026	\$ 14,880	\$ 219,900
2027	11,653	149,563
2028	8,760	108,567
2029	6,520	74,990
2030	4,180	58,298
2031 and thereafter	5,900	167,415
Total lease payments	51,893	778,733
Less: Imputed interest	(1,013)	(2,887)
Total	\$ 50,880	\$ 775,846

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Inventories

Inventories as of March 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Finished goods	¥282,491	¥272,012	\$1,883,273
Work in process	67,048	66,909	446,987
Raw materials and supplies	194,437	208,882	1,296,247
Total	<u>¥543,976</u>	<u>¥547,803</u>	<u>\$3,626,507</u>

8. Investments in Affiliated Companies

Investments in affiliated companies accounted for using the equity method amounted to ¥19,744 million (\$131,627 thousand) and ¥19,619 million as of March 31, 2025 and 2024, respectively. The differences between the carrying amounts of the investments in affiliated companies and the Company's shares in the underlying equities of such affiliated companies were not material. These affiliated companies operate businesses in the Healthcare, Electronics, Business Innovation, and Imaging segments.

Some affiliated companies are listed on the stock market. The carrying amounts and market values of investments in these affiliated companies as of March 31, 2025 were ¥7,420 million (\$49,467 thousand) and ¥7,062 million (\$47,080 thousand), respectively. As of March 31, 2024, those amounted to ¥7,398 million and ¥7,066 million, respectively.

The combined financial positions of the Company's affiliated companies accounted for using the equity method as of March 31, 2025 and 2024 are summarized as follows. There were no individually material affiliated companies for the years ended March 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Current assets	¥ 80,339	¥ 91,904	\$535,593
Non-current assets	47,341	64,047	315,607
Total assets	<u>¥127,680</u>	<u>¥155,951</u>	<u>\$851,200</u>
Current liabilities	¥ 28,714	¥ 39,214	\$191,427
Non-current liabilities	53,973	56,727	359,820
Equity	44,993	60,010	299,953
Total liabilities and equity	<u>¥127,680</u>	<u>¥155,951</u>	<u>\$851,200</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

8. Investments in Affiliated Companies (continued)

The combined results of operations of the Company's affiliated companies accounted for using the equity method for the years ended March 31, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Revenue	¥114,484	¥135,099	\$763,227
Net income	546	10,267	3,640

Transactions with the Company's affiliated companies for the years ended March 31, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Revenue	¥21,171	¥20,835	\$141,140
Purchases	9,931	9,923	66,207
Dividends received	536	642	3,573

9. Goodwill and Other Intangible Assets

The changes in goodwill by operating segment for the years ended March 31, 2025 and 2024 are as follows.

	<u>Healthcare</u>	<u>Electronics</u>	<u>Business Innovation</u>	<u>Total</u>
	<i>(Millions of yen)</i>			
As of April 1, 2023	¥347,536	¥226,764	¥284,011	¥858,311
Acquired	–	48,818	1,113	49,931
Other	18,255	18,000	9,338	45,593
As of March 31, 2024	¥365,791	¥293,582	¥294,462	¥953,835
Acquired	–	–	2,206	2,206
Other	(2,258)	(2,580)	(3,279)	(8,117)
As of March 31, 2025	¥363,533	¥291,002	¥293,389	¥947,924

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Goodwill and Other Intangible Assets (continued)

	2025		
	Gross carrying amount	Accumulated amortization	Net carrying amount
	<i>(Thousands of U.S. dollars)</i>		
	<i>(Note 3)</i>		
Technology-based	\$ 409,740	\$282,407	\$ 127,333
Customer-related	1,164,386	356,973	807,413
Other	234,387	148,720	85,667
Total	\$1,808,513	\$788,100	\$1,020,413

The aggregate amortization expenses for other intangible assets for the years ended March 31, 2025 and 2024 were ¥18,604 million (\$124,027 thousand) and ¥18,941 million, respectively.

Other intangible assets not subjected to amortization were not material as of March 31, 2025 and 2024.

The estimated aggregate amortization expenses for other intangible assets subject to amortization for the next five years are as follows:

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars) (Note 3)</i>
Year ending March 31		
2026	¥15,591	\$103,940
2027	14,511	96,740
2028	12,547	83,647
2029	12,128	80,853
2030	11,659	77,727

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Short-term and Long-term Debt

Short-term debt

Short-term debt as of March 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Short-term debt	¥ 97,926	¥235,030	\$ 652,840
Commercial papers	50,000	–	333,333
Current portion of long-term debt	67,177	82,073	447,847
Total	<u>¥215,103</u>	<u>¥317,103</u>	<u>\$1,434,020</u>

The weighted average interest rates per annum on short-term debt and commercial papers outstanding as of March 31, 2025 and 2024 were 0.57% and 0.25%, respectively. Short-term debt is unsecured.

Long-term debt

Long-term debt as of March 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Unsecured loans, principally from banks and insurance companies:			
Due from the year ending March 31, 2026 to the year ending March 31, 2034 with interest rates ranging from 0.300% to 6.200% as of March 31, 2025	¥175,342	¥25,439	\$1,168,947
Due from the year ending March 31, 2026 to the year ending March 31, 2027 with interest rates ranging from 0.300% to 4.000% as of March 31, 2024			

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Short-term and Long-term Debt (continued)

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Unsecured Japanese yen bonds:			
0.080% yen bonds, due the year ended March 31, 2025	¥ –	¥ 30,000	\$ –
0.120% yen bonds, due the year ended March 31, 2025	–	50,000	–
0.100% yen bonds, due the year ending March 31, 2026	40,000	40,000	266,667
0.240% yen bonds, due the year ending March 31, 2026	25,000	25,000	166,667
0.250% yen bonds, due the year ending March 31, 2027	10,000	10,000	66,667
0.195% yen bonds, due the year ending March 31, 2028	40,000	40,000	266,667
0.633% yen bonds, due the year ending March 31, 2028	70,000	–	466,667
0.304% yen bonds, due the year ending March 31, 2030	20,000	20,000	133,333
0.838% yen bonds, due the year ending March 31, 2030	80,000	–	533,333
1.039% yen bonds, due the year ending March 31, 2032	20,000	–	133,333
0.374% yen bonds, due the year ending March 31, 2033	20,000	20,000	133,333
1.386% yen bonds, due the year ending March 31, 2035	30,000	–	200,000
Other	7,640	7,350	50,933
	537,982	267,789	3,586,547
Less: Portion due within one year	(67,177)	(82,073)	(447,847)
Balance	¥470,805	¥185,716	\$3,138,700

The aggregate annual maturities of long-term debt for the next five years are as follows:

	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
		<i>(Note 3)</i>
Year ending March 31		
2026	¥ 67,177	\$ 447,847
2027	36,727	244,847
2028	111,284	741,893
2029	40,959	273,060
2030	100,621	670,807

Certain bank loans are made under general agreements which provide that security and guarantees for present and future indebtedness will be provided upon request of the bank, and that the bank shall have the right to offset cash deposits against obligations that have become due or, in the event of default, against all obligations due to the bank.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans

Most employees of domestic subsidiaries of the Company who terminate their employment are entitled, under most circumstances, to lump-sum payments and/or pension payments calculated by reference to points earned during their service period.

Certain subsidiaries have funded non-contributory defined benefit pension plans whose assets are maintained at trust banks and insurance companies. The funding policy for defined benefit pension plans is to make actuarially determined contributions to provide the plans with sufficient assets to meet future benefit payment requirements. Also, certain subsidiaries have defined contribution pension plans. The funding policy for such plans is to contribute annually an amount equal to a certain percentage of the participants' annual salary.

The amounts of net periodic benefit cost for the defined contribution pension plans were ¥23,171 million (\$154,473 thousand) and ¥20,794 million for the years ended March 31, 2025 and 2024, respectively.

Components of Net Periodic Benefit Cost

Components of net periodic benefit cost for the defined benefit pension plans for the years ended March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Components of net periodic benefit cost:			
Service cost	¥ 15,347	¥ 15,648	\$ 102,313
Interest cost	14,698	12,809	97,987
Expected return on plan assets	(25,070)	(23,477)	(167,133)
Amortization of net actuarial loss	1,067	4,157	7,113
Amortization of prior service credit	(2,201)	(2,409)	(14,673)
Net periodic benefit cost	<u>¥ 3,841</u>	<u>¥ 6,728</u>	<u>\$ 25,607</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Components of Net Periodic Benefit Cost (continued)

Other changes in plan assets and benefit obligations recognized in accumulated other comprehensive income (loss) for the years ended March 31, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Current year actuarial (gain) loss	¥(33,446)	¥(68,839)	\$(222,974)
Amortization of actuarial loss	(1,067)	(4,157)	(7,113)
Prior service credit due to revision	130	(10)	867
Amortization of prior service credit	2,201	2,409	14,673
Sale of businesses	–	248	–
Gain (loss) arising from settlements	–	213	–
Total	<u>¥(32,182)</u>	<u>¥(70,136)</u>	<u>\$(214,547)</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Obligations and Funded Status

Reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of the plan assets and the funded status of the defined benefit pension plans for the years ended March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Changes in projected benefit obligation:			
Projected benefit obligation at beginning of year	¥766,414	¥770,603	\$5,109,427
Service cost	15,347	15,648	102,313
Interest cost	14,698	12,809	97,987
Plan participants' contributions	687	680	4,580
Actuarial (gain) loss	(48,799)	(16,125)	(325,327)
Benefits paid	(40,864)	(40,641)	(272,427)
Plan revision	130	(10)	867
Decrease due to sale of businesses	–	(1,178)	–
Foreign currency translation	(1,796)	24,628	(11,973)
Projected benefit obligation at end of year	705,817	766,414	4,705,447
Changes in plan assets:			
Fair value of plan assets at beginning of year	919,515	845,605	6,130,100
Actual return on plan assets	9,717	76,191	64,780
Employers' contributions	11,242	11,831	74,947
Plan participants' contributions	687	680	4,580
Benefits paid	(38,470)	(37,562)	(256,467)
Decrease due to sale of businesses	–	(1,387)	–
Foreign currency translation	(635)	24,157	(4,233)
Fair value of plan assets at end of year	902,056	919,515	6,013,707
Funded status	¥196,239	¥153,101	\$1,308,260

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Obligations and Funded Status (continued)

Amounts recognized in the consolidated balance sheets related to the defined benefit pension plans as of March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Other assets	¥225,406	¥179,415	\$1,502,706
Accrued liabilities	(1,022)	(2,497)	(6,813)
Accrued pension and severance costs	(25,368)	(21,055)	(169,120)
Other non-current liabilities	(2,777)	(2,762)	(18,513)
Net amount recognized	¥196,239	¥153,101	\$1,308,260

Amounts recognized in accumulated other comprehensive income (loss) related to the defined benefit pension plans as of March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Net actuarial gain	¥26,854	¥61,367	\$179,027
Prior service credit	(8,341)	(10,672)	(55,607)
Total	¥18,513	¥50,695	\$ 123,420

The accumulated benefit obligation for the defined benefit pension plans amounted to ¥702,444 million (\$4,682,960 thousand) and ¥760,959 million as of March 31, 2025 and 2024, respectively.

The aggregate projected benefit obligation and aggregate fair value of plan assets for the pension plans where the projected benefit obligation exceeded the plan assets, and the aggregate accumulated benefit obligation and aggregate fair value of plan assets where accumulated benefit obligation exceeded plan assets as of March 31, 2025 and 2024 are as follows:

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Obligations and Funded Status (continued)

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Plans with projected benefit obligation in excess of plan assets:			
Projected benefit obligation	¥85,667	¥90,463	\$571,113
Fair value of plan assets	56,500	64,149	376,667
Plans with accumulated benefit obligation in excess of plan assets:			
Accumulated benefit obligation	84,652	87,169	564,347
Fair value of plan assets	56,500	61,598	376,667

Assumptions

The weighted average assumptions used to determine the benefit obligation as of March 31, 2025 and 2024 are as follows: Rate of compensation increase is not presented because most of the retirement benefit plans' benefit formulas are not based on compensation levels and therefore the rate of compensation increase does not materially impact the calculation of the benefit obligation.

	<u>2025</u>	<u>2024</u>
Discount rate	2.60%	1.84%
Interest crediting rate for cash balance plans and other plans	2.21%	2.21%

The weighted average assumptions used to determine the net periodic benefit cost for the years ended March 31, 2025 and 2024 are as follows: Rate of compensation increase is not presented because most of the retirement benefit plans' benefit formulas are not based on compensation levels and therefore the rate of compensation increase does not materially impact the calculation of the net periodic benefit cost.

	<u>2025</u>	<u>2024</u>
Discount rate	1.84%	1.27%
Expected long-term rate of return on plan assets	2.79%	2.72%
Interest crediting rate for cash balance plans and other plans	2.21%	2.21%

The expected long-term rate of return on plan assets is based on the expected long-term return by asset category and historical performance by portfolio.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Plan Assets

The Company's investment objectives are to earn sufficient long-term returns with an acceptable level of risk, while maintaining adequate funding levels for pension payments and/or lump sum payments.

The fundamental principle of the Company's investment policy is to pursue efficient returns while minimizing risks through diversified investment. The Company designs a basic asset allocation model to provide a mix of assets best suited for mid and long-term returns and verifies that model periodically for effectiveness. When conditions have changed from when the model was initially designed, the Company reconsiders the basic asset allocation, if necessary. On the operational side, the Company conducts discretionary investment within the scope of the predetermined range of tolerance, considering short-term market conditions.

Targeted allocation ratios for equity securities, debt securities, general accounts of life insurance companies and alternative investments are 18%, 35% (5% domestic and 30% foreign), 22% and 25%, respectively. Alternative investments primarily consist of hedge funds and real estate.

Equity securities consist principally of stocks that are listed on securities exchanges and have been selected based on thorough analysis of investees' businesses, their potential for future growth and other appropriate factors while ensuring that industries in which the investees operate are appropriately diversified. Debt securities consist principally of government and other public debt, and corporate debt which have been selected based on thorough analysis of issuers and the terms and conditions of those securities including investment grades, interest rates, maturity dates, financial position of issuers and other factors so that maturity dates and issuers are appropriately diversified. Pooled funds have been selected for investment using the same strategies as those for equity and debt securities described above. The Company has selected general accounts of life insurance companies, for which life insurance companies have guaranteed anticipated interest rates and return of capital, based on thorough analysis of issuers' investment grades and other factors so that the investments are appropriately diversified. Regarding foreign investments, the Company has selected the countries and currencies in which the Company invests in based on thorough analysis of the political and economic stability in those countries, the market characteristics, such as settlement systems and taxation systems, and other factors so that the investments are appropriately diversified. Alternative investments consist principally of hedge funds and real estate, which were intended to hedge the risk of traditional assets and establish ongoing returns that are less sensitive to market trends. The Company has selected alternative investments based on thorough analysis of the nature of risks and returns which are completely different from those of traditional assets so that the investment techniques and asset management companies are appropriately diversified.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Plan Assets (continued)

The fair value hierarchy that prioritizes the inputs used in valuation techniques is described in Note 20 “Fair Value Measurement”. The fair value hierarchy of plan assets as of March 31, 2025 and 2024 are as follows:

	2025				Total
	Level 1	Level 2	Level 3	NAV (Note 1)	
	<i>(Millions of yen)</i>				
Cash and cash equivalents, and Short-term receivables (Note 2)	¥ 9,413	¥ 9,696	¥ –	¥ –	¥ 19,109
Equity securities					
Domestic companies securities	6,928	1,565	–	–	8,493
Foreign companies securities	12,455	17,648	–	–	30,103
Securities investment trust	648	–	–	–	648
Pooled funds (Note 3)	–	5	–	125,919	125,924
Debt securities					
Government bonds (Note 4)	7,058	5,029	–	–	12,087
Corporate bonds (Note 5)	3	21,226	–	–	21,229
Pooled funds (Note 6)	–	–	–	241,822	241,822
General accounts of life insurance companies	–	223,827	–	–	223,827
Alternative investments					
Equity securities funds (Note 7)	–	–	–	252	252
Debt securities funds (Note 8)	3,467	26,424	–	2,562	32,453
Other funds (Note 9)	3,761	10,724	11,317	87,486	113,288
Real estate (Note 10)	23	313	5,223	67,262	72,821
Total	¥43,756	¥316,457	¥16,540	¥525,303	¥902,056

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Plan Assets (continued)

	2024				Total
	Level 1	Level 2	Level 3	NAV (Note 1)	
	<i>(Millions of yen)</i>				
Cash and cash equivalents, and Short-term receivables (Note 2)	¥ 8,555	¥ 15,165	¥ –	¥ –	¥ 23,720
Equity securities					
Domestic companies securities	7,314	1,635	–	–	8,949
Foreign companies securities	15,600	15,413	–	–	31,013
Securities investment trust	1,106	–	–	–	1,106
Pooled funds (Note 3)	–	18	–	147,416	147,434
Debt securities					
Government bonds (Note 4)	6,637	6,014	–	–	12,651
Corporate bonds (Note 5)	–	19,534	–	–	19,534
Pooled funds (Note 6)	–	–	–	232,839	232,839
General accounts of life insurance companies	–	225,631	–	–	225,631
Alternative investments					
Equity securities funds (Note 7)	–	–	–	263	263
Debt securities funds (Note 8)	3,635	25,379	–	2,608	31,622
Other funds (Note 9)	4,106	11,310	9,714	90,633	115,763
Real estate (Note 10)	–	281	5,018	63,691	68,990
Total	<u>¥46,953</u>	<u>¥320,380</u>	<u>¥14,732</u>	<u>¥537,450</u>	<u>¥919,515</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Plan Assets (continued)

	2025				Total
	Level 1	Level 2	Level 3	NAV (Note 1)	
	<i>(Thousands of U.S. dollars)</i>				
	<i>(Note 3)</i>				
Cash and cash equivalents, and Short-term receivables (Note 2)	\$ 62,753	\$ 64,640	\$ –	\$ –	\$ 127,393
Equity securities					
Domestic companies securities	46,187	10,433	–	–	56,620
Foreign companies securities	83,034	117,653	–	–	200,687
Securities investment trust	4,320	–	–	–	4,320
Pooled funds (Note 3)	–	33	–	839,460	839,493
Debt securities					
Government bonds (Note 4)	47,053	33,527	–	–	80,580
Corporate bonds (Note 5)	20	141,507	–	–	141,527
Pooled funds (Note 6)	–	–	–	1,612,147	1,612,147
General accounts of life insurance companies	–	1,492,180	–	–	1,492,180
Alternative investments					
Equity securities funds (Note 7)	–	–	–	1,680	1,680
Debt securities funds (Note 8)	23,113	176,160	–	17,080	216,353
Other funds (Note 9)	25,074	71,493	75,447	583,240	755,254
Real estate (Note 10)	153	2,087	34,820	448,413	485,473
Total	<u>\$291,707</u>	<u>\$2,109,713</u>	<u>\$110,267</u>	<u>\$3,502,020</u>	<u>\$6,013,707</u>

(Note 1) Certain assets that are measured at fair value using net asset value (“NAV”) per share applied by practical expedient have not been classified in the fair value hierarchy.

(Note 2) Short-term receivables include cash at bank held in the loan account of pooled funds, negotiable certificates of deposit and call loans, which are classified as Level 2.

(Note 3) Pooled funds of equity securities consist of 12% and 13% domestic companies and 88% and 87% foreign companies as of March 31, 2025 and 2024, respectively.

(Note 4) This category consists of 65% and 57% Japanese government bonds and 35% and 43% foreign government bonds as of March 31, 2025 and 2024, respectively.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Plan Assets (continued)

- (Note 5) This category consists of 17% and 14% domestic corporate bonds and 83% and 86% foreign corporate bonds as of March 31, 2025 and 2024, respectively.
- (Note 6) Pooled funds of debt securities consist of 10% and 10% Japanese government bonds, government agency and municipal securities, 64% and 64% foreign government bonds, 1% and 1% domestic corporate bonds and 25% and 25% foreign corporate bonds as of March 31, 2025 and 2024, respectively.
- (Note 7) Equity securities funds invest principally in domestic companies' securities.
- (Note 8) Debt securities funds invest principally in foreign government bonds and foreign currencies.
- (Note 9) Other funds include managed futures which principally invest in listed futures and fund of hedge funds whose investments are diversified with a combination of various products and investment techniques.
- (Note 10) Real estate includes principally domestic real estate funds whose investment policy is to generate stable rental income and capital gains from sales on real estate.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Plan Assets (continued)

Plan assets classified as Level 1 include principally cash and cash equivalents, government bonds and listed stocks, which were valued using unadjusted quoted prices in active markets for identical assets. Plan assets classified as Level 2 include principally government agency securities, municipal bonds, corporate bonds, pooled funds of equity and debt securities, general accounts of life insurance companies and certain alternative investments. Government agency securities, municipal bonds and corporate bonds were valued using directly or indirectly observable inputs in non-active markets. Pooled funds and certain alternative investments were valued using inputs that were corroborated by observable market data obtained from financial institutions or third parties. General accounts of life insurance companies were valued at conversion value. Plan assets classified as Level 3 include principally alternative investments, consisting of hedge funds and real estate, which were valued using unobservable inputs that were significant to the measurement of their value.

Reconciliation of the beginning and ending balances for assets classified as Level 3 for the years ended March 31, 2025 and 2024 is as follows:

	2025				
	Balance at beginning of year	Actual returns on assets held at end of year	Purchase/ sales	Currency translation	Balance at end of year
	<i>(Millions of yen)</i>				
Alternative investments					
Other funds	¥ 9,714	¥ 965	¥634	¥ 4	¥11,317
Real estate	5,018	125	129	(49)	5,223
Total	<u>¥14,732</u>	<u>¥1,090</u>	<u>¥763</u>	<u>¥(45)</u>	<u>¥16,540</u>
	2024				
	Balance at beginning of year	Actual returns on assets held at end of year	Purchase/ sales	Currency translation	Balance at end of year
	<i>(Millions of yen)</i>				
Alternative investments					
Other funds	¥7,928	¥1,716	¥ 9	¥ 61	¥ 9,714
Real estate	2,037	(453)	3,031	403	5,018
Total	<u>¥9,965</u>	<u>¥1,263</u>	<u>¥3,040</u>	<u>¥464</u>	<u>¥14,732</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

11. Pension and Severance Plans (continued)

Plan Assets (continued)

	2025				Balance at end of year
	Balance at beginning of year	Actual returns on assets held at end of year	Purchase/ sales	Currency translation	
	<i>(Thousands of U.S. dollars)</i>				
	<i>(Note 3)</i>				
Alternative investments					
Other funds	\$64,760	\$6,433	\$4,227	\$ 27	\$ 75,447
Real estate	33,453	834	860	(327)	34,820
Total	<u>\$98,213</u>	<u>\$7,267</u>	<u>\$5,087</u>	<u>\$(300)</u>	<u>\$110,267</u>

Contribution

The Company expects to contribute approximately ¥13,599 million (\$90,660 thousand) to the defined benefit pension plans for the year ending March 31, 2026.

Estimated Future Benefit Payments

The expected benefit payments, which reflect estimated future service, are summarized as follows:

Year ending March 31	<i>(Millions of yen)</i>	<i>(Thousands of U.S. dollars)</i>
	<u> </u>	<u> </u>
2026	¥ 39,700	\$ 264,667
2027	38,793	258,620
2028	40,821	272,140
2029	41,064	273,760
2030	40,117	267,447
2031 through 2035	197,077	1,313,847

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Income Taxes

Income taxes applicable to the Company and its domestic subsidiaries comprise corporation, inhabitant and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of 30.6% for the years ended March 31, 2025 and 2024.

Following the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) by the Japanese Diet on March 31, 2025, a “Special Corporation Tax for National Defense” will be imposed from the year beginning on or after April 1, 2026. Accordingly, the statutory tax rate has been changed from 30.6% to 31.5% for the calculation of deferred tax assets and liabilities related to temporary differences expected to be eliminated in the years beginning on or after April 1, 2026. The adjustment of deferred tax assets and liabilities due to this tax rate change amounted to ¥2,770 million (\$18,467 thousand) and is included in “Income taxes – Deferred” in the consolidated statements of income.

Reconciliation of the differences between the statutory tax rates and the effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
	(%)	(%)
Statutory tax rates	30.6	30.6
Increase (decrease) in income taxes resulting from:		
Differences other than temporary differences, etc.	0.4	0.0
Difference in statutory tax rates of other countries	(2.7)	(2.1)
Deferred tax liabilities on undistributed earnings	0.7	1.4
Research and development credits	(3.8)	(4.2)
Net change in valuation allowances	0.9	(1.5)
Change in income tax rate in Japan	0.8	–
Adjustment of carrying amount of the investment in the subsidiary	(2.8)	–
Adjustment for unrecognized tax benefits	(0.1)	(0.2)
Other	(1.2)	0.6
Effective tax rates	<u>22.8</u>	<u>24.6</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

Income before income taxes by tax jurisdictions for the years ended March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Income before income taxes:			
Domestic	¥228,949	¥224,267	\$1,526,327
Foreign	111,645	93,021	744,300
Total	<u>¥340,594</u>	<u>¥317,288</u>	<u>\$2,270,627</u>

The components of income taxes for the years ended March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Current:			
Domestic	¥36,877	¥55,693	\$245,846
Foreign	44,932	24,116	299,547
Total current	<u>81,809</u>	<u>79,809</u>	<u>545,393</u>
Deferred:			
Domestic	7,153	2,462	47,687
Foreign	(11,367)	(4,169)	(75,780)
Total deferred	<u>(4,214)</u>	<u>(1,707)</u>	<u>(28,093)</u>
Total	<u>¥77,595</u>	<u>¥78,102</u>	<u>\$517,300</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

The major components of deferred tax assets and liabilities as of March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Deferred tax assets:			
Inventories	¥ 24,067	¥ 23,940	\$ 160,446
Depreciation	40,417	33,506	269,447
Accrued expenses	42,073	38,380	280,486
Accrued pension and severance costs	8,130	8,346	54,200
Accrued enterprise taxes	874	2,449	5,827
Tax loss carryforwards	39,954	37,473	266,360
Losses on investment securities	298	2,639	1,987
Allowance for credit losses	2,598	4,723	17,320
Operating lease liabilities	29,726	17,519	198,173
Unrealized gains on non-current assets	6,052	6,669	40,347
Research and development (Costs capitalized for tax purposes)	21,699	16,190	144,660
Other	36,003	36,986	240,020
	<u>251,891</u>	<u>228,820</u>	<u>1,679,273</u>
Less: Valuation allowances	<u>(30,350)</u>	<u>(32,655)</u>	<u>(202,333)</u>
Total deferred tax assets	<u>221,541</u>	<u>196,165</u>	<u>1,476,940</u>
Deferred tax liabilities:			
Depreciation	35,767	34,577	238,446
Lease receivables	12,919	13,117	86,126
Taxes on undistributed earnings	28,368	30,252	189,120
Unrealized gains on available-for-sale securities	6,623	8,222	44,153
Goodwill	33,997	29,091	226,647
Accrued pension and severance costs	68,005	47,778	453,367
Other intangible assets	43,627	46,936	290,847
Operating lease right-of-use assets	29,146	17,080	194,307
Other	21,631	21,044	144,207
Total deferred tax liabilities	<u>280,083</u>	<u>248,097</u>	<u>1,867,220</u>
Net deferred tax assets (liabilities)	<u>¥ (58,542)</u>	<u>¥ (51,932)</u>	<u>\$ (390,280)</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

The valuation allowances relate primarily to the deferred tax assets of certain subsidiaries which have net operating loss carryforwards for tax purposes. The valuation allowances decreased by ¥2,305 million (\$15,367 thousand) and decreased by ¥6,618 million for the years ended March 31, 2025 and 2024, respectively.

Deferred tax assets and liabilities as of March 31, 2025 and 2024 are included in the consolidated balance sheets as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Deferred income taxes (other assets)	¥ 42,895	¥ 38,815	\$ 285,967
Deferred income taxes (non-current liabilities)	(101,437)	(90,747)	(676,247)
Net deferred tax assets (liabilities)	<u>¥(58,542)</u>	<u>¥(51,932)</u>	<u>\$ (390,280)</u>

As of March 31, 2025, certain subsidiaries have net operating loss carryforwards for income tax purposes of ¥171,564 million (\$1,143,760 thousand), of which ¥138,754 million (\$925,027 thousand) will be carried forward indefinitely, and the remainder of ¥32,810 million (\$218,733 thousand) will, at the latest, expire through the year ending March 31, 2038. These net operating loss carryforwards are available to offset future taxable income of the subsidiaries.

Deferred tax liabilities have not been recognized on undistributed earnings of its domestic subsidiaries as such earnings, if distributed in the form of dividends, are not taxable under present tax laws.

The Company recognizes tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. The balance of and changes to unrecognized tax benefits were not material in the years ended March 31, 2025 and 2024.

Although the Company believes its estimates and assumptions of unrecognized tax benefits are reasonable, uncertainty regarding the final determination of tax audit settlements could affect the effective tax rate in the future period. Based on each of the items of which the Company is aware as of March 31, 2025, no significant changes to the unrecognized tax benefits are expected within the next twelve months.

Both interest and penalties accrued as of March 31, 2025 and 2024 in the consolidated balance sheets and included in income taxes for the years ended March 31, 2025 and 2024 in the consolidated statements of income were not material.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

In Japan, tax examinations of the Company and major domestic subsidiaries by the tax authorities for the year ended March 31, 2021 and before have been completed. Tax examinations related to transfer pricing by the tax authorities for the year ended March 31, 2021 and before have been completed.

In foreign tax jurisdictions, tax examinations of major foreign subsidiaries for the year ended March 31, 2012 and before have been completed.

13. Equity

The Companies Act of Japan (the “Act”) provides that an amount equal to 10% of a distribution of earnings be appropriated to the additional paid-in capital or legal reserve. The Act also provides to the extent that the sum of the additional paid-in capital account and the legal reserve account exceed 25% of capital, then the amount of the excess (if any) is available for appropriations by resolution of the shareholders.

Retained earnings available for dividends under the Act are based on the amount presented in the Company’s non-consolidated financial statements, which are prepared in accordance with accounting principles and practices generally accepted in Japan. Under the Act, retained earnings available for dividends as of March 31, 2025 amounted to ¥971,288 million (\$6,475,253 thousand).

The appropriation of retained earnings for the year ended March 31, 2025 has been reflected in the consolidated financial statements, including the amount to be resolved at the General Meeting of Shareholders. The dividend to be resolved at the 129th Ordinary General Meeting of Shareholders held on June 27, 2025, is recognized based on the initial year-end dividend forecast of ¥30 per share (annual dividend forecast of ¥60).

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Other Comprehensive Income (Loss)

The changes in each component of accumulated other comprehensive income for the years ended March 31, 2025 and 2024 are as follows:

	Foreign currency translation adjustments	Pension liability adjustments	Unrealized gains (losses) on derivatives	Total
	<i>(Millions of yen)</i>			
As of April 1, 2023	¥232,893	¥ (69,193)	¥ 120	¥ 163,820
Change in accumulated other comprehensive income	232,225	46,652	(915)	277,962
Reclassification to net income	–	1,044	793	1,837
Net change	232,225	47,696	(122)	279,799
As of March 31, 2024	¥465,118	¥ (21,497)	¥ (2)	¥ 443,619
Change in accumulated other comprehensive income	(31,174)	21,079	(317)	(10,412)
Reclassification to net income	–	(444)	284	(160)
Net change	(31,174)	20,635	(33)	(10,572)
As of March 31, 2025	¥433,944	¥ (862)	¥ (35)	¥ 433,047

	Foreign currency translation adjustments	Pension liability adjustments	Unrealized gains (losses) on derivatives	Total
	<i>(Thousands of U.S. dollars)</i>			
	<i>(Note 3)</i>			
As of March 31, 2024	\$ 3,100,787	\$ (143,314)	\$ (13)	\$ 2,957,460
Change in accumulated other comprehensive income	(207,827)	140,527	(2,113)	(69,413)
Reclassification to net income	–	(2,960)	1,893	(1,067)
Net change	(207,827)	137,567	(220)	(70,480)
As of March 31, 2025	\$ 2,892,960	\$ (5,747)	\$ (233)	\$ 2,886,980

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Other Comprehensive Income (Loss) (continued)

The amounts reclassified out of each component of accumulated other comprehensive income to net income for the years ended March 31, 2025 and 2024 are as follows:

Affected line item in the consolidated statements of income	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Pension liability adjustments			
Other, net	¥1,134	¥(1,748)	\$7,560
Income taxes	(649)	737	(4,327)
Net income (loss) attributable to the noncontrolling interests	(41)	(33)	(273)
Net income attributable to FUJIFILM Holdings	444	(1,044)	2,960
Unrealized gains (losses) on derivatives			
Foreign exchange gains (losses), net	(420)	(1,142)	(2,800)
Income taxes	136	349	907
Net income attributable to FUJIFILM Holdings	(284)	(793)	(1,893)
Total	¥ 160	¥(1,837)	\$1,067

The related tax effects allocated to each component of other comprehensive income, including amounts attributable to noncontrolling interests, for the years ended March 31, 2025 and 2024 are as follows:

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Other Comprehensive Income (Loss) (continued)

	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
	<i>(Millions of yen)</i>		
2025			
Foreign currency translation adjustments:			
Change in foreign currency translation adjustments	¥(31,357)	¥ –	¥(31,357)
Net change in foreign currency translation adjustments	(31,357)	–	(31,357)
Pension liability adjustments:			
Change in pension liability adjustments	33,316	(12,196)	21,120
Reclassification to net income	(1,134)	649	(485)
Net change in pension liability adjustments	32,182	(11,547)	20,635
Unrealized gains (losses) on derivatives:			
Change in unrealized gains (losses) on derivatives	(455)	138	(317)
Reclassification to net income	420	(136)	284
Net change in unrealized gains (losses)	(35)	2	(33)
Total	¥ 790	¥(11,545)	¥(10,755)
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
	<i>(Millions of yen)</i>		
2024			
Foreign currency translation adjustments:			
Change in foreign currency translation adjustments	¥227,828	¥ –	¥227,828
Net change in foreign currency translation adjustments	227,828	–	227,828
Pension liability adjustments:			
Change in pension liability adjustments	68,388	(21,210)	47,178
Reclassification to net income	1,748	(737)	1,011
Net change in pension liability adjustments	70,136	(21,947)	48,189
Unrealized gains (losses) on derivatives:			
Change in unrealized gains (losses) on derivatives	(1,318)	403	(915)
Reclassification to net income	1,142	(349)	793
Net change in unrealized gains (losses)	(176)	54	(122)
Total	¥297,788	¥(21,893)	¥275,895

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

14. Other Comprehensive Income (Loss) (continued)

	<u>Before-tax amount</u>	<u>Tax (expense) or benefit</u>	<u>Net-of-tax amount</u>
	<i>(Thousands of U.S. dollars)</i>		
	<i>(Note 3)</i>		
2025			
Foreign currency translation adjustments:			
Change in foreign currency translation adjustments	\$(209,047)	\$ –	\$(209,047)
Net change in foreign currency translation adjustments	(209,047)	–	(209,047)
Pension liability adjustments:			
Change in pension liability adjustments	222,107	(81,307)	140,800
Reclassification to net income	(7,560)	4,327	(3,233)
Net change in pension liability adjustments	214,547	(76,980)	137,567
Unrealized gains (losses) on derivatives:			
Change in unrealized gains (losses) on derivatives	(3,033)	920	(2,113)
Reclassification to net income	2,800	(907)	1,893
Net change in unrealized gains (losses)	(233)	13	(220)
Total	<u>\$ 5,267</u>	<u>\$(76,967)</u>	<u>\$ (71,700)</u>

15. Commitments and Contingent Liabilities

Guarantees

The Company guarantees certain indebtedness of others and other obligations. As of March 31, 2025, the maximum potential amount of future payments (undiscounted) the Company could be required to make under such guarantees was ¥405 million (\$2,700 thousand), of which ¥284 million (\$1,893 thousand) were guarantees of employee mortgage loans to financial institutions. In the event of an employee's insolvency, the Company will need to pay the default mortgage on behalf of the employee. The guarantees are partly secured by the employees' property. The terms of the mortgage loan guarantees are from 1 to 12 years. The Company has not made any significant payments under such guarantees in the past, and as of March 31, 2025, the carrying amount of the liability for the Company's obligations under such guarantees was not material.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Commitments and Contingent Liabilities (continued)

Purchase Commitments, Other Commitments and Contingencies

Commitments outstanding as of March 31, 2025, principally for the construction and purchase of property, plant and equipment, amounted to ¥187,320 million (\$1,248,800 thousand). As of March 31, 2025, the Company was contingently liable for discounted notes receivable on a full recourse basis with banks of ¥79 million (\$527 thousand).

Due to the nature of its business, the Company is subject to various threatened or filed legal actions and regulatory investigations. The Company has provided the necessary accruals, if any, for environmental remediation, litigation and regulatory investigations, for which occurrence of the future events is probable and the amount of loss can be reasonably estimated. Although the amount of the ultimate exposure, if any, cannot be determined at this time, the Company does not expect the final outcome of those matters to have a material adverse effect on the financial position, operating results and cash flows of the Company.

Product Warranties

The Company provides a warranty for certain of its products. These warranties generally extend for a period of one year from the date of sale. The changes in the Company's warranty liability balance are as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Balance as of April 1	¥ 11,439	¥ 11,319	\$ 76,260
Warranties issued during the current period	7,294	7,833	48,627
Settlements made during the current period	(6,817)	(7,891)	(45,447)
Other, including changes in liability for pre-existing warranties during the current period	(502)	178	(3,347)
Balance as of March 31	<u>¥ 11,414</u>	<u>¥ 11,439</u>	<u>\$ 76,093</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. Net Income Attributable to FUJIFILM Holdings per Share

A calculation of the basic and diluted net income attributable to FUJIFILM Holdings per share for the years ended March 31, 2025 and 2024 is as follows. The Company has introduced a non-performance-linked share-based remuneration plan (restricted share-based remuneration plan) for Directors, Executive Officers, and important employees of the Company as well as Directors, Executive Officers, Fellows, and important employees of its major subsidiaries. Among the shares issued under this plan, those which have not vested are distinguished as participating securities from common shares. Both common shares and participating securities have the same rights to net income attributable to FUJIFILM Holdings.

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of Yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Net income attributable to FUJIFILM Holdings	¥260,951	¥243,509	\$1,739,673
Net income attributable to participating securities	231	180	1,540
Net income attributable to common shareholders	¥260,720	¥243,329	\$1,738,133
	<u>2025</u>	<u>2024</u>	
	<i>(Shares)</i>		
Weighted average shares outstanding	1,204,372,532	1,203,763,311	
Weighted average participating securities	1,066,252	889,815	
Weighted average common shares outstanding- Basic	1,203,306,280	1,202,873,496	
Effects of dilutive securities:			
Stock options	1,154,277	1,387,836	
Performance share units	36,760	56,321	
Weighted average common shares outstanding- Diluted	1,204,497,317	1,204,317,653	
	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Yen)</i>		<i>(U.S. dollars)</i>
			<i>(Note 3)</i>
Net income attributable to FUJIFILM Holdings per share:			
Basic	¥216.67	¥202.29	\$1.44
Diluted	216.46	202.05	1.44

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

16. Net Income Attributable to FUJIFILM Holdings per Share (continued)

- (Note 1) The performance share unit plan has already ended but the issuance of shares based on this plan was made during the year ended March 31, 2025. Accordingly, the performance share units are treated as and included in effects of dilutive securities for the year ended March 31, 2025.
- (Note 2) Under the medium-term performance-linked share-based remuneration plan, the Company's shares held in the Share-Delivery Trust are included in treasury stock which is excluded from the average number of shares during the year used for the calculation of net income per share, and were 687,450 shares for the year ended March 31, 2025.
- (Note 3) The Company conducted a 3-for-1 stock split of its common stock on April 1, 2024. The basic and diluted net income attributable to FUJIFILM Holdings per share are calculated based on the assumption that the stock split was conducted at the beginning of the year ended March 31, 2024.

The equity-settled restricted stock units and the equity-settled medium-term performance-linked share-based remuneration points for non-domestic-residents, which had no dilutive effect and were excluded from the calculation of diluted net income attributable to FUJIFILM Holdings per share, were 27,675 shares and 13,500 points for the year ended March 31, 2025, respectively. There were no stock options and performance share units, which had no dilutive effect and were excluded from the calculation of diluted net income attributable to FUJIFILM Holdings per share for the years ended March 31, 2025 and 2024.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan

Stock-Based Compensation Plan

The Company previously had a stock-based compensation plan for Directors (excluding Outside Directors), Executive Officers, and important employees of the Company as well as Directors (excluding Outside Directors), Executive Officers, Fellows, and important employees of its certain consolidated subsidiaries. Due to the introduction of a performance share unit plan and a restricted share-based remuneration plan by a resolution of the 125th Ordinary General Meeting of Shareholders held on June 29, 2021, the stock-based compensation plan was abolished except for those already granted. Under the stock-based compensation plan, one stock acquisition right represents one option to purchase 300 shares of the Company's common stock.

General terms of contracts are as follows. The numbers of shares as of grant dates are presented.

Stock acquisition rights	Number of shares (Note 1)	Exercise price (Note 1) (Yen)	Grant date	Period for exercising stock acquisition rights
No. 5-1	1,158,000	1	April 2, 2012	April 3, 2012~ April 2, 2042 (Note 2)
No. 6-1	1,111,200	1	April 1, 2013	April 2, 2013 ~ April 1, 2043 (Note 2)
No. 7-1	681,300	1	April 1, 2014	April 2, 2014 ~ April 1, 2044 (Note 2)
No. 8-1	546,300	1	April 1, 2015	April 2, 2015 ~ April 1, 2045 (Note 2)
No. 9-1	524,400	1	June 1, 2016	June 2, 2016 ~ June 1, 2046 (Note 2)
No. 9-2	75,300	1,499	June 1, 2016	April 28, 2018 ~ April 27, 2026
No. 10-1	489,900	1	June 1, 2017	June 2, 2017 ~ June 1, 2047 (Note 3)
No. 10-2	70,500	1,382	June 1, 2017	April 28, 2019 ~ April 27, 2027
No. 11-1	522,000	1	June 1, 2018	June 2, 2018 ~ June 1, 2048 (Note 3)
No. 11-2	72,300	1,414	June 1, 2018	May 11, 2020 ~ May 10, 2028
No. 12-1	408,900	1	June 1, 2019	June 2, 2019 ~ June 1, 2049 (Note 3)
No. 12-2	70,500	1,746	June 1, 2019	May 9, 2021 ~ May 8, 2029
No. 13-1	454,800	1	June 1, 2020	June 2, 2020 ~ June 1, 2050 (Note 3)
No. 13-2	80,700	1,681	June 1, 2020	May 14, 2022 ~ May 13, 2030
No. 14-1	393,300	1	June 1, 2021	June 2, 2021 ~ June 1, 2051 (Note 3)
No. 14-2	86,700	2,519	June 1, 2021	May 13, 2023 ~ May 12, 2031

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Stock-Based Compensation Plan (continued)

(Note 1) The Company conducted a 3-for-1 stock split of its common stock on April 1, 2024. The number of shares and the exercise price stated in the above table are adjusted figures after the stock split.

(Note 2) In the case that stock acquisition right holders cease to hold any positions as the Company's or its certain subsidiaries' Directors (excluding Outside Directors), Corporate Auditors, Executive Officers, Fellows, employees, or other positions appointed by the Board of Directors, during the period for exercising the stock acquisition rights, they shall exercise the stock acquisition rights during a limited period of seven years beginning from the day following the date of loss of position.

(Note 3) In the case that stock acquisition right holders cease to hold any positions as the Company's or its certain subsidiaries' Directors (excluding Outside Directors), Corporate Auditors, Executive Officers, Fellows, employees, or other positions appointed by the Board of Directors, during the period for exercising the stock acquisition rights, they shall exercise the stock acquisition rights all at once during a limited period of 10 calendar days beginning from the day following the date of loss of position.

The total fair values of shares vested during the year ended March 31, 2024 were ¥48 million. There were 811 and 1,469 stock acquisition rights exercised during the years ended March 31, 2025 and 2024, respectively, and cash received from the exercise for the years ended March 31, 2025 and 2024, was ¥141 million (\$940 thousand) and ¥118 million, respectively.

No stock acquisition right was granted during the years ended March 31, 2025 and 2024 due to the abolishment of the stock-based compensation plan. As of March 31, 2025 and 2024, there was no unrecognized stock-based compensation cost.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Stock-Based Compensation Plan (continued)

A summary of the status of stock acquisition rights during the years ended March 31, 2025 and 2024 is as follows:

2025	Number of shares	Weighted average exercise price <i>(Yen)</i>	Weighted average remaining contractual term <i>(Years)</i>	Aggregate intrinsic value <i>(Millions of yen)</i>
Outstanding as of April 1, 2024	1,420,200	¥ 297		
Exercised	(243,300)	580		
Forfeited or expired	(12,000)	394		
Outstanding as of March 31, 2025	1,164,900	238	21.2	¥ 3,036
Exercisable as of March 31, 2025	1,164,900	238	21.2	3,036

2024	Number of shares	Weighted average exercise price <i>(Yen)</i>	Weighted average remaining contractual term <i>(Years)</i>	Aggregate intrinsic value <i>(Millions of yen)</i>
Outstanding as of April 1, 2023	1,862,100	¥ 291		
Exercised	(440,700)	268		
Forfeited or expired	(1,200)	934		
Outstanding as of March 31, 2024	1,420,200	297	21.4	¥ 4,364
Exercisable as of March 31, 2024	1,420,200	297	21.4	4,364

2025	Weighted average exercise price <i>(U.S. dollar)</i> <i>(Note 3)</i>	Aggregate intrinsic value <i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Outstanding as of April 1, 2024	\$ 1.98	
Exercised	3.87	
Forfeited or expired	2.63	
Outstanding as of March 31, 2025	1.59	\$ 20,240
Exercisable as of March 31, 2025	1.59	20,240

(Note) The Company conducted a 3-for-1 stock split of its common stock on April 1, 2024. The number of shares and the weighted average exercise price stated in the above table are adjusted figures after the stock split.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Stock-Based Compensation Plan (continued)

The aggregate intrinsic value of shares exercised under the stock acquisition rights plan was ¥551 million (\$3,673 thousand) and ¥1,367 million for the years ended March 31, 2025 and 2024, respectively.

The fair value of the stock acquisition rights as of the grant date was estimated using the Black-Scholes pricing model with the following assumptions:

Stock acquisition rights	Expected volatility	Expected remaining life	Expected dividend (Yen)	Risk-free interest rate
No. 5-1	28.548%	1 year	32.5	0.105%
No. 6-1	28.682%	1 year	37.5	0.055%
No. 7-1	36.312%	1 year	40.0	0.070%
No. 8-1	24.178%	1 year	55.0	0.020%
No. 9-1	32.900%	1 year	67.5	(0.265)%
No. 9-2	29.840%	6 years	67.5	(0.256)%
No. 10-1	28.736%	2 years	67.5	(0.165)%
No. 10-2	29.426%	6 years	67.5	(0.092)%
No. 11-1	27.457%	3 years	72.5	(0.131)%
No. 11-2	28.715%	6 years	72.5	(0.071)%
No. 12-1	23.632%	3 years	77.5	(0.197)%
No. 12-2	26.672%	6 years	77.5	(0.203)%
No. 13-1	28.112%	3 years	87.5	(0.195)%
No. 13-2	27.601%	6 years	87.5	(0.134)%
No. 14-1	27.551%	3 years	95.0	(0.153)%
No. 14-2	27.505%	6 years	95.0	(0.078)%

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Stock-Based Compensation Plan (continued)

The expected volatility is determined based on the historical volatility of the Company's common stock price over the most recent period corresponding with the expected remaining life of the Company's stock acquisition rights. The expected remaining life of No. 5-1 Stock Acquisition Rights, No. 6-1 Stock Acquisition Rights, No. 7-1 Stock Acquisition Rights, No. 8-1 Stock Acquisition Rights and No. 9-1 Stock Acquisition Rights was determined as one year based on the minimum term of Directors and Executive Officers of the Company and FUJIFILM Corporation. The expected remaining life of No. 10-1 Stock Acquisition Rights, No. 11-1 Stock Acquisition Rights, No. 12-1 Stock Acquisition Rights, No. 13-1 Stock Acquisition Rights and No. 14-1 Stock Acquisition Rights was determined as the years reflecting the actual term of the year before the grant date. The expected remaining life of No. 9-2 Stock Acquisition Rights, No. 10-2 Stock Acquisition Rights, No. 11-2 Stock Acquisition Rights, No. 12-2 Stock Acquisition Rights, No. 13-2 Stock Acquisition Rights and No. 14-2 Stock Acquisition Rights was determined as six years based on the midpoint of the period for exercising the stock acquisition rights.

Medium-Term Performance-Linked Share-Based Remuneration Plan

The Company has introduced a medium-term performance-linked share-based remuneration plan that utilizes the Share-Delivery Trust for Directors (excluding Outside Directors), Executive Officers, Fellows and important employees of the Company and its certain subsidiaries ("Eligible Allottees"). This is a remuneration plan using the Share-Delivery Trust (the "New PSU (Share-Delivery Trust)"), under which a trust established by monetary contributions from the Company (the "Trust") acquires shares of the Company's common stock, and the Company's shares equivalent to the number of points granted by the Company to the Eligible Allottees are delivered to the Eligible Allottees through the Trust. Points under this plan are granted as compensation for the performance of duties during each period beginning on the date of the Company's Ordinary General Meeting of Shareholders in 2024 and onwards and ending on the date of the Company's Ordinary General Meeting of Shareholders three years after the beginning date. The number of points to be granted reflects the position during the relevant period, the term of office, and the performance of the Company during the three consecutive years from the year beginning immediately before the date the relevant period begins to the year ending immediately before the date the relevant period ends. The points shall be granted, in principle, at the end of each period for assessing eligibility. The Trust delivers the number of the Company's shares corresponding to the number of such points to the Eligible Allottees. The points held by each Eligible Allottee are equivalent to one share per unit, half of which are provided through the Trust, and the remainder is paid in cash to the Eligible Allottees. The Eligible Allottees may include Inside Directors who are non-domestic-residents. The Company may directly deliver shares or cash that are equivalent to the Company's shares and cash to be delivered through the Trust instead, using the same framework, if the Company's Board of Directors deems it reasonable due to the legislation in the country of residence or other reasons (the "New PSU (Global Plan)").

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Medium-Term Performance-Linked Share-Based Remuneration Plan (continued)

Following the introduction of the new PSUs, the Company has abolished the performance share unit plan (the “Old PSU”) which was approved at the 125th Ordinary General Meeting of Shareholders held on June 29, 2021. The eligible period of the last delivery of shares and cash is from the year ended March 31, 2022 to the year ended March 31, 2024, and no new shares or cash shall be delivered under the Old PSU. Under the Old PSU, units are allotted to the Eligible Allottees at the beginning of the performance evaluation period and, after the performance evaluation period ends, the number of units are finalized by multiplying the percentage of achievement of numerical targets such as performance, if the delivery requirements are satisfied. Units held by each Eligible Allottee are equivalent to one share per unit. Shares are provided for the half of the number of units through the issuance of common stock or disposal of treasury shares, and the remainder is paid in cash to the Eligible Allottees.

Details of the New PSU (Share-Delivery Trust), the New PSU (Global Plan) and the Old PSU during the years ended March 31, 2025 and 2024 are as follows.

New PSU (Share-Delivery Trust)

	Number of points (Note)	2025	
		Weighted average fair value	
		<i>(Yen)</i>	<i>(U.S. dollar) (Note 3)</i>
Balance as of April 1, 2024	–	¥ –	\$ –
Granted	229,150	3,200	21.33
Change in estimates	39,803	3,200	21.33
Balance as of March 31, 2025	268,953	3,200	21.33

	Number of points (Note)	2024	
		Weighted average fair value	
		<i>(Yen)</i>	
Balance as of April 1, 2023	–	¥ –	–
Granted	–	–	–
Change in estimates	–	–	–
Balance as of March 31, 2024	–	–	–

(Note) This represents the number of points to be granted at the end of each period for assessing eligibility.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Medium-Term Performance-Linked Share-Based Remuneration Plan (continued)

New PSU (Global Plan)

	2025		
	Number of points (Note)	Weighted average fair value	
		<i>(Yen)</i>	<i>(U.S. dollar) (Note 3)</i>
Balance as of April 1, 2024	–	¥ –	\$ –
Granted	35,100	3,021	20.14
Change in estimates	6,097	3,021	20.14
Balance as of March 31, 2025	41,197	3,021	20.14

	2024	
	Number of points (Note)	Weighted average fair value
		<i>(Yen)</i>
Balance as of April 1, 2023	–	¥ –
Granted	–	–
Change in estimates	–	–
Balance as of March 31, 2024	–	–

(Note) This represents the number of points to be granted at the end of each period for assessing eligibility.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Medium-Term Performance-Linked Share-Based Remuneration Plan (continued)

Old PSU

	Number of units	2025	
		Weighted average fair value (Yen)	Weighted average fair value (U.S. dollar) (Note 3)
Balance as of April 1, 2024	369,825	¥ 2,816	\$ 18.77
Granted	–	–	–
Vested	(369,825)	2,816	18.77
Forfeited	–	–	–
Balance as of March 31, 2025	–	–	–

	Number of units	2024	
		Weighted average fair value (Yen)	Weighted average fair value
Balance as of April 1, 2023	402,300	¥ 2,817	
Granted	25,125	2,797	
Vested	(33,300)	2,799	
Forfeited	(24,300)	2,845	
Balance as of March 31, 2024	369,825	2,816	

(Note) The Company conducted a 3-for-1 stock split of its common stock on April 1, 2024. The number of units and the weighted average fair value stated in the above table are adjusted figures after the stock split.

The fair value of the equity-settled New PSU (Share-Delivery Trust), New PSU (Global Plan) and Old PSU as of the grant date is as follows. For the New PSU (Global Plan) and the Old PSU, the fair value is calculated based on the market value of shares of the Company's common stock on the grant date of the units, adjusted to take into account expected dividends and a weighted average discount rate.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Medium-Term Performance-Linked Share-Based Remuneration Plan (continued)

New PSU (Share-Delivery Trust)

	2025	2024
Fair value at grant date	¥3,200 (\$21.33)	–
Stock price at grant date	¥3,200 (\$21.33)	–

New PSU (Global Plan)

	2025	2024
Fair value at grant date	¥3,021 (\$20.14)	–
Expected period	3.0 years	–
Estimated deductible dividends	¥179 (\$1.19)	–
Weighted average discount rate	0.242%	–
Stock price at grant date	¥3,200 (\$21.33)	–

Old PSU

	2025	2024
Fair value at grant date	–	¥2,797
Expected period	–	1.0 year
Estimated deductible dividends	–	¥50
Weighted average discount rate	–	(0.067)%
Stock price at grant date	–	¥2,847

The fair value of the cash-settled New PSU (Share-Delivery Trust), New PSU (Global Plan) and Old PSU at the end of year is as follows. For the New PSU (Global Plan) and the Old PSU, the fair value is calculated based on the market value of shares of the Company's common stock at the end of year, adjusted to take into account expected dividends and a weighted average discount rate.

New PSU (Share-Delivery Trust)

	2025	2024
Fair value at end of year	¥2,845 (\$18.97)	–
Stock price at end of year	¥2,845 (\$18.97)	–

New PSU (Global Plan)

	2025	2024
Fair value at end of year	¥2,697 (\$17.98)	–
Expected period	2.3 years	–
Estimated deductible dividends	¥148 (\$0.99)	–
Weighted average discount rate	0.686%	–
Stock price at end of year	¥2,845 (\$18.97)	–

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Medium-Term Performance-Linked Share-Based Remuneration Plan (continued)

Old PSU

	2025	2024
Fair value at end of year	–	¥3,343
Expected period	–	0.3 years
Estimated deductible dividends	–	¥27
Weighted average discount rate	–	(0.000)%
Stock price at end of year	–	¥3,370

The Company recognized share-based compensation cost of ¥276 million (\$1,840 thousand) and ¥358 million as “Selling, general and administrative” in the consolidated statements of income for the years ended March 31, 2025 and 2024, respectively, and the cost was measured as the fair value of the New PSU (Share-Delivery Trust), New PSU (Global Plan) and Old PSU as of the grant date and at the end of year. The deferred income tax benefit related to the cost was ¥37 million (\$247 thousand) and ¥80 million for the years ended March 31, 2025 and 2024, respectively. Unrecognized share-based compensation cost amounted to ¥698 million (\$4,653 thousand) and ¥107 million as of March 31, 2025 and 2024, respectively.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Non-Performance-Linked Share-Based Remuneration Plan

The Company has introduced a non-performance-linked share-based remuneration plan which covers Directors (excluding Outside Directors for grants provided in the year ended March 31, 2024 and before), Executive Officers, Fellows and important employees of the Company and its certain subsidiaries (“Eligible Allottees”). This is a remuneration plan using the scheme of the Restricted Share-Based Remuneration Plan (the “RS”). The Eligible Allottees, in principle, pay in every year the full amount of monetary remuneration receivables, which are provided to grant the restricted shares under the RS, as contribution in kind, and receive the shares of the Company’s common stock newly issued or disposed of. The Eligible Allottees shall not transfer, create a security interest on, or otherwise dispose of restricted shares received as an allotment under the allotment agreement for restricted shares (the “Allotment Agreement”) during the period from the day the allotment was received in accordance with the Allotment Agreement until the day on which the Eligible Allottees cease to hold the position of Director or other positions of the Company determined by its Board of Directors (the “Restriction Period”). The restrictions described in the preceding sentence will hereinafter be collectively referred to as the “Transfer Restrictions”. The Company shall lift the Transfer Restrictions when the Restriction Period has expired subject to the Eligible Allottees continuing to hold their position from the day on which the Restriction Period commenced until the day on which the Company’s Ordinary General Meeting of Shareholders first arrives thereafter. The Eligible Allottees may include those who are non-domestic-residents. The Company may deliver shares or cash to them using a restricted stock unit (the “RSU”), instead of delivering the Company’ shares using the RS, after the end of the three-year period (a period equivalent to a three-year term of office as a Director), if the Company’s Board of Directors deems it reasonable due to the legislation in the country of residence or other reasons. The points granted to each Eligible Allottee under the RSU are equivalent to one share per unit. Shares are provided for the half of the number of units through the issuance of common stock or disposal of treasury shares, and the remainder is paid in cash to the Eligible Allottees.

Details of the RS allotted during the years ended March 31, 2025 and 2024 are as follows. The stock price on the grant date is used as the fair value of the RS.

	Number of shares	2025	
		Weighted average fair value	Weighted average fair value
		<i>(Yen)</i>	<i>(U.S. dollar)</i> <i>(Note 3)</i>
Balance as of April 1, 2024	1,017,600	¥ 2,759	\$ 18.39
Granted	352,400	3,702	24.68
Transfer Restrictions lifted	(184,800)	2,760	18.40
Balance as of March 31, 2025	1,185,200	3,039	20.26

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Non-Performance-Linked Share-Based Remuneration Plan (continued)

	2024	
	Number of shares	Weighted average fair value
		<i>(Yen)</i>
Balance as of April 1, 2023	803,700	¥ 2,730
Granted	345,000	2,832
Transfer Restrictions lifted	(131,100)	2,778
Balance as of March 31, 2024	1,017,600	2,759

(Note) The Company conducted a 3-for-1 stock split of its common stock on April 1, 2024. The number of shares and the weighted average fair value stated in the above are adjusted figures after the stock split.

Details of the RSU for the years ended March 31, 2025 and 2024 are as follows.

	2025		
	Number of points	Weighted average fair value	
		<i>(Yen)</i>	<i>(U.S. dollar)</i> <i>(Note 3)</i>
Balance as of April 1, 2024	–	¥ –	\$ –
Granted	90,000	3,021	20.14
Balance as of March 31, 2025	90,000	3,021	20.14

	2024	
	Number of points	Weighted average fair value
		<i>(Yen)</i>
Balance as of April 1, 2023	–	¥ –
Granted	–	–
Balance as of March 31, 2024	–	–

The fair value of the equity-settled RSU as of the grant date is as follows. The fair value is calculated based on the market value of shares of the Company's common stock on the grant date, adjusted to take into account expected dividends and a weighted average discount rate.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

17. Share-Based Remuneration Plan (continued)

Non-Performance-Linked Share-Based Remuneration Plan (continued)

	2025	2024
Fair value at grant date	¥3,021 (\$20.14)	—
Expected period	3.0 years	—
Estimated deductible dividends	¥179 (\$1.19)	—
Weighted average discount rate	0.242%	—
Stock price at grant date	¥3,200 (\$21.33)	—

The fair value of the cash-settled RSU at the end of year is as follows. The fair value is calculated based on the market value of shares of the Company's common stock at the end of year, adjusted to take into account expected dividends and a weighted average discount rate.

	2025	2024
Fair value at end of year	¥2,697 (\$17.98)	—
Expected period	2.3 years	—
Estimated deductible dividends	¥148 (\$0.99)	—
Weighted average discount rate	0.686%	—
Stock price at end of year	¥2,845 (\$18.97)	—

The Company recognized share-based compensation cost of ¥1,286 million (\$8,573 thousand) and ¥982 million as "Selling, general and administrative" in the consolidated statements of income for the years ended March 31, 2025 and 2024, respectively, and the cost was measured based on the fair value as of the grant date for the RS and as of the grant date and the end of year for the RSU. The deferred income tax benefit related to the cost was ¥388 million (\$2,587 thousand) and ¥301 million for the years ended March 31, 2025 and 2024, respectively. Unrecognized share-based compensation cost amounted to ¥517 million (\$3,447 thousand) and ¥244 million as of March 31, 2025 and 2024, respectively.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Derivatives

The Company operates internationally, and is exposed to market risks arising from fluctuations in foreign currencies, interest rates and certain commodity prices. The Company utilizes derivative financial instruments solely to reduce these risks.

The Company has established risk management policies for approval, reporting and monitoring of derivative financial instruments. The risk management policies prohibit the Company from holding or issuing derivative financial instruments for trading purposes. The summary of the Company's risk management policies and impact of these strategies on the Company's consolidated financial statements are as follows.

Cash Flow Hedges

Certain subsidiaries of the Company have entered into forward currency exchange contracts to reduce the risks of fluctuations in foreign currencies pertaining to forecasted import purchases and export sales from/to third parties and group companies, and related receivables and payables denominated in foreign currencies. If the Japanese yen weakens significantly against foreign currencies (primarily the U.S. dollar), the increase in the cash flows caused by increases of value in future foreign currency is offset by gains or losses in the value of the forward exchange contracts designated as hedges. Conversely, if the Japanese yen strengthens, the decrease in the cash flows caused by decreases of value in future foreign currency is offset by gains or losses in the value of the forward contracts designated as hedges.

Changes in the fair value of those derivative instruments designated or qualified as cash flow hedges are reported in "Accumulated other comprehensive income", net of applicable taxes, in the consolidated balance sheets. These amounts are reclassified into earnings in the same period during which the hedged items affect earnings.

As of March 31, 2025, the Company expects to reclassify ¥37 million (\$247 thousand) of unrealized losses on derivatives (before tax effect) from accumulated other comprehensive income to earnings during the next twelve months.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Derivatives (continued)

Derivatives Not Designated as Hedges

Certain subsidiaries of the Company have entered into forward currency exchange contracts or currency swap contracts to reduce the risks of fluctuations in foreign currency exchange pertaining to forecasted transactions, and related receivables and payables denominated in foreign currencies. Although these derivatives are effective as hedges from an economic perspective, certain subsidiaries of the Company do not designate these contracts as hedges as required in order to apply hedge accounting. As a result, changes in the fair value of these derivatives are recorded in earnings immediately.

Volume of Derivative Activities

Notional amounts of forward currency exchange contracts, currency swaps and other contracts as of March 31, 2025 and 2024 are summarized as follows:

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 3)</i>
Forward currency exchange contracts (short)	¥79,917	¥32,365	\$532,780
Forward currency exchange contracts (long)	13,011	9,816	86,740
Currency swaps	4,007	21,230	26,713
Other	1,628	3,864	10,853

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Derivatives (continued)

Impacts on the Consolidated Financial Statements

The locations and amounts of fair values of derivatives in the consolidated balance sheets as of March 31, 2025 and 2024 are summarized as follows:

		Derivative assets		
Balance sheet location		Fair value		
		2025	2024	2025
		<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
				<i>(Note 3)</i>
Derivatives designated as hedging instruments				
Forward currency exchange contracts	Prepaid expenses and other	¥ 58	¥ 1	\$ 387
Total		<u>58</u>	<u>1</u>	<u>387</u>
Derivatives not designated as hedging instruments				
Forward currency exchange contracts	Prepaid expenses and other	897	179	5,979
Currency swaps	Prepaid expenses and other	–	7	–
Other	Prepaid expenses and other	112	155	747
Total		<u>1,009</u>	<u>341</u>	<u>6,726</u>
Total derivative assets		<u>¥1,067</u>	<u>¥342</u>	<u>\$7,113</u>
		Derivative liabilities		
Balance sheet location		Fair value		
		2025	2024	2025
		<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
				<i>(Note 3)</i>
Derivatives designated as hedging instruments				
Forward currency exchange contracts	Other current liabilities	¥ 12	¥ 45	\$ 80
Total		<u>12</u>	<u>45</u>	<u>80</u>
Derivatives not designated as hedging instruments				
Forward currency exchange contracts	Other current liabilities	319	296	2,127
Currency swaps	Other current liabilities	11	1,510	73
Total		<u>330</u>	<u>1,806</u>	<u>2,200</u>
Total derivative liabilities		<u>¥342</u>	<u>¥1,851</u>	<u>\$2,280</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Derivatives (continued)

Impacts on the Consolidated Financial Statements (continued)

The location and amounts of gains and losses related to derivatives recorded in the consolidated statements of income for the years ended March 31, 2025 and 2024 are summarized as follows:

Cash Flow Hedges	2025		
	Gains (losses) recognized in accumulated OCI on derivatives (Effective portion)	Gains (losses) reclassified from accumulated OCI into earnings (Effective portion)	
		Amount	Statements of income location
	(Millions of yen)		
Forward currency exchange contracts	¥(455)	Foreign exchange gains (losses), net	¥(420)
Total	¥(455)		¥(420)

Cash Flow Hedges	2024		
	Gains (losses) recognized in accumulated OCI on derivatives (Effective portion)	Gains (losses) reclassified from accumulated OCI into earnings (Effective portion)	
		Amount	Statements of income location
	(Millions of yen)		
Forward currency exchange contracts	¥(1,141)	Foreign exchange gains (losses), net	¥(1,142)
Cross currency interest rate swaps	(177)	–	–
Total	¥(1,318)		¥(1,142)

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

18. Derivatives (continued)

Impacts on the Consolidated Financial Statements (continued)

Cash Flow Hedges	2025	
	Gains (losses) recognized in accumulated OCI on derivatives (Effective portion)	Gains (losses) reclassified from accumulated OCI into earnings (Effective portion)
	Amount	Statements of income location
		Amount
	<i>(Thousands of U.S. dollars)</i>	
	<i>(Note 3)</i>	
Forward currency exchange contracts	\$(3,033)	Foreign exchange gains (losses), net \$(2,800)
Total	\$(3,033)	\$(2,800)

Derivatives Not Designated as Hedges	Statements of income location	Amount		
		2025	2024	2025
		<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
				<i>(Note 3)</i>
Forward currency exchange contracts	Foreign exchange gains (losses), net	¥1,355	¥3,556	\$ 9,033
Currency swaps	Foreign exchange gains (losses), net	(415)	(2,890)	(2,767)
Other	Other, net	1,212	758	8,081
Total		¥2,152	¥1,424	\$14,347

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

19. Fair Value of Financial Instruments and Concentration of Credit Risk

Fair Value of Financial Instruments

The fair value of financial instruments has been determined using available market information or other appropriate valuation methodologies. Although management uses its best judgment in estimating the fair value of such instruments, the methodologies and assumptions for the estimate of fair value are inherently subjective. Consequently, the estimated amounts are not necessarily indicative of the amounts which could be realized or would be paid in a current market exchange. The following methodologies and assumptions are used in estimating the fair value of its financial instruments:

Cash and cash equivalents, Notes and accounts receivable - trade, Notes and accounts receivable - affiliated companies, Long-term receivables, Short-term debt, Notes and accounts payable - trade, Notes and accounts payable - construction, Notes and accounts payable - affiliated companies: The carrying amounts approximate the fair values.

Investment securities: The fair values of stocks with active markets are estimated based on quoted market prices. Debt securities with inactive markets are measured by using observable inputs, either directly or indirectly.

Investments in and advances to affiliated companies: The fair values of held-to-maturity debt securities acquired from affiliated companies, which are included in investments in and advances to affiliated companies, approximate the amortized cost excluding equity in net income (loss) of affiliated companies because of the short maturity of these instruments. The amount of equity in net loss of affiliated companies in excess of the amount of investments in affiliated companies is deducted from the amortized cost of such assets. The fair values and the corresponding carrying amounts of held-to-maturity debt securities acquired from affiliated companies were ¥22,500 million (\$150,000 thousand) and ¥12,278 million (\$81,853 thousand), respectively, as of March 31, 2025 and ¥23,500 million and ¥14,599 million, respectively, as of March 31, 2024.

Long-term debt: The fair value of long-term debt is estimated based on quoted market prices or using discounted cash flow analysis based on the current incremental borrowing rates for similar types of borrowing arrangements. The fair values and the corresponding carrying amounts of long-term debt, including the current portion, were ¥527,677 million (\$3,517,847 thousand) and ¥537,982 million (\$3,586,547 thousand), respectively, as of March 31, 2025 and ¥265,997 million and ¥267,789 million, respectively, as of March 31, 2024.

The fair values of long-term debt as of March 31, 2025 and 2024 were classified as Level 2. The fair value hierarchy that prioritizes the inputs used in valuation techniques is described in Note 20 “Fair Value Measurement”.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

19. Fair Value of Financial Instruments and Concentration of Credit Risk (continued)

Fair Value of Financial Instruments (continued)

Derivative financial instruments: The fair values of forward currency exchange contracts and currency swaps are estimated based on the market prices obtained from financial institutions or third parties, which are measured by observable inputs. The fair values and the carrying amounts of these derivative assets were ¥1,067 million (\$7,113 thousand) and ¥342 million, and those of derivative liabilities were ¥342 million (\$2,280 thousand) and ¥1,851 million, as of March 31, 2025 and 2024, respectively.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of investment securities, held-to-maturity debt securities, trade accounts receivable and lease receivables, and derivatives.

Investment securities are exposed to risks such as fluctuations in market value, but the Company periodically reviews market values and the financial positions of the issuers and performs ongoing evaluations of holdings.

Held-to-maturity debt securities are exposed to credit risk, but the Company strives to review the financial positions of the issuers as needed.

Trade accounts receivable and lease receivables are exposed to credit risk because they include the trade accounts receivable and lease receivables from certain major customers. However, the Company manages this risk by maintenance of customer's guarantee deposits and ongoing performance of credit evaluations. An allowance for credit losses is maintained at a level which the Company believes is sufficient to cover potential losses.

Regarding derivatives, the Company assumes the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. The Company conducts such derivative transactions with high credit quality financial institutions to reduce risks.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Fair Value Measurement

ASC 820 “Fair value measurement” defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, establishes a fair value hierarchy that prioritizes the inputs used in valuation techniques into the following three levels, depending on the observability of those inputs:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Observable inputs other than those classified as Level 1 such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (inactive markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs to the valuation techniques which are significant to the measurement of fair value of assets or liabilities.

Assets and liabilities that the Company measures at fair value on a recurring basis include investment securities, derivative assets and liabilities, and contingent consideration. The fair value hierarchy as of March 31, 2025 and 2024 is as follows:

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Fair Value Measurement (continued)

	2025				Total
	Level 1	Level 2	Level 3	NAV	
	<i>(Millions of yen)</i>				
Assets:					
Investment securities					
Stocks	¥ 52,285	¥ –	¥ –	¥ –	¥ 52,285
Investment trusts, etc.	–	–	–	4,879	4,879
Other	–	–	120	–	120
Short-term derivative assets					
Forward currency exchange contracts	–	955	–	–	955
Other	–	112	–	–	112
Liabilities:					
Short-term derivative liabilities					
Forward currency exchange contracts	–	331	–	–	331
Currency swaps	–	11	–	–	11
Other non-current liabilities					
Contingent consideration	–	–	3,781	–	3,781

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Fair Value Measurement (continued)

	2024				Total
	Level 1	Level 2	Level 3	NAV	
	<i>(Millions of yen)</i>				
Assets:					
Investment securities					
Stocks	¥ 68,051	¥ –	¥ –	¥ –	¥ 68,051
Investment trusts, etc.	–	–	–	3,870	3,870
Other	–	–	81	–	81
Short-term derivative assets					
Forward currency exchange contracts	–	180	–	–	180
Currency swaps	–	7	–	–	7
Other	–	155	–	–	155
Liabilities:					
Short-term derivative liabilities					
Forward currency exchange contracts	–	341	–	–	341
Currency swaps	–	1,510	–	–	1,510
Other non-current liabilities					
Contingent consideration	–	–	2,368	–	2,368

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Fair Value Measurement (continued)

	2025				Total
	Level 1	Level 2	Level 3	NAV	
	<i>(Thousands of U.S. dollars)</i>				
	<i>(Note 3)</i>				
Assets:					
Investment securities					
Stocks	\$ 348,567	\$ –	\$ –	\$ –	\$ 348,567
Investment trusts, etc.	–	–	–	32,527	32,527
Other	–	–	800	–	800
Short-term derivative assets					
Forward currency					
exchange contracts	–	6,367	–	–	6,367
Other	–	747	–	–	747
Liabilities:					
Short-term derivative					
liabilities					
Forward currency					
exchange contracts	–	2,207	–	–	2,207
Currency swaps	–	73	–	–	73
Other non-current liabilities					
Contingent consideration	–	–	25,207	–	25,207

Assets classified as Level 1 include principally listed stocks, which were valued using unadjusted quoted prices in active markets for identical assets. Assets and liabilities classified as Level 2 include principally derivatives. Derivative assets and liabilities were classified as Level 2 because they were valued based on market approach using inputs that were corroborated by observable market data obtained from financial institutions or third parties. Assets and liabilities classified as Level 3 include principally contingent consideration, which were valued using appropriate valuation methods, taking into account the probability of occurrence to determine the present value of future payment amounts. Investment trusts, etc. are measured at fair value using NAV per share applied by practical expedient and have not been classified in the fair value hierarchy. The investment amounts for certain non-marketable equity securities without readily determinable fair value are not included in the above table. The carrying amounts of these investments were ¥15,014 million (\$100,093 thousand) and ¥11,456 million as of March 31, 2025 and 2024, respectively. In addition, changes in assets and liabilities classified as the fair value hierarchy Level 3 are not disclosed since their amounts are not material.

For the years ended March 31, 2025 and 2024, assets and liabilities measured at fair value on a nonrecurring basis were not material.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

21. Credit Quality of Financial Assets and Allowance for Credit Losses

An allowance for credit losses is accounted for by estimating all credit losses expected to occur in future over the remaining life of financial assets.

In recognizing the allowance for credit losses, the Company manages the credit quality of financial assets as individually evaluated receivables and collectively evaluated receivables. Financial assets are evaluated individually or collectively based on historical credit losses, including the financial positions of its customers and delays in payment, and reasonable and supportable forecasts.

Receivables are classified as individually evaluated receivables when the Company estimates that their credit quality has decreased significantly based on the financial positions of customers and delays in payment. Other receivables are classified as collectively evaluated receivables.

For collectively evaluated receivables, when it is determined that a particular financial asset has similar risk characteristics to other financial assets, the allowance for credit losses is determined, on a pool basis, by using percentages based on historical experience and reasonable and supportable forecasts. For individually evaluated receivables, their credit quality is reviewed every quarter based on the financial positions of customers and delays in payment, and an allowance is individually recorded.

Financial assets are charged-off when it becomes clear that the financial assets will be uncollectable according to a decision of court.

The following table provides the roll-forward and breakdown of allowance for credit losses on trade accounts receivable and lease receivables for the years ended March 31, 2025 and 2024.

	2025		
	Trade accounts receivable	Lease receivables	Total
	<i>(Millions of yen)</i>		
Balance as of April 1	¥15,682	¥4,873	¥20,555
Provisions/(Reversal)	2,324	(723)	1,601
Charge-offs	(3,877)	(1,645)	(5,522)
Other (Note)	(205)	41	(164)
Balance as of March 31	¥13,924	¥2,546	¥16,470
Ending balance: collectively evaluated for impairment	4,968	981	5,949
Ending balance: individually evaluated for impairment	8,956	1,565	10,521

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

21. Credit Quality of Financial Assets and Allowance for Credit Losses (continued)

	2024		
	Trade accounts receivable	Lease receivables	Total
	<i>(Millions of yen)</i>		
Balance as of April 1	¥14,484	¥4,965	¥19,449
Provisions/(Reversal)	1,920	(56)	1,864
Charge-offs	(2,161)	(1,101)	(3,262)
Other (Note)	1,439	1,065	2,504
Balance as of March 31	¥15,682	¥4,873	¥20,555
Ending balance: collectively evaluated for impairment	5,839	1,685	7,524
Ending balance: individually evaluated for impairment	9,843	3,188	13,031
	2025		
	Trade accounts receivable	Lease receivables	Total
	<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>		
Balance as of April 1	\$104,547	\$32,487	\$137,034
Provisions/(Reversal)	15,493	(4,820)	10,673
Charge-offs	(25,846)	(10,967)	(36,813)
Other (Note)	(1,367)	273	(1,094)
Balance as of March 31	\$ 92,827	\$16,973	\$109,800
Ending balance: collectively evaluated for impairment	33,120	6,540	39,660
Ending balance: individually evaluated for impairment	59,707	10,433	70,140

(Note) Other represents mainly changes due to the fluctuation in exchange rates and the adoption of ASU 2016-13.

Lease receivables by the origination year as of March 31, 2025 and 2024 are as follows.

	2025						Total
	Origination year (at the end of year: March 31)						
	2024	2023	2022	2021	2020	2019 or before	
	<i>(Millions of yen)</i>						
Lease receivables							
Collectively evaluated for impairment	¥28,118	¥22,900	¥15,290	¥8,237	¥2,769	¥ 444	¥77,758
Individually evaluated for impairment	464	382	293	356	398	601	2,494
Total	¥28,582	¥23,282	¥15,583	¥8,593	¥3,167	¥1,045	¥80,252

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

21. Credit Quality of Financial Assets and Allowance for Credit Losses (continued)

	2024						Total
	Origination year (at the end of year: March 31)						
	2023	2022	2021	2020	2019	2018 or before	
	<i>(Millions of yen)</i>						
Lease receivables							
Collectively evaluated for impairment	¥37,054	¥24,536	¥16,254	¥9,247	¥2,345	¥ 672	¥90,108
Individually evaluated for impairment	458	393	488	587	478	2,032	4,436
Total	<u>¥37,512</u>	<u>¥24,929</u>	<u>¥16,742</u>	<u>¥9,834</u>	<u>¥2,823</u>	<u>¥2,704</u>	<u>¥94,544</u>
	2025						
	Origination year (at the end of year: March 31)						
	2024	2023	2022	2021	2020	2019 or before	Total
	<i>(Thousands of U.S. dollars)</i>						
	<i>(Note 3)</i>						
Lease receivables							
Collectively evaluated for impairment	\$187,453	\$152,667	\$101,933	\$54,913	\$18,460	\$2,960	\$518,386
Individually evaluated for impairment	3,094	2,547	1,953	2,373	2,653	4,007	16,627
Total	<u>\$190,547</u>	<u>\$155,214</u>	<u>\$103,886</u>	<u>\$57,286</u>	<u>\$21,113</u>	<u>\$6,967</u>	<u>\$535,013</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

21. Credit Quality of Financial Assets and Allowance for Credit Losses (continued)

Past due lease receivables as of March 31, 2025 and 2024 are as follows.

2025				
Past due receivables				
30-90 days	Greater than 90 days	Total	Total finance receivables	
<i>(Millions of yen)</i>				
Lease receivables	¥256	¥876	¥1,132	¥80,252
2024				
Past due receivables				
30-90 days	Greater than 90 days	Total	Total finance receivables	
<i>(Millions of yen)</i>				
Lease receivables	¥372	¥2,325	¥2,697	¥94,544
2025				
Past due receivables				
30-90 days	Greater than 90 days	Total	Total finance receivables	
<i>(Thousands of U.S. dollars)</i>				
<i>(Note 3)</i>				
Lease receivables	\$1,707	\$5,840	\$7,547	\$535,013

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

22. Revenue

If a contract with a customer includes multiple performance obligations, the transaction price of multiple contracts will be allocated based on the standalone selling price of each individually sold product (if the standalone selling price is not directly observable, then it will be based on an assumed selling price when sold individually).

Costs incurred by the Company in connection with sales incentives related to purchase or promotion of the Company's products are classified as reduction of revenue. Such costs include the estimated cost of promotional discounts and dealer volume rebates. These costs are mainly based on claims from customers / dealers or amount calculated in accordance with agreements to the extent that there is likely to be no significant reversal of cumulative revenue recognized.

Contracts that are expected, at the start of contracts, to be fulfilled within one year from when the Company transfers the promised goods or services to the customer to the time at which the customer issues payment for these goods or services do not include the effect of the time value of money in the promised compensation.

Revenue Recognized from Contracts with Customers and Other Sources

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Revenue recognized from contracts with customers	¥3,086,826	¥2,851,339	\$20,578,840
Revenue recognized from other sources	109,002	109,577	726,680
Total	<u>¥3,195,828</u>	<u>¥2,960,916</u>	<u>\$21,305,520</u>

Revenue recognized from other sources is revenue recognized from lease commitments.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

22. Revenue (continued)

Association between Disaggregated Revenue, Segment Revenue and Timing of Satisfaction of Performance Obligations

The disaggregated revenue by geographic segment, attributed to the locations of the external customers, is as follows:

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Japan	¥1,099,302	¥1,049,550	\$ 7,328,681
The Americas	646,904	641,784	4,312,693
Europe	544,628	470,573	3,630,853
Asia and others	904,994	799,009	6,033,293
Revenue total	<u>¥3,195,828</u>	<u>¥2,960,916</u>	<u>\$21,305,520</u>

Of revenue for the year ended March 31, 2025, amounts classified as revenue recognized from other sources were ¥50,998 million (\$339,987 thousand) for Japan, ¥4,237 million (\$28,247 thousand) for the Americas, ¥1,118 million (\$7,453 thousand) for Europe, and ¥52,649 million (\$350,993 thousand) for Asia and others. Of revenue for the year ended March 31, 2024, amounts classified as revenue recognized from other sources were ¥48,405 million for Japan, ¥4,121 million for the Americas, ¥716 million for Europe, and ¥56,335 million for Asia and others.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

22. Revenue (continued)

The disaggregated revenue by operating segment is as follows.

The Graphic communication was transferred to Business Innovation and accordingly, information for the year ended March 31, 2024 was prepared using the classification method after the changes to the operating segments. The summary of the changes is described in Note 24 “Segment Information”.

In addition, due to the establishment of the Advanced Functional Materials Division, display materials and other highly functional materials are integrated into and presented as AF materials.

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Healthcare:			
Medical systems	¥ 693,241	¥ 659,563	\$ 4,621,606
Bio CDMO	219,513	203,448	1,463,420
LS solutions	109,810	112,070	732,067
Total	<u>1,022,564</u>	<u>975,081</u>	<u>6,817,093</u>
Electronics:			
Semiconductor materials	250,413	199,724	1,669,420
AF materials	182,384	158,703	1,215,893
Total	<u>432,797</u>	<u>358,427</u>	<u>2,885,313</u>
Business Innovation:			
Office solutions	522,928	524,383	3,486,187
Business solutions	330,886	301,753	2,205,907
Graphic communication	344,680	331,614	2,297,867
Total	<u>1,198,494</u>	<u>1,157,750</u>	<u>7,989,961</u>
Imaging:			
Consumer imaging	327,963	297,569	2,186,420
Professional imaging	214,010	172,089	1,426,733
Total	<u>541,973</u>	<u>469,658</u>	<u>3,613,153</u>
Revenue total	<u>¥3,195,828</u>	<u>¥2,960,916</u>	<u>\$21,305,520</u>

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

22. Revenue (continued)

Of revenue for the year ended March 31, 2025, amounts classified as revenue recognized from other sources were ¥3,024 million (\$20,160 thousand) for medical systems, ¥1,987 million (\$13,247 thousand) for bio CDMO, ¥70,151 million (\$467,673 thousand) for office solutions, ¥25,145 million (\$167,633 thousand) for business solutions, ¥6,437 million (\$42,913 thousand) for graphic communication, and ¥2,258 million (\$15,053 thousand) for consumer imaging. Of revenue for the year ended March 31, 2024, amounts classified as revenue recognized from other sources were ¥3,603 million for medical systems, ¥1,957 million for bio CDMO, ¥70,826 million for office solutions, ¥24,782 million for business solutions, ¥6,234 million for graphic communication, and ¥2,175 million for consumer imaging.

(1) Healthcare

In the Healthcare segment, primarily for sale of materials for medical systems such as X-ray films, revenue is recognized when goods are delivered or shipped to customers, depending on the timing of title and risk transfer from the Company to customers. For certain equipment which requires customer acceptance such as digital endoscopes and ultrasound imaging and diagnostic systems, revenue is recognized when equipment is installed and customer acceptance is obtained. In addition, revenue from provision of maintenance services for medical systems, etc. is recognized when the services are provided to customers. In the bio CDMO business, for certain contracts for which there is no potential for transfer and which have an enforceable right to receive payment from the customer for completed performance, revenue is recognized for the performance in the current year according to the progress based on costs.

(2) Electronics

In the Electronics segment, for sale of semiconductor materials such as semiconductor processing materials, display materials such as protective films for polarizers, reagents, and highly functional materials such as magnetic tapes for computers, revenue is recognized when goods are delivered or shipped to customers, depending on the timing of title and risk transfer from the Company to customers.

(3) Business Innovation

In the Business Innovation segment, primarily for certain equipment which requires customer acceptance, including equipment such as digital MFPs and Inkjet Digital Presses, revenue is recognized when equipment is installed and customer acceptance is obtained. In addition, mainly managed print services and business process outsourcing services are provided as services. Revenue from these services is recognized when the services are provided to customers. For sale of materials for graphic systems such as CTP plates, revenue is recognized when goods are delivered or shipped to customers, depending on the timing of title and risk transfer from the Company to customers.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

22. Revenue (continued)

(4) Imaging

In the Imaging segment, primarily for sale of instant photo systems, color films, color paper for photo printing, and digital cameras, revenue is recognized when goods are delivered or shipped to customers, depending on the timing of title and risk transfer from the Company to customers. In addition, primarily for provision of services for photo printing, revenue is recognized when the services are provided to customers.

Contract Balance

The breakdown of contract balances as of March 31, 2025 and 2024 is as follows.

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Receivables from contracts with customers	¥638,561	¥629,496	\$4,257,073
Contract liabilities	154,967	115,121	1,033,113
Contract assets	43,664	36,097	291,093

Contract assets relate to the right to receive consideration. The performance obligations based on the contract have been satisfied, and the contract assets are reclassified to trade accounts receivable when the right to consideration becomes unconditional.

Contract liabilities are the portion of consideration received from the customer prior to satisfaction of the performance obligations based on the contract, and are reclassified to revenue upon satisfaction of the corresponding performance obligations.

Revenue recognized in the years ended March 31, 2025 and 2024 and included in the balance of contract liabilities at the beginning of the year were ¥81,343 million (\$542,287 thousand) and ¥79,658 million, respectively.

Revenue recognized from the satisfaction (or partial satisfaction) of performance obligations in past periods was not material for the years ended March 31, 2025 and 2024.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

22. Revenue (continued)

Transaction Price Allocated to Remaining Performance Obligations

As of March 31, 2025, the transaction price allocated to unsatisfied performance obligations for contracts with an individual estimated contract period exceeding one year is ¥530,936 million (\$3,539,573 thousand). This transaction price primarily relates to contract development and manufacturing organization of biopharmaceuticals and maintenance service contracts for equipment sold to customers. This transaction price is expected to be recognized as revenue over a period of approximately one to five years. In addition, the relevant disclosure is omitted for contracts with an individual estimated contract period of less than one year.

Assets Recognized from the Costs to Obtain or Fulfill a Contract with a Customer

The Company identifies the portion which is expected to be recoverable of the incremental cost to obtain a contract with a customer and fulfillment cost directly related to the contract as an acquired asset and recognizes it in “Prepaid expenses and other” of “Current assets” and “Other” of “Other assets” in the consolidated balance sheets.

The costs to fulfill contracts capitalized by the Company include expenses for surveys performed to optimize overall print environments of printer devices for offices which are conducted before providing outsourcing services, including maintenance, for printing devices within offices in the Business Innovation segment. These assets are amortized equally over a period of approximately 1 to 10 years based on the estimated contract period. In addition, when the amortization period of the asset to be identified is within one year, practical expedients are applied and the incremental cost of the contract is expensed as incurred.

	<u>2025</u>	<u>2024</u>	<u>2025</u>
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Assets recognized from the costs to obtain contracts	¥ –	¥ 1	\$ –
Assets recognized from the costs to fulfill contracts	1,817	1,621	12,113
Total	¥1,817	¥1,622	\$12,113

Aggregate amortization expenses for identifiable assets acquired from the cost of contract for the years ended March 31, 2025 and 2024 were ¥692 million (\$4,613 thousand) and ¥855 million, respectively.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Government Grants

Government grants are recognized when the conditions for receiving the grants are met and reasonable assurance is obtained to receive the grants.

The government grants recognized by the Company are mainly for the purchase of property, plant and equipment. The amount of the grants is directly deducted from the acquisition cost of the assets. The government grants recognized in the year ended March 31, 2025 are mainly for assisting the Company's investments in the development of its biopharmaceuticals production system. The amount deducted from the acquisition cost of machinery, equipment and other was ¥268 million (\$1,787 thousand) and the amount deducted from the acquisition cost of construction in progress was ¥16,374 million (\$109,160 thousand). The government grants will be paid in cash on the condition that the Company develops and maintains dual-use facilities, which are capable of switching to vaccine production during a pandemic.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Segment Information

Operating Segments

The Company's following four operating segments reflect how the Company's Board of Directors, the CODM, reviews operating results and makes decisions about resource allocation, and are determined based upon similarity in manufacturing technology, manufacturing processes, distribution methods and markets.

The Healthcare segment develops, manufactures, sells and provides services of equipment and materials for medical systems, contract development and manufacturing organization of biopharmaceuticals, iPSC cells (regenerative medicine), drug discovery support such as cell culture media and reagents, pharmaceuticals, cosmetics and supplements, and other related products. The Electronics segment develops, manufactures, sells and provides services of semiconductor materials, display materials, industrial equipment, fine chemicals, and other related products. The Business Innovation segment develops, manufactures, sells and provides services of solutions and services, digital MFPs, equipment and materials for graphic communication, inks and industrial inkjet printheads, and other related products. The Imaging segment develops, manufactures, sells and provides services of instant photo systems, color films, services and equipment for photofinishing, digital cameras, optical devices, and other related products.

Based on the growth strategy of serving as the industry's only "solutions partner" covering all areas of printing, from office and commercial printing to industrial printing, the graphic communication business has been reclassified from the Electronics (formerly Materials) segment to the Business Innovation segment from the year ended March 31, 2025. In line with the above change, the Materials segment has been renamed the Electronics segment. Accordingly, in light of the progress of integrated operation on a segment basis, revenue and operating income for each segment have been changed to the amounts after elimination of inter-segment transactions. Segment information for the year ended March 31, 2024 was prepared using the classification method after the changes to the operating segments.

The Company has adopted ASU 2023-07 "Improvements to Reportable Segment Disclosures" from the year ended March 31, 2025. As a result, segment expenses are added and capital expenditures include intangible assets and other items. The figures for the year ended March 31, 2024 have also been reclassified to apply the same aggregation method as in the year ended March 31, 2025.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Operating Segments (continued)

a. Segment profit or loss

	Year ended March 31		
	2025	2024	2025
	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
Revenue:			
Healthcare	¥1,022,564	¥ 975,081	\$ 6,817,093
Electronics	432,797	358,427	2,885,313
Business Innovation	1,198,494	1,157,750	7,989,961
Imaging	541,973	469,658	3,613,153
Total	3,195,828	2,960,916	21,305,520
Research and development:			
Healthcare	60,698	55,709	404,653
Electronics	25,760	26,432	171,733
Business Innovation	54,507	53,850	363,381
Imaging	13,329	11,095	88,860
Total	154,294	147,086	1,028,627
Other expenses:			
Healthcare	884,231	821,983	5,894,873
Electronics	329,722	285,725	2,198,147
Business Innovation	1,069,373	1,036,475	7,129,153
Imaging	389,430	356,530	2,596,200
Total	2,672,756	2,500,713	17,818,373
Operating income:			
Healthcare	77,635	97,389	517,567
Electronics	77,315	46,270	515,433
Business Innovation	74,614	67,425	497,427
Imaging	139,214	102,033	928,093
Total	368,778	313,117	2,458,520
Corporate expenses	(38,623)	(36,392)	(257,487)
Consolidated operating income	330,155	276,725	2,201,033
Other income (expenses)	10,439	40,563	69,594
Consolidated income before income taxes	¥ 340,594	¥317,288	\$2,270,627

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Operating Segments (continued)

b. Total assets

	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Healthcare	¥2,560,211	¥2,188,806	\$17,068,074
Electronics	808,611	815,392	5,390,740
Business Innovation	1,373,286	1,325,377	9,155,240
Imaging	364,437	331,924	2,429,580
Corporate assets	143,363	121,961	955,753
Consolidated total	¥5,249,908	¥4,783,460	\$34,999,387

c. Other significant items

	Year ended March 31		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i>
			<i>(Note 3)</i>
Depreciation and amortization:			
Healthcare	¥ 60,810	¥ 56,859	\$ 405,400
Electronics	30,633	27,351	204,220
Business Innovation	51,776	48,274	345,174
Imaging	17,382	14,768	115,880
Corporate expenses	2,966	2,762	19,773
Consolidated total	¥163,567	¥150,014	\$ 1,090,447
Capital expenditures:			
Healthcare	¥464,906	¥361,443	\$3,099,373
Electronics	41,261	38,146	275,073
Business Innovation	73,035	68,600	486,900
Imaging	21,602	14,971	144,014
Corporate expenses	6,377	5,184	42,513
Consolidated total	¥607,181	¥488,344	\$4,047,873

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Operating Segments (continued)

The CODM uses revenue, revenue growth rate, operating income, operating income growth rate, and operating margin to assess segment performance and make decisions about resource allocation. Major items included in other expenses are material expenses and personnel expenses. Corporate expenses in “a. Segment profit or loss”, are those expenses related to the Corporate Division of the Company. Corporate assets in “b. Total assets” consist primarily of cash and cash equivalents as well as investment securities held for general corporate-wide purposes. Corporate expenses, in “c. Other significant items”, relate to facilities and equipment held by the Company for company-wide purposes. “Capital expenditures” in the above table represent the purchase amount of property, plant and equipment and intangible assets (on goods-receipt basis) by each segment.

Geographic Segments Information

a. Revenue

Revenue from external customers, which are attributed to the location of the customers, for the years ended March 31, 2025 and 2024 are as follows:

	Year ended March 31		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars) (Note 3)</i>
Japan	¥1,099,302	¥1,049,550	\$ 7,328,681
The Americas	646,904	641,784	4,312,693
Europe	544,628	470,573	3,630,853
Asia and others	904,994	799,009	6,033,293
Consolidated total	¥3,195,828	¥2,960,916	\$21,305,520

Revenue of The Americas is primarily related to operations in the United States.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Geographic Segments Information (continued)

b. Long-lived assets

Long-lived assets as of March 31, 2025 and 2024 are as follows:

	March 31		
	2025	2024	2025
	<i>(Millions of yen)</i>		<i>(Thousands of U.S. dollars)</i> <i>(Note 3)</i>
Japan	¥ 408,084	¥ 385,506	\$ 2,720,560
The Americas	643,690	447,731	4,291,267
Europe	664,752	488,537	4,431,680
Asia and others	69,949	73,961	466,326
Consolidated total	<u>¥1,786,475</u>	<u>¥1,395,735</u>	<u>\$11,909,833</u>

Long-lived assets of The Americas are primarily related to operations in the United States.

Major Customers and Other Information

No single customer of the Company accounted for more than 10% of consolidated revenue for each of the years ended March 31, 2025 and 2024.

FUJIFILM Holdings Corporation and Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. Subsequent Events

Issuance of corporate bonds

Based on the comprehensive resolution at the Board of Directors meeting held on May 23, 2025, the Company issued domestic unsecured corporate bonds in June 2025 to allocate funds for the repayment of borrowings. The outline is as follows.

The 24th Series of Unsecured Corporate Bonds (with inter-bond pari passu clause)

1. Total amount of issue: ¥50.0 billion (\$ 333,333 thousand)
2. Issue price: ¥100 (\$0.67) per face value of ¥100 (\$0.67)
3. Closing date: June 12, 2025
4. Interest rate: 1.107% per annum
5. Redemption method and maturity date: The Bonds will be redeemed in full on June 12, 2028

The 25th Series of Unsecured Corporate Bonds (with inter-bond pari passu clause)

1. Total amount of issue: ¥40.0 billion (\$ 266,667 thousand)
2. Issue price: ¥100 (\$0.67) per face value of ¥100 (\$0.67)
3. Closing date: June 12, 2025
4. Interest rate: 1.294% per annum
5. Redemption method and maturity date: The Bonds will be redeemed in full on June 12, 2030

The 26th Series of Unsecured Corporate Bonds (with inter-bond pari passu clause)

1. Total amount of issue: ¥10.0 billion (\$ 66,667 thousand)
2. Issue price: ¥100 (\$0.67) per face value of ¥100 (\$0.67)
3. Closing date: June 12, 2025
4. Interest rate: 1.837% per annum
5. Redemption method and maturity date: The Bonds will be redeemed in full on June 12, 2035