FUJIFILM

Special Feature

Medium-Term Management Plan VISION80

Annual Report 2012

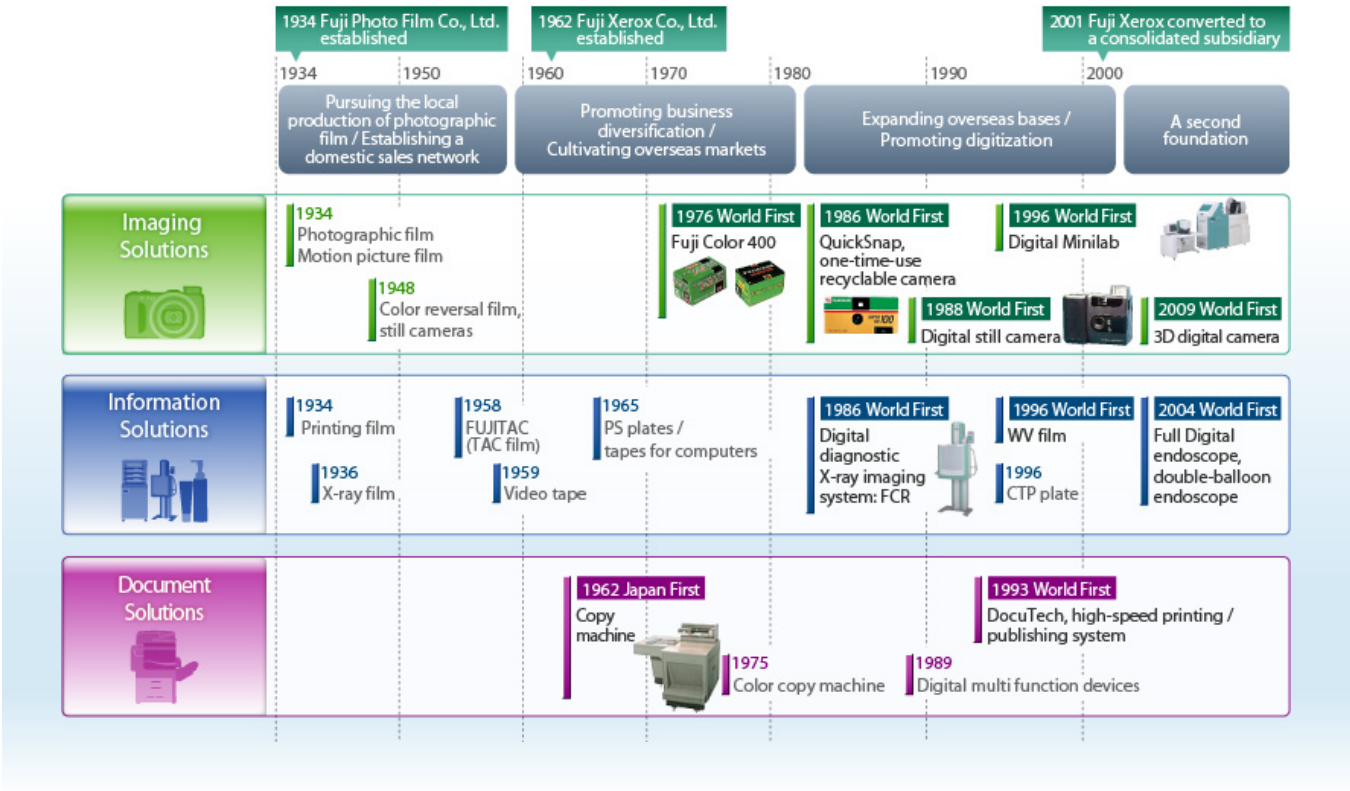
Close Up

Strengthening Efforts in the Pharmaceutical Field

FUJIFILM Overview

1 History

Applying the Strengths of Our Technological Expertise to Lead the Next Generation



Fujifilm's history dates back nearly 80 years to 1934. While the company was first established with the aim of domestically producing photographic films, it soon began entering new domains including the medical and printing fields by building on its accumulated expertise. On a Group basis, Fujifilm has worked to diversify its business and has successfully forged a robust position in the copy machine business through the establishment of Fuji Xerox. Heralding the 1980s, the Group was quick to take up the digital challenge in each of its photography, medical, and printing activities and today leads each field on the back of innovative technologies. Moving forward the Fujifilm Group will continue to release a steady stream of new products that take into the needs of the next generation.

FUJIFILM Overview

2 Principal Products

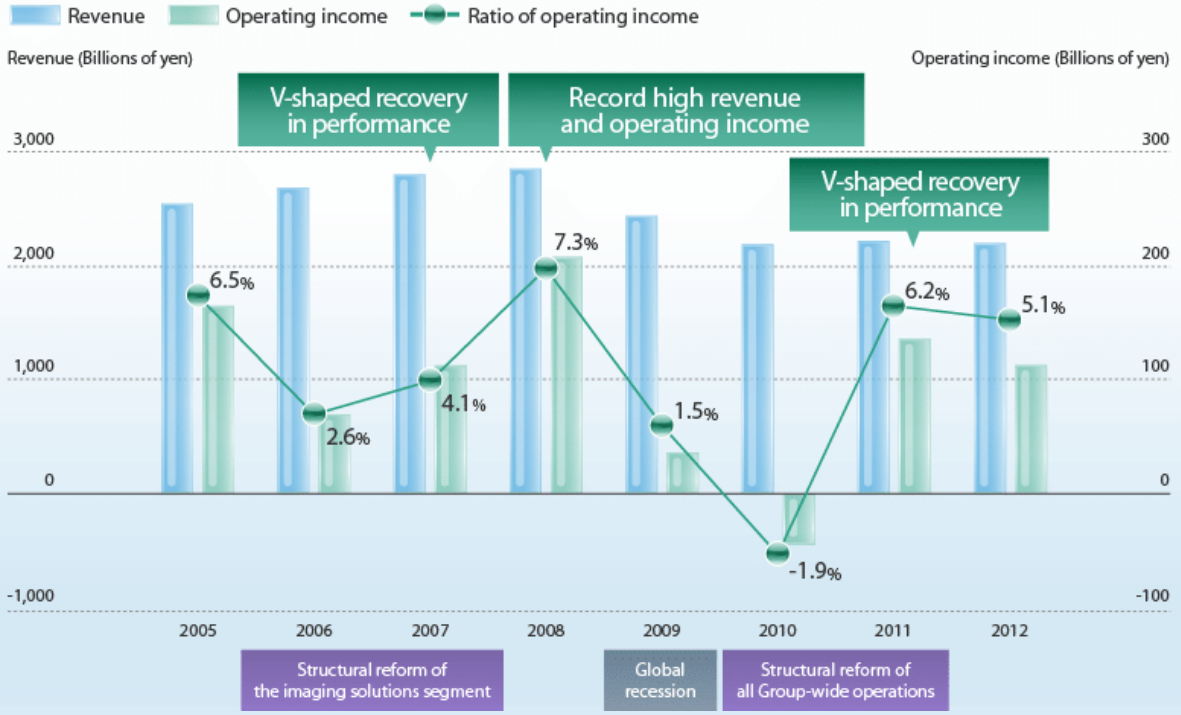
Providing a broad range of products across three core businesses that extend beyond "imaging and information"

The Fujifilm Group maintains a corporate philosophy that places the utmost importance on efforts that help enhance the quality of life of people worldwide. Guided by this philosophy, the Group is evolving beyond its traditional role as a provider of imaging and information products and services. Contributions are wide ranging and extend to the development of industrial society, people's health and global environment protection. Today, the Group is active across the three broad fields of imaging solutions, which handles the Group's so-called cornerstone products including cameras and photographic film, information solutions, which provides equipment and materials to advanced medical, printing, liquid crystal display and related fields, and document solutions, led mainly by Fuji Xerox Co., Ltd., which is responsible for copy machine- and digital printing-related products and services.

FUJIFILM Overview

3 A History of Corporate Innovation

Developing digital technologies and overcoming difficult global operating conditions to realize V-shaped recovery in performance



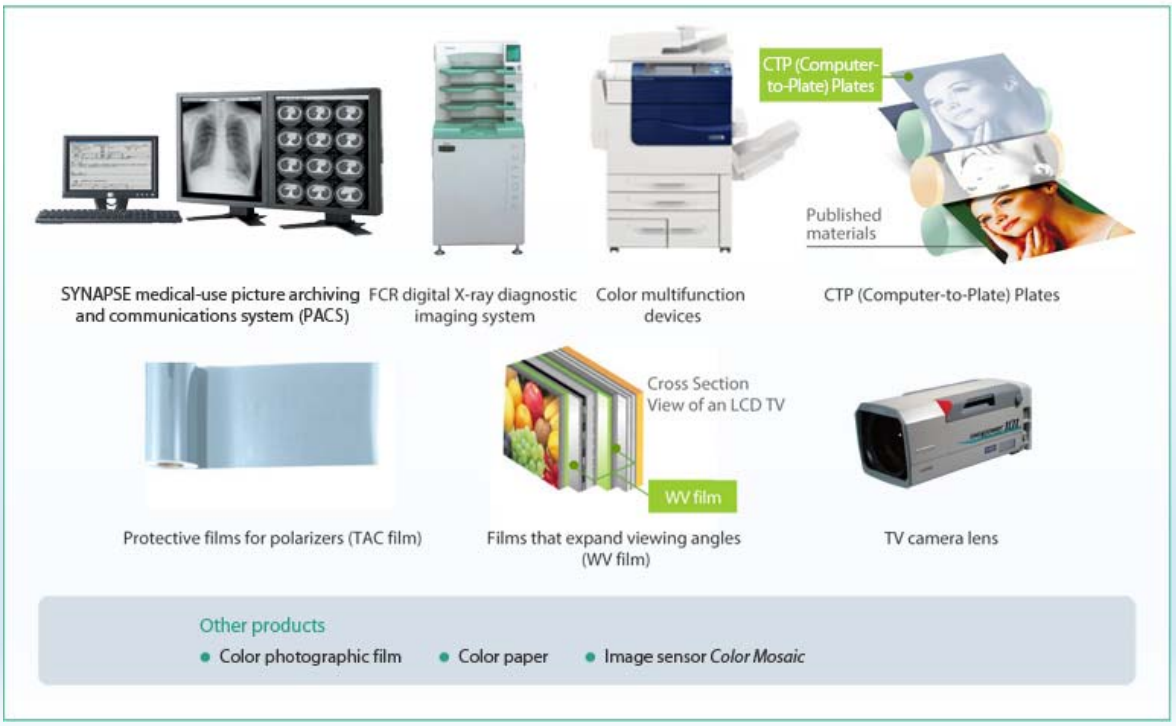
Years ended March 31

Under its VISION75, medium-term management plan, formulated in 2004, the Fujifilm Group took steps to restructure its businesses taking into consideration the rapid advance of digitization. As a result of its endeavors, the Group reported record high revenue and operating income in the fiscal year ended March 31, 2008. In the wake of the financial crisis and the ensuing global recession, operating results deteriorated dramatically. In response, the Fujifilm Group implemented a series of decisive Group- and division-wide structural reforms over the two-year period commencing the fiscal year ended march 31, 2010. Thanks largely to this initiative, the Group secured a substantial improvement in its earnings and successfully put in place a robust corporate constitution that is capable of generating steady profit stream despite a harsh operating environment.

FUJIFILM Overview

4 Competitive Advantage

Securing high market share through a variety of business fields

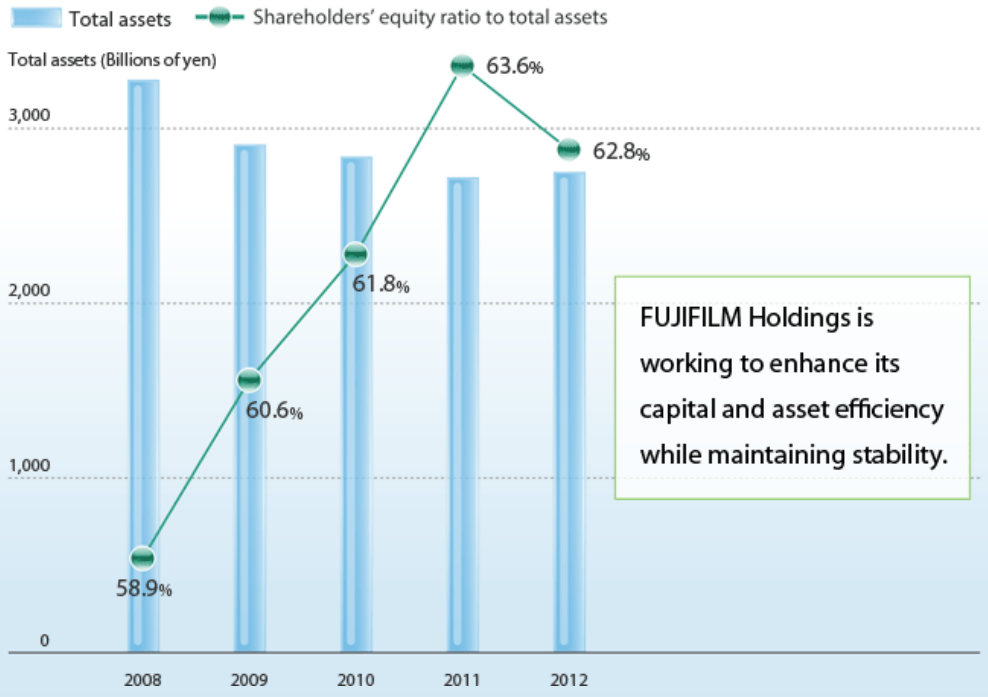


The Fujifilm Group's innovative technologies cultivated over many years in the photographic business, is both an underlying strength and driving force behind the Group's large number of products that boast the top global share in their respective markets. For example, the Group's TAC films, which protect LCD polarizers, dominate the market with a share exceeding 70%. The Company is also the only manufacturer in the world to supply WV films that help to expand viewing angles. Moreover, the Group has acquired top global market shares in CTP plates for printing, while FCR digital X-ray diagnostic imaging systems has achieved a leading position in the global market.

FUJIFILM Overview

5 Financial Stability

The average of shareholders' equity ratio to total assets is above 50% over the past five years



Years ended March 31

The ratio of shareholders' equity to total assets is widely regarded as one indicator of a company's financial strength. This benchmark measures the ratio of shareholders' equity to total assets, or the sum of shareholders' equity and total liabilities. The higher the ratio the better is financial position. Buoyed by the structural reforms implemented over recent years, the Fujifilm Group has continuously reduced its liabilities ratio. Over the past four years, the average of shareholders' equity ratio to total assets is above 60%. An equity ratio of 50% or more is generally regarded as affording considerable comfort. With a shareholders' equity ratio to total assets that exceeds this widely recognized benchmark, the Fujifilm Group boasts outstanding financial stability.

CEO Message

Fujifilm is Committed to Promptly and Decisively Carrying Out Its Medium-Term Management Plan VISION80 while Strongly Promoting Growth Strategies across Global Markets

Having Brought Structural Reforms to a Successful Conclusion, We are Promoting Growth Strategies in Earnest

Looking at the global economy in the fiscal year ended March 31, 2012, the prolonged sovereign debt crisis in certain countries in Europe caused economic conditions throughout the region to continue deteriorating. In the United States, the fundamental trend toward recovery also remained weak, while the pace of economic growth in emerging countries and regions including Asia showed signs of a decline. On the domestic front, the Japanese economy has continued to recover on the back of reconstruction demand following the Great East Japan Earthquake and subsequent incidents. This positive turnaround has been contained, however, to a moderate pace due to such factors as the downturn in economic conditions in Europe.

Under these circumstances, the Fujifilm Group ("the Group") undertook to build a robust corporate constitution by implementing structural reforms that encompassed every facet of its operations across all business fields over a two-year period commencing the fiscal year ended March 31, 2010. From the fiscal year under review, we took steps to promote growth strategies within the global market including emerging countries. This was, however, against the backdrop of a harsh business environment. In addition to the direct impacts of the Great East Japan Earthquake, Fujifilm's businesses were in no small measure affected by such factors as appreciation in the value of the yen, the surging cost of silver, aluminum, and other raw materials, the floods in Thailand, and the drop in demand attributable largely to deterioration in business confidence in Europe. As a result, FUJIFILM Holdings Corporation ("Fujifilm" or "the Company") recorded a downturn in revenues and earnings. Consolidated revenue for the fiscal year ended March 31, 2012 amounted to ¥2,195.3 billion. This represented a 1.0% decrease compared with the previous fiscal year. From a profit perspective, consolidated operating income contracted 17.2% year on year to ¥112.9 billion.

Shigetaka Komori

Chairman and Chief Executive Officer

Profile

Joined Fuji Photo Film Co., Ltd. in 1963 and was appointed a director in 1995. Took up the position of Director and Managing Director of Fuji Photo Film (Europe) GmbH in 1996 and was later elevated to President & Representative Director of Fuji Photo Film Co., Ltd. in 2000. Has been serving as President, Representative Director & Chief Executive Officer of Fuji Photo Film Co., Ltd. and President, Representative Director & Chief Executive Officer of FUJIFILM Holdings Corporation since 2003 and 2006, respectively. Appointed Chairman, Representative Director and CEO of FUJIFILM Holdings Corporation and FUJIFILM Corporation in 2012.

Ensuring the Group's Growth over the Medium- to Long-Term by Steadfastly Promoting Growth Strategies in Priority Business Fields and Speeding Up Global Expansion

In order to again position the Group on a genuine growth trajectory, Fujifilm announced details of its new medium-term management plan VISION80, which covers the two year period from the fiscal year ending March 31, 2013 to the fiscal year ending March 31, 2014, the Company's 80th anniversary, in October 2011. Moving forward, the Group is strongly promoting the plan's initiatives and strategies.

Under the plan, the Group will accordingly promote growth strategies in priority business fields while speeding up global expansion. To this end, we have identified the six priority business fields of digital imaging, healthcare, highly functional materials, graphic arts, optical devices, and document solutions. Within these six priority businesses, we will

selectively concentrate management resources into the three core strategic growth pillars of healthcare, which is comprised of medical systems, life sciences, and pharmaceuticals, highly functional materials, and document solutions. Our energies will be channeled toward substantially increasing sales and market share. As a part of our global strategy that focuses on emerging countries that continue to experience growth, we will actively inject new products that match local needs, strengthen marketing activities that are deeply rooted in the frontline, and nurture global human resources. By promptly and decisively carrying out VISION80, we are confident in our ability to secure medium- to long-term growth.

VISION80 is not just a compendium of initiatives and strategies. Under the new medium-term management plan, we have identified specific numerical targets. In the final year of the plan, the fiscal year ending March 31, 2014, we expect to achieve consolidated revenue of ¥2.5 trillion and operating income of ¥180 billion.

The scale of the photographic film market rapidly contracted, falling to less than 10% over the ten-year period since hitting its peak in 2000. The Fujifilm Group was able to overcome this crisis by maintaining and expanding revenue and profit as well as drastically transforming its business structure and creating new businesses. Looking ahead, we will continue to invest in the technologies and production facilities that are necessary to ensure medium- to long-term growth, which includes the implementation of ongoing M&A. Technological expertise and know-how are particularly important in the development of new businesses. Significant potential exists to harness the Group's leading-edge, proprietary nano-and other technologies nurtured in the photographic film and related material fields together with its advanced production and quality management technologies in an increasingly broad range of fields. Moving forward, we will continue to invest in those fields that offer opportunities that are consistent with our growth strategies. The Fujifilm Group will create new value by further enhancing its outstanding technological capabilities, developing robust products that differentiate us from our rivals, and exceeding its performance to date through the delivery of an increasing number of globally unique and "number one" products.

Improving Asset Efficiency while Actively Returning Profits to Shareholders through the Payment of Dividends

The Fujifilm Group will work diligently to improve asset efficiency even further by continuing to manage its performance by business ROA. On this basis, we plan to achieve an ROE of 5% or more in the fiscal year ending March 31, 2014 and 10% over the medium to long term. Against the backdrop of a harsh business environment, we will adhere strictly to a management policy of value creation by developing robust new products. To the very best of our abilities, we will endeavor to achieve results that exceed established numerical targets.

In addition to reflecting consolidated performance trends, dividend levels will be determined after taking into consideration such factors as the amount of cash required for M&A, capital, and R&D investment to support measures aimed at increasing the Company's corporate value in the future. In addition, adequate buybacks will be undertaken after flexibly considering the situation of cash flows and stock prices. Having changed the Company's policy of targeting a return to shareholders ratio of over 25%,

which represents the ratio of total cash dividends and acquisition of treasury stock to net income attributable to FUJIFILM Holdings, the Company set the dividend payout ratio at over 25%, putting more emphasis on cash dividends.

As a part of efforts to further bolster the Company's management structure with the aim of achieving VISION80, and again picking up the pace of growth strategy implementation, I was appointed Chairman, Representative Director and CEO, and Shigehiro Nakajima, former Representative Director, Executive Vice President, was appointed President, Representative Director and COO. These appointments took effect at the conclusion of the Company's Board of Directors' meeting following the 116th Annual General Meeting of Shareholders.

Under the new structure, the Chairman, Representative Director and CEO as the Company's senior executive has ultimate decision-making authority and responsibility over management issues. The President, Representative Director and COO maintains responsibility for overall business execution under the Company's overarching management policy. While the roles of CEO and COO are clearly apportioned to the Chairman and President, respectively, both CEO and COO collaborate closely with one another with the aim of bolstering the management structure and realizing corporate growth.

While maintaining high expectations of the Company over the medium and long terms, we kindly request your continued support and understanding.

Shigetaka Komori
Chairman and Chief Executive Officer
July 2012

CEO Interview

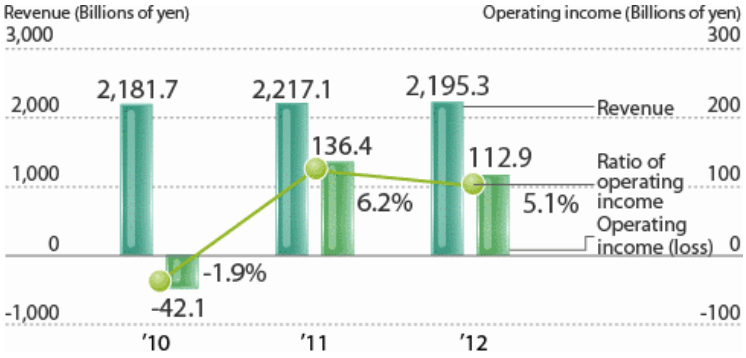
Q1 How would you evaluate the Fujifilm Group's performance for the fiscal year under review?

A1 Excluding external factors, I am convinced that we are now firmly entrenched in a growth trajectory.

During the fiscal year ended March 31, 2012, we were forced to downwardly revise our consolidated earnings forecasts identified at the beginning of the period on two separate occasions. In line with these adjustments, the Fujifilm Group reported a year-on-year decline in both revenues and earnings for the fiscal year under review. Despite the release of new products and efforts to bolster initiatives aimed at increasing sales in response to emerging country market growth, this downturn was attributable to such factors as appreciation in the value of the yen, the drop in demand in Japan owing mainly to the earthquake disaster, and the floods in Thailand. Taking the aforementioned into consideration, consolidated revenue contracted ¥21.8 billion compared with the previous fiscal year. Exacerbating this decrease in revenue, the impact of the strong yen, the surge in raw material prices and other factors pushed down earnings. Operating income for the period under review fell ¥23.5 billion year on year.

Converting the relevant data based on foreign currency exchange rates and raw material price levels in the fiscal year ended March 31, 2008, when the Company last reported a record high profit of ¥207.3 billion, consolidated revenue and operating income for the fiscal year ended March 31, 2012 come in at ¥2,562.4 billion and ¥208.8 billion, respectively. Drawing on these results, I am confident that the Group is firmly entrenched in a growth trajectory and that its products remain competitive. Looking ahead, business conditions are projected to remain difficult. Under these circumstances, we recognize the need to boost earnings as an urgent pending issue.

Trends in Revenue, Operating Income (Loss) and Ratio of Operating Income



Years ended March 31

Q2 Given the forecast harsh business environment, what steps will you take to ensure revenue growth?

A2 We will establish robust pillars of business in three core fields and promote a global growth strategy.

Against the backdrop of an operating environment that is becoming increasingly harsh, we will push forward our medium-term management plan VISION80 in order to demonstrably increase earnings. Under VISION80, the Group will focus on priority business fields in which Fujifilm can take full advantage of the significant potential of its proprietary technologies, and promote global business development mainly in emerging countries that are enjoying uninterrupted growth. Through these means, we will work diligently to boost revenues while increasing our market share. Among a number of priority business fields, we have identified three as growth strategy pillars namely healthcare, highly functional materials, and document solutions. Particular emphasis will be placed on raising earnings in each of these three core fields.

The healthcare field, which is comprised of the medical systems, life sciences, and pharmaceuticals businesses, has been identified as a long-term growth pillar. In this priority field, we will endeavor to develop robust products that cover prevention, diagnosis, and treatment, thereby driving up sales.

The highly functional materials field is mainly comprised of electronic materials, industrial products, and flat panel display materials. In this field, we will continue to derive earnings from profitable flat panel display materials, a mainstay Group business in which Fujifilm boasts a high global market share. At the same time, we will expand business by successively releasing new products that harness the Group's potent proprietary R&D capabilities in the functional materials field including such film-based functional coating substances as sensor films for touch panels and PET film for back sheets for use in solar cells.

Turning to the document solutions field, which is essentially the domain of Group company Fuji Xerox Co., Ltd., we will maintain and reinforce our office products business, which is positioned at the heart of our earnings platform, by accelerating expansion of the solutions business. We will also focus on expanding growth domains including our global services and production services businesses. Complementing these efforts, we will take bold steps to shift resources to China and other emerging countries. This is expected to further boost growth.

Q3 How will you expand business in the healthcare field, which is earmarked for particularly strong growth?

A3 We will generate synergy benefits by combining Fujifilm's proprietary technologies with the technologies of companies acquired through M&A, and harvest results in the form of increased revenues and earnings.

Healthcare-related market needs continue to increase and we view healthcare as an extremely important 21st century industry. In the diagnosis field, we draw from our proprietary imaging technologies to develop products and services. In the areas of prevention and treatment, we have also made full use of our technologies to develop, manufacture, and deliver distinctive cosmetics, supplements, and pharmaceuticals. While the healthcare field is positioned as a long-term pillar, we will continue to promote expansion with a sense of urgency.

In the medical systems business, we will further strengthen sales in the digital radiography (DR) and network system fields. In March 2012, we acquired SonoSite, Inc., a manufacturer of point-of-care ultrasound devices and products based in the U.S. The company was included in our scope of consolidation as a wholly owned subsidiary. With this initiative, we plan to enter the point-of-care ultrasound device market, which is experiencing remarkable growth, in earnest.

The life science business offers a variety of opportunities. Moving forward, we will upgrade and expand our lineup of cosmetics and supplements while picking up the pace of overseas business development in such countries and regions as China, Southeast Asia, and Europe.

In addition to increasing sales of Toyama Chemical Co., Ltd. products, we have submitted an application for manufacturing and marketing approval in Japan of the T-705 drug candidate under development for application as an anti-influenza viral drug with a confirmed unique action mechanism compared with existing therapeutic drugs in the pharmaceutical product business. In March 2012, we established a joint-venture company with Kyowa Hakko Kirin Co., Ltd. to engage in the development, manufacture, and sale of biosimilars. The goal is to secure a leading position within the biosimilar pharmaceuticals market, which is expected to witness high rates of growth. Activities in the pharmaceutical business are prioritized toward the development of products in fields such as cancer and rheumatism where effective treatments are yet to be found as well as regenerative medicine. Investment in the development of pharmaceuticals is based on a long-term outlook. While the pharmaceutical product business is characterized by the extended amount of time required for clinical trials, we are confident that significant results will accrue over the next several years.

Q4 How do you intend to bolster your global development activities?

A4 We will endeavor to expand growth businesses by establishing deeply rooted ties within emerging country markets.

Recognizing that emerging country markets offer considerable potential for growth, we view such countries and regions as the BRICs, Turkey, the Middle East, and Southeast Asia as priority areas. Under VISION80, we are accordingly injecting human resources, funds, and other management resources into these areas and bolstering our sales and marketing structure by setting up local companies.

In September 2010, we established a local company in Dubai to accelerate and expand sales of digital cameras to strengthen the marketing functions and to substantially shorten product delivery lead times. We set up a succession of local companies in the Ukraine, South Korea, Indonesia, and the Republic of South Africa in July 2011, September 2011, October 2011, and May 2012, respectively. Complementing efforts to expand sales channels and engage actively in advertising and promotion, we are undertaking marketing that is deeply rooted in the markets of each country.

In the medical systems business, we established a direct-sales structure through the acquisition of a sales agency for endoscopy products in Turkey in February 2011. Later, in September 2011, we set up a local company in Vietnam. Conscious of the need to swiftly adapt to changes in market conditions, we are reinforcing local marketing activities. At the same time, every effort will be made to bolster after-sales service structures in support of device and system sales going forward.

In the document solutions business, we have built a robust direct-sales structure in China, Asia and Oceania, positioning China as our largest production base. Looking ahead, we will expand sales of compact office printers and multifunction devices released for the small office market in emerging countries. At the same time, we will work to bolster our channel sales capabilities in addition to our direct-sales structure. Moreover, we will further strengthen our functions from product planning through to development in China to develop products that match local needs in a timely manner, with an eye to the potential of large volume sales in other emerging countries in addition to China. On April 2012, we opened a China Office in Shanghai to support development activities in China. Moving forward, we are working to gather detailed information on the functions and quality required by the market while boosting technological support and marketing.

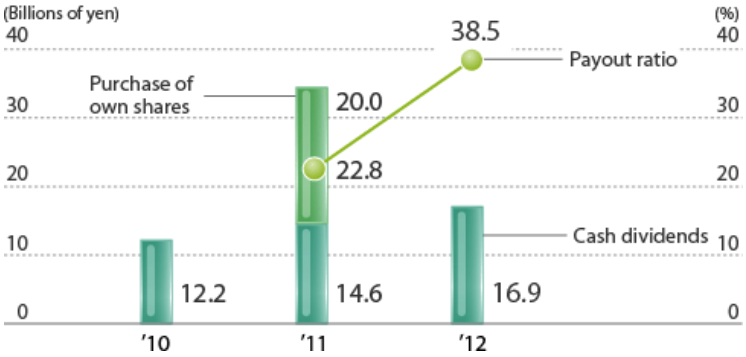
Q5 Please tell us about your policy toward the return of profits to shareholders.

A5 While maintaining a payout ratio of 25% or more, we will strive diligently to return profits to shareholders.

Despite harsh operating conditions, our focus on returning profits to shareholders remains unchanged for the fiscal year ended March 31, 2012. In addition to the interim cash dividend of ¥17.50 per share, we intend to pay a fiscal year-end cash dividend of ¥17.50 per share for an annual cash dividend of ¥35 per share. At 38.5%, this represents a substantial increase over our target payout ratio of 25% or more.

Guided by VISION80, we will continue to improve asset efficiency and emphasize the active return of profits to shareholders in the fiscal year ending March 31, 2013. With an underlying policy of maintaining a payout ratio of 25% or more, we plan to pay an annual cash dividend of ¥40 per share for the fiscal year ending March 31, 2013, an increase of ¥5 per share year on year. Based on performance forecasts, this translates to a payout ratio of 29.6%. Looking ahead, we will continue to promote the return of profits to shareholders after taking into consideration our cash position and investment plans.

Trends in Cash Dividends and Share Buybacks



Years ended March 31

Greetings from the COO

Enhancing Our Frontline Capabilities the World Over and Realizing Global Growth

Having recently taken up the post of President and Chief Operating Officer, I would like to take this opportunity to make a few comments.

I first joined the Company in 1973 and began my career as an engineer in the photographic materials production department of Ashigara Plant. Thereafter I was involved in the establishment of a production company in the Netherlands and have been deeply engaged in the *monozukuri* (production) process primarily in the field of photographic research and production.
After serving as president of the aforementioned production company, I oversaw the Group's activities in Europe for a period of three years from 2007. My duties entailed supervising the Group's sales and marketing activities and the development of the Group's products in general across Europe. This included digital cameras, photo-related products focusing on photographic films, graphic arts products and medical devices. Since returning to Japan in 2010, I have served as the Company's Representative Director, Executive Vice President and General Manager of the Emerging Countries Business Development Office as well as General Manager of the Corporate Planning Division.

In recent years, FUJIFILM Holdings has steered a new course and taken steps to bring about a transformation in its operations in growth fields as a part of efforts to overcome the robust trend toward digitization. There are clear indications that the Company has successfully effected a change in its business content and is reaping the rewards through steady growth. Without doubt, recent reforms are taking us down the right path. At the same time, it is equally apparent that our fortunes remain affected by such external factors as prolonged appreciation in the value of the yen and sharp hikes in raw material prices. For these reasons, our success to date merely brings us to a halfway point along our journey to our final destination. Against this backdrop, our ability to achieve VISION80 as the driving force behind our transformation and to further accelerate the implementation of growth strategies are major issues for the Group going forward. Having taken up the reigns at this critical juncture and charged with the responsibility of overseeing the execution of initiatives aimed at further growth, I am filled with a renewed resolve while bracing myself against the tasks that lie ahead.

As COO, I plan to enhance our frontline capabilities across the four core areas of development, production, sales and personnel. In this context, FUJIFILM Holdings is currently confronted by the need to fully address four key issues: (1) to strengthen its sales and marketing capabilities; (2) to bolster the cost competitiveness of its products which entails such factors as the reduction of frontline production as well as procurement and other costs; (3) to boost R&D and enhance efficiency; and (4) to improve the added-value productivity of back-office departments. FUJIFILM Holdings boasts a substantial number of unique and "number one" products that harness its outstanding technological prowess. In order to achieve the "number one" position in terms of profitability and to genuinely become a leading global company, it is imperative that the Company overcome the aforementioned four key issues.

Having gained many years of production frontline experience, I am acutely aware of Fujifilm's inherent *monozukuri* capabilities and its ability to manufacture products of the highest quality using advanced proprietary technologies. With many years in the

Shigehiro Nakajima

President and Chief Operating Officer

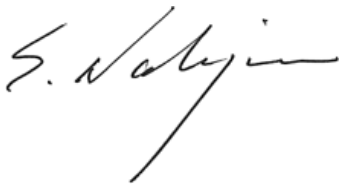
Profile

Joined Fuji Photo Film Co., Ltd. in 1973. Appointed General Manager of the Ashigara Factory No.3 Division in 2000 and General Manager of Fuji Photo Film B.V. in 2004. Appointed Corporate Vice President of Fuji Photo Film Co., Ltd. and Managing Director of Fuji Photo Film B.V. in 2005. After serving as Managing Director of FUJIFILM Europe GmbH (in Germany) from 2007, took up the position of Director of FUJIFILM Holdings Corporation, and Director, Senior Vice President and General Manager of the Emerging Countries Business Development Office of FUJIFILM Corporation in 2010. Has been serving as Representative Director, Executive Vice President of FUJIFILM Holdings Corporation and FUJIFILM Corporation since 2011. Appointed to the position of President, Representative Director and COO of FUJIFILM Holdings Corporation and FUJIFILM Corporation in 2012.

Netherlands and Germany, I am also aware of overseas business practices. Drawing on these qualities as an engineer as well as the knowledge and skills gained from overseas experience, I will endeavor to fulfill your expectations.

FUJIFILM Holdings took the lead among Japanese companies to promote overseas business development at an early stage. Despite this pioneering status, it is evident that increased emphasis must be placed on global expansion if we are to indeed secure additional growth. Under these circumstances, it is my mission to expand the Group's business by capturing demand in growing global markets including emerging countries. Irrespective of nationality within the Group's global network, it is equally important that we deploy human resources in an effective and efficient manner and to further enhance our frontline capabilities the world over.

Moving forward, I will work closely with the chairman and CEO to ensure that we bring to fruition both our corporate philosophy and VISION80. As we strive to achieve our established goals, I kindly request your continued support and understanding.



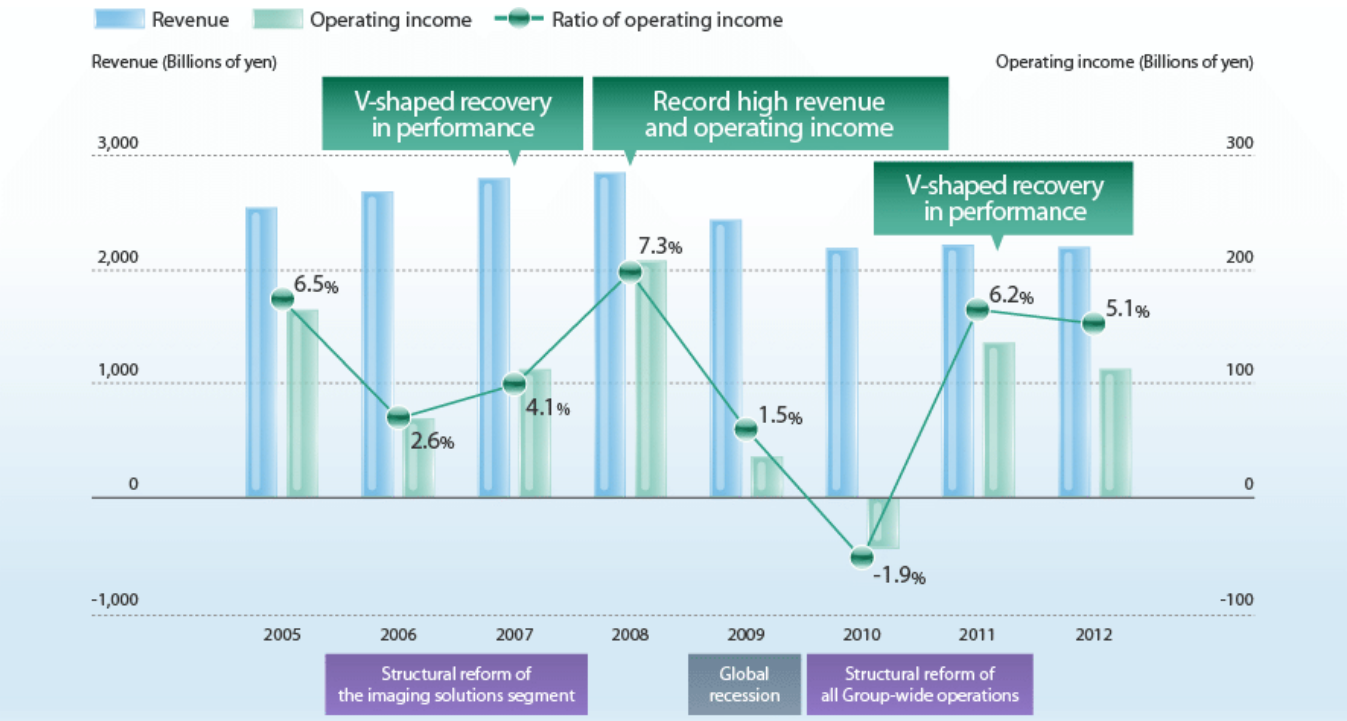
Shigehiro Nakajima
President and Chief Operating Officer
July 2012

A History of Corporate Innovation

Against the Backdrop of Rapid Digital Technology Development

The 21st century has in its early stages witnessed rapid development in the ongoing evolution of digital technologies. As a result, global demand for color films, flagship products that have for many years underpinned Fujifilm's earnings, entered a rapid downward spiral after having peaked in 2000. At this juncture, the Fujifilm Group decided to take decisive action undertaking structural reform of its Imaging Solutions segment while at the same time channeling management resources to priority business fields. Through these means, the Group substantially transformed its business structure and secured V-shaped recovery in performance.

In the fiscal year ended March 31, 2009, the global economy suffered from an unprecedented recession triggered by a financial crisis. From the fiscal year ended March 31, 2010, the Group worked swiftly to implement further Group- and division-wide structural reforms, successfully establishing a corporate constitution that is capable of generating stable profits.



Years ended March 31

The Fiscal Year Ended March 31, 2005 to the Fiscal Year Ended March 31, 2009 V-Shaped Recovery in Performance and a Global Recession

Guided by Its Medium-Term Management Plan, Achieving Record High Revenue and Operating Income in the Fiscal Year Ended March 31, 2008

In line with the rapid trend toward digitization, sales of photographic film contracted from 2001 at a greater than anticipated pace. In order to address these difficult circumstances, Fujifilm drew up VISION75, its medium-term management plan in 2004. Under this plan, we have undertaken decisive structural reforms focusing mainly on the Imaging Solutions segment, promoted growth strategies through concentrated capital investment in priority fields and M&A, shifted to a holding company structure and bolstered consolidated management by optimizing Group synergies.

As a result of these initiatives, the Fujifilm Group successfully secured V-shaped recovery in performance culminating in record high revenue and operating income in the fiscal year ended March 31, 2008. Immediately thereafter, however, conditions deteriorated rapidly due mainly to the serious downturn in global economic conditions from autumn 2008. This resulted in an inevitable sharp drop in performance.

The Fiscal Year Ended March 31, 2010 to the Fiscal Year Ended March 31, 2011 Structural Reform

Structural Reforms Completed in the Fiscal Year Ended March 31, 2011 Promoted Growth Strategies Underpinned by a Robust Corporate Constitution

From the fiscal year ended March 31, 2010, the Fujifilm Group unhesitatingly implemented comprehensive structural reforms while conducting stringent cost and expense reductions throughout the Group. Through these measures, we substantially reduced fixed costs and increased asset turnover. At the same time, we improved our profit ratio and built a robust corporate constitution.

Under our VISION80 medium-term management plan, which covers the two-year period ending March 31, 2014, we are currently maintaining our insistence on expanding sales. In addition to emerging markets, we are also selectively channeling management resources into three business fields that offer high growth potential and the opportunity to fully capitalize on our technological and product strengths. Through these means, we are endeavoring to secure further growth and development.

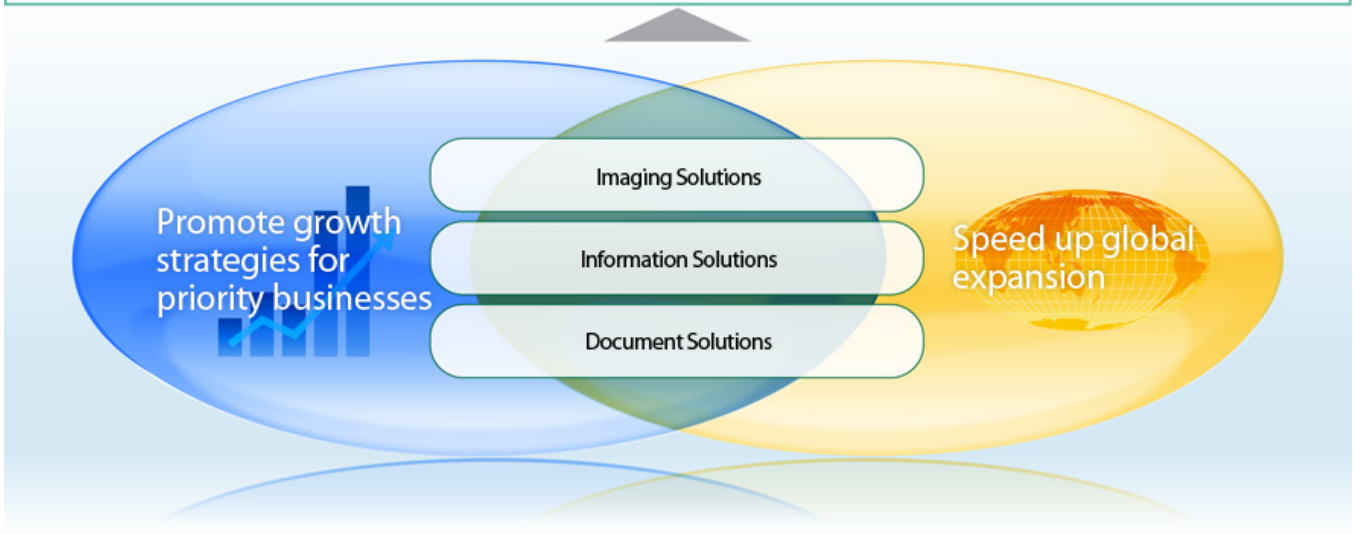
Special Feature

Medium-Term Management Plan VISION80

Moving steadfastly toward its 80th anniversary in the fiscal year ending March 31, 2014, and its next major leap forward, the Fujifilm Group will promote growth strategies for priority businesses and speed up global expansion.

Performance and Management Objectives for the Fiscal Year Ending March 31, 2014

Revenue	Operating Income
¥2,500.0 billion	¥180.0 billion

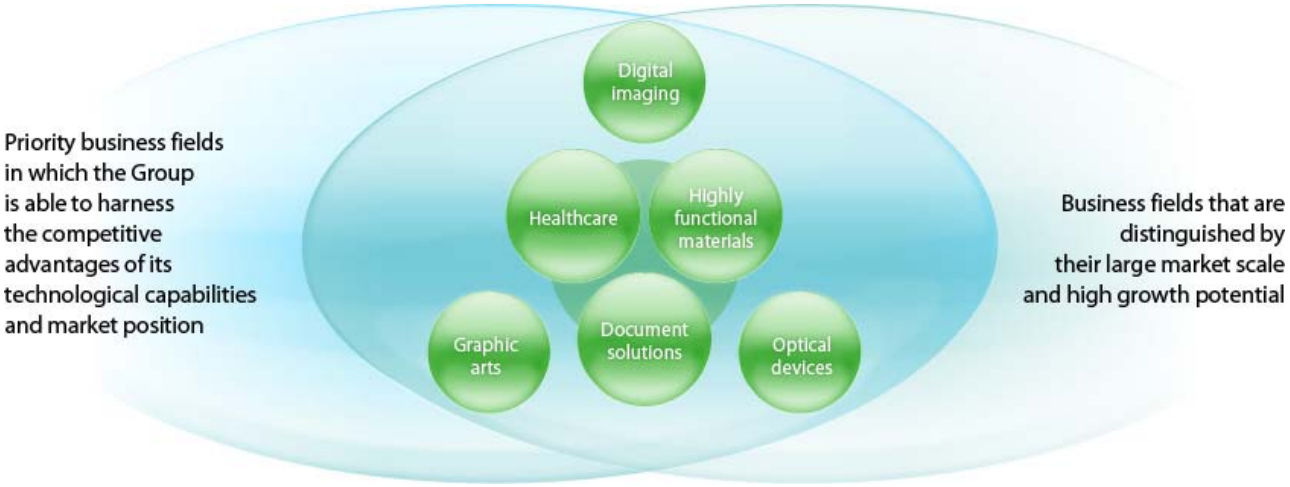


Overview of the Medium-Term Management Plan

The Fujifilm Group completed a two-year process of structural reform that began in the fiscal year ended March 31, 2010 as a part of efforts to build a corporate constitution that is capable of generating a steady profit stream even in a harsh operating environment. In October 2011, the Group launched the new VISION80 medium-term management plan, which covers the two-year period through to the fiscal year ending March 31, 2014, in the lead-up to the Group's 80th anniversary. By promoting growth strategies for priority businesses and speeding up global expansion, the Group will target revenue of ¥2,500 billion and operating income of ¥180 billion in the final fiscal year of the plan together with an ROE of at least 5%.

Promoting growth strategies for priority businesses

Selectively concentrating management resources into three of the Group's six priority business fields



In order to secure sustainable growth amid a harsh economic environment, the Fujifilm Group recognizes the important need to focus on business fields that are distinguished by their large market scale and high growth potential, and in which it is able to harness the competitive advantages of its technological capabilities and market position. The Group is therefore channeling its energies toward the six priority business fields of healthcare, highly functional materials, document solutions, graphic arts, optical devices, and digital imaging. Within these six priority business fields, the Group has identified healthcare, highly functional materials, and document solutions as its three growth strategy pillars.
Moving forward, the Group is selectively concentrating management resources into each priority business field and working to secure growth by providing products that are defined by their high quality and superior cost performance and that match the needs of the market.

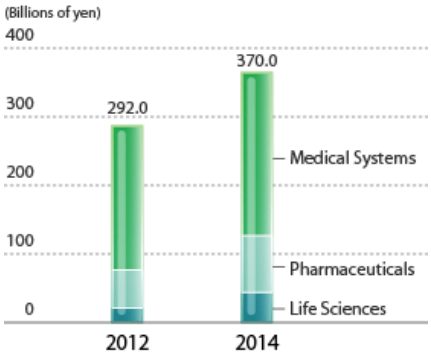
Realizing substantial growth in the healthcare field

Working to become a comprehensive healthcare company that covers prevention, diagnosis, and treatment

Comprised of the medical systems, life sciences, and pharmaceuticals fields, the Fujifilm Group has positioned healthcare as one of three growth strategy pillars. As a part of efforts to become a comprehensive healthcare company that covers prevention, diagnosis, and treatment, the Group is planning to lift revenue from ¥292.0 billion in the fiscal year ended March 31, 2012 to ¥370.0 billion in the fiscal year ending March 31, 2014.

In the medical systems field, the Group is promoting a shift in its profit portfolio from material-oriented businesses including X-ray films, where demand is showing signs of contraction, to network and equipment businesses. Drawing on the Group's image processing technologies that continue to attract wide praise from doctors, particular emphasis is being placed on revenue growth on the back of new and distinctive products and proposals that accurately reflect the needs of the medical frontline. The Group will also adhere strictly to its focus on profitability by working to

Revenue in the Healthcare Field (Actual Results for the Fiscal Year Ended March 31, 2012 to Plan for the Fiscal Year Ending March 31, 2014)



Years ended March 31

enhance development efficiency.

In the life sciences field, the Fujifilm Group will look to accelerate the global expansion of its *ASTALIFT* series of high-quality functional cosmetics, which today boast sales of ¥10 billion in Japan. The Group will endeavor to expand its business domain by launching unique products including supplements using proprietary technologies.

Leveraging its accumulated expertise and technology platform nurtured in the imaging field, together with aggressive M&A activity, the Fujifilm Group is aiming to become a unique company in the pharmaceuticals field by developing low-molecular drugs, biopharmaceuticals, and regenerative medical products. For more detailed information on this business, please refer to the Special Feature page.

Further expanding the highly functional materials business

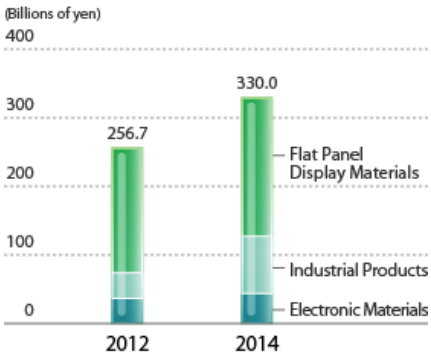
Securing earnings through existing products while continuously releasing a series of highly competitive new products

Boasting a leading global market share, the highly functional materials business, which is mainly comprised of electronic materials, industrial products, and flat panel display materials, is a core business of the Fujifilm Group. Every effort will be made to further expand the business by promoting continuous growth on the back of earnings in such existing domains as highly functional films for liquid crystal displays, and releasing a succession of new products that take full advantage of the Group's development capabilities. In specific terms, the Fujifilm Group is targeting revenue of ¥330.0 billion in the fiscal year ending March 31, 2014, up from ¥256.7 billion in the fiscal year ended March 31, 2012. Of this total, the Group is at a contribution of ¥50.0 billion from new products.

In its new product development and release activities, particular emphasis will be placed on fields that are expected to enjoy future growth. In specific terms, the Group will expand sales through the development of products that address the need for high functionality. This includes various touch panel materials for such rapidly growing markets as tablet PCs and smartphones, sensor films that realize super-low resistance, and *Color Mosaic* for image sensors. Moreover, the Group will also look to provide materials for the solar cell, including highly weather-resistant back sheet films, taking into consideration the upswing in demand against the backdrop of ever-present energy issues.

In existing domains including LCD TVs and monitors, conditions remain favorable on the back of demand growth in emerging countries as well as sustained interest in increasingly larger screens. Under these circumstances, the Fujifilm Group plans to widen its market share and secure stable earnings by delivering such highly functional materials as retardation films and films for expanding viewing angles. Turning to the electronic materials field, the Group will boost sales through high value-added products including cutting-edge ArF photoresists that address the need for ultrafine semiconductor circuitry and CMP slurries that are used in the precision polishing of semiconductor board surfaces.

Revenue in the Highly Functional Materials Field (Actual Results for the Fiscal Year Ended March 31, 2012 to Plan for the Fiscal Year Ending March 31, 2014)



Years ended March 31

Growth Fields

Field	Industrial and Electronic Materials	FPD Materials
	New product revenue target: ¥50 billion	
● Tablet PCs ● Smartphones	● Sensor films[1] ● *Color Mosaic* for image sensors[2]	● Materials for touch panels ● Materials for small- and medium-sized LCD panels
● Solar cells Other	● PET film for back sheets[3] Other	Other

Existing Business Fields

Fields	Industrial and Electronic Materials	FPD Materials
● LCD TVs and monitors		● *TAC film, WV film*
● Semiconductors	● Photoresists, CMP slurries and other semiconductor process materials[4]	

*1 Sensor film: An electricity-conducting transparent film applied material for use in such devices as touch panels
*2 *Color Mosaic*: A color photosensitive material applied in the manufacture of micro-color filters used in such image sensor devices as digital cameras
*3 Back-sheet PET film: A heat- and water-resistant back-sheet PET film used to protect outdoor solar cell panels
*4 Semiconductor processing materials: A variety of photosensitive and other materials used in the semiconductor manufacturing process

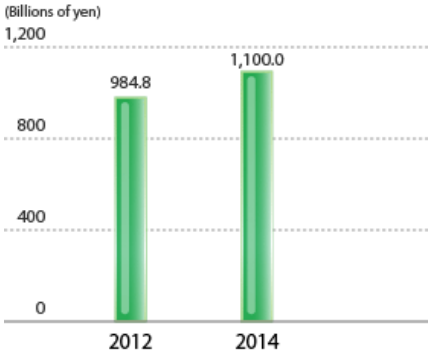
Further growth and profit improvement in the document solutions

Shifting to growing businesses and regions while maintaining and strengthening the earnings platform

Fuji Xerox Co., Ltd., the Group responsible for operations in the document solutions, has put in place a business strategy that focuses on both growth potential and profitability. To this end, the company is shifting its management resources and bolstering activities in growth businesses and regions while maintaining and strengthening its earnings platform. Looking ahead, the Fujifilm Group has identified the goal of achieving ¥1,100 billion in revenues in the fiscal year ending March 31, 2014, an increase from the ¥984.8 billion recorded in the fiscal year ended March 31, 2012.

The global services business, which helps global companies improve their productivity while reducing costs by outsourcing document-related operations, and the production services business, which provides digital printing systems and workflow support services, have been identified as growth businesses. Focusing on these businesses, Fuji Xerox Co., Ltd. will promote further growth by strengthening sales and marketing capabilities, expanding value-added services, and accelerating the development of solutions.

Revenue in the Document Solutions (Actual Results for the Fiscal Year Ended March 31, 2012 to Plan for the Fiscal Year Ending March 31, 2014)



Years ended March 31

The Group is endeavoring to accelerate business growth by boldly shifting management resources to China and other emerging countries, which are attracting attention for their remarkable expansion. In this manner, every effort is being made to pick up the pace of business growth. While bolstering worldwide competitiveness, considerable weight is being placed on boosting sales by expanding into low-end/quantity businesses that address market needs in emerging countries.

Accelerating reforms toward a new corporate constitution are vital for profitability and growth recovery in the document solutions. Moving forward, the Group will continue to engage in existing management innovation activities that focus on improving the cost of sales and R&D in order to build a robust cost structure. This is consistent with plans to nurture the document solutions business into the Group's core business both in terms of revenue and profit.

Digital imaging, graphic arts, and optical devices growth strategies

Expanding market share and sales while showcasing each field's strengths and market attributes

FUJIFILM X-Pro1

The Fujifilm Group is targeting annual revenue growth of 10% or more in the digital imaging field, which largely revolves around digital cameras, by expanding its lineup of high-end models and reinforcing global sales promotion.

In the high-end model *X Series*, which continues to attract wide acclaim from the market, sales were firm for the *FUJIFILM X-Pro1*, a premium interchangeable lens camera, and *FUJINON XF* interchangeable lenses released in February 2012 following on from the *FUJIFILM X100*, *FUJIFILM X10*, and *FUJIFILM X-S1*. In addition to an increase in average unit sales prices, the annual volume of units sold climbed year on year. Moving forward, every effort will be made to promote the appeal of the brand by reinforcing global sales promotion mainly in emerging countries and vigorously engaging in advertising and promotion activities.

Jet Press720

The Fujifilm Group is committed to strengthening supply chain management and adhering strictly to a policy of cost reduction. Through these means, the Group will expand its business scale while improving profitability.

In the graphic arts field, where the Fujifilm Group supplies printing materials including plate-making films, printing plates as well as equipment, considerable effort will be made to expand sales in the digital printing market by harnessing core ink jet print head and ink technologies. Beginning with the release of *Jet Press 720*, a next-generation inkjet digital printing system in Japan in 2011, the Group is attracting interest for its lineup of products that significantly enhance production efficiency in the printing process.

Taking into consideration growing awareness toward environmental issues, energies are being channeled toward increasing market share through the release

of environmentally conscious process-less plates and a system that contributes to the decrease in wastewater.

The Fujifilm Group is flexibly responding to changes in industry trends while shifting the core of its optical devices business, in which it provides a wide range of highly functional lenses, from lens units to higher value-added camera modules. At the same time, the Group is boosting sales in the security field, which is experiencing growth, as well as automotive-use lenses.

Speeding Up Global Expansion

Establishing local subsidiaries in emerging countries and bolstering the sales structure

Taking into consideration market maturity in Japan, speeding up global business development focusing on emerging countries that continue to expand remarkably is vital in securing sustainable growth. While the Fujifilm Group has historically worked to promote global growth in each of its businesses, under VISION80, the Group has positioned such emerging markets as the BRICs, Turkey, the Middle East, and Southeast Asia, where expectations of significant growth are high, as priority areas of operation, and will inject human, funding, and other management resources accordingly.

Steps will also be taken to establish local subsidiaries in an effort to clarify those issues specific to each region and to implement the necessary countermeasures. At the same time, particular emphasis will be placed on reinforcing development and production structures that match local needs. By improving the competitiveness of its products, the Fujifilm Group will further enhance its market presence and standing. Moreover, the Group will undertake optimal assignment of human resources throughout its global network. In addition to promoting the ongoing development of local employees, the Fujifilm Group will step up efforts to bolster the training and application of its Group-wide global workforce.

Boosting sales growth of medical products in Vietnam

FUJIFILM Corporation established FUJIFILM MEDICAL SYSTEMS VIETNAM Co., Ltd. (current FUJIFULM VIETNAM Co., Ltd. (FFVN)) in Ho Chi Minh City to further expand its medical business in the fast-growing economy of Vietnam in September 2011. This company commenced operations in October of the same year.

Endoscopy workshop

Having achieved a high annual economic growth rate of between 7 and 8% over the last few years, Vietnam has taken significant strides in putting into place a robust social infrastructure. In the medical sector, the Vietnamese government has been particularly active in the construction of medical facilities with the aim of improving the quality of medical care in the country. This is expected to trigger substantial growth in the medical product market. The establishment of FFVN is projected to greatly facilitate sales and marketing that is deeply rooted in the market. Extending beyond the needs of major hospitals, FFVN will also cover the medical equipment needs of small- and medium-sized hospitals in regional areas, which are forecast to expand in the future. Ultimately, this initiative is expected to contribute to the development of the medical sector in Vietnam.

The Fujifilm Group's local subsidiary participating in an endoscopy academic conference held in Vietnam

FFVN is focusing on introducing advanced medical equipment including digital X-ray diagnostic imaging systems and endoscopes. This in turn is allowing for more immediate diagnosis and surgical procedures, leading to increased examination and treatment efficiency while contributing to alleviating the burden on patients.

FFVN also arranges for physicians skilled in the use of Fujifilm's medical devices to travel to Vietnam to conduct workshops for local doctors. In addition to demonstrating product use, these workshops are designed to promote a better understanding of product benefits. Active steps are taken to enhance the Group's after-sales service structure. This entails detailed training at the time devices are delivered. Looking ahead, FFVN will continue with efforts that contribute to the development of the medical sector in Vietnam. Among a host of initiatives, and in similar fashion to Japan, FFVN will promote the importance of breast cancer examinations to public institutions and measures aimed at upgrading and expanding medical health checks.

Strengthening the sales and distribution functions in the Middle East and Africa through a local subsidiary in Dubai

Recognizing the inherent potential of the Middle East and Africa as early as the 1990s, FUJIFILM Corporation set up a representative office in Dubai, United Arab Emirates, a major metropolis in the Middle East in 1993. In September 2010, the company then established FUJIFILM Middle East FZE (FFME) to engage in sale, distribution and inventory management of digital cameras.

Participation in the Arab Health medical instrument exhibition

As a company that maintains a supply chain management function, FFME is significantly reducing the lead time between order and delivery. Coupled with vigorous marketing activities, this local subsidiary helped in almost doubling sales on a year-on-year basis in fiscal 2011.

Currently, the company handles far more than digital cameras. In addition to imaging products, industrial materials including non-destructive testing film, and products that encompass the graphic arts and medical systems businesses, FFME is responsible for the inventory management and sale of certain flagships products. At the same time, the company is bolstering its technology service structure which includes the introduction of new products into the market.

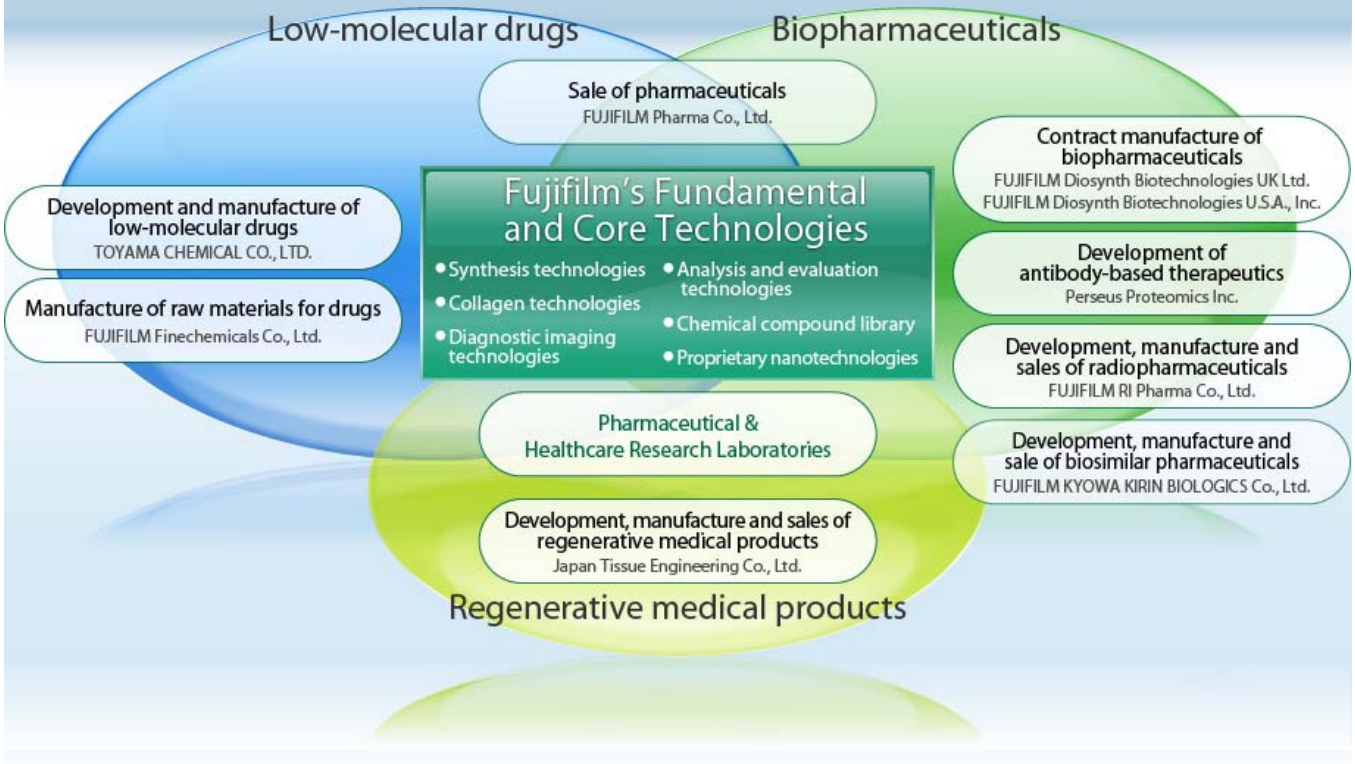
In the future, FFME will continue to play a central role in business development in the Middle East and Africa. The company will also work to address important pending issues including expansion of each product's supply chain management function, the promotion of marketing activities that help boost the FUJIFILM brand, and the strengthening of the service structure.

FUJIFILM X-Pro1 introduction seminar

Close Up

Strengthening Efforts in the Pharmaceutical Field

The Fujifilm Group is engaging in the development of unique pharmaceuticals that successfully combine the Group's proprietary technologies nurtured over many years and the technologies of other companies acquired through M&A.



FUJIFULM's Core Technologies

Promoting affinity with the pharmaceutical field

Through its wealth of technologies nurtured in the photography field and ability to develop high value-added chemicals, the Fujifilm Group maintains a close affinity with the pharmaceuticals field. Based on its longstanding R&D activities in photographic films, FUJIFILM maintains a library with over 200,000 varieties of chemical compounds. Significant potential therefore exists for advancement in new drug discoveries. At the same time, the Group's nanotechnologies that underpin its efforts to produce high-quality image photographic film are already being used to help enhance body absorption. In addition, technologies for the manufacture of collagen, a basic material used in the production of photographic film, are expected to play an important role in the field of regenerative medicine by facilitating the development and manufacture of scaffold materials* essential in cultivating skin and cartilage cells.

As people grow increasingly concerned about their health, the potential role that the Group's technologies can play in the pharmaceuticals field not only represents a significant business chance, but also a Group social mission. Taking each of the aforementioned factors into consideration, the Fujifilm Group entered the pharmaceutical product business in earnest in 2008. A pharmaceutical product business division was established in 2010. At the same time, steps were taken to set up the FUJIFILM Pharmaceutical and Healthcare Research Laboratories to provide a fundamental R&D platform. Complementing these endeavors, FUJFILM took proactive steps to pursue M&As and business alliances. These efforts have resulted in a number of

pharmaceutical manufacturers with top-level technologies in variety of fields joining the Group. Particular emphasis is being placed on promoting synergies with the Group's lineup of existing technologies. Accordingly, the Fujifilm Group is focusing on the development of pharmaceuticals and materials for regenerative medicine in each of the low-molecular pharmaceutical, biopharmaceutical and regenerative medicine fields from a unique viewpoint.

* Scaffolding material: an extracellular material that helps provide the conditions necessary for cells to properly bond and grow

Low-Molecular Pharmaceuticals

Promoting the twin pillars of new drug discovery and generic drug supply

The vast majority of existing pharmaceuticals are derived from low-molecular compounds with relatively small molecular mass and accordingly referred to as low-molecular drugs.

In 2008, TOYAMA CHEMICAL CO., LTD., a company with an outstanding new drug discovery track record and a high rate of product commercialization, was included in Fujifilm's scope of consolidation as a Group company. This marked the Group's full-fledged entry into the low-molecular pharmaceutical market. In the ensuing period, both companies have worked diligently to harness synergies utilizing mutual technological expertise and take full advantage of the Group's sound financial standing and network to develop promising new drugs. In this regard, the development of several new groundbreaking drugs including T-705, a medicine for the treatment of influenza infections, and T-817MA, a treatment for Alzheimer's disease, are attracting wide interest.

TOYAMA CHEMICAL CO., LTD.'s product lineup

In 2010, FUJIFILM Pharma Co., Ltd., a Group responsible for the sale of generic* and other drugs, commenced marketing activities. In the following year, the Group concluded a basic agreement with India-based Dr. Reddy's Laboratories Ltd., a world-class generic drug company, as an initial step in forming a business alliance. Taking into consideration their affordable price compared with original medicines, and increased recognition of their ability to reduce medical expenses at both the patient and national levels, global demand for generic drugs is in the rise. Looking ahead, the Fujifilm Group will continue to focus on development and expansion activities in this priority field.

* Generic drugs: drugs that offer the same efficacy manufactured and supplied by other pharmaceutical companies after the patent on the original drug has expired

Biopharmaceuticals

Promoting the discovery of biopharmaceuticals which are attracting considerable expectation from the medical frontline

Together with advances in biotechnology including biogenetics, the application of biopharmaceuticals made from cells and microorganisms is attracting growing attention. Expectations are high that biopharmaceuticals will deliver effective treatment with limited side-effects for such refractory diseases as cancer and rheumatism. As a result, the biopharmaceuticals market is forecast to experience dramatic growth.

The Fujifilm Group is working to actively expand its business in the biopharmaceuticals field. Steps have been taken to engage in distinctive M&A activity. For example, FUJIFILM RI Pharma Co., Ltd., a pioneer in the radiopharmaceuticals field with a history extending over 40 years, and Perseus Proteomics Inc., which boasts proprietary antibody production technologies, joined the Group in 2006 and 2008, respectively. The Group is vigorously promoting advances in the biopharmaceutical business by combining cutting-edge technologies in such fields as antibody-based therapeutics, which utilizes the immune function of the human body, and radiopharmaceuticals, which harnesses the biological effects of radiation, with the Group's leading analytic and quality management technologies nurtured in the photography business.

In 2011, companies undertaking contract manufacturing of biopharmaceuticals in the UK and US were included in the Group's scope of consolidation. Business commenced in the UK and US under the name FUJIFILM Diosynth Biotechnologies. Moreover, Fujifilm established FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd., a joint venture with Kyowa Hakko Kirin Co., Ltd. a leading manufacturer of biopharmaceuticals in Japan, in 2012 to develop, manufacture and market biosimilar pharmaceuticals*. Through these initiatives, the Fujifilm Group is endeavoring to enhance its presence and standing in the biopharmaceuticals market.

* Biosimilar pharmaceuticals: Pharmaceuticals that offer the same quality and efficacy as original biopharmaceuticals sold by other manufacturing and sales companies after the patents of original pharmaceuticals have expired

TOPICS Established a joint venture with Kyowa Hakko Kirin Co., Ltd. in an effort to secure a leading position in the expanding biosimilar pharmaceuticals market

Currently, the use of biopharmaceuticals that offer high efficacy with reduced side effects is steadily rising within the pharmaceutical market. Delivering essentially the same quality and efficacy as original biopharmaceuticals at a lower price, expectations toward biosimilar pharmaceuticals is also on the rise.

Announcing an alliance with Kyowa Hakko Kirin Co., Ltd.

The global biosimilar pharmaceutical market is projected to expand due to issues surrounding the sharp rise in medical expenses and the expiration of original biopharmaceutical patents over the period through to 2020. For this expansion to materialize, however, it is vital that biosimilar pharmaceuticals offer the same reliability and quality as original biopharmaceuticals at a reduced cost.

Against this backdrop, Fujifilm and Kyowa Hakko Kirin Co., Ltd. established FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd., each with an equal equity share, in March 2012 to develop, manufacture and market highly reliable, high-quality and competitive products in the biosimilars market.

The new company will combine both companies' accumulated technologies and know-how to create innovative production processes and achieve reduced costs while accelerating the pace of development. In this manner, every effort will be made to achieve a leading position in the growing biosimilar pharmaceutical market.

Regenerative Medicine

Accelerating R&D in regenerative medical materials by promoting technology synergies

Regenerative medicine which strives to regenerate body tissue and organs lost through illness or injury is attracting significant attention as a promising alternative treatment to artificial organs and transplants.

The Fujifilm Group has accumulated considerable knowledge and know-how in such high polymer materials as collagen, which is used as a basic material in the production of photographic film. High polymer materials are essential scaffold materials used to promote cell growth and accordingly are expected to play a critical role in the development of regenerative medicine. Utilizing this knowledge and know-how and in an effort to resolve the issues currently confronting regenerative medicine, the Fujifilm Group entered into a business alliance with Japan Tissue Engineering Co., Ltd., a regenerative medicine pioneer in Japan.

Japan Tissue Engineering Co., Ltd. is the only bio-venture in Japan that deals in tissue-engineered regenerative medical materials and as such boasts an outstanding track record and reliability. Tapping into the company's abundant regenerative medicine technologies and know-how and promoting their use in combination with the Group's core technologies encompassing collagen, fine formation and bio-imaging, this alliance is expected to significantly accelerate R&D into regenerative medical materials.

Review of Operations and Results for the Fiscal Year Ended March 31, 2012

Imaging Solutions

Operating Segments

Ratio of Revenue by Segment

Electronic Imaging

Delivering High-Sensitivity, High-Quality Image Digital Cameras

Centering on its *X Series* of premium cameras, Fujifilm is delivering a wide range of products that harness its unique technologies including lens, image sensors and image processors.

- *X Series* digital cameras
- Digital camera accessories

FUJIFILM X100

FUJIFILM X-Pro1

Color Films and Others

Supplying Photographic Films: an Inaugural Product Since the Company's Founding

Since successfully accomplishing domestic production of photographic films in 1934, Fujifilm has continued to garner both domestic and worldwide support.

- Color negative films
- *QuickSnap* single-use cameras
- Color reversal films
- Instant films

Color negative films

Color Paper and Chemicals

Providing Photographic Paper for Color Prints and Photofinishing Chemicals

In addition to existing paper for prints, Fujifilm is providing paper for such high-value-added printing needs as *Photobook*, a market that is exhibiting growth.

- Photographic paper for color prints
- Inkjet papers
- Photofinishing chemicals

Photobook

Labs and FDi Services

Providing Convenient and Easy-to-Use DPE Services

In addition to DPE services that accommodate orders placed through the Internet or at convenience stores, Fujifilm is addressing the wide-ranging Photobook, CD, DVD and related media needs.

- Film processing services/Photo printing services

Photo Finishing Equipment

Delivering Devices and Equipment for Use in Photo Studios and Labs

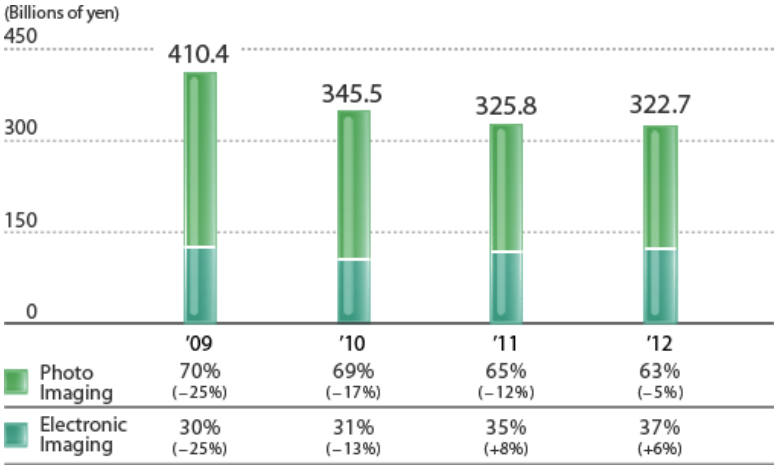
Fujifilm provides printing equipment that delivers high-quality images and production efficiency leveraging proprietary image processing technologies.

- Film processors / Printing equipment
  - Digital minilabs
  - Inkjet-system dry minilabs

Frontier DL600

Results for the Fiscal Year Ended March 31, 2012

Breakdown of Revenue



Note: Percentages in parentheses represent the year-on-year changes in revenue of each category.

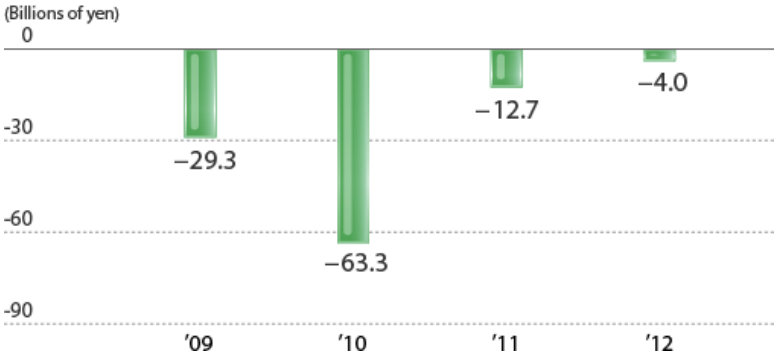
Years ended March 31

Reasons for Changes from '11 to '12

+ Robust sales of digital cameras particularly for high-end models

– Impact of appreciation in the value of the yen: -¥13.9 billion
- Impact of the earthquake disaster and flood in Thailand

Operating Loss



Note: Due to the reclassification of corporate expenses, operating income for the fiscal year ended March 31, 2010 has been restated.

Years ended March 31

Reasons for Changes from '11 to '12

+ - Successful cost reduction
- Increase in sales of high-end digital camera models

– Impact of yen appreciation and the rise in raw material prices

Although sales of digital cameras were robust, consolidated revenue amounted to ¥322.7 billion, down 1.0%, or up 3.3% excluding the impact of foreign exchange fluctuations from the previous fiscal year, due to the negative impact of such factors as yen appreciation, which caused a drop in consolidated revenue of ¥13.9 billion as well as the decrease in domestic demand associated with the Great East Japan Earthquake, and the flood in Thailand.

The segment's operating loss amounted to ¥4.0 billion, reflecting the negative impact of yen appreciation, surging raw materials prices, and other factors. However, this result was vastly improved from the previous fiscal year mainly due to successful cost reduction measures and an increase in sales of high-end digital camera models.

Photo Imaging (Color Films, Color Paper, Chemicals, Photofinishing Equipment, etc.)

Year in Review

Regarding the photo imaging business, while strong results from marketing activities of high-value-added printing services such as *Photobook* enabled a rise in net sales and the expansion of market share in the color paper business, the negative impact of yen appreciation, a decrease in domestic demand associated with the Great East Japan Earthquake, and other situations caused the segment's sales to decline.

Photobook

Future Initiatives

The Company will bolster its sales of high-value-added printing services including *Photobook*, which is forecast to experience growth in both developed and emerging countries. Emphasis will also be placed on expanding sales in the color paper business.

Electronic Imaging

Year in Review

Robust sales of new products centered on high-end products with special features based on exclusive technologies supported rises in Fujifilm's sales volume and average sales price, thereby boosting net sales.

Sales of the *X Series* of premium cameras were particularly robust. Following up on the *FUJIFILM X100*, a high-grade compact digital camera launched in March 2011 that offers image quality and expressive power superior to that of digital SLR cameras, Fujifilm expanded the *X Series* of premium cameras with the successive release of the *FUJIFILM X10* and *FUJIFILM X-S1* models in October 2011 and December 2011, respectively. Each of these three products was extremely well received. In February 2012, the Company introduced *FUJIFILM X-Pro1*, a premium interchangeable lens camera, along with *FUJINON, interchangeable XF Lenses*. These products are attracting particularly wide acclaim from the professional market.

FUJIFILM X100

FUJIFILM X-Pro1, *FUJINON XF Lenses*

Future Initiatives

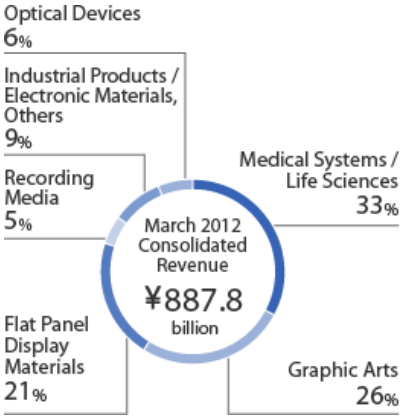
The Company will continue to bolster sales of high-end models including the *X Series*. Including *FUJIFILM X-Pro1*, Fujifilm will work to enhance its brand image by maintaining efforts to expand its lineup of high-end models.

At the same time, considerable weight will be placed on increasing sales by strengthening sales structures through the establishment of local overseas subsidiaries with a particular focus on emerging countries.

Information Solutions

Operating Segments

Ratio of Revenue by Segment



Medical Systems / Life Sciences

Total Prevention, Diagnosis, and Treatment Support

Beginning with the sale of X-ray films in 1936, Fujifilm has continued to provide the necessary instruments and IT systems that support the medical frontline across such diverse fields as X-ray diagnostic imaging, endoscopy and ultrasound diagnosis. In this manner, every effort is being made to ensure the ongoing development of diagnosis area. Moreover, Fujifilm is expanding its business scope by entering the fields of prevention that encompasses functional cosmetics and supplements as well as treatment, which is grounded in chemicals.

- Digital X-ray diagnostic imaging system: *FCR*, *DR*
- Digital mammography systems
- *SYNAPSE* medical-use picture archiving and communications systems (PACS)
- Dry imaging films/Dry imagers
- X-ray films
- Digital endoscopes
- Low-molecular pharmaceuticals
- Radiopharmaceuticals
- Functional cosmetics
- Nutritional supplement products

ASTALIFT functional cosmetics series

FCR PRIMA T

Transnasal endoscopes

SYNAPSE

Recording Media

Providing Large Capacity Recording Media Vital to Financial and Related Institutions

Fujifilm provides large capacity, high-integrity cartridges to accommodate the data backup needs of financial institution and research facility data centers, as well as professional-use videotape products and other recording media.

- *LTO Ultrium data cartridges*
- *Data Cartridges for IBM 3592*
- professional-use videotape products

LTO Ultrium 5 data cartridges

Optical Devices

Delivering Lenses for Various Uses

To meet the needs for high-quality images, Fujifilm uses its advanced optical technology and stable quality to deliver a wide range of lenses including lenses for mobile phones with camera function. In the market for television camera lenses, which require high-quality, Fujifilm maintains an approximate 50% global share.

- Camera phone lens units
- TV Camera lenses / Cine lenses
- Security lenses

TV camera lens, *DIGI POWER 101*

Graphic Arts

Delivering Printing Materials and Equipment to Worldwide Printing and Newspaper Companies

Fujifilm supplies plate-making films, proofing materials, pre-sensitized (PS) and computer-to-plate (CTP) plates as well as printing chemicals. Steps are also taken to develop and promote a broad spectrum of products in the high-growth on-demand printing and inkjet business fields.

- Materials and equipment for graphic arts
  - CTP plates
  - CTP plate setters
- Industrial inkjet printers/Inks
- Industrial inkjet printer heads

Wide-format UV inkjet systems

Industrial Products and Others

Providing Various Products in Growth Fields

Fujifilm provides various industrial-use materials and equipment including semiconductor processing materials and *Prescale Films*. Taking full advantage of its technological capabilities nurtured over many years, Fujifilm is actively developing new materials.

- Electronic materials
  - Photoresist products
- Ink for consumer-use inkjet printers

Flat Panel Display Materials

Providing Films Essential to Liquid Crystal Displays

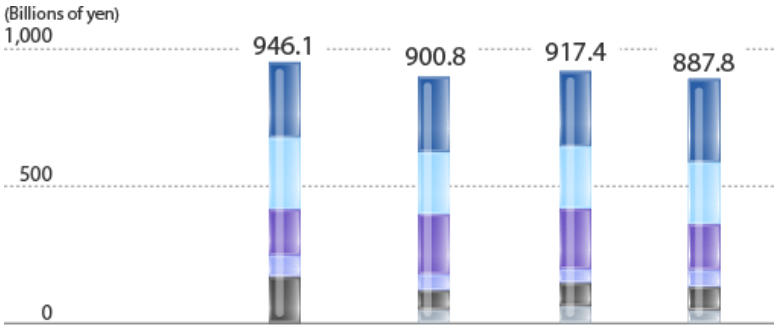
Fujifilm manufactures and markets the films used in polarizers for such electronic devices as LCD televisions, notebook personal computers, and monitors. Among its diverse lineup of products, *FUJITAC* maintains an approximate 70% plus share of the global market while *WV film* maintains an absolute market monopoly.

- *FUJITAC* protective films for polarizers
- *WV Films* for expanding viewing angles
- *Transer Films* for manufacturing color filters

FUJITAC

Results for the Fiscal Year Ended March 31, 2012

Breakdown of Revenue



	'09	'10	'11	'12
Medical Systems / Life Sciences	29% (−6%)	29% (−2%)	29% (+1%)	33% (+9%)
Graphic Arts	28% (−14%)	25% (−15%)	25% (+1%)	26% (−3%)
Flat Panel Display Materials	18% (−21%)	24% (+30%)	24% (+1%)	21% (−17%)
Recording Media	7% (−26%)	6% (−27%)	5% (−11%)	5% (+9%)
Industrial Products / Electronic Materials, Others	17% (−17%)	9% (−8%)	10% (+14%)	9% (−3%)
Optical Devices		7% (−28%)	7% (+6%)	6% (−20%)

Note: Percentages in parentheses represent the year-on-year changes in revenue of each category.

Note: Optical Devices for the fiscal year ended March 31, 2009 are included in Industrial Products / Electronic Materials, others.

Years ended March 31

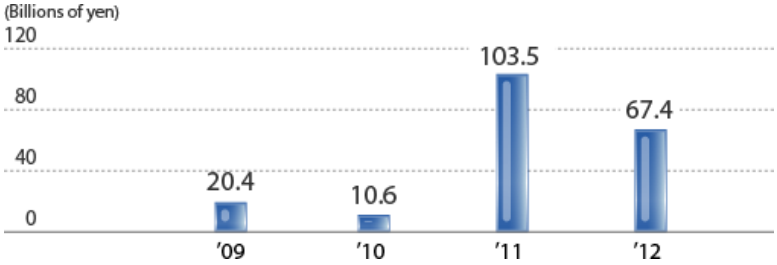
Reasons for Changes from '11 to '12

+ Strong sales of pharmaceuticals and cosmetics

− Impact of appreciation in the value of the yen: -¥23.1 billion

− Downturn in sales of flat panel display materials compared with the previous fiscal year when subsidy programs in Japan and China contributed to robust liquid crystal TV demand

Operating Income



Note: Due to the reclassification of corporate expenses, operating income for the fiscal year ended March 31, 2010 has been restated.

Years ended March 31

Reasons for Changes from '11 to '12

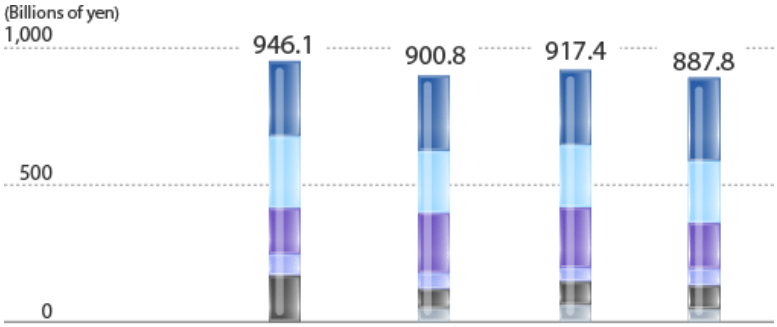
+ Successful cost reduction

− Impact of yen appreciation and the rise in raw material prices

− Decrease in sales of flat panel display materials

Results for the Fiscal Year Ended March 31, 2012

Breakdown of Revenue



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Years ended March 31

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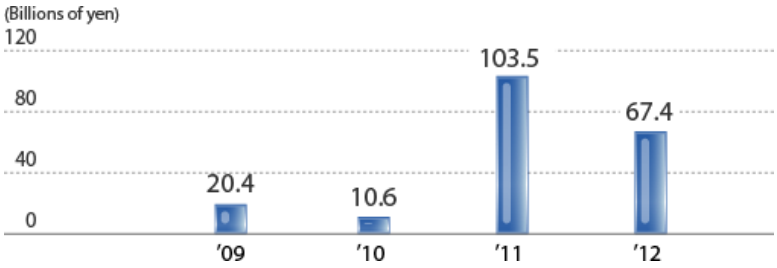
Operating Income



Note: Due to the reclassification of corporate expenses, operating income for the fiscal year ended March 31, 2010 has been restated.

Years ended March 31

Reasons for Changes from '11 to '12

+ Successful cost reduction

− Impact of yen appreciation and the rise in raw material prices

− Decrease in sales of flat panel display materials

Consolidated revenue amounted to ¥887.8 billion, down 3.2%, or down 0.7% excluding the impact of foreign exchange fluctuations from the previous fiscal year. Although sales in such growing business areas as the pharmaceutical product and life sciences businesses increased, the negative impact of yen appreciation, which caused a drop in consolidated revenue of ¥23.1 billion, and the decrease in domestic demand associated with the Great East Japan Earthquake, decrease in sales of the flat panel display (FPD) materials business and other factors caused the segment's sales to decline.
The segment's operating income amounted to ¥67.4 billion, down 34.8% from the previous fiscal year, reflecting a decline in sales, the negative impact of yen appreciation, surging raw materials prices, and other factors.

Medical Systems / Life Sciences

Year in Review

Sales in the medical systems business increased regarding robust sales of endoscope products, network system and other products.
In the modality field, Fujifilm sustained robust sales of *FCR PRIMA T*, a compact and relatively low-priced product in the *FCR* line, which was launched in September 2011. In November 2011, the Company launched *FUJIFILM DR CALNEO flex*, which is the first product of its kind in the world in which the DR panel itself automatically detects X-rays without the need for connection with an X-ray generator. Moreover, FUJIFILM Holdings acquired U.S.-based SonoSite, Inc., a manufacturer of bedside and point-of-care ultrasound diagnostic equipments, through a tender offer. SonoSite became a wholly owned subsidiary of Fujifilm in March 2012.

FUJIFILM DR CALNEO flex

Turning to the field of endoscope products, Fujifilm continued to record strong sales of transnasal endoscopes and related information management systems. In October 2011, the Company launched the *EG-580NW*, a transnasal endoscope that leverages newly developed image sensor and lens technologies to realize high image quality.
In the network system field, sales increased amid the steadily growing use of IT products by medical institutions. The Company's *SYNAPSE* medical-use picture archiving and communications systems have now been adopted by approximately 1,700 medical facilities in Japan. As a result, Fujifilm is maintaining its leading market share in this field.

ASTALIFT skin care series

ASTALIFT base makeup series

In the pharmaceutical product business, sales increased significantly on the back of robust results in *ZOSYN*, an antibiotic combination product incorporating a β-lactamase inhibitor, the oral new-type quinolone antibacterial agent *OZEX* fine granules, and the oral quinolone antibacterial agent *Geninax*. Taking another step forward, an application for the approval of *T-705*—a drug candidate being developed for application as an anti-influenza viral drug that features a different mechanism of action from that of existing therapeutic drugs—was submitted in Japan. The two contract manufacturers of biopharmaceuticals, which the Company acquired from U.S.-based Merck & Co., Inc., in March 2011, sustained robust sales. In addition, Fujifilm and Kyowa Hakko Kirin Co., Ltd. established the 50-50 joint-venture company FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd. to

MetabarrierNEO

Glucosamine & Collagen

undertake the development, manufacture, and sale of biosimilars, in March 2012.

In the life sciences business, sales increased owing to such factors as the launch of a base makeup product series within the *ASTALIFT* functional cosmetics products lineup in September 2011, and the proactive implementation of sales promotion activities for supplement products.

Future Initiatives

Fujifilm will focus on strengthening sales of medical-use picture archiving and communications systems and equipment in the medical systems business. Building on the high esteem in which the Company's image processing technologies are held by the medical profession, Fujifilm will continue to provide unique new products in the *FCR* and *DR* series, which further reduce exposure dosage, as well as transnasal endoscopes and other examination instruments that help minimize patient discomfort. Coupled with these endeavors, the Company will work to deliver high value-added services including diagnostic imaging support thereby increasing sales.

In the pharmaceutical product business, ongoing steps will be taken to expand sales of products such as *ZOSYN*, which continues to enjoy robust results. Plans are in place to further boost sales through the release of new products including *KOLBET Tablets*, an anti-rheumatism medication for which Toyama Chemical has acquired manufacturing and sales approval in Japan.

Fujifilm will strive to increase sales in the life sciences business by augmenting its lineup of *ASTALIFT* functional cosmetics and expanding sales regions. Currently, the Company is focusing on the overseas markets of China and Southeast Asia. In March 2012, sales commenced in France. Moving forward, Fujifilm will work to expand into the European market.

Toyama Chemical's Pipeline

Place: Japan

(As of June 2012)

Development No.	Therapeutic Category	Stage
T-614	Antirheumatic agent	Approval
T-705	Antiviral agent (Anti-influenza virus agent)	NDA (New Drug Application) filing
T-5224	Antirheumatic agent (AP-1 inhibitor)	Phase 2
T-3811	New type injectable quinolone synthetic antibacterial agent	Phase 1

Place: Overseas

(As of April 2012)

Development No.	Therapeutic Category	Stage	Region
T-3811	New type quinolone synthetic antibacterial agent	Preparing to file	U.S.A., Europe, Others
T-817MA	Treatment for Alzheimer's disease	Phase 2	U.S.A.
T-705	Antiviral agent (Anti-influenza virus agent)	Phase 2	U.S.A.
T-2307	Antifungal agent	Phase 1	U.S.A.
T-5224	Antirheumatic agent (AP-1 inhibitor)	Phase 1	–

FUJIFUILM group will conduct development in the foreign country.

Graphic Arts

Year in Review

Jet Press 720

In the graphic arts business, such factors as the negative impact of yen appreciation and a decrease in domestic demand for plate processing materials associated with the Great East Japan Earthquake caused a decline in net sales. With respect to the growing field of digital printing, in December 2011, Fujifilm launched the *Jet Press 720* next-generation inkjet digital color printing system, which realizes high image quality superior to that achievable with offset printing equipment. The Company also boosted sales by expanding its lineup of wide-format UV inkjet systems.

Future Initiatives

Fujifilm will continue to increase sales in the growing digital printing field. To this end, the Company will expand worldwide sales of *Jet Press 720* while upgrading its lineup of wide-format UV inkjet systems. Amid growing concern for the environment and calls to reduce environmental load, Fujifilm will take measures to expand sales and increase its market share in environmentally friendly products through the release of processless plates and the CTP *ECONEX SYSTEM*, which realizes reductions in developing solutions and other wastewater.

Flat Panel Display Materials

Year in Review

Regarding the flat panel display materials business, sales of *FUJITAC* and *WV film* products decreased compared with the previous fiscal year, when demand for LCD TVs was particularly strong owing to such factors as the Eco-Point system in

Japan. To respond to growing demand associated with *retardation film for VA mode* for large LCD TVs, Fujifilm inaugurated an additional *ultra-wide FUJITAC* manufacturing line in April 2011.

FUJITAC

Future Initiatives

In addition to securing sales in fields of particular expertise including *WV film*, Fujifilm will leverage the strengths of its broad product lineup that has addressed the demand for thinner and ultra-wide products through the introduction of *FUJITAC* as well as *retardation film for IPS mode* and *retardation film for VA mode*. By providing total customer support, the Company will increase its market share. Fujifilm will also continue efforts to expand production lines of ultra-wide films, with two new lines scheduled to commence operations by the end of fiscal year ending March 31, 2013. As these new facilities come online, one existing line will be devoted to the development of products for small- and medium-sized displays. Going forward, the Company plans to progressively strengthen its new product development and manufacturing capabilities for meeting rapidly expanding demand for films incorporated in tablet PCs and smartphones.

Industrial Products and Others

Year in Review

Regarding the recording media business, in the mainstay data storage media field, Fujifilm successfully engaged in the marketing of various products, such as enterprise data storage tape cartridges that employ unique barium ferrite particle technology to achieve the world's highest areal density on linear magnetic tapes, and overall sales increased.

LTO Ultrium 5 data cartridges

In the industrial products business, although the marketing of industrial-use X-ray films proceeded smoothly, sales declined, reflecting the negative impact of yen appreciation.

Sales in the electronic materials business increased, reflecting robust sales of such products as ArF immersion photoresists, image sensor-use *COLOR MOSAIC* products, advanced etchant/cleaners, and CMP slurries.

In the optical device business, Fujifilm sustained robust sales of broadcast-use TV camera lenses and other products, but a decrease in sales for camera phone lens units caused a decline in overall sales.

Future Initiatives

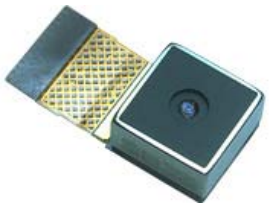
Regarding the recording media business, in tune with advances in information technology, the volume of unstructured data including images and Internet-based data is increasing dramatically. As a result, the demand for cost competitive and reliable long-term data archiving and storage is expanding. Taking into account their overwhelming low total cost compared with other recording media, magnetic

tapes are considered ideal for long-term storage. Expectations are therefore high that the use of magnetic tapes will balloon. In addition to boosting sales of magnetic tapes that employ a barium ferrite particle technology, Fujifilm will cultivate increased magnetic tape demand by promoting the development of products with higher areal density.

In the industrial products business, harnessing its proprietary technological strengths, Fujifilm will introduce a succession of new products to the market including *EXCLEAR*, a transparent conductive film, and highly weather-resistant PET film products for use in solar cells. Looking ahead, the Company will expand sales in touch panel as well as environment and energy fields, which are expected to experience growth.

In the electronic materials business, Fujifilm will focus on the production and sales expansion of semiconductor processing materials that offer significant growth potential including cutting-edge ArF immersion and negative tone imaging photoresists, CMP slurries, peripheral image sensor materials, and advanced etchants/cleaners.

In the optical device business, Fujifilm plans to increase sales by shifting its core products in the mobile phone lens field from conventional lens units to high value-added thin-model camera modules for smartphones that employ set components including lens unit, image sensors, and substrates.

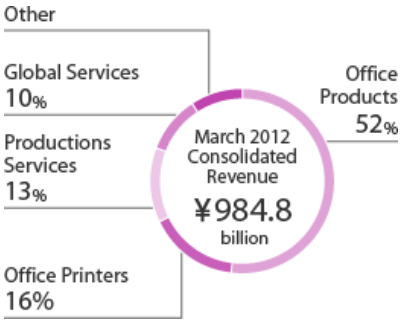


Thin camera module for smartphones

Document Solutions

Operating Segments

Ratio of Revenue by Segment



Office Products

Supplying Digital Multifunction and Other Devices to Offices

Fuji Xerox manufactures and markets office-use color and monochrome digital multifunction devices. Fuji Xerox strives to develop multifaceted document management and mission critical operations.

- Office-use color / monochrome digital multifunction devices
- *Fuji Xerox DocuWorks* document handling software

Fuji Xerox ApeosPort-IV C5575

Fuji Xerox DocuWorks 7.2

Production Services

Providing Systems for the Digital Printing Market and Continuous Feed Printers for Mission-Critical Operations

Fuji Xerox is leading the digital-print market through its high-speed, high-quality image digital printing system products.

- On-demand publishing systems
- Computer printing systems

Fuji Xerox 700 Digital Color Press

Office Printers

Pursuing Compact Printers that Deliver High Performance and Quality Images

Focusing mainly on its color lineup, Fuji Xerox is expanding sales of color and monochrome office printers in the Asia-Oceania region as well as the European and U.S. markets through OEM supply.

- Color / monochrome office printers

Fuji Xerox DocuPrint C3350

Fuji Xerox DocuPrint P300 d

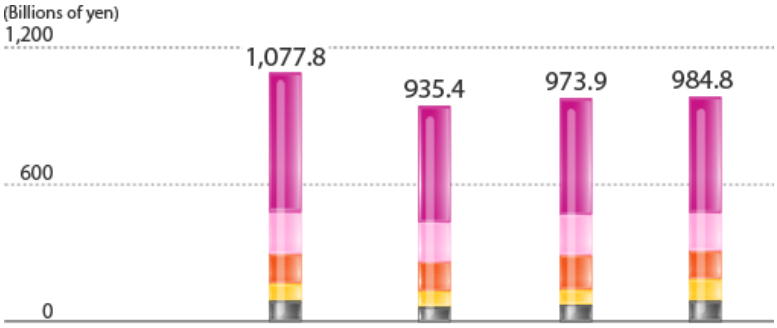
Global Services

Helping to Resolve Management Issues by Improving Company Document and Business Processes

Fuji Xerox is supporting customers mainly through its document-related outsourcing services. Through these means, Fuji Xerox is assisting companies seeking to develop their business overseas to increase productivity, reduce output costs, curtail environmental burden, and enhance security.

Results for the Fiscal Year Ended March 31, 2012

Breakdown of Revenue



	'09	'10	'11	'12
Office Products	55% (-10%)	53% (-15%)	52% (+2%)	52% (0%)
Office Printers	17% (-10%)	17% (-14%)	17% (+4%)	16% (-4%)
Production Services	13% (-9%)	13% (-10%)	13% (+7%)	13% (0%)
Global Services	9% (0%)	9% (-8%)	9% (+11%)	10% (+13%)

Note: Percentages in parentheses represent the year-on-year changes in revenue of each category.

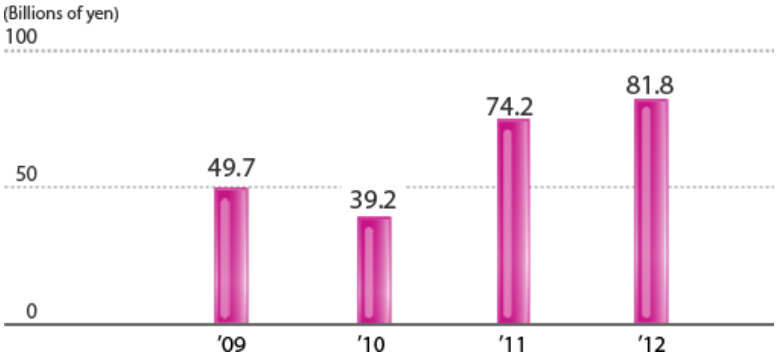
Years ended March 31

Reasons for Changes from '11 to '12

+ Sales continued to grow in the Asia-Oceania region

− Impact of appreciation in the value of the yen: -¥14.5 billion
− Impact of the earthquake disaster and flood in Thailand

Operating Income



Note: Due to the reclassification of corporate expenses, operating income for the fiscal year ended March 31, 2010 has been restated.

Years ended March 31

Reasons for Changes from '11 to '12

+ Increase in sales
+ Successful cost reduction

In the Document Solutions segment—although challenges were presented by such factors as yen appreciation of ¥14.5 billion, deteriorating economic conditions in Europe, and the flood in Thailand—the impact of the Great East Japan Earthquake was offset during the second quarter of the fiscal year, and strong sales in the Asia-Oceania region were sustained during the year. Consequently, consolidated revenue rose to ¥984.8 billion, up 1.1%, or up 2.6% excluding the impact of foreign exchange fluctuations from the previous fiscal year.

Despite expenses associated with the Great East Japan Earthquake and the flood in Thailand, the segment's operating income increased to ¥81.8 billion, up 10.2% from the previous fiscal year, reflecting improvements achieved regarding cost of sales and expenses as well as other factors.

Office Products

Year in Review

Regarding the office products business, in Japan, reflecting strong sales of full-color digital multifunction *Fuji Xerox ApeosPort-IV/DocuCentre-IV* series models, unit sales of full-color and monochrome products rose. While the number of copies being made decreased temporarily owing to the earthquake disaster and other factors, it turned into an increase and was higher for the fiscal year as a whole than in the previous fiscal year.
Increases were recorded in sales volume of full-color and monochrome models in the Asia-Oceania region and in shipment volume of full-color and monochrome models of exports to Xerox Corporation.

Fuji Xerox DocuCentre-IV C5575

Future Initiatives

Fuji Xerox will lead the market through a variety of initiatives including the delivery of a constant stream of products that boast outstanding energy conservation performance and a highly competitive product lineup. The Company will also boost sales by upgrading and expanding its solution proposals that address management issues including the need for strengthening information security and increased efficiency and improvements in operating workflows centered on document management and output. At the same time, Fuji Xerox will strengthen sales of products and services that employ cloud and mobile functions.
Outside of Japan, the Company will continue to channel its energies toward the Asia-Oceania regions, which are projected to experience further market growth.

Office Printers

Year in Review

In the office printer business, domestic sales volume of full-color and monochrome products considerably increased. Regarding exports to Xerox Corporation, the shipment volume of full-color and monochrome models increased.
In the Asia-Oceania region, the sales volume of color models increased, but the sales volume of monochrome models decreased.

Fuji Xerox DocuPrint CP200 w

Future Initiatives

Fuji Xerox will look to expand its low-end business by bolstering sales of low-priced compact multifunction devices and printers targeting small and medium-sized businesses. The Company will increase sales in the Asia and Oceania regions, which are projected to witness high rates of market growth, as well as exports to Xerox Corporation by introducing to the market highly competitive products distinguished by their cost performance. Focusing on China, Fuji Xerox will complement its direct-sales structure by expanding its sales network. In this manner, the Company will accelerate growth in its volume sales business.

Fuji Xerox DocuPrint CP105 b

Production Services

Year in Review

In the production services business, Fuji Xerox's overall domestic sales volume grew owing to a rise in sales of *Fuji Xerox DocuColor 1450 GA*, a full-color DTP multifunction device, aimed at the digital printing market, and the color on-demand publishing system *Fuji Xerox Color 1000 Press/Color 800 Press*.
In the Asia-Oceania region, sales of the *Fuji Xerox Color 1000 Press/Color 800 Press* were robust, and overall sales volume increased.
Regarding exports to Xerox Corporation, shipment volume decreased due to the deterioration of business confidence in Europe and other factors.

Future Initiatives

Against the backdrop of a digital printing market that is experiencing high rates of growth, Fuji Xerox is accelerating activities in this field by focusing on the expansion of its product lineup. This includes, for example, the commencement of sales in Japan as well as the Asia and Oceania regions of the *Fuji Xerox 2800 Inkjet Color Continuous Feed Printing System*, a high-speed, full-color inkjet printer, from August 2011. Harnessing the strength of its competitive product lineup that extends from the light production to high-end fields, the Company will work to expand sales. In addition, steps will be taken to enhance consulting services including marketing methods.

Fuji Xerox DocuColor 1450 GA

Fuji Xerox Color 1000 Press

Global Services

Year in Review

In the global services business, revenue in Japan and the Asia-Oceania region grew. From July 2011, Fuji Xerox has begun providing *Enterprise Print Services* in Japan and the Asia-Oceania region as well as strengthening and expanding its provision of services. This end-to-end enterprise document management outsourcing service helps companies better manage documents from the office to the in-house print center to remote/mobile printing.

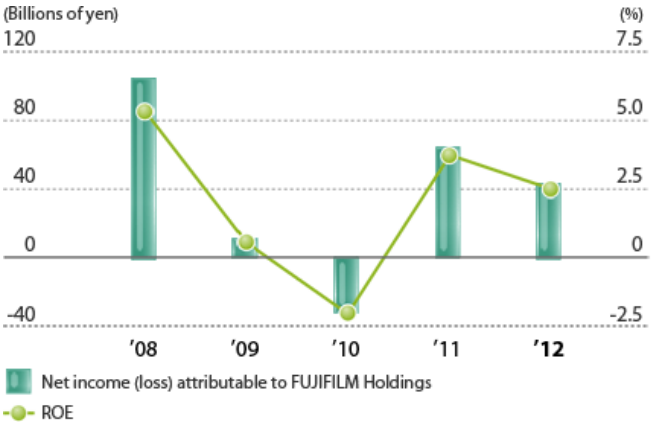
Future Initiatives

Fuji Xerox will continue to expand its global services as a growth business field. In Japan as well as the Asia-Oceania regions, the Company will work to optimize document-related costs and processes and optimize overall business processes by strengthening the provision of a variety of outsourcing services including *Enterprise Print Services*.
In collaboration with Xerox Corporation, Fuji Xerox will reinforce its efforts to provide services to global corporations as well as major companies, government authorities and educational institutions in each country. At the same time, the Company will not only target large companies, but also medium-sized enterprises.

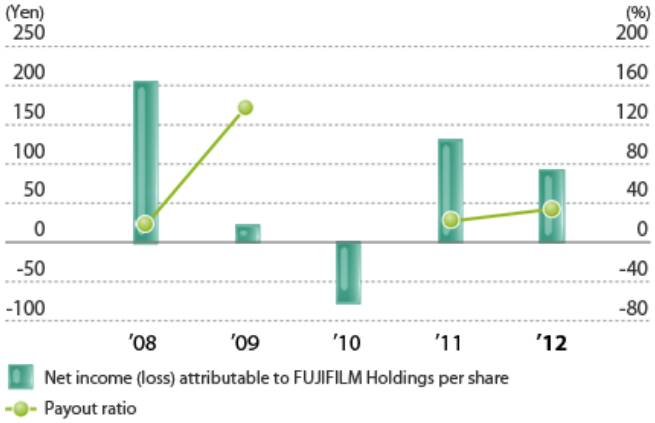
Financial Highlights

Revenue / Ratio of Operating Income

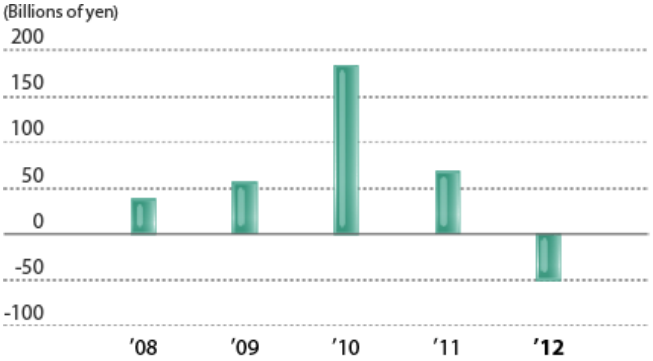
Net Income (Loss) Attributable to FUJIFILM Holdings / ROE



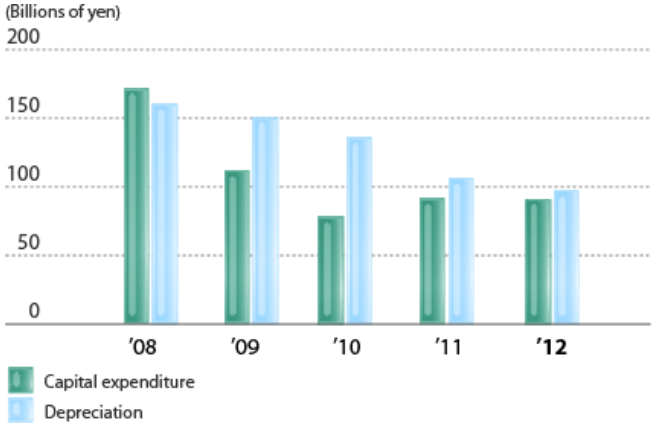
Net Income (Loss) Attributable to FUJIFILM Holdings per Share / Payout Ratio



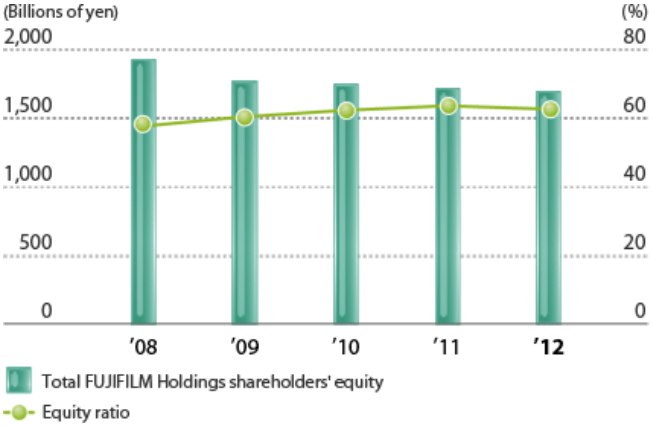
Free Cash Flow



Capital Expenditure / Depreciation



Total FUJIFILM Holdings Shareholders' Equity / Equity Ratio



Years ended March 31

Results of Operations

During the fiscal year ended March 31, 2012, consolidated revenue amounted to ¥2,195.3 billion, down 1.0%, or up 1.3% excluding the impact of foreign exchange fluctuations from the previous fiscal year. Despite the launch of new products and the Group's moves to step up sales promotion measures in response to growth in emerging countries' markets, the consolidated revenue decreased ¥21.8 billion, comparing to the previous fiscal year, reflected such factors as the negative impact of yen appreciation, which had the effect of reducing consolidated revenue by ¥51.5 billion, as well as the decrease in domestic demand caused by the Great East Japan Earthquake and the flood in Thailand.

The effective currency exchange rates for the U.S. dollar and the euro against the yen during the fiscal year under review were ¥79=$1 and ¥109=1 euro.

Domestic and Overseas Revenue

Domestic revenue amounted to ¥1,012.7 billion, down 2.1% year on year, and overseas revenue totaled ¥1,182.6 billion, marginally increased from the previous year.

Years ended March 31

Millions of yen

	2012	2011	2010	2009	2008
Domestic revenue	**¥1,012,685** **46.2%**	¥1,034,806 46.7%	¥1,059,395 48.6%	¥1,134,192 46.6%	¥1,259,506 44.2%
Overseas revenue	**¥1,182,608** **53.8%**	1,182,278 53.3%	1,122,298 51.4%	1,300,152 53.4%	1,587,322 55.8%
The Americas	**367,652** **16.7%**	368,213 16.6%	354,142 16.2%	447,677 18.4%	557,203 19.6%
Europe	**262,694** **12.0%**	260,543 11.7%	268,531 12.3%	350,548 14.4%	449,241 15.8%
Asia and Others	**552,262** **25.1%**	553,522 25.0%	499,625 22.9%	501,927 20.6%	580,878 20.4%
Consolidated total	**¥2,195,293** **100.0%**	¥2,217,084 100.0%	¥2,181,693 100.0%	¥2,434,344 100.0%	¥2,846,828 100.0%

Operating Expenses, Operating Income

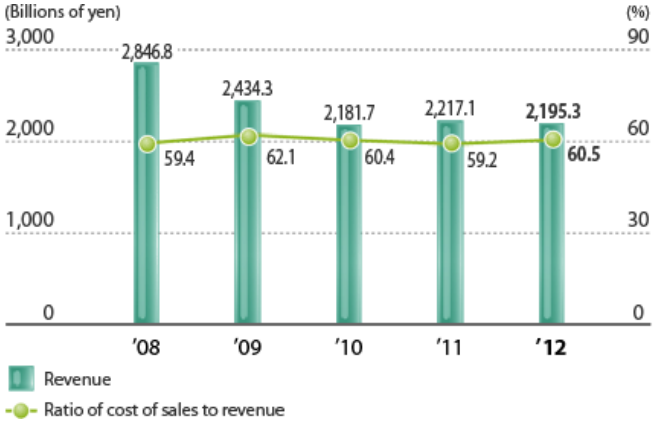
In the fiscal year under review, selling, general and administrative (SG&A) expenses increased 1.9% year on year to ¥581.4 billion, with the SG&A expense ratio improving 0.8 percentage points compared with the previous fiscal year to 26.5%. R&D expenses also increased 4.9% to ¥173.4 billion.

In addition, the yen appreciation had a negative impact of ¥9.9 billion and surges in prices of raw materials had a negative impact of ¥20.0 billion. As a result, operating income decreased 17.2% year on year to ¥112.9 billion.

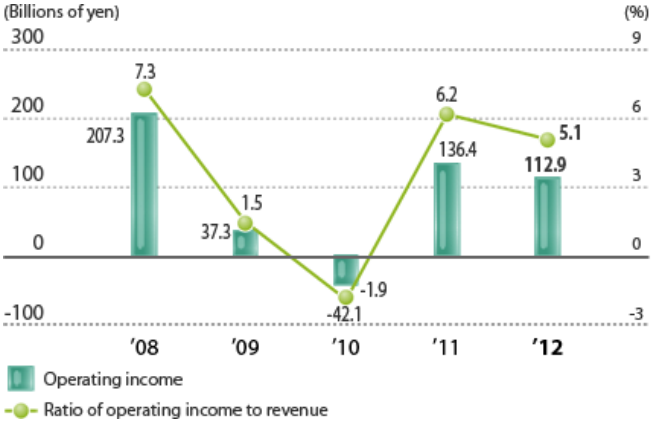
Income before Income Taxes, Net Income Attributable to FUJIFILM Holdings

Accounting for the drop in revenue, the impact of yen appreciation, and impairment losses of investment securities totaling ¥19.4 billion, income before income taxes amounted to ¥89.2 billion, down 23.8% compared with the previous fiscal year. Net income attributable to FUJIFILM Holdings totaled ¥43.8 billion, a decrease of 31.5% year on year.

Revenue, Ratio of Cost of Sales to Revenue

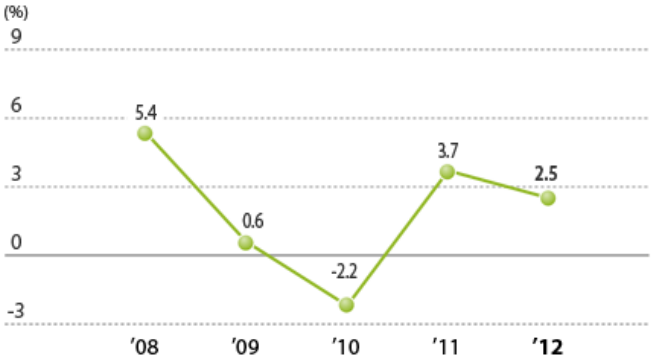


Operating Income, Ratio to Revenue

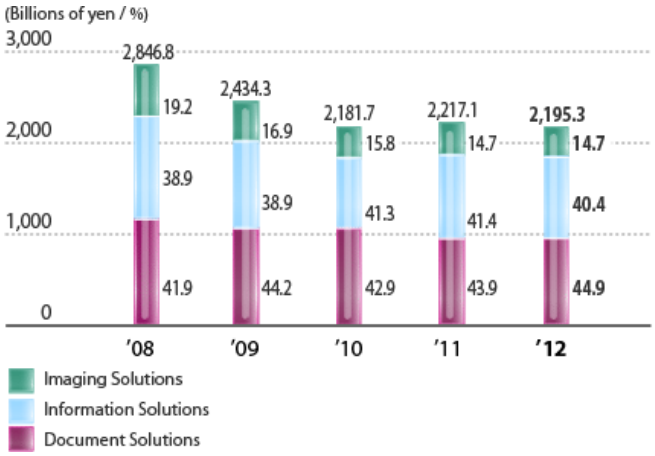


Income (Loss) before Income Taxes, Ratio to Revenue

Return on Equity (ROE)



Revenue, Percentage of Revenue by Operating Segment



Years ended March 31

Results by Segment

Years ended March 31

Millions of yen

		2012	2011	2010
Imaging Solutions				
Revenue:	**External customers**	¥322,706	325,804	¥345,489
	Intersegment	750	799	465
Total		323,456	326,603	345,954
Operating income (loss)		(3,981)	(12,693)	(63,306)
Operating margin		(1.2)%	(3.9)%	(18.3)%
Information Solutions				
Revenue:	**External customers**	¥887,758	¥917,391	¥900,844
	Intersegment	1,884	1,950	1,605
Total		889,642	919,341	902,449
Operating income		67,446	103,512	10,623
Operating margin		7.6%	11.3%	1.2%
Document Solutions				
Revenue:	**External customers**	¥984,829	¥973,889	935,360
	Intersegment	10,244	8,115	7,187
Total		995,073	982,004	942,547
Operating income		81,814	74,213	39,166
Operating margin		8.2%	7.6%	4.2%

Imaging Solutions

In the Imaging Solutions segment, although sales of digital cameras were robust, consolidated revenue amounted to ¥322.7 billion, down 1.0%, or up 3.3% excluding the impact of foreign exchange fluctuations from the previous fiscal year, due to the negative impact of such factors as the yen appreciation, which caused a drop in consolidated revenue of ¥13.9 billion as well as the decrease in domestic demand associated with the Great East Japan Earthquake, and flood in Thailand.

Regarding the photo imaging business, while strong results from marketing activities of high-value-added printing services such as *Photobook* enabled a rise in net sales and the expansion of market share in the color paper business, the negative impact of yen appreciation, a decrease in domestic demand associated with the Great East Japan Earthquake, and other situations caused the segment's sales to decline.

In the electronic imaging business, robust sales of new products centered on high-end products with special features based on exclusive technologies supported rises in Fujifilm's sales volume and average sales price, thereby boosting net sales. Following up on

the *FUJIFILM X100*, a high-grade compact digital camera launched in March 2011 that offers image quality and expressive power superior to that of digital SLR cameras, Fujifilm expanded its *X Series* of premium cameras with the October 2011 launch of the *FUJIFILM X10* model and the December 2011 launch of the *FUJIFILM X-S1* model. This in turn contributed to strong sales. In February 2012, the Company launched the *FUJIFILM X-Pro1*, a premium interchangeable lens camera that transforms the concept of mirrorless cameras by setting new standards regarding image quality and responsiveness, along with three *FUJINON XF lenses*. Each of these new products has been well received by the market.

The segment's operating loss amounted to ¥4.0 billion, reflecting the negative impact of yen appreciation, surging raw materials prices, and other factors.

Information Solutions

In the Information Solutions segment, consolidated revenue amounted to ¥887.8billion, down 3.2%, or down 0.7% excluding the impact of foreign exchange fluctuations from the previous fiscal year. Although sales in such growing business areas as the pharmaceutical product and life sciences businesses increased, the negative impact of yen appreciation, which caused a drop in consolidated revenue of ¥23.1 billion, and the decrease in domestic demand associated with the Great East Japan Earthquake, decrease in sales of the flat panel display (FPD) materials business and other factors caused the segment's sales to decline.

Sales in the medical systems business increased regarding robust sales of endoscope products, network system, and other products. Fujifilm sustained robust sales of *FCR PRIMA T*, a compact and relatively low-priced product in the *FCR* line, which was launched in September 2011. In November 2011, the Company launched *FUJIFILM DR CALNEO flex*, which is the first product of its kind in the world in which the DR panel itself automatically detects X-rays without the need for connection with an X-ray generator. Moreover, FUJIFILM Holdings acquired U.S.-based SonoSite, Inc., a manufacturer of bedside and point-of-care ultrasound diagnostic equipments, through a tender offer. SonoSite became a wholly owned subsidiary of Fujifilm in March 2012.Turning to the network system field, the Company's *SYNAPSE* medical-use picture archiving and communications systems have now been adopted by approximately 1,700 medical facilities in Japan. As a result, Fujifilm is maintaining its leading market share in this field.

In the pharmaceutical product business, sales increased significantly on the back of robust results in *Zosyn*, an antibiotic combination product incorporating a β-lactamase inhibitor, the oral new-type quinolone antibacterial agent *OZEX* fine granules, and the oral quinolone antibacterial agent *Geninax*. Taking another step forward, an application for the approval of *T-705*—a drug candidate being developed for an application as an anti-influenza viral drug that has been confirmed to have a different mechanism of action from that of existing therapeutic drugs—was submitted in Japan. The two contract manufacturers of biopharmaceuticals, which the Company acquired from U.S.-based Merck & Co., Inc., in March 2011, sustained robust sales. In addition, Fujifilm and Kyowa Hakko Kirin Co., Ltd. established the 50-50 joint-venture company FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd. to undertake the development, manufacture, and sale of biosimilars, in March 2012.

In the life science business, sales increased owing to such factors as the launch of a base makeup product series within the *ASTALIFT* functional cosmetics products lineup in September 2011, and the proactive implementation of sales promotion activities for supplement products. Fujifilm initiated the marketing of those products in France since March 2012, and plans call for progressively expanding the geographic scope of *ASTALIFT* marketing in Europe as well as in China and Southeast Asia.

In the graphic arts business, such factors as the negative impact of yen appreciation and a decrease in domestic demand for plate processing materials associated with the Great East Japan Earthquake caused a decline in net sales. With respect to the growing field of digital printing, in December 2011, Fujifilm launched the *Jet Press 720* next-generation inkjet digital color printing system, which realizes high image quality superior to that achievable with offset printing equipment.

Regarding the flat panel display materials business, sales of *FUJITAC* and *WV film* products decreased compared with the previous fiscal year, when demand for LCD TVs was particularly strong owing to such factors as the Eco-Point system in Japan and other factors. To respond to growing demand associated with *retardation film for VA mode* for large LCD TVs, Fujifilm inaugurated an additional *ultra-wide FUJITAC* manufacturing line in April 2011.

In the industrial products business, although the marketing of industrial-use X-ray films proceeded smoothly, sales declined, reflecting

the negative impact of yen appreciation.

Sales in electronic materials business increased, reflecting robust sales of such products as ArF immersion resist products, image sensor-use *COLOR MOSAIC* products, advanced etchant, and CMP slurries.

In the optical device business, Fujifilm sustained robust sales of broadcast-use TV camera lenses and other products, but a decrease in sales for camera phone lens units caused a decline in overall sales.

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

The segment's operating income amounted to ¥67.4 billion, down 34.8% from the previous fiscal year, reflecting the negative impact of yen appreciation, surging raw materials prices, decline in sales, and other factors.

Document Solutions

In the Document Solutions segment—although challenges were presented by such factors as yen appreciation of ¥14.5 billion, deteriorating economic conditions in Europe, and the flood in Thailand—the impact of the Great East Japan Earthquake was offset during the second quarter of the fiscal year, and strong sales in the Asia-Oceania region were sustained during the year. Consequently, consolidated revenue rose to ¥984.8 billion, up 1.1%, or up 2.6% excluding the impact of foreign exchange fluctuations from the previous fiscal year.

Regarding the office products business, in Japan, reflecting strong sales of full-color digital multifunction *Fuji Xerox ApeosPort-IV/DocuCentre-IV* series models, unit sales of full-color and monochrome products rose. While the number of copies being made decreased temporarily owing to the earthquake disaster and other factors, it turned into an increase and was higher for the fiscal year as a whole than in the previous fiscal year. Increases were recorded in sales volume of full-color and monochrome models in the Asia-Oceania region and in shipment volume of full-color and monochrome models of exports to Xerox Corporation.

In the office printer business, domestic sales volume of full-color and monochrome products considerably increased. Regarding exports to Xerox Corporation, the shipment volume of full-color and monochrome models increased. In the Asia-Oceania region, the sales volume of color models increased, but the sales volume of monochrome models decreased.

In the production services business, Fuji Xerox's overall domestic sales volume grew owing to a rise in sales of *Fuji Xerox DocuColor 1450 GA*, a full-color DTP multifunction device, aimed at the digital printing market, and the color on-demand publishing system *Fuji Xerox Color 1000 Press/Color 800 Press*. In the Asia-Oceania region, sales of the *Fuji Xerox Color 1000 Press/Color 800 Press* were robust, and overall sales volume increased. Regarding exports to Xerox Corporation, shipment volume decreased due to the deterioration of business confidence in Europe and other factors. In addition, in August 2011, Fuji Xerox launched its fastest full-color inkjet printer—the *Fuji Xerox 2800 Inkjet Color Continuous Feed Printing System*—in Japan and the Asia-Oceania region.

In the global services business, revenue in Japan and the Asia-Oceania region grew. From July 2011, Fuji Xerox has begun providing *Enterprise Print Services* in Japan and the Asia-Oceania region as well as strengthening and expanding its provision of services. This end-to-end enterprise document management outsourcing service helps companies better manage documents from the office to the in-house print center to remote/mobile printing.

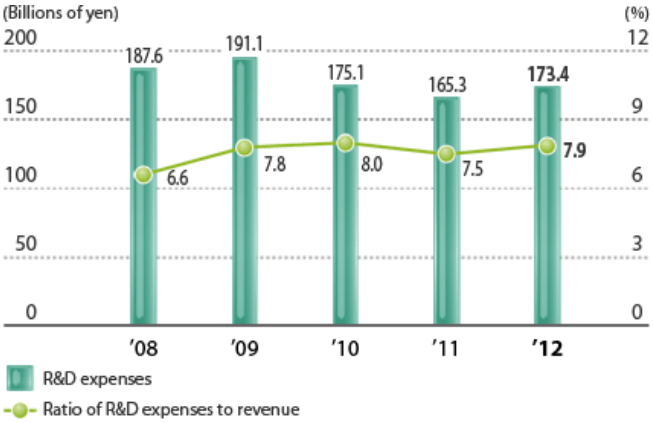
Despite expenses associated with the Great East Japan Earthquake and the flood in Thailand, the segment's operating income increased to ¥81.8 billion, up 10.2% from the previous fiscal year, reflecting improvements achieved regarding cost of sales and expenses as well as other factors.

R&D Expenses

R&D expenses rose 4.9% year on year to ¥173.4 billion. The ratio of R&D expenses to revenue increased 0.4 percentage point to 7.9%.

By business segment, R&D expenses in Imaging Solutions totaled ¥7.2 billion, down 5.1%; ¥76.9 billion in Information Solutions, up 10.3%; and ¥64.1 billion in Document Solutions, down 2.0%.

R&D Expenses, Ratio of R&D Expenses to Revenue



Years ended March 31

Financial Position Analysis

Assets, Liabilities, and Equity

Total assets increased 1.1% compared with the end of the previous fiscal year, to ¥2,739.7 billion, owing to an increase in receivable, goodwill, and other factors. Total liabilities increased 2.9% compared with the end of the previous fiscal year, to ¥883.2 billion, owing to an increase in short-term debt and other long-term liabilities and other factors. FUJIFILM Holdings shareholders' equity decreased ¥0.7 billion, compared with the end of the previous fiscal year, to ¥1,721.8 billion, roughly equivalent to the level of the end of the previous fiscal year. As a result, the current ratio decreased by 32.6 percentage points, to 190.9%, the debt-equity ratio increased by 1.5 percentage points, to 51.3%, and the equity ratio decreased by 0.8 percentage points, to 62.8%, compared with the end of the previous fiscal year. The Company is confident that it is maintaining a stable level of asset liquidity and a sound capital structure.

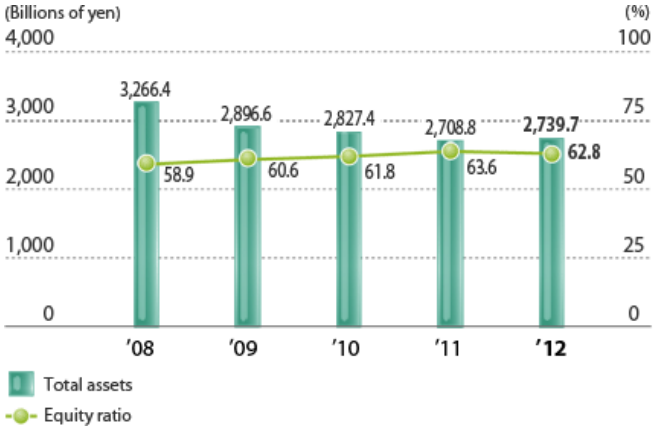
Capital Expenditures, Depreciation

Capital expenditures increased 1.1% year on year to ¥90.9 billion. The Company's investment was largely directed toward boosting FPD materials production capacity.

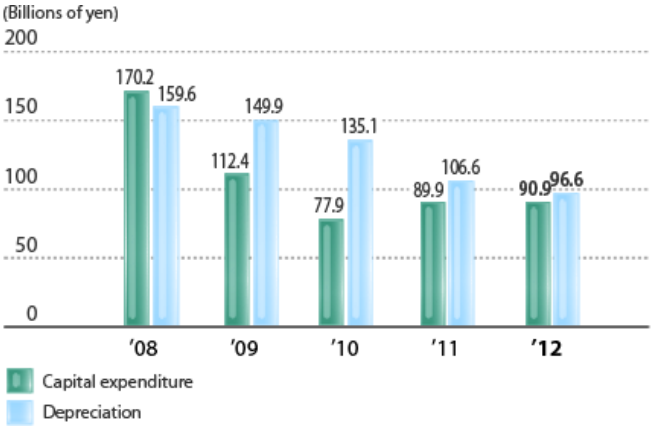
By business segment, capital expenditures amounted to ¥9.2 billion in the Imaging Solutions segment, up 13.3% year on year; ¥59.8 billion in the Information Solutions segment, down 3.2%; and ¥19.3 billion in the Document Solutions segment, down 1.2%.

Total depreciation of property, plant and equipment (excluding rental equipment) decreased ¥10.0 billion year on year to ¥96.6 billion.

Total Assets, Equity Ratio



Capital Expenditures, Depreciation



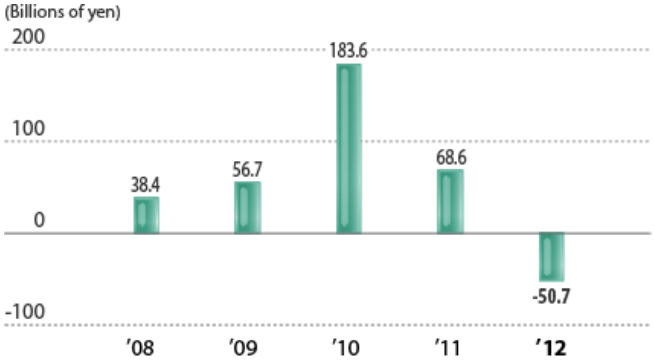
(Excluding intangible assets and rental equipment in the Document Solutions segment)

Years ended March 31

Cash Flow Analysis

Net cash provided by operating activities totaled ¥135.1 billion. Net cash used in investing activities amounted to ¥185.9 billion as a result of purchases of property, plant and equipment, the cash disbursement for business acquisitions, and other factors. Thus, free cash flows, or the sum of cash flows from operating and investing activities, resulted in cash out flows of ¥50.7 billion, down ¥119.3 billion from the previous fiscal year. Net cash used in financing activities amounted to ¥24.4 billion, due to repayments of long-term debt and other factors. As a result, cash and cash equivalents at the end of the fiscal year under review amounted to ¥235.1 billion, down ¥78.0 billion compared with the end of the previous fiscal year.

Free Cash Flows



(Free cash flows : Net cash provided by operating activities + Net cash used in investing activities)

Years ended March 31

Basic Policy Regarding Distribution of Profits

In addition to reflecting consolidated performance trends, dividend levels are to be determined based on the consideration of such factors as the level of funds required for M&A transactions, capital investment, and R&D investments needed to support priority business expansion, as well as other measures aimed at increasing the Company's corporate value in the future. Adequate buybacks will be undertaken considering the situation of cash flows and stock prices. Having changed the Company's policy of targeting a return to shareholders ratio of over 25%, which represents the ratio of total cash dividends and acquisition of treasury stock to net income attributable to FUJIFILM Holdings, the Company set the dividend payout ratio at over 25%, putting more emphasis on cash dividends.

The annual cash dividend applicable to the fiscal year under review was ¥35.00 per share, a year-on-year increase of ¥5.00 per share. At 38.5%, the payout ratio substantially exceeded the established target of 25%.

Business-Related and Other Risks

The following types of risk have the potential for affecting the Fujifilm Group's financial condition and business performance. Text referring to the future is written from the perspective of the end of the fiscal year under review.

Impact of Economic and Exchange Rate Trends on Performance

The Fujifilm Group provides products and services in diverse markets throughout the world, and the share of consolidated sales accounted for by overseas sales was 54% in the fiscal year under review. There is a possibility that performance will be greatly affected by economic conditions throughout the world and particularly by currency exchange rates.

To reduce the impact of currency exchange rates on performance, Fujifilm undertakes hedging measures, primarily using forward exchange contracts for the U.S. dollar and the euro, but currency exchange fluctuations, depending on their degree, still could have an impact on performance.

Competition in Markets

In the business fields where the Fujifilm Group operates, the intensification of competition with other companies may lead to declines in the selling prices of products, shorter product lifecycles, and the emergence of alternative products. These phenomena may negatively impact the Company's sales and, consequently, profit, forcing the Company to increase R&D expenses and revaluate the goodwill and other intangible assets it holds. In the future, Fujifilm will continually work to develop products incorporating new technologies and to support the sales of such products with marketing activities. The success or failure of these activities is expected to have an influence on performance.

Patents and Other Intellectual Property

The Fujifilm Group has diverse patents, know-how, and other intellectual property that enable competitive benefits, but such future events as the expiration of patents and emergence of replacement technologies may make it difficult to maintain competitive superiority.

In the wide range of business fields with which Fujifilm is associated, there are numerous companies with sophisticated and complex technologies, and the landscape regarding these technologies is changing rapidly. Developing Fujifilm's business operations sometimes may require the use of other companies' patents, know-how, and other intellectual property, and when negotiations for the use of such intellectual property are not successful, there is a potential for performance to be affected. In addition, Fujifilm is developing its business while constantly taking care not to infringe on the intellectual property of other companies, but it must be recognized that in reality it is difficult to completely eliminate the risk of becoming involved in litigation. If Fujifilm becomes involved in litigation, not only litigation costs, but also the potential for compensatory payment costs that could have an influence on performance would arise.

Public Regulations

In the regions where the Fujifilm Group is developing its business, diverse government regulations exist that apply to Fujifilm's operations, such as business and investment permits as well as limits and regulations related to imports and exports. Moreover, Fujifilm is subject to commercial, fair trade, patent, consumer protection, tax, foreign exchange administration, environmental, pharmaceutical, and other laws and regulations.

If Fujifilm were not to strictly comply with one of these laws or regulations, it could be subject to fines. Moreover, it is possible that these laws and regulations might be tightened or greatly changed, and in such cases it is impossible to deny the possibility that Fujifilm's activities could be limited or that Fujifilm might have to bear greater costs to attain compliance or respond to the changes, including

abolishment. Accordingly, these laws and regulations have the potential to affect Fujifilm's performance.

Manufacturing Operations

In connection with the Fujifilm Group's manufacturing activities, natural or human-made disasters, discontinuation by vendors of the manufacture of raw materials and components, and confusion caused by other factors may prevent the Group from delivering its products as well as cause major facility and equipment failure. It is also possible that a rapid rise in the price of raw materials and parts could affect Fujifilm's performance.
Fujifilm manufactures its products in conformance with rigorous quality control standards, but the possibility of defective products does exist. If Fujifilm were to have to respond to such an event by undertaking product recalls or other actions, Fujifilm's performance may be affected.

Information Systems

The Fujifilm Group operates a variety of information systems in the ongoing execution of its operations and business. In this context, steps are taken to put in place an appropriate information system management framework as well as all relevant security countermeasures. Despite these initiatives, a wide range of factors including interruptions in electric power, disasters, and unauthorized access may impair the Group's information systems or lead to the leakage, modification or falsification of personal data. In each of these events, Fujifilm's performance may be affected.

Large-Scale Disasters

The Fujifilm Group engages in production, sales, and related business activities worldwide. In the event of a large-scale natural disaster including earthquakes, typhoons, or floods as well as a fire, terrorist attack, war, or spread of infection such as new influenza virus, Fujifilm's business activities may be affected as well as its operating performance.

Structural Reforms

The Fujifilm Group will continue implementing effective measures such as reductions in cost and expense as well as acceleration of asset depreciation and inventory balances well controlled and reduced to improve its management efficiency in the future. However, the implementation of structural reforms and related measures may cause the Group to incur contingent expenses associated with organizational changes and business and operational reforms, and in such cases, Fujifilm's performance may be affected.

Ten-Year Summary

FUJIFILM Holdings Corporation and Subsidiaries

	Years ended March 31				
	Millions of yen				
	2012	2011	2010	2009	2008
Revenue:					
Domestic	**¥1,012,685**	¥1,034,806	¥1,059,395	¥1,134,192	¥1,259,506
Overseas	**1,182,608**	1,182,278	1,122,298	1,300,152	1,587,322
Total	**2,195,293**	2,217,084	2,181,693	2,434,344	2,846,828
Cost of sales	**1,327,567**	1,313,103	1,316,835	1,511,242	1,692,758
Operating expenses:					
Selling, general and administrative	**581,405**	570,608	588,109	694,740	759,139
Research and development	**173,373**	165,302	175,120	191,076	187,589
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	**—**	—	—	—	—
Operating income before restructuring and other charges	**—**	168,071	101,629	—	—
Restructuring and other charges	**—**	31,715	143,741	—	—
Operating income (loss) (Note 1)	**112,948**	136,356	(42,112)	37,286	207,342
Interest and dividend income	**5,042**	5,148	6,138	10,012	13,462
Interest expense	**(3,420)**	(4,071)	(4,577)	(7,037)	(7,380)
Income (loss) before income taxes	**89,187**	117,105	(41,999)	9,442	199,342
Net income (loss) attributable to FUJIFILM Holdings (Note 2)	**43,758**	63,852	(38,441)	10,524	104,431
Capital expenditures (Note 3)	**¥ 90,946**	¥ 89,932	¥ 77,913	¥ 112,402	¥ 170,179
Depreciation (Note 3)	**96,555**	106,622	135,103	149,912	159,572
Net cash provided by operating activities	**135,133**	199,354	314,826	209,506	298,110
Average number of shares outstanding (in thousands)	**481,699**	486,297	488,608	498,837	508,354
Total assets	**¥2,739,665**	¥2,708,841	¥2,827,428	¥2,896,637	¥3,266,384
Long-term debt	**20,334**	119,314	140,269	253,987	256,213
Total FUJIFILM Holdings shareholders' equity	**1,721,769**	1,722,526	1,746,107	1,756,313	1,922,353
Number of employees	**81,691**	78,862	74,216	76,252	78,321
Per share of common stock (Yen / U.S. dollars)					
Net income (loss) attributable to FUJIFILM Holdings (Note 4)	**¥ 90.84**	¥ 131.30	¥ (78.67)	¥ 21.10	¥ 205.43
Cash dividends (Note 5)	**35.00**	30.00	25.00	30.00	35.00
FUJIFILM Holdings shareholders' equity (Note 6)	**3,574.32**	3,576.03	3,573.66	3,594.52	3,811.19
Stock price at year-end	**1,941**	2,576	3,220	2,125	3,530
PBR (Price-to-Book Value Ratio) (Times) (Note 7)	**0.54**	0.72	0.90	0.59	0.93
PER (Price-to-Earnings Ratio) (Times) (Note 7)	**21.37**	19.62	—	100.71	17.18
ROE (Return on Equity) (%)	**2.5**	3.7	(2.2)	0.6	5.4
ROA (Return on Assets) (%)	**1.6**	2.3	(1.3)	0.3	3.2

Notes: 1. Operating income (loss) for the fiscal years ended March 31, 2006, 2007, 2010 and 2011 presented in the table above areis operating income (loss) after the recognition of restructuring and other charges.
2. Effective from the fiscal year ended March 31, 2010, net income (loss) is stated as net income (loss) attributable to FUJIFILM Holdings.
3. Figures do not include amounts for rental equipment handled by the Document Solutions segment.
4. The computation of net income (loss) attributable to FUJIFILM Holdings per share is calculated based on the weighted average number of shares of common stock (excluding treasury stock) outstanding for the year.
5. Cash dividends per share represent the amount declared per share for each period.
6. The computation of FUJIFILM Holdings shareholders' equity per share is calculated based on the number of shares (excluding treasury stock) outstanding at the end of each period.
7. The Price-to-Book Value Ratio (PBR) and Price-to-Earnings Ratio (PER) are calculated based on the stock price as of the end of each fiscal year.
8. U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥82=U.S.$1.00, the exchange rate prevailing on March 31, 2012.

Years ended March 31					
Millions of yen					Thousands of U.S. dollars (Note 8)
2007	2006	2005	2004	2003	**2012**
¥1,303,647	¥1,329,284	¥1,311,893	¥1,336,015	¥1,330,119	**$12,349,817**
1,478,879	1,338,211	1,215,481	1,230,710	1,181,802	**14,422,049**
2,782,526	2,667,495	2,527,374	2,566,725	2,511,921	**26,771,866**
1,638,337	1,593,804	1,510,681	1,503,843	1,474,551	**16,189,841**
760,042	735,058	767,363	704,659	765,987	**7,090,305**
177,004	182,154	168,017	173,323	159,119	**2,114,305**
—	—	(83,129)	—	(52,136)	**—**
207,143	156,479	—	—	—	**—**
94,081	86,043	—	—	—	**—**
113,062	70,436	164,442	184,900	164,400	**1,377,415**
11,376	8,133	6,080	4,246	3,909	**61,488**
(6,351)	(3,886)	(4,668)	(5,459)	(6,674)	**(41,707)**
103,264	79,615	162,346	164,948	120,513	**1,087,647**
34,446	37,016	84,500	82,317	48,579	**533,634**
¥ 165,159	¥ 179,808	¥ 157,420	¥ 160,740	¥ 127,319	**$1,109,098**
146,325	156,928	130,360	124,634	126,695	**1,177,500**
297,276	272,558	219,361	327,358	303,500	**1,647,963**
510,621	509,525	512,801	513,252	514,011	
¥3,319,102	¥3,027,491	¥2,983,457	¥3,023,509	¥2,958,317	**$33,410,549**
267,965	74,329	96,040	116,823	124,404	**247,976**
1,976,508	1,963,497	1,849,102	1,749,882	1,680,611	**20,997,183**
76,358	75,845	75,638	73,164	72,633	
¥ 67.46	¥ 72.65	¥ 164.78	¥ 160.38	¥ 94.51	**$ 1.11**
25.00	25.00	25.00	25.00	25.00	**0.43**
3,867.04	3,848.32	3,630.67	3,409.80	3,274.17	**43.59**
4,820	3,930	3,920	3,310	3,640	**23.67**
1.25	1.02	1.08	0.97	1.11	
71.45	54.09	23.79	20.64	38.51	
1.7	1.9	4.7	4.8	2.9	
1.1	1.2	2.8	2.8	1.6	

Consolidated Balance Sheets

FUJIFILM Holdings Corporation and Subsidiaries

	March 31		
	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Assets			
Current assets:			
Cash and cash equivalents (Note 18)	¥ 235,104	¥ 313,070	$ 2,867,122
Marketable securities (Notes 4 and 18)	12,364	23,188	150,780
Notes and accounts receivable:			
Trade and finance (Notes 5 and 19)	541,988	490,554	6,609,610
Affiliated companies (Note 7)	32,102	29,268	391,488
Allowance for doubtful receivables (Notes 5 and 19)	(17,607)	(17,645)	(214,719)
Inventories (Note 6)	377,952	342,165	4,609,171
Deferred income taxes (Note 11)	92,493	89,496	1,127,963
Prepaid expenses and other (Notes 17 and 18)	47,595	40,747	580,427
Total current assets	1,321,991	1,310,843	16,121,842
Investments and long-term receivables:			
Investments in and advances to affiliated companies (Note 7)	35,614	42,684	434,317
Investment securities (Notes 4 and 18)	118,954	139,352	1,450,659
Long-term finance and other receivables (Notes 5 and 19)	128,493	117,305	1,566,988
Allowance for doubtful receivables (Notes 5 and 19)	(3,221)	(3,259)	(39,281)
Total investments and long-term receivables	279,840	296,082	3,412,683
Property, plant and equipment (Notes 18 and 21)**:**			
Land	94,730	97,237	1,155,244
Buildings	666,724	668,897	8,130,780
Machinery and equipment	1,557,424	1,548,837	18,992,976
Construction in progress	41,030	34,742	500,366
	2,359,908	2,349,713	28,779,366
Less accumulated depreciation	(1,805,992)	(1,785,648)	(22,024,293)
Net property, plant and equipment	553,916	564,065	6,755,073
Other assets:			
Goodwill, net (Notes 8 and 20)	393,541	344,444	4,799,280
Other intangible assets, net (Notes 8, 20 and 21)	43,900	44,223	535,366
Deferred income taxes (Note 11)	74,425	81,505	907,622
Other (Notes 10 and 18)	72,052	67,679	878,683
Total other assets	583,918	537,851	7,120,951
Total assets	¥2,739,665	¥2,708,841	$33,410,549

See notes to consolidated financial statements.
U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥82 = U.S.$1.00, the exchange rate prevailing on March 31, 2012.

	March 31		
	Millions of yen		Thousands of U.S. dollars (Note 3)
	2012	2011	2012
Liabilities and equity			
Current liabilities:			
Short-term debt (Note 9)	¥ 178,536	¥ 70,343	$ 2,177,268
Notes and accounts payable:			
Trade	228,383	228,224	2,785,159
Construction	26,729	29,435	325,964
Affiliated companies (Note 7)	3,292	3,714	40,146
Accrued income taxes (Note 11)	12,864	13,805	156,878
Accrued liabilities (Notes 10 and 21)	178,618	179,315	2,178,268
Other current liabilities (Notes 11, 17 and 18)	63,945	61,622	779,817
Total current liabilities	692,367	586,458	8,443,500
Long-term debt (Notes 9 and 17)	20,334	119,314	247,976
Accrued pension and severance costs (Note 10)	85,116	78,806	1,038,000
Deferred income taxes (Note 11)	35,874	31,442	437,488
Customers' guarantee deposits and other (Notes 7, 17 and 18)	49,490	41,950	603,536
Total liabilities	883,181	857,970	10,770,500
Commitments and contingent liabilities (Note 14)			
Equity:			
FUJIFILM Holdings Shareholders' equity (Note 12):			
Common stock, without par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares	40,363	40,363	492,232
Additional paid-in capital	74,780	73,956	911,951
Retained earnings	1,944,557	1,917,659	23,714,110
Accumulated other comprehensive income (loss) (Notes 10, 13 and 17)	(235,400)	(206,858)	(2,870,732)
Treasury stock, at cost (32,920,287 shares in 2012; 32,939,343 shares in 2011)	(102,531)	(102,594)	(1,250,378)
Total FUJIFILM Holdings shareholders' equity	1,721,769	1,722,526	20,997,183
Noncontrolling interests	134,715	128,345	1,642,866
Total equity	1,856,484	1,850,871	22,640,049
Total liabilities and equity	¥2,739,665	¥2,708,841	$33,410,549

See notes to consolidated financial statements.

Consolidated Statements of Operations

FUJIFILM Holdings Corporation and Subsidiaries

	Years ended March 31			
	Millions of yen			Thousands of U.S. dollars (Note 3)
	2012	2011	2010	2012
Revenue:				
Sales	¥1,860,907	¥1,879,759	¥1,842,321	$22,693,988
Rentals	334,386	337,325	339,372	4,077,878
	2,195,293	2,217,084	2,181,693	26,771,866
Cost of sales:				
Sales	1,176,697	1,162,923	1,169,857	14,349,963
Rentals	150,870	150,180	146,978	1,839,878
	1,327,567	1,313,103	1,316,835	16,189,841
Gross profit	867,726	903,981	864,858	10,582,025
Operating expenses:				
Selling, general and administrative (Note 16)	581,405	570,608	588,109	7,090,305
Research and development	173,373	165,302	175,120	2,114,305
	754,778	735,910	763,229	9,204,610
Operating income before restructuring and other charges (Note 21)	—	168,071	101,629	—
Restructuring and other charges (Note 21)	—	31,715	143,741	—
Operating income (loss)	112,948	136,356	(42,112)	1,377,415
Other income (expenses):				
Interest and dividend income	5,042	5,148	6,138	61,488
Interest expense	(3,420)	(4,071)	(4,577)	(41,707)
Foreign exchange gains (losses), net (Note 17)	(5,616)	(10,654)	(3,463)	(68,488)
Impairment of investment securities (Note 4)	(19,398)	(5,619)	(1,111)	(236,561)
Other, net (Note 17)	(369)	(4,055)	3,126	(4,500)
	(23,761)	(19,251)	113	(289,768)
Income (loss) before income taxes	89,187	117,105	(41,999)	1,087,647
Income taxes (Note 11)**:**				
Current	22,854	23,760	16,754	278,708
Deferred	7,177	24,263	(21,800)	87,524
	30,031	48,023	(5,046)	366,232
Equity in net earnings (losses) of affiliated companies	(2,171)	3,741	542	(26,476)
Net income (loss)	56,985	72,823	(36,411)	694,939
Less: Net income attributable to noncontrolling interests	(13,227)	(8,971)	(2,030)	(161,305)
Net income (loss) attributable to FUJIFILM Holdings	¥ 43,758	¥ 63,852	¥ (38,441)	$ 533,634

	yen			U.S. dollars (Note 3)
Amounts per share of common stock:				
Net income (loss) attributable to FUJIFILM Holdings (Note 15):				
Basic	¥90.84	¥131.30	¥(78.67)	$1.11
Diluted	87.23	120.73	(78.67)	1.06
Cash dividends declared	35.00	30.00	25.00	0.43

See notes to consolidated financial statements.

Consolidated Statements of Changes in Equity

FUJIFILM Holdings Corporation and Subsidiaries

	Millions of yen							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2009	¥40,363	¥69,739	¥1,919,019	¥(190,205)	¥(82,603)	¥1,756,313	¥115,908	¥1,872,221
Comprehensive income (loss):								
Net income (loss)	—	—	(38,441)	—	—	(38,441)	2,030	(36,411)
Net unrealized gains (losses) on securities (Note 13)	—	—	—	17,631	—	17,631	164	17,795
Foreign currency translation adjustments (Note 13)	—	—	—	(8,339)	—	(8,339)	1,734	(6,605)
Pension liability adjustments (Note 13)	—	—	—	30,509	—	30,509	5,031	35,540
Net unrealized gains (losses) on derivatives (Notes 13 and 17)	—	—	—	116	—	116	39	155
Net comprehensive income						1,476	8,998	10,474
Purchases of stock for treasury	—	—	—	—	(25)	(25)	—	(25)
Sales of stock from treasury	—	7	—	—	15	22	—	22
Dividends paid to FUJIFILM Holdings shareholders	—	—	(12,216)	—	—	(12,216)	—	(12,216)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(1,279)	(1,279)
Issuance of stock acquisition rights	—	537	—	—	—	537	—	537
Equity transactions and other	—	—	—	—	—	—	6,095	6,095
Balance as of March 31, 2010	40,363	70,283	1,868,362	(150,288)	(82,613)	1,746,107	129,722	1,875,829
Comprehensive income (loss):								
Net income	—	—	63,852	—	—	63,852	8,971	72,823
Net unrealized gains (losses) on securities (Note 13)	—	—	—	(8,087)	—	(8,087)	(135)	(8,222)
Foreign currency translation adjustments (Note 13)	—	—	—	(38,092)	—	(38,092)	(2,122)	(40,214)
Pension liability adjustments (Note 13)	—	—	—	(10,349)	—	(10,349)	(1,651)	(12,000)
Net unrealized gains (losses) on derivatives (Notes 13 and 17)	—	—	—	(42)	—	(42)	(14)	(56)
Net comprehensive income						7,282	5,049	12,331
Purchases of stock for treasury	—	—	—	—	(20,026)	(20,026)	—	(20,026)
Sales of stock from treasury	—	70	—	—	45	115	—	115
Dividends paid to FUJIFILM Holdings shareholders	—	—	(14,555)	—	—	(14,555)	—	(14,555)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(3,181)	(3,181)
Issuance of stock acquisition rights	—	577	—	—	—	577	—	577
Equity transactions and other	—	3,026	—	—	—	3,026	(3,245)	(219)
Balance as of March 31, 2011	40,363	73,956	1,917,659	(206,858)	(102,594)	1,722,526	128,345	1,850,871
Comprehensive income (loss):								
Net income	**—**	**—**	**43,758**	**—**	**—**	**43,758**	**13,227**	**56,985**
Net unrealized gains (losses) on securities (Note 13)	**—**	**—**	**—**	**7,606**	**—**	**7,606**	**53**	**7,659**
Foreign currency translation adjustments (Note 13)	**—**	**—**	**—**	**(16,902)**	**—**	**(16,902)**	**102**	**(16,800)**
Pension liability adjustments (Note 13)	**—**	**—**	**—**	**(19,201)**	**—**	**(19,201)**	**(3,431)**	**(22,632)**
Net unrealized gains (losses) on derivatives (Notes 13 and 17)	**—**	**—**	**—**	**(45)**	**—**	**(45)**	**(15)**	**(60)**
Net comprehensive income						**15,216**	**9,936**	**25,152**
Purchases of stock for treasury	**—**	**—**	**—**	**—**	**(7)**	**(7)**	**—**	**(7)**
Sales of stock from treasury	**—**	**24**	**—**	**—**	**70**	**94**	**—**	**94**
Dividends paid to FUJIFILM Holdings shareholders	**—**	**—**	**(16,860)**	**—**	**—**	**(16,860)**	**—**	**(16,860)**
Dividends paid to noncontrolling interests	**—**	**—**	**—**	**—**	**—**	**—**	**(4,620)**	**(4,620)**
Issuance of stock acquisition rights	**—**	**650**	**—**	**—**	**—**	**650**	**—**	**650**
Equity transactions and other	**—**	**150**	**—**	**—**	**—**	**150**	**1,054**	**1,204**
Balance as of March 31, 2012	**¥40,363**	**¥74,780**	**¥1,944,557**	**¥(235,400)**	**¥(102,531)**	**¥1,721,769**	**¥134,715**	**¥1,856,484**

See notes to consolidated financial statements.

	Thousands of U.S. dollars (Note 3)							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2011	$492,232	$901,902	$23,386,086	$(2,522,659)	$(1,251,146)	$21,006,415	$1,565,183	$22,571,598
Comprehensive income (loss):								
Net income	—	—	533,634	—	—	533,634	161,305	694,939
Net unrealized gains (losses) on securities (Note 13)	—	—	—	92,756	—	92,756	645	93,401
Foreign currency translation adjustments (Note 13)	—	—	—	(206,121)	—	(206,121)	1,244	(204,877)
Pension liability adjustments (Note 13)	—	—	—	(234,159)	—	(234,159)	(41,841)	(276,000)
Net unrealized gains (losses) on derivatives (Notes 13 and 17)	—	—	—	(549)	—	(549)	(184)	(733)
Net comprehensive income						185,561	121,169	306,730
Purchases of stock for treasury	—	—	—	—	(85)	(85)	—	(85)
Sales of stock from treasury	—	293	—	—	853	1,146	—	1,146
Dividends paid to FUJIFILM Holdings shareholders	—	—	(205,610)	—	—	(205,610)	—	(205,610)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	(56,341)	(56,341)
Issuance of stock acquisition rights	—	7,927	—	—	—	7,927	—	7,927
Equity transactions and other	—	1,829	—	—	—	1,829	12,855	14,684
Balance as of March 31, 2012	$492,232	$911,951	$23,714,110	$(2,870,732)	$(1,250,378)	$20,997,183	$1,642,866	$22,640,049

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

FUJIFILM Holdings Corporation and Subsidiaries

	Years ended March 31			
	Millions of yen			Thousands of U.S. dollars (Note 3)
	2012	2011	2010	2012
Operating activities				
Net income (loss)	¥ 56,985	¥ 72,823	¥ (36,411)	$ 694,939
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	147,775	157,094	195,083	1,802,134
Impairment losses for long-lived assets (Notes 18 and 21)	158	7,673	66,249	1,927
Impairment of investment securities	19,398	5,619	1,111	236,561
Deferred income taxes	7,177	24,263	(21,800)	87,524
Equity in net (earnings) losses of affiliated companies, net of dividends received	7,416	(1,831)	833	90,439
Changes in operating assets and liabilities:				
Notes and accounts receivable	(50,329)	(14,145)	(22,299)	(613,768)
Inventories	(24,511)	(38,207)	68,771	(298,915)
Notes and accounts payable – trade	(5,388)	1,216	31,836	(65,707)
Accrued income taxes and other liabilities	(22,263)	(15,405)	(17,995)	(271,500)
Other	(1,285)	254	49,448	(15,671)
Net cash provided by operating activities	135,133	199,354	314,826	1,647,963
Investing activities				
Purchases of property, plant and equipment	(100,768)	(96,149)	(76,848)	(1,228,878)
Purchases of software	(21,004)	(18,055)	(16,185)	(256,146)
Proceeds from sales and maturities of marketable and investment securities and other investments	38,981	71,782	41,639	475,378
Purchases of marketable and investment securities and other investments	(13,558)	(42,472)	(58,250)	(165,341)
(Increase) decrease in investments in and advances to affiliated companies and other advances, net	361	(4,553)	8,067	4,402
Acquisitions of businesses, net of cash acquired (Note 20)	(61,013)	(32,497)	(358)	(744,061)
Other	(28,874)	(8,816)	(29,269)	(352,122)
Net cash used in investing activities	(185,875)	(130,760)	(131,204)	(2,266,768)
Financing activities				
Proceeds from long-term debt	6,860	55	769	83,659
Repayments of long-term debt	(19,732)	(118,832)	(3,375)	(240,634)
Increase (decrease) in short-term debt, net	7,297	9,027	(26,485)	88,988
Cash dividends paid	(15,655)	(13,438)	(12,216)	(190,916)
Subsidiaries' cash dividends paid to noncontrolling interests	(4,620)	(3,181)	(1,279)	(56,341)
Net purchases of stock for treasury	(6)	(20,013)	(23)	(73)
Other	1,452	—	—	17,707
Net cash used in financing activities	(24,404)	(146,382)	(42,609)	(297,610)
Effect of exchange rate changes on cash and cash equivalents	(2,820)	(15,319)	(4,930)	(34,390)
Net (decrease) increase in cash and cash equivalents	(77,966)	(93,107)	136,083	(950,805)
Cash and cash equivalents at beginning of year	313,070	406,177	270,094	3,817,927
Cash and cash equivalents at end of year	¥235,104	¥313,070	¥406,177	$2,867,122
Supplemental disclosures of cash flow information				
Cash paid for interest	¥ 3,542	¥ 3,478	¥ 4,822	$ 43,195
Cash paid (recovered) for income taxes	20,650	20,834	(2,329)	251,829

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

FUJIFILM Holdings Corporation and Subsidiaries March 31, 2012

1. Nature of Operations

FUJIFILM Holdings Corporation (the "Company") is engaged in imaging, information and document solutions. "Imaging Solutions" develops, manufactures, markets and services color films, digital cameras, photofinishing equipment, color paper, chemicals and related products. "Information Solutions" develops, manufactures, markets and services equipment and materials for medical systems, life sciences products, pharmaceuticals, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and related products. "Document Solutions" develops, manufactures, markets and services office copy machines/multifunction devices, printers, production systems and services, office services, paper, consumables and other related products. The Company and its subsidiaries operate throughout the world, generating approximately 54% of its worldwide revenue outside Japan, predominantly in North America, Europe and Asia. The Company's principal manufacturing operations are located in Japan, the United States, China, the Netherlands, Brazil and Singapore.

2. Summary of Significant Accounting Policies

The Company and its domestic subsidiaries maintain their records and prepare their financial statements in accordance with accounting principles generally accepted in Japan. The Company's foreign subsidiaries maintain their records and prepare their financial statements in conformity with the conventions of their countries of domicile. Certain reclassifications and adjustments have been incorporated in the accompanying consolidated financial statements to conform them to accounting principles generally accepted in the United States. These adjustments have not been recorded in the Company's or subsidiaries' statutory books of account.

Significant accounting policies, after reflecting the adjustments referred to above, are summarized as follows:

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

The Company recognized a gain of ¥1,271 million for the year ended March 31, 2010 due to the changes in the Company's ownership interests in certain subsidiary that resulted in a loss of control. Such gain was included in "Other, net" in the accompanying consolidated statements of operations. The gain resulting from the remeasurement of retained equity investment in the former subsidiary to its fair value was insignificant.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant items subject to such estimates and assumptions include the valuation of trade receivables, inventories, marketable and investment securities and deferred income tax assets; the valuation (including impairment) and determination of useful lives and depreciation or amortization method for property, plant and equipment and intangible assets; and assumptions related to the estimation of actuarially determined employee benefit obligations. Actual results could differ from those estimates.

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 in effect at the balance sheet date and income and expenses are translated using average exchange rates prevailing during the year. Adjustments resulting from this translation process are accumulated in other comprehensive income (loss), a separate component of equity.

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.

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 classified as available-for-sale securities are included in cash and cash equivalents in the consolidated balance sheets. Aggregate fair values of these securities were ¥48,707 million ($593,988 thousand) and ¥86,750 million as of March 31, 2012 and 2011, respectively.

Marketable Securities and Investment Securities

The Company has designated its marketable securities and investment securities as available-for-sale, which are carried at their fair value with changes in unrealized gains or losses reported in other comprehensive income (loss), net of applicable taxes.

The Company records an impairment charge in earnings when a decline in the value of a marketable equity security is deemed to be other-than-temporary. The Company separates an impairment charge 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 recognized in other comprehensive income (loss). In determining whether such a decline of equity securities is other-than-temporary, the Company evaluates various factors including the length of time, the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the investee as well as the Company's intent and ability to retain the investment for a period of time sufficient to allow any expected recovery in fair value. In determining whether such a 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. The cost of securities sold is based on the moving-average-cost method. Dividends on available-for-sale securities are included in "Interest and dividend income" in the accompanying consolidated statements of operations.

Allowance for Doubtful Receivables

Allowances for doubtful trade, finance and other receivables are determined based on a combination of historical experience, aging analysis and any specific factors affecting customer accounts. Uncollectible trade accounts receivable are charged-off when legal actions have been taken to collect the receivable, and it becomes clear that an amount smaller than the original receivable will be recovered.

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 declining-balance method and, for certain foreign subsidiaries, using the straight-line method.

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

Machinery and equipment includes machines rented to customers under operating leases with a cost and accumulated depreciation of ¥89,743 million ($1,094,427 thousand) and ¥65,661 million ($800,744 thousand) as of March 31, 2012 and ¥89,597 million and ¥61,162 million as of March 31, 2011, respectively.

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 Accounting Standards Codification Topic No.350 ("ASC350"), 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 value 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 capitalized certain costs incurred in connection with developing and obtaining internal use software in accordance with ASC350-40. 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 ASC985. Capitalized costs are amortized on a straight-line basis over the estimated useful lives of the software of 3 to 5 years. Total capitalized software costs and accumulated amortization amounted to ¥136,243 million ($1,661,500 thousand) and ¥81,535 million ($994,329 thousand), respectively, as of March 31, 2012 and ¥167,671 million and ¥115,356 million, respectively, as of March 31, 2011. Capitalized software costs to be sold and accumulated amortization, included in the above, amounted to ¥38,346 million ($467,634 thousand) and ¥28,537 million ($348,012 thousand), respectively, as of March 31, 2012 and ¥34,421 million and ¥24,499 million, respectively, as of March 31, 2011. Capitalized software costs are included in other assets.

Impairment of Long-lived Assets

The Company reviews long-lived assets, excluding goodwill and other indefinite lived intangible asset, for impairment whenever events or changes in business circumstances indicate the carrying amount of the assets may not be fully recoverable. If an evaluation is required, the estimated future undiscounted 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 assets will not be recoverable, the carrying value 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

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the products or services have been provided to customers, the sales price is fixed or determinable, and collectability is reasonably assured. The above conditions are generally met when the title and risk of loss transfer from the Company to customers.

Revenue from consumer products and industrial products such as medical and graphic products is recognized when goods are delivered or shipped to customers, depending on the timing of title and risk transfer. Revenue from certain equipment which requires customer acceptance such as certain type of medical, graphic, office and other equipment is recognized when equipment is installed and customer acceptance is obtained. Service revenue is derived mainly from maintenance on equipment sold to customers and is recognized as services are performed. Revenue from sales-type leases is derived mainly from office copy machines and office printers and is recognized at the inception of leases. Interest income on sales-type leases is recognized using the effective interest method with the allocation based on the net investment in outstanding leases and is included in revenue. Revenue from operating leases is recognized as earned over the respective lease terms.

For arrangements with multiple elements including products, equipment or services, the Company allocates revenue to each element based on its relative selling price if such element meets the criteria for treatment as a separate unit of accounting as prescribed in ASC605-25. Otherwise, revenue is deferred until the undelivered elements are fulfilled.

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 in accordance with ASC605-50. Such costs include the estimated cost of promotional discount, dealer volume rebates and cash discounts. These costs are mainly based on claims from customers/dealers or amount calculated in accordance with agreements.

Product Warranties

The Company provides product warranties for certain of its products. These warranties generally extend for periods of one year from the date of sale. A liability for expected warranty costs and additional service actions 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 of ¥58,177 million ($709,476 thousand), ¥51,479 million and ¥47,488 million for the years ended March 31, 2012, 2011 and 2010, respectively, are included in selling, general and administrative expenses in the consolidated statements of operations.

Advertising Costs
Advertising costs are expensed as incurred and included in selling, general and administrative expenses. Advertising costs amounted to ¥23,697 million ($288,988 thousand), ¥24,300 million and ¥19,560 million for the years ended March 31, 2012, 2011 and 2010, respectively.

Income Taxes
Income taxes have been provided using the liability method in accordance with ASC740.

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 ASC740.

Consumption Taxes
Revenues, costs and expenses in the consolidated statements of operations 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 other comprehensive income (loss), net of deferred taxes. Changes in fair values of derivatives, which are not designated or qualified as hedges, are reported in earnings, immediately.

Net Income (Loss) Attributable to FUJIFILM Holdings per Share
The amounts of basic net income (loss) attributable to FUJIFILM Holdings per share are based on the weighted average number of shares of common stock outstanding during the year.

Diluted net income (loss) attributable to FUJIFILM Holdings per share has been computed on the basis that all conversion rights of the Euroyen convertible bonds and stock options which have a dilutive effect were exercised and outstanding.

Stock-Based Compensation
The Company measured stock-based compensation cost based on fair value of the options on the grant date and recognizes stock-based compensation cost in accordance with ASC718.

Subsequent Event
The Company evaluated all subsequent events through June 28, 2012, the date on which the financial statements are available to be issued in accordance with ASC855.

Reclassifications
Certain reclassifications to the prior years' consolidated financial statements and related footnote amounts have been made to conform with current year presentation.

New Accounting Standards
In October 2009, FASB issued ASU No.2009-13, "Multiple-Deliverable Revenue Arrangements" ("ASU2009-13"). ASU2009-13 provides amendments to ASC605-25 and eliminates the existing requirement that a vendor should use vendor-specific objective evidence or third-party evidence of selling price to separate deliverables in a multiple-deliverable arrangement. ASU2009-13 modifies the method of allocating revenue to delivered elements and requires that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. The selling price used for each deliverable will be based on the estimated selling price if neither vendor-specific objective evidence nor third-party evidence is available. Additionally, ASU2009-13 expands the disclosure requirements related to a vendor's multiple-deliverable revenue arrangements. ASU2009-13 is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and was

adopted by the Company in the year beginning April 1, 2011. The adoption of ASU2009-13 did not have a material impact on the results of operations and financial condition of the Company.

In October 2009, FASB issued ASU No.2009-14, "Certain Revenue Arrangements That Include Software Elements" ("ASU2009-14"). ASU2009-14 provides amendments to ASC985-605 and changes the accounting model for revenue arrangements that include both tangible products and software elements. Tangible products containing software components and nonsoftware components that function together to deliver the tangible product's essential functionality are no longer within the scope of the software revenue guidance in ASC985-605. ASU2009-14 is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010 and was adopted by the Company in the year beginning April 1, 2011. The adoption of ASU2009-14 did not have a material impact on the results of operations and financial condition of the Company.

In May 2011, FASB issued ASU No.2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" ("ASU2011-04"). ASU2011-04 amends ASC820 to ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. ASU2011-04 changes certain fair value measurement principles and enhances the disclosure requirements. ASU2011-04 was effective for interim and annual reporting periods beginning after December 15, 2011 and was adopted by the Company in the fourth quarter of the fiscal year beginning April 1, 2011. The adoption of ASU2011-04 did not have a material impact on the results of operations and financial condition of the Company.

3. U.S. Dollar Amounts

Solely for the convenience of the reader and as a matter of arithmetical computation only, the 2012 amounts in the consolidated financial statements have been translated from Japanese yen into U.S. dollars at the rate of ¥82 = U.S.$1.00, the exchange rate prevailing on March 31, 2012. 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.

4. Investments in Debt and Equity Securities

The cost, gross unrealized gains, gross unrealized losses and estimated fair value of the available-for-sale securities by major security type as of March 31, 2012 and 2011 are summarized as follows. Certain debt securities with original maturities of three months or less classified as available-for-sale securities are included in cash and cash equivalents in the consolidated balance sheets and gross unrealized gains and gross unrealized losses for those securities were insignificant as of March 31, 2012 and 2011.

	Millions of yen			
	2012			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:				
Government debt securities	**¥ 5,004**	**¥ 10**	**¥ —**	**¥ 5,014**
Corporate debt securities	**6,203**	**193**	**11**	**6,385**
	¥11,207	**¥ 203**	**¥ 11**	**¥ 11,399**
Investment securities:				
Government debt securities	**¥ 1,772**	**¥ 137**	**¥ —**	**¥ 1,909**
Corporate debt securities	**9,828**	**184**	**27**	**9,985**
Stocks	**49,857**	**22,956**	**1,877**	**70,936**
Investment trusts	**24,359**	**171**	**669**	**23,861**
	¥85,816	**¥23,448**	**¥2,573**	**¥106,691**

	Millions of yen			
	2011			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:				
Government debt securities	¥ 6,154	¥ 1	¥ —	¥ 6,155
Corporate debt securities	17,016	17	—	17,033
	¥ 23,170	¥ 18	¥ —	¥ 23,188
Investment securities:				
Government debt securities	¥ 6,823	¥ 185	¥ —	¥ 7,008
Corporate debt securities	17,818	342	57	18,103
Stocks	66,026	18,775	9,103	75,698
Investment trusts	26,467	—	1,038	25,429
	¥117,134	¥19,302	¥10,198	¥126,238

	Thousands of U.S. dollars			
	2012			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:				
Government debt securities	$ 61,024	$ 122	$ —	$ 61,146
Corporate debt securities	75,647	2,353	134	77,866
	$ 136,671	$ 2,475	$ 134	$ 139,012
Investment securities:				
Government debt securities	$ 21,610	$ 1,671	$ —	$ 23,281
Corporate debt securities	119,853	2,244	329	121,768
Stocks	608,012	279,951	22,890	865,073
Investment trusts	297,062	2,085	8,159	290,988
	$1,046,537	$285,951	$31,378	$1,301,110

Proceeds from sales of available-for-sale securities for the year ended March 31, 2012 were ¥1,768 million ($21,561 thousand). Gross realized gains and gross realized losses on sales of available-for-sale securities for the year ended March 31, 2012 were immaterial. Proceeds from sales of available-for-sale securities, gross realized gains and gross realized losses on sales of available-for-sale securities for the year ended March 31, 2011 were immaterial. Proceeds from sales of available-for-sale securities, gross realized gains and gross realized losses on sales of available-for-sale securities for the year ended March 31, 2010 were ¥1,661 million, ¥1,146 million and ¥75 million, respectively.

The cost and estimated fair value of debt securities as of March 31, 2012, by contractual maturity, are shown below. The actual maturities may differ from the contractual maturities because the issuers of the debt securities may have the right to prepay the obligations without penalties.

	Millions of yen		Thousands of U.S. dollars	
	Cost	Estimated fair value	Cost	Estimated fair value
Due in one year or less	¥11,207	¥11,399	$136,671	$139,012
Due after one year through five years	10,005	10,209	122,012	124,500
Due after five years through ten years	897	968	10,939	11,805
Due after ten years	698	717	8,512	8,744
	¥22,807	¥23,293	$278,134	$284,061

As of March 31, 2012 and 2011, estimated fair value and gross unrealized losses of the available-for-sale securities with unrealized losses, aggregated by the period of time for which individual investment securities have been in a continuous unrealized loss position are summarized as follows:

	Millions of yen					
	2012					
	Less than 12 months		12 months or greater		Total	
	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses
Corporate debt securities	¥5,975	¥ 25	¥ 2,487	¥ 13	¥ 8,462	¥ 38
Stocks	1,375	285	4,300	1,592	5,675	1,877
Investment trusts	—	—	8,333	669	8,333	669
Total	¥7,350	¥310	¥15,120	¥2,274	¥22,470	¥2,584

	Millions of yen					
	2011					
	Less than 12 months		12 months or greater		Total	
	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses
Corporate debt securities	¥ 4,967	¥ 31	¥ 474	¥ 26	¥ 5,441	¥ 57
Stocks	27,537	6,346	5,247	2,757	32,784	9,103
Investment trusts	13,679	227	2,840	811	16,519	1,038
Total	¥46,183	¥6,604	¥8,561	¥3,594	¥54,744	¥10,198

	Thousands of U.S. dollars					
	2012					
	Less than 12 months		12 months or greater		Total	
	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses	Estimated fair value	Gross unrealized losses
Corporate debt securities	$72,866	$ 305	$ 30,329	$ 158	$103,195	$ 463
Stocks	16,768	3,475	52,439	19,415	69,207	22,890
Investment trusts	—	—	101,622	8,159	101,622	8,159
Total	$89,634	$3,780	$184,390	$27,732	$274,024	$31,512

As of March 31, 2012, available-for-sale securities with unrealized losses were principally domestic marketable equity securities such as listed stocks. The number of available-for-sale securities with unrealized losses was approximately 70. The aggregate fair value of the marketable securities declined below cost due to what the Company believes to be a temporary decline in the stock market caused by the impact of the yen appreciation, and by the worsening European sovereign debt crisis. The Company evaluated the financial conditions and near-term prospects of the issuers, considered the severity and duration of the decline, and concluded that it is premature to determine that the unrealized losses are other-than-temporary. Moreover the Company has no plan to sell those available-for-sale securities with unrealized losses in the near future. Based on the evaluation and the Company's intent and ability to hold those securities for a reasonable period of time sufficient for a forecasted recovery of the fair value, the Company did not consider that the decline in fair value of those available-for-sale securities with unrealized losses to be other-than-temporary.

The aggregate cost of non-marketable equity securities accounted for under the cost method totaled ¥13,228 million ($161,317 thousand) and ¥13,114 million as of March 31, 2012 and 2011, respectively. Investments with an aggregate cost of ¥6,060 million ($73,902 thousand) and ¥5,926 million as of March 31, 2012 and 2011, respectively, were not evaluated for impairment because (a) the Company did not estimate the fair value of those investments as it was not practicable to estimate the fair value of the investment and (b) the Company did not identify any events or changes in circumstances that might have had a significant adverse effect on the fair value of those investments.

5. Finance Receivables

Finance receivables consist of sales-type leases on the Company's printing and copying machines. The current portion of finance receivables and amounts due after one year are included in notes and accounts receivable – trade and finance and long-term finance and other receivables, respectively. These receivables generally mature over one to seven years. The components of finance receivables as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Gross receivables	¥172,511	¥150,405	$2,103,793
Unearned income	(24,096)	(21,874)	(293,854)
Allowance for doubtful receivables	(3,268)	(3,149)	(39,854)
Finance receivables, net	¥145,147	¥125,382	$1,770,085

The future minimum lease payments to be received under sales-type leases as of March 31, 2012 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2013	¥ 62,624	$ 763,707
2014	46,286	564,464
2015	34,451	420,134
2016	21,187	258,378
2017	7,322	89,293
2018 and thereafter	641	7,817
Total future minimum lease payments	¥172,511	$2,103,793

6. Inventories

Inventories as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Finished goods	**¥218,527**	¥196,083	**$2,664,964**
Work in process	**69,957**	57,472	**853,134**
Raw materials and supplies	**89,468**	88,610	**1,091,073**
	¥377,952	¥342,165	**$4,609,171**

7. Investments in Affiliated Companies

Investments in affiliated companies accounted for by the equity method amounted to ¥31,838 million ($388,268 thousand) and ¥37,697 million as of March 31, 2012 and 2011, respectively. These affiliates primarily operate in the Imaging Solutions, Information Solutions and Document Solutions businesses. These investments include investments for which a quoted market price is available, with a book value and a quoted market value of ¥3,683 million ($44,915 thousand) and ¥5,490 million ($66,951 thousand) as of March 31, 2012 and ¥4,168 million and ¥5,329 million as of March 31, 2011, respectively.

The combined financial position and results of operations of the Company's affiliates accounted for by the equity method are summarized as follows:

	March 31		
	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Current assets	**¥147,898**	¥150,359	**$1,803,634**
Noncurrent assets	**58,806**	62,269	**717,146**
Total assets	**¥206,704**	¥212,628	**$2,520,780**
Current liabilities	**¥ 98,930**	¥ 94,073	**$1,206,463**
Long-term liabilities	**37,080**	32,971	**452,195**
Equity	**70,694**	85,584	**862,122**
Total liabilities and equity	**¥206,704**	¥212,628	**$2,520,780**

	Years ended March 31			
	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Revenue	**¥243,835**	¥263,557	¥244,499	**$2,973,598**
Net income (loss)	**(7,704)**	8,945	5,339	**(93,951)**

Transactions with affiliated companies for the years ended March 31, 2012, 2011 and 2010 are summarized as follows:

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Revenue	**¥83,526**	¥91,083	¥83,084	**$1,018,610**
Purchases	**11,466**	19,132	12,554	**139,829**
Dividends received	**5,245**	1,910	1,375	**63,963**

8. Goodwill and Other Intangible Assets

The changes in goodwill by operating segment for the years ended March 31, 2012 and 2011 are as follows:

	Millions of yen		
	Information Solutions	Document Solutions	Total
As of March 31, 2010	¥129,887	¥195,972	¥325,859
Acquired	20,940	3,619	24,559
Other	(6,096)	122	(5,974)
As of March 31, 2011	144,731	199,713	344,444
Acquired	**66,517**	**184**	**66,701**
Other	**(17,575)**	**(29)**	**(17,604)**
As of March 31, 2012	**¥193,673**	**¥199,868**	**¥393,541**

	Thousands of U.S. dollars		
	Information Solutions	Document Solutions	Total
As of March 31, 2011	$1,765,012	$2,435,524	$4,200,536
Acquired	**811,183**	**2,244**	**813,427**
Other	**(214,329)**	**(354)**	**(214,683)**
As of March 31, 2012	**$2,361,866**	**$2,437,414**	**$4,799,280**

Other includes adjustments for foreign currency translation and allocation of purchase price. There is no goodwill in the Imaging Solutions segment for the years ended March 31, 2012 and 2011.

Intangible assets subject to amortization as of March 31, 2012 and 2011 are as follows:

	Millions of yen				Thousands of U.S. dollars	
	2012		2011		**2012**	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Technology-based	**¥47,856**	**¥22,250**	¥51,067	¥24,088	**$583,610**	**$271,341**
Customer-related	**19,485**	**10,253**	19,472	11,035	**237,622**	**125,037**
Other	**7,928**	**4,023**	7,509	3,476	**96,683**	**49,061**
	¥75,269	**¥36,526**	¥78,048	¥38,599	**$917,915**	**$445,439**

In the Information Solutions segment, for the year ended March 31, 2010, impairment charges of ¥20,834 million were recognized for technology-based intangibles and customer-related intangibles. For the year ended March 31, 2010, impairment charges were included in "Restructuring and other charges" in the accompanying consolidated statements of operations. See Note 21, "Restructuring and Other Charges."

The weighted-average amortization periods for technology-based intangibles and customer-related intangibles are 14 years and 9 years, respectively. The aggregate amortization expenses for intangible assets for the years ended March 31, 2012, 2011 and 2010 were ¥6,745 million ($82,256 thousand), ¥5,330 million and ¥8,593 million, respectively.

Indefinite lived intangible assets other than goodwill were insignificant as of March 31, 2012 and 2011, respectively.

The estimated aggregate amortization expense for intangible assets subject to amortization for the next five years is as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2013	¥6,364	$77,610
2014	5,854	71,390
2015	4,617	56,305
2016	3,512	42,829
2017	2,948	35,951

9. Short-term and Long-term Debt

Short-term debt as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Borrowings from banks	**¥ 24,920**	¥50,754	**$ 303,902**
Commercial paper	**33,000**	—	**402,439**
Current portion of long-term debt	**120,616**	19,589	**1,470,927**
	¥178,536	¥70,343	**$2,177,268**

The weighted-average interest rates per annum on bank borrowings and commercial paper outstanding as of March 31, 2012 and 2011 were 0.93% and 2.56%, respectively. Short-term debt is unsecured.

Long-term debt as of March 31, 2012 and 2011 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Loans, principally from banks and insurance companies, due through the year ended March 31, 2017 with interest rates ranging from 0.5100% to 8.3400% as of March 31, 2012 and due through the year ended March 31, 2016 with interest rates ranging from 0.8110% to 6.0750% as of March 31, 2011			
Unsecured	**¥ 24,929**	¥ 21,064	**$ 304,012**
Libor minus 0.3000% Series A Convertible Bond, due the year ended March 31, 2013	**51,586**	51,321	**629,098**
0.7500% Series B Convertible Bond, due the year ended March 31, 2013	**52,400**	52,000	**639,024**
Unsecured bonds in Japanese yen:			
1.5175% yen bonds, due the year ended March 31, 2012	**—**	3,000	**—**
1.4600% yen bonds, due the year ended March 31, 2014	**5,000**	5,000	**60,976**
Yen bonds due through the year ended March 31, 2015 with interest rate at 3.7500% as of March 31, 2012 and due through the year ended March 31, 2012 with interest rates at 1.1600% as of March 31, 2011	**833**	50	**10,159**
Other	**6,202**	6,468	**75,634**
	140,950	138,903	**1,718,903**
Portion due within one year	**(120,616)**	(19,589)	**(1,470,927)**
	¥ 20,334	¥119,314	**$ 247,976**

The weighted-average interest rates of long-term loans in the above table were approximately 2.84% and 1.98% as of March 31, 2012 and 2011, respectively.

The aggregate annual maturities of long-term debt subsequent to March 31, 2012 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2013	¥120,616	$1,470,927
2014	5,903	71,988
2015	4,132	50,390
2016	1,342	16,366
2017	5,125	62,500
2018 and thereafter	1,332	16,244
	¥138,450	$1,688,415

A loan from the Japan Science and Technology Agency of ¥2,500 million ($30,488 thousand) as of March 31, 2012 and 2011 was non-interest bearing. The loan amount was excluded from the above schedule since the loan may be forgiven if the Company meets certain conditions.

Certain bank loans are made under general agreements which provide that security and guarantees for present and future indebtedness need to 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. Certain long-term debt agreements with lenders other than banks also stipulate that the Company must provide additional security upon request of the lender.

On April 5, 2006, the Company issued unsecured Euroyen convertible bonds totaling ¥200,000 million in a private placement. The bonds consist of ¥50,000 million of series A Euroyen convertible bonds due March 31, 2011 with variable interest rates ("2011 Series A convertible bond"), ¥50,000 million of series B Euroyen convertible bonds due March 31, 2011 with fixed interest rates ("2011 Series B convertible bond"), ¥50,000 million of series A Euroyen convertible bonds due March 31, 2013 with variable interest rates ("2013 Series A convertible bond") and ¥50,000 million of series B Euroyen convertible bonds due March 31, 2013 with fixed interest rates ("2013 Series B convertible bond").

Periods, during which the conversion rights were exercisable, were from April 5, 2006 to March 28, 2011 for 2011 Series A convertible bond and from April 5, 2006 to March 31, 2011 for 2011 Series B convertible bond. Periods, during which the conversion rights are exercisable, are from April 5, 2006 to March 28, 2013 for 2013 Series A convertible bond and from April 5, 2006 to March 31, 2013 for 2013 Series B convertible bond. The exercise periods for the conversion rights of 2011 Series A convertible bond and 2011 Series B convertible bond expired, and the Company redeemed them at maturity.

The conversion price upon exercise of conversion rights per share ("Conversion Price") for 2013 Series A convertible bond and 2013 Series B convertible bond as of March 31, 2012 is ¥3,763.2 ($45.89), which is subject to reset as follows:

The conversion price of 2013 Series A convertible bond and 2013 Series B convertible bond shall be subject to reset on each of September 30, 2009, September 30, 2010, September 30, 2011 and September 30, 2012 (each a "Reset Date") to 90% of the average of the last reported selling prices of common shares of the Company on the Tokyo Stock Exchange ("Closing Price") for the ten consecutive trading days up to and including the relevant Reset Date. In case the calculated reset price would be below ¥3,763.2 ("Minimum Conversion Price"), the reset conversion price shall be the Minimum Conversion Price. Also the conversion price shall be adjusted properly, in case of a stock split or a reverse stock split of common shares of the Company, issuance of common shares of the Company at a price that is less than the market price, issuance of stock acquisition rights (including convertible bond) and occurrence of certain events.

The Company may redeem bonds earlier than the stated maturity dates if the Closing Price for each of 5 consecutive trading days exceeds 115% of the applicable conversion price in effect on each such trading day. In order to redeem the bonds, the Company has to give not less than 30 nor more than 60 days' prior notice to the bondholders within not more than 10 business days from the last of those 5 consecutive trading days.

10. 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 by those employees.

Most of the domestic subsidiaries have funded non-contributory defined benefit pension plans whose assets are maintained at trust banks and insurance companies and also have defined contribution pension plans. 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.

During the year ended March 31, 2012, settlements and curtailments occurred related to the defined benefit pension plans of certain subsidiaries of the Company. In connection with these settlements and curtailments, the Company recognized losses of ¥2,239 million ($27,305 thousand), which were included in net periodic benefit cost. Also, the projected benefit obligation and the fair value of the plan assets decreased by ¥3,135 million ($38,232 thousand) and ¥923 million ($11,256 thousand), respectively. Moreover, plan amendments were made by certain other domestic subsidiaries, which resulted in decreases in projected benefit obligations of ¥1,261 million ($15,378 thousand) in the aggregate.

During the year ended March 31, 2010, settlements and curtailments occurred related to the defined benefit pension plans of certain subsidiaries of the Company. In connection with these settlements and curtailments, the Company recognized losses of ¥918 million, which were included in net periodic benefit cost. Also, the projected benefit obligation and the fair value of the plan assets decreased by ¥3,818 million and ¥2,086 million, respectively.

In addition, during the year ended March 31, 2010, FUJIFILM Corporation amended its pension plans and introduced a plan, under which employees receive retirement benefits calculated by reference to points earned by those employees. As a result, the projected benefit obligation decreased by ¥10,416 million. Also, plan amendments were made by certain other domestic subsidiaries, which resulted in decreases in projected benefit obligations of ¥2,273 million in the aggregate.

Certain foreign subsidiaries have various retirement plans, primarily defined contribution pension plans, covering substantially all their employees. The funding policy for such plans is to contribute annually an amount equal to a certain percentage of the participants' annual salary.

The aggregate cost charged to income for the Company's domestic and foreign defined contribution pension plans discussed above amounted to ¥7,035 million ($85,793 thousand), ¥6,828 million, and ¥6,431 million for the years ended March 31, 2012, 2011 and 2010, 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, 2012, 2011 and 2010 are as follows:

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Components of net periodic benefit cost:				
Service cost	**¥19,954**	¥20,459	¥21,770	**$243,341**
Interest cost	**14,591**	14,114	14,053	**177,939**
Expected return on plan assets	**(18,292)**	(16,809)	(14,187)	**(223,073)**
Recognized net actuarial loss	**6,441**	5,555	7,481	**78,549**
Amortization of prior service credit	**(2,716)**	(2,622)	(2,378)	**(33,122)**
Amortization of net transition obligation	**—**	—	4	**—**
Settlement and curtailment loss	**2,239**	—	918	**27,305**
Net periodic benefit cost	**¥22,217**	¥20,697	¥27,661	**$270,939**

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) for the years ended March 31, 2012 and 2011 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Current year actuarial (gain) loss	**¥36,268**	¥23,144	**$442,293**
Amortization of actuarial loss	**(6,441)**	(5,555)	**(78,549)**
Prior service credit due to amendments	**(1,261)**	55	**(15,378)**
Amortization of prior service credit	**2,716**	2,622	**33,122**
Settlement and curtailment loss	**(2,240)**	—	**(27,317)**
	¥29,042	¥20,266	**$354,171**

As of March 31, 2012, the estimated net actuarial loss and prior service credit for the defined benefit pension plans that will be amortized from accumulated other comprehensive income (loss) into net periodic benefit cost over the next fiscal year are as follows:

	Millions of yen	Thousands of U.S. dollars
Net actuarial loss	¥8,631	$105,256
Prior service credit	(2,402)	(29,293)

Obligations and Fund Status

Reconciliation of the beginning and ending balances of the 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, 2012 and 2011 are outlined as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Changes in benefit obligation:			
Benefit obligation at beginning of year	**¥621,266**	¥583,434	**$7,576,415**
Service cost	**19,954**	20,459	**243,341**
Interest cost	**14,591**	14,114	**177,939**
Plan participants' contributions	**483**	323	**5,890**
Plan amendments	**(1,261)**	55	**(15,378)**
Actuarial loss	**28,873**	16,095	**352,110**
Acquisitions of businesses	**—**	14,217	**—**
Benefits paid	**(25,828)**	(23,965)	**(314,976)**
Transfer to defined contribution pension plan	**(2,436)**	—	**(29,707)**
Settlements and curtailments	**(3,135)**	—	**(38,232)**
Foreign currency translation	**(1,326)**	(3,466)	**(16,171)**
Benefit obligation at end of year	**651,181**	621,266	**7,941,231**
Changes in plan assets:			
Fair value of plan assets at beginning of year	**546,789**	505,465	**6,668,159**
Actual return on plan assets	**10,897**	9,760	**132,890**
Acquisitions of businesses	**—**	16,430	**—**
Employers' contributions	**42,170**	39,366	**514,268**
Plan participants' contributions	**483**	323	**5,890**
Benefits paid	**(24,400)**	(21,832)	**(297,561)**
Transfer to defined contribution pension plan	**(2,435)**	—	**(29,695)**
Settlements and curtailments	**(923)**	—	**(11,256)**
Foreign currency translation	**(1,388)**	(2,723)	**(16,927)**
Fair value of plan assets at end of year	**571,193**	546,789	**6,965,768**
Funded status	**¥ (79,988)**	¥ (74,477)	**$ (975,463)**

Amounts recognized in the consolidated balance sheets of the defined benefit pension plans as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Prepaid pension cost	**¥ 6,252**	¥ 6,101	**$ 76,244**
Accrued liabilities	**(1,124)**	(1,772)	**(13,707)**
Accrued pension and severance costs	**(85,116)**	(78,806)	**(1,038,000)**
Net amount recognized	**¥(79,988)**	¥(74,477)	**$ (975,463)**

Amounts recognized in accumulated other comprehensive income (loss) of the defined benefit pension plans as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Net actuarial loss	**¥205,161**	¥176,422	**$2,501,964**
Prior service credit	**(22,830)**	(24,292)	**(278,415)**
	¥182,331	¥152,130	**$2,223,549**

The accumulated benefit obligation for the defined benefit pension plans amounted to ¥641,146 million ($7,818,854 thousand) and ¥609,066 million as of March 31, 2012 and 2011, 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, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Plans with projected benefit obligation in excess of plan assets:			
Projected benefit obligation	**¥609,236**	¥579,199	**$7,429,707**
Fair value of plan assets	**522,986**	498,625	**6,377,878**
Plans with accumulated benefit obligation in excess of plan assets:			
Accumulated benefit obligation	**584,262**	567,580	**7,125,146**
Fair value of plan assets	**503,790**	494,487	**6,143,780**

Assumptions

The weighted-average assumptions used to determine the benefit obligation as of March 31, 2012 and 2011 are as follows: Rate of compensation increase is not presented because most of the defined benefit pension plans' benefit formulas are not based on compensation levels and therefore the rate of compensation increase does not impact the calculation of the benefit obligation.

	2012	2011
Discount rate	**2.11%**	2.36%

The weighted-average assumptions used to determine the net periodic benefit cost for the years ended March 31, 2012, 2011 and 2010 are as follows: Rate of compensation increase is not presented because most of the defined benefit pension plans' benefit formulas are not based on compensation levels and therefore the rate of compensation increase does not impact the calculation of the net periodic benefit cost.

	2012	2011	2010
Discount rate	**2.36%**	2.39%	2.28%
Expected long-term rate of return on plan assets	**3.28%**	3.26%	3.22%

The expected long-term rate of return on plan assets is based on the long-term expected return of the plans' asset considering their allocations and an evaluation of the historical behavior of the Company's portfolio.

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 Company has designed a basic asset allocation model which ensures acceptable mid and long term returns, appropriate diversification of risks and matches the asset characteristics with those of the Company's pension liabilities. The Company reviews asset allocations periodically for effectiveness and when conditions have changed, reconsiders the basic asset allocation, if necessary. The Company makes individual investment decisions after ensuring that risks fall within a predefined acceptable range considering short term market conditions.

Targeted allocation ratios for equity securities, debt securities, general accounts of life insurance companies and alternative investments are 23% (12% domestic and 11% foreign), 39% (32% domestic and 7% foreign), 20% and 18%, 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 has been selected based on thorough analysis of issuers and the terms and conditions of those securities including investment grades, interest rates, maturity dates, financial condition 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 consists 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.

The fair value hierarchy that prioritizes the use of inputs used in valuation techniques is described in Note 18, "Fair Value Measurement." The fair value hierarchy of plan assets as of March 31, 2012 and 2011 is as follows:

	Millions of yen			
	2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents, and Short-term receivables (a)	¥ 5,306	¥ 4,222	¥ —	¥ 9,528
Equity securities				
Japanese companies securities	28,223	—	—	28,223
Foreign companies securities	11,826	—	—	11,826
Pooled funds (b)	—	112,074	—	112,074
Debt securities				
Government debt securities (c)	19,657	1,066	—	20,723
Corporate debt securities (d)	—	10,870	—	10,870
Pooled funds (e)	—	166,920	—	166,920
General accounts of life insurance companies	—	127,160	—	127,160
Alternative investments				
Equity securities funds (f)	—	1,685	—	1,685
Debt securities funds (g)	—	3,281	—	3,281
Other funds (h)	—	22,433	45,174	67,607
Real estate (i)	—	239	11,057	11,296
	¥65,012	¥449,950	¥56,231	¥571,193

	Millions of yen			
	2011			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents, and Short-term receivables (a)	¥ 5,284	¥ 6,407	¥ —	¥ 11,691
Equity securities				
Japanese companies securities	29,099	—	—	29,099
Foreign companies securities	13,163	—	—	13,163
Pooled funds (b)	—	109,681	—	109,681
Debt securities				
Government debt securities (c)	25,331	811	—	26,142
Corporate debt securities (d)	2,024	7,702	—	9,726
Pooled funds (e)	—	149,523	—	149,523
General accounts of life insurance companies	—	122,532	—	122,532
Alternative investments				
Equity securities funds (f)	—	8,394	—	8,394
Debt securities funds (g)	—	6,608	—	6,608
Other funds (h)	—	16,197	32,177	48,374
Real estate (i)	—	—	11,761	11,761
Other	10	85	—	95
	¥74,911	¥427,940	¥43,938	¥546,789

	Thousands of U.S. dollars			
	2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents, and Short-term receivables (a)	$ 64,707	$ 51,488	$ —	$ 116,195
Equity securities				
Japanese companies securities	344,183	—	—	344,183
Foreign companies securities	144,219	—	—	144,219
Pooled funds (b)	—	1,366,756	—	1,366,756
Debt securities				
Government debt securities (c)	239,720	13,000	—	252,720
Corporate debt securities (d)	—	132,561	—	132,561
Pooled funds (e)	—	2,035,610	—	2,035,610
General accounts of life insurance companies	—	1,550,732	—	1,550,732
Alternative investments				
Equity securities funds (f)	—	20,549	—	20,549
Debt securities funds (g)	—	40,012	—	40,012
Other funds (h)	—	273,573	550,902	824,475
Real estate (i)	—	2,914	134,842	137,756
	$792,829	$5,487,195	$685,744	$6,965,768

(a) Short-term receivables include cash at bank, negotiable certificates of deposit and call loans held in the form of pooled funds, which are classified as Level 2.
(b) Pooled funds of equity securities consist of 35% and 32% Japanese companies and 65% and 68 % foreign companies as of March 31, 2012 and 2011, respectively.
(c) This category consists of 79% and 62% Japanese government debt securities and 21% and 38% foreign government debt securities as of March 31, 2012 and 2011, respectively.
(d) This category consists of 24% and 28% Japanese corporate debt securities and 76% and 72% foreign corporate debt securities as of March 31, 2012 and 2011, respectively.
(e) Pooled funds of debt securities consist of 65% and 66% Japanese government debt securities, government agency and municipal securities, 25% and 22% foreign government debt securities, 9% and 11% Japanese corporate debt securities and 1% and 1% foreign corporate debt securities as of March 31, 2012 and 2011, respectively.
(f) Equity securities funds invest principally in Japanese companies securities and foreign companies securities.
(g) Debt securities funds invest principally in Japanese government and foreign government debt securities and foreign currencies.
(h) Other funds include global tactical asset allocation (GTAA) which invests in stocks and bonds around the world and managed futures which principally invest in listed futures, both of which are classified as level 2 and fund of hedge funds classified as level 3 whose investments are diversified with a combination of various products and investment techniques.
(i) Real estate includes principally Japanese real estate funds whose investment policy is to generate stable rental income and capital gains from sales on real estate.

Plan assets classified as Level 1 include principally cash and cash equivalents, government debt securities 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 debt securities, corporate debt securities, pooled funds of equity and debt securities, general accounts of life insurance companies and certain alternative investments. Government agency securities, municipal debt securities and corporate debt securities 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 alternative investments, primarily 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, 2012 and 2011 is as follows:

	Millions of yen					
	2012					
	Balance at beginning of year	Actual gain (loss) relating to assets held at the reporting date	Actual gain (loss) relating to assets sold during the period	Purchase, sales	Currency translation	Balance at end of year
Alternative investments						
Other funds	¥32,177	¥(611)	¥ —	¥13,635	¥(27)	¥45,174
Real estate	11,761	46	—	(753)	3	11,057
	¥43,938	¥(565)	¥ —	¥12,882	¥(24)	¥56,231

	Millions of yen					
	2011					
	Balance at beginning of year	Actual gain (loss) relating to assets held at the reporting date	Actual gain (loss) relating to assets sold during the period	Purchase, sales	Currency translation	Balance at end of year
Alternative investments						
Other funds	¥28,135	¥2,109	¥(60)	¥2,013	¥(20)	¥32,177
Real estate	12,433	(830)	1	193	(36)	11,761
	¥40,568	¥1,279	¥(59)	¥2,206	¥(56)	¥43,938

	Thousands of U.S. dollars					
	2012					
	Balance at beginning of year	Actual gain (loss) relating to assets held at the reporting date	Actual gain (loss) relating to assets sold during the period	Purchase, sales	Currency translation	Balance at end of year
Alternative investments						
Other funds	$392,402	$(7,451)	$ —	$166,280	$(329)	$550,902
Real estate	143,427	561	—	(9,183)	37	134,842
	$535,829	$(6,890)	$ —	$157,097	$(292)	$685,744

Contribution

The Company expects to contribute approximately ¥35,748 million ($435,951 thousand) to the defined benefit pension plans for the year ending March 31, 2013.

Estimated Future Benefit Payments

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

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2013	¥ 25,386	$ 309,585
2014	25,091	305,988
2015	26,278	320,463
2016	27,883	340,037
2017	27,545	335,915
2018 through 2022	156,691	1,910,866

11. Income Taxes

Income taxes applicable to the Company and its domestic subsidiaries comprise corporation, inhabitants' and enterprise taxes which, in the aggregate, resulted in a statutory tax rate of approximately 40.6% for the years ended March 31, 2012, 2011 and 2010. The revised Japanese corporate tax law and its enforcement order were enacted on November 30, 2011 and made effective from December 2, 2011. As a result of these amendments, the statutory income tax rate will be reduced from approximately 40.6% to 38.0% effective from the year beginning April 1, 2012 and to approximately 35.6% effective from the year beginning April 1, 2015 thereafter. Consequently, the statutory income tax rate utilized for deferred tax assets and liabilities expected to be settled or realized in the period from April 1, 2012 to March 31, 2015 is approximately 38.0% and for periods subsequent to March 31, 2015 the rate is approximately 35.6%. The adjustments of deferred tax assets and liabilities for this change in the tax rate amounted to ¥5,793 million ($70,646 thousand) and was included in "Income taxes, Deferred" in the accompanying consolidated statements of operations for the year ended March 31, 2012.

The effective tax rates reflected in the consolidated statements of operations for the years ended March 31, 2012, 2011 and 2010 differ from the statutory tax rate due to the following reasons:

	2012	2011	2010
Statutory tax rates	40.6%	40.6%	40.6%
Increase (decrease) in income taxes resulting from:			
Expenses not deductible for tax purposes	0.7	3.1	(10.5)
Lower effective tax rates of other countries	(4.9)	(4.2)	(0.5)
Deferred tax liabilities on undistributed earnings	(1.8)	3.4	(0.1)
R&D credits	(3.4)	(1.4)	0.2
Net changes in valuation allowances	(5.6)	(1.8)	(14.3)
Effect of enacted changes in tax laws and rates on Japanese tax	6.6	—	—
Other	1.5	1.3	(3.4)
Effective tax rates	33.7%	41.0%	12.0%

Income (loss) before income taxes for the years ended March 31, 2012, 2011 and 2010 was taxed in the following jurisdictions:

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Income (loss) before income taxes:				
Domestic	¥54,345	¥ 79,804	¥(27,458)	$ 662,744
Foreign	34,842	37,301	(14,541)	424,903
	¥89,187	¥117,105	¥(41,999)	$1,087,647

The provision (benefit) for income taxes for the years ended March 31, 2012, 2011 and 2010 consisted of the following:

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Current:				
Domestic	¥12,416	¥10,132	¥ 9,227	$151,415
Foreign	10,438	13,628	7,527	127,293
Total current	22,854	23,760	16,754	278,708
Deferred:				
Domestic	8,791	26,537	(24,904)	107,207
Foreign	(1,614)	(2,274)	3,104	(19,683)
Total deferred	7,177	24,263	(21,800)	87,524
	¥30,031	¥48,023	¥ (5,046)	$366,232

The significant components of deferred tax assets and liabilities as of March 31, 2012 and 2011 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Inventories	¥ 37,610	¥ 36,942	$ 458,659
Depreciation	30,103	39,493	367,110
Accrued expenses	36,525	42,089	445,427
Accrued pension and severance costs	1,044	548	12,732
Pension liability adjustments	60,031	60,085	732,085
Accrued enterprise tax	601	707	7,329
Tax loss carryforwards	61,126	60,931	745,439
Valuation of investment securities	14,006	13,127	170,805
Allowance for doubtful receivables	4,518	4,133	55,098
Other	29,497	33,968	359,719
	275,061	292,023	3,354,403
Less valuation allowance	(47,732)	(49,310)	(582,098)
Total deferred tax assets	227,329	242,713	2,772,305
Deferred tax liabilities:			
Depreciation	2,345	2,932	28,597
Lease accounting	9,112	7,723	111,122
Taxes on undistributed earnings	11,306	14,635	137,878
Valuation of available-for-sale securities	6,126	3,645	74,707
Goodwill	12,571	14,457	153,305
Accrued pension and severance costs	37,484	38,142	457,122
Other intangible assets	10,336	11,926	126,049
Other	7,138	9,709	87,049
Total deferred tax liabilities	96,418	103,169	1,175,829
Net deferred tax assets	¥130,911	¥139,544	$1,596,476

The valuation allowance relates primarily to the deferred tax assets of certain subsidiaries which have net operating loss carryforwards for tax purposes. The valuation allowances decreased by ¥1,578 million ($19,244 thousand) for the year ended March 31, 2012, decreased by ¥5,499 million for the year ended March 31, 2011 and increased by ¥5,612 million for the year ended March 31, 2010.

Deferred tax assets and liabilities as of March 31, 2012 and 2011 are included in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred income taxes (current assets)	¥ 92,493	¥ 89,496	$1,127,963
Deferred income taxes (other assets)	74,425	81,505	907,622
Other current liabilities	(133)	(15)	(1,621)
Deferred income taxes (noncurrent liabilities)	(35,874)	(31,442)	(437,488)
Net deferred tax assets	¥130,911	¥139,544	$1,596,476

As of March 31, 2012, certain subsidiaries had net operating loss carryforwards for income tax purposes of ¥165,342 million ($2,016,366 thousand), of which ¥34,252 million ($417,707 thousand) will be carried forward indefinitely, ¥112,938 million ($1,377,293 thousand) will expire through the year ended March 31, 2021 and the remainder will expire through the year ended March 31, 2032. These net operating loss carryforwards are available to offset future taxable income of the subsidiaries.

The Company has not recognized deferred tax liabilities for a portion of undistributed earnings of foreign subsidiaries because such earnings have been permanently reinvested. Deferred tax liabilities will be recognized when the Company expects that it will realize those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments. The amount of unrecognized deferred tax liabilities for a portion of undistributed earnings of foreign subsidiaries as of March 31, 2012 was insignificant.

Deferred tax liabilities have also 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. Unrecognized tax benefits and changes of unrecognized tax benefits through the years ended March 31, 2012 and 2011 were insignificant. Both interest and penalties accrued as of March 31, 2012 and 2011 in the consolidated balance sheets and included in income taxes for the year ended March 31, 2012 and 2011 in the consolidated statements of operations were insignificant.

In Japan, tax examinations of the Company and major domestic subsidiaries by the tax authorities for the year ended March 31, 2009 and before have been completed. While there is no indications that the Company would be subject to tax examination related to transfer pricing as of March 31, 2012, the tax authority still has a right to conduct a tax examination for fiscal years ended on and after March 31, 2006. In foreign tax jurisdictions, tax examinations of major foreign subsidiaries for the year ended March 31, 2010 and before have been completed.

12. Equity

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

Retained earnings available for dividends under the Law 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 Law, the amount of retained earnings available for dividends as of March 31, 2012 amounted to ¥1,414,252 million ($17,246,976 thousand).

The appropriation of retained earnings for the year ended March 31, 2012 has been reflected in the consolidated financial statements, including for the amount approved at the General Shareholders' Meeting held on June 28, 2012.

Takeover Defense Measure

The Company determined at its Board of Directors meeting held on March 26, 2010 to revise and renew, as of March 30, 2010, a plan for countermeasures to large-scale acquisitions of shares in the Company (takeover defense measure) (the Company has further amended the plan based on a resolution of Board of Directors meeting held on May 11, 2010. The amended plan shall be referred to as the "Plan"). The Plan is effective until the conclusion of the Ordinary General Meeting of Shareholders for the final fiscal year ending within three years of the conclusion of the 114th Shareholders Meeting held on June 29, 2010.

The Plan sets out procedures necessary to deter large-scale acquisitions that are detrimental to the corporate value of the Company / the common interests of its shareholders, including requirements for an acquirer (the "Acquirer") to provide information in advance in the case that the Acquirer intends to make an acquisition of 20% or more of the Company's share certificates or other equity securities. The Acquirer must not affect any large-scale acquisition of share certificates and other equity securities in the Company until and unless the Board of Directors or a meeting, at which the Company will confirm the shareholders' intent (the "Confirmation Meeting"), determines not to trigger the Plan in accordance with the procedures stipulated in the Plan.

In the event that the Acquirer does not follow the procedures set out in the Plan or a large-scale acquisition of shares certificates and other equity securities in the Company could harm the corporate value of the Company or the common interests of its shareholders, and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights by means of a gratis allotment to all shareholders, except the Company, at that time. The stock acquisition rights will have an exercise condition that does not allow the Acquirer to exercise the rights as a general rule and an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from holders of the stock acquisition rights other than the Acquirer.

In order to eliminate arbitrary decisions by directors, the Company will establish an independent committee solely composed of outside directors, outside corporate auditors or experts who are independent of the management of the Company (the "Independent Committee") to make objective decisions with respect to matters such as the implementations or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights under the Plan. In addition, if the Independent Committee recommends implementation of the gratis allotment of stock acquisition rights subject to confirmation of the intent of the shareholders in advance, or an acquisition threatens to cause obvious harm to the corporate value of the Company or the common interests of its shareholders and the Board of Directors determines it appropriate to confirm the shareholders' intent for the acquisition taking into consideration the time required to convene the Confirmation Meeting or other matters pursuant to the duty of care of a good manager, the Board of Directors may hold the Confirmation Meeting and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the stock acquisition rights.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company's shareholders.

If the Company allots stock acquisition rights and the Company's shareholders do not exercise their stock acquisition rights or pay the amount equivalent to the exercise price, shares they hold in the Company will be diluted by the exercise of stock acquisition rights by other shareholders. However, in the event that the Company acquires stock acquisition rights of all shareholders other than Non-Qualified Parties and, in exchange, delivers shares in the Company in accordance with procedures in the Plan, there will be no subsequent dilution of shares they hold in the Company. Further, there were no stock acquisition rights which the Company has issued as of March 31, 2012.

13. Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) as reflected in the consolidated balance sheets as of March 31, 2012 and 2011 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Unrealized gains (losses) on securities	**¥ 9,869**	¥ 2,263	**$ 120,354**
Foreign currency translation adjustments	**(145,845)**	(128,943)	**(1,778,598)**
Pension liability adjustments	**(99,470)**	(80,269)	**(1,213,049)**
Unrealized gains (losses) on derivatives	**46**	91	**561**
	¥(235,400)	¥(206,858)	**$(2,870,732)**

The related tax effects allocated to each component of other comprehensive income (loss), including amounts attributable to noncontrolling interests, for the years ended March 31, 2012, 2011 and 2010 are as follows:

	Millions of yen		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2012			
Unrealized gains (losses) on securities:			
Change in unrealized gains (losses) on securities	**¥ (7,491)**	**¥3,563**	**¥ (3,928)**
Less: reclassification adjustment for losses realized in net income	**19,506**	**(7,919)**	**11,587**
Net change in unrealized gains (losses)	**12,015**	**(4,356)**	**7,659**
Foreign currency translation adjustments	**(16,650)**	**(150)**	**(16,800)**
Pension liability adjustments:			
Change in pension liability adjustments	**(35,853)**	**9,600**	**(26,253)**
Less: reclassification adjustment for gains and losses realized in net income	**5,965**	**(2,344)**	**3,621**
Net change in pension liability adjustments	**(29,888)**	**7,256**	**(22,632)**
Unrealized gains (losses) on derivatives:			
Change in unrealized gains (losses) on derivatives	**(871)**	**354**	**(517)**
Less: reclassification adjustment for losses realized in net income	**770**	**(313)**	**457**
Net change in unrealized gains (losses)	**(101)**	**41**	**(60)**
	¥(34,624)	**¥2,791**	**¥(31,833)**

	Millions of yen		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2011			
Unrealized gains (losses) on securities:			
Change in unrealized gains (losses) on securities	¥(18,574)	¥ 7,486	¥(11,088)
Less: reclassification adjustment for losses realized in net income	4,825	(1,959)	2,866
Net change in unrealized gains (losses)	(13,749)	5,527	(8,222)
Foreign currency translation adjustments	(40,388)	174	(40,214)
Pension liability adjustments:			
Change in pension liability adjustments	(23,743)	10,001	(13,742)
Less: reclassification adjustment for gains and losses realized in net income	2,933	(1,191)	1,742
Net change in pension liability adjustments	(20,810)	8,810	(12,000)
Unrealized gains (losses) on derivatives:			
Change in unrealized gains (losses) on derivatives	(2,349)	954	(1,395)
Less: reclassification adjustment for losses realized in net income	2,255	(916)	1,339
Net change in unrealized gains (losses)	(94)	38	(56)
	¥(75,041)	¥14,549	¥(60,492)

	Millions of yen		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2010			
Unrealized gains (losses) on securities:			
Change in unrealized gains (losses) on securities	¥29,953	¥(12,094)	¥17,859
Less: reclassification adjustment for gains realized in net income	(107)	43	(64)
Net change in unrealized gains (losses)	29,846	(12,051)	17,795
Foreign currency translation adjustments	(6,475)	(130)	(6,605)
Pension liability adjustments:			
Change in pension liability adjustments	55,506	(23,545)	31,961
Less: reclassification adjustment for gains and losses realized in net income	6,025	(2,446)	3,579
Net change in pension liability adjustments	61,531	(25,991)	35,540
Unrealized gains (losses) on derivatives:			
Change in unrealized gains (losses) on derivatives	(1,274)	516	(758)
Less: reclassification adjustment for losses realized in net income	1,534	(621)	913
Net change in unrealized gains (losses)	260	(105)	155
	¥85,162	¥(38,277)	¥46,885

	Thousands of U.S. dollars		
	Before-tax amount	Tax (expense) or benefit	Net-of-tax amount
2012			
Unrealized gains (losses) on securities:			
Change in unrealized gains (losses) on securities	**$ (91,354)**	**$ 43,451**	**$ (47,903)**
Less: reclassification adjustment for losses realized in net income	**237,878**	**(96,574)**	**141,304**
Net change in unrealized gains (losses)	**146,524**	**(53,123)**	**93,401**
Foreign currency translation adjustments	**(203,048)**	**(1,829)**	**(204,877)**
Pension liability adjustments:			
Change in pension liability adjustments	**(437,232)**	**117,073**	**(320,159)**
Less: reclassification adjustment for gains and losses realized in net income	**72,744**	**(28,585)**	**44,159**
Net change in pension liability adjustments	**(364,488)**	**88,488**	**(276,000)**
Unrealized gains (losses) on derivatives:			
Change in unrealized gains (losses) on derivatives	**(10,623)**	**4,317**	**(6,306)**
Less: reclassification adjustment for losses realized in net income	**9,390**	**(3,817)**	**5,573**
Net change in unrealized gains (losses)	**(1,233)**	**500**	**(733)**
	$(422,245)	**$ 34,036**	**$(388,209)**

14. Commitments and Contingent Liabilities

Guarantees

The Company guarantees certain indebtedness of others and other obligations. As of March 31, 2012, the maximum potential amount of future payments (undiscounted) the Company could be required to make under the guarantees was ¥15,145 million ($184,695 thousand), of which ¥12,511 million ($152,573 thousand) were guarantees of employee mortgage loans to financial institutions. In the event of an employee's insolvency, the Company and certain of its subsidiaries will need to pay the default mortgage on behalf of the employee. The guarantees are partly secured by the employees' property in the amount of ¥12,475 million ($152,134 thousand). The terms of the mortgage loan guarantees are from 1 to 24 years. The Company has not made any significant payments under such guarantees in the past and as of March 31, 2012, the carrying amount of the liability for the Company's obligations under the guarantees was insignificant.

Lease Commitments

The Company and its subsidiaries lease office and retail space, warehouses, offices and laboratory equipment as well as certain residential facilities for employees.

The future minimum lease payments required under operating leases which, as of March 31, 2012, had initial or remaining noncancelable lease terms in excess of one year are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2013	¥12,283	$149,793
2014	9,973	121,622
2015	8,389	102,305
2016	6,315	77,012
2017	4,275	52,134
2018 and thereafter	1,541	18,793
Total future minimum lease payments	¥42,776	$521,659

Rental expenses under operating leases for the years ended March 31, 2012, 2011 and 2010 were ¥51,961 million ($633,671 thousand), ¥54,953 million and ¥58,647 million, respectively.

Purchase Commitments, Other Commitments and Contingencies

Commitments outstanding as of March 31, 2012, principally for the construction and purchase of property, plant and equipment, amounted to ¥17,963 million ($219,061 thousand). As of March 31, 2012, the Company was contingently liable for discounted notes receivable on a full recourse basis with banks of ¥3,766 million ($45,927 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 and operating results 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 following table sets forth the changes in the Company's warranty liability balance:

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Balance, as of April 1	**¥6,525**	¥6,271	¥ 6,802	**$ 79,573**
Warranties issued during the current period	**9,735**	9,698	10,282	**118,719**
Settlements made during the current period	**(9,846)**	(8,968)	(10,568)	**(120,073)**
Other, including changes in liability for pre-existing warranties during the current period	**746**	(476)	(245)	**9,098**
Balance, as of March 31	**¥7,160**	¥6,525	¥ 6,271	**$ 87,317**

15. Net Income (Loss) Attributable to FUJIFILM Holdings per Share

A calculation of the basic and diluted net income (loss) attributable to FUJIFILM Holdings per share for the years ended March 31, 2012, 2011 and 2010 is as follows:

Outstanding conversion rights of the Euroyen convertible bonds and stock options were not included in the calculation of diluted net loss attributable to FUJIFILM Holdings per share for the year ended March 31, 2010 because they had an anti-dilutive effect due to net loss attributable to FUJIFILM Holdings for the period.

	Millions of Yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Net income (loss) attributable to FUJIFILM Holdings	**¥43,758**	¥63,852	¥(38,441)	**$533,634**
Dilutive effect of:				
2011 Series A Convertible Bond	**—**	213	—	**—**
2011 Series B Convertible Bond	**—**	457	—	**—**
2013 Series A Convertible Bond	**168**	197	—	**2,049**
2013 Series B Convertible Bond	**460**	460	—	**5,610**
Diluted net income (loss) attributable to FUJIFILM Holdings	**¥44,386**	¥65,179	¥(38,441)	**$541,293**

	Shares		
	2012	2011	2010
Weighted-average common shares outstanding-Basic	**481,698,604**	486,296,917	488,607,598
Dilutive effect of:			
2011 Series A Convertible Bond	**—**	13,286,564	—
2011 Series B Convertible Bond	**—**	13,286,564	—
2013 Series A Convertible Bond	**13,286,564**	13,286,564	—
2013 Series B Convertible Bond	**13,286,564**	13,286,564	—
Stock options	**572,725**	411,324	—
Weighted-average common shares outstanding-Diluted	**508,844,457**	539,854,497	488,607,598

	Yen			U.S. dollars
	2012	2011	2010	**2012**
Net income (loss) attributable to FUJIFILM Holdings per share:				
Basic	**¥90.84**	¥131.30	¥(78.67)	**$1.11**
Diluted	**¥87.23**	¥120.73	¥(78.67)	**$1.06**

Conversion rights of the Euroyen convertible bonds for 53,118,028 shares of common stock were outstanding as of March 31, 2010, and certain stock options to purchase, 731,000, 731,000 and 996,700 shares of common stock were outstanding, as of March 31, 2012, 2011 and 2010, respectively, all of which were not included in the computation of diluted earnings per share since the effect would be anti-dilutive.

16. Stock-Based Compensation Plan

The Company has stock-based compensation plans for Directors, executive officers, and important employees of the Company as well as Directors, executive officers, Fellows, and important employees of FUJIFILM Corporation.

On June 28, 2007, the Ordinary General Meeting of Shareholders approved the issuance of stock acquisition rights. Upon approval, on September 3, 2007, 780 stock acquisition rights were granted to 5 Directors of the Company and of FUJIFILM Corporation ("No.1-1 Stock Acquisition Rights"), 1,376 stock acquisition rights were granted to a total of 30 Directors and executive officers of the Company and the Directors, executive officers and Fellows of FUJIFILM Corporation ("No.1-2 Stock Acquisition Rights"), and 1,706 stock acquisition rights were granted to a total of 60 Directors, executive officers and important employees of the Company and the Directors, executive officers, Fellows and important employees of FUJIFILM Corporation ("No.1-3 Stock Acquisition Rights"). On October 1, 2008, 1,826 stock acquisition rights were granted to a total of 66 Directors, executive officers and important employees of the Company and the Directors, executive officers, Fellows and important employees of FUJIFILM Corporation ("No.2-2 Stock Acquisition Rights"). Every stock acquisition right represents an option to purchase 100 shares of common stock of the Company.

No.1-1 Stock Acquisition Rights and No.1-2 Stock Acquisition Rights were fully vested, and have an 11-year contractual term commencing on the day following the grant date. The exercise price was set at ¥1 per share pursuant to the approval of the Ordinary General Meeting of Shareholders.

No.1-3 Stock Acquisition Rights were fully vested, and are exercisable during the period from July 28, 2009 to July 27, 2017. The exercise price was set at ¥4,976 per share which was calculated as the higher of the average value of the closing price of shares of common stock of the Company in regular trading at the Tokyo Stock Exchange for each day of the month preceding the month that includes the grant date or of the closing price on the grant date.

No.2-2 Stock Acquisition Rights were fully vested, and are exercisable during the period from August 29, 2010 to August 28, 2018. The exercise price was set at ¥2,981 per share which was calculated as the higher of the average value of the closing price for each day of the month preceding the month that includes the grant date or of the closing price on the grant date.

On June 26, 2009, the Ordinary General Meeting of Shareholders approved the issuance of stock acquisition rights. Upon approval, on September 1, 2009, 2,553 stock acquisition rights were granted to a total of 33 Directors and executive officers of the Company and the Directors, executive officers and Fellows of FUJIFILM Corporation ("No.3-1 Stock Acquisition Rights"), and 1,816 stock acquisition rights were granted to a total of 65 Directors, executive officers and important employees of the Company and the Directors, executive officers, Fellows and important employees of FUJIFILM Corporation ("No.3-2 Stock Acquisition Rights"). Every stock acquisition right represents an option to purchase 100 shares of common stock of the Company.

No.3-1 Stock Acquisition Rights were fully vested. No.3-1 Stock Acquisition Rights have a 30-year contractual term commencing on the day following the grant date and are exercisable during a period of 7 years commencing on the day following the retirement date for each position. The exercise price was set at ¥1 per share pursuant to the approval of the Ordinary General Meeting of Shareholders.

No.3-2 Stock Acquisition Rights were fully vested, and are exercisable during the period from August 1, 2011 to July 31, 2019. The exercise price was set at ¥2,828 per share which was calculated as the higher of the average value of the closing price of shares of common stock of the Company in regular trading at the Tokyo Stock Exchange for each day of the month preceding the month that includes the grant date or of the closing price on the grant date.

On December 24, 2010, the Board of Directors adopted resolutions to issue an aggregate of 2,778 stock acquisition rights to a total of 36 Directors and executive officers of the Company and executive officers and Fellows of FUJIFILM Corporation ("No.4-1 Stock Acquisition Rights"), and an aggregate of 1,962 stock acquisition rights to a total of 69 Directors, executive officers and important employees of the Company and executive officers, Fellows and important employees of FUJIFILM Corporation ("No.4-2 Stock Acquisition Rights"). Every stock acquisition right represents an option to purchase 100 shares of common stock of the Company.

No.4-1 Stock Acquisition Rights were granted on January 31, 2011, and were vested over 1 year. No.4-1 Stock Acquisition Rights have a 30-year contractual term commencing on the day following the grant date and are exercisable during a period of 7 years commencing on the day following the retirement date for each position. The exercise price was set at ¥1 per share pursuant to the approval of the Ordinary General Meeting of Shareholders. The stock-based compensation cost for No.4-1 Stock Acquisition Rights is being amortized over 1 year from the grant date.

No.4-2 Stock Acquisition Rights were granted on January 31, 2011, and are exercisable during the period from December 25, 2012 to December 24, 2020. The exercise price was set at ¥2,965 per share which was calculated by a formula approved by the Ordinary General Meeting of Shareholders. The exercise price was calculated as the higher of the average value of closing price for each day of the month preceding the month that includes the grant date or of the closing price on the grant date. The stock-based compensation cost for No.4-2 Stock Acquisition Rights is being amortized over 1 year from the grant date.

On March 2, 2012, the Board of Directors adopted resolutions to issue an aggregate of 3,860 stock acquisition rights to a total of 67 Directors, executive officers and important employees of the Company and Directors, executive officers, Fellows and important employees of FUJIFILM Corporation ("No.5-1 Stock Acquisition Rights"), and an aggregate of 231 stock acquisition rights to a total of 71 Directors, executive officers and important employees of the Company and Directors, executive officers, Fellows and important employees of FUJIFILM Corporation ("No.5-2 Stock Acquisition Rights"). Every stock acquisition right represents an option to purchase 100 shares of common stock of the Company.

No.5-1 Stock Acquisition Rights were granted on April 2, 2012, and are vested over 1 year. No.5-1 Stock Acquisition Rights have a 30-year contractual term commencing on the day following the grant date and are exercisable during a period of 7 years commencing on the day following the retirement date for each position. The exercise price was set at ¥1 per share pursuant to the approval of the Ordinary General Meeting of Shareholders.

No.5-2 Stock Acquisition Rights were granted on April 2, 2012, and are exercisable during the period from March 3, 2014 to March 2, 2022. The exercise price was set at ¥2,012 per share which was calculated by a formula approved by the Ordinary General Meeting of Shareholders. The exercise price was calculated as the higher of the average value of closing price for each day of the month preceding the month that includes the grant date or of the closing price on the grant date.

The Company recognized stock-based compensation cost of ¥743 million ($9,061 thousand), ¥606

million and ¥557 million as selling, general and administrative expenses in the accompanying consolidated statements of operations for the years ended March 31, 2012, 2011 and 2010, respectively, and the cost was measured as the fair value of the options estimated using the Black-Scholes option pricing model. The deferred income tax benefit related to the cost was ¥248 million ($3,024 thousand), ¥203 million and ¥168 million for the years ended March 31, 2012, 2011 and 2010, respectively. As of March 31, 2012, there was no unrecognized stock-based compensation cost. There were 220 stock acquisition rights exercised during the year ended March 31, 2012. The weighted-average grant date fair values of stock acquisition rights granted during the years ended March 31, 2011 and 2010 were ¥2,090 and ¥1,969, respectively. The total fair values of shares vested during the years ended March 31, 2012, 2011 and 2010 were ¥356 million ($4,341 thousand), ¥900 million and ¥771 million, respectively.

A summary of stock acquisition rights activity during the years ended March 31, 2012, 2011 and 2010 is as follows:

		Yen	Years	Millions of yen
2012	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding as of March 31, 2011	**1,464,700**	**¥1,700**		
Exercised	**(22,000)**	**1**	**—**	**¥ (94)**
Outstanding as of March 31, 2012	**1,442,700**	**1,725**	**14.5**	**2,434**
Exercisable as of March 31, 2012	**1,246,500**	**1,530**	**15.6**	**2,434**

		Yen	Years	Millions of yen
2011	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding as of March 31, 2010	996,700	¥1,914		
Granted during the year	474,000	1,228		
Exercised	(6,000)	1	—	¥ (30)
Outstanding as of March 31, 2011	1,464,700	1,700	15.3	2,528
Exercisable as of March 31, 2011	1,017,450	1,370	17.1	2,322

		Yen	Years	Millions of yen
2010	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding as of March 31, 2009	563,800	¥2,472		
Granted during the year	436,900	1,176		
Exercised	(4,000)	1	—	¥ (20)
Outstanding as of March 31, 2010	996,700	1,914	13.4	1,734
Exercisable as of March 31, 2010	568,675	1,493	15.1	1,555

	U.S. dollar	Years	Thousands of U.S. dollars
2012	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding as of March 31, 2011	**$20.73**		
Exercised	**0.01**	**—**	**$ (1,146)**
Outstanding as of March 31, 2012	**21.04**	**14.5**	**29,683**
Exercisable as of March 31, 2012	**18.66**	**15.6**	**29,683**

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

2011	No.4-1 Stock Acquisition Rights	No.4-2 Stock Acquisition Rights
Expected volatility	**23.274%**	**34.205%**
Expected remaining life	**1 year**	**6 years**
Expected dividend (Yen)	**¥ 27.5**	**¥ 27.5**
Risk-free interest rate	**0.145%**	**0.584%**

2010	No.3-1 Stock Acquisition Rights	No.3-2 Stock Acquisition Rights
Expected volatility	58.623%	34.575%
Expected remaining life	1 year	6 years
Expected dividend (Yen)	¥ 30	¥ 30
Risk-free interest rate	0.170%	0.738%

2009	No.2-2 Stock Acquisition Rights
Expected volatility	28.979%
Expected remaining life	6 years
Expected dividend (Yen)	¥ 35
Risk-free interest rate	1.129%

2008	No.1-1 Stock Acquisition Rights	No.1-2 Stock Acquisition Rights	No.1-3 Stock Acquisition Rights
Expected volatility	25.980%	25.980%	29.273%
Expected remaining life	1 year	1 year	6 years
Expected dividend (Yen)	¥ 25	¥ 25	¥ 25
Risk-free interest rate	0.735%	0.735%	1.285%

The expected volatility is determined based on the historical volatility of the Company's common stock over the most recent period corresponding with the estimated expected remaining life of the Company's stock acquisition rights. The expected remaining life of No.1-1 Stock Acquisition Rights, No.1-2 Stock Acquisition Rights, No.3-1 Stock Acquisition Rights and No.4-1 Stock Acquisition Rights was determined based on the minimum term of Directors and executive officers of the Company and FUJIFILM Corporation. The expected remaining life of No.1-3 Stock Acquisition Rights, No.2-2 Stock Acquisition Rights, No.3-2 Stock Acquisition Rights and No.4-2 Stock Acquisition Rights was determined as 6 years based on the midpoint of the contractual term since no stock acquisition rights were exercised after the implementation of the plan.

17. Financial Instruments

The Company operates internationally, and is exposed to market risks arising from fluctuations in foreign currencies, interest rates and certain commodity prices. The Company and certain of its subsidiaries utilize derivative financial instruments solely to reduce these risks. The Company has policies and procedures for risk management and the approval, reporting and monitoring of derivative financial instruments. The Company's policies prohibit holding or issuing derivative financial instruments for trading purposes. The following is a summary of the Company's risk management strategies and the effect of these strategies on the Company's consolidated financial statements.

Cash Flow Hedging Strategy

Certain subsidiaries of the Company have entered into forward currency exchange contracts to manage exposures related to the risks of forecasted import purchases and export sales from/to third parties and group companies and related receivables and payables denominated in foreign currencies (maximum length of time is through September 2012). If the 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 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 and qualifying as cash flow hedges are reported in other comprehensive income (loss), net of applicable taxes. These amounts are reclassified into earnings in the same period and same line item as the hedged items that affect earnings. The amount of gains or losses on derivatives or portions thereof that were either ineffective as hedges or excluded from the assessment of hedge effectiveness were not significant to the results of operations and the financial condition of the Company.

As of March 31, 2012, the Company expects to reclassify ¥10 million ($122 thousand) (before tax effect) of net gains on derivatives from accumulated other comprehensive income (loss) to earnings during the next twelve months due to actual export sales and import purchases.

Derivatives Not Designated as Hedges

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

Volume of Derivative Activities

Notional amounts of forward currency exchange, currency swaps, cross currency interest rate swaps and interest rate swaps as of March 31, 2012 and 2011 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Forward currency exchange (Short)	**¥63,878**	¥51,464	**$779,000**
Forward currency exchange (Long)	**44,261**	40,898	**539,768**
Currency swaps	**27,561**	14,975	**336,110**
Cross currency interest rate swaps	**18,861**	11,405	**230,012**
Interest rate swaps	**15,459**	12,669	**188,524**

Impacts on the Consolidated Financial Statements

The fair values of derivatives in the consolidated balance sheets as of March 31, 2012 and 2011 are summarized as follows:

	Derivative assets			
		Millions of yen		Thousands of U.S. dollars
		2012	2011	**2012**
	Balance sheet location	Fair value		
Derivatives designated as hedging instruments				
Forward currency exchange contracts	Prepaid expenses and other	**¥ 906**	¥378	**$11,049**
Total derivatives designated as hedging instruments		**906**	378	**11,049**
Derivatives not designated as hedging instruments				
Forward currency exchange contracts	Prepaid expenses and other	**92**	101	**1,122**
Currency swaps	Prepaid expenses and other	**227**	59	**2,768**
Interest rate swaps	Prepaid expenses and other	**5**	—	**61**
Total derivatives not designated as hedging instruments		**324**	160	**3,951**
Total		**¥1,230**	¥538	**$15,000**

	Derivative liabilities			
		Millions of yen		Thousands of U.S. dollars
		2012	2011	**2012**
	Balance sheet location	Fair value		
Derivatives designated as hedging instruments				
Forward currency exchange contracts	Other current liabilities	**¥1,930**	¥ 645	**$23,537**
Total derivatives designated as hedging instruments		**1,930**	645	**23,537**
Derivatives not designated as hedging instruments				
Forward currency exchange contracts	Other current liabilities	**305**	568	**3,720**
Forward currency exchange contracts	Customers' guarantee deposits and other	**80**	—	**976**
Currency swaps	Other current liabilities	**786**	673	**9,585**
Currency swaps	Customers' guarantee deposits and other	**78**	552	**951**
Cross currency interest rate swaps	Other current liabilities	**258**	579	**3,146**
Cross currency interest rate swaps	Customers' guarantee deposits and other	**621**	39	**7,573**
Interest rate swaps	Other current liabilities	**30**	42	**366**
Interest rate swaps	Customers' guarantee deposits and other	**284**	296	**3,463**
Total derivatives not designated as hedging instruments		**2,442**	2,749	**29,780**
Total		**¥4,372**	¥3,394	**$53,317**

Gains and losses related to derivatives recorded in the consolidated statements of operations for the years ended March 31, 2012, 2011 and 2010 are summarized as follows:

	Millions of yen		
	2012		
	Gains (losses) recognized in OCI on derivatives (Effective portion)	Gains (losses) reclassified from accumulated OCI into earnings (Effective portion)	
Cash Flow Hedges	Amount	Statements of operations location	Amount
Forward currency exchange contracts	**¥(871)**	Foreign exchange gains (losses), net	**¥(770)**
Total	**¥(871)**		**¥(770)**

	Millions of yen		
	2011		
	Gains (losses) recognized in OCI on derivatives (Effective portion)	Gains (losses) reclassified from accumulated OCI into earnings (Effective portion)	
Cash Flow Hedges	Amount	Statements of operations location	Amount
Forward currency exchange contracts	¥(2,349)	Foreign exchange gains (losses), net	¥(2,255)
Total	¥(2,349)		¥(2,255)

	Millions of yen		
	2010		
	Gains (losses) recognized in OCI on derivatives (Effective portion)	Gains (losses) reclassified from accumulated OCI into earnings (Effective portion)	
Cash Flow Hedges	Amount	Statements of operations location	Amount
Forward currency exchange contracts	¥(1,274)	Revenue	¥ (36)
		Cost of sales	(73)
		Foreign exchange gains (losses), net	(1,425)
Total	¥(1,274)		¥(1,534)

	Thousands of U.S. dollars		
	2012		
	Gains (losses) recognized in OCI on derivatives (Effective portion)	Gains (losses) reclassified from accumulated OCI into earnings (Effective portion)	
Cash Flow Hedges	Amount	Statements of operations location	Amount
Forward currency exchange contracts	**$(10,623)**	Foreign exchange gains (losses), net	**$(9,390)**
Total	**$(10,623)**		**$(9,390)**

		Millions of yen			Thousands of U.S. dollars
		2012	2011	2010	**2012**
Derivatives Not Designated as Hedges	Statements of operations location	Amount			
Forward currency exchange contracts	Foreign exchange gains (losses), net	**¥ 39**	¥815	¥ (803)	**$ 476**
Currency swaps	Foreign exchange gains (losses), net	**(364)**	(292)	(2,061)	**(4,439)**
Cross currency interest rate swaps	Foreign exchange gains (losses), net	**(706)**	389	(1,078)	**(8,610)**
Interest rate swaps	Other, net	**(6)**	(109)	223	**(73)**
Other	Other, net	**(208)**	—	402	**(2,537)**
Total		**¥(1,245)**	¥803	¥(3,317)	**$(15,183)**

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, investments, trade and finance accounts receivable, and derivatives.

The Company maintains cash and cash equivalents and short-term investments with various financial institutions. The Company's policy is designed to limit exposure to any one institution. The Company performs periodic evaluations of relative credit standing of those financial institutions that are considered in the Company's investment strategy.

The Company is exposed to credit risk related to trade receivables, due to the amounts of receivable from certain major customers. The Company manages this risk by maintenance of customer's guarantee deposits and the performance of ongoing credit evaluations. An allowance for doubtful accounts is maintained at a level which management believes is sufficient to cover potential losses.

The Company is exposed to credit risk in the event of nonperformance by counterparties to derivative instruments. The Company limits this exposure by acquiring such derivative instruments from counter parties with high credit ratings.

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 estimates 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 were used by the Company in estimating the fair value of its financial instruments:

Cash and cash equivalents, Notes and accounts receivable, Short-term debt, Notes and accounts payable: The carrying amounts approximate the fair values because of the short maturity of these instruments.

Marketable securities and Investment securities: The fair values of government debt securities, stocks and public investment trusts with active markets are estimated based on quoted market prices. Debt securities and private investment trusts with inactive markets are measured by using observable inputs, either directly or indirectly.

Customers' guarantee deposits: The carrying amounts approximate the fair values because they are variable rate instruments.

Long-term debt: The fair value of long-term debt is estimated 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 ¥37,048 million ($451,805 thousand) and ¥36,964 million ($450,780 thousand), respectively as of March 31, 2012 and ¥35,652 million and ¥35,582 million, respectively as of March 31, 2011. The fair value hierarchy that prioritizes the use of inputs used in valuation techniques is described in Note 18, "Fair Value Measurement." The fair value hierarchy of Long-term debt as of March 31, 2012 is as follows:

	Millions of yen			
	2012			
	Level 1	Level 2	Level 3	Total
Long-term debt	**¥13,883**	**¥23,165**	**¥ —**	**¥37,048**

	Thousands of U.S. dollars			
	2012			
	Level 1	Level 2	Level 3	Total
Long-term debt	**$169,905**	**$282,500**	**$ —**	**$451,805**

The fair values and the corresponding carrying amounts as of March 31, 2012 and 2011 did not include the fair values of the unsecured Euroyen convertible bonds issued on April 5, 2006 with a carrying value of ¥103,986 million ($1,268,122 thousand) and ¥103,321 million, respectively, because there was no quoted market price and it was not practicable to estimate the fair value.

Derivative financial instruments: The fair values of forward currency exchange contracts, currency swaps, cross currency interest rate swaps and interest rate 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 ¥1,230 million ($15,000 thousand) and ¥538 million, and those of derivative liabilities were ¥4,372 million ($53,317 thousand) and ¥3,394 million, as of March 31, 2012 and 2011, respectively.

18. Fair Value Measurement

ASC820, which 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 use of 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 (less active 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 cash equivalents, marketable and investment securities, and derivative assets and liabilities. The fair value hierarchy as of March 31, 2012 and 2011 is as follows:

	Millions of yen			
	2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Negotiable certificates of deposit	¥ —	¥47,906	¥ —	¥47,906
Government debt securities	—	801	—	801
Marketable securities				
Government debt securities	5,014	—	—	5,014
Corporate debt securities	—	6,385	—	6,385
Investment securities				
Government debt securities	1,685	224	—	1,909
Corporate debt securities	—	9,985	—	9,985
Stocks	70,936	—	—	70,936
Investment trusts	15,495	8,366	—	23,861
Short-term derivative assets				
Forward currency exchange contracts	—	998	—	998
Currency swaps	—	227	—	227
Interest rate swaps	—	5	—	5
Liabilities:				
Short-term derivative liabilities				
Forward currency exchange contracts	—	2,235	—	2,235
Currency swaps	—	786	—	786
Cross currency interest rate swaps	—	258	—	258
Interest rate swaps	—	30	—	30
Long-term derivative liabilities				
Forward currency exchange contracts	—	80	—	80
Currency swaps	—	78	—	78
Cross currency interest rate swaps	—	621	—	621
Interest rate swaps	—	284	—	284

	Millions of yen			
	2011			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Negotiable certificates of deposit	¥ —	¥86,750	¥ —	¥86,750
Marketable securities				
Government debt securities	4,513	1,642	—	6,155
Corporate debt securities	—	17,033	—	17,033
Investment securities				
Government debt securities	6,786	222	—	7,008
Corporate debt securities	—	18,103	—	18,103
Stocks	75,698	—	—	75,698
Investment trusts	16,602	8,827	—	25,429
Short-term derivative assets				
Forward currency exchange contracts	—	479	—	479
Currency swaps	—	59	—	59
Liabilities:				
Short-term derivative liabilities				
Forward currency exchange contracts	—	1,213	—	1,213
Currency swaps	—	673	—	673
Cross currency interest rate swaps	—	579	—	579
Interest rate swaps	—	42	—	42
Long-term derivative liabilities				
Currency swaps	—	552	—	552
Cross currency interest rate swaps	—	39	—	39
Interest rate swaps	—	296	—	296

	Thousands of U.S. dollars			
	2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents				
Negotiable certificates of deposit	**$ —**	**$584,220**	**$ —**	**$584,220**
Government debt securities	**—**	**9,768**	**—**	**9,768**
Marketable securities				
Government debt securities	**61,146**	**—**	**—**	**61,146**
Corporate debt securities	**—**	**77,866**	**—**	**77,866**
Investment securities				
Government debt securities	**20,549**	**2,732**	**—**	**23,281**
Corporate debt securities	**—**	**121,768**	**—**	**121,768**
Stocks	**865,073**	**—**	**—**	**865,073**
Investments trusts	**188,964**	**102,024**	**—**	**290,988**
Short-term derivative assets				
Forward currency exchange contracts	**—**	**12,171**	**—**	**12,171**
Currency swaps	**—**	**2,768**	**—**	**2,768**
Interest rate swaps	**—**	**61**	**—**	**61**
Liabilities:				
Short-term derivative liabilities				
Forward currency exchange contracts	**—**	**27,257**	**—**	**27,257**
Currency swaps	**—**	**9,585**	**—**	**9,585**
Cross currency interest rate swaps	**—**	**3,146**	**—**	**3,146**
Interest rate swaps	**—**	**366**	**—**	**366**
Long-term derivative liabilities				
Forward currency exchange contracts	**—**	**976**	**—**	**976**
Currency swaps	**—**	**951**	**—**	**951**
Cross currency interest rate swaps	**—**	**7,573**	**—**	**7,573**
Interest rate swaps	**—**	**3,463**	**—**	**3,463**

Assets classified as Level 1 consist principally of Japanese government debt securities, listed stocks and public investment trusts, which were valued using unadjusted quoted prices in active markets for identical assets. Assets other than derivative assets classified as Level 2 consist principally of negotiable certificates of deposit, corporate debt securities and private investment trusts. Negotiable certificates of deposit, corporate debt securities and private investment trusts were valued based on market approach using directly or indirectly observable inputs in non-active markets. 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.

There were no assets and liabilities classified as Level 3 for the years ended March 31, 2012 and 2011.

For the year ended March 31, 2012, assets and liabilities measured at fair value on a nonrecurring basis were insignificant.

For the year ended March 31, 2011, assets measured at fair value on a nonrecurring basis were property, plant and equipment, and software for which impairment charges were recognized.

As the result of measurement of the fair values using the estimated discounted future cash flow method for property, plant and equipment and software, the Company concluded that the carrying value of these assets would not be recoverable and, thus, recorded impairment charges of ¥7,162 million and ¥511 million for the property, plant and equipment, and software, respectively for the year ended March 31, 2011. Impaired property, plant and equipment were written down to their fair value of ¥3,293 million. Software was fully written down. These assets were classified as Level 3 because of the use of unobservable inputs.

19. Financing Receivables and Allowance for Doubtful Financing Receivables

Allowance for Doubtful Financing Receivables

The Company determines whether financing receivables are impaired, based on the financial health of its customers and delays in payment. Financing receivables are evaluated individually or collectively. For collectively evaluated financing receivables, the allowance is based on historical losses, whereas for individually evaluated financing receivables, the allowance is directly estimated according to the financial health of the debtor.

The credit quality of financing receivables is reviewed every quarter based on the financial health of customers and delays in payment. Where the Company estimates that the credit quality of a particular receivable has decreased significantly, an allowance is individually recorded.

Uncollectible financing receivables are charged-off when legal actions have been taken to collect the receivable, and it becomes clear that an amount smaller than the recorded receivable will be recovered.

The following table provides both the balances as of March 31, 2012 and March 31, 2011, and the activity for the year ended March 31, 2012, in the allowance for doubtful financing receivables, excluding trade accounts receivable that have a contractual maturity of one year or less.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Allowance for doubtful financing receivables:			
Balance, as of April 1	**¥(3,149)**	—	**$(38,403)**
Charge-offs	**995**	—	**12,134**
(Provision) Benefit	**(1,073)**	—	**(13,085)**
Other	**(41)**	—	**(500)**
Balance, as of March 31	**¥(3,268)**	¥(3,149)	**$(39,854)**
Ending balance: individually evaluated for impairment	**(1,905)**	(1,954)	**(23,232)**
Ending balance: collectively evaluated for impairment	**(1,363)**	(1,195)	**(16,622)**

The Company discloses the activity in the allowance for doubtful financing receivables from the quarter ended March 31, 2011. The following table provides the activity for the quarter ended March 31, 2011, in the allowance for doubtful financing receivables.

	Millions of yen
	2011
Allowance for doubtful financing receivables:	
Balance, as of December 31, 2010	¥(3,405)
Charge-offs	309
(Provision) Benefit	39
Other	(92)
Balance, as of March 31, 2011	¥(3,149)

The following table provides information about financing receivables, excluding trade accounts receivable that have a contractual maturity of one year or less.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Financing receivables:			
Balance, as of March 31	**¥148,415**	¥128,531	**$1,809,939**
Ending balance: individually evaluated for impairment	**1,906**	2,002	**23,244**
Ending balance: collectively evaluated for impairment	**146,509**	126,529	**1,786,695**

Between April 1, 2011 and March 31, 2012, no significant purchases or sales in financing receivables occurred.

Past Due Financing Receivables

The following are past due financing receivables, excluding trade accounts receivable that have a contractual maturity of one year or less, as of March 31, 2012.

	Millions of yen		
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due
Financing Receivables	**¥847**	**¥2,108**	**¥2,955**

	Thousands of U.S. dollars		
	30-89 Days Past Due	Greater Than 90 Days	Total Past Due
Financing Receivables	**$10,329**	**$25,708**	**$36,037**

20. Acquisitions

In order to expand its distribution channels in Japan, the United States, Europe and Asia and increase technological developments of certain products, the Company acquired certain businesses for the years ended March 31, 2012, 2011 and 2010. Considerations for all significant acquisitions were paid in cash and aggregate purchase prices for acquisitions amounted to ¥61,013 million ($744,061 thousand), ¥32,497 million and ¥358 million, net of cash acquired, for the years ended March 31, 2012, 2011 and 2010, respectively. There were no significant contingent payments, options or commitments related to those acquisitions. Each acquisition that qualified as a business combination has been accounted for under the acquisition method of accounting in accordance with ASC805 and the excess of the purchase price over the estimated fair value of net assets acquired has been recorded as goodwill.

Significant acquisitions completed during the year ended March 31, 2012 included the acquisition of SonoSite, Inc. ("SonoSite"), a pioneer and leader in bedside and point-of-care ultrasound technology. On December 15, 2011, the Company entered into an agreement to acquire SonoSite. Following the agreement, the Company made a public tender offer, successfully completed on February 15, 2012, U.S. Time, for $54 per share, net to the seller in cash. On March 29, 2012, U.S. Time, the Company acquired the remaining noncontrolling interest in SonoSite for the same amount per outstanding share as the tender offer. The acquisition price is ¥59,163 million ($721,500 thousand). As of March 31, 2012, the fair values of certain tangible and intangible assets and liabilities acquired are not yet finalized and disclosures of the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed are not made. The final purchase price allocation will be completed no later than March 31, 2013.

The Company acquired for ¥26,959 million, 100% of the equity interests of MSD Biologics (UK) Limited and Diosynth RTP LLC., providers of contract manufacturing and development services for the biopharmaceutical industry in the United Kingdom and the United States during the year ended March 31, 2011. The purchase price allocation of MSD Biologics (UK) Limited and Diosynth RTP LLC. was completed during the year ended March 31, 2012 and the company allocated ¥9,891 million ($120,622 thousand) of goodwill provisionally recognized as of March 31, 2011 primarily to intangible assets of ¥5,991 million ($73,061 thousand) and tangible assets of ¥5,829 million ($71,085 thousand). The recognized intangibles primarily consisted of technology-based intangibles of ¥1,608 million ($19,610 thousand) and customer-related intangibles of ¥3,876 million ($47,268 thousand). The goodwill recognized is attributable primarily to expected synergies with existing businesses. Of the recognized goodwill, ¥2,711 million ($33,061 thousand) is expected to be deductible for income tax purposes.

Acquisitions completed during the year ended March 31, 2011 included the acquisition of MSD Biologics (UK) Limited and Diosynth RTP LLC. The Company provisionally recognized ¥24,270 million of goodwill, ¥423 million of technology-based intangibles and ¥4,324 million of customer-related intangibles from these acquisitions during the year ended March 31, 2011.

There was no significant acquisition during the year ended March 31, 2010.

The results of operations for the acquired entities have been included in the Company's consolidated statements of operations since the date of the acquisitions. Pro forma information related to acquisitions has not been presented because their impact on the Company's results of operations was not significant on an individual or an aggregate basis.

21. Restructuring and Other Charges

The performance of the Company was adversely affected by the worldwide economic recessions following the financial crisis which started in the third quarter of 2008 and resulted in decreased demand for its products and in the appreciation of the yen. To ensure profitability and continued growth in difficult economic conditions, the Company implemented a comprehensive restructuring program to thoroughly and drastically reduce costs in all group companies and business domains, without exceptions. As a result, for the two years ended March 31, 2011, a total amount of restructuring costs of ¥175,456 million was recognized.

The restructuring activities had been conducted as planned and completed through March 31, 2011. No costs were incurred during the year ended March 31, 2012.

Imaging Solutions Segment

Because of market shrinkage which was accelerated by the worldwide economic recessions, through the two years ended March 31, 2011, the Company implemented the consolidation and shut down of photo-finishing laboratories and R&D facilities, and terminated redundant manufacturing lines to further streamline marketing, development and manufacturing functions. The Company also implemented workforce reduction programs, disposals of inventories by means of consolidations and discontinuations of product lines, and other restructuring activities in domestic and foreign subsidiaries to reduce fixed costs. As a result of the above activities, the earnings forecast for future periods were revised and impairment charges were recognized on property, plant and equipment, amortizable intangible assets and other assets in domestic and foreign subsidiaries.

Following these activities, employee costs, fixed assets costs and other costs in total amounts of ¥14,165 million, ¥42,215 million and ¥10,443 million were recognized, respectively for the two years ended March 31, 2011.

Description of costs incurred for the years ended March 31, 2012, 2011 and 2010 and liability balances as of March 31, 2012, 2011 and 2010 are summarized as follows:

	Millions of yen			
	Employee costs	Fixed assets costs	Other costs	Total
Costs incurred	¥10,614	¥35,808	¥7,701	¥54,123
Non-cash charges	100	(35,808)	(5,021)	(40,729)
Cash payments	(7,363)	—	(1,501)	(8,864)
Adjustment	(214)	—	(3)	(217)
Liability balances as of March 31, 2010	3,137	—	1,176	4,313
Costs incurred	3,551	6,407	2,742	12,700
Non-cash charges	—	(6,407)	(232)	(6,639)
Cash payments	(3,535)	—	(2,274)	(5,809)
Adjustment	(162)	—	(95)	(257)
Liability balances as of March 31, 2011	2,991	—	1,317	4,308
Cash payments	**(2,117)**	**—**	**(436)**	**(2,553)**
Adjustment	**(424)**	**—**	**(232)**	**(656)**
Liability balances as of March 31, 2012	**¥ 450**	**¥ —**	**¥ 649**	**¥ 1,099**

	Thousands of U.S. dollars			
	Employee costs	Fixed assets costs	Other costs	Total
Liability balances as of March 31, 2011	$36,476	$ —	$16,061	$52,537
Cash payments	**(25,817)**	**—**	**(5,317)**	**(31,134)**
Adjustment	**(5,171)**	**—**	**(2,829)**	**(8,000)**
Liability balances as of March 31, 2012	**$ 5,488**	**$ —**	**$ 7,915**	**$13,403**

Information Solutions Segment

Through the two years ended March 31, 2011, the Company implemented workforce reduction programs mainly in staff departments and research departments, integration of sales offices, downsizing of certain manufacturing facilities, disposal of inventories by means of consolidations and discontinuations of product lines, and other restructuring activities in domestic and foreign subsidiaries to reduce fixed costs. As a result of the above activities, the earnings forecast was revised and impairment charges were recognized on property, plant and equipment such as manufacturing facilities, amortizable intangible assets and other assets in domestic and foreign subsidiaries.

Following these activities, employee costs, fixed assets costs and other costs in total amounts of ¥16,237 million, ¥41,097 million and ¥11,485 million were recognized, respectively, for the two years ended March 31, 2011.

Description of costs incurred for the years ended March 31, 2012, 2011 and 2010 and liability balances as of March 31, 2012, 2011 and 2010 are summarized as follows:

	Millions of yen			
	Employee costs	Fixed assets costs	Other costs	Total
Costs incurred	¥15,054	¥38,940	¥10,344	¥64,338
Non-cash charges	(573)	(38,940)	(5,191)	(44,704)
Cash payments	(11,787)	—	(1,963)	(13,750)
Adjustment	(61)	—	(10)	(71)
Liability balances as of March 31, 2010	2,633	—	3,180	5,813
Costs incurred	1,183	2,157	1,141	4,481
Non-cash charges	—	(2,157)	(235)	(2,392)
Cash payments	(2,386)	—	(1,706)	(4,092)
Adjustment	(145)	—	(106)	(251)
Liability balances as of March 31, 2011	1,285	—	2,274	3,559
Cash payments	**(422)**	**—**	**(801)**	**(1,223)**
Adjustment	**(378)**	**—**	**161**	**(217)**
Liability balances as of March 31, 2012	**¥ 485**	**¥ —**	**¥ 1,634**	**¥ 2,119**

	Thousands of U.S dollars			
	Employee costs	Fixed assets costs	Other costs	Total
Liability balances as of March 31, 2011	$15,671	$ —	$27,732	$43,403
Cash payments	**(5,147)**	**—**	**(9,768)**	**(14,915)**
Adjustment	**(4,609)**	**—**	**1,963**	**(2,646)**
Liability balances as of March 31, 2012	**$ 5,915**	**$ —**	**$19,927**	**$25,842**

Document Solutions Segment

Through the two years ended March 31, 2011, the Company implemented special retirement programs, on which the Company paid special allowances to employees who chose to change their career and moved outside the Company. As a result, the Company recognized costs relating to special termination benefits. In addition, the Company recorded costs relating to fixed assets primarily consisting of accelerated depreciation on existing facilities caused by the consolidation of research and development facilities to streamline its research and development functions.

Following these activities, employee costs, fixed assets costs and other costs in total amounts of ¥20,783 million, ¥6,598 million and ¥12,433 million were recognized, respectively, for the two years ended March 31, 2011.

Description of costs that have been incurred for the years ended March 31, 2012, 2011 and 2010 and liability balances as of March 31, 2012, 2011 and 2010 are summarized as follows:

	Millions of yen			
	Employee costs	Fixed assets costs	Other costs	Total
Costs incurred	¥12,495	¥4,539	¥8,246	¥25,280
Non-cash charges	(445)	(4,539)	(43)	(5,027)
Cash payments	(10,088)	—	(1,247)	(11,335)
Adjustment	—	—	—	—
Liability balances as of March 31, 2010	1,962	—	6,956	8,918
Costs incurred	8,288	2,059	4,187	14,534
Non-cash charges	—	(2,059)	(276)	(2,335)
Cash payments	(7,398)	—	(5,134)	(12,532)
Adjustment	(1)	—	(1,077)	(1,078)
Liability balances as of March 31, 2011	2,851	—	4,656	7,507
Cash payments	**(2,832)**	**—**	**(3,759)**	**(6,591)**
Adjustment	**2**	**—**	**(258)**	**(256)**
Liability balances as of March 31, 2012	**¥ 21**	**¥ —**	**¥ 639**	**¥ 660**

	Thousands of U.S dollars			
	Employee costs	Fixed assets costs	Other costs	Total
Liability balances as of March 31, 2011	$34,769	$ —	$56,780	$91,549
Cash payments	**(34,537)**	**—**	**(45,841)**	**(80,378)**
Adjustment	**24**	**—**	**(3,146)**	**(3,122)**
Liability balances as of March 31, 2012	**$ 256**	**$ —**	**$ 7,793**	**$ 8,049**

22. Segment Information

Operating Segments

The Company has three operating segments. The Company's operating segments were determined based upon common technology, manufacturing processes as well as distribution processes and type of customers, and they reflect how management reviews the businesses and operating results and makes decisions about strategic investments and the allocation of resources. "Imaging Solutions" develops, manufactures, markets and services color films, digital cameras, photofinishing equipment, color paper, chemicals and related products, primarily for individual consumers. "Information Solutions" develops, manufactures, markets and services equipment and materials for medical systems, life sciences products, pharmaceuticals, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials, and related products, primarily for commercial enterprises. "Document Solutions" develops, manufactures, markets and services office copy machines/multifunction devices, printers, production systems and services, office services, paper, consumables and other related products, primarily for commercial enterprises.

Revenue

	Years ended March 31			
	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Revenue:				
Imaging Solutions:				
External customers	**¥ 322,706**	¥ 325,804	¥ 345,489	**$ 3,935,439**
Intersegment	**750**	799	465	**9,146**
Total	**323,456**	326,603	345,954	**3,944,585**
Information Solutions:				
External customers	**887,758**	917,391	900,844	**10,826,317**
Intersegment	**1,884**	1,950	1,605	**22,976**
Total	**889,642**	919,341	902,449	**10,849,293**
Document Solutions:				
External customers	**984,829**	973,889	935,360	**12,010,110**
Intersegment	**10,244**	8,115	7,187	**124,927**
Total	**995,073**	982,004	942,547	**12,135,037**
Eliminations	**(12,878)**	(10,864)	(9,257)	**(157,049)**
Consolidated total	**¥2,195,293**	¥2,217,084	¥2,181,693	**$26,771,866**

Segment profit or loss

	Years ended March 31			
	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010 (Restated)	2012
Operating income (loss):				
Imaging Solutions	¥ (3,981)	¥ (12,693)	¥(63,306)	$ (48,549)
Information Solutions	67,446	103,512	10,623	822,512
Document Solutions	81,814	74,213	39,166	997,732
Total	145,279	165,032	(13,517)	1,771,695
Corporate expenses and eliminations	(32,331)	(28,676)	(28,595)	(394,280)
Consolidated operating income (loss)	112,948	136,356	(42,112)	1,377,415
Other income (expenses), net	(23,761)	(19,251)	113	(289,768)
Consolidated income (loss) before income taxes	¥ 89,187	¥117,105	¥(41,999)	$1,087,647

Assets

	March 31			
	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Total assets:				
Imaging Solutions	¥ 271,159	¥ 291,035	¥ 332,342	$ 3,306,817
Information Solutions	1,324,718	1,259,912	1,279,734	16,155,098
Document Solutions	988,424	967,040	980,998	12,053,951
Total	2,584,301	2,517,987	2,593,074	31,515,866
Eliminations	(6,783)	(5,346)	(4,574)	(82,719)
Corporate assets	162,147	196,200	238,928	1,977,402
Consolidated total	¥2,739,665	¥2,708,841	¥2,827,428	$33,410,549

Other significant items

	Years ended March 31			
	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Depreciation and amortization:				
Imaging Solutions	¥ 10,825	¥ 10,104	¥ 21,871	$ 132,012
Information Solutions	76,230	77,367	99,135	929,634
Document Solutions	57,505	65,790	73,603	701,281
Total	144,560	153,261	194,609	1,762,927
Corporate	3,215	3,833	474	39,207
Consolidated total	¥147,775	¥157,094	¥195,083	$1,802,134
Capital expenditures for segment assets:				
Imaging Solutions	¥ 9,184	¥ 8,108	¥ 9,080	$ 112,000
Information Solutions	59,869	61,821	28,505	730,110
Document Solutions	19,306	19,540	40,309	235,439
Total	88,359	89,469	77,894	1,077,549
Corporate	2,587	463	19	31,549
Consolidated total	¥ 90,946	¥ 89,932	¥ 77,913	$1,109,098

Transfers between operating segments are generally based on negotiated pricing. Corporate expenses are those expenses related to the Corporate Division of the Company. Corporate assets consist primarily of cash and cash equivalents as well as marketable and investment securities maintained for general corporate purposes. Corporate, in the "Other significant items" in the above table, represents depreciation and amortization or capital expenditures related to facilities and equipment which the Company holds for Company-wide use. The capital expenditures in the above table represent the purchase of fixed assets of each segment.

During the year ended March 31, 2011, the Company changed its method of allocating certain expenses incurred in the Corporate Division principally basic research, which had previously been allocated to each operating segment but is now charged directly to corporate expense. The Company restated figures for the year ended March, 31 2010, to conform to current year presentation and there was no impact on operating income (loss).

Geographic Information

Revenue to external customers, which are attributed to geographic areas based on the location of the customers for the years ended March 31, 2012, 2011 and 2010, are as follows:

	Years ended March 31			
	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Revenue:				
Japan	**¥1,012,685**	¥1,034,806	¥1,059,395	**$12,349,817**
The Americas	**367,652**	368,213	354,142	**4,483,561**
Europe	**262,694**	260,543	268,531	**3,203,585**
Asia and others	**552,262**	553,522	499,625	**6,734,903**
Consolidated total	**¥2,195,293**	¥2,217,084	¥2,181,693	**$26,771,866**

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

Long-lived assets as of March 31, 2012, 2011 and 2010 are as follows:

	March 31			
	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Long-lived assets:				
Japan	**¥432,655**	¥451,158	¥490,729	**$5,276,281**
The Americas	**31,638**	27,313	25,825	**385,829**
Europe	**42,565**	40,331	37,444	**519,085**
Asia and others	**47,058**	45,263	47,663	**573,878**
Consolidated total	**¥553,916**	¥564,065	¥601,661	**$6,755,073**

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

Major Customers and Other

No single customer of the Company accounted for more than 10% of consolidated revenue for each of the three years in the period ended March 31, 2012.

The Document Solutions subsidiary sold certain copy machines and other equipment to a noncontrolling interest and also purchased certain equipment from the noncontrolling interest, which amounted to ¥171,790 million ($2,095,000 thousand) and ¥11,405 million ($139,085 thousand), ¥180,006 million and ¥12,072 million, and ¥151,852 million and ¥12,662 million for the years ended March 31, 2012, 2011 and 2010, respectively.

In conjunction with a license agreement and other arrangements between the Document Solutions subsidiary and a noncontrolling interest, certain expenses of ¥12,347 million ($150,573 thousand), ¥11,792 million and ¥11,792 million, which primarily relate to royalty and research expenses, were incurred and certain expenses of ¥1,678 million ($20,463 thousand), ¥2,023 million and ¥2,597 million, which primarily relate to research expenses, were reimbursed for the years ended March 31, 2012, 2011 and 2010, respectively. Notes and accounts receivable from the noncontrolling interest as of March 31, 2012 and 2011 were ¥39,699 million ($484,134 thousand) and ¥28,601 million, respectively. Notes and accounts payable to the noncontrolling interest as of March 31, 2012 and 2011 were ¥4,374 million ($53,341 thousand) and ¥4,196 million, respectively.

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Report of Independent Auditors

The Board of Directors and Shareholders
FUJIFILM Holdings Corporation

We have audited the accompanying consolidated balance sheets of FUJIFILM Holdings Corporation and subsidiaries (the "Company") as of March 31, 2012 and 2011, and the related consolidated statements of operations, changes in equity, and cash flows for each of the three years in the period ended March 31, 2012, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of FUJIFILM Holdings Corporation and subsidiaries as of March 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2012, in conformity with accounting principles generally accepted in the United States.

We also have reviewed the translation of the consolidated financial statements mentioned above into United States dollars on the basis described in Note 3. In our opinion, such statements have been translated on such basis.

June 28, 2012

Ernst & Young ShinNihon LLC

Management's Report on Internal Control Over Financial Reporting

FUJIFILM Holdings Corporation and Subsidiaries

Basic Framework of Internal Control Over Financial Reporting

FUJIFILM Holdings Corporation's Representative Director and President, Shigehiro Nakajima, fully understands that he is responsible for the design and operation of internal control over financial reporting for the consolidated financial statements of FUJIFILM Holdings Corporation and subsidiaries (the "Company"). The Company has designed and operates internal control over financial reporting in accordance with the basic framework prescribed in the "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" released by the Business Accounting Council. Internal control over financial reporting is a process that provides reasonable assurance of achieving its objectives as defined in the Council Opinions through the design and implementation of all basic components of internal control and confirming all components are operating effectively as a whole.

However, as internal control has certain inherent limitations, there is a possibility that internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

Scope of Assessment, Assessment Date, and Assessment Procedures

The Company evaluated its internal control over financial reporting for the accompanying consolidated financial statements as of March 31, 2012, the assessment date and the fiscal year end of the Company, in accordance with generally accepted assessment standards for internal control in Japan.

Based on the results of the assessment of internal controls that could materially affect the consolidated financial reporting process (company-level controls), the Company selected business processes to be evaluated. After the analysis of these selected business processes, the Company identified key controls that could have a material impact on the reliability of financial reporting, and evaluated the effectiveness of internal control by assessing the design and operation of the key controls.

The scope of assessment of internal control over financial reporting was determined by selecting the Company itself, its consolidated subsidiaries and companies accounted for by the equity-method in consideration of their quantitative and qualitative impacts on financial reporting. The scope of assessment of internal control over business processes was reasonably determined based on the assessment of company-level controls of the Company and its consolidated subsidiaries. Certain consolidated subsidiaries and companies accounted for by the equity-method were excluded from the scope of assessment of the company-level controls since their quantitative and qualitative impacts were judged to be insignificant.

With regard to the scope of assessment of internal control over business processes, 48 locations or business units were determined to be "significant business locations," which consist of the locations or business units in descending order based on sales (after elimination of intercompany sales transactions) for the fiscal year ended March 31, 2011, whose combined sales account for approximately two-thirds of total sales on a consolidated basis for the fiscal year ended March 31, 2011, and certain other locations or business units considering their qualitative significance and regional characteristics. For the selected significant business locations, business processes related to sales, accounts receivable, and inventory were included in the scope of assessment as the aforementioned accounts are closely associated with the Company's business objectives. In addition, for the significant business locations and other group locations or business units, business processes that could result in a misstatement in significant components of the financial statements, business processes relating to significant accounts involving estimates and management's judgment, and business processes relating to businesses or operations dealing with high-risk transactions were added to the scope of assessment as business processes with a significant effect on financial reporting. The Company also ensured that the scope of assessment was adequate based on financial results and business operations for the fiscal year ended March 31, 2012.

Result of Assessment

As the result of the above assessment, the Company has concluded that its internal control over financial reporting for the accompanying consolidated financial statements is effective as of March 31, 2012, the fiscal year end.

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Report of Independent Auditors

The Board of Directors and Shareholders
FUJIFILM Holdings Corporation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of FUJIFILM Holdings Corporation and subsidiaries (the "Company"), which comprise the consolidated balance sheet as of March 31, 2012, and the consolidated statement of operations, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements
The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2012, and its consolidated financial performance and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Convenience Translation
We also have reviewed the translation of the consolidated financial statements mentioned above into United States Dollars on the basis in Note 3. In our opinion, such statements have been translated on such basis.

Report on the Management's Report

We have also audited the accompanying Management's Report on Internal Control over Financial Reporting for the consolidated financial statements as of March 31, 2012 of the Company (the "Management's Report").

Management's Responsibility for the Management's Report
The Company's management is responsible for designing and operating internal control over financial reporting, and the preparation and fair presentation of the Management's Report. Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility
Our responsibility is to express an opinion on the Management's Report based on our audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management's Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about management's assessment on internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including materiality of effect on the reliability of financial reporting. An internal control audit includes examining the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our internal control audit opinion.

Opinion
In our opinion, the Management's Report referred to above, which represents that internal control over financial reporting of the consolidated financial statements as of March 31, 2012 is effective, presents fairly, in all material respects, management's assessment on internal control over financial reporting for the consolidated financial statements in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

June 28, 2012

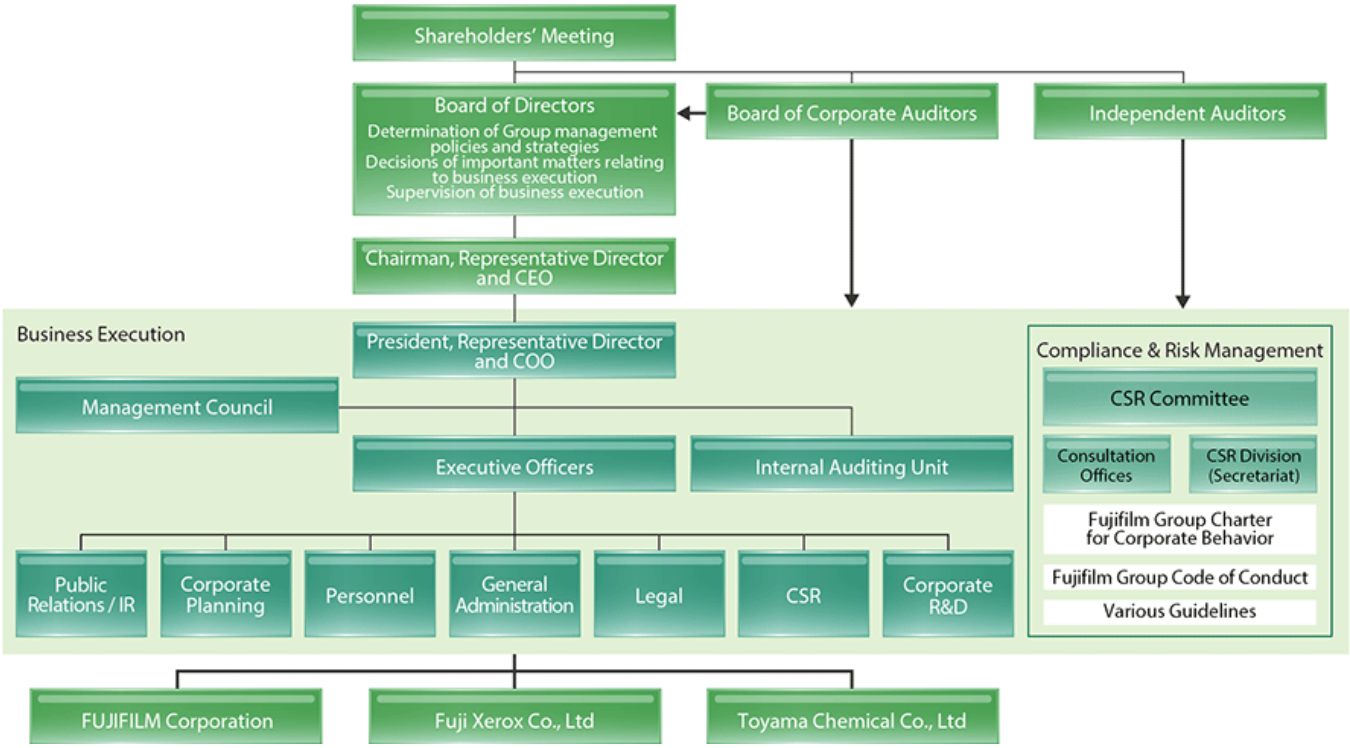
Ernst & Young ShinNihon LLC

Corporate Governance

The Company is Strengthening and Enhancing Corporate Governance in an Effort to Raise Corporate Value

The Company recognizes that a corporation's main mission is to keep improving its corporate value. To promote the accomplishment of this mission, the Company implements measures to strengthen and expand its corporate governance systems and thereby aims to win the trust of all stakeholders. Such measures are what underpin our Group-wide efforts to achieve corporate governance consistent with a holding company and maximize corporate value. The Fujifilm Group aims to constantly improve the transparency and soundness of its Group management.

The Corporate Governance Structure of FUJIFILM Holdings Corporation



Structure

Directors and Board of Directors

Adopting an Appropriate Decision-Making Process Based on Clearly Defined Missions and Responsibilities

The Company has positioned the board of directors as the organization for determining basic Group management policies and strategies and other important matters relating to business execution, as well as for supervising the implementation of business affairs. The Company's Articles of Incorporation stipulate that the board can consist of up to 12 directors. Currently, the board has 12 directors, including one outside director. The board's regular meetings are held, in principle, once a month, with extraordinary board meetings held on an as-required basis. In addition, certain matters are deliberated and resolved flexibly at board of directors meetings convened by directors with special authority. To better clarify their missions and responsibilities, the Company's directors have a one-year term of office.

Meanwhile, the Company has adopted a remuneration system under the stock option plan to make its directors, excluding outside directors, share a mutual interest—the effect of stock price fluctuations—with its shareholders. In this way, the directors are in actual fact encouraged to have stronger drive and morale toward achieving higher corporate value.

Matters Relating to Directors and the Board of Directors

(as of June 28, 2012)

The number of directors as stipulated under the Company's Articles of Incorporation	12
The term of office for directors as stipulated under the Company's Articles of Incorporation	1 year
The chairperson of the board of directors	The chairman
The number of directors	12
The number of outside directors	1
The number of outside directors designated as independent directors	1
The number of board of directors' meetings held (during the fiscal year ended March 31, 2012)	12

Executive Officer System

Executive Officers Taking the Lead in Ensuring Swift Business Execution

The Company has adopted an executive officer system to facilitate speedier business execution. Executive officers carry out business affairs in accordance with the basic policies and strategies formulated by the board of directors. The Company currently has 13 executive officers, including five concurrently serving as directors. The executive officers have a one-year term of office, the same as the Company's directors.

Management Council

Engaging in the Flexible Deliberation and Determination of Important Measures

The management council makes decisions on the submission of matters to be exclusively deliberated by the board of directors. At the same time, the council deliberates the measures adopted by executive officers to implement particularly important initiatives in accordance with the basic policies, plans and strategies formulated by the board of directors. The management council consists of full-time members—the chairman, president, and executive officers responsible for corporate planning and corporate R&D—and meetings of the management council are flexibly convened, with the attendance of relevant executive officers requested, depending on the matters concerned.

Corporate Auditors and Board of Corporate Auditors

Auditing the Entire Range of Management and Business Execution

The Company has adopted a corporate auditor system with a board of corporate auditors, which currently consists of five

members, including three outside corporate auditors. As an independent organization with key roles and responsibilities in the Company's corporate governance system, the auditors audit the entire range of the directors' performance of their duties following audit policies and an audit plan in conformity with corporate auditors' audit standards determined by the board of corporate auditors. At meetings of the board of corporate auditors, which are held, in principle, once a month, information is shared on the details of matters subject to auditing. In addition, all corporate auditors attend meetings of the board of directors, while the full-time corporate auditors also attend every management council meeting, regularly exchange opinions with the representative directors and audit the entire range of business execution. The Company has currently appointed two personnel to perform internal audits and to support the corporate auditors, with the aim of strengthening the audit functions of the corporate auditors.

Matters relating to Corporate Auditors and the Board of Corporate Auditors

(as of June 28, 2012)

The number of corporate auditors stipulated under the Company's Articles of Incorporation	5
The number of corporate auditors	5
The number of outside corporate auditors	3
The number of outside corporate auditors designated as independent corporate auditors	3
The number of board of corporate auditors' meetings held (during the fiscal year ended March 31, 2012)	11

Matters Concerning the Outside Director and Outside Corporate Auditors

Taking Steps to Solicit Outside Opinions and Enhance the Transparency of Management

Outside Director

Outside director Teisuke Kitayama imparts his ample experience and wide range of knowledge as a director of a financial institution. Also, the Company has notified the Japanese bourses on which its stock is listed of the designation of Mr. Teisuke Kitayama as its independent director, pursuant to the Securities Listing Regulations of Japanese stock exchanges.

Outside director Teisuke Kitayama attended 11 of the 12 board of directors meetings during the fiscal year ended March 31, 2012. Mr. Kitayama requested explanations when necessary and offered advice where appropriate at the meetings he attended to ensure the adequacy and appropriateness of the decisions made by the board.

Outside Corporate Auditors

Corporate auditors Kiichiro Furusawa and Daisuke Ogawa impart their ample experience and wide range of knowledge as directors of a financial institution and company, respectively. Their appointments as corporate auditors are in line with the Company's belief that they are able to appropriately audit the execution of duties by the Company's directors from an objective viewpoint based on their experience and knowledge. Mr. Takeo Kosugi is a partner of Matsuo & Kosugi and accordingly has ample experience in and a wide range of knowledge on corporate legal affairs as a legal expert. His appointment as an outside corporate auditor is in line with the Company's belief that he is able to appropriately audit the execution of duties by the Company's directors from an objective viewpoint based on his experience and knowledge. Also, the Company has notified the Japanese bourses on which its stock is listed of the designation of Messrs. Kiichiro Furusawa, Daisuke Ogawa, and Takeo

Kosugi as its independent corporate auditors, pursuant to the Securities Listing Regulations of Japanese stock exchanges.

Outside corporate auditor Kiichiro Furusawa attended 11 of the 12 board of directors meetings and 10 of the 11 board of corporate auditors meetings during the fiscal year ended March 31, 2012. Outside corporate auditor Daisuke Ogawa attended 11 of the 12 board of directors meetings and all 11 board of corporate auditors meetings during the same period. Outside corporate auditor, Takeo Kosugi has attended all 12 of the board of directors meetings and all 11 of the board of corporate auditors meetings for the fiscal year under review since his appointment to the Company.

Each of the outside corporate auditors requested explanations when necessary and made comments where appropriate at the board of directors meetings they attended to ensure the adequacy and appropriateness of the decisions made by the board of directors. They also asked questions and expressed their opinions, as appropriate, at the board of corporate auditors meetings they attended.

Support System for Outside Director and Outside Corporate Auditors

The Legal Division, the secretariat for the board of directors, prepares materials and provides the outside director and outside corporate auditors with information relating to proposals submitted to regular board of directors meetings. The department also provides them with supplementary explanations where requested. The internal auditing unit, the secretariat for the board of corporate auditors, provides support to outside corporate auditors in such areas as the preparation of materials and provision of relevant information for regular meetings of the board of corporate auditors. The materials prepared are used to promote information sharing between full-time and outside corporate auditors.

Remuneration to Directors and Corporate Auditors

Remuneration to Directors and Corporate Auditors Linked to the Nature of Individual Duties, Performance, and the Company's Business Results

The Company discloses the number of individuals to whom remuneration is paid and the total amount of remuneration by director and corporate auditor. Remuneration and other important matters relating to directors and corporate auditors are determined by way of resolution at the Company's annual general meeting of shareholders. In this manner, steps are taken to determine the total maximum amounts of compensation payable to directors and corporate auditors. Remuneration (including bonuses) paid to each director is determined by a resolution of the board of directors. Remuneration (including bonuses) paid to each corporate auditor is determined based on deliberations between corporate auditors. The basic remuneration of directors and corporate auditors is paid as a fixed remuneration amount in accordance with individual duties and status whether full- or part-time. Directors' bonuses are determined in accordance with the Company's business results and individual director's responsibilities and performance.

The Company has introduced a stock option system in connection with the payment of remuneration to directors (excluding outside directors). The stock option system was introduced as an incentive to further motivate directors to enhance corporate value. The number of stock options allocated adopts a different balance from the process used to pay basic compensation and bonuses. In determining the number of stock options allocated, consideration is given to each director's position, responsibilities, authority, and contribution to business results, and determined by the board of directors in accordance with established rule.

Remuneration to Directors and Corporate Auditors during the Fiscal Year Ended March 31, 2012

Subject of Remuneration	Number of People	Remuneration Amount
Directors (Outside director)	14 (1)	¥805 million (¥9 million)
Corporate auditors (Outside corporate auditors)	5 (3)	¥71 million (¥28 million)
Total (Outside directors and corporate auditors)	19 (4)	¥877 million (¥38 million)

The amounts shown in the table to the left include the following:

1. Bonuses paid to the directors during the fiscal year ended March 31, 2012
   Total of ¥68 million paid to 12 directors, including ¥1 million paid to the outside director
   Total of ¥7 million paid to five corporate auditors, including ¥4 million paid to the three outside corporate auditors
2. Remuneration in conjunction with the stock option plan
   Total of ¥480 million for 11 directors

Audit

Internal Audits

The Internal Audit Divisions of Group Companies Collaborate the Internal Audit Division to Ensure the Integrity of Audits

The Company has an Internal Audit Division, which currently comprises 14 personnel, as an internal auditing unit that is independent from divisions responsible for the execution of business affairs. From the standpoint of a holding company, this division audits operational processes and other relevant matters at individual divisions of the Company and its Group companies through cooperation with the internal auditing units at the operating companies. In this way, the division evaluates and verifies that these processes are appropriate.
In addition, the division is in charge of assessing internal control over financial reporting by the Company and its Group companies, in response to the April 2008 application of the internal control reporting system in Japan. The Company compiles the outcome of the assessment in a “Management's Report on Internal Control over Financial Reporting.” In addition, personnel in specialized units at the operating companies audit operations regulated by the Pharmaceutical Affairs Law of Japan, as well as those in the quality control, environmental and export control fields.

Accounting Audits

Accounting Audits and Internal Control Audits Undertaken by Independent Auditors

The Company engages Ernst & Young ShinNihon LLC as its independent auditors. Ernst & Young ShinNihon expresses an opinion on the Company's financial statements from an independent standpoint as an auditor. In addition to accounting audits, Ernst & Young ShinNihon commenced auditing internal control of the Company's financial reporting from the fiscal year ended March 31, 2009.

Cooperation between Internal Auditing Unit, Corporate Auditors, and Independent Auditors

Ensuring the Exchange of Information and Opinions by Each Organization and Division with respect to Audits

With the aim of improving its corporate governance, the Company promotes coordination between internal audits and corporate auditors' audits as well as independent auditors' audits—which include audits of internal control over financial reporting. When audits are planned, performed and reviewed every fiscal year, these three groups exchange information and opinions and hold deliberations as needed. In addition, the internal auditing unit and the independent auditors report results of audits to corporate auditors on a regular basis and results of annual audit reviews to the board of corporate auditors.

Relationship of Internal Auditing Unit, Corporate Auditors, and Independent Auditors with Internal Control Unit

Sharing Information of Audit Target and Ensuring that the Internal Control Unit is also Subject to Audit

The internal auditing unit and corporate auditors receive information regarding their audit targets from the internal control unit and conduct their audits based on the information received. Meanwhile, the internal control unit is subject to audits by the internal auditing unit and corporate auditors. Also, results of assessment of internal control over the Company's financial reporting compiled by the internal auditing unit are used in audits of internal control over the Company's financial reporting conducted by the independent auditors.

Cooperation with Outside Director and Outside Corporate Auditors in Internal Audits, Corporate Auditors' Audits, and Accounting Audits

Sharing the Results of Various Audits with the Board of Directors and Board of Corporate Auditors

The internal auditing unit and the independent auditors report results of their audits to the board of corporate auditors. The board of corporate auditors formulates audit plans that incorporate sufficient collaboration with the independent auditors prior to implementing actual audits. The outside director receives reports on audit results at board of directors meetings from the board of corporate auditors.

Relationship of Outside Director and Outside Corporate Auditors with Internal Auditing Unit

Reporting the Annual Status Reviews of Internal Control to the Board of Directors

Based on reports received from the internal control unit, the Corporate Planning Division compiles the status of the implementation of the Basic Policies for Internal Control, which have been approved by the board of directors, and reports annual status reviews to the board of directors. With regard to activities aimed at promoting compliance and risk management, the CSR Division in charge reports details of these activities to the directors and the corporate auditors on a regular basis.

Accountability

Actively Engaging in the Timely and Appropriate Disclosure of Information

The Fujifilm Group maintains an aggressive stance in disclosing such corporate information as management strategies and financial results, with due consideration given to disclosure timeliness, fairness, accuracy, and continuity. This stance is based on a principle interwoven in the Fujifilm Group Charter for Corporate Behavior. In legal terms, the Company discloses information in strict compliance with the Financial Instruments and Exchange Act of Japan and other relevant laws and regulations as well as timely information disclosure rules of the Japanese bourses on which the Company's stock is listed. We disclose information that is not required by such laws, regulations, and rules but may have material influence on investors' decision-making in a proactive manner and facilitate deeper understanding of the Company. Such information disclosure is carried out through press conferences and briefings and various IR tools, which include the Company's website.

IR Activities

Deepening Communication with Investors

Fujifilm's top management actively participates in IR activities. This is because they are fully aware that these activities are important in accelerating interactive communication between the Company and investors and, ultimately, strengthening the circle of trust and improving the quality of these activities. Also, we strive to minimize the discrepancy between the Company's true corporate value and its market evaluation by constantly disclosing management policies and other important information and incorporating feedback from capital markets into our management. More specifically, the Company holds conferences on business results quarterly with the attendance of its top management or executive officers. Complementing these briefings, the Company also holds conferences and small meetings frequently for both domestic and overseas institutional investors. For individual investors, we provide information through our website, while also holding company information sessions in major cities nationwide.

The Major IR Activities

Event Name	Target and Details
Meeting to explain operating results	Hold quarterly meeting to explain operating results (including Medium-term Management Plan presentation meetings); explanations provided by top management or executive officers (responsible for IR)
Conferences and individual meetings	Hold conferences and individual meetings for domestic and overseas institutional investors
Presentations to individual investors	Hold seminars for individual investors at the branches of securities companies mainly in major metropolitan cities; attend exhibitions organized by newspaper companies and provide explanations

Internal Control

Led by the CSR Committee, the Fujifilm Group is Strengthening Its Internal Control Function Encompassing Compliance and Risk Management

The Fujifilm Group Corporate Philosophy states: “We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology, and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.” Given these basic goals, the Fujifilm Group endeavors to create a corporate culture in which all employees take a proactive approach toward compliance and risk management in line with fulfilling its corporate social responsibilities.

The Fujifilm Group interprets compliance as the appropriate action of individuals and companies in accordance with ethical principles and common sense, in addition to observing the laws. Lack of awareness of compliance often leads to increased risk. Consequently, compliance and risk management represent two sides of the same coin. Guided by this fundamental stance, the Fujifilm Group has established the CSR Committee to engage in comprehensive and integrated internal control management encompassing compliance and risk management.

Roles and Composition of FUJIFILM Holdings Corporation CSR Committee

Compliance

Engaging in Business Activities that Conform Strictly with Laws, Regulations, and Social Ethics

The Fujifilm Group has formulated the “Fujifilm Group Charter for Corporate Behavior” and also established the “Fujifilm Group Code of Conduct” to better guide each employee to act and behave in compliance with laws, regulations, and social ethics. Furthermore, the Company has established a CSR Committee, chaired by the president, to manage and govern internal control measures in a comprehensive and integrated fashion.

Moreover, the Company has established a division within each of its principal operating companies—FUJIFILM Corporation and Fuji Xerox Co., Ltd.—that is exclusively responsible for promoting compliance and instilling a compliance-based mind-set throughout the Group including domestic and overseas affiliates. The Company also maintains offices to provide consultations and support communications regarding infringement issues related to the Code of Conduct and compliance. This effort is meant to facilitate the early detection of illegal or improper behavior and ensure prompt and appropriate response measures. All of the communications and information are kept confidential and reported to the CSR Committee.

The Company has also formulated guidelines and policies to ensure thorough observance of laws and regulations in its business

activities. These guidelines and policies include rules for the use of circular letters, document management, timely disclosure, personal information management, and other internal guidelines.

The Fujifilm Group's Compliance Statement clearly states that the Company gives priority to compliance over business profits, and the Company strives to ensure that all Group employees comply with the Code of Conduct. The Company also works to raise compliance awareness through regular educational and training activities.

Risk Management Systems

Each Operating Company and the Group as a Whole are Practicing Appropriate Risk Management

Each operating company establishes and maintains its own appropriate risk management systems. Following prescribed procedures, the operating companies report their risk management activities—including preventive measures and countermeasures against materialized risks—to the CSR Committee secretariat. With regard to significant risks in Group operations, the CSR Committee, the CSR Committee, chaired by the president, takes a Group-wide perspective in examining potential countermeasures and effecting their implementation.

Internal audits are the responsibility of the internal auditing unit, which is independent from divisions responsible for business execution. Every effort is being made to further enhance the integrity of business activities. As a holding company, FUJIFILM Holdings supervises business execution by subsidiaries from the standpoint of its shareholders, while also conducting operations common to the Group in a unified, efficient, and appropriate manner. Meanwhile, the Company provides guidance, support, and supervision in the establishment of systems by its subsidiaries. Thus, the Company aims to ensure the appropriate conduct of business operations across the Group.

In particular, the Code of Conduct clearly defines the Group’s stance toward antisocial forces and illegal organizations that threaten the social order and public security. The Company strictly adheres to the principle that it shall not only eliminate any relationship with such parties but also avoid activities which may benefit such parties.

While steps were taken to identify risk-related issues and appropriate countermeasures common to both operating companies, FUJIFILM Corporation and Fuji Xerox Co., Ltd., based on the risks associated with each business division, the decision was made to review Group-wide risks, to implement additional countermeasures and to bolster capabilities in response to the Great East Japan Earthquake in the fiscal year ended March 31, 2012.

Board of Directors, Corporate Auditors, and Executive Officers

FUJIFILM Holdings Corporation (As of June 28, 2012)

Board of Directors

Shigetaka Komori

Chairman, Representative Director and CEO

Joined Fuji Photo Film Co., Ltd. in 1963 and was appointed a director in 1995. Took up the position of Director and Managing Director of Fuji Photo Film (Europe) GmbH in 1996 and was later elevated to President & Representative Director of Fuji Photo Film Co., Ltd. in 2000. Has been serving as President, Representative Director and CEO of Fuji Photo Film Co., Ltd. and President, Representative Director and CEO of FUJIFILM Holdings Corporation since 2003 and 2006, respectively. Appointed to the position of Chairman, Representative Director and CEO of FUJIFILM Holdings Corporation and FUJIFILM Corporation in 2012.

Shigehiro Nakajima

President, Representative Director and COO

Joined Fuji Photo Film Co., Ltd. in 1973 and was appointed Corporate Vice President & Managing Director of Fuji Photo Film B.V. in 2005. Took up the position of Director, Senior Vice President & General Manager of the Emerging Countries Business Development Office of FUJIFILM Corporation and a director of FUJIFILM Holdings Corporation in 2010. Has been serving as Representative Director, Executive Vice President of FUJIFILM Holdings Corporation since 2011. Appointed to the position of President, Representative Director and COO of FUJIFILM Holdings Corporation and FUJIFILM Corporation in 2012.

Takeshi Higuchi

Director

Joined FUJI PHOTO OPTICAL CO., LTD. in 1967 and was appointed President & Representative Director of FUJINON Corporation in 2000. Took up the position of Corporate Vice President & General Manager of the Optical Device Business Division of Fuji Photo Film Co., Ltd. in 2005, and later became Director, Senior Vice President & General Manager of the Electronic Imaging Products Division of FUJIFILM Corporation in 2008. Has been serving as a director of FUJIFILM Holdings Corporation since 2010.

Yuzo Toda

Director

Joined Fuji Photo Film Co., Ltd. in 1973 and was appointed Corporate Vice President & General Manager of the Life Science Research Laboratories in 2004. Took up the position of Director, Corporate Vice President & General Manager of the Life Science Products Division in 2006. Has been serving as a director of FUJIFILM Holdings Corporation since 2009.

Nobuaki Inoue

Director

Joined Fuji Photo Film Co., Ltd. in 1974 and was appointed Corporate Vice President & General Manager of the Graphic Systems Business Division in 2006. Took up the position of Director, Corporate Vice President & General Manager of the Graphic Systems Business Division and General Manager of the Advanced Marking Business Division of FUJIFILM Corporation in 2008. Has been serving as a director of FUJIFILM Holdings Corporation since 2009.

Kouichi Tamai

Director

Joined Fuji Photo Film Co., Ltd. in 2003 and was appointed Fellow in 2005. Took up the position of Corporate Vice President & Deputy General Manager of the Corporate Planning Headquarters in 2006, and later became Director, Corporate Vice President & Deputy General Manager of the Production Engineering & Development Center of FUJIFILM Corporation in 2008. Has been serving as a director of FUJIFILM Holdings Corporation since 2010.

Toshiaki Suzuki
Director

Joined Fuji Photo Film Co., Ltd. in 1974 and was appointed Corporate Vice President & General Manager of the Medical Systems Research & Development Center in 2006. Took up the position of Director, Corporate Vice President & General Manager of the Intellectual Property Division of FUJIFILM Corporation in 2011. Has been serving as a director of FUJIFILM Holdings Corporation since 2011.

Katsumi Makino
Director

Joined Fuji Photo Film Co., Ltd. in 1979 and was appointed Corporate Vice President & General Manager of the Flat Panel Display Materials Division of FUJIFILM Corporation in 2007. Took up the position of Director, Corporate Vice President & General Manager of the Flat Panel Display Materials Division in 2012. Has been serving as a director of FUJIFILM Holdings Corporation since 2012.

Yoshihisa Goto
Director

Joined Fuji Photo Film Co., Ltd. in 1974 and was appointed Corporate Vice President & Deputy General Manager of the Industrial Products Division of FUJIFILM Corporation in 2009. Took up the position of Director, Corporate Vice President & General Manager of the Industrial Products Division in 2012. Has been serving as a director of FUJIFILM Holdings Corporation since 2012.

Takatoshi Ishikawa
Director

Joined Fuji Photo Film Co., Ltd. in 1978 and was appointed Corporate Vice President & General Manager of the Electronic Materials Business Division of FUJIFILM Corporation in 2011. Took up the position of Director, Corporate Vice President & General Manager of the Pharmaceutical Products Division in 2012. Has been serving as a director of FUJIFILM Holdings Corporation since 2012.

Tadahito Yamamoto
Director

Joined Fuji Xerox Co., Ltd. in 1968. Assumed the position of director in 1994. Later appointed Senior Vice President & Director in 1996, heading up development. Named as Executive Vice President & Representative Director in 2002, and was elevated to President & Representative Director in 2007. Has been serving as a director of FUJIFILM Holdings Corporation since 2007.

Teisuke Kitayama
Outside Director

Joined the Mitsui Bank, Ltd. in 1969, and was appointed President & Representative Director of Sumitomo Mitsui Financial Group, Inc. and Chairman of the Board & Representative Director of Sumitomo Mitsui Banking Corporation in 2005. Currently serving as Chairman of the Board of Sumitomo Mitsui Banking Corporation. Has been serving as an outside director of FUJIFILM Holdings Corporation since 2006.

Corporate Auditors

Toshimitsu Kawamura
Corporate Auditor

Kouichi Suematsu
Corporate Auditor

Kiichiro Furusawa
Outside Corporate Auditor

Daisuke Ogawa
Outside Corporate Auditor

Takeo Kosugi
Outside Corporate Auditor

Executive Officers

Chairman and CEO

Shigetaka Komori

President and COO

Shigehiro Nakajima

Corporate Vice Presidents

Nobuaki Inoue, Kouichi Tamai, Toshiaki Suzuki, Kazuhiko Furuya, Haruhiko Yoshida

Nobuyuki Watabe, Kenji Sukeno, Ryutaro Hosoda, Hiroshi Tanaka, Kazuya Mishima

Toru Yamada

Note: Fuji Photo Film Co., Ltd. was renamed FUJIFILM Holdings Corporation in October 2006. The operating company FUJIFILM Corporation took over the businesses of Fuji Photo Film Co., Ltd.

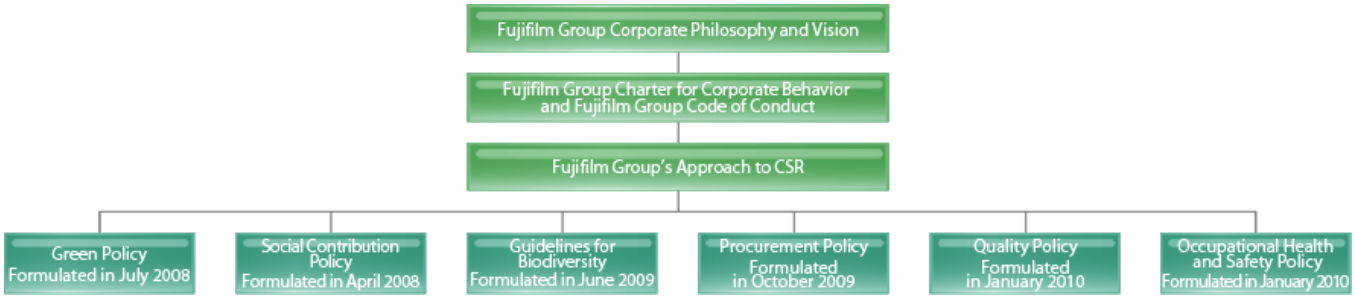
CSR Management

Since its adoption of a holding-company system in October 2006, the Company has worked diligently to maintain an effective structure to facilitate CSR activities. Guided by its three-year medium-term CSR plan, which commenced from the fiscal year ended March 31, 2008, the Company continued to engage in CSR activities that help resolve management issues. Currently, the Company is promoting efforts consistent with its new medium-term CSR plan that began from the fiscal year ended March 31, 2011.

Sharing a Common Philosophy and Values across the Group

The Fujifilm Group has put in place the Fujifilm Group Charter for Corporate Behavior and the Code of Conduct, which incorporates the spirit and substance of the Fujifilm Group Corporate Philosophy and Vision, as a set of commonly shared global guidelines for FUJIFILM Holdings Corporation, FUJIFILM Corporation, Fuji Xerox Co., Ltd. and Group companies in Japan and overseas to follow. In addition, the Company recognizes that the Group's ability to fulfill its CSR rests entirely on the participation of the organization as a whole and each and every employee practicing CSR activities in the conduct of their daily tasks and duties.
Based on this belief, we clarify our ideas about CSR and our policies on each activity relating to the environment, social contribution, biodiversity conservation, procurement, quality, and occupational health and safety so that all employees share the philosophy and values of CSR across the Group for stronger CSR governance.

The Philosophy and Policies Unifying the Fujifilm Group



Medium-term CSR Plan

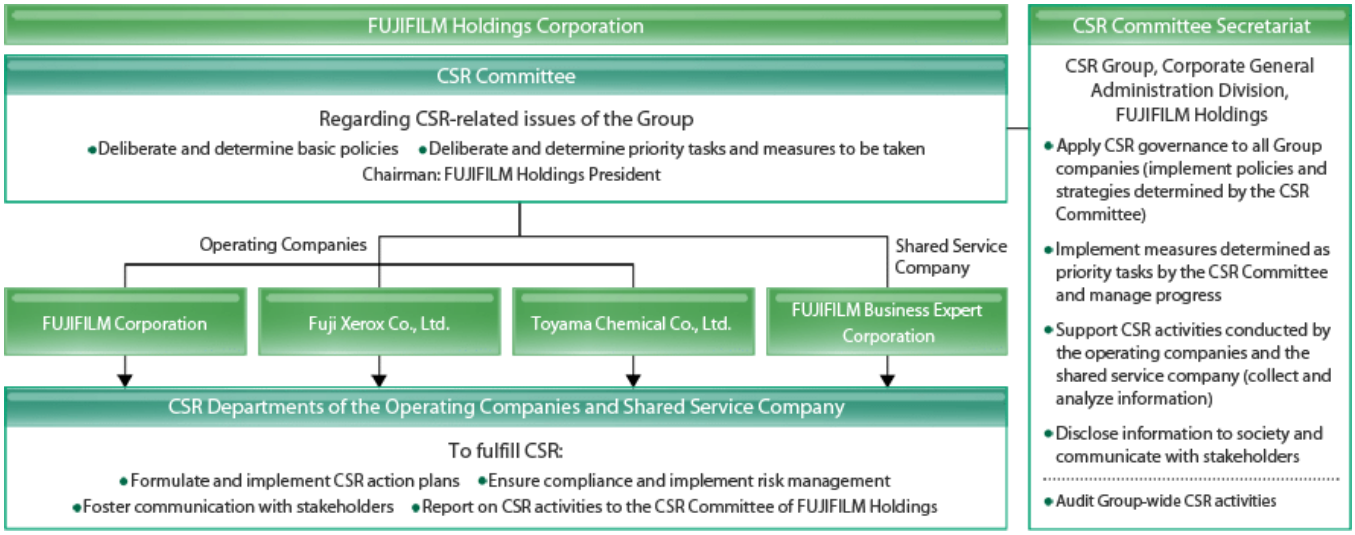
FUJIFILM Holdings have been implementing our medium-term CSR plan of promotional policies and priorities in efforts to achieve the objectives set out in our Management Plan. The plan, which commenced from the fiscal year ended March 31, 2011 aims at achieving both business growth and environmental impact reduction as well as enhancing the brand value of the Group through CSR. The plan is based on increased cooperation between the Group companies, and we are committed to the three priority issues.

Medium-term CSR Plan

CSR Promotion System

The CSR Committee of FUJIFILM Holdings oversees the Fujifilm Group's system for implementing CSR.
The CSR Committee is a decision-making body chaired by the president of FUJIFILM Holdings to promote CSR activities across the entire Fujifilm Group. The CSR department of FUJIFILM Holdings, which serves as the CSR Committee secretariat, supports the CSR activities of FUJIFILM Corporation, Fuji Xerox Co., Ltd., Toyama Chemical Co., Ltd. (and their affiliates), and FUJIFILM Business Expert Corporation by fulfilling five major functions. Each of the companies strives to improve its CSR activities, formulating and implementing a CSR activity plan in accordance with its operations, ensuring thorough compliance, conducting risk management, promoting communication with stakeholders, and cooperating with the FUJIFILM Holdings CSR Committee on CSR measures.

CSR Management Structure



Fujifilm Group Roundtable Discussion on Human Resources Exchange

The Fujifilm Group actively promotes the exchange of personnel in order to take advantage of synergies that harness the operational strengths of Group operating business companies and to bolster the management platform of the Group. With the aim of further invigorating personnel exchange, steps have also been taken to hold continuous and regular roundtable discussions on the exchange of human resources since fiscal year ended March 31, 2009.
In the fiscal year ended March 31, 2012, a roundtable discussion organized by the Corporate Personnel Division of FUJIFILM Holdings, was held in June. This particular discussion was attended by employees of FUJIFILM and Fuji Xerox who had moved or were temporarily assigned to a different Group company. Topics of discussion included each individual's candid impression on his or her new assignment, possibilities for increased synergy, and recommendations for expanding personnel exchange programs. Looking ahead continued efforts will be made to uncover items of mutual benefit across a wide range of fields including CSR. Through roundtable discussions that allow participants to share experiences and ideas, the Fujifilm Group will work to garner the trust of society, nurture a well-respected corporate culture and further promote synergies.

Roundtable Discussion on Human Resources Exchange

The Status of Inclusion in SRI Indexes

As a corporate group that proactively promotes CSR actions toward sustainable development, FUJIFILM Holdings is included in the Socially Responsible Investment (SRI) indexes.

Inclusion in the Dow Jones Sustainability Indexes 2011/12

Inclusion in the FTSE4Good Global Index

Inclusion in the Morningstar Socially Responsible Investment Index
(As of the end of June 2012)

Third-Party Evaluation of the Company's CSR Activities (The Fiscal Year Ended March 31, 2012)

Fujifilm Group has been recognized for its CSR activities by a variety of third-party organizations

Assessment Name	Assessment of the Fujifilm Group
6th Company Quality Management Survey (sponsored by the Union of Japanese Scientists and Engineers): Note: Not conducted in the fiscal year ended March 31, 2012	1st out of 249 companies
5th Toyo Keizai CSR Ranking (sponsored by Toyo Keizai, Inc.):	1st out of 1,117 companies
15th Nikkei Environmental Management Survey (sponsored by Nikkei Inc.):	9th out of 449 manufacturers
SAM Sustainability Yearbook 2011 (Sustainable Asset Management AG)	SAM Gold Class
The Great East Japan Earthquake Reconstruction Support CANPAN 5th CSR Awards 2011 selected by citizens and local residents (sponsored by The Nippon Foundation):	Second Grand Prize

Environmental Aspects

Green Policy

The entire Fujifilm Group strives for the highest environmental quality based on the environmental policy, the Fujifilm Group Green Policy.

Fujifilm Group Green Policy

Basic Policy

“Sustainable development” is the most important issue for our planet, the human race, and all business entities in the 21st century. The Fujifilm Group companies around the world aim to stay at the forefront of efforts to attain this goal in terms of environmental, economic, and social aspects. We will strive for customer satisfaction as well as our contribution to “sustainable development” by achieving high “environmental quality” in products, services, and corporate activities.

Action Guidelines

1. We will promote environmental burden reduction and product safety assurance with the following four items in mind:
   (1) Our efforts are pursued throughout all corporate activities.
   (2) Our efforts are pursued throughout the entire product life cycle.
   (3) We give overall consideration to economic and social implications.
   (4) Biodiversity conservation
2. We will improve our management of chemical substances and the chemical content of products to reduce environmental risks.
3. We will comply with legal regulations as well as Fujifilm Group regulations, standards, and requirements that are individually agreed on.
4. We will strengthen partnerships with our business partners, collaborate in government and industrial activities, and actively participate in community activities.
5. We will actively give full disclosure of the information regarding our involvement in and accomplishment of various environmental activities to all associated individuals, including local communities, governments, and Fujifilm Group company employees, to facilitate open communication.
6. We will heighten the environmental awareness of every Fujifilm Group employee through employee education, so that we can fortify our infrastructure to face the challenges posed by environmental issues in the future.

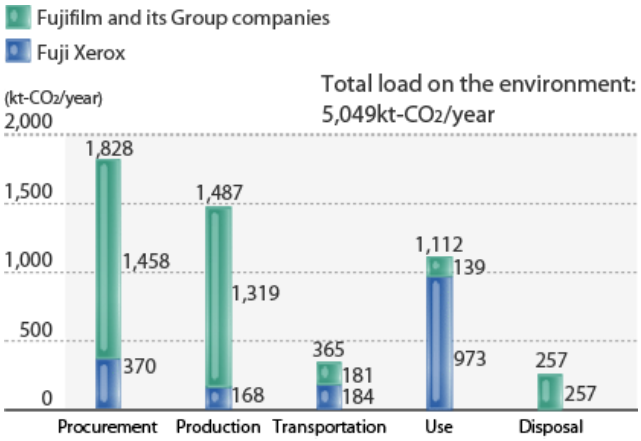
FUJIFILM group
Green Policy

The Fujifilm Group's Long-term Goal for Anti-global Warming Measures

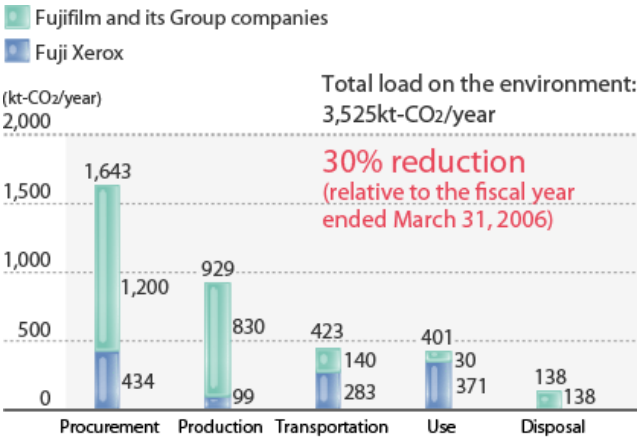
The Fujifilm Group as a whole is engaged in activities aimed at preventing global warming. In April 2010, the Group set its long-term goal to reduce CO_2 emissions by 30% by the fiscal year ending March 31, 2021 (relative to the fiscal year ended March 31, 2006 level) for the entire life cycle of its products.

Efforts to reduce CO_2 emissions from corporate activities are not limited to business operations, but are extended to the entire life cycle of the products and services (from the procurement of raw materials to the production, transportation, use, and disposal of the products). We will reduce CO_2 emissions to less than 3,525 kilo tons per year by the fiscal year ending March 31, 2021 from 5,049 kilo tons per year in the fiscal year ended March 31, 2006 (the base year).
Details of the Group's initiatives and achievements for each fiscal year are presented in its annual Sustainability Report.

Actual performance of the Fujifilm Group in the fiscal year ended March 31, 2006 (base year)



Goal of the Fujifilm Group for the fiscal year ending March 31, 2021 (target year)

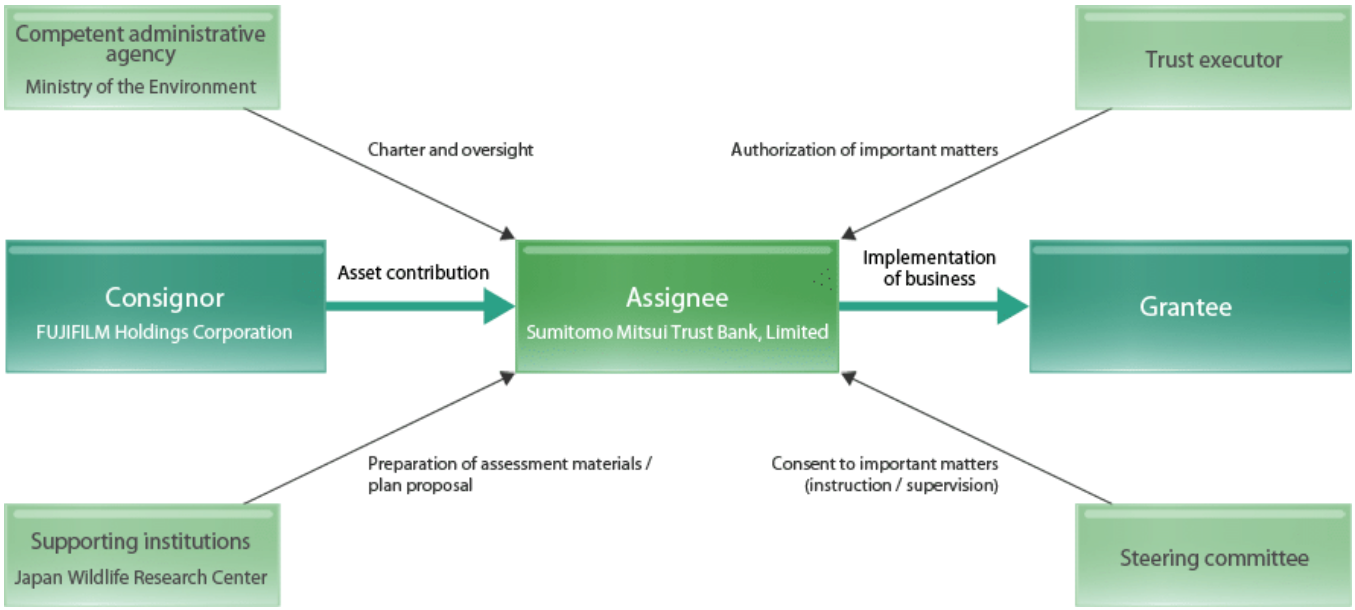


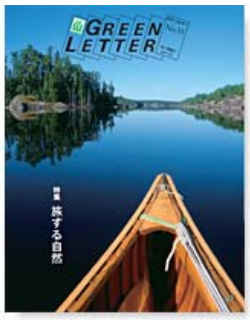
Social Aspects

The Fujifilm Green Fund

In commemorating the Fujifilm Group's 50th anniversary and in appreciation of the longstanding and wide-ranging support of its customer, steps were taken to contribute to society through the establishment of the Public Trust Fujifilm Green Fund in 1983. Consistent with the Group's unwavering commitment since its foundation to preserve and foster the natural environment, Fujifilm placed ¥1 billion in a public trust to provide broad-based support. The Fund provides monetary assistance for activities and research across the four themes of (1) the planting of forest areas for future use; (2) projects that support "greening" activities; (3) assistance for activities that encourage contact with nature, and (4) support for research related to the preservation and use of greenery. This was the first nature preservation trust ever established by a private-sector enterprise in Japan. Currently, the fund continues to provide support and assistance for a great many activities as well as research.

The operating structure of the Fujifilm Green Fund





Green Letter No. 33

Details of the Fund's performance are published in the Green Letter each year.

Note: The Green Letter is only published in Japanese.

CSR Procurement

The Fujifilm Group established the Fujifilm Group Procurement Policy in an effort to extend CSR activities across the entire supply chain in October 2009. The goal is to further enhance CSR in partnership with all suppliers.
The Policy is composed of two parts: I. Basic Procurement Concepts and II. Procurement Guidelines. The Basic Procurement Concepts show the Group's commitment to dealing with suppliers in compliance with laws and in consideration of human rights, the environment, and other CSR issues.
Looking ahead, the Fujifilm Group will request that suppliers complete remedial and improvement measures for any failure to meet prescribed guidelines. The Group will provide support as and when required and work to bolster procurement infrastructure.

Implementing a Self-Check Survey for Suppliers

From the fiscal year ended March 31, 2010 through to the fiscal year ended March 31, 2011, Fujifilm asked 64 suppliers of materials to self-check their CSR activities through electronic means in order for them to better understand Fujifilm's Procurement Policy. Based on an assessment of the self-check results, Fujifilm issued requests for improvement and remedial action. This was later followed up with a series of checks and reviews. In the fiscal year ended March 31, 2012, steps were taken to review this series of CSR self-check trials and to implement preparatory measures aimed at designing and introducing a system for use across the procurement divisions of each Fujifilm business and affiliated company.
Plans are in place to set up and operate a new system for the recently introduced CSR self-check initiative and to expand implementation divisions in the fiscal year ending March 31, 2013.

CSR self-check survey

Electronic survey screen

CSR-Related Information Disclosure

The Company's website offers information concerning the Group's CSR activities while making available the library of FUJIFILM Holdings Corporation sustainability reports.
FUJIFILM Holdings Corporation's Sustainability Report 2012, scheduled for publication at the end of August 2012, will introduce the Company's CSR activities. The Report will be comprised of three parts: a Special Feature on the challenges involved in resolving commonly held social issues through the application of technology; a report on the Company's CSR activity performance, and; supporting data.
Fuji Xerox' website also offers information concerning the company's CSR activities while making available the library of Fuji Xerox sustainability reports.

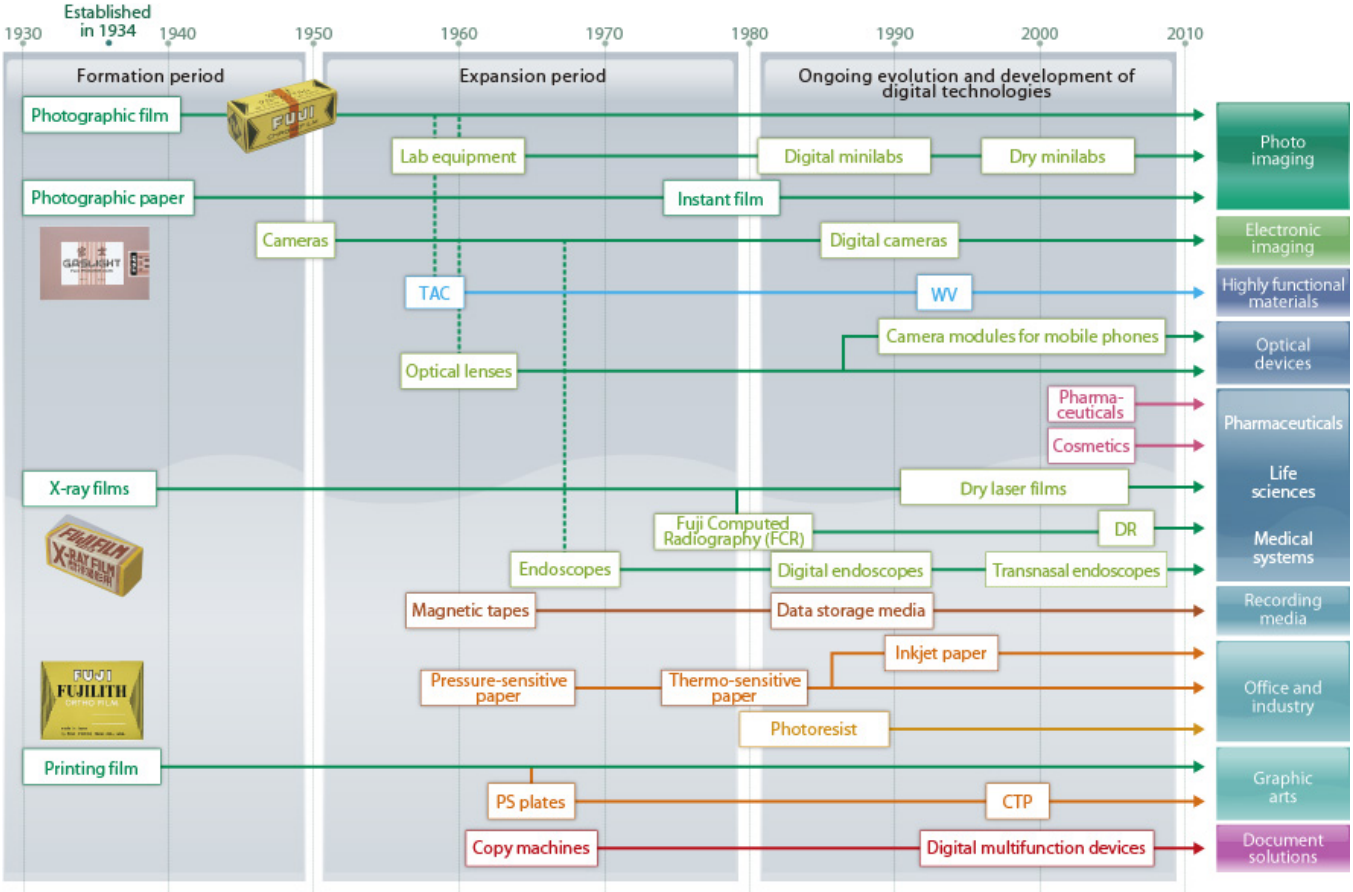
Technological Assets

Fujifilm Group's Technological Assets

A History of Product Development

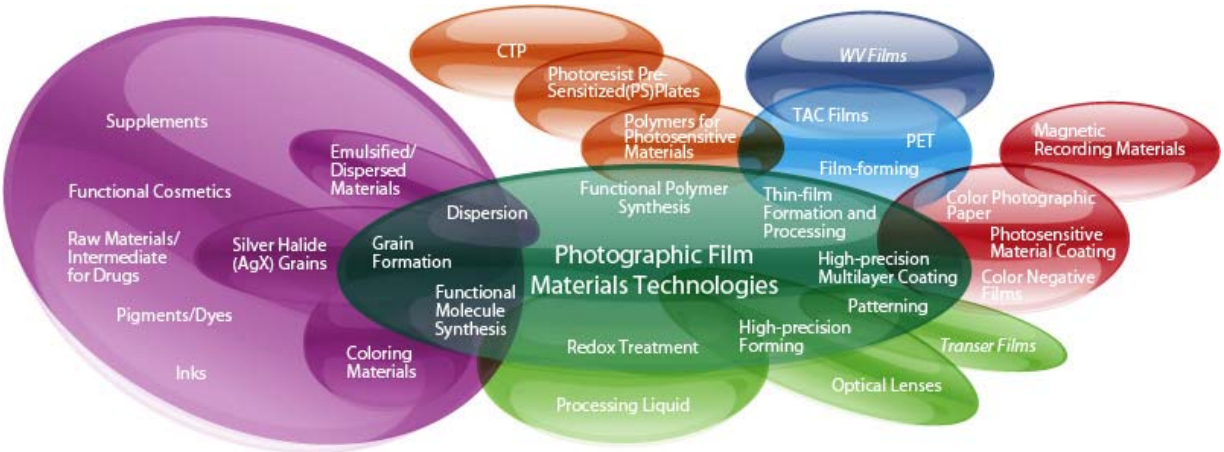
The Fujifilm Group has an extensive portfolio of fundamental and core technologies. Characterized by their versatility, the fundamental technologies have been accumulated through the Group's business such as photosensitive materials and xerography. On the other hand, the Company's core technologies enable differentiation of product and cost performance. All of these technologies have been fused into the Company's unparalleled product development capabilities, and these product development capabilities are serving as the driving force that creates new businesses and realizes renewed growth.

77 Years of Product Development



Business Diversification Based on Photographic Film Materials Technologies

Technologies for thin-film formation and processing and high-precision multilayer coating constitute the Fujifilm Group's technological foundation, which Fujifilm has long nurtured through its photographic film business. Based on these photographic film materials technologies, the Fujifilm Group's business has undergone diversification, creating wide-ranging products in various fields.



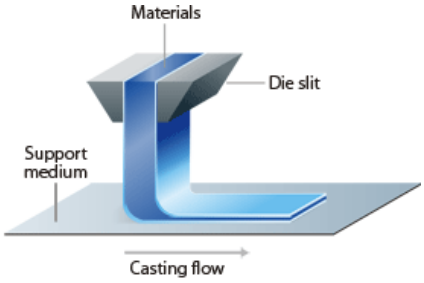
Technological Assets

Core Technology: 1

Technologies for Thin-film Formation and Processing and High-precision Multilayer Coating

Thin-film formation and processing technology is used to make an optically warp-free thin film by expanding and uniformly flattening molten materials. High-precision multilayer coating, thin-film formation and processing technologies require an extremely high level of technological sophistication. Accordingly barriers to entry are high and there are only a handful of manufacturers who utilize these technologies to manufacture photographic films and optical films for use in flat panel displays. Under high-precision multilayer coating technologies, multifunction liquids are used to laminate to surface of films. Rather than simply employ a coating process, Fujifilm uses its technology to finish a film through the high-speed uniform application of multilayer liquid-based coatings. The Company has successfully achieved a micrometer-thin (one micrometer equals one-thousandth of a millimeter) coating without mixing layers with each other.

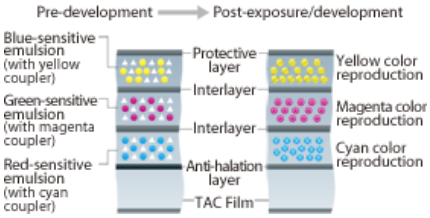
High-precision Multilayer Coating Technology



Color Photographic Films

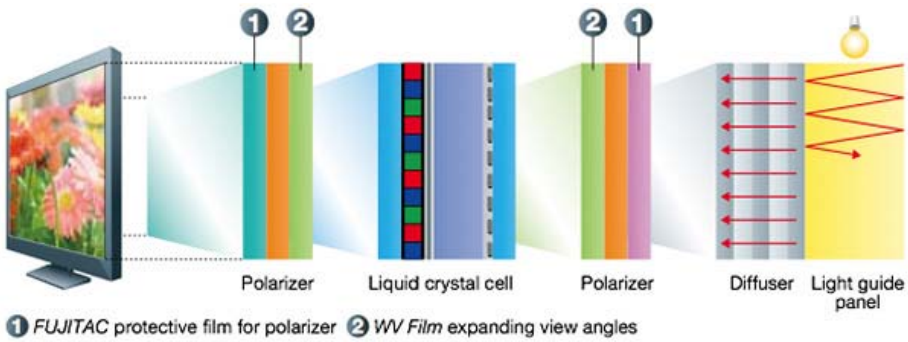
Color photographic films are manufactured using transparent cellulose triacetate (TAC) films as a base material. Consisting of nearly 20 emulsion layers, the thickness is approximately 20 micrometers, roughly equivalent to one-fifth of a human hair. The emulsion layer of color photographic films contains more than 100 types of organic chemical compounds, some for reproducing the three primary colors of yellow, magenta, and cyan and others for suppressing discoloration.

Color Photographic Film Composition

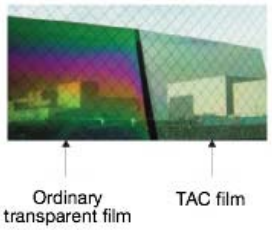


TAC Films

TAC films are special films that are also used as a base material for color photographic films with a thickness of from several tens to one hundred and several tens of micrometers. In recent years, demand has expanded to the LCD protective film for polarizers field. In order for an LCD to show clear images, film components must be free of optical warping. While warping creates a striped pattern on the screen surface. Fujifilm's TAC film, FUJITAC protective film for polarizers, allows light to pass straight through preventing any incidence of striped patterns.



Cross Section View of an LCD



TAC Film that Allows Light to Pass Straight Through

Technological Assets

Core Technology: 2

Fine Chemical Technologies

Fine chemical technologies design and synthesize organic and polymer materials that boast a variety of functions. Technology application is extensive covering such wide-ranging fields as flat panel display (FPD) materials, functional cosmetics, pharmaceuticals, plate-making and printing plate materials, and semiconductor processing materials. With an extensive library exceeding 200,000 chemical compounds, Fujifilm is well positioned to deliver unique products in terms of their functionality and quality.

Light-Absorptive and Light-Responsive Organic Material Technologies

This is a technology for organic materials that changes and combines characteristics under exposure to light. These technologies have a wide range of applications and are used for photographic films, plate-making and printing plate materials as well as semiconductor processing material photoresists.

Photoresists

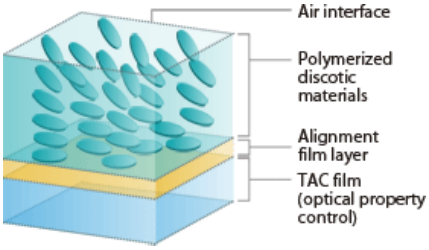
Optical Anisotropic Film Technology

This technology is for controlling optical refraction. The technology is used in the manufacture of various optical films for FPDs using liquid-crystal technology and technologies for designing optical properties of film.

WV Films

Wide-View (WV) Films are products that expand viewing angles for FPDs. Light that leaks from a polarizer results in changes in the quality of displayed images depending on the viewing position. Such light leakage is compensated by a film in which polymerized discotic materials are aligned consecutively in the direction of the thickness, with gradually slanted angles. This compensation structure achieves expanded viewing angles.

WV Film Composition (Ideal, Simplified Model)



Technological Assets

Core Technology: 3

Xerography Technologies

Utilizing xerography (electrophotography) technology, ink called toner is first attached onto the photoreceptor belt / drum using a static electric charge and then transferred onto paper. Fusers later heat and melt pigments onto the paper. The photoreceptor is made so that static electric charges are not taken on when exposed to light. An image is created by applying light to parts on which toners are applied. Based on its advanced xerography technologies that enable high-speed image processing and high-quality images, Fuji Xerox is pursuing further enhancements in environmental technologies including energy-saving.

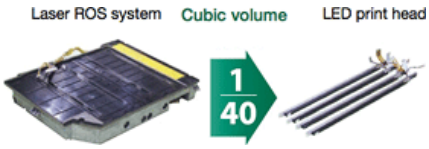
EA-Eco Toner

The *EA-Eco Toner* can be fused onto paper at a temperature 20 to 50 degrees Celsius lower than conventional toners. This means that the temperature needed for fuser operations is lower. As 50% to 80% of total power consumption of a multifunction device is attributable to the fuser, the use of the *EA-Eco Toner* can reduce the device's power consumption by approximately 40%.

LED Print Head

Lasers are generally used as a light source when creating an image on photoreceptor belts. Fuji Xerox, however, succeeded in the development of a light-emitting diode (LED) print head, which realizes high image quality. By developing an LED print head, Fuji Xerox reduced the print head to approximately one-fortieth of its original size, contributing to the manufacture of exceedingly compact devices.

Comparison of Laser Raster Output Scanner (ROS) System and LED Print Head



Technological Assets

Technological Topics

Fujifilm Receives the Okochi Memorial Grand Technology Prize in Recognition of the Development of a Groundbreaking Production Technology for FUJITAC Protective Film for Polarizers

In February 2012, Fujifilm received the 58th (fiscal 2011) Okochi Memorial Grand Technology Prize in recognition of the development of a production technology for *FUJITAC* protective film for polarizers, essential in the manufacture of LCDs.

FUJITAC and award winners

The Okochi Memorial Foundation was established to commemorate the services of the late Doctor Masatoshi Okochi, well known as the president and director of the Institute of Physical and Chemical Research. Sponsored by the Foundation, the Okochi Prize is a prestigious award that recognizes outstanding achievements in industrial engineering, production technology, and advanced production methods. This particular prize is the highest among several Okochi Prize categories and is awarded in recognition of significant contributions to academic advancement and industrial development through innovative research results.

FUJITAC is used as a LCDs protective film for polarizers of due to its high transparency and outstanding optical isotropy. In recent years, *FUJITAC* has also fielded increased calls for improved quality and productivity in response to the growing trends toward higher

performance and larger screen LCDs. In response, Fujifilm developed a groundbreaking solution membrane technology together with a new high-speed manufacturing technique to facilitate the stable and high-speed production of high-quality *FUJITAC* while minimizing environmental load. This prize accordingly represents the significant esteem in which Fujifilm's contributions to the widespread use of large-size LCD TVs are held.

Fujifilm Receives the Scientific and Engineering Award from the Academy of Motion Picture Arts and Science

Fujifilm received the 2011 Scientific and Engineering Award from the U.S. Academy of Motion Picture Arts and Science for the development of the black and white recording film *ETERNA-RDS*, for the digital separation of motion picture films. *ETERNA-RDS*s is a film designed specifically for archival preservation that conducts three-color separation of color images and stores them as stable black and white images (silver images). This particular award recognizes Fujifilm's efforts to optimize digital recording materials and its development of *ETERNA-RDS*, which is optimized for digital recording and boasts high image quality, outstanding photographic performance and, long-term storage reliability processing stability as well as the Company's contribution to preserving motion picture information and contents as a cultural heritage for generations to come.

ETERNA-RDS

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The 84th "Scientific and Engineering Award"

Fujifilm Receives Life Nanotechnology Category Award of Nano Tech Awards

Fujifilm participated in nano tech 2012, International Nanotechnology Exhibition & Conference[*1], the world's largest nano technology exhibition, held at the Tokyo Big Sight in February 2012. During the event, the Company received the Life Nanotechnology Category Award, a new category added to the nano tech awards. Following awards received in the materials category in 2009 and the grand award received in 2011, this is the third occasion on which Fujifilm has been recognized.

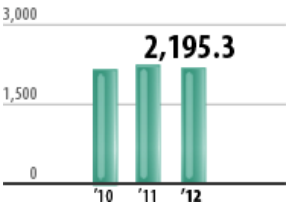
In participating in the exhibition, Fujifilm put forward the concept of working together for a bright and prosperous future. In this regard, the Company took steps to showcase its broad range of technologies encompassing nanostructure and light control as well as nano signal amplification. This particular award was in recognition of Fujifilm's contributions to improving the quality of life through the development of technology and cosmetics that control light reflection and absorption as well as high-sensitive virus detection technology.

*1 The world's largest exhibition designated specifically for nano technology, a platform technology that is essential in advanced manufacturing. This was the 11th such exhibition held and attracted 522 participants from Japan and overseas.

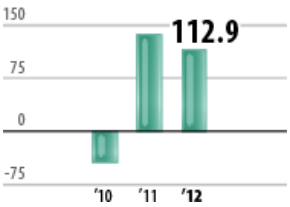
Key Performance Indicators

▸ Performance

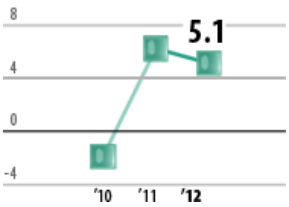
Revenue (Billions of yen)



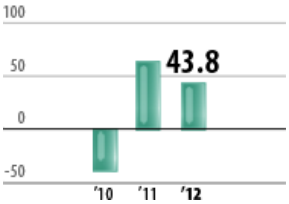
Operating Income (Loss) (Billions of yen)



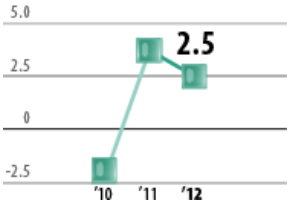
Operating Income Ratio (%)



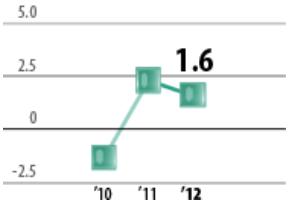
Net Income (Loss) Attributable to FUJIFILM Holdings (Billions of yen)



ROE (Return on Equity) (%)



ROA (Return on Assets) (%)

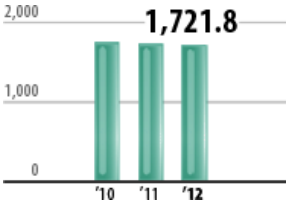


	2010	2011	2012
Revenue (Billions of yen)	2,181.7	2,217.1	**2,195.3**
Operating Income (Loss) (Billions of yen)	-42.1	136.4	**112.9**
Operating Income Ratio (%)	-1.9	6.2	**5.1**
Net Income (Loss) Attributable to FUJIFILM Holdings (Billions of yen)	-38.4	63.9	**43.8**
ROE (Return on Equity) (%)	-2.2	3.7	**2.5**
ROA (Return on Assets) (%)	-1.3	2.3	**1.6**

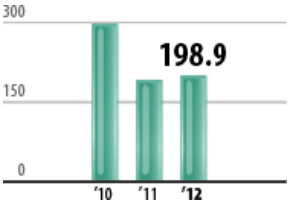
Years ended March 31

▸ Stability

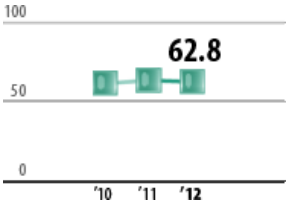
Total FUJIFILM Holdings Shareholders' Equity (Billions of yen)



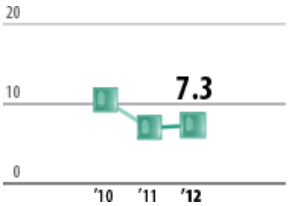
Interest-Bearing Debt (Billions of yen)



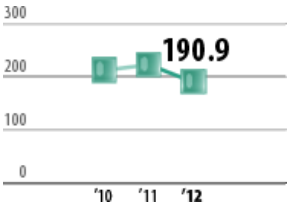
Equity Ratio (%)



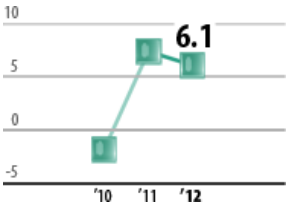
Interest-Bearing Debt / Total Assets (%)



Current Ratio (%)



ROI (Return on Investment) (%)

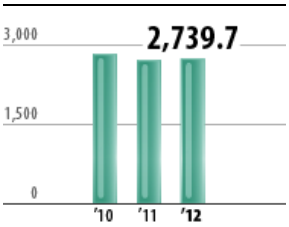


	2010	2011	2012
Total FUJIFILM Holdings Shareholders' Equity (Billions of yen)	1,746.1	1,722.5	**1,721.8**
Interest-Bearing Debt (Billions of yen)	295.6	189.6	**198.9**
Equity Ratio (%)	61.8	63.6	**62.8**
Interest-Bearing Debt / Total Assets (%)	10.5	7.0	**7.3**
Current Ratio (%)	213.4	223.5	**190.9**
ROI (Return on Investment) (%)	-1.8	7.4	**6.1**

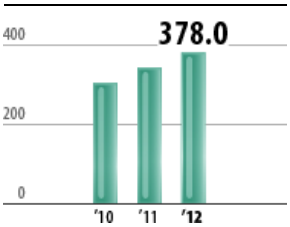
Years ended March 31

▸ Efficiency

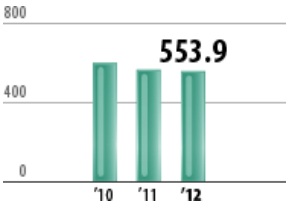
Total Assets (Billions of yen)



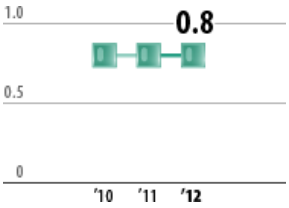
Inventories (Billions of yen)



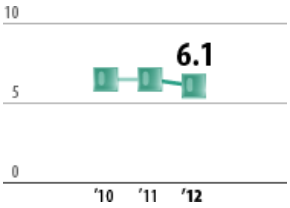
Property, Plant and Equipment (Billions of yen)



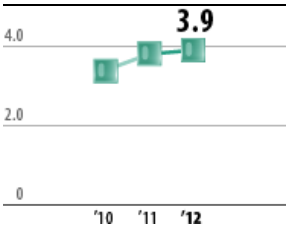
Total Asset Turnover Ratio (Times)



Inventory Asset Turnover Ratio (Times)



Total Property, Plant and Equipment Turnover Ratio (Times)

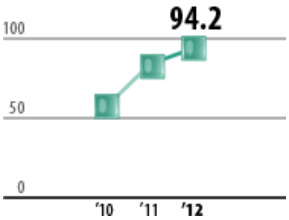


	2010	2011	2012
Total Assets (Billions of yen)	2,827.4	2,708.8	**2,739.7**
Inventories (Billions of yen)	303.1	342.2	**378.0**
Property, Plant and Equipment (Billions of yen)	601.7	564.1	**553.9**
Total Asset Turnover Ratio (Times)	0.8	0.8	**0.8**
Inventory Asset Turnover Ratio (Times)	6.5	6.9	**6.1**
Total Property, Plant and Equipment Turnover Ratio (Times)	3.4	3.8	**3.9**

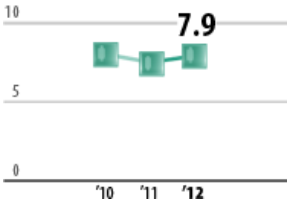
Years ended March 31

Investment

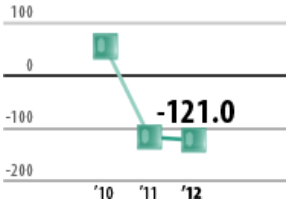
Capital Expenditures / Depreciation (%)



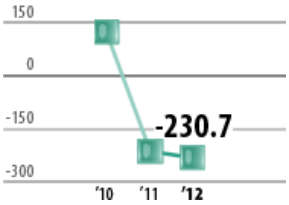
Research and Development Ratio (%)



Capital Expenditures / Net Cash Flow (%)



Research and Development / Net Cash Flow (%)

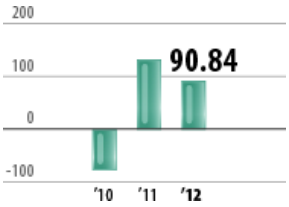


	2010	2011	2012
Capital Expenditures / Depreciation (%)	57.7	84.3	**94.2**
Research and Development Ratio (%)	8.0	7.5	**7.9**
Capital Expenditures / Net Cash Flow (%)	55.3	-115.6	**-121.0**
Research and Development / Net Cash Flow (%)	124.2	-212.5	**-230.7**

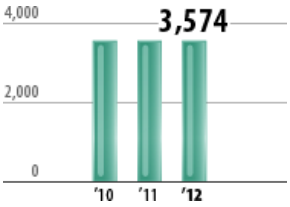
Years ended March 31

Per Share Data

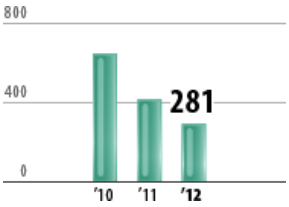
Net Income (Loss) Attributable to FUJIFILM Holdings (Yen)



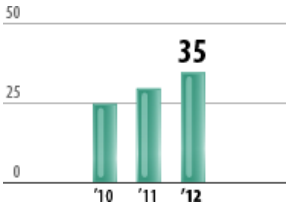
FUJIFILM Holdings Shareholders' Equity (Yen)



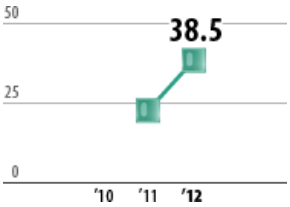
Net Cash Provided by Operating Activities (Yen)



Cash Dividends (Yen)



Return to Shareholders Ratio (Consolidated Basis) (%)

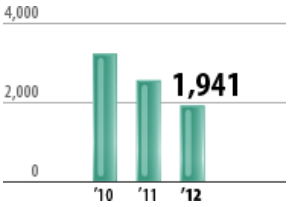


	2010	2011	2012
Net Income (Loss) Attributable to FUJIFILM Holdings (Yen)	-78.67	131.30	**90.84**
FUJIFILM Holdings Shareholders' Equity (Yen)	3,573.66	3,576.03	**3,574.32**
Net Cash Provided by Operating Activities (Yen)	644	410	**281**
Cash Dividends (Yen)	25.00	30.00	**35.00**
Return to Shareholders Ratio (Consolidated Basis) (%)	-	22.8	**38.5**

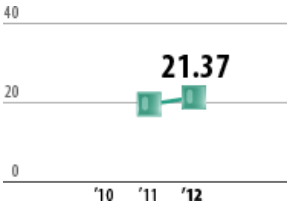
Years ended March 31

Stock Data

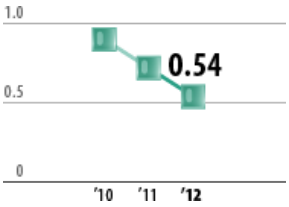
Stock Price at Year-End (Yen)



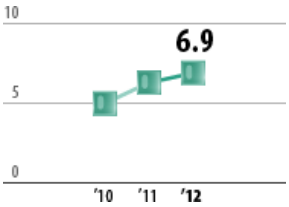
PER (Price-to-Earnings Ratio) (Times)



PBR (Price-to-Book Value Ratio) (Times)



Price Net Cash Provided by Operating Activities Ratio (Times)

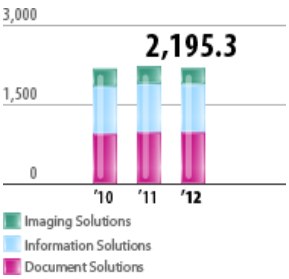


	2010	2011	2012
Stock Price at Year-End (Yen)	3,220	2,576	**1,941**
PER (Price-to-Earnings Ratio) (Times)	-	19.62	**21.37**
PBR (Price-to-Book Value Ratio) (Times)	0.90	0.72	**0.54**
Price Net Cash Provided by Operating Activities Ratio (Times)	5.0	6.3	**6.9**

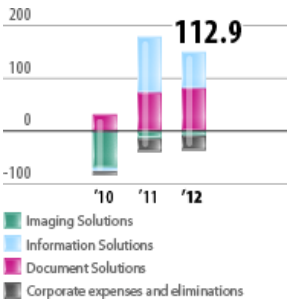
Years ended March 31

Operating Segments

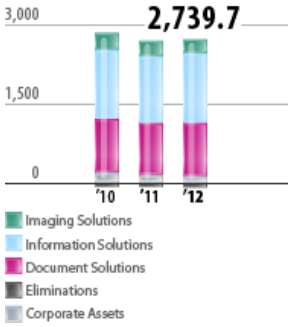
Revenue by Segment
(Billions of yen)



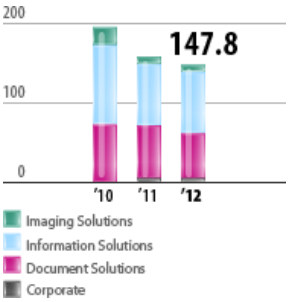
Operating Income (Loss) by Segment (Billions of yen)



Total Assets by Segment
(Billions of yen)



Depreciation by Segment
(Billions of yen)

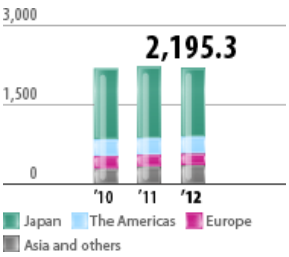


	2010	2011	2012
Revenue by Segment (Billions of yen)			
Imaging Solutions	345.5	325.8	**322.7**
Information Solutions	900.8	917.4	**887.8**
Document Solutions	935.4	973.9	**984.8**
Operating Income (Loss) by Segment (Billions of yen)			
Imaging Solutions	-69.2	-12.7	**-4.0**
Information Solutions	-2.6	103.5	**67.4**
Document Solutions	32.2	74.2	**81.8**
Corporate expenses and eliminations	-2.5	-28.6	**-32.3**
Total Assets by Segment (Billions of yen)			
Imaging Solutions	332.3	291.0	**271.2**
Information Solutions	1,279.7	1,259.9	**1,324.7**
Document Solutions	981.0	967.0	**988.4**
Eliminations	-4.5	-5.3	**-6.7**
Corporate Assets	238.9	196.2	**162.1**
Depreciation by Segment (Billions of yen)			
Imaging Solutions	21.9	10.1	**10.8**
Information Solutions	99.1	77.4	**76.3**
Document Solutions	73.6	65.8	**57.5**
Corporate	0.5	3.8	**3.2**

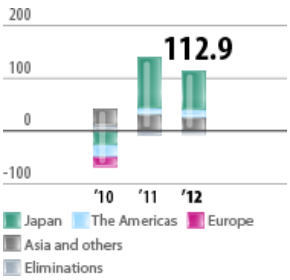
Years ended March 31

Geographic Segments

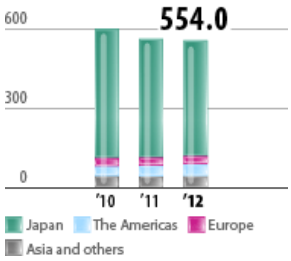
Geographic Segments: Revenue (Billions of yen)



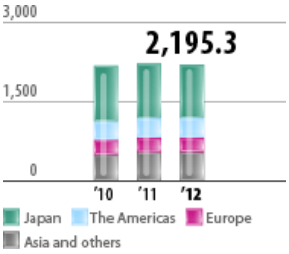
Geographic Segments: Operating Income (Loss) (Billions of yen)



Geographic Segments: Long-Lived Assets (Billions of yen)



Revenue By Region (Billions of yen)



	2010	2011	2012
Geographic Segments: Revenue (Billions of yen)			
Japan	1,344.4	1,357.3	**1,301.7**
The Americas	311.1	309.4	**319.5**
Europe	231.6	205.3	**206.2**
Asia and others	294.7	345.1	**367.9**
Geographic Segments: Operating Income (Loss) (Billions of yen)			
Japan	-34.3	100.5	**75.7**
The Americas	-18.5	5.4	**11.6**
Europe	-21.8	0.1	**0.2**
Asia and others	24.8	33.3	**27.6**
Eliminations	7.7	-2.9	**-2.2**
Geographic Segments: Long-Lived Assets (Billions of yen)			
Japan	490.7	451.2	**432.7**
The Americas	25.8	27.3	**31.6**
Europe	37.4	40.3	**42.6**
Asia and others	47.7	45.3	**47.1**
Revenue By Region (Billions of yen)			
Japan	1,059.4	1,034.8	**1,012.7**
The Americas	354.2	368.2	**367.6**
Europe	268.5	260.6	**262.7**
Asia and others	499.6	553.5	**552.3**

Years ended March 31

Corporate Data

Corporate Information

Company Name:	FUJIFILM Holdings Corporation
Representative:	Shigetaka Komori
Head Office Address:	7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan
Date of Establishment:	January 20, 1934
Capital:	40,363 million yen
Number of Employees:	144
Number of Employees (Consolidated):	81,691
Number of Consolidated Subsidiaries:	268 companies
Independent Auditors:	Ernst & Young ShinNihon LLC
Stock Exchange Listings:	Tokyo, Osaka, Nagoya
Share Registrar:	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

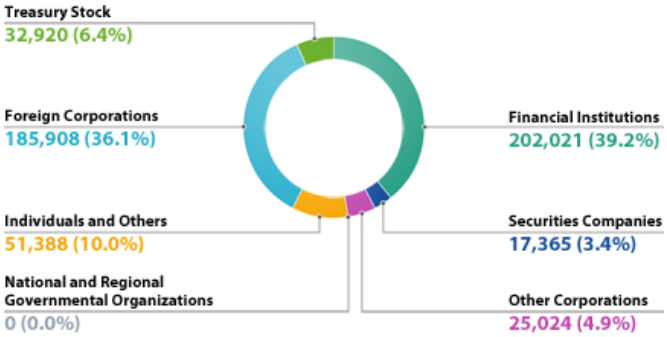
Note: As of March 31, 2012

Stock / Bond Information

Distribution of Shareholders and Shares (As of March 31, 2012)

Number of Shareholders: 68,445

Number of Shares Outstanding: 514,625,728



Number of shares (in thousands)

Major Shareholders (As of March 31, 2012)

Name	Percentage of issued shares (%)
Japan Trustee Services Bank, Ltd. (trust account):	6.8
The Master Trust Bank of Japan, Ltd. (trust account):	6.1
Nippon Life Insurance Company:	3.9
State Street Bank and Trust Company:	3.1
Japan Trustee Services Bank, Ltd. (trust account 9):	3.0
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS:	2.1
Sumitomo Mitsui Banking Corporation:	2.0
MOXLEY AND CO LLC:	2.0
Mitsui Sumitomo Insurance Company, Limited:	1.7
The Chuo Mitsui Trust and Banking Company, Limited:	1.6

Note: In addition to the major shareholders described above, FUJIFILM Holdings Corporation holds treasury stock accounting for 6.4% of the total issued shares outstanding.

FUJIFILM

FUJIFILM Holdings Corporation

For further information, please contact:
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FUJIFILM Holdings Corporation
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URL: http://www.fujifilmholdings.com/