

Financial Results (Consolidated) for Six Months Ended September 30, 2023 FUJIFILM Holdings Corporation

FASF
MEMBERSHIP

November 8, 2023

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

Teiichi Goto

President and Chief Executive Officer

Projected date of Quarterly report: November 14, 2023

Projected date of the beginning of cash dividends: December 4,2023

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

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

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

1. Results of Six Months Ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

(1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified / Figures are rounded off to the nearest million yen %: Changes from the corresponding period of the previous fiscal year

	Revenu	Revenue Op		Operating income		Income before income taxes		Net income attributable to FUJIFILM Holdings	
		%		%		%		%	
Six months ended Sept. 30, 2023	1,388,470	2.9	125,546	3.9	152,074	17.4	113,560	19.3	
Six months ended Sept. 30, 2022	1,349,931	12.0	120,810	12.0	129,534	(0.3)	95,163	(1.1)	

Note: Comprehensive income

2nd Quarter ended September 30, 2023 ¥292,512 million (17.6%)

2nd Quarter ended September 30, 2022 ¥248,695 million (134.0%)

	Net income attributable to FUJIFILM Holdings per share	Net income attributable to FUJIFILM Holdings per share (Assuming full dilution)	
	Yen	Yen	
Six months ended Sept. 30, 2023	283.08	282.73	
Six months ended Sept. 30, 2022	237.39	237.02	

(2) FINANCIAL POSITION

Amount Unit: Millions of yen unless otherwise specified / Figures are rounded off to the nearest million yen

(2) I IVII (CIVIL) I OSITIOI Transcale of the life included of the life					
Total assets		Total equity (Net asset)	FUJIFILM Holdings shareholders' equity	FUJIFILM Holdings shareholders' equity ratio to total assets	
				%	
As of Sept. 30, 2023	4,526,972	2,978,432	2,974,857	65.7	
As of March 31, 2023	4,134,311	2,787,860	2,763,145	66.8	

2. Cash Dividends

	Cash dividends per share					
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Year Total	
	Yen	Yen	Yen	Yen	Yen	
Year ended March 31, 2023	-	60.00	-	70.00	130.00	
Year ending March 31, 2024	-	70.00				
Year ending March 31, 2024 (Forecast)			1	80.00	150.00	

Note: Changes in dividends forecast during the quarter under review: None Note: Details of year-end diviends for the fiscal year ending March 31, 2024

Ordinary dividend \(\xi\) 70.00 90th anniversary commemorative dividend \(\xi\) 10.00

3. Forecast for the Fiscal Year Ending March 31, 2024 (From April 1, 2023 to March 31, 2024)

Amount Unit: Millions of yen unless otherwise specified / Figures are rounded off to the nearest million yen
%: Changes from the corresponding period of the previous fiscal year

		Reven	ue	Operating	gincome	Income		Net income to FUJIFILM		Net income attributable to FUJIFILM Holdings per share
			%		%		%		%	Yen
For	r the Year ending March 31, 2024	2,950,000	3.2	290,000	6.2	295,000	4.5	225,000	2.5	560.63

Note: Changes in forecast which was recently announced: None

Note: Net income attributable to FUJIFILM Holdings per share is calculated using the number of shares issued as of September 30, 2023 excluding treasury shares for the average number of shares for the relevant period.

Notes

- Changes in status of material subsidiaries during this quarter (Company newly consolidated or removed from consolidation): None
- (2) Adoption of simplified method of accounting or specific accounting treatments: None
- (3) Changes in accounting principles
 - 1. Changes in accounting policies accompanied by revisions of accounting standards: Yes
 - 2. Changes in accounting policies other than 1. above: None
- (4) Number of shares outstanding
 - 1. Issued (including treasury stock):
 - 2. Treasury stock:
 - 3. Average number of shares:

As of Sept. 30, 2023	414,625,728	As of March 31, 2023	414,625,728
As of Sept. 30, 2023	13,288,086	As of March 31, 2023	13,528,181
Six months ended Sept. 30, 2023	400,907,173	Six months ended Sept. 30, 2022	400,718,803

This report is not reviewed.

Explanation of Appropriate Use of Forecast and Other Special Items

Statements regarding future events including forecasts of operating results are based on limited available information and reasonable assumptions as of today. The Company does not have an intention of guaranteeing the realization of the forecasts. Actual operating results are always subject to change significantly due to various matters. Assumptions for the forecasts and warnings for users of the forecasts are mentioned in the page 5, (3) Explanation on Projected Information on Forecasts of the Consolidated Operating Results in 1.

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1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER

(1) Explanation on Consolidated Operating Results

Amount Unit: Billions of yen

	Six months ended September 30, 2023		Six months ended September 30, 2022		Change (Amount)	Change (%)
Domestic revenue	36.1%	501.1	35.5%	478.5	22.6	4.7%
Overseas revenue	63.9%	887.4	64.5%	871.4	16.0	1.8%
Revenue	100.0%	1,388.5	100.0%	1,349.9	38.6	2.9%
Operating income	9.0%	125.5	8.9%	120.8	4.7	3.9%
Income before income taxes	11.0%	152.1	9.6%	129.5	22.6	17.4%
Net income attributable to FUJIFILM Holdings	8.2%	113.6	7.0%	95.2	18.4	19.3%
Exchange rates (Yen / US\$)		¥142		¥135	¥	7
Exchange rates (Yen / Euro)		¥153		¥139	¥14	1

In the first half of the fiscal year ending March 31, 2024, the Fujifilm Group recorded \(\frac{\pmathbf{4}}{1}\),388.5 billion in consolidated revenue (up 2.9% year-over-year), reflecting sales increases mainly in the medical systems and the imaging.

Revenue by Operating Segment

Amount Unit: Billions of yen

C 4	Six months ended	Six months ended	Change	Change
Segment	September 30, 2023	September 30, 2022	(Amount)	(%)
Healthcare	448.2	421.2	27.0	6.4%
Materials	319.6	346.9	(27.3)	(7.9%)
Business Innovation	401.5	398.4	3.1	0.8%
Imaging	219.2	183.4	35.8	19.5%
Consolidated Total	1,388.5	1,349.9	38.6	2.9%

Operating Income by Operating Segment

Segment	Six months ended	Six months ended	Change	Change
Segment	September 30, 2023	September 30, 2022	(Amount)	(%)
Healthcare	41.8	44.5	(2.7)	(6.0%)
Materials	18.6	38.5	(19.9)	(51.5%)
Business Innovation	33.0	30.1	2.9	9.6%
Imaging	49.4	26.6	22.8	85.5%
Corporate Expenses and Eliminations	(17.3)	(18.9)	1.6	_
Consolidated Total	125.5	120.8	4.7	3.9%

^{*}The non-destructive inspection equipment / materials, which had been included in the industrial products business, has been changed from the Materials segment to the Healthcare segment. Figures for the first half of the previous consolidated fiscal year are based on the segment classification after the above change.

Healthcare

In the Healthcare segment, consolidated revenue amounted to ¥448.2 billion (up 6.4% year-over-year).

Operating income amounted to ¥41.8 billion (down 6.0% year-over-year).

In the medical systems business, revenue increased due to steady sales the endoscopes, medical IT and other fields. In the X-ray imaging diagnostics field, growing sales of the digital mammography system *Amulet Innovality*, mainly in South/Central America, drove revenue higher. In the medical IT field, revenue rose due to higher sales of systems and services, in particular the Picture Archiving and Communication System (PACS) *SYNAPSE* and the 3D image analysis system *SYNAPSE VINCENT*, mainly in the U.S. and Europe. In the ultrasound diagnostics field, despite higher sales of the new *DeepInsight series* of stationary ultrasound diagnostic systems mainly in Japan, revenue declined due to weak sales in China. In the endoscopes field, sales of products such as the *7000 System*, which installs image emphasis features including LCI (Linked Color Imaging) that support endoscope observations by emphasizing slight differences in color of mucous membrane, rose significantly mainly in Japan, Europe and China. In the In-Vitro Diagnostics (IVD) field, revenue decreased due to the impact of lower demand for COVID-19-related reagents, although sales of *FUJI DRI-CHEM* (blood biochemical test) equipment and slides remained strong. In the CT/MRI field, revenue was driven higher by steady MRI sales in Japan as the shortage of semiconductors and other components were resolved, in addition to growth in CT sales in South/Central America and the Middle East.

In the bio CDMO business, revenue increased mainly due to productivity improvements at the Denmark site as well as favorable progress in contract manufacturing of antibody drugs. In June 2023, we established FUJIFILM Diosynth Biotechnologies Japan Corporation to expand the bio CDMO business in the Japanese and Asian markets. The business launch has been smooth with the start of services to customers, who are mainly pharmaceutical companies in Japan. Going forward, we will further accelerate the business growth by developing global and integrated operations in Japan, Asia, Europe and the U.S.

In the life sciences business, revenue rose due to higher sales of cell culture media and strong progress in cell drug discovery support. The global market for cell culture media has been growing in tandem with higher demand for antibody drugs. We will provide strong support for R&D and manufacturing of biopharmaceuticals through our global manufacturing structure based in the U.S., Europe and Japan.

In the pharmaceutical business, revenue rose thanks to contributions from contract manufacturing of COVID-19 vaccine candidates in Japan and an upturn in demand for antibacterial agents.

In the consumer healthcare business, overall revenue was driven down by lower sales of supplements, although sales of new cosmetic products, namely *ASTALIFT ADVANCED LOTION*, *ASTALIFT ADVANCED CREAM* and the *ASTALIFT THE SERUM series* climbed.

Materials

In the Materials segment, consolidated revenue amounted to \(\frac{1}{2}\) 319.6 billion (down 7.9% year-over-year).

Operating income amounted to ¥18.6 billion (down 51.5% year-over-year).

In the electronic materials business, revenue decreased, hit by a slowdown in the semiconductor market. In October 2023, we completed the acquisition of the semiconductor process chemical business of Entegris, Inc. of the U.S. We will further expand the new business by strengthening our ability to meet customer needs based on a broader product lineup. In anticipation of future semiconductor market expansion, we announced in April 2023, the expansion of manufacturing capacity at our semiconductor materials manufacturing site in Europe, and in May 2023, the establishment of a new state-of-the-art semiconductor materials manufacturing site in Taiwan. We will continue to make aggressive capital expenditure investments to ensure stable production of high-quality materials and build a robust global manufacturing structure.

In the display materials business, revenue increased compared to the same period a year earlier when the entire supply chain was in a production adjustment phase.

In the industrial products business, revenue fell. Major factors were sluggish demand for data archiving tapes as major IT companies curtailed investments in data center construction, and lower sales of the *EXCLEAR* sensor film for touch panels impacted by slow demand for business PCs.

In the fine chemicals business, revenue was driven down by lower sales of chemical products resulting mainly from slack demand for polymerization materials in Europe.

In the graphic communication business, revenue in the printing plates field decreased due to lower demand for printed materials mainly in Europe and the U.S. In the digital printing field, efforts continue to expand the business, including the launch of the medium- to high-speed production color printers *Revoria Press EC1100* and *Revoria Press SC180/SC170* for the Japanese and Asia-Pacific markets, as well as the expansion of sales activities for our digital printers (Print On Demand) in the U.S., U.K., France and Canada, which launched in April 2023.

In the inkjet business, revenue fell as sales of inkjet printheads for the ceramic market were driven lower by sluggish demand in the Chinese real estate markets.

Business Innovation

In the Business Innovation segment, consolidated revenue amounted to ¥401.5 billion (up 0.8% year-over-year). Consolidated operating income amounted to ¥33.0 billion (up 9.6% year-over-year).

In the office solutions business, revenue decreased, mainly hit by lower exports to Europe and the U.S., despite expansion of new OEMs, the effect of worldwide sales price revisions and other favorable factors. In July 2023, we announced an expansion of production capacity for the *Super EA-Eco Toner*, which features industry-leading low-temperature fusing performance. We will continue to promote R&D that would lead to higher environmental performance, reuse and recycle of our many functional materials and components, and work to reduce CO₂ emissions both in manufacturing and in customer use to contribute to realizing a decarbonized society.

In the business solutions business, revenue rose mainly due to an increase in sales to municipalities in Japan and the sales contribution from Australian company MicroChannel Services acquired in FY2022. As a solution and service to realize CHX (Customer Happy Experience) through customers' digital transformation (DX) activities, we started offering the *IT Expert Services* in June 2023, which is a one-stop IT support service providing everything from IT asset visualization and operation/management to environmental improvement support tailored to customer needs. In September 2023, the number of municipalities introducing our *Transfer Reception Support System*, which digitalizes the procedure for resident transfer notification, reached 100. In addition to expanding our portfolio of business and operations solutions, we will accelerate business growth by increasing core DX solutions and focusing on BPO (Business Process Outsourcing) services that facilitate business innovation and ITO services that support construction and operation of the IT infrastructure environment.

Imaging

In the Imaging segment, consolidated revenue amounted to \(\frac{4}{2}19.2\) billion (up 19.5% year-over-year). Consolidated operating income amounted to \(\frac{4}{4}9.4\) billion (up 85.5% year-over-year).

In the consumer imaging field, steady sales of the *INSTAX* instant photo systems drove revenue higher. In September 2023, we announced the expansion of production facilities for *INSTAX* films in response to the global demand increase for the *INSTAX series*. We also announced the launch of *INSTAX Pal*TM, a palm-top size camera that allows users to take photos anytime and anywhere. *INSTAX Pal*TM features a variety of functions to facilitate shooting situations and photographic experiences. It can be connected to the *INSTAX Link*TM *series* of smartphone printers via Bluetooth to produce *INSTAX* prints out of images taken with it. We will continue to expand the world of the *INSTAX* instant photo system that allows people to enjoy on-the-spot photo printing.

In the professional imaging field, sales of the *X Series* digital cameras rose significantly. In addition to strong sales of the *X-H2*, *X-H2S* and *X-T5* released in the previous year, we launched the *X-S20* all-in-one compact and lightweight model incorporating a high-capacity battery, high-performance AF and video recording functions in June 2023 and expanded the line-up. In September 2023, as the latest model from the *GFX Series*, we released the flagship model *GFX100 II*, which features the highest burst-shooting, AF and video performance. We will continue to offer attractive products by achieving overwhelmingly high image quality with the large format in the *GFX Series* and the best balance between image quality and size in the *X Series*.

(2) Explanation on the Consolidated Financial Position

At the end of the second quarter of the fiscal year ending March 31, 2024, total assets increased by \(\frac{\pmathbf{3}}{3}92.7\) billion compared with the end of the previous fiscal year (March 31, 2023) to \(\frac{\pmathbf{4}}{4},527.0\) billion, mainly due to increases in property, plant and equipment. Total liabilities increased by \(\frac{\pmathbf{2}}{2}02.2\) billion to \(\frac{\pmathbf{1}}{1},548.6\) billion. Shareholders' equity increased by \(\frac{\pmathbf{2}}{2}11.8\) billion to \(\frac{\pmathbf{2}}{2},974.9\) billion. As a result, the current ratio decreased by 27.2 percentage points to 156.0%, the debt-equity ratio increased by 3.4 percentage points to 52.1%, and the equity ratio decreased by 1.1 percentage points to 65.7% compared with the end of the previous fiscal year. The Company is maintaining a stable level of asset liquidity and a sound capital structure.

(Cash Flows)

Amount Unit: Billions of yen

	Six months ended September 30, 2023	Six months ended September 30, 2022	Change
Net cash provided by operating activities	145.4	54.7	90.7
Net cash used in investing activities	(187.9)	(163.1)	(24.8)
Net cash used in financing activities	72.6	44.0	28.6

During the first half of the fiscal year ending March 31, 2024, net cash provided by operating activities totaled \\ \pm 145.4 billion, due to a decrease in notes and accounts receivables and other factors. Net cash used in investing activities amounted to \\ \pm 187.9 billion due to the acquisition of property, plants, equipment and other factors. Thus, free cash flow, or the sum of cash flows from operating and investing activities, was negative \\ \pm 42.5 billion. Net cash provided by financing activities amounted to \\ \pm 72.6 billion, due to the issuance of commercial papers (CPs) and other factors.

As a result, cash and cash equivalents at the end of the quarter under review amounted to \(\frac{\pma}{3}\)22.2 billion, up \(\frac{\pma}{5}\)3.6 billion from the end of the previous fiscal year (March 31, 2023).

(3) Explanation on Projected Information on Forecasts of the Consolidated Operating Results (Consolidated financial forecast for the fiscal year ending March 31, 2024)

Amount Unit: Billions of yen

		Time	unt Ont. Dimons of yel
	Year ending March 31, 2024 (Forecasts)	Year ended March 31, 2023 (Results)	Change (% / Amount)
Revenue	2,950.0	2,859.0	3.2%
Operating income	290.0	273.1	6.2%
Income before income taxes	295.0	282.2	4.5%
Net income attributable to FUJIFILM Holdings	225.0	219.4	2.5%
ROE (%)	8.0	8.3	(0.3% points)
ROIC (%)	5.9	6.1	(0.2% points)
Exchange rates (Yen / US\$) Exchange rates (Yen / Euro)	¥138 ¥149	¥136 ¥141	¥2 ¥8

Regarding the consolidated performance forecast for the fiscal year ending March 31, 2024, the Company projects ¥2,950.0 billion in consolidated revenue (up 3.2% year-over-year), ¥290.0 billion in operating income (up 6.2% year-over-year), ¥295.0 billion in income before income taxes (up 4.5% year-over-year) and ¥225.0

billion in net income attributable to FUJIFILM Holdings (up 2.5% year-over-year), based on such factors as business growth centered on healthcare and advanced materials and profitability improvement in all businesses.

The projected currency exchange rates for the U.S. dollar and the euro against the yen during the fiscal year ending March 31, 2024 are \frac{\pmathbf{1}}{138} and \frac{\pmathbf{1}}{149}, respectively.

2. MATTERS RELATING TO SUMMARY (OTHER) INFORMATION

(1) Changes in Status of Material Subsidiaries during This Quarter (Company Newly Consolidated or Removed from Consolidation):

None

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

(3) Changes in Accounting Principles:

In June 2016, the FASB issued Accounting Standards Update 2016-13, "Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments." Accounting Standards Update 2016-13 requires losses to be recognized for financial assets based on the expected credit loss model rather than the current incurred loss model. Under the expected credit loss model, an allowance is recognized for estimated uncollectible contractual cash flows. The standard is effective for fiscal years (including interim periods) beginning on or after December 15, 2022, with early adoption permitted. The Company adopted Accounting Standards Update 2016-13 from the fiscal year beginning on April 1, 2023 with a cumulative effect adjustment made at the beginning of the first fiscal year of adoption. The adoption of Accounting Standards Update 2016-13 does not have a material impact on the Company's results of operations and financial position.

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

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	As of	As of As of	
	September 30, 2023	March 31, 2023	Change
ASSETS			
Current assets:			
Cash and cash equivalents	322,183	268,608	53,575
Notes and accounts receivable:			
Trade and finance	611,455	608,645	2,810
Lease receivables	40,997	40,038	959
Affiliated companies	2,827	2,561	266
Allowance for doubtful receivables	-	(18,193)	18,193
Allowance for credit losses	(19,288)	-	(19,288)
	635,991	633,051	2,940
Inventories	611,912	567,302	44,610
Prepaid expenses and Other	164,920	162,146	2,774
Total current assets	1,735,006	1,631,107	103,899
Investments and long-term receivables:			
Investments in and advances to affiliated companies	42,284	42,921	(637)
Investment securities	80,062	70,745	9,317
Long-term lease receivables	56,598	55,487	1,111
Other long-term receivables	23,469	22,103	1,366
Allowance for doubtful receivables	-	(2,351)	2,351
Allowance for credit losses	(2,182)	-	(2,182)
Total investments and long-term receivables	200,231	188,905	11,326
Property, plant and equipment:			
Land	111,507	105,923	5,584
Buildings	802,095	770,926	31,169
Machinery, equipment and other	1,558,386	1,505,008	53,378
Construction in progress	513,582	345,253	168,329
	2,985,570	2,727,110	258,460
Less accumulated depreciation	(1,806,662)	(1,750,999)	(55,663)
Total property, plant and equipment	1,178,908	976,111	202,797
Other assets:			
Operating lease right-of-use assets	88,217	82,276	5,941
Goodwill, net	895,160	858,311	36,849
Other intangible assets, net	149,242	144,258	4,984
Other	280,208	253,343	26,865
Total other assets	1,412,827	1,338,188	74,639
Total assets	4,526,972	4,134,311	392,661

Amount Unit: Millions of yen

	As of	As of	
	September 30, 2023	March 31, 2023	Change
LIABILITIES			
Current liabilities:			
Short-term debt	309,463	106,093	203,370
Notes and accounts payable:			
Trade	247,204	246,093	1,111
Construction	73,857	72,713	1,144
Affiliated companies	1,476	1,603	(127)
	322,537	320,409	2,128
Accrued income taxes	45,107	39,214	5,893
Accrued liabilities	236,372	234,809	1,563
Short-term operating lease liabilities	34,513	31,031	3,482
Other current liabilities	164,100	158,766	5,334
Total current liabilities	1,112,092	890,322	221,770
Long-term liabilities:			
Long-term debt	237,719	270,060	(32,341)
Accrued pension and severance costs	20,609	21,909	(1,300)
Long-term operating lease liabilities	58,335	55,400	2,935
Other long-term liabilities	119,785	108,760	11,025
Total long-term liabilities	436,448	456,129	(19,681)
Total liabilities	1,548,540	1,346,451	202,089
EQUITY			
FUJIFILM Holdings shareholders' equity			
Capital	40,363	40,363	
Common stock, without par value:			
Authorized: 800,000,000 shares			
Issued: 414,625,728 shares			
Retained earnings	2,643,082	2,616,191	26,891
Accumulated other comprehensive income (loss)	347,632	163,820	183,812
Treasury stock, at cost	(56,220)	(57,229)	1,009
Total FUJIFILM Holdings shareholders' equity	2,974,857	2,763,145	211,712
Noncontrolling interests	3,575	24,715	(21,140)
Total equity	2,978,432	2,787,860	190,572
Total liabilities and equity	4,526,972	4,134,311	392,661

Note: Details of accumulated other comprehensive income (loss)

	As of September 30, 2023	As of March 31, 2023	Change
Foreign currency translation adjustments	417,042	232,893	184,149
Pension liability adjustments	(69,420)	(69,193)	(227)
Unrealized gains (losses) on derivatives	10	120	(110)

Amount Unit: Millions of yen

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Consolidated Statements of Income)

Six months ended September 30

	Six months ended September 30, 2023 From April 1, 2023 To September 30, 2023 To September 30, 2023 Six months ended September 30, 2022 From April 1, 2022 To September 30, 2022				Change	
			Amount	%		
	%	· · · · · · · · · · · · · · · · · · ·	%	,		
Revenue	100.0	1,388,470	100.0	1,349,931	38,539	2.9
Cost of sales:	59.8	830,083	59.9	809,217	20,866	2.6
Gross profit	40.2	558,387	40.1	540,714	17,673	3.3
Operating expenses:						
Selling, general and administrative	25.6	354,420	25.5	343,397	11,023	3.2
Research and development	5.6	78,421	5.7	76,507	1,914	2.5
	31.2	432,841	31.2	419,904	12,937	3.1
Operating income	9.0	125,546	8.9	120,810	4,736	3.9
Other income (expenses):						
Interest and dividend income		5,970		3,007	2,963	
Interest expense		(3,862)		(1,803)	(2,059)	
Foreign exchange gains (losses), net		4,651		4,331	320	
Gains (losses) on equity securities, net		14,838		(510)	15,348	
Other, net		4,931		3,699	1,232	
	2.0	26,528	0.7	8,724	17,804	204.1
Income before income taxes	11.0	152,074	9.6	129,534	22,540	17.4
Income taxes	2.9	40,868	2.6	34,984	5,884	16.8
Equity in net earnings (losses) of affiliated companies	0.0	1,454	0.2	2,085	(631)	(30.3)
Net income	8.1	112,660	7.2	96,635	16,025	16.6
Less: Net (income) loss attributable to the noncontrolling interests	0.1	900	(0.2)	(1,472)	2,372	-
Net income attributable to FUJIFILM Holdings	8.2	113,560	7.0	95,163	18,397	19.3

Three months ended September 30

	Septembe	onths ended er 30, 2023		nths ended er 30, 2022	Change	
		ly 1, 2023 lber 30, 2023	From July 1, 2022 To September 30, 2022		Amount	%
	%		%			
Revenue	100.0	727,711	100.0	724,071	3,640	0.5
Cost of sales	59.4	432,498	60.5	437,806	(5,308)	(1.2
Gross profit	40.6	295,213	39.5	286,265	8,948	3.1
Operating expenses:						
Selling, general and administrative	25.0	182,101	24.3	176,071	6,030	3.4
Research and development	5.5	39,783	5.4	38,934	849	2.2
	30.5	221,884	29.7	215,005	6,879	3.2
Operating income	10.1	73,329	9.8	71,260	2,069	2.9
Other income (expenses):						
Interest and dividend income		2,279		928	1,351	
Interest expense		(1,705)		(933)	(772)	
Foreign exchange gains (losses), net		2,422		1,060	1,362	
Gains (losses) on equity securities, net		3,626		249	3,377	
Other, net		2,826		1,775	1,051	
	1.3	9,448	0.5	3,079	6,369	206.9
Income before income taxes	11.4	82,777	10.3	74,339	8,438	11.4
Income taxes	3.3	24,229	2.7	19,270	4,959	25.7
Equity in net earnings (losses) of affiliated companies	0.0	737	0.0	209	528	252.6
Net income	8.1	59,285	7.6	55,278	4,007	7.2
Less: Net (income) loss attributable to the noncontrolling interests	0.0	(137)	(0.2)	(1,479)	1,342	
Net income attributable to FUJIFILM Holdings	8.1	59,148	7.4	53,799	5,349	9.9

(Consolidated Statements of Comprehensive Income)

Six months ended September 30

Amount Unit: Millions of yen

	Six months ended September 30, 2023 From April 1, 2023 To September 30, 2023	Six months ended September 30, 2022 From April 1, 2022 To September 30, 2022	Change
Net income Other comprehensive income (loss), net of tax:	112,660	96,635	16,025
Unrealized gains (losses) on securities	_	76	(76)
Foreign currency translation adjustments	179,696	150,892	28,804
Pension liability adjustments	266	1,057	(791)
Unrealized gains (losses) on derivatives	(110)	35	(145)
Total	179,852	152,060	27,792
Comprehensive income (loss)	292,512	248,695	43,817
Less: Comprehensive (income) loss attributable to noncontrolling interests	4,860	(3,941)	8,801
Comprehensive income attributable to FUJIFILM Holdings	297,372	244,754	52,618

Three months ended September 30

	Three months ended September 30, 2023 From July 1, 2023 Three months ended September 30, 2022 From July 1, 2022		Change
	To September 30, 2023	To September 30, 2022	
Net income	59,285	55,278	4,007
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	_	36	(36)
Foreign currency translation adjustments	38,551	37,489	1,062
Pension liability adjustments	244	607	(363)
Unrealized gains (losses) on derivatives	(289)	15	(304)
Total	38,506	38,147	359
Comprehensive income (loss)	97,791	93,425	4,366
Less: Comprehensive (income) loss attributable to noncontrolling interests	(173)	(2,171)	1,998
Comprehensive income attributable to FUJIFILM Holdings	97,618	91,254	6,364

(3) Consolidated Statements of Cash Flows

	Six months ended September 30, 2023 From April 1, 2023 To September 30, 2023	Six months ended September 30, 2022 From April 1, 2022 To September 30, 2022	Change
Operating activities	1 23,73	1	
Net income	112,660	96,635	16,025
Adjustments to reconcile net income to net cash	112,000	70,033	10,023
provided by operating activities:			
Depreciation and amortization	71,792	70,835	957
(Gains) losses on equity securities, net	(14,838)	510	(15,348)
Equity in net (gains) losses of affiliated companies, net of dividends received	(955)	(1,560)	605
Changes in operating assets and liabilities:			
Notes and accounts receivable	25,962	9,319	16,643
Inventories	(15,904)	(89,369)	73,465
Notes and accounts payable - trade	(6,996)	15,803	(22,799)
Changes in other current assets	(2,536)	(8,441)	5,905
Accrued income taxes and other liabilities	(14,286)	(32,881)	18,595
Other	(9,478)	(6,170)	(3,308)
Subtotal	32,761	(41,954)	74,715
Net cash provided by operating activities	145,421	54,681	90,740
Investing activities	·	·	
Purchases of property, plant and equipment	(192,140)	(118,552)	(73,588)
Purchases of software	(21,178)	(28,009)	6,831
Proceeds from sales and maturities of marketable			
and investment securities	6,759	19,490	(12,731)
Purchases of marketable and investment securities	(709)	(2,894)	2,185
(Increase) decrease in time deposits, net	2,785	(4,237)	7,022
(Increase) decrease in investments in and advances to affiliated companies	(84)	(374)	290
Acquisitions of businesses, net of cash acquired	-	(15,428)	15,428
Other	16,619	(13,129)	29,748
Net cash used in investing activities	(187,948)	(163,133)	(24,815)
Financing activities			
Proceeds from long-term debt	-	120,222	(120,222)
Repayments of long-term debt	(31,895)	(51,341)	19,446
Increase (decrease) in short-term debt, net	199,689	(413)	200,102
Cash dividends paid to shareholders	(28,077)	(22,044)	(6,033)
Subsidiaries' cash dividends paid to noncontrolling interests	(12,334)	-	(12,334)
Net purchases of stock for treasury	(14)	(12)	(2)
Capital transactions with noncontrolling interests	(57,886)	218	(58,104)
Other	3,109	(2,611)	5,720
Net cash provided by financing activities	72,592	44,019	28,573
Effect of exchange rate changes on cash and cash equivalents	23,510	25,005	(1,495)
Net increase (decrease) in cash and cash equivalents	53,575	(39,428)	93,003
Cash and cash equivalents at beginning of period	268,608	486,328	(217,720)
Cash and cash equivalents at end of period	322,183	446,900	(124,717)

(4) Notes to Consolidated Financial Statements

(Note Relating to the Going Concern Assumption)

N/A

(Segment Information)

1. Six months ended September 30

(A) Operating Segment Information

a. Revenue

Amount Unit: Millions of yen

	Six months ended September 30, 2023		Six months ended September 30, 2022		Chang	ge
	From	April 1, 2023 ember 30, 2023	From April 1, 2022 To September 30, 2022		Amount	%
Revenue:	%		%			
Healthcare:						
External customers	32.3	448,218	31.2	421,246	26,972	6.4
Intersegment		9		33	(24)	-
Total		448,227		421,279	26,948	6.4
Materials:						
External customers	23.0	319,616	25.7	346,857	(27,241)	(7.9)
Intersegment		551		605	(54)	-
Total		320,167		347,462	(27,295)	(7.9)
Business Innovation:						
External customers	28.9	401,478	29.5	398,423	3,055	0.8
Intersegment		3,509		4,672	(1,163)	-
Total		404,987		403,095	1,892	0.5
Imaging:						
External customers	15.8	219,158	13.6	183,405	35,753	19.5
Intersegment		689		1,618	(929)	-
Total		219,847		185,023	34,824	18.8
Eliminations		(4,758)		(6,928)	2,170	-
Consolidated total	100.0	1,388,470	100.0	1,349,931	38,539	2.9

b. Operating income

Amount Unit: Millions of yen

	Six months ended September 30, 2023		Six months ended September 30, 2022		Change	
	From .	From April 1, 2023 From April 1, 2022 To September 30, 2023 To September 30, 2022			Amount	%
Operating Income (Loss):	%		%			
Healthcare	9.3	41,826	10.6	44,505	(2,679)	(6.0)
Materials	5.8	18,642	11.1	38,427	(19,785)	(51.5)
Business Innovation	8.1	32,980	7.5	30,096	2,884	9.6
Imaging	22.5	49,360	14.4	26,615	22,745	85.5
Total		142,808		139,643	3,165	2.3
Corporate expenses and eliminations		(17,262)		(18,833)	1,571	-
Consolidated total	9.0	125,546	8.9	120,810	4,736	3.9

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

Healthcare: Equipment and materials for medical systems,

contract development and manufacturing organization of biopharmaceuticals, drug discovery support such as iPS cells, cell culture media and reagents,

pharmaceuticals, cosmetics and supplements, etc.

Materials: Electronic materials, display materials, industrial equipment, fine chemicals,

equipment and materials for graphic communication,

inks and industrial inkjet printheads, etc.

Business Innovation: Digital MFPs, solutions and services, etc.

Imaging: Instant photo systems, color films, services and equipment for photofinishing,

digital cameras and optical devices, etc.

Amount Unit: Millions of yen

c. Overseas revenue (Destination Base)

			Six months ended		Six months ended		inge
		September 30, 2023 From April 1, 2023 To September 30, 2023		From A	April 1, 2022 mber 30, 2022	Amount	%
Reve	nue:	%		%			
Do	omestic	36.1	501,100	35.5	478,573	22,527	4.7
O	verseas:						
	The Americas	22.0	305,166	22.6	305,386	(220)	(0.1)
	Europe	14.3	198,011	14.8	199,642	(1,631)	(0.8)
	Asia and others	27.6	384,193	27.1	366,330	17,863	4.9
	Subtotal	63.9	887,370	64.5	871,358	16,012	1.8
С	onsolidated total	100.0	1,388,470	100.0	1,349,931	38,539	2.9

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

2. Three months ended September 30

(A) Revenue by Operating Segment

Amount Unit: Millions of yen

	Three months ended September 30, 2023		Three months ended September 30, 2022		Change			
		From July 1, 2023 To September 30, 2023		From July 1, 2022 To September 30, 2022		Λ 22		%
Revenue:	%		%					
Healthcare	33.1	241,389	33.0	238,396	2,993	1.3		
Materials	22.7	165,156	24.1	174,539	(9,383)	(5.4)		
Business Innovation	28.5	207,238	29.0	210,190	(2,952)	(1.4)		
Imaging	15.7	113,928	13.9	100,946	12,982	12.9		
Consolidated total	100.0	727,711	100.0	724,071	3,640	0.5		

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

Healthcare: Equipment and materials for medical systems,

contract development and manufacturing organization of biopharmaceuticals, drug discovery support such as iPS cells, cell culture media and reagents,

pharmaceuticals, cosmetics and supplements, etc.

Materials: Electronic materials, display materials, industrial equipment, fine chemicals,

equipment and materials for graphic communication,

inks and industrial inkjet printheads, etc.

Business Innovation: Digital MFPs, solutions and services, etc.

Imaging: Instant photo systems, color films, services and equipment for photofinishing,

digital cameras and optical devices, etc.

(B) Overseas Revenue (Destination Base)

Amount Unit: Millions of yen

		Three months ended September 30, 2023		Three months ended September 30, 2022		Change	
		From July 1, 2023 To September 30, 2023		From July 1, 2022 To September 30, 2022		Amount	%
Revenue:		%		%			
Domestic		36.0	262,060	35.2	254,626	7,434	2.9
Overseas:							
	The Americas	21.8	158,648	23.7	171,724	(13,076)	(7.6)
	Europe	14.9	108,085	14.6	105,405	2,680	2.5
	Asia and others	27.3	198,918	26.5	192,316	6,602	3.4
	Subtotal	64.0	465,651	64.8	469,445	(3,794)	(0.8)
Consolidated total		100.0	727,711	100.0	724,071	3,640	0.5

(Note on Significant Changes to FUJIFILM Holdings Shareholders' Equity)

N/A

Significant Subsequent Events

On October 2, 2023 (EST), in order to accelerate the growth of our electronic materials business, FUJIFILM Corporation, a wholly owned subsidiary of FUJIFILM Holdings Corporation, completed its acquisition of all outstanding shares of CMC Materials KMG Corporation, which operates semiconductor process chemical business globally and is a group company of Entegris, Inc., a U.S. supplier of semiconductor materials, for approximately \$700 million and made it a wholly owned subsidiary.