

## Earnings of 1H FY2012/3 (April 1 - September 30, 2011)

FUJIFILM Holdings Corporation

October 31, 2011

### FORWARD-LOOKING STATEMENTS

Forward-looking statements such as those relating to earnings forecasts and other projections contained in this material are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties, and other factors. Accordingly, actual results may differ materially from those projected due to various factors.

## Performance Summary for 1H FY2012/3

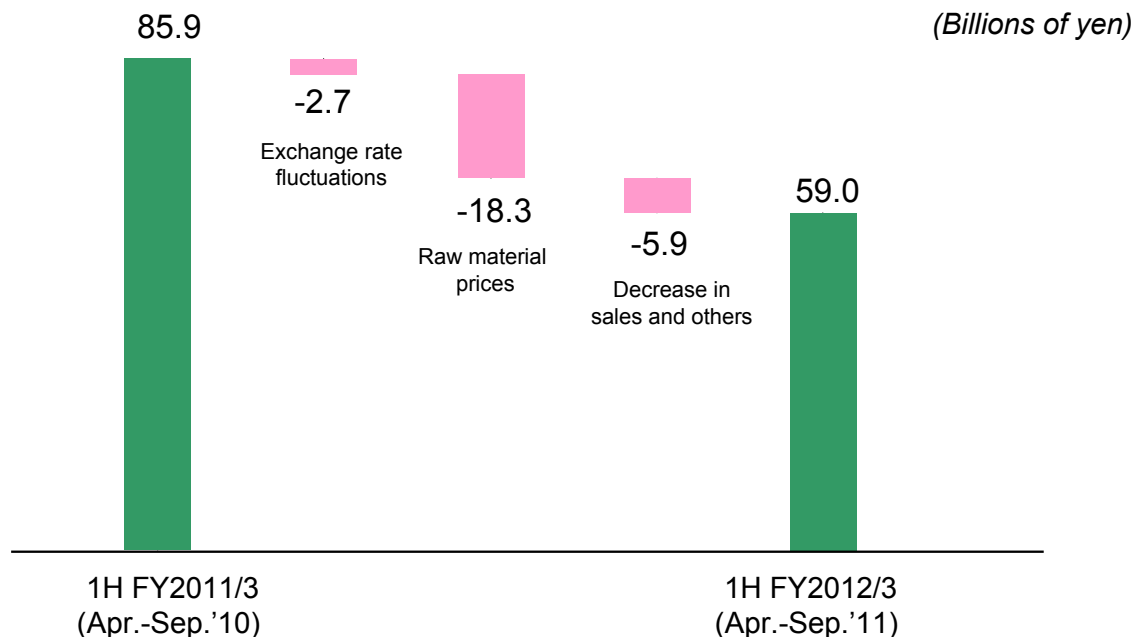
Revenue and operating income decreased due to the impact of the strong yen appreciation and the decrease in demand caused by the earthquake.

(Billions of yen)

	1H FY2010/3 (Apr. - Sep. 2009)		1H FY2011/3 (Apr. - Sep. 2010)		1H FY2012/3 (Apr. - Sep. 2011)		Change	
							Amount	%
Revenue	100.0%	1,043.5	100.0%	1,105.3	100.0%	1,083.4	(21.9)	(2.0)
Operating Income	(0.8)%	(8.6)	7.8%	85.9	5.4%	59.0	(26.9)	(31.3)
Income before Income Taxes	(0.8)%	(8.0)	7.0%	77.0	3.0%	32.7	(44.3)	(57.5)
Net Income Attributable to FUJIFILM Holdings	(0.5)%	(5.4)	3.6%	40.3	1.4%	14.9	(25.4)	(63.0)
Net Income Attributable to FUJIFILM Holdings per Share		¥(11.07)		¥82.48		¥30.93		¥(51.55)
Exchange Rates :	US\$	¥96		¥89		¥80		¥(9)
	€	¥133		¥114		¥114		¥0

## ■ Analysis of Operating Income in 1H FY2012/3

(Change from previous fiscal year)



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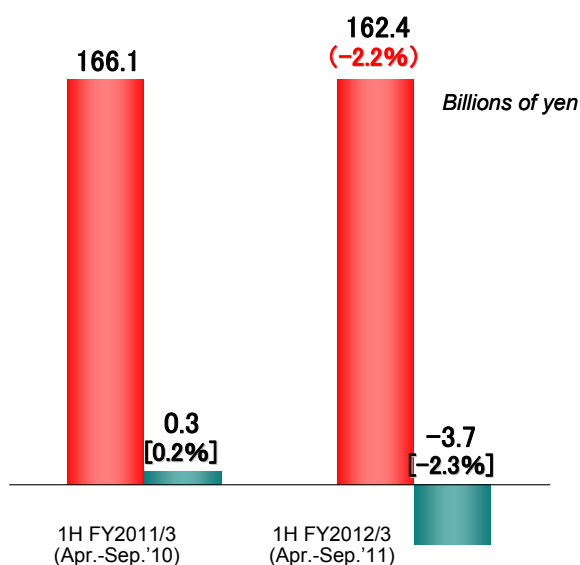
## Operating Segments

### ■ Imaging Solutions

#### Revenue\* / Operating Income

■ Revenue  
■ Operating Income

[ ]: Operating Margin  
( ): YoY Comparison



#### Revenue

¥ 162.4 billion (YoY: -2.2%)  
(excluding the impact of forex: YoY +1.9%)

- Although sales of digital cameras were strong, the impact of strong yen appreciation and other factors caused a decline in total revenue.
- Impact of forex: ¥ 6.7 billion

#### Operating Income

¥ 3.7 billion (loss)

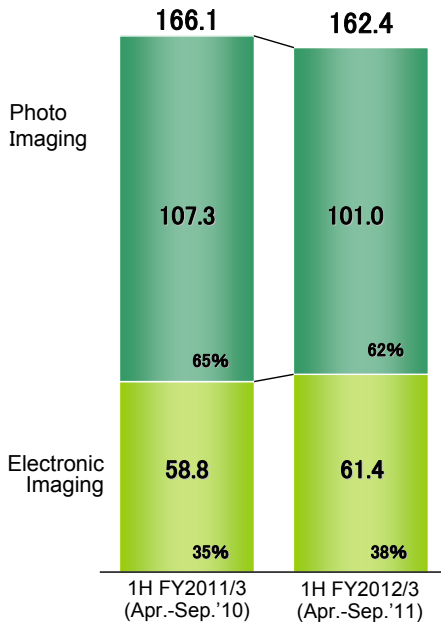
- Despite measures to cut costs, operating income decreased due to yen appreciation and the sharp surge in raw material prices, especially for silver.

\*Note: After elimination of intersegment transaction

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## Sub-Segment Revenue

Billions of yen  
%: Proportion of sub-segment revenue



### Photo Imaging

¥ 101.0 billion (YoY: -6%)

- Revenue declined due to strong yen appreciation and the impact of the earthquake.
- Sales of color paper were strong, resulting in a share increase.

### Electronic Imaging

¥ 61.4 billion (YoY: +4%)

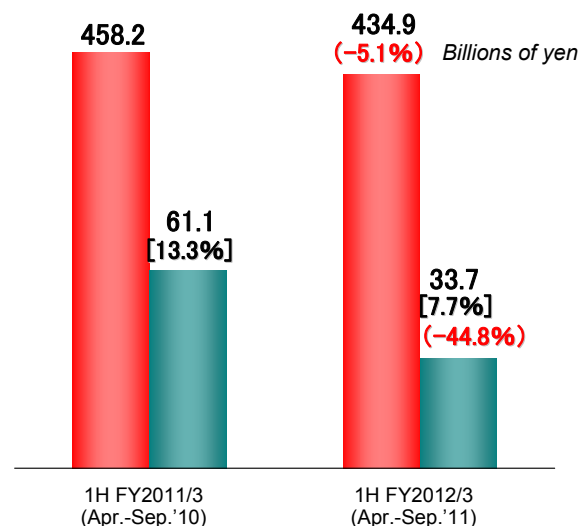
- Despite the decline in total demand, sales volume for the first half of FY2012/3 was approximately 5.9 million units, up 9% compared to the previous year.
- Sales of mid-range and high-end distinctive products, such as the FUJIFILM X100, FinePix F600EXR, and FinePix S4000, were strong.
- The target of digital camera sales volume for this year is set at 13 million units, up 16% from the previous year.

## Information Solutions

### Revenue\* / Operating Income

- Revenue
- Operating Income

[ ]: Operating Margin  
( ): YoY Comparison



### Revenue

¥ 434.9 billion (YoY: -5.1%)  
(excluding the impact of forex: YoY -2.2%)

- Strong yen appreciation and a decline in demand caused by the earthquake resulted in a decrease in sales in major business.
- Sales of flat panel display materials declined compared to the same quarter of the previous year, when the demand was strong.
- Impact of forex: -¥ 13.0 billion

### Operating Income

¥ 33.7 billion (YoY: -44.8%)

- Despite measures to cut costs, operating income dropped, affected by a decline in sales, yen appreciation, and a sharp surge in raw material prices, such as for silver and aluminum.

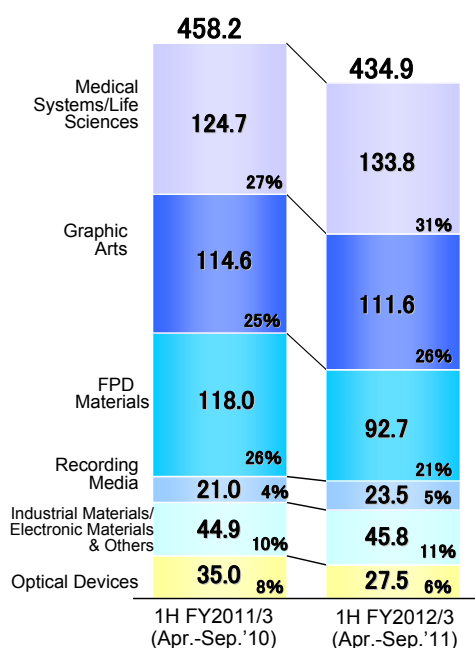
## Operating Segments

FUJIFILM

## Sub-Segment Revenue

Billions of yen

%: Proportion of sub-segment revenue



## Medical Systems/Life Sciences

¥ 133.8 billion (YoY: +7%)

- Despite the yen appreciation, revenue increased owing to expansion of sales in cosmetics and pharmaceuticals.
- Sales of low-priced/small-sized FCR were strong. Fujifilm also expanded its lineups by launching *FCR PRIMA T*, an FCR that can be used on a desk, and *CALNEO C 1417 Wireless SQ*, a cassette-sized DR.
- Medical-use picture archiving and communication systems, including *SYNAPSE*, maintain the top share in the domestic market.
- In life sciences business, sales increased due to factors such as the release of a new skin brightening product series within the *ASTALIFT* series, launched in March.
- Sales of *Zosyn\** were strong in the pharmaceutical field. Application for approval in Japan of *T-705* is being submitted.

## Graphic Arts

¥ 111.6 billion (YoY: -3%)

- Sales decreased due to strong yen appreciation and the decline in demand caused by the earthquake.
- Reinforcing sales promotion of wide-format UV inkjet systems.

## FPD Materials

¥ 92.7 billion (YoY: -21%)

- Sales declined compared to the previous year, when the demand for LCD TVs was strong owing to Japan's Eco-Point system and Chinese government policies for promoting the ownership of household electric products.

## Recording Media

¥ 23.5 billion (YoY: +12%)

- Sales of data tapes using BaFe\*\* magnetic materials for the first time in the world and industrial video tapes increased.

## Industrial Materials/Electronic Materials &amp; Others

¥ 45.8 billion (YoY: +2%)

- Electronic materials, such as *Color Mosaic* for image sensors and ArF immersion photoresists, expanded its sales.

## Optical Devices

¥ 27.5 billion (YoY: -21%)

- Sales decline in camera phone lenses resulted in a decrease in revenue.

\*Zosyn: pharmaceuticals applicable to the treatment of blood poisoning, pyelonephritis, complex cystitis, and pneumonia

\*\*BaFe: barium ferrite

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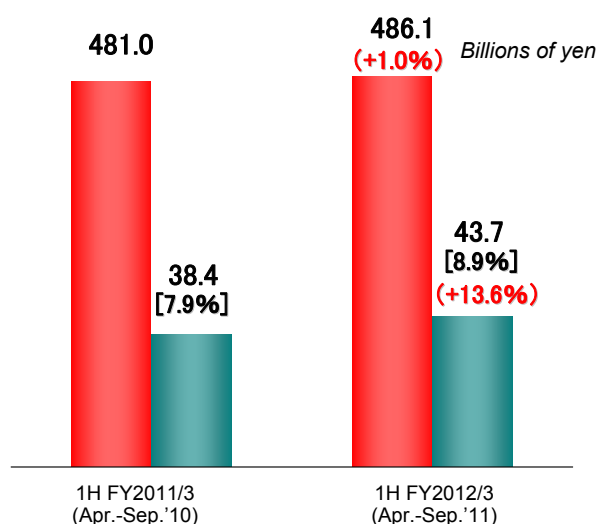
## Operating Segments

FUJIFILM

## ■ Document Solutions

## Revenue\* / Operating Income

- Revenue
- Operating Income

[ ]: Operating Margin  
( ): YoY Comparison

## Revenue

¥ 486.1 billion (YoY: +1.0%)  
(excluding the impact of forex: YoY +1.6%)

- An increase in revenue was recorded by retrieving the negative impact of the earthquake seen in Japan in the first quarter, securing the same level as the previous year. In addition, continuing growth in the Asia-Oceania region also had a positive impact.
- Impact of forex: -¥ 2.8 billion

## Operating Income

¥ 43.7 billion (YoY: +13.6%)

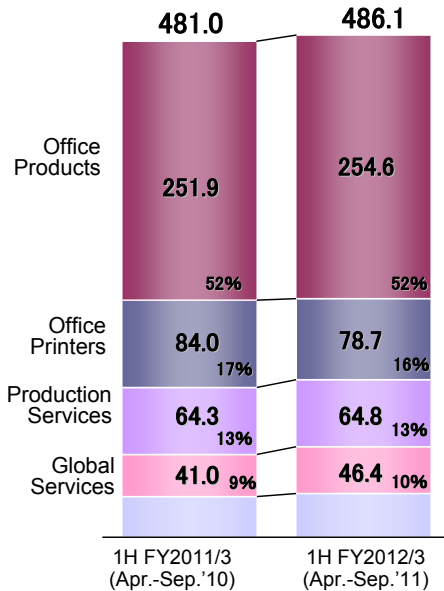
- An increase in sales and improvement in cost efficiency led to an increase in operating income.

\*Note: After elimination of intersegment transaction

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## Sub-Segment Revenue

Billions of yen  
%: Proportion of sub-segment revenue



### Office Products

¥ 254.6 billion (YoY: +1%)

- In Japan, the sales volume of color products increased.
- In the Asia-Oceania region, the volume of both color and monochrome products increased. As for Xerox Corporation, the shipment volume increased due to increase in color products.

### Office Printers

¥ 78.7 billion (YoY: -6%)

- Sales volume increased in Japan by the effect of new products.
- Volume of color products increased in the Asia-Oceania region.

### Production Services

¥ 64.8 billion (YoY: +1%)

- Sales volume in Japan increased, reflecting growth in sales of light production color printing systems and entry production color systems.
- As for the Asia-Oceania region, the sales volume grew due to strong sales of entry production color systems.

### Global Services

¥ 46.4 billion (YoY: +13%)

- Considerable growth was achieved in the Asia-Oceania region, leading to an increase in revenue. *Enterprise Print Service*, which comprehensively manages the whole company's output operations, was started up in Japan and the Asia-Oceania region.



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.

IR Office, Corporate Planning Div.

**FUJIFILM Holdings Corporation**

<http://www.fujifilmholdings.com/en/index.html>

Note: This document is a faithful translation into English of a financial condition-related report prepared in Japanese by FUJIFILM Holdings Corporation in accordance with Tokyo Stock Exchange guidelines. Accordingly, the explanations for each business segment may include references to products that are marketed under different product names overseas or are not marketed overseas and may also include references to product marketing periods that differ by region. "Xerox" is a registered trademark of Xerox Corporation in the U.S. and other countries. All other product names contained in this material are trademarks of their respective companies.

## Forecast For FY2012/3

(Billions of yen)

	FY2011/3 Actual		FY2012/3 Forecast (announced on July)		FY2012/3 Forecast (latest)		Change from the previous year	
							Amount	%
Revenue	100.0%	2,217.1	100.0%	2,340.0	100.0%	2,290.0	72.9	3.3
Operating Income	6.2%	136.4	6.8%	160.0	6.0%	136.5	0.1	0.1
Income before Income Taxes	5.3%	117.1	6.6%	155.0	4.7%	107.5	(9.6)	(8.2)
Net Income Attributable to FUJIFILM Holdings	2.9%	63.9	3.4%	80.0	2.4%	54.0	(9.9)	(15.4)
Net Income Attributable to FUJIFILM Holdings per share		¥131.30		¥166.08		¥112.10		¥(19.20)
Cash Dividends per Share		¥30		¥35		¥35		¥5
Exchange Rates								
US\$		¥86		¥80		¥78		¥(8)
€		¥113		¥116		¥109		¥(4)

Impact of exchange rate movements on operating income (full year, ¥ 1 change) US\$: ¥1.1 billion €: ¥0.7 billion

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## Performance Summary For 2Q FY2012/3

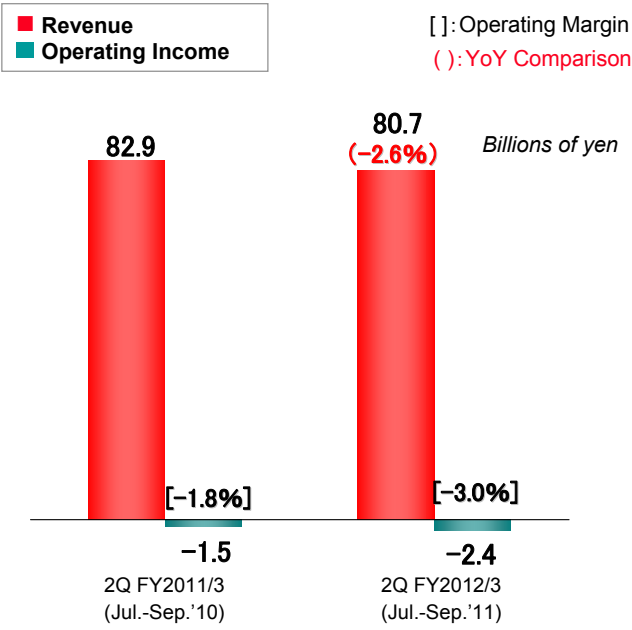
(Billions of yen)

	2Q FY2010/3 (Jul.'09-Sep.'09)		2Q FY2011/3 (Jul.'10-Sep.'10)		2Q FY2012/3 (Jul.'11-Sep.'11)		Change from the previous year	
							Amount	%
Revenue	100.0%	541.1	100.0%	557.9	100.0%	553.3	(4.6)	(0.8)
Operating Income	(1.1)%	(5.9)	7.0%	39.0	5.4%	30.0	(9.0)	(23.0)
Income before Income Taxes	(1.7)%	(9.2)	6.9%	38.5	0.8%	4.6	(33.9)	(88.0)
Net Income Attributable to FUJIFILM Holdings	(0.9)%	(4.7)	4.0%	22.5	0.1%	0.4	(22.1)	(98.3)
Net Income Attributable to FUJIFILM Holdings per share		¥(9.65)		¥46.14		¥0.80		¥(45.34)
Exchange Rates								
US\$		¥94		¥86		¥78		¥(8)
€		¥133		¥111		¥110		¥(1)

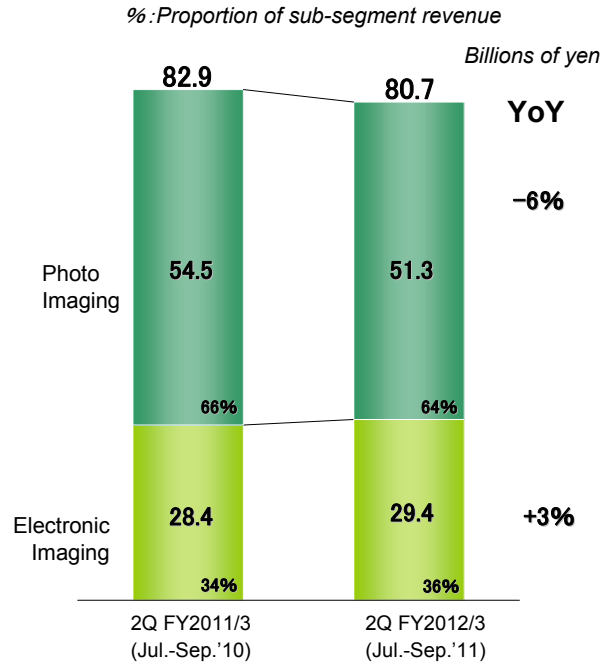
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■ Imaging Solutions

Revenue\*/Operating Income



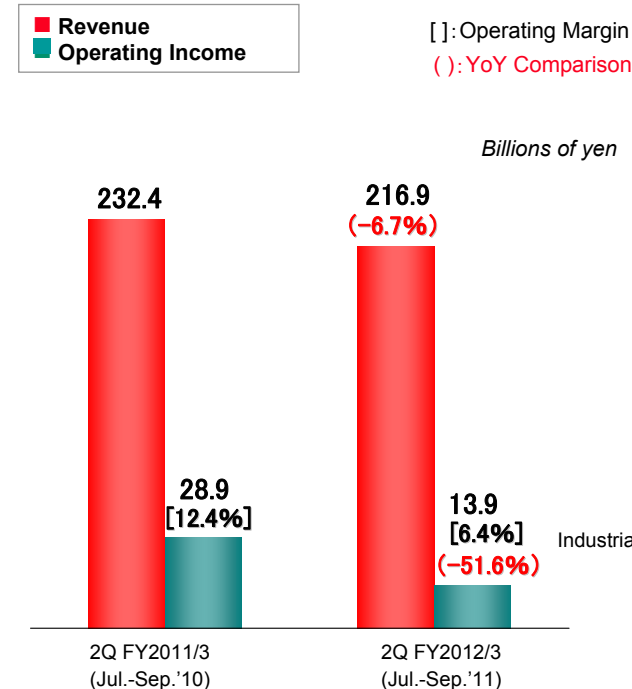
Sub-Segment Revenue



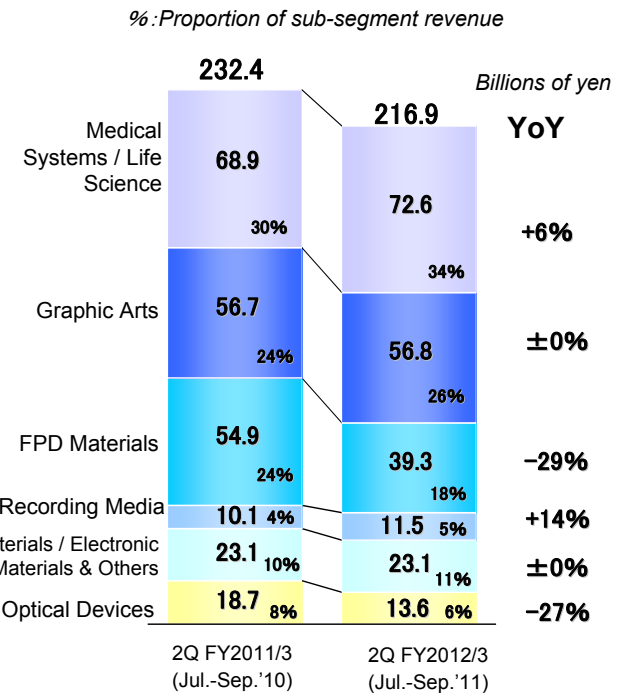
\*Note: After elimination of intersegment transaction

■ Information Solutions

Revenue\*/Operating Income



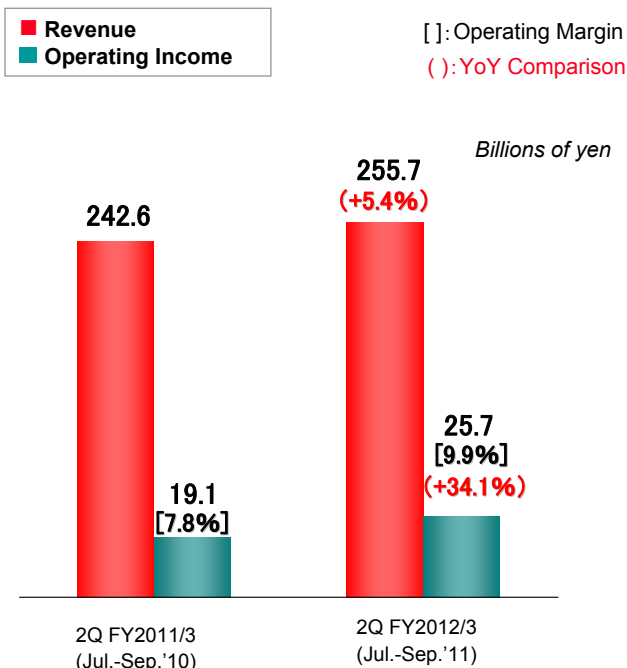
Sub-Segment Revenue



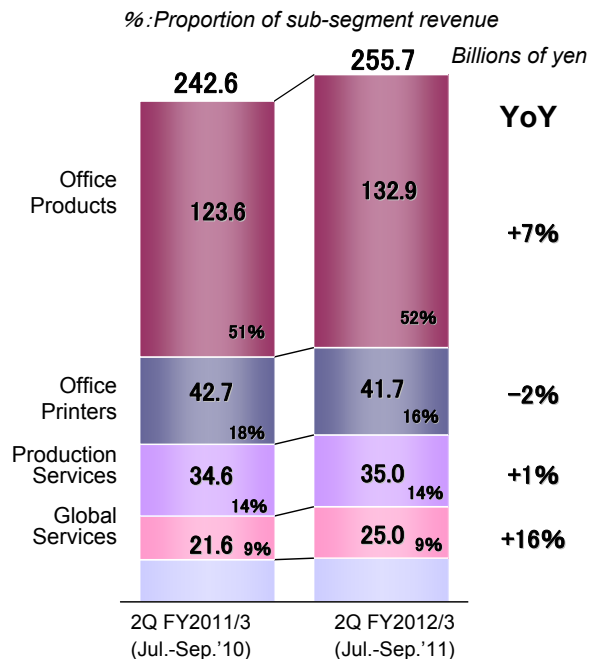
\*Note: After elimination of intersegment transaction

■ Document Solutions

Revenue\*/Operating Income



Sub-Segment Revenue



\*Note: After elimination of intersegment transaction

■ Revenue from Domestic and Overseas

(Billions of yen)

	1H FY2011/3		1H FY2012/3		
	Ratio (%)		Ratio (%)		YoY Change (%)
<b>Domestic</b>	46.2	510.2	45.0	487.3	(4.5)
The Americas	17.0	188.2	16.9	183.3	(2.6)
Europe	11.6	128.2	12.3	133.5	4.2
China	7.8	86.4	9.4	102.3	18.4
Asia and others	25.2	278.7	25.8	279.3	0.2
<b>Overseas</b>	53.8	595.1	55.0	596.1	0.2
<b>Consolidated total</b>	100.0	1,105.3	100.0	1,083.4	(2.0)

## ■ Capital Expenditure , Depreciation & Amortization

(Billions of yen)

	FY2010/3			FY2011/3			FY2012/3			(forecast)
	2Q	1H		2Q	1H		2Q	1H		
Imaging	2.5	4.1	9.1	2.3	4.0	8.1	0.2	3.3		
Information	8.5	15.3	28.5	14.2	23.3	61.8	19.7	33.5		
Document	8.9	21.2	40.3	6.6	8.2	19.5	5.4	7.5		
Corporate	0.0	0.0	0.0	0.9	1.0	0.5	1.1	1.3		
Capex *	19.9	40.6	77.9	24.0	36.5	89.9	26.4	45.6	120.0	
Imaging	6.1	11.4	21.9	2.6	4.9	10.1	2.1	4.6		
Information	25.1	48.5	99.1	17.2	36.6	77.4	18.8	36.3		
Document	17.4	33.6	73.6	16.8	33.4	65.8	13.7	27.9		
Corporate	0.1	0.2	0.5	1.7	1.9	3.8	0.9	1.6		
Depreciation& Amortization	48.7	93.7	195.1	38.3	76.8	157.1	35.5	70.4	160.0	
Depreciation*	32.7	63.1	135.1	25.9	51.1	106.6	22.9	45.2	110.0	

\*Note: Figures do not include amounts for rental equipment handled by the Document Solutions segment.

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## ■ R&D Expenses, SG&A Expenses

(Billions of yen)

	FY2011/3			FY2012/3			(forecast)
	2Q	1H		2Q	1H		
Imaging	1.5	3.4	7.6	1.7	3.4		
Information	18.7	34.4	69.7	18.4	35.9		
Document	18.1	34.3	65.4	17.2	32.9		
Corporate	5.7	10.9	22.6	5.8	11.1		
R&D Expenses	44.0	83.0	165.3	43.1	83.3	175.0	
<ratio to revenue>	7.9%	7.5%	7.5%	7.8%	7.7%	7.6%	
SG&A Expenses	141.5	281.0	570.6	142.1	285.6	560.0	
<ratio to revenue >	25.4%	25.4%	25.7%	25.7%	26.4%	24.5%	

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## ■ Cash Flow

(Billions of yen)

	1H FY2010/3	1H FY2011/3	1H FY2012/3
Net income	(4.7)	44.9	21.5
Depreciation & amortization	93.7	76.8	70.4
Change in notes and accounts receivable	30.0	7.4	1.5
Change in inventories	35.1	(34.9)	(19.1)
Change in notes and accounts payable-trade	(7.4)	(4.0)	(16.0)
Change in accrued income taxes and other liabilities	7.9	(6.7)	(16.0)
Others	24.8	22.0	17.4
<b>C/F from operating activities</b>	<b>179.4</b>	<b>105.5</b>	<b>59.7</b>
Capital expenditure	(42.6)	(48.5)	(51.0)
Purchases of software	(6.3)	(8.5)	(9.8)
Sales and purchases of marketable and investment securities	(3.6)	(12.9)	15.1
Others	(7.0)	(10.9)	(11.8)
<b>C/F from investing activities</b>	<b>(59.5)</b>	<b>(80.8)</b>	<b>(57.5)</b>
<b>Free cash flow</b>	<b>119.9</b>	<b>24.7</b>	<b>2.2</b>
<b>C/F from operating activities + Capital expenditure</b>	<b>136.8</b>	<b>57.0</b>	<b>8.7</b>

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## ■ Balance Sheet

(Billions of yen)

	Mar.'10	Mar.'11	Sep.'11		Mar.'10	Mar.'11	Sep.'11
Cash and cash equivalents	406.2	313.1	279.9	Short-term and long-term debt	295.6	189.6	175.1
Notes and accounts receivable	495.0	502.2	479.9	Notes and accounts payable	261.6	261.4	235.5
Inventories	303.1	342.2	349.8	Other liabilities	394.4	406.9	378.8
Marketable securities and other	206.2	153.3	168.8	<b>Total liabilities</b>	<b>951.6</b>	<b>857.9</b>	<b>789.4</b>
<b>Total current assets</b>	<b>1,410.5</b>	<b>1,310.8</b>	<b>1,278.4</b>	Total FUJIFILM Holdings shareholders' equity	1,746.1	1,722.5	1,684.4
Property, plant and equipment	601.7	564.1	551.6	Noncontrolling interests	129.7	128.4	129.5
Goodwill, net	325.9	344.4	334.6	<b>Total equity</b>	<b>1,875.8</b>	<b>1,850.9</b>	<b>1,813.9</b>
Investment securities and other	489.3	489.5	438.7	<b>Total liabilities and equity</b>	<b>2,827.4</b>	<b>2,708.8</b>	<b>2,603.3</b>
<b>Total noncurrent assets</b>	<b>1,416.9</b>	<b>1,398.0</b>	<b>1,324.9</b>				
<b>Total assets</b>	<b>2,827.4</b>	<b>2,708.8</b>	<b>2,603.3</b>				

yen

Exchange rates	Mar.'10	Mar.'11	Sep.'11
US\$	93	83	77
Euro	125	118	104

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■ Current State of New Drug Development

Regarding overseas markets, development is done under the name of Fujifilm Group (as of August 2011).

Development code	Therapeutic category	Region	Development stage					
			Non-clinical	P I	P II	P III	Filed	Formulation
T-705	Antiviral	Japan	▶					Oral
		U.S.A.	▶					
T-614	Rheumatoid arthritis	Japan	▶					Oral
T-3811	New-type quinolone synthetic antibacterial	Japan	▶					Injection*
		U.S.A.	▶					Oral/Injection
		Europe	▶					
T-817MA	Alzheimer's disease	U.S.A.	▶					Oral
T-5224	Rheumatoid arthritis	Japan	▶					Oral
		Overseas	▶					
T-2307	Antifungal	U.S.A.	▶					Injection
T-1106	Antiviral	Japan	▶					Oral

\* Oral drugs are sold under the name "Geninax"

P<sup>III</sup> has been terminated, and on March 30, 2011, Toyama Chemical submitted an application for permission to manufacture and market T-705, a treatment for influenza infections in Japan.

**Difference from the 1Q FY2012/3**

On August 31, Toyama Chemical submitted an application for permission for approval of new drugs for T-614 in Japan.

● Exchange Rates

(yen)

	FY2011/3			FY2012/3				
	1Q	2Q	1H	1Q	2Q	1H	(forecast)	
US\$	92	86	89	86	82	78	80	78
€	117	111	114	113	117	110	114	109

● Number of Employees

	Sep.2010	Dec.2010	Mar.2011	Jun.2011	Sep.2011
Consolidated Total	77,616	78,177	78,862	79,367	81,387

● Distribution of Shareholders

