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## ***Earnings of 3Q FY2012/3*** ***(April 1 – December 31, 2011)***

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**FUJIFILM Holdings Corporation**

January 30, 2012

### **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.

Overviewing the global economy, the harsh business environment continued during this quarter, including such factors as deterioration of the economies in Europe, a delay in economic recovery in the US, and a slowdown tendency in economic growth in emerging countries.

In Japan, the economy is showing a slow recovery in Japan due to demand created by reconstruction efforts after the Great East Japan Earthquake. However, the persistence of the strong yen and deceleration in overseas economies are posing downside risks with respect to the economic outlook.

The business environment was also harsh for the Fujifilm Group. Although the direct effect of the earthquake on the Group remained relatively slight, certain Group businesses were affected by strong yen appreciation; the sharp surge in raw materials prices, including silver and aluminum; the floods in Thailand; and the decline in demand due to economic deterioration in Europe.

On the other hand, sales in emerging countries, such as China, are proceeding strongly.

## Performance Summary for 3Q FY2012/3

**FUJIFILM**

**Both revenue and operating income have declined due to such factors as strong yen appreciation, a decline in demand caused by the earthquake, and the impact of floods in Thailand.**

Billions of yen

	3Q FY2010/3 (Apr. - Dec. 2009)		3Q FY2011/3 (Apr. - Dec. 2010)		3Q FY2012/3 (Apr. - Dec. 2011)		Change	
							Amount	%
Revenue	100.0%	1,597.1	100.0%	1,651.7	100.0%	1,618.5	(33.2)	(2.0)
Operating Income	(0.2)%	(2.4)	7.4%	122.5	5.3%	85.6	(36.9)	(30.1)
Income before Income Taxes	(0.0)%	(0.7)	6.6%	109.1	3.6%	57.7	(51.4)	(47.1)
Net Income Attributable to FUJIFILM Holdings	(0.4)%	(7.0)	3.5%	58.4	1.5%	23.7	(34.7)	(59.4)
Net Income Attributable to FUJIFILM Holdings per Share		¥(14.31)		¥119.72		¥49.19		¥(70.53)
Exchange Rates								
US\$		¥93		¥87		¥79		¥(8)
€		¥133		¥113		¥110		¥(3)

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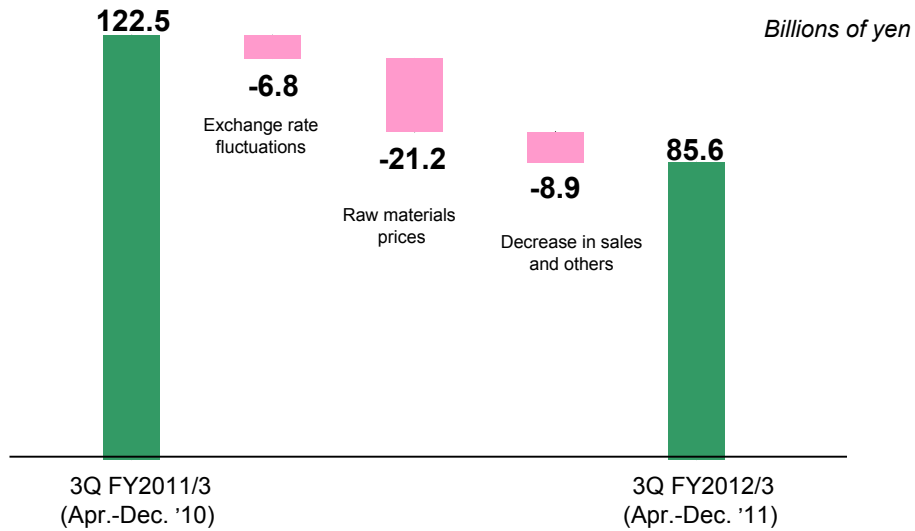
Consolidated revenue during the third quarter of the fiscal year was **¥1,618.5 billion, down 2.0%** from the same quarter of the previous year. The Group took measures such as the launch of new products and the reinforcement of sales promotion in emerging countries, but the strong yen appreciation, causing a negative impact of **¥ 40.5 billion**, the decline in domestic demand due to the earthquake, and the effect of the floods in Thailand led to this decline. Excluding the impact of the yen appreciation, revenue was **at the same level as in the previous year**.

Operating income was **¥85.6 billion, down 30.1%** from the previous year. The strong yen appreciation and the sharp surge in raw materials prices, such as silver and aluminum, had a negative impact despite the Company's efforts for making cost cuts and expense reductions.

In addition, impairment losses on investment securities amounted to **¥17.8 billion**, and income before income taxes was **¥57.7 billion, down 47.1%** from the previous year.

■ Analysis of Operating Income in 3Q FY2012/3

(Change from previous fiscal year)



The strong yen appreciation caused a negative impact of **¥6.8 billion**, and the sharp surge in raw materials prices, including silver and aluminum, caused a negative impact of **¥21.2 billion**.

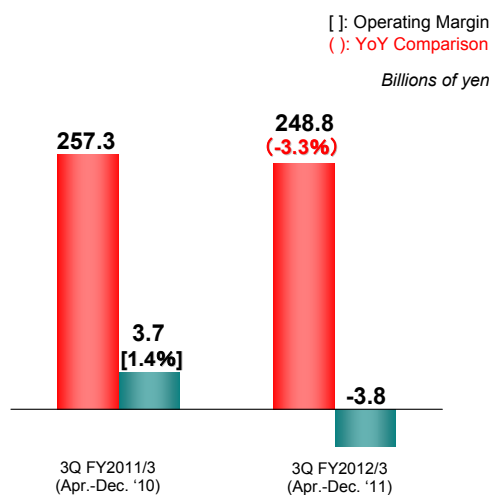
## Operating Segments

FUJIFILM

### ■ Imaging Solutions

#### Revenue\*/Operating Income

■ Revenue  
■ Operating Income



#### Revenue

¥248.8 billion (YoY: -3.3%)  
(excluding the impact of forex: YoY +1.3%)

- Although sales of digital cameras were strong, revenue declined due to strong yen appreciation and other factors.
- Impact of forex: - ¥11.8 billion

#### Operating Income

-¥3.8 billion (fallen to deficit)

- Despite measures for cost reductions, the yen appreciation and the sharp surge in raw materials prices, including silver and aluminum, caused the decline.

\*Note: After elimination of intersegment transactions

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Revenue in the Imaging Solutions segment, adversely affected by strong yen appreciation and other factors, was **¥248.8 billion, down 3.3%** from the previous year.

As a result of sales promotions, sales of digital cameras were strong, and the market share in the photo imaging business expanded, resulting in a **1.3% increase** from the previous year, excluding the negative impact of forex.

Despite cost reduction measures, operating income was affected by the strong yen appreciation and the sharp surge in raw materials prices, including silver, by **¥12.6 billion**, and the segment recorded a loss of **¥3.8 billion, down ¥7.5 billion** from the previous year.

# Operating Segments

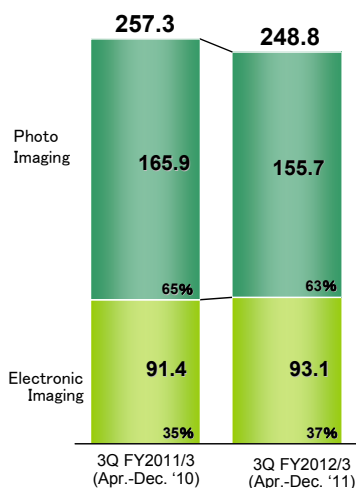
Imaging Solutions

**FUJIFILM**

## Sub-segment Revenue

Billions of yen

%: Proportion of sub-segment revenue



### Photo Imaging

¥155.7 billion (YoY: -6%)

- Sales decreased due to strong yen appreciation and the impact of the earthquake.
- Strong sales were seen in color paper, resulting in increases in revenue and market share.

### Electronic Imaging

¥93.1 billion (YoY: +2%)

- Despite the decline in overall demand, the sales volume for the third quarter of FY2012/3 reached approximately 9.5 million units, up 7% from the previous year.
- Sales of mid-ranged and high-end distinctive products, such as *FUJIFILM X100* and *FinePix F600EXR*, were strong. *FUJIFILM X10*, released in October 2011, is also showing a positive start.
- The target for digital camera sales volume for this year is set at 13 million units, up 16% from the previous year.

The condition of sub-segment businesses was as shown.

**In photo imaging business**, sales decreased due to strong yen appreciation and the impact of the earthquake. However, sales of color paper were strong and the market share expanded.

**In electronic imaging business**, sales of mid-ranged and high-end distinctive products were strong, including *FUJIFILM X100* and *FinePix F600EXR*, resulting in an increase in revenue.

The *FUJIFILM X100*, a high-end compact digital camera, especially showed considerable sales beyond the Company's expectations and reached the annual sales target for the first year of 0.1 million units in nine months. In addition, sales of *FUJIFILM X10*, released in October 2011 as a second model of the X series, are showing a positive start.

Despite the overall decline in digital camera demand from the previous year, sales volume increased by **approximately 7%**, reaching **9.5 million units**.

The sales volume target for this year will be set at **13 million units**, up **16%** from the previous year.

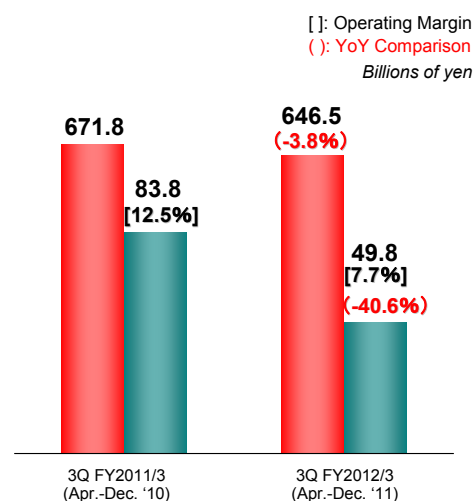
## Operating Segments

FUJIFILM

### Information Solutions

#### Revenue\*/Operating Income

■ Revenue  
■ Operating Income



#### Revenue

¥646.5 billion (YoY: -3.8%)  
(excluding the impact of forex: YoY -0.9%)

- The strong yen appreciation and the decline in demand caused by the earthquake led to a decrease in revenue of the main businesses.
- Sales of flat panel display materials declined compared to the previous year, when the demand was strong.
- Impact of forex: -¥19.2 billion

#### Operating Income

¥49.8 billion (YoY: -40.6%)

- Despite measures for cost reductions, operating income decreased due to such factors as the decline in sales, strong yen appreciation, and the surge in raw materials prices, including silver and aluminum.

\*Note: After elimination of intersegment transactions

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Revenue in the Information Solutions segment amounted to **¥646.5 billion**, **down 3.8%** from the previous year.

This was owing to strong yen appreciation, a decline in demand caused by the earthquake, and a decrease in sales of flat panel display materials compared with the same quarter of the previous year, when the demand was strong.

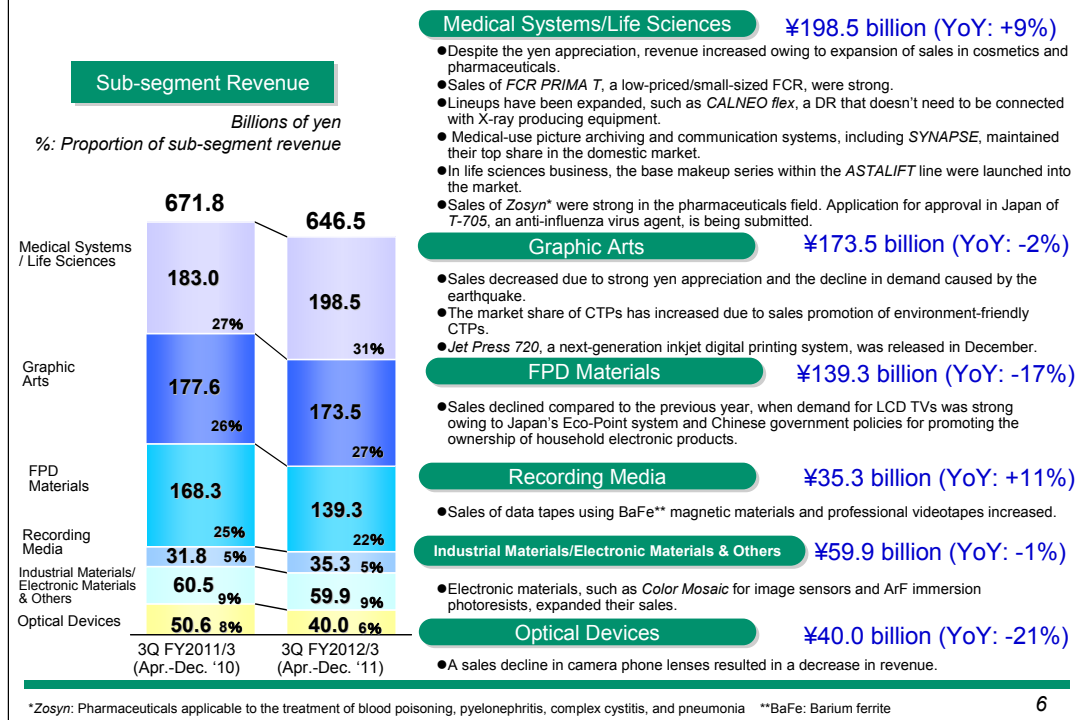
Excluding the impact of the forex factor, revenue would be **down 0.9%**, at approximately the same level as in the previous year.

Operating income of **¥49.8 billion** was recorded, **down 40.6%** from the previous year. Although the Company took measures to reduce costs, strong yen appreciation and the sharp surge in raw materials prices, especially silver and aluminum, had a negative impact of **¥19.7 billion**, while revenue in major businesses declined.

# Operating Segments

Information Solutions

FUJIFILM



The condition of sub-segment businesses was as shown.

**In medical systems/life sciences business**, despite the yen appreciation and the decline in demand caused by the earthquake, revenue increased owing to expanding sales in life sciences business and pharmaceuticals business.

**In medical systems business**, sales steadily increased in the modality field.

As for the network system field, *SYNAPSE* medical-use picture archiving and communication systems continued to maintain the top share in the domestic market and are expanding their sales.

**In life sciences business**, the base makeup series within the *ASTALIFT* line, a lineup of functional cosmetic products, were released.

**In pharmaceuticals business**, sales rose considerably due to strong sales of *Zosyn*, *Ozex*, and *Geninax* from Toyama Chemical.

**Regarding graphic arts business**, sales decreased owing to the negative impact of strong yen appreciation and the decline in demand caused by the earthquake. However, CTPs increased their market share by expanding sales of environment-friendly CTPs.

On the other hand, *Jet Press 720*, a next-generation inkjet digital printing system, was released on December 2011.

In addition, a new CTP plate production line started its operation in January 2012 at FUJIFILM Manufacturing Europe in the Netherlands.

**Regarding FPD materials business**, a decrease in sales was seen compared with the same quarter of the previous year, when demand was strong owing to Japan's Eco-Point system and Chinese government policies for promoting the ownership of household electric products.

To meet the increasing demand of large-sized LCD TVs, the Company started an operating production line for ultra-wide film in April 2011, following the start of general operations in October 2010. Plans have been made to add two additional lines by December 2012.

When the new production line becomes operational, one existing line will be turned into a dedicated line for developing products suitable for small and medium-sized displays to further reinforce the development and production of new film products designed for tablet computers and smartphones, where demand is rapidly expanding.

**As for the recording media business**, sales of data backup tapes that use barium ferrite magnetic materials and professional videotapes were strong, increasing overall revenue.

**As for the electronic materials business**, sales expanded due to strong sales of *Color Mosaic* for image sensors and ArF immersion photoresists.

**Regarding optical devices business**, revenue decreased owing to a decline in sales of camera phone lens units.

### Set up a joint venture for biosimilars with Kyowa Hakko Kirin

In November 2011, the Company reached a basic agreement with Kyowa Hakko Kirin to establish a joint venture for the reinforcement of biosimilars.

The joint venture will be set up in the spring of 2012, with the aim to start clinical trials in 2013.

#### Biopharmaceuticals-related companies of Fujifilm

- Perseus Proteomics: Development of new biopharmaceuticals drugs
- FUJIFILM Diosynth Biotechnologies UK/USA: Contract manufacturing of biopharmaceuticals
- FUJIFILM RI Pharma: Development, manufacture, and sales of radiopharmaceuticals

### Agreement for acquisition of SonoSite, an ultrasound diagnostic equipment manufacturer

In December 2011, the Company agreed to acquire SonoSite, Inc., a US-based, hand-carried ultrasound diagnostic equipment manufacturer, by tender offer.

The Company will aim for the top share in the hand-carried ultrasound market and reaching revenue of ¥60.0 billion in the entire ultrasound diagnostic equipment business in 2017.

#### About SonoSite, Inc.

- Establishment: 1998
- Revenue (2010): \$275 million  
No.2 share in hand-carried ultrasound diagnostic equipment market (approximately 40% market share)
- Operating Income (2010): \$27 million

During this quarter, the Company had announced two major news items in the medical systems/life sciences business. One is to set up a joint venture with Kyowa Hakko Kirin, and the other is to acquire SonoSite.

The first is an agreement with Kyowa Hakko Kirin to set up a joint venture for the development and manufacture of biosimilars announced in November.

Fujifilm has been accelerating efforts in the biopharmaceuticals field, including the drug discovery of biopharmaceuticals by Perseus Proteomics and the contract manufacturing of biopharmaceuticals by FUJIFILM Diosynth Biotechnologies. With the joint venture, Fujifilm will further reinforce the foundation of the biopharmaceuticals business.

Biopharmaceuticals are making a growing presence in the pharmaceuticals market due to their unique efficacy and small side-effects.

The market for biosimilars is expected to grow from ¥20 billion in 2010, to ¥200 billion in 2015, and to ¥2,000 billion in 2020, owing to the fact that many biopharmaceuticals face patent expiration by around 2020.

Fujifilm will aim to achieve a leading position in this market by developing a biosimilar with an advanced level of reliability and quality as well as at low cost, realized by merging its manufacturing technologies, quality control, and analysis technology, cultivated over a long time, with Kyowa Hakko Kirin's know-how in biotechnology.

Next is an agreement for the acquisition of SonoSite, a world leader in the hand-carried ultrasound diagnostic equipment manufacturing industry.

By acquiring SonoSite with its world No.2 share in this market and its outstanding development capability, including miniaturization/ruggedization technologies and photoacoustics imaging technology that will be an ascendancy in developing next-generation products, Fujifilm will be able to offer total solutions covering such fields as X-ray imaging and endoscopes.

The market for hand-carried ultrasound diagnostic equipment is a growing market with a CAGR of 10%.

Fujifilm targets to gain the top share in this market and to reach revenue of ¥60.0 billion in overall ultrasound diagnostic equipment business in 2017.

## Operating Segments

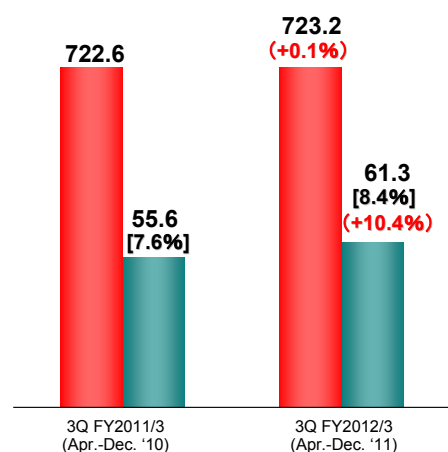
FUJIFILM

### Document Solutions

#### Revenue\*/Operating Income

■ Revenue  
■ Operating Income

[ ]: Operating Margin  
( ): YoY Comparison  
Billions of yen



#### Revenue

¥723.2 billion (YoY: +0.1%)  
(excluding the impact of forex: YoY +1.4%)

- In spite of the negative impact of the earthquake and the floods in Thailand, an increase in revenue was recorded owing to continuous growth in the Asia-Oceania region.
- Impact of forex : -¥9.5 billion

#### Operating Income

¥61.3 billion (YoY: +10.4%)

- Although some costs were used for the impact of the earthquake and the floods in Thailand, operating income increased owing to continuous improvement in productivity and development efficiency.

\*Note: After elimination of intersegment transactions

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In the Document Solutions segment, revenue amounted to **¥723.2 billion**, almost the same level as in the previous year.

This reflected such factors as a second quarter recovery from the first quarter impact of the earthquake, strong sales in the Asia-Oceania region, and the negative impact of the strong yen and the floods in Thailand.

Despite costs for the impact of the earthquake and the floods in Thailand, operating income of **¥61.3 billion** was recorded, **up 10.4%** from the previous year, by taking measures to improve cost efficiency.

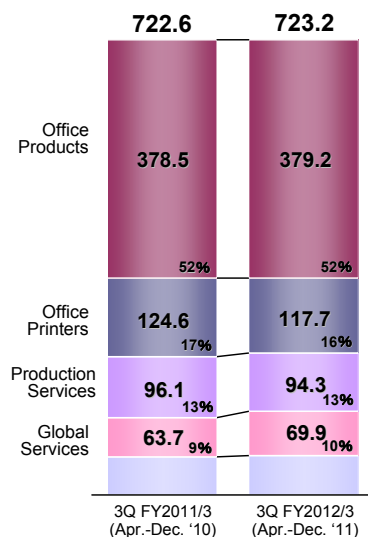
# Operating Segments

Document Solutions

**FUJIFILM**

## Sub-segment Revenue

#: Proportion of sub-segment revenue  
Billions of yen



## Office Products

¥379.2 billion (YoY: flat)

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

## Office Printers

¥117.7 billion (YoY: -6%)

- Sales volume increased in Japan due to the effect of new products.
- In the Asia-Oceania region, although sales volume of color products increased, a decrease in monochrome product sales led to a decline in sales as a whole.

## Production Services

¥94.3 billion (YoY: -2%)

- Sales volume in Japan increased, reflecting growth in sales of light production color systems and entry production color systems.
- In the Asia-Oceania region, strong sales of entry production color systems led to an increase in overall sales volume.

## Global Services

¥69.9 billion (YoY: +10%)

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

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The condition of sub-segment businesses was as shown.

**In office products business**, strong sales of the *ApeosPort-IV/DocuCentre-IV* series led to an increase in sales volume in Japan for both color and monochrome products.

Copy volume that declined after the earthquake increased from the second quarter, and the overall copy volume grew compared to the previous year.

Sales volume in the Asia-Oceania region and the shipment volume for Xerox Corporation also increased.

**In office printers business**, the sales volume in Japan increased due to the launch of new products.

As for the Asia-Oceania region, although sales volume of color products increased, a decrease in sales volume of monochrome products caused a decrease in total sales volume.

**With respect to the production services business**, strong sales were recorded of the *Color 1000 Press/Color 800 Press* and *DocuColor 1450 GA* light production color systems in Japan.

In the Asia-Oceania region, sales volume also increased.

**With respect to the global services business**, a large increase in the Asia-Oceania region led to an increase in revenue.

In addition, from July 2011, the Company began providing its *Enterprise Print Service*, which offers comprehensive management of the companies' whole output operations.

## ■ Revised Consolidated Financial Forecast for FY2012/3

Billions of yen

	FY2011/3 Actual		FY2012/3 Forecast (announced in October)		FY2012/3 Forecast (latest)		Change from the previous year	
							Amount	%
Revenue	100.0%	2,217.1	100.0%	2,290.0	100.0%	2,200.0	(17.1)	(0.8)
Operating Income	6.2%	136.4	6.0%	136.5	5.0%	110.0	(26.4)	(19.3)
Income before Income Taxes	5.3%	117.1	4.7%	107.5	3.5%	78.0	(39.1)	(33.4)
Net Income Attributable to FUJIFILM Holdings	2.9%	63.9	2.4%	54.0	1.3%	28.0	(35.9)	(56.1)
Net Income Attributable to FUJIFILM Holdings per Share		¥131.30		¥112.10		¥58.13		¥(73.17)
Cash Dividends per Share		¥30		¥35		¥35		+¥5
Exchange Rates		¥86		¥78		¥78		¥(8)
US\$				¥109		¥107		¥(6)
€		¥113						

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

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The Company suffered such negative impacts as the strong yen appreciation, sharp surge in raw material prices, deterioration of economies in Europe, and the floods in Thailand. Although the Japanese economy as a whole is slowly improving, there are little possibility that this severe business environment will rapidly improve.

As for the priority business fields, Fujifilm is working to expand products with high competitiveness in the market and to reinforce sales in emerging countries.

However, under this severe business environment, business is proceeding under its plan.

On this basis, the Company has revised downward the forecast for FY2012/3. The revenue will be set to **¥2,200.0 billion, down 0.8%** from the previous year, and the operating income will be **¥110.0 billion, down 19.3%** from the previous year.

The projected currency exchange rates for the **U.S. dollar and euro against the yen are ¥77 and ¥98.**



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.

■ Performance Summary for 3Q FY2012/3

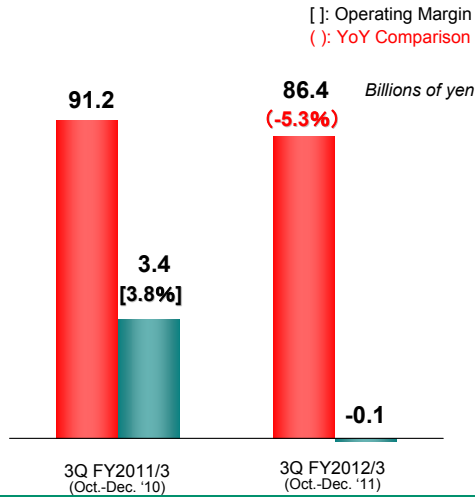
Billions of yen

	3Q FY2010/3 (Oct.'09-Dec.'09)		3Q FY2011/3 (Oct.'10-Dec.'10)		3Q FY2012/3 (Oct.'11-Dec.'11)		Change from the previous fiscal year	
							Amount	%
Revenue	100.0%	553.6	100.0%	546.4	100.0%	535.1	(11.3)	(2.1)
Operating Income	1.1%	6.2	6.7%	36.6	5.0%	26.6	(10.0)	(27.5)
Income Before Income Taxes	1.3%	7.2	5.9%	32.1	4.7%	25.0	(7.1)	(22.4)
Net Income Attributable to FUJIFILM Holdings	(0.3)%	(1.6)	3.3%	18.1	1.6%	8.8	(9.3)	(51.4)
Net Income Attributable to FUJIFILM Holdings per Share		¥(3.24)		¥37.23		¥18.26		¥(18.97)
Exchange Rates								
US\$		¥90		¥83		¥77		¥(6)
€		¥133		¥112		¥104		¥(8)

■ Imaging Solutions

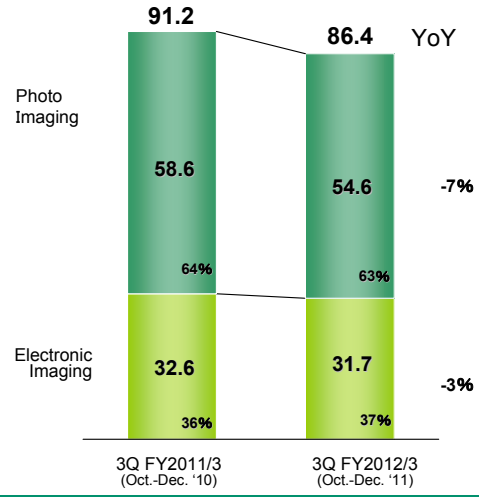
Revenue\* / Operating Income (3Months)

■ Revenue  
■ Operating Income



Sub-segment Revenue (3Months)

Billions of yen  
%: Proportion of sub-segment revenue

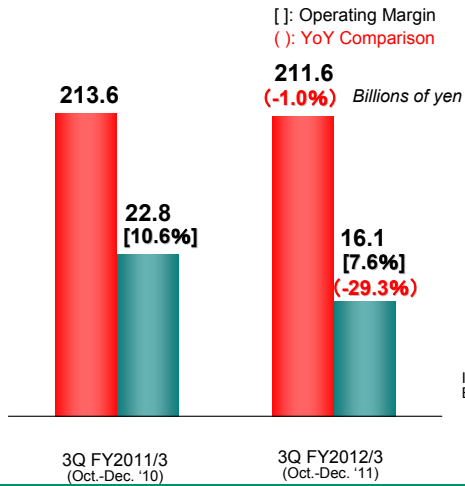


\*Note: After elimination of intersegment transaction

Information Solutions

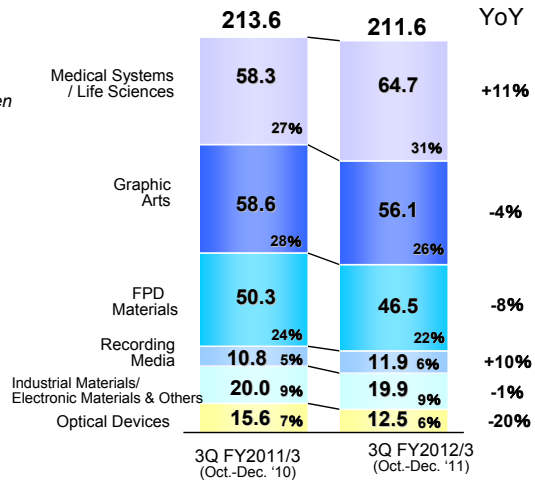
Revenue\* / Operating Income (3Months)

■ Revenue  
■ Operating Income



Sub-segment Revenue (3Months)

Billions of yen  
%: Proportion of sub-segment revenue

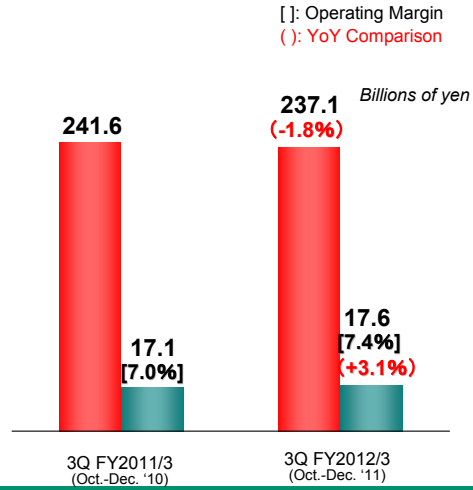


\*Note: After elimination of intersegment transaction

■ Document Solutions

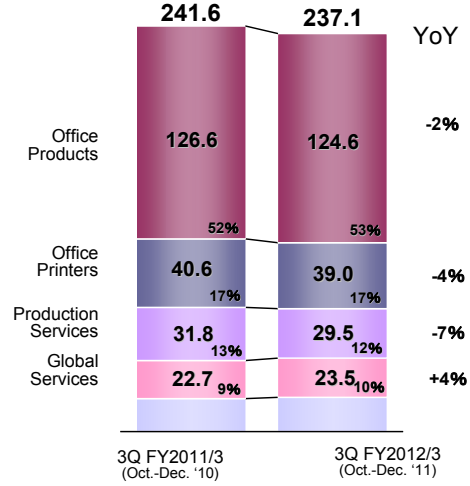
Revenue\* /Operating Income (3Months)

■ Revenue  
■ Operating Income



Sub-segment Revenue (3Months)

Billions of yen  
%: Proportion of sub-segment revenue



\*Note: After elimination of intersegment transaction

- Revenue from Domestic and Overseas

Billions of yen

	3Q FY'11/3		3Q FY'12/3		Y o Y Change (%)
	Ratio (%)	9 Months	Ratio (%)	9 Months	
<b>Domestic</b>	45.8	757.0	45.1	729.7	(3.6)
<b>The Americas</b>	17.1	282.5	17.1	276.7	(2.0)
<b>Europe</b>	11.8	194.7	12.3	199.9	+2.6
China	7.8	129.0	9.4	151.5	+17.4
<b>Asia and     others</b>	25.3	417.5	25.5	412.2	(1.3)
<b>Overseas</b>	54.2	894.7	54.9	888.8	(0.7)
<b>Consolidated total</b>	100.0	1,651.7	100.0	1,618.5	(2.0)

## ■ Capital Expenditure , Depreciation & Amortization

Billions of yen

	FY2010/3			FY2011/3			FY2012/3		
	3Q	9Months		3Q	9Months		3Q	9Months	(plan)
Imaging	2.2	6.3	9.1	1.6	5.6	8.1	2.3	5.6	
Information	5.0	20.3	28.5	17.9	41.2	61.8	11.1	44.5	
Document	3.2	24.4	40.3	2.9	11.1	19.5	3.6	11.1	
Corporate	0.0	0.0	0.0	0.7	1.6	0.5	0.6	2.0	
<b>Capex *</b>	<b>10.4</b>	<b>51.0</b>	<b>77.9</b>	<b>23.1</b>	<b>59.5</b>	<b>89.9</b>	<b>17.6</b>	<b>63.2</b>	<b>100.0</b>
Imaging	4.8	16.2	21.9	2.2	7.1	10.1	2.5	7.2	
Information	25.3	73.8	99.1	18.8	55.4	77.4	18.8	55.0	
Document	19.7	53.3	73.6	16.3	49.7	65.8	15.4	43.3	
Corporate	0.2	0.4	0.5	1.0	2.8	3.8	0.8	2.4	
<b>Depreciation&amp; Amortization</b>	<b>50.0</b>	<b>143.7</b>	<b>195.1</b>	<b>38.3</b>	<b>115.0</b>	<b>157.1</b>	<b>37.5</b>	<b>107.9</b>	<b>150.0</b>
<b>Depreciation*</b>	<b>34.8</b>	<b>98.0</b>	<b>135.1</b>	<b>25.9</b>	<b>77.0</b>	<b>106.6</b>	<b>24.3</b>	<b>69.5</b>	<b>100.0</b>

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

■ R&D Expenses, SG&A Expenses

Billions of yen

	FY2011/3			FY2012/3		
	3Q	9Months		3Q	9Months	(plan)
Imaging	1.7	5.0	7.6	2.3	5.7	
Information	18.9	53.3	69.7	21.0	56.9	
Document	14.9	49.3	65.4	13.9	46.8	
Corporate	5.5	16.4	22.6	5.6	16.7	
<b>R&amp;D Expenses</b>	<b>41.0</b>	<b>124.0</b>	<b>165.3</b>	<b>42.8</b>	<b>126.1</b>	<b>175.0</b>
<ratio to revenue>	7.5%	7.5%	7.5%	8.0%	7.8%	8.0%
<b>SG&amp;A Expenses</b>	<b>144.2</b>	<b>425.3</b>	<b>570.6</b>	<b>141.4</b>	<b>426.9</b>	<b>560.0</b>
<ratio to revenue >	26.4%	25.8%	25.7%	26.4%	26.4%	25.5%

■ Cash Flow (9 Months)

*Billions of yen*

	3Q FY2010/3	3Q FY2011/3	3Q FY2012/3
Net income	(4.3)	64.7	33.7
Depreciation & amortization	143.7	115.0	107.9
Change in notes and accounts receivable	(7.0)	(22.1)	(16.0)
Change in inventories	40.2	(47.5)	(38.4)
Change in notes and accounts payable-trade	2.0	(6.1)	(18.3)
Change in accrued income taxes and other liabilities	(14.3)	(11.9)	(25.2)
Others	46.4	27.7	25.4
<b>C/F from operating activities</b>	<b>206.7</b>	<b>119.8</b>	<b>69.1</b>
Capital expenditure	(64.1)	(67.3)	(74.2)
Purchases of software	(11.3)	(12.4)	(14.3)
Sales and purchases of marketable and investment securities	(10.8)	(6.7)	22.2
Others	(8.5)	(22.5)	(20.8)
<b>C/F from investing activities</b>	<b>(94.7)</b>	<b>(108.9)</b>	<b>(87.1)</b>
<b>Free cash flow</b>	<b>112.0</b>	<b>10.9</b>	<b>(18.0)</b>
<b>C/F from operating activities + Capital expenditure</b>	<b>142.6</b>	<b>52.5</b>	<b>(5.1)</b>

## ■ Balance Sheet

Billions of yen

	Mar.'10	Mar.'11	Dec.'11		Mar.'10	Mar.'11	Dec.'11
Cash and cash equivalents	406.2	313.1	248.5	Short-term and long-term debt	295.6	189.6	172.8
Notes and accounts receivable	495.0	502.2	499.8	Notes and accounts payable	261.6	261.4	231.4
Inventories	303.1	342.2	371.8	Other liabilities	394.4	406.9	357.2
Marketable securities and other	206.2	153.3	163.1	<b>Total liabilities</b>	<b>951.6</b>	<b>857.9</b>	<b>761.4</b>
<b>Total current assets</b>	<b>1,410.5</b>	<b>1,310.8</b>	<b>1,283.2</b>	Total FUJIFILM Holdings shareholders' equity	1,746.1	1,722.5	1,696.9
Property, plant and equipment	601.7	564.1	543.4	Noncontrolling interests	129.7	128.4	131.5
Goodwill, net	325.9	344.4	334.9	<b>Total equity</b>	<b>1,875.8</b>	<b>1,850.9</b>	<b>1,828.4</b>
Investment securities and other	489.3	489.5	428.3	<b>Total liabilities and equity</b>	<b>2,827.4</b>	<b>2,708.8</b>	<b>2,589.8</b>
<b>Total noncurrent assets</b>	<b>1,416.9</b>	<b>1,398.0</b>	<b>1,306.6</b>				
<b>Total assets</b>	<b>2,827.4</b>	<b>2,708.8</b>	<b>2,589.8</b>				

yen

Exchange rates	Mar.'10	Mar.'11	Dec.'11
US\$	93	83	78
Euro	125	118	101

## ■ Current State of New Drug Development

Development code	Therapeutic category	Region*	Development stage					Formulation
			Non-clinical	P I	P II	P III	Filed	
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

\*Regarding overseas markets, development is done under the name of Fujifilm Group

\*\*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.

- Exchange Rates

Yen

	FY2011/3					FY2012/3						
	9 Months					9 Months					4Q (plan)	(plan)
	1Q	2Q	3Q			1Q	2Q	3Q				
US\$	92	86	83	87	86	82	78	77	79	77	78	
Euro	117	111	112	113	113	117	110	104	110	98	107	

- Sensitivity of Currency (full year, ¥1 change)

	Operating income	Billions of yen
US\$	1.1	
Euro	0.7	

- Number of Employees

	Dec. 2010	Mar. 2011	Jun. 2011	Sep. 2011	Dec. 2011
Consolidated Total	78,177	78,862	79,367	81,387	81,316



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IR Office, Corporate Planning Div.

**FUJIFILM Holdings Corporation**

Note: This document is a faithful translation into English of a financial condition-related report prepared in Japanese by FUJIFILM Holdings Corporation.

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