Annual Report 2015
At Fujifilm, we are continuously innovating — creating new technologies, products and services that inspire and excite people everywhere. Our goal is to empower the potential and expand the horizons of tomorrow’s businesses and lifestyles.
To Our Stakeholders

Fujifilm Enters a New Growth Phase

In 2014, the Fujifilm Group formulated a new corporate slogan, “Value from Innovation,” to express its commitment to providing value to society through the continuous creation of innovative technologies, products, and services in the future. Based on this slogan, the Fujifilm Group compiled the mid-term CSR plan “Sustainable Value Plan 2016” as a guide for its proactive initiatives to seize opportunities for business growth and help solve social issues related to the environment, health, daily life, and working style. In the health field, for example, we support improvement in medical services in Asia, Africa, and other emerging countries by supplying medical diagnostic equipment and implementing educational programs for medical practitioners.

The Fujifilm Group undertook major business restructuring when its core business was at risk of disappearing amid plummeting demand for photographic film after 2000, due to digitization. Through this restructuring, we have built a business foundation that is capable of generating a stable cash flow every year. By balancing the allocation of this cash flow to growth investments and shareholder returns, Fujifilm is transitioning to a new phase of achieving profit growth and ROE improvement. Under the medium-term management plan VISION 2016 announced in November 2014, Fujifilm aims to enhance shareholder returns and fulfill its business portfolio to attain sustained growth in the medium-to-long term by accelerating growth in the core healthcare, highly functional materials, and document business fields and by improving profitability across all businesses.

As we focus every effort on creating new value and contributing to society in our aim to maintain strong growth, the Fujifilm Group would like to ask its stakeholders for their continued understanding and support in the years ahead.

July 2015

Shigetaka Komori
Chairman and Chief Executive Officer

Shigehiro Nakajima
President and Chief Operating Officer
General Disclaimer
The information contained in this annual report concerning business performance and results forecasts, excluding statements of objective fact, are based on management's views that have been made in accordance with information available at the time of issue. These forward-looking statements involve risks and uncertainties. Actual results may materially differ from those discussed in the forward-looking statements due to a variety of factors, including trends in economic conditions and markets in which the Company operates as well as fluctuations in foreign currency exchange rates. Unless otherwise specified in this annual report, the information herein is as of March 31, 2015.
Business Portfolio

Document Solutions
- **Office products**
  Provides digital multifunction devices and other devices for office use
- **Office printers**
  Provides color and monochrome printers
- **Production services**
  Provides high-speed, high-quality digital printing systems and associated services
- **Global services**
  Supports the finding of solutions to customers’ document-related issues through improvements to corporate document solutions and operational processes

Imaging Solutions
- **Photo imaging**
  Develops photo-related products and services, ranging from photo-taking to printing
- **Optical device and electronic imaging**
  Provides products such as the X Series of premium digital cameras, interchangeable lenses, and TV lenses

Information Solutions
- **Industrial products, electronic materials, and others**
  Products offered include non-destructive testing equipment systems and various types of highly functional films and semiconductor processing materials.
- **Recording media**
  Products provided include computer tape and data archive services.
- **Flat panel display (FPD) materials**
  Products provided include highly functional films for liquid crystal displays (LCDs).
- **Graphic systems**
  In addition to plate-making films and computer-to-plate (CTP) plates, products provided include digital printing devices and industrial inkjet printhead.
- **Healthcare**
  Develops businesses in the fields of medical systems, pharmaceuticals, regenerative medicine, and life sciences; operates in three fields of prevention, diagnosis, and treatment

Revenue in FY2015/3
- **Document Solutions** 47%
- **Information Solutions** 38%
- **Imaging Solutions** 15%
The Fujifilm Group continues to hone its numerous core technologies to differentiate itself in terms of quality and cost performance. By combining these technologies, the Group is delivering a host of products and services. Moreover, the Group is promoting the development of new products and materials based on its core technologies while creating new businesses for the next generation.
Shortly after it was founded, Fujifilm took proactive steps to cultivate overseas markets, focusing mainly on exports to Asia from 1937. The Fujifilm Group has grown into a global entity that maintains 273 consolidated subsidiaries and has consolidated overseas revenue accounting for 58.8%, or ¥1,466.1 billion, of total revenue.

In recent years, the Fujifilm Group has positioned such emerging countries as Brazil, Russia, India, and China (BRICs), which continue to exhibit robust growth, as well as Turkey, the Middle East, and Southeast Asia as priority markets. In addition to aggressively establishing local subsidiaries in each market, the Fujifilm Group is strengthening its sales structure.

Actively fostering and utilizing global human resources, the Fujifilm Group is placing emphasis on ensuring the optimal assignment of personnel on a Groupwide basis.

Consolidated subsidiaries by geographic region

<table>
<thead>
<tr>
<th>Region</th>
<th>Subsidiaries</th>
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<tbody>
<tr>
<td>Japan</td>
<td>88</td>
</tr>
<tr>
<td>Latin America</td>
<td>6</td>
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<tr>
<td>Middle East &amp; Africa</td>
<td>3</td>
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<tr>
<td>Europe</td>
<td>48</td>
</tr>
<tr>
<td>Asia Oceania</td>
<td>102</td>
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<tr>
<td>North America</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>273</strong></td>
</tr>
</tbody>
</table>

Consolidated subsidiaries* as of March 31, 2015

Fostering Global Human Resources

From the fiscal year ended March 31, 2012 (FY2012/3), the Fujifilm Group accelerated the pace of its global human resource development endeavors in earnest. In launching these full-fledged efforts, the Group drew heavily on the basic policy of developing and utilizing human resources irrespective of nationality, gender, and other personal attributes.

Global Leadership Seminar

A program held at the Company’s headquarter in Tokyo each year from FY2011/3 to foster senior management candidates for global business.

Regional Leadership Seminar

A program held at the Group’s regional head offices in Europe and North America as well as in China (launched from FY2015/3) to train senior management candidates charged with the responsibility of overseeing the Group’s regional business activities.

FUJIFILM WAY Training

The FUJIFILM WAY training program has been developed for the benefit of employees working for such subsidiaries as those in the United States, Europe, China, and the Asia-Pacific region. The aim of the program is to promote a shared Fujifilm mind-set and approach toward business.

In addition, proactive steps are taken to dispatch mainly young employees to overseas offices through a variety of short-term and other training programs. In addition, all bases in Japan are implementing programs to improve foreign language skills.

Engaging in Activities at an Accelerated Pace in Emerging Countries

The Fujifilm Group is channeling management assets, including personnel and resources, into emerging markets. In addition to accurately grasping the needs of each market, the Group is making every effort to develop products that match local requirements while bolstering its production structure. Through these initiatives, the Group will substantially increase revenue in such emerging markets as Asia.

At the Global Leadership Seminar, the Company conducts training to deepen understanding of talent qualifications required for executive talent and provide an overall perspective on global business.

Supporting improvements in the medical field in emerging countries
### Financial Highlights

**Revenue:**

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<tbody>
<tr>
<td>Domestic</td>
<td>¥1,026,542</td>
<td>¥1,036,856</td>
<td>¥1,002,385</td>
<td>¥1,012,685</td>
<td>¥1,034,806</td>
<td>¥1,059,395</td>
<td>¥1,134,192</td>
<td>¥1,259,506</td>
<td>¥1,303,647</td>
<td>¥1,329,284</td>
</tr>
<tr>
<td>Overseas</td>
<td>¥1,466,063</td>
<td>¥1,403,097</td>
<td>¥1,212,311</td>
<td>¥1,182,608</td>
<td>¥1,182,278</td>
<td>¥1,122,298</td>
<td>¥1,300,152</td>
<td>¥1,587,322</td>
<td>¥1,478,879</td>
<td>¥1,338,211</td>
</tr>
<tr>
<td>Total</td>
<td>¥2,492,605</td>
<td>¥2,439,553</td>
<td>¥2,214,696</td>
<td>¥2,195,293</td>
<td>¥2,217,084</td>
<td>¥2,181,693</td>
<td>¥2,434,344</td>
<td>¥2,846,828</td>
<td>¥2,782,526</td>
<td>¥2,667,495</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>¥1,531,097</td>
<td>¥1,518,911</td>
<td>¥1,364,196</td>
<td>¥1,327,567</td>
<td>¥1,313,103</td>
<td>¥1,316,835</td>
<td>¥1,511,242</td>
<td>¥1,692,758</td>
<td>¥1,638,337</td>
<td>¥1,593,804</td>
</tr>
</tbody>
</table>

**Operating expenses:**

- Selling, general and administrative: ¥627,966
- Research and development: 161,144
- Operating income (loss): ¥197,102

**Operating income** is defined as operating income (loss) before restructuring and other charges.

**Net income (loss) attributable to FUJIFILM Holdings:** ¥118,553

**Net income** (loss) attributable to FUJIFILM Holdings is defined as net income (loss) attributable to common shareholders.

| Stock price at year-end | 4,277 | 2,771 | 1,836 | 1,941 | 2,576 | 3,220 | 2,125 | 3,530 | 4,820 | 3,930 |

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

- FY2015/3: 2.6
- FY2014/3: 2.6
- FY2013/3: 1.9
- FY2012/3: 1.6
- FY2011/3: 1.6

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

- FY2015/3: 1.9
- FY2014/3: 1.9
- FY2013/3: 1.6
- FY2012/3: 1.6
- FY2011/3: 1.6

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

- FY2015/3: 1.9
- FY2014/3: 1.9
- FY2013/3: 1.6
- FY2012/3: 1.6
- FY2011/3: 1.6

**ROA (Return on Assets) (%)**

- FY2015/3: 3.5
- FY2014/3: 3.5
- FY2013/3: 3.5
- FY2012/3: 3.5
- FY2011/3: 3.5

**ROE (Return on Equity) (%)**

- FY2015/3: 5.6
- FY2014/3: 5.6
- FY2013/3: 5.6
- FY2012/3: 5.6
- FY2011/3: 5.6

**Net income** is defined as net income attributable to common shareholders.

**PBR** is defined as the stock price divided by the book value per share.

**PER** is defined as the stock price divided by the earnings per share.

**PER and PBR** are calculated based on the stock price as of the end of each fiscal year.

**Book value** is defined as the shareholders’ equity attributable to common shareholders.

**Earnings per share** is defined as net income attributable to common shareholders divided by the weighted average number of shares of common stock (excluding treasury stock) outstanding during the year.

**Price** is defined as the closing price on the last trading day of each fiscal year.

**Dividend yield** is defined as the annualized dividend per share divided by the stock price at the end of each fiscal year.

**Gross margin** is defined as gross profit divided by net sales.

**Net margin** is defined as net income (loss) attributable to common shareholders divided by net sales.

**Operating margin** is defined as operating income (loss) divided by net sales.

**Gross profit** is defined as net sales minus cost of sales.

**Operating income** is defined as income before operating expenses.

**Operating expenses** include selling, general and administrative expenses and research and development expenses.

**Net income** attributable to common shareholders includes net income attributable to FUJIFILM Holdings.

**Net income** attributable to common shareholders is defined as net income attributable to common shareholders divided by the weighted average number of shares of common stock (excluding treasury stock) outstanding during the year.

**Operating income** attributable to common shareholders is defined as operating income attributable to common shareholders.

**Net income** attributable to common shareholders is defined as net income attributable to common shareholders divided by the number of shares of common stock (excluding treasury stock) outstanding during the year.

**Gross margin** is defined as net sales minus cost of sales divided by net sales.

**Operating margin** is defined as operating income (loss) divided by net sales.

**Net margin** is defined as net income (loss) attributable to common shareholders divided by net sales.

**Book value** is defined as the shareholders’ equity attributable to common shareholders.

**Dividend yield** is defined as the annualized dividend per share divided by the stock price at the end of each fiscal year.

**Price** is defined as the closing price on the last trading day of each fiscal year.

**Dividends declared** includes both regular and special dividends.

**Special dividends** are dividends that are paid in addition to regular dividends.

**Treasury stock** refers to shares of the company’s own stock that it has repurchased and holds as treasury stock.

**Net income** attributable to common shareholders includes net income attributable to FUJIFILM Holdings.

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Financial Highlights

Net cash provided by operating activities totaled ¥263.7 billion. Net cash used in investing activities amounted to ¥120.5 billion as a result of purchases of property, plant and equipment in line with capital expenditures.

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

In FY2015/3, consolidated revenue amounted to ¥2,492.6 billion, up 2.2% compared with the previous fiscal year. Operating income came to ¥172.4 billion, up 22.4% year on year.

Revenue / Operating income / Operating margin

Net income attributable to FUJIFILM Holdings / ROE

Total assets / Shareholders’ equity ratio

R&D expenses / Ratio of R&D expenses to revenue

Capital expenditures / Depreciation

Cash flows

R&D expenses fell 2.0% compared with the previous fiscal year, to ¥161.1 billion. The ratio of R&D expenses to revenue decreased 0.2 percentage point, to 6.5%. In addition to increasing the efficiency of its R&D activities, the Fujifilm Group channeled expenditure mainly into growth fields, including healthcare.

Capital expenditures decreased 16.2% from the previous year, to ¥65.1 billion. Expenditure was mainly directed toward raising the production capacity of high-growth products, streamlining production facilities, and working to promote laborsaving as well as environmental protection measures. Total depreciation decreased 28.2% year on year, to ¥65.1 billion.

Net income attributable to FUJIFILM Holdings totaled ¥118.6 billion, an increase of 46.4% compared with the previous fiscal year. ROE rose from 4.2% to 5.6%.

Total assets as of March 31, 2015, stood at ¥3,556.6 billion, up ¥329.6 billion compared with the end of the previous fiscal year. This rise was mainly due to the increase in cash and cash equivalents. The ratio of shareholders’ equity to total assets for FUJIFILM Holdings edged up 0.2 percentage point, to 62.8%.

Net income attributable to FUJIFILM Holdings totaled ¥118.6 billion, an increase of 46.4% compared with the previous fiscal year. ROE rose from 4.2% to 5.6%.

Net income attributable to FUJIFILM Holdings / ROE

Billions of yen

% 12

Billions of yen

% 100

Billions of yen

% 250

Billions of yen

% 200

Billions of yen

% 150

Billions of yen

% 100

Billions of yen

% 60

Billions of yen

% 50

Billions of yen

% 50

Billions of yen

% 25

Revenue / Operating income / Operating margin

Net income attributable to FUJIFILM Holdings / ROE

Total assets / Shareholders’ equity ratio

R&D expenses / Ratio of R&D expenses to revenue

Capital expenditures / Depreciation

Cash flows

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Message from the CEO

Shigetaka Komori
Chairman and Chief Executive Officer

In the fiscal year ended March 31, 2015 (FY2015/3), the U.S. economy continued to expand moderately, while the eurozone economy remained weak. In Japan, the economy stalled temporarily after the consumption tax hike, but economic recovery subsequently resumed as the yen, which had strengthened excessively after the financial crisis, corrected and returned to a more appropriate level through quantitative and qualitative easing under Abenomics. In this business environment, in November 2014, the Fujifilm Group announced the medium-term management plan VISION 2016, ending in FY2017/3.

Medium-Term Management Plan VISION 2016
As demand plummeted for photographic film—a core business that peaked in 2000—Fujifilm decided to undertake drastic business restructuring reforms and concentrate management resources in new priority business fields. This restructuring has resulted in the establishment of

Achieving the Medium-Term Management Plan VISION 2016 and Promoting Continued Growth

Built a firm and strong management base to generate stable profit and cash

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<tr>
<td>Healthcare</td>
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<td></td>
<td>• Acquisition of Toyama Chemical</td>
<td>• Acquisition of biopharmaceutical contract manufacturing company</td>
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<td></td>
<td>• Establishment of FUJIFILM Pharmaceutical Research Laboratory</td>
<td>• Acquisition of ultrasound diagnostic equipment manufacturer</td>
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<td></td>
<td>• Establishment of FUJIFILM Advanced Research Laboratories</td>
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<td>Highly Functional Materials</td>
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<tr>
<td></td>
<td>• Establishment of Kyushu plant for FPD materials</td>
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<tr>
<td></td>
<td>• Expansion of production lines</td>
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<td></td>
<td>• Acquisition of CMP slurry manufacturer</td>
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<tr>
<td>Document</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>• Acquisition of business operation in China</td>
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<td></td>
<td>• Converted Fuji Xerox to a consolidated subsidiary</td>
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<td>• Expansion of production in China</td>
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<td></td>
<td>• Establishment of core sales channels in domestic market</td>
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<td></td>
<td>• Restructuring and integration of development / production functions</td>
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<td>Structural reforms</td>
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<td></td>
<td>• Implementation of structural reform centered on Imaging Division</td>
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<td>• Companywide implementation of structural reform</td>
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<td>• Cost reduction in such businesses as medical systems and graphic systems</td>
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<td></td>
<td>• Integration of optical device and electronic imaging businesses</td>
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<td></td>
<td>• Transition to a holding company structure</td>
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</table>
FUJIFILM Holdings Corporation

record-high net income attributable to FUJIFILM Holdings of ¥120 billion, up 48.1%. These targets are expected to bring about significant improvements in the operating margin to 8.4%, up 2.6 percentage points, and in ROE to 7.0%, up 2.8 percentage points, representing strong progress toward our objectives for an operating margin of 10.0% and ROE of 8.0% in FY2019/3.

To achieve ROE of 7.0%, we must reach our operating income target by implementing strategies for each business, enhancing shareholder returns, and further increasing profits through strategic M&A investments. Fujifilm plans to invest between ¥400 billion and ¥500 billion as necessary in strategic M&A deals over the three-year period of the medium-term management plan, screening projects based on their potential to contribute to the achievement of our financial targets.

Fulfilling Our Business Portfolio
Under the objective of further fulfilling our business portfolio for sustained growth in the medium-to-long term in VISION 2016, we aim to expand sales, profits, and market share through marketing activities and the introduction of new products by positioning as growth drivers the three core healthcare, highly functional materials, and document business fields. In other businesses as well, we aim to maintain our business scale and market advantages, increase productivity and efficiency in operations, and further improve profitability across all businesses.

For FY2017/3, Fujifilm has set targets for revenues of ¥2,630 billion, up 7.8% compared with FY2014/3; record-high operating income of ¥220 billion, up 56.3%; and

<table>
<thead>
<tr>
<th>Concept of VISION 2016</th>
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<tr>
<td>Firm and strong management base</td>
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<tr>
<td>Stable generation of profit and cash</td>
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<tr>
<td>Fulfill its business portfolio to realize stable growth in medium-to-long term</td>
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</table>

| Accelerate growth of core businesses |
| Expand sales, market share, and operating income using growth drivers of healthcare, highly functional materials, and document business fields, with new product launches |
| Strategic use of M&A |

| Profitability improvement in all businesses |
| Improve profitability by improving productivity and efficiency in every corporate activity while maintaining business scale and advantages |

| Enhancement of shareholder returns |
| Achieve record-high profit, improve ROE |

To achieve ROE of 7.0%:
* Full achievement of operating income
* Add on profit by strategic investment activities
* Enhancement of shareholder returns

**Message from the CEO**

Fulfilling Our Business Portfolio
Under the objective of further fulfilling our business portfolio for sustained growth in the medium-to-long term in VISION 2016, we aim to expand sales, profits, and market share through marketing activities and the introduction of new products by positioning as growth drivers the three core healthcare, highly functional materials, and document business fields. In other businesses as well, we aim to maintain our business scale and market advantages, increase productivity and efficiency in operations, and further improve profitability across all businesses.

For FY2017/3, Fujifilm has set targets for revenues of ¥2,630 billion, up 7.8% compared with FY2014/3; record-high operating income of ¥220 billion, up 56.3%; and record-high net income attributable to FUJIFILM Holdings of ¥120 billion, up 48.1%. These targets are expected to bring about significant improvements in the operating margin to 8.4%, up 2.6 percentage points, and in ROE to 7.0%, up 2.8 percentage points, representing strong progress toward our objectives for an operating margin of 10.0% and ROE of 8.0% in FY2019/3.

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on projected synergies while focusing on the healthcare, highly functional materials, and document business fields. The Fujifilm Group has engaged in numerous M&A deals from the long-term perspective of expanding its business foundation but currently plans to make strategic investments mainly in deals that are expected to directly contribute to improvements in ROE.

- **Shareholder Return Policy**

Another objective of VISION 2016 is to enhance shareholder returns.

By the final fiscal year of the medium-term management plan (FY2017/3), Fujifilm plans to return about ¥230 billion to shareholders through dividend payments and share buybacks over the three-year period. In the first fiscal year (FY2015/3) under the plan, Fujifilm increased the annual dividend by ¥10 per share, to ¥60 per share. For FY2016/3, we plan to increase the dividend by ¥5 per share, to ¥65 per share, marking the sixth consecutive year of higher dividends. In FY2016/3, Fujifilm has already bought back ¥50 billion of its shares.

We have received positive feedback from many shareholders and investors regarding our shareholder return policy under the medium-term management plan. After the decline of our core photographic film business, in order to survive, we were forced to restructure operations and prioritize investments in constructing a new foundation for growth over making improvements in capital efficiency and shareholder returns. Now that we have rebuilt our business foundation, we have transitioned to a phase of proactively allocating cash flow to shareholder returns.

- **Toward Sustainable Growth**

To achieve sustainable growth, the Fujifilm Group aims to further expand in the medium-to-long term in the core healthcare, highly functional materials, and document business fields—the growth drivers identified in the medium-term management plan. In the healthcare field, we are strengthening the business foundation with the aim of quickly gaining earnings contributions from the pharmaceuticals business and the regenerative medicine business, in addition to stable profits from the medical systems business.

### Message from the CEO

**Enhancement of shareholder returns and make efficient use of cash**

- Shareholder returns (dividends + share buybacks)
  - Total of about ¥230 billion in 3 years by FY2017/3

- M&A
  - Investment to accelerate further profit growth utilizing actual operating base

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**Cash dividends per share**

- **Yen**
  - 2014/3: 25
  - 2015/3: 30
  - 2016/3: 35
  - 2017/3 (Plan): 40

- **Yen**
  - 2015/3: 50
  - 2016/3: 60
  - 2017/3 (Plan): 65
In 2014, the efficacy of our anti-influenza drug AVIGAN® Tablet 200mg was suggested against Ebola hemorrhagic fever, which greatly enhanced the visibility of our pharmaceuticals business. The pros and cons of our entry into the pharmaceuticals market were debatable until this time. However, we believe the stream of media reports on AVIGAN® has raised awareness of the exceptional value provided by our pharmaceuticals business and the significant role it plays in addressing unmet medical needs. The knowledge of fine chemicals that we have accumulated over many years is a core competence that can be applied to the pharmaceuticals business. For example, many of our advanced technologies accumulated through the development of photographic film technology can be applied to the pharmaceuticals business, such as synthesis and design technologies that help increase efficiency in the drug synthesis process, and analysis technology for understanding new mechanisms of drug agents. In the contract manufacturing of biopharmaceuticals, which are difficult to manufacture, our highly reliable, high-quality, and low-cost production technologies, which have been garnered from the manufacture of photographic film, contribute to improved efficiencies and stability in the production process. During the term covered under VISION 2016, we are searching for the contract manufacturing of biopharmaceuticals to drive growth and steadily contribute to enhanced profitability. We aim to bring to market several new drugs by 2018 and beyond, which are anticipated to make a major contribution to earnings.

With the aim of strengthening our business foundation in the regenerative medicine field, Japan Tissue Engineering Co., Ltd. (J-TEC)—the only company in Japan that has obtained approval to produce and distribute regenerative medicine products—was made into a consolidated subsidiary in December 2014. Fujifilm also announced plans in March 2015 to acquire Cellular Dynamics International, Inc. (CDI), a global leader in the development and production of iPS cells, and completed the buyout in May 2015. With these acquisitions and developments, Fujifilm has entered into the area of iPS cell-based drug discovery support services. At the same time, Fujifilm aims to drive change as a leading company advancing the field of regenerative medicine using iPS cells through the fusion of technologies and expertise from the new Group additions J-TEC and CDI with a recombinant peptide developed by Fujifilm (a scaffold material needed for cell growth).

While leveraging its strengths, the Fujifilm Group is making every effort to further increase corporate value by aiming for sustainable growth over the longer term. We would like to express our sincere appreciation for the unending support and understanding of our stakeholders.
Promptly Responding to Changes in the Business Environment to Ensure Sustainable Growth
Shigehiro Nakajima
President and Chief Operating Officer

What is your view of the Company’s performance in the fiscal year ended March 31, 2015?

Fujifilm got off to a smooth start in the first fiscal year of its new medium-term management plan, VISION 2016, exceeding its initial forecasts.

In FY2015/3, consolidated revenue increased 2.2% year on year, to ¥2,492.6 billion, and operating income climbed 22.4%, to ¥172.4 billion, with both results exceeding our initial forecasts. Overall, Fujifilm got off to a smooth start in the first year of the VISION 2016 medium-term management plan.

The Imaging Solutions segment made a particularly significant contribution to improvement in profitability, with operating income jumping 5.8 times, to ¥20.7 billion. In the photo imaging business, we focused on expanding sales of high-value-added printing services, such as Photobook, as consumers continued to take more photos with their digital cameras and smartphones. Sales of the instax instant camera grew considerably as instax became available in more than 100 countries, a large increase from 70 countries in the previous year. In the optical device and electronic imaging business, profitablility improved substantially thanks to a smooth transition to high-end digital cameras. In FY2014/3, Fujifilm integrated its optical device business with its electronic imaging business to increase efficiency in business management. This integration has also enabled us to maximize synergies between lens technologies and image processing technologies. As a result, sales of our interchangeable lens cameras and interchangeable lenses proceeded well.

In the Information Solutions segment, operating income rose 11.3%, to ¥81.2 billion. In the healthcare business field, sales of products increased in the medical systems business, which covers the field of diagnostics and includes such products as medical IT systems, endoscopes, and ultrasound diagnostic equipment.

Sales grew strongly in the electronic materials business, which supplies materials used in the semiconductor manufacturing process. Fujifilm is highly competitive in this business, thanks to its broad lineup of products for cutting-edge semiconductors.

In the Document Solutions segment, operating income grew 5.6% year on year, to ¥101.3 billion. Sales grew steadily mainly in the Asia-Oceania region, especially owing to new products in the office products business that were planned and developed at our bases in China for emerging countries. As a result, our market shares expanded in each country.
Please tell us your outlook for the fiscal year ending March 31, 2016.

We forecast continued growth in both revenues and profits.

For FY2016/3, Fujifilm is projecting revenues of ¥2,580 billion, up 3.5% year on year, and operating income of ¥190 billion, up 10.2%. We forecast ¥120 billion in net income attributable to FUJIFILM Holdings, up 1.2% year on year, which will be a record high for the second consecutive year.

Based on the growth strategies in VISION 2016, we aim to realize further growth in the three core healthcare, highly functional materials, and document business fields. Fujifilm plans to increase profitability by reducing costs across all businesses and accelerate toward achieving the final-year targets of VISION 2016.

Under the medium-term management plan VISION 2016, to achieve its ROE target Fujifilm disclosed specific objectives for the operating margin, strategic investments, and shareholder returns. Please provide some insight on how these targets were formulated and the initiatives that are under way to achieve them.

We made up the plan based on deep deliberations between management and business divisions. To achieve our targets, we are sharing issues and reforming mind-sets.

VISION 2016 is the result of multiple reviews based on market projections for each business segment in FY2017/3 and strategies set in motion to spur growth in each business, including the launch of new products, expansion of human resources, and M&A activity. During this process, the heads of all businesses attended all-day meetings with management on multiple occasions to discuss the fairness of the market projections and numerical targets for each business as well as to reach consensus on collaboration between business segments and with regard to R&D plans. Issues that came to light during these management retreats were brought back to business segments for further evaluation and investigation, and by repeating these steps, we were able to clarify and raise awareness of issues in each business segment that needed to be overcome to achieve our targets.

By having all our employees take ownership of their work, we foster an awareness of the need to achieve the performance targets of the medium-term management plan while encouraging everyone to address issues in their workplace through the See-Think-Plan-Do* cycle that constitutes the basic approach to work at Fujifilm.

At Fujifilm, we are well aware of the necessity of generating cash flow to make strategic investments for achieving record-setting profits and to return value to shareholders as planned. Over the past two fiscal years, for example, Fujifilm has focused on reducing inventories and managed to cut them by ¥67.0 billion, which helped considerably in freeing up cash flow. Beginning in FY2016/3, Fujifilm has placed more emphasis on cash flow generation in each business unit as a management benchmark and has changed the way it manages business at Group companies as well. We are thoroughly implementing measures to improve ROE by strengthening our ability to create cash flow and invest it in growth, which is a departure from our previous focus on revenues and profits in business management. We are working to change perceptions in the workplace in a shift toward multifaceted business management, including a greater awareness of the balance sheet and cash flow.

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### Revenue

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<th>16/3 (Forecast)</th>
<th>17/3 (Medium-term plan)</th>
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### Operating income / Operating margin

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<th>16/3 (Forecast)</th>
<th>17/3 (Medium-term plan)</th>
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<td>140.8</td>
<td>172.4</td>
<td>190.0</td>
<td>220.0</td>
</tr>
</tbody>
</table>

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* See-Think-Plan-Do is a unique concept at Fujifilm based on the widely used management cycle of Plan-Do-Check-Action (PDCA), where we place additional emphasis on gathering information before the Plan stage (See) and analyzing this information to discover issues (Think). In this way, we are able to produce business results amid an uncertain outlook.
Q4  What should be strengthened further to achieve the performance targets of the VISION 2016 medium-term management plan?

A4  By identifying more efficient, speedy ways to work, we aim to generate excellent ideas for the marketplace that foresee change.

Under the corporate slogan “Value from Innovation” that we created in January 2014, we are strongly committed to providing innovative products and services that combine our best technologies and other assets by discovering and addressing genuine needs that have not emerged yet in rapidly changing social environments and market conditions. To fulfill this commitment, we believe we must move nimbly and champion change to quickly understand global trends, take advantage of nascent opportunities, stay ahead of trends, and generate excellent ideas for marketplaces that are ahead of their time. In the past, Fujifilm tended to prioritize accuracy and certainty in business management. In our previous long-running core business of photographic film, we very carefully managed quality in our development and production processes, because a photograph captures a precious moment in time that must last forever. We must accelerate the pace of business without sacrificing the focus on quality that we honed in the photographic film business. Our basic internal operating goal for FY2016/3 is to reduce lead times by half. Using innovative ideas, we are all fully engaged in finding more efficient ways of working by reassessing the existing way work has been performed from the bottom up.

Q5  Fujifilm is focusing efforts on new businesses to continue growing. What do you need to be aware of when launching new businesses?

A5  Clarifying the growth potential of a market, the Company’s technological capabilities and areas of competitive advantage is of the utmost importance.

From the outset, we make the following three points clear regarding a new business. Is it a growth market? Do we have the necessary technologies? Can we maintain a competitive advantage? We have commercialized the cosmetics and pharmaceuticals businesses by asking ourselves these questions.

In the highly functional materials business, one of our priority fields, we are introducing a “try anything” approach on a small scale. The parts and materials business creates value through close partnerships with other companies. It is therefore important to communicate with customers and quickly roll out products and samples rather than wait for perfection. During this process, technologies are refined and the analysis of commercial viability becomes more precise, making it easier to create realistic business plans. Our aim is to turn a profit within three years, even if the initial scale is small, so we closely monitor the state of progress in business development. If progress falls behind schedule, we quickly decide to either sort out the business or change our business strategy.

In June 2013, Fujifilm established the Highly Functional Materials Business Development Headquarters to promote the creation of new business in the field of highly functional materials as a project under the direct supervision of the president. The establishment of this headquarters has led to the successful and timely launches of new businesses while accelerating management decisions. In the current fiscal year, we are launching Open Innovation Hubs* in the United States and Europe, following the establishment of one in Japan in January 2014, to facilitate the “co-creation” of new value that matches the latent needs of global customers to our technologies, thereby accelerating the creation of new businesses.

* Open Innovation Hubs showcase the Fujifilm Group’s core technologies to external business partners to facilitate the “co-creation” of new value. By forming connections between our technologies and the needs of business partners, we aim to create groundbreaking products, technologies, and services.
Progress and Initiatives of VISION 2016 Medium-Term Management Plan

Under its VISION 2016 medium-term management plan, which was announced in November 2014, the Fujifilm Group is aiming to achieve record-high profit and improve ROE by “fulfilling a business portfolio to realize stable growth in the medium-to-long term” and targeting the “enhancement of shareholder returns.” In this special feature, we report on progress made toward the achievement of VISION 2016 and provide details on some specific initiatives.

Firm and strong management base
Stable generation of profit and cash

Fulfill its business portfolio to realize stable growth in medium-to-long term

Accelerate growth of core businesses
Expand sales, market share, and operating income using growth drivers of healthcare, highly functional materials, and document business fields, with new product launches
Strategic use of M&A

Profitability improvement in all businesses
Improve profitability by improving productivity and efficiency in every corporate activity while maintaining business scale and advantages

Enhancement of shareholder returns

Achieve record-high profit, improve ROE
Driving Growth in Healthcare Business Field through Wide-Ranging Business Areas and Overwhelming Market Share

Deployed across a wide range of businesses—including digital X-ray imaging diagnosis, medical IT, endoscopes, and ultrasound diagnosis—the strengths of the medical systems business are its capabilities of providing a variety of solutions. For picture archiving communications systems (PACS) in the core medical IT field, the Company boasts the leading share in the domestic market, ranks second in the world, and is the industry leader. To strengthen its position in the medical IT field, the Company acquired U.S.-based TeraMedica, Inc., in May 2015. TeraMedica provides a vendor neutral archive system that can manage clinical information, including diagnostic images, in an integrated manner between different diagnosis and treatment departments as well as among multiple facilities.

In FY2016/3, the healthcare business field will drive overall growth by launching new products with proprietary features based on the image processing technologies that are its strength, by proactively increasing sales in emerging markets, and by the implementation of measures to raise its share of the X-ray films market. With a view to achieving our target for operating margin of 10% in FY2017/3, we will expand such areas as the highly profitable maintenance service and the IVD field while promoting manufacturing cost reductions.

Progress in FY2015/3 and Forecast for FY2016/3

In the medical systems business that drives growth in the healthcare business field, overall sales increased in FY2015/3, resulting from strong sales of medical IT and ultrasound diagnostic field and other factors. In its pharmaceuticals business, despite the weakness of the domestic antimicrobial market, sales from contract manufacturing of biopharmaceuticals proceeded smoothly, and the Company sustained overall sales at the same level as the previous year. In its life sciences business, although sales were affected by a reaction to the rush demand that occurred before the consumption tax increase, the Company brought about a recovery in performance in the second half of FY2015/3.

In FY2016/3, the growth fields in the medical systems business—medical IT, ultrasound diagnostic, and endoscopes—as well as the in-vitro diagnosis (IVD) field are forecast to record double-digit sales growth compared with FY2015/3. Driven by contract manufacturing of biopharmaceuticals, the pharmaceuticals business is also expected to achieve overall year-on-year sales growth in the double digits.

Specific initiatives

- **Pharmaceuticals**
  - Entry into Vaccine Contract Manufacturing Market Following Acquisition of Kalon Biotherapeutics, LLC

Through a subsidiary, Fujifilm acquired Kalon Biotherapeutics, LLC, which as a biopharmaceutical contract manufacturing company possesses strengths in the manufacture of vaccines, and started operations as FUJIFILM Diosynth Biotechnologies Texas, LLC, in December 2014. Leveraging the strength of the company, which possesses both the high technological capabilities necessary for the manufacture of vaccines and cutting-edge facilities, Fujifilm is planning to further expand its biopharmaceuticals business.

A compact mobile clean room that enables the advanced containment of viruses.
Accelerate Growth of Core Businesses

Highly Functional Materials

Targets for VISION 2016

FPD Materials

• Expanding sales of new peripheral material products in addition to such existing products as protective film for polarizers used in TVs and small and medium-sized displays

Industrial Products

• Achieving revenue and profit increase by contribution to sales of such new products as Exclear, backsheets for solar cells, gas separation membranes, and ion exchange membranes

Electronic Materials

• Achieving more than 10% annual sales growth by expanding sales of existing products such as photo resists, peripheral products of photolithography, and CMP slurries by expanding product range with new peripheral products and others

Progress in FY2015/3 and Forecast for FY2016/3

In FY2015/3, sales of FUJITAC and VA film proceeded smoothly in the FPD materials business, due to enlarging TV screens, but overall sales decreased, reflecting a decline in sales of WV film. In the industrial products business, sales of industrial X-ray films and in new businesses proceeded smoothly, but overall sales decreased slightly due to the impact of such factors as a fall in demand for pressure-sensitive paper. Sales in the electronic materials business rose significantly, reflecting strong sales of both advanced products and previous-generation products.

In FY2016/3, the FPD materials business will maintain its superiority in its existing businesses while securing stable profit by launching products in new fields. The industrial products business will promote sales of new products, including backsheets for solar cells and EXCLEAR, while the electronic materials business will target higher sales through ongoing sales expansion of its extensive product lineup.

Specific initiatives

• Industrial products

Expanding Sales of Backsheets for Solar Cells

Backsheets for solar cells are a necessary component for protecting solar cells installed outside from the effects of high temperatures, ultraviolet rays, as well as wind and rain. Having utilized its unique technologies in the development of a product that offers significant performance in terms of durability, this product is receiving high acclaim from the market. Working to further expand sales in the years ahead, we will contribute to the widespread popularity of solar cells, whose demand is growing against a backdrop of global warming and energy issues.

Keiji Mihayashi
Director, Senior Vice President, General Manager of Electronic Materials Division
FUJIFILM Corporation

Voice

Armed with Broad Product Lineup, Aiming for Further Growth

Drawing on the fundamental and core technologies accumulated in the photography business, the electronic materials business develops and markets a wide range of products that are utilized in semiconductor manufacturing processes, including the photo resists, CMP slurries, and peripheral materials related to photolithography such as treatment agents. In addition to development capabilities for advanced products that enable the miniaturization of circuit patterns that are required to increase semiconductor performance, the electronic materials business is leveraging the advanced stable production technologies accumulated in the manufacture of films to establish a system providing high-quality products in a steady manner from its global production bases in Asia, the United States, and Belgium.

The electronic materials business forecasts continued increases in revenue and profit in FY2016/3. Concentrating our efforts on expanding sales of our four strong mainstay products—photo resists, CMP slurries, peripheral materials related to photolithography, and image sensor-use COLOR MOSAIC color resists—we will establish a foundation for medium-term growth.

Trends in revenue

<table>
<thead>
<tr>
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<th>Billions of yen</th>
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<tbody>
<tr>
<td>FPD Materials</td>
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<tr>
<td>Industrial Products</td>
<td>221.0</td>
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<tr>
<td>Electronic Materials</td>
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</tr>
</tbody>
</table>

(FY) ‘14/3 (Actual)  ‘15/3 (Actual)  ‘17/3 (Medium-term plan)
Accelerate Growth of Core Businesses

Document

Targets for VISION 2016

Business Growth

- Accelerating growth by expanding service business and solutions business in Japan and other developed countries
- Capturing substantial market share to increase profit by enhancing the development and sales of cost-competitive equipment, which meet market needs in China and other emerging countries

Reinforce Corporate Constitution

- Improving costs, including full-scale operation of new production base in Vietnam
- Optimizing and reinforcing R&D
- Reducing ratio of SG&A expenses

Progress in FY2015/3 and Forecast for FY2016/3

In the document field, revenue increased in FY2015/3, reflecting such factors as revenue growth in all fields in Japan and Asia-Oceania as well as in export shipments to Xerox Corporation. In addition to the rise in gross profit associated with the increased revenue, ongoing cost improvements and measures to reduce the SG&A ratio played their part, resulting in expansions in revenue and profit.

In FY2016/3, the document field will further expand sales volume with new products for emerging markets, enlarge its global service and production services businesses, and grow sales by strengthening its solutions business. In addition, profitability will be enhanced by further promoting cost reductions and driving down expenses in general.

Specific initiatives

- Office products

  Extending Lineup of Low-End Multifunction Devices

In the office products business, we deployed strategic initiatives to meet the needs of each region in emerging countries such as China and recorded strong sales of an A3 full-color, low-end multifunction device, the DocuCentre SC2020, which was launched in May 2014. In December 2014, following plans made by a team composed entirely of local Chinese employees and mainly developed locally, DocuCentre S2011, an A3 monochrome, low-end multifunction device was launched. Our market share in Asian countries was greatly increased.

Voice

Accelerating Growth of Asia-Oceania Region

Providing a diverse product lineup that meets the varying needs of customers, which range from small and medium-sized companies to large corporations, the document field in particular boasts an overwhelming share of the A3 multifunction device market in each country. Leveraging this strength, we have defined Asia and Oceania as growth areas and are providing extensive office services tailored to the local circumstances. Combining these moves with efforts focused on the production services business, we will strengthen our business foundation. From the dual aspects of volume and value, we provide comprehensive solutions that are matched to the characteristics and maturity of each country’s market, such as by further enlarging our agency network that handles low-end machines and expanding sales volume in countries showing significant growth, including Thailand, Malaysia, and Vietnam, and extending high-value-added service business in developed countries, including Australia, New Zealand, and Singapore. We are also expecting further expansion in the highly profitable sector of after-service sales.

With regard to the Australian business process outsourcing (BPO) operation acquired in 2012, we are deploying our business to every region of the country and will accelerate this business while working with our sales companies and business partners in each country.

Masashi Honda
Senior Vice President, Executive General Manager of Asia Pacific Operations
Fuji Xerox Co., Ltd.

Trends in revenue

Billions of yen

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<tr>
<th>Period</th>
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<th>FY15/3 (Actual)</th>
<th>FY17/3 (Medium-term plan)</th>
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<td>1,132.5</td>
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DocuCentre SC2020
Improvement in Imaging Solutions Profitability

With regard to one of the growth strategy pillars of the VISION 2016 medium-term management plan—“profitability improvement in all businesses”—in addition to maintaining business scale and market advantages, the Company is promoting improved productivity and efficiency in all its corporate operations. Under these circumstances, the Imaging Solutions segment, achieved a profit in FY2014/3 and greatly increased its profit in FY2015/3.

Specific Initiatives

Photo Imaging

• Strong Sales of Instant Photo System Worldwide
  Under the concept of “Photo Life—Enrich Your Life with Photography,” the Company is deploying products and services that make taking a photo more enjoyable, with a print that can be decorated and given to somebody as a gift.
  One such product, and one of Fujifilm’s proprietary products, is the instax instant camera that has been catching the attention of primarily teenage girls and women in their 20s in East Asia since around 2007 and has gained a solid reputation all over the world. The idea of a print that can be seen shortly after a photo has been taken was perceived as novel by the digital native generation,* and as it fits in with the lifestyles of this generation, the instax instant cameras have served to rapidly increase sales. We are currently expanding sales channels, not only our existing channel of camera stores but also department stores, which can be expected to attract customers from the target demographic. We are aiming to expand the target customer demographic and further enhance sales around the world in the years to come.

* From the time they were born, this generation has grown up in Internet and PC environments and carries with them digital cameras, smartphones, and other devices and communicate via the Internet.

• Shift to X Series Premium Digital Cameras
  While reducing its lineup of compact digital cameras, demand for which continues to decline, Fujifilm is raising profitability by shifting its development and marketing axes to the X Series of premium digital cameras, which feature the Company’s long-established strengths in rich color reproduction. Centered on the premium interchangeable lens camera FUJIFILM X-T1, the Company is developing the mirrorless single-lens reflex (SLR) camera as its standard system to replace the SLR camera and addressing demand ranging from high-level amateurs to professional photographers.

• Expanding Lineup and Sales of Interchangeable Lenses
  The Company is deploying an expanded lineup of interchangeable lenses in support of a wide spectrum of shooting ranges, from the superwide-angle to the ultra-telephoto range. Fujifilm products that leverage advanced optical technologies that have been acknowledged for many years in commercial applications, such as the TV lenses for which the Company holds a 50% share of the global market, are highly acclaimed by professionals. Planning to further expand its lineup in the years to come, the Company is targeting profitability improvement.

Optical Device and Electronic Imaging

Ratio of X Series in Digital Cameras (Volume Basis)

- FY2014/3
- FY2015/3
- FY2016/3 (Target)

FUJIFILM X-T1 and lineup of interchangeable lenses

Contributing Factors in Improved Profitability in FY2015/3

• Strong sales of instant photo system
• Strong sales of X Series premium digital cameras

Forecast for FY2016/3

• Increased profit from growth in instant photo system sales and high-value-added printing services, such as Year Album
• Focus on high-value-added areas, such as X Series and TV lenses, and improve profitability
Since its founding in 1934, the Fujifilm Group has created a large number of “Japan first” and “world first” products and services. Underpinning those products and services has been the Group’s proprietary R&D structure.

Recognizing the major shifts within each era and intensifying competition as opportunities to expand its business, the Group has been conducting comprehensive reviews of its R&D structure since 2006 and is promoting the cross-organizational fusion of its wide range of technological capabilities.

Reform of R&D Structure

Aiming to create a new business to replace photographic film, for which the market was rapidly shrinking, the Fujifilm Group made major changes to its R&D structure in conjunction with business structural reforms. To establish and promote an overall R&D strategy, first we set up an R&D Management Headquarters. Within the Strategic Corporate Technology Planning Division of that organization, in addition to overall R&D planning, we promote such areas as the optimal allocation of management resources and improvements to research processes. In addition, by taking the hubs that were previously decentralized by region and function and reorganizing them into two bases—one for divisional research to develop products for existing business fields and the other for corporate research to develop products offering elemental technologies or new businesses—we consolidated mainly the latter into our leading-edge Advanced Research Laboratories.

The concept behind the Advanced Research Laboratories is “Intellectual Fusion and Innovation.” By bringing together the knowledge of researchers from different fields with a variety of technologies in not only chemistry but also such disciplines as physics, optics, and electronics, we regard the objective as the creation of new innovation and technologies as well as value. Since their opening, a range of new products and services have been developed at the Advanced Research Laboratories.

Toward Creating New Value

When we hear the word “innovation,” we are apt to think of technological reform. For the Fujifilm Group, we recognize the importance of gaining a feel for the latent needs of the marketplace and providing solutions that address every requirement. As a result, we do not rely solely on technology, but we place the utmost weight on creating customer value by drawing on every possible resource.

As a part of this process, we established the Open Innovation Hub in January 2014. In addition to promoting cross-sectional communications within the Group, we are utilizing the Open Innovation Hub to pursue the close-knit exchange of information with business partners.

Moving forward, we will incorporate a natural instinct into the intellect and sensitivity that goes into our research and development activities and our bid to generate innovation. In this manner, we will work diligently to promote continued growth of the Fujifilm Group.
The Fujifilm Group is targeting the speedy development and provision of products and services that will satisfy global market needs. Here we present some of the facilities for global innovation creation that the Group is currently promoting.

**Open Innovation Hubs**
Japan, United States, Europe (planned)

We enable our business partners to have first-hand experience of new technologies, materials, and products, and we propose solutions to our business partners.

Opened within the Company’s Tokyo headquarters in 2014, the Open Innovation Hub serves as a facility where visitors can have first-hand experience of the fundamental and core technologies accumulated by the Group as well as of the technologies, materials, and products currently under development. Here we also propose solutions to our business partners. The Company uses this facility to link its business partners’ challenges, ideas, and potential needs with its proprietary technologies to co-create value with the aim of bringing to market groundbreaking products and services. Customers from more than 400 companies have visited the facility since its opening, and the Company has supplied prototype products to more than 40 companies. The same type of facility was opened in the United States in June 2015 and will be opened in Europe in September 2015.

**Customer Co-creation Laboratory**
Japan

Clarifying potential needs and future management challenges through discussion

The Customer Co-creation Laboratory was established in Fuji Xerox R&D Square in 2010, with the aim of “creating new value thoroughly from the point of view of our customers.” Facilitating discussion with customers and business partners as well as people from academia and research institutions, the laboratory serves as the venue for clarifying potential needs and future management challenges. Fuji Xerox develops R&D activities on the basis of high-quality collaboration with the parties involved and realizes the creation of new value capable of addressing the challenges raised. At the laboratory, Fuji Xerox showcases the latest practical examples in which it has been engaged to solve in-house or customer management challenges and the related technologies.

**Tilburg Research Laboratories**
Tilburg, Netherlands

The Tilburg Research Laboratories advance research in the environmental and energy fields, which are of great interest in Europe, particularly in such areas as gas separation membranes and ion exchange membranes.

The Tilburg Research Laboratories were opened in 1993 at FUJIFILM Manufacturing Europe B.V., our manufacturing company in Tilburg, the Netherlands. Initially, the plant manufactured and served as a base for conducting R&D into production technologies for photo-related products, including the color paper, color film, and inkjet paper manufactured there. In around 2008, however, the company established a new marketing organization, promoted inquiry into needs, and commenced R&D activities in the environmental and energy fields. On the basis of the technologies accumulated from R&D of inkjet paper, the laboratories are currently developing the gas separation membranes to separate various gases in gas fields and the ion exchange membranes used in water purification.

**FX Palo Alto Laboratory, Inc.**
Palo Alto, California, United States

Primarily conducts research specializing in multimedia technologies and IT-related technologies

FX Palo Alto Laboratory, Inc., is a Fuji Xerox research center that opened in Palo Alto, California, in 1995. Primarily conducting research specializing in multimedia technologies and IT-related technologies, the results of such research underpin the technological development of Fuji Xerox services. Utilizing image recognition technology, the products developed by the center include the Embedded Media Marker—a semi-transparent marker used in the SkyDesk Media Switch marketing support service that provides links from printed material to websites and content—and the Motion Picture Indexing Technology, which focuses on text (strings of letters) included in a motion picture and thereby simplifies the search for scenes in a motion picture by means of text.
Since its founding, the Fujifilm Group has been accumulating the fundamental technologies that have supported the Company's business. These technologies include organic and inorganic material chemistry, optical technologies, analytical technologies, and others. Based on these fundamental technologies, we have honed our proprietary core technologies, which are central to continuously building up our competitive advantage. Going forward, we will draw on our fundamental and core technologies and link them to the development of high-value-added products and services as we work to create new value.

### Core Technologies Acquired through Photographic Business

<table>
<thead>
<tr>
<th>Technology in use</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Film Formation Technology</td>
<td><img src="image" alt="Film Formation Technology" /></td>
</tr>
</tbody>
</table>

#### Making Film Bases

**Making Films in Units of Micrometers**

In making films in units of micrometers, the Group’s film formation technology is applied to photographic films that employ TAC film as a base material. This film is then coated with multiple layers of materials that boast a variety of functions. Accordingly, the Fujifilm Group possesses the technology to make an optically warp-free, thin film by expanding and uniformly flattening molten materials in units of micrometers.

#### Making Photosensitive Emulsions

**Technologies used to design essential materials at the nanometer level**

The Fujifilm Group has developed a technology that makes and controls chemical compounds that address the complex chemical reactions that occur during such processes as photo-taking and developing. The design of chemical compounds can be undertaken at the nanometer level by using a highly sophisticated technology to align and maintain minute homogeneous particles.

#### Producing Film

**Coating Functional Materials on Base Films**

Uniformly coating multiple layers at the same time

High-precision coating technology, which enables the coating of functional and other materials on base films, allows the high-speed simultaneous coating of multiple uniform layers while ensuring the immiscibility of materials that exhibit a variety of functions. In addition, this technology can control the thickness of each layer in units of micrometers.

#### Photographing

**Photographing with a Camera**

Ensuring the high-quality design and manufacture of lenses, hardware, and systems

Shortly after its founding, the Company began research and development into lenses. Products were marketed under the FUJINON brand and attracted wide acclaim. In addition, the Group boasts proprietary strengths in the hardware and system design of cameras.

#### Development / Printing

**Controlling chemical reactions to ensure proper images and building appropriate systems**

The Fujifilm Group has developed a technology that precisely controls the chemical reactions of a variety of functional substances during the developing and printing of photographs. Moreover, the Group boasts high-quality design technologies that help build systems for printing equipment.

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Materials

Support medium

Die slit

Casting flow

Technology in use

Film Formation Technology

Functional Polymer Technology

Functional Molecules Technology

Nano Dispersion Technology

Grain Formation Technology

Section of color film (after development)

About 20μm

Technology in use

High-precision Coating Technology

Imaging Technology

System Design

Redox Control Technology

System Design
Refining Unique Technologies and Creating New Value

Based on the fundamental technologies that underpin its businesses, the Fujifilm Group has been refining its core technologies that differentiate itself to create new products and value and that are the driving force behind its business diversification.

Here we present some examples of products that have been created by combining these technologies.

Core Technologies

- Grain Formation Technology
- Functional Molecules Technology
- Functional Polymer Technology
- Redox Control Technology
- Nano Dispersion Technology
- High-precision Coating Technology
- Film Formation Technology
- High-precision Forming Technology
- Imaging Technology
- System Design
- MEMS Technology
- Bioengineering

Fundamental Technologies

- Material Chemistry
- Imaging
- Synergies
- Analyza
- Nanotechnology
- Mechanical Design
- Production System
- Software
- Quantum Electronic

Supporting Efficient Water Usage

**Ion Exchange Membranes**

Fujifilm is developing ion exchange membranes that allow selective ion permeation. In addition to use in such processes as the extraction of salt from seawater, the treatment of wastewater, the production of ultrapure water, and the desalination of seawater, it is expected that ion exchange membranes will be used in household equipment in Europe and the United States to soften hard water. At the present time, many types of water-softening equipment use ion exchange resins in a method that absorbs and removes ions. However, as this equipment requires periodic renewal work with agents or salt and the replacement of resin, in terms of maintenance and cost, there is growing demand for equipment that utilizes ion exchange membranes. Fujifilm is responding to this demand by drawing on its proprietary technologies that enable the stable volume production of high-quality ion exchange membrane products.

Making Possible the Miniaturization of Semiconductor Circuit Patterns

**Negative Tone Imaging Process**

Fujifilm is making possible the miniature circuit patterns necessary for higher performance in semiconductors. To this end, we have developed the negative tone imaging (NTI) process. In the case of negative developing, by which the exposed portion of the photoresist remains on the silicon wafer, since the area of light passing through the photomask can be greater than in positive developing, even existing exposure systems can form finer patterns. Fujifilm developed a proprietary photosist and organic solvent developer to overcome the technological issues presented by the NTI process, which has been adopted by many semiconductor manufacturers. Furthermore, the achievements related to the development of the NTI process have been highly acclaimed and received awards at the 63rd Chemical Society of Japan Awards (Chemical Technology Award) and the 47th Japan Chemical Industry Association Technology Awards (General Award).
Mechanism for detecting viruses with high degree of sensitivity

**Drug administration mechanism**

Fujifilm developed a micro-needle array that enables the administering of drugs in the same manner as a regular injection simply by attaching an array onto the skin. A micro-needle array is a sheet arranged with projections made of polysaccharides of 100 micrometers to 2,000 micrometers. When placed on the skin, the projections dissolve into the skin within minutes and deliver into the body the drug with which the projections have been filled. Furthermore, as the projections are extremely fine, the pain level is reduced compared with a regular injection.

Incorporating high-precision processing technologies developed through the manufacturing of photographic films, it is possible to design the array with projections of any desired length or form to administer drugs in a reliable manner.

**Recombinant Peptide**

Fujifilm has developed the micro-sized petaloid pieces of the recombinant peptide (RCP) scaffold material necessary in cell cultivation and transplantation for regenerative medicine. Fujifilm verified that combining the petaloid pieces with cells and transplanting them as a three-dimensional “CellSaic” mosaic cell structure substantially increases the survival rate of the cells when compared with cell-only transplantation.

Utilizing the collagen technologies accumulated over many years of research into photographic film, Fujifilm was able to work on the development of RCP that does not include any animal-derived components and features excellent biocompatibility. Going forward, Fujifilm will accelerate its initiatives toward the practical application of regenerative medicine.

**FUJI DRI-CHEM IMMUNO AG1**

The FUJI DRI-CHEM IMMUNO AG1 is an immunodiagnostic system capable of detecting the influenza virus with a high degree of sensitivity. The conventional test for influenza presented an issue since the decision whether a person had been infected required some time after the onset of symptoms, allowing the virus to multiply. Drawing on its silver amplification technologies gained from photo development, Fujifilm precipitated silver around a virus label (gold colloid) and succeeded in making the label approximately 100 times larger and thus more easily visible. This endeavor has improved the detection sensitivity for the influenza virus and enabled the early detection of even the smallest amount of virus at the first sign of symptoms.

**Enabling the Early Detection of Influenza**

The petaloid pieces were made with the same RCP scaffold material, and cell activity was measured with an ATP* assay. Combining the RCP petaloid pieces more than doubled the survival rate of the cells when compared with cell-only transplantation.

* ATP stands for adenosine triphosphate, the energy molecule for cells. Quantitative measurement of ATP in live cells determines the level of their survival activity.

**Comparison of cell survival**

- **CellSaic**
- **Cell cluster**

**Mechanism for detecting viruses with high degree of sensitivity**

- **Gold particle prior to amplification (diameter of approx. 0.5μm)**
- **Metal silver after amplification reaction (diameter of approx. 6μm)**
- **Silver ion + reducing agent**
- **Ag**
- **Au**

**Antigen (virus)**

Magnified petaloid pieces
Basic Policy
The Company recognizes that the main mission of a corporation 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 Groupwide efforts to achieve corporate governance consistent with a holding company and to maximize corporate value.

The Fujifilm Group aims to constantly improve the transparency and soundness of its Group management. Following the June 2015 implementation of the Corporate Governance Code, the Company will promote compliance with the code to increase the effectiveness of its governance system to bring about sustainable growth.

Corporate governance structure of FUJIFILM Holdings Corporation

<table>
<thead>
<tr>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ Meeting</td>
<td></td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Determination of Group management policies and strategies. Decisions on important matters relating to business execution. Supervision of business execution.</td>
</tr>
<tr>
<td>Chairman, Representative Director and CEO</td>
<td></td>
</tr>
<tr>
<td>Audit &amp; Supervisory Board</td>
<td></td>
</tr>
<tr>
<td>Independent Auditors</td>
<td></td>
</tr>
<tr>
<td>Business Execution</td>
<td></td>
</tr>
<tr>
<td>President, Representative Director and COO</td>
<td>Determination of Group management policies and strategies. Decisions on important matters relating to business execution. Supervision of business execution.</td>
</tr>
<tr>
<td>Management Council</td>
<td></td>
</tr>
<tr>
<td>Executive Officers</td>
<td></td>
</tr>
<tr>
<td>Internal Audit</td>
<td></td>
</tr>
<tr>
<td>Compliance &amp; Risk Management</td>
<td></td>
</tr>
<tr>
<td>CSR Committee</td>
<td></td>
</tr>
<tr>
<td>Consultation Offices</td>
<td></td>
</tr>
<tr>
<td>CSR Division (Secretariat)</td>
<td></td>
</tr>
<tr>
<td>Fujifilm Group Charter for Corporate Behavior</td>
<td></td>
</tr>
<tr>
<td>Fujifilm Group Code of Conduct</td>
<td></td>
</tr>
<tr>
<td>Various Guidelines</td>
<td></td>
</tr>
</tbody>
</table>

Corporate governance structure (As of June 26, 2015)

<table>
<thead>
<tr>
<th>Organizational format</th>
<th>Company with an Audit &amp; Supervisory Board system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Directors</td>
<td>12 (2)</td>
</tr>
<tr>
<td>Number of outside Directors</td>
<td>2</td>
</tr>
<tr>
<td>Number of Board of Directors meetings held</td>
<td>10 (during the fiscal year ended March 31, 2015)</td>
</tr>
<tr>
<td>Directors’ term of office</td>
<td>One year (the same term of office applies to outside Directors)</td>
</tr>
<tr>
<td>Incentive compensation to Directors</td>
<td>Introduction of a stock option system</td>
</tr>
<tr>
<td>Number of Audit &amp; Supervisory Board members</td>
<td>4 (2)</td>
</tr>
<tr>
<td>Number of Audit &amp; Supervisory Board meetings held</td>
<td>10 (during the fiscal year ended March 31, 2015)</td>
</tr>
<tr>
<td>Number of independent officers</td>
<td>4</td>
</tr>
<tr>
<td>Adoption of an executive officer system</td>
<td>Yes</td>
</tr>
<tr>
<td>Independent auditors</td>
<td>Ernst &amp; Young ShinNihon LLC</td>
</tr>
</tbody>
</table>
Directors and the Board of Directors
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 supervising the implementation of business affairs. The Company’s Articles of Incorporation stipulate that the Board can consist of within 12 Directors. Currently, the Board has 12 Directors, including two outside Directors. The Board’s regular meetings are held in principle once a month, with extraordinary Board meetings held on an as-required basis. 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 incorporating a stock option plan to make its Directors, excluding outside Directors, share a mutual interest—fluctuations in stock prices—with its shareholders. In this way, Directors are in fact encouraged to act with a stronger drive and motivation to achieve higher corporate value.

Executive Officer System
The Company has adopted an executive officer system to facilitate agile 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 11 executive officers, including 6 concurrently serving as Board members. The executive officers have a one-year term of office, the same as the Company’s Directors.

Management Council
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 on 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.

Audit & Supervisory Board and Audit & Supervisory Board Members
The Company has adopted an audit and supervisory board system with an audit and supervisory board, which currently consists of four members, including two outside Audit & Supervisory Board members. As an independent organization with key roles and responsibilities in the Company’s corporate governance system, Audit & Supervisory Board members audit the entire scope of Directors’ performance of their duties following audit policies and an audit plan in conformity with the Audit & Supervisory Board members’ audit standards determined by the Audit & Supervisory Board. At meetings of the Audit & Supervisory Board, which are held in principle once a month, information on audit results is shared among Board members. In addition, all Audit & Supervisory Board members attend meetings of the Board of Directors, while the full-time Audit & Supervisory Board members 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 three personnel to perform internal audits and to support Audit & Supervisory Board members with the aim of strengthening the audit functions of the Audit & Supervisory Board.

Internal Audits
The Company has an Internal Audit Division, which currently comprises eight personnel, as an internal auditing unit that is independent from business operations. 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 in 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.” Moreover, designated staff are appointed to operate companies and audits are conducted across a wide range of areas, including the environment, quality control, security, labor, export control, and issues relating to the Pharmaceutical Affairs Law of Japan.

Accounting Audits
The Company engages Ernst & Young ShinNihon LLC as its independent auditors. Ernst & Young ShinNihon expresses an audit opinion on the Company’s financial statements from an independent standpoint. In addition to accounting audits, Ernst & Young ShinNihon commenced auditing of the Company’s internal control of its financial reporting from FY2009/3.

For FY2015/3, the certified public accountants (CPAs) from Ernst & Young ShinNihon who undertook accounting audit duties and the number of assistants involved in those duties are listed below.

(1) Names of CPAs who undertook accounting audit duties
   Appointed limited liability employees, Ernst & Young ShinNihon managing partners: Mitsuhiro Sakamoto, Yoji Murohashi, Masaki Mitsuji, Seichiyo Suyama

(2) Number of assistants involved in accounting audit duties
   CPAs: 21; others: 22

Amount of remuneration paid to independent auditors

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (Yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration based on audit certification work</td>
<td></td>
</tr>
<tr>
<td>FUJIFILM Holdings</td>
<td>¥256 million</td>
</tr>
<tr>
<td>Consolidated subsidiaries</td>
<td>¥171 million</td>
</tr>
<tr>
<td>Total</td>
<td>¥428 million</td>
</tr>
</tbody>
</table>

*1 Since the audit agreement between the Company and Ernst & Young ShinNihon LLC does not distinguish between the amounts of audit remuneration for audits based on the Company Law or audits based on the Financial Instruments and Exchange Law, these total amounts are stated in the amounts of remuneration above.

*2 The abovementioned amounts paid are shown rounded down to the nearest million yen.

*3 Of the Company’s major subsidiaries, FUJIFILM Manufacturing Europe B.V. and its six overseas subsidiaries receive audits (limited to those under the provisions of the Company Law and the Financial Instruments and Exchange Law; but including equivalent foreign laws and regulations) from an independent auditor (including persons possessing qualifications equivalent to those qualifications overseas) other than that of the Company.
Outside Directors and Audit & Supervisory Board Members
Two of the Company’s 12 Board of Directors are outside Directors. Outside Directors request explanations as necessary to ensure appropriate decision making by the Board of Directors while also providing appropriate advice.

The Company has notified the Tokyo Stock Exchange of the designation of two outside Directors and two outside Audit & Supervisory Board members as its independent officers.

*1 For a brief history of each outside Director and outside Audit & Supervisory Board member, please see page 30 (Management Structure).
*2 Newly appointed on June 27, 2014 (current position)
*3 Newly appointed on June 26, 2015 (current position)

Support System for Outside Directors and Outside Audit & Supervisory Board Members
The Legal Division, as the office for the Board of Directors, prepares materials and provides outside Directors and outside Audit & Supervisory Board members with information relating to proposals submitted to regular Board of Directors’ meetings. The office also provides them with supplementary explanations where requested. The internal auditing unit, as the office for the Audit & Supervisory Board, provides support to outside Audit & Supervisory Board members in such areas as the preparation of materials and the provision of relevant information for regular meetings of Audit & Supervisory Board members. The materials prepared are used to promote information sharing between full-time and outside Audit & Supervisory Board members.

Remuneration to Directors and Audit & Supervisory Board Members
The Company discloses the number of individuals to whom remuneration is paid and the total amount of remuneration by Directors as well as Audit & Supervisory Board members. Remuneration and other important matters relating to Directors as well as Audit & Supervisory Board members 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 as well as Audit & Supervisory Board members. Remuneration (including bonuses) paid to each Director is determined by a resolution of the Board of Directors. Remuneration (including bonuses) paid to each Audit & Supervisory Board member is determined based on deliberations between Audit & Supervisory Board members. The basic remuneration of Directors as well as Audit & Supervisory Board members 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 in accordance with the Company’s business results and individual Director’s responsibilities and performance.

Amount of remuneration paid to Directors and Audit & Supervisory Board members (For FY 2015/3)*

Subject of Remuneration | Number of People | Remuneration Amount
--- | --- | ---
Directors (Outside Directors) | 14 (2) | ¥679 million ($17 million)
Audit & Supervisory Board members (Outside Audit & Supervisory Board members) | 5 (3) | ¥66 million ($21 million)
Total (Outside Director, Audit & Supervisory Board members) | 19 (5) | ¥745 million ($23 million)

* The following items are also included in the aforementioned amounts of remuneration.
1. Bonuses paid to Directors for FY2015/3: Directors, ¥81 million paid to 12 Directors (¥3 million paid to two outside Directors) Audit & Supervisory Board members.
2. Amount of remuneration paid by way of stock options: Directors, ¥320 million paid to 11 Directors.
Corporate Governance

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.

Internal Control
The Company has adopted a Corporate Philosophy that 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.” To fulfill its corporate social responsibility (CSR), which forms the basis of its Corporate Philosophy, every effort is being made to increase awareness toward the importance of compliance and to establish a risk management structure and systems.

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 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.

Compliance
The Fujifilm Group formulated the Fujifilm Group Charter for Corporate Behavior, the Group ensures that its activities and behavior adhere strictly to all statutory and regulatory requirements as well as to the highest ethical standards. With a view to maintaining and improving legal compliance and standards of ethics throughout the Fujifilm Group’s corporate activities, the Company established the CSR Committee and a designated division, centered on relevant divisions, which is exclusively responsible for promoting compliance and instilling a compliance-based mind-set throughout the Group, including domestic and overseas affiliates. Moreover, the Company set up points of contact both within and outside the Group to provide consultations and support communication relating to the employee 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.

By previously stipulating the necessary internal rules—including regulations covering ri（the process of circulating draft written proposals), documentation management and the prevention of insider dealing, the management of personal information, compliance with antitrust laws, and regulations concerning the prevention of corruption—the Company demands that duties be executed in accordance with these rules. To support these measures, the Company draws up guidelines and manuals on each to ensure thorough adherence with regard to the laws and regulations relating to business activities and works on thorough compliance through regular education.

Risk Management Systems
In its approach to risk management, the Company builds appropriate risk management systems at all Group companies. Complementing these systems, in the case of important risk matters, the CSR Committee conducts reviews and promotes basic policy development and appropriate measures from a Groupwide perspective. With regard to all types of business-related risk—including risk relating to information management, health and safety, the environment, and disaster prevention—Group companies engage in risk management by formulating regulations and guidelines and producing manuals, for example. In addition to these efforts, important risk-related information is reported to the secretariat of the CSR Committee in accordance with established procedures. Responsibility for internal audits lies with the Internal Audit Division, which is independent from the business execution divisions and will be further expanded.

Overview of IR Activities
At Fujifilm, top management is actively involved in IR activities and works to strengthen the relationship of trust with shareholders and enhance IR activities. In addition, we are working to reduce the gap between corporate value and market ratings by continuously expounding the Company’s management policy and utilizing management to assist the capital markets in forming their opinions. Specifically, in addition to the results briefings attended by senior management and executive officers that are held on a quarterly basis, we actively provide points of contact, such as holding conferences for the benefit of institutional investors in Japan and overseas as well as individual meetings. We are working to further enhance communications with our shareholders. For our overseas investors, we post English-language information in a timely manner on our website and are enhancing our global IR activities, such as by establishing our IR base in North America in April 2014.

For individual investors, we post content on the website that explains the Group’s businesses in an easily understood manner and hold company briefings in major cities in Japan.

Main IR activities (FY2015/3)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Number of times</th>
</tr>
</thead>
<tbody>
<tr>
<td>Results briefings</td>
<td>4 times</td>
</tr>
<tr>
<td>Business briefings for institutional investors / analysts</td>
<td>7 times</td>
</tr>
<tr>
<td>Conferences hosted by securities companies</td>
<td>8 times</td>
</tr>
<tr>
<td>Company briefings for individual investors</td>
<td>19 times</td>
</tr>
</tbody>
</table>
Chairman, Representative Director & CEO
Shigetaka Komori
1963  Joined the Company
1995  Director of the Company
1996  Managing Director, Fuji Photo Film (Europe) GmbH (currently FUJIFILM Europe GmbH)
2000  President, Representative Director of the Company
2003  President, Representative Director & CEO of the Company
2012  Chairman, Representative Director & CEO of the Company (to present)
Chairman, Representative Director & CEO, FUJIFILM Corporation (to present)

Director
Yuzo Toda
1973  Joined the Company
2004  Corporate Vice President of the Company
2006  Director, FUJIFILM Corporation (to present)
2009  Director of the Company (to present)
2012  Senior Vice President, FUJIFILM Corporation
2015  Executive Vice President, Special Assignment for the Medical and Pharmaceutical Business, FUJIFILM Corporation (to present)

Director
Kenji Sukeno
1977  Joined the Company
2012  Corporate Vice President, General Manager of the Corporate Planning Division of the Company (to present)
2013  Director of the Company (to present)
2015  Director, Senior Vice President, FUJIFILM Corporation (to present)

President, Representative Director & COO
Shigehiro Nakajima
1973  Joined the Company
2005  Managing Director, Fuji Photo Film B.V. (currently FUJIFILM Manufacturing Europe B.V.)
2007  Managing Director, FUJIFILM Europe GmbH
2010  Director of the Company
Director, FUJIFILM Corporation
2011  Representative Director, Executive Vice President of the Company
Representative Director, Executive Vice President, FUJIFILM Corporation
2012  President, Representative Director & COO of the Company (to present)
President, Representative Director & COO, FUJIFILM Corporation (to present)

Director
Toru Takahashi
1975  Joined the Company
2008  Corporate Vice President of the Company
2010  Director of the Company
2011  Senior Vice President, FUJIFILM Corporation (to present)
2012  President, FUJIFILM Europe GmbH
2014  Director of the Company (to present)
General Manager of Optical Device & Electronic Imaging Products Division, FUJIFILM Corporation (to present)

Director
Masahiro Asami
1980  Joined the Company
2008  Corporate Vice President of the Company (to present)
Corporative Vice President, FUJIFILM Corporation (to present)
2013  Director of the Company (to present)
General Manager of Corporate R&D Division of the Company (to present)
Director, FUJIFILM Corporation (to present)
General Manager of Research & Development Management Headquarters, FUJIFILM Corporation
2015  General Manager of Intellectual Property Headquarters, FUJIFILM Corporation (to present)

Director
Kouichi Tamai
2003  Joined the Company
2006  Corporate Vice President of the Company (to present)
2008  Director, FUJIFILM Corporation (to present)
2010  Director of the Company (to present)
2011  General Manager of Medical Systems Research & Development Center of Research & Development Management Headquarters, FUJIFILM Corporation
2013  Executive Vice President, FUJIFILM Corporation (to present)

Director
Takatoshi Ishikawa
1978  Joined the Company
2011  Corporate Vice President, FUJIFILM Corporation
2012  Director of the Company (to present)
Director, FUJIFILM Corporation (to present)
2014  Senior Vice President, General Manager of the Pharmaceutical Products Division, FUJIFILM Corporation (to present)

Director
Go Miyazaki
1981  Joined the Company
2012  President, FUJIFILM North America Corporation
2013  Corporate Vice President, FUJIFILM Corporation (to present)
2014  Chairman, Chief Executive Officer, FUJIFILM do Brasil Ltda.
2015  Director, Corporate Vice President of the Company (to present)
Director, FUJIFILM Corporation (to present)
General Manager of Photo Imaging Products Division, FUJIFILM Corporation (to present)

* 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.
Board of Directors (As of June 26, 2015)

**Director**
Tadahito Yamamoto
1968  Joined Fuji Xerox Co., Ltd.
1994  Director, Fuji Xerox Co., Ltd.
2002  Executive Vice President, Representative Director, Fuji Xerox Co., Ltd.
2007  President, Representative Director, Fuji Xerox Co., Ltd.
2015  Chairman, Representative Director, Fuji Xerox Co., Ltd. (to present)

**Director (Outside)**
Teisuke Kitayama
2003  Representative Director, President, Sumitomo Mitsui Financial Group, Inc.
Representative Director, Chairman of the Board of Sumitomo Mitsui Banking Corporation
2006  Director of the Company (to present)
2011  Director, Chairman of the Board of Sumitomo Mitsui Banking Corporation (to present)

**Director (Outside)**
Hiroshi Inoue
2002  President & Executive Board Member, Tokyo Broadcasting System, Inc. (currently Tokyo Broadcasting System Holdings, Inc.)
2009  Chairman of Tokyo Broadcasting System Holdings, Inc. (to present)
2014  Director of the Company (to present)

Audit & Supervisory Board members (As of June 26, 2015)

**Audit & Supervisory Board Member**
Kouichi Suematsu
1975  Joined the Company
2008  Corporate Vice President of the Company
2010  General Manager of Human Resources Division of the Company
2012  Audit & Supervisory Board Member (to present)
Audit & Supervisory Board Member, FUJIFILM Corporation (to present)

**Audit & Supervisory Board Member**
Kazuhiro Yamamura
1976  Joined the Company
2009  General Manager of Accounting and Finance Group of Corporate Planning Division of the Company
2010  Corporate Vice President and Deputy General Manager of Corporate Planning Division of the Company
2012  Director, FUJIFILM Corporation
2013  Audit & Supervisory Board Member of the Company (to present)
Audit & Supervisory Board Member, FUJIFILM Corporation (to present)

**Audit & Supervisory Board Member (Outside)**
Takeo Kosugi
1968  Osaka District Court, Assistant Judge
1974  Registered as Attorney at Law (to present)
Joined Matsuo Law Offices (currently Matsuo & Kosugi) (to present)
2010  Audit & Supervisory Board Member of the Company (to present)

**Audit & Supervisory Board Member (Outside)**
Hisayoshi Kobayakawa
1968  Registered as Certified Public Accountant (to present)
1996  Senior Partner of Price Waterhouse (currently PricewaterhouseCoopers)
Executive Representative Partner of Aoyama Audit Corporation
2000  Audit & Supervisory Board Member, General Sekiyu K.K. (currently TonenGeneral Sekiyu K.K.)
Full-time Audit & Supervisory Board Member, TonenGeneral Sekiyu K.K.
2007  Audit & Supervisory Board Member, TonenGeneral Sekiyu K.K.
Full-time Audit & Supervisory Board Member, TonenGeneral Sekiyu K.K.
2014  Substitute Audit & Supervisory Board Member of the Company
2015  Audit & Supervisory Board Member of the Company (to present)

Executive officers (As of June 26, 2015)

Chairman and CEO  Shigetaka Komori
President and COO  Shigehiro Nakajima
Corporate Vice President  Kouichi Tamai
Corporate Vice President  Kenji Sukeno
Corporate Vice President  Masahiro Asami
Corporate Vice President  Go Miyazaki
Corporate Vice President  Haruhiko Yoshida
Corporate Vice President  Toru Yamada
Corporate Vice President  Hiroshi Tanaka
Corporate Vice President  Masaru Yoshizawa
Corporate Vice President  Shigenobu Inenaga

* 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.
The Fujifilm Group’s CSR

Basic Policy
The Fujifilm Group’s business originated with photographic film, a product for which plenty of clean water and fresh air are essential in the manufacturing process. It is also a product that requires customers to “buy on trust,” since they cannot try it out beforehand. Thus, for the Fujifilm Group, an approach that emphasizes environmental conservation and maintaining the trust of stakeholders has been a major premise at the very foundation of its business activities. This approach is the starting point for the corporate social responsibility (CSR) activities of the Fujifilm Group and continues to be passed down within the Group as its “DNA.” Following the shift to a holding company structure in 2006, the Fujifilm Group formulated its Corporate Philosophy and Vision. Incorporating the ideas in our Corporate Philosophy and Vision, we have also set forth the Fujifilm Group Charter for Corporate Behavior and Code of Conduct, both of which apply to all Fujifilm Group companies. In our Charter for Corporate Behavior, we uphold five principles, including “respect for human rights,” while in the Code of Conduct we define compliance as “more than simply not breaking the law and acting correctly in light of common sense and ethics” and declare that all Group employees, including senior executives, will conduct themselves in line with these action guidelines.

Moreover, the Company has made the following statement to encourage all Fujifilm Group employees to commit themselves to the fulfillment of CSR in their daily business operations: “The Fujifilm Group’s approach to CSR is to contribute to the sustainable development of society by putting into practice the Fujifilm Group’s Corporate Philosophy through sincere and fair business activities.”

Marking its 80th anniversary, the Company adopted “Value from Innovation” as its corporate slogan. Rallying behind this slogan, and with a better understanding of issues that confront society, we revised a portion of our approach to CSR in 2014 in an effort to more actively provide solutions to society’s problems. Guided by this revised approach, we are engaging in a wide variety of activities.

The Fujifilm Group’s approach to CSR
The Fujifilm Group’s approach to corporate social responsibility is to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities.

We will not only fulfill our economic and legal responsibilities, but also:
1. endeavor to understand global as well as local environmental and social issues and create value to address these issues through our business activities.
2. continue to evaluate the environmental and social impact of our business activities and strive to improve the performance while increasing our positive impact on society.
3. constantly reassess whether our activities are responding adequately to the demands and expectations of society through proactive stakeholder engagement with our stakeholders.
4. enhance corporate transparency by actively disclosing information.

Philosophy and policies unifying the Fujifilm Group

Fujifilm Group Corporate Philosophy and Vision
Fujifilm Group Charter for Corporate Behavior and Code of Conduct
Fujifilm Group’s Approach to CSR

Green Policy
(Adopted in July 2008)
Social Contribution Policy
(Adopted in April 2008)
Guidelines for Biodiversity
(Adopted in June 2009)
Procurement Policy
(Revised in March 2015)

Quality Policy
(Adopted in January 2010)
Occupational Health and Safety Policy
(Adopted in January 2010)
Global Security Trade Control Policy
(Adopted in May 2015)
The Fujifilm Group’s CSR Promotion System

To smoothly carry out the entire Group’s CSR activities, the Fujifilm Group established the CSR Committee chaired by the president of the Company. The committee makes decisions to promote the CSR activities of the entire Group. The CSR division of the Company, which is the secretariat of the CSR Committee, is responsible for ensuring rigorous CSR management by the Fujifilm Group. In addition to proposing the priority issues for the entire Group, disclosing information to parties outside the Company, and communicating with stakeholders, the CSR division supports the CSR activities of Group companies and monitors the progress of CSR activities across the entire Group.

The CSR division in each Group company formulates CSR plans based on those of the Group, executes each task, and conducts an annual review of the results. In addition, each CSR division provides a report on its activities to the FUJIFILM Holdings CSR Committee and promotes activities that instill a sense of unity in the Group as a whole.

Inclusion in SRI Indices and External Evaluations

The Company has been included in certain socially responsible investment (SRI) indices as the holding company of a corporate group that proactively promotes CSR initiatives aimed at sustainable development. The Company has also received evaluations based on external ranking surveys.

- Inclusion in the Dow Jones Sustainability Indices
- Inclusion in the FTSE4Good Global Index
- Inclusion in the Morningstar Socially Responsible Investment Index (as of June 2015)

<table>
<thead>
<tr>
<th>Assessment Name</th>
<th>Assessment of the Fujifilm Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>9th CSR Corporate Ranking 2015 (Toyo Keizai, Inc.)</td>
<td>1st out of 1,305 companies</td>
</tr>
<tr>
<td>18th Nikkei Environmental Management Survey (Nikkei Inc.)</td>
<td>10th out of 419 manufacturers; 1st in the petrochemical field for the 8th consecutive year</td>
</tr>
<tr>
<td>8th JUSE Quality Management Level Research (Union of Japanese Scientists and Engineers)</td>
<td>4th out of 602 companies; 1st in the machinery and precision equipment field</td>
</tr>
<tr>
<td>Survey of companies and their efforts to maximize the strengths of human resources (Nikkei Inc.) in 2014</td>
<td>2nd out of 439 companies</td>
</tr>
<tr>
<td>Carbon Disclosure Project (CDP) Score of 94, rank of B</td>
<td></td>
</tr>
<tr>
<td>RobecoSAM’s annual Corporate Sustainability Assessment</td>
<td>Bronze Class</td>
</tr>
</tbody>
</table>
Mid-Term CSR Plan: Sustainable Value Plan 2016

Marking its 80th anniversary, the Company adopted “Value from Innovation” as its new corporate slogan. Based on this slogan, the Sustainable Value Plan 2016 (SVP2016), which covers the three-year period from FY2015/3 to FY2017/3, was drawn up as a set of goals that provide a fresh foundation for the Group’s business management, with activities that commenced accordingly. The promotion policy for SVP2016 targets factors that will help in solving social issues in four fields—the environment, health, daily life, and working style—through innovative technologies, products, and services.

Globally Spreading Decrease in Printing Industry’s Impact on Environment by Solution That Meets Five Resource-Saving Targets

An environmental response is being demanded of the printing industry, which consumes large amounts of water and energy as well as chemicals and agents, and “highly productive green printing” has become a global common issue.

Against this backdrop, Fujifilm has launched and commenced the deployment of FUJIFILM SUPERIA, its resource-saving solution for the global common offset printing field. FUJIFILM SUPERIA meets five resource-saving targets in the following fields: materials, by reducing paper and chemicals; man-hours, by reducing delivery lead times as a result of shortened processes and times; energy, by reducing electricity and gas consumption; reduced emissions, such as of chemical waste liquids and VOCs; and water, by reducing water usage.

In addition to its advanced eco-friendliness and stable product quality, FUJIFILM SUPERIA provides value to customers in the form of improved profits.

One of the solutions that FUJIFILM SUPERIA provides is processless CTP plates. Particularly highly valued as they render unnecessary certain treatment processes, such as the alkali developer stage, these CTP plates have currently been installed at around 3,000 companies across the world and at around 450 in Japan.

FUJIFILM SUPERIA was launched at PRINT CHINA 2015, which was held in April 2015.

Please refer to the following for details regarding CSR initiatives.

During FY2015/3, the Fujifilm Group recorded ¥2,492.6 billion in consolidated revenue, up 2.2% from the previous fiscal year. Sales in the photo imaging business, medical systems business, electronic materials business, and document solutions increased, while sales in the optical device and electronic imaging business as well the flat panel display (FPD) materials business decreased.

* Following organizational changes carried out in the first quarter of FY2014/3, the optical device business was moved from Information Solutions to Imaging Solutions. In accordance with this change, the numerical values for FY2013/3 have been restated.
Operating Segments

Imaging Solutions

Business Fields

Photo imaging
Develops photo-related products and services, ranging from photo-taking to printing

Optical device and electronic imaging
Provides products such as the X Series of premium digital cameras, interchangeable lenses, and TV lenses

Performance Summary of FY2015/3

In the Imaging Solutions segment, consolidated revenue amounted to ¥361.0 billion, down 3.4% from the previous fiscal year, due to decreases in sales of digital cameras and other factors and despite increases in sales in the photo imaging business. Consolidated operating income stood at ¥20.7 billion, up 477.5% from the previous fiscal year, due to strong sales of instant cameras, cost reductions, and profit improvement for digital cameras.

Reasons for Change in Revenue from FY2014/3 to FY2015/3

- Sales of instant photo systems increased around the world
- Expansion in high-value-added print business; associated increase in photofinishing equipment installations
- Sales of X Series of premium digital cameras and interchangeable lenses were strong
- Sales of TV lenses were strong

Reasons for Change in Operating Income from FY2014/3 to FY2015/3

- Sales of instant photo systems were strong
- Sales of X Series of premium digital cameras were strong, significant improvement in profitability
Operating Segments

Information Solutions

Business Fields

Healthcare
Develops businesses in the fields of medical systems, pharmaceuticals, regenerative medicine, and life sciences; operates in three fields of prevention, diagnosis, and treatment.

Graphic systems
In addition to plate-making films and computer-to-plate (CTP) plates, products provided include digital printing devices and industrial inkjet printhead.

Flat panel display (FPD) materials
Products provided include highly functional films for liquid crystal displays (LCDs).

Recording media
Products provided include computer tape and data archive services.

Industrial products, electronic materials, and others
Products offered include non-destructive testing equipment and various types of highly functional films and semiconductor processing materials.

Revenue trends

<table>
<thead>
<tr>
<th>Revenue (Billions of yen)</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>¥856.5</td>
<td>¥933.9</td>
<td>¥953.6</td>
</tr>
<tr>
<td>Operating income</td>
<td>72.9</td>
<td>72.9</td>
<td>81.2</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,332.8</td>
<td>1,336.1</td>
<td>1,457.9</td>
</tr>
<tr>
<td>Depreciation</td>
<td>71.8</td>
<td>68.6</td>
<td>51.0</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>39.9</td>
<td>32.4</td>
<td>29.4</td>
</tr>
</tbody>
</table>

Reasons for Change in Revenue from FY2014/3 to FY2015/3

- **Increases**
  - In medical systems, strong sales were recorded in the growth areas of medical IT and ultrasound diagnostic.
  - In the graphic systems business, favorable overseas sales were registered of printing plate materials.
  - In the recording media business, sales increased due to the sales expansion of higher-capacity tapes with such unique technologies as barium ferrite (BaFe) particles.
  - In the electronic materials business, sales significantly increased, reflecting strong sales of advanced products, such as photo resist products and CMP slurries as well as a wide range of other products in all regions.

- **Decreases**
  - In FPD materials, a decrease in sales of WV film was posted.
  - In the industrial products business, total demand for pressure-sensitive paper decreased.

Reasons for Change in Operating Income from FY2014/3 to FY2015/3

- **Increases**
  - Profit improvement for each business unit
  - Impact of change in the depreciation method

Performance Summary of FY2015/3

In the Information Solutions segment, consolidated revenue amounted to ¥953.6 billion, up 2.1% from the previous fiscal year. While sales in the FPD materials business decreased, those in the medical systems business and electronic materials business increased. Consolidated operating income registered ¥81.2 billion, up 11.3% from the previous fiscal year, mainly due to profit improvement of each business unit and the effect of a change in the depreciation method.
In the Document Solutions segment, consolidated revenue increased to ¥1,178.0 billion, up 4.0% from the previous fiscal year, reflecting such factors as growth in revenues from operations in all regions of Japan, the Asia-Oceania region, and export shipments to Xerox Corporation, as well as sales contributions from Fuji Xerox Service Link Co., Ltd., a newly consolidated subsidiary from FY2015/3, and other factors. Consolidated operating income amounted to ¥101.3 billion, up 5.6% from the previous fiscal year, reflecting an increase in gross profit on growth in revenues, the positive effects of measures aimed at ongoing cost improvements, and the reduction of the SG&A ratio, despite the negative impact of a continuous decline in unit sales prices and increased cost of imports due to the appreciation of the U.S. dollar against the Japanese yen.

Reasons for Change in Revenue from FY2014/3 to FY2015/3

- Increased sales in Japan and the Asia-Oceania region as well as growth in export shipments to Xerox Corporation
- In the office products business, higher sales of new products in the Asia-Oceania region
- In the office printers business, sales expanded in the Asia-Oceania region and export shipment volumes to Xerox Corporation increased.
- In the global services business, sales grew significantly in both Japan and the Asia-Oceania region, where Fuji Xerox is in charge of operating services.

Reasons for Change in Operating Income from FY2014/3 to FY2015/3

- Favorable sales in each region
- Ongoing cost improvements and measures to reduce SG&A ratio contributed to an increase in profitability
Photo imaging

Revenue

¥240.6 billion
Compared with previous fiscal year: +11.5%  

Principal Products and Services

- Color films
  - Color negative films
  - Color reversal films
- Color paper and chemicals
  - Photographic paper for color prints
  - Photofinishing chemicals
- Photofinishing equipment
  - Digital minilabs
  - Thermal photo printers
- Labs and photo printing services
  - Photobook
  - photo printing services
- Instant photo systems

Highlights of Performance and Major Initiatives

- Sales of instant photo systems increased around the world, because the pleasure of printing photos on the spot was renewed.
- Increased sales of instax series, such as instax mini HELLO KITTY, which was launched in November 2014, and instax SHARE Smartphone Printer SP-1, as well as those of other various designs of instax films
- Expansion in the high-value-added printing business—such as Year Album service, which can select good photographs and arrange them automatically, and Shuffle Print service, which can summarize photo data and print it on a single sheet—and installation of photofinishing equipment accompanying this expansion.
- Enhance sales and profits by further sales expansion of instant photo systems and high-value-added printing business

Optical device and electronic imaging

Revenue

¥120.4 billion
Compared with previous fiscal year: –23.7%  

Principal Products and Services

- X Series digital cameras
- Interchangeable lenses for digital cameras
- Camera modules for smartphones
- TV lenses, cine lenses
- Security lenses
- Projector lenses

Highlights of Performance and Major Initiatives

- While sales decreased due to a reduction of the compact digital camera lineup accompanying the shift to premium digital cameras, sales of X Series premium digital cameras were strong, resulting in the improvement in profitability.
- Strong sales of the FUJIFILM X100T premium compact digital camera, which was launched in November 2014, FUJIFILM X-T1 premium interchangeable lens camera, interchangeable lenses, and other products
- Improve profitability by expanding sales of interchangeable lenses for X Series premium digital cameras and other products

Optical device field

- Although sales of camera modules for use in smartphones decreased, sales of TV lenses were strong.
- Improve profitability by focusing on high-value-added products, such as TV lenses
Operational Business Fields

Healthcare

Revenue

¥394.3 billion  Compared with previous fiscal year: +3.2%

Medical systems

Principal Products and Services
- Digital X-ray diagnostic imaging systems: FCR, DR
- SYNAPSE medical-use picture archiving and communications systems (PACS)
- Endoscopy systems
- Ultrasound diagnostic equipment
- X-ray films
- Dry imaging films / Dry imagers

Highlights of Performance and Major Initiatives
- In the X-ray diagnosis field, centering on such overseas markets as emerging markets, strong sales of FCR PRIMA Series, a compact and relatively low-priced digital X-ray diagnostic imaging system in the FCR line, and, centering on Japan, strong sales of CALNEO Series DR cassette-type digital X-ray diagnostic imaging systems
- In the medical IT field, expanded business in the diagnostic field, centering on medical-use picture archiving and communications systems (PACS)
- In the endoscopy field, strong sales of new electronic endoscopes with high-quality images, and of the new-generation endoscopy system, under the brand name LASEREYE
- In the ultrasound diagnostic field, sales of X-Porte high-end products were strong, centering on North America

Pharmaceuticals

Principal Products and Services
- Low molecular drugs
- Biopharmaceutical contract manufacturing
- Radiopharmaceuticals

Highlights of Performance and Major Initiatives
- Although the domestic antimicrobial market was weak, sales in the contract manufacturing of biopharmaceuticals proceeded smoothly
- With regard to new agents, Phase II clinical trials of T-817MA, an Alzheimer’s disease drug, are ongoing in Japan and the United States with the Alzheimer’s Disease Cooperative Study. Phase I clinical trials of FF-10501, for the treatment of patients with relapsed or refractory myelodysplastic syndromes (MDS), commenced at the MD Anderson Cancer Center, in the United States. Phase II clinical trials of T-4288, a macrolide antibacterial agent, commenced in Japan.

Regenerative medicine

Principal Products and Services
- Recombinant peptide
- Autologous cultured epidermis / cartilage

Highlights of Performance and Major Initiatives
- To develop business and gain Japan-only approvals for regenerative medicine products, Japan Tissue Engineering Co., Ltd., was made a consolidated subsidiary
- Agreement reached on acquisition of Cellular Dynamics International, Inc., a leading company in development and manufacture of iPS cells (acquisition concluded in May 2015)

Life sciences

Principal Products and Services
- Functional cosmetics
- Nutritional supplement products
- Hair care products

Highlights of Performance and Major Initiatives
- Although affected by a reaction to rush demand before the consumption tax increase in Japan, business performance recovered in the second half of fiscal year under review due to deployment of sales expansion measures
- Launched hair care series; enhanced lineup of ASTALIFT brand

Information Solutions

The Fujifilm Group operates businesses in the fields of medical systems, pharmaceuticals, regenerative medicine, life sciences, graphic systems, flat panel display materials, recording media, industrial products, electronic materials, and others.
Operational Business Fields

Graphic systems

**Revenue** ¥283.6 billion

**Compared with previous fiscal year:** +1.3%

**Principal Products and Services**
- Printing materials
- Digital printing equipment
- Ink for inkjet printers
- Industrial inkjet printhead
- Package-related systems

**Highlights of Performance and Major Initiatives**
- Although affected by a reaction to rush demand before the consumption tax increase in Japan, overseas sales steadily increased, centering on printing materials and industrial inkjet printhead
- Going forward, work to expand sales by increasing sales of digital printing equipment and industrial inkjet printhead

Flat panel display (FPD) materials

**Revenue** ¥128.2 billion

**Compared with previous fiscal year:** –6.8%

**Principal Products and Services**
- FUJITAC protective film for polarizers
- WV film for expanding viewing angles
- Transfer film for manufacturing color filters

**Highlights of Performance and Major Initiatives**
- Sales of FUJITAC and VA film proceeded smoothly with enlarging TV screens, overall sales declined, reflecting a decrease in sales of WV film for desktop PC monitors
- Working to expand sales of LCD TVs, where demand remains robust
- Promoting sales of thinner products for use in small and medium-sized items, where growth in demand is continuously expected
- Promoting the expansion of such new business fields as materials related to touch panels and backlights as well as protection film for polarizers

Recording media

**Revenue** ¥48.2 billion

**Compared with previous fiscal year:** +3.7%

**Principal Products and Services**
- Magnetic recording tape for computers
- Professional-use videotape products
- Data archive service

**Highlights of Performance and Major Initiatives**
- Sales of computer tape proceeded smoothly, and sales increased
- Seek to further offer high-value-added products and services to meet long-term storage needs and expand sales by realizing higher-capacity tapes with their unique technologies, such as barium ferrite (BaFe) particles, and encouraging the spread of data archive service atremity

Industrial products, electronic materials, and others

**Revenue** ¥98.7 billion

**Compared with previous fiscal year:** +13.2%

**Principal Products and Services**
- Non-destructive testing equipment and materials
- Touch panel materials
- Solar cell materials
- Semiconductor processing materials

**Highlights of Performance and Major Initiatives**
- Sales of industrial X-ray films and PRESSCALE films for measuring pressure proceeded smoothly
- Including backsheets for solar cells, new product sales increased, but sales of pressure-sensitive paper decreased due to decline in total demand

Electronic materials
- Strong sales of such advanced products as photo resists, CMP slurries, and peripheral materials related to photolithography such as treatment agents
- Significant increase in sales resulting from strong sales of previous-generation products in all regions
- Work to expand product range sales to further enhance profitability
Operational Business Fields

Document Solutions
The Fujifilm Group provides office copy machines / multifunction devices, printers, production systems and services, office services, paper, consumables, and others.

Office products

Revenue
¥520.3 billion
Compared with previous fiscal year: +1.0%

Principal Products and Services
- Office-use color / monochrome digital multi-function devices

Highlights of Performance and Major Initiatives
- In Japan, sales of full-color products increased.
- In the Asia-Oceania region, sales volumes of both monochrome and full-color models increased.
- Launched in May 2014, sales to emerging countries of DocuCentre SC2020, an A3 full-color, low-end model, were favorable and increased market share.

Office printers

Revenue
¥191.2 billion
Compared with previous fiscal year: +4.0%

Principal Products and Services
- Color / monochrome office printers

Highlights of Performance and Major Initiatives
- In the Asia-Oceania region, sales volumes of both monochrome models and full-color models increased.
- Strengthened office printer lineup with January 2015 launch of DocuPrint C225 / C228 Series A4 LED full-color printers, which won fiscal 2014 Good Design Award

Production services

Revenue
¥156.7 billion
Compared with previous fiscal year: +0.8%

Principal Products and Services
- On-demand publishing systems
- Computer printing systems

Highlights of Performance and Major Initiatives
- Increased sales volume of products in our lineup of medium-to-high-speed, color on-demand publishing systems.
- Sales were favorable of such products as the Versant™ 2100 Press, which offers productivity of 100 pages per minute and was launched in July 2014, and of the Versant™ 80 Press, which was launched in October 2014.
- Sales commenced in February 2015 of the new Color 1000i Press production printer, the first in the industry capable of offering gold and silver toners.

Global services

Revenue
¥186.6 billion
Compared with previous fiscal year: +21.1%

Principal Products and Services
- Managed print services
- Business process outsourcing

Highlights of Performance and Major Initiatives
- Rise in the managed print service business, which optimized the office print environment by undertaking the management and operation of print devices.
- Increased sales in Japan and in the Asia-Oceania region.
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53 Consolidated Statements of Cash Flows
Financial Analysis and Review

Operating Results for the Fiscal Year Ended March 31, 2015

Economic Environment
In an analysis of the global economy during the fiscal year ended March 31, 2015 (April 1, 2014, through March 31, 2015—FY2015/3), the general trend of a gradual economic recovery continued. Against the background of an increase in consumption, the U.S. economy was generally in a recovery mode. In Europe, the positive economic turnaround in the United Kingdom was followed by an upswing in the euro area led by Germany. Regarding Asia, countries generally experienced firm economic growth. Although there were signs of a slowdown in the rates of economic growth in China, the economy in Taiwan gradually improved. Some signs of weakness were evident in Japan due to corrections following the rush demand in the lead-up to the consumption tax rate hike; however, improvements in corporate earnings were seen in the second half of the fiscal year, together with a sustained gradual economic recovery.

Overview of Operating Results

Consolidated Operating Results
Against the backdrop of this economic environment, the Fujifilm Group is working to expand sales, market share, and operating income through the growth drivers of its core healthcare, highly functional materials, and document publishing systems.

Operating Results by Segment

Imaging Solutions
While overall revenue declined due to such factors as the decrease in sales of digital cameras, operating income increased substantially mainly on the back of robust instant photo systems sales and improvement in the profitability of digital cameras.
- Sales of instant cameras as well as such high-value-added print services as Year Album expanded.
- Sales of the X Series of premium-model digital cameras and interchangeable lenses were strong.
- Sales of such products as TV lenses were firm.

Information Solutions
Despite a downturn in sales of FPD materials, the Information Solutions segment reported increases in both revenue and earnings. These gains were largely attributable to strong results in medical systems and electronic materials as well as improvements in profitability at each business unit.
- In the medical systems business, sales rose due to brisk trends in the fields of medical IT, ultrasound diagnostic, and others.
- In the pharmaceuticals business, demand was weak in the domestic antimicrobial market. In contrast, biopharmaceutical contract manufacturing was sound.
- Sales in the electronic materials business increased significantly. These results mainly reflected strong sales of both advanced products and those of previous generations.

Document Solutions
The Group achieved gains in revenue and earnings in the Documents Solutions segment. This was primarily due to growth in revenues from operations in all regions, an increase in gross profit in line with the upswing in revenues, and the positive effects of measures aimed at reducing costs.
- Overall revenue from the office product and office printer businesses moved up with higher sales in the Asia-Oceania region.
- In the production services business, sales volume decreased. Despite this downturn, the overall amount of sales was essentially unchanged from the previous fiscal year mainly owing to robust sales of medium-to-high-speed products of color-on-demand publishing systems.
- In the global services business, revenue increased in Japan and in the Asia-Oceania region.

<table>
<thead>
<tr>
<th>Millions of yen</th>
<th>FY2015/3</th>
<th>FY2014/3</th>
<th>FY2013/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015/3</td>
<td>FY2014/3</td>
<td>FY2013/3</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>¥361,033</td>
<td>¥373,624</td>
<td>¥346,009</td>
</tr>
<tr>
<td>External customers</td>
<td>2,391</td>
<td>2,371</td>
<td>1,241</td>
</tr>
<tr>
<td>Total</td>
<td>363,424</td>
<td>375,995</td>
<td>347,250</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>20,731</td>
<td>3,590</td>
<td>(773)</td>
</tr>
<tr>
<td>Operating margin (%)</td>
<td>5.7</td>
<td>1.0</td>
<td>–0.2</td>
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</tbody>
</table>

* Following organizational changes carried out in the first quarter of FY2014/3, the optical device business was moved from Information Solutions to Imaging Solutions. In accordance with this change, the numerical values for FY 2013/3 have been restated.

Consolidated Operating Results

<table>
<thead>
<tr>
<th>Millions of yen</th>
<th>FY2015/3</th>
<th>FY2014/3</th>
<th>FY2013/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015/3</td>
<td>FY2014/3</td>
<td>FY2013/3</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>¥953,541</td>
<td>¥933,844</td>
<td>¥856,521</td>
</tr>
<tr>
<td>Intersegment</td>
<td>2,176</td>
<td>1,442</td>
<td>1,237</td>
</tr>
<tr>
<td>Total</td>
<td>955,717</td>
<td>935,286</td>
<td>857,758</td>
</tr>
<tr>
<td>Operating income</td>
<td>81,151</td>
<td>72,916</td>
<td>72,904</td>
</tr>
<tr>
<td>Operating margin (%)</td>
<td>8.5</td>
<td>7.8</td>
<td>8.5</td>
</tr>
</tbody>
</table>
business fields, as the Group engages in marketing activities and launches new products as a part of efforts to achieve the goals set out under its VISION 2016 medium-term management plan, which covers the three-year period from April 1, 2014, to March 31, 2017. The Group is also working to maintain its business scale and market advantages in other businesses while at the same time accelerating the pace at which it undertakes activities to improve profitability across all businesses by raising productivity and efficiency across every facet of its corporate activities. During FY2015/3, the Fujifilm Group recorded ¥2,492.6 billion in consolidated revenue, up ¥52.6 billion, or 2.2%, from the previous fiscal year. Despite decreases in sales in the optical device and electronic imaging as well as flat panel display (FPD) materials businesses, this year-on-year increase was largely attributable to higher sales in the photo imaging, medical systems, electronic materials, and document businesses.

Operating income totaled ¥172.4 billion, up 22.4% from the previous fiscal year, reflecting such factors as improvements in the profitability of each business and a change in the depreciation method.

**Net Income**
Income before income taxes amounted to ¥197.1 billion, up 25.4% from the previous fiscal year. This rise largely reflected the gain on revaluation of ¥21.2 billion posted as other income after the inclusion of Japan Tissue Engineering Co., Ltd. (J-TEC), in the scope of Fujifilm Holding’s consolidation as a subsidiary company. Net income attributable to FUJIFILM Holdings totaled ¥118.6 billion, up 46.4% from the previous fiscal year.

**Basic Policy Regarding the 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 new product development 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 considered and implemented depending on the situation of cash flows and stock prices. In the context of its basic policy regarding the distribution of profits, the Company focuses on the payment of cash dividends with an eye to achieving a dividend payout ratio of 25% or more.

Annual cash dividends applicable to FY2015/3 were ¥60 per share. This amount included the interim cash dividend of ¥25 per share, which has already been disbursed.

**Outlook for the Fiscal Year Ending March 31, 2016***
Regarding the Fujifilm Group’s consolidated performance in FY2016/3, revenue is projected to reach ¥2,580.0 billion, up 3.5% from FY2015/3. From a profit perspective, operating income is forecast to total ¥190.0 billion, 10.2% higher than in FY2015/3. In contrast, income before income taxes is expected to decline 3.6% year on year, to ¥190.0 billion, while net income attributable to FUJIFILM Holdings is anticipated to reach ¥120.0 billion, an increase of 1.2% from FY2015/3. These forecast results reflect a variety of factors, including anticipated business growth centering on the three core healthcare, highly functional materials, and document business fields as well as improved profitability in all businesses fields.

* As of April 30, 2015

---

### Net Income attributable to FUJIFILM Holdings / ROE

<table>
<thead>
<tr>
<th>Billions of yen</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td></td>
</tr>
<tr>
<td>100</td>
<td></td>
</tr>
<tr>
<td>80</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>0</td>
</tr>
</tbody>
</table>

- Net income attributable to FUJIFILM Holdings
- ROE (right scale)

### Cash dividends per share / Payout ratio

<table>
<thead>
<tr>
<th>Yen</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>0</td>
</tr>
</tbody>
</table>

- Cash dividends per share
- Payout ratio (right scale)

### Outlook for the fiscal year ending March 31, 2016*

<table>
<thead>
<tr>
<th>Billions of yen</th>
<th>FY2016/3 (Forecast)</th>
<th>FY2015/3 (Actual)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>¥2,580.0</td>
<td>¥2,492.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Operating income</td>
<td>190.0</td>
<td>172.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>190.0</td>
<td>197.1</td>
<td>-3.6</td>
</tr>
<tr>
<td>Net income attributable to FUJIFILM Holdings</td>
<td>120.0</td>
<td>118.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Currency exchange rates (U.S. dollar) (yen)</td>
<td>120</td>
<td>110</td>
<td>+10</td>
</tr>
<tr>
<td>Currency exchange rates (Euro) (yen)</td>
<td>130</td>
<td>139</td>
<td>-9</td>
</tr>
</tbody>
</table>

* As of April 30, 2015
Financial Analysis and Review

Financial Condition
Assets, Liabilities, and Net Assets
As of the end of FY2015/3, total assets increased 10.2% compared with the end of the previous fiscal year, to ¥3,556.6 billion, as a consequence of an increase in cash and cash equivalents and other factors. Total liabilities rose 5.9% compared with the end of the previous fiscal year, to ¥1,089.2 billion, due to an increase in deferred tax liabilities and other factors. FUJIFILM Holdings shareholders' equity stepped 10.5% compared with the previous fiscal year-end, to ¥2,232.7 billion.

As a result, the current ratio increased 16.9 percentage points, to 312.3%, the debt-equity ratio decreased 2.1 percentage points, to 48.8%, and the equity ratio increased 0.2 percentage point, 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 and Depreciation
Capital expenditures amounted to ¥56.1 billion for FY2015/3. The Company's investment was largely directed toward boosting production capacity of high-growth products, streamlining and increasing the efficiency of production facilities, and implementing eco-friendly measures aimed at protecting the environment.

By operating segment, capital expenditures stood at ¥7.9 billion in the Imaging Solutions segment, ¥29.3 billion in the Information Solutions segment, and ¥17.3 billion in the Document Solutions segment. Total depreciation of property, plant and equipment, excluding rental equipment in the Document Solutions segment and others, decreased ¥25.6 billion year on year, to ¥65.1 billion.

Cash Flow Analysis
Net cash provided by operating activities totaled ¥263.7 billion, primarily due to the increase in net income. Net cash used in investing activities amounted to ¥120.5 billion, stemming from purchases of property, plant and equipment accompanying capital investment and other factors.

As a result, free cash flows—or the sum of cash flows from operating and used in investing activities—resulted in a cash inflow of ¥143.2 billion, down ¥23.8 billion from the previous fiscal year. Net cash used in financing activities registered ¥45.6 billion, due primarily to repayments of long-term debt, cash dividends paid, and other factors.

As a result, cash and cash equivalents at the end of FY2015/3 amounted to ¥726.9 billion, up ¥122.3 billion from the end of the previous fiscal year.
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 as of the end of FY2015/3.

**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 revenue accounted for by overseas operations was 59% in FY2015/3. 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 Fujifilm's sales and, consequently, profit, forcing Fujifilm to increase R&D expenses and impair 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 a competitive edge.

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 evolving 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 risk 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 possible compensatory payment costs could have an influence on Fujifilm's performance.

**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 to infringe on any 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 ensure full compliance with the current and altering regulations. 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, etc., could affect Fujifilm's performance.

The Fujifilm Group 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 might 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 a 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 asset compression to improve its management efficiency in the future. However, the implementation of structural reforms and related measures may cause the Group to incur major contingent expenses associated with organizational and operational changes, and in such cases, Fujifilm's performance may be affected.
### Consolidated Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>March 31 2015</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>¥ 726,888</td>
<td>¥ 604,571</td>
<td>$ 6,057,400</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>19,033</td>
<td>16,635</td>
<td>158,608</td>
</tr>
<tr>
<td>Notes and accounts receivable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and finance</td>
<td>671,807</td>
<td>631,258</td>
<td>5,598,392</td>
</tr>
<tr>
<td>Affiliated companies</td>
<td>31,816</td>
<td>28,969</td>
<td>265,133</td>
</tr>
<tr>
<td>Allowance for doubtful receivables</td>
<td>(22,610)</td>
<td>(23,414)</td>
<td>(188,417)</td>
</tr>
<tr>
<td>Inventories</td>
<td>372,513</td>
<td>363,743</td>
<td>3,104,275</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>83,665</td>
<td>88,469</td>
<td>697,209</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>60,103</td>
<td>51,466</td>
<td>500,858</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,943,215</td>
<td>1,761,697</td>
<td>16,193,458</td>
</tr>
<tr>
<td><strong>Investments and long-term receivables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in and advances to affiliated companies</td>
<td>29,426</td>
<td>40,972</td>
<td>245,217</td>
</tr>
<tr>
<td>Investment securities</td>
<td>186,722</td>
<td>138,118</td>
<td>1,556,017</td>
</tr>
<tr>
<td>Long-term finance and other receivables</td>
<td>169,139</td>
<td>156,767</td>
<td>1,409,492</td>
</tr>
<tr>
<td>Allowance for doubtful receivables</td>
<td>(4,370)</td>
<td>(3,396)</td>
<td>(36,417)</td>
</tr>
<tr>
<td><strong>Total investments and long-term receivables</strong></td>
<td>380,917</td>
<td>332,461</td>
<td>3,174,309</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>94,304</td>
<td>92,609</td>
<td>785,867</td>
</tr>
<tr>
<td>Buildings</td>
<td>723,809</td>
<td>708,096</td>
<td>6,031,741</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>1,743,646</td>
<td>1,708,746</td>
<td>14,530,383</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>23,396</td>
<td>21,518</td>
<td>194,967</td>
</tr>
<tr>
<td><strong>Less accumulated depreciation</strong></td>
<td>2,585,155</td>
<td>2,530,969</td>
<td>21,542,958</td>
</tr>
<tr>
<td>(2,057,778)</td>
<td>(2,000,732)</td>
<td>(17,148,150)</td>
<td></td>
</tr>
<tr>
<td><strong>Net property, plant and equipment</strong></td>
<td>527,377</td>
<td>530,237</td>
<td>4,394,808</td>
</tr>
<tr>
<td><strong>Other assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill, net</td>
<td>504,963</td>
<td>423,088</td>
<td>4,208,025</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>80,271</td>
<td>82,398</td>
<td>668,925</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>9,272</td>
<td>14,773</td>
<td>77,267</td>
</tr>
<tr>
<td>Other</td>
<td>110,554</td>
<td>82,315</td>
<td>921,283</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td>705,060</td>
<td>602,574</td>
<td>5,875,500</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>¥ 3,556,569</td>
<td>¥ 3,226,969</td>
<td>$ 29,638,075</td>
</tr>
</tbody>
</table>

* U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥120=U.S.$1.00, the approximate exchange rate prevailing on March 31, 2015.
## Consolidated Balance Sheets

### Liabilities and equity:

#### Current liabilities

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term debt</td>
<td>¥ 36,644</td>
<td>¥ 44,731</td>
<td>$ 305,367</td>
</tr>
<tr>
<td>Notes and accounts payable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>248,527</td>
<td>244,883</td>
<td>2,071,058</td>
</tr>
<tr>
<td>Construction</td>
<td>16,733</td>
<td>17,464</td>
<td>139,442</td>
</tr>
<tr>
<td>Affiliated companies</td>
<td>3,723</td>
<td>3,556</td>
<td>31,025</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>20,443</td>
<td>21,986</td>
<td>170,358</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>195,270</td>
<td>183,423</td>
<td>1,627,250</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>100,945</td>
<td>80,379</td>
<td>841,208</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>622,285</td>
<td>596,422</td>
<td>5,185,708</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>313,045</td>
<td>314,968</td>
<td>2,608,709</td>
</tr>
<tr>
<td>Accrued pension and severance costs</td>
<td>30,711</td>
<td>32,466</td>
<td>255,925</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>63,012</td>
<td>34,604</td>
<td>525,100</td>
</tr>
<tr>
<td>Customers’ guarantee deposits and other</td>
<td>60,100</td>
<td>50,286</td>
<td>500,833</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,089,153</td>
<td>1,028,746</td>
<td>9,076,275</td>
</tr>
</tbody>
</table>

#### Commitments and contingent liabilities

**Equity:**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUJIFILM Holdings shareholders’ equity</td>
<td>40,363</td>
<td>40,363</td>
<td>336,358</td>
</tr>
<tr>
<td>Common stock, without par value:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized: 800,000,000 shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued: 514,625,728 shares</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>75,588</td>
<td>75,507</td>
<td>629,900</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,126,075</td>
<td>2,036,451</td>
<td>17,717,292</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>91,589</td>
<td>(29,995)</td>
<td>763,242</td>
</tr>
<tr>
<td>Treasury stock, at cost (32,398,163 shares in 2015; 32,652,712 shares in 2014)</td>
<td>(100,901)</td>
<td>(101,687)</td>
<td>(840,842)</td>
</tr>
<tr>
<td><strong>Total FUJIFILM Holdings shareholders’ equity</strong></td>
<td>2,232,714</td>
<td>2,020,639</td>
<td>18,605,950</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>234,702</td>
<td>177,584</td>
<td>1,955,850</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>2,467,416</td>
<td>2,198,223</td>
<td>20,561,800</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>¥3,556,569</td>
<td>¥3,226,969</td>
<td>$29,638,075</td>
</tr>
</tbody>
</table>

* U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥120=U.S.$1.00, the approximate exchange rate prevailing on March 31, 2015.
## Consolidated Statements of Income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Millions of yen</td>
<td>Thousands of U.S. dollars*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>¥2,143,283</td>
<td>¥2,094,291</td>
<td>¥1,878,018</td>
<td>¥17,860,691</td>
</tr>
<tr>
<td>Rentals</td>
<td>349,322</td>
<td>345,662</td>
<td>336,678</td>
<td>2,911,017</td>
</tr>
<tr>
<td></td>
<td>2,492,605</td>
<td>2,439,953</td>
<td>2,214,696</td>
<td>20,771,708</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,386,823</td>
<td>1,379,343</td>
<td>1,217,045</td>
<td>11,556,858</td>
</tr>
<tr>
<td>Rentals</td>
<td>144,274</td>
<td>139,568</td>
<td>147,151</td>
<td>1,202,283</td>
</tr>
<tr>
<td></td>
<td>1,531,097</td>
<td>1,518,911</td>
<td>1,364,196</td>
<td>12,759,141</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>961,508</td>
<td>921,042</td>
<td>850,500</td>
<td>8,012,567</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>627,966</td>
<td>615,883</td>
<td>568,233</td>
<td>5,233,050</td>
</tr>
<tr>
<td>Research and development</td>
<td>161,144</td>
<td>164,351</td>
<td>168,151</td>
<td>1,342,867</td>
</tr>
<tr>
<td></td>
<td>789,110</td>
<td>780,234</td>
<td>736,384</td>
<td>6,575,917</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>172,398</td>
<td>140,808</td>
<td>114,116</td>
<td>1,436,650</td>
</tr>
<tr>
<td><strong>Other income (expenses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>5,858</td>
<td>6,219</td>
<td>4,764</td>
<td>48,816</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(4,567)</td>
<td>(4,181)</td>
<td>(4,363)</td>
<td>(38,059)</td>
</tr>
<tr>
<td>Foreign exchange gains (losses), net</td>
<td>3,131</td>
<td>7,135</td>
<td>8,520</td>
<td>26,092</td>
</tr>
<tr>
<td>Gains (losses) on sales of investment securities, net</td>
<td>(703)</td>
<td>5,489</td>
<td>493</td>
<td>(5,858)</td>
</tr>
<tr>
<td>Impairment of investment securities</td>
<td>—</td>
<td>(167)</td>
<td>(5,461)</td>
<td></td>
</tr>
<tr>
<td>Other, net</td>
<td>20,985</td>
<td>1,851</td>
<td>1,117</td>
<td>174,875</td>
</tr>
<tr>
<td></td>
<td>24,704</td>
<td>16,346</td>
<td>5,070</td>
<td>205,866</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>197,102</td>
<td>157,154</td>
<td>119,186</td>
<td>1,642,516</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>41,565</td>
<td>36,971</td>
<td>26,379</td>
<td>346,375</td>
</tr>
<tr>
<td>Deferred</td>
<td>16,918</td>
<td>17,726</td>
<td>18,357</td>
<td>140,983</td>
</tr>
<tr>
<td></td>
<td>58,483</td>
<td>54,697</td>
<td>44,736</td>
<td>487,358</td>
</tr>
<tr>
<td>Equity in net earnings (losses) of affiliated companies</td>
<td>(1,473)</td>
<td>(333)</td>
<td>(3,281)</td>
<td>(12,275)</td>
</tr>
<tr>
<td>Net income</td>
<td>137,146</td>
<td>102,124</td>
<td>71,169</td>
<td>1,142,883</td>
</tr>
<tr>
<td>Less: Net income attributable to noncontrolling interests</td>
<td>(18,593)</td>
<td>(21,128)</td>
<td>(16,903)</td>
<td>(154,941)</td>
</tr>
<tr>
<td>Net income attributable to FUJIFILM Holdings</td>
<td>¥ 118,553</td>
<td>¥ 80,996</td>
<td>¥ 54,266</td>
<td>$ 987,942</td>
</tr>
</tbody>
</table>

### Amounts per share of common stock

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yen</td>
<td>Yen</td>
<td>Yen</td>
</tr>
<tr>
<td>Basic</td>
<td>¥245.94</td>
<td>¥168.07</td>
<td>¥112.65</td>
</tr>
<tr>
<td>Diluted</td>
<td>245.18</td>
<td>167.63</td>
<td>107.86</td>
</tr>
<tr>
<td>Cash dividends declared</td>
<td>20,985</td>
<td>16,346</td>
<td>5,070</td>
</tr>
</tbody>
</table>

* U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥120=U.S.$1.00, the approximate exchange rate prevailing on March 31, 2015.
<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>¥137,146</td>
<td>¥102,124</td>
<td>¥71,169</td>
<td>$1,142,883</td>
</tr>
<tr>
<td>Other comprehensive income (loss),</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>net of tax:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized gains (losses) on</td>
<td>34,295</td>
<td>9,348</td>
<td>18,009</td>
<td>285,792</td>
</tr>
<tr>
<td>securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>94,117</td>
<td>71,554</td>
<td>102,690</td>
<td>784,308</td>
</tr>
<tr>
<td>adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>8,159</td>
<td>19,881</td>
<td>(246)</td>
<td>67,992</td>
</tr>
<tr>
<td>(losses) on derivatives</td>
<td>(950)</td>
<td>179</td>
<td>(286)</td>
<td>(7,917)</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>135,621</td>
<td>100,962</td>
<td>120,167</td>
<td>1,130,175</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>¥272,767</td>
<td>¥203,086</td>
<td>¥191,336</td>
<td>$2,273,058</td>
</tr>
<tr>
<td>Less: Comprehensive income attributable to noncontrolling interests</td>
<td>(32,630)</td>
<td>(27,860)</td>
<td>(25,895)</td>
<td>(271,916)</td>
</tr>
<tr>
<td>Comprehensive income attributable to FUJIFILM Holdings</td>
<td>¥240,137</td>
<td>¥175,226</td>
<td>¥165,441</td>
<td>$2,001,142</td>
</tr>
</tbody>
</table>

* U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥120=U.S.$1.00, the approximate exchange rate prevailing on March 31, 2015.
### Consolidated Statements of Changes in Equity

<table>
<thead>
<tr>
<th></th>
<th>Balance as of March 31, 2012</th>
<th>Balance as of March 31, 2013</th>
<th>Balance as of March 31, 2014</th>
<th>Balance as of March 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥40,363 ¥74,780 ¥1,944,557 ¥(235,400) ¥102,531</td>
<td>¥40,363 ¥75,226 ¥1,979,552 ¥(124,225) ¥102,046</td>
<td>¥40,363 ¥75,507 ¥2,036,451 ¥ (29,995) ¥101,687</td>
<td>¥40,363 ¥75,588 ¥2,126,075 ¥91,589 ¥100,901</td>
</tr>
<tr>
<td></td>
<td>Treasury stock</td>
<td>Treasury stock</td>
<td>Treasury stock</td>
<td>Treasury stock</td>
</tr>
<tr>
<td></td>
<td>¥1,721,769</td>
<td>¥1,734,715</td>
<td>¥2,020,639</td>
<td>¥2,022,233</td>
</tr>
<tr>
<td></td>
<td>Noncontrolling interests</td>
<td>Noncontrolling interests</td>
<td>Noncontrolling interests</td>
<td>Noncontrolling interests</td>
</tr>
<tr>
<td></td>
<td>¥1,721,769</td>
<td>¥1,734,715</td>
<td>¥2,020,639</td>
<td>¥2,022,233</td>
</tr>
<tr>
<td></td>
<td>Total equity</td>
<td>Total equity</td>
<td>Total equity</td>
<td>Total equity</td>
</tr>
<tr>
<td></td>
<td>¥1,856,484</td>
<td>¥2,185,664</td>
<td>¥2,198,233</td>
<td>¥2,247,461</td>
</tr>
</tbody>
</table>

#### Comprehensive income (loss):

<table>
<thead>
<tr>
<th></th>
<th>Balance as of March 31, 2012</th>
<th>Balance as of March 31, 2013</th>
<th>Balance as of March 31, 2014</th>
<th>Balance as of March 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on securities</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on derivatives</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>54,266</td>
<td>80,996</td>
<td>118,553</td>
<td>185,533</td>
</tr>
<tr>
<td>Purchases of stock for treasury</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales of stock from treasury</td>
<td>—</td>
<td>(153)</td>
<td>(1)</td>
<td>—</td>
</tr>
<tr>
<td>Dividends paid to FUJIFILM Holdings shareholders</td>
<td>—</td>
<td>(19,271)</td>
<td>(24,097)</td>
<td>(28,929)</td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of stock acquisition rights</td>
<td>662</td>
<td>662</td>
<td>662</td>
<td>662</td>
</tr>
<tr>
<td>Equity transactions with noncontrolling interests and other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>165,441</td>
<td>25,895</td>
<td>191,336</td>
<td>203,086</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on securities</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on derivatives</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>165,441</td>
<td>25,895</td>
<td>191,336</td>
<td>203,086</td>
</tr>
<tr>
<td>Purchases of stock for treasury</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sales of stock from treasury</td>
<td>—</td>
<td>(1)</td>
<td>(44)</td>
<td>—</td>
</tr>
<tr>
<td>Dividends paid to FUJIFILM Holdings shareholders</td>
<td>—</td>
<td>(28,929)</td>
<td>(28,929)</td>
<td>(28,929)</td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of stock acquisition rights</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Equity transactions with noncontrolling interests and other</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>165,441</td>
<td>25,895</td>
<td>191,336</td>
<td>203,086</td>
</tr>
<tr>
<td>Net income</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on securities</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net unrealized gains (losses) on derivatives</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>165,441</td>
<td>25,895</td>
<td>191,336</td>
<td>203,086</td>
</tr>
</tbody>
</table>
### Consolidated Statements of Changes in Equity (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Thousands of U.S. dollars*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common stock</td>
</tr>
<tr>
<td>Balance as of March 31, 2014</td>
<td>$336,358</td>
</tr>
<tr>
<td>Comprehensive income (loss):</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td></td>
</tr>
<tr>
<td>Net unrealized gains (losses) on securities</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td></td>
</tr>
<tr>
<td>Net unrealized gains (losses) on derivatives</td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
</tr>
<tr>
<td>Purchases of stock for treasury</td>
<td></td>
</tr>
<tr>
<td>Sales of stock from treasury</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to FUJIFILM Holdings shareholders</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td></td>
</tr>
<tr>
<td>Issuance of stock acquisition rights</td>
<td></td>
</tr>
<tr>
<td>Equity transactions with noncontrolling interests and other</td>
<td></td>
</tr>
<tr>
<td>Balance as of March 31, 2015</td>
<td>$336,358</td>
</tr>
</tbody>
</table>

* U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥120=U.S.$1.00, the approximate exchange rate prevailing on March 31, 2015.
## Consolidated Statements of Cash Flows

**FujiFilm Holdings Corporation**

### Year ended March 31

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>¥ 137,146</td>
<td>¥ 102,124</td>
<td>¥ 71,169</td>
<td>$ 1,142,883</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>122,909</td>
<td>141,440</td>
<td>141,548</td>
<td>1,024,242</td>
</tr>
<tr>
<td>Gain on remeasurement of previously held equity interests</td>
<td>(21,224)</td>
<td>—</td>
<td>—</td>
<td>(176,866)</td>
</tr>
<tr>
<td>(Gains) losses on sales of investment securities, net</td>
<td>703</td>
<td>(5,489)</td>
<td>(493)</td>
<td>5,858</td>
</tr>
<tr>
<td>Impairment of investment securities</td>
<td>—</td>
<td>167</td>
<td>5,461</td>
<td>—</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>16,918</td>
<td>17,726</td>
<td>18,357</td>
<td>140,983</td>
</tr>
<tr>
<td>Equity in net (earnings) losses of affiliated companies, net of dividends received</td>
<td>16,143</td>
<td>—</td>
<td>—</td>
<td>134,525</td>
</tr>
<tr>
<td>(Gains) losses on sales of long-lived assets, net</td>
<td>—</td>
<td>1,041</td>
<td>(13,566)</td>
<td>—</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>(11,384)</td>
<td>(24,325)</td>
<td>8,965</td>
<td>(94,867)</td>
</tr>
<tr>
<td>Inventories</td>
<td>8,919</td>
<td>57,973</td>
<td>11,809</td>
<td>74,325</td>
</tr>
<tr>
<td>Notes and accounts payable – trade</td>
<td>(14,304)</td>
<td>7,244</td>
<td>(24,078)</td>
<td>(119,200)</td>
</tr>
<tr>
<td>Accrued income taxes and other liabilities</td>
<td>11,096</td>
<td>(2,933)</td>
<td>(31,862)</td>
<td>92,467</td>
</tr>
<tr>
<td>Other</td>
<td>(3,191)</td>
<td>(7,369)</td>
<td>7,796</td>
<td>(26,592)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>263,731</td>
<td>292,532</td>
<td>199,451</td>
<td>2,197,758</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property, plant and equipment</td>
<td>(56,943)</td>
<td>(70,285)</td>
<td>(89,873)</td>
<td>(474,525)</td>
</tr>
<tr>
<td>Purchases of software</td>
<td>(26,554)</td>
<td>(24,589)</td>
<td>(20,157)</td>
<td>(221,283)</td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>5,944</td>
<td>21,477</td>
<td>551</td>
<td>10,608</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of marketable and investment securities</td>
<td>37,164</td>
<td>18,635</td>
<td>551</td>
<td>10,608</td>
</tr>
<tr>
<td>Purchases of marketable and investment securities</td>
<td>(37,244)</td>
<td>(20,023)</td>
<td>(2,538)</td>
<td>(310,366)</td>
</tr>
<tr>
<td>(Increase) decrease in time deposits, net</td>
<td>1,273</td>
<td>(4,182)</td>
<td>551</td>
<td>10,608</td>
</tr>
<tr>
<td>(Increase) decrease in investments in and advances to affiliated companies and other advances, net</td>
<td>(6,309)</td>
<td>(4,344)</td>
<td>(6,414)</td>
<td>(52,575)</td>
</tr>
<tr>
<td>Acquisitions of businesses, net of cash acquired</td>
<td>—</td>
<td>—</td>
<td>(31,215)</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>(31,695)</td>
<td>(26,634)</td>
<td>(28,100)</td>
<td>(265,792)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(120,508)</td>
<td>(125,478)</td>
<td>(140,934)</td>
<td>(1,004,233)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>4,530</td>
<td>1,752</td>
<td>302,150</td>
<td>37,750</td>
</tr>
<tr>
<td>Repayments of long-term debt</td>
<td>(8,619)</td>
<td>(6,630)</td>
<td>(123,303)</td>
<td>(71,825)</td>
</tr>
<tr>
<td>Increase (decrease) in short-term debt, net</td>
<td>(8,332)</td>
<td>5,358</td>
<td>(27,994)</td>
<td>(69,433)</td>
</tr>
<tr>
<td>Cash dividends paid to shareholders</td>
<td>(26,510)</td>
<td>(19,275)</td>
<td>(18,064)</td>
<td>(220,917)</td>
</tr>
<tr>
<td>Subsidiaries’ cash dividends paid to noncontrolling interests</td>
<td>(6,600)</td>
<td>(6,264)</td>
<td>(4,448)</td>
<td>(55,000)</td>
</tr>
<tr>
<td>Net purchases of stock for treasury</td>
<td>(62)</td>
<td>(22)</td>
<td>(6)</td>
<td>(517)</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>(13)</td>
<td>(48)</td>
<td>—</td>
</tr>
<tr>
<td>Net cash (used in) provided by financing activities</td>
<td>(45,593)</td>
<td>(25,094)</td>
<td>(128,287)</td>
<td>(379,942)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>24,687</td>
<td>17,217</td>
<td>23,486</td>
<td>205,725</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>122,317</td>
<td>159,177</td>
<td>210,290</td>
<td>1,019,308</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>604,571</td>
<td>445,394</td>
<td>235,104</td>
<td>5,038,092</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>¥ 726,888</td>
<td>¥ 604,571</td>
<td>¥ 445,394</td>
<td>$ 6,057,400</td>
</tr>
</tbody>
</table>

### Supplemental disclosures of cash flow information

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest</td>
<td>¥ 6,132</td>
<td>¥ 5,830</td>
<td>¥ 4,960</td>
<td>$ 51,100</td>
</tr>
<tr>
<td>Cash paid for income taxes</td>
<td>40,612</td>
<td>34,274</td>
<td>16,075</td>
<td>338,433</td>
</tr>
</tbody>
</table>

* U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥120=U.S.$1.00, the approximate exchange rate prevailing on March 31, 2015.
### History of Fujifilm Group

#### Engaging in the Domestic Production of Photographic Film / Establishing a Sales Network in Japan
- Forged a robust position as a manufacturer of comprehensive photosensitive materials
- Expanded into the lens and optical equipment fields
- Diversified business operations into the medical, graphic systems, magnetic materials, and related fields

#### Expanding Business / Pursuing Globalization
- Commenced the development of a global network by establishing local overseas subsidiaries and offices
- Established Fuji Xerox Co., Ltd., as a joint venture between Rank Xerox Ltd., in the United Kingdom, and entered into the copy machine business field
- Took the global lead in the research, development, and commercialization of color negative films

#### Digitization
- Accelerated the pace of globalization by increasing the number of overseas production bases in a bid to forge a widely recognized global presence
- Pioneered efforts to digitize the photography, medical, and graphic systems fields
- Introduced a host of world-first products, including the FCR line of digital X-ray diagnostic imaging systems and digital cameras

#### Second Foundation
- Implemented business structural reform in response to rapid digitization
- Converted Fuji Xerox to a consolidated subsidiary
- Transitioned to a holding company structure as FUJIFILM Holdings Corporation
- Expanded into the healthcare field, including the pharmaceuticals business

#### Toward Further Growth
- Formulated “Value from Innovation” as the Company’s new corporate slogan to mark 80th anniversary
- Established Open Innovation Hub to facilitate new value with outside business partners with “co-creation”
- Announced Sustainable Value Plan 2016 mid-term CSR plan
- Announced VISION 2016 medium-term management plan

### Timeline

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1934 • Motion picture film</td>
<td>1962 • Plain paper copier</td>
<td>1983 • Digital X-ray diagnostic imaging system FCR</td>
<td>2003 • Double-balloon endoscope</td>
</tr>
<tr>
<td>• Plate-making film</td>
<td>1965 • PS plates</td>
<td>1986 • QuickSnap, one-time-use recyclable camera</td>
<td>2004 • Full digital endoscope</td>
</tr>
<tr>
<td>1936 • Photographic film</td>
<td>1969 • Filtration filter</td>
<td>1988 • Digital still camera (Development)</td>
<td>2006 • Functional cosmetics</td>
</tr>
<tr>
<td>• X-ray film</td>
<td>1971 • Home videotapes</td>
<td>1993 • High-speed production publisher</td>
<td>2009 • 3-D digital camera</td>
</tr>
<tr>
<td>1948 • Still cameras</td>
<td>1975 • Full-color copy machine</td>
<td>1996 • Digital minilab</td>
<td>2011 • DR panel cassette-type digital X-ray diagnostic imaging system equipped with automatic X-ray detection</td>
</tr>
<tr>
<td>1954 • Industrial X-ray film</td>
<td>1976 • Home-use, high-performance color negative film</td>
<td>1999 • Digital minilab</td>
<td>2012 • Endoscope with a laser light source system</td>
</tr>
<tr>
<td>1958 • FUJITAC (TAC film)</td>
<td>Fuji Color Fil 400</td>
<td>2000 –</td>
<td></td>
</tr>
<tr>
<td>1959 • Videotapes for broadcasting</td>
<td>World First</td>
<td>2003 –</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1980 –</td>
<td>2004 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1990s</td>
<td>2006 –</td>
</tr>
<tr>
<td></td>
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<td>2009 –</td>
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<tr>
<td></td>
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<td>1990s</td>
<td>2011 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2000 –</td>
<td>2012 –</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Corporate Information (As of March 31, 2015)

Company name
FUJIFILM Holdings Corporation

Head office
7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan

Date of establishment
January 20, 1934

Capital
¥40,363 million

Number of employees (Consolidated)
79,235

Number of employees
120

Number of consolidated subsidiaries
273

Stock Information (As of March 31, 2015)

Stock exchange listing
Tokyo

Distribution of shareholders and shares

<table>
<thead>
<tr>
<th>Thousand shares</th>
<th>Number of shareholders: 122,486</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares outstanding: 514,625,728</td>
<td></td>
</tr>
<tr>
<td>Treasury stock</td>
<td>32,398 (6.3%)</td>
</tr>
<tr>
<td>Foreign corporations</td>
<td>206,644 (40.2%)</td>
</tr>
<tr>
<td>Individuals and others</td>
<td>63,975 (12.4%)</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>168,734 (32.8%)</td>
</tr>
<tr>
<td>Securities companies</td>
<td>14,157 (2.8%)</td>
</tr>
<tr>
<td>Other corporations</td>
<td>28,718 (5.6%)</td>
</tr>
</tbody>
</table>

Common share price (Tokyo Stock Exchange)

<table>
<thead>
<tr>
<th>Stock price (Yen)</th>
<th>Trading volume (Thousand shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,000</td>
<td>400,000</td>
</tr>
<tr>
<td>5,000</td>
<td>300,000</td>
</tr>
<tr>
<td>4,000</td>
<td>200,000</td>
</tr>
<tr>
<td>3,000</td>
<td>100,000</td>
</tr>
<tr>
<td>2,000</td>
<td>0</td>
</tr>
</tbody>
</table>