

## Financial Results (Consolidated) for Six months ended September 30, 2010 FUJIFILM Holdings Corporation

October 29, 2010

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President and Chief Executive Officer

Projected date of Quarterly Report: November 12, 2010      Projected date of the beginning of cash dividends: December 2, 2010

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

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

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

### 1. Results of six months ended September 30, 2010 (From April 1, 2010 to September 30, 2010)

#### (1) OPERATING RESULTS

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

%: Changes from the corresponding period of the previous fiscal year

	Revenue		Operating income before restructuring and other charges		Operating income after restructuring and other charges		Income before income taxes		Net income attributable to FUJIFILM Holdings	
	Yen	%	Yen	%	Yen	%	Yen	%	Yen	%
Six months ended Sept. 30, 2010	1,105,345	5.9	94,514	255.4	85,890	-	76,984	-	40,301	-
Six months ended Sept. 30, 2009	1,043,484	(22.0)	26,594	(68.8)	(8,601)	-	(7,952)	-	(5,409)	-

	Net income attributable to FUJIFILM Holdings per share	Net income attributable to FUJIFILM Holdings per share (Assuming full dilution)
	Yen	Yen
Six months ended Sept. 30, 2010	82.48	75.57
Six months ended Sept. 30, 2009	(11.07)	(11.07)

Note 1: Operating income (loss) on the consolidated statement of operations is disclosed as operating income after restructuring and other charges, which represents an operating income after the recognition of restructuring and other charges.

#### (2) FINANCIAL POSITION

	Total assets	Total equity (Net asset)	FUJIFILM Holdings shareholders' equity	FUJIFILM Holdings shareholders' equity ratio to total assets	FUJIFILM Holdings shareholders' equity per share
	Yen	Yen	Yen	%	Yen
As of Sept. 30, 2010	2,789,380	1,858,740	1,732,115	62.1	3,545.05
As of March 31, 2010	2,827,428	1,875,829	1,746,107	61.8	3,573.66

### 2. Cash Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Year Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2010	-	12.50	-	12.50	25.00
Year ending March 31, 2011	-	15.00	-	-	-
Year ending March 31, 2011 (Forecast)	-	-	-	15.00	30.00

Note : Changes in dividends forecast during the quarter under review : None

### 3. Forecast for the Fiscal Year ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

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

%: Changes from the corresponding period of the previous fiscal year

	Revenue		Operating income before restructuring and other charges		Restructuring and other charges		Operating income after restructuring and other charges	
	Yen	%	Yen	%	Yen	%	Yen	%
For Year ending March 31, 2011	2,300,000	5.4	145,000	42.7	25,000	(82.6)	120,000	-
	Income before income taxes		Net income attributable to FUJIFILM Holdings		Net income attributable to FUJIFILM Holdings per share		Yen	
For Year ending March 31, 2011	118,000	-	60,000	-	-	-	122.80	-

Note 1: Changes in earnings forecast during the quarter under review: None

4. Other \*Please see “Qualitative Information/Financial Statements 2. OTHER INFORMATION” on page 8 for further details.

(1) Changes in status of material subsidiaries during the quarter under review (Companies newly consolidated or removed from consolidation): None

Note: Change of specified entities with change in the scope of consolidation during the current quarter.

(2) Adoption of simplified accounting methods and specific accounting methods: None

Note: Adoption of simplified accounting methods and specific accounting methods to prepare quarterly consolidated financial statements.

(3) Changes to consolidated financial statement principles, preparation processes, disclosure methods, etc.

1. Changes accompanying amendment of accounting principles: None
2. Other changes: None

(4) Number of Shares Outstanding

1. Issued (including treasury stock):
2. Treasury stock, at cost:
3. Average number of shares (accumulated):

As of Sept. 30, 2010	514,625,728	As of March 31, 2010	514,625,728
As of Sept. 30, 2010	26,024,166	As of March 31, 2010	26,021,558
Six months ended Sept. 30, 2010	488,602,852	Six months ended Sept. 30, 2009	488,608,961

Disclosure regarding the status of the quarterly review process

This quarterly press release is out of scope of the quarterly review process based on the Financial Instruments and Exchange Law. As of the press release date, the quarterly review process is ongoing.

Explanation of Appropriate Use of Forecast and Other Special Items

Statements regarding future events including forecasts of operating results are based on limited available information and reasonable assumptions as of today. Actual operating results are always subject to change significantly due to various matters. Assumptions for the forecast and warnings for users of the forecast are mentioned in the page 7, (3) Qualitative Information on Forecasts of the Consolidated Operating Result of the section 1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER.

**[INDEX]**

1.	QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER		
(1)	Qualitative Information on Consolidated Operating Results	••••••••	P.2
(2)	Qualitative Information on the Consolidated Financial Position	••••••••	P.6
(3)	Qualitative Information on Forecasts of the Consolidated Operating Result	••••••••	P.7
(4)	Distribution of Profits to Shareholders	••••••••	P.7
2.	OTHER INFORMATION		
(1)	Overview of changes in status of material subsidiaries	••••••••	P.8
(2)	Overview of adoption of simplified accounting methods and specific accounting methods	••••••••	P.8
(3)	Overview of changes to consolidated financial statement principles, preparation processes, disclosure methods, etc.	••••••••	P.8
(4)	Overview of material events regarding the going concern assumption	••••••••	P.8
3.	CONSOLIDATED FINANCIAL STATEMENTS		
(1)	Consolidated Balance Sheets	••••••••	P.9
(2)	Consolidated Statements of Operations		
	Six months ended September 30 <sup>th</sup>	••••••••	P.11
	Three months ended September 30 <sup>th</sup>	••••••~•	P.12
(3)	Consolidated Statements of Cash Flows	••••~•••	P.13
(4)	Note Relating to the Going Concern Assumption	••••~•••	P.14
(5)	Segment Information		
	1. Six months ended September 30 <sup>th</sup>	••••~•••	P.14
	2. Three months ended September 30 <sup>th</sup>	••••~•••	P.16
(6)	Note on Significant Changes to Fujifilm Holdings Shareholders' Equity	••••~•••	P.16

## 1. QUALITATIVE INFORMATION ON OPERATING RESULTS DURING THE CURRENT QUARTER

### (1) Qualitative Information on Consolidated Operating Results

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2010 From April 1, 2010 To September 30, 2010		Second Quarter ended September 30, 2009 From April 1, 2009 To September 30, 2009		Change	
					Amount	%
Domestic revenue	46.2%	510.2	48.7%	508.0	2.2	0.5%
Overseas revenue	53.8%	595.1	51.3%	535.5	59.6	11.1%
Revenue	100.0%	1,105.3	100.0%	1,043.5	61.8	5.9%
Operating income before restructuring and other charges	8.6%	94.5	2.5%	26.6	67.9	255.4%
Restructuring and other charges	0.8%	8.6	3.3%	35.2	(26.6)	(75.5)%
Operating income (loss) after restructuring and other charges	7.8%	85.9	(0.8)%	(8.6)	94.5	-
Other income (expenses)	(0.8)%	(8.9)	0.0%	0.6	(9.5)	-
Income (loss) before income taxes	7.0%	77.0	(0.8)%	(8.0)	85.0	-
Net income (loss) attributable to FUJIFILM Holdings	3.6%	40.3	(0.5)%	(5.4)	45.7	-
Exchange rates (Yen / US\$)		¥89		¥96		¥(7)
Exchange rates (Yen / Euro)		¥114		¥133		¥(19)

Overviewing the global economy during the second quarter of the fiscal year ending March 31, 2011 (April 1, 2010 through September 30, 2010), a trend of economic growth continued in China, India, and elsewhere in emerging economies. In the United States, economic conditions were gradually recovering, but such factors as depressed housing market conditions, high unemployment rates, and sluggish consumption growth indicate the weakness of the recovery and make projecting future trends difficult. In Europe, with the exception of certain regions, economic conditions were recovering, but such factors as financial instability and high unemployment rates indicated the possibility that economic conditions may be slack. In Japan, the perception of slackening economic growth strengthened because of the deterioration of the export environment due to sluggish conditions in the developed countries' economies as well as because of such factors as the appreciation of the yen and deflationary trends.

With respect to Fujifilm's business environment as a whole, the demand is recovering. Sales were particularly strong in such emerging countries as China and India, which are sustaining the expansion of their markets. On the other hand, the impact of yen appreciation and surging raw materials prices continues to preclude excessive optimism.

The Fujifilm Group has been implementing structural reforms and it has striven to build a corporate constitution that constantly secure profitability even under severe conditions. During the current fiscal year, the Company anticipates that it will complete the structural reforms it began in the fiscal year ended March 31, 2010, and it is therefore positioning the current fiscal year as a transitional period for getting corporate growth back on track. The Group is giving thorough attention to promoting sales growth and launching new products that respond to market needs and offer excellent cost-performance ratios and working to expand markets in individual business fields. Moreover, through the concentrated investment of management resources in regions where growth is projected—particularly the markets of emerging countries and regions where the Group has relatively low market shares—the Group has been increasing its sales and market shares going forward.

During the six months through the end of the second quarter of the fiscal year ending March 31, 2011, the Fujifilm Group recorded ¥1,105.3 billion in consolidated revenue, up 5.9%, or up 8.6% excluding the impact of foreign exchange fluctuations from the same period of the previous fiscal year. The ¥61.8 billion rise in

consolidated revenue reflected such factors as launch of new products and the Group's moves to step up sales promotion measures in response to growth in emerging countries' markets. Those factors more than offset the negative impact of yen appreciation, which had the effect of reducing consolidated revenue by ¥28.2 billion. Domestic consolidated revenue amounted to ¥510.2 billion (up 0.5% from the same period of the previous fiscal year), while overseas consolidated revenue totaled ¥595.1 billion (up 11.1% from the same period of the previous fiscal year).

Operating income before restructuring and other charges was also impacted by yen appreciation, which had the effect of reducing operating income before restructuring and other charges by ¥7.6 billion, but the rise in consolidated revenue, the implementation of structural reforms and cost reduction measures, and other factors boosted operating income before restructuring and other charges considerably to ¥94.5 billion (up 255.4% from the same period of the previous fiscal year). The implementation of the structural reform measures has proceeded on schedule, and restructuring and other charges during the six months through the end of the second quarter totaled ¥8.6 billion. As a result, operating income after restructuring and other charges amounted to ¥85.9 billion. Progressive improvement in the Group's corporate constitution owing to structural reform measures supported an increase in the ratio of gross profit to consolidated revenue, to 41.5%, and a rise in the ratio of operating income before restructuring and other charges to consolidated revenue, to 8.6%. These levels are higher than the corresponding levels for the six months through the end of the second quarter of the fiscal year ended March 31, 2009, before the start of the global financial crisis. For that quarter, the ratio of gross profit to consolidated revenue was 39.8%, and the ratio of operating income before restructuring and other charges to consolidated revenue was 6.4%.

Income before income taxes amounted to ¥77.0 billion, and the net income attributable to FUJIFILM Holdings totaled ¥40.3 billion.

The effective currency exchange rates for the U.S. dollar and the euro against the yen during the six-month period ended September 30, 2010 were ¥89 and ¥114, respectively.

### Revenue and Operating Income by Operating Segment

Amount Unit: Billions of yen

		Second Quarter ended September 30, 2010 From April 1, 2010 To September 30, 2010	Second Quarter ended September 30, 2009 From April 1, 2009 To September 30, 2009	Change	
				Amount	%
Revenue	Imaging Solutions	166.1	169.4	(3.3)	(2.0)%
	Information Solutions	458.2	430.1	28.1	6.5%
	Document Solutions	481.0	444.0	37.0	8.3%
Operating income (loss) before restructuring and other charges	Imaging Solutions	2.0	(7.7)	9.7	-
	Information Solutions	62.0	27.6	34.4	124.8%
	Document Solutions	44.4	21.8	22.6	104.2%
Restructuring and other charges	Imaging Solutions	1.7	9.5	(7.8)	-
	Information Solutions	0.9	16.4	(15.5)	-
	Document Solutions	6.0	9.3	(3.3)	-
Corporate Expenses and Eliminations	Total	(13.9)	(15.1)	1.2	-
Operating income (loss) after restructuring and other charges	Total	85.9	(8.6)	94.5	-

Since the first quarter of the fiscal year ending March 31, 2011, the method of allocating certain expense incurred in the corporate division, predominantly basic research, which was allocated to each operating segment, has been changed to charge it

directly to corporate expense. As a result of this change, the prior year's disclosure has been restated in conformity with the current year's presentation. There was no impact on the operating income (loss) with this change.

### **Imaging Solutions**

In the Imaging Solutions segment, consolidated revenue amounted to ¥166.1 billion, down 2.0%, or up 4.4% excluding the impact of foreign exchange fluctuations from the same period of the previous fiscal year. Despite of negative impact of yen appreciation which had the effect of reducing segment's revenue by ¥10.8 billion and other factors, positive factors such as robust sales of digital camera products boosted consolidated revenue.

Owing to the benefits of structural reforms and other factors, the segment's operating income before restructuring and other charges considerably improved and amounted to ¥2.0 billion, and ¥0.3 billion in operating income after restructuring and other charges was recorded.

Regarding color paper business, the impact of yen appreciation and other situations caused Fujifilm's sales to decline, but growth in sales volume was achieved due to an increase in market share, robust sales of *Photobook* and other high-value -added printing services, and other factors.

In the electronic imaging business field, Fujifilm's sales increased, reflecting a large sales volume increase in the markets of emerging countries, principally the BRICs, as well as in developed countries. Sales volume surged considerably, to a level 40% higher than in the same period of the previous fiscal year. In September 2010, Fujifilm launched several distinctive products that leverage the Company's unique technologies, including the *FinePix F300EXR*, which features an Auto Focus speed of 0.158 sec. (comparable to that of SLR models) and is equipped with a 15x optical zoom lens, and the *FinePix REAL 3D W3*, which is able to record 3D Hi-Vision (high-definition) video for viewing without the need for special 3D glasses. In July 2010, the Group's digital camera development, procurement, and quality assurance units were moved from a facility in Taiwa-cho, Kurokawa-gun, Miyagi Prefecture, to a facility in Saitama City of Saitama Prefecture used by lens development units. By further strengthening systems for collaboration with units responsible for developing a key digital camera component—optical lenses—the relocation is expected to enable a progressive strengthening of the merchandise power of Fujifilm's digital cameras as well as an increase in the Company's digital camera development speed.

### **Information Solutions**

In the Information Solutions segment, consolidated revenue amounted to ¥458.2 billion, up 6.5% or up 10.5% excluding the impact of foreign exchange fluctuations from the same period of the previous fiscal year. Although yen appreciation and other factors had a negative impact by ¥16.9 billion on the segment's revenue, consolidated revenue surged because of sales increases in flat panel display materials business, medical systems/life sciences business, and other principal businesses.

Operating income before restructuring and other charges was also impacted by yen appreciation and other factors, but the rise in consolidated revenue, the implementation of cost reduction measures, benefits from structural reforms and other factors boosted the segment's operating income before restructuring and other charges to ¥62.0 billion (up 124.8% from the same period of the previous fiscal year), and the ratio of operating income before restructuring and other charges to consolidated revenue was 13.5%. Operating income after restructuring and other charges amounted to ¥61.1 billion (up 445.1% from the same period of the previous fiscal year).

Sales of the medical systems business were robust due to a recovery in domestic sales and the strength of sales in emerging countries, particularly China, which more than compensated for the negative impact of the decline in demand for film products in advanced countries.

In the modality field, Fujifilm recorded strong sales of *FCR PRIMA*, a compact and relatively low-priced product in the *FCR (Fuji Computed Radiography)* line. In addition, the Company is working to augment sales of such high-value-added products as the new lineup of products in the *FUJIFILM DR CALNEO* series of digital X-ray diagnostic imaging systems, which employs the method of reading light signals from the side of X-rays irradiated and succeeds both in reducing the level of X-rays and providing high-quality images. That series was expanded with the April 2010 launch of the cassette-sized *FUJIFILM DR CALNEO C* products.

In the field of endoscope products, Fujifilm launched *ClutchCutter* disposable high-frequency forceps that can

handle tasks ranging from mucosal tissue incisions to exfoliation and hemostasis processes in June 2010. In addition, in September 2010, Fujifilm launched the *SAFEKnife* disposable high-frequency knife, which offers increases in safety and ease of operation, and took other steps to bolster its lineup of endoscopic submucosal dissection (ESD) products that reduce the physical burden of patients undergoing surgical procedures.

Amid the steadily growing use of IT products related to medical institutions, sales of network system related products have continued to increase. The Company's *SYNAPSE* medical-use picture archiving and communications systems have now been adopted by approximately 1,400 facilities in Japan, and Fujifilm is maintaining the leading market share in this field. Not restricted to applications related to radiology departments, *SYNAPSE* functions are expanding to enable the creation of integrated network systems for the unified management of diverse diagnostic images from all hospital departments, including cardiovascular, endoscopy, ultrasonic diagnosis, and pathology units. Also by providing the system enabling networking among different hospitals as well as between central hospitals and local clinics and providing the remote radiology image interpretation system, we will make a continuous contribution to improving regional health care and solving problems associated with doctor shortages.

In the life sciences business, sales of *ASTALIFT* functional cosmetics products increased substantially due to such factors as the strengthening of the product lineup with the May and September 2010 launch of additional items and the proactive implementation of sales promotion measures, including television advertisements. In addition, the marketing of these products in China was initiated in September 2010.

In the pharmaceutical product business, the marketing of *Zosyn*—an injectable antibiotic combination product consisting of semisynthetic antibiotic and  $\beta$ -lactamase inhibitor—proceeded smoothly, and the net sales of Toyama Chemical Co., Ltd. increased. Since October 2009, Toyama Chemical has been proceeding with Phase III clinical trials in Japan for *T-705*, a drug candidate being developed for the application of treating new strains of influenza that has been confirmed to have a different mechanism of action from that of existing therapeutic drugs. Aiming to quickly launch *T-705* and its other promising new drug candidates, Toyama Chemical is advancing with development programs in close cooperation with FUJIFILM Corporation. A new company established to undertake clinical development programs and build a marketing base, FUJIFILM Pharma Co., Ltd., began business operations in April 2010. Initially engaging in the marketing of generic drugs, this company will in the future undertake the development and marketing of high-value-added generic products and original pharmaceutical products.

The graphic arts business sales increased, reflecting a worldwide recovery in demand and aggressive marketing-promotion measures. Fujifilm is continuing to strengthen its measures aimed at expanding sales in the growth field of digital printing business by bolstering its lineup of wide-format UV inkjet systems. The *Jet Press 720*—a groundbreaking, next-generation inkjet digital color printing system achieving high-speed operation, high-quality output, and large sheet size handling—was displayed at a domestic product announcement meeting held in April 2010, and the Company started sales activities for this product.

Regarding the FPD materials business, sales of *WV films* and *FUJITAC* products have continued to increase owing to such factors as rising demand for LCD televisions associated with continuing Japan's Eco-Point system and Chinese government policies for promoting the ownership of household electric products. Also in July 2010, the Company made an announcement of boosting its production capacity of polarizer protective films. We will set up 3 additional production lines for *ultra-wide FUJITAC* to meet a surging demand for large-size LCD TVs.

In the optical device field, reflecting such factors as the recovery of demand for camera phone lens units and TV lenses. In July 2010, Fujinon Corporation—a lens- and optical equipment-manufacturing and sales subsidiary—was integrated within FUJIFILM Corporation. By enabling the fusion of the two companies' technologies and unification of such functions as business planning, development, and marketing, the corporate integration is expected to add additional momentum to the expansion of Fujifilm's optical device business operations.

### Document Solutions

In the Document Solutions segment, consolidated revenue grew to ¥481.0 billion, up 8.3% from the same period of the previous fiscal year. This reflected such factors as large increases in sales in the Asia-Oceania region and in exports to Xerox Corporation owing to the robust sales of multifunction devices launched in 2009 and other factors.

Owing to the rise in revenue, the implementation of cost reduction measures, benefits from structural reforms and other factors, the segment's operating income before restructuring and other charges amounted to ¥44.4 billion (up 104.2% from the same period of the previous fiscal year). The ratio of operating income before restructuring and other charges to consolidated revenue was 9.2%, and ¥38.4 billion (up 208.8% from the same period of the previous fiscal year) in operating income after restructuring and other charges was recorded.

With respect to the office products business, in Japan, strong sales of the nine full-color digital multifunction devices of *Fuji Xerox ApeosPort-IV/DocuCentre-IV Series* models launched in 2009 were recorded. All these models employ EA-Eco toner, which enables the industry's top levels of energy-conservation performance. As a result, Fuji Xerox's overall sales volume of full-color and monochrome models increased. In addition, a rise was seen in the number of copies being made. Fuji Xerox is maintaining its leading domestic position in terms of the high volume of copies made using its devices. In the Asia-Oceania region, a considerable rise was recorded in the sales volume of full-color products. Looking at exports to Xerox Corporation, shipment volume of both full-color and monochrome models increased by considerable margins.

Regarding the office printer business, large increase of sales volume was seen in all regions, particularly in the Asia-Oceania region and export shipments to Xerox Corporation.

In production services business, despite the impact of companies' efforts to restrain their investments, domestic unit sales were maintained at a level comparable to that in the same period of the previous fiscal year owing to an increase in sales of full-color light production products. Regarding sales in the Asia-Oceania region, strong sales of the color on-demand publishing system *Fuji Xerox Color 1000 Press/Color 800 Press* model—which were launched in the Asia-Oceania region in June 2010—supported growth in sales volume. Moreover, a considerable increase was recorded in the volume of export sales to Xerox Corporation owing to the strength of sales of the *Fuji Xerox Color 1000 Press/Color 800 Press* models.

In the global services business, sales revenue grew in Japan as well as the Asia-Oceania region. Moreover, the Company acquired an Australia-based managed print service (MPS) provider in August 2010. In Australia, which is a large market within the Asia-Oceania region, this initiative is enabling Fuji Xerox to supplement its leading position as a provider of services to major companies by strengthening and expanding its supply of services to the small and medium-sized companies.

Fuji Xerox was ranked highest in the industry in three surveys—the *2010 Japan Color Copier Customer Satisfaction Study<sup>SM</sup>*, the *2010 Japan Color Printer Customer Satisfaction Study<sup>SM</sup>*, the *2010 Japan IT Solution Customer Satisfaction Index Study<sup>SM</sup>*—conducted by J.D. Power Asia Pacific, Inc., a specialized institution focused on customer satisfaction-related surveys and consulting services. Going forward, Fuji Xerox intends to sustain and strengthen its efforts aimed at generating customer satisfaction by continuing to provide products and support commensurate with the Company's industry-leading evaluation as well as by aiming to supply high-quality services that contribute to improvements in customers' operational efficiency and to the resolution of management challenges.

## **(2) Qualitative Information on the Consolidated Financial Position**

At the end of the second quarter of the fiscal year ending March 31, 2011, total assets decreased by ¥38.0 billion, or 1.3%, to ¥2,789.4 billion impacted by yen appreciation and other factors. Total liabilities decreased by ¥21.0 billion, or 2.2% compared with the end of the previous fiscal year, to ¥930.7 billion, owing to a decrease in notes and accounts payables and other factors. FUJIFILM Holdings shareholders' equity decreased by ¥14.0 billion, or 0.8% compared with the end of the previous fiscal year, to ¥1,732.1 billion. As a result, the current ratio decreased by 3.5 percentage points, to 209.9%, the debt-equity ratio decreased by 0.8 percentage points, to 53.7%, and the equity ratio increased by 0.3 percentage points, to 62.1%, 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.



**(Cash Flows)**

Amount Unit: Billions of yen

	Second Quarter ended September 30, 2010 From April 1, 2010 To September 30, 2010	Second Quarter ended September 30, 2009 From April 1, 2009 To September 30, 2009	Change
Net cash provided by operating activities	105.5	179.4	(73.9)
Net cash used in investing activities	(80.8)	(59.5)	(21.3)
Net cash provided by (used in) financing activities	5.1	(41.7)	46.8

During the second quarter of the fiscal year ending March 31, 2011, net cash provided by operating activities decreased to ¥105.5 billion, due to an increase in inventories to meet sales increase after the third quarter, and other factors. Net cash used in investing activities increased to ¥80.8 billion. Thus, free cash flows—or the sum of cash flows from operating and investing activities— were ¥24.7 billion. Net cash provided by financing activities increased by ¥46.8 billion from the same period of previous fiscal year, to ¥5.1 billion.

As a result, cash and cash equivalents at the quarter under review amounted to ¥418.4 billion, up ¥12.2 billion from the previous fiscal year ended (March 31, 2010).

**(3) Qualitative Information on Forecasts of the Consolidated Operating Result**

The Fujifilm Group has been resolutely implementing structural reforms to build a robust corporate constitution that is capable for generating a profit even amid such persistently severe conditions, and we have brought about tangible results. The structural reforms will be completed in the fiscal year ending March 31, 2011 with spending restructuring and other charges of ¥25.0 billion. By achieving fixed cost reductions through structural reforms, moving ahead with our growth strategy of the concentrated investment of management resources in priority business fields and emerging markets, and taking other measures, the Group anticipates that it will considerably enhance its profitability. Economic conditions have been gradually recovering centering on emerging countries. However, concern about the direction of the economies of advanced countries in the United States and Europe, the trend toward yen appreciation, surging raw materials prices, and other factors continue to preclude excessive optimism about the business environment after the third quarter of the fiscal year ending March 31, 2011.

Reflecting those conditions, regarding consolidated performance in the fiscal year ending March 31, 2011, the Company projected the currency exchange rates for the U.S. dollar and the euro against the yen after the third quarter of the fiscal year ending March 31, 2011 at ¥80 and ¥110, respectively. The company has left the performance forecast of ¥2,300.0 billion in revenue (up 5.4% from the previous fiscal year), operating income before restructuring and other charges of ¥145.0 billion (up 42.7% from the previous fiscal year), operating income after restructuring and other charges of ¥120.0 billion, income before income taxes of ¥118.0 billion, and net income attributable to FUJIFILM Holdings of ¥60.0 billion as initially forecasted.

**(4) Distribution of Profits to Shareholders**

The Company concluded that the interim cash dividends would be paid at ¥15.00 per share. Together with year-end cash dividends of ¥15.00 per share, cash dividends applicable to the fiscal year under review are expected to be paid at ¥30.00 per share, up ¥5.00 per share from the previous fiscal year.

Also the Company decided at its Board of Directors meeting held on October 29, 2010 to conduct a buyback of the Company's shares for the period from November 1, 2010 to January 31, 2011. The upper limit of the buyback amount or the number of shares is set at ¥20.0 billion or 7.5 million shares. As a result, the return to shareholders ratio for the current year is projected to be around 58%, which represents the ratio of cash dividends and buyback of shares to net income attributable to FUJIFILM Holdings.

**2. OTHER INFORMATION**

- (1) Overview of changes in status of material subsidiaries: None
- (2) Overview of adoption of simplified accounting methods and specific accounting methods: None
- (3) Overview of changes to consolidated financial statement principles, preparation processes, disclosure methods, etc.: None
- (4) Overview of material events regarding the going concern assumption: None

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

Accordingly, the explanations for each business segment may include references to products that are marketed under different product names overseas or are not marketed overseas and may also include references to product marketing periods that differ by region.

“Xerox” is a registered trademark of Xerox Corporation in the U.S. and other countries. All other product names contained in this material are trademarks of their respective companies.

**3. CONSOLIDATED FINANCIAL STATEMENTS****(1) Consolidated Balance Sheets**

Amount Unit: Millions of yen

	Consolidated balance sheet for the 2nd quarter As of September 30, 2010	Condensed consolidated balance sheet for the fiscal year As of March 31, 2010	Change
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	418,425	406,177	12,248
Marketable securities	62,945	61,362	1,583
Notes and accounts receivable:			
Trade and finance	458,534	479,972	(21,438)
Affiliated companies	31,363	32,668	(1,305)
Allowance for doubtful receivables	(17,431)	(17,615)	184
	472,466	495,025	(22,559)
Inventories	329,296	303,120	26,176
Prepaid expenses and other	134,643	144,865	(10,222)
Total current assets	1,417,775	1,410,549	7,226
Investments and long-term receivables:			
Investments in and advances to affiliated companies	39,197	42,748	(3,551)
Investment securities	140,136	146,734	(6,598)
Long-term finance and other receivables	107,883	109,588	(1,705)
Allowance for doubtful receivables	(4,099)	(5,113)	1,014
Total investments and long-term receivables	283,117	293,957	(10,840)
Property, plant and equipment:			
Land	97,511	98,788	(1,277)
Buildings	677,522	686,171	(8,649)
Machinery and equipment	1,536,712	1,571,790	(35,078)
Construction in progress	19,219	15,020	4,199
	2,330,964	2,371,769	(40,805)
Less accumulated depreciation	(1,760,454)	(1,770,108)	9,654
Total property, plant and equipment	570,510	601,661	(31,151)
Other assets:			
Goodwill, net	329,183	325,859	3,324
Other intangible assets, net	41,601	45,195	(3,594)
Other	147,194	150,207	(3,013)
Total other assets	517,978	521,261	(3,283)
Total assets	2,789,380	2,827,428	(38,048)

Amount Unit: Millions of yen

	Consolidated balance sheet for the 2nd quarter As of September 30, 2010	Condensed consolidated balance sheet for the fiscal year As of March 31, 2010	Change
<b>LIABILITIES</b>			
Current liabilities:			
Short-term debt	190,659	155,379	35,280
Notes and accounts payable:			
Trade	217,756	228,882	(11,126)
Construction	20,176	29,039	(8,863)
Affiliated companies	4,705	3,631	1,074
	242,637	261,552	(18,915)
Accrued income taxes	16,951	9,438	7,513
Accrued liabilities	165,991	174,981	(8,990)
Other current liabilities	59,328	59,631	(303)
Total current liabilities	675,566	660,981	14,585
Long-term liabilities:			
Long-term debt	118,981	140,269	(21,288)
Accrued pension and severance costs	64,981	78,253	(13,272)
Customers' guarantee deposits and other	71,112	72,096	(984)
Total long-term liabilities	255,074	290,618	(35,544)
Total liabilities	930,640	951,599	(20,959)
<b>EQUITY</b>			
FUJIFILM Holdings shareholders' equity	40,363	40,363	-
Common stock, without par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares			
Additional paid-in capital	73,632	70,283	3,349
Retained earnings	1,901,333	1,868,362	32,971
Accumulated other comprehensive income (loss)	(200,592)	(150,288)	(50,304)
Treasury stock, at cost	(82,621)	(82,613)	(8)
Total FUJIFILM Holdings shareholders' equity	1,732,115	1,746,107	(13,992)
Noncontrolling interests	126,625	129,722	(3,097)
Total equity	1,858,740	1,875,829	(17,089)
Total liabilities and equity	2,789,380	2,827,428	(38,048)

Note: Details of accumulated other comprehensive income (loss)

	As of September 30, 2010	As of March 31, 2010	Change
Unrealized gains (losses) on securities	(1,950)	10,350	(12,300)
Foreign currency translation adjustments	(131,965)	(90,851)	(41,114)
Pension liability adjustments	(66,665)	(69,920)	3,255
Unrealized gains (losses) on derivatives	(12)	133	(145)

## (2) Consolidated Statements of Operations

Six months ended September 30<sup>th</sup>

Amount Unit: Millions of yen

	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Six months ended September 30, 2009 From April 1, 2009 To September 30, 2009		Change	
					Amount	%
Revenue:						
Sales		936,146		873,992	62,154	7.1
Rentals		169,199		169,492	(293)	(0.2)
	100.0	1,105,345	100.0	1,043,484	61,861	5.9
Cost of sales:						
Sales		571,054		561,334	9,720	1.7
Rentals		75,739		71,542	4,197	5.9
	58.5	646,793	60.7	632,876	13,917	2.2
Gross profit	41.5	458,552	39.3	410,608	47,944	11.7
Operating expenses:						
Selling, general and administrative	25.4	280,999	28.3	295,742	(14,743)	(5.0)
Research and development	7.5	83,039	8.5	88,272	(5,233)	(5.9)
	32.9	364,038	36.8	384,014	(19,976)	(5.2)
Operating income before restructuring and other charges	8.6	94,514	2.5	26,594	67,920	255.4
Restructuring and other charges	0.8	8,624	3.3	35,195	(26,571)	(75.5)
Operating income (loss)	7.8	85,890	(0.8)	(8,601)	94,491	-
Other income (expenses):						
Interest and dividend income		2,729		2,910	(181)	
Interest expense		(2,025)		(2,469)	444	
Foreign exchange gains (losses), net		(10,014)		(2,648)	(7,366)	
Other, net		404		2,856	(2,452)	
	(0.8)	(8,906)	0.0	649	(9,555)	-
Income (loss) before income taxes	7.0	76,984	(0.8)	(7,952)	84,936	-
Income taxes	3.1	34,232	(0.2)	(2,387)	36,619	-
Equity in net earnings of affiliated companies	0.2	2,196	0.1	852	1,344	157.7
Net income (loss)	4.1	44,948	(0.5)	(4,713)	49,661	-
Less: Net income attributable to the noncontrolling interests	(0.5)	(4,647)	(0.0)	(696)	(3,951)	-
Net income (loss) attributable to FUJIFILM Holdings	3.6	40,301	(0.5)	(5,409)	45,710	-

Three months ended September 30<sup>th</sup>

Amount Unit: Millions of yen

	Three months ended September 30, 2010 From July 1, 2010 To September 30, 2010		Three months ended September 30, 2009 From July 1, 2009 To September 30, 2009		Change	
					Amount	%
Revenue:	%		%			
Sales		476,994		459,134	17,860	3.9
Rentals		80,908		81,927	(1,019)	(1.2)
	100.0	557,902	100.0	541,061	16,841	3.1
Cost of sales:						
Sales		291,218		293,286	(2,068)	(0.7)
Rentals		37,099		35,881	1,218	3.4
	58.8	328,317	60.8	329,167	(850)	(0.3)
Gross profit	41.2	229,585	39.2	211,894	17,691	8.3
Operating expenses:						
Selling, general and administrative	25.4	141,525	27.4	148,242	(6,717)	(4.5)
Research and development	7.9	43,999	8.3	44,616	(617)	(1.4)
	33.3	185,524	35.7	192,858	(7,334)	(3.8)
Operating income before restructuring and other charges	7.9	44,061	3.5	19,036	25,025	131.5
Restructuring and other charges	0.9	5,033	4.6	24,929	(19,896)	(79.8)
Operating income (loss)	7.0	39,028	(1.1)	(5,893)	44,921	-
Other income (expenses):						
Interest and dividend income		1,096		987	109	
Interest expense		(1,019)		(1,237)	218	
Foreign exchange gains (losses), net		(1,512)		(5,139)	3,627	
Other, net		935		2,153	(1,218)	
	(0.1)	(500)	(0.6)	(3,236)	2,736	-
Income (loss) before income taxes	6.9	38,528	(1.7)	(9,129)	47,657	-
Income taxes	2.6	14,774	(0.8)	(4,651)	19,425	-
Equity in net earnings of affiliated companies	0.1	1,039	0.1	337	702	208.3
Net income (loss)	4.4	24,793	(0.8)	(4,141)	28,934	-
Less: Net income attributable to the noncontrolling interests	(0.4)	(2,251)	(0.1)	(573)	(1,678)	-
Net income (loss) attributable to FUJIFILM Holdings	4.0	22,542	(0.9)	(4,714)	27,256	-

**(3) Consolidated Statements of Cash Flows**

Amount Unit: Millions of yen

	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010	Six months ended September 30, 2009 From April 1, 2009 To September 30, 2009	Change
<b>Operating activities</b>			
Net income (loss)	44,948	(4,713)	49,661
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	76,755	93,747	(16,992)
Equity in net earnings of affiliated companies, less dividends received	(891)	(113)	(778)
Changes in operating assets and liabilities:			
Notes and accounts receivable	7,358	30,020	(22,662)
Inventories	(34,858)	35,077	(69,935)
Notes and accounts payable - trade	(4,026)	(7,427)	3,401
Accrued income taxes and other liabilities	(6,677)	7,941	(14,618)
Other	22,905	24,899	(1,994)
Subtotal	60,566	184,144	(123,578)
Net cash provided by operating activities	105,514	179,431	(73,917)
<b>Investing activities</b>			
Purchases of property, plant and equipment	(48,474)	(42,622)	(5,852)
Purchases of software	(8,542)	(6,323)	(2,219)
Proceeds from sales and maturities of marketable and investment securities	20,561	16,710	3,851
Purchases of marketable and investment securities	(33,508)	(20,349)	(13,159)
(Increase) decrease in investments in and advances to affiliated companies	(407)	(1,306)	899
Acquisitions of businesses and noncontrolling interests, net of cash acquired	(4,087)	-	(4,087)
Other	(6,350)	(5,606)	(744)
Net cash used in investing activities	(80,807)	(59,496)	(21,311)
<b>Financing activities</b>			
Proceeds from long-term debt	28	88	(60)
Repayments of long-term debt	(13,906)	(1,092)	(12,814)
Increase (decrease) in short-term debt, net	26,281	(34,181)	60,462
Cash dividends paid	(6,108)	(6,108)	0
Subsidiaries' cash dividends paid to noncontrolling interests	(1,213)	(417)	(796)
Net purchases of stock for treasury	(8)	(13)	5
Net cash provided by (used in) financing activities	5,074	(41,723)	46,797
Effect of exchange rate changes on cash and cash equivalents	(17,533)	(8,407)	(9,126)
Net increase (decrease) in cash and cash equivalents	12,248	69,805	(57,557)
Cash and cash equivalents at beginning of period	406,177	270,094	136,083
Cash and cash equivalents at end of period	418,425	339,899	78,526

**(4) Note Relating to the Going Concern Assumption**

N/A

**(5) Segment Information****1. Six months ended September 30****(A) Operating Segment Information****a. Revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Six months ended September 30, 2009 From April 1, 2009 To September 30, 2009		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	15.0	166,075	16.2	169,392	(3,317)	(2.0)
Intersegment		358		139	219	-
Total		166,433		169,531	(3,098)	(1.8)
Information Solutions:						
External customers	41.5	458,209	41.2	430,066	28,143	6.5
Intersegment		918		805	113	-
Total		459,127		430,871	28,256	6.6
Document Solutions:						
External customers	43.5	481,061	42.6	444,026	37,035	8.3
Intersegment		3,949		3,411	538	-
Total		485,010		447,437	37,573	8.4
Eliminations		(5,225)		(4,355)	(870)	-
Consolidated total	100.0	1,105,345	100.0	1,043,484	61,861	5.9

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Six months ended September 30, 2009 From April 1, 2009 To September 30, 2009		Change	
	%		%		Amount	%
Operating Income (Loss):						
Imaging Solutions	0.2	256	(10.1)	(17,193)	17,449	-
Information Solutions	13.3	61,088	2.6	11,206	49,882	445.1
Document Solutions	7.9	38,421	2.8	12,441	25,980	208.8
Total		99,765		6,454	93,311	-
Corporate expenses and eliminations		(13,875)		(15,055)	1,180	-
Consolidated total	7.8	85,890	(0.8)	(8,601)	94,491	-

Note: During the first quarter of the fiscal year ending March 31, 2011, the method of allocating certain expense incurred in the corporate division, predominantly basic research, which was allocated to each operating segment, has been changed to charge it directly to corporate expense. As a result of this change, the prior year's disclosure has been restated in conformity with the current year's presentation. There was no impact on the operating income (loss) with this change.

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

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and materials for medical systems and life sciences, functional cosmetics, pharmaceuticals, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, inkjet materials and electronic materials
Document Solutions	Office copy machines/MFPs, printers, production systems and services, paper, consumables and office services



**(B) Geographic Information****a. Revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Six months ended September 30, 2009 From April 1, 2009 To September 30, 2009		Change	
	%		%		Amount	%
Revenue:						
Japan						
External customers	61.6	680,904	61.4	641,016	39,888	6.2
Intersegment		191,705		160,709	30,996	-
Total		872,609		801,725	70,884	8.8
The Americas						
External customers	13.9	153,830	14.7	153,273	557	0.4
Intersegment		10,873		9,946	927	-
Total		164,703		163,219	1,484	0.9
Europe						
External customers	9.3	102,990	10.5	109,904	(6,914)	(6.3)
Intersegment		5,160		7,961	(2,801)	-
Total		108,150		117,865	(9,715)	(8.2)
Asia and others						
External customers	15.2	167,621	13.4	139,291	28,330	20.3
Intersegment		133,487		112,052	21,435	-
Total		301,108		251,343	49,765	19.8
Eliminations		(341,225)		(290,668)	(50,557)	-
Consolidated total	100.0	1,105,345	100.0	1,043,484	61,861	5.9

**b. Operating income**

Amount Unit: Millions of yen

	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Six months ended September 30, 2009 From April 1, 2009 To September 30, 2009		Change	
	%		%		Amount	%
Operating Income (Loss):						
Japan	7.1	62,332	(2.3)	(18,419)	80,751	-
The Americas	2.4	3,932	(3.1)	(5,002)	8,934	-
Europe	4.4	4,740	(2.3)	(2,735)	7,475	-
Asia and others	5.6	16,914	4.2	10,495	6,419	61.2
Eliminations		(2,028)		7,060	(9,088)	-
Consolidated total	7.8	85,890	(0.8)	(8,601)	94,491	-

**(C) Overseas revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2010 From April 1, 2010 To September 30, 2010		Six months ended September 30, 2009 From April 1, 2009 To September 30, 2009		Change	
					Amount	%
Revenue:	%		%			
Domestic	46.2	510,262	48.7	507,919	2,343	0.5
Overseas						
The Americas	17.0	188,194	16.3	170,401	17,793	10.4
Europe	11.6	128,158	11.9	124,420	3,738	3.0
Asia and others	25.2	278,731	23.1	240,744	37,987	15.8
Subtotal	53.8	595,083	51.3	535,565	59,518	11.1
Consolidated total	100.0	1,105,345	100.0	1,043,484	61,861	5.9

**2. Three months ended September 30<sup>th</sup>****(A) Revenue by Operating Segments**

Amount Unit: Millions of yen

	Three months ended September 30, 2010 From July 1, 2010 To September 30, 2010		Three months ended September 30, 2009 From July 1, 2009 To September 30, 2009		Change	
					Amount	%
Revenue:	%		%			
Imaging Solutions:	14.8	82,889	16.5	89,149	(6,260)	(7.0)
Information Solutions:	41.7	232,414	41.7	225,486	6,928	3.1
Document Solutions:	43.5	242,599	41.8	226,426	16,173	7.1
Consolidated total	100.0	557,902	100.0	541,061	16,841	3.1

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

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet materials
Document Solutions	Office copy machines/MFPs, printers, production systems and services, paper, consumables and office services

**(B) Overseas Revenue**

Amount Unit: Millions of yen

	Three months ended September 30, 2010 From July 1, 2010 To September 30, 2010		Three months ended September 30, 2009 From July 1, 2009 To September 30, 2009		Change	
					Amount	%
Revenue:	%		%			
Domestic	46.8	260,938	48.7	263,526	(2,588)	(1.0)
Overseas						
The Americas	16.9	94,395	15.9	86,176	8,219	9.5
Europe	11.2	62,644	11.6	62,631	13	0.0
Asia and others	25.1	139,925	23.8	128,728	11,197	8.7
Subtotal	53.2	296,964	51.3	277,535	19,429	7.0
Consolidated total	100.0	557,902	100.0	541,061	16,841	3.1

**(6) Note on Significant Changes to Fujifilm Holdings Shareholders' Equity**

N/A