



Financial Results (Consolidated) for the Fiscal Year ended March 31, 2018

FUJIFILM Holdings Corporation

Kenji Sukeno

President and Chief Operating Officer

Date of annual shareholders' meeting: June 28, 2018

Projected date of annual securities report: June 29, 2018

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

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

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

Projected date of the beginning of cash dividends: June 29, 2018

URL: <http://www.fujifilmholdings.com/>

May 18, 2018

1. Results of the Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(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		Income before income taxes		Net income attributable to FUJIFILM Holdings	
	Yen	%	Yen	%	Yen	%	Yen	%
Year ended March 31, 2018	2,433,365	4.8	130,679	(24.1)	197,807	1.6	140,694	7.0
Year ended March 31, 2017	2,322,163	(5.6)	172,281	(4.6)	194,775	6.9	131,506	13.0

Note: Comprehensive income

Year ended March 31, 2018 ¥ 109,533 million (11.1%)

Year ended March 31, 2017 ¥ 123,244 million (— %)

	Net income attributable to FUJIFILM Holdings per share	Net income attributable to FUJIFILM Holdings per share (Assuming full dilution)	Return on FUJIFILM Holdings shareholders' equity	Ratio of income before income taxes to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
Year ended March 31, 2018	322.62	321.55	6.8	5.6	5.4
Year ended March 31, 2017	296.27	295.22	6.5	5.7	7.4

(Ref) Equity in net losses of affiliated companies

Year ended March 31, 2018 ¥ 872 million

Year ended March 31, 2017 ¥ (3,463) million

(2) FINANCIAL POSITION

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

	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
Year ended March 31, 2018	3,492,940	2,298,706	2,079,134	59.5	4,832.62
Year ended March 31, 2017	3,533,189	2,268,058	2,043,559	57.8	4,668.26

(3) CASH FLOWS

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

	Net Cash provided by Operating Activities	Net Cash used in Investing Activities	Net Cash used in Financing Activities	Cash and Cash Equivalents at the end of year
Year ended March 31, 2018	261,152	(111,786)	(258,961)	768,246
Year ended March 31, 2017	288,619	(116,439)	111,290	875,958

2. Cash Dividends

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

	Cash dividends per share					Total cash dividends	Consolidated pay out ratio	Ratio of cash dividends to shareholders' equity
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Year Total			
	Yen	Yen	Yen	Yen	Yen		%	%
Year ended March 31, 2017	-	35.00	-	35.00	70.00	30,845	23.6	1.5
Year ended March 31, 2018	-	37.50	-	37.50	75.00	32,526	23.2	1.6
Year ending March 31, 2019 (Forecast)	-	40.00	-	40.00	80.00		26.5	

3. Forecast for the Fiscal Year ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

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		Income before income taxes		Net income attributable to FUJIFILM Holdings		Net income attributable to FUJIFILM Holdings per share
	Yen	%	Yen	%	Yen	%	Yen	%	Yen
For the Year ending March 31, 2019	2,510,000	3.1	200,000	53.0	205,000	3.6	130,000	(7.6)	302.16

Note: Net income attributable to FUJIFILM Holdings per share is calculated using the number of shares issued as of March 31, 2018 excluding treasury shares for the average number of shares for the relevant period.

Notes

(1) Changes in status of material subsidiaries during the period

(Company newly consolidated or removed from consolidation): None

(2) Changes in accounting principles

1. Changes in accounting policies accompanying amendment of accounting standards: Yes
2. Other changes in accounting policies: None

(3) Number of shares outstanding

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

As of March 31, 2018	514,625,728	As of March 31, 2017	514,625,728
As of March 31, 2018	84,396,402	As of March 31, 2017	76,869,546
Year ended March 31, 2018	436,097,994	Year ended March 31, 2017	443,873,684

(Reference) Summary of Financial Results (Non-Consolidated)

Results of the Fiscal Year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(1) OPERATING RESULTS

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

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

	Revenue		Operating income		Ordinary income		Net income	
		%		%		%		%
Year ended March 31, 2018	46,321	56.2	41,300	61.1	69,535	77.9	62,308	83.1
Year ended March 31, 2017	29,646	(45.7)	25,633	(49.6)	39,080	(25.9)	34,023	(34.8)

	Net income per share of common stock	Net income per share of common stock (Assuming full dilution)
	Yen	Yen
Year ended March 31, 2018	142.88	142.43
Year ended March 31, 2017	76.65	76.37

(2) FINANCIAL POSITION

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

	Total assets	Net assets	Net asset ratio to total assets	Net assets per share of common stock
			%	Yen
Year ended March 31, 2018	1,861,275	1,372,846	73.5	3,181.40
Year ended March 31, 2017	1,968,036	1,380,484	69.9	3,142.76

(Ref) Shareholders' equity

Year ended March 31, 2018 ¥ 1,368,731 million

Year ended March 31, 2017 ¥ 1,375,764 million

Disclosure regarding the status of the year-end audit process

These Financial Results (Consolidated) for the Fiscal Year ended March 31, 2018 are out of scope for the year-end audit procedure by certified public accountants or auditors.

Explanation of Appropriate Use of Forecast and Other Special Items

Statements regarding future events including forecasts of operating results are based on limited available information and reasonable assumptions as of today. The Company does not have the intention of guaranteeing the realization of future performance. 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 6, Outlook for the Fiscal Year ending March 31, 2019 of the section (1) Analysis of Results of Operations in 1. ANALYSIS OF OPERATING RESULTS AND CONSOLIDATED FINANCIAL POSITION.

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1. ANALYSIS OF OPERATING RESULTS AND CONSOLIDATED FINANCIAL POSITION

(1) Analysis of Results of Operations

Amount Unit: Billions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018		Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Change	
					Amount	%
Domestic revenue	41.4%	1,006.5	41.5%	962.7	43.8	4.5
Overseas revenue	58.6%	1,426.9	58.5%	1,359.5	67.4	5.0
Revenue	100.0%	2,433.4	100.0%	2,322.2	111.2	4.8
Operating income	5.4%	130.7	7.4%	172.3	(41.6)	(24.1)
Income before income taxes	8.1%	197.8	8.4%	194.8	3.0	1.6
Net income attributable to FUJIFILM Holdings	5.8%	140.7	5.7%	131.5	9.2	7.0
Exchange rates (Yen / US\$)		¥111		¥108		¥3
Exchange rates (Yen / Euro)		¥130		¥119		¥11

Overviewing the global economy during the fiscal year ended March 31, 2018 (April 1, 2017 through March 31, 2018), the general trend of gradual economic recovery persisted. In the U.S., the trend of economic recovery persisted steadily through increase in personal consumption and capital investments. In Europe, the trend of gradual economic recovery maintained due to the increase in consumption and capital investments. China and other Asian regions showed gradual economic recovery. In Japan, the general trend of gradual economic recovery persisted due to the improvement in the employment and income environment.

The Fujifilm Group (the Group) had already expanded and improved its business portfolio by efficiently harnessing profits generated by the solid management base established through a series of structural reforms. In August 2017, FUJIFILM Holdings Corporation (the Company) has drawn up a new medium-term management plan, VISION2019 (covering three year periods from the fiscal year ending March 2018 to the fiscal year ending March 2020) for further enhancement of the business portfolio by reinforcing each of the business segments to achieve sustainable growth. Under the plan, "Imaging," "Healthcare & Material*" and "Document" solution businesses are placed to one of three business stages: "improving the profitability," "further accelerating the growth" and "investments to build for the future". After clarifying the respective stage of its business, these businesses will work on their respective goals: improving the profitability to generate stable cash-flow, accelerating the growth of main business areas to expand revenues and profits, and developing the cornerstones of its future profit generating business operations. Solidifying and expanding the operations of each business and achieving a more robust business portfolio will lead the Company into strategic leaps forward. The Company will also pursue further growth by enhancing its overseas sales foundation, established through existing business operations, while accelerating overseas deployment of healthcare products and new highly functional products.

*From Financial Results for the fiscal year ended March 31, 2018, the Group has changed segment name from "Information Solutions" to "Healthcare & Material Solutions". This change has no effect on the segment information itself.

In the fiscal year ended March 31, 2018, the Group recorded ¥2,433.4 billion in consolidated revenue (up 4.8% from the previous fiscal year), reflecting such factors as sales increase of businesses including electronic imaging field of the optical device and electronic imaging business, medical system business and electronic materials business.

Operating income was ¥130.7 billion (down 24.1% from the previous fiscal year) due to one-time expenses of structural reforms in the Document Solutions. In addition, consolidated income before income taxes amounted to ¥197.8 billion (up 1.6% from the previous fiscal year) and consolidated net income attributable to FUJIFILM Holdings totaled ¥140.7 billion (up 7.0% from the previous fiscal year) due to the gains on sales of securities and the profit gained from the stock valuation by making Wako Pure Chemical Industries, Ltd., a consolidated subsidiary. The effective currency exchange rates for the U.S. dollar and the euro against the yen during this fiscal year were ¥111 and ¥130, respectively.

Revenue by Operating Segment

Amount Unit: Billions of yen

Segment	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Change	
			Amount	%
Imaging Solutions	383.0	341.8	41.2	12.1
Healthcare & Material Solutions	1,002.6	899.5	103.1	11.5
Document Solutions	1,047.8	1,080.9	(33.1)	(3.1)
Consolidated Total	2,433.4	2,322.2	111.2	4.8

Operating Income by Operating Segment

Amount Unit: Billions of yen

Segment	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Change	
			Amount	%
Imaging Solutions	56.0	36.8	19.2	52.0
Healthcare & Material Solutions	92.8	83.0	9.8	11.8
Document Solutions	14.0	82.7	(68.7)	(83.1)
Corporate Expenses and Eliminations	(32.1)	(30.2)	(1.9)	-
Consolidated Total	130.7	172.3	(41.6)	(24.1)

Imaging Solutions

In the Imaging Solutions segment, consolidated revenue amounted to ¥383.0 billion (up 12.1% from the previous fiscal year), due to the significant sales increase in the electronic imaging field of the optical device and electronic imaging business.

Consolidated operating income amounted to ¥56.0 billion (up 52.0% from the previous fiscal year), due to the improvement of profitability in each business.

In the photo imaging business, overall sales increased due to favorable sales, especially in instant photo systems which enable users to enjoy on-the-spot printing of photos, such as the instax series and instax films. Strong sales were seen in *instax SQUARE SQ10*, the hybrid instant camera and *instax SQUARE Film*, square format film, launched in May 2017 and *instax SHARE SP-3*, smartphone printer which adopted the square format, launched in November 2017. In December 2017, a smartphone app *Super Easy Print Applications* was released, which provides an easy way of ordering prints for images stored in smartphone, thereby boosting fresh photo-printing demand. In the high-value-added printing businesses, sales expanded thanks to continued business growth from various services, including *Wall Decor* services that enable users to enjoy decorating their rooms by displaying photos in a panel and a framed canvas, the *Year Album* service that uses AI-based proprietary technology to automatically arrange the layout of photos, and the *PhotoZINE*, which enables immediate production of photobook in stores.

In the electronic imaging field of the optical device and electronic imaging business, overall sales increased due to strong sales of *X Series* such as *FUJIFILM X-H1*, which has a newly-developed robust and durable body with superior image quality and easy operation, launched in March 2018, and *FUJIFILM X-A5*, which has a small and light body with newly-developed sensor and color reproduction technology, launched in February 2018, the *FUJIFILM GFX 50S*, a medium format mirrorless digital camera, adopting a big sensor (43.8mm by 32.9mm), and interchangeable lenses.

In the optical device field, overall sales increased, reflecting the strong sales of various industrial use lenses such as lenses for vehicle camera and projector, and *MK lenses* launched as a new series of cinema camera lenses designed for recording video such as online video, whose market is expanding. Fujifilm released 24x zoom lense *UA24×7.8BE* in January 2018, which is comprised of both small, lightweight body and 4K high-definition. With this introduction, Fujifilm has 8 4K broadcast camera lense products and is seeking to lead the field.

Healthcare & Material Solutions

In the Healthcare & Material Solutions segment, consolidated revenue amounted to ¥1,002.6 billion (up 11.5% from the previous fiscal year) due to the strong sale in the medical systems business, electronic materials business and others.

Operating income amounted to ¥92.8 billion (up 11.8% from the previous fiscal year), due to the improvement of profitability in each business.

In the medical systems business, sales increased due to strong sales in all business fields such as X-ray imaging diagnostic, medical IT, endoscope, ultrasound diagnostic and In-vitro Diagnostics fields (IVD). In the X-ray imaging diagnostic field, sales of *FUJIFILM DR CALNEO AQRO*, an ultra-light weight mobile digital X-ray system with its weight cut down by 1/5 compared to the previous model, were strong. *FUJIFILM DR CALNEO Go PLUS version*, prop move typed mobile digital X-ray car, which has prominent forward visibility, has been well evaluated in medical treatment sites. In the medical IT field, sales of systems, particularly *SYNAPSE*, the Picture Archiving Communication Systems (PACS), were strong. In the endoscope field, strong sales of *LASEREO*, the endoscope systems paired with laser light, were seen in domestic and overseas market. In the ultrasound diagnostic fields, sales of products which meet needs for operability and robustness in clinical fields, such as the *SonoSite X-Porte*, a premium model, the portable *SonoSite Edge II*, the full-flat typed *SonoSite S II*, increased particularly in Japan, the U.S., Europe and Middle East region. In the field of IVD, sales of *FUJI DRI-CHEM Series*, the densitometry analysis system, were strong in Europe and Asia. Sales significantly increased due to addition of clinical diagnostic reagents business in Wako Pure Chemical Industries, Ltd. (FUJIFILM Wako Pure Chemical Corporation), which became a consolidated subsidiary in April 2017. In February 2018, Fujifilm introduced the *FUJI DRI-CHEM IMMUNO AG2*, an infectious disease testing system that automatically detects the presence of viruses and bacteria that cause infectious diseases such as influenza and mycoplasma pneumonia.

In the pharmaceutical business, overall sales decreased, mainly due to the influence of generic drugs in the small-molecular drugs. In the field of R&D, Fujifilm is promoting the development of pipelines, for example, Fujifilm started Phase I clinical trial of its anti-cancer drug *FF-10101* in the U.S. pertain to patients with relapsed or refractory acute myeloid leukemia in August 2017. Fujifilm also started clinical trials in the U.S. in May 2018 for its anti-cancer drug *FF-10832* which is a liposome-based anti-cancer drug *gemcitabine*, for advanced solid tumors. Also in February 2018, Fujifilm announced the investment of approximately 4 billion yen in the Toyama Chemical Co., Ltd., to build a new plant at its pharmaceutical manufacturing site. The new plant will use proprietary technologies to manufacture liposome drugs such as its anti-cancer drug, *FF-10832*, for use in the clinical studies and commercial marketing.

In the bio CDMO business, the sales in business for contract development and manufacturing biopharmaceuticals progressed steadily. In order to respond rapidly to demands from customers for increased production and other future expansions in demand, production sites in Texas, the U.S. started its operations in January 2018. Furthermore, Fujifilm decided to accelerate the schedule to bolster its capacity to produce biopharmaceuticals at its production sites in the U.S. and to expand its facility in the UK for the development of production processes. At the same time as bolstering its production capacity, Fujifilm will, through the development of highly efficient, highly productive technology, further expand its businesses for performing biopharmaceutical process development and contract manufacturing business.

In the regenerative medicine business, *JACE*, which is the autologous cultured epidermis produced by Japan Tissue Engineering Co., Ltd. (J-TEC) contributed to sales revenue by increase in sales orders, which was partly due to the receipt of a new indication from December 2016 onwards, for the treatment of giant congenital melanocyte nevus. Furthermore, Fujifilm incorporated the Wako Pure Chemical Industries, Ltd. (FUJIFILM Wako Pure Chemical Corporation), which has strong technological capabilities in the field of culture media / cytokines, which is critical for regenerative medicine, as a consolidated subsidiary. Fujifilm will accelerate the expansion of the regenerative medicine business through group synergies with Cellular Dynamics, Inc. (FCDI) of U.S., a world-leader in the development and manufacture of iPS cells, J-TEC, and Fujifilm, which holds an advantage in the field of scaffolds (recombinant peptide). In March 2018, Fujifilm announced the acquisition of Irvine Scientific Sales Company, Inc. and IS JAPAN CO., LTD., leading companies in cell culture media. In addition to achieve further growth in the cell culture media business, maximum synergy will be generated through continued expansion of contract development and manufacturing business for biopharmaceuticals, and acceleration of R&D in the area of regenerative medicine.

In the life sciences business, sales revenue increased due to strong sales of skin whitening products such as *ASTALIFT WHITE Bright Lotion*, which was marketed in March 2017, as well as other products such as *MetabARRIER S*, which is certified as Foods with Function Claims, with two functions of reducing sugar absorption and improving intestinal health. Robust sales were also recorded for the products launched in March 2018, *ASTALIFT WHITE cream* and *ASTALIFT BB cream*, which is a new line-up of base makeup series.

Regarding the display materials business, overall sales remained unchanged reflecting such impact as production adjustment of existing TAC products, though sales of new business fields related to touch-panels, OLED and others were strong.

In the industrial products business, though sales decreased due to the transfer of paper business and printer system business of Fujifilm's group company and other factors, the sales of *EXCLEAR*, touch-panel sensor films, were strong and favorable sales of industrial-use X-ray films and *Prescale*, pressure measurement film, were seen.

Overall sales in the electronic materials business largely increased, reflecting strong sales of such advanced products as photo resists, peripheral materials related to photolithography, CMP slurries, Image Sensor Color Mosaic and others.

In the fine chemical business, sales increased for highly functional chemicals such as polymerization initiator which is one of raw materials for high water absorption resin, used in daily necessities such as paper diaper. For further reinforce business foundation, Fujifilm combined Wako Pure Chemical Industries, Ltd. and FUJIFILM Finechemicals Co., Ltd. on April 1, 2018. The new company name is FUJIFILM Wako Pure Chemical Corporation and it will integrate all corporate functions such as R&D, production, quality assurance and sales to strengthen the structure for even greater business expansion.

In the recording media business, sales decreased due to the inventory adjustment of magnetic tape for data storage and other factors. Fujifilm is expanding the sales of magnetic tape for data storage, which used barium ferrite (BaFe) particles and also encouraging the spread of its data archive service, *dternity*, and others to certainly meet customer's need in this big data era.

In the graphic systems business, overall sales decreased mainly due to the decline in total demands of graphic arts film, CTP plates and others. In October 2017, Fujifilm reached a partnership agreement with Xerox Corporation for marketing the *Jet Press720S*, inkjet digital press in North America. In addition, Fujifilm's and Fuji Xerox's domestic sales functions for inkjet digital presses were integrated into FUJIFILM Digital Press Co. Ltd. In the increasingly digitizing printing market, Fujifilm continues to provide optimum products and solutions while expanding the sales of the *Jet Press* series.

In the inkjet business, favorable sales were seen in inks and industrial inkjet printheads. Fujifilm plans to expand its sales not only in the existing commercial printing field, sign display field, and ceramics field, but also in new areas where future growth is expected and digitalization is progressing, such as industrial applications of printing for textile and others.

Document Solutions

In the Document Solutions segment, consolidated revenue amounted to ¥1,047.8 billion (down 3.1% from the previous fiscal year) due to shrink of some low-profitability parts of low-end office printer business, and sales decrease in Oceania region.

Operating income amounted to ¥14.0 billion (down 83.1% from the previous fiscal year) due to one-time costs (¥70.0 billion) such as structural reforms and other factors.

Regarding the office products business of office products and printers business, overall sales volume increased slightly from the previous fiscal year, due to the strong sales in China and increased export shipments of new products to the U.S. and Europe, though sales decreased in Japan and Oceania region. In the office printer business, sales volume decreased due to reduction of business of low-end printers.

In the production services business, though the overall number of sales unit fell, strong sales were seen for a high-speed and high-quality production color printer named *Iridesse™ Production Press*, launched in November 2017. In February 2018, Fuji Xerox updated the entire lineup of high-speed monochrome production printers to expand sales through supporting a wide range of business operations from the office market and graphic arts market to enterprise systems printing.

In the solutions and services business, Fuji Xerox performed well in the sales of business-specific solutions, such as design drawings management solution, and achieved steady sales for existing BPO (Business Process Outsourcing) contracts, to boost overall sales year-on-year. In the future, Fuji Xerox will expand business with the use of AI (artificial intelligence), IoT (Internet of Things) and IoH (Internet of Humans) technologies to provide innovative solutions and services, facilitating transformation into creative workstyles and assisting companies to reinforce their corporate competitiveness.

Expenses pertaining to the matters described below in respect of group companies including Asia-based sales subsidiaries of Fuji Xerox have been posted as structural reform expenses and other such one-time expenses.

In light of the accounting issues at Fuji Xerox New Zealand Limited and Fuji Xerox Australia Pty. Limited announced in the previous fiscal year, the Company has been implementing measures to strengthen governance at its group companies throughout the world under the direction of the Governance Strengthening Committee chaired by the President of the Company. In particular, in the accounting area, the measures implemented by the Company include merging the accounting divisions of FUJIFILM Corporation and Fuji Xerox, thoroughly ensuring improvement of processes such as for revenue recognition and accounts receivable management, tightening of leasing transaction standards, and accounting compliance education for the CEOs and CFOs of all group companies. Further, the Company is conducting thorough checks on the current status of accounting at each company and is thoroughly ensuring that each group company is implementing measures such as the tightening of accounting treatment regarding allowance for doubtful accounts in respect of trade receivables. As a result, the Company has also made corrections of accounting treatment (including that from past fiscal years) that became apparent through the implementation of the foregoing measures including the posting of expenses due to tightening of accounting treatment regarding allowance for doubtful accounts in the fiscal year ended March 2018 and due to revision of business strategy.

As the Company has determined that the above corrections will not have a material impact on its consolidated financial results, the cumulative amount of impact up to the fiscal year ended March 2017 is treated collectively as losses in the fiscal year ended March 2018. The impact of the corrections on net income attributable to the Company amounted to 10.1 billion yen.

Outlook for the Fiscal Year ending March 31, 2019

Amount Unit: Billions of yen

	Year ending March 31, 2019 (Forecast)	Year ended March 31, 2018 (Actual)	Change (%)
Revenue	2,510.0	2,433.4	3.1
Operating income	200.0	130.7	53.0
Income before income taxes	205.0	197.8	3.6
Net income attributable to FUJIFILM Holdings	130.0	140.7	(7.6)
Exchange rates (Yen / US \$)	¥ 110	¥ 111	¥ (1)
(Yen / Euro)	¥ 130	¥ 130	¥ 0

Regarding consolidated performance in the fiscal year ending March 31, 2019, through accelerating growth of healthcare and highly functional materials business fields, which are core business fields of the Group, fundamental reinforcement of document business, and improvement of profitability in each business, the Company projects ¥2,510.0 billion in revenue (up 3.1% from the previous fiscal year), operating income of ¥200.0 billion (up 53.0% from the previous fiscal year), income before income taxes of ¥205.0 billion (up 3.6% from the previous fiscal year), and net income attributable to FUJIFILM Holdings of ¥130.0 billion (down 7.6% from the previous fiscal year). In the Document Solutions segment, ¥25.0 billion as one-time costs for structural reforms and other factors, and ¥27.0 billion as effects from structural reforms, are expected.

The projected currency exchange rates for the U.S. dollar and the euro against the yen during the fiscal year ending March 31, 2019 are ¥110 and ¥130, respectively.

(2) Analysis of Consolidated Financial Position

(Assets, Liabilities, Shareholders' Equity, and Cash Flows)

At the end of the fiscal year ended March 31, 2018, total assets decreased by ¥40.2 billion, compared with the end of the previous fiscal year, to ¥3,492.9 billion, owing to decrease in cash and cash equivalents and other factors. Total liabilities decreased by ¥70.9 billion, compared with the end of the previous fiscal year, to

¥1,194.2 billion. FUJIFILM Holdings shareholders' equity increased by ¥35.6 billion, compared with the end of the previous fiscal year, to ¥2,079.1 billion. As a result, the current ratio decreased by 19.1 percentage points, to 280.1%, the debt-equity ratio decreased by 4.5 percentage points, to 57.4%, and the equity ratio increased by 1.7 percentage points, to 59.5%, compared with the end of the previous fiscal year. The Company is maintaining a stable level of asset liquidity and a sound capital structure.

During the fiscal year ended March 31, 2018, net cash provided by operating activities totaled ¥261.2 billion, due to depreciation, amortization and decrease in notes and accounts receivable and other factors. Net cash used in investing activities amounted to ¥111.8 billion, due to acquisition of businesses and others. Thus, free cash flows—or the sum of cash flows from operating and investing activities—decreased by ¥22.8 billion, compared with the previous fiscal year, to ¥149.4 billion. Net cash used in financing activities amounted to ¥259.0 billion, due to repayment of long-term debt, Net purchases of stock for treasury and other factors.

As a result, cash and cash equivalents at the end of the quarter under review amounted to ¥768.2 billion, down ¥107.7 billion from the end of the previous fiscal year.

Cash Flow Related Indices (Consolidated)

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017
Ratio of shareholders' equity to total assets (%)	59.5	57.8
Ratio of market capitalization to total assets (%)	52.3	53.9
Ratio of interest-bearing debt to operating cash flow (years)	1.7	1.9
Interest coverage ratio (times)	57.1	60.2

Notes:

1. Market capitalization equals the stock price at the end of the year multiplied by the number of shares outstanding at the end of the fiscal year, excluding treasury stock.
2. Interest-bearing debt includes corporate debt securities and short- and long-term debt.
3. Interest coverage ratio: Operating cash flow divided by interest paid

(3) Basic Policy Regarding Distribution of Profits and Dividends Applicable to the Fiscal Year under Review and Subsequent Fiscal Year

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 undertaken considering the situation of cash flows and stock prices. The Company has the policy of shareholder returns that puts emphasis on cash dividends, setting the dividend payout ratio of 25% or more.

The Company plans to disburse year-end cash dividends of ¥37.50 per share. As interim cash dividends of ¥37.50 per share have already been disbursed, cash dividends applicable to the fiscal year under review are expected to total ¥75.00 per share.

Regarding the fiscal year ending March 31, 2019, the Company anticipates that interim dividends, year-end dividends and total dividends applicable to the year will be ¥40.00, ¥40.00, and ¥80.00 per share, respectively.

2. CORPORATE STRUCTURE OF FUJIFILM GROUP

Since there have not been any significant changes in business and group structures disclosed in the latest Annual Security Report filed on July 31, 2017, we omit the relevant disclosure.

3. MANAGEMENT POLICIES

After the year 2000, when the demand for photographic films started to decline sharply and rapidly, the Group proceeded with a conversion of its business structure with speed and confidence. As a result, the Group has built a strong management base to generate stable profit and cash to enter into a new growth phase. In August 2017, the new CSR program for the fiscal year ending March 31, 2031, called "Sustainable Value Plan 2030 (hereafter "SVP2030")," was drawn up, aiming to resolve social issues through our business activities, such as delivery of innovative technologies, goods and services, to establish the Group as a contributor in building sustainable society. The medium-term management plan "VISION2019" was also compiled as a specific action plan for

achieving the vision set out in the SVP2030. The Group set each of businesses as the stages of “improving profitability,” “accelerating growth” and “investing for the future.” By further strengthening profitability in each business by appropriate developing plans adjusted each situation, the Group is consolidating its business portfolio to achieve a strategic leap forward. Uncertainties and unclear outlook are set to continue in the fiscal year ending March 31, 2019, amidst trade friction between the U.S. and China, Brexit and immigration issues in Europe, trends surrounding China and other emerging economies, and geopolitical risks in North Korea and Syria. The Group strives to further boost profitability of its business operations to generate stable cash-flow, with particular emphasis on “accelerating growth of healthcare and highly functional materials business fields” and “fundamental reinforcement of document business,” thereby consolidating our business portfolio and improving corporate values.

[Accelerating business growth in healthcare and highly functional materials business fields]

In the healthcare business field, the medical systems business and bio CDMO business will drive sales growth to ensure increase in income and profit. The pharmaceutical business and regenerative medicine business will be fostered by accelerating R&D while controlling profits and losses.

The medical systems business takes advantage of its broad product lineup based on image processing technology, ranging from X-ray diagnostic imaging devices, medical IT systems, endoscopes, ultrasound and IVD, to revamp the delivery of comprehensive solutions built around its highly competitive medical IT. In other countries, including fast-growing emerging economies, Fujifilm will provide goods and services that suit local needs to expand business. The medical ICT business is also to be promoted, making maximum use of medical imaging data and other information.

In the biopharmaceutical process development and contract manufacturing business, which is expected to see strong market growth, Fujifilm set up a new manufacturing facility at the site in Texas, the U.S. in January 2018, commencing the operation of two culture tanks. Production capacity is further expanded through capital investment and technological development to attain scale merit in boosting profitability and accelerating business growth.

In the pharmaceutical business, Fujifilm promotes efficient R&D for drug candidates such as the anti-cancer drug *FF-10501* and Alzheimer’s Disease drug *T-817MA* to target areas of strong unmet medical needs. In the category of drug delivery systems that enables delivering drugs to required locations at pinpoint accuracy, Fujifilm is accelerating its efforts to achieve commercial application of formulation technology based on proprietary technologies such as microneedles and liposomes. A new plant for producing liposome drugs is scheduled to start operating in February 2020 at Toyama Chemical’s pharmaceutical manufacturing site.

In the regenerative medicine business, Fujifilm announced the acquisition of Irvine Scientific Sales Company, Inc. and IS JAPAN Co., Ltd., leading companies in cell culture media, in March 2018. The move is designed to further consolidate the Group’s capability to integrally develop “cells,” “culture media” and “scaffolds,” three key elements of regenerative medicine, through collaboration among FCDI, which is the industry leader in development and manufacturing of iPS cells, J-TEC, which supplies autologous cartilage / skin, FUJIFILM Wako Pure Chemical Corporation, which has advanced technology in culture media and cytokines, and Fujifilm, which has strong expertise in scaffolds. While accelerating R&D in regenerative medicine and expanding the contract development and manufacturing business for biopharmaceuticals to maximize synergy, Fujifilm is reinforcing collaboration with the public and academic sectors to contribute to the commercialization of regenerative medicine.

In each of the businesses in the highly functional materials business field, Fujifilm strives to maintain the current competitive edge and tap into its distinctive technological capability to achieve timely introduction of highly profitable products that meet market needs, thereby boosting both sales and income.

The electronic materials business will be expanded by boosting the sales of existing products, such as advanced peripheral materials related to photolithography, and increasing the product lineup with the introduction of new peripheral materials.

In the display materials business, Fujifilm is determined to maintain its market position for existing products, while tapping into thin-film and multilayer-coating technologies to expand the sales of new materials for OLED and touch-panels.

In the industrial product business, Fujifilm will expand the sales of high-function products, based on proprietary technologies, for innovative applications, such as the touch-panel sensor film, *EXCLEAR*, and the micro filters with an advanced level of microporous structure and filtering performance. The business is also boosted through entry into the inspection service market for tunnels, bridges and other social infrastructures, using its diagnostic imaging technology.

In the fine chemicals business, Wako Pure Chemical Industries and FUJIFILM Fine Chemicals were amalgamated into FUJIFILM Wako Pure Chemical Corporation in April 2018, establishing a structure for actualizing greater synergy. Competitive chemicals and reagents will be developed with the integration of the

two companies' technologies and the use of chemical libraries for business expansion.

[Fundamental reinforcement of document business]

While maintaining the leading position we achieved in Japan as well as Asian and Oceania regions, Fuji Xerox will enhance the value that solution services provide and accelerate business expansion in China and other growing markets. At the same time, by carrying through the structural reforms announced in January 2018, Fuji Xerox will improve earnings and productivity and transform into a lean company, thereby rendering the future development of our document business solid and secure.

In the office products and printers business, Fuji Xerox will contribute to solving customers' management issues by proposing new value under the Smart Work Innovation initiative. In addition to distributing cloud-connected multifunction devices, Fuji Xerox will tap into the unique technologies, including artificial intelligence (AI) or natural language processing, to offer solutions for increasingly complicated and diversified management issues that customers confront. Moreover, Fuji Xerox will ensure high profitability through such efforts as revising our revenue model changing the product mix from low-end models into high-end ones, and developing products that cater to market needs and are cost-competitive.

In the production services business, Fuji Xerox will leverage our robust customer base and add value for users by turning the entire printing workflow into a service while also enhancing printing applications. Fuji Xerox also operate globally in the area of inkjet printing, making full use of Fujifilm, Fuji Xerox, and Xerox Corporation's networks to achieve growth in the production service business.

Fuji Xerox will aim to further develop our solution and services business by making high value-added based on customers' industry or operation. Fuji Xerox will also encourage growth in the business by actively making investments to harness technologies such as the IoT (Internet of Things), AI and massive amounts of big data in offices to create new value that would allow for reforming productivity and workstyles.

The Company established the Committee for Strengthening Governance, chaired by the President of the Company and made up of the Company's executive officers in charge of each of corporate planning, accounting, legal, CSR, auditing, IR, and document solutions in August, 2017. The Company initiated five issue-based projects as strengthening management of group companies, strengthening accounting, strengthening auditing, strengthening compliance, and strengthening IT governance, under the Committee. This led to the establishment of the Subsidiaries Administration Division to supervise the status of group management, introduction of regulations stipulating advance reporting of matters resolved and reported at major subsidiaries' Board of Directors meetings, clear separation of the business performance management function and financial accounting function, and the development of an IT environment capable of monitoring subsidiaries' management status. Furthermore, since November 2017, the Committee has been promoting the internal whistleblowing system to allow the Group's all directors and employees to directly file a report with the Company's compliance management department so as to further enhance the system's effectiveness. Other multi-faceted measures to further enhance corporate governance include updating the Corporate Governance Guidelines in February 2018, thereby reinforcing compliance and risk management.

The Group adopted the basic policy for fiscal year ending March 31, 2019, as "Sharpen Our Creativity and Decisiveness, and Think and Act Boldly, Fairly, Swiftly and Innovatively". In the mind of being "Openness, Fairness and Clarity", the Company is committed to accelerating profitability-boosting initiatives across all business areas by staying one step ahead of social trends such as the digital world brought about by the full-scale introduction of IoT, AI, digital marketing and digital manufacturing, acting innovatively and overcoming challenges decisively and speedily.

4. BASIC RATIONALE FOR SELECTION OF ACCOUNTING STANDARDS

Due to the agreement related to the Eurodollar convertible bond issuance in 1970, the Group has prepared and disclosed its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

As preparation for applying IFRS in the future, the Company is considering to adapt IFRS through addressing internal and external factors that affect both within and outside of Japan.

5. CONSOLIDATED FINANCIAL STATEMENTS

FUJIFILM Holdings Corporation(4901)

(1) Consolidated Balance Sheets

Amount Unit: Millions of yen

	As of March 31, 2018	As of March 31, 2017	Change
ASSETS			
Current assets:			
Cash and cash equivalents	768,246	875,958	(107,712)
Marketable securities	35	6,044	(6,009)
Notes and accounts receivable:			
Trade and finance	634,851	640,279	(5,428)
Affiliated companies	15,010	19,708	(4,698)
Allowance for doubtful receivables	(30,811)	(24,207)	(6,604)
	619,050	635,780	(16,730)
Inventories	361,321	339,242	22,079
Deferred income taxes	-	61,423	(61,423)
Prepaid expenses and Other	112,150	116,353	(4,203)
Total current assets	1,860,802	2,034,800	(173,998)
Investments and long-term receivables:			
Investments in and advances to affiliated companies	33,269	28,962	4,307
Investment securities	87,180	134,032	(46,852)
Long-term finance and other receivables	122,219	139,124	(16,905)
Allowance for doubtful receivables	(3,512)	(2,579)	(933)
Total investments and long-term receivables	239,156	299,539	(60,383)
Property, plant and equipment:			
Land	99,108	90,772	8,336
Buildings	720,853	697,327	23,526
Machinery and equipment	1,644,568	1,619,959	24,609
Construction in progress	28,863	31,259	(2,396)
	2,493,392	2,439,317	54,075
Less accumulated depreciation	(1,955,847)	(1,918,703)	(37,144)
Total property, plant and equipment	537,545	520,614	16,931
Other assets:			
Goodwill, net	591,568	499,833	91,735
Other intangible assets, net	127,137	76,448	50,689
Deferred income taxes	48,647	12,005	36,642
Other	88,085	89,950	(1,865)
Total other assets	855,437	678,236	177,201
Total assets	3,492,940	3,533,189	(40,249)

	As of March 31, 2018	As of March 31, 2017	Change
LIABILITIES			
Current liabilities:			
Short-term debt	41,676	123,999	(82,323)
Notes and accounts payable:			
Trade	224,012	234,217	(10,205)
Construction	21,169	19,913	1,256
Affiliated companies	3,367	3,733	(366)
	248,548	257,863	(9,315)
Accrued income taxes	28,226	32,005	(3,779)
Accrued liabilities	219,723	179,055	40,668
Other current liabilities	126,044	87,256	38,788
Total current liabilities	664,217	680,178	(15,961)
Long-term liabilities:			
Long-term debt	412,502	434,843	(22,341)
Accrued pension and severance costs	45,193	39,444	5,749
Deferred income taxes	17,298	50,736	(33,438)
Other long-term liabilities	55,024	59,930	(4,906)
Total long-term liabilities	530,017	584,953	(54,936)
Total liabilities	1,194,234	1,265,131	(70,897)
EQUITY			
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	79,153	81,761	(2,608)
Retained earnings	2,383,793	2,275,626	108,167
Accumulated other comprehensive income (loss)	(87,783)	(54,720)	(33,063)
Treasury stock, at cost			
As of March 31, 2017: 76,869,546 shares			
As of March 31, 2018: 84,396,402 shares	(336,392)	(299,471)	(36,921)
Total FUJIFILM Holdings shareholders' equity	2,079,134	2,043,559	35,575
Noncontrolling interests	219,572	224,499	(4,927)
Total equity	2,298,706	2,268,058	30,648
Total liabilities and equity	3,492,940	3,533,189	(40,249)

Note: Details of accumulated other comprehensive income (loss)

	As of March 31, 2018	As of March 31, 2017	Change
Unrealized gains (losses) on securities	18,976	42,693	(23,717)
Foreign currency translation adjustments	(3,786)	4,057	(7,843)
Pension liability adjustments	(102,524)	(100,486)	(2,038)
Unrealized gains (losses) on derivatives	(449)	(984)	535

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

Year ended March 31

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018		Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Change	
					Amount	%
Revenue:						
Sales		2,103,200		1,992,022	111,178	5.6
Rentals		330,165		330,141	24	0.0
	100.0	2,433,365	100.0	2,322,163	111,202	4.8
Cost of sales:						
Sales		1,319,866		1,249,237	70,629	5.7
Rentals		143,488		142,282	1,206	0.8
	60.1	1,463,354	59.9	1,391,519	71,835	5.2
Gross profit	39.9	970,011	40.1	930,644	39,367	4.2
Operating expenses:						
Selling, general and administrative	27.7	673,001	25.8	598,131	74,870	12.5
Research and development	6.8	166,331	6.9	160,232	6,099	3.8
	34.5	839,332	32.7	758,363	80,969	10.7
Operating income	5.4	130,679	7.4	172,281	(41,602)	(24.1)
Other income (expenses):						
Interest and dividend income		6,262		5,404	858	
Interest expense		(4,570)		(4,795)	225	
Foreign exchange gains (losses), net		(6,936)		(1,280)	(5,656)	
Gains (losses) on sales of investment securities, net		51,222		22,513	28,709	
Other, net		21,150		652	20,498	
	2.7	67,128	1.0	22,494	44,634	198.4
Income before income taxes	8.1	197,807	8.4	194,775	3,032	1.6
Income taxes						
Current		65,565		47,056	18,509	
Deferred		(11,130)		(2,934)	(8,196)	
	2.2	54,435	2.0	44,122	10,313	23.4
Equity in net earnings (losses) of affiliated companies	0.0	872	(0.1)	(3,463)	4,335	-
Net income	5.9	144,244	6.3	147,190	(2,946)	(2.0)
Less: Net (income) loss attributable to the noncontrolling interests	(0.1)	(3,550)	(0.6)	(15,684)	12,134	-
Net income attributable to FUJIFILM Holdings	5.8	140,694	5.7	131,506	9,188	7.0

Three months ended March 31

Amount Unit: Millions of yen

	Three months ended March 31, 2018 From January 1, 2018 To March 31, 2018		Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017		Change	
					Amount	%
Revenue:						
Sales		549,938		551,458	(1,520)	(0.3)
Rentals		73,745		78,444	(4,699)	(6.0)
	100.0	623,683	100.0	629,902	(6,219)	(1.0)
Cost of sales:						
Sales		343,098		349,505	(6,407)	(1.8)
Rentals		39,097		34,506	4,591	13.3
	61.3	382,195	61.0	384,011	(1,816)	(0.5)
Gross profit	38.7	241,488	39.0	245,891	(4,403)	(1.8)
Operating expenses:						
Selling, general and administrative	30.5	189,964	24.0	151,675	38,289	25.2
Research and development	7.9	49,432	6.4	40,252	9,180	22.8
	38.4	239,396	30.4	191,927	47,469	24.7
Operating income	0.3	2,092	8.6	53,964	(51,872)	(96.1)
Other income (expenses):						
Interest and dividend income		1,532		192	1,340	
Interest expense		(856)		(772)	(84)	
Foreign exchange gains (losses), net		(7,604)		(3,392)	(4,212)	
Gains (losses) on sales of investment securities, net		31,722		15,053	16,669	
Other, net		(3,618)		(787)	(2,831)	
	3.4	21,176	1.6	10,294	10,882	105.7
Income before income taxes	3.7	23,268	10.2	64,258	(40,990)	(63.8)
Income taxes	2.2	13,833	0.9	5,674	8,159	143.8
Equity in net earnings (losses) of affiliated companies	0.1	893	(0.2)	(972)	1,865	-
Net income	1.7	10,328	9.1	57,612	(47,284)	(82.1)
Less: Net (income) loss attributable to the noncontrolling interests	0.9	5,856	(0.7)	(4,844)	10,700	-
Net income attributable to FUJIFILM Holdings	2.6	16,184	8.4	52,768	(36,584)	(69.3)

(Consolidated Statements of Comprehensive Income)**Year ended March 31**

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Change
Net income	144,244	147,190	(2,946)
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(23,723)	(8,199)	(15,524)
Foreign currency translation adjustments	(8,031)	(28,241)	20,210
Pension liability adjustments	(3,526)	11,935	(15,461)
Unrealized gains (losses) on derivatives	569	559	10
Other comprehensive income (loss)	(34,711)	(23,946)	(10,765)
Comprehensive income (loss)	109,533	123,244	(13,711)
Less: Comprehensive (income) loss attributable to noncontrolling interests	(1,902)	(15,678)	13,776
Comprehensive income (loss) attributable to FUJIFILM Holdings	107,631	107,566	65

Three months ended March 31

Amount Unit: Millions of yen

	Three months ended March 31, 2018 From January 1, 2018 To March 31, 2018	Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017	Change
Net income	10,328	57,612	(47,284)
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	(25,261)	(8,494)	(16,767)
Foreign currency translation adjustments	(48,255)	(21,582)	(26,673)
Pension liability adjustments	(7,068)	7,602	(14,670)
Unrealized gains (losses) on derivatives	149	26	123
Other comprehensive income (loss)	(80,435)	(22,448)	(57,987)
Comprehensive income (loss)	(70,107)	35,164	(105,271)
Less: Comprehensive (income) loss attributable to noncontrolling interests	11,808	(5,681)	17,489
Comprehensive income (loss) attributable to FUJIFILM Holdings	(58,299)	29,483	(87,782)

(3) Consolidated Statements of Changes in Shareholders' Equity

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interest	Total Equity
Balanced at March 31, 2016	40,363	80,507	2,174,965	(30,780)	(250,229)	2,014,826	217,171	2,231,997
Comprehensive income (loss):								
Net income			131,506			131,506	15,684	147,190
Change in net unrealized losses on securities				(8,171)		(8,171)	(28)	(8,199)
Foreign currency translation adjustments				(25,598)		(25,598)	(2,643)	(28,241)
Pension liability adjustments				9,261		9,261	2,674	11,935
Change in net unrealized gains (losses) on derivatives				568		568	(9)	559
Net comprehensive income						107,566	15,678	123,244
Purchases of stock for treasury					(50,022)	(50,022)		(50,022)
Sales of stock from treasury		(146)			780	634		634
Dividends paid to FUJIFILM Holdings shareholders			(30,845)			(30,845)		(30,845)
Dividends paid to noncontrolling interests							(6,371)	(6,371)
Issuance of stock acquisition rights		534				534		534
Equity transactions with non controlling interests and other		866				866	(1,979)	(1,113)
Balanced at March 31, 2017	40,363	81,761	2,275,626	(54,720)	(299,471)	2,043,559	224,499	2,268,058
Comprehensive income (loss):								
Net income			140,694			140,694	3,550	144,244
Change in net unrealized losses on securities				(23,717)		(23,717)	(6)	(23,723)
Foreign currency translation adjustments				(7,843)		(7,843)	(188)	(8,031)
Pension liability adjustments				(2,038)		(2,038)	(1,488)	(3,526)
Change in net unrealized gains on derivatives				535		535	34	569
Net comprehensive income						107,631	1,902	109,533
Purchases of stock for treasury					(50,024)	(50,024)		(50,024)
Sales of stock from treasury		212			1,780	1,992		1,992
Dividends paid to FUJIFILM Holdings shareholders			(32,527)			(32,527)		(32,527)
Dividends paid to noncontrolling interests							(6,521)	(6,521)
Issuance of stock acquisition rights		(330)				(330)		(330)
Equity transactions with non controlling interests and other		(2,490)			11,323	8,833	(308)	8,525
Balanced at March 31, 2018	40,363	79,153	2,383,793	(87,783)	(336,392)	2,079,134	219,572	2,298,706

(4) Consolidated Statements of Cash Flows

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Change
Operating activities			
Net income	144,244	147,190	(2,946)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	127,642	117,635	10,007
Gain on remeasurement of step acquisitions	(20,838)	-	(20,838)
(Gains) losses on sales of investment securities	(51,222)	(22,513)	(28,709)
Deferred income taxes	(11,130)	(2,934)	(8,196)
Equity in net (gains) losses of affiliated companies, net of dividends received	1,142	4,546	(3,404)
Changes in operating assets and liabilities:			
Notes and accounts receivable	41,342	3,444	37,898
Inventories	(7,518)	4,891	(12,409)
Notes and accounts payable - trade	(19,999)	5,692	(25,691)
Accrued income taxes and other liabilities	68,551	(5,997)	74,548
Other	(11,062)	36,665	(47,727)
Subtotal	116,908	141,429	(24,521)
Net cash provided by operating activities	261,152	288,619	(27,467)
Investing activities			
Purchases of property, plant and equipment	(63,043)	(74,647)	11,604
Purchases of software	(18,541)	(22,318)	3,777
Proceeds from sales and maturities of marketable and investment securities	73,270	63,801	9,469
Purchases of marketable and investment securities	(5,063)	(20,055)	14,992
(Increase) decrease in time deposits, net	40,691	(38,589)	79,280
Increase in investments in and advances to affiliated companies	(3,052)	(5,527)	2,475
Acquisitions of businesses, net of cash acquired	(127,269)	(1,334)	(125,935)
Other	(8,779)	(17,770)	8,991
Net cash used in investing activities	(111,786)	(116,439)	4,653
Financing activities			
Proceeds from long-term debt	2,100	226,495	(224,395)
Repayments of long-term debt	(165,416)	(6,777)	(158,639)
Increase (decrease) in short-term debt, net	(7,171)	(26,233)	19,062
Cash dividends paid to shareholders	(31,714)	(30,165)	(1,549)
Subsidiaries' cash dividends paid to noncontrolling interests	(6,521)	(6,371)	(150)
Net purchases of stock for treasury	(50,023)	(50,021)	(2)
Other	(216)	4,362	(4,578)
Net cash provided by (used in) financing activities	(258,961)	111,290	(370,251)
Effect of exchange rate changes on cash and cash equivalents	1,883	(8,409)	10,292
Net increase (decrease) in cash and cash equivalents	(107,712)	275,061	(382,773)
Cash and cash equivalents at beginning of year	875,958	600,897	275,061
Cash and cash equivalents at end of year	768,246	875,958	(107,712)

(5) Notes to Consolidated Financial Statements**Note Relating to the Going Concern Assumption**

N/A

Summary of Significant Accounting Policies**(A) Scope of consolidated subsidiaries**

Number of Subsidiaries : 283

Main companies : FUJIFILM Corporation, Fuji Xerox Co., Ltd., TOYAMA CHEMICAL Co., Ltd.
FUJIFILM Wako Pure Chemical Corporation and others**(B) Scope of affiliated companies**

Number of Affiliates : 32

Main companies : SANRITZ CORPORATION, FUJIFILM KYOWA KIRIN BIOLOGICS Co., Ltd., and others

(C) Significant Accounting Policies

In November 2015, U.S. Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2015-2017 “Income Taxes: Balance Sheet Classification of Deferred Taxes.” Accounting Standards Update 2015-2017 requires that all deferred tax assets and liabilities to be classified as noncurrent on the balance sheet. We have applied the standards from the first quarter of the fiscal year ending March 31, 2018 (commencing on April 1, 2017), and retroactive amendments don’t have been made for previous fiscal years.

Segment Information

1. Year ended March 31

(A) Operating Segment Information

a. Revenue

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018		Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	15.7	382,961	14.7	341,744	41,217	12.1
Intersegment		2,315		2,586	(271)	-
Total		385,276		344,330	40,946	11.9
Healthcare & Material Solutions:						
External customers	41.2	1,002,602	38.7	899,543	103,059	11.5
Intersegment		940		1,198	(258)	-
Total		1,003,542		900,741	102,801	11.4
Document Solutions:						
External customers	43.1	1,047,802	46.6	1,080,876	(33,074)	(3.1)
Intersegment		7,824		8,171	(347)	-
Total		1,055,626		1,089,047	(33,421)	(3.1)
Eliminations		(11,079)		(11,955)	876	-
Consolidated total	100.0	2,433,365	100.0	2,322,163	111,202	4.8

b. Operating income

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018		Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Change	
	%		%		Amount	%
Operating Income:						
Imaging Solutions	14.5	56,025	10.7	36,847	19,178	52.0
Healthcare & Material Solutions	9.2	92,796	9.2	82,969	9,827	11.8
Document Solutions	1.3	13,980	7.6	82,683	(68,703)	(83.1)
Total		162,801		202,499	(39,698)	(19.6)
Corporate expenses and eliminations		(32,122)		(30,218)	(1,904)	6.3
Consolidated total	5.4	130,679	7.4	172,281	(41,602)	(24.1)

Notes

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

Imaging Solutions: Color films, digital cameras, color paper, services and equipment for photofinishing, instant photo systems and optical devices

Healthcare & Material Solutions: Equipment and materials for medical systems, pharmaceuticals, contract development and manufacturing organization of biopharmaceuticals, regenerative medicine, life sciences, display materials, industrial products, recording media, electronic materials, fine chemicals, equipment and materials for graphic arts, inks and industrial inkjet printheads,

Document Solutions: Office copy machines/MFPs, printers, production systems and services, office services, paper and consumables

2: From Financial Results for the fiscal year ended March 31, 2018, the Group has changed segment name from "Information Solutions" to "Healthcare & Material Solutions". This change has no effect on the segment information itself.

Total Assets

Amount Unit: Millions of yen

	As of March 31, 2018	As of March 31, 2017	Change	
			Amount	%
Total assets:				
Imaging Solutions	341,534	365,939	(24,405)	(6.7)
Healthcare & Material Solutions	1,725,703	1,542,355	183,348	11.9
Document Solutions	1,068,350	1,115,381	(47,031)	(4.2)
Subtotal	3,135,587	3,023,675	111,912	3.7
Eliminations	(4,771)	(3,608)	(1,163)	32.2
Corporate assets	362,124	513,122	(150,998)	(29.4)
Consolidated total	3,492,940	3,533,189	(40,249)	(1.1)

Depreciation and amortization, and Capital expenditures

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018	Year ended March 31, 2017 From April 1, 2016 To March 31, 2017	Change	
			Amount	%
Depreciation and amortization:				
Imaging Solutions	13,254	11,095	2,159	19.5
Healthcare & Material Solutions	57,503	49,088	8,415	17.1
Document Solutions	54,685	55,340	(655)	(1.2)
Corporate	2,200	2,112	88	4.2
Consolidated total	127,642	117,635	10,007	8.5
Capital expenditures:				
Imaging Solutions	9,427	10,333	(906)	(8.8)
Healthcare & Material Solutions	42,668	40,139	2,529	6.3
Document Solutions	13,848	20,021	(6,173)	(30.8)
Corporate	1,540	1,312	228	17.4
Consolidated total	67,483	71,805	(4,322)	(6.0)

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

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018		Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Change	
	%		%		Amount	%
Revenue:						
Japan:						
External customers	49.0	1,191,810	49.7	1,155,194	36,616	3.2
Intersegment		476,647		446,797	29,850	6.7
Total		1,668,457		1,601,991	66,466	4.1
The Americas:						
External customers	18.5	451,267	18.2	421,471	29,796	7.1
Intersegment		49,875		43,513	6,362	14.6
Total		501,142		464,984	36,158	7.8
Europe:						
External customers	9.7	235,826	8.9	206,837	28,989	14.0
Intersegment		18,981		16,505	2,476	15.0
Total		254,807		223,342	31,465	14.1
Asia and others:						
External customers	22.8	554,462	23.2	538,661	15,801	2.9
Intersegment		296,498		295,869	629	0.2
Total		850,960		834,530	16,430	2.0
Eliminations		(842,001)		(802,684)	(39,317)	4.9
Consolidated total	100.0	2,433,365	100.0	2,322,163	111,202	4.8

b. Operating income

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018		Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Change	
	%		%		Amount	%
Operating Income (Loss):						
Japan	3.8	63,274	6.1	97,344	(34,070)	(35.0)
The Americas	4.4	22,265	4.5	20,942	1,323	6.3
Europe	5.1	12,950	3.6	7,956	4,994	62.8
Asia and others	4.2	35,839	5.8	48,234	(12,395)	(25.7)
Eliminations		(3,649)		(2,195)	(1,454)	66.2
Consolidated total	5.4	130,679	7.4	172,281	(41,602)	(24.1)

c. Long - lived assets

Amount Unit: Millions of yen

	As of March 31, 2018	As of March 31, 2017	Change	
			Amount	%
Long - lived assets				
Japan	382,344	374,673	7,671	2.0
The Americas	55,659	50,741	4,918	9.7
Europe	36,378	32,146	4,232	13.2
Asia and others	63,164	63,054	110	0.2
Consolidated total	537,545	520,614	16,931	3.3

d. Overseas revenue (Destination Base)

Amount Unit: Millions of yen

	Year ended March 31, 2018 From April 1, 2017 To March 31, 2018		Year ended March 31, 2017 From April 1, 2016 To March 31, 2017		Change	
					Amount	%
Revenue:	%		%			
Domestic	41.4	1,006,512	41.5	962,711	43,801	4.5
Overseas:						
The Americas	19.0	462,768	19.4	450,368	12,400	2.8
Europe	13.0	315,251	11.8	273,938	41,313	15.1
Asia and others	26.6	648,834	27.3	635,146	13,688	2.2
Subtotal	58.6	1,426,853	58.5	1,359,452	67,401	5.0
Consolidated total	100.0	2,433,365	100.0	2,322,163	111,202	4.8

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

2. Three months ended March 31

(A) Operating Segment Information

Revenue

Amount Unit: Millions of yen

	Three months ended March 31, 2018 From January 1, 2018 To March 31, 2018		Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017		Change	
	%		%		Amount	%
Revenue:						
Imaging Solutions:						
External customers	13.7	85,234	13.4	84,261	973	1.2
Intersegment		534		699	(165)	(23.6)
Total		85,768		84,960	808	1.0
Healthcare & Material Solutions:						
External customers	44.0	274,341	40.8	257,130	17,211	6.7
Intersegment		301		232	69	29.7
Total		274,642		257,362	17,280	6.7
Document Solutions:						
External customers	42.3	264,108	45.8	288,511	(24,403)	(8.5)
Intersegment		2,160		2,323	(163)	(7.0)
Total		266,268		290,834	(24,566)	(8.4)
Eliminations		(2,995)		(3,254)	259	(8.0)
Consolidated total	100.0	623,683	100.0	629,902	(6,219)	(1.0)

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

Imaging Solutions	Color films, digital cameras, color paper, services and equipment for photofinishing, instant photo systems and optical devices
Healthcare & Material Solutions	Equipment and materials for medical systems, pharmaceuticals, contract development and manufacturing organization of biopharmaceuticals, regenerative medicine, life sciences, display materials, industrial products, recording media, electronic materials, fine chemicals, equipment and materials for graphic arts, inks and industrial inkjet printheads,
Document Solutions	Office copy machines/MFPs, printers, production systems and services, office services, paper and consumables

(B) Geographic Information

Overseas Revenue (Destination Base)

Amount Unit: Millions of yen

	Three months ended March 31, 2018 From January 1, 2018 To March 31, 2018		Three months ended March 31, 2017 From January 1, 2017 To March 31, 2017		Change	
	%		%		Amount	%
Revenue:						
Domestic	43.8	273,021	43.1	271,489	1,532	0.6
Overseas:						
The Americas	17.4	108,674	18.2	114,949	(6,275)	(5.5)
Europe	13.2	82,116	11.8	74,059	8,057	10.9
Asia and others	25.6	159,872	26.9	169,405	(9,533)	(5.6)
Subtotal	56.2	350,662	56.9	358,413	(7,751)	(2.2)
Consolidated total	100.0	623,683	100.0	629,902	(6,219)	(1.0)

Fair Value on Marketable and Investment Securities

Amount Unit: Millions of yen

	As of March 31, 2018				As of March 31, 2017			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:								
Corporate debt securities	-	-	-	-	6,000	1	1	6,000
Total marketable securities	-	-	-	-	6,000	1	1	6,000
Investment securities:								
Stocks	43,337	34,765	1,160	76,942	59,658	67,942	924	126,676
Investment trusts	390	-	41	349	306	-	44	262
Total investment securities	43,727	34,765	1,201	77,291	59,964	67,942	968	126,938
Total	43,727	34,765	1,201	77,291	65,964	67,943	969	132,938

Note: This statement is prepared in accordance with accounting principles generally accepted in the United States of America.

All debt and equity securities held by FUJIFILM Holdings Corporation and subsidiaries are classified as available-for-sale securities.

Amounts Per Share of Common Stock

	Year ended March 31, 2018	Year ended March 31, 2017
	Yen	Yen
FUJIFILM Holdings shareholders' equity per share	4,832.62	4,668.26
Net income attributable to FUJIFILM Holdings per share	322.62	296.27
Net income attributable to FUJIFILM Holdings per share (Assuming full dilution)	321.55	295.22

Subsequent Event

The Company announced it plans to merge TOYAMA CHEMICAL Co., Ltd. (TOYAMA CHEMICAL), a company that conducts the research, development, manufacture, and sales of small molecule pharmaceutical products, and FUJIFILM RI Pharma Co., Ltd., a company that conducts the research, development, manufacture, and sales of radiopharmaceuticals, to form FUJIFILM Toyama Chemical Co., Ltd. as of October 1, 2018 in order to accelerate the development of new diagnostic and therapeutic drugs at the board of Directors held on May 10th, 2018.

In preparation for the launch of the new company, the Company has agreed with Taisho Pharmaceutical Holdings Co., Ltd., that the company will acquire all of the shares of TOYAMA CHEMICAL held by Taisho Pharmaceutical Holdings, making TOYAMA CHEMICAL a wholly-owned subsidiary on July 31, 2018.

The impacts of the matter on the consolidated balance sheets have not yet been determined.