

FUJIFILM Danmark A/S

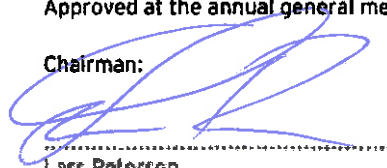
Telegrafvej 5, 2., 2750 Glostrup

CVR no. 12 00 22 70

Annual report 2016/17

Approved at the annual general meeting of shareholders on ^{5 September} ~~31 August~~ 2017

Chairman:



Lars Petersen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of FUJIFILM Danmark A/S for the financial year 1 April 2016 - 31 March 2017.


The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2017 and of the results of the Company's operations for the financial year 1 April 2016 - 31 March 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 August 2017
Executive Board:



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Jens Thorhauge

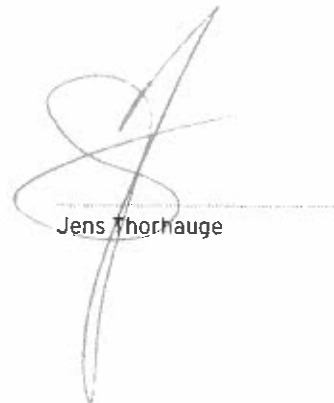
Board of Directors:



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Go Miyazaki
Chairman



.....
Takashi Watanabe



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Jens Thorhauge

Independent auditor's report

To the shareholder of FUJIFILM Danmark A/S

Opinion

We have audited the financial statements of FUJIFILM Danmark A/S for the financial year 1 April 2016 - 31 March 2017, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2017, and of the results of the Company's operations for the financial year 1 April 2016 - 31 March 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management

Independent auditor's report

conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 August 2017

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Niels Vendelbo

State Authorised Public Accountant

Management's review

Company details

Name	FUJIFILM Danmark A/S
Address, Postal code, City	Telegrafvej 5, 2., 2750 Glostrup
CVR no.	12 00 22 70
Established	1 March 1988
Registered office	Ballerup Kommune
Financial year	1 April 2016 - 31 March 2017
Website	www.fujifilm.dk / fujifilm@fujifilm.dk
Board of Directors	Go Miyazaki, Chairman Takashi Watanabe Jens Thorhauge
Executive Board	Jens Thorhauge
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28, 2100 København Ø
Bankers	Danske Bank Bank Mendes Gans

Management commentary

Business review

The company's main activities are marketing, sales, installation and services for the photographic and medical sectors in Denmark. The company's products are essentially produced by companies in the Fujifilm group.

Financial review

The income statement for 2016/17 showed a profit of DKK 1,863,944 compared to DKK 1,726,759 last year, and the balance sheet at 31 March 2017 showed equity of DKK 33,120,142.

Events after the balance sheet date

With effect from 1. April 2017 FUJIFILM Danmark A/S has sold the operation activities to FUJIFILM NORDIC DANMARK (FILIAL AF FUJIFILM NORDIC AB, SVERIGE). Management expects FUJIFILM Danmark A/S will be without operation activities in financial year 2017/18. No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Reference is made to note 2.

Financial statements for the period 1 April 2016 - 31 March 2017

Income statement

Note	DKK	<u>2016/17</u>	<u>2015/16</u>
	Gross margin	11,713,689	11,419,275
3	Staff costs	-8,804,277	-9,278,909
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-437,412	-370,644
	Other operating expenses	-521,536	0
	Profit before net financials	1,950,464	1,769,722
	Financial income	489,648	558,437
	Financial expenses	-36,328	-82,178
	Profit before tax	2,403,784	2,245,981
5	Tax for the year	-539,840	-519,222
	Profit for the year	<u>1,863,944</u>	<u>1,726,759</u>
	Recommended appropriation of profit		
	Retained earnings	<u>1,863,944</u>	<u>1,726,759</u>
		<u>1,863,944</u>	<u>1,726,759</u>

Financial statements for the period 1 April 2016 - 31 March 2017

Balance sheet

Note	DKK	<u>2016/17</u>	<u>2015/16</u>
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Software	0	527,858
		<u>0</u>	<u>527,858</u>
7	Property, plant and equipment		
	Plant and machinery	0	87,338
	Other fixtures and fittings, tools and equipment	26,752	77,078
	Leasehold improvements	0	256,526
		<u>26,752</u>	<u>420,942</u>
8	Investments		
	Other receivables	4,982,458	5,841,846
		<u>4,982,458</u>	<u>5,841,846</u>
	Total fixed assets	<u>5,009,210</u>	<u>6,790,646</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	4,024,658	4,243,128
		<u>4,024,658</u>	<u>4,243,128</u>
	Receivables		
	Trade receivables	4,955,408	5,402,722
	Receivables from group entities	1,965,655	10,417,542
	Income taxes receivable	0	221,557
	Other receivables	292,918	523,507
	Prepayments	162,655	267,676
		<u>7,376,636</u>	<u>16,833,004</u>
	Cash	<u>21,577,549</u>	<u>12,615,731</u>
	Total non-fixed assets	<u>32,978,843</u>	<u>33,691,863</u>
	TOTAL ASSETS	<u>37,988,053</u>	<u>40,482,509</u>

Financial statements for the period 1 April 2016 - 31 March 2017

Balance sheet

Note	DKK	<u>2016/17</u>	<u>2015/16</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,000,000	1,000,000
	Retained earnings	32,120,142	30,256,198
	Total equity	<u>33,120,142</u>	<u>31,256,198</u>
	Provisions		
	Deferred tax	158,687	507,779
	Other provisions	581,659	726,881
9	Total provisions	<u>740,346</u>	<u>1,234,660</u>
	Liabilities		
	Current liabilities		
	Trade payables	491,866	729,902
	Payables to group entities	2,443	3,712,902
	Income taxes payable	888,932	0
	Other payables	2,744,324	3,548,847
		<u>4,127,565</u>	<u>7,991,651</u>
	Total liabilities other than provisions	<u>4,127,565</u>	<u>7,991,651</u>
	TOTAL EQUITY AND LIABILITIES	<u>37,988,053</u>	<u>40,482,509</u>

- 1 Accounting policies
- 2 Events after the balance sheet date
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties

Financial statements for the period 1 April 2016 - 31 March 2017

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 April 2016	1,000,000	30,256,198	31,256,198
Transfer through appropriation of profit	0	1,863,944	1,863,944
Equity at 31 March 2017	1,000,000	32,120,142	33,120,142

Financial statements for the period 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies

The annual report of FUJIFILM Danmark A/S for 2016/17 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 April 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Where finance leases are entered into regarding assets, a sale and a receivable are recognised corresponding to the present value of cash flows from the lease plus the estimated, unguaranteed residual value of the asset at the end of the lease term. The present value is calculated based on the interest implicit in the lease agreement. Lease payments received are recognised partly as instalments on the lease receivable and partly as financial income.

Financial statements for the period 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies (continued)

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software	3-5 years
Plant and machinery	4 years
Other fixtures and fittings, tools and equipment	2-6 years
Leasehold improvements	5 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements for the period 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

Other intangible assets include other acquired intangible rights related to software licences.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments

Other receivables relating to finance leases are measured at the net present value of the remaining minimum lease payments plus the unguaranteed residual value, if any, calculated by reference to the interest rate implicit in the lease less impairment losses resulting from the debtor's inability to pay. Impairment losses are based on individual assessments.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

Financial statements for the period 1 April 2016 - 31 March 2017

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 1 April 2016 - 31 March 2017

Notes to the financial statements

2 Events after the balance sheet date

With effect from 1. April 2017 FUJIFILM Danmark A/S has sold the operation activities to FUJIFILM NORDIC DANMARK (FILIAL AF FUJIFILM NORDIC AB, SVERIGE). Management expects FUJIFILM Danmark A/S will be without operation activities in financial year 2017/18. No other events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK	2016/17	2015/16
3 Staff costs		
Wages/salaries	8,105,852	8,308,137
Pensions	489,811	572,905
Other social security costs	125,328	142,685
Other staff costs	83,286	255,182
	8,804,277	9,278,909
 Average number of full-time employees	 16	 18
 4 Amortisation/depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	261,801	163,024
Depreciation of property, plant and equipment	175,611	207,620
	437,412	370,644
 5 Tax for the year		
Estimated tax charge for the year	888,932	304,443
Deferred tax adjustments in the year	-349,092	214,779
	539,840	519,222
 6 Intangible assets		
DKK		Software
Cost at 1 April 2016		1,056,501
Disposals in the year		-1,056,501
Cost at 31 March 2017		0
Impairment losses and amortisation at 1 April 2016		528,643
Amortisation/depreciation in the year		261,801
Reversal of amortisation/depreciation and impairment of disposals		-790,444
Impairment losses and amortisation at 31 March 2017		0
Carrying amount at 31 March 2017		0

Financial statements for the period 1 April 2016 - 31 March 2017

Notes to the financial statements

7 Property, plant and equipment

DKK	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 April 2016	152,812	1,921,247	632,822	2,706,881
Additions in the year	36,900	0	0	36,900
Disposals in the year	-189,712	0	-383,757	-573,469
Cost at 31 March 2017	0	1,921,247	249,065	2,170,312
Impairment losses and depreciation at 1 April 2016	65,474	1,844,169	376,296	2,285,939
Amortisation/depreciation in the year	50,794	50,326	74,491	175,611
Reversal of amortisation/depreciation and impairment of disposals	-116,268	0	-201,722	-317,990
Impairment losses and depreciation at 31 March 2017	0	1,894,495	249,065	2,143,560
Carrying amount at 31 March 2017	0	26,752	0	26,752

8 Investments

DKK	Other receivables
Cost at 1 April 2016	7,020,944
Additions in the year	1,333,072
Disposals in the year	-2,439,421
Cost at 31 March 2017	5,914,595
Value adjustments at 1 April 2016	-1,179,098
Value adjustments for the year	246,961
Value adjustments at 31 March 2017	-932,137
Carrying amount at 31 March 2017	4,982,458

9 Provisions

Other provisions comprise provisions for warranty commitments, totalling DKK 581,659 (2015/16 DKK 726,881).

Financial statements for the period 1 April 2016 - 31 March 2017

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2016/17</u>	<u>2015/16</u>
Rent and lease liabilities	<u>155,288</u>	<u>512,742</u>

11 Collateral

The Company has not provided any security or other collateral in assets at 31 March 2017.

12 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Fujifilm Europe GmbH	Heesenstr. 31, 40549 Düsseldorf, Germany	At the Company's address
FUJIFILM Holdings Corporation	Tokyo, Japan	At the Company's address