

FUJIFILM Danmark A/S

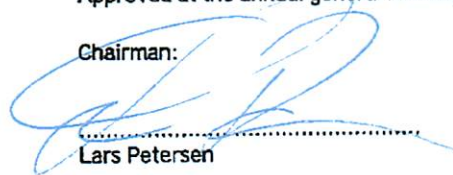
Naverland 13, 2600 Glostrup

CVR no. 12 00 22 70

Annual report 2015/16

Approved at the annual general meeting of shareholders on *29 August 2016*

Chairman:



Lars Petersen

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of FUJIFILM Danmark A/S for the financial year 1 April 2015 - 31 March 2016.

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 Company's financial position at 31 March 2016 and of the results of the Company's operations for the financial year 1 April 2015 - 31 March 2016.

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.

Glostrup, 6 July 2016
Executive Board:

Jens Thorhauge

Board of Directors:

Takaaki Kurose
Chairman

Hidetoshi Sato

Jens Thorhauge

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Independent auditors' report

To the shareholder of FUJIFILM Danmark A/S

Independent auditors' report on the financial statements

We have audited the financial statements of FUJIFILM Danmark A/S for the financial year 1 April 2015 - 31 March 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

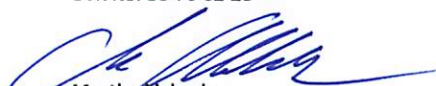
Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 March 2016 and of the results of its operations for the financial year 1 April 2015 - 31 March 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 6 July 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Martin Alsbaek
State Authorised Public Accountant

Management's review

Company details

Name	FUJIFILM Danmark A/S
Address, Postal code, City	Naverland 13, 2600 Glostrup
CVR No.	12 00 22 70
Established	1 March 1988
Registered office	Albertslund Kommune
Financial year	1 April 2015 - 31 March 2016
Website	www.fujifilm.dk / fujifilm@fujifilm.dk
Board of Directors	Takaaki Kurose, Chairman Hideru Sato Jens Thorhauge
Executive Board	Jens Thorhauge
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank Nordea Bank Mendes Gans

Operating review

The Company's 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 2015/16 shows a profit of DKK 1,726,759 against a profit of DKK 1,540,056 last year, and the balance sheet at 31 March 2016 shows equity of DKK 31,256,198.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Financial statements for the period 1 April 2015 - 31 March 2016

Income statement

Note	DKK	2015/16	2014/15
	Gross profit	11,419,275	13,046,152
2	Staff costs	-9,278,909	-11,322,459
3	Amortisation/depreciation and Impairment of intangible assets and property, plant and equipment	-370,644	-490,141
	Operating profit	1,769,722	1,233,552
	Financial income	558,437	865,323
	Financial expenses	-82,178	-31,819
	Profit before tax	2,245,981	2,067,056
4	Tax for the year	-519,222	-527,000
	Profit for the year	1,726,759	1,540,056
	Proposed profit appropriation	1,726,759	1,540,056
	Retained earnings	1,726,759	1,540,056

Financial statements for the period 1 April 2015 - 31 March 2016

Balance sheet

Note	DKK	2015/16	2014/15
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Acquired intangible assets	527,858	560,987
		<u>527,858</u>	<u>560,987</u>
6	Property, plant and equipment		
	Plant and machinery	87,338	34,756
	Other fixtures and fittings, tools and equipment	77,078	172,931
	Leasehold improvements	256,526	286,969
		<u>420,942</u>	<u>494,656</u>
7	Investments		
	Other receivables	5,841,846	5,279,883
		<u>5,841,846</u>	<u>5,279,883</u>
	Total non-current assets	<u>6,790,646</u>	<u>6,335,526</u>
	Current assets		
	Inventories		
	Finished goods and goods for resale	4,243,128	7,489,145
		<u>4,243,128</u>	<u>7,489,145</u>
	Receivables		
	Trade receivables	5,402,722	7,901,007
	Receivables from group entities	10,417,542	7,709,192
	Income taxes receivable	221,557	677,859
	Other receivables	523,507	266,946
	Deferred income	267,676	417,706
		<u>16,833,004</u>	<u>16,972,710</u>
	Cash	<u>12,615,731</u>	<u>5,896,248</u>
	Total current assets	<u>33,691,863</u>	<u>30,358,103</u>
	TOTAL ASSETS	<u>40,482,509</u>	<u>36,693,629</u>

Financial statements for the period 1 April 2015 - 31 March 2016

Balance sheet

Note	DKK	<u>2015/16</u>	<u>2014/15</u>
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	1,000,000	1,000,000
	Retained earnings	<u>30,256,198</u>	<u>28,529,439</u>
	Total equity	<u>31,256,198</u>	<u>29,529,439</u>
	Provisions		
	Deferred tax	507,779	293,000
	Other provisions	<u>726,881</u>	<u>795,721</u>
9	Total provisions	<u>1,234,660</u>	<u>1,088,721</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	729,902	390,965
	Payables to group entities	3,712,902	2,147,432
	Other payables	<u>3,548,847</u>	<u>3,537,072</u>
		<u>7,991,651</u>	<u>6,075,469</u>
	Total liabilities other than provisions	<u>7,991,651</u>	<u>6,075,469</u>
	TOTAL EQUITY AND LIABILITIES	<u>40,482,509</u>	<u>36,693,629</u>
1	Accounting policies		
10	Collateral		
11	Contractual obligations and contingencies, etc.		
12	Related parties		

Financial statements for the period 1 April 2015 - 31 March 2016

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 April 2015	1,000,000	28,529,439	29,529,439
Profit/loss for the year	0	1,726,759	1,726,759
Equity at 31 March 2016	1,000,000	30,256,198	31,256,198

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

1 Accounting policies

The annual report of FUJIFILM Danmark A/S for 2015/16 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The annual report was last year presented in accordance with the Danish Financial Statements Act as regards medium-sized reporting class C enterprises.

The annual report is prepared consistently with the accounting policies used last year, except for the implementation above.

Reporting currency

The financial statements are presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods held for sale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

Sales effected on long term contracts are made up net of estimated interest income. The interest is recognised as income over the term of the credit arrangement under 'Net financials'.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Other operating income

Other operating income comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets.

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 pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment of Intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and Impairment 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 are as follows:

Acquired IP rights	3-5 years
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The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold Improvements	5 years
Plant and machinery	4 years
Other fixtures and fittings, tools and equipment	2-6 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.

Balance sheet

Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

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.

Impairment of non-current assets

Intangible assets and property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there are indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

1 Accounting policies (continued)

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 costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

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.

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.

Prepayments

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

Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date 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 concerned is expected to be settled far into the future.

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

1 Accounting policies (continued)

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. 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 ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

DKK	<u>2015/16</u>	<u>2014/15</u>
2 Staff costs		
Wages/salaries	8,308,137	10,199,962
Pensions	572,905	654,869
Other social security costs	142,685	195,124
Other staff costs	255,182	272,504
	<u>9,278,909</u>	<u>11,322,459</u>
3 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment		
Amortisation of Intangible assets	163,024	182,398
Depreciation of property, plant and equipment	207,620	307,743
	<u>370,644</u>	<u>490,141</u>
4 Tax for the year		
Estimated tax charge for the year	304,443	0
Deferred tax adjustments in the year	214,779	527,000
	<u>519,222</u>	<u>527,000</u>
5 Intangible assets		
DKK		<u>Acquired intangible assets</u>
Cost at 1 April 2015		926,606
Additions in the year		129,895
Cost at 31 March 2016		<u>1,056,501</u>
Impairment losses and amortisation at 1 April 2015		365,619
Amortisation/depreciation in the year		163,024
Impairment losses and amortisation at 31 March 2016		<u>528,643</u>
Carrying amount at 31 March 2016		<u>527,858</u>

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

6 Property, plant and equipment

DKK	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 April 2015	54,412	2,114,174	587,603	2,756,189
Additions in the year	98,400	39,900	45,219	183,519
Disposals in the year	0	-232,827	0	-232,827
Cost at 31 March 2016	152,812	1,921,247	632,822	2,706,881
Impairment losses and depreciation at 1 April 2015	19,656	1,941,243	300,634	2,261,533
Amortisation/depreciation in the year	45,818	63,241	75,662	184,721
Amortisation/depreciation and impairment of disposals in the year	0	22,899	0	22,899
Reversal of amortisation/depreciation and impairment of disposals	0	-183,214	0	-183,214
Impairment losses and depreciation at 31 March 2016	65,474	1,844,169	376,296	2,285,939
Carrying amount at 31 March 2016	87,338	77,078	256,526	420,942

7 Investments

DKK	Other receivables
Cost at 1 April 2015	6,578,171
Additions in the year	919,030
Disposals in the year	-476,257
Cost at 31 March 2016	7,020,944
Value adjustments at 1 April 2015	-1,298,288
Impairment losses	119,190
Value adjustments at 31 March 2016	-1,179,098
Carrying amount at 31 March 2016	5,841,846

Financial statements for the period 1 April 2015 - 31 March 2016

Notes to the financial statements

DKK	<u>2015/16</u>	<u>2014/15</u>
8 Share capital		
The share capital consists of the following:		
1,000 shares of DKK 1,000.00 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

The Company's share capital has remained DKK 1,000,000 over the past 5 years.

9 Provisions

Other provisions comprise provisions for warranty commitments, totalling DKK 795,721.

10 Collateral

The Company has not placed any assets or other as security for loans at 31/3 2016.

11 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2015/16</u>	<u>2014/15</u>
Rent and lease liabilities	512,742	532,298

12 Related parties

FUJIFILM Danmark A/S' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Fujifilm Europe GmbH	Heesenstr. 31, 40549 Düsseldorf, Germany	Participating interest
FUJIFILM Holdings Corporation	Tokyo, Japan	Participating interest

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent'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