

Earnings of Fiscal 2007 1Q Ended June 30, 2006

FUJI PHOTO FILM CO., LTD.
July 28, 2006

FORWARD-LOOKING STATEMENTS

This document contains projections of performance and other projections, which are made based on judgments regarding currently available information and which encompass potential risks and uncertainties. Accordingly, please be aware that diverse factors may cause actual results to differ materially from projected results.

Performance Summary

FUJIFILM

■ Operating Results for 1Q FY2007 (3 months ended Jun. 30, 2006)

Billions of yen

	1Q FY2007 (Apr. 1 to Jun. 30, 2006)		1Q FY2006 (Apr. 1 to Jun. 30, 2005)		Change	
					Amount	%
Revenue	100.0%	656.8	100.0%	625.2	+31.6	+5.1
Pro-forma Operating Income	6.6%	43.1	5.4%	33.7	+9.4	+27.8
Structural Reform Expenses		27.4		2.5	+24.9	
Operating Income	2.4%	15.7	5.0%	31.2	(15.5)	(49.5)
Income before Income Taxes	2.7%	18.0	5.2%	32.5	(14.5)	(44.7)
Net Income	0.7%	4.8	2.6%	16.0	(11.2)	(69.9)
Capital Expenditure*		23.2		39.3	(16.1)	(41.0)
Depreciation & Amortization		58.8		50.2	+8.6	+17.2
R&D Expenses	6.6%	43.5	6.9%	43.4	+0.1	+0.1
Exchange Rates						
US\$		¥115		¥108		+¥7
Euro		¥143		¥136		+¥7

*Note: Figures do not include amounts for rental equipment handled by the Document Solutions segment.

■ Structural Reforms in the Imaging Solutions

Structural Reform Expenses for 1Q FY2007
(April 1 to June 30, 2006)

Billions of yen

Measures by Type

Assets including production facilities	15.5
Staff	11.9
Total Expenditure	27.4

Measures by Operating Segment

Imaging	20.9
Information	6.5
Total Expenditure	27.4

- Assets including production facilities
 - ◆ Accelerated depreciation of fixed assets
- Staff
 - ◆ Termination benefits

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Operating Segments

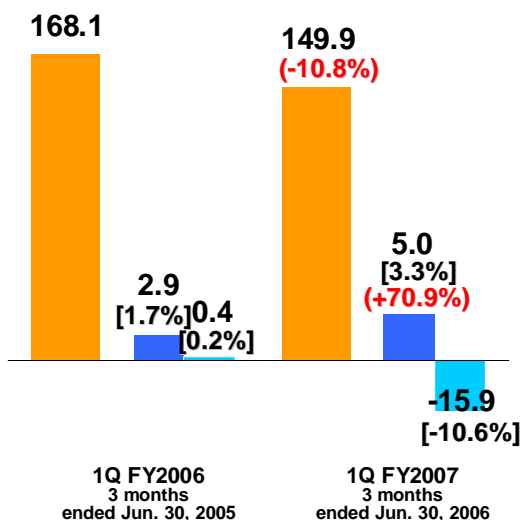
■ Imaging Solutions

Revenue* / Operating Income

- Revenue
- Pro-forma Operating Income (Excluding structural reform expenses)
- Operating Income (Including structural reform expenses)

[]: Operating Margin
(): YoY Comparison

Billions of yen



*Note: After elimination of intersegment transaction

Highlights of Performance

Revenue

Revenue: ¥149.9 billion (YoY:-10.8%)

- Despite lower sales of such products as color films and photofinishing equipment, the attainment of higher market shares for color films and color paper kept the decline in segment sales to approximately 10%.

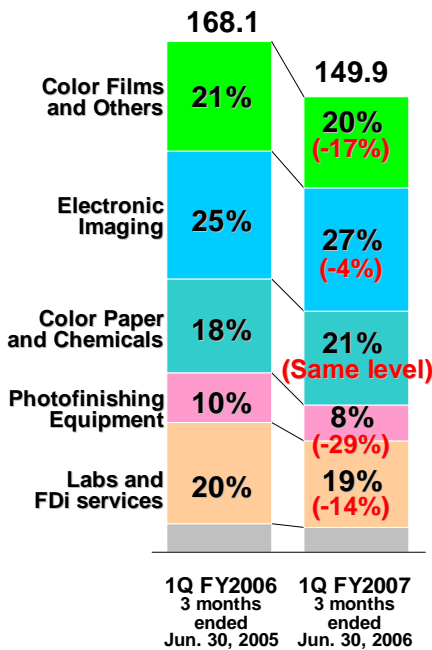
Operating Income

- Pro-forma operating income excluding structural reform costs, amounted to ¥5.0 billion (an increase of ¥2.1 billion from the same period of the previous fiscal year).

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Breakdown of Revenue

(): YoY Comparison Billions of yen



Color Films and Others

- Amid the continued decrease in global demand, competing companies' withdrawal from the market helped Fujifilm gradually increase its market share.
- The Company has started increasing the domestic and overseas selling prices since July, 2006.

Electronic Imaging

- Fujifilm's global sales volume of digital cameras during 1Q amounted to approximately 1.3 million units.
- Japan: Strong sales were recorded of the ISO 3200 FinePix F30, which was launched in May 2006. Also, initial sales were strong of FinePix Z3, which was launched in the latter half of June.
- Overseas: In Europe and Asia, the launch of the FinePix F30 was smooth. Market conditions in North America and Europe remain severe, particularly for entry-level models.

Color Paper and Chemicals

- While demand for prints from color films is declining, sales were kept unchanged due to the expansion of the digital photo print market and Fujifilm's rising share in the color paper market.

Photofinishing Equipment

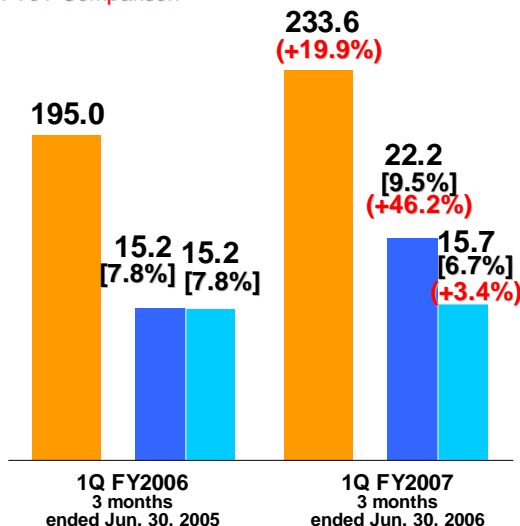
- The sales volume of Frontier digital minilabs decreased due to a drop in new installations.

Information Solutions

Revenue* /Operating Income

- Revenue
- Pro-forma Operating Income (Excluding structural reform expenses)
- Operating Income (Including structural reform expenses)

[]: Operating Margin (): YoY Comparison Billions of yen



*Note: After elimination of intersegment transaction

Highlights of Performance

Revenue

Revenue: ¥233.6 billion (YoY:+19.9%)

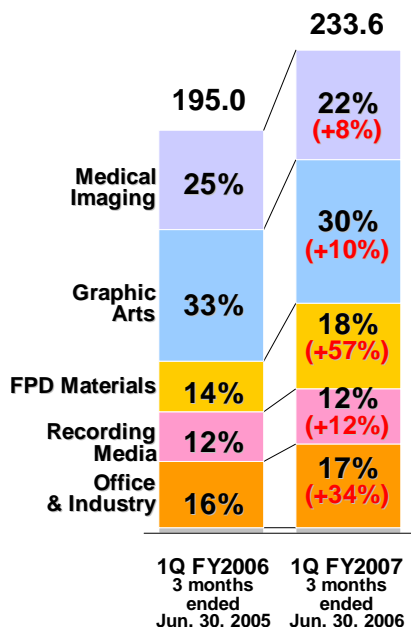
- Flat panel display (FPD) materials sales continued to grow considerably.
- The progressive shift to CTP and rise in Fujifilm's market share led to a large rise in sales of CTP plates.
- Increases were achieved in sales of data media products, particularly data storage tapes.

Operating Income

- Excluding structural reform expenses, the income increased greatly, rising 46.2%, or ¥7.0 billion from the same period of the previous fiscal year.

Breakdown of Revenue

(): YoY Comparison Billions of yen



Medical Imaging

- Brisk sales were maintained, particularly of FCR, dry imager and dry film products.
- The scale of endoscope business centered on Transnasal Endoscope products steadily expanded.
- In July, FCR PROTECT CS (Product name in the U.S.: FCRm) digital mammography system became the first product to receive PMA extended to a Computed Radiography (CR) system for mammography from the U.S. FDA.

Graphic Arts

- Sales of CTP plates grew worldwide.
- Having increased domestic selling prices of graphic arts consumables, Fujifilm is currently implementing increases to the overseas selling prices of those products.

FPD Materials

- Sales of FUJITAC and WV Film products were strong, and sales of those products grew.
- The expansion of production capacity for FUJITAC is proceeding in accordance with plans. (The first plant of FUJIFILM Kyushu Co., Ltd. is scheduled to start operation in October, 2006)

Recording Media

- In the backup data storage media field, strong sales were recorded of higher-capacity LTO Ultrium 3 products and higher-capacity data cartridge products used for the IBM TotalStorage® Enterprise Tape Drive 3592.

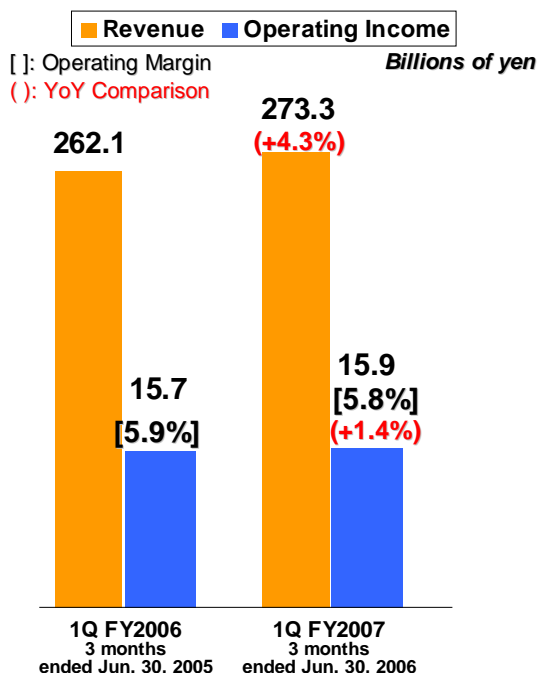
Office & Industry

- Fujifilm's lens units for camera phones have been highly evaluated in the market.

*LTO and Ultrium are trademarks of Hewlett-Packard, IBM and Quantum in the U.S., other countries, or both.
 *TotalStorage is a trademark of IBM in the U.S., other countries, or both.

Document Solutions

Revenue* / Operating Income



*Note: After elimination of intersegment transaction

Highlights of Performance

Revenue

Revenue: ¥273.3 billion (YoY: +4.3%)

- Color multifunction device sales grew considerably, particularly export sales to North American and European markets and sales of such devices in China and other Asian countries.
- Monochrome printer sales to North America and Europe surged.

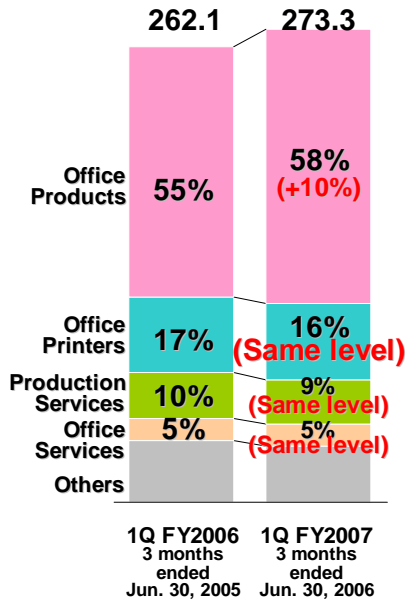
Operating Income

Operating Income: ¥15.9 billion (YoY: +1.4%)

- SG&A expenses grew, reflecting measures to strengthen marketing capabilities in the growth China and other Asian countries and to make improvements related to information processing systems that offers stronger support for marketing operations, and operating income increased slightly.

Breakdown of Revenue

(): YoY Comparison Billions of yen



Office Products

- In Japan, the lineup of the ApeosPort-II series of multifunction devices was strengthened.
- Also, the DocuCentre C2100 was launched to respond to needs for low-priced products with distinctive features.
- Regarding color products, increases were seen in export sales to North American and European markets and sales in China and other Asian countries.

Office Printers

- Domestic sales volume decreased due to inventory adjustments by OEM customers.
- The volume of export sales of medium-speed monochrome OEM models to North America and Europe surged.

Production Services

- Export sales volume of color on-demand printing systems to North America and Europe rose steadily.
- Sales of large-scale printing systems were down, reflecting the installation of such systems for large-scale users in 1Q of the previous fiscal year.

Office Services

- Growth in document outsourcing business was sustained.
- A decline was seen in sales of household registration systems, for which a special high level of demand was seen during 1Q of the previous fiscal year
- Fuji Xerox created a specialized marketing team focused exclusively on internal control system-related business to expand its services business.

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Implementation of VISION 75(2006)

■ Expanding Growth Businesses and New Businesses

- Fujifilm acquired U.S.-based Dimatix, Inc. a top manufacturer of heads for industrial-use inkjet printers. (Acquisition completed in July 2006)
 - ◆ By concertedly using the Fujifilm Group's advanced ink technologies, the Company is striving to expand its business related to industrial inkjet printers.
- FUJINON, which handles such strategic growth business as that in endoscopes and optical devices, has been made a wholly owned subsidiary.
 - ◆ This move helps the Fujifilm Group step up its efforts to optimize the allocation of resources and promote worldwide coordination of FUJINON and other Group companies from development through manufacturing and marketing operations.

■ Transition to new management systems accompanying the adoption of a holding-company structure

- FUJIFILM Holdings Corporation's board of directors will include two directors from Fuji Xerox and one outside director.

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Billions of yen

	FY2007 Outlook Apr.'06 to Mar.'07	FY2006 Results Apr.'05 to Mar.'06	Change	
			Amount	%
Revenue	2,740.0	2,667.4	+72.6	+2.7
Operating Income	80.0	70.4	+9.6	+13.6
Operating Margin	2.9%	2.6%	-	-
Income before Income Taxes	80.0	79.6	+0.4	+0.5
Net Income	38.0	37.0	+1.0	+2.7
Exchange Rates				
US\$	¥110	¥113	¥(3)	-
Euro	¥135	¥138	¥(3)	-
Structural Reform Expenses	79.0	86.0	(7.0)	

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Reference Data

- Reclassification of structural reform expenses for 1Q FY2006 (3 months ended June 30, 2005)

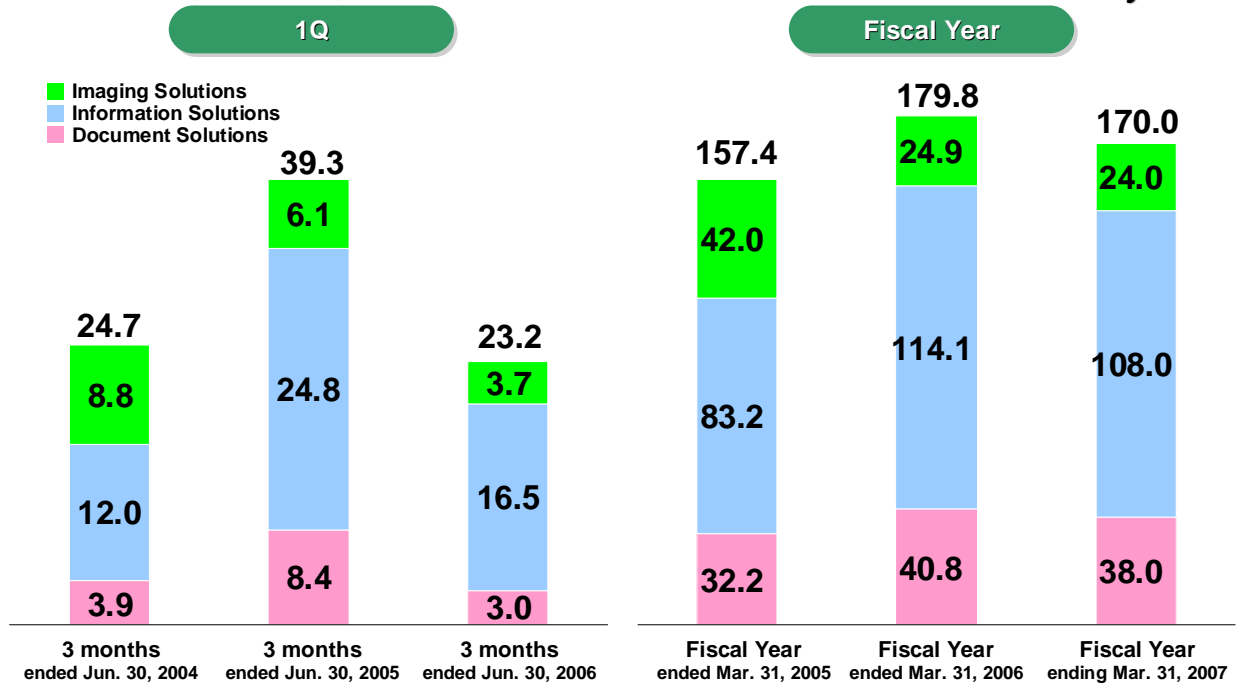
Billions of yen

	Before Reclassification (Disclosed on 29 July, 2005)		Reclassified (Disclosed on 28 July, 2006)	
Sales		332.5		331.3
Rentals		38.1		38.1
Cost of Sales	59.3%	370.6	59.1%	369.4
Gross Profit	40.7%	254.6	40.9%	255.8
SG&A	28.8%	180.0	28.6%	178.7
R&D	6.9%	43.4	6.9%	43.4
Restructuring & Other Charges	-	-	0.4%	2.5
Operating Expenses	35.7%	223.4	35.9%	224.6
Operating Income	5.0%	31.2	5.0%	31.2

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■ Capital Expenditure*

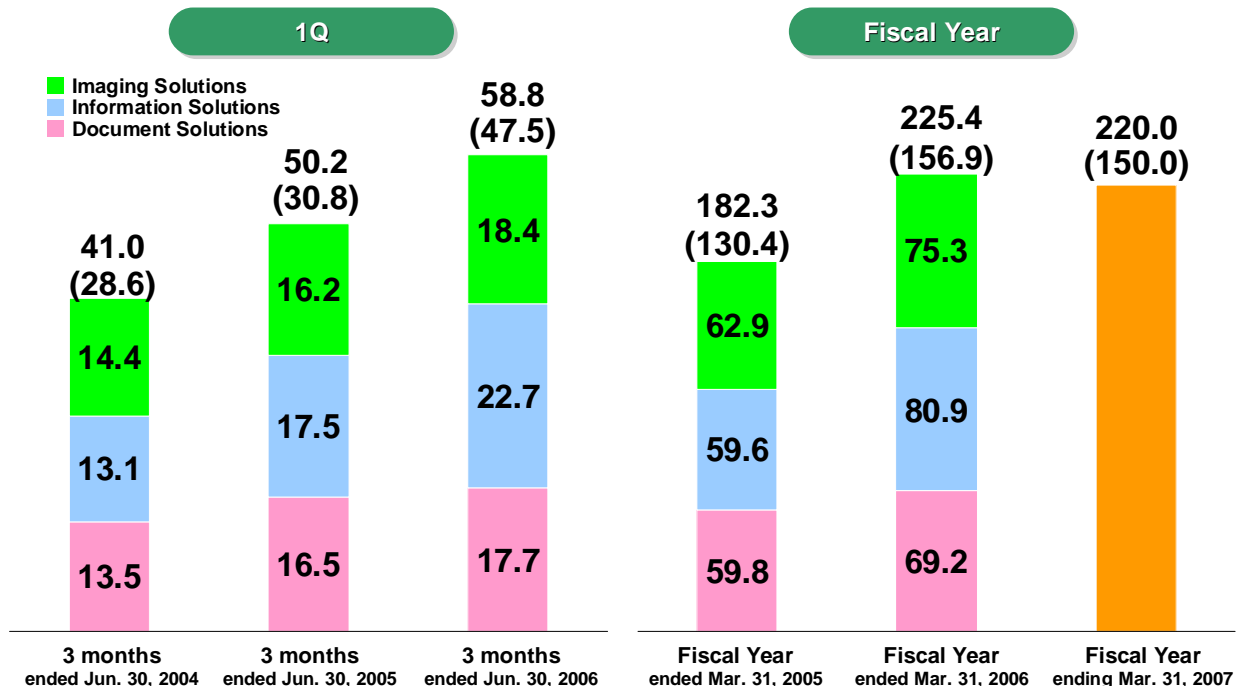
Billions of yen



*Note: Figures do not include amounts for rental equipment handled by the Document Solutions segment.

■ Depreciation & Amortization

Billions of yen



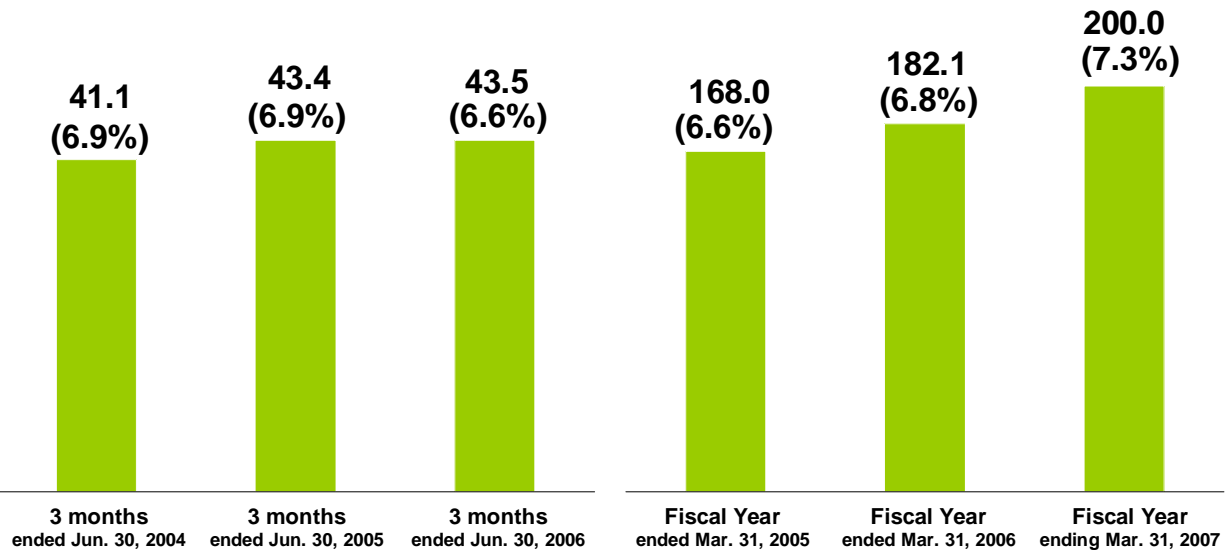
Figures in parentheses represent tangible fixed asset depreciation expense excluding that related to rental equipment handled by the Document Solutions segment.

■ R&D Expenses

Billions of yen

1Q

Fiscal Year



Figures in parentheses represent ratio of R&D expense to revenue.

Forecast

● Exchange Rates

Unit: Yen

	Fiscal Year Ending Mar. 31, 2007		Fiscal Year Ended Mar. 31, 2006				
	1Q	Estimated	1Q	2Q	3Q	4Q	
US\$	115	110	108	111	117	117	113
Euro	143	135	136	135	139	140	138

● Number of Employees

	2006		2005			
	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Non-Consolidated	8,703	9,163	9,106	9,144	9,162	8,914
Consolidated	77,479	75,845	75,606	76,430	76,146	75,638

FUJIFILM

**FUJI PHOTO FILM CO., LTD.
IR OFFICE, CORPORATE PLANNING HEADQUARTERS**

<http://www.fujifilm.com/>