

## Fiscal 2005 1<sup>st</sup> Half Earnings

FUJI PHOTO FILM CO., LTD.  
 October 29, 2004

### 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

### ➤ Operating Results

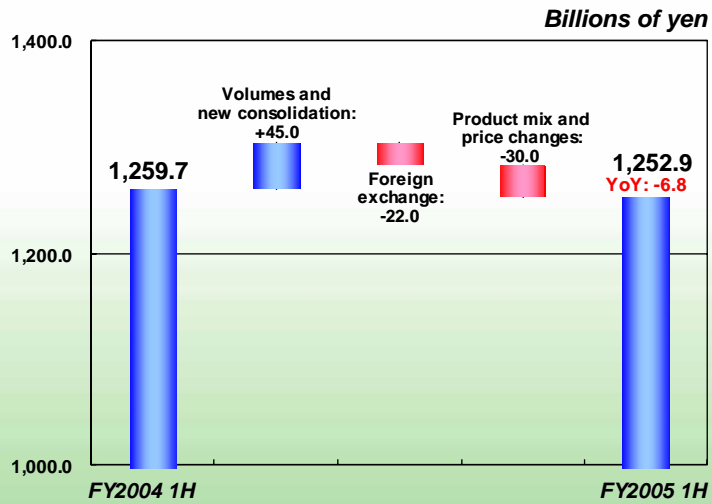
*Billions of yen*

	Six months ended September 30, 2004		Six months ended September 30, 2003		Change	
					Amount	%
Domestic	50.9%	637.5	51.7%	651.0	(13.5)	(2.1)
Overseas	49.1%	615.4	48.3%	608.7	+6.7	+1.1
<b>Revenue</b>	<b>100.0%</b>	<b>1,252.9</b>	<b>100.0%</b>	<b>1,259.7</b>	<b>(6.8)</b>	<b>(0.5)</b>
<b>Operating Income</b>	<b>8.1%</b>	<b>101.3</b>	<b>7.4%</b>	<b>93.7</b>	<b>+7.6</b>	<b>+8.1</b>
<b>Income before Income Taxes</b>	<b>8.5%</b>	<b>105.9</b>	<b>6.4%</b>	<b>81.0</b>	<b>+24.9</b>	<b>+30.7</b>
<b>Net Income</b>	<b>4.2%</b>	<b>52.7</b>	<b>3.3%</b>	<b>41.1</b>	<b>+11.6</b>	<b>+28.2</b>
<b>Exchange Rates</b>						
US\$		¥110		¥118		(¥8)
Euro		¥133		¥133		¥0

## Performance Summary



### Change in Revenue

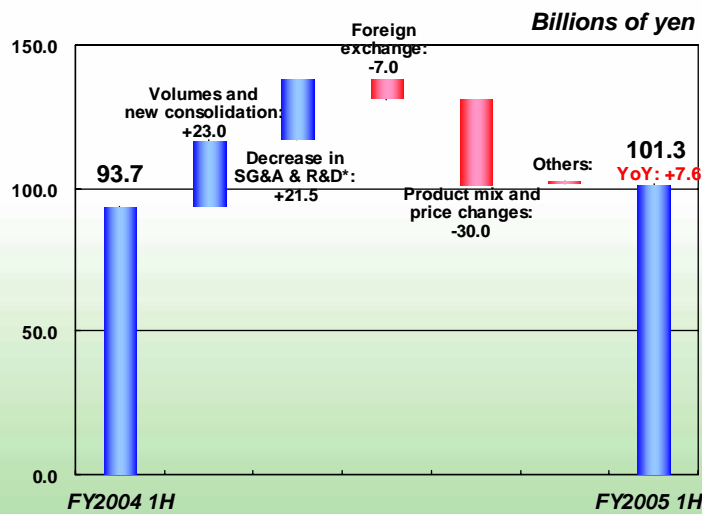


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## Performance Summary



### Change in Operating Income



\*\*Decrease in SG&A & R&D\* contains costs related to unrecognized obligation and temporary gains that arise from the transfer of substitutional portion of employee pension fund liabilities.

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## Performance Summary



### Operating Segments

	Six months ended September 30, 2004		Six months ended September 30, 2003		Change	
		Billions of yen		Billions of yen	Amount	%
<b>Imaging Solutions</b>						
Revenue		390.2		402.2	(12.0)	(3.0)
Operating Income	1.1%	4.3	7.6%	30.4	(26.1)	(86.0)
<b>Information Solutions</b>						
Revenue		378.0		378.9	(0.9)	(0.2)
Operating Income	9.7%	36.7	9.0%	34.3	+2.4	+7.3
<b>Document Solutions</b>						
Revenue		494.1		487.5	+6.6	+1.3
Operating Income	12.2%	60.5	5.9%	28.9	+31.6	+108.8
<b>Eliminations</b>						
Revenue		(9.4)		(8.9)	(0.5)	-
Operating Income		(0.2)		0.1	(0.3)	-
<b>Total</b>						
Revenue	8.1%	1,252.9	7.4%	1,259.7	(6.8)	(0.5)
Operating Income		101.3		93.7	+7.6	+8.1

Revenue by Operating Segment



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## Operating Segments

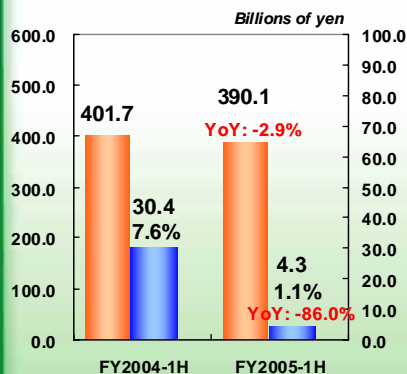


### Imaging Solutions

#### Revenue\* / Operating Income

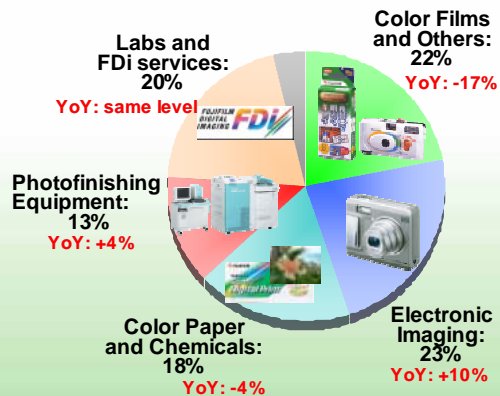
(Left scale) (Right scale)

Revenue Operating income



\*After elimination of intersegment transaction

#### Breakdown of Revenue



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## Operating Segments



### ➤ Color Films and Others



Ratio of Revenue: 22%  
YoY: -17%

- Focusing on the summer fireworks festival season, Fujifilm undertook an intensive campaign of TV commercials and other promotional activities for its QuickSnap Smart Flash one-time-use recyclable cameras and domestic sales saw a smooth increase.
- Domestic sales volume declined approximately 20% YoY, and overseas sales volume was down approximately 12%.
- The Natural Photo System NATURA was launched in Japan in October 2004.

### ➤ Color Paper and Chemicals



Ratio of Revenue: 18%  
YoY: -4%

- Fujifilm organized a promotional campaign in Japan for its "Print at Retail" digital photo printing services.
- Domestic sales volume declined 6% YoY. Overseas sales volume increased 4% YoY, reflecting a rise in sales of digital minilabs. (The share of digital camera prints among all prints at Frontier-installed retail outlets in Japan rose to an average of approximately 26%.)

### ➤ Photofinishing Equipment



Ratio of Revenue: 13%  
YoY: +4%

- Digital minilab sales volume increased 35% YoY, to 4,900 units.
- Digital minilab sales are continuing to be strong overseas, particularly in North America.

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## Operating Segments



### ➤ Electronic Imaging



Ratio of Revenue: 23%  
YoY: +10%

- Digital camera sales volume increased roughly 28% YoY, to approximately 3,200,000 units.
- New digital camera products were launched intensively in the second quarter.
- Fujifilm began supplying its camera modules to overseas camera phone manufacturer.
- Fujifilm has taken steps to strengthen its profitability in electronic imaging field.

Strengthening lineup of digital cameras  
by launching new products

FinePix E550



FinePix F810



FinePix F450



FinePix F455



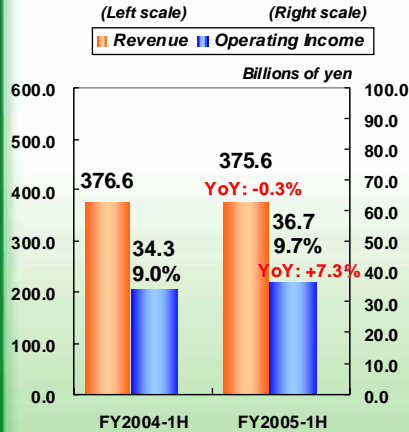
FinePix S3 Pro

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## Operating Segments

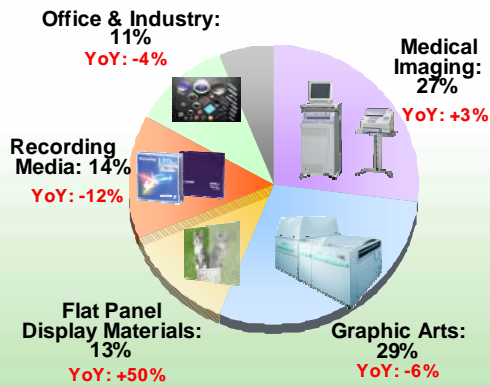
### Information Solutions

#### Revenue\* / Operating Income



\*After elimination of intersegment transaction

#### Breakdown of Revenue



## Operating Segments

### Medical Imaging Products



- Sales of the FCR (Fuji Computed Radiography) line of digital X-ray diagnostic systems have increased.
- The scale of business in endoscopes is increasing steadily, helped by launches of new products.

### Graphic Arts System Products



- The increasing use of CTP (computer-to-plate) systems throughout the world supported a strong rise in sales of the Company's CTP-related products.
- Within Fujifilm's quadrupolar global manufacturing network, the South Carolina Factory began operating a new manufacturing line in August. In Europe, the factory in the Netherlands is scheduled to begin manufacturing CTP plates in spring 2005.



The South Carolina Factory following the completion of its new CTP manufacturing line



Electronic Endoscopy System  
EPX 4400

- The world's first fully digital endoscope system
- Overwhelmingly superior image sharpness and clarity enabling the early detection of tumors

## Operating Segments

FUJIFILM

### ➤ Flat Panel Display Materials



Ratio of Revenue: 13%  
YoY: +50%

- FPD materials sales increased approximately 50% YoY, to approximately ¥50.0 billion.
- Demand for FUJITAC and WV Film remains robust while there are signs of adjustment in the manufacturing volume levels of panel manufacturers.
- FUJIFILM Opto Materials Co., Ltd., began operating a new FUJITAC plant in August 2004.

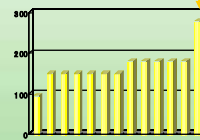
Expanding FPD materials production capacity in response to huge demand

#### Future plans for expanding FPD materials manufacturing capacity



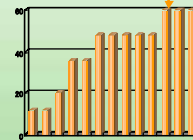
FUJIFILM Opto Materials' facilities in Shizuoka, Japan

October-December 2005: New FUJITAC plants scheduled to begin operation



FUJITAC

April 2005: WV Film production capacity scheduled to be increased



WV FILM

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## Operating Segments

FUJIFILM

### ➤ Recording Media



Ratio of Revenue: 14%  
YoY: -12%

- Sales of tape cartridges for the IBM TotalStorage® Enterprise Tape Drive 3592 began in August 2004, marking the launch of this new Fujifilm brand
- Sales of Super DLTtape™ 1 and LTO Ultrium 2 were strong.
- Supplies have begun to Philips of the world's first DVD dye that enables 16x DVD-R recording.
- New product launches and augmented advertising campaigns have helped promote expanded DVD media sales.

### ➤ Office & Industry

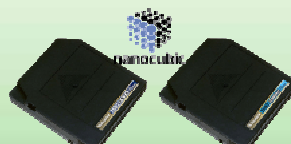


Ratio of Revenue: 11%  
YoY: -4%

- Sales of lens businesses was up due to the increased supplies of lens units for camera phones.



The world's first 16x DVD disk



3592 Tape Cartridge loaded with NANOCUBIC TECHNOLOGY



「DIGI POWER22」

Exhibit at the September 2004 session of the IBC exposition, Europe's largest broadcasting equipment trade fair

\*SuperDLTape is a trademark of Quantum Corporation in the United States.  
\*LTO and Ultrium are trademarks of Certance, HP and IBM in the United States and other countries or both.  
\*TotalStorage is a trademark of IBM in the United States and other countries or both.

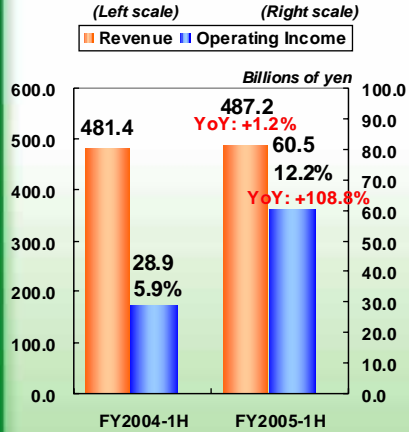
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## Operating Segments

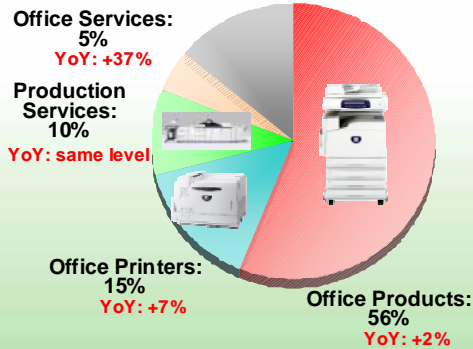
### Document Solutions

#### Revenue\* / Operating Income

#### Breakdown of Revenue



\*After elimination of intersegment transaction



## Operating Segments

### Office Products



Ratio of Revenue: 56%  
YoY: +2%

- Steady growth was sustained in domestic sales of digital color multifunction machines.
- Sales of products in new series in the DocuCentre Color continued to be robust.
- Digital color multifunction machine sales volume were up approximately 50% in Japan and 30% worldwide.

### Office Printers



Ratio of Revenue: 15%  
YoY: +7%

- Strong performance was recorded in sales overseas and exports.
- In terms of sales volume, exports to North America and Europe were up approximately 35% YoY, and sales in the Asia/Oceania region roughly doubled. Sales volume in Japan was down approximately 10%, and worldwide sales grew about 10%.



DocuCentre Color New Series  
Digital Color Multifunction Machines  
f450/f360/f250  
a450/a360/a250



DocuPrint 340A

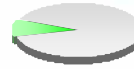


DocuPrint 505

## Operating Segments



### Production Services



Ratio of Revenue: 10%  
YoY: same level

- Exports of digital color printing systems to North America and Europe approximately doubled in volume, YoY.
- DocuColor iGen3 system was introduced—which is a high-speed, high-precision, full-color on-demand printing system.
- Recently opened within the Shinagawa Intercity Building, the “epicenter” Digital Print Innovation Support Center exhibits and demonstrates the full array of Fuji Xerox’s digital outputting products.

### Office Services



Ratio of Revenue: 5%  
YoY: +37%

- Document outsourcing business is increasing.
- Sales of Internet-based “beat” services for medium and small sized business offices were up.
- Sales have been strong of a new electronic document management system for the administration of the family register.



DocuColor iGen3 Digital Production Press

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## Outlook For the FY2005



### Outlook for the year ending March 31, 2005.

Billions of yen

	Announced on October 29		Announced on July 30		Change	
					Amount	%
<b>Revenue</b>	100.0%	2,610.0	100.0%	2,680.0	(70.0)	(2.6)
<b>Operating Income</b>	6.3%	164.0	6.1%	164.0	0	0
<b>Income before</b>						
<b>Income Taxes</b>	6.1%	160.0	5.7%	154.0	+6.0	+3.9
<b>Net Income</b>	3.2%	82.5	3.1%	82.5	0	0
<b>Exchange Rate:</b>						
<b>US\$</b>		¥109		¥108	+¥1	-
<b>Euro</b>		¥132		¥128	+¥4	-

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## Implementation of VISION 75 (1)



### Building New Growth Strategies

—Creating New Businesses Expected to Become the Pillars of Fujifilm's Future Operations—

#### ■ R&D Efforts and Results

##### ■ Promoting New Businesses

Optical Devices/systems field: Optical Transmission "Optical DVI Link System".

Fuji Photo Film: GI Plastic optical fiber "LUMISTAR"

Fuji Xerox: Optical Transmitting & Receiving Modules "VCSEL/High Speed Transmitter/Receiver"

FUJINON: Optical Lens Modules

- ▶ Technology was developed that enables 30 meter digital connection between image transmission and display equipment.



Optical DVI Link System

#### ■ M&A Activities and Corporate Alliances

■ Establishment of the Fujifilm Business Development Fund (total budget of ¥20 billion)

- ▶ As a first project for commercial application of the technology, Fujifilm and NTT Data set up a joint venture, MEDIAPIX Inc., that began operating on October 1, 2004.

■ Fujifilm has reached an agreement to acquire the Microelectronic Materials division of Arch Chemicals Inc., which handles businesses in semiconductor related process materials.

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## Implementation of VISION 75 (2)



### Comprehensive Structural Reforms Throughout Operations

#### ■ Structural Reform of Domestic Distribution and Marketing Operations

■ Reorganization of imaging operations

- ▶ FUJIFILM Imaging Co., Ltd., began operating on October 1, 2004, thereby integrating the Fujifilm Group's domestic imaging-related marketing operations and the operations of four major distributors, and this is expected to enable reductions in distribution and marketing costs.

■ Merger of five equipment manufacturing subsidiaries

- ▶ On April 1, 2005, five equipment manufacturing subsidiaries will be unified including Fuji Photo Equipment Co., Ltd and FUJINON Okaya Corporation that manufacture FCRs, Frontier digital minilabs and other products.

#### Strengthening Consolidated Management

■ Implementing cash management system.

- ▶ Fujifilm Group companies are shifting from external borrowings to intra-Group loans, and the Group is moving to unify Group fund administration. This is expected to enable more-efficient fund management and the reduction of external borrowings.

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## Implementation of VISION 75 (3)



### Fuji Xerox's Structural Reforms

#### ■ Measures to realize cost reduction

- Increasing processing charge efficiency, promoting greater use of standardized components and lowering the procurement costs by shifting mass production bases to facilities in China.

#### ■ Reforms in information process

- Promoting greater efficiency in distribution, development, administrative, and other operations by rebuilding its information process base.

#### ■ Organizational and Staffing Reforms

- Shifting to a business division system from its internal company system.
- Streamlining organization and reducing divisions.
- Implementing a comprehensive personnel expense reduction program including such measures as the introduction of a voluntary early retirement scheme and the reevaluation of current pension and retirement allowance systems.

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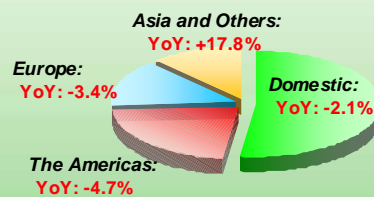
## Reference Data 1



### ➤ Domestic and Overseas Revenue

Billions of yen

	Six months ended Sept. 30, 2004		Six months ended Sept. 30, 2003		Change %
	Ratio	Amount	Ratio	Amount	
<b>Domestic</b>	<b>50.9%</b>	<b>637.5</b>	<b>51.7%</b>	<b>651.0</b>	<b>(2.1)</b>
<b>Overseas</b>					
The Americas	21.1%	264.9	22.1%	278.1	(4.7)
Europe	14.2%	177.5	14.6%	183.8	(3.4)
Asia & Others	13.8%	173.0	11.6%	146.8	+17.8
Subtotal	49.1%	615.4	48.3%	608.7	+1.1
<b>Consolidated Total</b>	<b>100.0%</b>	<b>1,252.9</b>	<b>100.0%</b>	<b>1,259.7</b>	<b>(0.5)</b>



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## Reference Data 2



### ➤ Geographic Information

*Billions of yen*

		Six months ended Sept. 30, 2004		Six months ended Sept. 30, 2003		Change	
						Amount	%
Japan	Revenue		965.5		944.6	+20.9	+2.2
	Operating Income	8.1%	78.5	7.2%	67.6	+10.9	+16.0
The Americas	Revenue		229.7		245.5	(15.8)	(6.4)
	Operating Income	3.0%	6.8	4.0%	9.8	(3.0)	(30.8)
Europe	Revenue		144.1		151.2	(7.1)	(4.7)
	Operating Income	6.5%	9.4	6.2%	9.4	0.0	0.0
Asia and Others	Revenue		150.0		122.9	+27.1	+22.0
	Operating Income	5.2%	7.8	8.0%	9.8	(2.0)	(20.7)
Eliminations	Revenue		(236.4)		(204.5)	(31.9)	-
	Operating Income		(1.2)		(2.9)	+1.7	-
Consolidated Total	Revenue		1,252.9		1,259.7	(6.8)	(0.5)
	Operating Income	8.1%	101.3	7.4%	93.7	+7.6	+8.1

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## Reference Data 3



### ➤ Capital Expenditure, Depreciation, and R&D Expenses

*Billions of yen*

	Year ending March 2005		Year ended March 2004	
	6 months ended Sept. 30, 2004	(Estimated)	6 months ended Sept. 30, 2003	
Imaging Solutions	26.1	-	27.3	49.1
Information Solutions	32.2	-	40.2	82.7
Document Solutions	12.9	-	9.0	28.9
Capital Expenditure <i>(Note)</i>	71.2	165.0	76.5	160.7
Imaging Solutions	30.3	-	29.0	59.4
Information Solutions	27.0	-	27.7	54.9
Document Solutions	27.8	-	26.9	58.3
Depreciation and Amortization	85.1	-	83.6	172.6
Depreciation <i>(Note)</i>	60.6	125.0	59.1	124.6
R&D Expenses	86.3	180.0	85.9	173.3
Ratio of R&D Expenses to Revenue	6.8%	6.9%	6.8%	6.7%

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

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## Reference Data 4



### > Assets

Billions of yen

	As of Sept. 30, 2004	As of Mar. 31, 2004	Change	
			Amount	%
Imaging Solutions	776.1	727.0	+49.1	+6.8
Information Solutions	781.8	767.5	+14.3	+1.9
Document Solutions	926.5	971.3	(44.8)	(4.6)
Subtotal	2,484.4	2,465.8	+18.6	+0.8
Eliminations	(6.5)	(5.7)	(0.8)	-
Corporate Assets	518.8	563.4	(44.6)	(7.9)
Consolidated Total	2,996.8	3,023.5	(26.7)	(0.9)

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## Reference Data 5



### > Exchange Rates

	Year ending March 31, 2005					Year ending March 31, 2004				
	1st H		2nd H		Estimated	1st H		2nd H		Estimated
	1Q	2Q	1Q	2Q		1Q	2Q	1Q	2Q	
US\$	¥110	¥110	¥110	¥108	¥109	¥119	¥118	¥118	¥108	¥113
Euro	¥132	¥134	¥133	¥130	¥132	¥133	¥133	¥133	¥132	¥132

### > Foreign Shareholder Ratio

	As of Sept. 30, 2004	As of Mar. 31, 2004	As of Sept. 30, 2003
Shareholder Ratio	44.9%	44.2%	44.4%

### > Number of Employees

	As of Sept. 30, 2004	As of Mar. 31, 2004	As of Sept. 30, 2003
Non-Consolidated	9,359	9,363	9,410
Consolidated	74,870	73,164	73,646

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FUJI PHOTO FILM CO., LTD.  
IR OFFICE, CORPORATE COMMUNICATIONS DIV.  
<http://home.fujifilm.com/>