

Financial Results (Consolidated) for the Nine months ended December 31, 2004

1. Notes to Consolidated Financial Statements

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

- Difference in Accounting Policies from the fiscal year ended March 31, 2004: N/A

(2) Change in Scope of Consolidation and Equity Method: Applicable

- Consolidated Subsidiaries: 193 subsidiaries
- Companies accounted for by equity method: 99 companies

2. Results of the Nine months ended December 31, 2004 (From April 1, 2004 to December 31, 2004)

(1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes		Net Income	
		%		%		%		%
Nine months ended Dec. 31, 2004	1,892,953	(0.5)	144,852	(1.2)	143,944	7.8	73,493	2.8
Nine months ended Dec. 31, 2003	1,902,498	0.5	146,601	(10.9)	133,519	1.8	71,488	20.2
(Ref.) Year ended March 31, 2004	2,566,725		184,900		164,948		82,317	

	Net Income Per Share of Common Stock	Net Income Per Share of Common Stock (Assuming Full Dilution)
	Yen	Yen
Nine months ended Dec. 31, 2004	143.22	-
Nine months ended Dec. 31, 2003	139.28	-
(Ref.) Year ended March 31, 2004	160.38	-

Notes 1. Average number of shares:

Nine months ended Dec. 31, 2004: 513,142,738 Nine months ended Dec. 31, 2003: 513,266,509
 Year ended March 31, 2004: 513,252,348

2. Percent: Change against corresponding period of the previous year on Revenue, Operating Income, Income before Income Taxes, Net Income.

(2) FINANCIAL POSITION

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity per Share of Common Stock
			%	Yen
As of Dec. 31, 2004	2,970,893	1,844,245	62.1	3,593.87
As of Dec. 31, 2003	3,029,593	1,725,836	57.0	3,362.73
(Ref.) As of March 31, 2004	3,023,509	1,749,882	57.9	3,409.80

Note: Number of Shares Outstanding:

As of Dec. 31, 2004: 513,163,881 As of Dec. 31, 2003: 513,225,271
 As of March 31, 2004: 513,192,100

(3) CASH FLOWS

	Net Cash provided by Operating activities	Net Cash used in Investing activities	Net Cash used in Financing activities	Cash and Cash Equivalents at end of period
Nine months ended Dec. 31, 2004	136,500	(221,337)	(44,456)	334,105
Nine months ended Dec 31, 2003	214,446	(141,504)	(25,871)	453,179
(Ref.) Year ended March 31, 2004	327,358	(207,186)	(63,516)	461,764

3. Forecast for the Fiscal Year ending March 31, 2005 (From April 1, 2004 to March 31, 2005)

There are no revision to the financial result estimates for the current fiscal year announced on October 29, 2004.

Financial Results (Consolidated) for the Third Quarter ended December 31, 2004

1. Notes to Consolidated Financial Statements

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

- Difference in Accounting Policies from fiscal year ended March 31, 2004: N/A

(2) Change in Scope of Consolidation and Equity Method: Applicable

- Consolidated Subsidiaries: 193 subsidiaries
- Company accounted for by Equity Method: 99 companies

2. Results of the Third Quarter ended December 31, 2004 (From October 1, 2004 to December 31, 2004)

(1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes		Net Income	
	%		%		%		%	
Three months ended Dec. 31, 2004	640,028	(0.4)	43,550	(17.7)	38,009	(27.5)	20,787	(31.6)
Three months ended Dec. 31, 2003	642,719	0.2	52,886	(20.6)	52,456	(1.4)	30,376	17.5
(Ref.) Year ended March 31, 2004	2,566,725		184,900		164,948		82,317	
	Net Income Per Share of Common Stock		Net Income Per Share of Common Stock (Assuming Full Dilution)					
	Yen		Yen					
Three months ended Dec. 31, 2004	40.51		-					
Three months ended Dec. 31, 2003	59.18		-					
(Ref.) Year ended March 31, 2004	160.38		-					

Notes: 1. Average number of shares:

Three months ended Dec. 31, 2004: 513,121,840 Three months ended Dec. 31, 2003: 513,246,006

Year ended March 31, 2004: 513,252,348

2. Percent: Change against corresponding period of the previous year on Revenue, Operating Income, Income before Income Taxes, Net Income.

(2) FINANCIAL POSITION

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity per Share of Common Stock
			%	Yen
As of Dec. 31, 2004	2,970,893	1,844,245	62.1	3,593.87
As of Dec. 31, 2003	3,029,593	1,725,836	57.0	3,362.73
(Ref.) As of March 31, 2004	3,023,509	1,749,882	57.9	3,409.80

Note: Number of Shares Outstanding:

As of Dec. 31, 2004: 513,163,881 As of Dec. 31, 2003: 513,225,271

As of March 31, 2004: 513,192,100

(3) CASH FLOWS

	Net Cash provided by Operating activities	Net Cash used in Investing activities	Net Cash used in Financing activities	Cash and Cash Equivalents at end of period
Three months ended Dec. 31, 2004	11,178	(77,896)	(1,903)	334,105
Three months ended Dec. 31, 2003	54,861	(45,804)	(645)	453,179
(Ref.) Year ended March 31, 2004	327,358	(207,186)	(63,516)	461,764

1. OPERATING RESULTS

(1) An Overview of Consolidated Operating Results for the Nine Months ended December 31, 2004.

During the nine-month period ended December 31, 2004, Fujifilm's revenue benefited from its stepped-up supply of flat panel display materials and the strength of digital color multifunction machine sales as well as overseas sales of office-use printers. However, sales were negatively affected by the progressive appreciation of the yen against the U.S. dollar, a decrease in demand for color film, intensifying price competition in recording media and other products, and other factors. As a result, the Company's consolidated revenue declined to ¥1,893.0 billion, down 0.5% from the same period of the previous year. Domestic revenue amounted to ¥963.5 billion, down 1.3%, while overseas revenue totaled ¥929.5 billion, up 0.3%. Regarding profit, Fujifilm moved ahead with comprehensive cost reduction measures and, in the interim period, recorded a non-recurring gain on the return of the substitutional portion of Fuji Xerox's employee pension fund liabilities. However, a rise in raw materials costs boosted the cost of sales, while non-recurring expenses were incurred in connection with various structural reform measures. These and other factors restrained operating income to ¥144.9 billion, down 1.2%. Income before income taxes amounted to ¥143.9 billion, up 7.8%, and net income was ¥73.5 billion, up 2.8%. These increases reflected such factors as a large decrease in foreign exchange losses recognized on the settlement and translation of foreign currency-denominated receivables and a decrease in interest expense accompanying the Company's efforts to reduce external borrowings.

The exchange rates for the U.S.dollar and the euro against the yen during the period were ¥109 and ¥134, respectively.

(2) An Overview of Consolidated Operating Results for the Third Quarter ended December 31, 2004.

During the three-month period ended December 31, 2004, Fujifilm's consolidated revenue benefited from continued strong demand for flat panel display materials and a large rise in overseas sales of office-use printers. However, sales were negatively affected by a decrease in demand for color film in Japan as well as in the Americas and Europe, a drop in recording media prices due to intensifying competition, and other factors. As a result, the Company's consolidated revenue declined to ¥640.0 billion, down 0.4% from the same period of the previous year. Domestic revenue amounted to ¥325.9 billion, up 0.3 %, while overseas revenue totaled ¥314.1 billion, down 1.1 %. Regarding the cost of sales and operating expenses, Fujifilm moved ahead with such measures as those to reform and optimize procurement processes, improve manufacturing efficiency, and tighten the strategic focus of R&D investments. However, a rise in raw materials costs, and non-recurring expenses incurred in connection with the reform of domestic marketing and distribution systems restrained operating income to ¥43.6 billion, down 17.7 %. Regarding non-operating income and expenses, foreign exchange losses recognized on the settlement and translation of foreign currency-denominated receivables were ¥3.5 billion greater than in the same period of the previous fiscal year. Reflecting this and other factors, income before income taxes amounted to ¥38.0 billion, down 27.5 %, and net income was ¥20.8 billion, down 31.6%.

The exchange rates for the U.S.dollar and the euro against the yen during the period were ¥106 and ¥137, respectively.

Imaging Solutions

During the three-month period ended December 31, 2004, consolidated revenue in the Imaging Solutions segment was ¥205.4 billion, down 5.0 % from the same period of the previous year, as the positive effect of increased overseas sales of digital cameras was offset by such negative factors as a decrease in the volume of color film sales.

In the imaging field, Fujifilm continues to provide high-value-added products and services—both digital and analog products and services for a full spectrum of applications ranging from image inputting to image outputting—that meet customers' increasingly diverse and advanced needs. In Japan, the Company launched the NP(Natural Photo)System, which uses the ambient light available rather than flash illumination to allow users to take photos with natural quality indoors or outdoors, and is striving to increase the market penetration of products in this line. Overseas, sales of one-time-use recyclable cameras continued to be strong in North America. Regarding digital cameras, although the slackening of growth in the Japanese market became increasingly apparent, the Company worked to promote domestic sales of its digital camera products, placing special emphasis on stylish FinePix F450/455 models. Overseas sales of digital cameras expanded, with a particularly strong sales of the entry-level FinePix A330/340 models as well as the SLR-like FinePix S3100/3500/5100/5500, the new category grip-type FinePix E500/510/550 models, and other recently launched products. Moreover, Fujifilm launched FinePix S3Pro, a digital SLR camera incorporating the Super CCD SR II, and this product has been highly evaluated. The increasing market diffusion of high-image-quality camera phone models has led to requests from manufacturers of such phones for the increased production of megapixel camera modules. By responding to these requests, Fujifilm was able to smoothly increase its sales of megapixel camera modules. Regarding photofinishing equipment, demand for Frontier series digital minilab products was generally firm overseas. Having further increased the speed of its digital photofinishing technologies, the Company launched and worked to promote sales of Frontier 570, which has super-high-speed digital processing with a high-level of efficiency that enables it to output digital prints in only 2 minutes and 24 seconds*. In addition to promoting the popularity of its digital minilabs, the Company continued with a powerful marketing promotion campaign comprising television commercials and other promotion channels that is designed to encourage greater awareness of and demand for digital photo printing. Reflecting the effectiveness of this campaign, the share of digital prints in the domestic market continued to grow steadily.

*This figure represents the time required from the start of printing through the output of 24 large-format prints.

Information Solutions

During the three-month period ended December 31, 2004, consolidated revenue in the Information Solutions segment was ¥187.6 billion, down 0.1% from the same period of the previous year.

In the medical imaging products business, sales of FCR (Fuji Computed Radiography) and imager products were firm both in Japan and overseas. In addition, Fujifilm launched the packaged EX-series versions of its SYNAPSE medical-use picture archiving and communications system, which has earned high evaluations from large-scale medical facilities, and began promoting the EX-series among medium- and small-scale medical facilities in Japan. Regarding endoscope products, smooth increases were recorded in sales, particularly of such products as the Transnasal Endoscopy, an ultrasmall-diameter endoscope that can be inserted via the nostrils, thus reducing patient discomfort. Activities in foreign markets included the establishment of a sales base in the Czech Republic and other initiatives to strengthen marketing of endoscope products in Europe and the United States. In addition, the Company's Double-balloon method electronic Enteroscopy System, which is the world's first endoscope to enable the diagnosis and treatment of the entire small intestine received the top Nikkei Business Daily Awards for Excellence in the 2004 Nikkei superior Products and Services Awards competition. Regarding graphic arts system products, the increasing use of computer-to-plate (CTP) systems throughout the world supported a continued surge in the Company's CTP-related products. To respond to rising demand for CTP plates, the Company continued boosting the capacity of its quadripolar manufacturing system, which includes units in the United States, the Netherlands, China, and Japan. In flat panel display materials, the increasingly large size of LCD computer monitors and notebook PC displays and the growing scale of the market for LCD televisions led to considerable growth in sales of FUJITAC and WV Film. In addition, Fujifilm has worked to respond to rising demand for flat panel display materials by rapidly augmenting its manufacturing capacity for such materials. Recently, the Company purchased a factory site in Kumamoto Prefecture and made the decision to construct an additional FUJITAC manufacturing facility on that site. Going forward, the Company will make timely investments aiming at further expanding the flat panel display material business. Regarding recording media, factors that include continued intense price competition in the market for mid-range data storage tape caused a decline in sales. Sales of Enterprise Tape Drive 3592 data cartridge products for the main computer systems of large companies continued to be robust, and the Company intensified its sales promotion campaign of television commercials and other activities aimed at stimulating greater sales of DVD media products. In the field of optical lens products, growth in the market for camera phones enabled a steady rise in sales of megapixel lens units for such phones.

Document Solutions

During the three-month period ended December 31, 2004, consolidated revenue in the Document Solutions segment was ¥247.0 billion, up 3.4 % from the same period of the previous year, reflecting such positive trends as a rise in sales of office-use printers.

Regarding office product business, sales of a new series of intelligent color multifunction machines in the DocuCentre Color line continued to be strong in Japan. The Company also strengthened its lineup of monochrome products with the launch of such products as the DocuCentre f285/f235/a285/a235 models, which feature expanded networking functions and powerful support for changing work-styles, and the DocuCentre f1100/f900/a1100/a900 models, which are designed to maintain and increase the Company's share of the market for high-speed, high-volume products used in such locations as companies' document outputting centers. The Company also began installing new multi-use copy machines with digital camera printing capabilities at Seven-Eleven convenience stores, the first such units to be used by the convenience store industry. Plans call for replacing previously installed units with the new models at more than 10,000 convenience stores nationwide by the end of April 2005. In the office printer business, overseas sales continued to be robust. Particularly strong sales were recorded for high-image-quality color laser printers able to output 5 color pages or 25 monochrome pages per minute, and these products helped boost the volume of color unit exports to North America and Europe to a level approximately three times higher than in the same period of the previous year. Regarding production services business, the Company proceeded with powerful domestic and overseas marketing campaigns for the Xerox iGen3 Digital Production Press, which offers image quality close to that of offset printing as well as high printing productivity. The Company also began marketing the Fuji Xerox Free Flow digital printing support service. This service is designed to promote the automation and overall optimization of printing industry processes, which in Japan are increasingly employing digital technologies. In the office services business, the Company steadily expanded its domestic document outsourcing business, such as document digitization services and comprehensive document outsourcing services that provide for the solution of all types of document flow problems. The Company also enjoyed strong performance in the marketing of "beat" IT services that provide internet network environments for medium and small sized enterprises and businesses and in the marketing of household registry document administration systems to local governments.

In line with the objective of “building new growth strategies” articulated in its VISION75 medium-term management plan, Fujifilm is proactively seeking to undertake M&A transactions and arrange alliances with other companies.

As part of these efforts, the Company reached an agreement with U.S.-based Arch Chemicals, Inc. to purchase that company’s microelectronic materials division—which engages in R&D, production, and sales of semiconductor-related chemicals. In addition, the Company made FUJIFILM Arch Co.,Ltd., a wholly owned subsidiary by purchasing the remaining 49% equity of that company formerly held by Arch Chemicals. While Fujifilm has been supplying semiconductor manufacturing-use photoresists and color resists for the manufacturing of color filters in the Japanese, East Asian, and Oceanian markets thus far, these business acquisition moves will enable the integration of those operations with marketing activities in North America and Europe, thus positioning the Company for the global expansion of operations in semiconductor processing materials. Also as a result of these moves, FUJIFILM Arch, was renamed FUJIFILM Electronics Materials Co., Ltd., as of December 1, 2004.

In addition, the Company concluded an agreement to acquire U.K.-based Sericol Group, Limited, which has a leading position in the global markets for screen printing inks and industrial inkjet UV inks. While Fujifilm has been providing products and services for commercial publisher’s printing applications, the acquisition of Sericol will enable the Company to further expand its printing business by extending its operations into such fields as screen printing, industrial product printing, package printing, and other industrial printing fields that are expected to sustain steady demand growth in the future. When the acquisition is executed, Sericol will become a wholly owned subsidiary of Fujifilm and its name will be changed to FUJIFILM Sericol Limited.

Regarding R&D, Fujifilm purchased a site in Kanagawa Prefecture for constructing the Advanced Core Technology Laboratories, which are scheduled to be completed in March 2006. This facility will enable the physical consolidation of three corporate laboratories engaged in horizontally integrated Companywide basic research programs. The objective of the new facility is to synergistically integrate expertise from various fields to create innovative technologies and thereby enable the creation of new businesses that will become major pillars of Fujifilm’s operations. In the future, the Advanced Core Technology Laboratories is expected to broaden its research field to include advanced technologies of such Fujifilm Group companies as Fuji Xerox Co., Ltd., and FUJINON CORPORATION as well as from other entities newly associated with Fujifilm through corporate alliances, corporate-academic alliances, and M&A transactions. In this way, the new laboratories are projected to constitute a core facility for R&D programs that will promote innovation throughout the Fujifilm Group.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, Fujifilm cautions that assumed facts or bases almost always vary from the actual results, and differences between assumed facts or bases and actual results can be material, depending upon the circumstances. Where, in any forward-looking statement, Fujifilm or its management expresses an expectation or belief as to future results, there can be no guaranty or assurance that the statement of expectation or belief will result or be achieved or accomplished. The words “forecast,” “project,” “believe,” “expect,” “estimate,” “anticipate,” and similar expressions may identify forward-looking statements.

Taking into account the foregoing, the following are identified as important factors, risks or uncertainties that could cause the actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, Fujifilm: competitive factors, including without limitation, pricing, implementation of Fujifilm’s product strategies, and economic trends in important markets worldwide.

Fujifilm assumes no obligation to update its forward-looking statements or to advise of any changes in the assumptions and factors on which they are based.

2. CONSOLIDATED BALANCE SHEETS

Amount Unit: Millions of yen

	As of Dec. 31, 2004		As of Sept. 30, 2004		Change	As of Mar. 31, 2004	
ASSETS	%		%			%	
Current assets:							
Cash and cash equivalents		334,105		404,565	(70,460)		461,764
Marketable securities		69,078		73,038	(3,960)		33,906
Notes and accounts receivable		537,948		518,708	19,240		535,836
Inventories		377,564		376,187	1,377		348,309
Other current assets		118,822		113,300	5,522		110,833
Total current assets	48.4	1,437,517	49.6	1,485,798	(48,281)	49.3	1,490,648
Investments and long-term receivables	13.3	395,017	12.7	381,817	13,200	13.1	396,693
Property, plant and equipment	24.2	720,071	24.2	723,321	(3,250)	23.3	705,149
Other assets	14.1	418,288	13.5	405,872	12,416	14.3	431,019
Total Assets	100.0	2,970,893	100.0	2,996,808	(25,915)	100.0	3,023,509
LIABILITIES							
Current liabilities:							
Short-term debt		128,960		120,358	8,602		143,265
Notes and accounts payable		315,280		321,917	(6,637)		340,679
Other current liabilities		248,356		279,371	(31,015)		268,142
Total current liabilities	23.3	692,596	24.1	721,646	(29,050)	24.9	752,086
Long-term liabilities:							
Long-term debt		112,731		114,748	(2,017)		116,823
Accrued pension and severance costs		128,486		130,680	(2,194)		216,135
Other long-term liabilities		82,277		83,402	(1,125)		84,858
Total long-term liabilities	10.9	323,494	11.0	328,830	(5,336)	13.8	417,816
Minority interests in subsidiaries	3.7	110,558	3.8	114,984	(4,426)	3.4	103,725
SHAREHOLDERS' EQUITY							
Common stock, without par value:							
Authorized: 800,000,000 shares							
Issued: 514,625,728 shares		40,363		40,363	0		40,363
Additional paid-in capital		68,135		68,135	0		68,135
Retained earnings		1,789,747		1,768,979	20,768		1,722,692
Accumulated other comprehensive income(loss)		(48,741)		(40,688)	(8,053)		(76,121)
Treasury stock, at cost		(5,259)		(5,441)	182		(5,187)
Total shareholders' equity	62.1	1,844,245	61.1	1,831,348	12,897	57.9	1,749,882
Total Liabilities and Shareholders' Equity	100.0	2,970,893	100.0	2,996,808	(25,915)	100.0	3,023,509

3. CONSOLIDATED STATEMENTS OF INCOME

Three months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From Oct. 1, 2004 To Dec. 31, 2004		Three months ended Dec. 31, 2003 From Oct. 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:	%		%			
Sales		551,997		555,917	(3,920)	(0.7)
Rentals		88,031		86,802	1,229	1.4
	100.0	640,028	100.0	642,719	(2,691)	(0.4)
Cost of sales:						
Sales		342,306		338,459	3,847	1.1
Rentals		36,218		34,278	1,940	5.7
	59.1	378,524	58.0	372,737	5,787	1.6
Gross profit	40.9	261,504	42.0	269,982	(8,478)	(3.1)
Operating expenses:						
Selling, general and administrative	27.8	177,821	27.0	173,703	4,118	2.4
Research and development	6.3	40,133	6.8	43,393	(3,260)	(7.5)
	34.1	217,954	33.8	217,096	858	0.4
Operating income	6.8	43,550	8.2	52,886	(9,336)	(17.7)
Other income (expenses):						
Interest and dividend income		1,625		1,075	550	
Interest expense		(921)		(1,122)	201	
Foreign exchange gains (losses), net		(5,386)		(1,846)	(3,540)	
Decline in value of investment securities		0		(7)	7	
Other, net		(859)		1,470	(2,329)	
	(0.9)	(5,541)	0.0	(430)	(5,111)	(1,188.6)
Income before income taxes	5.9	38,009	8.2	52,456	(14,447)	(27.5)
Income taxes	2.1	13,387	3.0	19,044	(5,657)	(29.7)
Income before minority interests and equity in net earnings of affiliated companies	3.8	24,622	5.2	33,412	(8,790)	(26.3)
Minority interests	(0.5)	(3,384)	(0.7)	(4,089)	705	17.2
Equity in net earnings (losses) of affiliated companies	(0.1)	(451)	0.2	1,053	(1,504)	-
Net income	3.2	20,787	4.7	30,376	(9,589)	(31.6)

Nine months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004		Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:	%		%			
Sales		1,628,368		1,638,058	(9,690)	(0.6)
Rentals		264,585		264,440	145	0.1
	100.0	1,892,953	100.0	1,902,498	(9,545)	(0.5)
Cost of sales:						
Sales		1,010,055		999,111	10,944	1.1
Rentals		107,696		104,574	3,122	3.0
	59.0	1,117,751	58.0	1,103,685	14,066	1.3
Gross profit	41.0	775,202	42.0	798,813	(23,611)	(3.0)
Operating expenses:						
Selling, general and administrative	31.0	586,986	27.5	522,953	64,033	12.2
Research and development	6.7	126,493	6.8	129,259	(2,766)	(2.1)
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(4.4)	(83,129)	-	-	(83,129)	-
	33.3	630,350	34.3	652,212	(21,862)	(3.4)
Operating income	7.7	144,852	7.7	146,601	(1,749)	(1.2)
Other income (expenses):						
Interest and dividend income		4,390		3,459	931	
Interest expense		(3,001)		(4,230)	1,229	
Foreign exchange gains (losses), net		(1,810)		(5,401)	3,591	
Decline in value of investment securities		(33)		(295)	262	
Other, net		(454)		(6,615)	6,161	
	(0.1)	(908)	(0.7)	(13,082)	12,174	93.1
Income before income taxes	7.6	143,944	7.0	133,519	10,425	7.8
Income taxes	3.0	56,093	2.9	54,797	1,296	2.4
Income before minority interests and equity in net earnings of affiliated companies	4.6	87,851	4.1	78,722	9,129	11.6
Minority interests	(0.7)	(14,298)	(0.5)	(10,108)	(4,190)	(41.5)
Equity in net earnings (losses) of affiliated companies	0.0	(60)	0.2	2,874	(2,934)	-
Net income	3.9	73,493	3.8	71,488	2,005	2.8

4. CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From October 1, 2004 To December 31, 2004	Three months ended Dec. 31, 2003 From October 1, 2003 To December 31, 2003
Operating activities		
Net income	20,787	30,376
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	46,531	44,359
Decline in value of investment securities	0	7
Minority interests	3,384	4,089
Equity in net earnings (losses) of affiliated companies, less dividends received	524	(1,034)
Changes in operating assets and liabilities:		
Notes and accounts receivable	(23,107)	(30,035)
Inventories	(1,015)	(12,972)
Notes and accounts payable - trade	(3,381)	22,770
Accrued income taxes and other liabilities	(22,588)	(3,668)
Other	(9,957)	969
Subtotal	(9,609)	24,485
Net cash provided by operating activities	11,178	54,861
Investing activities		
Purchases of property, plant and equipment	(35,127)	(38,605)
Purchases of software	(5,269)	(10,224)
Proceeds from sales and maturities of marketable and investment securities	15,163	16,454
Purchases of marketable and investment securities	(18,144)	(2,303)
Decrease in investments in and advances to affiliated companies	672	3,067
Acquisitions of businesses and minority interests, net of cash acquired	(25,257)	(12,411)
Other	(9,934)	(1,782)
Net cash used in investing activities	(77,896)	(45,804)
Financing activities		
Proceeds from long-term debt	64	922
Repayments of long-term debt	(4,745)	(3,942)
Increase in short-term debt	13,085	10,339
Cash dividends paid	(6,415)	(6,417)
Cash dividends paid to minority shareholders	(3,852)	(1,441)
Purchases of stock for treasury, net	(40)	(106)
Net cash used in financing activities	(1,903)	(645)
Effect of exchange rate changes on cash and cash equivalents	(1,839)	(1,204)
Net (decrease) increase in cash and cash equivalents	(70,460)	7,208
Cash and cash equivalents at beginning of period	404,565	445,971
Cash and cash equivalents at end of period	334,105	453,179

Nine months ended December 31, 2004 and 2003, and Year ended March 31, 2004.

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004	Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004
Operating activities			
Net income	73,493	71,488	82,317
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	131,673	127,941	172,622
Decline in value of investment securities	33	295	466
Minority interests	14,298	10,108	13,289
Equity in net earnings (losses) of affiliated companies, less dividends received	2,169	(686)	(667)
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(83,129)	-	-
Changes in operating assets and liabilities:			
Notes and accounts receivable	5,545	(32,071)	(20,519)
Inventories	(16,692)	(15,011)	174
Notes and accounts payable - trade	(20,089)	13,232	19,719
Accrued income taxes and other liabilities	26,019	26,776	40,481
Other	3,180	12,374	19,476
Subtotal	63,007	142,958	245,041
Net cash provided by operating activities	136,500	214,446	327,358
Investing activities			
Purchases of property, plant and equipment	(113,495)	(114,627)	(160,070)
Purchases of software	(17,819)	(26,711)	(37,367)
Proceeds from sales and maturities of marketable and investment securities	27,974	31,847	46,672
Purchases of marketable and investment securities	(62,289)	(5,842)	(16,634)
(Increase) decrease in investments in and advances to affiliated companies	(2,026)	1,393	1,702
Acquisitions of businesses and minority interests, net of cash acquired	(32,933)	(17,498)	(21,901)
Other	(20,749)	(10,066)	(19,588)
Net cash used in investing activities	(221,337)	(141,504)	(207,186)
Financing activities			
Proceeds from long-term debt	1,940	6,238	6,604
Repayments of long-term debt	(12,599)	(18,184)	(25,787)
(Decrease) increase in short-term debt	(13,588)	2,628	(27,615)
Cash dividends paid	(12,831)	(12,834)	(12,833)
Cash dividends paid to minority shareholders	(7,080)	(3,494)	(3,550)
Purchases of stock for treasury, net	(298)	(225)	(335)
Net cash used in financing activities	(44,456)	(25,871)	(63,516)
Effect of exchange rate changes on cash and cash equivalents	1,634	(4,022)	(5,022)
Net (decrease) increase in cash and cash equivalents	(127,659)	43,049	51,634
Cash and cash equivalents at beginning of period	461,764	410,130	410,130
Cash and cash equivalents at end of period	334,105	453,179	461,764

4. DETAILS OF CONSOLIDATED REVENUE

(1) Revenue by product

Three months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From Oct. 1, 2004 To Dec. 31, 2004		Three months ended Dec. 31, 2003 From Oct. 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions	32.1%	205,461	33.6%	216,180	(10,719)	(5.0)
Information Solutions	29.3%	187,563	29.2%	187,698	(135)	(0.1)
Document Solutions	38.6%	247,004	37.2%	238,841	8,163	3.4
Consolidated total	100.0%	640,028	100.0%	642,719	(2,691)	(0.4)

Nine months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004		Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions	31.5%	595,559	32.5%	617,904	(22,345)	(3.6)
Information Solutions	29.7%	563,202	29.6%	564,346	(1,144)	(0.2)
Document Solutions	38.8%	734,192	37.9%	720,248	13,944	1.9
Consolidated total	100.0%	1,892,953	100.0%	1,902,498	(9,545)	(0.5)

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

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	System devices for graphic arts, medical imaging, and information systems, flat panel display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables, office services

(2) Domestic and overseas revenue

Three months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From Oct. 1, 2004 To Dec. 31, 2004		Three months ended Dec. 31, 2003 From Oct. 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Domestic	50.9%	325,925	50.6%	325,084	841	0.3
Overseas						
The Americas	21.3%	136,492	22.6%	145,055	(8,563)	(5.9)
Europe	14.2%	90,612	14.5%	93,256	(2,644)	(2.8)
Asia and others	13.6%	86,999	12.3%	79,324	7,675	9.7
Subtotal	49.1%	314,103	49.4%	317,635	(3,532)	(1.1)
Consolidated total	100.0%	640,028	100.0%	642,719	(2,691)	(0.4)

Nine months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004		Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Domestic	50.9%	963,486	51.3%	976,134	(12,648)	(1.3)
Overseas						
The Americas	21.2%	401,418	22.2%	423,105	(21,687)	(5.1)
Europe	14.2%	268,144	14.6%	277,100	(8,956)	(3.2)
Asia and others	13.7%	259,905	11.9%	226,159	33,746	14.9
Subtotal	49.1%	929,467	48.7%	926,364	3,103	0.3
Consolidated total	100.0%	1,892,953	100.0%	1,902,498	(9,545)	(0.5)

5. SEGMENT INFORMATION

(1) Operating segments

Three months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From Oct. 1, 2004 To Dec. 31, 2004		Three months ended Dec. 31, 2003 From Oct. 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	32.1%	205,461	33.6%	216,180	(10,719)	(5.0)
Intersegment		120		177	(57)	-
Total		205,581		216,357	(10,776)	(5.0)
Information Solutions:						
External customers	29.3%	187,563	29.2%	187,698	(135)	(0.1)
Intersegment		1,011		1,288	(277)	-
Total		188,574		188,986	(412)	(0.2)
Document Solutions:						
External customers	38.6%	247,004	37.2%	238,841	8,163	3.4
Intersegment		2,788		2,814	(26)	-
Total		249,792		241,655	8,137	3.4
Eliminations		(3,919)		(4,279)	360	-
Consolidated total	100.0%	640,028	100.0%	642,719	(2,691)	(0.4)

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From Oct. 1, 2004 To Dec. 31, 2004		Three months ended Dec. 31, 2003 From Oct. 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Operating Income:						
Imaging Solutions	4.6%	9,412	8.3%	17,977	(8,565)	(47.6)
Information Solutions	8.1%	15,241	10.8%	20,371	(5,130)	(25.2)
Document Solutions	7.6%	18,865	6.1%	14,653	4,212	28.7
Total		43,518		53,001	(9,483)	(17.9)
Eliminations		32		(115)	147	-
Consolidated total	6.8%	43,550	8.2%	52,886	(9,336)	(17.7)

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

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	System devices for graphic arts, medical imaging, and information systems, flat panel display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables, office services

Nine months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004		Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	31.5%	595,559	32.5%	617,904	(22,345)	(3.6)
Intersegment		231		626	(395)	-
Total		595,790		618,530	(22,740)	(3.7)
Information Solutions:						
External customers	29.7%	563,202	29.6%	564,346	(1,144)	(0.2)
Intersegment		3,423		3,540	(117)	-
Total		566,625		567,886	(1,261)	(0.2)
Document Solutions:						
External customers	38.8%	734,192	37.9%	720,248	13,944	1.9
Intersegment		9,685		8,973	712	-
Total		743,877		729,221	14,656	2.0
Eliminations		(13,339)		(13,139)	(200)	-
Consolidated total	100.0%	1,892,953	100.0%	1,902,498	(9,545)	(0.5)

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004		Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Operating Income:						
Imaging Solutions	2.3%	13,686	7.8%	48,415	(34,729)	(71.7)
Information Solutions	9.2%	52,005	9.6%	54,637	(2,632)	(4.8)
Document Solutions	10.7%	79,307	6.0%	43,600	35,707	81.9
Total		144,998		146,652	(1,654)	(1.1)
Eliminations		(146)		(51)	(95)	-
Consolidated total	7.7%	144,852	7.7%	146,601	(1,749)	(1.2)

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

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	System devices for graphic arts, medical imaging, and information systems, flat panel display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables, office services

(2) Geographic information

Three months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From Oct. 1, 2004 To Dec. 31, 2004		Three months ended Dec. 31, 2003 From Oct. 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Japan						
External customers	63.1%	404,026	63.0%	404,828	(802)	(0.2)
Intersegment		84,760		83,773	987	-
Total		488,786		488,601	185	0.0
The Americas						
External customers	17.7%	113,505	19.3%	123,840	(10,335)	(8.3)
Intersegment		3,840		1,002	2,838	-
Total		117,345		124,842	(7,497)	(6.0)
Europe						
External customers	11.2%	71,482	11.2%	72,245	(763)	(1.1)
Intersegment		2,785		3,155	(370)	-
Total		74,267		75,400	(1,133)	(1.5)
Asia and others						
External customers	8.0%	51,015	6.5%	41,806	9,209	22.0
Intersegment		43,476		20,274	23,202	-
Total		94,491		62,080	32,411	52.2
Eliminations		(134,861)		(108,204)	(26,657)	-
Consolidated total	100.0%	640,028	100.0%	642,719	(2,691)	(0.4)

Amount Unit: Millions of yen

	Three months ended Dec. 31, 2004 From Oct. 1, 2004 To Dec. 31, 2004		Three months ended Dec. 31, 2003 From Oct. 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Operating Income:						
Japan	6.9%	33,813	8.3%	40,760	(6,947)	(17.0)
The Americas	(1.7)%	(1,953)	2.1%	2,575	(4,528)	-
Europe	3.4%	2,493	5.6%	4,258	(1,765)	(41.5)
Asia and others	5.9%	5,529	8.2%	5,089	440	8.6
Eliminations	-	3,668	-	204	3,464	-
Consolidated total	6.8%	43,550	8.2%	52,886	(9,336)	(17.7)

Nine months ended December 31, 2004 and 2003

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004		Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Revenue:						
Japan						
External customers	63.2%	1,196,089	62.6%	1,191,771	4,318	0.4
Intersegment		258,261		241,515	16,746	-
Total		1,454,350		1,433,286	21,064	1.5
The Americas						
External customers	17.8%	337,736	19.3%	366,765	(29,029)	(7.9)
Intersegment		9,336		3,638	5,698	-
Total		347,072		370,403	(23,331)	(6.3)
Europe						
External customers	11.1%	209,648	11.4%	217,035	(7,387)	(3.4)
Intersegment		8,671		9,537	(866)	-
Total		218,319		226,572	(8,253)	(3.6)
Asia and others						
External customers	7.9%	149,480	6.7%	126,927	22,553	17.8
Intersegment		95,022		58,087	36,935	-
Total		244,502		185,014	59,488	32.2
Eliminations		(371,290)		(312,777)	(58,513)	-
Consolidated total	100.0%	1,892,953	100.0%	1,902,498	(9,545)	(0.5)

Amount Unit: Millions of yen

	Nine months ended Dec. 31, 2004 From April 1, 2004 To Dec. 31, 2004		Nine months ended Dec. 31, 2003 From April 1, 2003 To Dec. 31, 2003		Change	
					Amount	%
Operating Income:						
Japan	7.7%	112,302	7.6%	108,433	3,869	3.6
The Americas	1.4%	4,840	3.3%	12,393	(7,553)	(60.9)
Europe	5.5%	11,911	6.0%	13,672	(1,761)	(12.9)
Asia and others	5.4%	13,303	8.0%	14,890	(1,587)	(10.7)
Eliminations	-	2,496	-	(2,787)	5,283	-
Consolidated total	7.7%	144,852	7.7%	146,601	(1,749)	(1.2)