

## Financial Results (Consolidated) for the Fiscal Year ended March 31, 2004

Date of board meeting for the fiscal year ended March 31, 2004: April 30, 2004

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

### 1. Results of the Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

#### (1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes	
		%		%		%
Year ended March 31, 2004	2,560,387	2.2	180,427	12.6	164,948	36.9
Year ended March 31, 2003	2,505,703	4.4	160,277	(5.0)	120,513	(24.5)

	Net Income		Net Income Per Share of Common Stock	Net Income Per Share of Common Stock (Assuming Full Dilution)	Ratio of Net Income to Shareholders' Equity	Ratio of Income before Income Taxes to Total Assets	Ratio of Income before Income Taxes to Net Sales
		%	Yen	Yen	%	%	%
Year ended March 31, 2004	82,317	69.4	160.38	-	4.8	5.5	6.4
Year ended March 31, 2003	48,579	(40.3)	94.51	-	2.9	4.1	4.8

Notes: 1. Equity in net earnings of affiliated companies (including unconsolidated subsidiaries)

Year ended March 31, 2004: ¥2,947 million Year ended March 31, 2003: ¥1,184 million

2. Average number of shares:

Year ended March 31, 2004: 513,252,348 Year ended March 31, 2003: 514,011,312

3. Change in accounting policies: None

4. Percent: Change from the corresponding period of the previous year in Revenue, Operating Income, Income before Income Taxes, and 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 March 31, 2004	3,023,509	1,749,882	57.9	3,409.80
As of March 31, 2003	2,958,317	1,680,611	56.8	3,274.17

Note: Number of Shares Outstanding:

As of March 31, 2004: 513,192,100 As of March 31, 2003: 513,293,833

#### (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 year
Year ended March 31, 2004	327,358	(207,186)	(63,516)	461,764
Year ended March 31, 2003	303,500	(201,928)	(64,252)	410,130

#### (4) SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidated Subsidiaries: 178 subsidiaries
- Companies accounted for by equity method: 108 companies

#### (5) CHANGE IN SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidation: Increase 6, Decrease 7 Equity method: Increase 9, Decrease 15

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

	Revenue	Operating Income	Income before Income Taxes	Net Income
For 6 months ending Sept. 30, 2004	1,310,000	83,000	77,000	41,000
For Year ending Mar. 31, 2005	2,680,000	164,000	154,000	82,500

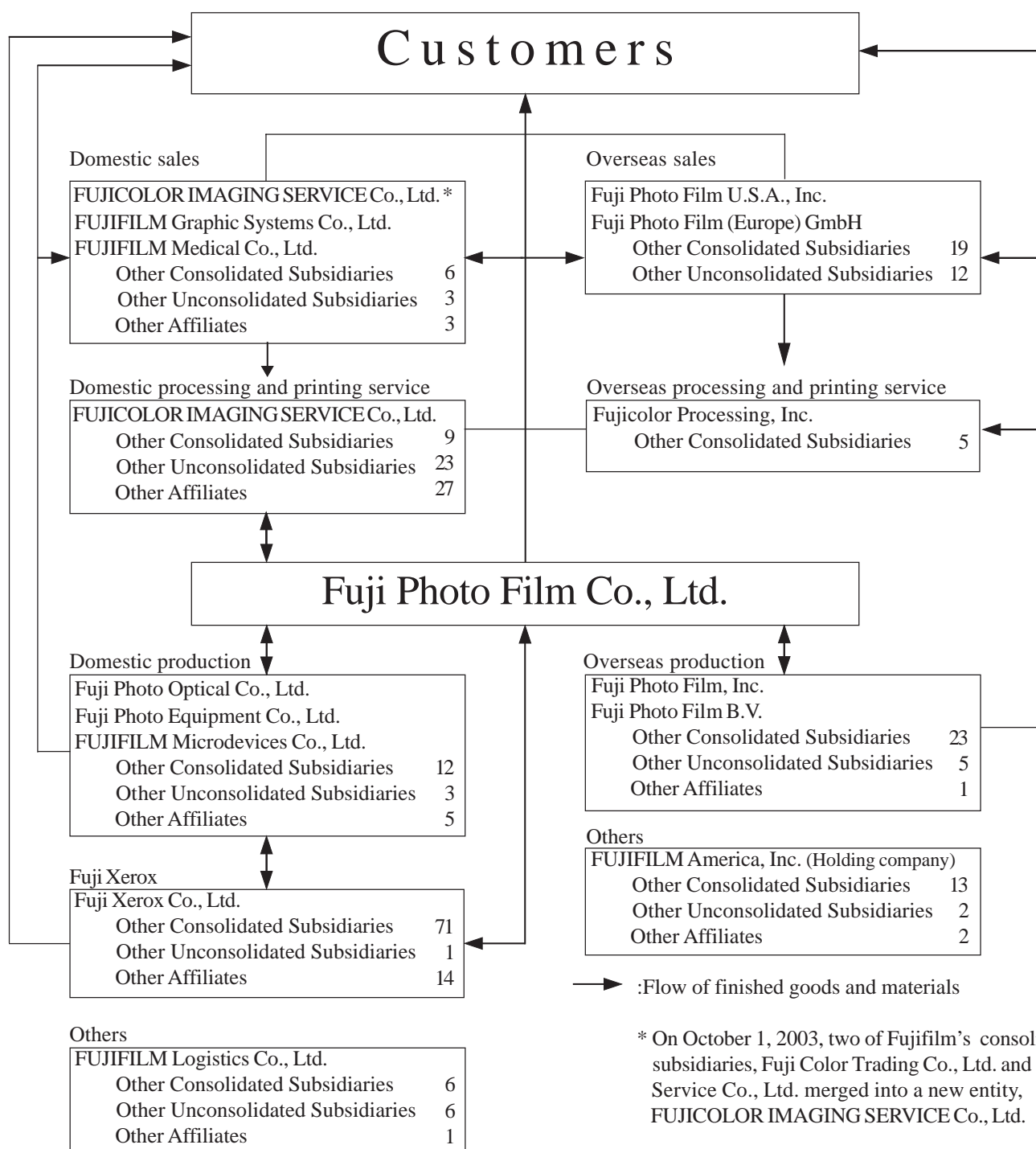
(Reference) Expected net income per share of common stock for the year ending March 31, 2005: ¥160.76

Note: This forecast is based on the Company's current assumptions and beliefs in light of the information currently available to it, and it involves known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements. See the note on page 9.

# 1. THE FUJIFILM GROUP

The Fujifilm Group comprises Fuji Photo Film Co., Ltd., 233 subsidiaries and 53 affiliated companies that perform R&D, manufacturing, marketing, and service activities in the Group’s core business of segments of Imaging Solutions, Information Solutions, and Document Solutions. The Fujifilm Group main companies in each segment are outlined as follows:

	Description	Main companies
Imaging Solutions	Color films; film cameras; digital cameras; photofinishing equipment; color paper; chemicals and services for photofinishing; etc.	Fuji Photo Film Co., Ltd.; Fuji Photo Optical Co., Ltd.; FUJIFILM Microdevices Co., Ltd.; FUJICOLOR IMAGING SERVICE Co., Ltd.; Fuji Photo Film, Inc.; Fuji Photo Film B.V.; Fuji Photo Film U.S.A.; Inc., Fuji Photo Film (Europe) GmbH; Fujicolor Processing, Inc.; etc.
Information Solutions	Systems devices for graphic arts; medical imaging; and information systems; flat panel display materials; recording media; etc.	Fuji Photo Film Co., Ltd.; Fuji Photo Equipment Co., Ltd.; FUJIFILM Graphic Systems Co., Ltd.; FUJIFILM Medical Co., Ltd.; FUJIFILM ARCH Co., Ltd.; Fuji Photo Film U.S.A., Inc.; Fuji Photo Film (Europe) GmbH; etc.
Document Solutions	Office copiers/MFPs; printers; production systems and services; paper; consumables; office services; etc.	Fuji Xerox Co., Ltd.; Suzuka Fuji Xerox Co., Ltd.; Fuji Xerox Office Supply Co., Ltd.; Tokyo Xerox Co., Ltd.; Fuji Xerox Printing Systems Co., Ltd.; Fuji Xerox (China) Limited; Fuji Xerox Asia Pacific Pte Ltd.; etc.



## **2. MANAGEMENT POLICIES**

### **(1) Basic Management Policies**

Fujifilm has set itself the fundamental goal of constantly striving to develop superior technologies and to continue to cultivate an imaging and information culture. As a global company fully trusted by both customers and society itself, we aim to make innovative use of the most advanced technologies to create beautiful images and wide-ranging information and provide the imaging, information, and document solutions that will best meet the increasingly sophisticated needs of today's society.

### **(2) Medium-Term Strategy and Essential Tasks**

In all the diverse fields in which we are developing our operations, rapid progress in communications and IT technologies has led to a major ongoing paradigmatic transition that is often referred to as "digital impact." Aiming to aptly respond to such changes in its business environment and develop new corporate growth paths, Fujifilm has drawn up the medium-term management plan "VISION75." This plan, which features a "New Departure" theme, looks toward the fiscal year ending March 31, 2009, in which Fujifilm will mark the 75th anniversary of its founding, and measures to attain the goals of this plan have begun.

VISION75 articulates the fundamental strategies of "building new growth strategies," "implementing comprehensive structural reforms at all management levels," and "enhancing consolidated management." In concrete terms, the entire Fujifilm Group will be strategically emphasizing the following efforts.

- a) We will strategically distribute our corporate resources in a manner that promotes additional expansion in business growth fields and strengthens the overall profit base.
- b) We will rebuild our R&D system, boost investment in it, and tighten its strategic focus with an eye to creating new businesses that will be pillars of the Group's operations in the future.
- c) We will augment our manufacturing, marketing, and service operations in China and other emerging markets while seeking to strengthen the Fujifilm brand image as well as expand its business scale.
- d) We will maintain our competitive superiority by a thorough restructuring that includes reexamining, reorganizing, and boosting the efficiency of systems associated with all our manufacturing, marketing, distribution, and purchasing processes.
- e) We will further increase the use of business management systems based on consolidated accounts with the objectives of more concerted promoting greater competitiveness and growth.
- f) We will undertake corporate social responsibility (CSR) activities with an emphasis on appropriate internal control systems through the integrated promotion of compliance and risk management systems and on more-proactive responses to environmental issues.

### **(3) Basic Policy Regarding Distribution of Profits**

Fujifilm's basic policy regarding the distribution of profits is to provide shareholders with stable dividends and thereby meet shareholders' expectation as well as to maintain sufficient internal reserves to strengthen the management foundation, permitting it to support an aggressive expansion of its business activities while being prepared for sudden changes in the business environment.

### **(4) Policy Regarding Reduction of Basic Trading Unit of Shares**

Fujifilm has been considering the reduction of the unit of investment, as it is able to supply higher level of liquidity at stock markets. This time, Fujifilm has decided to reduce the number of shares that constitutes one unit, from 1,000 shares to 100 shares, recognizing that it is important to offer wider range of investors, including individuals regarded as its major target, opportunities to invest in Fujifilm and to further broaden its base of shareholders. This change is effective from September 1, 2004.

**(5) Basic Policy Regarding Corporate Governance and Implementation of Related Measures**

In 1998, Fujifilm designated its board of directors as "the body for determining basic management policies and strategies as well as for supervising the execution of business affairs" and also introduced an executive officer system with the main objective of expediting the execution of business affairs. In June 2002, terms for directors and executive officers were reduced from two years to one year, with the goals of clarifying the mission and responsibility of directors and officers and creating a system for quickly responding to any even extremely rapid changes in the business environment. The Company currently has 14 directors and 28 executive officers, 13 of whom also serve as directors.

In addition, the board of corporate auditors is composed of four members, including three external corporate auditors who help increase input from outside perspectives. All auditors attend meetings of the board of directors, and the standing statutory auditor also regularly attends Management Council meetings. As an independent body with key roles and responsibilities in Fujifilm's corporate governance system, each auditor inspects and audits the entire range of business affair activities.

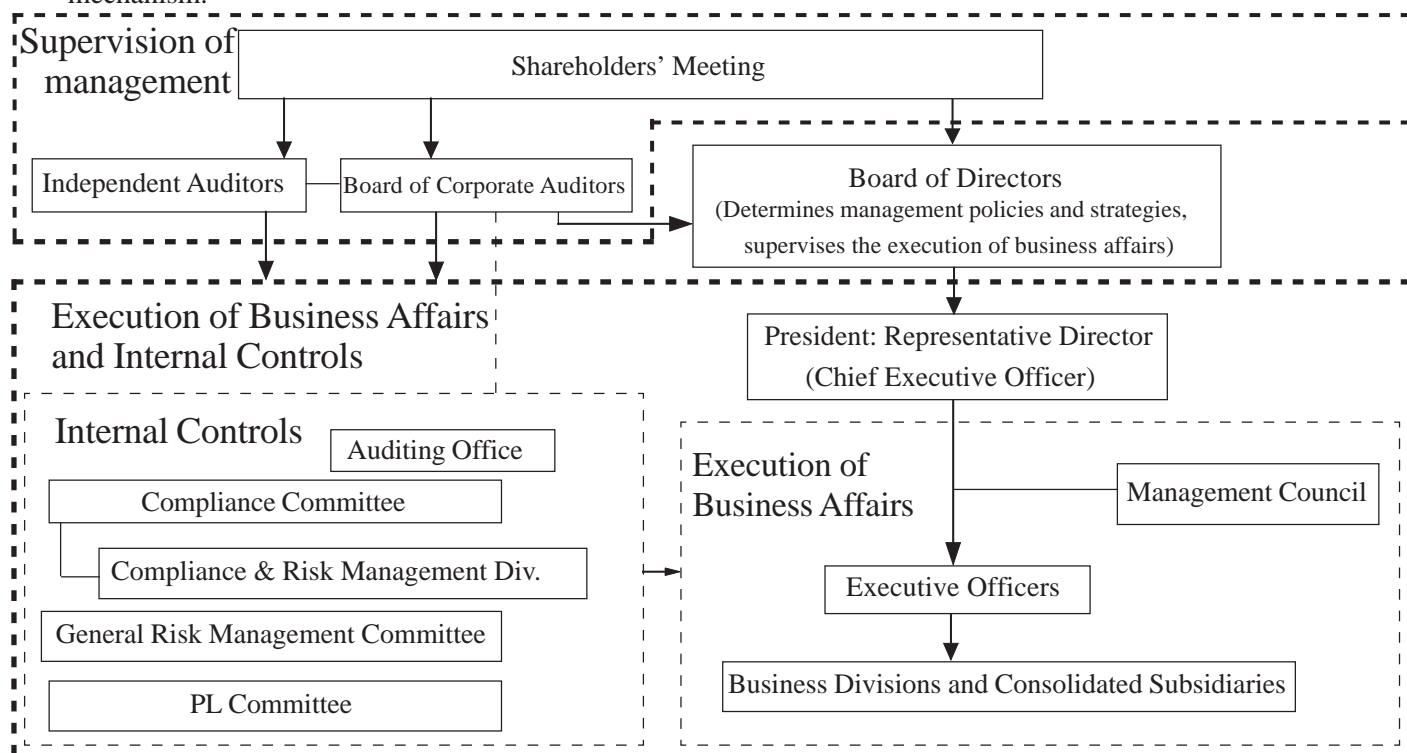
In line with its basic management principles, Fujifilm has long undertaken various corporate social responsibility (CSR) activities designed to ensure a corporation's ethical standards, compliance, and appropriate responses to environmental and product safety issues. In April 2004, Fujifilm further strengthened its CSR operations by establishing the CSR Div., which leads the promotion of CSR throughout the Company through measures including the planning of CSR operations in cooperation with various relevant departments.

Establishing the foundations for good compliance in its business activities, Fujifilm has devised a Fujifilm Group Corporate Conduct Code. Based on this Group code, principal Group companies in Japan and overseas have drafted their own employee conduct codes and are duly working to ensure compliance with those codes. Fujifilm has also established a Compliance Committee chaired by the Company's president. This committee and the Compliance and Risk Management Div., which is a lower branch of the CSR Div. and serves as the committee's secretariat, make up the principal hub of programs for promoting the pervasiveness of compliance throughout the Group, and the division handles consultations with employees regarding conformance and infractions of compliance standards as well as related liaison activities and announcements.

Fujifilm places equally strong emphasis on compliance and risk management and is proactively working to ensure effective risk management. It has created a risk management system centered on two committees that broadly coordinate risk management activities throughout the Company, the General Risk Management Committee and the PL (Product Liability) Committee.

Internal auditing activities are the responsibility of the Auditing Office, which is independent of operational execution departments. Aiming to expand and strengthen the internal auditing system, the Company is continually expanding and strengthening its internal auditing system through progressive reinforcement and the successive hiring of additional staff.

The following chart provides an overview of Fujifilm's auditing and management systems and internal control mechanism.



### 3. OPERATING RESULTS AND FINANCIAL POSITION

#### (1) Overview of the Period and Distribution of Profits

During the year, ended March 31, 2004, the Japanese economy benefited from some positive economic factors associated with exports, but there were no clear signs of improvement in personal consumption or the employment environment. Such factors as the depreciation of the dollar against the yen during the latter half of the year further prevented the Japanese economy from mustering a full-scale recovery. Overseas, economic conditions varied greatly from region to region. Although the U.S. economy was relatively strong owing to such factors as growth in personal spending during the latter half of the year and a trend toward increased corporate capital investment, Europe experienced a delayed economic recovery. In Asia, the impact of the SARS outbreak during the first half of the year slowed the pace of growth in certain countries.

Amid these conditions, Fujifilm dynamically expanded its operations while utilizing digital and networking technologies to provide customers with comprehensive solutions in its imaging, information, and document businesses. Noteworthy examples of our progress include the expanded marketing of digital cameras assimilating our new technologies and boast a high picture quality; an increase in the supply of CCD camera modules and lens units for incorporation in camera phones; the acquisition of a manufacturing plant with the goal of strengthening CCD production capabilities; the augmented marketing of Frontier digital minilabs, which offer a wide range of digital imaging services; the implementation of a campaign with the aim of diffusing and promoting the creation of photo prints from digital images; the launch of medical imaging diagnostic systems that facilitate the early detection of lesions; the boosting of manufacturing capacity to meet the great demand for flat panel display materials; and the expanded marketing of digital color multifunction machines that draw on new technologies in the document business.

Although Fujifilm's performance in fiscal year ended March 31, 2004, was negatively affected by low travel demand resulting from such factors as the SARS outbreak, Iraq conflict in the first half of the year and an unseasonably cool summer in Japan as well as the progressive appreciation of the yen against dollar. These factors were offset by strong sales of flat panel display materials and various digital products as well as by a rise in sales of digital color multifunction machines in the document business. As a result, consolidated revenue grew 2.2% from the level in the previous year, to ¥2,560.3 billion. Domestic revenue increased 0.4%, to ¥1,336.0 billion, and overseas revenue also advanced 4.2%, to ¥1,224.3 billion. Profits during the period were negatively impacted by such factors as an increase in R&D spending aimed at promoting the creation of new products and businesses as well as the rise in SG&A expenses that accompanied a gain in the number of domestic consolidated subsidiaries in line with our strategy of bolstering marketing operations. However, our progress in implementing comprehensive cost reduction programs involving continual increases to manufacturing efficiency and efforts to more tightly focus spending on high-priority projects had a positive effect on profitability. Reflecting these factors and the recording of a one-time loss of ¥23.1 billion on the settlement and curtailment of a defined benefit plan in the previous fiscal year, operating income grew 12.6%, to ¥180.4 billion. Large gains were also achieved in both income before income taxes, which advanced 36.9%, to ¥164.9 billion, and net income, which rose 69.4%, to ¥82.3 billion. These increases reflected such factors as a ¥16.5 billion reduction in losses on the decline in the value of investment securities, a ¥2.4 billion decrease in settlement and devaluation of receivables and payables denominated in foreign currencies at the end of the year, and tax effects that resulted from R&D tax credit as well as a tax system aimed at promoting IT investment.

In terms of exchange rates, the average rates of the U.S. dollar and the euro against the yen during the year were ¥113 and ¥132 respectively.

## **Imaging Solutions**

Sales of digital cameras continued rising, especially overseas. However, low travel demand in Japan and abroad in the first half of the year under review affected sales of some consumer products, including color negative films. As a result, consolidated revenue in this segment decreased 1.9%, to ¥815.5 billion.

Among one-time-use recyclable cameras, Fujifilm's new QuickSnap became a hit product owing to its revolutionary capabilities that allow users to take high-quality photographs of fireworks and night scenes. The Company launched and promoted the sales of several new color reversal film products, including Velvia 100F, which offers ultrahigh-color saturation and faithful color reproduction, and Astia 100F, which offers strikingly improved skin tone and texture reproduction. Amid continued expansion in demand for digital cameras, Fujifilm recorded sales growth, especially overseas, as it launched increasingly distinctive digital cameras incorporating such unique technologies as the Super CCD HR, which creates even better image quality through advanced miniature fabrication technologies, and the Super CCD SR, which enhances dynamic range as well as image quality. Moreover, in response to the high-pixel camera phone market, the Company integrated Group technologies combining Super CCD with the high performance Fujinon Lens to develop and supply megapixel camera modules. These modules have been highly evaluated as key components in bringing together sophisticated technologies, and their sales have grown steadily. Regarding photofinishing equipment, Fujifilm successfully expanded overseas sales of its Frontier digital minilab series, particularly in North America. The Company's moves to establish a digital-minilab-centered infrastructure for high-image-quality digital printing services and its dynamic implementation of an "Photo Shop Print" promotion campaign for those services spurred full-scale expansion of the domestic market for digital prints, and "Photo Shop Print" sales almost tripled volume compared with the previous year.

## **Information Solutions**

Consolidated revenue in this segment rose 4.3%, to ¥755.1 billion, reflecting growth in sales of flat panel display materials and other products.

The medical imaging products business was bolstered by such factors as the expansion of the FCR (Fuji Computed Radiography) line of digital X-ray diagnostic systems and a rise in sales of the SYNAPSE picture archiving and communications system. Particularly strong were sales of the FCR XG-1 compact digital X-ray diagnostic system for practitioners. Fujifilm helped promote effective breast cancer treatment by launching the FCR PROPECT CS, which greatly facilitates the use of mammography for early detection of breast cancer. The Company also steadily progressed with the market introductions of several new endoscope products, including the Extrafine Scope, an endoscope that can be inserted via the nostrils, reducing patient discomfort; the 490 series of ultrahigh-image-quality electronic endoscopes, which incorporate Super CCDs; and the Double-Balloon method Electronic Enteroscopy System, which is the world's first endoscope to enable the inspection and treatment of the entire small intestine. Regarding graphic arts system products, the use of computer-to-plate (CTP) systems in Japan and overseas markets increased, resulting in strong sales of Fujifilm's HP-S digital thermal CTP plates, which feature superior durability and printing qualities. The Company has also worked to strengthen its marketing capabilities in Japan through such measures as the addition of FUJIFILM Graphic Systems Co., Ltd. to our Group as a consolidated subsidiary. In flat panel display materials, the increasing size of monitors and notebook PC displays, along with the growing popularity of liquid crystal display (LCD) televisions, spurred a sharp surge in demand for related Fujifilm products, particularly WV Film and FUJITAC. In addition, the launch of such products as CV Film CV02 antireflection film for LCD televisions and other applications supported a large rise in the Company's overall sales of flat panel display materials. Regarding recording media, an intensification of price competition in the mid-range-server-use data storage tape market continued to make the business environment highly challenging, but Fujifilm worked effectively to promote sales of LTO Ultrium 2 data cartridges, the standard-setting second generation of LTO Ultrium products. Moreover, in the first commercial application of Fujifilm's unique NANOCUBIC technology, an extra-thin magnetic layer coating technology, the Company has begun supplying IBM 3592 data cartridges for enterprise system use to IBM.

Note: LTO and Ultrium are trademarks of Certance, HP, and IBM in the U.S., and other countries or both.

## **Document Solutions**

In the Document Solutions segment, consolidated revenue totaled ¥989.7 billion, up 4.1%. This was the first time Fuji Xerox's revenue before eliminating intersegment transactions has exceeded ¥1,000 billion.

In the copying machine business, we augmented our mainstay color multifunctional machine operations in Japan and maintained our top unit-volume share of the domestic color multifunctional machine market by launching and proactively promoting sales of a new series in the DocuCentre Color line. This "intelligent multifunctional machines" are able to provide five kinds of services-document flow, security, management, customizing, and mobility. As part of our policy of expanding service businesses, we inaugurated "Net Print Service basic," which uses the network-printing functions of color digital multifunction machines installed at more than 10,000 Seven-Eleven convenience stores in Japan. Moreover, the aggregate number of licenses for the use of DocuWorks software for the integrated management of digital and paper documents surpassed one million, and our strengthening of capabilities for marketing DocuWorks in conjunction with the marketing of multifunctional machines has led to the networking of almost 40% of the Company's multifunctional machines in Japan. Regarding overseas markets, we maintained strong sales of the DocuCentre Color series of digital color multifunctional machines in Asia and Oceania and robust exports of that series to Europe and The Americas, thus realizing a large rise in sales of color copying machines. Sales also rose considerably in China, particularly of locally developed popularly priced monochrome digital copying machines.

In information-related equipment, the Company expanded sales of own-brand products by strengthening its lineup of office-use laser printers with the launch of the DocuPrint C2425/C2426 color laser printers, which are high-speed and high-resolution, energy-saving models designed to satisfy environmental concerns. In addition, the continuous business form printer manufacturing business acquired from Fujitsu Ltd. in the previous fiscal year made steady contributions to sales growth.

## **Capital Investment**

During the period under review, to respond to the demand stemming from the rapid expansion of the market for CCDs incorporated in digital cameras and camera phones, our manufacturing subsidiary FUJIFILM Microdevices Co., Ltd., in Miyagi Prefecture acquired the general wafer manufacturing plant of Tohoku Semiconductor Corporation, with the aim of facilitating increased CCD production and boosting supply capabilities. Fujifilm is striving to further broaden the scale and scope of its digital imaging operations by proactively expanding its business involving the supply of Super CCD products for digital cameras and camera phones as well as the supply of CCDs for other applications.

Regarding flat panel display materials, the Company increased its supply capacity for WV Film by starting up its manufacture at new facilities at the Odawara factory in Kanagawa Prefecture and at the factory of Fujifilm's manufacturing subsidiary, FUJIFILM Opto Materials Co., Ltd., in Shizuoka Prefecture. As demand for flat panel display materials is projected to continue increasing, the Company intends to continue rapidly strengthening its production capacity to meet the resulting greater demand for WV Film and FUJITAC.

Cash dividends per share at year-end are expected to be ¥12.50, yielding a total dividend for the full year of ¥25.00.

## (2) Financial Position

Net cash provided by operating activities amounted to ¥327.3 billion, up 23.8 billion from the previous fiscal year, while net cash used in investing and financing activities totaled ¥207.1 billion and ¥63.5 billion, respectively. As a result, total cash and cash equivalents at the end of year amounted to ¥461.7 billion, up ¥51.6 billion from the previous fiscal year.

### Cash flow indices (consolidated)

	Year ended March 31, 2003 From April 1, 2002 To March 31, 2003	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004
Ratio of shareholders' equity to total assets (%)	56.8	57.9
Ratio of market capitalization to total assets (%)	63.2	56.2
Ratio of interest-bearing debt to operating cash flow (years)	0.9	0.8
Interest coverage ratio (times)	34.6	44.7

Notes:

1. Market capitalization equals the stock price at the end of the year multiplied by the number of shares outstanding at the end of the year.
2. Interest-bearing debt includes corporate debt securities and short- and long-term debt.
3. Interest coverage ratio: Operating cash flow divided by interest paid

## (3) Outlook for the Next Fiscal Year

Fujifilm is assuming that its operating environment will continue to be harsh. Predicting the future economic environment is difficult in light of such factors as concerns regarding the rapid appreciation of the yen against the dollar, the post-war disposition of Iraq, and the possibility of renewed strife throughout the world. However, the Fujifilm Group is working concertedly to implement the emphasized tasks articulated in the previously mentioned VISION75 medium-term management plan, thereby effecting important reforms and the creation of a stronger business structure able to overcome the challenges of competition in the 21st century. The Company forecasts that it will record consolidated revenue of ¥2,680.0 billion and net income of ¥82.5 billion. This projection takes into account the temporary expenses that will arise in connection with the proactive implementation of structural reform measures related to manufacturing, marketing, distribution, and other operations, as well as increases in R&D expenditures aimed at the creation of new products and new businesses, and expenses earmarked for the promotion of intellectual property strategies and the provision of comprehensive IT infrastructure. This forecast was calculated assuming an exchange rate of ¥108 to US\$1, and ¥128 to 1 euro.



#### 4.ENVIRONMENTAL POLICIES

Since its founding, Fujifilm has implemented diverse environmental policies in line with a corporate philosophy that designates environmental awareness and protection as fundamental elements of corporate business activities, giving particular emphasis to the themes of (1) environmental awareness in terms of maintaining harmony between people and nature and (2) ensuring that chemicals are used in a proper and safe manner. Based on the Fujifilm Group "Green Policy," a medium-term environmental policy established in April 2002, we are striving to realize high levels of "environmental quality" in our products, services, and corporate activities.

All Fujifilm Group companies have adopted uniform standards for designing environment friendly products. In addition, the Company has introduced a life cycle assessment (LCA) system that involves the quantitative and objective assessment of environmental impact throughout the life cycle of products from manufacturing through final disposal. In April 2003, Fujifilm's FinePix F410 became the first digital camera in Japan authorized to bear an Eco Leaf Environmental Label, which discloses quantitative environmental impact data. Since then, the same environmental labeling authorization has been obtained for all new FinePix series products as well as such other new products as the newmodel in the QuickSnap product line of one-time-use recyclable cameras.

Regarding environmental protection activities at factories, we are striving to help prevent global warming by reducing emissions of carbon dioxide and other problematic chemicals. Accordingly, the Fujinomiya factory shifted from the use of heavy oil fuel to natural gas in February 2003, followed by the Odawara and Ashigara factories. Thus, we are proactively proceeding with diverse energy-saving measures and other steps aimed at reducing the negative environmental impact of manufacturing processes.

Fujifilm is committed to helping build a sustainable society by continually working in its product design, manufacturing, and marketing operations to increase "environmental quality."

#### **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.

**CONSOLIDATED BALANCE SHEETS**

Amount Unit: Millions of yen

	As of March 31, 2004		As of March 31, 2003		Change
<b>ASSETS</b>	%		%		
Current assets:					
Cash and cash equivalents		461,764		410,130	51,634
Marketable securities		33,906		32,639	1,267
Notes and accounts receivable:					
Trade and finance		525,889		494,430	31,459
Affiliated companies		24,417		43,198	(18,781)
Allowance for doubtful receivables		(14,470)		(16,150)	1,680
		535,836		521,478	14,358
Inventories		348,309		351,748	(3,439)
Deferred income taxes		82,276		76,857	5,419
Prepaid expenses and other		28,557		36,296	(7,739)
Total current assets	49.3	1,490,648	48.3	1,429,148	61,500
Investments and long-term receivables:					
Investments in and advances to affiliated companies		43,985		40,741	3,244
Investment securities		261,022		263,002	(1,980)
Long-term finance and other receivables		99,363		101,435	(2,072)
Allowance for doubtful receivables		(7,677)		(4,991)	(2,686)
Total investments and long-term receivables	13.1	396,693	13.5	400,187	(3,494)
Property, plant and equipment:					
Land		69,664		73,083	(3,419)
Buildings		549,747		531,466	18,281
Machinery and equipment		1,538,884		1,535,312	3,572
Construction in progress		35,559		26,300	9,259
		2,193,854		2,166,161	27,693
Less-accumulated depreciation		(1,488,705)		(1,467,913)	(20,792)
Total property, plant and equipment	23.3	705,149	23.6	698,248	6,901
Other assets:					
Goodwill, net		214,649		213,713	936
Other intangible assets, net		35,732		45,246	(9,514)
Deferred income taxes		81,870		85,625	(3,755)
Other		98,768		86,150	12,618
Total other assets	14.3	431,019	14.6	430,734	285
<b>Total Assets</b>	<b>100.0</b>	<b>3,023,509</b>	<b>100.0</b>	<b>2,958,317</b>	<b>65,192</b>

Amount Unit: Millions of yen

	As of March 31, 2004		As of March 31, 2003		Change
<b>LIABILITIES</b>	%		%		
Current liabilities:					
Short-term debt		143,265		159,631	(16,366)
Notes and accounts payable:					
Trade		287,691		261,807	25,884
Construction		41,339		40,663	676
Affiliated companies		11,649		10,437	1,212
		340,679		312,907	27,772
Accrued income taxes		42,626		25,264	17,362
Accrued liabilities		172,426		165,994	6,432
Other current liabilities		53,090		48,574	4,516
Total current liabilities	24.9	752,086	24.1	712,370	39,716
Long-term liabilities:					
Long-term debt		116,823		124,404	(7,581)
Accrued pension and severance costs		216,135		241,914	(25,779)
Deferred income taxes		42,555		21,672	20,883
Other long-term liabilities		42,303		51,266	(8,963)
Total long-term liabilities	13.8	417,816	14.8	439,256	(21,440)
Minority interests in subsidiaries	3.4	103,725	4.3	126,080	(22,355)
<b>SHAREHOLDERS' EQUITY</b>					
Common stock without par value:		40,363		40,363	-
Authorized: 800,000,000 shares					
Issued: 514,625,728 shares					
Additional paid-in capital		68,135		68,135	-
Retained earnings		1,722,692		1,653,221	69,471
Accumulated other comprehensive income (loss)		(76,121)		(76,243)	122
Treasury stock, at cost		(5,187)		(4,865)	(322)
As of March 31, 2003: 1,331,895 shares					
As of March 31, 2004: 1,433,628 shares					
Total shareholders' equity	57.9	1,749,882	56.8	1,680,611	69,271
Total Liabilities and Shareholders' Equity	100.0	3,023,509	100.0	2,958,317	65,192

Note: Details of Accumulated other comprehensive income (loss)

	As of March 31, 2004	As of March 31, 2003	Change
Unrealized gains on securities	22,860	1,832	21,028
Foreign currency translation adjustments	(38,127)	(3,748)	(34,379)
Minimum pension liability adjustments	(60,701)	(74,274)	13,573
Unrealized gains (losses) on derivatives	(153)	(53)	(100)

**CONSOLIDATED STATEMENTS OF INCOME**

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Revenue:						
Sales		2,206,049		2,158,317	47,732	2.2
Rentals		354,338		347,386	6,952	2.0
	100.0	2,560,387	100.0	2,505,703	54,684	2.2
Cost of sales:						
Sales		1,362,672		1,337,467	25,205	1.9
Rentals		139,306		134,989	4,317	3.2
	58.7	1,501,978	58.8	1,472,456	29,522	2.0
Gross profit	41.3	1,058,409	41.2	1,033,247	25,162	2.4
Operating expenses:						
Selling, general and administrative	27.5	704,659	27.6	690,762	13,897	2.0
Research and development	6.8	173,323	6.3	159,119	14,204	8.9
Settlement and curtailment of the defined benefit plan		-	0.9	23,089	(23,089)	-
	34.3	877,982	34.8	872,970	5,012	0.6
Operating income	7.0	180,427	6.4	160,277	20,150	12.6
Other income (expenses):						
Interest and dividend income		10,584		10,127	457	
Interest expense		(7,324)		(8,769)	1,445	
Exchange gains (losses), net		(4,835)		(7,275)	2,440	
Decline in value of investment securities		(466)		(17,038)	16,572	
Other, net		(13,438)		(16,809)	3,371	
	(0.6)	(15,479)	(1.6)	(39,764)	24,285	61.1
Income before income taxes	6.4	164,948	4.8	120,513	44,435	36.9
Income taxes						
Current		70,657		62,020	8,637	13.9
Deferred		1,632		(1,737)	3,369	-
	2.8	72,289	2.4	60,283	12,006	19.9
Income before minority interests and equity in net earnings of affiliated companies	3.6	92,659	2.4	60,230	32,429	53.8
Minority interests	(0.5)	(13,289)	(0.5)	(12,835)	(454)	(3.5)
Equity in net earnings of affiliated companies	0.1	2,947	0.0	1,184	1,763	148.9
Net income	3.2	82,317	1.9	48,579	33,738	69.4

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	Year ended March 31, 2003 From April 1, 2002 To March 31, 2003	Change
<b>Operating activities</b>			
Net income	82,317	48,579	33,738
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	172,622	173,986	(1,364)
Decline in value of investment securities	466	17,038	(16,572)
Deferred income taxes	1,632	(1,737)	3,369
Minority interests	13,289	12,835	454
Equity in net earnings of affiliated companies, less dividends	(667)	(944)	277
Changes in operating assets and liabilities:			
Notes and accounts receivable	(20,519)	(95)	(20,424)
Inventories	174	12,771	(12,597)
Notes and accounts payable - trade	19,719	16,819	2,900
Accrued income taxes	40,481	(1,149)	41,630
Other	17,844	25,397	(7,553)
Subtotal	245,041	254,921	(9,880)
Net cash provided by operating activities	327,358	303,500	23,858
<b>Investing activities</b>			
Payments for purchases of property, plant and equipment	(160,070)	(122,624)	(37,446)
Payments for purchases of software	(37,367)	(37,553)	186
Proceeds from sales and maturities of marketable and investment securities	46,672	33,058	13,614
Payments for purchases of marketable and investment securities	(16,634)	(23,656)	7,022
Decrease (increase) in investments in and advances to affiliated companies	1,702	(6,361)	8,063
Payments for acquisitions of businesses, net of cash acquired	(21,901)	(33,486)	11,585
Other	(19,588)	(11,306)	(8,282)
Net cash used in investing activities	(207,186)	(201,928)	(5,258)
<b>Financing activities</b>			
Proceeds from long-term debt	6,604	16,055	(9,451)
Repayments of long-term debt	(25,787)	(28,708)	2,921
Decrease in short-term debt	(27,615)	(29,902)	2,287
Cash dividends paid	(12,833)	(12,861)	28
Cash dividends paid to minority interests	(3,550)	(4,579)	1,029
Purchases of stock for treasury, net	(335)	(4,257)	3,922
Net cash used in financing activities	(63,516)	(64,252)	736
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(5,022)	(4,780)	(242)
<b>Net increase in cash and cash equivalents</b>	51,634	32,540	19,094
<b>Change of fiscal year-end of certain subsidiaries</b>	-	(4,311)	4,311
<b>Cash and cash equivalents at beginning of year</b>	410,130	381,901	28,229
<b>Cash and cash equivalents at end of year</b>	461,764	410,130	51,634

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income(loss)	Treasury stock	Total shareholders' equity
<b>Balance at March 31, 2002</b>	40,363	68,135	1,618,270	(28,133)	(572)	1,698,063
Comprehensive income:						
Net income	-	-	48,579	-	-	48,579
Net decrease in unrealized gains on securities	-	-	-	(251)	-	(251)
Foreign currency translation adjustments	-	-	-	(28,615)	-	(28,615)
Minimum pension liability adjustments	-	-	-	(16,423)	-	(16,423)
Change in net unrealized gains (losses) on derivatives	-	-	-	(65)	-	(65)
Net comprehensive income						3,225
Purchases of stock for treasury	-	-	-	-	(4,293)	(4,293)
Cash dividends applicable to earnings of the year	-	-	(12,846)	-	-	(12,846)
Change of fiscal year-end of certain subsidiaries	-	-	(782)	(2,756)	-	(3,538)
<b>Balance at March 31, 2003</b>	40,363	68,135	1,653,221	(76,243)	(4,865)	1,680,611
Comprehensive income:						
Net income	-	-	82,317	-	-	82,317
Net increase in unrealized gains on securities	-	-	-	21,028	-	21,028
Foreign currency translation adjustments	-	-	-	(34,379)	-	(34,379)
Minimum pension liability adjustments	-	-	-	13,573	-	13,573
Change in net unrealized gains (losses) on derivatives	-	-	-	(100)	-	(100)
Net comprehensive income						82,439
Purchases of stock for treasury	-	-	-	-	(521)	(521)
Sales of stock from treasury	-	-	(13)	-	199	186
Cash dividends applicable to earnings of the year	-	-	(12,833)	-	-	(12,833)
<b>Balance at March 31, 2004</b>	40,363	68,135	1,722,692	(76,121)	(5,187)	1,749,882

## DETAILS OF CONSOLIDATED REVENUE

### (1) Revenue by Product

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions	31.9%	815,527	33.2%	830,990	(15,463)	(1.9)
Information Solutions	29.5%	755,159	28.9%	724,299	30,860	4.3
Document Solutions	38.6%	989,701	37.9%	950,414	39,287	4.1
Consolidated total	100.0%	2,560,387	100.0%	2,505,703	54,684	2.2

Note: The major products and services of each business segment are as follows:

Imaging Solutions	Color films, film cameras, 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 and office services

### (2) Domestic and Overseas Revenue

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Revenue:						
Domestic	52.2%	1,336,015	53.1%	1,330,119	5,896	0.4
Overseas						
The Americas	21.2%	541,982	22.5%	562,827	(20,845)	(3.7)
Europe	14.7%	376,006	13.3%	333,699	42,307	12.7
Asia and others	11.9%	306,384	11.1%	279,058	27,326	9.8
Subtotal	47.8%	1,224,372	46.9%	1,175,584	48,788	4.2
Consolidated total	100.0%	2,560,387	100.0%	2,505,703	54,684	2.2

## SEGMENT INFORMATION

### (1) Operating Segments

#### (a) Revenue and Operating Income

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	31.9%	815,527	33.2%	830,990	(15,463)	(1.9)
Intersegment		1,030		447	583	-
Total		816,557		831,437	(14,880)	(1.8)
Information Solutions:						
External customers	29.5%	755,159	28.9%	724,299	30,860	4.3
Intersegment		4,878		5,046	(168)	-
Total		760,037		729,345	30,692	4.2
Document Solutions:						
External customers	38.6%	989,701	37.9%	950,414	39,287	4.1
Intersegment		12,557		11,588	969	-
Total		1,002,258		962,002	40,256	4.2
Eliminations		(18,465)		(17,081)	(1,384)	-
Consolidated total	100.0%	2,560,387	100.0%	2,505,703	54,684	2.2

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Operating income:						
Imaging Solutions	5.3%	43,475	6.8%	56,709	(13,234)	(23.3)
Information Solutions	10.0%	76,380	10.3%	75,287	1,093	1.5
Document Solutions	6.1%	60,648	5.3%	51,369	9,279	18.1
Total		180,503		183,365	(2,862)	(1.6)
Eliminations		(76)		1	(77)	-
Settlement and curtailment of the defined benefit plan		-		(23,089)	23,089	-
Consolidated total	7.0%	180,427	6.4%	160,277	20,150	12.6

Note: The major products and services of each business segment are as follows:

Imaging Solutions	Color films, film cameras, 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 and office services



## (b) Assets

Amount Unit: Millions of yen

	As of March 31, 2004	As of March 31, 2003	Change	
			Amount	%
Total assets:				
Imaging Solutions	727,051	803,772	(76,721)	(9.5)
Information Solutions	767,462	694,451	73,011	10.5
Document Solutions	971,319	962,034	9,285	1.0
Subtotal	2,465,832	2,460,257	5,575	0.2
Eliminations	(5,722)	(5,750)	28	-
Corporate assets	563,399	503,810	59,589	11.8
Consolidated total	3,023,509	2,958,317	65,192	2.2

## (c) Depreciation and amortization, and Capital expenditures

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	Year ended March 31, 2003 From April 1, 2002 To March 31, 2003	Change	
			Amount	%
Depreciation and amortization:				
Imaging Solutions	59,442	65,787	(6,345)	(9.6)
Information Solutions	54,876	47,523	7,353	15.5
Document Solutions	58,304	60,676	(2,372)	(3.9)
Consolidated total	172,622	173,986	(1,364)	(0.8)
Capital expenditures:				
Imaging Solutions	49,124	43,897	5,227	11.9
Information Solutions	82,727	58,739	23,988	40.8
Document Solutions	28,889	24,683	4,206	17.0
Consolidated total	160,740	127,319	33,421	26.2

## (2) Geographic Information

### (a) Revenue and Operating income

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Revenue:						
Japan						
External customers	64.1%	1,640,368	63.6%	1,594,306	46,062	2.9
Intersegment		318,468		303,766	14,702	-
Total		1,958,836		1,898,072	60,764	3.2
The Americas						
External customers	18.0%	459,945	19.4%	486,679	(26,734)	(5.5)
Intersegment		5,881		7,597	(1,716)	-
Total		465,826		494,276	(28,450)	(5.8)
Europe						
External customers	11.5%	294,472	10.7%	267,398	27,074	10.1
Intersegment		12,711		10,060	2,651	-
Total		307,183		277,458	29,725	10.7
Asia and others						
External customers	6.4%	165,602	6.3%	157,320	8,282	5.3
Intersegment		77,086		89,181	(12,095)	-
Total		242,688		246,501	(3,813)	(1.5)
Eliminations		(414,146)		(410,604)	(3,542)	-
Consolidated total	100.0%	2,560,387	100.0%	2,505,703	54,684	2.2

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Operating income:						
Japan	7.4%	145,567	7.7%	145,809	(242)	(0.2)
The Americas	1.7%	7,794	3.9%	19,266	(11,472)	(59.5)
Europe	5.0%	15,244	4.1%	11,243	4,001	35.6
Asia and others	5.6%	13,601	3.6%	8,908	4,693	52.7
Eliminations	-	(1,779)	-	(1,860)	81	-
Settlement and curtailment of the defined benefit plan		-		(23,089)	23,089	-
Consolidated total	7.0%	180,427	6.4%	160,277	20,150	12.6

### (b) Long-lived assets

Amount Unit: Millions of yen

	As of March 31, 2004		As of March 31, 2003		Change	
					Amount	%
Long-lived assets:						
Japan		509,390		485,557	23,833	4.9
The Americas		101,176		116,101	(14,925)	(12.9)
Europe		66,118		67,004	(886)	(1.3)
Asia and others		28,465		29,586	(1,121)	(3.8)
Consolidated total		705,149		698,248	6,901	1.0

## MARKETABLE AND INVESTMENT SECURITIES

### Fair Value on Marketable and Investment Securities

Amount Unit: Millions of yen

	As of March 31, 2004				As of March 31, 2003			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:								
Corporate debt securities	33,931	26	51	33,906	32,647	53	61	32,639
Total marketable securities	33,931	26	51	33,906	32,647	53	61	32,639
Investment securities:								
Government securities	2,699	39	-	2,738	2,743	90	-	2,833
Corporate debt securities	129,684	924	517	130,091	167,717	604	2,737	165,584
Equity securities	49,898	44,002	150	93,750	44,654	17,056	2,381	59,329
Total investment securities	182,281	44,965	667	226,579	215,114	17,750	5,118	227,746
Total	216,212	44,991	718	260,485	247,761	17,803	5,179	260,385

Note: This statement is prepared in accordance with accounting principles generally accepted in the United States of America. All debt and equity securities held by Fuji Photo Film Co., Ltd. and subsidiaries are classified as available-for-sale securities.

## &lt;Reference&gt;

## CONSOLIDATED STATEMENTS OF INCOME (The Fourth Quarter)

Amount Unit: Millions of yen

	Three months ended March 31, 2004 From January 1, 2004 To March 31, 2004		Three months ended March 31, 2003 From January 1, 2003 To March 31, 2003		Change	
					Amount	%
Revenue:	%		%			
Sales		572,680		530,086	42,594	8.0
Rentals		89,898		86,286	3,612	4.2
	100.0	662,578	100.0	616,372	46,206	7.5
Cost of sales:						
Sales		364,967		337,545	27,422	8.1
Rentals		34,732		33,193	1,539	4.6
	60.3	399,699	60.2	370,738	28,961	7.8
Gross profit	39.7	262,879	39.8	245,634	17,245	7.0
Operating expenses:						
Selling, general and administrative	27.4	181,706	29.6	182,389	(683)	(0.4)
Research and development	6.7	44,064	6.7	41,374	2,690	6.5
Settlement and curtailment of the defined benefit plan		-	3.7	23,089	(23,089)	-
	34.1	225,770	40.0	246,852	(21,082)	(8.5)
Operating income (losses)	5.6	37,109	(0.2)	(1,218)	38,327	-
Other income (expenses):						
Interest and dividend income		2,436		2,557	(121)	
Interest expense		(1,688)		(2,159)	471	
Exchange gains, net		566		2,763	(2,197)	
Decline in value of investment securities		(171)		(2,824)	2,653	
Other, net		(6,823)		(9,701)	2,878	
	(0.9)	(5,680)	(1.5)	(9,364)	3,684	39.3
Income (losses) before income taxes	4.7	31,429	(1.7)	(10,582)	42,011	-
Income taxes	2.6	17,492	0.2	857	16,635	1,941.1
Income (losses) before minority interests and equity in net earnings of affiliated companies	2.1	13,937	(1.9)	(11,439)	25,376	-
Minority interests	(0.5)	(3,181)	(0.3)	(1,957)	(1,224)	(62.5)
Equity in net earnings of affiliated companies	0.0	73	0.4	2,513	(2,440)	(97.1)
Net income (losses)	1.6	10,829	(1.8)	(10,883)	21,712	-

<Reference>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, 2004 and 2003

Amount Unit: Millions of yen

	Three months ended Mar. 31, 2004 From January 1, 2004 To March 31, 2004	Three months ended Mar. 31, 2003 From January 1, 2003 To March 31, 2003
<b>Operating activities</b>		
Net income	10,829	(10,883)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	44,681	45,024
Decline in value of investment securities	171	2,824
Minority interests	3,181	1,957
Equity in net earnings of affiliated companies, less dividends	19	(2,514)
Changes in operating assets and liabilities:		
Notes and accounts receivable	11,552	14,148
Inventories	15,185	8,754
Notes and accounts payable - trade	6,487	(3,740)
Accrued income taxes and other liabilities	13,705	15,274
Other	7,102	7,573
Subtotal	102,083	89,300
Net cash provided by operating activities	112,912	78,417
<b>Investing activities</b>		
Payments for purchases of property, plant and equipment	(45,443)	(29,693)
Payments for purchases of software	(10,656)	(16,495)
Proceeds from sales and maturities of marketable and investment securities	14,825	12,942
Payments for purchases of marketable and investment securities	(10,792)	(22,654)
Decrease (increase) in investments in and advances to affiliated companies	309	(2,507)
Payments for acquisitions of businesses, net of cash acquired	(4,403)	(19,209)
Other	(9,522)	(5,052)
Net cash used in investing activities	(65,682)	(82,668)
<b>Financing activities</b>		
Proceeds from long-term debt	366	4,573
Repayments of long-term debt	(7,603)	(1,806)
Decrease in short-term debt	(30,243)	(22,205)
Cash dividends paid to minority shareholders	(56)	(162)
Purchases of stock for treasury, net	(110)	(89)
Net cash used in financing activities	(37,645)	(19,689)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,000)	197
<b>Net increase (decrease) in cash and cash equivalents</b>	8,585	(23,743)
<b>Change of fiscal year-end of certain subsidiaries</b>	-	0
<b>Cash and cash equivalents at beginning of period</b>	453,179	433,873
<b>Cash and cash equivalents at end of period</b>	461,764	410,130

<Reference>

**DETAILS OF CONSOLIDATED REVENUE (The Fourth Quarter)**

**(1) Revenue by Product**

Amount Unit: Millions of yen

	Three months ended March 31, 2004 From January 1, 2004 To March 31, 2004		Three months ended March 31, 2003 From January 1, 2003 To March 31, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions	29.8%	197,623	29.3%	180,622	17,001	9.4
Information Solutions	28.8%	190,813	30.3%	186,954	3,859	2.1
Document Solutions	41.4%	274,142	40.4%	248,796	25,346	10.2
Consolidated total	100.0%	662,578	100.0%	616,372	46,206	7.5

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

Imaging Solutions	Color films, film cameras, 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 and office services

**(2) Domestic and Overseas Revenue**

Amount Unit: Millions of yen

	Three months ended March 31, 2004 From January 1, 2004 To March 31, 2004		Three months ended March 31, 2003 From January 1, 2003 To March 31, 2003		Change	
					Amount	%
Revenue:						
Domestic	54.3%	359,881	56.1%	346,049	13,832	4.0
Overseas						
The Americas	17.9%	118,877	19.5%	120,462	(1,585)	(1.3)
Europe	14.9%	98,906	12.9%	79,537	19,369	24.4
Asia and others	12.9%	84,914	11.5%	70,324	14,590	20.7
Subtotal	45.7%	302,697	43.9%	270,323	32,374	12.0
Consolidated total	100.0%	662,578	100.0%	616,372	46,206	7.5

## Financial Results (Non-Consolidated) for the Fiscal Year ended March 31, 2004

Date of board meeting for the fiscal year ended March 31, 2004: April 30, 2004

Date of regular shareholders' Meeting: June 29, 2004

The Company has a policy of paying interim dividends

Trading unit of the Company: 1,000 shares on the Tokyo Stock Exchange

### 1. Results of the Fiscal Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)

#### (1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Net Sales		Operating Income		Ordinary Income	
		%		%		%
Year ended March 31, 2004	771,234	(3.0)	75,138	(12.2)	79,848	(14.6)
Year ended March 31, 2003	795,409	(6.2)	85,546	(10.0)	93,480	(7.2)

	Net Income		Net Income Per Share of Common Stock	Net Income Per Share of Common Stock (Assuming Full Dilution)	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Net Sales
	%	Yen	Yen	Yen	%	%	%
Year ended March 31, 2004	54,219	21.9	105.40	-	3.7	4.7	10.4
Year ended March 31, 2003	44,472	(22.2)	86.29	-	3.1	5.6	11.8

Notes: 1. Average number of shares:

Year ended March 31, 2004: 513,325,553      Year ended March 31, 2003: 514,081,467

2. Change in accounting policies: None

3. Percent: Change from the corresponding period of the previous year in Net Sales, Operating Income, Ordinary Income and Net Income.

#### (2) CASH DIVIDENDS

	Cash Dividends per Share of Common Stock			Total Cash Dividends	Pay out Ratio	Ratio of Cash Dividends To Shareholders' Equity
	Interim	Year end				
	Yen	Yen	Yen		%	%
Year ended March 31, 2004	25.00	12.50	12.50	12,832	23.7	0.8
Year ended March 31, 2003	25.00	12.50	12.50	12,846	29.0	0.9

#### (3) FINANCIAL POSITION

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity Per Share of Common Stock
			%	Yen
As of March 31, 2004	1,740,065	1,513,980	87.0	2,949.48
As of March 31, 2003	1,666,327	1,456,615	87.4	2,837.16

Notes 1. Number of shares outstanding: As of March 31, 2004: 513,265,305      As of March 31, 2003: 513,367,038

2. Number of treasury stocks: As of March 31, 2004: 1,360,423      As of March 31, 2003: 1,258,690

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

	Net Sales	Operating Income	Ordinary Income	Net Income	Cash Dividends per Share of Common Stock		
					Interim	Year end	
					Yen	Yen	Yen
For six months ending September 30, 2004	400,000	28,000	34,000	23,000	12.50	-	-
For Year ending March 31, 2005	830,000	63,000	75,000	50,000	-	12.50	25.00

(Reference) Expected net income per share of common stock for the year ending March 31, 2005: ¥97.19

Note: This forecast is based on the Company's current assumptions and beliefs in light of the information currently available to it, and it involves known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements. See the note on page 9.

## BALANCE SHEETS (Non-Consolidated)

Amount Unit: Millions of yen

	As of March 31, 2004		As of March 31, 2003		Change
<b>ASSETS</b>	%		%		
<b>Current assets</b>					
Cash on hand and in banks		297,602		243,333	54,269
Trade notes receivable		8,171		27,440	(19,268)
Trade accounts receivable		140,955		128,841	12,114
Other account receivable		14,828		17,685	(2,856)
Income taxes refundable		-		5,565	(5,565)
Short-term loans receivable		24,557		13,319	11,237
Marketable securities		33,874		32,596	1,277
	29.9	519,991	28.1	468,781	51,209
Finished goods		35,389		41,716	(6,327)
Semi-finished goods, work in process		28,643		27,749	893
Raw materials		12,486		12,654	(167)
Supplies		5,892		6,575	(682)
	4.7	82,412	5.3	88,696	(6,283)
Deferred income taxes		15,182		11,639	3,542
Other current assets		2,380		2,106	273
Allowance for doubtful receivables		(250)		(180)	(70)
Total current assets	35.6	619,715	34.3	571,043	48,671
<b>Fixed assets</b>					
<b>Property, plant and equipment</b>					
Building		89,276		82,776	6,500
Structures		8,110		7,743	367
Machinery and equipment		119,924		116,371	3,553
Vehicles, furniture and fixtures		26,457		26,479	(21)
Land		20,387		20,688	(300)
Construction in progress		12,788		12,298	490
Subtotal	15.9	276,946	16.0	266,358	10,587
<b>Intangible assets</b>					
Software		31,064		28,502	2,562
Rights of utilization		2,360		2,136	223
Subtotal	1.9	33,424	1.8	30,639	2,785
<b>Investments and other assets</b>					
Investments securities		224,104		227,394	(3,290)
Investments in subsidiaries		569,614		556,519	13,095
Long-term loans receivable		8,844		6,926	1,917
Long-term prepaid expenses		5,647		5,400	246
Other investments		2,018		2,363	(345)
Allowance for doubtful receivable		(250)		(320)	70
Subtotal	46.6	809,979	47.9	798,285	11,693
Total fixed assets	64.4	1,120,350	65.7	1,095,283	25,066
Total Assets	100.0	1,740,065	100.0	1,666,327	73,738



Amount Unit: Millions of yen

	As of March 31, 2004		As of March 31, 2003		Change
<b>LIABILITIES</b>	%		%		
Current liabilities					
Trade notes payable		24,780		26,838	(2,057)
Trade accounts payable		58,292		54,917	3,375
Other accounts payable		22,630		22,797	(166)
Accrued income taxes		15,658		-	15,658
Accrued expenses		52,879		54,917	(2,038)
Other current liabilities		4,459		2,126	2,333
Total current liabilities	10.3	178,700	9.7	161,596	17,104
Long-term liabilities					
Customers' guarantee deposits		17,787		33,690	(15,903)
Deferred tax liabilities - non current		21,107		3,188	17,919
Accrued pension and severance costs		8,093		10,805	(2,711)
Directors' retirement benefit		395		431	(35)
Total long-term liabilities	2.7	47,384	2.9	48,115	(731)
Total liabilities	13.0	226,085	12.6	209,711	16,373
<b>SHAREHOLDERS' EQUITY</b>					
Common stock	2.3	40,363	2.4	40,363	-
Capital surplus					
Additional paid-in capital	3.4	58,980	3.5	58,980	-
Retained earnings					
Legal reserve	0.6	10,090	0.6	10,090	-
Reserve for dividends		280		280	-
Reserve for retirement allowance		280		280	-
Reserve for R&D		285		285	-
Reserve for overseas investments loss		13		26	(12)
Reserve for accelerated depreciation		497		422	74
Reserve for deferred capital gain for reinvestment in property		770		777	(6)
General reserve		1,320,305		1,289,305	31,000
Total voluntary reserve	76.0	1,322,431	77.5	1,291,376	31,055
Unappropriated retained earnings	3.7	64,048	3.2	53,842	10,205
Total retained earnings	80.3	1,396,571	81.3	1,355,309	41,261
Unrealized gains on securities	1.3	23,216	0.4	6,791	16,425
Treasury stocks		(5,150)		(4,829)	(321)
Total shareholders' equity	87.0	1,513,980	87.4	1,456,615	57,365
Total Liabilities and Shareholders' Equity	100.0	1,740,065	100.0	1,666,327	73,738

**STATEMENTS OF INCOME (Non-Consolidated)**

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Operating revenues	%		%			
Net sales	100.0	771,234	100.0	795,409	(24,175)	(3.0)
Operating expenses						
Cost of sales	64.1	494,569	63.0	501,136	(6,566)	(1.3)
Selling, general and administrative expenses	16.3	124,887	16.9	134,587	(9,699)	(7.2)
Research and development expenses	9.9	76,638	9.3	74,139	2,499	3.4
Total operating expenses	90.3	696,095	89.2	709,863	(13,767)	(1.9)
Operating income	9.7	75,138	10.8	85,546	(10,407)	(12.2)
Other income						
Interest income		2,030		2,379	(349)	(14.7)
Dividends income		9,311		11,489	(2,177)	(19.0)
Miscellaneous income		1,221		460	761	165.4
Total other income	1.7	12,563	1.8	14,329	(1,766)	(12.3)
Other expenses						
Interest expenses		301		523	(221)	(42.4)
Bank charges for export drafts discounted		442		467	(24)	(5.2)
Miscellaneous expenses		7,109		5,405	1,704	31.5
Total other expenses	1.0	7,853	0.8	6,395	1,458	22.8
Ordinary income	10.4	79,848	11.8	93,480	(13,632)	(14.6)
Extraordinary income						
Income on disposal of fixed assets	0.8	6,364		-	6,364	-
Extraordinary Losses						
Losses on disposal of fixed assets		5,080		8,509	(3,428)	(40.3)
Losses on sale of investments securities		-		3,557	(3,557)	-
Decline in value of investment securities		-		5,852	(5,852)	-
Settlement and curtailment of the defined benefit plan		-		6,355	(6,355)	-
Total extraordinary losses	0.7	5,080	3.1	24,275	(19,194)	(79.1)
Net income before income taxes	10.5	81,131	8.7	69,205	11,926	17.2
Income taxes - current	3.1	23,800	2.0	16,000	7,800	48.8
Income taxes - deferred		3,111		8,733	(5,621)	(64.4)
Net income	7.0	54,219	5.6	44,472	9,747	21.9
Retained earnings brought forward		16,259		15,799	459	
Interim dividends paid		6,416		6,429	(12)	
Losses from treasury stock transactions		13		-	13	
Unappropriated retained earnings		64,048		53,842	10,205	

**STATEMENT OF RETAINED EARNINGS (Non-Consolidated)**  
**(Proposed)**

Amount Unit: Millions of yen

	Year ended March 31, 2004 (From April 1, 2003 to March 31, 2004)		Year ended March 31, 2003 (From April 1, 2002 to March 31, 2003)	
	%		%	
Unappropriated retained earnings		64,048		53,842
Reversal of voluntary reserve				
Reversal of reserve for overseas investments loss		13		12
Reversal of reserve for accelerated depreciation		111		69
Reversal of reserve for deferred capital gain for reinvestment in property		74		6
Subtotal		199		89
Total	100.0	64,248	100.0	53,931
Appropriation of retained earnings				
Dividends	10.0	6,415	11.9	6,417
[Dividends per share]		[12.50 yen]		[12.50 yen]
Bonuses for directors and corporate auditors	0.2	114	0.2	111
[for corporate auditors]		[6]		[7]
Reserve for accelerated depreciation	2.7	1,737	0.3	144
Reserve for deferred capital gain for reinvestment in property	4.7	3,024		-
General reserve	57.6	37,000	57.5	31,000
Total	75.2	48,291	69.9	37,672
Retained earnings carried forward	24.8	15,956	30.1	16,259

**DETAILS OF NET SALES (Non-Consolidated)**

**(1) Net sales by Product**

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Net sales:						
Imaging Solutions	53.8%	414,629	55.7%	443,086	(28,457)	(6.4)
Information Solutions	46.2%	356,605	44.3%	352,323	4,282	1.2
Total	100.0%	771,234	100.0%	795,409	(24,175)	(3.0)

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

- Imaging Solutions      Color films, digital cameras, photofinishing equipment and color paper, chemicals for photofinishing
- Information Solutions      Equipment and consumables for graphic arts, medical imaging, and information systems, flat panel display materials and recording media

**(2) Domestic and Export Sales**

Amount Unit: Millions of yen

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003		Change	
					Amount	%
Net sales:						
Domestic	48.9%	377,204	51.4%	408,826	(31,622)	(7.7)
Export	51.1%	394,030	48.6%	386,583	7,447	1.9
Total	100.0%	771,234	100.0%	795,409	(24,175)	(3.0)

## NOTES

### Notes to the balance sheets

Amount Unit: Millions of yen

	As of March 31, 2004	As of March 31, 2003	Change
Accumulated depreciation of tangible fixed assets	726,769	719,865	6,903
Contingent liabilities for guarantees	43,534	60,526	(16,991)
Amount of export bills discounted	9,337	8,316	1,020
Number of treasury stocks	1,360,423 shares	1,258,690 shares	101,733 shares

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (1) Securities

Investments in subsidiaries and affiliated companies are stated at cost determined by the moving average method.

Other securities that have fair values are stated at fair value, with unrealized gains and losses excluded from earnings and included in a separate component of shareholders' equity on a net-of-tax basis. Realized gains and losses on sales of securities are based on the moving average cost of the securities sold.

Other securities that do not have fair values are stated at cost determined by the moving average method.

#### (2) Inventories

Finished goods, semi-finished goods, work in process, supplemental materials and supplies are stated at the lower of moving average cost or market. Silver nitrate included in semi-finished goods and work in process, and principal raw materials are stated at the lower of cost or market determined by the last-in, first-out method.

#### (3) Depreciation and amortization

Depreciation of property, plant and equipment is computed by the declining-balance method except that depreciation of buildings acquired on and after April 1, 1998 is computed by the straight-line method.

Intangible assets are amortized by the declining-balance method assuming a nil residual value; however, software is amortized by the straight-line method.

#### (4) Reserves

##### *Allowance for doubtful receivables*

The allowance for doubtful receivables is provided at the amount of estimated uncollectible accounts, based on individual collectibility with respect to identified doubtful receivables and past experience of doubtful receivables.

##### *Pension and severance benefits*

Pension and severance costs for employees are accrued based on an estimate of the pension obligation and the plan assets at the end of the year.

The allowance for officers' retirement benefits is provided on the basis of the Company's internal regulations for officers' retirement benefits at the amount which would be required to be paid if all officers retired at the balance sheet date.

##### *Directors' retirement benefits*

The allowance for directors' retirement benefits is provided on the basis of the Company's internal regulations for directors' retirement benefits at the amount which would be required to be paid if all directors retired at the balance sheet date. This allowance is established under Article 287-2 of the Commercial Code of Japan.

#### (5) Accounting for consumption tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.