

Management Measures for FY2010/3 and Thereafter

Comprehensive structural Reforms and Growth Plans

FUJIFILM Holdings Corporation

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President and Chief Executive Officer

April 30, 2009

FORWARD-LOOKING STATEMENTS

Forward-looking statements such as those relating to earnings forecasts and other projections contained in this material are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties and other factors. Accordingly, actual results may differ materially from those projected due to various factors.

Forecast for FY2010/3 (April '09 - March '10)

Billions of yen

	FY2009/3 (Actual)		FY2010/3 (Plan)		Change	
					Amount	%
Imaging	410.4		350.0		(60.4)	(14.7)
Information	946.1		950.0		+3.9	+0.4
Document	1,077.8		1,000.0		(77.8)	(7.2)
Revenue	100.0%	2,434.3	100.0%	2,300.0	(134.3)	(5.5)
Pro forma Operating Income	2.9%	70.8	2.4%	55.0	(15.8)	(22.3)
Structural Reform Expenses		33.5		1,45.0	+111.5	-
Operating Income	1.5%	37.3	(3.9)%	(90.0)	(127.3)	-
Income Before Income Taxes	0.4%	9.4	(4.0)%	(93.0)	(102.4)	-
Net Income	0.4%	10.5	(2.6)%	(60.0)	(70.5)	-
Earnings per Share		¥21.10		¥(122.80)		¥(143.90)
Cash dividends per Share		¥30(plan)		¥25		¥(5)
Exchange Rates						
US\$		¥101		¥95		¥(6)
€		¥145		¥125		¥(20)

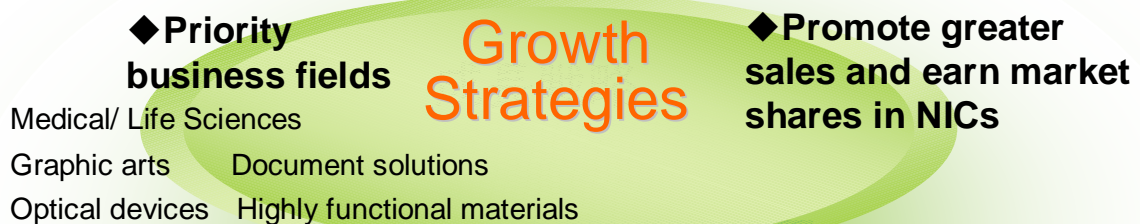
Corporate Transformation Target

Transformation Target

FUJIFILM

Realizing a robust corporate constitution through streamlining and strengthening companywide functions

Accelerate growth strategies in priority business fields and aim to continue reliably generating profit and maintaining growth despite the severe environment



Streamlining and strengthening companywide functions

**Greatly streamline administrative support departments -
Stepping up measures to increase R&D efficiency**

Streamlining and strengthening companywide functions

Streamlining and strengthening companywide functions

FUJIFILM

Corporate transformation target and strategies for realizing a robust
corporate constitution

*FY 2010/3 plan level

Seek to build a management base able to raise the operating margin
to 10% even if the company attains revenue of approx. ¥2,300 billion*.

1. Intensive implementations of structural reforms

- ① Greatly streamline administrative support departments
- ② Increasing R&D efficiency/tightening the focus of R&D programs on priority fields
- ③ Thoroughly streamlining photographic businesses
- ④ Fundamentally reforming digital camera business
- ⑤ Realizing a robust constitution of Document and Information businesses

2. Thorough cost/expense reduction measures throughout the organization and improvement of marginal profit rate



**Resolutely complete structural reforms from FY2010/3 and
establish a robust corporate constitution**

■ Summary of Structural Reforms

● Expenses & benefits of structural reforms *Billions of yen*

	FY'10/3	FY'11/3	FY'12/3	Total
Expense*	145	15		160
Benefit	17	83	90	FY'12/3 & thereafter More than 90/year

*Breakdown of expenses

	FY'10/3	FY'11/3	Total
Personnel	90	10	100
Facilities	55	5	60

● Personnel

Streamlining operations correspond to number of employees by approx. 5,000 persons, primarily overseas

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1. Intensive implementations of structural reforms

① Greatly streamline administrative support departments

Streamline worldwide administrative support department staff by approx.20% and reduce fixed costs by ¥10.0 billion*

- **Overseas** : Promote the consolidation within regional headquarters of the administrative support departments of Group companies in each region including Europe, the United States, China, Asia, and Oceania
- **Japan** : Consolidate administrative support functions of Group companies, including affiliates in each region
Expand operational scope of shared services company

② Increasing R&D efficiency/tightening the focus of R&D programs on priority fields

“Selection & Concentration” strategy for R&D themes and expenses to reduce R&D fixed costs by ¥13.0 billion*

- Progressively increase R&D efficiency while strengthening product development strength in priority business fields

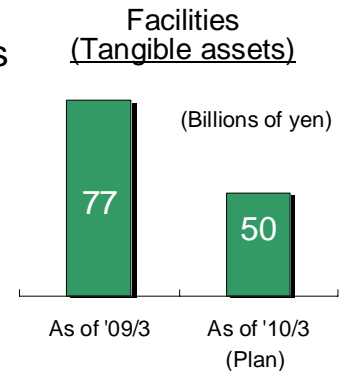
③ Thoroughly streamlining photographic businesses

*Approx.
¥120.0 billion

Considerable fixed cost reduction* in short period of time due to structural reforms in FY2006/3-FY2007/3

In view of worldwide recession and accelerating market shrinkage, **undertake further streamlining measures to reduce fixed costs by ¥ 30.0 billion****

- Marketing units: Integrate overseas Group companies
- Development/manufacturing units:
Reorganize color paper manufacturing facilities, suspend operation of surplus facilities, right-size personnel allocation, tighten product-variety focus
- Photo processing labs:
Further consolidate photo processing labs



*Projected annual benefit in FY2011/3 compared to FY2009/3

④ Fundamentally reforming digital camera business

Complete implementation of business profitability reform program designed to ensure the survival

Principal points:



Item	Plan	Point
Sales Volume	8.3 mil units	Maintain level roughly equal to that in FY 2009/3 through increase in sales of low-priced models
Cost Cuts	△20%	Large reductions in costs of ODM products and parts

- Launch of revolutionary products (products incorporating the Super CCD EXR, 3-D systems)
- Launch of low-priced models designed to ensure profitability as means of expanding business in NICs
- Expand business in modules for mobile phone cameras, security cameras, and motor vehicle cameras
- Thoroughly comprehensive reductions in manufacturing, procurement, and distribution costs
- Quickly supplying marketing data to manufacturing activities, shortening product lead times, and minimizing inventory levels



Aiming to greatly endure profitability on an operational basis in FY2010/3

⑤ Continue to expand management innovation activities of Document Solutions

Current situation

- On-schedule progress in management innovation activities implemented since FY 2009/3

Accelerate currently implemented management innovations activities and expand the scope of those activities amid a harsh management environment

【Completing management innovation activities】

- ✓ Increase productivity by 10% by operational reforms involving horizontally integrated functions
- ✓ Reallocate freed-up resources to the positions centering sales divisions and thereby strengthen domestic marketing capabilities

【Accelerating and expanding management innovation activities】

- ✓ Reorganize R&D functions to increase productivity
- ✓ Promote optimization of manufacturing functions and additional reductions to cost of sales
- ✓ Expand scope of management innovation activities to overseas regions

Establish a foundation for growth while aiming to attain a 10% operating margin

2. Thorough cost/expense reduction measures throughout the organization

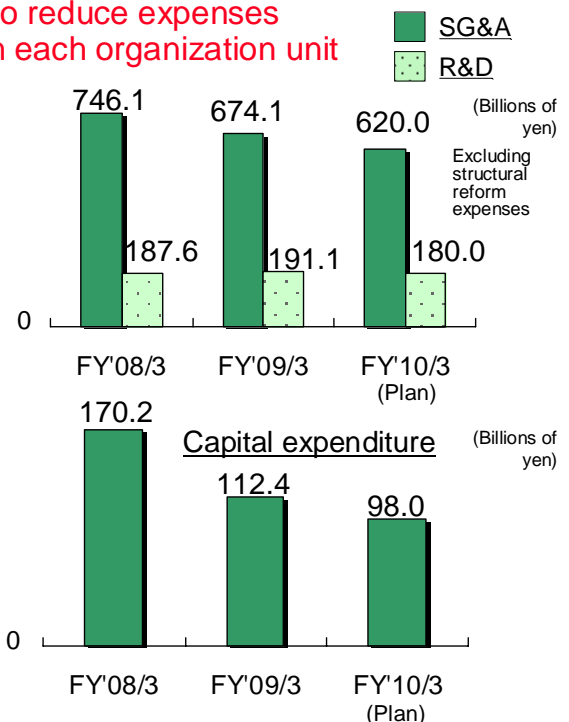
Proactively implement the “Slim & Strong Drive” to reduce expenses and increase productivity at each work site and in each organization unit

“Double profitability and productivity while halving work process and raw materials losses”

Slim & Strong Drive
Since 2H FY 2007/3~

- ✓ Decrease in ratio of SG&A
- ✓ Efficient use of R&D expenses
- ✓ Reduction in manufacturing costs

Transform the corporate culture and augment the dynamism of each work site by employee consciousness reforms



Strategies for growth

Strategies for growth

FUJIFILM

- **Priority business field**

Medical systems/ Life Sciences

Graphic arts

Document solutions

Optical devices

Highly functional materials

● Medical Systems and Life Sciences

- In the fields of prevention, diagnosis and treatment, generate new value by leveraging basic technologies-such as related to image-diagnoses, analyses, FTD,synthesis,drug discovery, RI-and thereby build comprehensive healthcare business

Medical

Medical IT

Build proprietary clinical information systems (CIS)

X-ray image-diagnoses

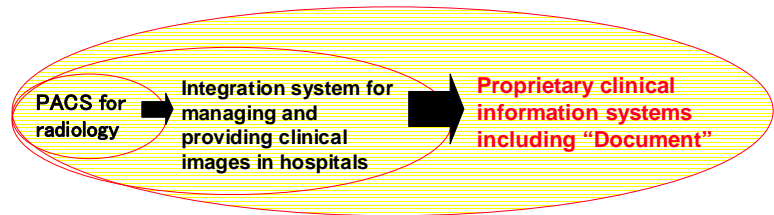
Expand FCR marketing to earn global No.1 share and develop flat panel detector (FPD) products

Endoscopes

Reorganize manufacturing and marketing system, increase allocation of company resources



TVCM on air in Japan, which features" medical loop "



Clinical information systems (CIS)

● Medical Systems and Life Sciences

■ Life Sciences

- Establish business structure in the fields of prevention and treatment

Life sciences

Pharmaceuticals

Expand pharmaceutical business centered on Toyama Chemical, T-705 anti-influenza agent

Cosmetics, supplements

Provide advanced products developed in-house based on core FTD technologies

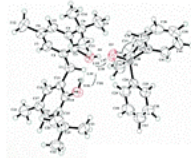
Commercialize FTD

Commercialize FTD technologies

Use of FTD technologies

Advanced, proprietary FTD technologies that control the functions of pharmaceuticals

- Breaking down ingredients to finer consistency for better penetration
- Protecting ingredients to prevent breakage
- Promoting breakdown/ absorption at the optimum timing



Air fresher KPD1000



For preventing influenza by anti virus filters

● Graphic Arts

- Combine the resources of Fujifilm and Fuji Xerox to strengthen print-on-demand business and associated competitiveness
- In the inkjet field, move ahead with measures to initiate the development and marketing of full-scale inkjet digital printing equipment by interlinking Fujifilm inkjet heads and inks
- Expand marketing of CTP products in NICs to earn top share of global market

Aiming to be the No.1 digital printing solution company



Jet Press 720 (temporary name)

● Document Solutions

- **Strengthen operations in growth sectors**
 - ✓ Production print business growth (strengthen product lineup)
 - ✓ Solution business establishment and growth
 - ✓ Global service business growth
- **Maintain/strengthen current business base**
 - ✓ Continue expanding color models sales and augment applications to increase color print volume

ApeosPort-III C3305/C2205

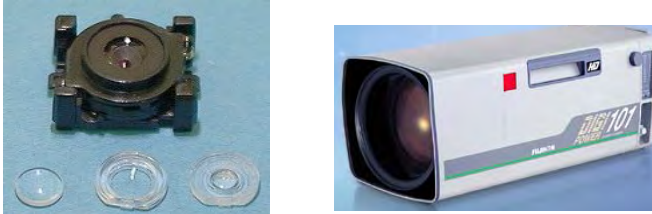


700 Digital Color Press



● Optical Devices

- Further expand camera phone lens unit market share by launching highly differentiated, high-value-added products
- Expand the scope of operations to include such new fields as security camera lenses



Camera phone lens units
60% market share in 3M or more
Ability to offer high quality lenses of 8M or more

HDTV lenses



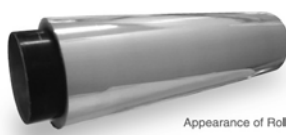
Objective lenses for optical disks

Expand the scope of operations

Zoom lens for security cameras

● Highly Functional Materials


- In flat panel display materials business, such high-value-added products as WV, VA retardation and CV films have established solid market positions.
- Using leading-edge core technologies to create new businesses in high-performance functional materials (including organic EL materials, solar cells, etc.) Emphasizing product development related to environment protection and energy.



Appearance of Roll

- Advanced level of moisture barrier performance at 10^{-6} g/m²·day*
- Expecting application as the key components for organic EL displays, electronic paper and thin film solar cells

Transparent super high barrier film



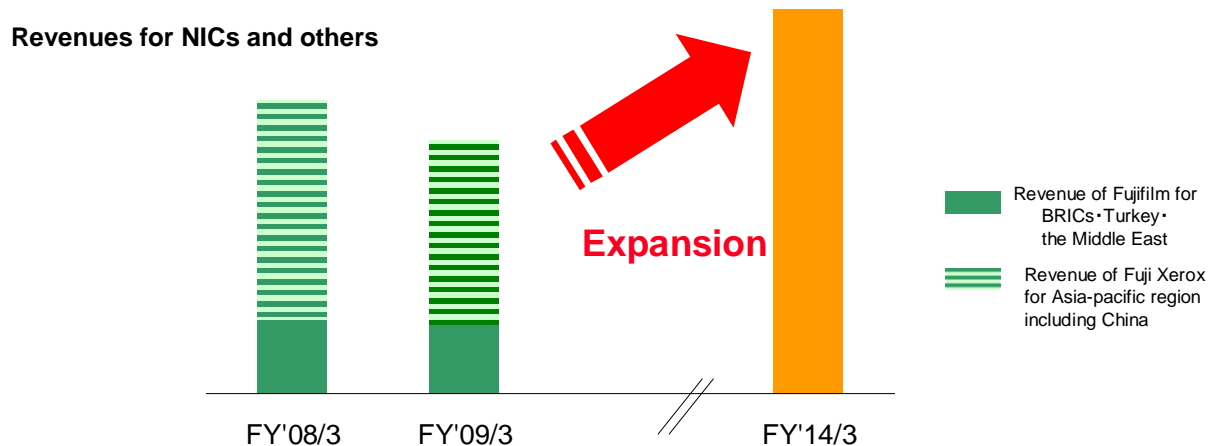
Anticipating expansion of business in products for replacing indium tin oxide(ITO) conductive films in such products as touch-panel displays and electronic paper

EXCLEAR transparent conductive film

(* 10^{-6} g/m²·day→Moisture permeability per square meter per day)

● Promote Greater Sales in NICs

- Increasing human resources in the BRICs, Turkey, the Middle East, and other strategic regions to augment marketing activities, particularly those associated with such businesses as medical and graphic businesses, which are expected to grow
- Accelerate introduction of low-priced products for the markets of low-market-share regions and NICs



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The Systems to realize growth

■ Augmenting measures for the development of staffs to realize growth

Involving the entire company with the constructive upheaval of reforms

- Augmenting measures to foster the development of mainstay staff and global staff
- Using strategic personnel allocations within the Group to expand the scope of synergies within the Group
- Started reforming projects involving 240 leaders

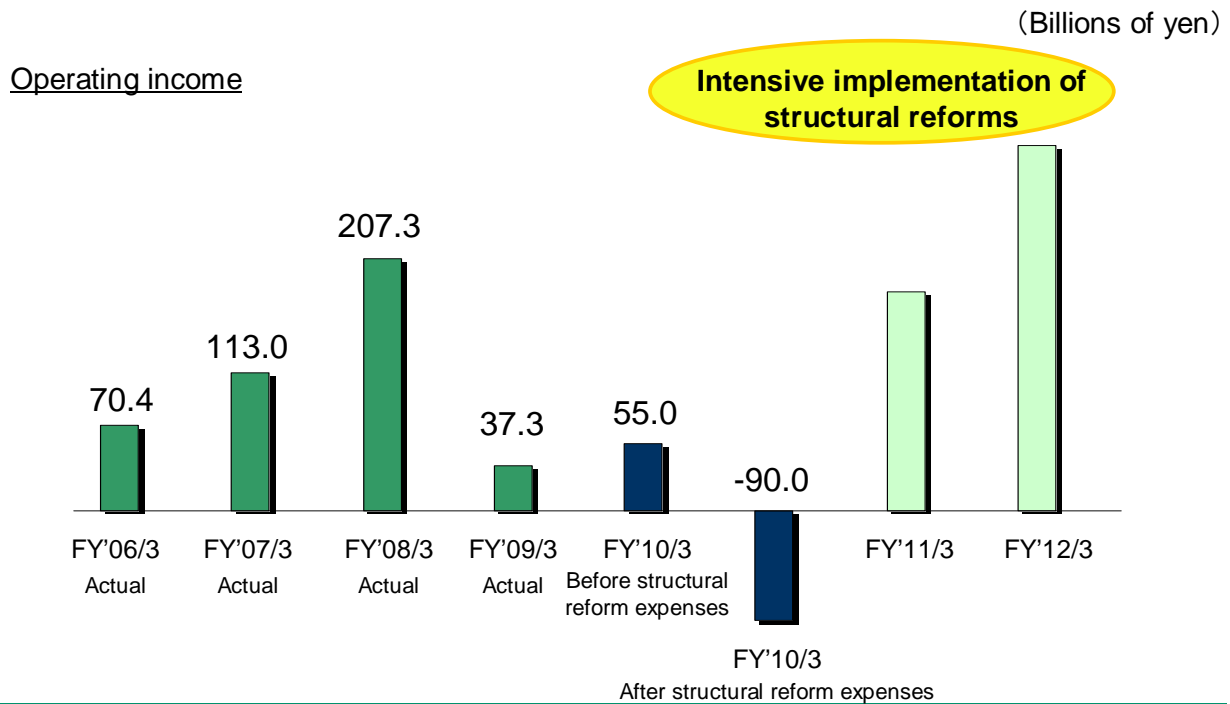
■ Improve the asset efficiency and shift the management resources to the priority business

Implementing the new business management indices -pursuing higher levels of asset efficiency-

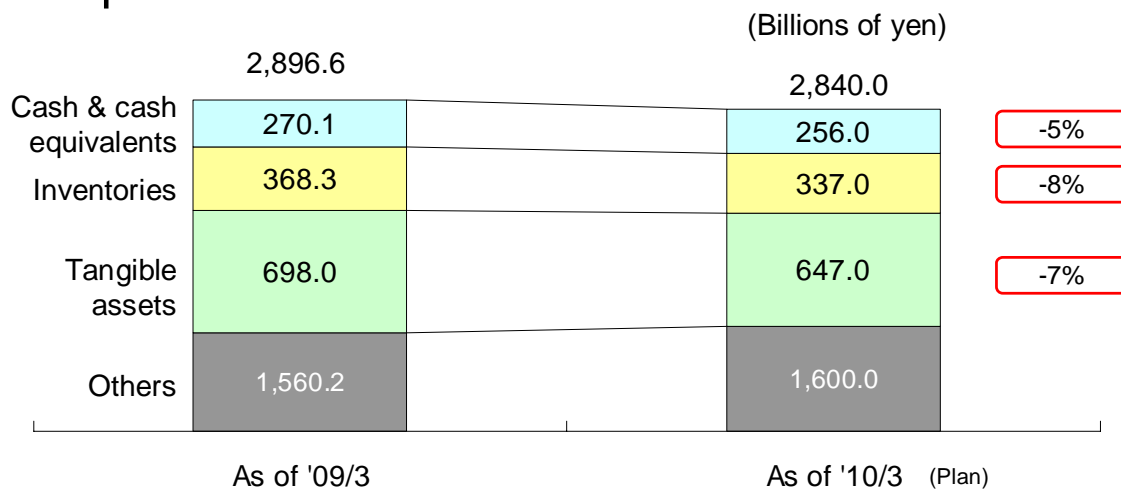
- Administrate each business based on operational ROA, economic added value, and operational cash flow
- Select businesses with greater added value, then accelerate the concentrated investment of resources in those businesses

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Aiming to attain the target operating margin of 10% by reaching new record high levels of profit (operating income) in FY2012/3



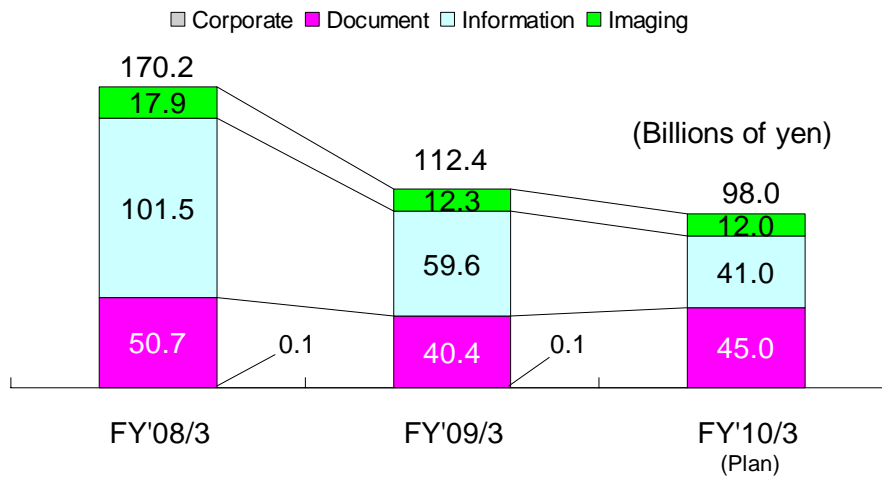
- Promote Reduction of Asset
- Small damage to shareholders equity after implementation of structural reform



▶ Shareholders' equity	1,756.3	1,700.0
▶ Equity ratio	60.6%	59.9%
▶ D/E ratio	0.2 times	0.2 times

■ Capital Expenditure*

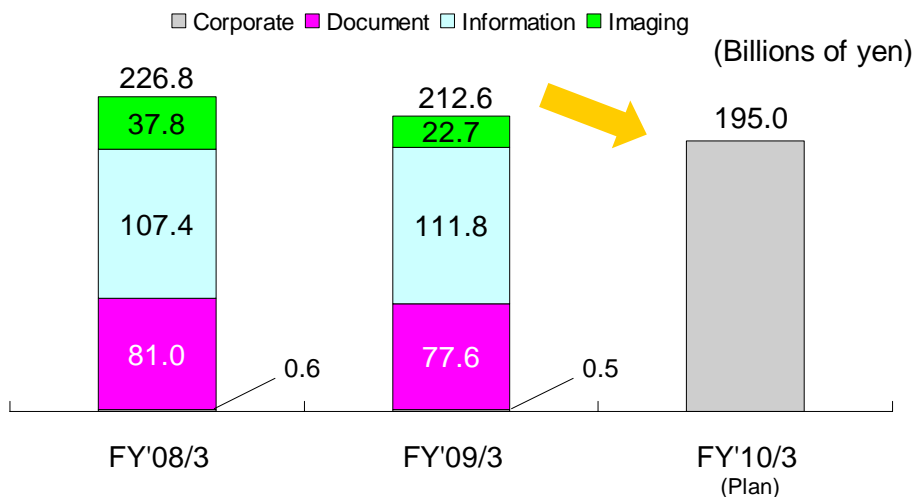
- CapEx will decrease, due to a temporary hiatus in investments related to FPD materials business, which we have proceeded by now.
- CapEx for imaging solutions will center on maintenance work



*Figures do not include amounts for rental equipment handled by the Document Solutions. 24

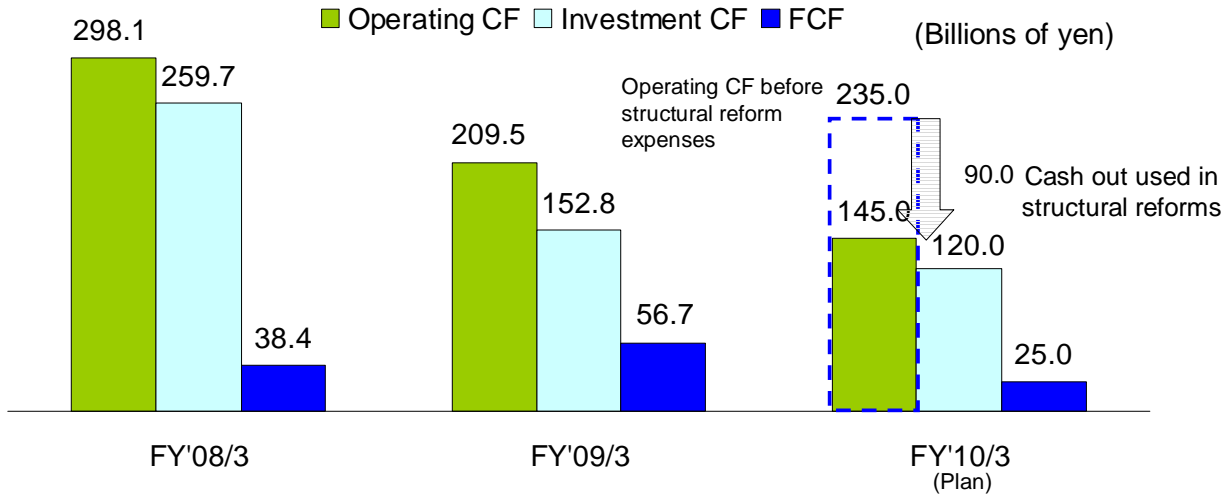
■ Depreciation & Amortization

- A drop in depreciation by temporary hiatus in capital investment and effect of accelerated depreciation



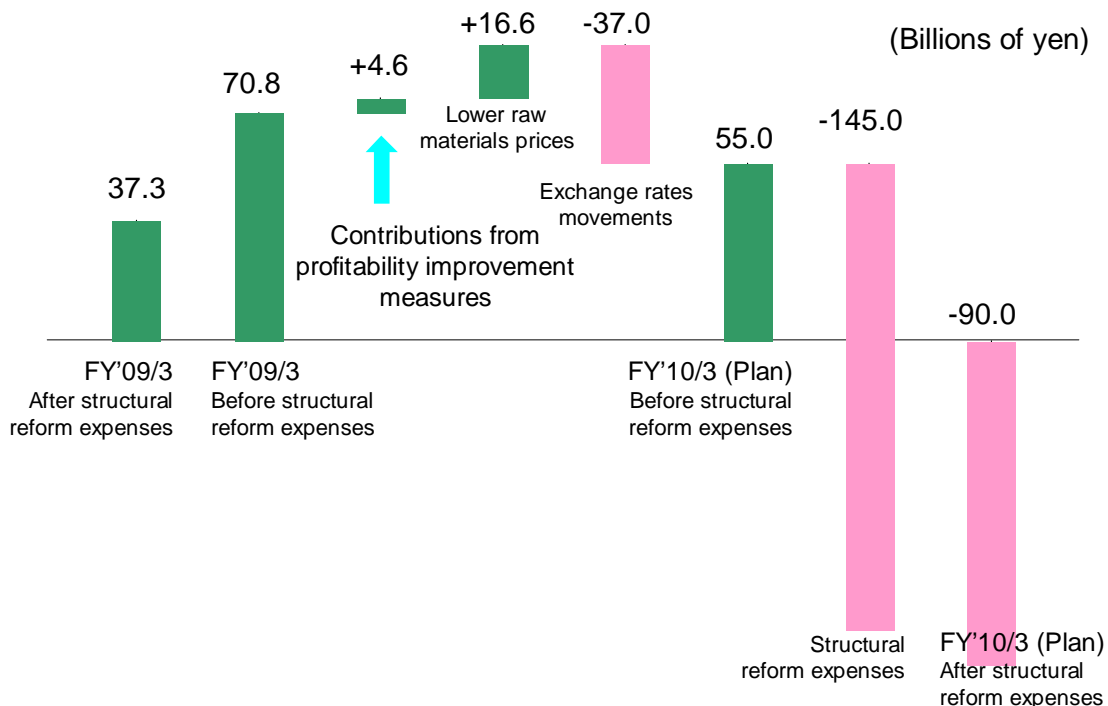
■ Cash Flow

- In FY'10/3, FCF is expected to be positive even after recording of structural reform expenses
- In FY'11/3 and subsequently, growing profitability and increasing selectivity regarding capital investments will support a large improvement in FCF.

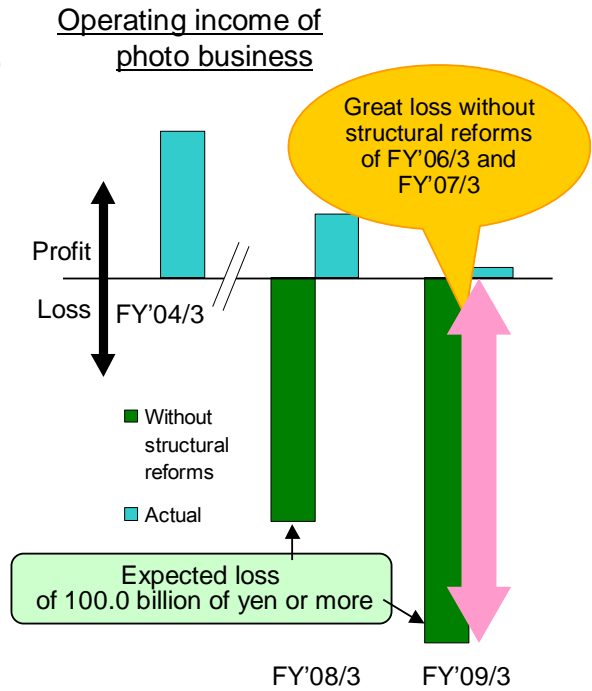
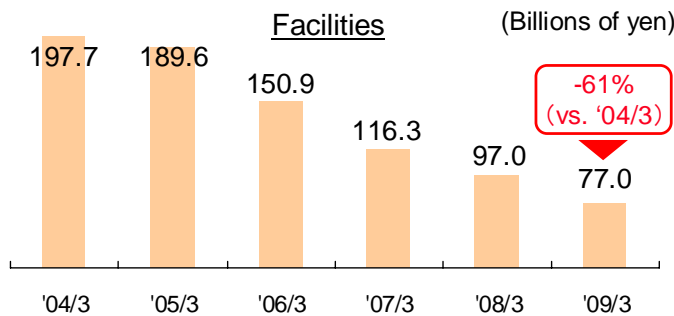
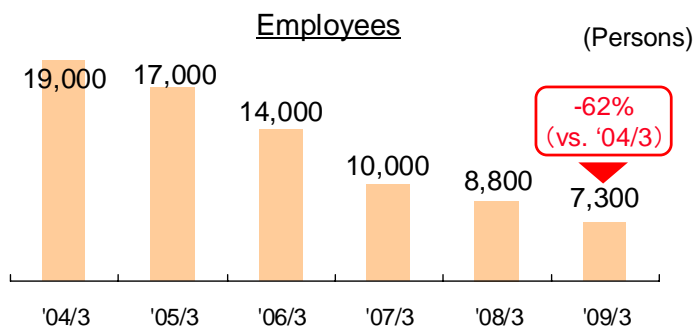


■ Analysis of Operating Income in FY2010/3

(Change from previous fiscal year)



■ Structural Reforms of Photo Business up to now



We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.