

April 30, 2009

FUJIFILM Holdings Corporation

Earnings Release ended March 31, 2009

Main Responses to Queries

Q1: Since Fujifilm implemented large-scale structural reforms during fiscal 2005 and fiscal 2006, could you explain why the Company has to undertake such reforms again?

A1: The structural reforms we implemented in fiscal 2005 and fiscal 2006 were based on recognition that—although color film demand was declining due to the increasing market diffusion of digital cameras and camera phones—we were still in a position to maintain color paper demand through measures to promote digital print business. Over the past few years, however, there has been a rise in the use of dye-sublimation, inkjet printers, and diverse other kinds of printing methods, while the deterioration of economic conditions has been accompanied by greater shrinkage in the digital photo printing market than was originally projected. To respond to the new market environment and provide a strong basis for the maintenance and development of Fujifilm's operations over the medium-to-long term, we decided that additional structural reforms were required.

Q2: Regarding digital camera business, is it really feasible to improve the profitability of this business going forward?

A2: We take pride in having considerable competitive advantages due to our pioneering of such technologies as those related to high levels of imaging elements, high image resolution, and face recognition. As we have kept ahead of other companies with respect to such technologies, we believe we can differentiate our products based on the superior image quality our products offer. The most important task is to strengthen cost-competitiveness. We plan to implement the measures needed to strengthen cost-competitiveness with leadership from Takeshi Higuchi, the general manager of the Electronic Imaging Products Division. Mr. Higuchi was previously president of Fujinon Corporation, which was responsible for key parts of the Group's film camera manufacturing operations.

Q3: The structural reforms call for reducing Fujifilm's workforce by approximately 5,000 people. Could you explain how much of the downsizing will be in Japan and how much overseas?

A3: The number of employee reductions is expected to be three thousand and several hundred overseas and one thousand and several hundred in Japan.

Q4: The previous round of structural reforms reduced the number of staff in photo-imaging related units, but a series of M&A transactions ultimately increased the Companywide number by from 2,000 to 3,000. Could you explain about whether the current round of structural reforms will be decreasing the Companywide number of employees?

A4: The reasons for the recent rise in the Companywide number of employees include

- a rise in the number of employees in China that reflects the shifting of manufacturing bases,
- an increase stemming from M&A transactions, and
- an increase in the Asia-Pacific region including China that reflects the strengthening of Fuji Xerox marketing bases in that region.

Going forward, there will be factors of some employment growth related to such factors as M&A transactions and the shift of manufacturing operations to facilities in China. Overall, however, the number of employees is expected to trend downward.