

Financial Results (Consolidated) for Six months ended September 30, 2006

Date of Board Meeting for six months ended September 30, 2006: October 31, 2006

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

1. Results of Six months ended September 30, 2006 (From April 1, 2006 to September 30, 2006)

(1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes	
		%		%		%
Six months ended Sept. 30, 2006	1,352,036	3.7	50,779	(15.4)	56,630	(10.9)
Six months ended Sept. 30, 2005	1,303,580	4.0	60,014	(40.8)	63,556	(40.0)
Year ended March 31, 2006	2,667,495		70,436		79,615	

	Net Income		Net Income Per Share of Common Stock		Net Income Per Share of Common Stock (Assuming Full Dilution)	
		%	Yen	Yen	Yen	Yen
Six months ended Sept. 30, 2006	23,802	(28.1)	46.65		44.51	
Six months ended Sept. 30, 2005	33,114	(37.2)	65.02		65.02	
Year ended March 31, 2006	37,016		72.65		72.65	

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

Six months ended Sept. 30, 2006: ¥1,751 million Six months ended Sept. 30, 2005: ¥2,739 million Year ended March 31, 2006: ¥5,210 million

2. Average number of shares:

Six months ended Sept. 30, 2006: 510,205,122 Six months ended Sept. 30, 2005: 509,296,392 Year ended March 31, 2006: 509,525,143

3. Change in Accounting Policies: None

4. Percent: Change against corresponding period of the previous year in 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 Sept. 30, 2006	3,215,801	1,983,002	61.7	3,887.73
As of Sept. 30, 2005	3,006,281	1,901,229	63.2	3,733.09
As of March 31, 2006	3,027,491	1,963,497	64.9	3,848.32

Note: Number of shares outstanding:

As of Sept. 30, 2006: 510,066,587 As of Sept. 30, 2005: 509,291,163 As of March 31, 2006: 510,222,073

(3) CASH FLOWS

	Net Cash provided by Operating activities	Net Cash used in Investing activities	Net Cash provided by (used in) Financing activities	Cash and Cash Equivalents at end of period
	Six months ended Sept. 30, 2006	115,713	(173,905)	171,907
Six months ended Sept. 30, 2005	107,602	(100,826)	(35,483)	264,172
Year ended March 31, 2006	272,558	(272,129)	(80,309)	218,598

(4) SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidated Subsidiaries : 230 subsidiaries
- Companies accounted for by equity method: 91 companies

(5) CHANGE IN SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidation: Increase 13, Decrease 7 Equity Method: Increase 7, Decrease 14

2. Forecast for the Fiscal Year ending March 31, 2007 (From April 1, 2006 to March 31, 2007)

	Revenue	Operating Income	Income before Income Taxes	Net Income
For Year ending March 31, 2007	2,740,000	80,000	80,000	38,000

(Reference) Expected Net Income per Share of Common Stock for Year ending March 31, 2007: ¥74.50

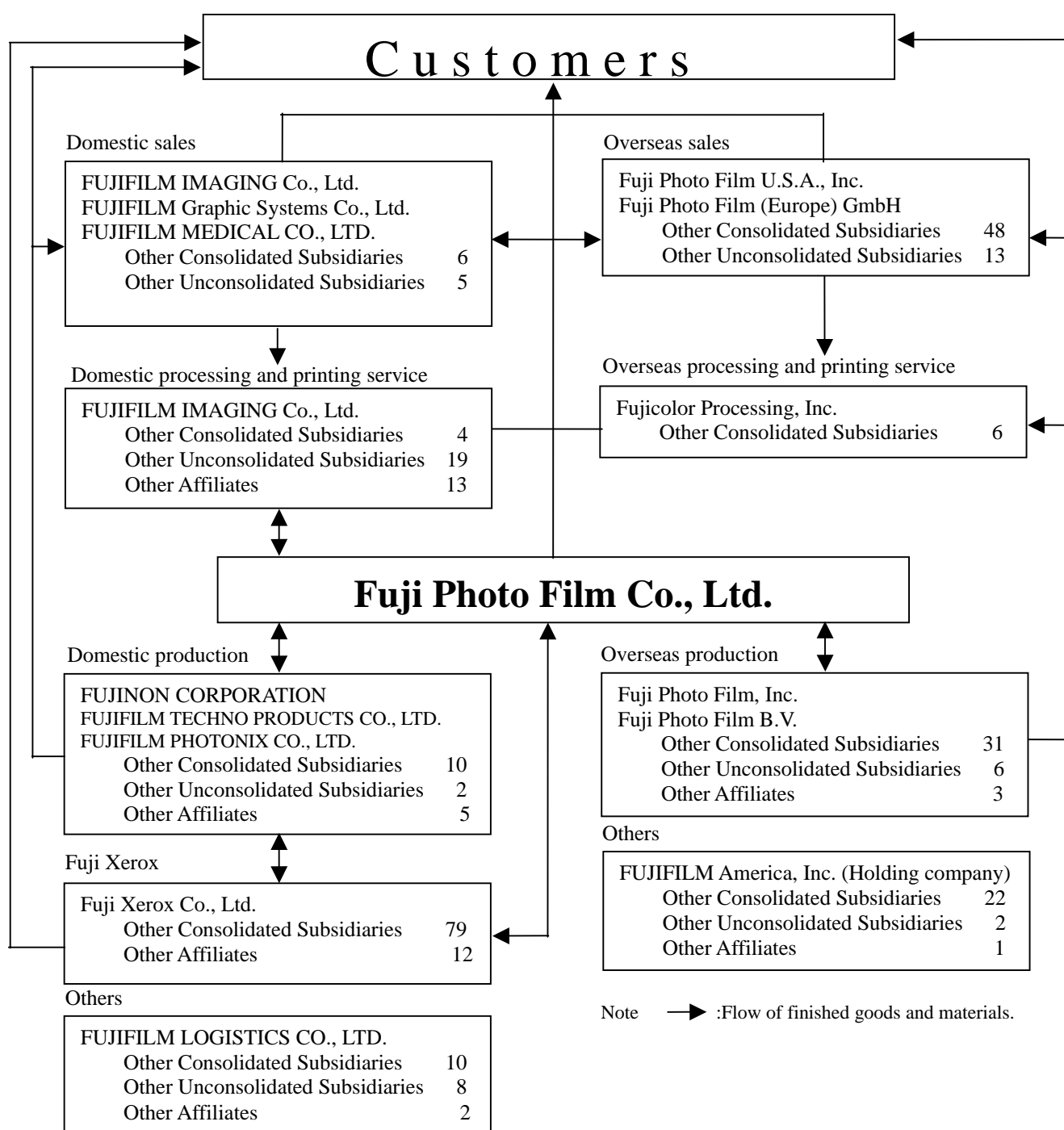
Note: These forecast are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements. See note on page 11.

1. THE FUJIFILM GROUP

At the end of the interim period of the fiscal year ending March 31, 2007, the Fujifilm Group comprised Fuji Photo Film Co., Ltd., 285 subsidiaries and 36 affiliated companies. The businesses of Fuji Photo Film Co., Ltd., and its main subsidiaries and affiliates in each segment are outlined as follows:

	Description	Main companies
Imaging Solutions	Color films, digital cameras, photofinishing Equipment, color paper and chemicals and services for photofinishing, etc.	Fuji Photo Film Co., Ltd., FUJINON CORPORATION, FUJIFILM IMAGING Co., Ltd., FUJIFILM PHOTONIX 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	Equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet materials	Fuji Photo Film Co., Ltd., FUJIFILM TECHNO PRODUCTS CO., LTD., FUJIFILM Graphic Systems Co., Ltd., FUJIFILM MEDICAL CO., LTD., FUJIFILM Electronic Materials Co., Ltd., Fuji Photo Film, Inc., Fuji Photo Film B. V., Fuji Photo Film U.S.A., Inc., Fuji Photo Film (Europe) GmbH etc.
Document Solutions	Office copy machines /MFPs, printers, production systems and services; paper; consumables and office services, etc.	Fuji Xerox Co., Ltd., Suzuka Fuji Xerox Co., Ltd., Fuji Xerox Office Supply Co., Ltd., Fuji Xerox Tokyo Co., Ltd., Fuji Xerox Printing Systems Co., Ltd., Fuji Xerox (China) Limited, Fuji Xerox Asia Pacific Pte Ltd., etc.

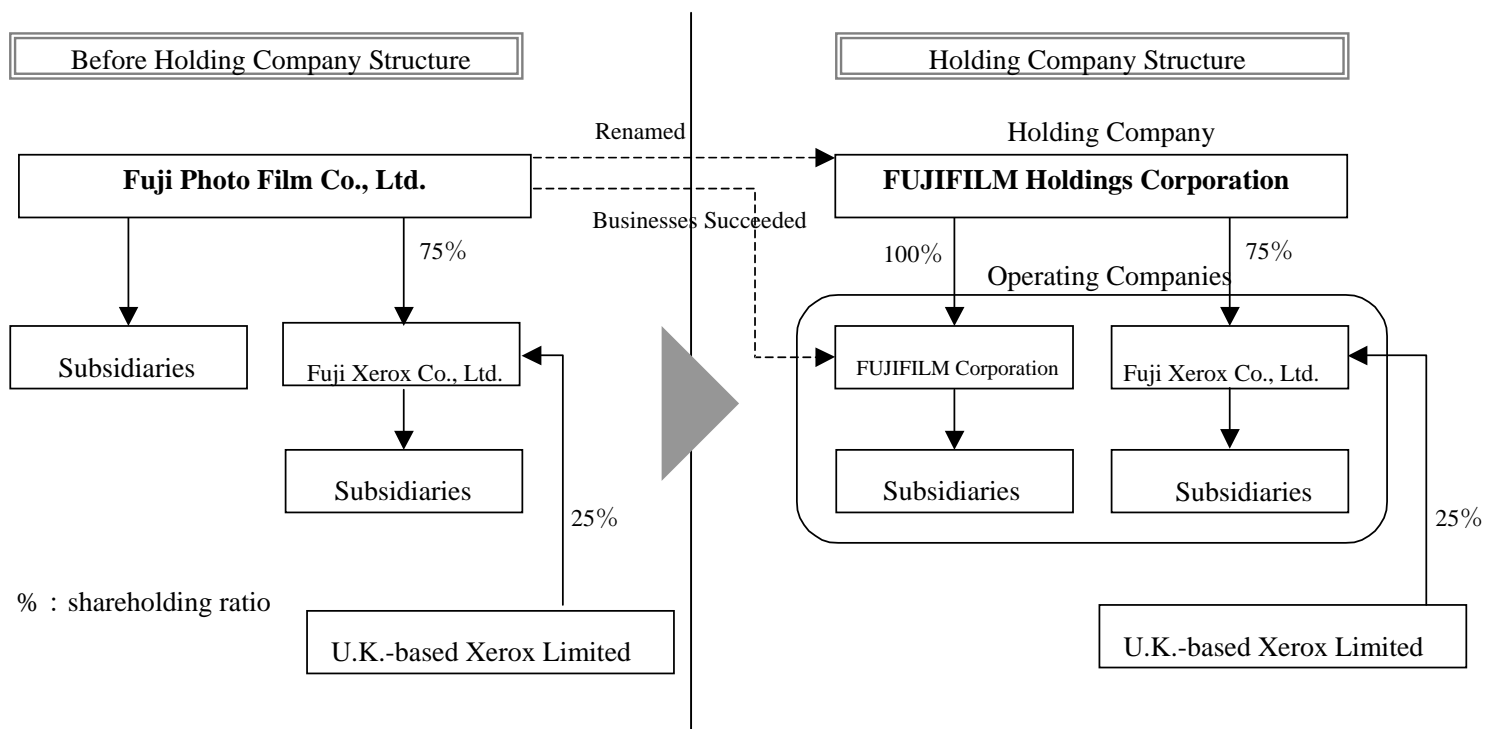
(As of September 30, 2006)



Shift to a Holding Company Structure

The Fujifilm Group (“the Group”) shifted to a holding company structure as of October 1, 2006. Under FUJIFILM Holdings Corporation, which is now responsible for the overall management of the Group, the Group is developing its operations through a new Group management structure centered on FUJIFILM Corporation, which is responsible for imaging solutions and information solutions operations, and Fuji Xerox Co., Ltd., (“Fuji Xerox”) which is responsible for document solutions operations. Through proactively promoting the strategic planning for the entire Group and the optimal allocation of management resources, we aim to create a leaner corporate structure. In addition, we will promote an increase in areas of synergy of Group companies, personnel exchange within the Group, and improved efficiency by consolidating common operations and thus strive to increase its overall corporate value.

Changes to the Group’s management structure as a result of the shift to the holding company structure are outlined as follows:



*In connection with the establishment of the holding company structure, the names of a portion of subsidiaries have been changed. As of October 31, 2006, the names of companies shown in the chart on the previous page had been changed as described below:

Previous Company Names

New Company Names

- | | | |
|-------------------------------|---|-------------------------------------|
| Fuji Photo Film, Inc. | → | FUJIFILM Manufacturing U.S.A., Inc. |
| Fuji Photo Film B.V. | → | FUJIFILM Manufacturing Europe B.V. |
| Fuji Photo Film U.S.A., Inc. | → | FUJIFILM U.S.A., Inc. |
| Fuji Photo Film (Europe) GmbH | → | FUJIFILM Europe GmbH |

2. MANAGEMENT POLICIES

(1) Basic Management Policies

FUJIFILM views the present as a period of its “Second Foundation.” The entire Fujifilm Group is transforming its operations and structure and, in line with its objective of developing new growth paths, it has adopted the following corporate philosophy:

“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.”

(2) Medium- and Long-Term Strategies and Essential Tasks

Aiming to strengthen its capabilities and develop new corporate growth paths amid rapid progress in the application of digital technologies and other major changes in its operating environment, Fujifilm drafted its VISION75 medium-term management plan in 2004. The plan extends to March 31, 2009—the year in which the Company will mark the 75th anniversary of its founding. Subsequently, Fujifilm has moved forward with measures in line with VISION75’s fundamental strategies of “building new growth strategies,” “implementing comprehensive structural reforms at all management levels,” and “enhancing consolidated management.” However, changes in the environment for imaging business have proceeded more quickly than originally anticipated. To respond to these changes and other factors, fundamentally reform the structure of operations in the imaging field, and accelerate the expansion of operations in growth business and new business fields by concentrating management resources in those fields, Fujifilm announced a new medium-term management plan, which is named VISION75 (2006) in April 2006. Centered on the fundamental strategies articulated in VISION75, the new plan emphasizes the following efforts:

- We will optimize photosensitive materials operations and implement other fundamental structural reforms centered on the imaging field that thoroughly increase operational efficiency, streamline operations, and create a business structure capable of sustaining profitability growth in the future.
- We will designate highly functional materials (flat panel display materials, electronic materials, inkjet materials, chemicals etc.), medical imaging and life science, graphic arts, document solutions, and optical devices as priority business fields and powerfully promote strategic growth in those fields.
- We will further tighten the focus of R&D investment and seek to quickly create new businesses and products that will play a leading role in the future.
- We will take advantage of the shift to a holding-company structure by further strengthening consolidated management systems, with an eye to maximizing the overall value of the Fujifilm Group.

(3) Basic Policy Regarding Distribution of Profits

Fujifilm’s basic policy regarding the distribution of profits is to provide shareholders with stable dividends 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.

While limits on the annual number of dividend payments are eliminated upon the implementation of Japanese Corporate Law (Kaisha Ho), Fujifilm plans to continue the current system of two dividend payments per year, based on the final day of the interim fiscal period and the final day of the fiscal year.

(4) Policy Regarding the Reduction of the Basic Trading Unit of Shares

Regarding the reduction of the basic trading unit of its shares, Fujifilm believes it is important to provide investment opportunities to a greater number of investors, particularly individuals, and to increase market liquidity. Accordingly, as of September 1, 2004, the trading unit size was reduced from 1,000 shares to 100 shares.

3. OPERATING RESULTS AND FINANCIAL POSITION

(1) Overview of the Period

During the interim fiscal period under review, economic recovery in Japan proceeded steadily due to such factors as a rise in capital investments and improvement in the employment environment amid improving corporate profitability. Overseas, the European economy was robust, primarily reflecting contributions from growth in capital investment, and growth continued in Asian economies centering on China, which maintained strong exports. The U.S. economy continued to expand although factors spurring concern regarding economic conditions included a slackening in the rates of growth in personal consumption and capital investment as well as a decrease in housing investment. After a sustained surge, crude oil prices gradually became more stable but their continued high level has broadly impacted economic activities.

Amid these conditions, Fujifilm dynamically expanded its operations while utilizing digital and networking technologies to provide customers with comprehensive solutions in the imaging, information, and document businesses. Noteworthy examples of how the Company worked to strengthen and broaden the scope of its operations include the implementation of a campaign to stimulate greater demand for prints from digital camera images; the execution of measures to increase sales of high-image-quality and high-sensitivity digital cameras featuring the Company's proprietary technologies; the boosting of manufacturing capacity for flat panel display materials and computer-to-plate (CTP) printing plates, which are in great demand; the promotion of more-widespread use of ultrasmall-diameter endoscope products that can be inserted via the nostrils; and the expanded marketing of digital color multifunction devices for office use that offer augmented network functions.

Furthermore, Fujifilm took steps to implement structural reforms, such as measures to reorganize systems in the photosensitive materials and electronic imaging fields, where it is seeking to optimize the scale of its operations, and is also proceeding quickly and resolutely with the implementation of various medium- and long-term plans aimed at building new growth strategies such as those involving the strengthening of R&D efforts and stepping up of M&A transactions.

Regarding consolidated revenue during the period under review (April 1, 2006, through September 30, 2006), despite a decrease in imaging solutions sales centered on sales of color films and digital minilabs, a large increase was recorded in information solutions sales centered on sales of flat panel display materials, medical products and services, and CTP plates. Moreover, document solutions sales also grew, reflecting a rise in sales of digital multifunction devices centered on sales in overseas markets. Such positive factors—together with the positive effect of the progressive depreciation of the yen against the dollar and the euro—boosted consolidated revenue to ¥1,352.0 billion, a rise of 3.7% from the same period in the previous fiscal year. Domestic revenue amounted to ¥634.4 billion, down 1.8%, while overseas revenue totaled ¥717.6 billion, up 9.2%. The recording of ¥42.0 billion in expenses associated with the concentrated implementation of structural reform measures begun in the previous fiscal year and continued through the current fiscal year had a strong impact on operating income, which decreased 15.4%, to ¥50.7 billion. However, excluding restructuring charges, the pro-forma operating income grew considerably by 36.7%, to ¥92.7 billion, as the Company offset the cost-boosting impact of a surge in prices of such principal raw materials as silver and aluminum by increasing its sales volume and thereby improving its gross profit as well as by taking such measures as those to tighten the strategic focus of expenditures. Income before income taxes decreased 10.9%, to ¥56.6 billion, and net income declined 28.1%, to ¥23.8 billion.

The effective currency exchange rates for the U.S. dollar and the euro against the yen during the period were ¥115 and ¥145, respectively.

Regarding structural reforms implemented during the period under review, continuing from the previous fiscal year, Fujifilm moved forward with measures to reorganize its tripolar global manufacturing system for photosensitive materials. In addition to efforts to implement personnel reductions accompanying manufacturing reorganizing measures, the Company strove to progressively streamline and optimize the staff of research, manufacturing, marketing/distribution, photoprocessing laboratory, and other units. These efforts led to the recording of ¥42.0 billion in expenses. Of these efforts, asset-related and other measures were associated with ¥28.6 billion in expenses while personnel-related measures were associated with ¥13.4 billion in expenses.

The trends in net sales and business development for each business segment were as follows:

Imaging Solutions

Sales of color films and digital minilabs decreased, and additional pressure on performance resulted from a drop in film development and print services of photoprocessing laboratories. As a result, consolidated revenue in this segment amounted to ¥307.1 billion, down 11.8% compared with the same period of the previous year.

Amid a decrease in sales of color films due to the increasingly general popularity of digital cameras, Fujifilm has begun global structural reforms designed to keep the scale of its film operations in line with the scale of demand and thereby maintain the stable profitability of those operations. The structural reform programs have advanced steadily.

Color paper sales increased, reflecting such factors as the implementation of measures that expanded Fujifilm's "Print at retail" digital camera print business as well as infrastructure strengthening measures to install a growing number of digital minilabs. Although sales of Frontier minilabs decreased due to decrease of new installations at the major customers, which already installed our products, Fujifilm stepped up its efforts to install print order terminals in print shops and expand its sales to medium- and small-scale customers while also undertaking measures through an alliance with Noritsu Koki Co., Ltd. that are facilitating the Company's efforts to further strengthen its "Print at retail" business.

Regarding digital cameras, Fujifilm digital cameras offering high sensitivity and high image quality continued to increase their market penetration. Strong sales were recorded for the FinePix F30 with a ultrahigh-sensitivity of ISO 3200, and the FinePix Z3, which features a slim body and offers ISO 1600 high sensitivity, but products in the North American digital camera market faced increasingly fierce price competition, particularly entry-level models. Fujifilm is working to further improve the profitability of its digital camera operations through its key product strategy, which is designed to promote sales of products with high levels of sensitivity and image quality as well as face detection technology, and through such measures as those to shift manufacturing operations to China and strengthen supply-chain management.

Demand for color films is continuing to decrease, but the withdrawal of competing companies from the market has enabled Fujifilm to gradually increase its market share.

Information Solutions

In addition to a large increase in sales of flat panel display materials, which continued to be in great demand, Fujifilm increased its sales of medical products and services centered on endoscope products and the SYNAPSE medical-use picture archiving and communications system as well as its sales of CTP plates. Moreover, FUJIFILM IMAGING COLORANTS LIMITED, which is expanding its business in materials used in inks for inkjet printers, has been accounted for as a consolidated subsidiary since the latter half of the previous fiscal year. Consequently, consolidated revenue in this segment grew 16.9%, to ¥485.2 billion, compared with the same period of the previous year.

In flat panel display (FPD) materials business, sales of Fujifilm's mainstay FUJITAC and WV Film products grew considerably. In addition to reflecting strong demand for these products from the LCD market, the sales growth reflected a contribution associated with an increase in the Company's manufacturing capacity for the products. FUJIFILM Kyushu Co., Ltd., began operating its first FUJITAC production line in October 2006. Plans call for additional measures to progressively expand manufacturing capacity and thereby sustain growth in the scale of FPD materials operations.

With respect to the medical imaging business, strong sales were recorded of such equipment and materials as FCR (Fuji Computed Radiography), dry imagers, and dry films, particularly overseas. Sales of SYNAPSE systems increased steadily. In addition, the FCR (Fuji Computed Radiography) mammography system became the first CR system in the world to receive premarket approval (PMA) from the U.S. Food and Drug Administration. The PMA has made it possible for Fujifilm to begin marketing FCR mammography systems in the United States. In endoscope products, domestic and overseas customers gave high evaluations to Fujifilm's lineup of distinctive products centered on the Transnasal Endoscope, and sales of these products grew considerably during the period under review.

In graphic arts business, the widespread use of CTP products kept sales of printing plate films decreasing, but sales of Fujifilm's CTP system-related products grew greatly.

Regarding recording media, in the mid-range data storage media market, sales of Fujifilm's mainstay LTO Ultrium 3 grew amid a renewed intensification of price competition. In the high-end enterprise data

storage product market, sales of data cartridge products used for the IBM TotalStorage® Enterprise Tape Drive 3592 increased.

Regarding Fujifilm's office and industrial operations, in the field of optical lens products, Fujifilm's lens units for camera phones were highly evaluated in the market for their compactness, lightness, high image quality, and autofocus and zoom capabilities. Moreover, sales of television camera lenses surged considerably due to the 2006 FIFA World Cup™ Germany.

* LTO and Ultrium are trademarks of IBM, Hewlett-Packard and Quantum in the US, other countries, or both.

Document Solutions

Strong exports of color digital multifunction devices to North American and European markets and robust sales of such devices in Asia and Oceania were primary factors contributing to a 3.6% increase in consolidated revenue in this segment compared with the same period of the previous fiscal year, to ¥559.7 billion.

In the office product business, the Company strengthened its domestic ApeosPort-II series of multifunction devices, which respond to requirements for better document security and integrated document management following the implementation of e-Document Law and Personal Information Protection Act in Japan, by adding an additional two models to that series. The Company also responded to a rise in demand for low-priced, high-value-added color multifunction devices that has accompanied the increasing market diffusion of color products by launching the DocuCentre C2100, a color multifunction device corresponding to digitalization or a company's network environment. Regarding overseas markets, exports to North America and Europe and sales of color digital multifunction devices in the Asia region including China continued to be strong, and overall sales volume rose considerably.

Regarding office printer operations, domestic sales volume decreased due to inventory adjustments by OEM customers. However, the volume of OEM sales to North America and Europe surged, reflecting a high evaluation of the performance and price of the Company's medium-speed monochrome OEM models, and the sales volume of newly launched low-priced, high-performance color printer sales also began increasing.

In the production services business, the Company's domestic sales of large-scale printing systems decreased, reflecting the installation of such systems for large-scale users in Japan during the same period of the previous fiscal year. The digital printing market is projected to continue expanding, however, and the Company strengthened its line-up of products in that market with the launch of the DocuCentre f1100 GA high-speed, high-definition monochrome on-demand publishing system and the 4110/4590 Enterprise Printing System high-speed printers for outputting functions of mission-critical task.

In the office services business, a decline was seen in sales of household registration systems, for which a special high level of demand was seen during the same period of the previous fiscal year, but growth in document outsourcing business was sustained. In addition, strengthening internal control systems in response to new Corporate Law of Japan and the legal requirements related to internal controls (i.e., J-SOX) has become an urgent management task for many Japanese companies, and, in April 2006, the Company created a specialized marketing team focused exclusively on internal control system-related business. Moreover, the Company began marketing Apeos PEMaster software to support internal control systems in June and is taking various other measures to expand its services business.

VISION75 Medium-Term Management Plan

Building New Growth Strategies

In medical operations, Fujifilm acquired all the shares of Daiichi Radioisotope Laboratories, Ltd. (DRL), a leading manufacturer of diagnostic radiopharmaceuticals. DRL is a subsidiary of Daiichi Pharmaceutical Co., Ltd., which is a group company of Daiichi Sankyo Co., Ltd. On October 2, 2006, DRL began operating as a wholly owned subsidiary of FUJIFILM Corporation. As a pioneer of radiopharmaceuticals in Japan, DRL has undertaken research, development, manufacturing, and marketing operations related to a broad range of products used in various types of examination, diagnosis, and treatment processes. The inclusion of DRL within the Fujifilm Group is expected to facilitate further expansion of the Group's business into the area of nuclear medical imaging diagnosis and therapeutic radiopharmaceuticals.

In life science operations, Fujifilm has begun business in the healthcare field. Launched in September 2006, the Company's first products in this field are "F Square I," a series of functional skin care cosmetics, and "F Cube I," a series of internal care products. During many years of operations, Fujifilm has accumulated a broad spectrum of core technologies that have deep involvement in the life of human beings and can be effectively applied to the healthcare field. In addition to functional skin care cosmetics and internal care products, the Company intends to expand the scope of its life science operations to encompass advanced medical therapies.

In its core flat panel display (FPD) material operations, Fujifilm concluded a contract with a major Chinese home appliance and electronic components company, SVA Electron Co., Ltd. (SVA), to establish a joint venture company called SVA-Fujifilm Opto-Electronic Materials Co., Ltd. (SVA-Fujifilm), that will be the first company in China to manufacture color filters (CFs) for large-size TFT LCDs. SVA-Fujifilm will employ the Slit Coating method using Fujifilm's Color Mosaic color resists for LCD color filters as well as employing Fujifilm's proprietary Transer Method technology. The new company will supply large-size CFs used in laptops, monitors, and large screen TVs for the rapidly growing Chinese LCD market, mainly for SVA-NEC, a member of the SVA group.

Regarding inkjet field, Fujifilm acquired U.S.-based Dimatix, Inc.—the leading manufacturer of industrial inkjet printheads used for an expanding range of applications including large-scale outdoor advertising posters, labels, and packaging—which has been renamed FUJIFILM Dimatix, Inc. By combining its own advanced ink technologies with Dimatix's leading-edge inkjet printhead technologies, Fujifilm intends to develop unrivaled high-quality imaging, realize image outputting on various new materials, and expand its industrial inkjet business.

In April 2006, Fujifilm established the FUJIFILM Advanced Research Laboratories to serve as the core R&D facility for the Fujifilm Group, conduct cross sectional fundamental research, and develop core technologies that are the foundation of new business and products. The new center comprises three corporate laboratories—the Frontier Core-Technology Laboratories, the Synthetic Organic Chemistry Laboratories, and the Advanced Marking Research Laboratories—that are working to create technologies that sharply differentiate Fujifilm's offerings from those of competing companies, primarily by integrating their respective technologies to develop highly functional materials, devices, and systems. In addition, to bolster and expand its future key business field of medical and life science technologies, Fujifilm located its Life Science Research Laboratories within the new research center. By fusing market needs with the technological seeds of the advanced materials and devices developed by the three corporate laboratories, Fujifilm will develop groundbreaking innovative products with high-added-value.

Fuji Xerox, which is responsible for the Group's document solutions business, has acquired land in Yokohama's Minato Mirai 21 district and has decided to establish a new R&D facility on that land. While Fuji Xerox's main R&D units are currently dispersed in eight locations, plans call for consolidating those units at two locations—the Ebina facility, which is positioned as a key base for manufacturing-related R&D, and the new R&D center to be created in Yokohama. The new R&D center will augment communications with customers in order to promote rapid responses to changing market needs and will also seek to make the most of Fuji Xerox's overall R&D capabilities by facilitating product development projects involving horizontal collaboration among development staff in different fields. In addition, the center is expected to generate various other benefits, such as the reduction of development lead times as well as an increase in R&D efficiency due to the consolidation of facilities.

To prepare funds required for realizing “building new growth strategies,” in April 2006, Fujifilm raised the funds of ¥200.0 billion through the issuance of convertible bond type-bonds with stock acquisition rights. The Company will use these funds to further strengthen M&A initiatives, capital investments, R&D programs, and other activities in strategically emphasized fields, thereby accelerating the development of businesses expected to be the core of the Company’s operations in the future.

Implementing Comprehensive Structural Reforms at All Management Levels

Fujifilm is proceeding with the structural reforms throughout the group operation. Regarding imaging solutions operations, Fujifilm has continued measures begun in the previous fiscal year to reorganize its global manufacturing system for photosensitive materials in Japan, North America, and Europe; streamline the workforce and thoroughly cut selling expenses at marketing and distribution units; greatly reduce R&D investment; and move forward with the streamlining of photoprocessing laboratories. Moreover, in the electronic imaging business, Fujifilm has been rapidly implementing measures to strengthen its lineup of digital cameras with special characteristics centered on high-sensitivity performance, shrink the domestic manufacturing network and establish a China-based manufacturing system, thoroughly reduce operating costs, and comprehensively reduce inventory levels by upgrading SCM systems. These reforms are expected to cause the recording of a total of ¥165.0 billion in non-recurring restructuring costs during the two fiscal years through March 31, 2007. In addition, the Company is proceeding with measures aimed at reducing the number of personnel working in photosensitive materials business by approximately 5,000.

Enhancing Consolidated Management

The Company adopted a holding company structure as of October 1, 2006. The new structure is explained on page three of this report.

(2) Financial Position

Net cash inflow provided by operating activities amounted to ¥ 115.7 billion, up ¥ 8.1 billion. Net cash used in investing activities totaled ¥ 173.9 billion, and net cash provided by financing activities totaled ¥ 171.9 billion. As a result, cash and cash equivalents at the end of the interim period under review amounted to ¥ 336.2 billion, up ¥ 117.6 billion from the previous fiscal year-end.

Cash flow indices (consolidated)

	Year ended March 31, 2006 From April 1, 2005 To March 31, 2006	Six months ended September 30, 2006 From April 1, 2006 To September 30, 2006
Ratio of shareholders’ equity to total assets (%)	64.9	61.7
Ratio of market capitalization to total assets (%)	66.2	68.4
Ratio of interest-bearing debt to operating cash flow (years)	0.6	1.6
Interest coverage ratio (times)	70.1	39.7

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 fiscal 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 Full-Fiscal Year and Projected Allocation of Profit

In addition to concerns regarding the deceleration of economic growth in the United States, there are various factors that make predicting trends in the global economy difficult. These include trends in raw materials prices centered on crude oil prices, which are continuing to fluctuate at high levels. Amid these conditions, Fujifilm anticipates that such factors as the decrease in demand for color films will reduce the sales of its imaging solutions operations. At the same time, the Company projects that, amid expansion of the LCD market, the increase of its flat panel display materials production capacity and other factors will contribute to further growth in the sales of its information solutions operations.

On the other hand, Fujifilm's structural reforms centered on imaging solutions operations are proceeding smoothly and are projected to be completed on schedule during the current fiscal year. In view of this and in conjunction with the shift to a new Group structure centered on the Group's holding company, measures have been initiated to progressively streamline and tighten the strategic focus of SG&A expenses, R&D expenses, and manufacturing expenses from a Group-wide standpoint. As a result, Fujifilm is determined to attain the goal of increasing its consolidated operating income during the fiscal year ending March 31, 2008, to the new record high level of ¥200.0 billion. In the fiscal year ending March 31, 2010, the final year of VISION75 (2006), we are aiming to increase consolidated operating income to a level above ¥250.0 billion. Since there is a possibility that the process of implementing additional measures to achieve these objectives will entail additional expenses, the company has left the performance forecast that it announced on April 27, 2006 unchanged at this moment. Specifically, the company projects that it will record ¥2,740.0 billion in consolidated revenue, ¥80.0 billion in operating income, ¥80.0 billion in income before income taxes, ¥38.0 billion in net income. These projections are made assuming exchange rates of ¥110 to 1US\$ and ¥135 to 1Euro in the second half of the fiscal year.

The Company plans to distribute year-end cash dividends of ¥12.50 per share, and cash dividends applicable to the fiscal year under review are expected to total ¥25.00 per share.

(4) Business-Related and Other Risks

The following types of risk have the potential for affecting the Fujifilm Group's financial condition and business performance. The following contents relating to the future are based on our determination as of the end of the interim fiscal period under review.

a) Impact of Economic and Exchange Rate Trends on Performance

Fujifilm provides products and services in diverse markets throughout the world, and the share of consolidated sales accounted for by overseas sales was approximately 53% in the fiscal year under review. There is a possibility that performance will be greatly affected by economic conditions throughout the world and particularly by currency exchange rates.

To reduce the impact of currency exchange rates on performance, Fujifilm undertakes hedging measures, primarily using forward exchange contracts for the U.S. dollar and the euro, but currency exchange fluctuations, depending on their degree, still could have an impact on performance.

b) Competition in Markets

Fujifilm provides diverse digital-related products and services—including digital cameras and other consumer products as well as such commercial use products as those for medical, graphic arts, and office applications — and, in recent years, the rising and broadening use of digital and networking technologies has led to a sustained rise in the share of digital products and services. In these business fields, although business volume is expanding, the intensification of competition with electronic equipment manufacturers and other companies is leading to falls in the selling prices of products during short periods of time and are also shortening product life cycles. By affecting sales, increasing R&D costs, and exerting other effects, these trends have the potential for reducing profitability. In the future, Fujifilm will continually work to develop products incorporating new technologies and to support the sales of such products with marketing activities, and the success or failure of these activities is expected to have an influence on performance.

c) Patents and Other Intellectual Property

Fujifilm has diverse patents, know-how, and other intellectual property that enable competitive benefits, but such future events as the expiration of patents and emergence of replacement technologies may make it difficult to maintain competitive superiority. In the wide range of business fields with which Fujifilm is associated, there are numerous companies with sophisticated and complex technologies, and the number of these technologies is rising rapidly. Developing Fujifilm's business operations sometimes may require the use of other companies' patents, know-how, and other intellectual property, and when negotiations for the use of such intellectual property are not successful there is a potential for performance to be affected. In addition, Fujifilm is developing its business while constantly taking care not to infringe on the intellectual property of other companies, but it must be recognized that in reality it is difficult to completely eliminate the risk of becoming involved with litigation.

If Fujifilm becomes involved with litigation, not only litigation costs would arise but also the potential for compensatory payment costs that could have an influence on performance.

d) Public Regulations

In the regions where Fujifilm is developing its operations, diverse government regulations exist that apply to Fujifilm's operations, such as business and investment permits as well as limits and regulations related to imports and exports. Moreover, Fujifilm is subject to commercial, fair trade, patent, consumer protection, tax, foreign exchange administration, environmental, and other laws and regulations.

If Fujifilm were not to strictly comply with one of these laws or regulations, it could be subject to fines. Moreover, it is possible that these laws and regulation might be tightened or greatly changed, and in such cases it is impossible to deny the possibility that Fujifilm's activities could be limited or that Fujifilm might have to bear greater costs to attain compliance or respond to the changes. Accordingly, these laws and regulations have the potential for affecting Fujifilm's performance.

e) Manufacturing Operations

As Fujifilm engages in manufacturing operations throughout the world, it is possible that provision of Fujifilm's products could be halted by earthquakes or other natural disasters, the discontinuation of the manufacture of raw materials and components, the bankruptcy of suppliers, terrorist activities, wars, labor strikes, major disease outbreaks, and other factors that cause disorder. It is also possible that a rapid rise in the price of raw materials could affect Fujifilm's performance.

Fujifilm manufactures its products in conformance with rigorous quality control standards, but the possibility of defective products does exist. If Fujifilm were to have to respond to such an event by undertaking product recalls or other actions, Fujifilm's performance might be affected.

f) Structural Reforms

Fujifilm is proceeding with structural reform measures that involve the manufacturing, marketing, and service activities of Group companies and mergers of Group companies, and it intends to continue such measures with the goal of striving to increase management efficiency. Depending on the degree of progress in structural reforms, it is possible that Fujifilm might bear additional costs that would affect its performance.

FORWARD-LOOKING STATEMENTS

Forward-looking statements such as those relating to earnings forecasts and other projections contained in disclosed information are management's current assumptions and beliefs based on information available at the time. 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. Furthermore, disclosed information is provided for the express purpose of fostering a deeper understanding of the Company, not for the purpose of soliciting investment. Investment decisions are made at the discretion of, and are the responsibility of, the user of the information contained herein.

CONSOLIDATED BALANCE SHEETS

Amount Unit: Millions of yen

	As of September 30, 2006		As of March 31, 2006		Change	As of September 30, 2005	
	%		%			%	
ASSETS							
Current assets:							
Cash and cash equivalents		336,210		218,598	117,612		264,172
Marketable securities		68,756		69,829	(1,073)		51,008
Notes and accounts receivable:							
Trade and finance		556,449		548,586	7,863		533,678
Affiliated companies		26,346		33,272	(6,926)		33,073
Allowance for doubtful receivables		(16,147)		(15,543)	(604)		(16,402)
		566,648		566,315	333		550,349
Inventories		407,680		385,463	22,217		384,380
Deferred income taxes		98,050		96,030	2,020		87,864
Prepaid expenses and other		44,366		36,225	8,141		31,307
Total current assets	47.3	1,521,710	45.3	1,372,460	149,250	45.5	1,369,080
Investments and long-term receivables:							
Investments in and advances to affiliated companies		42,320		54,283	(11,963)		49,404
Investment securities		337,295		310,152	27,143		288,331
Long-term finance and other receivables		104,201		102,773	1,428		97,874
Allowance for doubtful receivables		(4,352)		(4,357)	5		(4,609)
Total investments and long-term receivables	14.9	479,464	15.3	462,851	16,613	14.3	431,000
Property, plant and equipment:							
Land		79,647		77,469	2,178		75,482
Buildings		613,971		602,585	11,386		584,049
Machinery and equipment		1,658,880		1,647,474	11,406		1,634,533
Construction in progress		36,506		41,742	(5,236)		50,849
		2,389,004		2,369,270	19,734		2,344,913
Less accumulated depreciation		(1,641,840)		(1,617,885)	(23,955)		(1,576,468)
Total property, plant and equipment	23.2	747,164	24.8	751,385	(4,221)	25.6	768,445
Other assets:							
Goodwill, net		254,576		233,547	21,029		229,240
Other intangible assets, net		65,497		52,767	12,730		48,890
Deferred income taxes		39,660		38,217	1,443		45,817
Other		107,730		116,264	(8,534)		113,809
Total other assets	14.6	467,463	14.6	440,795	26,668	14.6	437,756
Total assets	100.0	3,215,801	100.0	3,027,491	188,310	100.0	3,006,281

Amount Unit: Millions of yen

	As of September 30, 2006		As of March 31, 2006		Change	As of September 30, 2005	
LIABILITIES	%		%			%	
Current liabilities:							
Short-term debt	97,650		99,088		(1,438)	125,824	
Notes and accounts payable:							
Trade	260,112		255,423		4,689	268,422	
Construction	41,326		49,764		(8,438)	55,867	
Affiliated companies	5,014		7,322		(2,308)	9,793	
	306,452		312,509		(6,057)	334,082	
Accrued income taxes	33,562		36,547		(2,985)	25,785	
Accrued liabilities	199,967		214,993		(15,026)	189,229	
Other current liabilities	69,244		59,769		9,475	57,258	
Total current liabilities	21.9	706,875	23.9	722,906	(16,031)	24.4	732,178
Long-term liabilities:							
Long-term debt	266,687		74,329		192,358	76,356	
Accrued pension and severance costs	37,680		44,215		(6,535)	94,744	
Deferred income taxes	61,246		64,348		(3,102)	53,873	
Customers' guarantee deposits and other	38,844		38,647		197	36,819	
Total long-term liabilities	12.6	404,457	7.3	221,539	182,918	8.7	261,792
Minority interests in subsidiaries	3.8	121,467	3.9	119,549	1,918	3.7	111,082
SHAREHOLDERS' EQUITY							
Common stock, without par value:							
Authorized: 800,000,000 shares	40,363		40,363		-	40,363	
Issued: 514,625,728 shares							
Additional paid-in capital	68,412		68,412		-	68,135	
Retained earnings	1,836,036		1,818,610		17,426	1,821,132	
Accumulated other comprehensive income(loss)	55,596		52,917		2,679	(8,113)	
Treasury stock, at cost							
As of September 30, 2005	5,334,565shares		4,403,655shares				
As of March 31, 2006	4,403,655shares		4,559,141shares				
As of September 30, 2006	(17,405)		(16,805)		(600)	(20,288)	
Total shareholders' equity	61.7	1,983,002	64.9	1,963,497	19,505	63.2	1,901,229
Total liabilities and shareholders' equity	100.0	3,215,801	100.0	3,027,491	188,310	100.0	3,006,281

Note: Details of Accumulated other comprehensive income(loss)

	As of September 30, 2006	As of March 31, 2006	Change	As of September 30, 2005
Unrealized gains on securities	42,720	53,119	(10,399)	35,601
Foreign currency translation adjustments	24,740	11,865	12,875	(8,902)
Minimum pension liability adjustments	(11,873)	(12,078)	205	(34,896)
Unrealized gains(losses) on derivatives	9	11	(2)	84

CONSOLIDATED STATEMENTS OF INCOME

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change		Year ended March 31, 2006 From April 1, 2005 To March. 31, 2006	
					Amount	%		
Revenue:	%		%				%	
Sales	1,162,221		1,121,872		40,349	3.6	2,300,842	
Rentals	189,815		181,708		8,107	4.5	366,653	
	100.0	1,352,036	100.0	1,303,580	48,456	3.7	100.0	2,667,495
Cost of sales:								
Sales	713,466		702,866		10,600	1.5	1,435,757	
Rentals	79,651		75,845		3,806	5.0	158,047	
	58.7	793,117	59.7	778,711	14,406	1.8	59.8	1,593,804
Gross profit	41.3	558,919	40.3	524,869	34,050	6.5	40.2	1,073,691
Operating expenses:								
Selling, general and administrative	27.7	375,566	28.0	364,696	10,870	3.0	27.6	735,058
Research and development	6.7	90,592	7.1	92,324	(1,732)	(1.9)	6.8	182,154
Restructuring and other charges	3.1	41,982	0.6	7,835	34,147	-	3.2	86,043
	37.5	508,140	35.7	464,855	43,285	9.3	37.6	1,003,255
Operating income	3.8	50,779	4.6	60,014	(9,235)	(15.4)	2.6	70,436
Other income (expenses):								
Interest and dividend income		4,715		3,908	807			8,133
Interest expense		(2,915)		(2,088)	(827)			(3,886)
Foreign exchange gains (losses), net		3,579		4,066	(487)			7,526
Other, net		472		(2,344)	2,816			(2,594)
	0.4	5,851	0.3	3,542	2,309	65.2	0.4	9,179
Income before income taxes	4.2	56,630	4.9	63,556	(6,926)	(10.9)	3.0	79,615
Income taxes	2.0	27,201	2.1	27,408	(207)	(0.8)	1.3	35,024
Income before minority interests and equity in net earnings of affiliated companies	2.2	29,429	2.8	36,148	(6,719)	(18.6)	1.7	44,591
Minority interests	(0.5)	(7,378)	(0.5)	(5,773)	(1,605)	(27.8)	(0.5)	(12,785)
Equity in net earnings of affiliated companies	0.1	1,751	0.2	2,739	(988)	(36.1)	0.2	5,210
Net income	1.8	23,802	2.5	33,114	(9,312)	(28.1)	1.4	37,016

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amount Unit: Millions of yen

	Six months ended Sept. 30, 2006 From April 1, 2006 To Sept. 30, 2006	Six months ended Sept. 30, 2005 From April 1, 2005 To Sept. 30, 2005	Year ended March 31, 2006 From April 1, 2005 To March 31, 2006
Operating activities			
Net income	23,802	33,114	37,016
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	109,941	104,584	225,434
Impairment losses for long-lived assets and goodwill	-	-	42,121
Deferred income taxes	(3,259)	3,266	(17,732)
Minority interests	7,378	5,773	12,785
Equity in net earnings of affiliated companies, less dividends received	(619)	(1,474)	(3,899)
Changes in operating assets and liabilities:			
Notes and accounts receivable	17,623	(4,993)	(7,223)
Inventories	(8,252)	(3,126)	15,118
Notes and accounts payable - trade	(3,797)	(11,721)	(33,486)
Accrued income taxes and other liabilities	(28,289)	(19,635)	(9,909)
Other	1,185	1,814	12,333
Subtotal	91,911	74,488	235,542
Net cash provided by operating activities	115,713	107,602	272,558
Investing activities			
Purchases of property, plant and equipment	(79,232)	(84,969)	(186,980)
Purchases of software	(9,406)	(9,326)	(16,693)
Proceeds from sales and maturities of marketable and investment securities and other investments	52,199	49,680	83,629
Purchases of marketable and investment securities	(96,913)	(25,274)	(58,757)
(Increase) decrease in investments in and advances to affiliated companies	5,138	(4,783)	(19,237)
Acquisitions of businesses and minority interests, net of cash acquired	(31,643)	(10,417)	(40,587)
Other	(14,048)	(15,737)	(33,504)
Net cash used in investing activities	(173,905)	(100,826)	(272,129)
Financing activities			
Proceeds from long-term debt	199,938	769	1,728
Repayments of long-term debt	(23,237)	(5,984)	(21,452)
Increase (decrease) in short-term debt, net	4,928	(21,176)	(43,119)
Cash dividends paid	(6,378)	(6,367)	(12,734)
Cash dividends paid to minority interests	(2,744)	(2,693)	(4,941)
Purchases of stock for treasury, net	(600)	(32)	209
Net cash provided by (used in) financing activities	171,907	(35,483)	(80,309)
Effect of exchange rate changes on cash and cash equivalents	3,897	4,722	10,321
Net increase (decrease) in cash and cash equivalents	117,612	(23,985)	(69,559)
Cash and cash equivalents at beginning of period	218,598	288,157	288,157
Cash and cash equivalents at end of period	336,210	264,172	218,598

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Year ended March 31, 2006 and Six months ended September 30, 2006

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income(loss)	Treasury stock	Total shareholders' equity
Balance at March 31, 2005	40,363	68,135	1,794,385	(33,525)	(20,256)	1,849,102
Comprehensive income:						
Net income	-	-	37,016	-	-	37,016
Net increase in unrealized gains on securities	-	-	-	27,311	-	27,311
Foreign currency translation adjustments	-	-	-	37,323	-	37,323
Minimum pension liability adjustments	-	-	-	21,822	-	21,822
Change in net unrealized gains(losses) on derivatives	-	-	-	(14)	-	(14)
Net comprehensive income						123,458
Purchases of stock for treasury	-	-	-	-	(80)	(80)
Sales of stock from treasury	-	-	(46)	-	3,531	3,485
Cash dividends applicable to earnings of the year	-	-	(12,745)	-	-	(12,745)
Other	-	277	-	-	-	277
Balance at March 31, 2006	40,363	68,412	1,818,610	52,917	(16,805)	1,963,497
Comprehensive income:						
Net income	-	-	23,802	-	-	23,802
Net decrease in unrealized gains on securities	-	-	-	(10,399)	-	(10,399)
Foreign currency translation adjustments	-	-	-	12,875	-	12,875
Minimum pension liability adjustments	-	-	-	205	-	205
Change in net unrealized gains(losses) on derivatives	-	-	-	(2)	-	(2)
Net comprehensive income						26,481
Purchases of stock for treasury	-	-	-	-	(602)	(602)
Sales of stock from treasury	-	0	-	-	2	2
Cash dividends applicable to earnings of the period	-	-	(6,376)	-	-	(6,376)
Balance at September 30, 2006	40,363	68,412	1,836,036	55,596	(17,405)	1,983,002

Six months ended September 30, 2005

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income(loss)	Treasury stock	Total shareholders' equity
Balance at March 31, 2005	40,363	68,135	1,794,385	(33,525)	(20,256)	1,849,102
Comprehensive income:						
Net income	-	-	33,114	-	-	33,114
Net increase in unrealized gains on securities	-	-	-	9,793	-	9,793
Foreign currency translation adjustments	-	-	-	16,556	-	16,556
Minimum pension liability adjustments	-	-	-	(996)	-	(996)
Change in net unrealized gains(losses) on derivatives	-	-	-	59	-	59
Net comprehensive income						58,526
Purchases of stock for treasury	-	-	-	-	(36)	(36)
Sales of stock from treasury	-	-	0	-	4	4
Cash dividends applicable to earnings of the period	-	-	(6,367)	-	-	(6,367)
Balance at September 30, 2005	40,363	68,135	1,821,132	(8,113)	(20,288)	1,901,229

DETAILS OF CONSOLIDATED REVENUE

(1) Revenue by product

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Revenue:						
Imaging Solutions	22.7%	307,148	26.7%	348,311	(41,163)	(11.8)
Information Solutions	35.9%	485,187	31.9%	415,209	69,978	16.9
Document Solutions	41.4%	559,701	41.4%	540,060	19,641	3.6
Consolidated total	100.0%	1,352,036	100.0%	1,303,580	48,456	3.7

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 and services for photofinishing
Information Solutions	Equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet materials
Document Solutions	Office copy machines/MFPs, printers, production systems and services, paper, consumables and office services

(2) Domestic and overseas revenue

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Revenue:						
Domestic	46.9%	634,441	49.6%	646,233	(11,792)	(1.8)
Overseas						
The Americas	21.0%	283,598	21.6%	281,587	2,011	0.7
Europe	15.2%	205,445	14.4%	188,218	17,227	9.2
Asia and others	16.9%	228,552	14.4%	187,542	41,010	21.9
Subtotal	53.1%	717,595	50.4%	657,347	60,248	9.2
Consolidated total	100.0%	1,352,036	100.0%	1,303,580	48,456	3.7

SEGMENT INFORMATION

(1) Operating segments

Revenue and Operating Income

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	22.7%	307,148	26.7%	348,311	(41,163)	(11.8)
Intersegment		511		299	212	-
Total		307,659		348,610	(40,951)	(11.7)
Information Solutions:						
External customers	35.9%	485,187	31.9%	415,209	69,978	16.9
Intersegment		1,334		1,639	(305)	-
Total		486,521		416,848	69,673	16.7
Document Solutions:						
External customers	41.4%	559,701	41.4%	540,060	19,641	3.6
Intersegment		5,355		5,545	(190)	-
Total		565,056		545,605	19,451	3.6
Eliminations		(7,200)		(7,483)	283	-
Consolidated total	100.0%	1,352,036	100.0%	1,303,580	48,456	3.7

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Operating Income:						
Imaging Solutions	(6.0)%	(18,507)	(1.4)%	(4,970)	(13,537)	(272.4)
Information Solutions	7.2%	35,079	8.5%	35,306	(227)	(0.6)
Document Solutions	6.0%	34,113	5.4%	29,628	4,485	15.1
Total		50,685		59,964	(9,279)	(15.5)
Eliminations		94		50	44	-
Consolidated total	3.8%	50,779	4.6%	60,014	(9,235)	(15.4)

(Ref.)

Restructuring charges included in the operating income and loss by operating segment

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change
Restructuring charges:					
Imaging Solutions		29,741		7,544	22,197
Information Solutions		12,241		291	11,950
Consolidated total		41,982		7,835	34,147

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 and services for photofinishing
Information Solutions	Equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet materials
Document Solutions	Office copy machines/MFPs, printers, production systems and services, paper, consumables and office services

(2) Geographic information

Revenue and Operating Income

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Revenue:						
Japan						
External customers	60.2%	814,380	62.5%	814,951	(571)	(0.1)
Intersegment		227,170		182,789	44,381	-
Total		1,041,550		997,740	43,810	4.4
The Americas						
External customers	17.5%	236,200	17.2%	223,944	12,256	5.5
Intersegment		12,975		12,286	689	-
Total		249,175		236,230	12,945	5.5
Europe						
External customers	12.4%	168,156	11.8%	153,262	14,894	9.7
Intersegment		9,561		6,533	3,028	-
Total		177,717		159,795	17,922	11.2
Asia and others						
External customers	9.9%	133,300	8.5%	111,423	21,877	19.6
Intersegment		150,348		114,364	35,984	-
Total		283,648		225,787	57,861	25.6
Eliminations		(400,054)		(315,972)	(84,082)	-
Consolidated total	100.0%	1,352,036	100.0%	1,303,580	48,456	3.7

Amount Unit: Millions of yen

	Six months ended September 30, 2006 From April 1, 2006 To Sept. 30, 2006		Six months ended September 30, 2005 From April 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Operating Income:						
Japan	5.0%	51,757	3.9%	39,085	12,672	32.4
The Americas	(4.5)%	(11,225)	1.1%	2,531	(13,756)	-
Euope	(2.1)%	(3,759)	2.5%	4,061	(7,820)	-
Asia and others	6.6%	18,695	5.4%	12,233	6,462	52.8
Eliminations		(4,689)		2,104	(6,793)	-
Consolidated total	3.8%	50,779	4.6%	60,014	(9,235)	(15.4)

MARKETABLE AND INVESTMENT SECURITIES

Fair Value on Marketable and Investment Securities

Amount Unit: Millions of yen

	As of September 30, 2006				As of September 30, 2005			
	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	48,777	12	(42)	48,747	40,866	137	31	40,972
Government debt securities	20,031	-	(22)	20,009	10,031	5	-	10,036
Total marketable securities	68,808	12	(64)	68,756	50,897	142	31	51,008
Investment securities:								
Government debt securities	47,484	168	(123)	47,529	42,731	41	61	42,711
Corporate debt securities	78,949	188	(601)	78,536	68,239	257	447	68,049
Equity securities	97,177	77,231	(915)	173,493	77,439	65,011	829	141,621
Total investment securities	223,610	77,587	(1,639)	299,558	188,409	65,309	1,337	252,381
Total	292,418	77,599	(1,703)	368,314	239,306	65,451	1,368	303,389

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.

<Reference>

CONSOLIDATED STATEMENTS OF INCOME (The Second Quarter)

Amount Unit: Millions of yen

	Three months ended September 30, 2006 From July 1, 2006 To Sept. 30, 2006		Three months ended September 30, 2005 From July 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Revenue:		%		%		
Sales		601,942		589,193	12,749	2.2
Rentals		93,246		89,206	4,040	4.5
	100.0	695,188	100.0	678,399	16,789	2.5
Cost of sales:						
Sales		372,630		371,616	1,014	0.3
Rentals		37,328		37,727	(399)	(1.1)
	59.0	409,958	60.4	409,343	615	0.2
Gross profit	41.0	285,230	39.6	269,056	16,174	6.0
Operating expenses:						
Selling, general and administrative	27.1	188,460	27.4	186,048	2,412	1.3
Research and development	6.8	47,103	7.2	48,890	(1,787)	(3.7)
Restructuring and other charges	2.1	14,631	0.8	5,296	9,335	-
	36.0	250,194	35.4	240,234	9,960	4.1
Operating income	5.0	35,036	4.2	28,822	6,214	21.6
Other income (expenses):						
Interest and dividend income		2,411		1,804	607	
Interest expense		(1,440)		(1,255)	(185)	
Foreign exchange gains(losses), net		3,126		2,393	733	
Other, net		(493)		(738)	245	
	0.5	3,604	0.4	2,204	1,400	63.5
Income before income taxes	5.5	38,640	4.6	31,026	7,614	24.5
Income taxes	2.4	16,811	1.9	12,666	4,145	32.7
Income before minority interests and equity in net earnings of affiliated companies	3.1	21,829	2.7	18,360	3,469	18.9
Minority interests	(0.6)	(4,304)	(0.5)	(3,100)	(1,204)	(38.8)
Equity in net earnings of affiliated companies	0.2	1,466	0.3	1,896	(430)	(22.7)
Net income	2.7	18,991	2.5	17,156	1,835	10.7

<Reference>

CONSOLIDATED STATEMENTS OF CASH FLOWS (The Second Quarter)

Amount Unit: Millions of yen

	Three months ended Sept. 30, 2006 From July 1, 2006 To Sept. 30, 2006	Three months ended Sept. 30, 2005 From July 1, 2005 To Sept. 30, 2005
Operating activities		
Net income	18,991	17,156
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51,103	54,365
Minority interests	4,304	3,100
Equity in net earnings of affiliated companies, less dividends received	(977)	(789)
Changes in operating assets and liabilities:		
Notes and accounts receivable	(19,362)	(25,008)
Inventories	11,799	16,592
Notes and accounts payable - trade	(3,586)	(12,706)
Accrued income taxes and other liabilities	(25,933)	(26,884)
Other	6,267	(1,391)
Subtotal	23,615	7,279
Net cash provided by operating activities	42,606	24,435
Investing activities		
Purchases of property, plant and equipment	(45,410)	(45,540)
Purchases of software	(6,036)	(4,507)
Proceeds from sales and maturities of marketable and investment securities and other investments	38,374	38,678
Purchases of marketable and investment securities	(11,473)	(7,978)
(Increase) decrease in investments in and advances to affiliated companies	4,418	(1,449)
Acquisitions of businesses and minority interest, net of cash acquired	(22,669)	(8,956)
Other	(8,490)	(977)
Net cash used in investing activities	(51,286)	(30,729)
Financing activities		
Proceeds from long-term debt	-	510
Repayments of long-term debt	(19,320)	(5,184)
Increase (decrease) in short-term debt, net	6,951	(14,957)
Cash dividends paid to minority interests	(279)	-
Purchases of stock for treasury, net	(584)	(23)
Net cash used in financing activities	(13,232)	(19,654)
Effect of exchange rate changes on cash and cash equivalents	3,959	3,405
Net decrease in cash and cash equivalents	(17,953)	(22,543)
Cash and cash equivalents at beginning of period	354,163	286,715
Cash and cash equivalents at end of period	336,210	264,172

<Reference>

DETAILS OF CONSOLIDATED REVENUE (The Second Quarter)

(1) Revenue by product

Amount Unit: Millions of yer

	Three months ended September 30, 2006 From July 1, 2006 To Sept. 30, 2006		Three months ended September 30, 2005 From July 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Revenue:						
Imaging Solutions	22.6%	157,223	26.5%	180,189	(22,966)	(12.7)
Information Solutions	36.2%	251,556	32.5%	220,281	31,275	14.2
Document Solutions	41.2%	286,409	41.0%	277,929	8,480	3.1
Consolidated total	100.0%	695,188	100.0%	678,399	16,789	2.5

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

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet materials
Document Solutions	Office copy machines/MFPs, printers, production systems and service, paper, consumables and office services

(2) Domestic and overseas revenue

Amount Unit: Millions of yer

	Three months ended September 30, 2006 From July 1, 2006 To Sept. 30, 2006		Three months ended September 30, 2005 From July 1, 2005 To Sept. 30, 2005		Change	
					Amount	%
Revenue:						
Domestic	46.7%	324,585	48.7%	330,250	(5,665)	(1.7)
Overseas						
The Americas	20.9%	145,563	22.4%	151,623	(6,060)	(4.0)
Europe	15.1%	105,266	14.3%	97,144	8,122	8.4
Asia and others	17.3%	119,774	14.6%	99,382	20,392	20.5
Subtotal	53.3%	370,603	51.3%	348,149	22,454	6.4
Consolidated total	100.0%	695,188	100.0%	678,399	16,789	2.5