

Financial Results (Consolidated) for the Fiscal Year ended March 31, 2005

Date of board meeting for the fiscal year ended March 31, 2005: April 28, 2005

(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, 2005 (From April 1, 2004 to March 31, 2005)

(1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes	
		%		%		%
Year ended March 31, 2005	2,527,374	(1.5)	164,442	(11.1)	162,346	(1.6)
Year ended March 31, 2004	2,566,725	2.2	184,900	12.5	164,948	36.9

	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, 2005	84,500	2.7	164.78	-	4.7	5.4	6.4
Year ended March 31, 2004	82,317	69.4	160.38	-	4.8	5.5	6.4

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

Year ended March 31, 2005: ¥4,146 million Year ended March 31, 2004: ¥2,947 million

2. Average number of shares:

Year ended March 31, 2005: 512,801,030 Year ended March 31, 2004: 513,252,348

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, 2005	2,983,457	1,849,102	62.0	3,630.67
As of March 31, 2004	3,023,509	1,749,882	57.9	3,409.80

Note: Number of Shares Outstanding:

As of March 31, 2005: 509,299,992 As of March 31, 2004: 513,192,100

(3) CASH FLOWS

	Net Cash provided by Operating Activities	Net Cash used in Investing Activities	Net Cash used in Financing Activities	Cash and Cash Equivalents at end of year
Year ended March 31, 2005	219,361	(312,401)	(83,406)	288,157
Year ended March 31, 2004	327,358	(207,186)	(63,516)	461,764

(4) SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidated Subsidiaries: 223 subsidiaries
- Companies accounted for by equity method: 100 companies

(5) CHANGE IN SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidation: Increase 49 , Decrease 4 Equity method: Increase 10 , Decrease 18

2. Forecast for the Fiscal Year ending March 31, 2006 (From April 1, 2005 to March 31, 2006)

	Revenue	Operating Income	Income before Income Taxes	Net Income
For six months ending Sept. 30, 2005	1,300,000	64,000	62,000	31,000
For Year ending Mar. 31, 2006	2,700,000	170,000	164,000	85,000

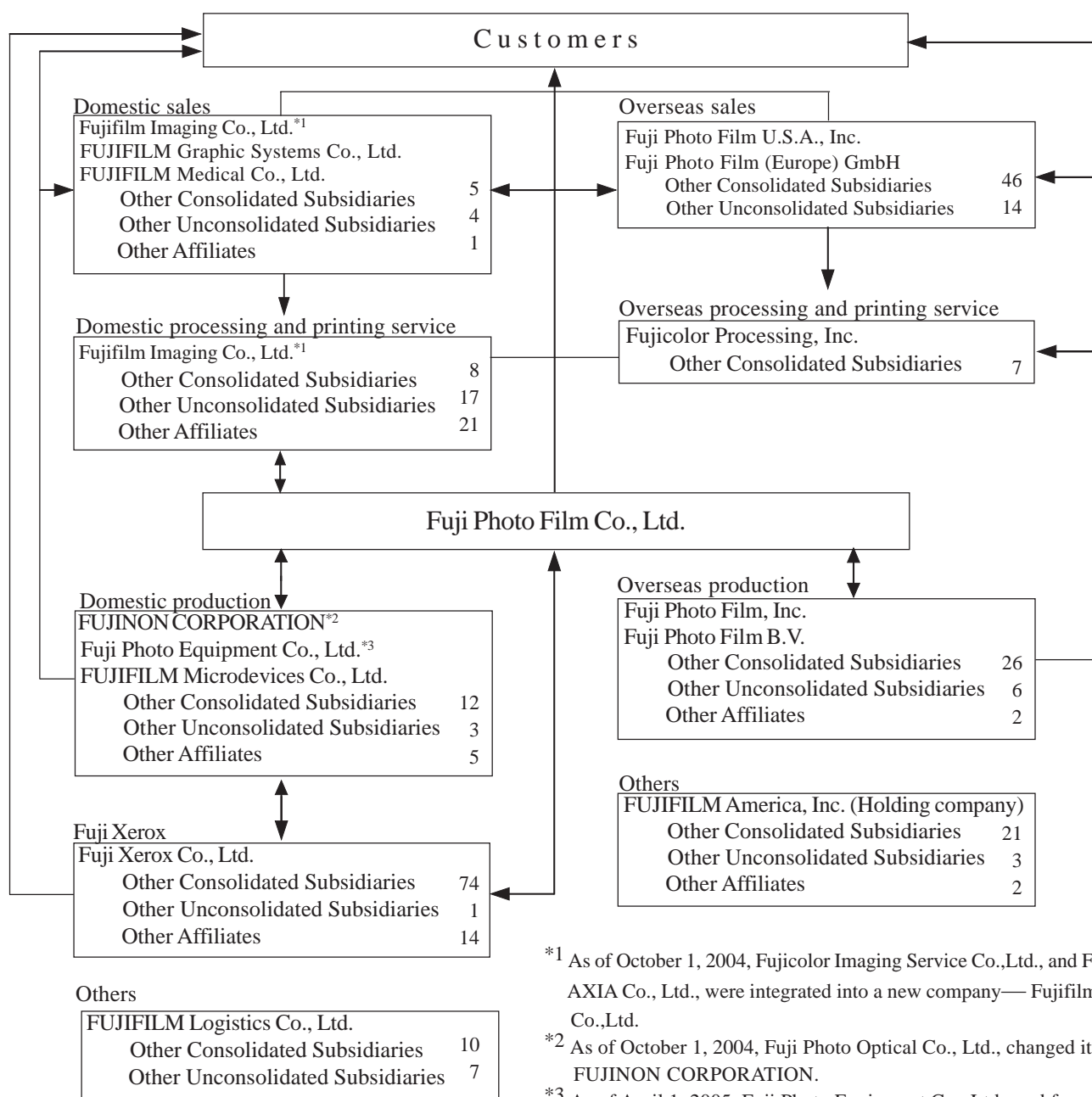
(Reference) Expected net income per share of common stock for the year ending March 31, 2006: ¥166.90

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 the note on page 13.

1. THE FUJIFILM GROUP

The Fujifilm Group comprises Fuji Photo Film Co., Ltd., 278 subsidiaries and 45 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; digital cameras; photofinishing equipment; color paper, chemicals and services for photofinishing; etc.	Fuji Photo Film Co., Ltd.; FUJINON CORPORATION ^{*2} ; Fujifilm Imaging Co.,Ltd. ^{*1} ; FUJIFILM Microdevices 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. ^{*3} ; FUJIFILM Graphic Systems Co., Ltd.; FUJIFILM Medical Co., Ltd.; FUJIFILM Electronic Materials Co.,Ltd. ^{*4} ; 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 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.



*1 As of October 1, 2004, Fujicolor Imaging Service Co.,Ltd., and FUJIFILM AXIA Co., Ltd., were integrated into a new company— Fujifilm Imaging Co.,Ltd.

*2 As of October 1, 2004, Fuji Photo Optical Co., Ltd., changed its name to FUJINON CORPORATION.

*3 As of April 1, 2005, Fuji Photo Equipment Co., Ltd., and four other equipment manufacturing companies merged, and the merged company adopted the name FUJIFILM TECHNO PRODUCTS Co.,Ltd.

*4 As of December 1, 2004, FUJIFILM Arch Co., Ltd., adopted the name FUJIFILM Electronic Materials Co., Ltd.

→ :Flow of finished goods and materials

2. MANAGEMENT POLICIES

(1) Basic Management Policies

FUJIFILM will constantly strive 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 the world community.

(2) Medium-Term Strategy and Essential Tasks

In the fields in which we are developing our operations, rapid progress in the application of digital technologies has led to a major ongoing paradigmatic transition often referred to as “digital impact.” Taking full advantage of opportunities associated with digital impact, we have aptly responded to other changes in our business environment. Aiming to move ahead with additional reforms, and develop new corporate growth paths, Fujifilm last year drafted the VISION75 medium-term management plan, which takes the theme of a “New Departure.” VISION75 extends through the fiscal year ending March 31, 2009, in which the Company will mark the 75th anniversary of its founding.

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 business scale.
- d) We will maintain our competitive superiority through 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 concertedly marshaling the Group and 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 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 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

Recognizing that smaller trading units can increase market liquidity, Fujifilm had considered the issue of reducing the size of the basic trading unit of its shares while giving due attention to market trends, calls for such reductions, and other factors. Fujifilm believes it is important to expand and diversify its shareholder base by providing investment opportunities to a greater number of investors, particularly individuals.

Accordingly, as of September 1, 2004, the trading unit size was reduced from 1,000 shares to 100 shares.

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

Recognizing that a corporation's main mission is to increase corporate value, Fujifilm has been given top priority to measures aimed at increasing its own corporate value by strengthening and broadening its corporate governance systems, and it has steadily proceeded with the implementation of these measures.

Units Associated with Corporate Governance

a) Directors and the board of directors:

Currently, Fujifilm has sixteen directors and its board of directors is entirely composed of internal directors. In principle, regular meetings of the board of directors are held monthly and special meetings are held as the need arises. To further clarify the mission and responsibilities of directors, the Company gives them terms in office of one year.

b) Executive officer system:

In June 1998, Fujifilm introduced an executive officer system with the goal of expediting operational execution. The board of directors is positioned as "the body for determining basic management policies and strategies as well as for supervising the execution of business affairs," and the executive officers are responsible for the execution of business affairs in accordance with the basic policies and strategies adopted by the board of directors. The Company currently has 30 executive officers, 15 of whom also serve as directors, and they are given the same one-year terms as directors.

c) Management Council:

The Management Council determines which issues are exclusively the responsibility of the board of directors and should be submitted for consideration by the board. In addition, it serves as an organ for the discussion of important matters, such as those pertaining to business affairs carried out by executive officers, in accordance with the basic policies, strategies, and plans determined by the board of directors. Council meetings are scheduled in line with changing circumstances, and participants include executive officers who hold positions of executive vice president or higher and any additional executive officers who are connected with a meeting's agenda.

d) Auditors and the board of corporate auditors:

Fujifilm has adopted an auditor system. The board of corporate auditors is currently composed of five members, including three external corporate auditors who help increase input from outside perspectives. In principle, regular meetings of the board of corporate auditors are held monthly. All the auditors attend meetings of the board of directors, and the standing statutory auditor also attends every ordinary management council meeting. As an independent body with key roles and responsibilities in Fujifilm's corporate governance system, the auditors inspect and audit the entire range of business activities.

e) Independent Auditors

Fujifilm has commissioned Ernst & Young ShinNihon as its independent auditor, giving it the role of offering opinions the Company's financial statements from an independent standpoint.

Promotion of CSR Management and Development of Risk Management and Internal Control Systems

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

The CSR Division includes the Company's Compliance and Risk Management Division and the Ecology and Quality Management Division. In addition to its compliance-related functions, the Compliance and Risk Management Division is responsible for building, operating, and upgrading a risk management system that comprehensively manages risks associated with all Fujifilm Group companies. It is seeking to augment the promotion and strengthening of both of its principal objectives in an integrated manner.

a) Risk Management Systems

In addition to the systematic activities of the Compliance and Risk Management Division, Fujifilm maintains two committees that broadly coordinate risk management activities throughout the Company—the General Risk Management Committee and the PL (Product Liability) Committee. The General Risk Management Committee helps manage risks by delegating responsibilities to diverse specialized subcommittees, while the PL Committee establishes Companywide policies related to product safety management and discusses fundamental issues associated with the promotion of these policies.

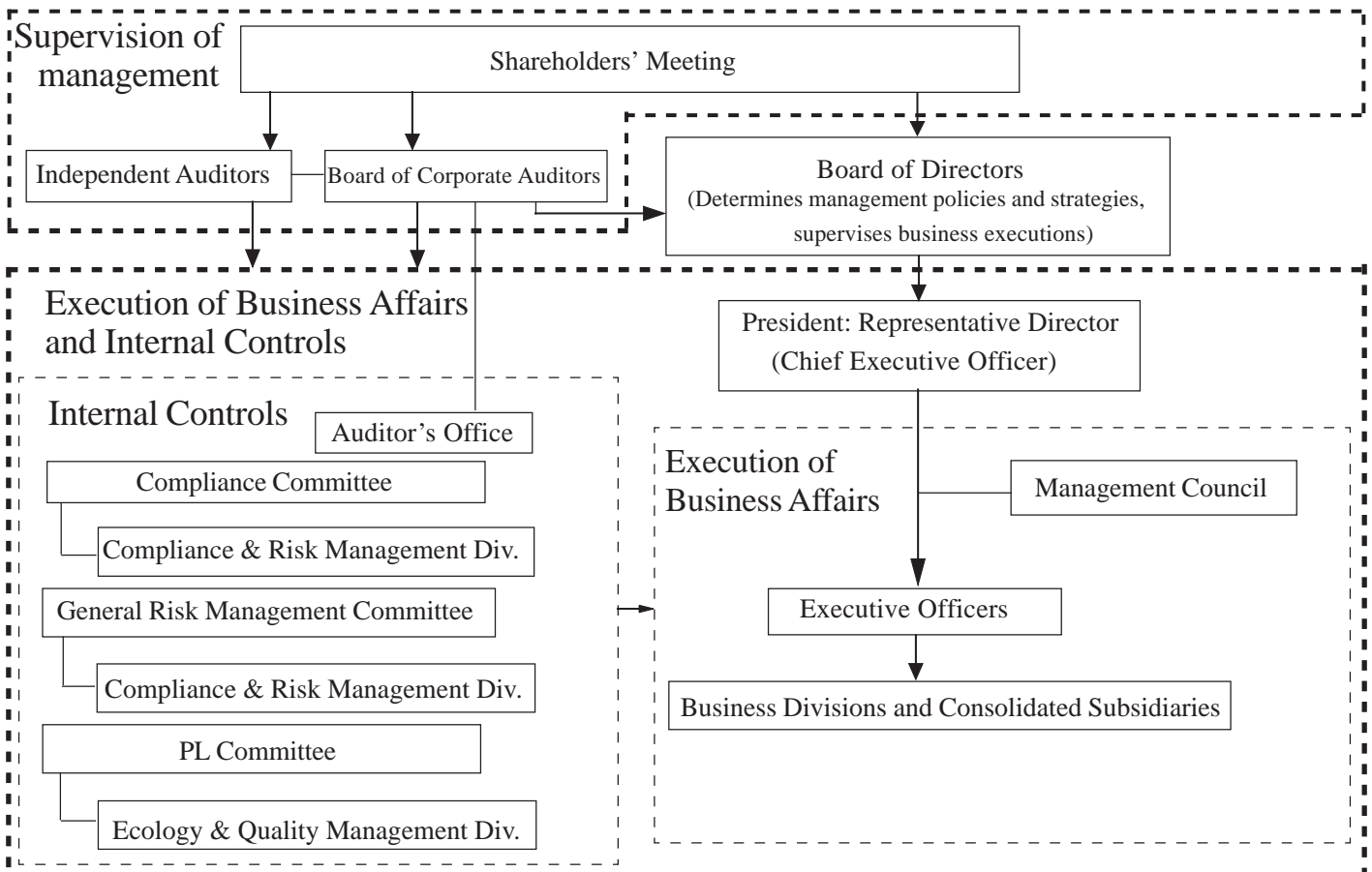
b) Internal Control Systems

Recognizing that compliance systems are crucial prerequisites of efficient and sound corporate management activities, Fujifilm has compiled its fundamental principles regarding compliance in its business activities in the Fujifilm Group Charter for Good Corporate Behavior. Based on this charter, 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 Division, which serve as the committee’s secretariat, comprise the principal hub of programs for promoting compliance awareness throughout the Group. For example, they hold compliance explanation meetings at each workplace, organize compliance education programs for staff in each management stratum, and monitor performance by conducting compliance awareness surveys and taking various other measures. To prevent small problems within Fujifilm from developing into major disasters, since July 1999 the Company has been operating a unit that handles consultations with employees regarding liaison activities related to conformance and infractions of compliance standards. This unit is currently within the Compliance and Risk Management Division. In April 2005, an additional consultation unit outside the Company was established to further increase the convenience of those seeking consultations.

Internal auditing activities are the responsibility of the Auditor’s Office, which is independent of operational execution departments, and 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 mechanisms.



3. OPERATING RESULTS AND FINANCIAL POSITION

(1) Overview of the Period

During the first half of the fiscal year, the global economy showed a general trend of recovery owing to such factors as increased personal consumption in the United States, China, and other Asian countries as well as robust corporate capital investment. In the latter half of the year, however, surging crude oil prices began significantly affecting the global economy, quickly spurring fears of an economic slowdown. In Europe, economic conditions were sluggish owing to the combined effects of rising oil prices and the appreciation of the euro. In Japan, despite a trend of increase in private-sector capital investment and expectations of an escape from deflationary trends, the continued slackness of employment conditions and a slight weakening of exports kept the pace of economic recovery slow.

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 progress include the implementation of a campaign to stimulate greater demand for prints from digital camera images; the marketing of new high-image-quality digital cameras featuring the Company's unique technologies; the expansion of supplies of CCD camera modules and lens units for incorporation in camera phones; 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 digital medical image diagnostic systems that facilitate the early detection of lesions; the expanded marketing of digital color multifunction machines for office use that draw on new technologies; and the provision of new solutions employing advanced digital color on-demand printing systems. In these and other ways, we worked to strengthen and expand our operations in each business field. The Company is also proceeding quickly and resolutely with the implementation of various structural reform measures, including domestic marketing and distribution reforms, organizational and overall personnel expense reforms, and the consolidation in China of copier and printer manufacturing facilities.

Fujifilm's consolidated revenue benefited, for the fiscal year ended March 31, 2005, from continued abundant demand for flat panel display materials as well as the general strength of sales of digital color multifunction machines and office-use printers. However, revenue was negatively affected by a decrease in demand for color films in Japan, North America, and Europe; a rapid deceleration of growth in demand for digital cameras, particularly in Japan, North America, and Europe; a drop in prices of recording media due to intensifying competition; the progressive appreciation of the yen against the U.S. dollar; and other factors. As a result, the Company's consolidated revenue declined 1.5% to ¥2,527.3 billion, compared with the previous fiscal year. Domestic sales amounted to ¥1,311.8 billion, down 1.8%, while overseas revenue totaled ¥1,215.5 billion, down 1.2%. The Company worked to reduce the cost of sales and operating expenses through such measures as those to improve manufacturing efficiency and to reevaluate and optimize procurement processes. However, a rise in raw materials costs boosted the cost of sales, while temporary expenses were incurred in connection with various structural reform measures. Reflecting a one-time gain on the transfer of the substitutional portion of Fuji Xerox's employee pension fund liabilities and other factors, operating income was restrained to 164.4 billion, down 11.1%. Income before income taxes amounted to ¥162.3 billion, down 1.6%, reflecting a 17.9 billion improvement in the balance of nonoperating income and expenses due to such factors as a shift from negative to positive figures in foreign exchange gains (losses) recognized on the settlement and translation of foreign currency-denominated receivables and decrease in interest expense accompanying the Company's efforts to reduce external borrowings. However, a drop in the effective corporate income tax rate and other factors supported a rise in net income, which reached ¥84.5 billion, up 2.7%.

The average exchange rates for the U.S. dollar and the euro during the year were ¥108 and ¥135 respectively.

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

Imaging Solutions

The Company strove to expand its sales of digital products against the backdrop of reduced market demand for such products as color films, but intensifying competition depressed selling prices. Moreover, a high share of this segment's sales is via U.S.-dollar-denominated transactions, causing the appreciation of the yen relative to the dollar to have a significant impact. As a result, consolidated revenue in this segment amounted to ¥743.0 billion, down 8.9%. A particularly important factor behind the decrease was the rapid deceleration of growth in demand for digital cameras in North American markets during the latter half of the year, accompanied by an intensification of aggressive price-cutting by competing companies, which dampened the Company's digital camera sales in those markets.

In the imaging field, Fujifilm continues to provide high-value-added products and services—both digital and analog products and services for a full spectrum of applications ranging from image inputting to image outputting—that meet customers' increasingly diverse and advanced needs. The continued growth of the digital photo print market and the results of Fujifilm's powerful promotion campaigns for retail digital photo printing services supported a large rise in the volume of digital prints supplied by the Company. To promote still more market penetration and expansion for its retail digital photo printing services, the Company has further stepped up its marketing campaigns for digital minilab products, and demand for Frontier series digital minilabs was generally robust overseas. The Company also launched and worked to expand the sales of the Frontier 570, which features ultrafast processing capabilities and is able to create digital photo prints extremely quickly. Regarding digital cameras, the Company worked to promote domestic sales of its digital camera products, placing special emphasis on stylish models in Japan as well as entry-level and family-use models overseas. Despite the increasingly harsh operating environment, Fujifilm launched the FinePix S3 Pro, a digital SLR camera incorporating the Super CCD SR II, and this product has been highly evaluated. In March 2005, the Company launched the FinePix F10, which incorporates the newly developed 5th-Generation Super CCD HR and RP Processor to attain performance comparable to ISO 1600 film, and initial sales of this product were strong. The increasing market diffusion of high-image-quality camera phones enabled Fujifilm to smoothly increase the volume of its megapixel camera modules. While the demand for color film is decreasing, the Company is continuing to supply products that make the most of the special advantages offered by silver-halide, light-sensitive materials. Fujifilm used TV commercials and other means to effectively strengthen its sales promotion programs for QuickSnap Smart Flash, particularly during the fireworks and Christmas seasons. Overseas, sales of QuickSnap continued to be strong in North America. In Japan, the Company launched its NP (Natural Photo) System, NATURA, which uses the ambient light available, rather than flash illumination, to allow users to take natural-quality photos both indoors or outdoors, and is striving to increase the market penetration of products in this line.

Information Solutions

Such factors as a fall in mid-range, server-use, data storage tape prices depressed sales of recording media. However this and other negative factors were offset by the increasingly large size of LCD computer monitors and notebook PC displays as well as the growing scale of the market for LCD televisions, which led to considerable growth in sales of flat panel display materials. Consequently, consolidated revenue in this segment grew 1.8%, to ¥ 768.6 billion, compared with the previous fiscal year.

In flat panel display materials, the sales of FUJITAC and WV Film, Fujifilm's main products in this area, increased steadily. Fujifilm has worked to respond to rising demand for flat panel display materials by rapidly augmenting its manufacturing capacity for such materials. It recently decided to establish an additional manufacturing subsidiary, Kumamoto Prefecture-based Fujifilm Kyushu Co., Ltd., which will initially have two FUJITAC manufacturing lines. Going forward, the Company will make timely investments aiming at further expanding the flat panel display material business. In the medical imaging products business, marketing operations for FCR (Fuji Computed Radiography) and imager products were strong and sales increased both in Japan and overseas. In addition, Fujifilm launched the packaged EX-series versions of its SYNAPSE medical-use picture archiving and communications system, which has earned high evaluations from large-scale medical facilities, and began promoting the EX-series among small and medium-sized medical facilities in Japan. Regarding endoscope products, smooth increases were recorded in sales, particularly of such products as the Transnasal Endoscope, an ultrasmall-diameter endoscope that can be inserted via the nostrils, thus reducing patient discomfort. Fujifilm also launched and began promoting sales of Sapiencia, the world's first fully digital electronic endoscope system, and augmented its medical imaging product marketing capabilities in Japan and overseas in order to expand its medical imaging product operations. Regarding graphic arts system products, the growing use of digital products has been reducing demand for graphic arts films, but Fujifilm worked to increase its share of printing plate film markets in China and other emerging market regions. Meanwhile, the increasing use of CTP systems throughout the world supported a continued surge in the Company's CTP-related products. To respond to rising demand for CTP plates, the Company continued boosting the capacity of its four-port global manufacturing system that includes units in the United States, the Netherlands, China, and Japan. Regarding recording media, the increasing popularity of DVD recorders helped greatly boost the sales volume of the Company's lineup of DVD media products. In data storage tape markets, while intensifying price competition continued in the mid-range, server-use, data storage tape market, Fujifilm sustained robust performance in supplying data cartridges for IBM TotalStorage^(R) Enterprise Tape Drive 3592. In the field of optical lens products, growth in the market for camera phones enabled a steady rise in sales of megapixel-compatible lens units for such phones.

Document Solutions

Consolidated revenue in this segment was ¥1,015.7 billion, up 2.0% from the previous fiscal year.

Regarding office product business, the shift in Japan and elsewhere from monochrome copiers to color multifunction machines accelerated, supporting continued strong sales of products in the DocuCentre Color line. Launched in January 2005, the top product in that line—the DocuCentre C6550I—has helped better meet the needs for high-quality, high-speed operation. The implementation of the Electronic Document Act and Act for the Protection of Computer Processed Personal Data has spurred a rise in demand for strengthened document security and integrated document administration capabilities. In response, the Company has launched the Apeos Series of document systems for handling such paper-based information as contracts and receipts on companies' main digital information systems. In addition, the Company has strengthened its monochrome multifunction machine lineup in all segments, from low- to high-speed models. In the office printer business, higher overseas sales of both monochrome and color products were recorded, and OEM exports of medium-speed monochrome laser printers to North America and Europe were particularly strong, owing to high customer evaluation of the products' functionality and prices. Sales of color printers to North America and Europe surged by approximately 300% from the previous year, largely reflecting a significant increase in sales of low-priced, high-image-quality laser printers that meet small and home office (SOHO) needs. Regarding production services business, the sales volume of color on-demand printing systems exported to North America and Europe rose greatly, reflecting the expansion of digital printing markets. In addition, four digital print innovation support “epicenter” were established—in Tokyo, Sydney, Singapore, and Shanghai. These facilities are being used to build highly profitable next-generation digital outputting business models and expand the digital printing market. In the office services business, the Company steadily expanded its domestic document outsourcing business, such as document digitization services and comprehensive document outsourcing services that provide for the solution of all types of document flow problems. The Company also enjoyed strong performance in the marketing of “beat” IT services that provide internet network environments for small and medium-sized enterprises and businesses and in the marketing of household registry document administration systems to local governments.

In line with one of the fundamental strategies in its VISION75 medium-term management plan—“building new growth strategies”—Fujifilm is dynamically moving ahead with M&A transactions and R&D investments.

For example, Fujifilm acquired the microelectronic materials division of U.S.-based Arch Chemicals, Inc.—which includes units handling R&D, manufacturing, and marketing operations involving semiconductor-related chemical products—and also purchased a Arch Chemicals’ 49% shareholding in a joint venture, FUJIFILM Arch Co., Ltd. Previously, Fujifilm had supplied companies in Japan, East Asia, and Oceania with such light-sensitive materials as photo resists for semiconductor manufacturing applications and color resists used for manufacturing color filters for liquid-crystal displays (LCDs) and image sensors. As a result of the recent acquisitions, FUJIFILM Arch has become able to incorporate marketing units in North America and Europe and undertake global business expansion. Having taken this occasion, FUJIFILM Arch has adopted a new name, FUJIFILM Electronic Materials Co., Ltd.

In addition, the Company has acquired U.K.-based Sericol Group, Limited, which has a leading share of the global markets for screen printing inks and industrial inkjet inks. The acquisition transformed Sericol Group companies in 17 countries into wholly owned subsidiaries of Fujifilm. FUJIFILM Sericol UK Limited and the other acquired companies, started operations on March 1, 2005. While Fujifilm has been providing products and services for commercial-, publishing and newspaper-related printing applications, the acquisition of Sericol will enable the Company to further expand its printing system business by extending its operations into such fields as screen printing, commercial product printing, package printing, and other industrial printing fields that are expected to sustain steady demand growth in the future. In particular, the synergistic combination of FUJIFILM Sericol’s UV ink products with Fujifilm’s photo-polymerization technologies is expected to expand the Fujifilm’s business scope.

Regarding R&D, Fujifilm’s Advanced Core Technology Laboratory in Kanagawa Prefecture is scheduled for completion by March 2006. This facility will enable the physical consolidation of three corporate laboratories engaged in Companywide basic research programs and will synergistically integrate expertise from various fields to create innovative technologies, thereby enabling the creation of new businesses that will become the major pillars of Fujifilm’s future operations. In the future, the scope of the Advanced Core Technology Laboratory is expected to be broadened to include research involving technologies obtained through corporate alliances, corporate-academic alliances, and M&A transactions. In this way, the new laboratory is projected to constitute a core facility for R&D programs that promote innovation throughout the Fujifilm Group.

Fujifilm is also proactively taking initiatives in accordance with another of VISION75’s fundamental strategies—“implementing comprehensive structural reforms at all management levels.”

On October 1, 2004, the Company established Fujifilm Imaging Co., Ltd., which has unified a variety of operations—including marketing operations for such products as photographic films, printing paper, chemicals, and related equipment; digital cameras; film cameras; recording media; and batteries as well as its operations involving the provision of film development and photographic printing services—that were previously dispersed among a number of Group companies. Fujifilm was also able to shift four major photographic product distributors’ domestic marketing operations for Fujifilm Group products to Fujifilm Imaging, thereby further consolidating the new company’s marketing functions and streamlining the structure of domestic distribution operations. As a result, Fujifilm Imaging is currently directly handling marketing operations for many products in Japan.

As a means of improving its cost efficiency, Fuji Xerox is progressively shifting its copier manufacturing operations to facilities in China. This shift is helping consolidate the facilities for manufacturing copiers and printers and thereby reduce processing expenses and improve overall manufacturing efficiency, facilitating the use of standardized components that can be used in multiple products and greatly reducing procurement costs. Aiming to substantially boost the efficiency of its distribution, development, and administration processes, Fuji Xerox is working to rebuild its information system base. Regarding organization, Fuji Xerox has shifted from an internal company system to a business division system while simultaneously effecting a large reduction in the number of organizational units within the corporation, thereby promoting the streamlining of its organizational structure and workforce. To increase its labor cost productivity, Fuji Xerox is resolutely proceeding with a comprehensive program of personnel cost reform measures, including the introduction of an early retirement system and the reevaluation of current pension and retirement systems.

(2) Distribution of Profits

Based on the previously described “Basic Policy Regarding Distribution of Profits,” the Company plans to disburse year-end cash dividends of ¥12.50 per share. As ¥12.50 per share interim cash dividends have already been disbursed, cash dividends applicable to the fiscal year under review will total ¥25 per share.

(3) Financial Position

Net cash provided by operating activities amounted to ¥219.4 billion, down ¥108.0 billion from the previous year, and net cash used in investing and financing activities totaled ¥312.4 billion and ¥83.4 billion, respectively. As a result, total cash and cash equivalents at the end of year amounted to ¥288.2 billion, down ¥173.6 billion from the previous fiscal year-end.

Cash flow indices (consolidated)

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005
Ratio of shareholders' equity to total assets (%)	57.9	62.0
Ratio of market capitalization to total assets (%)	56.2	66.9
Ratio of interest-bearing debt to operating cash flow (years)	0.8	1.0
Interest coverage ratio (times)	60.0	47.0

Notes:

1. Market capitalization equals the stock price at the end of the fiscal 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

(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. Text referring to the future is written from the perspective of the end of the fiscal year 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 48% 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.

(5) Outlook for the Next Fiscal Year

Predicting trends in the global economy is increasingly difficult in light of various factors—including a rise in raw materials costs accompanying the surge in oil prices as well as U.S. dollar-related currency exchange trends associated with the progressive raising of U.S. interest rates and the expansion of the U.S. current account and fiscal budget deficits—but Fujifilm is assuming that its operating environment will continue to be harsh. Accordingly, the Fujifilm Group is working concertedly to implement the strategies emphasized in the VISION75 medium-term management plan and thereby create a stronger business structure.

Regarding consolidated performance during the next fiscal year, the Company forecasts that it will record ¥2,700.0 billion in revenue, ¥170.0 billion in operating income, ¥164.0 billion in income before income taxes, and ¥85.0 billion in net income. As mentioned, some of the Company's businesses will continue to face extremely difficult operating conditions; however, benefits from structural reform measures implemented during the current fiscal year are projected to support increases, albeit small increases, in both revenues and profit. These projections are made assuming exchange rates of ¥105 to US\$1, and ¥135 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 “environmental awareness” and “ensuring that chemicals are used in a safe manner.” Based on the Fujifilm Group “Green Policy” medium-term environmental policy, we are striving to maintain 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 requires assurance that a high level of “environmental quality” will be maintained throughout product life cycles—from manufacturing through final disposal—before any new or modified product can be commercialized. Reflecting this policy are such products launched during the fiscal year under review as the Frontier 570 digital minilab, which features ultrafast processing capabilities and other performance enhancements despite consuming approximately 40% less power than previous models, and the FinePix F10, which offers long battery life (approximately 500 photos at the maximum ISO 1600 sensitivity level).

The Japan Environmental Management Association for Industry has authorized the use of the EcoLeaf Environmental Label for such Fujifilm products as the FinePix series of digital cameras, the Pivi digital mobile printer, and the QuickSnap Smart Flash. The Company’s introduction of the LCA system requires the quantitative and objective assessment of environmental impact throughout product life cycles.

Regarding environmental protection activities at manufacturing facilities, we are striving to help prevent global warming by reducing emissions of carbon dioxide and other problematic substances. Accordingly, the Fujinomiya and Odawara factories and the Asaka Technology Development Center have shifted from use of heavy oil fuel to natural gas, the mainstay Ashigara factory has introduced a similar shift, and various other moves are being made to reduce the environmental impact of manufacturing processes. As a company that produces waste products, Fujifilm is striving to strengthen its waste-recycling governance systems by initiating the creation and operation of systems for examining and evaluating consigned waste processing companies.

Looking at notable examples of excellent environmental performance among Group companies, Fuji Xerox has won energy conservation grand prize from the Energy Conservation Center for six consecutive years. Moreover, the facilities of Fuji Xerox of Shenzhen Ltd. and Fuji Xerox of Shanghai Limited have achieved zero emissions targets.

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, 2005		As of March 31, 2004		Change
ASSETS	%		%		
Current assets:					
Cash and cash equivalents	288,157		461,764		(173,607)
Marketable securities	65,729		33,906		31,823
Notes and accounts receivable:					
Trade and finance	516,228		525,889		(9,661)
Affiliated companies	31,514		24,417		7,097
Allowance for doubtful receivables	(14,517)		(14,470)		(47)
	533,225		535,836		(2,611)
Inventories	371,365		348,309		23,056
Deferred income taxes	88,795		82,276		6,519
Prepaid expenses and other	25,997		28,557		(2,560)
Total current assets	46.0	1,373,268	49.3	1,490,648	(117,380)
Investments and long-term receivables:					
Investments in and advances to affiliated companies	46,563		43,985		2,578
Investment securities	279,895		261,022		18,873
Long-term finance and other receivables	97,029		99,363		(2,334)
Allowance for doubtful receivables	(4,946)		(7,677)		2,731
Total investments and long-term receivables	14.0	418,541	13.1	396,693	21,848
Property, plant and equipment:					
Land	74,915		69,664		5,251
Buildings	570,140		549,747		20,393
Machinery and equipment	1,596,768		1,538,884		57,884
Construction in progress	49,002		35,559		13,443
	2,290,825		2,193,854		96,971
Less accumulated depreciation	(1,543,613)		(1,488,705)		(54,908)
Total property, plant and equipment	25.1	747,212	23.3	705,149	42,063
Other assets:					
Goodwill, net	227,775		214,649		13,126
Other intangible assets, net	48,851		35,732		13,119
Deferred income taxes	47,750		81,870		(34,120)
Other	120,060		98,768		21,292
Total other assets	14.9	444,436	14.3	431,019	13,417
Total Assets	100.0	2,983,457	100.0	3,023,509	(40,052)

Amount Unit: Millions of yen

	As of March 31, 2005		As of March 31, 2004		Change
LIABILITIES	%		%		
Current liabilities:					
Short-term debt	123,592		143,265		(19,673)
Notes and accounts payable:					
Trade	274,260		287,691		(13,431)
Construction	47,846		41,339		6,507
Affiliated companies	10,035		11,649		(1,614)
	332,141		340,679		(8,538)
Accrued income taxes	31,193		42,626		(11,433)
Accrued liabilities	192,809		172,426		20,383
Other current liabilities	54,365		53,090		1,275
Total current liabilities	24.6	734,100	24.9	752,086	(17,986)
Long-term liabilities:					
Long-term debt	96,040		116,823		(20,783)
Accrued pension and severance costs	105,084		216,135		(111,051)
Deferred income taxes	48,224		42,555		5,669
Customers' guarantee deposits and other	34,941		42,303		(7,362)
Total long-term liabilities	9.5	284,289	13.8	417,816	(133,527)
Minority interests in subsidiaries	3.9	115,966	3.4	103,725	12,241
SHAREHOLDERS' EQUITY					
Common stock, without par value:					
Authorized: 800,000,000 shares	40,363		40,363		-
Issued: 514,625,728 shares					
Additional paid-in capital	68,135		68,135		-
Retained earnings	1,794,385		1,722,692		71,693
Accumulated other comprehensive income (loss)	(33,525)		(76,121)		42,596
Treasury stock, at cost					
As of March 31, 2004: 1,433,628 shares					
As of March 31, 2005: 5,325,736 shares	(20,256)		(5,187)		(15,069)
Total shareholders' equity	62.0	1,849,102	57.9	1,749,882	99,220
Total Liabilities and Shareholders' Equity	100.0	2,983,457	100.0	3,023,509	(40,052)

Note: Details of Accumulated other comprehensive income (loss)

	As of March 31, 2005	As of March 31, 2004	Change
Unrealized gains on securities	25,808	22,860	2,948
Foreign currency translation adjustments	(25,458)	(38,127)	12,669
Minimum pension liability adjustments	(33,900)	(60,701)	26,801
Unrealized gains (losses) on derivatives	25	(153)	178

CONSOLIDATED STATEMENTS OF INCOME

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Change	
		%		%	Amount	%
Revenue:						
Sales	2,172,003		2,212,387		(40,384)	(1.8)
Rentals	355,371		354,338		1,033	0.3
	100.0	2,527,374	100.0	2,566,725	(39,351)	(1.5)
Cost of sales:						
Sales	1,365,601		1,364,537		1,064	0.1
Rentals	145,080		139,306		5,774	4.1
	59.8	1,510,681	58.6	1,503,843	6,838	0.5
Gross profit	40.2	1,016,693	41.4	1,062,882	(46,189)	(4.3)
Operating expenses:						
Selling, general and administrative	30.4	767,363	27.5	704,659	62,704	8.9
Research and development	6.6	168,017	6.7	173,323	(5,306)	(3.1)
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(3.3)	(83,129)	-	-	(83,129)	-
	33.7	852,251	34.2	877,982	(25,731)	(2.9)
Operating income	6.5	164,442	7.2	184,900	(20,458)	(11.1)
Other income (expenses):						
Interest and dividend income		6,080		4,246	1,834	
Interest expense		(4,668)		(5,459)	791	
Foreign exchange gains (losses), net		1,862		(4,835)	6,697	
Decline in value of investment securities		(304)		(466)	162	
Other, net		(5,066)		(13,438)	8,372	
	(0.1)	(2,096)	(0.8)	(19,952)	17,856	89.5
Income before income taxes	6.4	162,346	6.4	164,948	(2,602)	(1.6)
Income taxes						
Current		55,083		70,657	(15,574)	(22.0)
Deferred		8,806		1,632	7,174	439.6
	2.5	63,889	2.8	72,289	(8,400)	(11.6)
Income before minority interests and equity in net earnings of affiliated companies	3.9	98,457	3.6	92,659	5,798	6.3
Minority interests	(0.8)	(18,103)	(0.5)	(13,289)	(4,814)	(36.2)
Equity in net earnings of affiliated companies	0.2	4,146	0.1	2,947	1,199	40.7
Net income	3.3	84,500	3.2	82,317	2,183	2.7

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	Change
Operating activities			
Net income	84,500	82,317	2,183
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	182,286	172,622	9,664
Decline in value of investment securities	304	466	(162)
Deferred income taxes	8,806	1,632	7,174
Minority interests	18,103	13,289	4,814
Equity in net earnings of affiliated companies, less dividend received	(2,031)	(667)	(1,364)
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(83,129)	-	(83,129)
Changes in operating assets and liabilities:			
Notes and accounts receivable	19,593	(20,519)	40,112
Inventories	(5,964)	174	(6,138)
Notes and accounts payable - trade	(23,320)	19,719	(43,039)
Accrued income taxes and other liabilities	20,869	40,481	(19,612)
Other	(656)	17,844	(18,500)
Subtotal	134,861	245,041	(110,180)
Net cash provided by operating activities	219,361	327,358	(107,997)
Investing activities			
Purchases of property, plant and equipment	(150,915)	(160,070)	9,155
Purchases of software	(33,050)	(37,367)	4,317
Proceeds from sales and maturities of marketable and investment securities	40,733	46,672	(5,939)
Purchases of marketable and investment securities	(85,287)	(16,634)	(68,653)
(Increase) decrease in investments in and advances to affiliated companies	(1,156)	1,702	(2,858)
Acquisitions of businesses and minority interests, net of cash acquired	(58,010)	(21,901)	(36,109)
Other	(24,716)	(19,588)	(5,128)
Net cash used in investing activities	(312,401)	(207,186)	(105,215)
Financing activities			
Proceeds from long-term debt	1,940	6,604	(4,664)
Repayments of long-term debt	(19,085)	(25,787)	6,702
Decrease in short-term debt	(31,042)	(27,615)	(3,427)
Cash dividends paid	(12,831)	(12,833)	2
Cash dividends paid to minority shareholders	(7,091)	(3,550)	(3,541)
Purchases of stock for treasury, net	(15,297)	(335)	(14,962)
Net cash used in financing activities	(83,406)	(63,516)	(19,890)
Effect of exchange rate changes on cash and cash equivalents	2,839	(5,022)	7,861
Net (decrease) increase in cash and cash equivalents	(173,607)	51,634	(225,241)
Cash and cash equivalents at beginning of year	461,764	410,130	51,634
Cash and cash equivalents at end of year	288,157	461,764	(173,607)

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
Balance at March 31, 2003	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)
Balance at March 31, 2004	40,363	68,135	1,722,692	(76,121)	(5,187)	1,749,882
Comprehensive income:						
Net income	-	-	84,500	-	-	84,500
Net increase in unrealized gains on securities	-	-	-	2,948	-	2,948
Foreign currency translation adjustments	-	-	-	12,669	-	12,669
Minimum pension liability adjustments	-	-	-	26,801	-	26,801
Change in net unrealized gains (losses) on derivatives	-	-	-	178	-	178
Net comprehensive income						127,096
Purchases of stock for treasury	-	-	-	-	(15,370)	(15,370)
Sales of stock from treasury	-	-	(25)	-	301	276
Cash dividends applicable to earnings of the year	-	-	(12,782)	-	-	(12,782)
Balance at March 31, 2005	40,363	68,135	1,794,385	(33,525)	(20,256)	1,849,102

DETAILS OF CONSOLIDATED REVENUE

(1) Revenue by Product

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Change	
					Amount	%
Revenue:						
Imaging Solutions	29.4%	742,993	31.8%	815,527	(72,534)	(8.9)
Information Solutions	30.4%	768,680	29.4%	755,159	13,521	1.8
Document Solutions	40.2%	1,015,701	38.8%	996,039	19,662	2.0
Consolidated total	100.0%	2,527,374	100.0%	2,566,725	(39,351)	(1.5)

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

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

(2) Domestic and Overseas Revenue

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Change	
					Amount	%
Revenue:						
Domestic	51.9%	1,311,893	52.1%	1,336,015	(24,122)	(1.8)
Overseas						
The Americas	20.4%	515,169	21.1%	541,982	(26,813)	(4.9)
Europe	13.8%	349,903	14.6%	376,006	(26,103)	(6.9)
Asia and others	13.9%	350,409	12.2%	312,722	37,687	12.1
Subtotal	48.1%	1,215,481	47.9%	1,230,710	(15,229)	(1.2)
Consolidated total	100.0%	2,527,374	100.0%	2,566,725	(39,351)	(1.5)

SEGMENT INFORMATION

(1) Operating Segments

(a) Revenue and Operating Income

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	29.4%	742,993	31.8%	815,527	(72,534)	(8.9)
Intersegment		306		1,030	(724)	-
Total		743,299		816,557	(73,258)	(9.0)
Information Solutions:						
External customers	30.4%	768,680	29.4%	755,159	13,521	1.8
Intersegment		4,414		4,878	(464)	-
Total		773,094		760,037	13,057	1.7
Document Solutions:						
External customers	40.2%	1,015,701	38.8%	996,039	19,662	2.0
Intersegment		13,560		12,557	1,003	-
Total		1,029,261		1,008,596	20,665	2.0
Eliminations		(18,280)		(18,465)	185	-
Consolidated total	100.0%	2,527,374	100.0%	2,566,725	(39,351)	(1.5)

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Change	
					Amount	%
Operating income:						
Imaging Solutions	(1.0)%	(7,101)	5.3%	43,475	(50,576)	-
Information Solutions	9.2%	71,089	10.0%	76,380	(5,291)	(6.9)
Document Solutions	9.8%	100,407	6.5%	65,121	35,286	54.2
Total		164,395		184,976	(20,581)	(11.1)
Eliminations		47		(76)	123	-
Consolidated total	6.5%	164,442	7.2%	184,900	(20,458)	(11.1)

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

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

(b) Assets

Amount Unit: Millions of yen

	As of March 31, 2005	As of March 31, 2004	Change	
			Amount	%
Total assets:				
Imaging Solutions	706,698	727,051	(20,353)	(2.8)
Information Solutions	857,993	767,462	90,531	11.8
Document Solutions	978,820	971,319	7,501	0.8
Subtotal	2,543,511	2,465,832	77,679	3.2
Eliminations	(4,623)	(5,722)	1,099	-
Corporate assets	444,569	563,399	(118,830)	(21.1)
Consolidated total	2,983,457	3,023,509	(40,052)	(1.3)

(c) Depreciation and amortization, and Capital expenditures

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	Change	
			Amount	%
Depreciation and amortization:				
Imaging Solutions	62,870	59,442	3,428	5.8
Information Solutions	59,625	54,876	4,749	8.7
Document Solutions	59,791	58,304	1,487	2.6
Consolidated total	182,286	172,622	9,664	5.6
Capital expenditures:				
Imaging Solutions	41,964	49,124	(7,160)	(14.6)
Information Solutions	83,190	82,727	463	0.6
Document Solutions	32,266	28,889	3,377	11.7
Consolidated total	157,420	160,740	(3,320)	(2.1)

(2) Geographic Segments

(a) Revenue and Operating income

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Change	
					Amount	%
Revenue:						
Japan						
External customers	64.3%	1,624,748	63.9%	1,640,368	(15,620)	(1.0)
Intersegment		338,601		318,468	20,133	-
Total		1,963,349		1,958,836	4,513	0.2
The Americas						
External customers	16.9%	428,361	17.9%	459,945	(31,584)	(6.9)
Intersegment		15,520		5,881	9,639	-
Total		443,881		465,826	(21,945)	(4.7)
Europe						
External customers	10.7%	271,438	11.5%	294,472	(23,034)	(7.8)
Intersegment		11,707		12,711	(1,004)	-
Total		283,145		307,183	(24,038)	(7.8)
Asia and others						
External customers	8.1%	202,827	6.7%	171,940	30,887	18.0
Intersegment		143,699		77,086	66,613	-
Total		346,526		249,026	97,500	39.2
Eliminations		(509,527)		(414,146)	(95,381)	-
Consolidated total	100.0%	2,527,374	100.0%	2,566,725	(39,351)	(1.5)

Amount Unit: Millions of yen

	Year ended March 31, 2005 From April 1, 2004 To March 31, 2005		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004		Change	
					Amount	%
Operating income:						
Japan	7.0%	137,448	7.4%	145,567	(8,119)	(5.6)
The Americas	(0.4)%	(1,782)	1.7%	7,794	(9,576)	-
Europe	3.7%	10,336	5.0%	15,244	(4,908)	(32.2)
Asia and others	5.0%	17,231	7.3%	18,074	(843)	(4.7)
Eliminations	-	1,209	-	(1,779)	2,988	-
Consolidated total	6.5%	164,442	7.2%	184,900	(20,458)	(11.1)

(b) Long-lived assets

Amount Unit: Millions of yen

	As of March 31, 2005		As of March 31, 2004		Change	
					Amount	%
Long-lived assets:						
Japan		538,747		509,390	29,357	5.8
The Americas		100,721		101,176	(455)	(0.4)
Europe		73,610		66,118	7,492	11.3
Asia and others		34,134		28,465	5,669	19.9
Consolidated total		747,212		705,149	42,063	6.0

MARKETABLE AND INVESTMENT SECURITIES

Fair Value on Marketable Securities

Amount Unit: Millions of yen

	As of March 31, 2005				As of March 31, 2004			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:								
Government debt securities	5,000	-	0	5,000	-	-	-	-
Corporate debt securities	60,569	246	86	60,729	33,931	26	51	33,906
Total marketable securities	65,569	246	86	65,729	33,931	26	51	33,906
Investment securities:								
Government debt securities	37,728	75	-	37,803	2,699	39	-	2,738
Corporate debt securities	82,549	473	415	82,607	129,684	924	517	130,091
Equity securities	77,687	47,085	284	124,488	49,898	44,002	150	93,750
Total investment securities	197,964	47,633	699	244,898	182,281	44,965	667	226,579
Total	263,533	47,879	785	310,627	216,212	44,991	718	260,485

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 Fourth Quarter)

Amount Unit: Millions of yen

	Three months ended March 31, 2005 From January 1, 2005 To March 31, 2005		Three months ended March 31, 2004 From January 1, 2004 To March 31, 2004		Change	
					Amount	%
Revenue:	%		%			
Sales		543,635		574,329	(30,694)	(5.3)
Rentals		90,786		89,898	888	1.0
	100.0	634,421	100.0	664,227	(29,806)	(4.5)
Cost of sales:						
Sales		355,546		365,426	(9,880)	(2.7)
Rentals		37,384		34,732	2,652	7.6
	61.9	392,930	60.2	400,158	(7,228)	(1.8)
Gross profit	38.1	241,491	39.8	264,069	(22,578)	(8.6)
Operating expenses:						
Selling, general and administrative	28.4	180,377	27.4	181,706	(1,329)	(0.7)
Research and development	6.6	41,524	6.6	44,064	(2,540)	(5.8)
	35.0	221,901	34.0	225,770	(3,869)	(1.7)
Operating income	3.1	19,590	5.8	38,299	(18,709)	(48.8)
Other income (expenses):						
Interest and dividend income		1,690		787	903	
Interest expense		(1,667)		(1,229)	(438)	
Foreign exchange gains, net		3,672		566	3,106	
Decline in value of investment securities		(271)		(171)	(100)	
Other, net		(4,612)		(6,823)	2,211	
	(0.2)	(1,188)	(1.1)	(6,870)	5,682	82.7
Income before income taxes	2.9	18,402	4.7	31,429	(13,027)	(41.4)
Income taxes	1.2	7,796	2.6	17,492	(9,696)	(55.4)
Income before minority interests and equity in net earnings of affiliated companies	1.7	10,606	2.1	13,937	(3,331)	(23.9)
Minority interests	(0.6)	(3,805)	(0.5)	(3,181)	(624)	19.6
Equity in net earnings of affiliated companies	0.6	4,206	0.0	73	4,133	5,661.6
Net income	1.7	11,007	1.6	10,829	178	1.6

<Reference>

CONSOLIDATED STATEMENTS OF CASH FLOW(The Fourth Quarter)

Amount Unit: Millions of yen

	Three months ended Mar. 31, 2005 From January 1, 2005 To March 31, 2005	Three months ended Mar. 31, 2004 From January 1, 2004 To March 31, 2004
Operating activities		
Net income	11,007	10,829
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	50,613	44,681
Decline in value of investment securities	271	171
Minority interests	3,805	3,181
Equity in net earnings of affiliated companies, less dividends received	(4,200)	19
Changes in operating assets and liabilities:		
Notes and accounts receivable	14,048	11,552
Inventories	10,728	15,185
Notes and accounts payable - trade	(3,231)	6,487
Accrued income taxes and other liabilities	(5,150)	13,705
Other	4,970	7,102
Subtotal	71,854	102,083
Net cash provided by operating activities	82,861	112,912
Investing activities		
Purchases of property, plant and equipment	(37,420)	(45,443)
Purchases of software	(15,231)	(10,656)
Proceeds from sales and maturities of marketable and investment securities	12,759	14,825
Purchases of marketable and investment securities	(22,998)	(10,792)
Decrease in investments in and advances to affiliated companies	870	309
Acquisitions of businesses and minority interest, net of cash acquired	(25,077)	(4,403)
Other	(3,967)	(9,522)
Net cash used in investing activities	(91,064)	(65,682)
Financing activities		
Proceeds from long-term debt	-	366
Repayments of long-term debt	(6,486)	(7,603)
Decrease in short-term debt	(17,454)	(30,243)
Cash dividends paid to minority shareholders	(11)	(56)
Purchases of stock for treasury, net	(14,999)	(110)
Net cash used in financing activities	(38,950)	(37,645)
Effect of exchange rate changes on cash and cash equivalents	1,205	(1,000)
Net (decrease) increase in cash and cash equivalents	(45,948)	8,585
Cash and cash equivalents at beginning of period	334,105	453,179
Cash and cash equivalents at end of period	288,157	461,764

<Reference>

DETAILS OF CONSOLIDATED REVENUE (The Fourth Quarter)

1. Revenue by Product

Amount Unit: Millions of yen

	Three months ended March 31, 2005 From January 1, 2005 To March 31, 2005		Three months ended March 31, 2004 From January 1, 2004 To March 31, 2004		Change	
					Amount	%
Revenue:						
Imaging Solutions	23.2%	147,434	29.8%	197,623	(50,189)	(25.4)
Information Solutions	32.4%	205,478	28.7%	190,813	14,665	7.7
Document Solutions	44.4%	281,509	41.5%	275,791	5,718	2.1
Consolidated total	100.0%	634,421	100.0%	664,227	(29,806)	(4.5)

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

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

2. Domestic and Overseas Revenue

Amount Unit: Millions of yen

	Three months ended March 31, 2005 From January 1, 2005 To March 31, 2005		Three months ended March 31, 2004 From January 1, 2004 To March 31, 2004		Change	
					Amount	%
Revenue:						
Domestic	54.9%	348,407	54.2%	359,881	(11,474)	(3.2)
Overseas						
The Americas	17.9%	113,751	17.9%	118,877	(5,126)	(4.3)
Europe	12.9%	81,759	14.9%	98,906	(17,147)	(17.3)
Asia and others	14.3%	90,504	13.0%	86,563	3,941	4.6
Subtotal	45.1%	286,014	45.8%	304,346	(18,332)	(6.0)
Consolidated total	100.0%	634,421	100.0%	664,227	(29,806)	(4.5)