



October 31, 2003

**FUJI PHOTO FILM CO., LTD.**

 Shigetaka Komori  
 President and Chief Executive Officer

URL: http://home.fujifilm.com/

**Financial Results (Consolidated) for Six months ended September 30, 2003**

Date of Board Meeting for the first half of fiscal year ended March 31, 2004: October 31, 2003

(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, 2003 (From April 1, 2003 to September 30, 2003)**
**(1) FINANCIAL RESULTS**

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes	
		%		%		%
Six months ended Sept. 30, 2003	1,256,611	0.6	91,506	(4.6)	81,063	4.0
Six months ended Sept. 30, 2002	1,249,435	6.6	95,892	7.7	77,908	(13.1)
Year ended March 31, 2003	2,505,703		160,277		120,513	

	Net Income		Net Income Per Share of Common Stock	Net Income Per Share of Common Stock (Assuming Full Dilution)
		%	Yen	Yen
Six months ended Sept. 30, 2003	41,112	22.3	80.10	-
Six months ended Sept. 30, 2002	33,610	(27.6)	65.33	-
Year ended March 31, 2003	48,579		94.51	-

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

Six months ended Sept. 30, 2003: ¥1,821 million Six months ended Sept. 30, 2002: ¥554 million Year ended March 31, 2003: ¥1,184 million

2. Average number of shares:

Six months ended Sept. 30, 2003: 513,276,761 Six months ended Sept. 30, 2002: 514,437,040 Year ended March 31, 2003: 514,011,312

3. Change in Accounting Policies: None

4. Percent: Change against corresponding period of the previous year on 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, 2003	3,006,953	1,703,648	56.7	3,319.28
As of Sept. 30, 2002	2,922,611	1,692,806	57.9	3,291.28
As of March 31, 2003	2,958,317	1,680,611	56.8	3,274.17

Note: Number of shares outstanding:

As of Sept. 30, 2003: 513,258,017 As of Sept. 30, 2002: 514,329,908 As of March 31, 2003: 513,293,833

**(3) CASH FLOWS**

	Net Cash provided by Operating activities	Net Cash used in Investing activities	Net Cash used in Financing activities	Cash and Cash Equivalents at end of period
Six months ended Sept. 30, 2003	159,585	(95,700)	(25,226)	445,971
Six months ended Sept. 30, 2002	169,219	(83,899)	(33,278)	424,947
Year ended March 31, 2003	303,500	(201,928)	(64,252)	410,130

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

- Consolidated subsidiaries: 178 subsidiaries
- Unconsolidated subsidiaries: 58 subsidiaries (equity method is applied to all subsidiaries)
- 20 percent to 50 percent owned companies: 58 companies (equity method is applied to all companies)

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

- Consolidation: Increase 3, Decrease 4 Equity Method: Increase 8, Decrease 6

**2. Forecast for the Fiscal Year ending March 31, 2004 (From April 1, 2003 to March 31, 2004)**

	Revenue	Operating Income	Income before Income Taxes	Net Income
For Year ending March 31, 2004	2,580,000	190,000	168,000	85,000

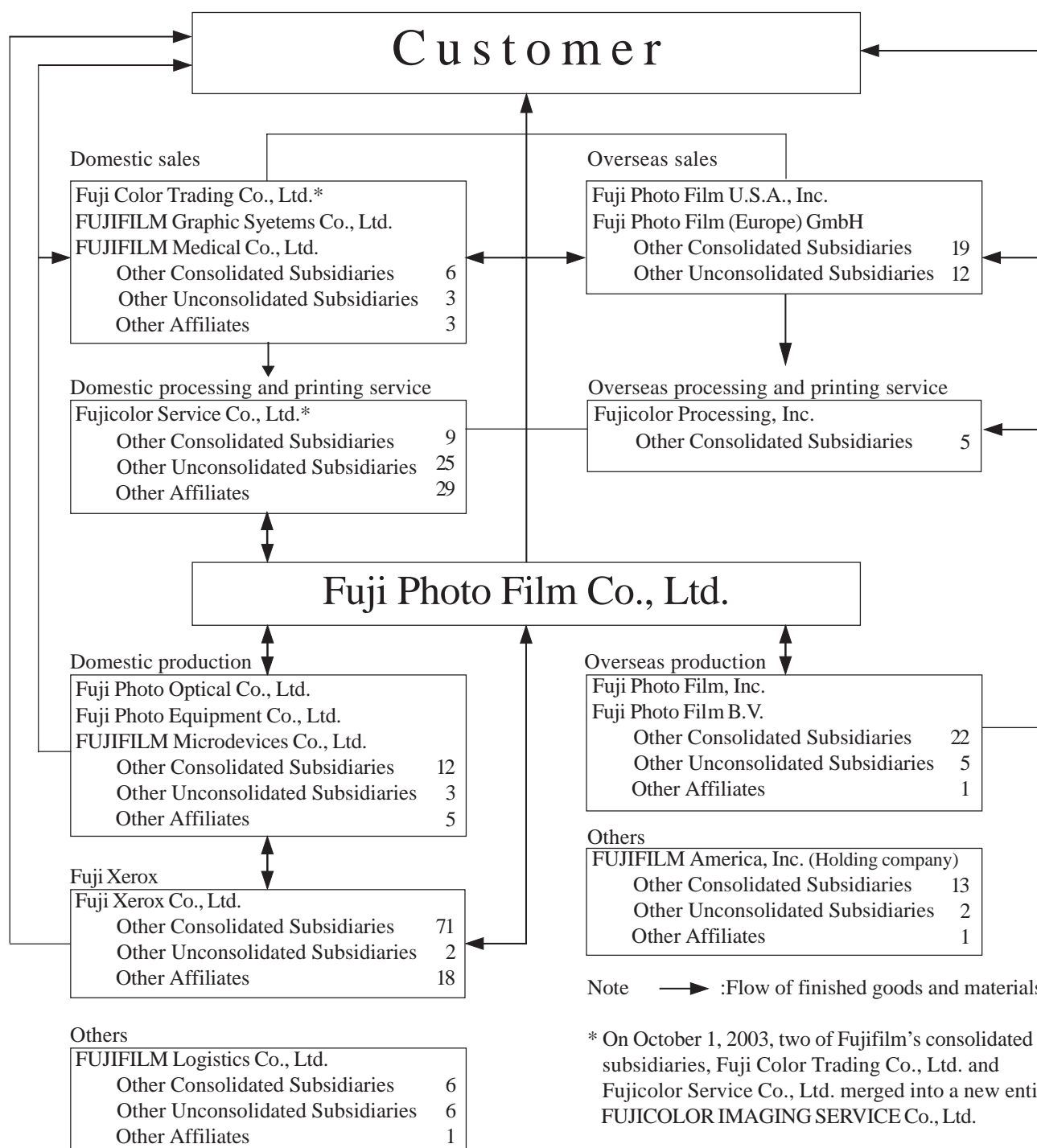
(Reference) Expected Net Income per Share of Common Stock for Year ending March 31, 2004: ¥165.61

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 9.

## 1. THE FUJIFILM GROUP

The Fujifilm Group comprises Fuji Photo Film Co., Ltd., 236 subsidiaries and 58 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 film, film cameras, digital camera, photofinishing equipment, color paper, chemicals and services for photofinishing, etc.	Fuji Photo Film Co., Ltd., Fuji Photo Optical Co., Ltd., FUJIFILM Microdevices Co., Ltd., Fuji Color Trading Co., Ltd., Fujicolor Service Co., Ltd., Fuji Photo Film, Inc., Fuji Photo Film B.V., Fuji Photo Film U.S.A., Inc., Fuji Photo Film (Europe) GmbH, Fujicolor Processing, Inc. etc.
Information Solutions	Systems devices for graphic arts, medical imaging, and information systems, liquid crystal display materials, recording media, etc.	Fuji Photo Film Co., Ltd., Fuji Photo Equipment Co., Ltd., FUJIFILM Graphic Systems Co., Ltd. FUJIFILM Medical Co., Ltd., FUJIFILM ARCH Co., Ltd., Fuji Photo Film U.S.A., Inc., Fuji Photo Film (Europe) GmbH, etc.
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables, office services, etc.	Fuji Xerox Co., Ltd., Suzuka Fuji Xerox Co., Ltd., Fuji Xerox Office Supply Co., Ltd., Tokyo Xerox Co., Ltd., Fuji Xerox Printing Systems Co., Ltd., Fuji Xerox (China) Limited, Fuji Xerox Asia Pacific Pte Ltd., etc.



## 2. MANAGEMENT POLICIES

### (1) Basic Policies and Essential Tasks

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 society today. We are making Companywide efforts to address the following essential tasks under our medium- and long-term management strategies.

We will maximize the use of our exclusive “Image Intelligence™,” a sophisticated digital image-processing software technology, to proceed with R&D related to unique new products and systems in new fields as well as to build new service, solutions, and business models.

We will build a strong, future-oriented network for R&D, production, sales, and services while pursuing our business activities with a global perspective in close harmony with the society of each region in which we operate.

We will further improve our consolidated operations with the aim of strengthening competitiveness and achieving growth across the entire Fujifilm Group, including domestic and overseas subsidiaries and affiliated companies, as a single unit.

We will proceed with structural reforms, so as to respond more rapidly to the spread of IT and Internet use from a global perspective, and intensify efforts to reduce all costs in our drive to build a strong corporate structure.

We will fulfill our responsibilities to society by further strengthening our measures for corporate ethics, compliance, and environmental and product safety concerns.

Notes: Image Intelligence is a trademark of Fuji Photo Film Co., Ltd.

### (2) 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.

### (3) Policy Regarding Reducing the Basic Trading Unit of Shares

While Fujifilm appreciates that reduced-quantity trading units can increase liquidity and attract new investors, it is our basic policy that the issue should be assessed prudently in light of market trends, demand, and other factors. We believe that the liquidity of Fujifilm’s stock is currently sufficient and that the additional costs associated with smaller-trading-unit investment would not be justified at this time.

**(4) Upgrading Corporate Governance**

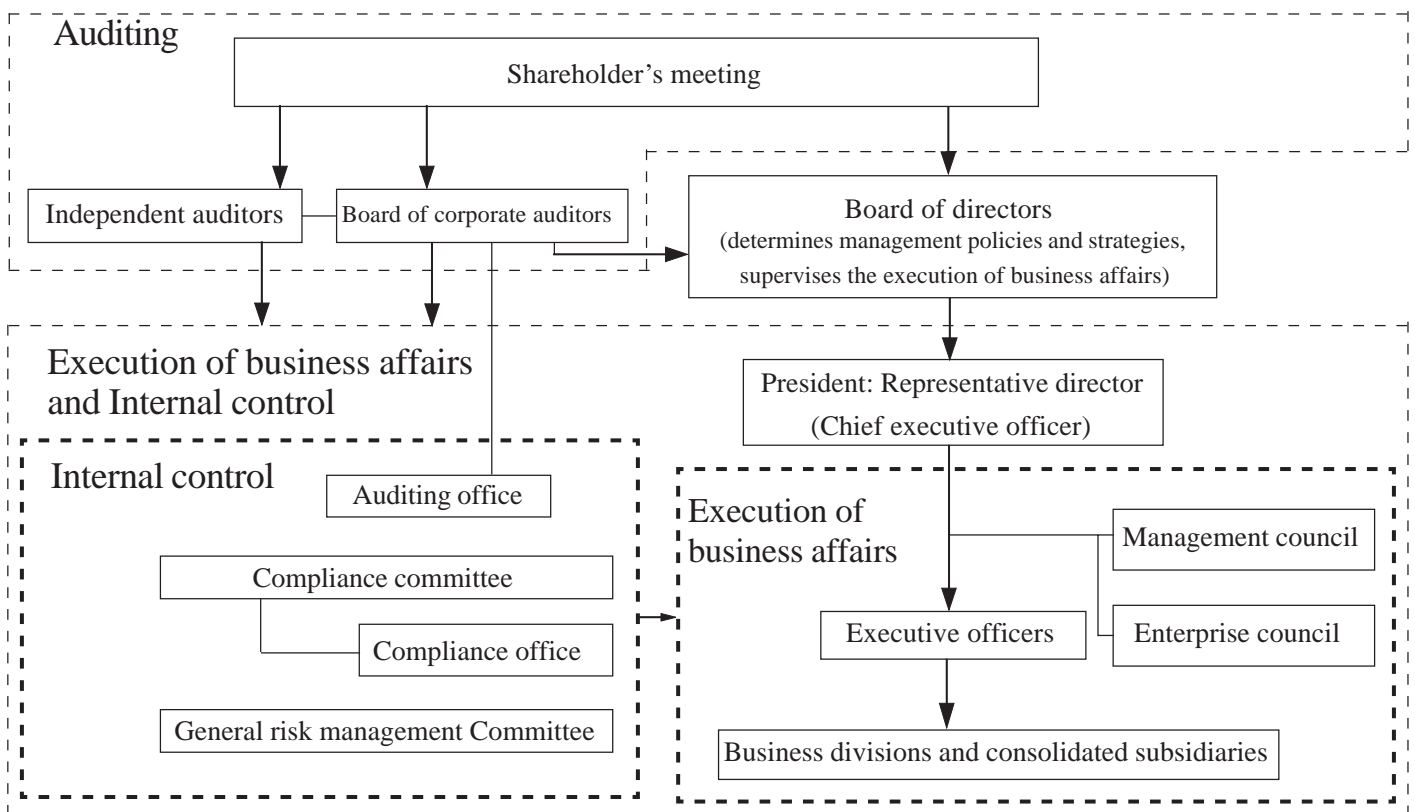
In 1998, Fujifilm designated its board of directors as “the body for determining basic management policies and strategies as well as for supervising the execution of business affairs” and introduced an executive officer system. The main objective was to further clarify the board’s mission and responsibilities and to expedite the determination of fundamental management strategies and the execution of business affairs based on these strategies. In June 2002, terms for directors and executive officers were reduced from two years to one year, providing the means to quickly respond to any even extremely rapid changes in the business environment.

In addition, the board of corporate auditors is composed of four members, including three outside corporate auditors. In compliance with auditing policies and planning as determined by the board of corporate auditors, each member audits the execution of business affairs through the following methods: attendance at meetings of the board of directors and other important councils, the giving of opinion statements, inspection of important documents, and examination of reports from directors and executive officers as well as the conducting of field investigations.

Regarding internal controls, the Company is working to expand the Auditing Office, which implements periodic internal audits to ascertain the appropriateness and adequacy of the execution of business affairs, by carrying out the measures to strengthen the office's functions, described in the next paragraph.

The Company established the foundations for good compliance in its business activities, devising a Fujifilm Group Corporate Conduct Code in 1999. Based on this charter, each Fujifilm Group company has drafted its own employee conduct code and strengthened compliance-management programs to ensure that each of their employees acts impartially in line with these codes. In June 2002, Fujifilm set up a full-time Compliance Office, which acts as an executive office of the Compliance Committee. The Compliance Consultation Desk and other such entities work to ensure that the Company is in compliance with the law regarding all business activities and to support and enhance impartiality and strong ethical conduct. In regard to internal controls, Fujifilm is strengthening risk management along with the compliance practices noted above. The Company continues efforts to minimize risks in all aspects of its operations under the guidance of the General Risk Management Committee. Looking ahead, we will strive to continue strengthening and enhancing corporate governance through the unified promotion of compliance and risk management.

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 and Distribution of Profits

During the six-month period ended September 30, 2003, although the Japanese economy showed signs of the hopes for an economic recovery driven by overseas demand, consumer spending and private-sector capital investment remained at low levels, and sharp yen appreciation in the latter half of the period was detrimental to the economy, causing greater uncertainty about the future. Overseas, with growth in consumer spending, the U.S. economy started showing signs of a rebound in the latter half of the period. Nonetheless, the lagging employment recovery, higher long-term interest rates, and other negative conditions weighed on economic growth. In Europe, exports to the United States and other regions provided some cause for cheer, but economic growth remained lackluster on the whole. In Asia, consumption and production languished under the effects of the Severe Acute Respiratory Syndrome (SARS) outbreak in the previous term, and the economy experienced slowdown in some regions.

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 our progress include the marketing of new digital cameras featuring the latest technologies; the initiation of supplies of CCD camera modules for incorporation in camera-equipped mobile phones; the acquisition of a plant to increase the capacity of CCD production, the augmented marketing of Frontier digital minilabs, capable of offering a wide range of digital imaging services; the implementation of campaigns to stimulate greater demand for photographic prints from digital cameras; development of diagnostic medical equipment for helping detect diseases at an early stage; strengthening of manufacturing capabilities for materials used in liquid crystal displays; expanding the sales of digital color multifunction machines incorporating new technologies in our document business.

During the period under review, although the sales of digital cameras and digital minilabs were firm especially overseas, the SARS outbreak, the conflict in Iraq and temperate summer weather in Japan hobbled demand for travel both within Japan and abroad, hurting sales of consumer products such as color film. In industrial products, sales of LCD materials were strong, as demand increased along with growth in the LCD market. Consequently, consolidated revenue totaled ¥1,256.6 billion, up 0.6% compared with the same period in the previous year. Domestic revenue declined 1.0%, to ¥ 651.0 billion, while overseas revenue increased 2.3%, to ¥605.6 billion. In regard to profits, the Company made further substantial reductions in costs, and through major cuts in selling, general and administrative (SG&A) expenses, we were able to report an improvement in profitability. However, operating income declined 4.6%, to ¥91.5 billion, as a consequence of aggressive R&D investments aimed at developing new products and business activities, and of an increase in SG&A expenses due to the increase in the number of consolidated subsidiaries in Japan, which was aimed at strengthening marketing capabilities. Income before income taxes rose 4.0%, to ¥81.0 billion, and net income was up 22.3%, to ¥41.1 billion, reflecting attainment of improved bottom line profitability.

In terms of the exchange rate, the average rate of the U.S. dollar and the euro during the period were ¥118 and ¥133, respectively.

### **Imaging Solutions**

Sales of digital cameras continued rising, especially in North America and Europe, but lower travel demand in Japan and abroad affected sales of some consumer products, including color films. As a result, consolidated revenue in this segment decreased 4.4%, to ¥401.7 billion.

In color films, the Company promoted its lineup of silver-halide photographic products, with the launch of Fujicolor Superia Venus 800/1600, a high-speed color negative film featuring faithful color reproduction and exceptional smooth granularity, as well as the launch of such color reversal films as Velvia 100F, which offers ultrahigh-saturated color and highly accurate color reproduction, and ASTIA 100F. In digital cameras, the Company countered intensifying competition in the domestic market by promoting sales of the FinePix F410. In addition, the Company launched its FinePix S5000, an SLR-style digital camera with an optical 10x zoom, which incorporates the Super CCD HR sensor to create even better image quality through advanced miniature fabrication technologies. Also, the Company introduced the FinePix F700, a new product with the Super CCD SR sensor for enhancing dynamic range as well as image quality. Moreover, for the market of camera-equipped mobile phones with increasingly high pixels, integrating Group technologies, the Company combined its Super CCD, which is well-known for its extreme light sensitivity as well as high image quality, and its high performance Fujinon Lens to develop CCD camera modules for featuring one million effective pixels in an extremely small package and began to supply these units. In photofinishing equipment, the Company worked to augment sales of its Digital Minilab Frontier series, which offers prints from images captured on digital cameras. In digital printers, the Company launched Princiao Qn, a digital print system offering photo print services for photographs taken by camera-equipped mobile phones. In these ways, the Company is striving to expand its infrastructure for digital print services.

### **Information Solutions**

Consolidated revenue in this segment increased 4.4%, to ¥376.7 billion, largely due to increased sales of LCD materials.

In graphic arts system products, the Company emphasized measures to promote sales of products related to computer-to-plate (CTP) systems, launching such products as the HP-S digital thermal CTP plate. The consolidation of FUJIFILM Graphic Systems Co., Ltd., contributed to increased sales. Regarding medical imaging products, while the market shifted to digital products, the Company placed its focus on increasing sales of the FCR XG-1, a compact digital X-ray diagnostic system; the DRYPIX 7000 dry laser imager; and SYNAPSE, a picture archiving and communication system. Furthermore, the FCR PROTECT CS, a system for early detection of breast cancer by means of mammography, was introduced in October. Moreover, Fuji Photo Optical Co., Ltd., a consolidated subsidiary, launched extrafine scope, an endoscope that is inserted through the nose to alleviate patient discomfort. In addition, in the electronic endoscope diagnosis field, Fuji Photo Optical succeeded in the development of the 490 series of electronic endoscopes, which incorporates the Super CCD and is able to produce possible ultrahigh-resolution images. Also in the electronic endoscopy field, Fuji Photo Optical has successfully developed the Double-balloon method Electronic Enteroscopy system, which makes it possible to diagnose within the small intestines, which heretofore has been difficult. Both the 490 series and the Double-balloon method Electronic Enteroscopy system are scheduled for launch in November 2003. LCD materials such as WV Film and FUJITAC enjoyed robust demand amid sales growth for LCD monitors, notebook PCs, and LCD televisions. The Company is responding by proceeding with measures to increase its production capacity for these products and to strengthen its R&D systems. With respect to recording media, Fujifilm worked to increase sales of high-capacity, high-transfer-speed data storage media for servers while new entrants in the mid-range computer tape market fueled fierce competition. The Company has started supplying data cartridge for IBM TotalStorage Enterprise Tape Drive 3592 to IBM, which are produced with NANOCUBIC technology, a proprietary magnetic media technology.



**Document Solutions**

Consolidated revenue in this segment increased 2.1%, to ¥478.2 billion.

In copying machines, sales of monochrome copying machines were sluggish in Japan, while sales of color copying machines were robust. As a result, domestic sales of copiers on the whole remained at almost the same level as that of the corresponding period in the previous year. In high-quality color copying machines, the Company strengthened its product lineup by introducing the DocuColor 1256GA, a digital color multifunctional machine boasting world's first high resolution color laser printing of True 2,400 dpi. These features are made possible by incorporating Fuji Xerox's unique VCSEL (Vertical Cavity Surface Emitting Laser ) with 32 beams. Overseas, overall sales of color copying machines increased considerably. Sales of the DocuCentre Color series 400 CP/320 CP/240 CP of digital color multifunctional machines continued to rise substantially in the Asia-Oceania region and exports of the same series to North America and Europe also remained brisk. In China, sales increased sharply, especially of monochrome digital copying machines for a broad range of applications that have been developed locally. In information-related equipment, the Company strengthened its lineup and launched DocuPrint C2425/C2426 color laser printers, which are high-speed and high-resolution energy-saving models designed to satisfy environmental concerns. In addition, the business of manufacturing super-high-speed continuous business form printers acquired from Fujitsu Ltd. in the previous fiscal year is contributing steadily to the growth of sales.

**Capital Investment**

During the period under review, to respond to demand stemming from the rapid expansion of the market for CCDs incorporated in digital cameras and camera-equipped mobile phones, our manufacturing subsidiary FUJIFILM Microdevices Co., Ltd., acquired the 8-inch wafer manufacturing plant of Tohoku Semiconductor Corporation, with the aim of facilitating increased CCD production. The Fujifilm Group is proactively working to develop its business of supplying Super CCDs incorporated in digital cameras and camera-equipped mobile phones as well as CCDs for other applications. By supplying the market with electronic devices featuring higher quality and augmented functions as well as digital equipment, the Company intends to further bolster its operations in the digital imaging field.

In addition, in LCD materials, the Company began operating a new facility manufacturing WV Film at the Odawara factory in Kanagawa Prefecture in July 2003. We intend to continue strengthening its production capacity.

Interim cash dividends per share amounted to ¥12.50.

**(2) Financial Position**

Net cash provided by operating activities amounted to ¥159.5 billion, down ¥9.6 billion from the same period in the previous fiscal year. Net cash used in investing activities totaled ¥957 billion, and net cash used in financing activities was ¥25.2 billion. As a result, total cash and cash equivalents at the end of the period amounted to ¥445.9 billion, up ¥35.8 billion from the previous fiscal year end.

	Year ended March 31, 2003 From April 1, 2002 To March 31, 2003	Six months ended September 30, 2003 From April 1, 2003 To September 30, 2003
Shareholders' equity ratio to total assets (%)	56.8	56.7
Market capitalization to ratio total assets (%)	63.2	56.0
Interest-bearing debt ratio to operating cash flow (years)	0.9	0.9
Interest coverage ratio (times)	34.6	39.2

## Notes:

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

**(3) Outlook for the Full Fiscal Year and Distribution of Profits**

We expect the operating environment for Fujifilm to remain challenging, but we will actively work to address the crucial issues noted above and work diligently to further strength our underlying business foundations. In the fiscal year under review, the yen has appreciated substantially against the U.S. dollar, and the outlook ahead is especially murky for the global economy. However, we expect to record consolidated revenue of ¥2580.0 billion and consolidated net income of 85.0 billion (assuming exchange rates of ¥114 to U.S.\$1 and ¥129 to euro1).

Planned year-end cash dividends for the end of the period are ¥12.50, and ¥25.00 for the entire fiscal year.



#### 4. ENVIRONMENTAL POLICIES

Fujifilm is pursuing environmental policies on the basis of our corporate philosophy that environmental awareness and protection are parts of the foundations of our business activities.

In the name of sustainable development of the world, the worldwide Fujifilm Group is focused on maintaining high "environmental quality" as it promotes a recycling-based society in line with our medium-term environmental policy, the Fujifilm Group "Green Policy," established in April 2002.

In concrete terms, the Company is emphasizing such activities as green purchasing and procurement as well as environmentally friendly design. Basic rules for Design for Environment, uniformly adopted by Group companies in April 2002, stipulates that products cannot be commercialized unless they pass environmental quality reviews including life cycle assessment (LCA) at each stage in their life cycles. Regarding the environmental and safety management of chemical substances, we are using an in-house-developed chemical and environmental safety information database to ensure that all Fujifilm Group companies in Japan and overseas consistently manage chemical substances with great rigor and attention to detail. In order to reduce CO2 emissions for preventing global warming, the Company has been working actively to convert from the use of heavy oil to natural gas since February 2003, beginning at the Fujinomiya Factory and will follow this with conversion at other factories.

Issuing The Fujifilm Social and Environmental Report 2003 in August, we will strive to disclose wide-ranging information on the economic and social impact of our policies as well as to accelerate disclosure on environmental issues.

#### **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.

## 5. CONSOLIDATED BALANCE SHEETS

Amount Unit: Millions of yen

	As of September 30, 2003		As of March 31, 2003		Change	As of September 30, 2002	
<b>ASSETS</b>	%		%			%	
Current assets:							
Cash and cash equivalents		445,971		410,130	35,841		424,947
Marketable securities		38,037		32,639	5,398		14,980
Notes and accounts receivable:							
Trade and finance		509,446		494,430	15,016		493,570
Affiliated companies		23,883		43,198	(19,315)		32,737
Allowance for doubtful receivables		(17,634)		(16,150)	(1,484)		(17,604)
		515,695		521,478	(5,783)		508,703
Inventories		354,958		351,748	3,210		344,604
Deferred income taxes		80,954		76,857	4,097		69,575
Prepaid expenses and other		30,035		36,296	(6,261)		28,024
Total current assets	48.7	1,465,650	48.3	1,429,148	36,502	47.6	1,390,833
Investments and long-term receivables:							
Investments in and advances to affiliated companies		42,781		40,741	2,040		41,989
Investment securities		260,726		263,002	(2,276)		290,693
Long-term finance and other receivables		101,399		101,435	(36)		99,185
Allowance for doubtful receivables		(7,167)		(4,991)	(2,176)		(3,111)
Total investments and long-term receivables	13.2	397,739	13.5	400,187	(2,448)	14.7	428,756
Property, plant and equipment:							
Land		75,410		73,083	2,327		72,685
Buildings		542,726		531,466	11,260		522,263
Machinery and equipment		1,535,721		1,535,312	409		1,533,701
Construction in progress		35,475		26,300	9,175		33,361
		2,189,332		2,166,161	23,171		2,162,010
Less accumulated depreciation		(1,483,687)		(1,467,913)	(15,774)		(1,451,388)
Total property, plant and equipment	23.5	705,645	23.6	698,248	7,397	24.3	710,622
Other assets:							
Goodwill, net		214,170		213,713	457		194,763
Other intangible assets, net		39,311		45,246	(5,935)		51,251
Deferred income taxes		93,204		85,625	7,579		71,051
Other		91,234		86,150	5,084		75,335
Total other assets	14.6	437,919	14.6	430,734	7,185	13.4	392,400
Total assets	100.0	3,006,953	100.0	2,958,317	48,636	100.0	2,922,611

	As of September 30, 2003		As of March 31, 2003		Change	As of September 30, 2002	
<b>LIABILITIES</b>	%		%			%	
Current liabilities:							
Short-term debt	163,077		159,631		3,446	172,218	
Notes and accounts payable:							
Trade	259,923		261,807		(1,884)	246,298	
Construction	41,164		40,663		501	34,218	
Affiliated companies	9,288		10,437		(1,149)	10,360	
	310,375		312,907		(2,532)	290,876	
Accrued income taxes	39,550		25,264		14,286	36,097	
Accrued liabilities	167,685		165,994		1,691	156,634	
Other current liabilities	53,487		48,574		4,913	49,721	
Total current liabilities	24.4	734,174	24.1	712,370	21,804	24.2	705,546
Long-term liabilities:							
Long-term debt	128,143		124,404		3,739	125,827	
Accrued pension and severance costs	245,337		241,914		3,423	193,879	
Deferred income taxes	35,277		21,672		13,605	22,752	
Customers' guarantee deposits and other	42,723		51,266		(8,543)	49,909	
Total long-term liabilities	15.0	451,480	14.8	439,256	12,224	13.4	392,367
Minority interests in subsidiaries	3.9	117,651	4.3	126,080	(8,429)	4.5	131,892
<b>SHAREHOLDERS' EQUITY</b>							
Common stock, without par value:							
Authorized: 800,000,000 shares	40,363		40,363		0	40,363	
Issued: 514,625,728 shares							
Additional paid-in capital	68,135		68,135		0	68,135	
Retained earnings	1,687,912		1,653,221		34,691	1,644,669	
Accumulated other comprehensive income(loss)	(87,782)		(76,243)		(11,539)	(59,130)	
Treasury stock, at cost							
As of September 30, 2002 295,820 shares							
As of March 31, 2003 1,331,895 shares							
As of September 30, 2003 1,367,711 shares	(4,980)		(4,865)		(115)	(1,231)	
Total shareholders' equity	56.7	1,703,648	56.8	1,680,611	23,037	57.9	1,692,806
Total liabilities and shareholders' equity	100.0	3,006,953	100.0	2,958,317	48,636	100.0	2,922,611

Note: Details of Accumulated other comprehensive income(loss)

	As of September 30, 2003	As of March 31, 2003	Change	As of September 30, 2002
Unrealized gains on securities	10,947	1,832	9,115	3,220
Foreign currency translation adjustments	(24,134)	(3,748)	(20,386)	(4,518)
Minimum pension liabilities adjustments	(74,274)	(74,274)	0	(57,851)
Unrealized gains(losses) on derivatives	(321)	(53)	(268)	19

## 6. CONSOLIDATED STATEMENTS OF INCOME

Amount Unit: Millions of yen

	Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Six months ended September 30, 2002 From April 1, 2002 To Sept. 30, 2002		Change		Year ended March 31, 2003 From April 1, 2002 To March 31, 2003	
		%		%	Amount	%		%
Revenue:								
Sales		1,078,973		1,075,453	3,520	0.3		2,158,317
Rentals		177,638		173,982	3,656	2.1		347,386
	100.0	1,256,611	100.0	1,249,435	7,176	0.6	100.0	2,505,703
Cost of sales:								
Sales		659,693		667,699	(8,006)	(1.2)		1,337,467
Rentals		70,296		68,271	2,025	3.0		134,989
	58.1	729,989	58.9	735,970	(5,981)	(0.8)	58.8	1,472,456
Gross profit	41.9	526,622	41.1	513,465	13,157	2.6	41.2	1,033,247
Operating expenses:								
Selling, general and administrative	27.8	349,250	27.0	337,750	11,500	3.4	27.6	690,762
Research and development	6.8	85,866	6.4	79,823	6,043	7.6	6.3	159,119
Settlement of and curtailment of the defined benefit plan		-		-	-	-	0.9	23,089
	34.6	435,116	33.4	417,573	17,543	4.2	34.8	872,970
Operating income	7.3	91,506	7.7	95,892	(4,386)	(4.6)	6.4	160,277
Other income (expenses):								
Interest and dividend income		5,552		5,141	411			10,127
Interest expense		(4,067)		(4,525)	458			(8,769)
Exchange losses, net		(3,555)		(9,960)	6,405			(7,275)
Decline in value of investment securities		(288)		(2,972)	2,684			(17,038)
Other, net		(8,085)		(5,668)	(2,417)			(16,809)
	(0.8)	(10,443)	(1.5)	(17,984)	7,541	41.9	(1.6)	(39,764)
Income before income taxes	6.5	81,063	6.2	77,908	3,155	4.0	4.8	120,513
Income taxes	2.9	35,753	3.0	38,135	(2,382)	(6.2)	2.4	60,283
Income before minority interests and equity in net earnings of affiliated companies	3.6	45,310	3.2	39,773	5,537	13.9	2.4	60,230
Minority interests	(0.4)	(6,019)	(0.5)	(6,717)	698	10.4	(0.5)	(12,835)
Equity in net earnings of affiliated companies	0.1	1,821	0.0	554	1,267	228.7	0.0	1,184
Net income	3.3	41,112	2.7	33,610	7,502	22.3	1.9	48,579

**7. CONSOLIDATED STATEMENTS OF CASH FLOWS**

Amount Unit: Millions of yen

	Six months ended Sept. 30, 2003 From April 1, 2003 To Sept. 30, 2003	Six months ended Sept. 30, 2002 From April 1, 2002 To Sept. 30, 2002	Year ended March 31, 2003 From April 1, 2002 To March 31, 2003
<b>Operating activities</b>			
Net income	41,112	33,610	48,579
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	83,582	85,430	173,986
Decline in value of investment securities	288	2,972	17,038
Deferred income taxes	(953)	(1,344)	(1,737)
Minority interests	6,019	6,717	12,835
Equity in net earnings of affiliated companies, less dividends	348	(451)	(944)
Changes in operating assets and liabilities:			
Notes and accounts receivable	(2,036)	4,841	(95)
Inventories	(2,039)	17,233	12,771
Notes and accounts payable - trade	(9,538)	5,705	16,819
Accrued income taxes and other liabilities	30,444	6,109	(1,149)
Other	12,358	8,397	25,397
Subtotal	118,473	135,609	254,921
Net cash provided by operating activities	159,585	169,219	303,500
<b>Investing activities</b>			
Payments for purchases of property, plant and equipment	(76,022)	(66,148)	(122,624)
Payments for purchases of software	(16,487)	(13,593)	(37,553)
Proceeds from sales and maturities of marketable and investment securities	15,393	14,083	33,058
Payments for purchases of marketable and investment securities	(3,539)	(278)	(23,656)
Increase in investments in and advances to affiliated companies	(1,674)	(5,357)	(6,361)
Payments for acquisitions of businesses, net of cash acquired	(5,087)	(14,634)	(33,486)
Other	(8,284)	2,028	(11,306)
Net cash used in investing activities	(95,700)	(83,899)	(201,928)
<b>Financing activities</b>			
Proceeds from long-term debt	5,316	6,154	16,055
Repayments of long-term debt	(14,242)	(12,798)	(28,708)
Decrease in short-term debt	(7,711)	(16,913)	(29,902)
Cash dividends paid	(6,417)	(6,431)	(12,861)
Cash dividends paid to minority shareholders	(2,053)	(2,668)	(4,579)
Purchases of stock for treasury, net	(119)	(622)	(4,257)
Net cash used in financing activities	(25,226)	(33,278)	(64,252)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(2,818)	(4,685)	(4,780)
<b>Net increase in cash and cash equivalents</b>	35,841	47,357	32,540
<b>Change of fiscal year-end of certain subsidiaries</b>	-	(4,311)	(4,311)
<b>Cash and cash equivalents at beginning of period</b>	410,130	381,901	381,901
<b>Cash and cash equivalents at end of period</b>	445,971	424,947	410,130

**8. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****Year ended March 31, 2003 and Six months ended September 30, 2003**

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
<b>Balance at March 31, 2002</b>	40,363	68,135	1,618,270	(28,133)	(572)	1,698,063
Comprehensive income:						
Net income	-	-	48,579	-	-	48,579
Net decrease in unrealized gains on securities	-	-	-	(251)	-	(251)
Foreign currency translation adjustments	-	-	-	(28,615)	-	(28,615)
Minimum pension liability adjustments	-	-	-	(16,423)	-	(16,423)
Change in net unrealized gains(losses) on derivatives	-	-	-	(65)	-	(65)
Net comprehensive income						3,225
Purchases of stock for treasury	-	-	-	-	(4,293)	(4,293)
Cash dividends applicable to earnings of the year	-	-	(12,846)	-	-	(12,846)
Change of fiscal year-end of certain subsidiaries	-	-	(782)	(2,756)	-	(3,538)
<b>Balance at March 31, 2003</b>	40,363	68,135	1,653,221	(76,243)	(4,865)	1,680,611
Comprehensive income:						
Net income	-	-	41,112	-	-	41,112
Net increase in unrealized gains on securities	-	-	-	9,115	-	9,115
Foreign currency translation adjustments	-	-	-	(20,386)	-	(20,386)
Change in net unrealized gains(losses) on derivatives	-	-	-	(268)	-	(268)
Net comprehensive income						29,573
Purchases of stock for treasury	-	-	-	-	(242)	(242)
Sales of stock for treasury	-	-	(4)	-	127	123
Cash dividends applicable to the earnings of the year	-	-	(6,417)	-	-	(6,417)
<b>Balance at September 30, 2003</b>	40,363	68,135	1,687,912	(87,782)	(4,980)	1,703,648

Note: During the previous fiscal period, certain overseas subsidiaries that previously reported on fiscal year ended February 28 changed their fiscal year end to March 31 in order to conform to the Company's fiscal year end. The net loss of ¥782 million and net changes in other comprehensive income (loss) of ¥2,756 million for the month ended March 31, 2002 were debited directly to retained earnings and accumulated other comprehensive income (loss), respectively.

**Six months ended September 30, 2002**

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
<b>Balance at March 31, 2002</b>	40,363	68,135	1,618,270	(28,133)	(572)	1,698,063
Comprehensive income:						
Net income	-	-	33,610	-	-	33,610
Net increase in unrealized gains on securities	-	-	-	1,137	-	1,137
Foreign currency translation adjustments	-	-	-	(29,385)	-	(29,385)
Change in net unrealized gains(losses) on derivatives	-	-	-	7	-	7
Net comprehensive income						5,369
Purchases of stock for treasury	-	-	-	-	(659)	(659)
Cash dividends applicable to the earnings of the year	-	-	(6,429)	-	-	(6,429)
Change of fiscal year-end of certain subsidiaries	-	-	(782)	(2,756)	-	(3,538)
<b>Balance at September 30, 2002</b>	40,363	68,135	1,644,669	(59,130)	(1,231)	1,692,806



**9. DETAILS OF CONSOLIDATED REVENUE****(1) Revenue by product**

Amount Unit: Millions of yen

	Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Six months ended September 30, 2002 From April 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Revenue:						
Imaging Solutions	32.0%	401,724	33.6%	420,261	(18,537)	(4.4)
Information Solutions	30.0%	376,648	28.9%	360,703	15,945	4.4
Document Solutions	38.0%	478,239	37.5%	468,471	9,768	2.1
Consolidated total	100.0%	1,256,611	100.0%	1,249,435	7,176	0.6

Note: Major products and services of each operating segments are as follows:

Imaging Solutions	Color film, film cameras, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and consumables for graphic arts, medical imaging, and information systems, liquid crystal display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables, office services

**(2) Domestic and overseas revenue**

Amount Unit: Millions of yen

	Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Six months ended September 30, 2002 From April 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Revenue:						
Domestic	51.8%	651,050	52.6%	657,723	(6,673)	(1.0)
Overseas						
The Americas	22.1%	278,050	23.4%	292,731	(14,681)	(5.0)
Europe	14.6%	183,844	13.1%	163,575	20,269	12.4
Asia and others	11.5%	143,667	10.9%	135,406	8,261	6.1
Subtotal	48.2%	605,561	47.4%	591,712	13,849	2.3
Consolidated total	100.0%	1,256,611	100.0%	1,249,435	7,176	0.6

**10. SEGMENT INFORMATION****(1) Operating segments**

## Revenue and Operating Income

Amount Unit: Millions of yen

	Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Six months ended September 30, 2002 From April 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	32.0%	401,724	33.6%	420,261	(18,537)	(4.4)
Intersegment		449		178	271	-
Total		402,173		420,439	(18,266)	(4.3)
Information Solutions:						
External customers	30.0%	376,648	28.9%	360,703	15,945	4.4
Intersegment		2,252		2,169	83	-
Total		378,900		362,872	16,028	4.4
Document Solutions:						
External customers	38.0%	478,239	37.5%	468,471	9,768	2.1
Intersegment		6,159		5,660	499	-
Total		484,398		474,131	10,267	2.2
Eliminations		(8,860)		(8,007)	(853)	-
Consolidated total	100.0%	1,256,611	100.0%	1,249,435	7,176	0.6

Amount Unit: Millions of yen

	Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Six months ended September 30, 2002 From April 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Operating Income:						
Imaging Solutions	7.6%	30,438	6.5%	27,132	3,306	12.2
Information Solutions	9.0%	34,266	11.4%	41,464	(7,198)	(17.4)
Document Solutions	5.5%	26,738	5.8%	27,305	(567)	(2.1)
Total		91,442		95,901	(4,459)	(4.6)
Eliminations		64		(9)	73	-
Consolidated total	7.3%	91,506	7.7%	95,892	(4,386)	(4.6)

Note: Major products and services of each operating segments are as follows:

Imaging Solutions	Color film, film cameras, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and consumables for graphic arts, medical imaging, and information systems, liquid crystal display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables, office services

## (2) Geographic information

## Revenue and Operating Income

Amount Unit: Millions of yen

	Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Six months ended September 30, 2002 From April 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Revenue:						
Japan						
External customers	62.6%	786,943	62.6%	782,582	4,361	0.6
Intersegment		157,742		146,375	11,367	-
Total		944,685		928,957	15,728	1.7
The Americas						
External customers	19.3%	242,925	20.5%	256,702	(13,777)	(5.4)
Intersegment		2,636		3,929	(1,293)	-
Total		245,561		260,631	(15,070)	(5.8)
Europe						
External customers	11.5%	144,790	10.7%	133,459	11,331	8.5
Intersegment		6,382		4,310	2,072	-
Total		151,172		137,769	13,403	9.7
Asia and others						
External customers	6.6%	81,953	6.2%	76,692	5,261	6.9
Intersegment		37,813		46,095	(8,282)	-
Total		119,766		122,787	(3,021)	(2.5)
Eliminations		(204,573)		(200,709)	(3,864)	-
Consolidated total	100.0%	1,256,611	100.0%	1,249,435	7,176	0.6

Amount Unit: Millions of yen

	Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Six months ended September 30, 2002 From April 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Operating Income:						
Japan	7.2%	67,673	7.5%	69,411	(1,738)	(2.5)
The Americas	4.0%	9,818	5.0%	12,982	(3,164)	(24.4)
Europe	6.2%	9,414	5.6%	7,708	1,706	22.1
Asia and others	6.3%	7,592	4.9%	5,996	1,596	26.6
Eliminations		(2,991)		(205)	(2,786)	-
Consolidated total	7.3%	91,506	7.7%	95,892	(4,386)	(4.6)

**11. MARKETABLE AND INVESTMENT SECURITIES****Fair Value on Marketable Securities**

Amount Unit: Millions of yen

	As of September 30, 2003				As of September 30, 2002			
	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	38,138	57	158	38,037	15,340	3	363	14,980
Total marketable securities	38,138	57	158	38,037	15,340	3	363	14,980
Investment securities:								
Government securities	2,717	20	0	2,737	2,706	50	0	2,756
Corporate debt securities	151,161	798	1,159	150,800	198,579	40	3,411	195,208
Equity securities	44,488	29,468	432	73,524	37,355	24,339	5,590	56,104
Total investment securities	198,366	30,286	1,591	227,061	238,640	24,429	9,001	254,068
Total	236,504	30,343	1,749	265,098	253,980	24,432	9,364	269,048

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

## &lt;Reference&gt;

**CONSOLIDATED STATEMENTS OF INCOME (The Second Quarter)**

Amount Unit: Millions of yen

	Three months ended September 30, 2003 From July 1, 2003 To Sept. 30, 2003		Three months ended September 30, 2002 From July 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
	%		%			
Revenue:						
Sales		560,383		550,505	9,878	1.8
Rentals		87,795		84,844	2,951	3.5
	100.0	648,178	100.0	635,349	12,829	2.0
Cost of sales:						
Sales		345,500		347,048	(1,548)	(0.4)
Rentals		35,294		33,857	1,437	4.2
	58.7	380,794	60.0	380,905	(111)	(0.0)
Gross profit	41.3	267,384	40.0	254,444	12,940	5.1
Operating expenses:						
Selling, general and administrative	27.4	177,350	26.3	167,170	10,180	6.1
Research and development	7.0	45,593	6.5	41,432	4,161	10.0
	34.4	222,943	32.8	208,602	14,341	6.9
Operating income	6.9	44,441	7.2	45,842	(1,401)	(3.1)
Other income (expenses):						
Interest and dividend income		2,213		2,233	(20)	
Interest expense		(1,893)		(2,208)	315	
Exchange losses, net		(5,939)		(991)	(4,948)	
Decline in value of investment securities		(82)		(2,912)	2,830	
Other, net		(5,361)		(4,028)	(1,333)	
	(1.8)	(11,062)	(1.2)	(7,906)	(3,156)	(39.9)
Income before income taxes	5.1	33,379	6.0	37,936	(4,557)	(12.0)
Income taxes	2.1	13,958	2.7	17,100	(3,142)	(18.4)
Income before minority interests and equity in net earnings of affiliated companies	3.0	19,421	3.3	20,836	(1,415)	(6.8)
Minority interests	(0.5)	(2,761)	(0.6)	(3,453)	692	20.0
Equity in net earnings of affiliated companies	0.2	1,123	0.1	717	406	56.6
Net income	2.7	17,783	2.8	18,100	(317)	(1.8)

## &lt;Reference&gt;

**CONSOLIDATED STATEMENTS OF CASH FLOWS (The Second Quarter)**

Amount Unit: Millions of yen

	Three months ended Sept. 30, 2003 From July 1, 2003 To Sept. 30, 2003	Three months ended Sept. 30, 2002 From July 1, 2002 To Sept. 30, 2002
<b>Operating activities</b>		
Net income	17,783	18,100
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41,046	42,607
Decline in value of investment securities	82	2,912
Minority interests	2,761	3,453
Equity in net earnings of affiliated companies, less dividends	(65)	(692)
Changes in operating assets and liabilities:		
Notes and accounts receivable	(25,067)	(10,046)
Inventories	8,183	11,712
Notes and accounts payable - trade	712	6,406
Accrued income taxes and other liabilities	1,006	(5,148)
Other	8,432	2,543
Subtotal	37,090	53,747
Net cash provided by operating activities	54,873	71,847
<b>Investing activities</b>		
Payments for purchases of property, plant and equipment	(37,045)	(32,417)
Payments for purchases of software	(10,706)	(8,089)
Proceeds from sales and maturities of marketable and investment securities	3,551	9,325
Payments for purchases of marketable and investment securities	(3,427)	(230)
Decrease(Increase) in investments in and advances to affiliated companies	1,203	(3,201)
Payments for acquisitions of businesses, net of cash acquired	(13,321)	(11,940)
Other	(1,083)	4,543
Net cash used in investing activities	(60,828)	(42,009)
<b>Financing activities</b>		
Proceeds from long-term debt	3,252	3,547
Repayments of long-term debt	(5,850)	(7,294)
Decrease in short-term debt	(11,667)	(18,779)
Cash dividends paid to minority shareholders	(336)	(440)
Purchases of stock for treasury, net	(55)	(451)
Net cash used in financing activities	(14,656)	(23,417)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(3,740)	532
<b>Net increase (decrease) in cash and cash equivalents</b>	(24,351)	6,953
<b>Cash and cash equivalents at beginning of period</b>	470,322	417,994
<b>Cash and cash equivalents at end of period</b>	445,971	424,947



## &lt;Reference&gt;

**DETAILS OF CONSOLIDATED REVENUE (The Second Quarter)****(1) Revenue by product**

Amount Unit: Millions of yen

	Three months ended September 30, 2003 From July 1, 2003 To Sept. 30, 2003		Three months ended September 30, 2002 From July 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Revenue:						
Imaging Solutions	32.2%	208,394	33.4%	211,927	(3,533)	(1.7)
Information Solutions	29.9%	194,120	28.9%	183,770	10,350	5.6
Document Solutions	37.9%	245,664	37.7%	239,652	6,012	2.5
Consolidated total	100.0%	648,178	100.0%	635,349	12,829	2.0

Note: Major products and services of each operating segments are as follows:

Imaging Solutions	Color film, film cameras, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and consumables for graphic arts, medical imaging, and information systems, liquid crystal display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables, office services

**(2) Domestic and overseas revenue**

Amount Unit: Millions of yen

	Three months ended September 30, 2003 From July 1, 2003 To Sept. 30, 2003		Three months ended September 30, 2002 From July 1, 2002 To Sept. 30, 2002		Change	
					Amount	%
Revenue:						
Domestic	51.7%	335,345	53.2%	337,691	(2,346)	(0.7)
Overseas						
The Americas	21.6%	139,689	22.3%	141,434	(1,745)	(1.2)
Europe	14.7%	95,452	13.5%	85,991	9,461	11.0
Asia and others	12.0%	77,692	11.0%	70,233	7,459	10.6
Subtotal	48.3%	312,833	46.8%	297,658	15,175	5.1
Consolidated total	100.0%	648,178	100.0%	635,349	12,829	2.0