


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

Shigetaka Komori  
President, Representative Director

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

## Financial Results (Consolidated) for the Fiscal Year ended March 31, 2003

Date of Board Meeting for the fiscal year ended March 31, 2003: April 30, 2003

(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, 2003 (From April 1, 2002 to March 31, 2003)

#### (1) FINANCIAL RESULTS

Amount Unit: Millions of yen unless otherwise specified

|                           | Revenue   |      | Operating Income |       | Income before Income Taxes |        |
|---------------------------|-----------|------|------------------|-------|----------------------------|--------|
|                           |           | %    |                  | %     |                            | %      |
| Year ended March 31, 2003 | 2,505,703 | 4.4  | 160,277          | (5.0) | 120,513                    | (24.5) |
| Year ended March 31, 2002 | 2,401,144 | 73.6 | 168,682          | 12.7  | 159,549                    | (20.1) |

|                           | 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, 2003 | 48,579     | (40.3) | 94.51                                | -   | 2.9   | 4.1   | 4.8  |
| Year ended March 31, 2002 | 81,331     | (31.0) | 158.05                               | -   | 4.9   | 5.5   | 6.6  |

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

Year ended March 31, 2003: ¥1,184 million Year ended March 31, 2002: ¥3,232 million

2. Average number of shares:

Year ended March 31, 2003: 514,011,312 Year ended March 31, 2002: 514,583,432

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 March 31, 2003 | 2,958,317    | 1,680,611            | 56.8                                       | 3,274.17                                       |
| As of March 31, 2002 | 2,946,362    | 1,698,063            | 57.6                                       | 3,300.45                                       |

Note: Number of Shares Outstanding:

As of March 31, 2003: 513,293,833 As of March 31, 2002: 514,495,085

#### (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, 2003 | 303,500                                   | (201,928)                             | (64,252)                              | 410,130                                  |
| Year ended March 31, 2002 | 248,185                                   | (294,748)                             | (45,874)                              | 381,901                                  |

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

- Consolidated Subsidiaries: 179 subsidiaries
- Unconsolidated Subsidiaries: 55 subsidiaries (equity method is applied to all subsidiaries)
- 20 percent to 50 percent owned companies: 59 companies (equity method is applied to all companies)

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

- Consolidation: Increase 13, Decrease 7 Equity Method: Increase 11, Decrease 18

### 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 6 months ending Sept. 30, 2003 | 1,310,000 | 90,000           | 83,000                     | 40,000     |
| For Year ending Mar. 31, 2004      | 2,670,000 | 200,000          | 185,000                    | 95,000     |

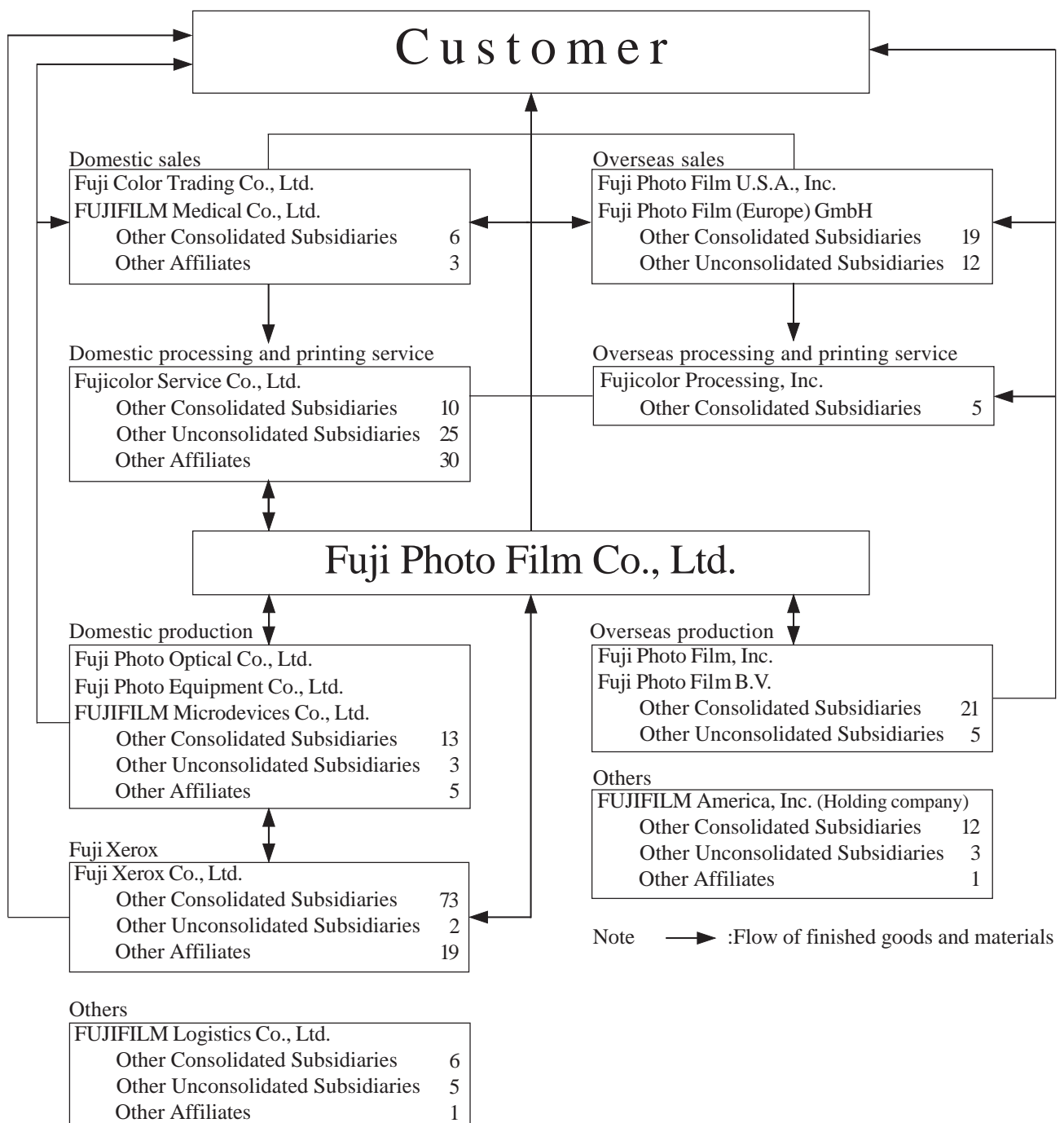
(Reference) Expected Net Income per Share of Common Stock for Year ending March 31, 2004: ¥185.08

Note: These forward-looking statements 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 6.

## 1. THE FUJIFILM GROUP

The Fujifilm Group comprises Fuji Photo Film Co., Ltd., 234 subsidiaries and 59 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, conventional cameras, digital camera, lab 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 Medical Co., Ltd., FUJIFILM ARCH Co., Ltd., Fuji Photo Film U.S.A., Inc., Fuji Photo Film (Europe) GmbH, etc.  |
| Document Solutions    | Office copiers, printers, facsimiles, consumables, etc. for document services   | Fuji Xerox Co., Ltd., Fuji Xerox Office Supply Co., Ltd., Suzuka Fuji Xerox Co., Ltd., 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 world community. 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 and environmental and product safety concerns.

### (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) Corporate Governance Policies and Implementation of Related Measures

Fujifilm introduced an executive officer system in 1998. The Board of Directors has been designated as “the body for determining management policies and strategies as well as for supervising the execution of business affairs.” The executive officers are responsible for operating business activities in line with the policies and strategies determined by the Board of Directors. We have also arranged to strengthen our management supervision system through additional oversight activities by our four-member Board of Corporate Auditors, which includes two outside corporate auditors. In June 2002, the term of directors was shortened from two years to one year, with the objective of further clarifying directors’ missions and responsibilities. We intend to continue taking management reform measures aimed at optimizing our corporate governance systems, and we expect such measures will enhance the clarity of management responsibilities while also expediting operational implementation.

In addition, we have compiled our fundamental principles regarding the ideal nature of corporate activities in the form of the Fujifilm Group Corporate Conduct Code. Based on this code, each Fujifilm Group company has drafted its own employee conduct code and strengthened its compliance-management programs to ensure that their staff conform to the employee conduct code. At all times, Fujifilm Group companies and each of their employees strive to act in line with high ethical standards and to exercise good judgment, with the goal of earning still greater trust and understanding from society.

### (4) 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.

### 3. OPERATING RESULTS

#### (1) Overview of the Period and Distribution of Profits

During the fiscal year ended March 31, 2003, the Japanese economy remained severe due to sluggish consumer spending and private-sector capital investment depressed by such factors as concerns regarding the weakness of stock prices and the persistence of deflationary trends. Overseas, the U.S. economy was relatively firm during the first half of the year, but major corporate bankruptcies and other developments caused economic conditions to deteriorate during the latter half as well as spurring uneasiness regarding future conditions. In Europe, although there were signs of recovery in the eurozone during the first half of the year, the trend toward recovery weakened during the latter half. In Asia, China maintained its economic robustness, while other countries generally sustained an overall trend of gradual recovery.

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 charge-coupled devices (CCDs) and lenses for incorporation in mobile phones with camera functions; 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 camera; the establishment of an integrated manufacturing and marketing organizational structure for the conventional camera business; the creation of a new domestic marketing company for the graphic arts system business; the strengthening of manufacturing capabilities for materials used in liquid crystal displays (LCDs); the launch of new high-density, high-capacity data storage; expanding the sales of digital color multifunction machines incorporating new technologies in our document business; the building of a new organizational system for business in office-use laser printers; and the integration of Fujifilm Group logistics and distribution companies.

During the current fiscal year, consolidated revenue increased 4.4%, to ¥2,505.7 billion, compared with that of the previous fiscal year, reflecting strong sales of digital cameras and other digital products. Domestic revenue declined 1.9%, to ¥1,330.1 billion, while overseas revenue increased 12.4%, to ¥1,175.6 billion.

In March 2003, the Company and certain domestic subsidiaries recorded an aggregate ¥23.1 billion loss on the liquidation of the welfare pension fund plans, which decreased operating income by 5.0%, to ¥160.2 billion, despite the continuing effort to reduce manufacturing costs and other expenses. If the loss on the liquidation of the welfare pension fund plans had not been recorded, operating income would have increased 8.7%, to ¥183.3 billion. In addition, exchange losses, net increased ¥15.4 billion compared with those of the previous fiscal year, resulting from the difference in settlement exchange rates for receivables denominated in foreign currencies. The losses on devaluation of investment securities increased ¥9.4 billion, compared with those of the previous fiscal year, principally due to the decline in Japanese stock prices. Moreover, Fujifilm recorded a one-time gain of ¥9.0 billion on non-monetary exchange of equity securities in the previous fiscal year. Due to these factors, income before income taxes dropped 24.5%, or ¥39.0 billion, to ¥120.5 billion. It should be noted that the decrease in income before income taxes reflected the impact of two negative factors. First, Fujifilm recorded a one-time gain of ¥9.0 billion on non-monetary exchange of a certain equity security in the previous fiscal year but recorded an impairment loss of ¥7.0 billion on the devaluation of the same equity security, and these situations combined to cause a ¥16.0 billion year-on-year drop in the value of income before income taxes. Second, Fujifilm recorded a ¥23.1 billion loss on the liquidation of the welfare pension fund plan. If the effects of these temporary factors (totaling ¥39.1 billion in losses) had been excluded, Fujifilm's income before income taxes would have been at roughly the same level as in the previous fiscal year. Net income decreased 40.3%, to ¥48.5 billion, compared with that of the previous fiscal year, due to the above factors as well as a change in tax rates that will take effect April 1, 2004. Excluding the effects of the investment securities (non-monetary exchange gain and impairment loss) and liquidation of the welfare pension fund plans as noted above, which decreased net income by ¥22.7 billion, net of tax (¥39.1 billion before tax), net income would have decreased 12.4%, or ¥10.1 billion, compared with that of the previous fiscal year.

In terms of the exchange rate, the average values of the U.S. dollar and the euro during the year were ¥122 and ¥120, respectively.

### Imaging Solutions

Consolidated revenue in this segment rose 5.9%, to ¥831.0 billion. Fujifilm aimed to further enhance its brand image throughout the world by carrying out a number of promotional campaigns tied up with the 2002 FIFA World Cup™, mainly in Japan, South Korea, Europe, Central America, and South America. In color film, we worked to expand sales through offering high-speed film, including the domestic launch of Fujicolor Superia Venus, a 35mm color negative film that incorporates advanced new technologies to produce exceptional image quality and smooth granularity. Sales of digital cameras surged, particularly in North America and Europe, while domestic sales of the FinePix F401 digital camera remained robust throughout the year. In addition, we launched the FinePix F410, which realizes still greater image quality due to its incorporation of the fourth-generation Super CCD HR system. Regarding lab equipment, Fujifilm strove to further augment sales of the highly reputed Frontier digital minilab series, while expanding its digital print service infrastructure. At the same time, we endeavored to increase demand for photographic prints through such programs as a large-scale campaign in Japan that encouraged people to experience the process of creating, at print shops or via the Internet, high-quality photographic prints from photos taken by digital cameras. In September 2002, Fujifilm acquired an equity stake in JUS-Photo Co., Ltd., which operates the DPE franchise chain in Japan, through a tender offer bid. We will continue to work further to develop our business in digital photography.

### Information Solutions

Consolidated revenue in this segment rose 5.7%, to ¥724.3 billion. Sales of graphic arts systems were increased by the inclusion within the scope of consolidation of Enovation Graphic Systems, Inc., a U.S. sales company. With the goal of promoting the rapid and efficient development of domestic operations, in April 2003, Fujifilm acquired one of Japan's largest distributors of equipment, consumables, and technical services for the graphic arts industry, Process Shizai Co., Ltd., which was converted into a consolidated subsidiary and renamed Fujifilm Graphic Systems Co., Ltd. In medical imaging products, sales of the FCR XG-1 compact digital X-ray diagnostic system were robust, and warm market receptions were earned by such products as the DRYPIX 7000 dry laser imager with “Image Intelligence” sophisticated digital image-processing software for superb image quality and the SYNAPSE Picture Archiving and Communication System (PACS). In industrial materials, sales of such liquid crystal display (LCD) materials as WV FILM and FUJITAC grew considerably. In recording media, we worked to stimulate demand for such high-density, high-volume data storage products as LTO Ultrium 1 data cartridges while broadening our product lineup with the launch of Super DLTtape™ I data cartridges and LTO Ultrium 2 data cartridges

Notes: 1. LTO and Ultrium are trademarks of HP, IBM, and Seagate RSS in the US, other countries or both.  
2. Super DLTtape is a trademark of Quantum Corporation.

### Document Solutions

Consolidated revenue in this segment rose 2.1%, to ¥950.4 billion. In copying machines, domestic sales of the DocuCentre Color series of digital color multifunctional machines continued to be robust, reflecting the reinforcement of that product line with the launch of the DocuCentre Color 240CP. Overseas, sales of color copying machines experienced a substantial increase, owing to the introduction and export of the series to the Asia-Pacific region and to North America and Europe. In addition, the installation of our Internet-linked digital color multifunctional machines at the nationwide convenience stores of Seven-Eleven Japan, Co., Ltd., made it possible to cooperatively begin offering a new digital print service that allows the secure retrieval and high-quality printout of electronic documents previously registered. An industry first, this high-value-added service allows customers to use our multifunction devices at Seven-Eleven's stores as if they were at their offices or homes. In information-related equipment, sales of the compact and reasonably priced DocuPrint 360/260 A3 laser printers were strong, and the laser printer lineup was strengthened with the launch of the DocuPrint C3530, which incorporates an upgraded micro-tandem laser engine that enables high-speed, 35-page-per-minute printing in both color and black and white. The laser printer business of NEC Corporation obtained during the previous fiscal year resumed full-scale operations and contributed to sales in this segment. In addition, the acquisition of the printer system business of Fujitsu Limited has enabled us to add super-high-speed continuous business form printers to our lineup for the first time. As a result, we now offer a comprehensive lineup of diverse printer products, ranging from low-speed to high-speed models.

## Capital Investment

Among the principal objectives of capital investment projects during the current fiscal year was the continued vigorous expansion of the LCD materials manufacturing capacity. In Japan, our domestic manufacturing subsidiary, Fujifilm Opt Materials Co., Ltd., (Shizuoka Prefecture) began operating a new FUJITAC production plant in March 2003. Our manufacturing subsidiary in North America, Fuji Photo Film, Inc., previously handled certain medical-use film processing and finishing operations but began integrated production of medical X-ray films, handling a full range of manufacturing operations from coating to finishing processes. A decision was made to construct a new plant at the factory for manufacturing presensitized plates for Computer-to-Plate (CTP) use, and the plant is scheduled to be completed by the end of 2004.

Regarding R&D programs, we strove to meet demand for further improvement in digital camera image quality by developing two types of the fourth-generation Super CCD. These include the Super CCD HR, which offers particularly high image resolution, and the Super CCD SR, which uses a mechanism analogous to that of color negative film to deliver a wider dynamic range. We plan to introduce a stream of new digital cameras incorporating advanced new technologies in the future.

Cash dividends per share at year-end are expected to be ¥12.50, yielding a total dividend for the full year of ¥25.00.

## (2) Financial Position

Net cash provided by operating activities amounted to ¥303.5 billion, up ¥55.3 billion from the previous fiscal year. Net cash used in investing activities totaled ¥201.9 billion, and net cash used in financing activities was ¥64.2 billion. As a result, total cash and cash equivalents at the end of year amounted to ¥410.1 billion, up ¥28.2 billion from the previous fiscal year.

### Cash flow indices (consolidated)

|   | Year ended March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 | Year ended March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |
|---|--|--|
| Ratio of shareholders' equity to total assets (%)             | 57.6   | 56.8   |
| Ratio of market capitalization to total assets (%)            | 72.8   | 63.2   |
| Ratio of interest-bearing debt to operating cash flow (years) | 1.3  | 0.9  |
| Interest coverage ratio (times)                               | 21.3   | 34.6   |

#### 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 Next Fiscal Year

While the business environment surrounding Fujifilm is expected to remain harsh, we believe that proactive and concerted efforts by all Fujifilm Group units to address the essential tasks previously outlined will strengthen our business foundation. Although it is unclear what impact changes in the economic environment may have, we expect to record consolidated revenue of ¥2,670.0 billion and net income of ¥95.0 billion, assuming an exchange rate of ¥120 to US\$1, and ¥125 to 1 euro.

## 4. ENVIRONMENTAL POLICIES

On the basis of our corporate philosophy that environmental awareness and protection are parts of the foundations of our business activities, Fujifilm will continue to pursue earnestly an environmental policy that rests on three pillars:

- Constantly giving due consideration to the natural environment
- Ensuring safety with regard to chemicals
- Increasing environmental performance (preventing the wasteful use of resources)

Regarding the first focus of constantly giving due consideration to the natural environment, 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. We are also emphasizing such activities as green purchasing and procurement as well as environmentally friendly design. In April 2002, we began marketing products created with strong emphasis on various environmental protection objectives-such as the conservation of energy and resources and the minimization and reuse of waste products-in line with our basic rules for environmentally friendly design, and plans call for all newly developed products to conform to those standards in the future. In addition, our one-time-use recyclable cameras, digital cameras, and other products now bear Eco-Leaf environmental labels, which disclose related environmental impact data, and we aim to broaden the application of such labeling.

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.

To improve environmental efficiency, we converted the Fujinomiya Factory so that it could begin using natural gas rather than heavy oil from February 2003, thereby reducing CO<sub>2</sub> emissions. Fujifilm is proactively taking a variety of measures to reduce the environmental impact of its production processes.

### **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<br>March 31, 2003 |                  | As of<br>March 31, 2002 |                  | Change        |
|--|-------------------------|------------------|-------------------------|------------------|---------------|
| <b>ASSETS</b>  | %                       |                  | %                       |                  |               |
| Current assets:  |                         |                  |                         |                  |               |
| Cash and cash equivalents                              |                         | 410,130          |                         | 381,901          | 28,229        |
| Marketable securities                                  |                         | 32,639           |                         | 16,369           | 16,270        |
| Notes and accounts receivable:                         |                         |                  |                         |                  |               |
| Trade and finance                                      |                         | 494,430          |                         | 508,962          | (14,532)      |
| Affiliated companies                                   |                         | 43,198           |                         | 39,489           | 3,709         |
| Allowance for doubtful receivables                     |                         | (16,150)         |                         | (17,952)         | 1,802         |
|  |                         | 521,478          |                         | 530,499          | (9,021)       |
| Inventories  |                         | 351,748          |                         | 358,503          | (6,755)       |
| Deferred income taxes                                  |                         | 76,857           |                         | 70,778           | 6,079         |
| Prepaid expenses and other                             |                         | 36,296           |                         | 31,196           | 5,100         |
| Total current assets                                   | 48.3                    | 1,429,148        | 47.2                    | 1,389,246        | 39,902        |
| Investments and long-term receivables:                 |                         |                  |                         |                  |               |
| Investments in and advances to<br>affiliated companies |                         | 40,741           |                         | 40,080           | 661           |
| Investment securities                                  |                         | 263,002          |                         | 306,256          | (43,254)      |
| Long-term finance and other receivables                |                         | 101,435          |                         | 99,778           | 1,657         |
| Allowance for doubtful receivables                     |                         | (4,991)          |                         | (3,158)          | (1,833)       |
| Total investments and long-term receivables            | 13.5                    | 400,187          | 15.0                    | 442,956          | (42,769)      |
| Property, plant and equipment:                         |                         |                  |                         |                  |               |
| Land   |                         | 73,083           |                         | 73,714           | (631)         |
| Buildings  |                         | 531,466          |                         | 522,760          | 8,706         |
| Machinery and equipment                                |                         | 1,535,312        |                         | 1,522,562        | 12,750        |
| Construction in progress                               |                         | 26,300           |                         | 33,315           | (7,015)       |
|  |                         | 2,166,161        |                         | 2,152,351        | 13,810        |
| Less-accumulated depreciation                          |                         | (1,467,913)      |                         | (1,425,474)      | (42,439)      |
| Total property, plant and equipment                    | 23.6                    | 698,248          | 24.7                    | 726,877          | (28,629)      |
| Other assets:  |                         |                  |                         |                  |               |
| Goodwill, net  |                         | 213,713          |                         | 191,294          | 22,419        |
| Other intangible assets, net                           |                         | 45,246           |                         | 57,423           | (12,177)      |
| Deferred income taxes                                  |                         | 85,625           |                         | 66,260           | 19,365        |
| Other  |                         | 86,150           |                         | 72,306           | 13,844        |
| Total other assets                                     | 14.6                    | 430,734          | 13.1                    | 387,283          | 43,451        |
| <b>Total Assets</b>                                    | <b>100.0</b>            | <b>2,958,317</b> | <b>100.0</b>            | <b>2,946,362</b> | <b>11,955</b> |



Amount Unit: Millions of yen

|   | As of<br>March 31, 2003 |           | As of<br>March 31, 2002 |           | Change   |
|---|-------------------------|-----------|-------------------------|-----------|----------|
| <b>LIABILITIES</b>                            | %                       |           | %                       |           |          |
| Current liabilities:                          |                         |           |                         |           |          |
| Short-term debt                               |                         | 159,631   |                         | 187,254   | (27,623) |
| Notes and accounts payable:                   |                         |           |                         |           |          |
| Trade   |                         | 261,807   |                         | 236,016   | 25,791   |
| Construction                                  |                         | 40,663    |                         | 36,209    | 4,454    |
| Affiliated companies                          |                         | 10,437    |                         | 10,235    | 202      |
|   |                         | 312,907   |                         | 282,460   | 30,447   |
| Accrued income taxes                          |                         | 25,264    |                         | 32,064    | (6,800)  |
| Accrued liabilities                           |                         | 165,994   |                         | 166,391   | (397)    |
| Other current liabilities                     |                         | 48,574    |                         | 52,628    | (4,054)  |
| Total current liabilities                     | 24.1                    | 712,370   | 24.5                    | 720,797   | (8,427)  |
| Long-term liabilities:                        |                         |           |                         |           |          |
| Long-term debt                                |                         | 124,404   |                         | 137,446   | (13,042) |
| Accrued pension and severance costs           |                         | 241,914   |                         | 190,155   | 51,759   |
| Deferred income taxes                         |                         | 21,672    |                         | 18,282    | 3,390    |
| Customers' guarantee deposits and other       |                         | 51,266    |                         | 51,153    | 113      |
| Total long-term liabilities                   | 14.8                    | 439,256   | 13.5                    | 397,036   | 42,220   |
| Minority interests in subsidiaries            | 4.3                     | 126,080   | 4.4                     | 130,466   | (4,386)  |
| <b>SHAREHOLDERS' EQUITY</b>                   |                         |           |                         |           |          |
| Common stock:                                 |                         | 40,363    |                         | 40,363    | 0        |
| Authorized: 800,000,000 shares                |                         |           |                         |           |          |
| Issued: 514,625,728 shares                    |                         |           |                         |           |          |
| Additional paid-in capital                    |                         | 68,135    |                         | 68,135    | 0        |
| Retained earnings                             |                         | 1,653,221 |                         | 1,618,270 | 34,951   |
| Accumulated other comprehensive income (loss) |                         | (76,243)  |                         | (28,133)  | (48,110) |
| Treasury stock, at cost                       |                         | (4,865)   |                         | (572)     | (4,293)  |
| As of March 31, 2002: 130,643 shares          |                         |           |                         |           |          |
| As of March 31, 2003: 1,331,895 shares        |                         |           |                         |           |          |
| Total shareholders' equity                    | 56.8                    | 1,680,611 | 57.6                    | 1,698,063 | (17,452) |
| Total Liabilities and Shareholders' Equity    | 100.0                   | 2,958,317 | 100.0                   | 2,946,362 | 11,955   |

Note: Details of Accumulated other comprehensive income (loss)

|  | As of<br>March 31, 2003 | As of<br>March 31, 2002 | Change   |
|--|-------------------------|-------------------------|----------|
| Unrealized holding gains on securities   | 1,832                   | 2,083                   | (251)    |
| Foreign currency translation adjustments | (3,748)                 | 27,623                  | (31,371) |
| Minimum pension liability adjustments    | (74,274)                | (57,851)                | (16,423) |
| Unrealized gains (losses) on derivatives | (53)                    | 12                      | (65)     |

## CONSOLIDATED STATEMENTS OF INCOME

Amount Unit: Millions of yen

|   | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |           | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |           | Change   |        |
|---|---|-----------|---|-----------|----------|--------|
|   |   | %         |   | %         | Amount   | %      |
| Revenue:  |   |           |   |           |          |        |
| Sales   |   | 2,158,317 |   | 2,053,481 | 104,836  | 5.1    |
| Rentals   |   | 347,386   |   | 347,663   | (277)    | (0.1)  |
|   | 100.0   | 2,505,703 | 100.0   | 2,401,144 | 104,559  | 4.4    |
| Cost of sales:  |   |           |   |           |          |        |
| Sales   |   | 1,337,467 |   | 1,268,521 | 68,946   | 5.4    |
| Rentals   |   | 134,989   |   | 132,690   | 2,299    | 1.7    |
|   | 58.8  | 1,472,456 | 58.4  | 1,401,211 | 71,245   | 5.1    |
| Gross profit  | 41.2  | 1,033,247 | 41.6  | 999,933   | 33,314   | 3.3    |
| Operating expenses:   |   |           |   |           |          |        |
| Selling, general and administrative   | 27.6  | 690,762   | 28.5  | 684,370   | 6,392    | 0.9    |
| Research and development  | 6.3   | 159,119   | 6.1   | 146,881   | 12,238   | 8.3    |
| Losses on liquidation of the welfare pension fund plans                                   | 0.9   | 23,089    | -   | -         | 23,089   | -      |
|   | 34.8  | 872,970   | 34.6  | 831,251   | 41,719   | 5.0    |
| Operating income  | 6.4   | 160,277   | 7.0   | 168,682   | (8,405)  | (5.0)  |
| Other income (expenses):  |   |           |   |           |          |        |
| Interest and dividend income  |   | 10,127    |   | 11,950    | (1,823)  |        |
| Interest expense  |   | (8,769)   |   | (11,649)  | 2,880    |        |
| Exchange gains (losses), net  |   | (7,275)   |   | 8,131     | (15,406) |        |
| Losses on devaluation of investment securities  |   | (17,038)  |   | (7,615)   | (9,423)  |        |
| Gains on non-monetary exchanges of equity securities                                      |   | -         |   | 9,018     | (9,018)  |        |
| Other, net  |   | (16,809)  |   | (18,968)  | 2,159    |        |
|   | (1.6)   | (39,764)  | (0.4)   | (9,133)   | (30,631) | -      |
| Income before income taxes  | 4.8   | 120,513   | 6.6   | 159,549   | (39,036) | (24.5) |
| Income taxes  |   |           |   |           |          |        |
| Current   |   | 62,020    |   | 79,299    | (17,279) | (21.8) |
| Deferred  |   | (1,737)   |   | (8,446)   | 6,709    | 79.4   |
|   | 2.4   | 60,283    | 2.9   | 70,853    | (10,570) | (14.9) |
| Income before minority interests<br>and equity in net earnings of<br>affiliated companies | 2.4   | 60,230    | 3.7   | 88,696    | (28,466) | (32.1) |
| Minority interests  | (0.5)   | (12,835)  | (0.4)   | (10,597)  | (2,238)  | (21.1) |
| Equity in net earnings of affiliated companies  | 0.0   | 1,184     | 0.1   | 3,232     | (2,048)  | (63.4) |
| Net income  | 1.9   | 48,579    | 3.4   | 81,331    | (32,752) | (40.3) |

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Amount Unit: Millions of yen

|  | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 | Change   |
|--|---|---|----------|
| <b>Operating activities</b>  |   |   |          |
| Net income   | 48,579  | 81,331  | (32,752) |
| Adjustments to reconcile net income to net cash provided<br>by operating activities: |   |   |          |
| Depreciation and amortization  | 173,986   | 189,146   | (15,160) |
| Losses on devaluation of investment securities                                       | 17,038  | 7,615   | 9,423    |
| Deferred income taxes  | (1,737)   | (8,446)   | 6,709    |
| Minority interests   | 12,835  | 10,597  | 2,238    |
| Equity in net earnings of affiliated companies, less dividends                       | (944)   | (2,637)   | 1,693    |
| Changes in operating assets and liabilities:   |   |   |          |
| Notes and accounts receivable  | (95)  | 5,630   | (5,725)  |
| Inventories  | 12,771  | 24,087  | (11,316) |
| Notes and accounts payable - trade   | 16,819  | (45,316)  | 62,135   |
| Accrued income taxes   | (12,956)  | (20,502)  | 7,546    |
| Other  | 37,204  | 6,680   | 30,524   |
| Subtotal   | 254,921   | 166,854   | 88,067   |
| Net cash provided by operating activities  | 303,500   | 248,185   | 55,315   |
| <b>Investing activities</b>  |   |   |          |
| Payments for purchases of property, plant and equipment                              | (122,624)   | (158,815)   | 36,191   |
| Payments for purchases of software   | (37,553)  | (26,443)  | (11,110) |
| Proceeds from sales and maturities of marketable and investment securities           | 33,058  | 34,234  | (1,176)  |
| Payments for purchases of marketable and investment securities                       | (23,656)  | (116,104)   | 92,448   |
| Increase in investments in and advances to affiliated companies                      | (6,361)   | (314)   | (6,047)  |
| Payments for acquisitions of businesses, net of cash acquired                        | (33,486)  | (26,750)  | (6,736)  |
| Other  | (11,306)  | (556)   | (10,750) |
| Net cash used in investing activities  | (201,928)   | (294,748)   | 92,820   |
| <b>Financing activities</b>  |   |   |          |
| Proceeds from long-term debt   | 16,055  | 82,383  | (66,328) |
| Repayments of long-term debt   | (28,708)  | (36,199)  | 7,491    |
| Decrease in short-term debt  | (29,902)  | (78,024)  | 48,122   |
| Cash dividends paid  | (12,861)  | (12,222)  | (639)    |
| Cash dividends paid to minority interests  | (4,579)   | (1,396)   | (3,183)  |
| Purchases of stock for treasury, net   | (4,257)   | (416)   | (3,841)  |
| Net cash used in financing activities  | (64,252)  | (45,874)  | (18,378) |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                  | (4,780)   | 8,072   | (12,852) |
| <b>Net increase (decrease) in cash and cash equivalents</b>                          | 32,540  | (84,365)  | 116,905  |
| <b>Cash and cash equivalents at beginning of year</b>                                | 381,901   | 466,266   | (84,365) |
| <b>Change of fiscal year end of certain subsidiaries</b>                             | (4,311)   | -   | (4,311)  |
| <b>Cash and cash equivalents at end of year</b>                                      | 410,130   | 381,901   | 28,229   |

**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 |
|--|--------------|----------------------------|-------------------|--|----------------|----------------------------|
| <b>Balance at March 31, 2001</b>                       | 40,363       | 68,135                     | 1,549,803         | (33,289)                                     | (156)          | 1,624,856                  |
| Comprehensive income:                                  |              |                            |                   |  |                |                            |
| Net income   | -            | -                          | 81,331            | -  | -              | 81,331                     |
| Net decrease in unrealized gains on securities         | -            | -                          | -                 | (12,649)                                     | -              | (12,649)                   |
| Foreign currency translation adjustments               | -            | -                          | -                 | 51,020                                       | -              | 51,020                     |
| Minimum pension liability adjustments                  | -            | -                          | -                 | (33,227)                                     | -              | (33,227)                   |
| Change in net unrealized gains (losses) on derivatives | -            | -                          | -                 | 12   | -              | 12                         |
| Net comprehensive income                               |              |                            |                   |  |                | 86,487                     |
| Purchases of stock for treasury                        | -            | -                          | -                 | -  | (2,123)        | (2,123)                    |
| Sales of stock for treasury                            | -            | -                          | -                 | -  | 1,707          | 1,707                      |
| Cash dividends applicable to earnings of the year      | -            | -                          | (12,864)          | -  | -              | (12,864)                   |
| <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                  |

Note: During the current fiscal year, 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 losses of ¥782 million and net changes in other comprehensive income (losses) of ¥2,756 million for the month ended March 31, 2002 were debited directly to retained earnings and accumulated other comprehensive income (losses), respectively.

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

Amount Unit: Millions of yen

|                       | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |           | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |           | Change  |     |
|-----------------------|---|-----------|---|-----------|---------|-----|
|                       |   |           |   |           | Amount  | %   |
| Revenue:              |   |           |   |           |         |     |
| Imaging Solutions     | 33.2%   | 830,990   | 32.7%   | 784,627   | 46,363  | 5.9 |
| Information Solutions | 28.9%   | 724,299   | 28.5%   | 685,334   | 38,965  | 5.7 |
| Document Solutions    | 37.9%   | 950,414   | 38.8%   | 931,183   | 19,231  | 2.1 |
| Consolidated total    | 100.0%  | 2,505,703 | 100.0%  | 2,401,144 | 104,559 | 4.4 |

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

|                       |  |
|-----------------------|--|
| Imaging Solutions     | Color film, conventional cameras, digital cameras, lab 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, printers, facsimiles and consumables for document services   |

**(2) Domestic and overseas revenue**

Amount Unit: Millions of yen

|                    | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |           | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |           | Change   |       |
|--------------------|---|-----------|---|-----------|----------|-------|
|                    |   |           |   |           | Amount   | %     |
| Revenue:           |   |           |   |           |          |       |
| Domestic           | 53.1%   | 1,330,119 | 56.4%   | 1,355,192 | (25,073) | (1.9) |
| Overseas           |   |           |   |           |          |       |
| The Americas       | 22.5%   | 562,827   | 21.5%   | 517,135   | 45,692   | 8.8   |
| Europe             | 13.3%   | 333,699   | 11.8%   | 282,820   | 50,879   | 18.0  |
| Asia and others    | 11.1%   | 279,058   | 10.3%   | 245,997   | 33,061   | 13.4  |
| Subtotal           | 46.9%   | 1,175,584 | 43.6%   | 1,045,952 | 129,632  | 12.4  |
| Consolidated total | 100.0%  | 2,505,703 | 100.0%  | 2,401,144 | 104,559  | 4.4   |

**SEGMENT INFORMATION****(1) Operating segments****(a) Revenue and Operating Income**

Amount Unit: Millions of yen

|                               | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |                  | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |                  | Change         |            |
|-------------------------------|---|------------------|---|------------------|----------------|------------|
|                               |   |                  |   |                  | Amount         | %          |
| <b>Revenue:</b>               |   |                  |   |                  |                |            |
| <b>Imaging Solutions:</b>     |   |                  |   |                  |                |            |
| External customers            | 33.2%   | 830,990          | 32.8%   | 784,627          | 46,363         | 5.9        |
| Intersegment                  |   | 447              |   | 378              | 69             | -          |
| <b>Total</b>                  |   | 831,437          |   | 785,005          | 46,432         | 5.9        |
| <b>Information Solutions:</b> |   |                  |   |                  |                |            |
| External customers            | 28.9%   | 724,299          | 28.4%   | 685,334          | 38,965         | 5.7        |
| Intersegment                  |   | 5,046            |   | 3,403            | 1,643          | -          |
| <b>Total</b>                  |   | 729,345          |   | 688,737          | 40,608         | 5.9        |
| <b>Document Solutions:</b>    |   |                  |   |                  |                |            |
| External customers            | 37.9%   | 950,414          | 38.8%   | 931,183          | 19,231         | 2.1        |
| Intersegment                  |   | 11,588           |   | 11,647           | (59)           | -          |
| <b>Total</b>                  |   | 962,002          |   | 942,830          | 19,172         | 2.0        |
| Eliminations                  |   | (17,081)         |   | (15,428)         | (1,653)        | -          |
| <b>Consolidated total</b>     | <b>100.0%</b>   | <b>2,505,703</b> | <b>100.0%</b>   | <b>2,401,144</b> | <b>104,559</b> | <b>4.4</b> |

Amount Unit: Millions of yen

|   | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |                | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |                | Change         |              |
|---|---|----------------|---|----------------|----------------|--------------|
|   |   |                |   |                | Amount         | %            |
| <b>Operating Income:</b>                                |   |                |   |                |                |              |
| Imaging Solutions                                       | 6.8%  | 56,709         | 6.2%  | 48,792         | 7,917          | 16.2         |
| Information Solutions                                   | 10.3%   | 75,287         | 12.0%   | 82,523         | (7,236)        | (8.8)        |
| Document Solutions                                      | 5.3%  | 51,369         | 4.0%  | 37,353         | 14,016         | 37.5         |
| <b>Total</b>  |   | 183,365        |   | 168,668        | 14,697         | 8.7          |
| Eliminations  |   | 1              |   | 14             | (13)           | -            |
| Losses on liquidation of the welfare pension fund plans |   | (23,089)       |   | -              | (23,089)       | -            |
| <b>Consolidated total</b>                               | <b>6.4%</b>   | <b>160,277</b> | <b>7.0%</b>   | <b>168,682</b> | <b>(8,405)</b> | <b>(5.0)</b> |

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

|                       |  |
|-----------------------|--|
| Imaging Solutions     | Color film, conventional cameras, digital cameras, lab 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, printers, facsimiles and consumables for document services   |

## (b) Total Assets

Amount Unit: Millions of yen

|                       | As of<br>March 31, 2003 | As of<br>March 31, 2002 | Change   |       |
|-----------------------|-------------------------|-------------------------|----------|-------|
|                       |                         |                         | Amount   | %     |
| Total Assets:         |                         |                         |          |       |
| Imaging Solutions     | 803,772                 | 803,349                 | 423      | 0.1   |
| Information Solutions | 694,451                 | 696,214                 | (1,763)  | (0.3) |
| Document Solutions    | 962,034                 | 938,850                 | 23,184   | 2.5   |
| Subtotal              | 2,460,257               | 2,438,413               | 21,844   | 0.9   |
| Eliminations          | (5,750)                 | (14,601)                | 8,851    | -     |
| Corporate assets      | 503,810                 | 522,550                 | (18,740) | (3.6) |
| Consolidated total    | 2,958,317               | 2,946,362               | 11,955   | 0.4   |

## (c) Depreciation and Amortization, and Capital Expenditures

Amount Unit: Millions of yen

|                                | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 | Change   |        |
|--------------------------------|---|---|----------|--------|
|                                |   |   | Amount   | %      |
| Depreciation and Amortization: |   |   |          |        |
| Imaging Solutions              | 65,787  | 71,967  | (6,180)  | (8.6)  |
| Information Solutions          | 47,523  | 42,418  | 5,105    | 12.0   |
| Document Solutions             | 60,676  | 74,761  | (14,085) | (18.8) |
| Consolidated total             | 173,986   | 189,146   | (15,160) | (8.0)  |
| Capital Expenditures:          |   |   |          |        |
| Imaging Solutions              | 43,897  | 59,907  | (16,010) | (26.7) |
| Information Solutions          | 58,739  | 61,609  | (2,870)  | (4.7)  |
| Document Solutions             | 24,683  | 34,009  | (9,326)  | (27.4) |
| Consolidated total             | 127,319   | 155,525   | (28,206) | (18.1) |

## (2) Geographic information

## (a) Revenue and Operating Income

Amount Unit: Millions of yen

|                    | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |           | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |           | Change   |      |
|--------------------|---|-----------|---|-----------|----------|------|
|                    |   |           |   |           | Amount   | %    |
| Revenue:           |   |           |   |           |          |      |
| Japan              |   |           |   |           |          |      |
| External customers | 63.6%   | 1,594,306 | 65.7%   | 1,578,445 | 15,861   | 1.0  |
| Intersegment       |   | 303,766   |   | 264,002   | 39,764   | -    |
| Total              |   | 1,898,072 |   | 1,842,447 | 55,625   | 3.0  |
| The Americas       |   |           |   |           |          |      |
| External customers | 19.4%   | 486,679   | 18.6%   | 446,429   | 40,250   | 9.0  |
| Intersegment       |   | 7,597     |   | 6,266     | 1,331    | -    |
| Total              |   | 494,276   |   | 452,695   | 41,581   | 9.2  |
| Europe             |   |           |   |           |          |      |
| External customers | 10.7%   | 267,398   | 9.8%  | 235,897   | 31,501   | 13.4 |
| Intersegment       |   | 10,060    |   | 11,550    | (1,490)  | -    |
| Total              |   | 277,458   |   | 247,447   | 30,011   | 12.1 |
| Asia and others    |   |           |   |           |          |      |
| External customers | 6.3%  | 157,320   | 5.9%  | 140,373   | 16,947   | 12.1 |
| Intersegment       |   | 89,181    |   | 73,903    | 15,278   | -    |
| Total              |   | 246,501   |   | 214,276   | 32,225   | 15.0 |
| Eliminations       |   | (410,604) |   | (355,721) | (54,883) | -    |
| Consolidated total | 100.0%  | 2,505,703 | 100.0%  | 2,401,144 | 104,559  | 4.4  |

Amount Unit: Millions of yen

|   | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |          | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |         | Change   |       |
|---|---|----------|---|---------|----------|-------|
|   |   |          |   |         | Amount   | %     |
| Operating Income:                                       |   |          |   |         |          |       |
| Japan   | 7.7%  | 145,809  | 7.6%  | 140,424 | 5,385    | 3.8   |
| The Americas  | 3.9%  | 19,266   | 4.1%  | 18,546  | 720      | 3.9   |
| Europe  | 4.1%  | 11,243   | 3.0%  | 7,400   | 3,843    | 51.9  |
| Asia and others   | 3.6%  | 8,908    | 1.2%  | 2,465   | 6,443    | 261.4 |
| Eliminations  | -   | (1,860)  | -   | (153)   | (1,707)  | -     |
| Losses on liquidation of the welfare pension fund plans |   | (23,089) |   | -       | (23,089) | -     |
| Consolidated total                                      | 6.4%  | 160,277  | 7.0%  | 168,682 | (8,405)  | (5.0) |

## (b) Long-term Assets

Amount Unit: Millions of yen

|                    | As of<br>March 31, 2003 |         | As of<br>March 31, 2002 |         | Change   |        |
|--------------------|-------------------------|---------|-------------------------|---------|----------|--------|
|                    |                         |         |                         |         | Amount   | %      |
| Long-term Assets:  |                         |         |                         |         |          |        |
| Japan              |                         | 485,557 |                         | 490,192 | (4,635)  | (0.9)  |
| The Americas       |                         | 116,101 |                         | 142,136 | (26,035) | (18.3) |
| Europe             |                         | 67,004  |                         | 61,374  | 5,630    | 9.2    |
| Asia and others    |                         | 29,586  |                         | 33,175  | (3,589)  | (10.8) |
| Consolidated total |                         | 698,248 |                         | 726,877 | (28,629) | (3.9)  |



**MARKETABLE AND INVESTMENT SECURITIES****Fair Value on Marketable and Investment Securities**

Amount Unit: Millions of yen

|                             | As of March 31, 2003 |                        |                         |                      | As of March 31, 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   | 32,647               | 53                     | 61                      | 32,639               | 16,352               | 1                      | 286                     | 16,067               |
| Other debt securities       | -                    | -                      | -                       | -                    | 300                  | 2                      | -                       | 302                  |
| Total marketable securities | 32,647               | 53                     | 61                      | 32,639               | 16,652               | 3                      | 286                     | 16,369               |
| Investment securities:      |                      |                        |                         |                      |                      |                        |                         |                      |
| Government securities       | 2,743                | 90                     | -                       | 2,833                | 2,631                | 25                     | -                       | 2,656                |
| Corporate debt securities   | 167,717              | 604                    | 2,737                   | 165,584              | 212,828              | 834                    | 4,015                   | 209,647              |
| Equity securities           | 44,654               | 17,056                 | 2,381                   | 59,329               | 36,559               | 25,142                 | 8,816                   | 52,885               |
| Total investment securities | 215,114              | 17,750                 | 5,118                   | 227,746              | 252,018              | 26,001                 | 12,831                  | 265,188              |
| Total                       | 247,761              | 17,803                 | 5,179                   | 260,385              | 268,670              | 26,004                 | 13,117                  | 281,557              |

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 Fourth Quarter)**

Amount Unit: Millions of yen

|  | Three months ended<br>March 31, 2003 |                                   | Three months ended<br>March 31, 2002 |                                   | Change   |         |
|--|--------------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|----------|---------|
|  | From<br>To                           | January 1, 2003<br>March 31, 2003 | From<br>To                           | January 1, 2002<br>March 31, 2002 | Amount   | %       |
| Revenue:   |                                      | %                                 |                                      | %                                 |          |         |
| Sales  |                                      | 530,086                           |                                      | 519,474                           | 10,612   | 2.0     |
| Rentals  |                                      | 86,286                            |                                      | 82,932                            | 3,354    | 4.0     |
|  | 100.0                                | 616,372                           | 100.0                                | 602,406                           | 13,966   | 2.3     |
| Cost of sales:   |                                      |                                   |                                      |                                   |          |         |
| Sales  |                                      | 337,545                           |                                      | 329,687                           | 7,858    | 2.4     |
| Rentals  |                                      | 33,193                            |                                      | 33,522                            | (329)    | (1.0)   |
|  | 60.2                                 | 370,738                           | 60.3                                 | 363,209                           | 7,529    | 2.1     |
| Gross profit   | 39.8                                 | 245,634                           | 39.7                                 | 239,197                           | 6,437    | 2.7     |
| Operating expenses:  |                                      |                                   |                                      |                                   |          |         |
| Selling, general and administrative  | 29.6                                 | 182,389                           | 29.3                                 | 176,637                           | 5,752    | 3.3     |
| Research and development   | 6.7                                  | 41,374                            | 5.9                                  | 35,645                            | 5,729    | 16.1    |
| Losses on liquidation of the welfare pension fund plans  | 3.7                                  | 23,089                            | -                                    | -                                 | 23,089   | -       |
|  | 40.0                                 | 246,852                           | 35.2                                 | 212,282                           | 34,570   | 16.3    |
| Operating income (losses)  | (0.2)                                | (1,218)                           | 4.5                                  | 26,915                            | (28,133) | (104.5) |
| Other income (expenses):   |                                      |                                   |                                      |                                   |          |         |
| Interest and dividend income   |                                      | 2,557                             |                                      | 2,850                             | (293)    |         |
| Interest expense   |                                      | (2,159)                           |                                      | (2,490)                           | 331      |         |
| Exchange gains, net  |                                      | 2,763                             |                                      | 840                               | 1,923    |         |
| Losses on devaluation of investment securities   |                                      | (2,824)                           |                                      | (1,176)                           | (1,648)  |         |
| Other, net   |                                      | (9,701)                           |                                      | (8,191)                           | (1,510)  |         |
|  | (1.5)                                | (9,364)                           | (1.4)                                | (8,167)                           | (1,197)  | -       |
| Income (losses) before income taxes  | (1.7)                                | (10,582)                          | 3.1                                  | 18,748                            | (29,330) | (156.4) |
| Income taxes   |                                      |                                   |                                      |                                   |          |         |
| Current  |                                      | 885                               |                                      | 18,040                            | (17,155) | (95.1)  |
| Deferred   |                                      | (28)                              |                                      | (9,749)                           | 9,721    | 99.7    |
|  | 0.2                                  | 857                               | 1.4                                  | 8,291                             | (7,434)  | (89.7)  |
| Income (losses) before minority interests<br>and equity in net earnings of<br>affiliated companies | (1.9)                                | (11,439)                          | 1.7                                  | 10,457                            | (21,896) | (209.4) |
| Minority interests   | (0.3)                                | (1,957)                           | (0.2)                                | (1,352)                           | (605)    | (44.7)  |
| Equity in net earnings of affiliated companies   | 0.4                                  | 2,513                             | 0.1                                  | 542                               | 1,971    | 363.7   |
| Net income (losses)  | (1.8)                                | (10,883)                          | 1.6                                  | 9,647                             | (20,530) | (212.8) |

## &lt;Reference&gt;

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

Amount Unit: Millions of yen

|                       | Three months ended<br>March 31, 2003<br>From January 1, 2003<br>To March 31, 2003 |         | Three months ended<br>March 31, 2002<br>From January 1, 2002<br>To March 31, 2002 |         | Change   |       |
|-----------------------|---|---------|---|---------|----------|-------|
|                       |   |         |   |         | Amount   | %     |
| Revenue:              |   |         |   |         |          |       |
| Imaging Solutions     | 29.3%   | 180,622 | 29.2%   | 175,801 | 4,821    | 2.7   |
| Information Solutions | 30.3%   | 186,954 | 32.7%   | 197,315 | (10,361) | (5.3) |
| Document Solutions    | 40.4%   | 248,796 | 38.1%   | 229,290 | 19,506   | 8.5   |
| Consolidated total    | 100.0%  | 616,372 | 100.0%  | 602,406 | 13,966   | 2.3   |

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

|                       |  |
|-----------------------|--|
| Imaging Solutions     | Color film, conventional cameras, digital cameras, lab 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, printers, facsimiles and consumables for document services   |

**(2) Domestic and overseas revenue**

Amount Unit: Millions of yen

|                    | Three months ended<br>March 31, 2003<br>From January 1, 2003<br>To March 31, 2003 |         | Three months ended<br>March 31, 2002<br>From January 1, 2002<br>To March 31, 2002 |         | Change  |       |
|--------------------|---|---------|---|---------|---------|-------|
|                    |   |         |   |         | Amount  | %     |
| Revenue:           |   |         |   |         |         |       |
| Domestic           | 56.1%   | 346,049 | 55.6%   | 334,702 | 11,347  | 3.4   |
| Overseas           |   |         |   |         |         |       |
| The Americas       | 19.5%   | 120,462 | 21.6%   | 130,194 | (9,732) | (7.5) |
| Europe             | 12.9%   | 79,537  | 11.6%   | 69,837  | 9,700   | 13.9  |
| Asia and others    | 11.5%   | 70,324  | 11.2%   | 67,673  | 2,651   | 3.9   |
| Subtotal           | 43.9%   | 270,323 | 44.4%   | 267,704 | 2,619   | 1.0   |
| Consolidated total | 100.0%  | 616,372 | 100.0%  | 602,406 | 13,966  | 2.3   |


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

 Shigetaka Komori  
 President, Representative Director

 URL: <http://home.fujifilm.com/>
**Financial Results (Non-Consolidated) for the Fiscal Year ended March 31, 2003**

Date of Board Meeting for the fiscal year ended March 31, 2003: April 30, 2003

Date of Regular Shareholders' Meeting: June 27, 2003

The Company has a policy of paying interim dividends

Shares of the Company are traded as unit of 1,000 shares on the Tokyo Stock Exchange

**1. Results of the Fiscal Year ended March 31, 2003 (From April 1, 2002 to March 31, 2003)**
**(1) FINANCIAL RESULTS**

Amount Unit: Millions of yen unless otherwise specified

|                           | Net Sales |       | Operating Income |        | Ordinary Income |       |
|---------------------------|-----------|-------|------------------|--------|-----------------|-------|
|                           |           | %     |                  | %      |                 | %     |
| Year ended March 31, 2003 | 795,409   | (6.2) | 85,546           | (10.0) | 93,480          | (7.2) |
| Year ended March 31, 2002 | 847,747   | (0.2) | 95,083           | (6.5)  | 100,688         | (9.2) |

|                           | 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 Ordinary Income to Total Assets | Ratio of Ordinary Income to Net Sales |
|---------------------------|------------|--------|--------------------------------------|---|---|--|---------------------------------------|
|                           |            | %      | Yen                                  | Yen   | %   | %  | %                                     |
| Year ended March 31, 2003 | 44,472     | (22.2) | 86.29                                | -   | 3.1   | 5.6                                      | 11.8                                  |
| Year ended March 31, 2002 | 57,160     | (9.5)  | 111.08                               | -   | 4.0   | 6.1                                      | 11.9                                  |

Notes 1. Average number of shares:

Year ended March 31, 2003: 514,081,467 Year ended March 31, 2002: 514,583,432

2. Change in Accounting Policies: Changed

3. Percent: Change against corresponding period of the previous year on Net Sales, Operating Income, Ordinary Income, Net Income.

**(2) CASH DIVIDENDS**

|                           | Cash Dividends per Share of Common Stock |          |       | Total Cash Dividends | Pay out Ratio | Ratio of Cash Dividends To Shareholders' Equity |
|---------------------------|--|----------|-------|----------------------|---------------|---|
|                           | Interim                                  | Year end |       |                      |               |   |
|                           | Yen                                      | Yen      | Yen   |                      | %             | %   |
| Year ended March 31, 2003 | 25.00                                    | 12.50    | 12.50 | 12,846               | 29.0          | 0.9   |
| Year ended March 31, 2002 | 25.00                                    | 12.50    | 12.50 | 12,863               | 22.5          | 0.9   |

**(3) FINANCIAL POSITION**

|                      | Total Assets | Shareholders' Equity | Shareholders' Equity Ratio to Total Assets | Shareholders' Equity Per Share of Common Stock |
|----------------------|--------------|----------------------|--|--|
|                      |              |                      | %  | Yen  |
| As of March 31, 2003 | 1,666,327    | 1,456,615            | 87.4                                       | 2,837.16                                       |
| As of March 31, 2002 | 1,656,150    | 1,433,315            | 86.5                                       | 2,785.87                                       |

Notes 1. Number of Shares Outstanding: As of March 31, 2003: 513,367,038 As of March 31, 2002: 514,495,085

2. Number of Treasury Stocks: As of March 31, 2003: 1,258,690 As of March 31, 2002: 130,643

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

|  | Net Sales | Operating Income | Ordinary Income | Net Income | Cash Dividends per Share of Common Stock |          |       |
|--|-----------|------------------|-----------------|------------|--|----------|-------|
|  |           |                  |                 |            | Interim                                  | Year end |       |
|  |           |                  |                 |            | Yen                                      | Yen      | Yen   |
| For 6 months ending September 30, 2003 | 400,000   | 37,000           | 41,000          | 26,000     | 12.50                                    | -        | -     |
| For Year ending March 31, 2004         | 830,000   | 88,000           | 94,000          | 60,000     | -  | 12.50    | 25.00 |

(Reference) Expected Net Income per Share of Common Stock for Year ending March 31, 2004: ¥116.66

Note: These forward-looking statements 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.

**BALANCE SHEETS (Non-Consolidated)**

|                                      | As of<br>March 31, 2003 |           | As of<br>March 31, 2002 |           | Change   |
|--------------------------------------|-------------------------|-----------|-------------------------|-----------|----------|
| <b>ASSETS</b>                        | %                       |           | %                       |           |          |
| <b>Current assets</b>                |                         |           |                         |           |          |
| Cash on hand and in banks            |                         | 243,333   |                         | 227,865   | 15,468   |
| Trade notes receivable               |                         | 27,440    |                         | 28,168    | (728)    |
| Trade accounts receivable            |                         | 128,841   |                         | 141,105   | (12,264) |
| Other account receivable             |                         | 17,685    |                         | 15,477    | 2,207    |
| Income taxes refundable              |                         | 5,565     |                         | -         | 5,565    |
| Short-term loans receivable          |                         | 13,319    |                         | 5,606     | 7,712    |
| Marketable securities                |                         | 32,596    |                         | 16,315    | 16,281   |
|                                      | 28.1                    | 468,781   | 26.2                    | 434,539   | 34,241   |
| Finished goods                       |                         | 41,716    |                         | 42,920    | (1,203)  |
| Semi-finished goods, Work in process |                         | 27,749    |                         | 26,815    | 934      |
| Raw materials                        |                         | 12,654    |                         | 16,297    | (3,643)  |
| Supplies                             |                         | 6,575     |                         | 6,771     | (196)    |
|                                      | 5.3                     | 88,696    | 5.6                     | 92,804    | (4,108)  |
| Deferred income taxes                |                         | 11,639    |                         | 11,644    | (4)      |
| Other current assets                 |                         | 2,106     |                         | 1,499     | 607      |
| Allowance for doubtful receivables   |                         | (180)     |                         | (430)     | 250      |
| Total current assets                 | 34.3                    | 571,043   | 32.6                    | 540,057   | 30,986   |
| <b>Fixed assets</b>                  |                         |           |                         |           |          |
| <b>Property, plant and equipment</b> |                         |           |                         |           |          |
| Building                             |                         | 82,776    |                         | 83,596    | (820)    |
| Structures                           |                         | 7,743     |                         | 7,274     | 469      |
| Machinery and equipment              |                         | 116,371   |                         | 109,366   | 7,004    |
| Vehicles, furniture and fixtures     |                         | 26,479    |                         | 25,606    | 873      |
| Land                                 |                         | 20,688    |                         | 20,688    | 0        |
| Construction in progress             |                         | 12,298    |                         | 13,317    | (1,019)  |
| Subtotal                             | 16.0                    | 266,358   | 15.7                    | 259,849   | 6,508    |
| <b>Intangible assets</b>             |                         |           |                         |           |          |
| Software                             |                         | 28,502    |                         | 27,528    | 974      |
| Rights of utilization                |                         | 2,136     |                         | 2,208     | (71)     |
| Subtotal                             | 1.8                     | 30,639    | 1.8                     | 29,736    | 902      |
| <b>Investments</b>                   |                         |           |                         |           |          |
| Investments securities               |                         | 227,394   |                         | 264,195   | (36,800) |
| Investments in subsidiaries          |                         | 556,519   |                         | 540,871   | 15,647   |
| Long-term loans receivable           |                         | 6,926     |                         | 10,718    | (3,792)  |
| Long-term prepaid expenses           |                         | 5,400     |                         | 6,082     | (681)    |
| Deferred income taxes - non current  |                         | -         |                         | 2,354     | (2,354)  |
| Other investments                    |                         | 2,363     |                         | 2,454     | (90)     |
| Allowance for doubtful receivable    |                         | (320)     |                         | (170)     | (150)    |
| Subtotal                             | 47.9                    | 798,285   | 49.9                    | 826,507   | (28,221) |
| Total fixed assets                   | 65.7                    | 1,095,283 | 67.4                    | 1,116,093 | (20,810) |
| Total Assets                         | 100.0                   | 1,666,327 | 100.0                   | 1,656,150 | 10,176   |

Amount Unit: Millions of yen

|   | As of<br>March 31, 2003 |           | As of<br>March 31, 2002 |           | Change     |
|---|-------------------------|-----------|-------------------------|-----------|------------|
| <b>LIABILITIES</b>  | %                       |           | %                       |           |            |
| Current liabilities   |                         |           |                         |           |            |
| Trade notes payable   |                         | 26,838    |                         | 30,461    | (3,623)    |
| Trade accounts payable  |                         | 54,917    |                         | 51,352    | 3,564      |
| Other accounts payable  |                         | 22,797    |                         | 21,788    | 1,008      |
| Accrued income taxes  |                         | -         |                         | 13,703    | (13,703)   |
| Accrued expenses  |                         | 54,917    |                         | 55,144    | (227)      |
| Other current liabilities   |                         | 2,126     |                         | 1,507     | 619        |
| Total current liabilities   | 9.7                     | 161,596   | 10.5                    | 173,959   | (12,363)   |
| Long-term liabilities   |                         |           |                         |           |            |
| Customers' guarantee deposits                                     |                         | 33,690    |                         | 31,852    | 1,837      |
| Deferred tax liabilities - non current                            |                         | 3,188     |                         | -         | 3,188      |
| Accrued pension and severance costs                               |                         | 10,805    |                         | 16,558    | (5,753)    |
| Directors' retirement benefit                                     |                         | 431       |                         | 464       | (33)       |
| Total long-term liabilities                                       | 2.9                     | 48,115    | 3.0                     | 48,875    | (760)      |
| Total liabilities   | 12.6                    | 209,711   | 13.5                    | 222,835   | (13,123)   |
| <b>SHAREHOLDERS' EQUITY</b>                                       |                         |           |                         |           |            |
| Common stock  | 2.4                     | 40,363    | 2.4                     | 40,363    | 0          |
| Capital surplus   |                         |           |                         |           |            |
| Additional paid-in capital  | 3.5                     | 58,980    | 3.6                     | 58,980    | 0          |
| Retained earnings   |                         |           |                         |           |            |
| Legal reserve   | 0.6                     | 10,090    | 0.6                     | 10,090    | 0          |
| Reserve for dividends   |                         | 280       |                         | 280       | 0          |
| Reserve for retirement allowance                                  |                         | 280       |                         | 280       | 0          |
| Reserve for R&D   |                         | 285       |                         | 285       | 0          |
| Reserve for overseas investments loss                             |                         | 26        |                         | 39        | (13)       |
| Reserve for accelerated depreciation                              |                         | 422       |                         | 462       | (40)       |
| Reserve for deferred capital gain<br>for reinvestment in property |                         | 777       |                         | 806       | (29)       |
| General reserve   |                         | 1,289,305 |                         | 1,245,305 | 44,000     |
| Total voluntary reserve   | 77.5                    | 1,291,376 | 75.3                    | 1,247,458 | 43,917     |
| Unappropriated retained earnings<br>[Net income included above]   | 3.2                     | 53,842    | 4.0                     | 66,237    | (12,394)   |
| Total retained earnings   | [2.7]                   | [44,472]  | [3.5]                   | [57,160]  | [(12,688)] |
| Total retained earnings   | 81.3                    | 1,355,309 | 79.9                    | 1,323,787 | 31,522     |
| Unrealized gains on securities                                    | 0.4                     | 6,791     | 0.6                     | 10,755    | (3,964)    |
| Treasury stocks   |                         | (4,829)   |                         | (571)     | (4,257)    |
| Total shareholders' equity  | 87.4                    | 1,456,615 | 86.5                    | 1,433,315 | 23,300     |
| Total Liabilities and Shareholders' Equity                        | 100.0                   | 1,666,327 | 100.0                   | 1,656,150 | 10,176     |

**STATEMENTS OF INCOME (Non-Consolidated)**

Amount Unit: Millions of yen

|   | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |         | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |         | Change   |        |
|---|---|---------|---|---------|----------|--------|
|   |   |         |   |         | Amount   | %      |
| Operating revenues                                    | %   |         | %   |         |          |        |
| Net sales   | 100.0   | 795,409 | 100.0   | 847,747 | (52,338) | (6.2)  |
| Operating expenses                                    |   |         |   |         |          |        |
| Cost of sales   | 63.0  | 501,136 | 56.6  | 480,034 | 21,101   | 4.4    |
| Selling, general and administrative expenses          | 16.9  | 134,587 | 23.7  | 200,698 | (66,111) | (32.9) |
| Research and development expenses                     | 9.3   | 74,139  | 8.5   | 71,931  | 2,208    | 3.1    |
| Total operating expenses                              | 89.2  | 709,863 | 88.8  | 752,664 | (42,801) | (5.7)  |
| Operating income                                      | 10.8  | 85,546  | 11.2  | 95,083  | (9,536)  | (10.0) |
| Other income  |   |         |   |         |          |        |
| Interest income                                       |   | 2,379   |   | 2,448   | (69)     | (2.8)  |
| Dividends income                                      |   | 11,489  |   | 1,720   | 9,769    | 567.8  |
| Miscellaneous income                                  |   | 460     |   | 5,330   | (4,869)  | (91.4) |
| Total other income                                    | 1.8   | 14,329  | 1.1   | 9,499   | 4,829    | 50.8   |
| Other expenses  |   |         |   |         |          |        |
| Interest expenses                                     |   | 523     |   | 578     | (55)     | (9.6)  |
| Bank charges for export drafts discounted             |   | 467     |   | 903     | (436)    | (48.3) |
| Miscellaneous expenses                                |   | 5,405   |   | 2,412   | 2,992    | 124.0  |
| Total other expenses                                  | 0.8   | 6,395   | 0.4   | 3,894   | 2,501    | 64.2   |
| Ordinary income                                       | 11.8  | 93,480  | 11.9  | 100,688 | (7,207)  | (7.2)  |
| Extraordinary Losses                                  |   |         |   |         |          |        |
| Losses on disposal of fixed assets                    |   | 8,509   |   | 3,373   | 5,135    | 152.2  |
| Losses on sale of investments securities              |   | 3,557   |   | -       | 3,557    | -      |
| Losses on devaluation of investment securities        |   | 5,852   |   | 3,602   | 2,250    | 62.5   |
| Losses on liquidity of the welfare pension fund plans |   | 6,355   |   | -       | 6,355    | -      |
| Total extraordinary losses                            | 3.1   | 24,275  | 0.8   | 6,975   | 17,299   | 248.0  |
| Net income before income taxes                        | 8.7   | 69,205  | 11.1  | 93,713  | (24,507) | (26.2) |
| Income taxes - current                                | 2.0   | 16,000  | 4.4   | 36,500  | (20,500) | (56.2) |
| Income taxes - deferred                               |   | 8,733   |   | 52      | 8,680    | -      |
| Net income  | 5.6   | 44,472  | 6.7   | 57,160  | (12,688) | (22.2) |
| Retained earnings brought forward                     |   | 15,799  |   | 15,509  | 290      |        |
| Interim dividends paid                                |   | 6,429   |   | 6,432   | (3)      |        |
| Unappropriated retained earnings                      |   | 53,842  |   | 66,237  | (12,394) |        |

**STATEMENT OF RETAINED EARNINGS (Non-Consolidated)  
(Proposed)**

Amount Unit: Millions of yen

|   | Year ended March 31, 2003<br>(From April 1, 2002 to March 31, 2003) |             | Year ended March 31, 2002<br>(From April 1, 2001 to March 31, 2002) |             |
|---|---|-------------|---|-------------|
|   | %   |             | %   |             |
| Unappropriated retained earnings  |   | 53,842      |   | 66,237      |
| Reversal of voluntary reserve   |   |             |   |             |
| Reversal of reserve for overseas investments loss                             |   | 12          |   | 13          |
| Reversal of reserve for accelerated depreciation                              |   | 69          |   | 74          |
| Reversal of reserve for deferred capital gain<br>for reinvestment in property |   | 6           |   | 29          |
| Subtotal  |   | 89          |   | 117         |
| Total   | 100.0   | 53,931      | 100.0   | 66,355      |
| Appropriation of retained earnings  |   |             |   |             |
| Dividends   | 11.9  | 6,417       | 9.7   | 6,431       |
| [Dividends per share]   |   | [12.50 yen] |   | [12.50 yen] |
| Bonuses for directors and corporate auditors                                  | 0.2   | 111         | 0.1   | 89          |
| [for corporate auditors]  |   | [7]         |   | [5]         |
| Reserve for accelerated depreciation  | 0.3   | 144         | 0.1   | 34          |
| General reserve   | 57.5  | 31,000      | 66.3  | 44,000      |
| Total   | 69.9  | 37,672      | 76.2  | 50,555      |
| Retained earnings carried forward   | 30.1  | 16,259      | 23.8  | 15,799      |

**DETAILS OF NET SALES (Non-Consolidated)****(1) Net sales by product**

Amount Unit: Millions of yen

|                       | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |         | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |         | Change   |       |
|-----------------------|---|---------|---|---------|----------|-------|
|                       |   |         |   |         | Amount   | %     |
| Net sales:            |   |         |   |         |          |       |
| Imaging Solutions     | 55.7%   | 443,086 | 54.7%   | 463,940 | (20,854) | (4.5) |
| Information Solutions | 44.3%   | 352,323 | 45.3%   | 383,807 | (31,484) | (8.2) |
| Total                 | 100.0%  | 795,409 | 100.0%  | 847,747 | (52,338) | (6.2) |

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

|                       |  |
|-----------------------|--|
| Imaging Solutions     | Color film, conventional cameras, digital cameras, lab equipment and color paper, chemicals for photofinishing                             |
| Information Solutions | Equipment and consumables for graphic arts, medical imaging, and information systems, liquid crystal display materials and recording media |

**(2) Domestic and export sales**

Amount Unit: Millions of yen

|            | Year ended<br>March 31, 2003<br>From April 1, 2002<br>To March 31, 2003 |         | Year ended<br>March 31, 2002<br>From April 1, 2001<br>To March 31, 2002 |         | Change   |        |
|------------|---|---------|---|---------|----------|--------|
|            |   |         |   |         | Amount   | %      |
| Net sales: |   |         |   |         |          |        |
| Domestic   | 51.4%   | 408,826 | 58.4%   | 494,778 | (85,952) | (17.4) |
| Export     | 48.6%   | 386,583 | 41.6%   | 352,969 | 33,614   | 9.5    |
| Total      | 100.0%  | 795,409 | 100.0%  | 847,747 | (52,338) | (6.2)  |



**NOTES****Notes to the balance sheets**

Amount Unit: Millions of yen

|   | As of<br>March 31, 2003 | As of<br>March 31, 2002 | Change           |
|---|-------------------------|-------------------------|------------------|
| Accumulated depreciation of tangible fixed assets | 719,865                 | 713,510                 | 6,354            |
| Contingent liabilities for guarantees             | 60,526                  | 92,870                  | (32,344)         |
| Amount of export bills discounted                 | 8,316                   | 6,307                   | 2,009            |
| Number of treasury stocks                         | 1,258,690 shares        | 130,643 shares          | 1,128,047 shares |

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(1) Securities**

Investments in subsidiaries and affiliated companies are stated at cost determined by the moving average method.

Other securities that have fair values are stated at fair value, with unrealized gains and losses excluded from earnings and included in a separate component of shareholders' equity on a net-of-tax basis. Realized gains and losses on sales of securities are based on the moving average cost of the securities sold.

Other securities that do not have fair values are stated at cost determined by the moving average method.

**(2) Inventories**

Finished goods, semi-finished goods, work in process, supplemental materials and supplies are stated at the lower of moving average cost or market. Silver nitrate included in semi-finished goods and work in process, and principal raw materials are stated at the lower of cost or market determined by the last-in, first-out method.

**(3) Depreciation and amortization**

Depreciation of property, plant and equipment is computed by the declining-balance method except that depreciation of buildings acquired on and after April 1, 1998 is computed by the straight-line method.

Intangible assets are amortized by the declining-balance method assuming a nil residual value; however, software is amortized by the straight-line method.

**(4) Reserves***Allowance for doubtful receivables*

The allowance for doubtful receivables is provided at the amount of estimated uncollectible accounts, based on individual collectibility with respect to identified doubtful receivables and past experience of doubtful receivables.

*Pension and severance benefits*

Pension and severance costs for employees are accrued based on an estimate of the pension obligation and the plan assets at the end of the year.

The allowance for officers' retirement benefits is provided on the basis of the Company's internal regulations for officers' retirement benefits at the amount which would be required to be paid if all officers retired at the balance sheet date.

*(Additional information)*

On March 18, 2003, the Company liquidated its welfare pension fund with the approval of the Ministry of Health, Labour and Welfare of Japan. Accompanying the fund liquidation, the Company made additional contributions to cover a deficiency in the fund balance, partially offset these provisions with the balance of the reserve for pension and severance benefits, and accounted the net deficits of ¥6,355 million as extraordinary losses under the losses on liquidation of the welfare pension fund plans item.

*Directors' retirement benefits*

The allowance for directors' retirement benefits is provided on the basis of the Company's internal regulations for directors' retirement benefits at the amount which would be required to be paid if all directors retired at the balance sheet date. This allowance is established under Article 287-2 of the Commercial Code of Japan.

**(5) Accounting for consumption tax**

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

**“Change in Accounting Policies”**

Due to intensified price competition in the market, certain sales incentives are being offered on a regular basis. These expenses are in substance sales price adjustments, similar to sales rebates or the reduction in sales prices.

Effective April 1, 2002, the income statement classification of these expenses was changed to reduce selling expenses and to deduct such costs from revenue in order to provide a better classification between the operating revenues and operating expenses.

This change resulted in reducing both net sales and selling, general and administrative expenses by ¥64,971 million for the fiscal year ended March 31, 2003, with no effect on operating income, ordinary income, income before income taxes and net income.