



FUJI PHOTO FILM CO., LTD.

Financial Results (Consolidated) for Six months ended September 30, 2001

Date of Board Meeting for the First Half of Fiscal Year ended March 31, 2002: October 31, 2001

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

1. Results of Six months ended September 30, 2001 (From April 1, 2001 to September 30, 2001)

(1) FINANCIAL RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes	
		%		%		%
Six months ended Sept. 30, 2001	1,171,631	72.3	89,049	16.7	89,664	(29.1)
Six months ended Sept. 30, 2000	679,834	-	76,330	-	126,504	-
Year ended Mar. 31, 2001	1,383,369		149,732		199,661	

	Net Income		Net Income Per Share of Common Stock	Net Income Per Share of Common Stock (Assuming Full Dilution)
		%	Yen	Yen
Six months ended Sept. 30, 2001	46,414	(39.3)	90.19	-
Six months ended Sept. 30, 2000	76,472	-	148.60	-
Year ended Mar. 31, 2001	117,900		229.11	-

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

Six months ended Sept. 30, 2001: ¥1,934 million Six months ended Sept. 30, 2000: ¥4,942 million Year ended Mar. 31, 2001: ¥7,102 million

2. Average number of shares:

Six months ended Sept. 30, 2001: 514,606,472 Six months ended Sept. 30, 2000: 514,613,193 Year ended Mar. 31, 2001: 514,603,052

3. Change in Accounting Policies: Changed

4. Percent: Increase/Decrease against corresponding period of the previous year on Revenue, Operating Income, Income before Income Taxes, Net Income.

5. The consolidated financial statements as of and for the six months ended September 30, 2000 and the year ended March 31, 2001 have been restated to reflect the change in the method of accounting.

(2) FINANCIAL POSITION

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity Per Share of Common Stock
			%	Yen
Six months ended Sept. 30, 2001	2,829,994	1,656,152	58.5	3,218.21
Six months ended Sept. 30, 2000	2,244,051	1,590,439	70.9	3,090.55
Year ended Mar. 31, 2001	2,830,469	1,625,012	57.4	3,157.86

NOTE 1. Number of Shares Outstanding:

As of Sept. 30, 2001: 514,619,472 As of Sept. 30, 2000: 514,613,753 As of Mar. 31, 2001: 514,593,472

(3) CASH FLOWS

	Net Cash provided by Operating activities	Net Cash used in Investing activities	Net Cash (used in) provided by Financing activities	Cash and Cash Equivalents at end of period
Six months ended Sept. 30, 2001	96,594	(111,087)	(25,227)	427,369
Six months ended Sept. 30, 2000	57,227	(82,442)	9,459	638,881
Year ended Mar. 31, 2001	139,976	(259,792)	(74,624)	466,266

(4) SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidated Subsidiaries: 172 subsidiaries
- Unconsolidated Subsidiaries: 58 subsidiaries (equity method is applied to all subsidiaries)
- 20 percent to 50 percent owned companies: 62 companies (equity method is applied to all companies)

(5) CHANGE IN SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidation: Increase 9, Decrease 2 Equity Method: Increase 5, Decrease 9

2. Forecast for the Fiscal Year ending March 31, 2002 (From April 1, 2001 to March 31, 2002)

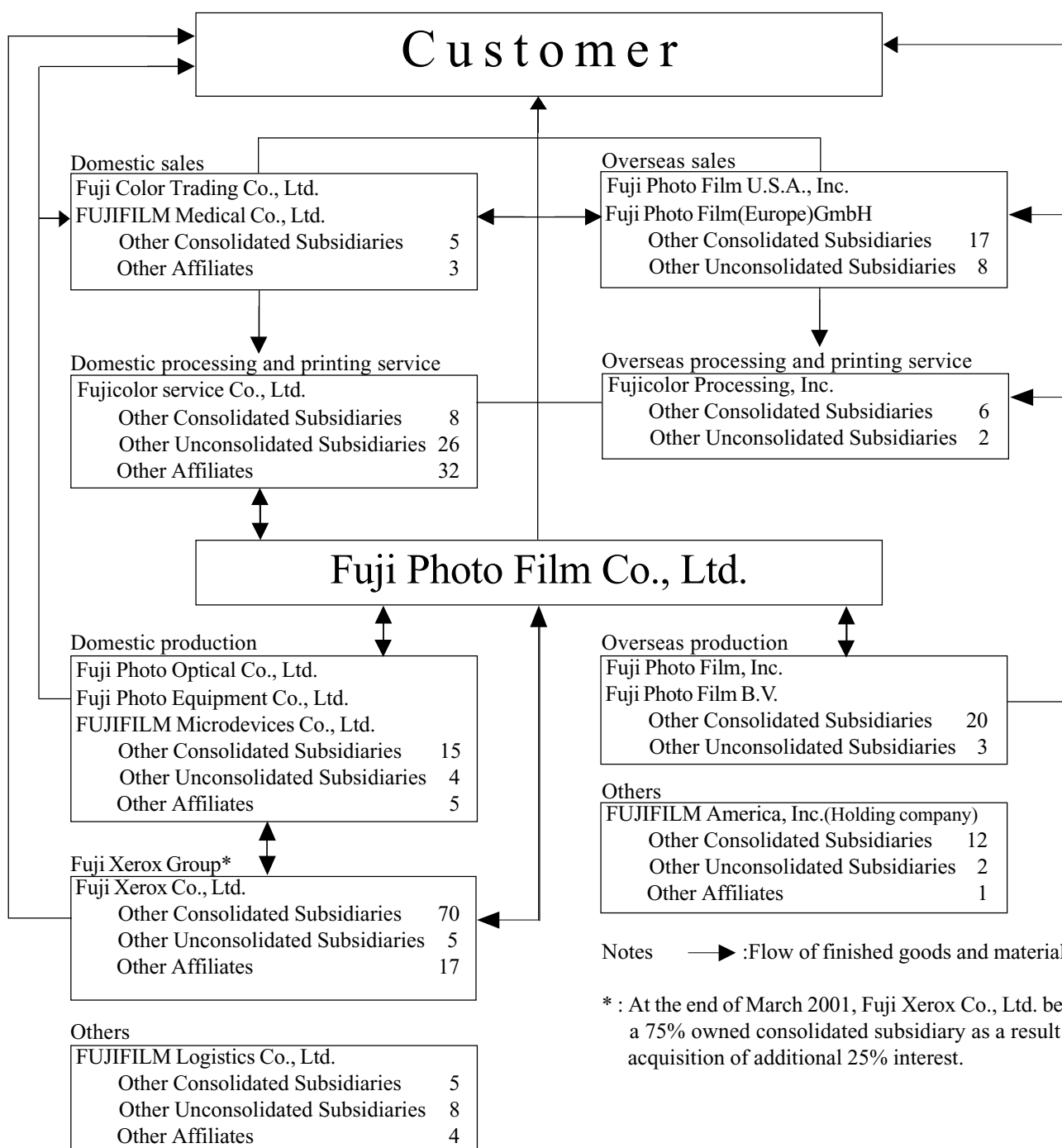
	Revenue	Operating Income	Income before Income Tax	Net Income
For Year ending Mar. 31, 2002	2,450,000	183,000	170,000	87,000

Expected Net Income per Share of Common Stock for Year ending Mar. 31, 2002: ¥169.05

1. THE FUJIFILM GROUP

The Fujifilm Group comprises Fuji Photo Film Co., Ltd., 230 subsidiaries and 62 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, data storage 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 Group work to contribute to betterment of society in accordance with its corporate philosophy of “striving to develop superior technologies and to continue to create an imaging and information culture.”

Specifically, as part of vigorous efforts to expand its I&I (Imaging and Information) business domain, the Fujifilm Group is making Companywide efforts to implement the following measures, which are important issues under its medium and long-term management strategies.

We will make maximum use of our independently developed technologies and aggressively introduce unique new products, systems, services, and solutions, while establishing a foundation as a leading company in the I&I fields.

We will build a strong network for R&D, production, sales, and services while determinedly pursuing our business activities with a global perspective but in close harmony with local communities.

We will upgrade our consolidated operations with the aims of strengthening competitiveness and achieving growth across the entire Fujifilm Group, including domestic and overseas subsidiaries and affiliated companies.

We will continually reform our corporate structure, while responding on a global basis to the growth in IT and Internet use, and intensify efforts to reduce all costs, in our drive to build a solid corporate organization.

We will fulfill our responsibilities to society and further strengthen, maintain, and upgrade our framework for strictly adhering to corporate ethics and for taking measures to respond to environmental problems and product safety issues.

(2) Basic Policy Regarding Distribution of Profits

The Company’s basic policy regarding the distribution of profits is to go on providing stable dividends as well as maintain sufficient internal reserves to aggressively carry out future business activities and strengthen our management foundation in preparation for sudden changes in the business environment.

(3) Upgrading Corporate Governance

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.” Operating executives are responsible for conducting businesses in line with basic policies determined by the Board of Directors.

The Company will proceed with making management strategy more transparent and conducting business more speedily as a part of management changes conducted from the viewpoint of corporate governance.

3. OPERATING RESULTS

(1) Overview of the Period and Distribution of Profit

The Japanese economy remained stagnant during the interim period, due to a fall in private sector capital investment as well as the slowdown in personal spending. In the U.S., there was no sign that the slump in capital investment had bottomed out, despite financial and fiscal stimulus policies, and it was uncertain what impact tax reductions would have on personal spending. As a result, a sense of stagnation deepened. The European economy centered on the eurozone also showed clearer signs of a slowdown, and the same tendency toward deceleration became apparent in Asia, as well.

In this environment, the Fujifilm Group worked to aggressively expand its business using digital and network technologies to meet various kinds of image information needs, generated by the global spread of IT, in every field. Specifically, we are working to expand our business domains by increasing production capacity in our LCD materials operations, launching a compact digital minilab, expanding production and marketing bases for digital cameras and other items in the Chinese market, and bolstering our printing business in the United States.

In March 2001, Fujifilm acquired additional 25% of the outstanding shares of Fuji Xerox Co., Ltd., bringing its total shareholding to 75%. As a result, Fuji Xerox became a consolidated subsidiary of Fujifilm. In the financial statements of the Fujifilm Group for the fiscal year ended March 31, 2001, the balance sheet of Fuji Xerox Group was consolidated and the results of operations for the year then ended was accounted for by the equity method, with the pre-acquisition ownership interest of 50% as in prior years. From the interim period, the result of operations of Fuji Xerox Group was consolidated in the income statements, as well.

During the period under review, consolidated revenue totaled ¥1,171.6 billion (an 72.3% increase compared with the same period of the previous fiscal year). Domestic revenue totaled ¥664.1 billion (an 107.9% increase), and overseas revenue came in at ¥507.5 billion (up 40.8%), due partly to the effect of a weaker yen. Operating income totaled ¥89.0 billion (up 16.7%), and income before income taxes totaled ¥89.6 billion (an 29.1% decline), and net income for the interim period declined 39.3% to ¥46.4 billion. The reason for the big year-on-year drop in income before income taxes and net income was the inclusion in the previous year's interim results of a temporary gain of ¥56.1 billion before tax and ¥32.5 billion after tax, related to gains on contribution of securities to employee retirement benefit trusts.

Note: Emerging Issues Task Force (“EITF”) recently has issued guidance regarding classification under a statement of income about sales incentives. Fujifilm adopted the guidance retroactively. This guidance require the Company to recognize sales incentives that are, in substance, price adjustments to customers as a reduction of sales. Until March 31, 2001, these sales incentives had been treated as selling, general and administrative expenses. Adoption of the guidance resulted in reducing both sales and selling, general and administrative expenses of approximately ¥32.7 billion for the current period, with no effect of net income. Accordingly, the treatment is also applied to results for the corresponding period of the prior years.

Imaging Solutions

Consolidated revenue in this segment rose 7.4%, to ¥396.7 billion. In color films, we worked to expand sales of the SUPERIA 35mm film and NEXIA APS film, both of which incorporate our world-leading 4th Color Layer Technology. In one-time-use recyclable cameras, we also launched new products for domestic markets, featuring a flash with a sensor and another using plastic of which over 40% is recycled to spare the environment. In conventional cameras, we expanded our lineup by launching 7 models simultaneously, including the Silvi series of 35mm cameras and APS cameras in Japan. In digital cameras, we launched such attractive new products as the FinePix50i with audio functions. In laboratory equipment, sales of the Digital Minilab Frontier series expanded smoothly in unit terms.

Information Solutions

Consolidated revenue in this segment rose 2.2%, to ¥317.5 billion. In graphic arts system products, we focused marketing efforts on our computer-to-plate (CTP) and other solutions businesses. In medical imaging system products, the compact digital X-ray diagnostic system FCR XG-1 was well received and expanded sales. In industrial materials, sales grew for WV FILM, used for LCD materials, and, in data storage media, sales of the high-volume “LTO Ultrium 1” data cartridges were steady.

(Note: LTO and Ultrium are U.S. trademarks of Hewlett-Packard, IBM, and Seagate.)

Document Solutions

Consolidated revenue in this segment were ¥457.4 billion. In the document service business, sales of consumption items and maintenance services increased in tandem with the spread of color reproduction and rising output volumes achieved from existing copier and printer models. Also contributing to year-on-year growth in the segment was the startup of new document businesses in China. Furthermore, in addition to acquiring business rights in China and Hong Kong at the end of last year, the document services unit bought the laser printer arm of NEC Corp. in 2001 and is working to expand this business.

Capital Investment

Capital investment in the period under review focused on expanding production capacity through such measure as the construction of a new plant for FUJITAC film in response to increased demand for LCD materials. We also set up a holding company, Fuji Photo film (China) Investment Co., Ltd., to further expand our business in the Chinese market. Through such investment in new businesses we aim to localize production and sales.

Interim cash dividends per share amounted to ¥12.50.

(2) Outlook for the entire fiscal period and Distribution of Dividends

The operating environment is likely to continue to be difficult for us. However, we are confident that all of our group companies will make every effort to address previously mentioned priority tasks and further strengthen our operating base. The principal factor affecting performance will be the change in the economic environment in the United States and uncertainty over how that will affect our activities. Regarding the outlook for the entire fiscal year, Fujifilm expects to record consolidated revenue of ¥2,450.0 billion and consolidated net income of ¥87.0 billion. This projection is on assumed exchange rates of ¥121 = U.S.\$1, and ¥107 = Euro1.

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

4. ENVIRONMENTAL POLICIES

In the belief that protecting the environment on a global scale is a management issue of the day, the Company has developed and is earnestly pursuing an environmental policy that rests on three pillars: constantly giving due consideration to the natural environment, ensuring safety with regard to chemicals, and preventing the wasteful use of resources.

Fujifilm’s fundamental goal in its environmental policy is to meet Responsible Care obligations (environmental preservation and safety measures undertaken autonomously by the Company) as fully as possible. We have already secured ISO 14001 certification for environmental management systems at overseas and domestic Group companies. Now, we are aggressively improving our environmental performance in various other ways, such as using at least 40% recycled plastic in new models of one-time-use recyclable cameras; the creation and operation of a comprehensive database for chemical substances and environmental safety data; the establishment and operation of an environmental accounting system that registers and tallies our environmental protection outlays and measuring their effects; and progress in achieving zero emissions.

Fujifilm will further strengthen its approach to environmental protection on the basis of its corporate philosophy that environmental protection is the foundations of its business activities.

CONSOLIDATED BALANCE SHEETS

Amount Unit: Millions of yen

	As of September 30, 2001		As of March 31, 2001		Increase/ Decrease ():Decrease	As of September 30, 2000	
	%		%			%	
ASSETS							
Current assets:							
Cash and cash equivalents		427,369		466,266	(38,897)		638,881
Marketable securities		8,334		11,019	(2,685)		30,017
Notes and accounts receivable:							
Trade and finance		460,292		476,754	(16,462)		261,508
Affiliated companies		40,344		42,185	(1,841)		45,783
Allowance for doubtful receivables		(13,431)		(13,147)	(284)		(8,947)
		487,205		505,792	(18,587)		298,344
Inventories		364,329		354,321	10,008		235,281
Deferred income taxes		59,554		56,079	3,475		38,024
Prepaid expenses and other		29,223		26,493	2,730		14,975
Total current assets	48.6	1,376,014	50.2	1,419,970	(43,956)	55.9	1,255,522
Investments and long-term receivables:							
Investments in and advances to affiliated companies		35,506		42,169	(6,663)		173,830
Investment securities		264,171		245,975	18,196		239,182
Long-term finance and other receivables		107,316		101,404	5,912		20,214
Allowance for doubtful receivables		(1,695)		(1,825)	130		(524)
Total investments and long-term receivables	14.3	405,298	13.7	387,723	17,575	19.3	432,702
Property, plant and equipment:							
Land		71,197		70,140	1,057		45,591
Buildings		499,703		485,574	14,129		323,633
Machinery and equipment		1,446,450		1,400,075	46,375		1,021,564
Construction in progress		37,811		33,605	4,206		43,317
		2,055,161		1,989,394	65,767		1,434,105
Less-accumulated depreciation		(1,353,307)		(1,307,501)	(45,806)		(964,770)
Total property, plant and equipment	24.8	701,854	24.1	681,893	19,961	20.9	469,335
Other assets:							
Goodwill, net		185,215		182,721	2,494		10,325
Other intangible assets, net		57,162		61,015	(3,853)		33,247
Deferred income taxes		37,673		31,916	5,757		9,585
Other		66,778		65,231	1,547		33,335
Total other assets	12.3	346,828	12.0	340,883	5,945	3.9	86,492
Total Assets	100.0	2,829,994	100.0	2,830,469	(475)	100.0	2,244,051

	As of September 30, 2001		As of March 31, 2001		Increase/ Decrease ():Decrease	As of September 30, 2000	
	%		%			%	
LIABILITIES							
Current liabilities:							
Short-term debt	172,529		251,402		(78,873)	156,446	
Notes and accounts payable:							
Trade	238,595		262,361		(23,766)	151,885	
Construction	44,509		39,455		5,054	32,609	
Affiliated companies	9,945		10,980		(1,035)	10,311	
	293,049		312,796		(19,747)	194,805	
Accrued income taxes	36,862		51,464		(14,602)	34,090	
Accrued liabilities	147,415		141,812		5,603	91,306	
Other current liabilities	52,290		50,381		1,909	23,715	
Total current liabilities	24.8	702,145	28.5	807,855	(105,710)	22.3	500,362
Long-term liabilities:							
Long-term debt	142,412		81,246		61,166	25,420	
Accrued pension and severance costs	131,583		130,957		626	22,105	
Deferred income taxes	14,086		17,683		(3,597)	39,892	
Customers' guarantee deposits and other	58,809		47,181		11,628	41,391	
Total long-term liabilities	12.3	346,890	9.8	277,067	69,823	5.7	128,808
Minority interests in subsidiaries	4.4	124,807	4.3	120,535	4,272	1.1	24,442
SHAREHOLDERS' EQUITY							
Common stock, ¥50 par value:	40,363		40,363		0	40,363	
Authorized: 800,000,000 shares							
Issued: 514,625,728 shares							
Additional paid-in capital	68,135		68,135		0	68,135	
Retained earnings	1,589,784		1,549,803		39,981	1,514,164	
Accumulated other comprehensive losses	(42,130)		(33,289)		(8,841)	(32,223)	
Total shareholders' equity	58.5	1,656,152	57.4	1,625,012	31,140	70.9	1,590,439
Total Liabilities and Shareholders' Equity	100.0	2,829,994	100.0	2,830,469	(475)	100.0	2,244,051

Note: Details of accumulated other comprehensive income (loss)

	As of September 30, 2001		As of March 31, 2001		Increase/ Decrease ():Decrease	As of September 30, 2000	
Unrealized holding gains on securities	2,596		14,732		(12,136)	22,493	
Foreign currency translation adjustments	(19,680)		(23,397)		3,717	(49,606)	
Minimum pension liability adjustments	(24,624)		(24,624)		0	(5,110)	
Unrealized losses on derivatives	(422)		-		(422)	-	

CONSOLIDATED STATEMENTS OF INCOME

Amount Unit: Millions of yen

	Six months ended September 30, 2001 From April 1, 2001 To Sept. 30, 2001		Six months ended September 30, 2000 From April 1, 2000 To Sept. 30, 2000		Increase/ Decrease ():Decrease		Year ended March 31, 2001 From April 1, 2000 To March 31, 2001	
					Amount	%		
	%		%				%	
Revenue:								
Sales	995,274		679,834		315,440	46.4	1,383,369	
Rentals	176,357		-		176,357	-	-	
	100.0	1,171,631	100.0	679,834	491,797	72.3	100.0	1,383,369
Cost of sales:								
Sales	607,871		391,152		216,719	55.4	803,460	
Rentals	66,472		-		66,472	-	-	
	57.6	674,343	57.6	391,152	283,191	72.4	58.1	803,460
Gross profit	42.4	497,288	42.4	288,682	208,606	72.3	41.9	579,909
Operating expenses:								
Selling, general and administrative	28.5	334,296	25.4	172,673	161,623	93.6	25.4	351,033
Research and development	6.3	73,943	5.8	39,679	34,264	86.4	5.7	79,144
	34.8	408,239	31.2	212,352	195,887	92.2	31.1	430,177
Operating income	7.6	89,049	11.2	76,330	12,719	16.7	10.8	149,732
Other income (expenses):								
Interest and dividend income	6,172		4,025		2,147		8,180	
Interest expense	(6,421)		(5,360)		(1,061)		(11,093)	
Exchange gains (losses), net	(309)		(1,115)		806		5,177	
Gains on contribution of securities to employee retirement benefit trusts	-		56,131		(56,131)		56,131	
Other, net	1,173		(3,507)		4,680		(8,466)	
	0.1	615	7.4	50,174	(49,559)	(98.8)	3.6	49,929
Income before income taxes	7.7	89,664	18.6	126,504	(36,840)	(29.1)	14.4	199,661
Income taxes	3.5	39,919	8.0	54,034	(14,115)	(26.1)	6.2	86,535
Income before minority interest in income of consolidated subsidiaries and equity in net earnings of affiliated companies	4.2	49,745	10.6	72,470	(22,725)	(31.4)	8.2	113,126
Minority interest in income of consolidated subsidiaries	(0.4)	(5,265)	(0.1)	(940)	(4,325)	(460.1)	(0.2)	(2,328)
Equity in net earnings of affiliated companies	0.2	1,934	0.7	4,942	(3,008)	(60.9)	0.5	7,102
Net income	4.0	46,414	11.2	76,472	(30,058)	(39.3)	8.5	117,900

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amount Unit: Millions of yen

	Six months ended Sept. 30, 2001 From April 1, 2001 To Sept. 30, 2001	Six months ended Sept. 30, 2000 From April 1, 2000 To Sept. 30, 2000	Year ended Mar. 31, 2001 From April 1, 2000 To Mar. 31, 2001
Operating activities			
Net income	46,414	76,472	117,900
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	93,192	48,642	99,241
Gains on contribution of securities to employee retirement benefit trusts	-	(56,131)	(56,131)
Deferred income taxes	(384)	19,514	11,346
Equity in net earnings of affiliated companies, less dividends	373	(4,756)	(2,853)
Changes in operating assets and liabilities:			
Notes and accounts receivable	18,134	(24,678)	(12,872)
Inventories	(7,607)	(9,370)	(25,125)
Notes and accounts payable - trade	(44,588)	(771)	(17,702)
Accrued income taxes	(14,608)	6,269	14,495
Other	5,668	2,036	11,677
Net cash provided by operating activities	96,594	57,227	139,976
Investing activities			
Payments for purchases of property, plant and equipment	(73,093)	(59,533)	(107,268)
Proceeds from sales and maturities of marketable and investment securities	25,265	34,859	84,746
Payments for purchases of marketable and investment securities	(53,362)	(49,599)	(93,039)
Decrease in investments and advances to affiliated companies	147	1,602	1,537
Payments for acquisition of businesses, net of cash acquired	-	-	(121,838)
Other	(10,044)	(9,771)	(23,930)
Net cash used in investing activities	(111,087)	(82,442)	(259,792)
Financing activities			
Proceeds from long-term debt	72,329	6,548	18,512
Repayments of long-term debt	(14,972)	(7,341)	(21,061)
(Decrease) increase in short-term debt	(76,795)	16,041	(60,497)
Cash dividends paid	(5,789)	(5,789)	(11,578)
Net cash (used in) provided by financing activities	(25,227)	9,459	(74,624)
Effect of exchange rate changes on cash and cash equivalents	823	(2,144)	3,925
Net decrease in cash and cash equivalents	(38,897)	(17,900)	(190,515)
Cash and cash equivalents at beginning of period	466,266	656,781	656,781
Cash and cash equivalents at end of period	427,369	638,881	466,266

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**Year ended March 31, 2002 and Six months ended September 30, 2001**

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income(loss)	Total shareholders' equity
Balance at March 31, 2000	40,363	68,135	1,443,481	23,150	1,575,129
Comprehensive income:					
Net income	-	-	117,900	-	117,900
Net decrease in unrealized gains on securities	-	-	-	(52,259)	(52,259)
Foreign currency translation adjustments	-	-	-	15,334	15,334
Minimum pension liability adjustments	-	-	-	(19,514)	(19,514)
Net comprehensive income					61,461
Cash dividends	-	-	(11,578)	-	(11,578)
Balance at March 31, 2001	40,363	68,135	1,549,803	(33,289)	1,625,012
Comprehensive income:					
Net income	-	-	46,414	-	46,414
Net decrease in unrealized gains on securities	-	-	-	(12,136)	(12,136)
Foreign currency translation adjustments	-	-	-	3,717	3,717
Change in net unrealized losses on derivatives	-	-	-	(422)	(422)
Net comprehensive income					37,573
Cash dividends	-	-	(6,433)	-	(6,433)
Balance at September 30, 2001	40,363	68,135	1,589,784	(42,130)	1,656,152

Six months ended September 30, 2000

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income(loss)	Total shareholders' equity
Balance at March 31, 2000	40,363	68,135	1,443,481	23,150	1,575,129
Comprehensive income:					
Net income	-	-	76,472	-	76,472
Net decrease in unrealized gains on securities	-	-	-	(44,498)	(44,498)
Foreign currency translation adjustments	-	-	-	(10,875)	(10,875)
Net comprehensive income					21,099
Cash dividends	-	-	(5,789)	-	(5,789)
Balance at September 30, 2000	40,363	68,135	1,514,164	(32,223)	1,590,439

DETAILS OF CONSOLIDATED REVENUE**(1) Net sales by product**

Amount Unit: Millions of yen

	Six months ended Sept. 30, 2001 (From April 1, 2001 to Sept. 30, 2001)		Six months ended Sept. 30, 2000 (From April 1, 2000 to Sept. 30, 2000)		Increase/Decrease %
	Amounts	%	Amounts	%	
Imaging Solutions	396,732	33.9	369,265	54.3	7.4
Information Solutions	317,508	27.1	310,569	45.7	2.2
Document Solutions	457,391	39.0	-	-	-
Total	1,171,631	100.0	679,834	100.0	72.3

NOTE:

1. By the year ended March 31, 2001, Fujifilm had organized its business segments according to similarity of market and sales method. In the interests of integrated management and expansion of consolidation, which led by the acquisition of additional interest of Fuji Xerox Co., Ltd., at the end of March, 2001, the following changes have been made to segmentation in order to achieve a more appropriate division of businesses.

(1) Imaging Solutions

This new segment consists of the former Imaging Systems and Photofinishing Systems. These segments were integrated because the boundary between them has blurred as a result of the spread of digital and other technologies.

(2) Information Solutions

This segment consists of the former Information Systems business, and the audio and video tape business which were included in the former Imaging Systems segment.

(3) Document Solutions

The acquisition of the additional 25% interest of Fuji Xerox Co., Ltd., the Fuji Xerox Group's business has been identified as a new independent segment, Document Solutions.

In connection with these changes, the segment information of the former semiannual report and annual report have been restated to conform to the new method.

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

Imaging Solutions	Color film, conventional cameras, digital cameras, lab equipment, color paper, chemicals and services for photofinishing, etc.
Information Solutions	System devices for graphic arts, medical imaging, and information systems, liquid crystal display materials, data media, etc.
Document Solutions	Office copiers, printers, facsimiles, consumables, etc. for document services

(2) Domestic and Overseas revenue

Amount Unit: Millions of yen

	Six months ended Sept. 30, 2001 (From April 1, 2001 to Sept. 30, 2001)		Six months ended Sept. 30, 2000 (From April 1, 2000 to Sept. 30, 2000)		Increase/Decrease %
	Amounts	%	Amounts	%	
Domestic	664,163	56.7	319,420	47.0	107.9
Overseas	507,468	43.3	360,414	53.0	40.8
Total	1,171,631	100.0	679,834	100.0	72.3

SEGMENT INFORMATION**1. Segment Information by Business**

Six months ended September 30, 2001 (From April 1, 2001 to September 30, 2001)

Amount Unit: Millions of yen

	Imaging Solutions	Information Solutions	Document Solutions	Total	Eliminations or Corporate assets	Consolidation
Revenue and Operating income						
Revenue						
Revenue for external customers	396,732	317,508	457,391	1,171,631	-	1,171,631
Intersegment revenue or transfer	322	1,999	5,834	8,155	(8,155)	-
Total revenue	397,054	319,507	463,225	1,179,786	(8,155)	1,171,631
Operating expenses	366,281	280,760	443,857	1,090,898	(8,316)	1,082,582
Operating income	30,773	38,747	19,368	88,888	161	89,049

Six months ended September 30, 2000 (From April 1, 2000 to September 30, 2000)

Amount Unit: Millions of yen

	Imaging Solutions	Information Solutions	Document Solutions	Total	Eliminations or Corporate assets	Consolidation
Revenue and Operating income						
Revenue						
Revenue for external customers	369,265	310,569	-	679,834	-	679,834
Intersegment revenue or transfer	-	-	-	-	-	-
Total revenue	369,265	310,569	-	679,834	-	679,834
Operating expenses	335,196	268,308	-	603,504	-	603,504
Operating income	34,069	42,261	-	76,330	-	76,330

NOTE:

1. By the year ended March 31, 2001, Fujifilm had organized its business segments according to similarity of market and sales method. In the interests of integrated management and expansion of consolidation, which led by the acquisition of additional interest of Fuji Xerox Co., Ltd., at the end of March, 2001, the following changes have been made to segmentation in order to achieve a more appropriate division of businesses. See note on page 12.

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

Imaging Solutions	Color film, conventional cameras, digital cameras, lab equipment, color paper, chemicals and services for photofinishing, etc.
Information Solutions	System devices for graphic arts, medical imaging, and information systems, liquid crystal display materials, data media, etc.
Document Solutions	Office copiers, printers, facsimiles, consumables, etc. for document services

2. Segment Information by Geographic Area

Six months ended September 30, 2001 (From April 1, 2001 to September 30, 2001) Amount Unit: Millions of yen

	Japan	the Americas	Europe	Asia and others	Total	Eliminations or Corporate assets	Consolidation
Revenue and Operating income							
Revenue							
Revenue for external customers	790,852	213,460	116,043	51,276	1,171,631	-	1,171,631
Intersegment revenue or transfer	133,064	3,158	6,656	27,624	170,502	(170,502)	-
Total revenue	923,916	216,618	122,699	78,900	1,342,133	(170,502)	1,171,631
Operating expenses	854,564	204,031	120,679	75,613	1,254,887	(172,305)	1,082,582
Operating income	69,352	12,587	2,020	3,287	87,246	1,803	89,049

Six months ended September 30, 2000 (From April 1, 2000 to September 30, 2000) Amount Unit: Millions of yen

	Japan	the Americas	Europe	Asia and others	Total	Eliminations or Corporate assets	Consolidation
Revenue and Operating income							
Revenue							
Revenue for external customers	383,344	183,077	104,610	8,803	679,834	-	679,834
Intersegment revenue or transfer	116,461	1,892	8,953	9,579	136,885	(136,885)	-
Total revenue	499,805	184,969	113,563	18,382	816,719	(136,885)	679,834
Operating expenses	443,525	172,257	105,630	17,325	738,737	(135,233)	603,504
Operating income	56,280	12,712	7,933	1,057	77,982	(1,652)	76,330

3. Overseas Revenue

Six months ended September 30, 2001 (From April 1, 2001 to September 30, 2001) Amount Unit: Millions of yen

	the Americas	Europe	Asia and others	Total
Overseas revenue	251,380	139,307	116,781	507,468
Consolidated revenue				1,171,631
Ratio of overseas revenue to consolidated revenue	21.5%	11.9%	9.9%	43.3%

Six months ended September 30, 2000 (From April 1, 2000 to September 30, 2000) Amount Unit: Millions of yen

	the Americas	Europe	Asia and others	Total
Overseas revenue	189,723	117,554	53,137	360,414
Consolidated revenue				679,834
Ratio of overseas revenue to consolidated revenue	27.9%	17.3%	7.8%	53.0%

MARKETABLE SECURITIES AND DERIVATIVE CONTRACTS**(1) Fair Value on Marketable Securities**

Amount Unit: Millions of yen

	As of September 30, 2001				As of September 30, 2000			
	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	8,354	1	21	8,334	30,000	25	8	30,017
Total marketable securities	8,354	1	21	8,334	30,000	25	8	30,017
Investment securities:								
Government securities	183	29	-	212	66	9	-	75
Corporate debt securities	179,786	935	3,094	177,627	137,827	193	2,074	135,946
Equity securities	42,639	22,736	6,403	58,972	33,356	49,096	638	81,814
Total investment securities	222,608	23,700	9,497	236,811	171,249	49,298	2,712	217,835
Total	230,962	23,701	9,518	245,145	201,249	49,323	2,720	247,852

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.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company and certain of its subsidiaries utilize derivative financial instruments for the purpose of hedging their exposure to fluctuations in foreign currency exchange rates and interest rates. The Company has policies and procedures for risk management and the approval, reporting and monitoring of derivative financial instruments. The Company's policies prohibit holding or issuing derivative financial instruments for trading purposes.

Effective April 1, 2001, the Company adopted SFAS No.133 "Accounting for Derivative Instruments and Hedging Activities" as amended which requires the Company and its consolidated subsidiaries to recognize all derivatives as assets or liabilities on the balance sheets at fair value. Derivatives that are designated and qualified as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of assets, liabilities or firm commitments through earnings or recognized in accumulated other comprehensive income until the hedged item is recognized earnings. The ineffective portion of a derivative's change in fair value is recognized in earnings. Derivatives that are not designated or qualified as hedges are adjusted to fair value through income. The adoption of SFAS No.133 was not significant to the operating results and financial position of the Company.


FUJI PHOTO FILM CO., LTD.
**Financial Results (Non-Consolidated)
for Six months ended September 30, 2001**

Date of Board Meeting for First Half of Fiscal Year ended March 31, 2002: October 31, 2001

Payment Date of Interim Cash Dividends: December 6, 2001

1. Results of Six months ended September 30, 2001 (From April 1, 2001 to September 30, 2001)
(1) FINANCIAL RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Net Sales		Operating Income		Ordinary Income	
		%		%		%
Six months ended Sept. 30, 2001	424,202	1.5	45,927	(0.6)	46,409	1.7
Six months ended Sept. 30, 2000	417,835	5.0	46,211	(15.2)	45,615	(13.4)
Year ended Mar. 31, 2001	849,154		101,683		110,831	

	Net Income		Net Income Per Share of Common Stock	
		%		Yen
Six months ended Sept. 30, 2001	27,832	10.1	54.08	
Six months ended Sept. 30, 2000	25,279	(15.6)	49.12	
Year ended Mar. 31, 2001	63,145		122.70	

NOTE 1. Average number of shares: Six months ended September 30, 2001 514,625,728
Six months ended September 30, 2000 514,625,728
Year ended March 31, 2000 514,625,728

2. Change in Accounting Policies: Non

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

(2) CASH DIVIDENDS

	Interim Cash Dividends per Share of Common Stock	Total Cash Dividends per Share of Common Stock
	Yen	Yen
Six months ended Sept. 30, 2001	12.50	-
Six months ended Sept. 30, 2000	11.25	-
Year ended Mar. 31, 2001	-	22.50

(3) FINANCIAL POSITION

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity Per Share of Common Stock
			%	Yen
As of Sept. 30, 2001	1,642,105	1,412,535	86.0	2,744.78
As of Sept. 30, 2000	1,620,552	1,371,694	84.6	2,665.42
As of Mar. 31, 2001	1,650,460	1,397,211	84.7	2,715.00

NOTE 1. Number of Shares Outstanding:

As of September 30, 2001: 514,625,728 As of September 30, 2000: 514,625,728 As of March 31, 2001: 514,625,728

2. Forecast for the Fiscal Year ending March 31, 2002 (From April 1, 2001 to March 31, 2002)

	Net Sales	Operating Income	Ordinary Income	Net Income	Cash Dividends per Share of Common Stock for the year (Year-end Cash Dividends)	
					Yen	Yen
For Year ending Mar. 31, 2002	890,000	100,000	100,000	58,000	12.50	(25.00)

(Reference) Expected Net Income per Share of Common Stock for Year ending March 31, 2002: ¥112.70

BALANCE SHEETS (Non-Consolidated)

Amount Unit: Millions of yen

	As of September 30, 2001		As of March 31, 2001		Increase/ Decrease ():Decrease	As of September 30, 2000	
	%		%			%	
ASSETS							
Current assets							
Cash on hand and in banks		187,612		225,239	(37,627)		444,714
Trade notes receivable		27,340		30,223	(2,882)		32,458
Trade accounts receivable		137,661		144,150	(6,488)		100,451
Other account receivable		11,615		13,110	(1,494)		13,202
Short-term loans receivable		5,706		86,184	(80,477)		97,011
Marketable securities		107,308		21,132	86,176		30,058
	29.1	477,245	31.5	520,039	(42,794)	44.3	717,896
Finished goods		45,744		46,527	(782)		36,607
Semi-finished goods, Work in process		27,438		27,666	(227)		25,702
Raw materials		15,305		13,322	1,982		9,348
Supplies		6,828		6,352	476		11,979
	5.8	95,317	5.7	93,869	1,447	5.2	83,638
Deferred income taxes		11,242		12,168	(926)		11,734
Other current assets		1,746		1,308	437		1,097
Allowance for doubtful receivables		(410)		(990)	580		(1,130)
Total current assets	35.6	585,142	38.0	626,397	(41,255)	50.2	813,237
Fixed assets							
Property, plant and equipment							
Building		78,614		77,150	1,463		78,976
Structures		7,327		7,234	93		7,350
Machinery and equipment		102,009		92,667	9,341		91,013
Vehicles, furniture and fixtures		26,637		27,027	(389)		25,789
Land		20,678		20,678	0		20,648
Construction in progress		14,654		14,715	(61)		9,184
Subtotal	15.2	249,921	14.5	239,473	10,448	14.4	232,962
Intangible assets							
Software		27,190		25,095	2,095		18,625
Rights of utilization		2,152		2,194	(41)		2,153
Subtotal	1.8	29,343	1.6	27,289	2,053	1.3	20,779
Investments							
Investments securities		227,252		210,217	17,034		219,365
Investments in subsidiaries		527,649		523,266	4,382		305,430
Long-term loans receivable		13,391		14,773	(1,381)		18,248
Long-term prepaid expenses		6,030		6,241	(210)		3,893
Deferred income taxes		1,084		-	1,084		-
Other investments		2,480		3,010	(530)		6,754
Allowance for doubtful receivable		(190)		(210)	20		(120)
Subtotal	47.4	777,698	45.9	757,299	20,398	34.1	553,572
Total fixed assets	64.4	1,056,963	62.0	1,024,062	32,900	49.8	807,314
Total Assets	100.0	1,642,105	100.0	1,650,460	(8,354)	100.0	1,620,552

Amount Unit: Millions of yen

	As of September 30, 2001		As of March 31, 2001		Increase/ Decrease ():Decrease	As of September 30, 2000	
	%		%			%	
LIABILITIES							
Current liabilities							
Trade notes payable		33,358		30,069	3,288		48,822
Trade accounts payable		51,275		58,679	(7,404)		46,231
Other accounts payable		24,828		23,144	1,684		16,201
Accrued income taxes		16,434		31,330	(14,895)		18,936
Accrued expenses		51,487		52,713	(1,226)		50,004
Other current liabilities		1,878		2,270	(392)		1,715
Total current liabilities	10.9	179,262	12.0	198,208	(18,945)	11.3	181,911
Long-term liabilities							
Customers' guarantee deposits		31,709		30,921	787		30,187
Deferred tax liabilities (non current)		-		4,032	(4,032)		14,924
Accrued pension and severance costs		18,162		19,678	(1,516)		21,453
Directors' retirement benefit		436		407	28		379
Total long-term liabilities	3.1	50,307	3.3	55,040	(4,733)	4.1	66,945
Total liabilities	14.0	229,570	15.3	253,248	(23,678)	15.4	248,857
SHAREHOLDERS' EQUITY							
Common stock	2.5	40,363	2.5	40,363	0	2.5	40,363
Legal surplus							
Legal capital surplus		58,980		58,980	0		58,980
Legal retained surplus		10,090		10,090	0		10,090
Total legal surplus	4.2	69,071	4.2	69,071	0	4.2	69,071
Retained earnings							
Reserve for dividends		280		280	0		280
Reserve for retirement allowance		280		280	0		280
Reserve for R&D		285		285	0		285
Reserve for overseas investments loss		39		53	(13)		53
Reserve for additional depreciation		462		289	173		289
Reserve for deferred capital gain for reinvestment in property		806		837	(31)		837
General reserve		1,245,305		1,194,305	51,000		1,194,305
Total voluntary reserve	76.0	1,247,458	72.5	1,196,330	51,128	73.8	1,196,330
Unappropriated retained earnings	2.6	43,342	4.4	72,521	(29,179)	2.5	40,444
[] Net income included above	[1.7]	[27,832]	[3.8]	[63,145]	[(35,312)]	[1.6]	[25,279]
Total retained earnings	78.6	1,290,801	76.9	1,268,852	21,949	76.3	1,236,775
Unrealized gains on securities	0.7	12,299	1.1	18,924	(6,625)	1.6	25,484
Total shareholders' equity	86.0	1,412,535	84.7	1,397,211	15,323	84.6	1,371,694
Total Liabilities and Shareholders' Equity	100.0	1,642,105	100.0	1,650,460	(8,354)	100.0	1,620,552

STATEMENTS OF INCOME (Non-Consolidated)

Amount Unit: Millions of yen

	Six months ended September 30, 2001 From April 1, 2001 To Sept. 30, 2001		Six months ended September 30, 2000 From April 1, 2000 To Sept. 30, 2000		Increase/ Decrease ():Decrease		Year ended March 31, 2001 From April 1, 2000 To March 31, 2001	
					Amount	%		
Operating revenues	%		%				%	
Net sales	100.0	424,202	100.0	417,835	6,367	1.5	100.0	849,154
Operating expenses								
Cost of sales	57.4	243,366	57.5	240,492	2,874	1.2	56.8	482,421
Selling, general and administrative expenses	23.3	98,980	23.0	96,120	2,859	3.0	23.0	195,403
Research and development expenses	8.5	35,929	8.4	35,011	917	2.6	8.2	69,644
Total operating expenses	89.2	378,275	88.9	371,623	6,651	1.8	88.0	747,470
Operating income	10.8	45,927	11.1	46,211	(284)	(0.6)	12.0	101,683
Other income								
Interest income		1,291		1,422	(131)	(9.2)		3,904
Dividends income		1,355		1,113	242	21.8		5,633
Miscellaneous income		778		556	221	39.8		6,453
Total other income	0.8	3,425	0.7	3,092	332	10.8	1.9	15,992
Other expenses								
Interest expenses		304		295	9	3.2		602
Bank charges for export drafts discounted		593		2,392	(1,799)	(75.2)		4,272
Miscellaneous expenses		2,044		999	1,044	104.4		1,969
Total other expenses	0.7	2,942	0.9	3,687	(745)	(20.2)	0.8	6,844
Ordinary income	10.9	46,409	10.9	45,615	794	1.7	13.1	110,831
Extraordinary Gains								
Gains on contribution of securities to employee retirement benefit trust		-	12.8	53,235	(53,235)	-	6.3	53,235
Extraordinary Losses								
Loss on disposal of fixed assets		1,903		1,562	341	21.9		3,437
Write-down of securities investments		1,466		-	1,466	-		-
Amortization of transition obligation under new pension accounting		-		53,916	(53,916)	-		53,916
Total Extraordinary losses	0.8	3,369	13.3	55,479	(52,109)	(93.9)	6.8	57,354
Net income before income taxes	10.1	43,039	10.4	43,372	(332)	(0.8)	12.6	106,713
Current income taxes	3.4	14,600	4.7	19,550	(4,950)	(25.3)	6.1	51,600
Deferred income taxes	0.1	607	(0.3)	(1,456)	2,063	-	(0.9)	(8,032)
Net income	6.6	27,832	6.0	25,279	2,553	10.1	7.4	63,145
Retained earnings brought forward		15,509		15,165	344			15,165
Interim dividends paid		-		-	-			5,789
Unappropriated retained earnings		43,342		40,444	2,897			72,521

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

Amount Unit: Millions of yen

	Six months ended September 30, 2001 (From April 1, 2001 To Sept. 30, 2001)		Six months ended September 30, 2000 (From April 1, 2000 To Sept. 30, 2000)		Increase/ (Decrease) %	Year ended March 31, 2001 (From April 1, 2000 To March 31, 2001)	
	Amounts	%	Amounts	%		Amounts	%
Imaging	165,667	39.0	155,574	37.2	6.5	321,950	37.9
Photofinishing	73,031	17.3	71,514	17.1	2.1	144,600	17.0
Information	185,504	43.7	190,747	45.7	(2.7)	382,604	45.1
Total	424,202	100.0	417,835	100.0	1.5	849,154	100.0

NOTE: Business categories and major products and services in each category are as follows:

Imaging	Color film, conventional cameras, digital cameras, etc.
Photofinishing	Lab equipment, color paper, chemicals and services for photofinishing, etc.
Information	System devices for graphic arts, medical imaging, and information systems, liquid crystal display materials, data storage media, etc.

The audio and video tape business have been moved from the Imaging category to the Information category. In connection with this change, the category information of the former semiannual report and annual report have been restated to conform to the new method.

(2) Domestic and Export sales

Amount Unit: Millions of yen

	Six months ended September 30, 2001 (From April 1, 2001 To Sept. 30, 2001)		Six months ended September 30, 2000 (From April 1, 2000 To Sept. 30, 2000)		Increase/ (Decrease) %	Year ended March 31, 2001 (From April 1, 2000 To March 31, 2001)	
	Amounts	%	Amounts	%		Amounts	%
Domestic	249,536	58.8	252,159	60.3	(1.0)	513,495	60.5
Export	174,666	41.2	165,676	39.7	5.4	335,659	39.5
Total	424,202	100.0	417,835	100.0	1.5	849,154	100.0

NOTES**1. NOTES TO THE BALANCE SHEETS**

Amount Unit: Millions of yen

	As of Sept. 30, 2001	As of March 31, 2001	Increase/Decrease ():Decrease	As of Sept. 30, 2000
Accumulated depreciation of tangible fixed assets	699,351	692,528	6,823	680,115
Contingent liabilities for guarantees	86,521	90,621	(4,100)	83,430
Amount of export bills discounted	6,957	13,590	(6,632)	55,561
Treasury stock	6,256 Shares 27	32,256 Shares 156	(26,000) Shares (128)	11,975 Shares 41

2. FINANCE LEASE CONTRACTS (Finance leases other than those which are deemed to transfer ownership of the leased assets to lessees)**(1) Equivalent amount of the acquisition cost, the accumulated depreciation and the net balance at the year end of the leased assets**

Amount Unit: Millions of yen

	Six months ended Sept. 30, 2001			Six months ended Sept. 30, 2000			Year ended March 31, 2000		
	A	B	C	A	B	C	A	B	C
Machinery and equipment	239	46	192	230	19	211	239	32	206
Vehicles, furniture and fixtures	692	423	269	890	584	306	802	538	264
Softwares etc.	94	51	42	103	46	57	102	54	48
Total	1,026	522	504	1,224	649	575	1,144	625	519

Note: 1. Above A,B,C indicated A: Equivalent amount of the acquisition cost
 B: Equivalent amount of the accumulated depreciation
 C: Equivalent amount of net balance

2. Equivalent amount of the acquisition cost includes the interest cost on lease payments because the amount is not material compared with the balance of tangible fixed assets.

(2) The future minimum leases payments at the end of the respective periods

	Six months ended Sept. 30, 2001	Six months ended Sept. 30, 2000	Year ended March 31, 2001
	(Millions of yen)		
One year or less	143	215	162
Over one year	361	360	356
Total	504	575	519

Note: The future minimum leases payments at the end of the respective periods include the interest cost on lease payments because the amount is not material compared with the balance of tangible fixed assets.

(3) Lease payments and equivalent amount of the depreciation expense

	Six months ended Sept. 30, 2001	Six months ended Sept. 30, 2000	Year ended March 31, 2001
	(Millions of yen)		
Lease payment	104	155	288
Equivalent amount of the depreciation expenses	104	155	288

(4) Method of equivalent amount of the depreciation expenses

Equivalent amount of the depreciation expenses is computed on a straight-line method over the lease period without residual value.

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.

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.

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.