

FINANCIAL HIGHLIGHTS

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2005 and 2004

	Six months ended September 30		
	2005	2004	2005
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Revenue	¥1,303,580	¥1,252,925	\$11,536,106
Net income	33,114	52,706	293,044
	(Yen)		(U.S. dollars)
Per share of common stock:			
Net income (Note 2)	¥65.02	¥102.71	\$0.58
Cash dividends declared (Note 3)	12.50	12.50	0.11

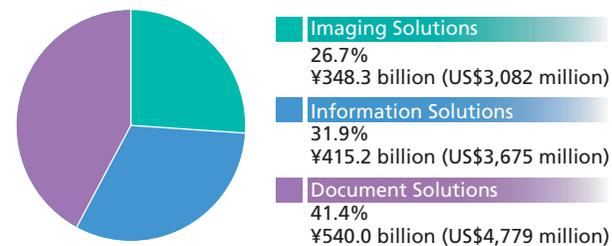
Notes: 1. U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥113=US\$1, the exchange rate prevailing on September 30, 2005.

2. The computation of net income per share is based on the average number of shares outstanding during each period.

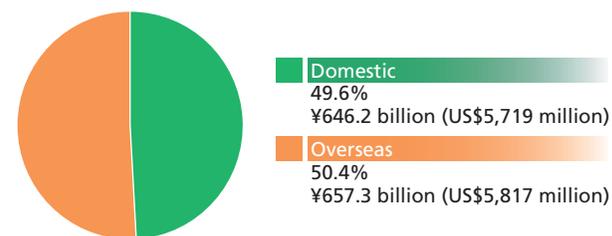
3. Cash dividends per share represent the amounts declared per share for the respective periods.

Revenue Breakdown (Six months ended September 30, 2005)

By Operating Segment



By Domestic and Overseas Revenue



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I&I – Imaging & Information

Semiannual Report

Six Months Ended
September 30, 2005



A MESSAGE FROM THE MANAGEMENT

Regarding the consolidated revenue during the half-year fiscal period under review (April 1, 2005, through September 30, 2005), although sales of color films and digital minilabs declined, the continued abundance of demand for flat panel display materials supported a large increase in Fujifilm's sales of such materials. In addition, sales of digital color multifunction devices and office printers were strong, particularly overseas. Such positive factors—together with the added sales of companies newly included within the scope of consolidation. And the positive effect of the progressive depreciation of the yen vis à vis the euro—boosted the consolidated revenue to ¥1,303.5 billion (US\$11,536 million), a rise of 4.0% over the same period in the previous fiscal year.

Domestic revenue amounted to ¥646.2 billion (US\$5,719 million), up 1.4%, while overseas revenue totaled ¥657.3 billion (US\$5,817 million), up 6.8%. A factor greatly affecting the year-on-year comparison of profitability was the recording of temporary gains on the transfer of the substitutional portion of Fuji Xerox's employee pension fund liabilities in the previous fiscal year. In addition, regarding the cost of sales and operating expenses, the company strove to reduce costs through such measures as those to improve manufacturing efficiency, reduce procurement costs, and more-tightly focus spending on strategically emphasized tasks. However, cost increases due to rises in main raw material prices, greater R&D spending with the objective of creating new products and businesses, and expenses accompanying proactive measures to reorganize manufacturing systems for imaging solutions operations centered on photosensitive materials operations and digital imaging operations. These factors along with the implementation of other restructuring projects caused operating income to drop 40.8%, to ¥60.0 billion (US\$531 million). Income before income taxes decreased 40.0%, to ¥63.5 billion (US\$562 million), and net income declined 37.2%, to ¥33.1 billion (US\$293 million).

The interim cash dividend per share was ¥12.50 (US\$0.11).

Review of Operations

Fujifilm's Imaging Solutions segment offers high-value-added products and services that meet a wide range of advanced customer and consumer needs along the "capture-store-print-share" continuum and include both digital and analog products. Having established digital image printing as its primary area of operations, Fujifilm is promoting the easy, beautiful and long lasting characteristics of digital image prints in Japan and overseas, while expanding its base of digital minilab Frontier series installations to establish the "Print at Retail" service infrastructure. Thanks to such energetic efforts, sales of digital image prints grew significantly. With the completion of sizeable orders to major customers in the previous interim fiscal period, demand for new Frontier minilab installations slowed during this interim fiscal period. In contrast, digital camera sales have significantly increased, with high evaluations in the domestic market for the high-sensitivity FinePix F10 and FinePix Z1 digital camera models. Although both models are making headway overseas, particularly in the European and Asian markets, exceptionally fierce competition in the North American market has led to continued price erosion there. The general business environment for color films continued to be severe, but sales of one-time-use recyclable cameras to mass retailers in the North American

market maintained strong sales performances.

As for the Information Solutions segment, in flat panel display materials operations, demand for mainstay products such as FUJITAC and WV Film continued to show strong growth. In response to further growth in demand, Fujifilm is taking steps to greatly augment its production capacity, including the establishment of FUJIFILM Kyushu Co., Ltd., a manufacturing subsidiary. In medical imaging product operations, medical diagnostic products such as the FCR (Fuji Computed Radiography) and dry imagers enjoyed robust sales. Sales of endoscope products, centered on the Transnasal Gastroscope, grew smoothly. In its graphic arts system operations, sales of Fujifilm's CTP system-related products climbed sharply, driven by worldwide growth in the use of CTP printing systems. To meet this demand, Fujifilm has begun operations at several new CTP plate manufacturing facilities. Regarding recording media operations, despite intense competition in the mid-range data storage tape and DVD media markets, expansion in both markets led to sales growth.

In the Document Solutions segment, the office products business experienced an increase in domestic sales for DocuCentre C6550 I / C5540 I, high-speed model color multifunction devices. The number of high-speed color models and low-speed monochrome models exported to North America and Europe increased markedly over the same period of the previous fiscal year. In the office printers business, the volume of color and monochrome printers supplied for overseas markets grew significantly. In particular, growth in the OEM sales volume of low price range color laser printers helped create a large surge in the volume of color laser printer exports to North America and Europe. In the area of production services, sales of computer printing systems and on-demand printing systems for digital printing markets rose sharply in the Asia-Pacific region, including China. In the office services business, sales from document outsourcing operations also continued to grow domestically.

Looking Forward

While trends in the domestic and overseas business environments remain difficult to predict, the Fujifilm Group seeks to achieve improved flexibility and speed in responding to changing trends in its operating environment, working in concert to address the priority issues listed in its VISION75 medium-term management plan. The Group is also striving to solidify its management base while honing its competitive edge toward the realization of further growth and the ultimate goal of higher corporate value.

In conclusion, I wish to express my sincere thanks to our shareholders, customers, and business partners along with my hope for their continued support and encouragement.

December 2005

Shigetaka Komori
President and Chief Executive Officer

FUJI PHOTO FILM CO., LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
September 30, 2005 and 2004

Assets	September 30		
	2005 (Millions of yen)	2004	2005 (Thousands of U.S. dollars) (Note 1)
Current assets:			
Cash and cash equivalents	¥ 264,172	¥ 404,565	\$ 2,337,805
Marketable securities	51,008	73,038	451,398
Notes and accounts receivable:			
Trade and finance	533,678	504,917	4,722,814
Affiliated companies	33,073	29,142	292,681
Allowance for doubtful receivables	(16,402)	(15,351)	(145,150)
Inventories	384,380	376,187	3,401,593
Deferred income taxes	87,864	84,653	777,558
Prepaid expenses and other	31,307	28,647	277,054
Total current assets	<u>1,369,080</u>	<u>1,485,798</u>	<u>12,115,753</u>
Investments and long-term receivables:			
Investments in and advances to affiliated companies	49,404	46,327	437,203
Investment securities	288,331	245,736	2,551,602
Long-term finance and other receivables	97,874	96,642	866,142
Allowance for doubtful receivables	(4,609)	(6,888)	(40,788)
	<u>431,000</u>	<u>381,817</u>	<u>3,814,159</u>
Property, plant and equipment:			
Land	75,482	69,881	667,982
Buildings	584,049	561,342	5,168,575
Machinery and equipment	1,634,533	1,592,891	14,464,894
Construction in progress	50,849	32,640	449,991
	<u>2,344,913</u>	<u>2,256,754</u>	<u>20,751,442</u>
Less accumulated depreciation	(1,576,468)	(1,533,433)	(13,951,044)
	<u>768,445</u>	<u>723,321</u>	<u>6,800,398</u>
Other assets:			
Goodwill, net	229,240	215,572	2,028,673
Other intangible assets, net	48,890	35,501	432,655
Deferred income taxes	45,817	51,103	405,460
Other	113,809	103,696	1,007,159
	<u>437,756</u>	<u>405,872</u>	<u>3,873,947</u>
Total assets	<u>¥3,006,281</u>	<u>¥2,996,808</u>	<u>\$26,604,257</u>

Liabilities and shareholders' equity	September 30		
	2005 (Millions of yen)	2004	2005 (Thousands of U.S. dollars) (Note 1)
Current liabilities:			
Short-term debt	¥ 125,824	¥ 120,358	\$ 1,113,487
Notes and accounts payable:			
Trade	268,422	275,622	2,375,416
Construction	55,867	34,131	494,398
Affiliated companies	9,793	12,164	86,664
Accrued income taxes	25,785	33,486	228,185
Accrued liabilities	189,229	189,730	1,674,593
Other current liabilities	57,258	56,155	506,708
Total current liabilities	<u>732,178</u>	<u>721,646</u>	<u>6,479,451</u>
Long-term debt	76,356	114,748	675,717
Accrued pension and severance costs	94,744	130,680	838,442
Deferred income taxes	53,873	41,254	476,752
Customers' guarantee deposits and other	36,819	42,148	325,832
Minority interests in subsidiaries	111,082	114,984	983,027
Commitments and contingent liabilities			
Shareholders' equity:			
Common stock, without par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares	40,363	40,363	357,195
Additional paid-in capital	68,135	68,135	602,965
Retained earnings	1,821,132	1,768,979	16,116,212
Accumulated other comprehensive income (loss)	(8,113)	(40,688)	(71,796)
Treasury stock, at cost (5,334,565 and 1,509,624 shares at September 30, 2005 and 2004, respectively)	(20,288)	(5,441)	(179,540)
Total shareholders' equity	<u>1,901,229</u>	<u>1,831,348</u>	<u>16,825,036</u>
Total liabilities and shareholders' equity	<u>¥3,006,281</u>	<u>¥2,996,808</u>	<u>\$26,604,257</u>

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2005 and 2004

	Six months ended September 30		
	2005 (Millions of yen)	2004	2005 (Thousands of U.S. dollars) (Note 1)
Revenue:			
Sales	¥1,121,872	¥1,076,371	\$ 9,928,071
Rentals	181,708	176,554	1,608,035
	<u>1,303,580</u>	<u>1,252,925</u>	<u>11,536,106</u>
Cost of sales:			
Sales	709,073	667,749	6,274,982
Rentals	75,845	71,478	671,195
	<u>784,918</u>	<u>739,227</u>	<u>6,946,177</u>
Gross profit	518,662	513,698	4,589,929
Operating expenses:			
Selling, general and administrative	366,324	409,165	3,241,805
Research and development	92,324	86,360	817,027
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	—	(83,129)	—
Operating income	60,014	101,302	531,097
Other income (expenses):			
Interest and dividend income	3,908	2,765	34,584
Interest expense	(2,088)	(2,080)	(18,478)
Exchange gains (losses), net	4,066	3,576	35,982
Other, net	(2,344)	372	(20,743)
	<u>3,542</u>	<u>4,633</u>	<u>31,345</u>
Income before income taxes	63,556	105,935	562,442
Income taxes	27,408	42,706	242,549
Income before minority interests and equity in net earnings of affiliated companies	36,148	63,229	319,893
Minority interests	(5,773)	(10,914)	(51,088)
Equity in net earnings of affiliated companies	2,739	391	24,239
Net income	<u>¥ 33,114</u>	<u>¥ 52,706</u>	<u>\$ 293,044</u>

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2005 and 2004

Total shareholders' equity		
	(Millions of yen)	(Thousands of U.S. dollars) (Note 1)
Balance at March 31, 2005	¥1,849,102	\$16,363,735
Comprehensive income:		
Net income	33,114	293,044
Net increase in unrealized gains on securities	9,793	86,664
Foreign currency translation adjustments	16,556	146,513
Minimum pension liability adjustments	(996)	(8,814)
Change in net unrealized gains (losses) on derivatives	59	522
Net comprehensive income	58,526	517,929
Purchases of stock for treasury	(36)	(318)
Sales of stock from treasury	4	35
Cash dividends applicable to earnings of the period	(6,367)	(56,345)
Balance at September 30, 2005	<u>¥1,901,229</u>	<u>\$16,825,036</u>
Balance at March 31, 2004	¥1,749,882	
Comprehensive income:		
Net income	52,706	
Net decrease in unrealized gains on securities	(3,984)	
Foreign currency translation adjustments	18,853	
Minimum pension liability adjustments	20,447	
Change in net unrealized gains (losses) on derivatives	117	
Net comprehensive income	88,139	
Purchases of stock for treasury	(307)	
Sales of stock from treasury	49	
Cash dividends applicable to earnings of the period	(6,415)	
Balance at September 30, 2004	<u>¥1,831,348</u>	

CORPORATE INFORMATION

Fuji Photo Film Co., Ltd.

Established

January 20, 1934

Capital

¥40,363,373,192 (As of September 30, 2005)

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URL: <http://www.fujifilm.co.jp/> (Japanese)
<http://home.fujifilm.com/> (English)

Employees

76,430 (As of September 30, 2005, consolidated)

Transfer Agent

Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-8212, Japan

Stock Exchange Listings

Tokyo, Osaka, Nagoya