

FINANCIAL HIGHLIGHTS

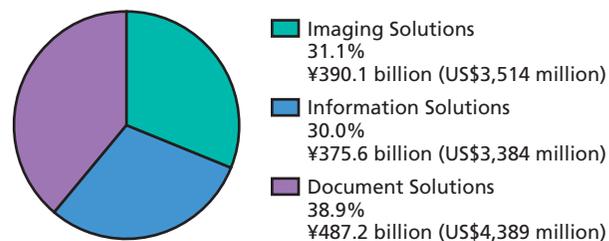
Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2004 and 2003

	Six months ended September 30		
	2004	2003	2004
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Revenue	¥1,252,925	¥1,259,779	\$11,287,613
Net income	52,706	41,112	474,829
	(Yen)		(U.S. dollars)
Per share of common stock:			
Net income (Note 2)	¥102.71	¥80.10	\$0.93
Cash dividends declared (Note 3)	12.50	12.50	0.11

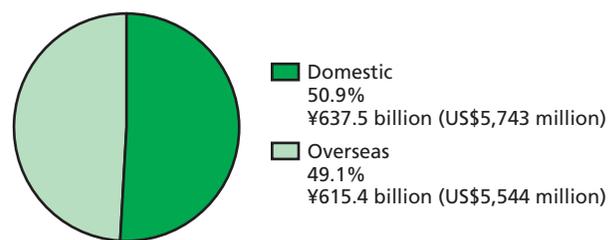
- Notes: 1. U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥111=US\$1, the exchange rate prevailing on September 30, 2004.
2. The computation of net income per share is based on the average number of shares outstanding during each period.
3. Cash dividends per share represent the amounts declared per share for the respective periods.

Revenue Breakdown (Six months ended September 30, 2004)

By Operating Segment



By Domestic and Overseas Revenue



We promote green purchasing for printing service.

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Photographed by Masataka Otsuka

Printed in Japan



Semiannual Report

Six Months Ended
September 30, 2004



FUJI PHOTO FILM CO., LTD.

A MESSAGE FROM THE MANAGEMENT

During the six-month period ended September 30, 2004, Fujifilm's consolidated performance benefited from a large increase in sales of flat panel display materials and robust sales of digital color multifunction machines in the copying machine business. However, these factors were offset by such factors as the appreciation of the yen against the U.S. dollar compared to the corresponding period of the previous year, an intensification of price competition in certain business fields, and a decrease in demand for color films. As a result, consolidated revenue decreased 0.5% compared to the corresponding period of the previous year, to ¥1,252.9 billion (US\$11,287 million). Domestic revenue declined 2.1%, to ¥637.5 billion (US\$5,743 million), while overseas revenue advanced 1.1%, to ¥615.4 billion (US\$5,544 million). Regarding the cost of sales and operating expenses, the transfer of the substitutional portion of Fuji Xerox Co., Ltd.'s pension plan resulted in the recording of temporary income, while the implementation of structural reforms and measures to strengthen R&D capabilities were accompanied by increased expenses. However, operating income rose 8.1%, to ¥101.3 billion (US\$912 million), reflecting the Company's efforts to reduce cost of sales and focus its expenditures on strategically emphasized areas. This, along with such factors as a transition to gains in the settlement and translation of foreign currency denominated receivables, enabled a 30.7% rise in income before income taxes, to ¥105.9 billion (US\$954 million). Net income was up 28.2%, to ¥52.7 billion (US\$474 million).

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

Review of Operations

Regarding the Imaging Solutions segment, while maintaining emphasis on business in digital imaging products, Fujifilm proactively worked to offer new types of solutions that leverage the advantages of silver-halide materials and offer a broader range of products and services. Specifically, the Company focused on increasing the sales of the QuickSnap Smart Flash, a one-time-use recyclable camera. Moreover, the NATURA 1600, an ISO 1600 film, and the NATURA S, a compact camera, were launched in October in Japan. These two products are used together to make up the NP (Natural Photo) system. This unique system creates photographs with a natural quality and depth without using flash illumination, even indoors or at night. Regarding digital cameras, Fujifilm worked to strengthen its product lineup by launching a number of products with distinctive styling and functionality. As for photofinishing equipment, sales of Frontier digital minilabs continued to be strong, particularly in North America. In the strategically emphasized field of photo printing from digital cameras, expanded sales of Frontier series products and the broadcasting of TV commercials to encourage greater awareness and demand brought a positive impact. Consequently, the volume of digital camera prints supplied by Fujifilm surged in Japan compared with the same period of the previous year.

With respect to the Information Solutions segment, in medical imaging products, increases were recorded in sales of the FCR (Fuji Computed Radiography) line of digital X-ray diagnostic systems and other imager products as well as electronic endoscope products. Regarding graphic arts system products, the Company responded to the rise in demand accompanying the progressive worldwide shift to computer-to-plate (CTP) systems by inaugurating a new coating plant for CTP plates in August 2004 in the United States, joining CTP plate manufacturing

facilities in Japan and China. Moreover, a new photopolymer CTP plate manufacturing facility is scheduled to begin operating in the Netherlands in April 2005. Thus, the Company is continuing to strengthen its quadri-polar global CTP product manufacturing system. In the strikingly dynamic growth field of flat panel display materials, Fujifilm achieved a large increase in sales centered on FUJITAC and WV Film. The Company is proactively augmenting its manufacturing capacity as it has decided to acquire land in Japan for constructing an additional FUJITAC plant. Regarding recording media, strong sales were achieved in data cartridge products for the main computer systems of large enterprises that employ the Company's unique NANOCUBIC technology. In the field of optical lens products, growth in the market for camera phones enabled a steady rise in sales of FUJINON-brand, megapixel-compatible lens units.

Regarding the Document Solutions segment, in office products, sales of a new line in the DocuCentre Color series of intelligent multifunction devices continued to be strong. In the production services business, with respect to exports to North America and Europe, Fuji Xerox doubled its sales volume of digital color on-demand printing systems. In Japan, Fuji Xerox began marketing the DocuColor iGen3 Digital Production Press, which achieves high levels of both image quality and printing productivity. Moreover, in September 2004, Fuji Xerox opened an Executive Print Innovation Center in Japan, an "epicenter" housing a full array of digital production equipment. Taking full advantage of this facility to help our customers create highly profitable next-generation digital printing business models and supply them with new kinds of added value, we will strive to further expand the digital printing market.

Looking Forward

While it remains difficult to forecast prospective trends in its domestic and overseas operating environment, the Fujifilm Group is working concertedly to attain the goals listed in its VISION75 medium-term management plan by using leading-edge technologies to provide new products and services, strategically concentrating management resources to expand operations in growth fields, and undertaking comprehensive structural reforms throughout the Group's operations. Through these efforts, we are striving to establish a stronger corporate base and augment our competitiveness, thereby further boosting our corporate value.

In conclusion, I would like to express my sincere thanks to Fujifilm's shareholders, customers, and business partners along with my hope for their continued support and encouragement.

December 2004

Shigetaka Komori
President and Chief Executive Officer

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
September 30, 2004 and 2003

Assets	September 30		
	2004	2003	2004
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Current assets:			
Cash and cash equivalents	¥ 404,565	¥ 445,971	\$ 3,644,729
Marketable securities	73,038	38,037	658,000
Notes and accounts receivable:			
Trade and finance	504,917	509,446	4,548,802
Affiliated companies	29,142	23,883	262,541
Allowance for doubtful receivables	(15,351)	(17,634)	(138,297)
Inventories	376,187	354,958	3,389,072
Deferred income taxes	84,653	80,954	762,639
Prepaid expenses and other	28,647	30,035	258,081
Total current assets	1,485,798	1,465,650	13,385,567
Investments and long-term receivables:			
Investments in and advances to affiliated companies	46,327	42,781	417,360
Investment securities	245,736	260,726	2,213,838
Long-term finance and other receivables	96,642	101,399	870,649
Allowance for doubtful receivables	(6,888)	(7,167)	(62,054)
	381,817	397,739	3,439,793
Property, plant and equipment:			
Land	69,881	75,410	629,559
Buildings	561,342	542,726	5,057,135
Machinery and equipment	1,592,891	1,535,721	14,350,369
Construction in progress	32,640	35,475	294,054
	2,256,754	2,189,332	20,331,117
Less accumulated depreciation	(1,533,433)	(1,483,687)	(13,814,712)
	723,321	705,645	6,516,405
Other assets:			
Goodwill, net	215,572	214,170	1,942,090
Other intangible assets, net	35,501	39,311	319,829
Deferred income taxes	51,103	93,204	460,387
Other	103,696	91,234	934,199
	405,872	437,919	3,656,505
Total assets	¥2,996,808	¥3,006,953	\$26,998,270

Liabilities and shareholders' equity	September 30		
	2004	2003	2004
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Current liabilities:			
Short-term debt	¥ 120,358	¥ 163,077	\$ 1,084,306
Notes and accounts payable:			
Trade	275,622	259,923	2,483,081
Construction	34,131	41,164	307,486
Affiliated companies	12,164	9,288	109,586
Accrued income taxes	33,486	39,550	301,676
Accrued liabilities	189,730	167,685	1,709,279
Other current liabilities	56,155	53,487	505,900
Total current liabilities	721,646	734,174	6,501,314
Long-term debt	114,748	128,143	1,033,766
Accrued pension and severance costs	130,680	245,337	1,177,297
Deferred income taxes	41,254	35,277	371,658
Customers' guarantee deposits and other	42,148	42,723	379,712
Minority interests in subsidiaries	114,984	117,651	1,035,892
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	363,631
Additional paid-in capital	68,135	68,135	613,829
Retained earnings	1,768,979	1,687,912	15,936,748
Accumulated other comprehensive income (loss)	(40,688)	(87,782)	(366,559)
Treasury stock, at cost (1,509,624 and 1,367,711 shares at September 30, 2004 and 2003, respectively)	(5,441)	(4,980)	(49,018)
Total shareholders' equity	1,831,348	1,703,648	16,498,631
Total liabilities and shareholders' equity	¥2,996,808	¥3,006,953	\$26,998,270

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2004 and 2003

	Six months ended September 30		
	2004	2003	2004
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Revenue:			
Sales	¥1,076,371	¥1,082,141	\$ 9,697,036
Rentals	176,554	177,638	1,590,577
	1,252,925	1,259,779	11,287,613
Cost of sales:			
Sales	667,749	660,652	6,015,757
Rentals	71,478	70,296	643,946
	739,227	730,948	6,659,703
Gross profit	513,698	528,831	4,627,910
Operating expenses:			
Selling, general and administrative	409,165	349,250	3,686,171
Research and development	86,360	85,866	778,018
Subsidy related to transfer of substitutional portion of defined benefit pension plan	(83,129)	—	(748,910)
Operating income	101,302	93,715	912,631
Other income (expenses):			
Interest and dividend income	2,765	2,384	24,910
Interest expense	(2,080)	(3,108)	(18,739)
Exchange gains (losses), net	3,576	(3,555)	32,216
Decline in value of investment securities	(33)	(288)	(297)
Other, net	405	(8,085)	3,649
	4,633	(12,652)	41,739
Income before income taxes	105,935	81,063	954,370
Income taxes	42,706	35,753	384,739
Income before minority interests and equity in net earnings of affiliated companies	63,229	45,310	569,631
Minority interests	(10,914)	(6,019)	(98,324)
Equity in net earnings of affiliated companies	391	1,821	3,522
Net income	¥ 52,706	¥ 41,112	\$ 474,829

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

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2004 and 2003

Total shareholders' equity		
	(Millions of yen)	(Thousands of U.S. dollars) (Note 1)
Balance at March 31, 2004	¥1,749,882	\$15,764,703
Comprehensive income:		
Net income	52,706	474,829
Net decrease in unrealized gains on securities	(3,984)	(35,892)
Foreign currency translation adjustments	18,853	169,847
Minimum pension liability adjustments	20,447	184,207
Change in net unrealized gains (losses) on derivatives	117	1,054
Net comprehensive income	88,139	795,045
Purchases of stock for treasury	(307)	(2,766)
Sales of stock from treasury	49	442
Cash dividends applicable to earnings of the period	(6,415)	(57,793)
Balance at September 30, 2004	¥1,831,348	\$16,498,631
Balance at March 31, 2003	¥1,680,611	
Comprehensive income:		
Net income	41,112	
Net increase in unrealized gains on securities	9,115	
Foreign currency translation adjustments	(20,386)	
Change in net unrealized gains (losses) on derivatives	(268)	
Net comprehensive income	29,573	
Purchases of stock for treasury	(242)	
Sales of stock from treasury	123	
Cash dividends applicable to earnings of the period	(6,417)	
Balance at September 30, 2003	¥1,703,648	

CORPORATE INFORMATION

Fuji Photo Film Co., Ltd.

Established

January 20, 1934

Capital

¥40,363,373,192 (As of September 30, 2004)

Tokyo Head Office

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Minato-ku, Tokyo 106-8620, Japan
Tel: (03) 3406-2111
URL: <http://www.fujifilm.co.jp/> (Japanese)
<http://home.fujifilm.com/> (English)

Employees

74,870 (As of September 30, 2004, consolidated)

Transfer Agent

UFJ Trust Bank Limited
4-3, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-0005, Japan

Stock Exchange Listings

Tokyo, Osaka, Nagoya