

FINANCIAL HIGHLIGHTS

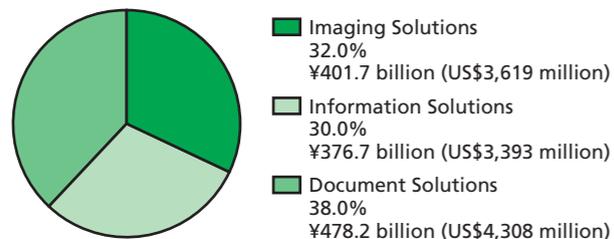
Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2003 and 2002

	Six months ended September 30		
	2003	2002	2003
	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)
Revenue	¥1,256,611	¥1,249,435	\$11,320,819
Net income	41,112	33,610	370,378
	(Yen)		(U.S. dollars)
Per share of common stock:			
Net income (Note 2)	¥80.10	¥65.33	\$0.72
Cash dividends declared (Note 3)	12.50	12.50	0.11

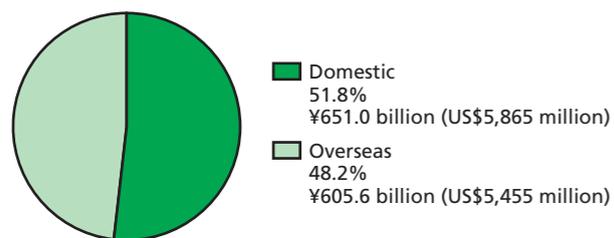
- Notes: 1. U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥111=US\$1, the exchange rate prevailing on September 30, 2003.
2. The computation of net income per share is based on the average number of shares outstanding during each period.
3. Cash dividends per share represent the amounts declared per share for the respective periods.

Revenue Breakdown (Six months ended September 30, 2003)

By Operating Segment



By Domestic and Overseas Revenue



Cover: Lapland, Finland
Photographed by Masataka Otsuka



Semiannual Report

Six Months Ended
September 30, 2003



FUJI PHOTO FILM CO., LTD.

A MESSAGE FROM THE MANAGEMENT

During the six-month period ended September 30, 2003, although the Japanese economy showed signs of the hoped-for economic recovery driven by overseas demand, low consumer spending and private-sector capital investment and sharp yen appreciation in the latter half of the period suggested weakness in the momentum of economic recovery, causing uncertainty about the future. Overseas, the U.S. economy started showing signs of a rebound in the latter half with growth in consumer spending. Nonetheless, the lagging employment recovery, higher long-term interest rates, and other negative conditions weighed on economic growth. In Europe, exports to the United States and other regions started to show some indications of upturn, but the economy remained lackluster on the whole. In Asia, consumption and production languished under the effects of the SARS outbreak, and the economy experienced slowdown in some regions.

Against this background, Fujifilm dynamically developed its operations to enhance as well as strengthen its business while utilizing digital and networking technologies to provide customers with total solutions in the imaging, information, and document businesses fields.

Operating Results

During the period under review, sales of digital cameras and digital minilabs were firm especially overseas, while the SARS outbreak, conflict in Iraq, and unseasonable summer weather in Japan hobbled demand for travel both within Japan and abroad, hurting sales of some consumer products, such as color negative film. In industrial products, sales of LCD materials were strong, as demand increased along with growth in the LCD market. Consequently, consolidated revenue totaled ¥1,256.6 billion (US\$11,320 million), up 0.6% compared with the same period in the previous year. Domestic revenue declined 1.0%, to ¥ 651.0 billion (US\$5,865 million), while overseas revenue increased 2.3%, to ¥605.6 billion (US\$5,455 million). In regard to profits, we attained an improvement in profitability by making further reductions in costs and by achieving major cuts in SG&A expenses. However, operating income declined 4.6%, to ¥91.5 billion (US\$824 million), as a consequence of aggressive R&D spending aimed at developing new products and business activities and of an increase in SG&A expenses due to an increase in the number of consolidated subsidiaries in Japan, which was aimed at such benefits as strengthening marketing capabilities. Income before income taxes rose 4.0%, to ¥81.0 billion (US\$730 million), and net income was up 22.3%, to ¥41.1 billion (US\$370 million), reflecting attainment of improved bottom-line profitability.

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

Review of Operations

In the Imaging Solutions segment, Fujifilm worked to expand its lineup of color film products, launching SUPERIA 1600/X-TRA800 color negative films as well as Velvia 100F and Astia 100F color reversal films. In digital cameras, Fujifilm strove to increase sales of the FinePix F410 and other products. We launched the FinePix S5000, incorporating the 4th-Generation Super CCD HR sensor, which further enhances image quality through advanced miniature fabrication technologies. We also introduced the FinePix F700, with the 4th-Generation Super CCD SR sensor for widening dynamic range as well as increasing image quality. Moreover, Fujifilm started supplying CCD camera modules with one million effective pixels to be used in camera-equipped mobile phones. In photofinishing equipment, Fujifilm has been making diligent efforts to expand its digital print services. For example, we worked to boost sales of our Digital Minilab Frontier series. Moreover, we introduced a new digital print system, which instantly develops pictures from images captured by

camera-equipped mobile phones, and implemented campaigns to promote our digital print processing service offered at retail outlets.

In the Information Solutions segment, the addition of FUJIFILM Graphic Systems Co., Ltd., to our Group as a consolidated subsidiary contributed to sales growth in the graphic arts system area. For medical imaging products, sales were inaugurated of the FCR PROTECT CS, a system for the early detection of breast cancer via mammography. Additionally, Fujifilm successfully developed the Double-Balloon Method Electronic Endoscopy system, enabling the diagnosis of disorders in the small intestine, which heretofore had been difficult. The product was introduced on the market in November 2003. With respect to LCD materials, Fujifilm is increasing production capacity and reinforcing its R&D structure to meet surging demand. In recording media, Fujifilm started supplying data cartridges for the IBM TotalStorage® Enterprise Tape Drive 3592 to IBM. The cartridge is the first commercial product to which our proprietary NANOCUBIC technology, an extra-thin magnetic layer coating technology, has been applied, realizing super high recording capacity. * TotalStorage is a trademark of IBM Corp. in the U.S., and other countries or both.

In the Document Solutions segment, we introduced the DocuColor 1256GA in the domestic market, a digital color multifunction machine in the high-end range of color copy machines. The machine features VCSEL (vertical cavity surface emitting laser), which is developed by Fuji Xerox, enabling color laser printing with a resolution of True 2,400dpi. Overseas, sales of the DocuCentre Color 400CP/320CP/240CP series of digital color multifunction machines remained brisk in the Asia-Oceania region, and exports continued strong to Europe and North America. In information-related equipment, the continuous sheet printer business acquired from Fujitsu Ltd. in the previous fiscal year recorded steadily higher sales.

Looking Forward

Although the business environment surrounding Fujifilm is expected to remain severe, we will continue to provide total solutions based on our advanced technologies and strive to strengthen our business foundation. Moreover, we aim to further improve our consolidated operations as well as reinforce our competitiveness and growth by building a powerful network in R&D, production, sales, and services. We will quickly move forward with restructuring initiatives on a global level to embrace exciting challenges in IT and network development. In addition, we will strengthen and upgrade our measures for corporate ethics and for environmental protection and product safety.

In closing, we would like to express our sincere appreciation for all the day-to-day cooperation we have received from shareholders, customers, and business partners. We hope for your continued support and encouragement.

December 2003

Minoru Ohnishi
Chairman

Shigetaka Komori
President and Chief Executive Officer

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
September 30, 2003 and 2002

Assets	September 30		
	2003 (Millions of yen)	2002	2003 (Thousands of U.S. dollars) (Note 1)
Current assets:			
Cash and cash equivalents	¥ 445,971	¥ 424,947	\$ 4,017,757
Marketable securities	38,037	14,980	342,676
Notes and accounts receivable:			
Trade and finance	509,446	493,570	4,589,604
Affiliated companies	23,883	32,737	215,162
Allowance for doubtful receivables	(17,634)	(17,604)	(158,865)
Inventories	354,958	344,604	3,197,820
Deferred income taxes	80,954	69,575	729,315
Prepaid expenses and other	30,035	28,024	270,586
Total current assets	1,465,650	1,390,833	13,204,055
Investments and long-term receivables:			
Investments in and advances to affiliated companies	42,781	41,989	385,414
Investment securities	260,726	290,693	2,348,883
Long-term finance and other receivables	101,399	99,185	913,505
Allowance for doubtful receivables	(7,167)	(3,111)	(64,568)
	397,739	428,756	3,583,234
Property, plant and equipment:			
Land	75,410	72,685	679,370
Buildings	542,726	522,263	4,889,423
Machinery and equipment	1,535,721	1,533,701	13,835,324
Construction in progress	35,475	33,361	319,595
	2,189,332	2,162,010	19,723,712
Less accumulated depreciation	(1,483,687)	(1,451,388)	(13,366,550)
	705,645	710,622	6,357,162
Other assets:			
Goodwill, net	214,170	194,763	1,929,459
Other intangible assets, net	39,311	51,251	354,153
Deferred income taxes	93,204	71,051	839,676
Other	91,234	75,335	821,928
	437,919	392,400	3,945,216
Total assets	¥3,006,953	¥2,922,611	\$27,089,667

Liabilities and shareholders' equity	September 30		
	2003 (Millions of yen)	2002	2003 (Thousands of U.S. dollars) (Note 1)
Current liabilities:			
Short-term debt	¥ 163,077	¥ 172,218	\$ 1,469,162
Notes and accounts payable:			
Trade	259,923	246,298	2,341,649
Construction	41,164	34,218	370,847
Affiliated companies	9,288	10,360	83,676
Accrued income taxes	39,550	36,097	356,306
Accrued liabilities	167,685	156,634	1,510,676
Other current liabilities	53,487	49,721	481,865
Total current liabilities	734,174	705,546	6,614,181
Long-term debt	128,143	125,827	1,154,441
Accrued pension and severance costs	245,337	193,879	2,210,243
Deferred income taxes	35,277	22,752	317,811
Customers' guarantee deposits and other	42,723	49,909	384,892
Minority interests in subsidiaries	117,651	131,892	1,059,919
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	1,687,912	1,644,669	15,206,414
Accumulated other comprehensive income (loss)	(87,782)	(59,130)	(790,829)
Treasury stock, at cost (1,367,711 and 295,820 shares at September 30, 2003 and 2002, respectively)	(4,980)	(1,231)	(44,865)
Total shareholders' equity	1,703,648	1,692,806	15,348,180
Total liabilities and shareholders' equity	¥3,006,953	¥2,922,611	\$27,089,667

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2003 and 2002

	Six months ended September 30		
	2003 (Millions of yen)	2002	2003 (Thousands of U.S. dollars) (Note 1)
Revenue:			
Sales	¥1,078,973	¥1,075,453	\$ 9,720,477
Rentals	177,638	173,982	1,600,342
	1,256,611	1,249,435	11,320,819
Cost of sales:			
Sales	659,693	667,699	5,943,180
Rentals	70,296	68,271	633,297
	729,989	735,970	6,576,477
Gross profit	526,622	513,465	4,744,342
Operating expenses:			
Selling, general and administrative	349,250	337,750	3,146,396
Research and development	85,866	79,823	773,568
Operating income	91,506	95,892	824,378
Other income (expenses):			
Interest and dividend income	5,552	5,141	50,018
Interest expense	(4,067)	(4,525)	(36,640)
Exchange gains (losses), net	(3,555)	(9,960)	(32,027)
Decline in value of investment securities	(288)	(2,972)	(2,595)
Other, net	(8,085)	(5,668)	(72,837)
	(10,443)	(17,984)	(94,081)
Income before income taxes	81,063	77,908	730,297
Income taxes	35,753	38,135	322,099
Income before minority interests and equity in net earnings of affiliated companies	45,310	39,773	408,198
Minority interests	(6,019)	(6,717)	(54,225)
Equity in net earnings of affiliated companies	1,821	554	16,405
Net income	¥ 41,112	¥ 33,610	\$ 370,378

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

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2003 and 2002

Total shareholders' equity	(Millions of yen)		(Thousands of U.S. dollars) (Note 1)	
	2003	2002	2003	2002
Balance at March 31, 2003	¥1,680,611		\$15,140,640	
Comprehensive income:				
Net income	41,112		370,378	
Net increase in unrealized gains on securities	9,115		82,117	
Foreign currency translation adjustments	(20,386)		(183,658)	
Change in unrealized gains (losses) on derivatives	(268)		(2,414)	
Net comprehensive income	29,573		266,423	
Purchases of stock for treasury	(242)		(2,180)	
Sales of stock from treasury	123		1,108	
Cash dividends applicable to earnings of the period	(6,417)		(57,811)	
Balance at September 30, 2003	¥1,703,648		\$15,348,180	
Balance at March 31, 2002		¥1,698,063		
Comprehensive income:				
Net income		33,610		
Net increase in unrealized gains on securities		1,137		
Foreign currency translation adjustments		(29,385)		
Change in unrealized gains (losses) on derivatives		7		
Net comprehensive income		5,369		
Purchases of stock for treasury		(659)		
Cash dividends applicable to earnings of the period		(6,429)		
Change of fiscal year end of certain subsidiaries		(3,538)		
Balance at September 30, 2002		¥1,692,806		

CORPORATE INFORMATION

Fuji Photo Film Co., Ltd.

Established

January 20, 1934

Capital

¥40,363,373,192 (As of September 30, 2003)

Tokyo Head Office

26-30, Nishiazabu 2-chome,
Minato-ku, Tokyo 106-8620, Japan
Tel: (03) 3406-2111

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

Employees

73,646 (As of September 30, 2003, consolidated)

Transfer Agent

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

Stock Exchange Listings

Tokyo, Osaka, Nagoya