

FINANCIAL HIGHLIGHTS

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2002 and 2001

	Six months ended September 30		
	2002	2001	2002
	(Millions of yen)		(Thousands of U.S. dollars)
Revenue	¥1,249,435	¥1,171,631	\$10,158,008
Net income	33,610	46,414	273,252
	(Yen)		(U.S. dollars)
Per share of common stock:			
Net income	¥65.33	¥90.19	\$0.53
Cash dividends declared	12.50	12.50	0.10

Notes: 1. U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥123=US\$1, the exchange rate prevailing on September 30, 2002.

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

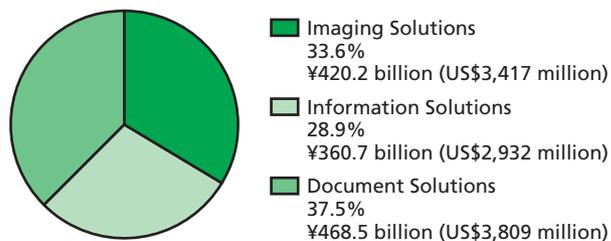
 **FUJIFILM**
I&I-Imaging & Information

Semiannual Report

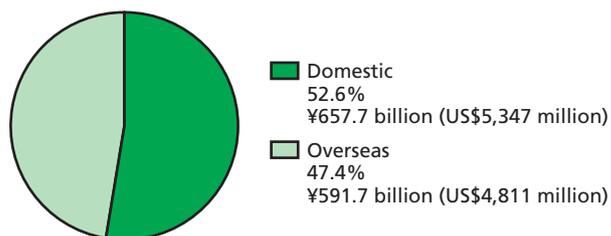
Six Months Ended
September 30, 2002

Revenue Breakdown (Six months ended September 30, 2002)

By Product Category



By Domestic and Overseas Revenue



Cover: Sognefjord, Norway
Photographed by Toshinobu Takeuchi

FUJI PHOTO FILM CO., LTD.

A MESSAGE FROM THE MANAGEMENT

During the six-month period ended September 30, 2002, the Japanese economy remained severe due to sluggish consumer spending and private-sector capital investment, although some economic indicators showed signs of a recovery. Overseas, the U.S. economy was relatively stable, but concerns over future prospects increased. In Europe, there were indications of a recovery in the euro area during the first half of the period, although flooding in Central and Eastern Europe resulted in weaker-than-expected performances in some regions. In Asia, the Chinese economy continued to be stable, while other countries exhibited a mild recovery.

Against this background, Fujifilm aggressively worked to offer its customers total solutions using digital and networking technologies in the imaging, information, and document fields. As part of our efforts to strengthen and expand our operating domain, we launched new digital cameras enabling even higher image quality, promoted sales of digital minilabs capable of offering a full range of digital imaging services, increased our manufacturing capacity of materials for liquid crystal displays (LCDs), expanded sales of digital color multifunction machines incorporating new technologies in our document business, and developed new Graded-Index Plastic Optical Fiber to facilitate high-speed communications.

Operating Results

During the period under review, Fujifilm recorded steady sales of digital minilabs, digital cameras, and other digital products, and the yen was weaker against the U.S. dollar and the euro than it had been during the corresponding period a year ago. As a result, consolidated revenue amounted to ¥1,249.4 billion (US\$10,158 million), a 6.6% increase compared with the corresponding period. Domestic revenue totaled ¥657.7 billion (US\$5,347 million), a 1.0% decrease, and overseas revenue was ¥591.7 billion (US\$4,811 million), a 16.6% increase. Operating income was ¥95.8 billion (US\$779 million), a 7.7% increase, while income before income taxes declined 13.1%, to ¥77.9 billion (US\$633 million), and net income amounted to ¥33.6 billion (US\$273 million), a 27.6% decrease. The main reasons for the declines in income before income taxes and net income included the rapid rise of the yen against the U.S. dollar during the first quarter, which resulted in a difference in settlement exchange rates for receivables denominated in foreign currencies, and the fact that we had recorded a one-time gain on the exchange of marketable securities during the corresponding period a year ago (¥9.0 billion before taxes and ¥5.2 billion after taxes). Interim cash dividends per share of ¥12.50 (US\$0.10) were declared.

Review of Operations

In the Imaging Solutions segment, we worked hard to increase sales of color film and other products by carrying out a number of promotional campaigns tied up with the 2002 FIFA World Cup™. In digital cameras, we won praise for our new FinePix F401, which delivers high-quality, high-resolution pictures via our third-generation Super CCD sensor. In lab equipment, we worked to expand sales of the highly reputed Frontier digital minilab series and ran a major promotional campaign in Japan encouraging customers to make prints from photos taken by digital cameras at print shops or via the Internet. In September 2002, we acquired an equity stake of JUS-Photo Co., Ltd., which operates the DPE franchise chain in Japan, through a tender offer bid. We will continue to work further to develop our business in digital photography.

In the Information Solutions segment, we increased sales of graphic arts systems by including Enovation Graphic Systems, Inc., a U.S. sales company, within the scope of consolidation. In medical imaging products, sales of the FCR XG-1 compact digital X-ray diagnostic system increased substantially in Europe and the United States, while remaining steady in Japan. In industrial materials, by increasing our capacity to produce Wide View film for use in LCDs, we were able to record a significant sales increase. In recording media, sales of LTO Ultrium 1* data cartridges and other data media were strong and we launched our next-generation of Super DLTtape™ 1** data cartridges.

* LTO and Ultrium are trademarks of HP, IBM and Seagate RSS in the US, other countries or both.

** Super DLTtape is a trademark of Quantum Corporation.

In the Document Solutions segment, domestic sales of the digital color multifunction machine DocuCentre Color 400CP/320CP with superior cost performance remained steady, due to the use of our Emulsion Aggregation (EA) toner, which improves image quality and productivity while reducing environmental impact. Furthermore, we launched the series in the Asia-Pacific region and began exporting it to Xerox Corporation in the United States and its subsidiaries in Europe, thus contributing to a substantial increase in sales of color copying machines.

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. Furthermore, we aim to reinforce the competitiveness and growth of the entire Group by building a powerful network in R&D, production, sales, and services. In addition, we will intensify efforts to reduce all costs in our drive to build a strong corporate structure and strengthen and upgrade our measures for corporate ethics and environmental and product safety concerns.

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 look forward to your continued support and encouragement.

December 2002



Minoru Ohnishi
Chairman and Chief Executive Officer



Masayuki Muneyuki
Vice Chairman



Shigetaka Komori
President

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
September 30, 2002 and 2001

Assets	September 30		
	2002	2001	2002
	(Millions of yen)		(Thousands of U.S. dollars)
Current assets:			
Cash and cash equivalents	¥ 424,947	¥ 427,369	\$ 3,454,854
Marketable securities	14,980	8,334	121,789
Notes and accounts receivable:			
Trade and finance	493,570	460,292	4,012,764
Affiliated companies	32,737	40,344	266,154
Allowance for doubtful receivables	(17,604)	(13,431)	(143,122)
Inventories	344,604	364,329	2,801,659
Deferred income taxes	69,575	59,554	565,650
Prepaid expenses and other	28,024	29,196	227,837
Total current assets	1,390,833	1,375,987	11,307,585
Investments and long-term receivables:			
Investments in and advances to affiliated companies	41,989	35,506	341,374
Investment securities	290,693	264,171	2,363,358
Long-term finance and other receivables	99,185	107,316	806,382
Allowance for doubtful receivables	(3,111)	(1,695)	(25,293)
	428,756	405,298	3,485,821
Property, plant and equipment:			
Land	72,685	71,197	590,935
Buildings	522,263	499,703	4,246,040
Machinery and equipment	1,533,701	1,446,450	12,469,114
Construction in progress	33,361	37,811	271,228
	2,162,010	2,055,161	17,577,317
Less accumulated depreciation	(1,451,388)	(1,353,307)	(11,799,902)
	710,622	701,854	5,777,415
Other assets:			
Goodwill, net	194,763	185,215	1,583,439
Other intangible assets, net	51,251	57,162	416,675
Deferred income taxes	71,051	37,673	577,650
Other	75,335	66,778	612,480
	392,400	346,828	3,190,244
Total assets	¥2,922,611	¥2,829,967	\$23,761,065

Liabilities and shareholders' equity	September 30		
	2002	2001	2002
	(Millions of yen)		(Thousands of U.S. dollars)
Current liabilities:			
Short-term debt	¥ 172,218	¥ 172,529	\$ 1,400,146
Notes and accounts payable:			
Trade	246,298	238,595	2,002,423
Construction	34,218	44,509	278,195
Affiliated companies	10,360	9,945	84,228
Accrued income taxes	36,097	36,862	293,472
Accrued liabilities	156,634	147,415	1,273,447
Other current liabilities	49,721	52,290	404,235
Total current liabilities	705,546	702,145	5,736,146
Long-term debt	125,827	142,412	1,022,984
Accrued pension and severance costs	193,879	131,583	1,576,252
Deferred income taxes	22,752	14,086	184,976
Customers' guarantee deposits and other	49,909	58,809	405,764
Minority interests in subsidiaries	131,892	124,807	1,072,293
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	328,154
Additional paid-in capital	68,135	68,135	553,943
Retained earnings	1,644,669	1,589,784	13,371,293
Accumulated other comprehensive income (loss)	(59,130)	(42,130)	(480,732)
Treasury stock, at cost (295,820 and 6,256 shares outstanding at September 30, 2002 and 2001, respectively)	(1,231)	(27)	(10,008)
Total shareholders' equity	1,692,806	1,656,125	13,762,650
Total liabilities and shareholders' equity	¥2,922,611	¥2,829,967	\$23,761,065

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2002 and 2001

	Six months ended September 30		
	2002	2001	2002
	(Millions of yen)		(Thousands of U.S. dollars)
Revenue:			
Sales	¥1,075,453	¥ 995,274	\$ 8,743,520
Rentals	173,982	176,357	1,414,488
	1,249,435	1,171,631	10,158,008
Cost of sales:			
Sales	667,699	607,871	5,428,447
Rentals	68,271	66,472	555,049
	735,970	674,343	5,983,496
Gross profit	513,465	497,288	4,174,512
Operating expenses:			
Selling, general and administrative	337,750	334,296	2,745,935
Research and development	79,823	73,943	648,967
Operating income	95,892	89,049	779,610
Other income (expenses):			
Interest and dividend income	5,141	6,172	41,797
Interest expense	(4,525)	(6,421)	(36,789)
Exchange losses, net	(9,960)	(309)	(80,976)
Gain on non-monetary exchanges of equity securities	—	9,018	—
Other, net	(8,640)	(7,845)	(70,244)
	(17,984)	615	(146,212)
Income before income taxes	77,908	89,664	633,398
Income taxes	38,135	39,919	310,040
Income before minority interests and equity in net earnings of affiliated companies	39,773	49,745	323,358
Minority interests	(6,717)	(5,265)	(54,610)
Equity in net earnings of affiliated companies	554	1,934	4,504
Net income	¥ 33,610	¥ 46,414	\$ 273,252

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

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2002 and 2001

	Total shareholders' equity	
	(Millions of yen)	(Thousands of U.S. dollars)
Balance at March 31, 2002	¥1,698,063	\$13,805,390
Comprehensive income:		
Net income	33,610	273,252
Net increase in unrealized gains on securities	1,137	9,244
Foreign currency translation adjustments	(29,385)	(238,903)
Net increase in unrealized gains on derivatives qualifying as hedges	7	57
Net comprehensive income	5,369	43,650
Purchases of stock for treasury	(659)	(5,358)
Cash dividends applicable to earnings of the period	(6,429)	(52,268)
Change of fiscal year end of certain subsidiaries	(3,538)	(28,764)
Balance at September 30, 2002	¥1,692,806	\$13,762,650
Balance at March 31, 2001	¥1,624,856	
Comprehensive income:		
Net income	46,414	
Net decrease in unrealized gains on securities	(12,136)	
Foreign currency translation adjustments	3,717	
Net increase in unrealized losses on derivatives qualifying as hedges	(422)	
Net comprehensive income	37,573	
Purchases of stock for treasury	(1,578)	
Sales of stock for treasury	1,707	
Cash dividends applicable to earnings of the period	(6,433)	
Balance at September 30, 2001	¥1,656,125	

CORPORATE INFORMATION

Fuji Photo Film Co., Ltd.

Established

January 20, 1934

Capital

¥40,363,373,192 (As of September 30, 2002)

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

72,877 (As of September 30, 2002, consolidated)

Transfer Agent

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

Stock Exchange Listings

Tokyo, Osaka, Nagoya