

FINANCIAL HIGHLIGHTS

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

	Millions of yen		Thousands of U.S. dollars
	September 30 1999	September 30 1998	September 30 1999
Net sales	<u>¥698,685</u>	<u>¥734,194</u>	<u>\$6,529,766</u>
Net income	<u>46,820</u>	<u>51,488</u>	<u>437,570</u>
	Yen		U.S. dollars
Per share of common stock:			
Net income	<u>¥90.98</u>	<u>¥100.05</u>	<u>\$0.85</u>
Cash dividends	<u>11.25</u>	<u>11.25</u>	<u>0.11</u>

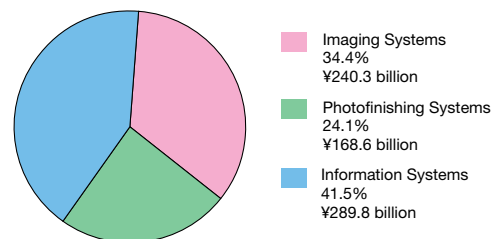
- Notes: 1. U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥107=US\$1, the exchange rate prevailing on September 30, 1999.
2. The computation of net income per share is based on the average number of shares outstanding during each period.

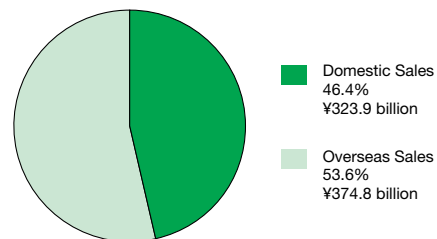
Semiannual Report

Six Months Ended
September 30, 1999


Sales Breakdown (Six months ended September 30, 1999)

 By Product Category


 By Domestic and Overseas Sales


FUJI PHOTO FILM CO., LTD.

Cover: Autumn in New England, U.S.A.
 Photograph, courtesy of Kaoru Soehata

A MESSAGE FROM THE CHAIRMAN AND PRESIDENT

During the six-month period ended September 30, 1999, the Japanese economy showed some improvement. However, personal consumption and capital investment in the private-sector remained lackluster. The U.S. economy held firm, bolstered by domestic demand. European economies on the whole, also performed well. In Asia, there were signs of slight recovery.

Under such conditions, we focused on ensuring the timely introduction of new products, systems and services and enhanced marketing. As a result of these efforts, our operations, particularly in North America and Europe, performed very well, and accordingly, sales in those markets recorded firm increases. In spite of these improvements, however, our results during the period were affected by the sharp appreciation of the yen. In yen terms consolidated net sales slipped 4.8%, to ¥698.6 billion (\$6,530 million), while net income declined 9.1%, to ¥46.8 billion (\$438 million).

Interim cash dividends were declared at ¥11.25 (\$0.11) per share.

In the Imaging Systems segment, we have won strong market support for our NEW SUPERIA series of 35mm color negative films and NEW NEXIA series for the Advanced Photo System (APS), applying our proprietary Fourth Color Layer Technology—the only one in the world. Both of these series of films boast exceptionally vivid and faithful color reproduction. We responded to the diversifying needs of customers in the digital camera market by adding several new products to our lineup, including the MX-2900 Zoom, which incorporates a 2.3-million-pixel charge-coupled device (CCD) and a 3X zoom lens, and the compact MX-1700 Zoom models.

In the Photofinishing Systems segment, we launched the Frontier 350 and 370 Digital Minilab systems, both of which generate ultrahigh-quality prints with their distinguished color image stability from various types of digital media, as well as from color negative or reversal film. These minilab systems have gained an outstanding reputation in the market because of the unprecedented quality of the prints they produce, which is made possible by the revolutionary digital processing technologies and software built into them.

In the Information Systems segment, we augmented our lineup of printing systems for the graphic arts market

by launching the Luxel IMAGESETTER F-9000, an imagesetter that delivers outstanding productivity. In medical diagnostic products, we upgraded the Fuji Computed Radiography (FCR) 5000 series of next-generation digital X-ray imaging systems. Sales of our high-capacity data storage products, DLTtape™ IV and DDS4, both of which incorporate our proprietary Advanced Super-Thin Layer & High-Output Metal Media (ATOMM) technology, as well as WV FILM for liquid crystal display panels were bolstered.

The operating environment for Fujifilm is expected to remain harsh during the second half of the current fiscal year, owing to further appreciation of the yen and other factors. Guided by our “I&I” (“Imaging and Information”) slogan, in order to expand our business domain, we are developing strategic marketing that reflects user values and reinforces our position as a leader in the digital imaging market. We are striving to ensure corporate soundness, as well as build a stronger, more competitive Fujifilm Group, by improving the efficiency of our business processes and promoting overall cost reduction. To fulfill our responsibility as a corporate citizen, we are intensifying, redefining and enhancing our commitment to adhering to corporate ethics and responding to environmental and product safety issues.

As always, we thank our shareholders, customers and business partners for their cooperation to date and look forward to their guidance and support in the years ahead.

December 1999



Minoru Ohnishi
Chairman and Chief Executive Officer



Masayuki Muneyuki
President

CONSOLIDATED BALANCE SHEETS (Unaudited)

Fuji Photo Film Co., Ltd. and Subsidiaries
September 30, 1999 and March 31, 1999

	Millions of yen		Thousands of U.S. dollars
	September 30 1999	March 31 1999	September 30 1999
Assets			
<i>Current assets:</i>			
Cash and cash equivalents	¥ 638,824	¥ 582,607	\$ 5,970,318
Marketable securities	137,627	140,622	1,286,234
Notes and accounts receivable:			
Trade	240,483	240,470	2,247,505
Affiliated companies	32,219	37,244	301,112
Allowance for doubtful receivables	(8,560)	(8,484)	(80,000)
Inventories	221,298	236,644	2,068,205
Deferred income taxes	35,002	35,490	327,121
Prepaid expenses and other	14,625	15,536	136,682
Total current assets	<u>1,311,518</u>	<u>1,280,129</u>	<u>12,257,177</u>
<i>Investments and long-term receivables:</i>			
Investments in and advances to affiliated companies	167,331	166,117	1,563,841
Investment securities	62,168	62,868	581,009
Long-term receivables	16,480	17,880	154,019
	<u>245,979</u>	<u>246,865</u>	<u>2,298,869</u>
<i>Property, plant and equipment:</i>			
Land	44,456	45,036	415,476
Buildings	324,568	328,646	3,033,346
Machinery and equipment	1,003,822	1,014,809	9,381,514
Construction in progress	21,344	16,951	199,477
	<u>1,394,190</u>	<u>1,405,442</u>	<u>13,029,813</u>
Less accumulated depreciation	(936,882)	(931,873)	(8,755,906)
	<u>457,308</u>	<u>473,569</u>	<u>4,273,907</u>
<i>Other assets:</i>			
Intangible assets, net	65,263	71,968	609,935
Deferred income taxes	27,121	24,846	253,467
Other	23,191	22,077	216,738
	<u>115,575</u>	<u>118,891</u>	<u>1,080,140</u>
Total assets	<u>¥2,130,380</u>	<u>¥2,119,454</u>	<u>\$19,910,093</u>

	Millions of yen		Thousands of U.S. dollars
	September 30 1999	March 31 1999	September 30 1999
Liabilities and Shareholders' Equity			
<i>Current liabilities:</i>			
Short-term debt	¥ 144,535	¥ 154,143	\$ 1,350,794
Notes and accounts payable:			
Trade	134,968	134,267	1,261,383
Construction	26,338	26,917	246,150
Accrued income taxes	29,616	18,703	276,785
Accrued liabilities	89,213	88,022	833,766
Other current liabilities	28,154	24,565	263,122
Total current liabilities	<u>452,824</u>	<u>446,617</u>	<u>4,232,000</u>
<i>Long-term debt</i>	37,328	47,363	348,860
<i>Accrued pension and severance costs</i>	96,800	98,351	904,673
<i>Customers' guarantee deposits and other</i>	52,669	54,138	492,233
<i>Minority interests in subsidiaries</i>	21,604	20,466	201,907
<i>Shareholders' equity:</i>			
Common stock, ¥50 par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares	40,363	40,363	377,224
Additional paid-in capital	68,135	68,135	636,776
Legal reserve	11,084	11,068	103,589
Retained earnings	1,394,487	1,353,472	13,032,588
Accumulated other comprehensive income (loss)	(44,914)	(20,519)	(419,757)
Total shareholders' equity	<u>1,469,155</u>	<u>1,452,519</u>	<u>13,730,420</u>
Total liabilities and shareholders' equity	<u>¥2,130,380</u>	<u>¥2,119,454</u>	<u>\$19,910,093</u>

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Fuji Photo Film Co., Ltd. and Subsidiaries

Six months ended September 30

	Millions of yen		Thousands of U.S. dollars
	September 30 1999	September 30 1998	September 30 1999
<i>Net sales</i>	¥698,685	¥734,194	\$6,529,766
<i>Cost of sales</i>	379,698	393,690	3,548,579
<i>Gross profit</i>	318,987	340,504	2,981,187
<i>Operating expenses:</i>			
Selling, general and administrative	197,256	206,034	1,843,514
Research and development	40,597	43,380	379,411
<i>Operating income</i>	81,134	91,090	758,262
<i>Other income (expenses):</i>			
Interest and dividend income	3,506	5,648	32,766
Interest expense	(5,162)	(6,635)	(48,243)
Exchange gains (losses), net	(2,373)	1,558	(22,178)
Other, net	(4,043)	(12,067)	(37,786)
	(8,072)	(11,496)	(75,440)
<i>Income before income taxes</i>	73,062	79,594	682,822
<i>Income taxes:</i>			
Current	31,370	35,628	293,178
Deferred	56	(379)	523
	31,426	35,249	293,701
<i>Income before equity in net earnings of affiliated companies</i>	41,636	44,345	389,121
<i>Equity in net earnings of affiliated companies</i>	5,184	7,143	48,449
<i>Net income</i>	¥ 46,820	¥ 51,488	\$ 437,570

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (Unaudited)

Fuji Photo Film Co., Ltd. and Subsidiaries

Six months ended September 30

	Millions of yen		Thousands of U.S. dollars
	September 30 1999	September 30 1998	September 30 1999
<i>Balance at beginning of period</i>	¥1,353,472	¥1,293,670	\$12,649,271
Cash dividends applicable to earnings of the period	(5,789)	(5,789)	(54,103)
Transfer to legal reserve	(16)	(135)	(150)
Net income for the period	46,820	51,488	437,570
<i>Balance at end of period</i>	¥1,394,487	¥1,339,234	\$13,032,588

CORPORATE INFORMATION

Fuji Photo Film Co., Ltd.

Established

January 20, 1934

Capital

¥40,363,373,192 (As of September 30, 1999)

Tokyo Head Office

26-30, Nishiazabu 2-chome,
Minato-ku, Tokyo 106-8620, Japan
Tel: (03)3406-2111
URL: <http://www.fujifilm.co.jp>

Employees

37,610 (As of September 30, 1999, consolidated)

Transfer Agent

The Toyo Trust and Banking Co., Ltd.
4-3, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-0005, Japan

Stock Exchange Listings

Tokyo, Osaka, Nagoya

Domestic Offices

Sapporo, Sendai, Nagoya, Osaka,
Hiroshima, Fukuoka

Overseas Offices

New York, Honolulu, Toronto, São Paulo, Düsseldorf,
London, Paris, Barcelona, Dubai, Sydney, Singapore,
New Delhi, Bangkok, Kuala Lumpur, Ho Chi Minh City,
Manila, Seoul, Beijing, Hong Kong, Taipei