

FINANCIAL HIGHLIGHTS

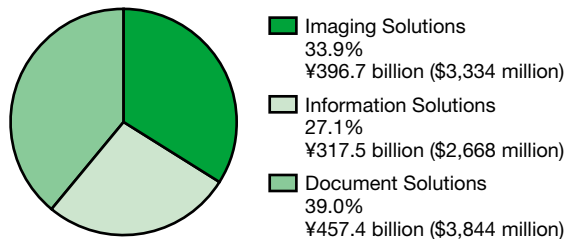
Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2001 and 2000

	Six months ended September 30		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Revenue	¥1,171,631	¥679,834	\$9,845,639
Net income	46,414	76,472	390,033
	(Yen)		(U.S. dollars)
Per share of common stock:			
Net income	¥90.19	¥148.60	\$0.76
Cash dividends	12.50	11.25	0.11

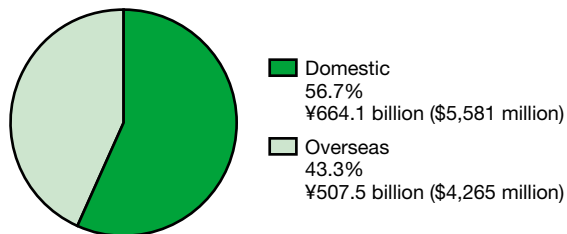
- Notes: 1. U.S. dollar amounts presented are translated from yen, for convenience only, at the rate of ¥119=US\$1, the exchange rate prevailing on September 30, 2001.
2. The computation of net income per share is based on the average number of shares outstanding during each period.

Revenue Breakdown (Six months ended September 30, 2001)

By Product Category



By Domestic and Overseas Revenue



 **FUJIFILM**
I&I—Imaging & Information

Semiannual Report

Six Months Ended
September 30, 2001



FUJI PHOTO FILM CO., LTD.

Cover: Appenzell, Switzerland
Photographed by Toshiaki Tanji

A MESSAGE FROM THE MANAGEMENT

The Japanese economy remained stagnant during the six-month period ended September 30, 2001, due to a drop in private-sector capital investment and a slowdown in personal spending. In the United States, there was no sign that the drop in capital investment had bottomed out despite monetary and fiscal stimulus measures. At this time, it is uncertain what impact planned tax reductions and tax rebates will have on consumer spending. The result is a continuing uncertainty in the economy. The European economy, centered on the Eurozone, also showed clearer signs of a downturn. The same tendency toward a slowing economy became apparent in Asia as well. The terrorist attack in the United States on September 11 further deepened the sense of uncertainty regarding the future growth of the world economy.

In this environment, the Fujifilm Group is continuing its efforts to aggressively expand its business using digital and network technologies to meet various types of imaging and information needs generated by the requirements of the IT age. Specifically, we are working to expand our business operations by increasing production capacity in LCD materials operations, introducing compact digital minilabs, enlarging production and marketing bases for digital cameras and other items in China, and strengthening our graphic arts business in the United States.

Operating Results

Consolidated revenue for the period under review increased 72.3% compared with the corresponding period a year ago, totaling ¥1,171.6 billion (US\$9,846 million). This was partly as a result of the consolidation of Fuji Xerox Co., Ltd. Domestic revenue rose 107.9%, to ¥664.1 billion (US\$5,581 million), while overseas revenue increased 40.8%, to ¥507.5 billion (US\$4,265 million), partly the result of a weaker yen. Operating income rose 16.7%, to ¥89.0 billion (US\$748 million), while income before income taxes fell 29.1%, to ¥89.6 billion (US\$753 million). Net income for the period dropped 39.3%, to ¥46.4 billion (US\$390 million). The reason for these sizable decreases in income before income taxes and net income was the inclusion in the previous year's interim results of temporary gains of ¥56.1 billion and ¥32.5 billion after tax, the result of gains on contribution of securities to employee retirement benefit trusts.

An interim cash dividend of ¥12.50 (US\$0.11) was declared.

Review of Segments

In the Imaging Solutions segment of our business, we worked to expand sales of SUPERIA 35mm and NEXIA APS color films, both of which incorporate Fujifilm's unique Fourth Color Layer Technology, not available on any other films in the world. In conventional cameras, we expanded our product line, including the Zoom Date 1000 35mm camera. Attractive new digital cameras, including the FinePix50i with audio functions, were brought to market. In photofinishing equipment, unit sales of our Digital Minilab Frontier series increased satisfactorily.

In the Information Solutions segment, we expanded sales of digital prepress systems such as computer-to-plate (CTP) systems. Our compact digital X-ray image diagnostic system, FCR XG-1, was very well received and contributed to increased sales of our medical imaging systems division. In industrial materials, sales grew for WV FILM, used for LCD materials, and, in the area of data storage media, sales of high-capacity LTO Ultrium 1 data cartridges held steady.

In the Document Solutions segment, the document service business showed increased sales of consumables and service support in tandem with the shift to digital and color machines and an increase in copy volume. Also contributing to growth in this business was the augmentation of our existing document businesses in China. In addition, we acquired a laser printer business in 2001 and are working to expand this business.

The Way Forward

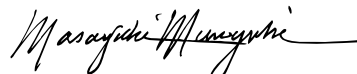
Although our business environment remains extremely challenging, we will make maximum use of our independently developed technologies and increase our efforts to introduce unique new products, systems, services, and solutions ahead of our competitors. We will aggressively expand our business in the Imaging & Information market. The Fujifilm Group is working as one to sharpen its competitiveness, creating stronger networks for R&D, production, sales, and services. At the same time, we continue to strengthen our efforts to adhere to the highest standards of corporate ethics and to respond to environmental and product safety issues while establishing a strong corporate structure.

Finally, we would like to take this opportunity to thank our shareholders, customers, and business partners for their strong, continuing cooperation in our day-to-day operations. We hope for your continued support and encouragement.

December 2001



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, 2001 and 2000

Assets	September 30		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Current assets:			
Cash and cash equivalents	¥ 427,369	¥ 638,881	\$ 3,591,336
Marketable securities	8,334	30,017	70,034
Notes and accounts receivable:			
Trade and finance	460,292	261,508	3,868,000
Affiliated companies	40,344	45,783	339,025
Allowance for doubtful receivables	(13,431)	(8,947)	(112,865)
Inventories	364,329	235,281	3,061,588
Deferred income taxes	59,554	38,024	500,454
Prepaid expenses and other	29,223	14,975	245,571
Total current assets	1,376,014	1,255,522	11,563,143
Investments and long-term receivables:			
Investments in and advances to affiliated companies	35,506	173,830	298,370
Investment securities	264,171	239,182	2,219,924
Long-term finance and other receivables	107,316	20,214	901,815
Allowance for doubtful receivables	(1,695)	(524)	(14,244)
	405,298	432,702	3,405,865
Property, plant and equipment:			
Land	71,197	45,591	598,294
Buildings	499,703	323,633	4,199,185
Machinery and equipment	1,446,450	1,021,564	12,155,042
Construction in progress	37,811	43,317	317,739
	2,055,161	1,434,105	17,270,260
Less accumulated depreciation	(1,353,307)	(964,770)	(11,372,327)
	701,854	469,335	5,897,933
Other assets:			
Goodwill, net	185,215	10,325	1,556,428
Other intangible assets, net	57,162	33,247	480,353
Deferred income taxes	37,673	9,585	316,580
Other	66,778	33,335	561,160
	346,828	86,492	2,914,521
Total assets	¥2,829,994	¥2,244,051	\$23,781,462

Liabilities and shareholders' equity	September 30		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Current liabilities:			
Short-term debt	¥ 172,529	¥ 156,446	\$ 1,449,824
Notes and accounts payable:			
Trade	238,595	151,885	2,005,000
Construction	44,509	32,609	374,025
Affiliated companies	9,945	10,311	83,571
Accrued income taxes	36,862	34,090	309,765
Accrued liabilities	147,415	91,306	1,238,781
Other current liabilities	52,290	23,715	439,412
Total current liabilities	702,145	500,362	5,900,378
Long-term debt	142,412	25,420	1,196,740
Accrued pension and severance costs	131,583	22,105	1,105,739
Deferred income taxes	14,086	39,892	118,370
Customers' guarantee deposits and other	58,809	41,391	494,193
Minority interests in subsidiaries	124,807	24,442	1,048,798
Commitments and contingent liabilities			
Shareholders' equity:			
Common stock, ¥50 par value:			
Authorized: 800,000,000 shares			
Issued: 514,625,728 shares	40,363	40,363	339,185
Additional paid-in capital	68,135	68,135	572,563
Retained earnings	1,589,784	1,514,164	13,359,530
Accumulated other comprehensive losses	(42,130)	(32,223)	(354,034)
Total shareholders' equity	1,656,152	1,590,439	13,917,244
Total liabilities and shareholders' equity	¥2,829,994	¥2,244,051	\$23,781,462

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2001 and 2000

	Six months ended September 30		
	2001	2000	2001
	(Millions of yen)		(Thousands of U.S. dollars)
Revenue:			
Sales	¥ 995,274	¥679,834	\$8,363,647
Rentals	176,357	—	1,481,992
	<u>1,171,631</u>	<u>679,834</u>	<u>9,845,639</u>
Cost of sales:			
Sales	607,871	391,152	5,108,160
Rentals	66,472	—	558,588
	<u>674,343</u>	<u>391,152</u>	<u>5,666,748</u>
Gross profit	497,288	288,682	4,178,891
Operating expenses:			
Selling, general and administrative	334,296	172,673	2,809,210
Research and development	73,943	39,679	621,370
Operating income	89,049	76,330	748,311
Other income (expenses):			
Interest and dividend income	6,172	4,025	51,866
Interest expense	(6,421)	(5,360)	(53,958)
Exchange losses, net	(309)	(1,115)	(2,597)
Gain on contribution of securities to employee retirement benefit trusts	—	56,131	—
Other, net	1,173	(3,507)	9,857
	<u>615</u>	<u>50,174</u>	<u>5,168</u>
Income before income taxes	89,664	126,504	753,479
Income taxes	39,919	54,034	335,454
Income before minority interest in income of consolidated subsidiaries and equity in net earnings of affiliated companies	49,745	72,470	418,025
Minority interest in income of consolidated subsidiaries	(5,265)	(940)	(44,244)
Equity in net earnings of affiliated companies	1,934	4,942	16,252
Net income	<u>¥ 46,414</u>	<u>¥ 76,472</u>	<u>\$ 390,033</u>

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

Fuji Photo Film Co., Ltd. and Subsidiaries
Six months ended September 30, 2001 and 2000

	Total shareholders' equity	
	(Millions of yen)	(Thousands of U.S. dollars)
Balance at March 31, 2001	¥1,625,012	\$13,655,563
Comprehensive income:		
Net income	46,414	390,033
Net decrease in unrealized gains on securities	(12,136)	(101,983)
Foreign currency translation adjustments	3,717	31,235
Change in net unrealized losses on derivatives	(422)	(3,546)
Net comprehensive income	37,573	315,739
Cash dividends	(6,433)	(54,058)
Balance at September 30, 2001	<u>¥1,656,152</u>	<u>\$13,917,244</u>
Balance at March 31, 2000	¥1,575,129	
Comprehensive income:		
Net income	76,472	
Net decrease in unrealized gains on securities	(44,498)	
Foreign currency translation adjustments	(10,875)	
Net comprehensive income	21,099	
Cash dividends	(5,789)	
Balance at September 30, 2000	<u>¥1,590,439</u>	

CORPORATE INFORMATION

Fuji Photo Film Co., Ltd.

Established

January 20, 1934

Capital

¥40,363,373,192 (As of September 30, 2001)

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

71,865 (As of September 30, 2001, 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

*The Toyo Trust and Banking Co., Ltd. will be renamed UFJ Trust Bank as of January 15, 2002.