

# Strategies in the VISION75 (2007) Medium-term Management Plan

In April 2007, Fujifilm formulated a revised medium-term management plan called VISION75 (2007). It is aimed at promoting the strategies in the VISION75 (2006) medium-term management plan more intensively, securing firm prospects for future growth, and establishing our "Second Foundation." VISION75 (2007) is based on the themes of "further promoting growth strategies" and "realizing a robust corporate constitution." As we implement this plan, we will boost investment in the priority business fields identified under VISION75 (2006) and swiftly and resolutely promote the "Slim & Strong Drive," cost reduction reforms that target the entire Group. Through these measures we will ensure that we achieve our targets of ¥3,150 billion in revenue and ¥250 billion or higher in operating income in the fiscal year ending March 31, 2010.

## Further Promoting Growth Strategies

In line with the growth strategies of VISION75 (2006), we will further step up capital investment, M&A, and R&D investment in priority business fields based on the following fundamental strategies:

### Fundamental Strategies

- Attain superior competitiveness by catching users' needs and shifting to high-value-added products
- Seize additional business opportunities by broadening the scope of business domains
- Strengthen and expand businesses by creating Group synergies

### Key points of current and future business strategies in major priority business fields

Priority Business Field	Key Points of Current and Future Business Strategies
Medical Systems	<p><b>Expand business domains and change portfolio (film oriented → equipment and network oriented)</b></p> <ul style="list-style-type: none"> <li>● Expand business as integrated diagnostic imaging solutions provider                             <ul style="list-style-type: none"> <li>· Step up marketing of diagnostic modality solutions</li> <li>· Expand network business through reinforcement of SYNAPSE medical-use picture archiving and communications system</li> <li>· Incorporate business of integrated systems for management of reception, examination, data referencing, and reporting functions in endoscopy and sonography examination operations</li> </ul> </li> <li>● Expand in new fields                             <ul style="list-style-type: none"> <li>· Radiopharmaceuticals, sonography diagnostic imaging systems, capsule endoscopes, etc.</li> </ul> </li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Target</b> Year ending March 31, 2009 ¥300 billion in revenue (including life sciences)</p> </div>
Graphic Arts	<p><b>Expand businesses</b></p> <ul style="list-style-type: none"> <li>● Reinforce global sales capabilities and cost competitiveness by establishing worldwide quadripolar business promotion organization</li> <li>● Expand production capacity in response to increased demand for CTP plates</li> <li>● Expand industrial inkjet printer-use ink business</li> <li>● Produce synergies between FUJIFILM Corporation and Fuji Xerox Co., Ltd. in print-on-demand field</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Target</b> Year ending March 31, 2009 ¥300 billion in revenue</p> </div>
Documents	<p><b>Improve profitability</b></p> <ul style="list-style-type: none"> <li>● Accelerate growth of solutions business                             <ul style="list-style-type: none"> <li>· Strengthen solutions business catering to increasing sophistication of customer needs</li> <li>· Reinforce collaboration in commercial printing field</li> </ul> </li> <li>● Accelerate growth in Asia-Pacific region including China                             <ul style="list-style-type: none"> <li>· Further bolster share of color multifunction devices market in Asia-Pacific region including China</li> </ul> </li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Target</b> Year ending March 31, 2010 10% ratio of operating income to revenue</p> </div>
Optical Devices	<p><b>Expand businesses</b></p> <ul style="list-style-type: none"> <li>● Expand production capacity mainly at Shenzhen and Tianjin plants in China to meet growing demand for lenses, including those for camera phones</li> <li>● Secure position in each market by launching differentiated, high-value-added products</li> <li>● Produce synergies between FUJIFILM Corporation and FUJINON Corporation, and promote reinforcement of product development capabilities and cost reductions</li> </ul>
FPD Materials	<p><b>Continue to expand businesses</b></p> <ul style="list-style-type: none"> <li>● Guarantee stable growth of FUJITAC and WV Films                             <ul style="list-style-type: none"> <li>· Expand incorporation of WV Films in medium-sized (26-inch and 32-inch) TN mode televisions</li> <li>· Increase FUJITAC production capacity through capital investment in FUJIFILM Kyushu Co., Ltd.</li> <li>· Contribute to panel cost reductions through production of ultra-wide FUJITAC</li> </ul> </li> <li>● Expand the business of materials for TV polarizing plates                             <ul style="list-style-type: none"> <li>· Expand supply of VA and IPS mode-related high-value-added materials</li> </ul> </li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Target</b> Year ending March 31, 2010 ¥300 billion in revenue</p> </div>

Fujifilm plans to spend ¥200 billion for capital expenditures in the fiscal year ending March 31, 2008 and ¥550 billion during the three-year period until March 31, 2010. We also plan to spend ¥200 billion on R&D in the fiscal year ending March 31, 2008 and a total of ¥600 billion to ¥700 billion over the same three-year period. In addition, we will continue to carry out M&A aggressively and further expand growth.

### Capital Expenditures, Depreciation and Amortization, and R&D Expenses Targets

(Billions of yen)

	Mar. '08	Total during Mar. '08 – Mar. '10
Capital expenditures*	200	550
Depreciation and amortization* (Depreciation)	220	700
	150	500
R&D expenses	200	600~700

\* Excluding rental equipment in the Document Solutions segment

## Realizing a Robust Corporate Constitution

As we explained in the review of VISION75 (2006) (page13), we are currently implementing the “Slim & Strong Drive” targeting all organizations in the Fujifilm Group. These activities promote thorough improvements in efficiency and the prioritized use of manufacturing costs, selling, general and administrative expenses, and R&D expenses, and aim to realize a stronger and more robust corporate constitution.

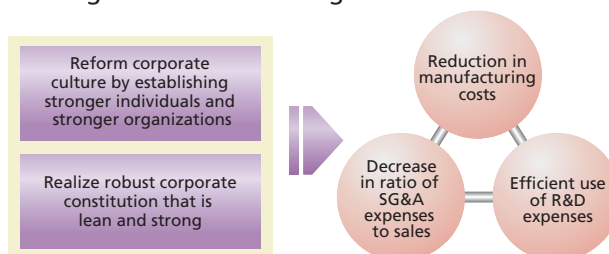
Through these activities, we will reform our corporate culture itself by strengthening the individuals and organizations that support the enterprise and build the foundation of a robust company. At the same time, by promoting greater efficiency and strength in all kinds of business processes, we aim to realize a robust corporate constitution.

One target of these activities is to improve the ratio of selling, general and administrative expenses to sales to around 20% to 25% in the fiscal year ending March 31, 2010, the final year of the VISION75 medium-term management plan. In addition, we will intensify efforts to reduce manufacturing

costs and improve the efficiency of R&D at factories and research centers.

In a specific measure to this end, we established a Group shared services company in July 2007. In addition, we are realizing economies of scale by pursuing Groupwide optimization of distribution and purchasing activities, and we are promoting cost reductions and the more efficient use of expenditure.

### Realizing a Robust Corporate Constitution through the “Slim & Strong Drive”



### Concentration of Common Administrative and HR Service-related Operations Common in Fujifilm Group Establishment of Shared Services Company

In July 2007, we established FUJIFILM Business Expert Corporation as a shared services company that integrates the administrative, human resource (including welfare and benefits), insurance agency, and travel agency functions of Group companies under the control of FUJIFILM Holdings Corporation.

FUJIFILM Business Expert Corporation will provide shared services in the areas of administration and human resources for Group companies under the governance of FUJIFILM Holdings. It will rigorously pursue efficiency through the creation of a leaner company resulting from consolidation of shared operations, the standardization and integration of operational processes, and the utilization of outsourcing. At the same time, it will strive to enhance service quality and flexibility.

In addition, after the proper steps have been taken, FUJIFILM Business Expert Corporation will expand its operational scope to include more Group companies that will receive services and to include indirect material purchasing as a shared service.