

### Volume Analyzer SYNAPSE VINCENT



As described above, **Fujifilm has constantly endeavored to create innovative medical IT systems based on its long-nurtured image processing technologies, thereby contributing to the improved value of medical**

**diagnosis.** Sustaining our momentum, we are tackling advanced challenges through the development and acquisition of new technologies.

Recently, the SYNAPSE systems are evolving from the current 2D-optimized imaging system to a new 3D-centric imaging system. In 2008, Fujifilm launched the Volume Analyzer SYNAPSE VINCENT 3D image analysis system. Based on Fujifilm's Image Intelligence™ technologies, the SYNAPSE VINCENT system enables quick and easy access to high-definition 3D images of organs and vessels captured using computer tomography (CT) and magnetic resonance imaging (MRI), while also providing highly practical analysis functions. By combining the conventional SYNAPSE systems and 3D-capable SYNAPSE VINCENT, we aim to bring about another new trend for "3D-PACS" in the medical sphere.

As explained above, Fujifilm is shifting its technological development focus, from higher value in diagnostic imaging-centered diagnosis to comprehensive diagnosis support.

## ▶ Medical Systems/Life Sciences Business—Integrating Group Strengths Centered on Proprietary Technologies

Fujifilm began selling X-ray films in 1936, shortly after the Company's inception. Since then, Fujifilm has expanded its medical systems business by constantly releasing such products as digital X-ray imaging and diagnostic systems, particularly in the diagnosis field. From 2006, the Company has expanded the scope of its medical systems business, complementing the diagnostic field—the previous focus field—with the prevention field, which includes functional cosmetics and internal care products, and the treatment field, which involves pharmaceutical products. We are working to establish a comprehensive healthcare business in which we will create new value through the application of our proprietary technologies.

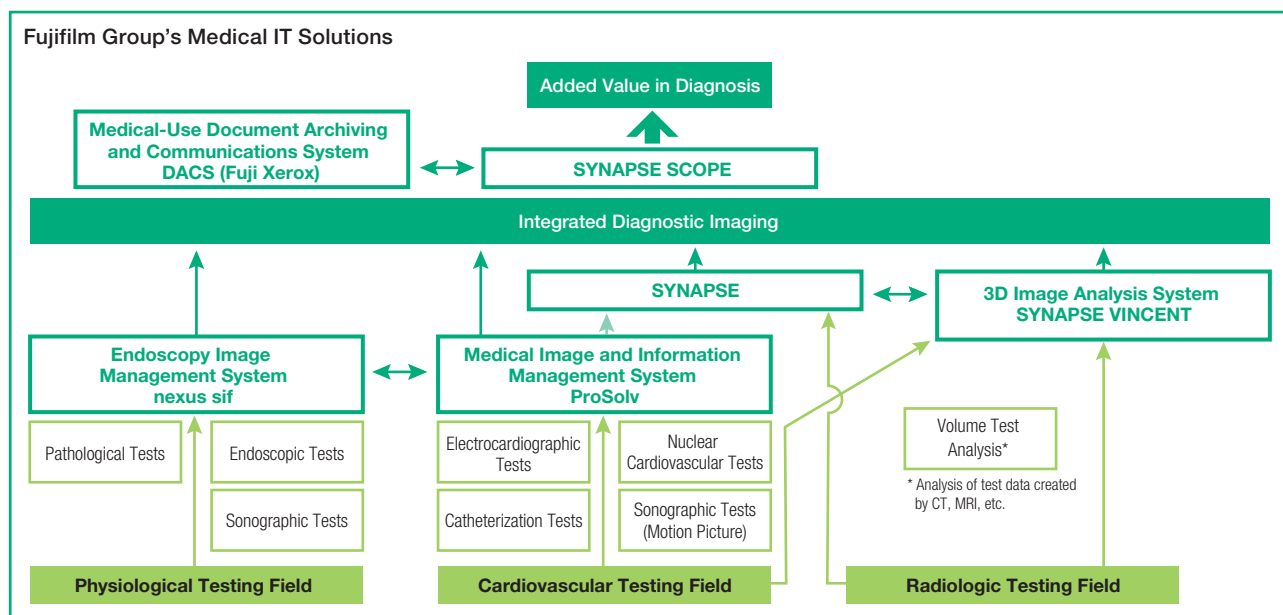


### Operations in the Diagnostic Field Driving Current Growth

The current growth of Fujifilm is driven by digital X-ray imaging and diagnostic systems, endoscopes and other medical IT systems. Since its successful development and release of the Fuji Computed Radiography (FCR) digital X-ray imaging and diagnostic system in 1983—the first of its kind—Fujifilm has retained its top global market share in the computed radiography (CR) field. The acronym "CR" has been disseminated throughout the diagnostic imaging field worldwide to become a generic term. We are expanding the range of our FCR systems: we are improving imaging quality and functionality and reducing their size to accelerate marketing to private practitioners and small- to medium-sized hospitals. Also, we will further reinforce our sales activities in such strategic regions as newly industrialized countries (NICs).

Meanwhile, Fujifilm has enhanced its product lineup by launching fully digitized diagnostic systems for the digital radiography (DR) field. In the mammography field, where the Company has top-selling products that collectively sold over 6,000 units globally, Fujifilm released the new AMULET digital mammography system that realizes low-noise, high-definition images thanks to a new direct conversion flat panel detector boasting the world's smallest pixel size of 50 micrometers. Looking ahead, we aim to lead in market development by launching new differentiated products based on our unique technologies.

Fujifilm is strengthening its endoscope business through the selective allocation of its management resources, which includes the establishment of an integrated business structure for development, manufacturing, sales, and after-sales service. The Company completed the development of a

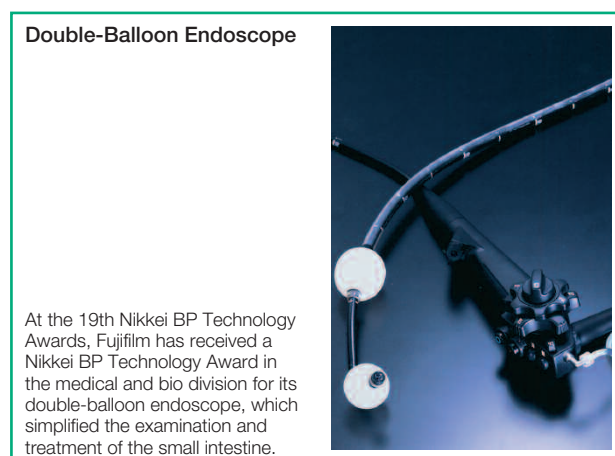


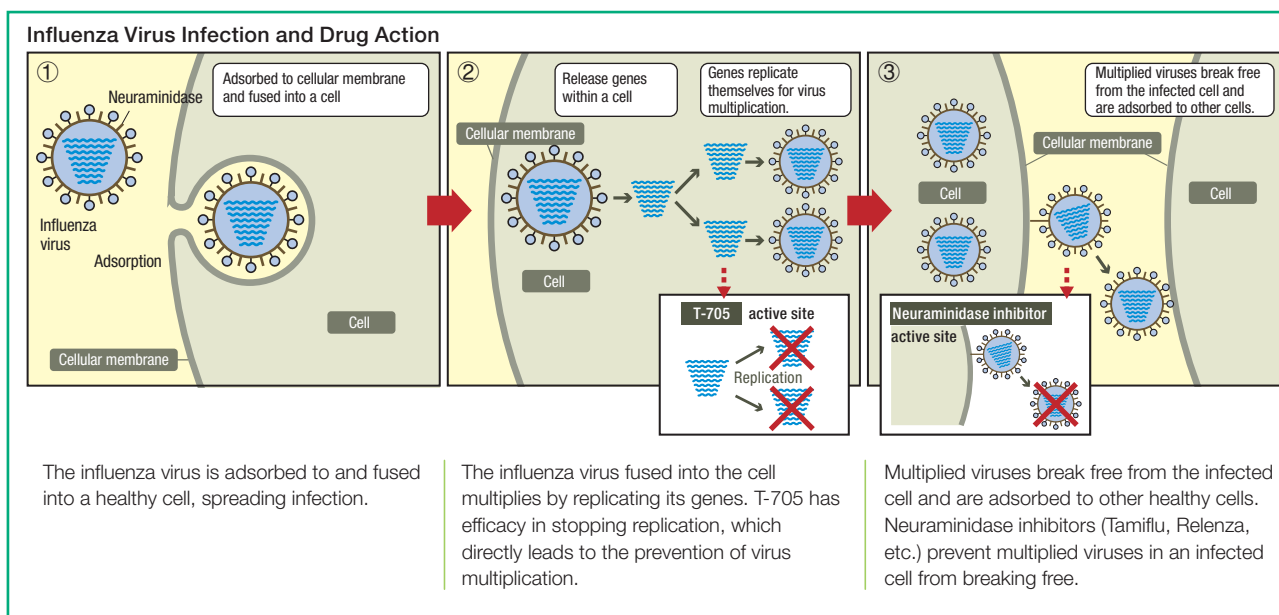
world-first digital endoscope in 1984. We then succeeded in the development of many differentiated products, including transnasal endoscopes, which enable insertion through the nostril for minimum discomfort, and double-balloon endoscopes, which have simplified the examination and treatment of the small intestine. To further strengthen our product lineup in the small intestine field, where it has been difficult to perform minimally invasive examination and treatment, we have entered into an alliance with Israel-based Given Imaging Ltd.—the world-leading capsule endoscope manufacturer—and started marketing capsule endoscopes in Japan and China. In addition, through the joint development of software that links Fujifilm’s “nexus sif” endoscopy image management system and Given Imaging’s RAPID™ Workstation application software, the Company has enabled the simultaneous display of two images captured separately by a double-balloon endoscope and capsule endoscope, on the same monitor. Through this and other innovations, we are contributing to the early detection of small intestinal lesions and improved diagnostic accuracy.

The use of IT in the Japanese medical industry has been accelerated by revisions to the national healthcare reimbursement system in Japan. Accordingly, hospitals are

rushing to digitalize and integrate image data and other diagnostic information for centralized maintenance and management. In response, Fujifilm has aggressively marketed its SYNAPSE medical-use PACS for the radiology field and eventually attained the top domestic market share. Expanding overseas, we have delivered the SYNAPSE systems to over 2,500 medical institutions worldwide.

Currently, Fujifilm is working to upgrade the functionality of the SYNAPSE systems to redefine them as an integrated hospital-wide diagnostic imaging management system. With upgraded functionality, we aim to expand the scope of SYNAPSE applications, from the current radiology field to the cardiovascular, endoscopy, ultrasonography, pathology and other fields. For example, the Company started the provision of the SYNAPSE SCOPE integrated interface system in 2008. In addition, it is becoming more likely that Fujifilm will realize the practical application of inter-hospital networking and remote diagnostic functions—a major advantage of the SYNAPSE systems. In particular, we are accelerating efforts to spread our IT solution, C@Rna, targeting private medical practitioners. Furthermore, Fujifilm will realize its proprietary clinical information system (CIS) including Fuji Xerox’s medical-use document archiving and





communications system (DACs). The CIS systems will allow us to construct a comprehensive diagnosis support platform that covers the entire medical process, from examination to diagnosis reporting. By providing strong support in the diagnostic imaging and treatment fields, Fujifilm is expanding its medical systems business.

Inter-hospital networking and remote diagnosis are expected to grow as new medical fields. In these fields, we will use over 1,100 SYNAPSE systems already delivered domestically as our business infrastructure to develop a SYNAPSE network. This network will involve local medical practitioners and possibly improve the quality of community healthcare while providing solutions for the problem of physician shortage through such services as remote radiogram interpretation. These activities will surely offer us opportunities for business expansion.

The PACS markets are showing steady growth in the United States, Europe, China and other regions worldwide. In robustly growing overseas markets, Fujifilm has undertaken M&A initiatives. In 2007, the Company acquired U.S.-based Problem Solving Concepts, Inc., a provider of medical imaging information systems for cardiology. In 2008, we acquired U.S.-based Empiric Systems LLC—a radiology information system (RIS) manufacturer—while turning China's medical IT system leader in the electronic medical record (EMR) and RIS fields, Tianjian Medi Tech Co., Ltd., into our consolidated subsidiary. Through these initiatives, we are expanding our medical IT system business worldwide.

### Full-Fledged Expansion of the Life Sciences Business

In the prevention and treatment fields, Fujifilm is pursuing the expansion of its pharmaceuticals business with Toyama Chemical as the core driver. Particularly noteworthy, during the second phase of clinical trials for the T-705 anti-influenza agent in the fiscal year under review, Toyama Chemical confirmed that T-705 has effective anti-influenza attributes that differ from those of Tamiflu and other existing anti-influenza drugs. The third phase is scheduled to start this autumn. With an eye on new drug application (NDA) filing in the

fiscal year ending March 31, 2011, Toyama Chemical is accelerating the development of the drug.

In December 2008, Fujifilm turned Perseus Proteomics, Inc.—a Tokyo-based biopharmaceutical venture boasting proprietary antibody production technologies—into a consolidated subsidiary. Antibody-based therapeutics is increasingly recognized for its potentially high rate of cure capability attributable to its selective targeting of specific cells and substances in lesions. Armed antibodies, which conjugate antibodies with radioisotopes (RIs) and anti-cancer drugs, are drawing attention especially in the cancer treatment field. Fujifilm will bring together its FTD technologies and synthesis technology, which it has fostered through the compilation of a library of 200,000 chemical compounds, as well as Perseus' technologies in antigen discovery and antibody creation and evaluation, in order to develop antibody-based therapeutics with higher efficacy than existing drugs. In this way, we will aggressively promote an antibody-based pharmaceuticals business, ultimately aiming to make a full-scale entry into such new fields as anti-cancer drugs and anti-inflammatory agents.

Also under the Fujifilm Group, FUJIFILM RI Pharma Co., Ltd. operates as a leading radiopharmaceuticals manufacturer. FUJIFILM RI Pharma applies RIs in diagnostic agents for cerebral infarction, thrombosis, Alzheimer's disease, as well as in anti-cancer drugs. The RI technologies that FUJIFILM RI Pharma boasts are expected to serve an important role in the development and market introduction of armed antibodies.

In November 2008, Fujifilm reorganized related Companywide functions and established a Healthcare Business Headquarters, with the aim of accelerating operations in all of the prevention, diagnosis and treatment fields. In line with its strategies for the entire healthcare business, the Company will pursue business growth on a global scale while realizing the maximized synergy of all Group company operations. At the same time, we will endeavor to offer solutions that leverage our technologies in these three fields, thereby helping people enhance the quality of their lives.