

Imaging Solutions

The Imaging Solutions segment includes color films, digital cameras, photofinishing equipment and color paper, chemicals, and services for photofinishing.

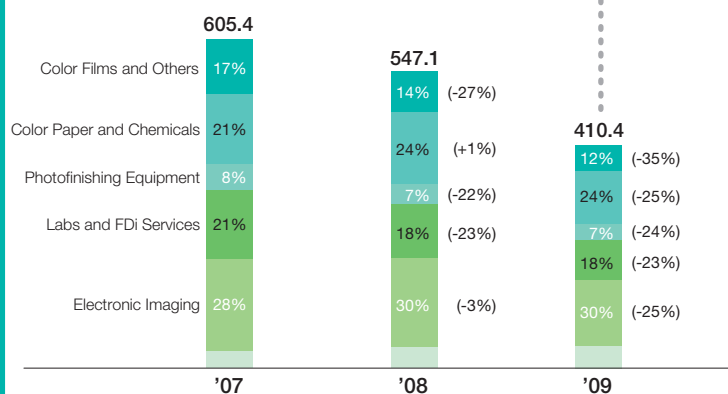


Breakdown of Revenue

Reasons for YoY Changes

- Lower sales of all products due to shrinking markets for color films and color paper and intensifying competition in digital cameras
- Effects of the yen's appreciation, totaling ¥46.4 billion

(Billions of yen)



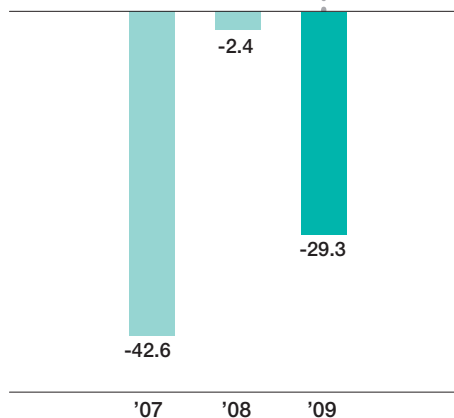
Year ended March 31
Percentages in parentheses represent year-on-year changes in revenue of each category

Operating Loss

Reasons for YoY Changes

- The yen's appreciation and lower digital camera prices

(Billions of yen)



Year ended March 31

Results for Fiscal Year Ended March 31, 2009

Consolidated revenue declined 25.0% year on year to ¥410.4 billion due to decreased demand for color films and color paper, ever-more-severe competition in the digital camera market and the yen's appreciation. This segment posted an operating loss of ¥29.3 billion, negatively affected by harsh business conditions, including decreased demand, rising prices of silver and other principal raw materials, the yen's appreciation and a fall in digital camera prices.

Segment Outlook

The Imaging Solutions segment has continued to reduce fixed costs through structural reforms over the two fiscal years ended March 31, 2006 and 2007. Fujifilm will accelerate its pursuit of more streamlined photo-related business operations such as color films, color paper and other products amid market contraction spurred by the current worldwide recession. In the digital camera business, the Company will step up reform efforts, focusing on the reinforcement of product and cost competitiveness and supply chain management. Through these initiatives, the Imaging Solutions segment is working to return to profitability in the digital camera business.

Color Films, Color Paper, Chemicals and Photofinishing Equipment

Year in Review

Sales of color films declined year on year due to a persistent fall in demand. Despite activities to expand sales of "Photobook" and other value-added printing services, sales of color paper also declined, negatively affected by intensifying price competition and the yen's appreciation. On the other hand, sales of inkjet-system dry minilabs in the photofinishing equipment category showed steady growth on a worldwide basis.

Business Outlook

Toward reestablishing a more robust approach to photo-related business, Fujifilm will work to significantly compress fixed costs. To this end, the Company will streamline its local sales subsidiaries and global color paper production structure, while suspending the operation of idle facilities and optimizing the network of photo processing labs. Meanwhile, the Company will continue its sales promotion initiatives for value-added printing services, which include "Photobook" printing and online photo services, while bolstering activities to expand sales of inkjet-system dry minilabs.

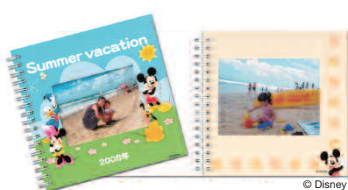
Electronic Imaging

Year in Review

Sales of digital cameras decreased, primarily owing to the yen's rapid appreciation, the global economic slowdown and lower product prices, which were the result of intensifying competition. However, the total number of the Company's digital cameras sold grew year on year to reach 8.2 million units, attributable to the launch of new products based on Fujifilm's proprietary technologies. These new products included FinePix F200EXR—a digital camera packed with technologies that have been developed in step with the evolution of the FinePix series over the past 10 years. The FinePix F200EXR features a newly developed, built-in Super CCD EXR sensor, which duplicates mechanisms of the human eye for ideal photo-shooting in any environment.

Business Outlook

Fujifilm will pursue further differentiation through the launch of new products that apply its proprietary technological offerings, such as the Super CCD EXR sensor and the FinePix Real 3D System—a 3D digital imaging system that enables the naked eye, without the use of 3D glasses, to enjoy 3D displays and prints. Also, through such initiatives as comprehensively reviewing materials and components procurement, the Company is more aggressively reducing overall costs in procurement, production and logistics. Moreover, we will work to shorten lead times and, through other measures, improve our supply chain management. Ultimately, by accomplishing a business profitability reform program focusing on these initiatives, the Company aims to secure profitability on an operational basis.



Photobooks



Frontier Dry Minilab DL410



FinePix F200EXR