

Information Solutions

The Information Solutions segment includes equipment and materials for medical systems and life sciences and for graphic arts, along with flat panel display (FPD) materials, recording media, optical devices, electronic materials and inkjet materials.

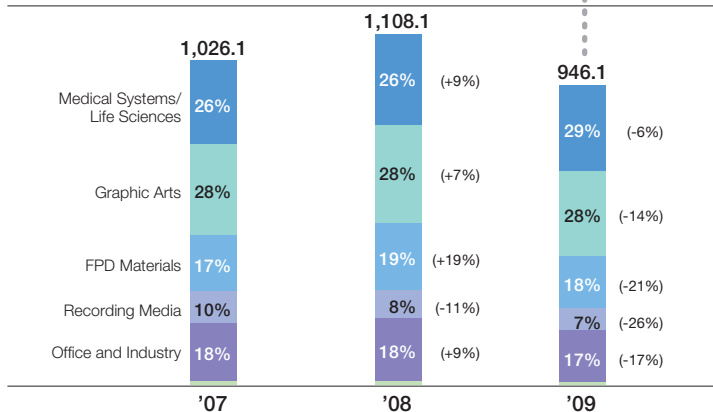


Breakdown of Revenue

Reasons for YoY Changes

- Lower sales of principal products, particularly FPD materials, due to rapid inventory adjustments in the liquid crystal display (LCD) panel industry
- Effects of the yen's appreciation, totaling ¥62.8 billion

(Billions of yen)



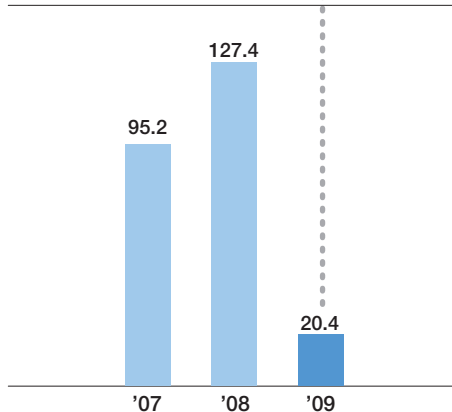
Year ended March 31
Percentages in parentheses represent year-on-year changes in revenue of each category

Operating Income

Reasons for YoY Changes

- Decline in sales volume of principal products due to global demand contraction

(Billions of yen)



Year ended March 31

Results for Fiscal Year Ended March 31, 2009

Consolidated revenue fell 14.6% year on year to ¥946.1 billion. The reasons for this drop included shrinking demand and the yen's appreciation, as well as a decline in the sales of FPD materials resulting from a rapid deterioration in the LCD-related market conditions. Operating income fell 84.0% to ¥20.4 billion, affected by such negative factors as the appreciation of the yen and a decrease in sales volume caused by the global economic slowdown.

Segment Outlook

Markets for this segment's priority businesses—namely, medical systems/life sciences, graphic arts, optical devices and highly functional materials—have high growth potential, and Fujifilm boasts fundamental and unique technologies and product competitiveness in these priority businesses. With the aim of making the Company's medium- and long-term growth more certain, the Information Solutions segment will reestablish its growth strategies and thereby implement effective measures.

Medical Systems/Life Sciences

Year in Review

X-ray film demand declined, adversely affected by a revision to the national healthcare reimbursement system in Japan. Fujifilm faced other severe conditions attributable to the worldwide recession. Against such headwind, we steadily expanded sales of the SYNAPSE medical-use picture archiving and communications system (PACS) and other network-related systems, supported by a stable increase in IT use at medical institutions. Through M&A measures, the Company has reinforced its medical systems/life sciences business by making China's medical IT system leader, Tianjian Medi Tech Co., Ltd., and U.S.-based radiology information system (RIS) manufacturer, Empiric Systems, LLC, consolidated subsidiaries. As for endoscopes, we suffered a sales decrease mainly due to intensifying price competition, so to strengthen our operation base, wholly owned subsidiary FUJINON Corporation's endoscope business was integrated into our medical systems business. We also reorganized related domestic sales subsidiaries and established a comprehensive structure that covers everything from product development and manufacture to marketing and after-sales. In healthcare products—centered on the ASTALIFT skincare series—sales grew significantly. This success was due to its improved market recognition, expanded sales channels and effective advertising activities.

Business Outlook

Fujifilm will work to raise image quality and functionality of the Fuji Computed Radiography (FCR) digital X-ray imaging and diagnostic system, while reducing the system size to promote sales to private practitioners and small- to medium-sized hospitals. Also, by accelerating the marketing of digital X-ray equipment using thin imaging sensors for general radiography and mammography to medical institutions, the Company will enhance its contributions to this field through more efficient, high-quality examination and diagnosis. In the medical IT system market, the Company will upgrade the functionality of the SYNAPSE medical-use PACS, which is widely used in the radiology field, refining it as a hospital-wide system for total management of medical images used in the cardiovascular, endoscopy, ultrasonography, pathology and other fields. Furthermore, the Company will develop its proprietary clinical information system (CIS), which incorporates Fuji Xerox's medical document management systems, with the aim of bolstering operations in the diagnostic imaging and treatment fields. In the pharmaceuticals business, Toyama Chemical is accelerating toward its early market launch of its new T-705 anti-influenza agent in cooperation with Fujifilm.



Advancia digital endoscope



SYNAPSE EX medical-use PACS



ASTALIFT skincare series

Graphic Arts

Year in Review

Sales decreased due to the worldwide recession, diminishing publication volume and thinning newspapers, as well as to the yen's appreciation. The Company accelerated efforts to expand sales in the digital printing field, including the November 2008 release of the Acuity Advance wide-format inkjet printer in Europe and the United States. Meanwhile, in the existing materials field, Fujifilm began marketing next-generation, environment-friendly, easy-to-process, violet photopolymer computer-to-plate (CTP) products in Europe in October 2008. Through value-adding initiatives, the Company enhanced its competitiveness in this field.

Business Outlook

In the high-growth digital printing field, Fujifilm and Fuji Xerox are working together to strengthen the graphic arts business by coordinating the management of their resources, including technologies, sales channels and brand values. Moreover, the Company will introduce and aggressively expand the sales of the Jet Press 720 (provisional name) system based on its proprietary inkjet digital printing technologies. Through these activities, the Company aims to grow into the global leader in digital printing solutions. In the field of existing materials, Fujifilm will enhance its competitiveness through various initiatives, such as strengthening sales promotion in newly industrializing countries (NICs) and launching violet photopolymer CTP and other differentiated products. In this way, the Company will target the top global market share for CTP plates.

Flat Panel Display Materials

Year in Review

Despite steady performance during the first half, sales of FUJITAC protective films for polarizers and wide-view (WV) films for expanding viewing angles started decreasing in September 2008, due to rapid production adjustments by LCD panel manufacturers. Orders for these products, however, returned to a recovery course in the fourth quarter.

Business Outlook

Temporarily weakened FPD market conditions are rapidly picking up again. Accordingly, the market is likely to grow in the future, reflecting the global penetration of thin-screen TVs, which stands at the 20% level, and expected demand growth attributable to the replacement of CRT-based TVs. Fujifilm will endeavor to expand sales by launching new high-value-added films, including WV films, vertical-alignment (VA) retardation films and antireflective CV films.

Office and Industry

Year in Review

Amid the ongoing trend of rising pixel counts and the pursuit of higher added value in camera phones, Fujifilm achieved sales growth during the first half. This sales growth represented the high market evaluation of the Company's compact, lightweight camera phone lens units, which realize high image quality and provide both auto-focus and zooming functions. Nevertheless, sales decreased in the second half due to declining orders.

Business Outlook

In camera phone lens units, Fujifilm will further expand its market share by launching an array of ultra-compact, high-image-quality products that meet the requirement of increasingly higher pixel counts. Similarly, in the field of high-definition TV camera lenses, which require sophisticated design, grinding and assembly technologies, we will work to increase our market share in NICs and other nations worldwide, tapping the robust demand attributable to the global transition to digital terrestrial broadcasting. Going beyond these existing fields, Fujifilm is penetrating new fields with potential for expanded demand, such as surveillance camera lenses and other security applications, automotive lenses and Blu-ray and other optical disc lenses.

Toyama Chemical's Pipeline

Japan

(As of April 2009)

Stage	Development No.	Therapeutic Category
NDA filing	T-3262 Fine granules	Oral quinolone synthetic antibacterial agent OZEX fine granules for children
Preparing to file	T-614	Antirheumatic agent A disease modifying anti-rheumatic drug (DMARD)
Phase III	T-3762	Injectable quinolone synthetic antibacterial agent
Phase II	T-705	Antiviral agent (Anti-influenza virus agent) Potent in mouse infection models of H5N1 avian influenza
Phase II	T-5224	Antirheumatic agent (AP-1 inhibitor) Potential of becoming a curative treatment for rheumatoid arthritis

Overseas

(As of April 2009)

Stage	Development No.	Therapeutic Category
Preparing to file	T-3811	New-type quinolone synthetic antibacterial agent
Phase II	T-817MA	Treatment for Alzheimer's disease Preventing neurodegeneration induced by Amyloid-b protein In-house development
Phase I	T-705	Antiviral agent (Anti-influenza virus agent) In-house development
Phase I	T-5224	Antirheumatic agent (AP-1 inhibitor)