

## Earnings of 1Q FY2009/3 (April 1 - June 30, 2008)

**FUJIFILM Holdings Corporation**

July 30, 2008

### FORWARD-LOOKING STATEMENTS

This document contains projections of performance and other projections, which are made based on judgments regarding currently available information and which encompass potential risks and uncertainties. Accordingly, please be aware that diverse factors may cause actual results to differ materially from projected results.

## Performance Summary for 1Q FY2009/3

Despite a Rise in the Sales Volume of Mainstay Products,  
Revenue and Operating Income Decreased due to the Impact  
of Exchange Rates Movements and Other Factors.

*Billions of yen*

	1Q FY2008/3 (Apr. - Jun. 2007)		1Q FY2009/3 (Apr. - Jun. 2008)		Change	
					Amount	%
Revenue	100.0%	688.3	100.0%	653.7	(34.6)	(5.0)
Operating Income	8.7%	59.8	7.0%	45.9	(13.9)	(23.2)
Income Before Income Taxes	10.2%	70.0	8.4%	55.0	(15.0)	(21.5)
Net Income	6.0%	41.0	4.9%	31.9	(9.1)	(22.1)
Earnings per Share		¥80.15		¥63.31		¥(16.84)
Exchange Rates						
US\$		¥121		¥104		¥(17)
Euro		¥162		¥163		+¥1

<Reference> Factors affecting YoY changes of 1Q operating income

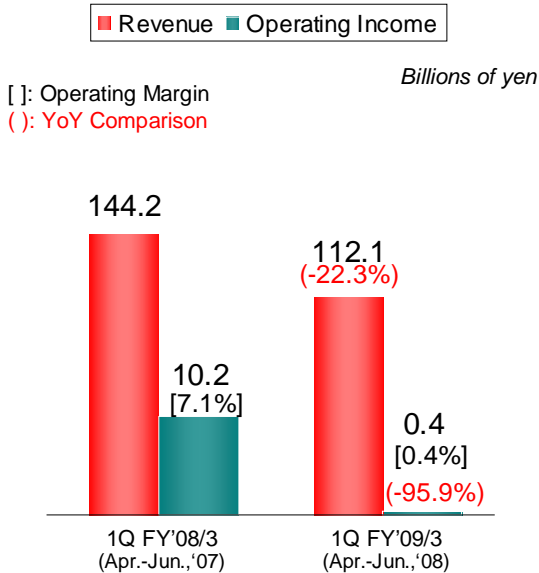
*(billions of yen)*

Exchange rates movements: -6.1 Higher raw materials prices: -3.8

Price decline: -19.0 Benefit from Slim & Strong Drive: +13.0 Sales expansion and other: +2.0

## ■ Imaging Solutions

### Revenue\* /Operating Income



#### Revenue

¥112.1 billion (YoY: -22.3%)

- Revenue decreased due to such factors as the shrinkage of color film markets and intensifying price competition in digital camera markets.
- Impact of yen appreciation: -¥7.4 billion

#### Operating Income

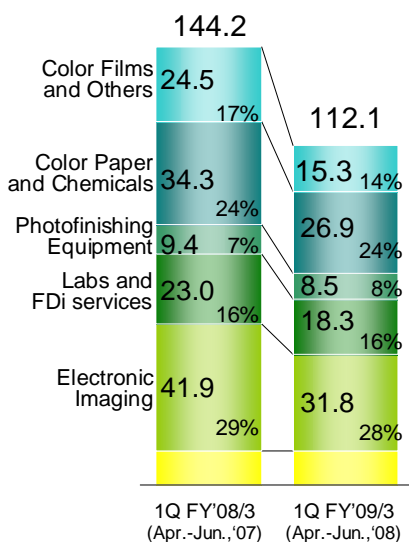
¥0.4 billion (YoY: -95.9%)

- Operating income decreased owing to the impact of persistently high silver prices, yen appreciation, a decline in the unit prices of digital cameras and other factors.

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue

Billions of yen  
%: Proportion of sub-segment revenue



#### Color Films and Others

¥15.3 billion (YoY: -37%)

- Fujifilm's market share grew although revenue continued to decrease owing to market shrinkage.

#### Color Paper and Chemicals

¥26.9 billion (YoY: -21%)

- Amid intensifying competition, Fujifilm worked to increase its market share by promoting such high-value-added print services as those for creating photo books.

#### Photofinishing Equipment

¥8.5 billion (YoY: -10%)

- Sales of digital minilabs continued to decrease as large-scale retail outlets ended a cycle of new installations.
- Fujifilm initiated sales of ink-jet dry minilabs in North America.

#### Electronic Imaging

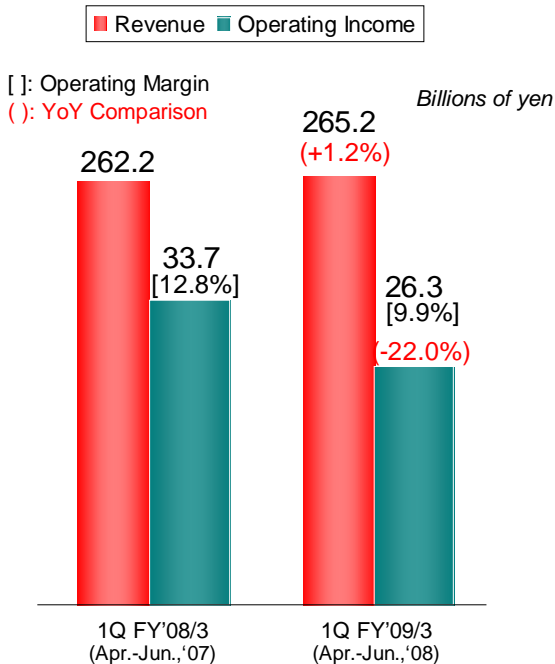
¥31.8 billion (YoY: -24%)

- On a world wide basis, the sales volume of digital cameras during the first quarter amounted to 1.85 million units.
- Fujifilm launched the FinePix Z20fd, which features upgraded video capabilities, and FinePix Z200fd, which features high image quality and the world's smallest and slimmest body\*, and intensified marketing promotion programs of such products.

\* Note: As a camera that features 10-megapixel image resolution, an optical 5x zoom lens, and camera shake-correction capabilities as of May 2008.

## Information Solutions

### Revenue\* /Operating Income



#### Revenue

¥265.2 billion (YoY: +1.2%)

- Revenue increased due to such factors as growth in sales of flat panel display materials and lens units for camera phones.
- Impact of yen appreciation: -¥11.8 billion

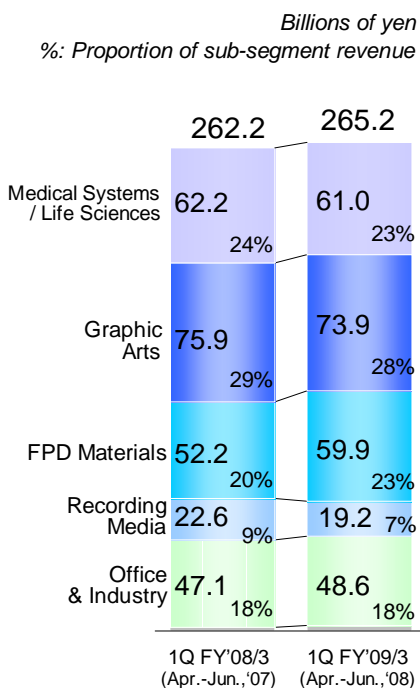
#### Operating Income

¥26.3 billion (YoY: -22.0%)

- Despite the rise in the sales volume of the above-mentioned mainstay products, operating income decreased owing to the impact of such factors as yen appreciation and the surge in raw materials prices.

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue



#### Medical Systems / Life Sciences ¥61.0 billion (YoY: -2%)

- Although the revisions to Japan's national health care reimbursement system depressed demand for medical use films, sales of FCRs and picture archiving and communications systems (PACS) have expanded.
- Fujifilm has strengthened its product lineup with a breast cancer detection support system and a 3-D image analysis system.

#### Graphic Arts ¥73.9 billion (YoY: -3%)

- Despite the impact of the economic slump in the United States, demand in the NICs increased and the volume of CTP plates sales continued rising.
- Fujifilm has announced the development of the Jet Press 720 (provisional name) next-generation, ink-jet digital printing system, which is designed to meet the growing demand for digital printing.

#### FPD Materials ¥59.9 billion (YoY: +15%)

- Sales of FUJITAC and such high-value-added films as WV film continued to grow.
- The operation of a new plant for producing ultra-wide FUJITAC began smoothly in April 2008.

#### Recording Media ¥19.2 billion (YoY: -15%)

- The sales volume of mid-range LTO Ultrium\* recording media and high-end enterprise-use data storage media grew smoothly, although exchange rates movements and other factors weakened the revenue of this business.

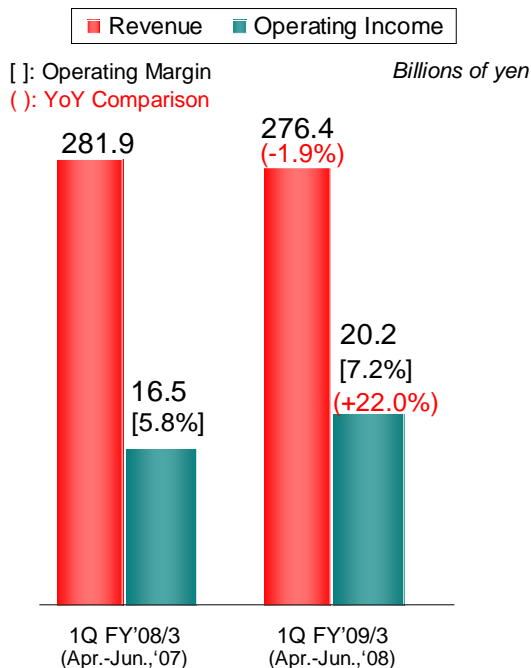
#### Office & Industry ¥48.6 billion (YoY: +3%)

- In the field of optical devices, sales of Fujifilm's lens units for camera phones grew.
- Rising demand from principal customers supported an increase in sales of industrial ink-jet printer heads.

\*Note: Linear Tape-Open, LTO, the LTO logo, Ultrium, and the Ultrium logo are trademarks of Hewlett-Packard, IBM, and Quantum in the United States, other countries, or both.

## ■ Document Solutions

### Revenue\* /Operating Income



#### Revenue

¥276.4 billion (YoY: -1.9%)

- Exports to Europe and North Americas grew considerably, particularly of color models, but the negative impact of exchange rates movements caused a decline in revenue.
- Impact of yen appreciation: -¥8.7 billion

#### Operating Income

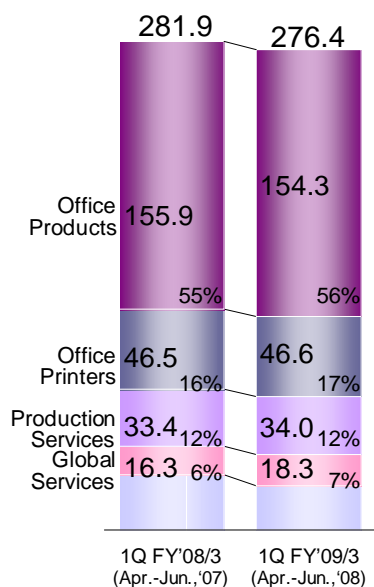
¥20.2 billion (YoY: +22.0%)

- Operating income grew, reflecting the benefits of cost of sales improvements and a reduction in SG&A expenses.

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue

Billions of yen  
%: Proportion of sub-segment revenue



#### Office Products

¥154.3 billion (YoY: -1%)

- In Japan, sales of digital color multifunction devices with LED printer heads and a reasonably priced color multifunction device launched in March 2008 were both strong, but demand centered on monochrome models decreased. As a result, sales volume in Japan remained at the level achieved in the same period of the previous fiscal year.
- We recorded an increase in the sales volume of color devices in the Asia-Pacific region including China, and in exports to Europe and North America.

#### Office Printers

¥46.6 billion (YoY: same level)

- Growth was achieved in the domestic sales of our own brand color printers centered on the DocuPrint C3050 and DocuPrint C2250.
- Domestic OEM sales volume was reduced due to a decrease in sales of OEM customers.
- Our color printers recorded large increases in the volume of shipments to the Asia-Pacific region including China, and of exports to Europe and North America.

#### Production Services

¥34.0 billion (YoY: +2%)

- In Japan, the sales volume of color and monochrome publishing systems increased.
- The sales volume of color publishing system export shipments to Europe and North America surged considerably.

#### Global Services

¥18.3 billion (YoY: +12%)

- We achieved continued growth in document outsourcing business both in Japan and overseas.

No Revisions Made to the Original Earnings Forecast for 1H FY2009/3 and FY2009/3

Billions of yen

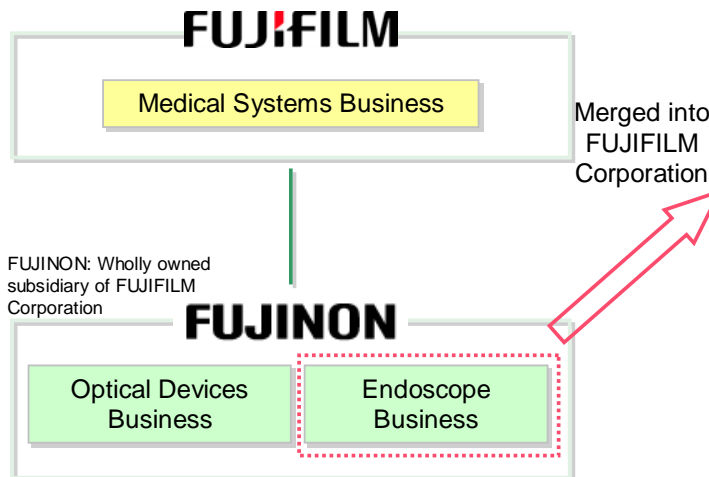
	1H FY2009/3 (Apr. - Sept. 2008) (Plan)		YoY Change (%)	FY2009/3 (Apr. 2008 - Mar. 2009) (Plan)		YoY Change (%)
Revenue	100.0%	1,400.0	(0.6)	100.0%	2,900.0	+1.9
Imaging Solutions		245.0	(16.0)		490.0	(10.4)
Information Solutions		575.0	+6.0		1,190.0	+7.4
Document Solutions		580.0	+1.1		1,220.0	+2.4
Operating Income	6.8%	95.0	(12.6)	7.2%	210.0	+1.3
Income Before Income Taxes	6.8%	95.0	(17.2)	7.2%	210.0	+5.3
Net Income	3.6%	50.0	(22.7)	3.8%	110.0	+5.3
Earnings per Share		¥99.13	¥(27.35)		¥218.08	+¥12.65
Exchange Rates						
US\$		¥102	¥(17)		¥101	¥(14)
Euro		¥159	¥(3)		¥157	¥(5)

Consolidate Endoscope Divisions

Consolidate Endoscope Divisions of FUJIFILM Corporation & FUJINON Corporation

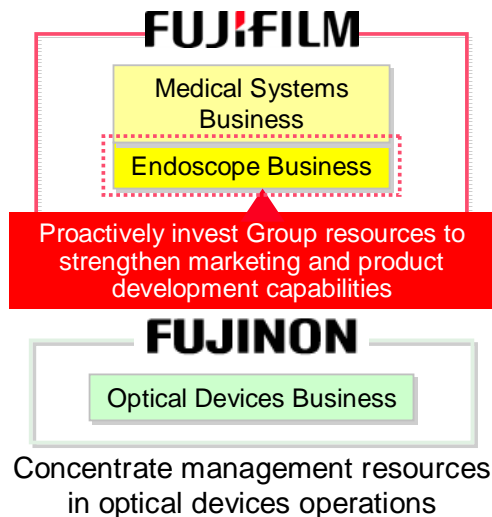
< Current >

- FUJIFILM Corporation and FUJINON Corporation cooperatively develop endoscope business.

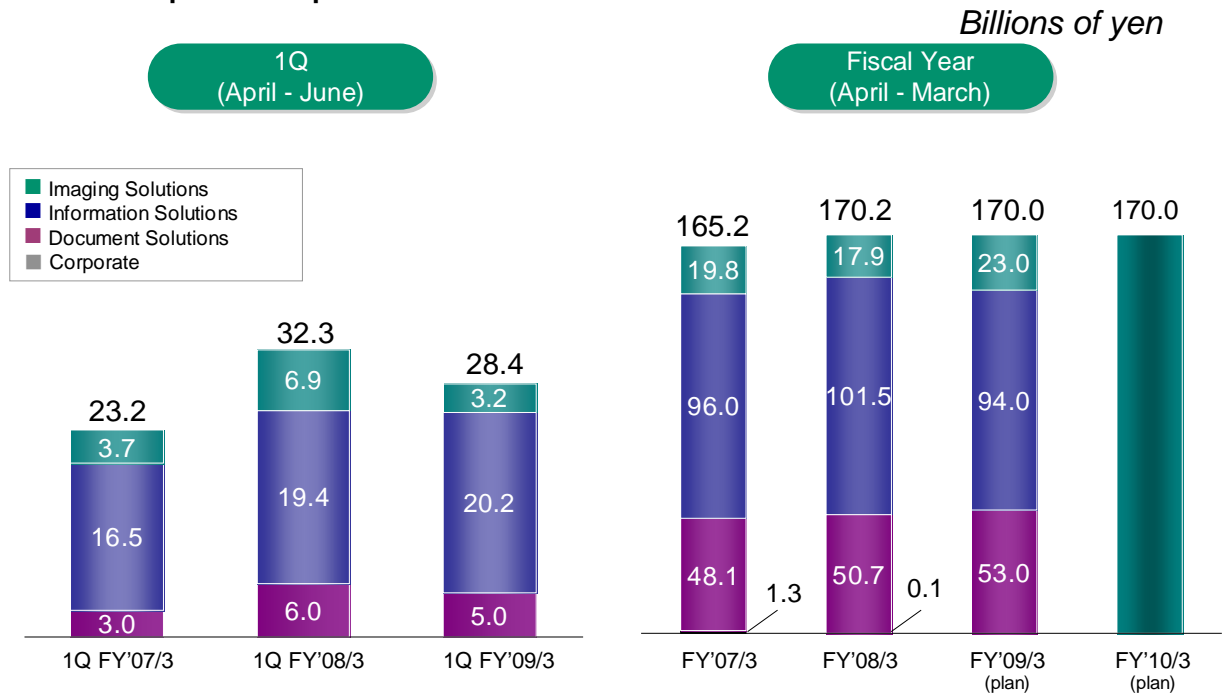


< After Consolidation (Oct. 1, 2008) >

- FUJIFILM Corporation develops endoscope business.

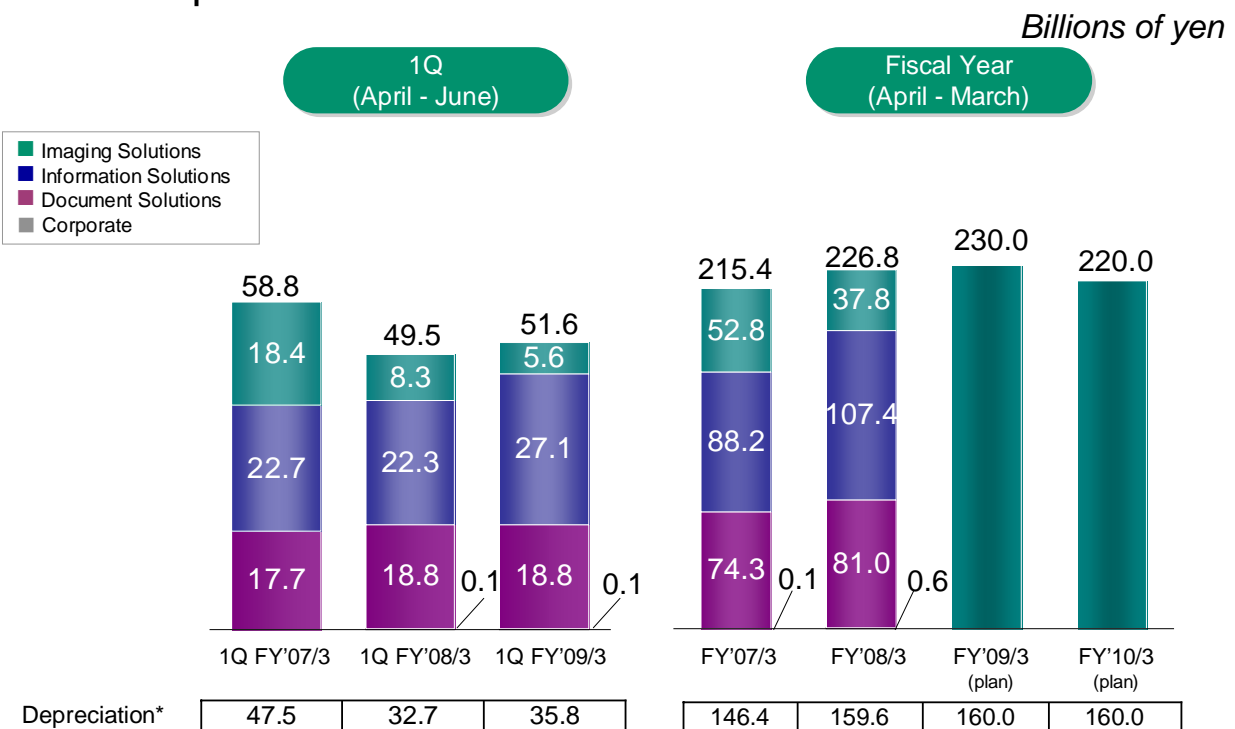


■ Capital Expenditure\*



\*Note: Figures do not include amounts for rental equipment handled by the Document Solutions segment.

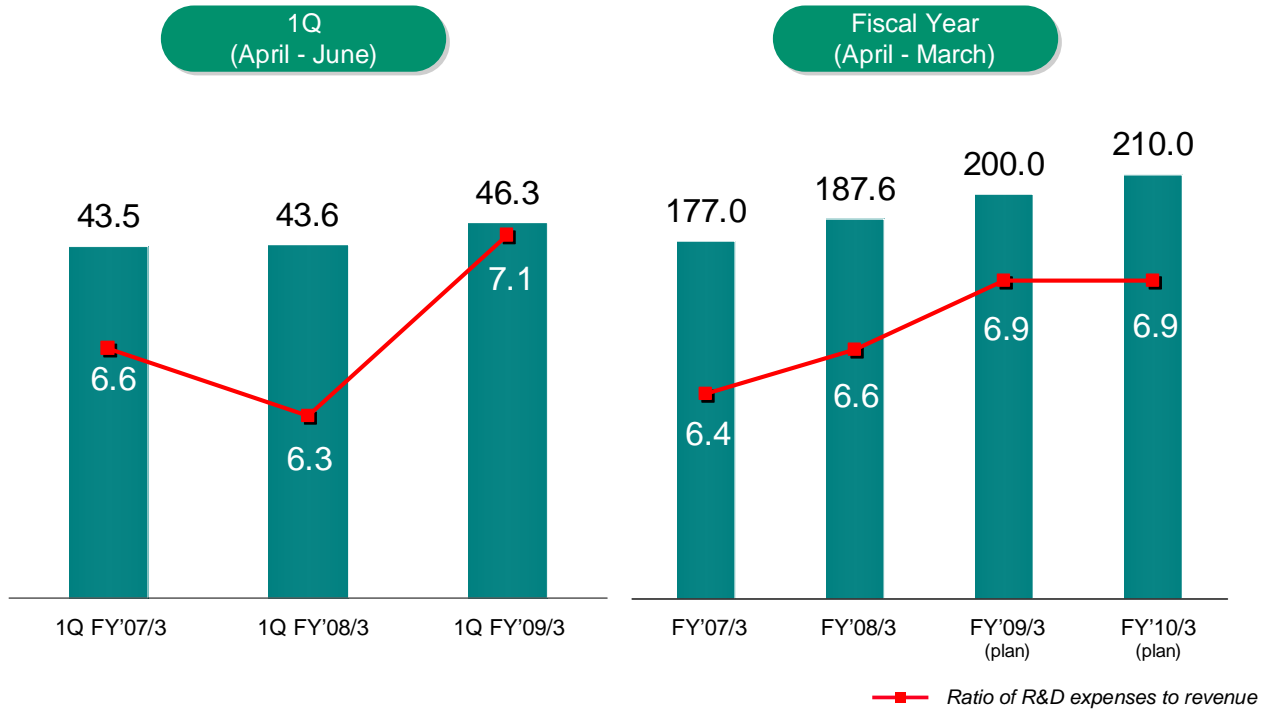
■ Depreciation & Amortization\*



\*Note: Figures do not include amounts for rental equipment handled by the Document Solutions segment.

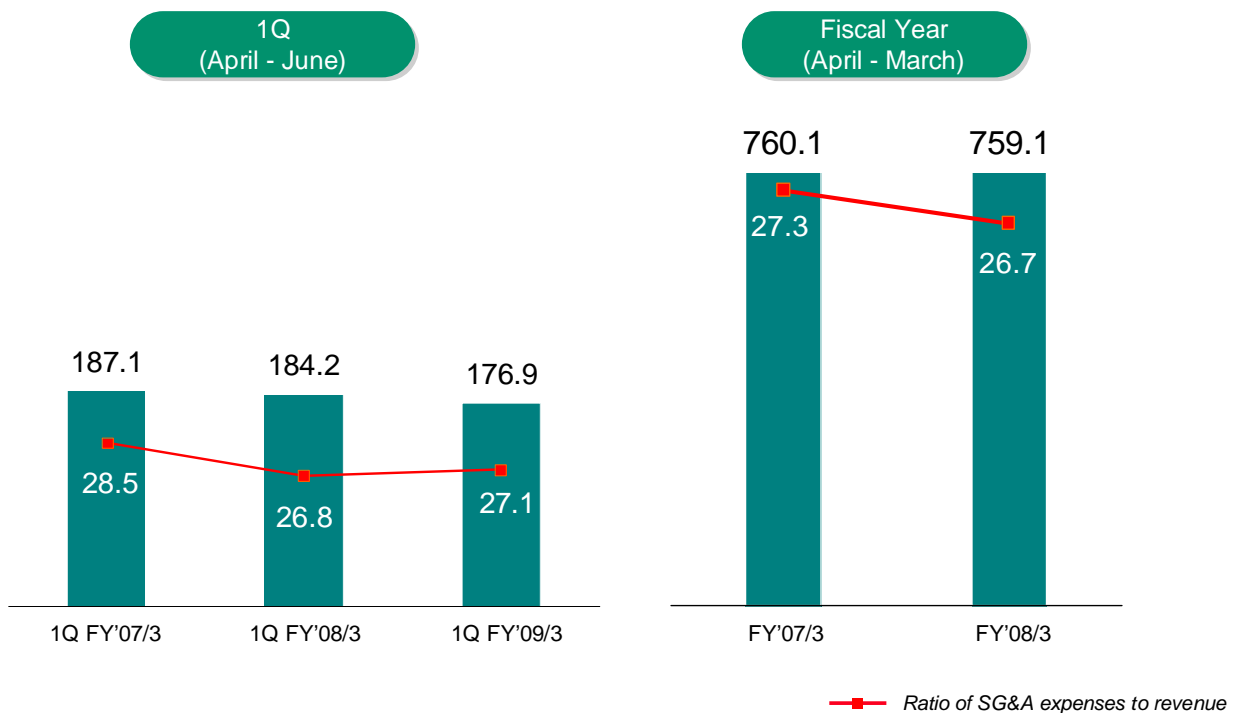
■ R&D Expenses

Billions of yen

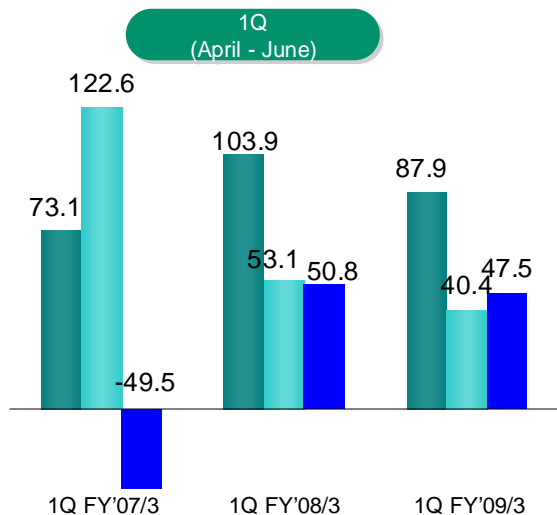
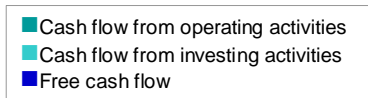


■ SG&A Expenses

Billions of yen



■ Free Cash Flow

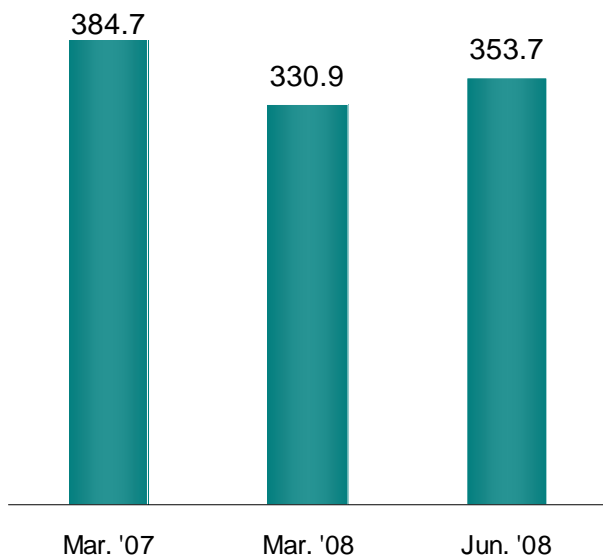


Billions of yen

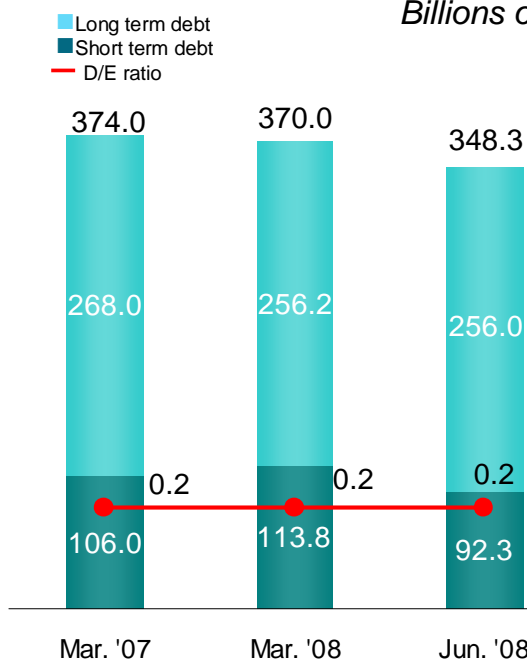
Cash Flow

	1Q FY'08/3	1Q FY'09/3
Net income	41.0	31.9
Depreciation & amortization	49.5	51.6
Change in working capital	6.1	8.7
Increase in deferred income taxes and other liabilities	8.5	9.5
Others	(1.2)	(13.8)
<b>C/F from operating activities</b>	<b>103.9</b>	<b>87.9</b>
Capital expenditure	(35.4)	(41.7)
M & A	-	-
Others	(17.7)	1.3
<b>C/F from investing activities</b>	<b>(53.1)</b>	<b>(40.4)</b>
<b>Free cash flow</b>	<b>50.8</b>	<b>47.5</b>

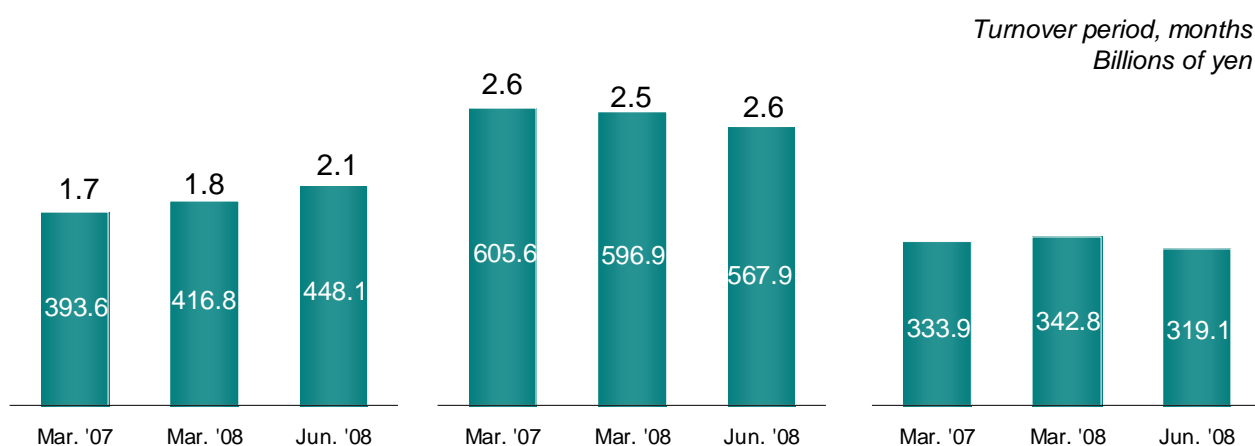
■ Cash and Cash Equivalents



■ Interest Bearing Debt



- Inventories
- Notes and Accounts Receivable
- Notes and Accounts Payable



### ■ VISION75 (2008) Revenue Target

*Billions of yen*

	FY2008/3 (Apr. 2007 - Mar. 2008) (Actual)		FY2009/3 (Apr. 2008 - Mar. 2009) (Plan)		FY2010/3 (Apr. 2009 - Mar. 2010) (Plan)	
	Amount	YoY (%)	Amount	YoY (%)	Amount	YoY (%)
Revenue						
Imaging Solutions	547.1	(9.6)	490.0	(10.4)	450.0	(8.2)
Information Solutions*	1,108.1	+8.0	1,190.0	+7.4	1,300.0	+9.2
Document Solutions	1,191.6	+3.5	1,220.0	+2.4	1,300.0	+6.6
Revenue total	2,846.8	+2.3	2,900.0	+1.9	3,050.0	+5.2
*Information Solutions Breakdown						
Medical systems/ Life Sciences	290.0	+9.0	320.0	+10.3	360.0	+12.5
Graphic Arts	310.0	+7.2	315.0	+1.6	325.0	+3.2
Flat Panel Display Materials	210.0	+18.6	240.0	+14.3	260.0	+8.3
Optical Devices	100.0	+22.9	110.0	+10.0	120.0	+9.1
Exchange Rates						
US\$	¥115		¥100		¥100	
Euro	¥162		¥155		¥155	

## ■ Current State of New Drug Development

Development code	Therapeutic category	Region	Development stage					Formulation
			Non-clinical	P I	P II	P III	Filed	
YP-18	β-lactamase inhibitor and antibiotic combination	Japan	Received approval on July 16, 2008					Injection
T-614	Rheumatoid arthritis	Japan						Oral
T-3811	New-type quinolone synthetic antibacterial	Japan						Injection*
		U.S.A.						Oral/Injection
		Europe						
T-3262 10% fine granules	Quinolone synthetic antibacterial	Japan						Oral
T-3762	Quinolone synthetic antibacterial	Japan						Injection**
T-817MA	Alzheimer's disease	U.S.A.						Oral
T-5224 (R7277)	Rheumatoid arthritis	Japan						Oral
		Overseas						
T-705	Antiviral	Japan						Oral
		U.S.A.						
T-1106	Antiviral	Japan						Oral
T-2307	Antifungal	Japan						Injection

\*Note: Received an approval in 2007 as a oral quinolone antibacterial agent under the brand name of GENINAX

\*\*Note: Additional dosage of PASIL intravenous drip, which received an approval in 2002

## ■ Exchange Rates

Yen

	FY2009/3 (Apr '08 - Mar. '09)	FY2008/3 (Apr '07 - Mar. '08)				
	1Q	1Q	2Q	3Q	4Q	
US\$	104	121	118	113	106	115
Euro	163	162	162	164	159	162

Impact of exchange rates movement on operating income (full year, ¥1 change)

US\$: ¥1.2 billion Euro: ¥1.1 billion

## ■ Number of Employees

	Jun. 2008	Mar. 2008	Jun. 2007	Mar. 2007
Consolidated Total	78,765	78,321	78,161	76,358



We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.

IR Office, Corporate Planning Div.  
**FUJIFILM Holdings Corporation**