

## Earnings of 3Q FY2009/3

(From April 1, to December 31, 2008)

**FUJIFILM Holdings Corporation**

January 30, 2009

### FORWARD-LOOKING STATEMENTS

Forward-looking statements such as those relating to earnings forecasts and other projections contained in this material are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties and other factors. Accordingly, actual results may differ materially from those projected due to various factors.

## Performance Summary for 9 Months FY2009/3

Sharp profit drop due to rapid market deterioration since 3<sup>rd</sup> quarter and yen appreciation

*Billions of yen*

	9 Months FY2008/3 (Apr. - Dec. 2007)		9 Months FY2009/3 (Apr. - Dec. 2008)		Change	
					Amount	%
Revenue	100.0%	2,137.4	100.0%	1,904.2	(233.2)	(10.9)
Operating Income*	8.3%	178.0	4.3%	82.5	(95.5)	(53.6)
Income Before Income Taxes	8.7%	185.5	3.0%	56.3	(129.2)	(69.6)
Net Income	4.9%	103.9	1.5%	29.5	(74.4)	(71.6)
Earnings per Share		¥203.80		¥58.64		¥(145.16)
Exchange Rates						
US\$		¥117		¥103		¥(14)
€		¥163		¥151		¥(12)

<Reference> Factors affecting YoY changes of 9 month operating income

*Billions of yen*

Exchange rates movements: -21.0 Higher raw materials prices: -12.5 Business operations and other: -62.0

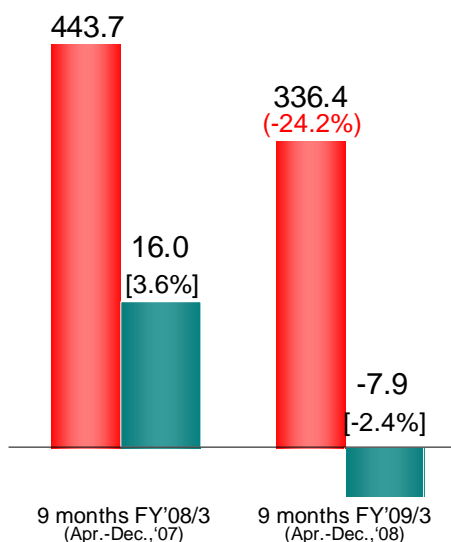
\* Including structural reform expenses: 9 months FY2008/3: 9.7 9 months FY2009/3: 7.0

## ■ Imaging Solutions

### Revenue\* /Operating Income

■ Revenue [ ]: Operating Margin  
 ■ Operating Income ( ): YoY Comparison

Billions of yen



#### Revenue

¥336.4 billion (YoY: -24.2%)

- Color film market shrinkage, continued falls in digital camera prices, etc., causing an overall decline in sales of principal products
- Impact of yen appreciation: -¥35.4 billion

#### Operating Income

-¥7.9 billion (YoY: fell into red)

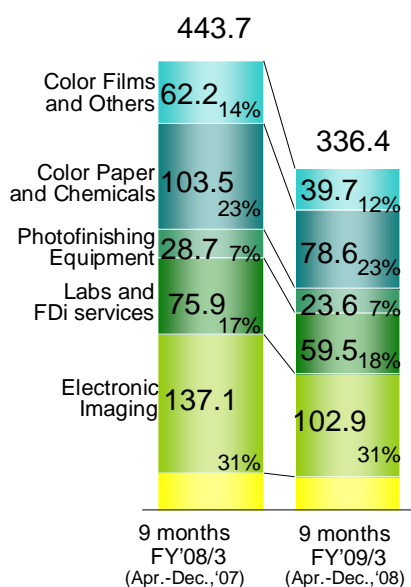
- Besides profit drop due to decreased sales of color film, etc., falling digital camera unit prices and yen appreciation placing downward pressure on profitability

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue

Billions of yen

%: Proportion of sub-segment revenue



#### Color Films and Others

¥39.7 billion (YoY: -36%)

- Revenue continued to decrease owing to market shrinkage

#### Color Paper and Chemicals

¥78.6 billion (YoY: -24%)

- Continuing to strengthen marketing promotion campaigns focused on such high-value-added print services as photo books

#### Photofinishing Equipment

¥23.6 billion (YoY: -18%)

- Steady growth in sales of inkjet-type dry minilab products

#### Electronic Imaging

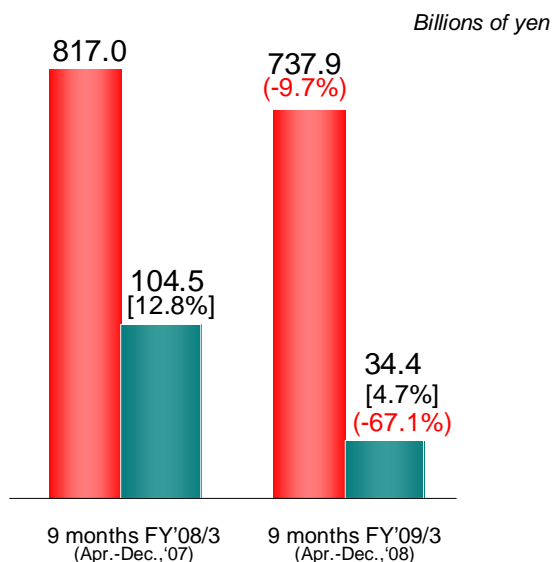
¥102.9 billion (YoY: -25%)

- On a world wide basis, sales volume of digital cameras during 9 months period amounted to 6.7 million units  
 Despite impact of slack demand due to deterioration of economic conditions, sales volume sustained at approximately same level as in previous fiscal year
- Decline in revenue reflecting impact of sharp fall in unit prices

## Information Solutions

### Revenue\* /Operating Income

■ Revenue ( ): YoY Comparison  
 ■ Operating Income [ ]: Operating Margin



### Revenue

¥737.9 billion (YoY: -9.7%)

- FPD materials sales were strong in first half, but impact of LCD-related markets' rapid deterioration causing drop in FPD materials sales and other factors leading to decrease in revenue
- Impact of yen appreciation: -¥45.4 billion

### Operating Income

¥34.4 billion (YoY: -67.1%)

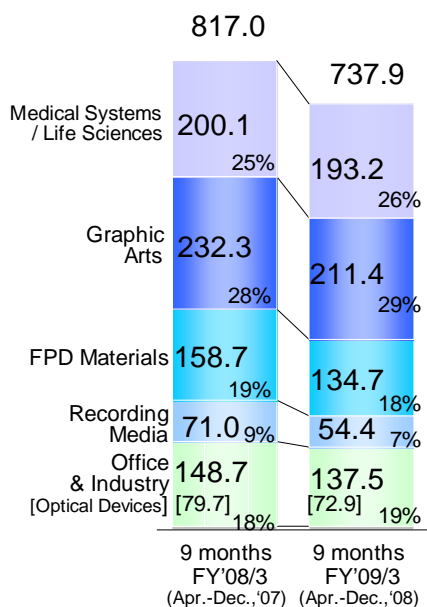
- Sales volume drops for principal products due to market deterioration since third quarter combining with yen appreciation and other factors to considerably lower profitability

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue

Billions of yen

%: Proportion of sub-segment revenue



### Medical Systems / Life Sciences

¥193.2 billion (YoY: -3%)

- Sales down due to such factors as revision of Japanese national healthcare reimbursement prices, intensifying competition in endoscope products, and slack equipment sales in the United States. Implementing measures to expand sales, centered on strengthening of marketing systems
- China-based Tianjian Medi Tech and U.S.-based Empiric Systems joined the Group in line with strategy for strengthening medical IT systems operations, which have been recording growing sales
- Domestic launch of "AMULET" digital mammography system with a direct conversion flat panel detector and top-of-the-line "Advancia" series of full digital electronic endoscope systems

### Graphic Arts

¥211.4 billion (YoY: -9%)

- Impact of deteriorating economic conditions decreased printing demand, causing overall decline in sales of graphic arts materials
- U.S. and European launch of "Acuity Advance" wide-format inkjet system with improved productivity

### FPD Materials

¥134.7 billion (YoY: -15%)

- Sharp drop in sales since third quarter due to large manufacturing adjustments by LCD panel makers

### Recording Media

¥54.4 billion (YoY: -23%)

- Slack sales owing to deteriorating economic conditions in the United States—largest market for mainstay data media—and other factors

### Office & Industry

¥137.5 billion (YoY: -8%)

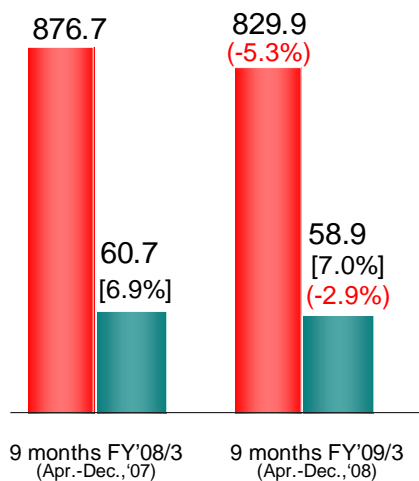
- In optical devices, orders for camera phone lens units had grown steadily but have declined since November

## ■ Document Solutions

### Revenue\* /Operating Income

■ Revenue [ ]: Operating Margin  
 ■ Operating Income ( ): YoY Comparison

Billions of yen



#### Revenue

¥829.9 billion (YoY:-5.3%)

- Lower revenues due to rapid deterioration of business environment, which caused deceleration in exports to North America and Europe, and to negative impact of large fluctuations in yen exchange rates against the U.S. dollar and Asian and Oceanian currencies
- Impact of yen appreciation: -¥28.4 billion

#### Operating Income

¥58.9 billion (YoY:-2.9%)

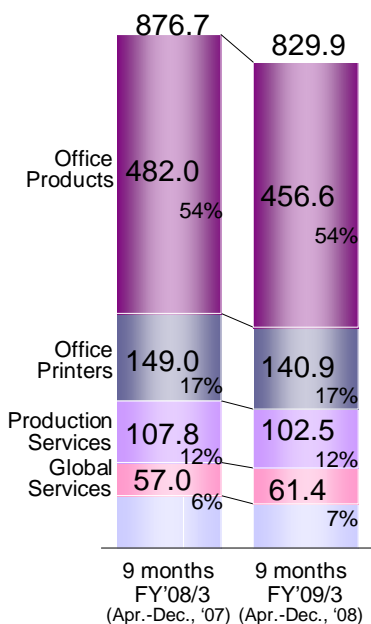
- Despite efforts to reduce cost of sales and SG&A expenses, this was not sufficient to compensate for lower gross profit and this resulted in a decline in profitability

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue

Billions of yen

%: Proportion of sub-segment revenue



#### Office Products

¥456.6 billion (YoY: -5%)

- In Japan, strong sales recorded of full color digital multifunction devices with LED print-head system and reasonably priced color digital multifunction devices
- Sales in Asia-Pacific region including China, was kept weak due to impact of rapid deterioration of business environment and exchange rate fluctuations

#### Office Printers

¥140.9 billion (YoY: -5%)

- Weakness of demand throughout market caused declines in own brand and OEM sales
- Color printers recorded large increases in volume of sales in Asia-Pacific region including China, and of exports to Europe and North America.

#### Production Services

¥102.5 billion (YoY: -5%)

- Regarding exports to North America and Europe, large increase recorded in unit shipment volume of light production color system products
- Sales in Asia-Pacific region including China, was kept weak due to impact of rapid deterioration of business environment and exchange rate fluctuations

#### Global Services

¥61.4 billion (YoY: +8%)

- Continued growth was achieved in document outsourcing business both in Japan and overseas

## Forecast for FY2009/3

### Forecast for FY2009/3 (April '08 - March '09)

Downward revision, reflecting rapid market deterioration

Billions of yen

	FY2009/3 Latest plan (Apr.'08-Mar.'09)		FY2009/3 Previous plan (Apr.'08-Mar.'09) 〔Announced on Oct. 30, '08〕		Change		FY2008/3 Actual (Apr.'07-Mar.'08)	
					Amount	%		
Revenue	100.0%	2,430.0	100.0%	2,850.0	(420.0)	(14.7)	100.0%	2,846.8
Operating Income	1.2%	30.0	5.6%	160.0	(130.0)	(81.3)	7.3%	207.3
Income Before Income Taxes	0.0%	1.0	5.7%	163.0	(162.0)	(99.4)	7.0%	199.3
Net Income	0.4%	10.0	2.8%	80.0	(70.0)	(87.5)	3.7%	104.4
Earnings per Share		¥20.47		¥158.61		¥(138.70)		¥205.43
Exchange Rates								
US\$		¥100		¥101		¥(1)		¥115
€		¥142		¥147		¥(5)		¥162

Impact of exchange rates movement on operating income (full year, ¥1 change)  
 US\$: ¥1.2 billion    €: ¥0.7 billion

- Planning Implementation of Group-wide Structural Reforms to Get Back on Track for Growth
  
  - Speedily and thoroughly streamlining all Group units
  
  - Surviving harsh environment and establishing systems for leveraging upward momentum when environment improves
- 

- FY2010/3 Forecast for Major Businesses
  
  - FPD materials/ Camera phone lens units
    - ✓ Reaching bottom in latter half of FY2009/3 and expecting gradual recovery to begin in April 2009
  
  - Digital cameras
    - ✓ Forecasting major improvement in profitability in FY2010/3 due to reduction in inventories and manufacturing costs
  
  - Documents
    - ✓ Working to secure profits by capturing demand in newly industrializing countries and reforming domestic operational processes, despite uncertainty regarding timing of demand recovery in industrialized countries
-

## ■ Revision of Forecast for FY2009/3 (by Operating Segments)

*Billions of yen*

	FY2009/3 Latest plan (Apr.'08-Mar.'09)		FY2009/3 Previous plan (Apr.'08-Mar.'09) (Announced on Oct. 30, '08)		9 months FY2009/3 Actual (Apr.-Dec.'08)		4Q FY2009/3 Latest plan (Jan.-Mar.'09)		FY2008/3 Actual (Apr.'07-Mar.'08)	
Imaging Revenue		410.0		460.0	336.4		73.6			547.1
Operating income	(7.3)%	(30.0)	(7.8)%	(36.0)	(2.4)%	(7.9)	(30.0)%	(22.1)	(0.4)%	(2.4)
Information Revenue		940.0		1,180.0	737.9		202.1			1,108.1
Operating income	1.1%	10.0	8.9%	105.0	4.7%	34.4	(12.1)%	(24.4)	11.5%	127.4
Document Revenue		1,080.0		1,210.0	829.9		250.1			1,191.6
Operating income	5.1%	55.0	7.9%	95.0	7.0%	58.9	(1.6)%	(3.9)	7.2%	86.7
Structural reform expenses included above		(25.0)		(40.0)	(7.0)		(18.0)			(33.0)
Intersegment transaction elimination		(5.0)		(4.0)	(2.9)		(2.1)			(4.4)
Total Revenue		2,430.0		2,850.0	1,904.2		525.8			2,846.8
Operating income	1.2%	30.0	5.6%	160.0	4.3%	82.5	(10.0)%	(52.5)	7.3%	207.3
Exchange rates										
	US\$	¥100		¥101	¥103		¥90			¥115
	€	¥142		¥147	¥151		¥115			¥162

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## ■ Performance Summary for 3Q FY2009/3 (Oct.-Dec.)

*Billions of yen*

	3Q FY2008/3 (Oct.- Dec. 2007)		3Q FY2009/3 (Oct.- Dec. 2008)		Change	
					Amount	%
Revenue	100.0%	729.3	100.0%	565.7	(163.6)	(22.4)
Operating Income*	9.5%	69.3	0.2%	1.3	(68.0)	(98.2)
Income Before Income Taxes	9.7%	70.7	(4.5)%	(25.4)	(96.1)	-
Net Income	5.4%	39.2	(2.8)%	(15.9)	(55.1)	-
Earnings per Share		¥77.39		¥(31.99)		¥(109.38)
Exchange Rates						
	US\$	¥113		¥97		¥(16)
	€	¥164		¥128		¥(36)

<Reference> Factors affecting YoY changes of 3Q operating income

*Billions of yen*

Exchange rates movements: -10.1 Higher raw materials prices: -1.0 Business operations and other: -57.0

\* Including structural reform expenses: 3Q FY2008/3: 5.4

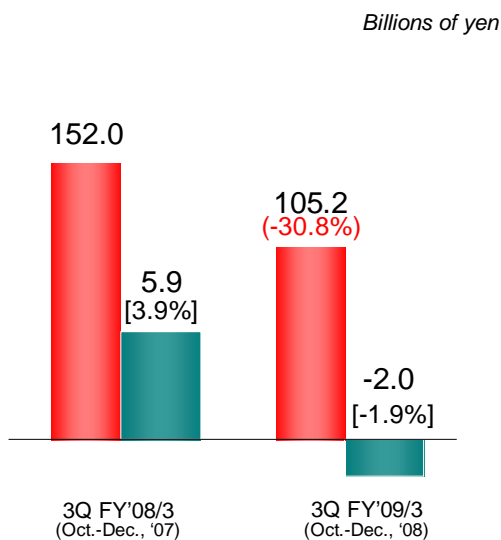
3Q FY2009/3: 2.9

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■ Imaging Solutions (3 months, Oct.-Dec.)

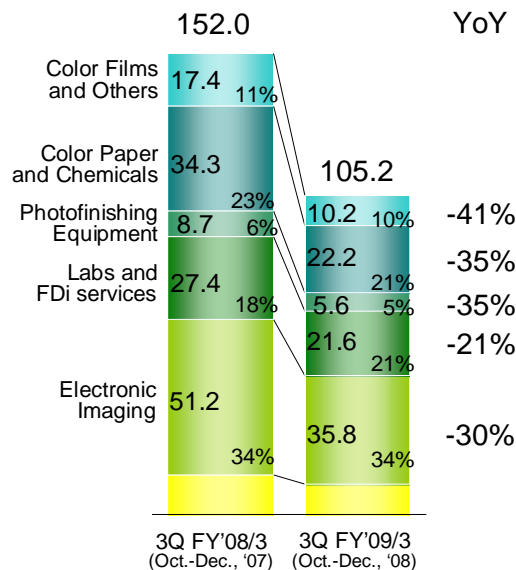
Revenue\* /Operating Income

■ Revenue [ ]: Operating Margin  
 ■ Operating Income ( ): YoY Comparison



Sub-segment Revenue

Billions of yen  
 %: Proportion of sub-segment revenue

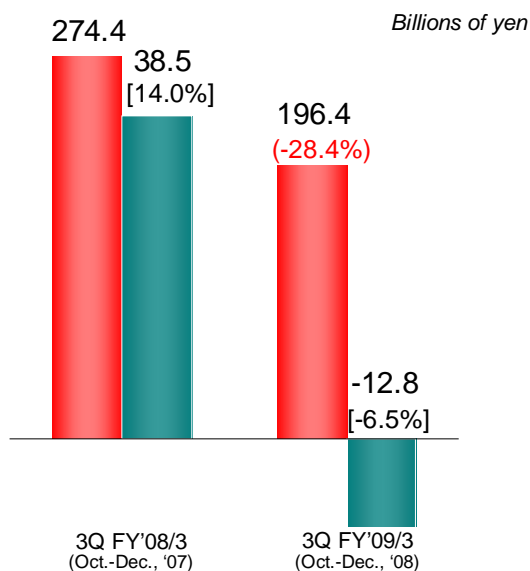


\*Note: After elimination of intersegment transaction

■ Information Solutions (3 months, Oct.-Dec.)

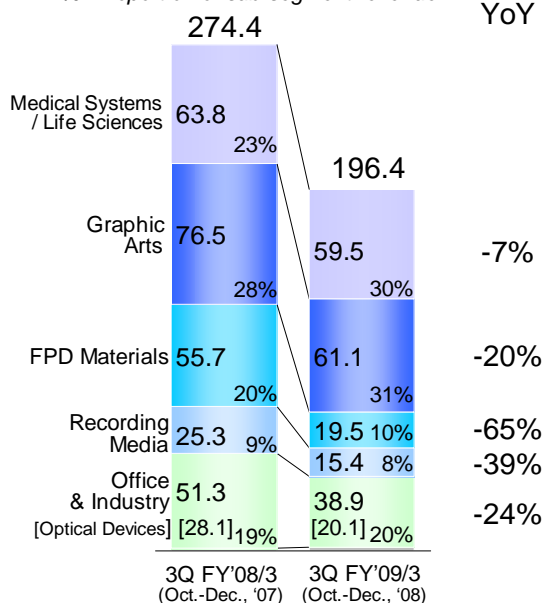
Revenue\* /Operating Income

■ Revenue [ ]: Operating Margin  
 ■ Operating Income ( ): YoY Comparison



Sub-segment Revenue

Billions of yen  
 %: Proportion of sub-segment revenue

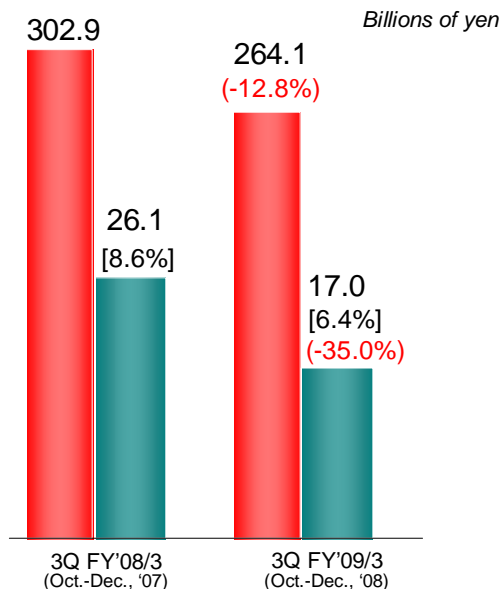


\*Note: After elimination of intersegment transaction

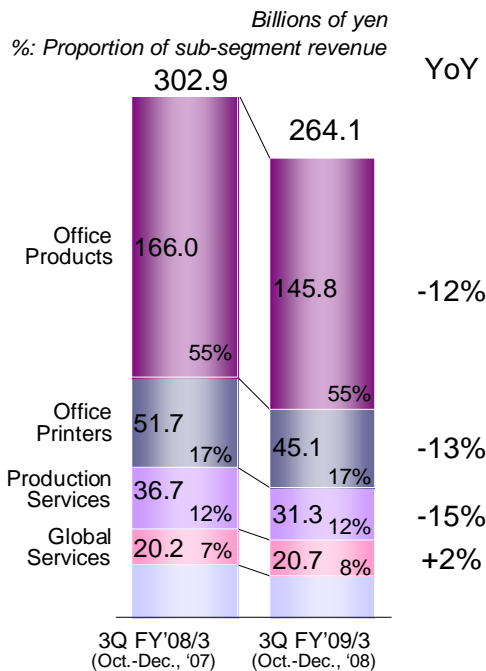
■ Document Solutions (3 months, Oct.-Dec.)

Revenue\* /Operating Income

■ Revenue [ ]: Operating Margin  
 ■ Operating Income ( ): YoY Comparison



Sub-segment Revenue

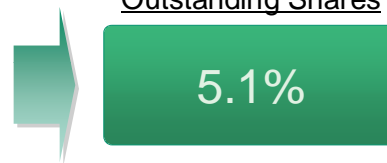


\*Note: After elimination of intersegment transaction

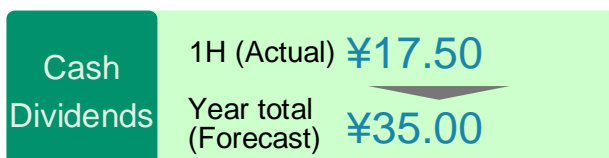
■ Further Share Buybacks during Nov. & Dec., 2008

	FY2008/3	FY2009/3
Number of shares bought (in Thousands)	6,700	15,780
Value of shares bought (in Billions)	¥34.1	¥35.0

As of Dec. 31, 2008  
 Ratio of Treasury Stocks to  
 Outstanding Shares

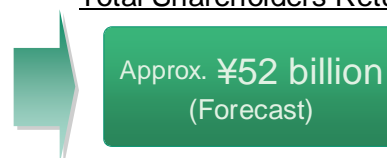


■ Total Shareholders Return\* Forecast: ¥52 billion



FY2009/3  
 Total Shareholders Return

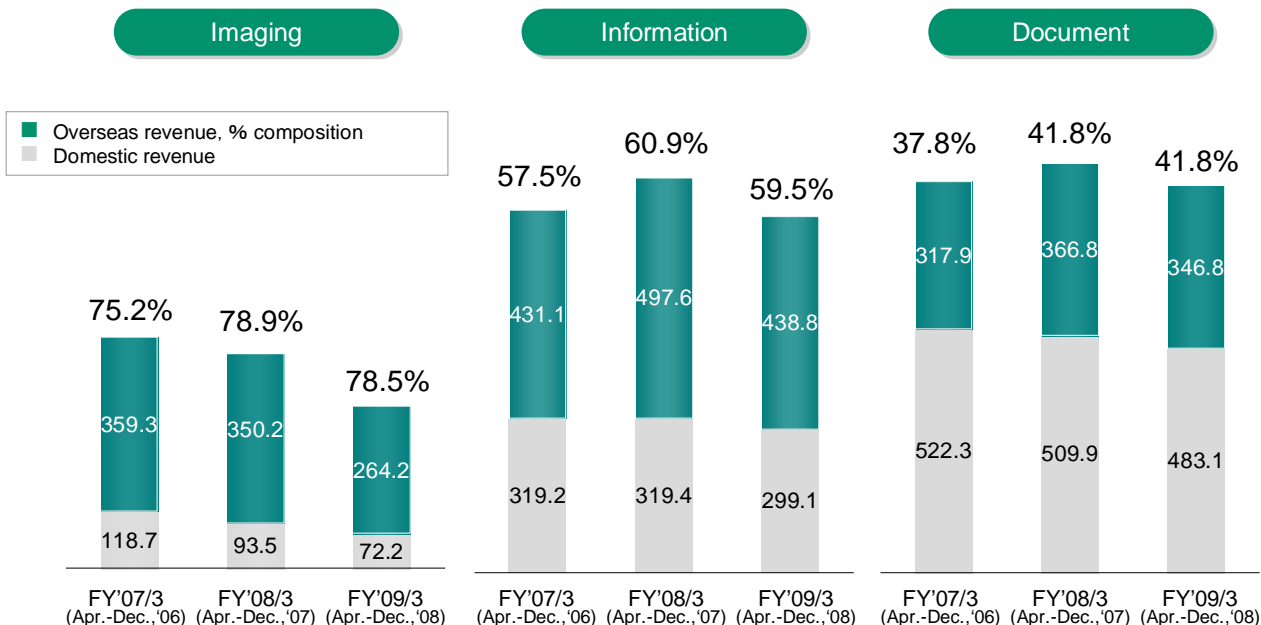
Cash dividends+Share buybacks



\*Cash dividends+Share buybacks

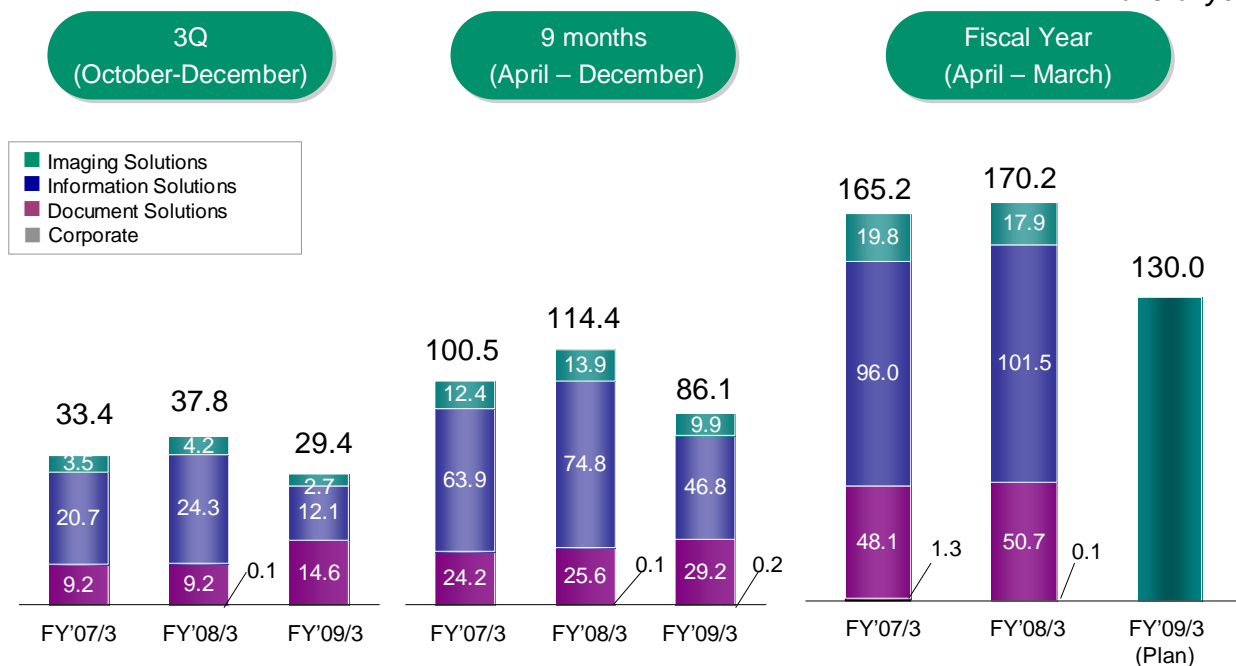
■ Revenue from Overseas (9 months, Apr.-Dec.)

Billions of yen



■ Capital Expenditure\*

Billions of yen



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

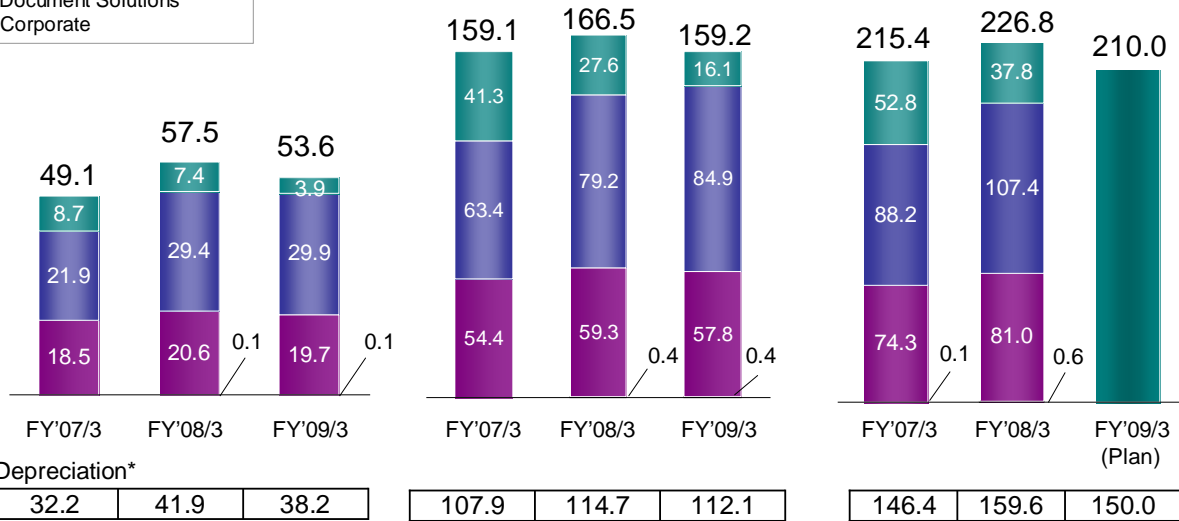
■ Depreciation & Amortization

Billions of yen

3Q  
(October-December)

9 months  
(April – December)

Fiscal Year  
(April – March)



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

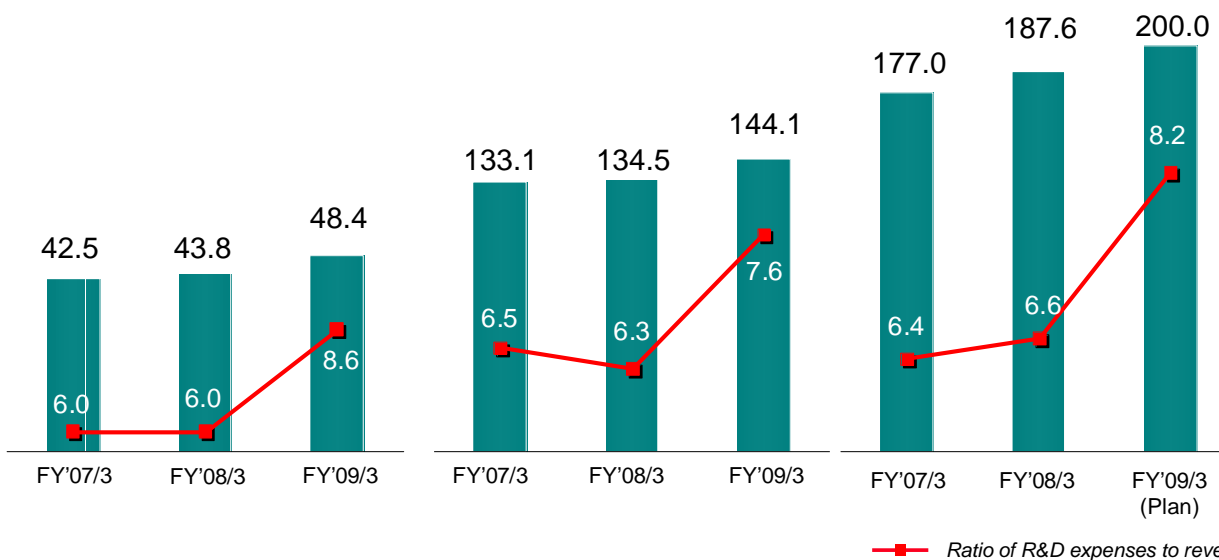
■ R&D Expenses

Billions of yen

3Q  
(October-December)

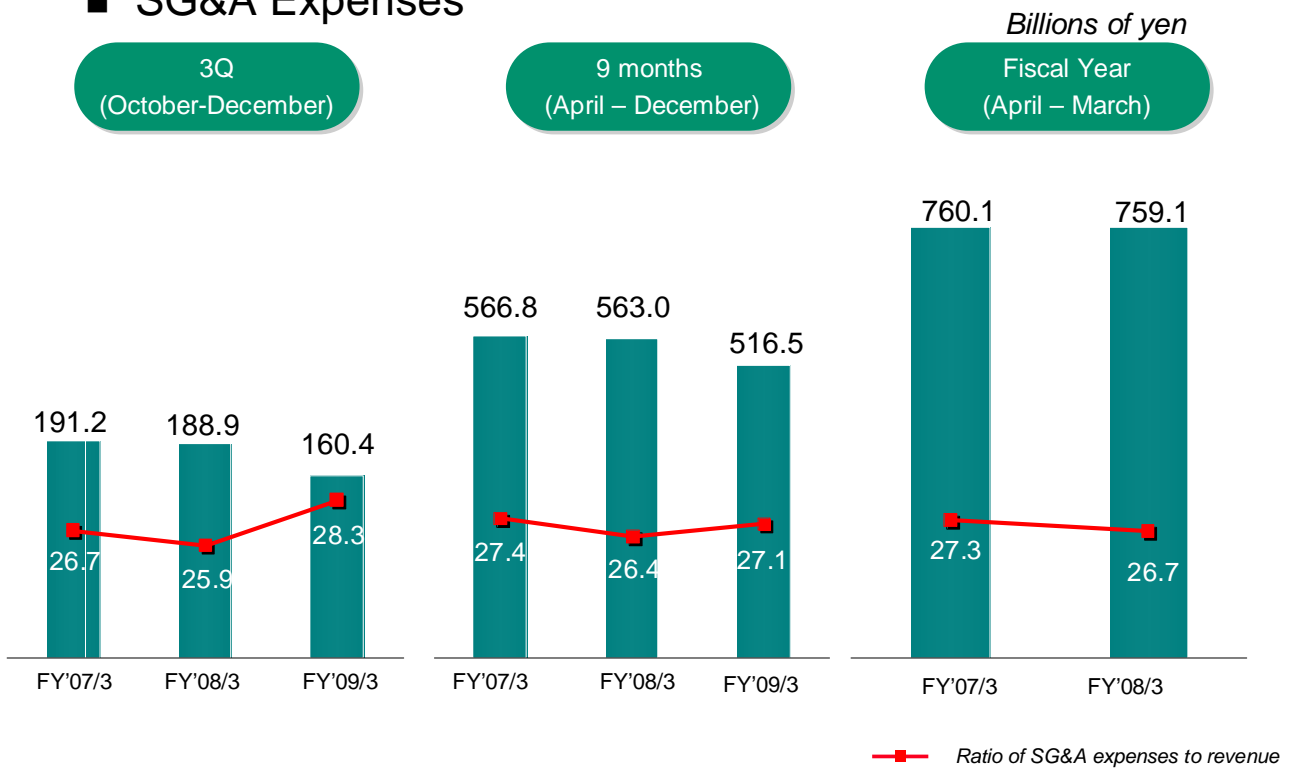
9 months  
(April – December)

Fiscal Year  
(April – March)



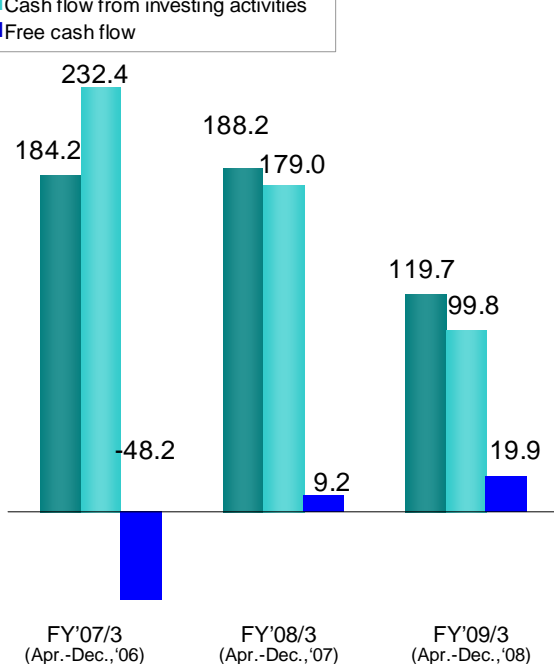
Ratio of R&D expenses to revenue

■ SG&A Expenses



■ Free Cash Flow (9 months, Apr.-Dec.)

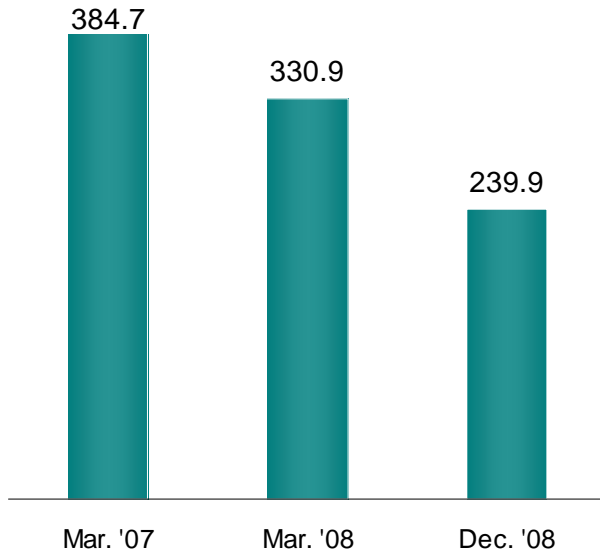
■ Cash flow from operating activities  
■ Cash flow from investing activities  
■ Free cash flow



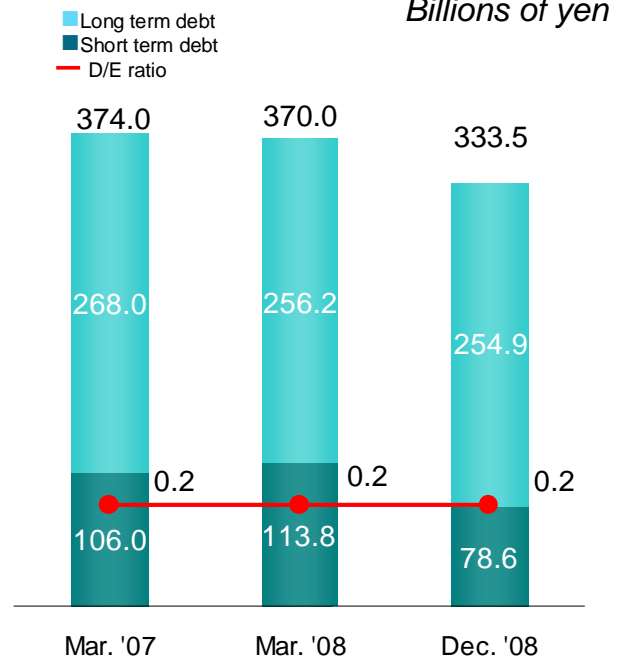
Cash Flow

	9M FY'08/3 (Apr.-Dec., '07)	9M FY'09/3 (Apr.-Dec., '08)
Net income	103.9	29.4
Depreciation & amortization	166.5	159.2
Change in working capital	(48.6)	(6.8)
Change in deferred income taxes and other liabilities	(43.0)	(77.6)
Others	9.4	15.5
<b>C/F from operating activities</b>	<b>188.2</b>	<b>119.7</b>
Capital expenditure	(114.9)	(111.8)
M & A	-	(4.1)
Sales and purchases of marketable and investment securities	0.1	31.2
Others	(64.2)	-15.1
<b>C/F from investing activities</b>	<b>(179.0)</b>	<b>(99.8)</b>
<b>Free cash flow</b>	<b>9.2</b>	<b>19.9</b>

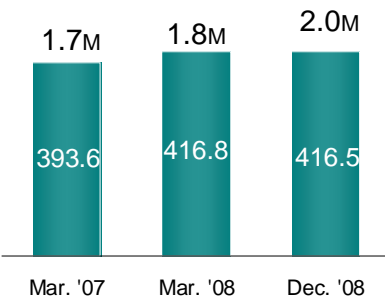
■ Cash and Cash Equivalents



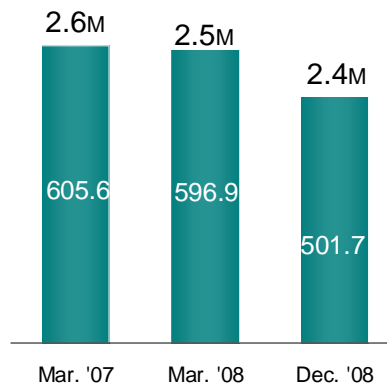
■ Interest Bearing Debt



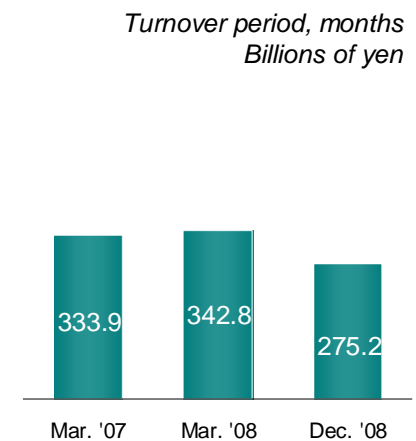
■ Inventories



■ Notes and Accounts Receivable



■ Notes and Accounts Payable



## ■ Current State of New Drug Development

Development code	Therapeutic category	Region	Development stage					Formulation
			Non-clinical	P I	P II	P III	Filed	
T-614	Rheumatoid arthritis	Japan						Oral
T-3262 fine granules	Quinolone synthetic antibacterial	Japan						Oral*
T-3811	New-type quinolone synthetic antibacterial	Japan						Injection**
		U.S.A.						Oral/Injection
		Europe						
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

\* Tablets are sold under the name "Ozex"

\*\* Oral drugs are sold under the name "Geninax"

\*\*\* Additional dosage of "PASIL" intravenous drip, which is currently sold on the market

>Changes since the previous announcement (October 30, 2008): None.

>The name (INN) "Favipiravir" has been assigned to T-705.

## ● Exchange Rates

Yen

	FY 2009/3						FY 2008/3					
	9 months				Estimated		9 months					
	1Q	2Q	3Q	103	4Q Estimated	100	1Q	2Q	3Q	117	4Q	
US\$	104	108	97	103	90	100	121	118	113	117	106	115
Euro	163	162	128	151	115	142	162	162	164	163	159	162

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

US\$: ¥1.2 billion    €: ¥0.7 billion

## ● Number of Employees

	2008				2007
	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31
Consolidated Total	78,203	78,228	78,765	78,321	79,279



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**