
Earnings overview of FY2010/3

FUJIFILM Holdings Corporation

April 30, 2010

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.

While the global economy recovered gradually during the fiscal year ended March 31, 2010, the outlook remains uncertain in view of the slow pace of recovery in demand.

Fujifilm's business environment continued to be harsh in FY2010/3, reflecting a demand drop accompanying the worldwide recession that has stemmed from the impact of the financial crisis since autumn 2008, the appreciation of the yen, and other factors.

To ensure its capabilities for generating a profit and sustaining growth even amid such severe conditions, Fujifilm has been resolutely implementing concentrated structural reforms and thoroughly executing measures to reduce costs and expenses while concurrently rebuilding its growth strategies in priority business fields.

I will now give you an overview explanation of our performance in FY2010/3.

Performance Summary for FY2010/3

FUJIFILM

Performance considerably exceeded current forecast, and operating income before restructuring cost and other charges was up 43.6% from the previous fiscal year.

(Billions of yen)	FY2009/3 (Apr.'08-Mar.'09)		FY2010/3 (Apr.'09-Mar.'10)		Change		FY2010/3 Forecast Announced on Jan. 29	
					Amount	%		
Revenue	100.0%	2,434.3	100.0%	2,181.7	(252.6) *	(10.4)	100.0%	2,170.0
Operating Income Before Restructuring and Other Charges	2.9%	70.8	4.7%	101.6	+30.8	+43.6	3.7%	80.0
Restructuring and Other Charges	1.4%	33.5	6.6%	143.7	+110.2	-	6.7%	145.0
Operating Income After Restructuring and Other Charges	1.5%	37.3	(1.9)%	(42.1)	(79.4)	-	(3.0)%	(65.0)
Income Before Income Taxes	0.4%	9.4	(1.9)%	(42.0)	(51.4)	-	(3.1)%	(68.0)
Net Income Attributable to FUJIFILM Holdings	0.4%	10.5	(1.8)%	(38.4)	(48.9)	-	(2.4)%	(52.0)
Net Income Attributable to FUJIFILM Holdings per Share		¥21.10		¥(78.67)		¥(99.77)		¥(106.43)
Cash Dividends per Share		¥30		¥25(plan)		¥(5)		¥25
Exchange Rates								
US\$		¥101		¥93		¥(8)		¥93
€		¥145		¥131		¥(14)		¥131

*Impact of yen appreciation: (90.1)

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During the fiscal year ended March 31, 2010, consolidated revenue amounted to ¥2,181.7billion, down 10.4% from the previous fiscal year.

A rapid recovery in demand for FPD materials supported an increase in Fujifilm's sales of those materials, but the impact of the global recession caused drops in demand for such products as graphic arts and optical device products. Those demand drops and the large appreciation of the yen were the principal factors causing a decrease in the Company's revenue.

The amount of ¥90.1 billion out of sales reduction of ¥252.6 billion was negatively affected by yen appreciation.

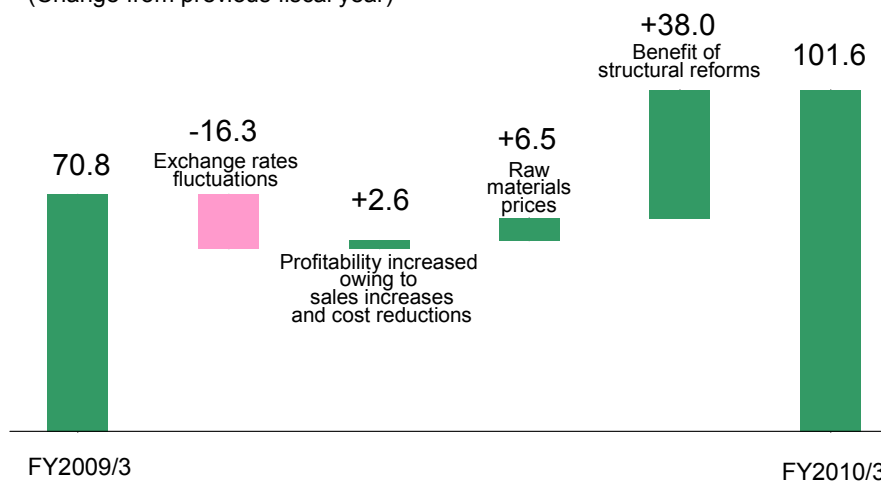
Operating income before restructuring and other charges increased to ¥101.6 billion, up 43.6% from the previous fiscal year and approximately ¥20.0 billion higher than our performance forecast, ¥80.0 billion. This rise reflected the rise in FPD materials revenue, the improved profitability of electronic imaging business, benefit of structural reforms, and our thorough reductions of costs and expenses.

We recorded ¥143.7 billion in restructuring and other charges, and the operating loss after restructuring and other charges amounted to ¥42.1 billion.

■ Analysis of operating income before restructuring and other charges in FY2010/3

(Change from previous fiscal year)

Billions of yen



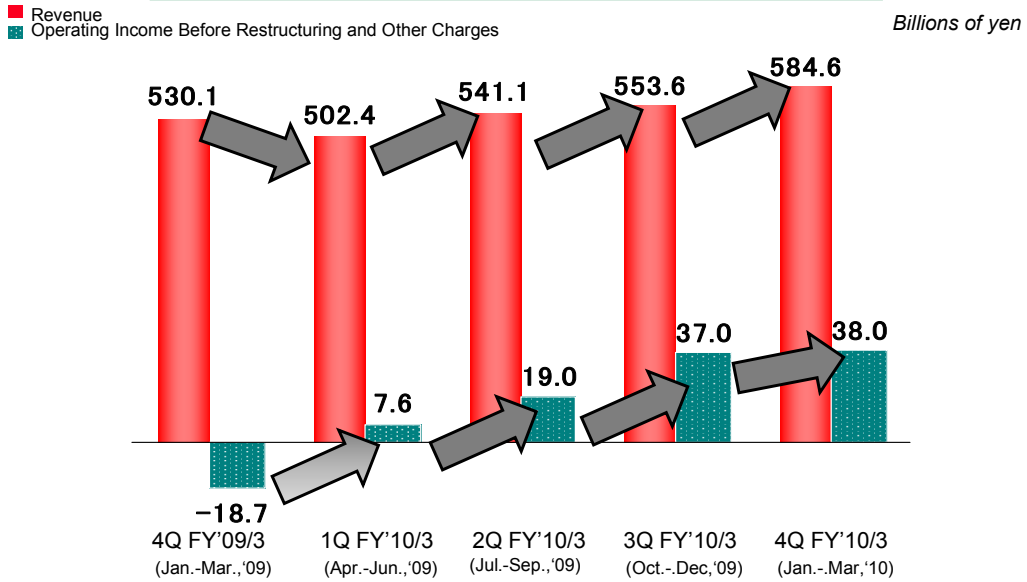
The factors causing changes in operating income before restructuring and the other charges compared with the previous fiscal year are shown in the graph.

Yen appreciation had the effect of reducing operating profit by ¥16.3 billion, but the benefits from higher sales and cost reductions boosted profitability ¥2.6 billion, and raw materials costs were lowered ¥6.5 billion. Also contributing to higher profitability were the benefits from structural reforms ¥38.0 billion, which were greater than planned. As a result, operating profit rose ¥30.8 billion.

Quarterly Performance Summary

FUJIFILM

Smoothly recovered in
both revenue and operating income



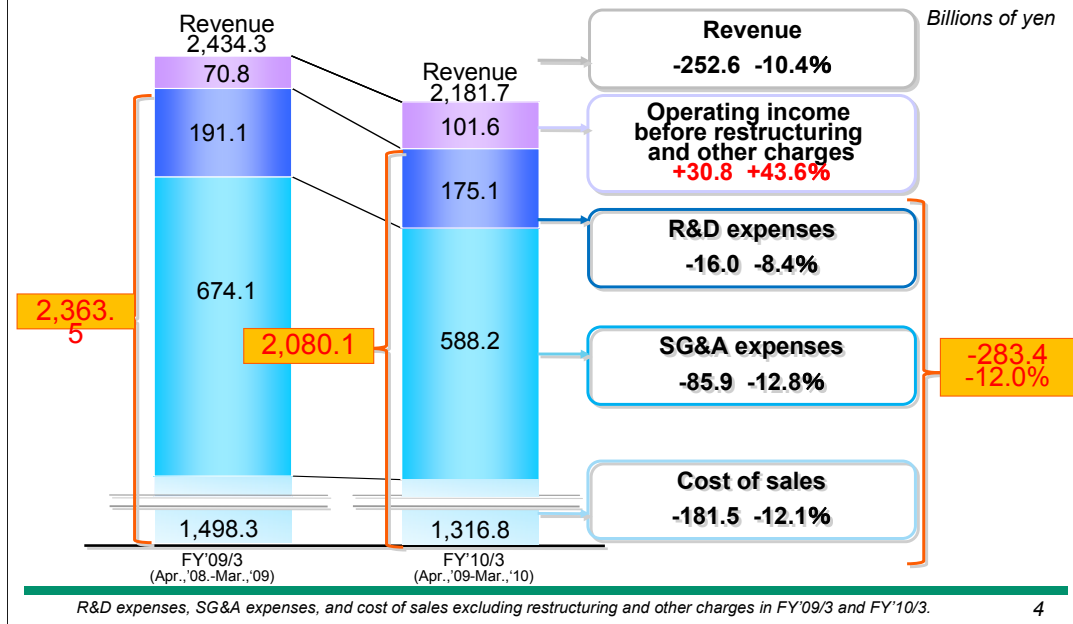
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The graph shows trends in revenue and operating income before restructuring and other charges for each quarter.

Both revenue and operating income recovered smoothly.

R&D expenses, SG&A expenses, Cost of sales **FUJIFILM**

The amount of reductions in R&D expenses, SG&A expenses, and the cost of sales were larger than that of the decrease in revenue. Realized a large surge in operating income before restructuring and other charges which was up 43.6% from the previous fiscal year.

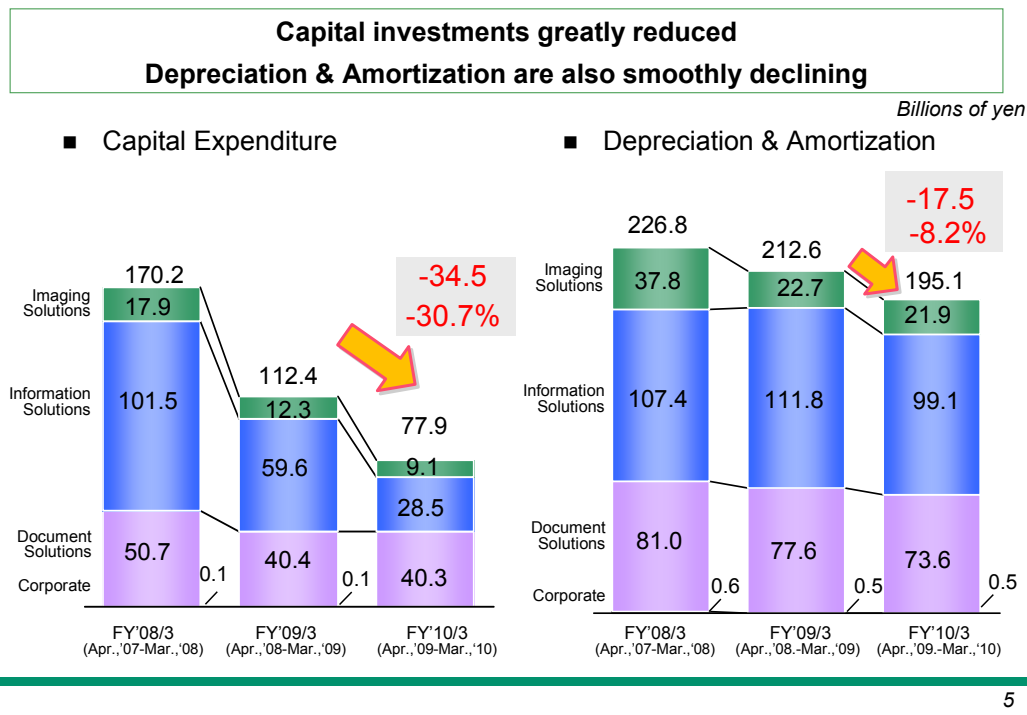


Besides structural reforms, we implemented thorough measures to reduce costs and expenses throughout the entire Group, and large reductions were made to R&D expenses, SG&A expenses, and the cost of sales.

As you can see, the total value of SG&A expenses and R&D expenses was lowered by about ¥100.0 billion. Including the cost of sales, the value of those expenses decreased 12.0%.

As a result, although consolidated revenue declined 10.4% from the previous fiscal year, we generated cost-reduction benefits that were considerably greater than the decline in revenue. So, we were able to realize a large 43.6% increase in our operating income before restructuring and other charges.

Capital Expenditure and Depreciation & Amortization **FUJIFILM**



Since the previous fiscal year, we thoroughly have reevaluated our capital investments and restricted the implementation of capital investments to those associated with the most crucial projects. Reflecting this, our capital expenditure during the fiscal year amounted to ¥77.9 billion, down significantly 30.7%, from the level in the previous fiscal year.

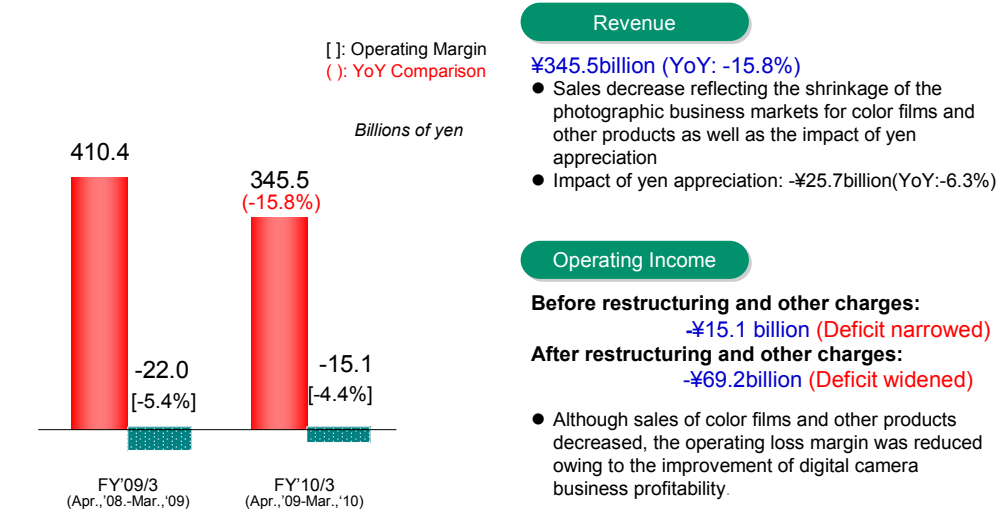
Owing to our previous application of impairment treatment for certain facilities, use of the 250% declining-balance method of depreciation, and other measures to accelerate depreciation and amortization, our depreciation and amortization for the fiscal year totaled ¥195.1 billion, down ¥17.5 billion, from the level in the previous fiscal year.

Operating Segments

■ Imaging Solutions

Revenue[†] / Operating Income

- Revenue
- Operating Income Before Restructuring and Other Charges



Revenue

- ¥345.5billion (YoY: -15.8%)
- Sales decrease reflecting the shrinkage of the photographic business markets for color films and other products as well as the impact of yen appreciation
 - Impact of yen appreciation: -¥25.7billion(YoY:-6.3%)

Operating Income

- Before restructuring and other charges:**
-¥15.1 billion (Deficit narrowed)
- After restructuring and other charges:**
-¥69.2billion (Deficit widened)
- Although sales of color films and other products decreased, the operating loss margin was reduced owing to the improvement of digital camera business profitability.

*Note: After elimination of intersegment transaction

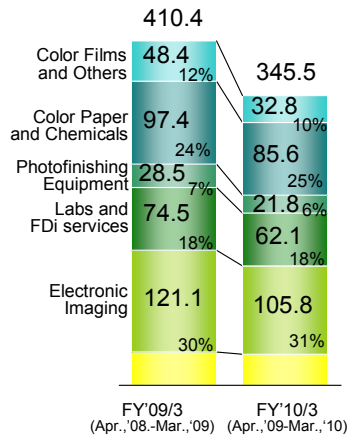
Next, I will explain the situation regarding each segment.

In the Imaging Solutions segment, consolidated revenue amounted to ¥345.5 billion, down 15.8% from the previous fiscal year. This decrease reflected the impact of photographic market shrinkage with respect to color films and other products

The operating loss before restructuring and other charges was reduced owing to a large increase in the profit of digital camera business, which rose to positive figures on an operational basis.

Sub-segment Revenue

Billions of yen
%: Proportion of sub-segment revenue



Color Films and Others

¥32.8billion (YoY: -32%)

- Although sales continued to decline owing to market shrinkage, Fujifilm's market share increased.

Color Paper and Chemicals

¥85.6billion (YoY: -12%)

- Increasing market share in principal countries by strengthening marketing promotion measures for photo books, on-line photo services, and other high-value-added print.

Electronic Imaging

¥105.8billion (YoY: -13%)

- Sales decreased due to a drop in unit prices and the impact of yen appreciation.
- Strengthen all strata of the product lineup ranging from such high-value-added models as FinePix F70EXR and the FinePix REAL 3D System to entry models with improved cost competitiveness.
- On a world wide basis, sales volume of digital cameras during FY'10/3 amounted to approximately 9.0million units(YoY:+10%).
- Business operating profit was returned to the black owing to benefits generated by efforts to reduce cost of component and supply chain management reforms.



The state of each operation in the Imaging Solutions segment is as shown.

Operating Segments

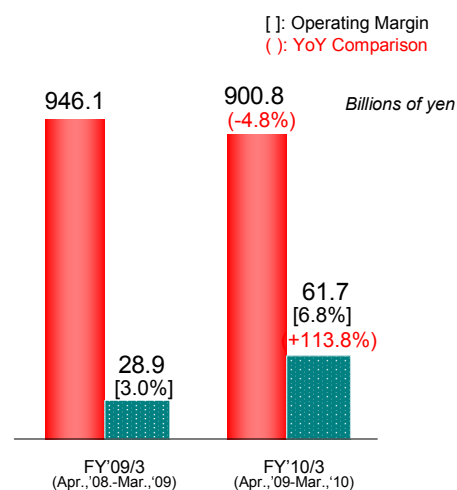
FUJIFILM

■ Information Solutions

Revenue* /Operating Income

■ Revenue

■ Operating Income Before Restructuring and Other Charges



Revenue

¥900.8 billion (YoY: -4.8%)

- Although the recovery of the optical devices and graphic arts market was delayed, FPD materials business attained record high sales.
- Impact of yen appreciation: -¥36.1 billion (YoY:-3.8%)

Operating Income

Before restructuring and other charges:

¥61.7 billion (YoY: +113.8%)

After restructuring and other charges:

-¥2.6 billion (fell into red)

- Large increase in profitability owing to a rise in FPD materials business revenue.

*Note: After elimination of intersegment transaction

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Moving on to the Information Solutions segment.

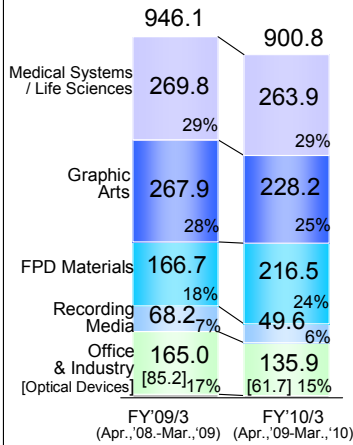
Performance of this segment was impacted by sales drops associated with the delay in the recovery of markets for optical device and graphic arts products as well as the appreciation of the yen. However, the segment's consolidated revenue amounted to ¥900.8 billion, a decline of only 4.8% from the previous fiscal year because of the record-breaking high level of sales attained in FPD materials.

The rise in FPD materials sales led to a large increase in operating income before restructuring and other charges, to a level 113.8% higher than in the previous fiscal year. Consequently, the operating income ratio rose 3.8 points.

Operating Segments

Sub-segment Revenue

Billions of yen
%: Proportion of sub-segment revenue



Medical Systems / Life Sciences

¥263.9billion (YoY: -2%)

- Sales declined due to the economic downturn and lower demand for film.
- Expanding the marketing scope for compact and relatively low-priced "FCR PRIMA" from NIE's markets to Japan, North America, and Europe.
- Expanding the lineup of CALNEO series digital X-ray diagnostic imaging systems and strengthening marketing of such high-value-added products as the "AMULET" Digital Mammography System.
- Sales of SYNAPSE and other medical-use picture archiving and communication system products are smoothly increasing.
- In pharmaceuticals, the influenza therapy drug T-705 entered Phase III clinical trials in Japan and Phase II clinical trials in the United States, while sales of Zosyn* and Geninax** were robust.

Graphic Arts

¥228.2billion (YoY: -15%)

- Sales declined reflecting such factors as the reduction in the number of publishing and newspaper pages, but demand is recovering primarily in China and certain other NIEs.
- The Company has recorded strong sales of wide-format UV inkjet systems centered on high-end models.

FPD Materials

¥216.5billion (YoY: +30%)

- With China's government measures economic stimulus measures expanding demand for LCD televisions, sales of WV film and FUJITAC were robust. This business recorded an all-time record high level of sales.
- Responding to abundant demand, the Company initiated full-scale operations at its No. 9 WV film plant in July 2009 and at the No.2 FUJITAC manufacturing line of the No. 3 FUJITAC plant in December 2009.

Office & Industry

¥135.9billion (YoY: -18%)

- In optical devices, there has been a trend of recovery in orders for camera phone lens units.
- Increasingly widespread use of ArF immersion photoresists by major semiconductor manufacturers indicates that sales in leading-edge fields will be robust going forward.

*Zosyn: pharmaceuticals applicable to the treatment of blood poisoning, pyelonephritis, complex cystitis, and pneumonia
**Geninax: pharmaceuticals applicable to the treatment of respiratory and otological infections

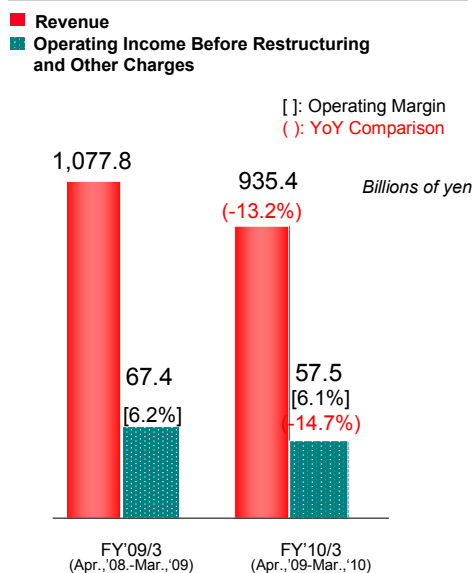
The state of each operation in the Information Solutions segment is as shown.

Operating Segments

FUJIFILM

■ Document Solutions

Revenue* /Operating Income



*Note: After elimination of intersegment transaction

Revenue

¥935.4billion (YoY:-13.2%)

- Decreased owing to slack demand and the impact of yen appreciation
From the fourth quarter, revenue increased in the Asia-Oceania region and in exports to U.S.-based Xerox Corporation, compared with the previous fiscal year.
- Impact of yen appreciation: -¥28.3 billion (YoY:-2.6%)

Operating Income

Before restructuring and other charges:

¥57.5billion (YoY: -14.7%)

After restructuring and other charges:

¥32.2billion (YoY: -35.1%)

- Against the backdrop of a large drop in sales, thorough measures were taken to reduce the cost of sales and to strengthen the management and increase the efficiency of SG&A.
From the third quarter, operating income before restructuring and other charges improved compared with the previous fiscal year.

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Moving on to the Document Solutions segment.

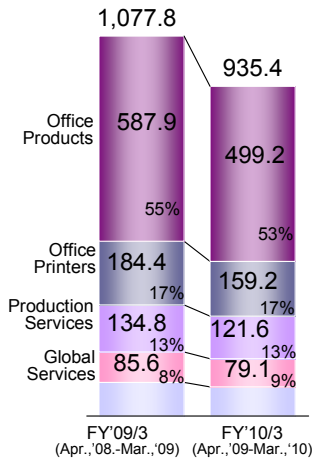
Consolidated revenue in this segment declined to ¥935.4 billion, down 13.2% from the previous fiscal year. This reflected such factors as a decrease in sales associated with slack demand as well as the impact of yen appreciation. Demand is gradually recovering, and sales in the Asia-Oceania region and exports to U.S.-based Xerox Corporation showed year-on-year increases beginning from the fourth quarter.

Operating income before restructuring and other charges showed year-on-year increases beginning from the third quarter owing to our thorough measures to strengthen the management and efficiency of cost of sales and SG&A expenses. However, operating income before restructuring and other charges amounted to ¥57.5 billion, down 14.7% from the previous fiscal year.

Operating Segments

Sub-segment Revenue

Billions of yen
%: Proportion of sub-segment revenue



Office Products

¥499.2 billion (YoY: -15%)

- In Japan, strong sales of new products and the signing of large-scale business contracts supported an increase in shipment volume, including rental installations. The number of copies being made increased from the fourth quarter.
- Sales volume in the Asia-Oceania region grew owing to a rise in the Chinese market. Regarding exports to U.S.-based Xerox Corporation, robust shipments of monochrome models supported an increase from the start of the fourth quarter.

Office Printers

¥159.2 billion (YoY: -14%)

- In Japan, a decrease in demand caused sales volume to decline. Exports to U.S.-based Xerox Corporation increased from the start of the fourth quarter.
- Regarding the Asia-Oceania region, strong performances in China and other Asian markets led to a large rise in sales volume.

Production Services

¥121.6 billion (YoY: -10%)

- Sales volume in Japan decreased, but sales of the light production color systems were robust.
- The strength of light production color system sales enabled sales growth in the Asia-Oceania region and the maintenance of export sales to U.S.-based Xerox Corporation at roughly the same level as in the previous fiscal year.

Global Services

¥79.1 billion (YoY: -8%)

- The impact of corporate efforts to restrain capital investments caused sales in Japan and overseas to decrease, but managed print services expanded against the backdrop of growing interest in augmenting operational efficiency.

The state of each operation in the Document Solutions segment is as shown.

We are also providing detailed reference data; so, please take a look at those data.

Thank you.

■ Performance Summary for 4Q FY2010/3

(Billions of yen)	4Q FY2009/3 (Jan- Mar. 2009)		4Q FY2010/3 (Jan.- Mar. 2010)		Change	
					Amount	%
Revenue	100.0%	530.1	100.0%	584.6	+54.5	+10.3
Operating Income Before Restructuring and Other Charges	(3.5) %	(18.7)	6.5%	38.0	+56.7	-
Restructuring and Other Charges	5.0%	26.5	13.3%	77.7	+51.2	+192.9
Operating Income After Restructuring and Other Charges	(8.5) %	(45.2)	(6.8) %	(39.7)	+5.5	-
Income Before Income Taxes	(8.8) %	(46.9)	(7.1) %	(41.3)	+5.6	-
Net Income Attributable to FUJIFILM Holdings	(3.6) %	(19.0)	(5.4) %	(31.4)	(12.4)	-
Net Income Attributable to FUJIFILM Holdings per Share		¥(38.74)		¥(64.37)		¥(25.63)
Exchange Rates						
US\$		¥94		¥91		¥(3)
€		¥124		¥125		+¥1

■ Imaging Solutions

Revenue[†] / Operating Income

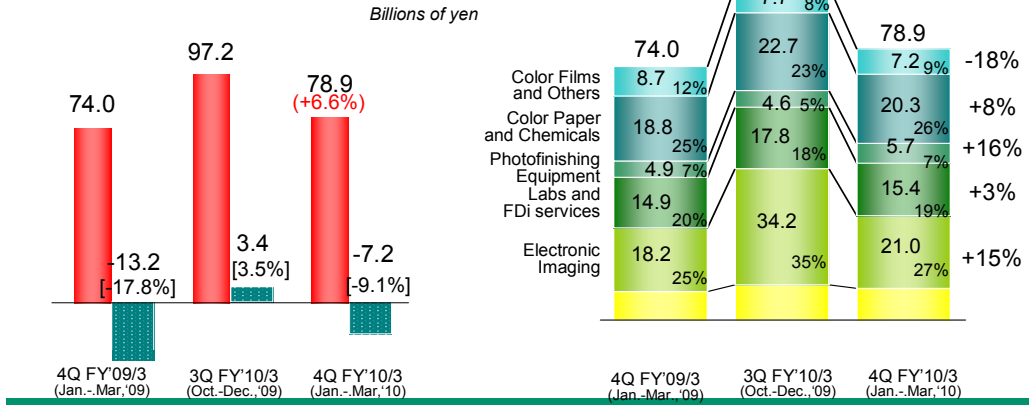
Sub-segment Revenue

■ Revenue
 ■ Operating Income Before Restructuring and Other Charges

Billions of yen
 %: Proportion of sub-segment revenue

[]: Operating Margin
 (): YoY Comparison

YoY

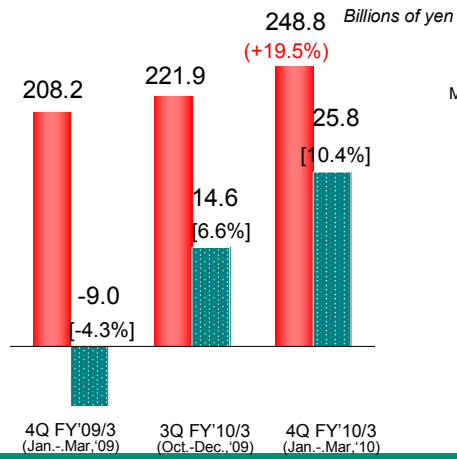


*Note: After elimination of intersegment transaction

■ Information Solutions

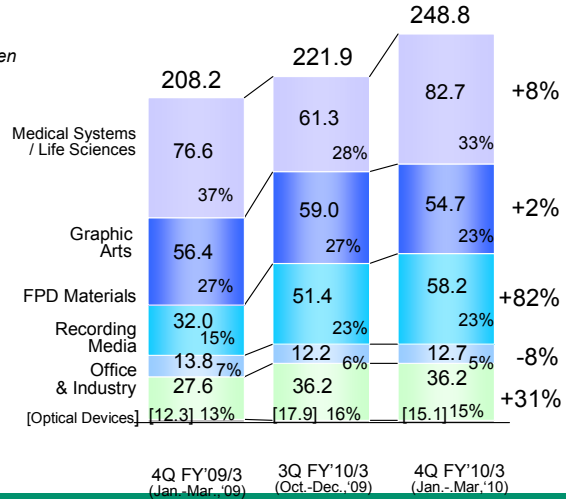
Revenue* /Operating Income

■ Revenue
 ■ Operating Income Before Restructuring and Other Charges
 []: Operating Margin
 (): YoY Comparison



Sub-segment Revenue

Billions of yen
 %: Proportion of sub-segment revenue

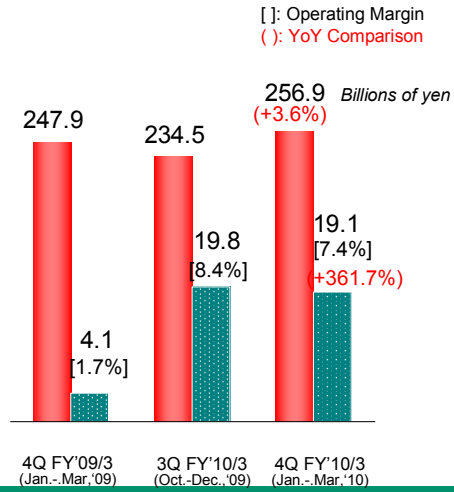


*Note: After elimination of intersegment transaction

■ Document Solutions

Revenue* /Operating Income

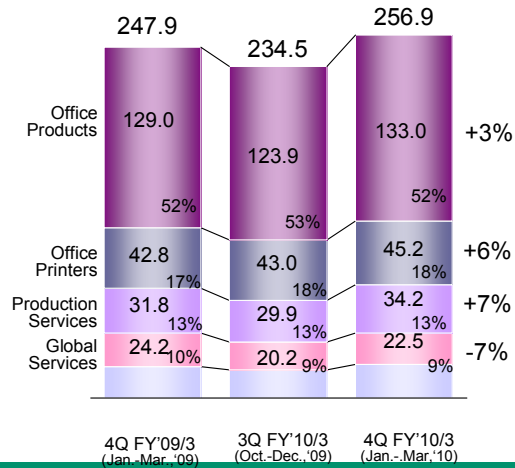
■ Revenue
 ■ Operating Income Before Restructuring and Other Charges



Sub-segment Revenue

Billions of yen
 %: Proportion of sub-segment revenue

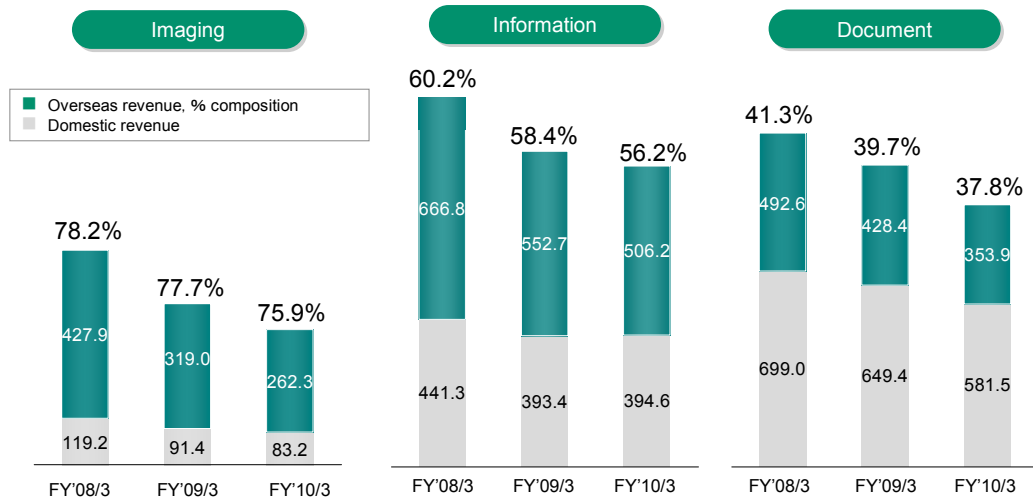
YoY



*Note: After elimination of intersegment transaction

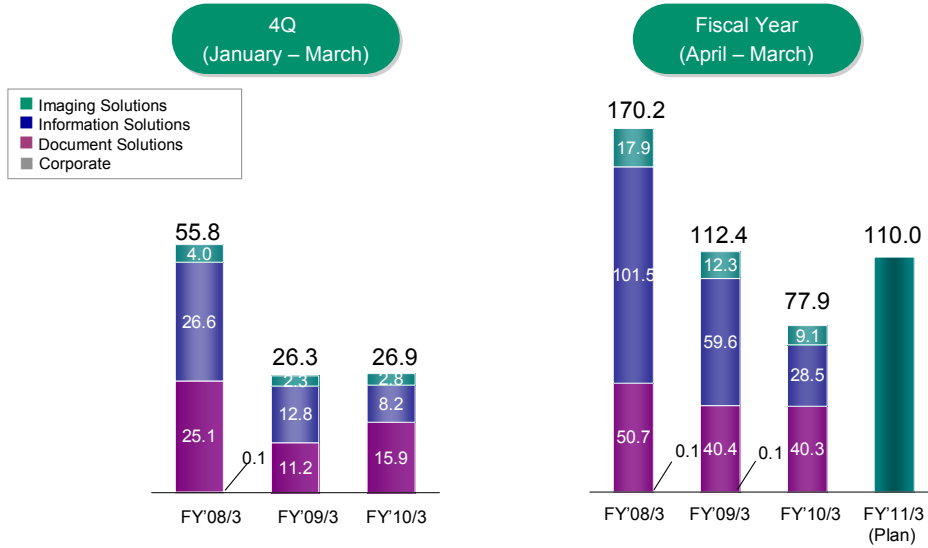
■ Revenue from Domestic and Overseas

Billions of yen



■ Capital Expenditure*

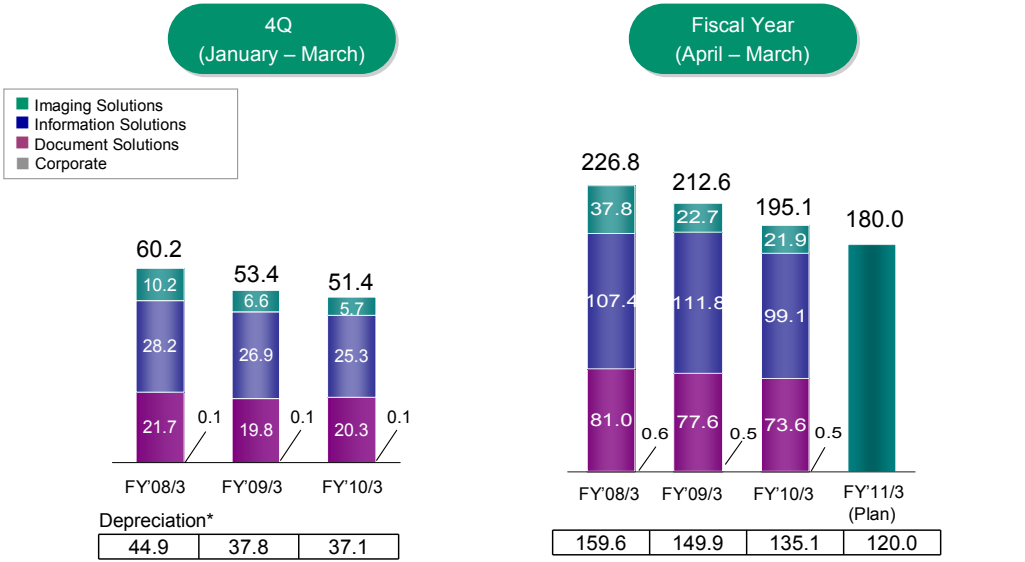
Billions of yen



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

■ Depreciation & Amortization

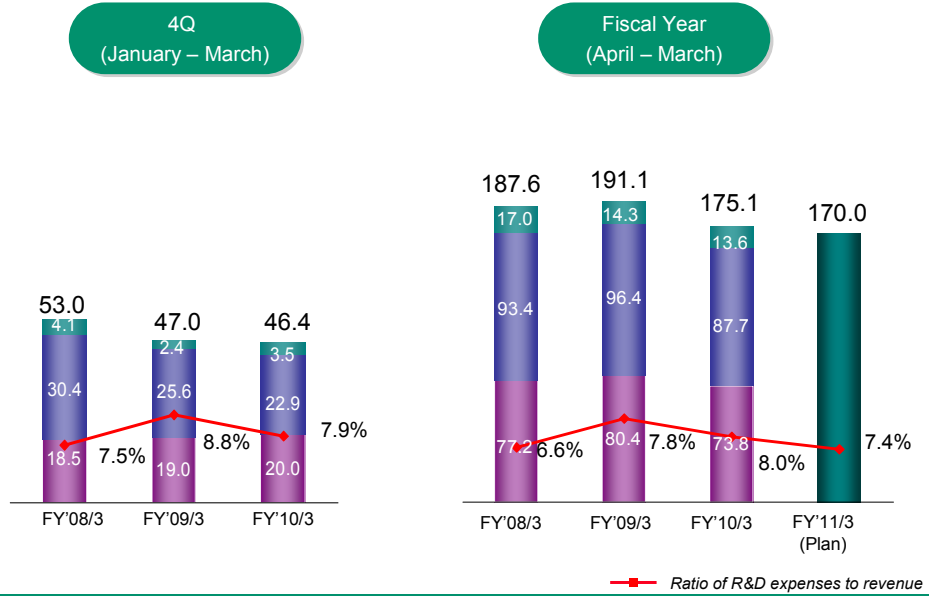
Billions of yen



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

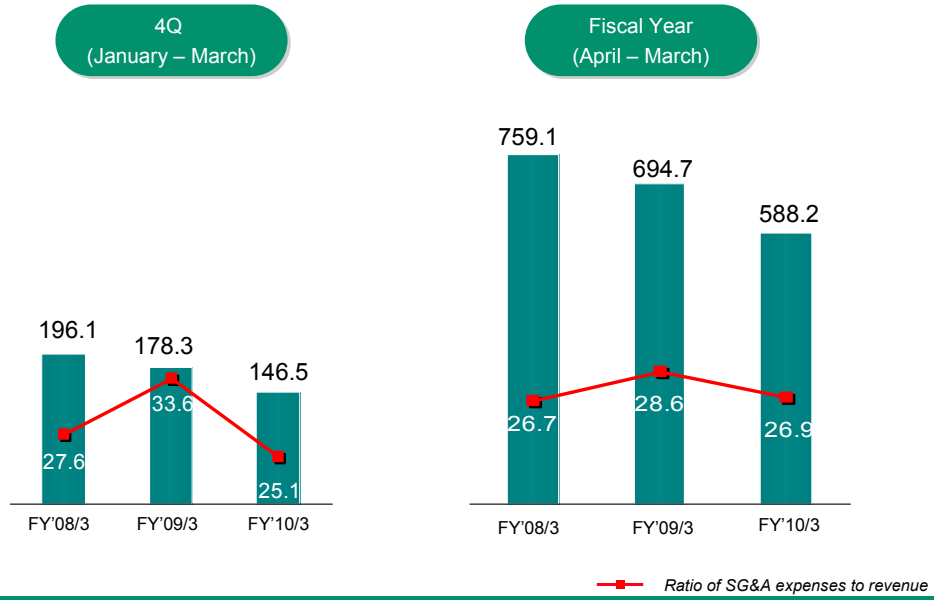
■ R&D Expenses

Billions of yen



■ SG&A Expenses

Billions of yen



■ Balance Sheet

Billions of yen

	Mar.'08	Mar.'09	Mar.'10		Mar.'08	Mar.'09	Mar.'10
Cash and cash equivalents	330.9	270.1	406.2	Short-term and long-term debt	370.0	321.5	295.6
Notes and accounts receivable	596.9	472.5	495.0	Notes and accounts payable	342.8	221.5	261.6
Inventories	416.8	368.3	303.1	Other liabilities	502.2	481.4	394.4
Marketable securities and other	167.4	191.8	206.2	Total liabilities	1,215.0	1,024.4	951.6
Total current assets	1,512.0	1,302.7	1,410.5	Total FUJIFILM Holdings shareholders' equity	1,922.4	1,756.3	1,746.1
Property, plant and equipment	776.4	698.0	601.7	Noncontrolling interests	129.0	115.9	129.7
Goodwill, net	326.8	329.0	325.9	Total equity	2,051.4	1,872.2	1,875.8
Investment securities and other	651.2	566.9	489.3	Total liabilities and equity	3,266.4	2,896.6	2,827.4
Total noncurrent assets	1,754.4	1,593.9	1,416.9				
Total assets	3,266.4	2,896.6	2,827.4				

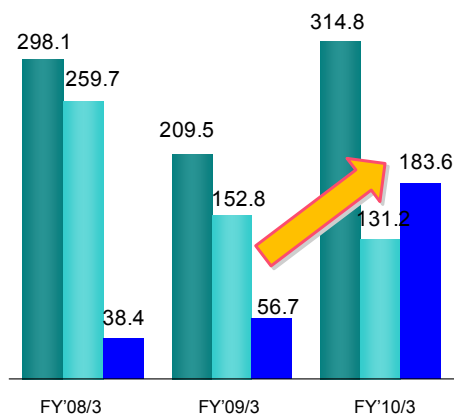
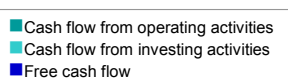
yen

Exchange rates	Mar.'08	Mar.'09	Mar.'10
US\$	100	98	93
Euro	158	130	125

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■ Free Cash Flow

Administrate each business based on operational ROA, economic added value, and operational cash flow.
 Considerable improvement in free cash flow due to enhanced selectivity in capital investments and inventory reductions



Billions of yen

Cash Flow	FY'09/3 (Apr.'08-Mar.'09)	FY'10/3 (Apr.'09-Mar.'10)
Net income(loss)	15.0	(36.4)
Depreciation & amortization	212.6	195.1
Impairment losses for long-lived assets	6.9	66.2
Change in notes and accounts receivable	91.9	(22.3)
Change in inventories	32.3	68.8
Change in notes and accounts payable-trade	(77.1)	31.8
Change in accrued income taxes and other liabilities	(59.1)	(18.0)
Others	(13.0)	29.6
C/F from operating activities	209.5	314.8
Capital expenditure	(155.9)	(76.8)
Subtotal	53.6	238.0
Sales and purchases of marketable and investment securities	35.1	(16.6)
Others	(32.0)	(37.8)
C/F from investing activities	(152.8)	(131.2)
Free cash flow	56.7	183.6

Improvement of 126.9 billion yen

■ Current State of New Drug Development

Development code	Therapeutic category	Region	Development stage					Formulation
			Non-clinical	P I	P II	P III	Filed	
T-3762	Quinolone synthetic antibacterial	Japan						Injection*
T-614	Rheumatoid arthritis	Japan						Oral
T-3811	New-type quinolone synthetic antibacterial	Japan						Injection**
		U.S.A.						Oral/Injection
		Europe						
T-705	Antiviral	Japan						Oral
		U.S.A.						
T-817MA	Alzheimer's disease	U.S.A.						Oral
T-5224	Rheumatoid arthritis	Japan						Oral
		Overseas						
T-2307	Antifungal	U.S.A.						Injection
T-1106	Antiviral	Japan						Oral

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

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

>Changes since the previous announcement (Jan 29, 2010):

T705: Phase II trials in U.S.A began in February 2010.

● Exchange Rates

	FY 2009/3					FY 2010/3					FY 2011/3
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		Estimated
US\$	104	108	97	94	101	97	94	90	91	93	90
Euro	163	162	128	124	145	133	133	133	125	131	125

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

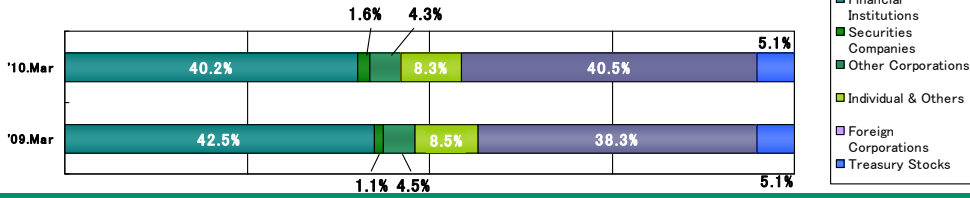
US\$: ¥1.0 billion €: ¥0.5 billion

● Number of Employees

	2009				2010
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Mar. 31
Consolidated Total	76,252	75,929	75,938	75,333	74,216

Y on Y : -2,036
 China : +2,457
 New Consolidated : +563
 Other : -5,056

● Distribution of Shareholders





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