

## Financial Results (Consolidated) for the First Quarter ended June 30, 2006

### 1. Notes to Consolidated Financial Statements

- (1) Consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.
- Difference in Accounting Policies from the fiscal year ended March 31, 2006: N/A
- (2) Change in Scope of Consolidation and Equity Method: Applicable
- Consolidated Subsidiaries: 227 subsidiaries
  - Companies accounted for by equity method: 99 companies

### 2. Results of the First Quarter ended June 30, 2006 (From April 1, 2006 to June 30, 2006)

#### (1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes		Net Income	
	%		%		%		%	
1 <sup>st</sup> Quarter ended June 30, 2006	656,848	5.1	15,743	(49.5)	17,990	(44.7)	4,811	(69.9)
1 <sup>st</sup> Quarter ended June 30, 2005	625,181	2.2	31,192	(21.9)	32,530	(21.3)	15,958	(25.9)
(Ref.) Year ended March 31, 2006	2,667,495		70,436		79,615		37,016	

  

	Net Income Per Share of Common Stock	Net Income Per Share of Common Stock (Assuming Full Dilution)
	Yen	Yen
1 <sup>st</sup> Quarter ended June 30, 2006	9.43	9.34
1 <sup>st</sup> Quarter ended June 30, 2005	31.33	31.33
(Ref.) Year ended March 31, 2006	72.65	72.65

Notes 1. Average number of shares:

First Quarter ended June 30, 2006: 510,219,721

First Quarter ended June 30, 2005: 509,298,730

Year ended March 31, 2006: 509,525,143

2. Percent: Change against corresponding period of the previous year in Revenue, Operating Income, Income before Income taxes, Net Income.

#### (2) FINANCIAL POSITION

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity Per Share of Common Stock
			%	Yen
As of June 30, 2006	3,199,921	1,957,637	61.2	3,836.86
As of June 30, 2005	3,009,929	1,867,620	62.0	3,667.05
(Ref.) As of March 31, 2006	3,027,491	1,963,497	64.9	3,848.32

Note: Number of Shares Outstanding:

As of June 30, 2006: 510,217,883

As of June 30, 2005: 509,297,577

As of March 31, 2006: 510,222,073

#### (3) CASH FLOWS

	Net Cash provided by Operating Activities	Net Cash used in Investing Activities	Net Cash provided by (used in) Financing Activities	Cash and Cash Equivalents at end of period
1 <sup>st</sup> Quarter ended June 30, 2006	73,107	(122,619)	185,139	354,163
1 <sup>st</sup> Quarter ended June 30, 2005	83,167	(70,097)	(15,829)	286,715
(Ref.) Year ended March 31, 2006	272,558	(272,129)	(80,309)	218,598

### 3. Forecast for the Fiscal Year ending March 31, 2007 (From April 1, 2006 to March 31, 2007)

There is no revision to the financial result estimates for the current fiscal year announced on April 27, 2006.

	Revenue	Operating Income	Income before Income Taxes	Net Income
For Year ending March 31, 2007	2,740,000	80,000	80,000	38,000

(Reference) Expected net income per share of common stock for the year ending March 31, 2007: ¥ 74.48

## 1. OPERATING RESULTS

### An Overview of Consolidated Operating Results for the First Quarter, Ended June 30, 2006

During the first quarter ended June 30, 2006, (April 1, 2006, through June 30, 2006) a decline in imaging solutions segment sales centered on color films and digital minilab products was more than offset by a large rise in information solutions segment sales centered on flat panel display materials and CTP printing plates as well as an increase in document solutions segment sales centered on overseas digital multifunction device sales. These situations, along with such factors as the depreciation of the yen against the U.S. dollar and the euro compared with the same period of the previous fiscal year, boosted consolidated revenue to ¥ 656.8 billion, up 5.1 % compared with the same period in the previous fiscal year. Domestic revenue fell 1.9 %, to ¥ 309.8 billion, while overseas revenue increased 12.2 %, to ¥ 347.0 billion. Regarding profitability, the strong impact of a ¥ 27.4 billion recognition in the cost of structural reform measures that have been implemented in a concentrated manner since the previous fiscal year caused operating income to drop 49.5 %, to ¥ 15.7 billion. However, the pro forma operating income --excluding the impact of structural reform costs-- increased 27.8%, to ¥ 43.1 billion, compared with the same period of the previous fiscal year, due primarily to an improved gross margin resulting from the positive effects of increased sales volumes and cost reductions from tightly focusing spending on strategically emphasized tasks, which exceeded such negative effects as the rises in the prices of such main raw materials as silver and aluminum. Income before income taxes decreased 44.7 %, to ¥ 18.0 billion, and net income declined 69.9 %, to ¥ 4.8 billion. In terms of yen, the average exchange rates of the U.S. dollar and the euro during the period were ¥115 and ¥143, respectively.

Continuing from the previous fiscal year, the structural reforms undertaken during the quarterly period under review entailed moving further ahead with the reorganization of Fujifilm's tripolar global manufacturing system for photosensitive materials. This reorganization was accompanied by measures to reduce the number of employees in certain manufacturing departments, and the Company also proceeded with general efforts to streamline and optimize its workforces in its R&D, manufacturing, marketing/distribution, photofinishing laboratory, and other departments. These various measures led to the recording of ¥ 27.4 billion in restructuring and other charges. They are consisted of fixed assets related costs of ¥ 15.5 billion and employee related costs of ¥ 11.9 billion including one-time additional termination benefits.

The trends in net sales and business development for each operating segment were as follows:

#### Imaging Solutions

Imaging solutions segment sales were negatively affected by lower sales of color films and digital minilabs as well as by such factors as the impact of a drop in sales of wholesale laboratories' film development service accompanying the fall in demand for making prints from color film. As a result, consolidated revenue in this segment amounted to ¥149.9 billion, down 10.8 % from the first quarter of the previous fiscal year.

The increasingly general popularity of digital cameras caused a decrease in sales of color films, and Fujifilm responded to this trend by implementing global reforms in its film operations. By keeping the scale of these operations in line with the scale of demand, the structural reform measures are designed to maintain the stable profitability of those operations. On the other hand, the implementation of diverse measures related to Fujifilm's strategically emphasized "Print at retail" digital camera print business supported the expansion of its market, just as in the previous fiscal year. The sales volume of Frontier digital minilabs, which are key components of the Company's "Print at retail" strategy, decreased due to a drop demand from major customers that had already installed such minilabs, but the increasing use of such Frontier products and other factors sustained color paper sales at the same level as in the first quarter of the previous fiscal year.

Regarding digital cameras, Fujifilm digital cameras offering high sensitivity and high image quality continued to increase their market penetration. Strong sales were recorded for the FinePix F30, a product launched in May 2006 that offers ISO equivalency speeds as high as 3200, but products in North American and European digital camera markets faced increasingly fierce price competition, particularly entry-level models. Fujifilm intends to further improve the profitability of its digital camera operations through its key product strategy, which is designed to promote sales of products with high levels of sensitivity and image quality, and through such measures as those to shift manufacturing operations to China and strengthen supply-chain management.

## Information Solutions

Fujifilm greatly increased its sales of flat panel display materials, amid abundant demand for such materials; expanded its sales of CTP printing plates, for which the market has continued growing; and augmented its sales of data media products centered on mid-range data storage tapes. Moreover, FUJIFILM IMAGING COLORANTS LIMITED, which is expanding its business in materials used in inks for inkjet printers, has been accounted for as a consolidated subsidiary since the latter half of the previous fiscal year. As a result of these and other factors, consolidated revenue in this segment grew 19.9 %, to ¥ 233.6 billion, compared with the same period of the previous fiscal year.

In flat panel display materials business, sales of Fujifilm's mainstay FUJITAC and WV Film products continued growing. In addition to reflecting a rise in demand for these products accompanying the LCD market's expansion, the sales growth reflected a large contribution associated with an increase in the Company's manufacturing capacity for those products from the second quarter of the previous fiscal year. In the current fiscal year, Fujifilm intends to further increase its FUJITAC manufacturing capacity in line with its policy of promoting sustained business expansion in this field.

With respect to the medical imaging business, strong sales were recorded of such equipment and materials as FCR (Fuji Computed Radiography), dry imagers, and dry films, particularly overseas. Moreover, Fujifilm moved ahead with the development of demand, expected to expand, from doctors in private practice through such measures as the February 2006 launch of the compact FCR CAPSULA SYSTEM. In endoscope products, customers gave high evaluations to Fujifilm's lineup of distinctive products centered on the Transnasal Endoscope, and sales of these products grew considerably during the quarter under review.

In graphic arts business, the increasing use of CTP products kept sales of films in pre-press relatively slow, but sales of Fujifilm's CTP system-related products grew greatly.

Regarding recording media, rising volumes of data have been increasing demand for higher-volume data storage tapes, and sales of Fujifilm's mainstay mid-range products, the LTO Ultrium 3 line, continued the trend of growth seen in the previous fiscal year. In the high-end enterprise data storage product market, sales of data cartridge products used for the IBM TotalStorage<sup>®</sup> Enterprise Tape Drive 3592 increased.

Regarding Fujifilm's office and industrial operations, in the field of optical lens products, the Company recorded steady growth in the sales of its lens units for camera phones, which were highly evaluated in the market for their compactness, lightness, high image quality, and autofocus and zoom capabilities. Moreover, sales of television camera lenses surged considerably prior to the 2006 FIFA World Cup<sup>™</sup> Germany.

Note: LTO and Ultrium are trademarks of IBM, Hewlett-Packard, and Quantum in the U.S., other countries or both.

## Document Solutions

Strong exports of color digital multifunction devices to North American and European markets and robust sales of such devices in Asia-Pacific region including China were primary factors contributing to a 4.3 % increase in consolidated revenue in this segment compared with the same period of the previous fiscal year, to ¥273.3 billion.

In the office product business, the Company strengthened its ApeosPort-II series of multifunction devices, which respond to requirements for better document security and integrated document management following the implementation of Japan's e-Document Law and Personal Information Protection Act, by adding an additional two models to that series. The Company also responded to a rise in demand for low-priced, high-value-added color multifunction devices that has accompanied the increasing market diffusion of color products by launching the DocuCentre C2100, a color multifunction device that meets needs for digitization or in accord with a company's network environment. Regarding overseas markets, the export volume of high-speed color digital multifunction devices to North American and European graphic arts markets surged greatly, and the sales volume of color digital multifunction devices in Asia-Pacific region including China was also up.

Regarding office printer operations, domestic sales volume decreased due to inventory adjustments by OEM customers, but the volume of sales of the Company's medium-speed monochrome OEM models to North America and Europe surged, reflecting a high evaluation of the performance and price of those models.

In the production services business, the Company's export sales volume of on-demand printing systems for the digital printing markets of North America and Europe rose steadily. Sales of large-scale printing systems were down, however, reflecting the installation of such systems for large-scale users in Japan during the first quarter of the previous fiscal year.

In the office services business, a decline was seen in sales of household registration systems, for which a special high level of demand was seen during the first quarter of the previous fiscal year, but growth in document outsourcing business was sustained. In addition, strengthening internal control systems in response to Japanese new Corporate Law and the legal requirements related to internal controls (i.e. J-SOX) has become an urgent management task for many Japanese companies, and, in April 2006, the Company created a specialized marketing

team focused exclusively on internal control system-related business. Moreover, the Company began marketing Apeos PEMaster software to assist internal control system in June and is taking various other measures to expand its services business.

Forward-looking statements such as those relating to earnings forecasts and other projections contained in this document are management's current assumptions and beliefs based on information available at the time. 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.

## 2. CONSOLIDATED BALANCE SHEETS

Amount Unit: Millions of yen

	As of June 30, 2006		As of March 31, 2006		Change	As of June 30, 2005	
	%		%			%	
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents		354,163		218,598	135,565		286,715
Marketable securities		75,189		69,829	5,360		68,977
Notes and accounts receivable		533,500		566,315	(32,815)		522,455
Inventories		409,655		385,463	24,192		397,510
Other current assets		155,495		132,255	23,240		119,865
Total current assets	47.8	1,528,002	45.3	1,372,460	155,542	46.3	1,395,522
Investments and long-term receivables	15.1	483,143	15.3	462,851	20,292	14.0	420,124
Property, plant and equipment	23.0	737,084	24.8	751,385	(14,301)	25.1	754,436
Other assets	14.1	451,692	14.6	440,795	10,897	14.6	439,847
Total Assets	100.0	3,199,921	100.0	3,027,491	172,430	100.0	3,009,929
<b>LIABILITIES</b>							
Current liabilities:							
Short-term debt		98,861		99,088	(227)		125,683
Notes and accounts payable		304,058		312,509	(8,451)		336,125
Other current liabilities		312,993		311,309	1,684		285,500
Total current liabilities	22.4	715,912	23.9	722,906	(6,994)	24.8	747,308
Long-term liabilities:							
Long-term debt		272,687		74,329	198,358		95,637
Accrued pension and severance costs		41,920		44,215	(2,295)		101,364
Other long-term liabilities		95,333		102,995	(7,662)		81,900
Total long-term liabilities	12.8	409,940	7.3	221,539	188,401	9.3	278,901
Minority interests in subsidiaries	3.6	116,432	3.9	119,549	(3,117)	3.9	116,100
<b>SHAREHOLDERS' EQUITY</b>							
Common stock, without par value:							
Authorized: 800,000,000 shares							
Issued: 514,625,728 shares		40,363		40,363	-		40,363
Additional paid-in capital		68,412		68,412	-		68,135
Retained earnings		1,823,421		1,818,610	4,811		1,810,343
Accumulated other comprehensive income(loss)		42,262		52,917	(10,655)		(30,956)
Treasury stock, at cost		(16,821)		(16,805)	(16)		(20,265)
Total shareholders' equity	61.2	1,957,637	64.9	1,963,497	(5,860)	62.0	1,867,620
Total Liabilities and Shareholders' Equity	100.0	3,199,921	100.0	3,027,491	172,430	100.0	3,009,929

### 3. CONSOLIDATED STATEMENTS OF INCOME

Three months ended June 30, 2006 and 2005

Amount Unit: Millions of yen

	Three months ended June 30, 2006		Three months ended June 30, 2005		Change	
	From April 1, 2006 To June 30, 2006		From April 1, 2005 To June 30, 2005		Amount	%
Revenue:						
Sales		560,279		532,679	27,600	5.2
Rentals		96,569		92,502	4,067	4.4
	100.0	656,848	100.0	625,181	31,667	5.1
Cost of sales:						
Sales		340,836		331,250	9,586	2.9
Rentals		42,323		38,118	4,205	11.0
	58.3	383,159	59.1	369,368	13,791	3.7
Gross profit	41.7	273,689	40.9	255,813	17,876	7.0
Operating expenses:						
Selling, general and administrative	28.5	187,106	28.6	178,648	8,458	4.7
Research and development	6.6	43,489	6.9	43,434	55	0.1
Restructuring and other charges	4.2	27,351	0.4	2,539	24,812	-
	39.3	257,946	35.9	224,621	33,325	14.8
Operating income	2.4	15,743	5.0	31,192	(15,449)	(49.5)
Other income (expenses):						
Interest and dividend income		2,304		2,104	200	
Interest expense		(1,475)		(833)	(642)	
Foreign exchange gains (losses), net		453		1,673	(1,220)	
Other, net		965		(1,606)	2,571	
	0.3	2,247	0.2	1,338	909	67.9
Income before income taxes	2.7	17,990	5.2	32,530	(14,540)	(44.7)
Income taxes	1.5	10,390	2.3	14,742	(4,352)	(29.5)
Income before minority interests and equity in net earnings of affiliated companies	1.2	7,600	2.9	17,788	(10,188)	(57.3)
Minority interests	(0.5)	(3,074)	(0.4)	(2,673)	(401)	(15.0)
Equity in net earnings of affiliated companies	0.0	285	0.1	843	(558)	(66.2)
Net income	0.7	4,811	2.6	15,958	(11,147)	(69.9)

#### 4. CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended June 30, 2005 and 2006

Amount Unit: Millions of yen

	Three months ended June 30, 2006 From April 1, 2006 To June 30, 2006	Three months ended June 30, 2005 From April 1, 2005 To June 30, 2005
<b>Operatings activities</b>		
Net income	4,811	15,958
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	58,838	50,219
Minority interests	3,074	2,673
Equity in net earnings of affiliated companies, less dividends received	358	(685)
Changes in operating assets and liabilities:		
Notes and accounts receivable	36,985	20,015
Inventories	(20,051)	(19,718)
Notes and accounts payable - trade	(211)	985
Accrued income taxes and other liabilities	(2,356)	7,249
Other	(8,341)	6,471
Subtotal	68,296	67,209
Net cash provided by operating activities	73,107	83,167
<b>Investing activities</b>		
Purchases of property, plant and equipment	(33,822)	(39,429)
Purchases of software	(3,370)	(4,819)
Proceeds from sales and maturities of marketable and investment securities	13,825	11,002
Purchases of marketable and investment securities and other investments	(85,440)	(17,296)
(Increase) decrease in investments in and advances to affiliated companies	720	(3,334)
Acquisitions of businesses and minority interests, net of cash acquired	(8,974)	(1,461)
Other	(5,558)	(14,760)
Net cash used in investing activities	(122,619)	(70,097)
<b>Financing activities</b>		
Proceeds from long-term debt	199,938	259
Repayments of long-term debt	(3,917)	(800)
Decrease in short-term debt, net	(2,023)	(6,219)
Cash dividends paid	(6,378)	(6,367)
Cash dividends paid to minority interests	(2,465)	(2,693)
Purchases of stock for treasury, net	(16)	(9)
Net cash provided by (used in) financing activities	185,139	(15,829)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(62)	1,317
<b>Net increase (decrease) in cash and cash equivalents</b>	135,565	(1,442)
<b>Cash and cash equivalents at beginning of period</b>	218,598	288,157
<b>Cash and cash equivalents at end of period</b>	354,163	286,715



## 6. SEGMENT INFORMATION

### (1) Operating Segments

Three months ended June 30, 2006 and 2005

Amount Unit: Millions of yen

	Three months ended June 30, 2006 From April 1, 2006 To June 30, 2006		Three months ended June 30, 2005 From April 1, 2005 To June 30, 2005		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	22.8%	149,925	26.9%	168,122	(18,197)	(10.8)
Intersegment		170		165	5	-
Total		150,095		168,287	(18,192)	(10.8)
Information Solutions:						
External customers	35.6%	233,631	31.2%	194,928	38,703	19.9
Intersegment		586		837	(251)	-
Total		234,217		195,765	38,452	19.6
Document Solutions:						
External customers	41.6%	273,292	41.9%	262,131	11,161	4.3
Intersegment		2,186		2,522	(336)	-
Total		275,478		264,653	10,825	4.1
Eliminations		(2,942)		(3,524)	582	-
Consolidated total	100.0%	656,848	100.0%	625,181	31,667	5.1

Amount Unit: Millions of yen

	Three months ended June 30, 2006 From April 1, 2006 To June 30, 2006		Three months ended June 30, 2005 From April 1, 2005 To June 30, 2005		Change	
					Amount	%
Operating Income (Loss):						
Imaging Solutions	(10.6)%	(15,917)	0.2%	352	(16,269)	-
Information Solutions	6.7%	15,692	7.8%	15,174	518	3.4
Document Solutions	5.8%	15,903	5.9%	15,683	220	1.4
Total		15,678		31,209	(15,531)	(49.8)
Eliminations		65		(17)	82	-
Consolidated total	2.4%	15,743	5.0%	31,192	(15,449)	(49.5)

(Ref.) Restructuring and other charges included in Operating Income (Loss) by operating segment Amount Unit: Millions of yen

	Three months ended June 30, 2006 From April 1, 2006 To June 30, 2006	Three months ended June 30, 2005 From April 1, 2005 To June 30, 2005	Change amount
Restructuring and other charges:			
Imaging Solutions	20,830	2,523	18,307
Information Solutions	6,521	16	6,505
Consolidated total	27,351	2,539	24,812

Note: Major products and services of each operating segment are as follows:

Imaging Solutions	Color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	System devices for graphic arts, medical imaging and information systems, flat panel display materials and recording media
Document Solutions	Office copy machines/multifunction devices, printers, production systems and services, paper, consumables and office services

## (2) Geographic Segments

Three months ended June 30, 2006 and 2005

Amount Unit: Millions of yen

	Three months ended June 30, 2006 From April 1, 2006 To June 30, 2006		Three months ended June 30, 2005 From April 1, 2005 To June 30, 2005		Change	
					Amount	%
Revenue:						
Japan						
External customers	60.2%	395,453	62.3%	389,735	5,718	1.5
Intersegment		108,402		85,390	23,012	-
Total		503,855		475,125	28,730	6.0
The Americas						
External customers	17.8%	116,783	17.4%	108,823	7,960	7.3
Intersegment		6,761		6,168	593	-
Total		123,544		114,991	8,553	7.4
Europe						
External customers	12.4%	81,723	11.8%	73,565	8,158	11.1
Intersegment		4,903		3,592	1,311	-
Total		86,626		77,157	9,469	12.3
Asia and others						
External customers	9.6%	62,889	8.5%	53,058	9,831	18.5
Intersegment		69,629		54,041	15,588	-
Total		132,518		107,099	25,419	23.7
Eliminations		(189,695)		(149,191)	(40,504)	-
Consolidated total	100.0%	656,848	100.0%	625,181	31,667	5.1

Amount Unit: Millions of yen

	Three months ended June 30, 2006 From April 1, 2006 To June 30, 2006		Three months ended June 30, 2005 From April 1, 2005 To June 30, 2005		Change	
					Amount	%
Operating Income (Loss):						
Japan	4.8%	24,113	5.1%	24,022	91	0.4
The Americas	(10.3)%	(12,721)	0.5%	626	(13,347)	-
Europe	(0.8)%	(730)	0.6%	466	(1,196)	-
Asia and others	6.1%	8,027	4.2%	4,532	3,495	77.1
Eliminations	-	(2,946)	-	1,546	(4,492)	-
Consolidated total	2.4%	15,743	5.0%	31,192	(15,449)	(49.5)