



## **FUJIFILM Holdings Corporation**

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*President and Chief Executive Officer*

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### **Announcement of Basic Policy on the Distribution of Profits to Shareholders**

Fujifilm's basic policy regarding the distribution of profits is to provide shareholders with stable dividends as well as to maintain sufficient internal reserves to strengthen the management foundation, permitting it to support an aggressive expansion of its business activities while being prepared for sudden changes in the business environment.

Currently, Fujifilm's vigorous implementation of structural reforms and growth strategies based on the VISION75 medium-term management plan is expected to support a rise in consolidated operating income to the record high level of ¥200 billion in the fiscal year ending March 31, 2008. Plans call for further increasing operating income to more than ¥250 billion in the fiscal year ending March 31, 2010. In view of these plans, the Company's basic policy on the distribution of profits to shareholders covering the period from the fiscal year ending March 31, 2008, has been changed as follows. The Company will proactively work to increase its corporate value as well as to distribute profits to shareholders.

#### **(New) Basic Policy on the Distribution of Profits to Shareholders**

In addition to reflecting consolidated performance trends, dividend levels are to be determined based on consideration of such factors as the level of cash required for capital and R&D investments needed to support future business expansion as well as other measures aimed at increasing the Company's corporate value in the future. As a means of supplementing dividends, the Company will also flexibly move to employ surplus cash flow to buy back shares in a manner that contributes to greater capital efficiency.

Considering the current time as a period of "Second Foundation," the Company is intensively implementing capital investments, M&A transactions, and R&D investments in its priority business fields. In view of this situation, the Company has targeted a return to shareholders ratio of 25%, which represents the ratio of total of cash dividends and share buybacks to consolidated net income.