

Fiscal Year 2005 Earnings

Ended March 31, 2005

FUJI PHOTO FILM CO., LTD.

April 28, 2005

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

➤ Operating Results

Billions of yen

	FY2005		FY2004		Change	
					Amount	%
Domestic	51.9%	1,311.8	52.1%	1,336.0	(24.2)	(1.8)
Overseas	48.1%	1,215.5	47.9%	1,230.7	(15.2)	(1.2)
Revenue	100.0%	2,527.3	100.0%	2,566.7	(39.4)	(1.5)
Operating Income	6.5%	164.4	7.2%	184.9	(20.5)	(11.1)
Income before Income Taxes	6.4%	162.3	6.4%	164.9	(2.6)	(1.6)
Net Income	3.3%	84.5	3.2%	82.3	+2.2	+2.7
Exchange Rates						
US\$		¥108		¥113		(¥5)
Euro		¥135		¥132		+¥3

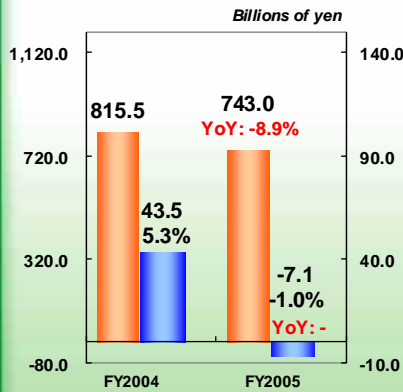
Operating Segments



Imaging Solutions

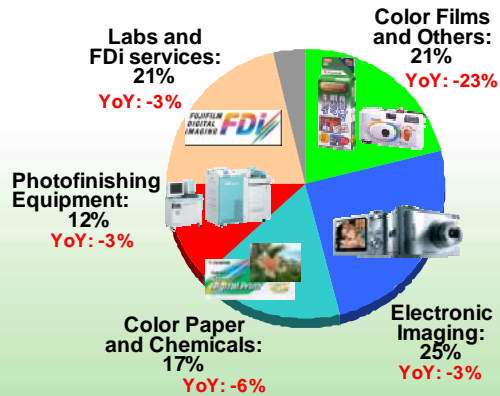
Revenue* /Operating Income

(Left scale) (Right scale)
 ■ Revenue ■ Operating income



*After elimination of intersegment transaction

Breakdown of Revenue



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Operating Segments



Color Films and Others



- The sales volume was down 27% YoY in Japan and 20% overseas.
- While demand for films declined, sales of QuickSnap continued to be robust in North America.

Electronic Imaging



- The digital camera sales volume in FY 2005 was approximately 6.1 million units.
- Slowing market growth and intensified price competition caused by excessive supply has created a harsh operating environment.
- The FinePix F10 and A345/350 models were launched in the 4th quarter, and a new series of the Z1 is scheduled to be launched in Japan in May 2005.
- The FinePix F10 has been highly evaluated for its superior level of sensitivity and image quality and its sales are having a good start.



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Operating Segments



Color Paper and Chemicals



Ratio of Revenue: 17%
YoY: -6%

- The sales volume decreased approximately 11% YoY in Japan, but the increasing diffusion of digital minilabs and other factors supported an approximate rise of 3% overseas.
- For domestic photo processing shops equipped with Frontier digital minilabs, the share of digital photo prints among all photo prints has surpassed 25%, and the digital photo print share is also steadily rising in North America and Europe.

Photofinishing Equipment



Ratio of Revenue: 12%
YoY: -3%

- Digital minilab shipments amounted to 7,800 units in FY 2005.
- Fujifilm is to launch its Frontier 550 during the 1st quarter of FY 2006, which features super high-speed processing capabilities and is less expensive than the Frontier 570.



Frontier 550

The Frontier 550, completing one order in only 2 minutes and 47 seconds.*

* This figure represents the time required from the start of printing through the output of 24 large format prints.

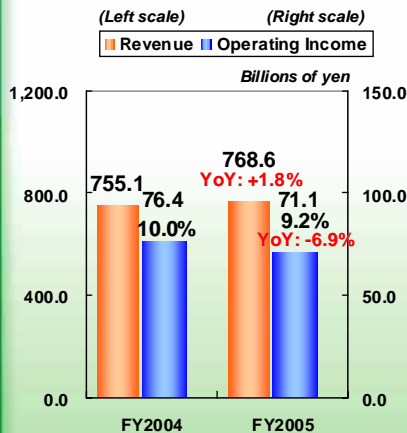
4

Operating Segments



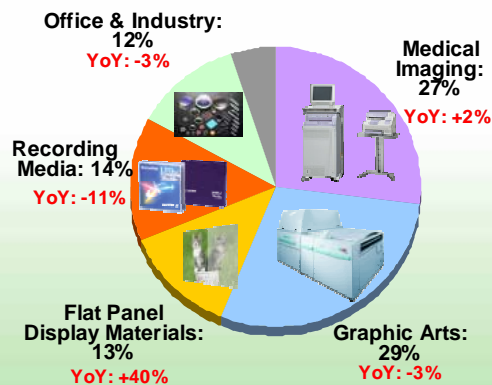
Information Solutions

Revenue* /Operating Income



*After elimination of intersegment transaction

Breakdown of Revenue



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Operating Segments



➤ Medical Imaging Products



Ratio of Revenue: 27%
YoY: +2%

- Sales of FCR (Fuji Computed Radiography), films for dry imagers, and other medical imaging equipment and materials have risen steadily.
- A steadily growing number of medical facilities have installed the Synapse picture archiving and communication system.
- Double-digit growth was achieved in endoscope sales. Fujifilm is expanding its endoscope-related operations by strengthening its marketing capabilities in Japan and overseas.

➤ Graphic Arts System Products



Ratio of Revenue: 29%
YoY: -3%

- The use of CTP plates has surpassed approximately 40% of the industry in Japan and 60% overseas, and sales of Fujifilm's CTP products have remained robust.
- Surging aluminum prices boosted the cost of raw materials for manufacturing printing plates.
- Fujifilm's acquisition of Sericol Group, Limited, was completed at the end of February 2005, and that company began operating under the name of FUJIFILM Sericol from March 2005. Fujifilm is seeking to expand its operations in screen printing and other areas of industrial printing.
- In response to strong demand for CTP, Fujifilm continues to expand its manufacturing capabilities.
- As part of Fujifilm's effort to supply total solutions that respond to rapidly growing needs in Chinese market, a new marketing subsidiary began marketing printing system products in Shanghai on April 1, 2005.

2004	April	Begins manufacturing thermal CTP plates in China
	August	Begins manufacturing photopolymer CTP plates in USA
	October	Begins manufacturing photopolymer CTP plates in China
	November	Begins manufacturing Thermal CTP plates in USA
2005	February	Begins manufacturing Thermal CTP plates in The Netherlands
2007	March	The Second factory in China to manufacture PS/CTP plates begins operation in Suzhou

The Company is rapidly increasing its manufacturing capacity.

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Operating Segments

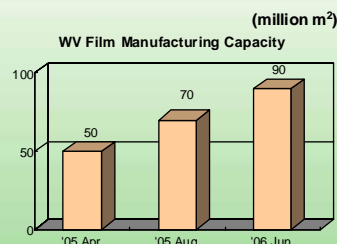
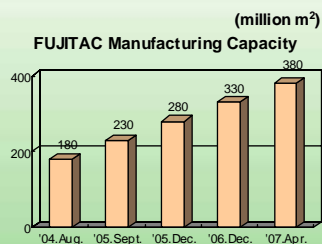


➤ Flat Panel Display Materials



Ratio of Revenue: 13%
YoY: +40%

- Sales of FUJITAC and WV Film continued to be robust.
- FUJITAC manufacturing capabilities were increased in FY 2005. In August 2004, the inauguration of the second factory of Fujifilm Optomaterials Co., Ltd., boosted the annual FUJITAC manufacturing capacity from 150 million m² to 180 million m².
- Fujifilm has established Kumamoto Prefecture-based Fujifilm Kyushu Co., Ltd. Approximately ¥40 billion is to be invested in the first construction stage for the new company's factory, which will initially have two FUJITAC manufacturing lines.
- To augment WV Film manufacturing capacity, the Company is proceeding with the construction of 3 additional factories.



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Operating Segments

FUJIFILM

Recording Media



Ratio of Revenue: 14%
YoY: -11%

- Despite a continued rise in the sales volume of DVD media products and data cartridges, falling prices had a large impact on related sales revenues.
- Fujifilm sustained robust performance in the sales of data cartridge products for IBM TotalStorage® Enterprise Tape Drive 3592.

Office & Industry



Ratio of Revenue: 12%
YoY: -3%

- A large rise in the sales of lens units for camera phones boosted the overall sales of lens businesses.
- Sales of TV camera lenses grew, reflecting the positive effects of a rise in demand associated with the Athens Olympic Games.
- Fujifilm's acquisition of the microelectronic materials division of Arch Chemicals, Inc., contributed to a rise in its electronics materials sales.



The DIGI POWER13
—the world's top zoom lens in terms of wide-angle capabilities



The DIGI POWER101
—the world's top zoom lens in terms of telephoto capabilities

*TotalStorage is a trademark of IBM in the United States and other countries or both.

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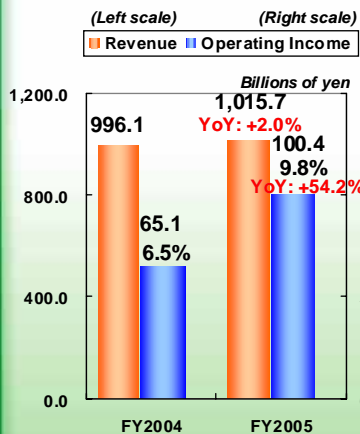
Operating Segments

FUJIFILM

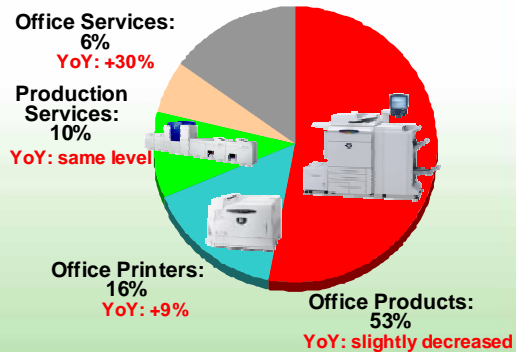
Document Solutions

Revenue* / Operating Income

Breakdown of Revenue



*After elimination of intersegment transaction



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Operating Segments

 FUJIFILM

Office Products

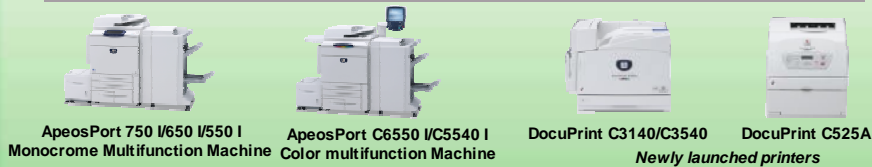


- Sales of color multifunction machines were robust in Japan, Asia, and Oceania. On a unit volume basis, sales were up 35% YoY in Japan and 20% worldwide.
- ApeosPort series of digital color multifunction machines were launched in January, which are compatible with the main information systems of enterprises.
- Fuji Xerox comprehensively strengthened its lineup of monochrome multifunction machines—from low-speed models to high-speed models—and promoted a shift to next-generation products.

Office Printers



- Overseas sales of both monochrome and color printers were robust. In particular, exports to North America and Europe increased by 300% YoY on a volume basis.
- In Japan, the lineup was strengthened with the simultaneous launch of four new color printers.



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Operating Segments

 FUJIFILM

Production Services



- A total of 24 Xerox iGen3 units have been introduced to create the monthly statements for credit cards issued by Sumitomo Mitsui Card Company.
- "epicenter", digital print innovation support centers have been established in 4 cities in Asia Pacific region—Tokyo, Sydney, Singapore, and Shanghai.
- Having begun marketing the Fuji Xerox FreeFlow digital printing support service, Fuji Xerox is expanding its advanced operational support business.

Office Services



- Document outsourcing business is increasing.
- Sales of Internet-based "beat" services for medium and small sized business offices were up.
- Sales have been strong of a new electronic document management system for the administration of the family register.



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Implementation of VISION 75 (1)



Comprehensive Structural Reforms Throughout Operations

- Structural reform of domestic distribution and marketing operations in the Imaging field

Performance in FY 2005

- The Fujifilm Group has integrated its domestic marketing functions in the imaging field.
- The Group also has internalized the domestic Fujifilm product marketing operations of four major distributors.
- Fujifilm Imaging Co., Ltd., was established in October 2004 and started a direct marketing system for imaging products in Japan.

Plans from FY 2006

- Fujifilm is proceeding with steps to strengthen its capabilities for product proposal and marketing activities as well as to reduce costs by increasing operational efficiency, restructuring distribution operations, and streamlining staffing.
- Expected cost reduction from the restructuring measures in FY 2006: approximately ¥8.0 billion.

- Restructuring of film processing laboratories

Performance in FY 2005

- Certain unprofitable domestic film processing laboratories have been dissolved, and their businesses have been shifted to Fujifilm Imaging Co., Ltd.
 - The number of the Group's domestic film processing laboratories fell from 31 companies at March 31, 2004, to 22 companies at March 31, 2005.

Plans from FY 2006

- Moves to restructure and increase the efficiency of overseas film processing laboratories will be implemented.

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Implementation of VISION 75 (2)



■ Fuji Xerox's Structural Reforms

Measures to realize cost reduction

Performance in FY 2005

- Increased efficiency by reducing costs through the shift of the mass manufacturing operations to bases in China (Shenzhen and Shanghai), increased the use of standardized components, and reduce procurement costs
- Cost reduction generated by this measure in FY 2005: approximately ¥9.0 billion.

Plans from FY 2006

- Approximately 90% of manufacturing functions is expected to be shifted to China by the end of FY 2006. (High-end products and consumables will continue to be manufactured in Japan.)
- Cooperation with external mold manufacturers to promote the internalization of mold manufacturing is expected to enable a more than 75% reduction in development lead times—
- Expected cumulative cost reduction in FY 2006: approximately ¥22.0 billion.

Organizational and Staffing Reforms

Performance in FY 2005

- The reform of pension and retirement allowance systems and the introduction of a career change support system were implemented.
- The organizational structure was flattened through a shift to a business division system and a 40% reduction in the number of organizational units.

Plans from FY 2006

- Sustained personnel system reforms, the introduction of new retirement systems, and measures to improve the ratio of direct to indirect staffing are expected to increase in personnel expense productivity.
- The programs to shift personnel to Group companies and to promote career change will be rebuilt.
- Expected cumulative personnel expense reduction in FY 2006: approximately ¥12.0 billion.

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Implementation of VISION 75 (3)



■ Fuji Xerox's Structural Reforms

Reforms in information process

- During the first half of FY 2006, new main information systems will be introduced at Fuji Xerox's headquarters and domestic marketing companies to handle marketing and performance administration processes.
 - The integration of marketing and performance administration processes will enable the establishment of a unified administrative platform.
 - Reductions are expected to be achieved in SG&A expenses, largely owing to inventory reductions.
- The inauguration of the new information system leads to an additional software amortization expense (projected to be ¥9.0 billion in FY 2006).
- In FY 2006, the system's cost reduction effect is expected to be offset by initial start-up costs.

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Implementation of VISION 75 (4)



VISION75 Review in FY 2005

Building New Growth strategies Creating New Businesses Expected to Become the Pillars of Fujifilm's Future Operations	R&D Efforts and Results	<ul style="list-style-type: none"> ■ Establishment of "Corporate Laboratories" ■ Development of life sciences operations: commercialization of QuickGene-800 automated nucleic acid isolation system ■ Development of manufacturing-use digital imaging operations: development of digital light exposure system for circuit boards for printing ■ Development of optical transmission systems operations: launch of Optical DVI Link System ■ Foundation of Advanced Core Technology Laboratories facility (expected to be completed by spring 2006)
	M&A Activities and Corporate Alliances	<ul style="list-style-type: none"> ■ Acquisition of Hanimex Australasia, a distributor in the Oceania region ■ Investments in Vitex Systems, which has strengths in the field of OEL display materials, and TeraRecon, which has strengths in the field of image processing ■ Establishment of the Fujifilm Business Development Fund, with a total budget of ¥20 billion ■ Acquisition of the microelectronic materials division of Arch Chemicals, Inc., which focuses on semiconductor related process materials ■ Acquisition of Sericol Group, Limited, which has strengths in the fields of screen-printing inks and other UV inkjet inks
Strengthening Consolidated Management	<ul style="list-style-type: none"> ■ Introduction of consolidated management systems focused on EVA ■ Introduction of cash management system 	
Increasing capital utilization efficiency	<ul style="list-style-type: none"> ■ Share buy-back during the period from February 1, 2005 to March 18, 2005 = 3,857,000 shares purchased for a total price of ¥14,970,869 thousand 	

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Outlook for FY 2006



➤ Outlook for FY2006 ending March 31, 2006

Billions of yen

	FY 2006 Outlook		FY 2005 Result		Change	
					Amount	%
Revenue	100.0%	2,700.0	100.0%	2,527.3	+172.7	+6.8
Operating Income	6.3%	170.0	6.5%	164.4	+5.6	+3.4
Income before Income Taxes	6.1%	164.0	6.4%	162.3	+1.7	+1.0
Net Income	3.1%	85.0	3.3%	84.5	+0.5	+0.6
Exchange Rates						
US\$		¥105		¥108		(¥3)
Euro		¥135		¥135		-

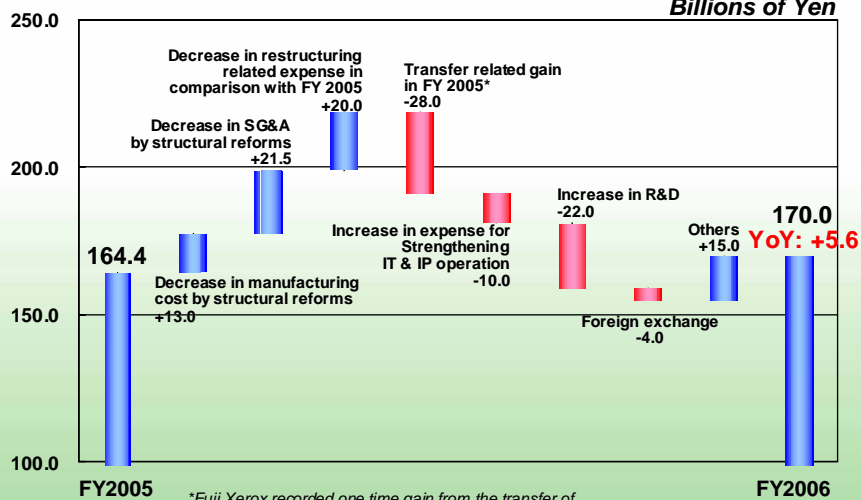
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Outlook for FY 2006



➤ Change in Operating Income between FY 2005 and 2006

Billions of Yen



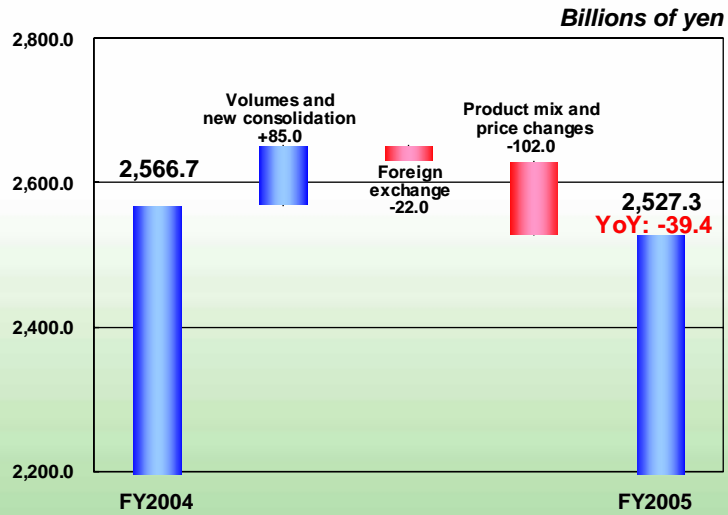
*Fuji Xerox recorded one time gain from the transfer of substitutional portion of Fuji Xerox's employee pension fund liabilities.

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Reference Data



Change in Revenue

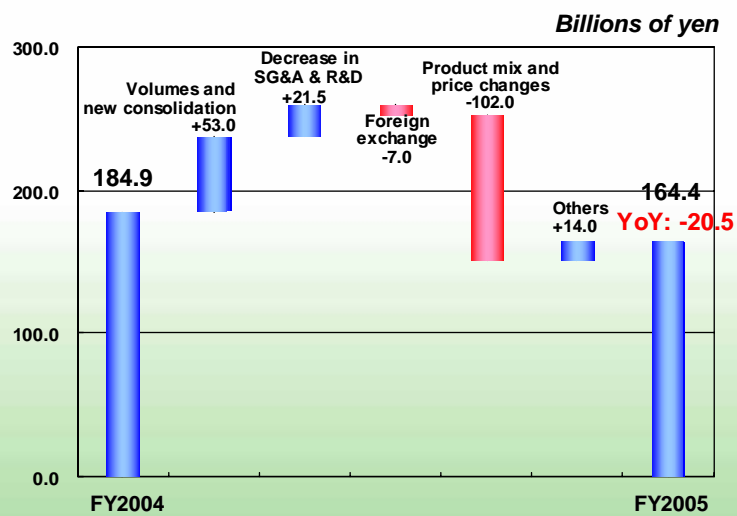


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Reference Data



Change in Operating Income

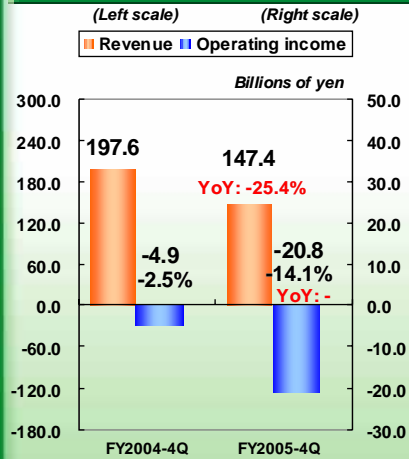


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Reference Data

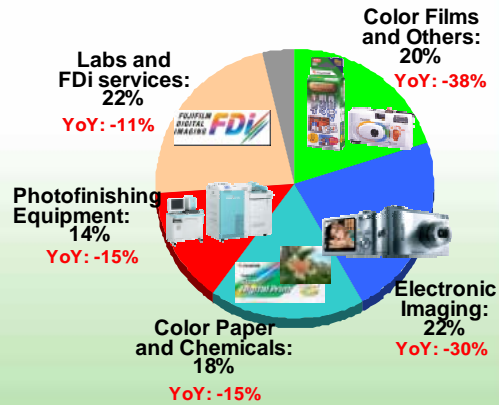
➤ Imaging Solutions (3 months ended March 31, 2005)

Revenue* /Operating Income



*After elimination of intersegment transaction

Breakdown of Revenue

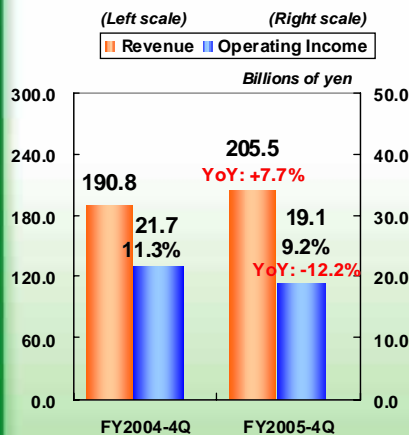


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Reference Data

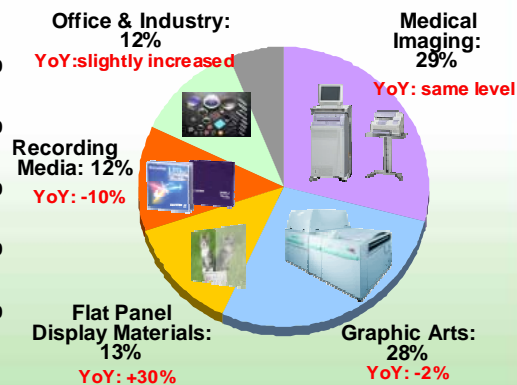
➤ Information Solutions (3 months ended March 31, 2005)

Revenue* /Operating Income



*After elimination of intersegment transaction

Breakdown of Revenue



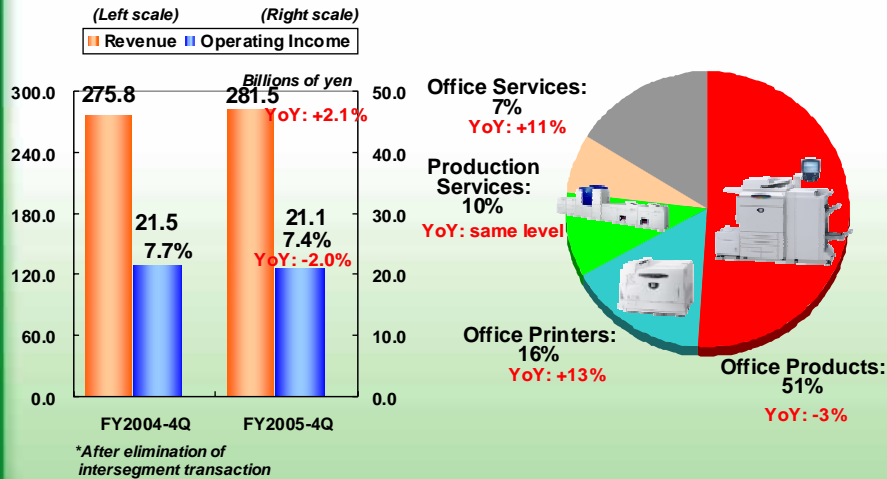
21

Reference Data

Document Solutions (3 months ended March 31, 2005)

Revenue* / Operating Income

Breakdown of Revenue



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Reference Data

Capital Expenditure, Depreciation, and R&D Expenses

Billions of yen

	FY2006	FY 2005		FY 2004	
	Forecast	4Q		4Q	
Imaging Solutions	-	11.4	42.0	13.4	49.1
Information Solutions	-	33.1	83.2	23.1	82.7
Document Solutions	-	11.5	32.2	14.0	28.9
Capital Expenditure (Note)	210.0	56.0	157.4	50.5	160.7
Imaging Solutions	-	16.3	62.9	14.5	59.4
Information Solutions	-	16.9	59.6	14.6	54.9
Document Solutions	-	17.4	59.8	15.6	58.3
Depreciation and Amortization	-	50.6	182.3	44.7	172.6
Depreciation (Note)	140.0	36.4	130.4	32.5	124.6
R&D Expenses	190.0	41.6	168.0	44.0	173.3
Ratio of R&D Expenses to Revenue	7.0%	6.6%	6.6%	6.6%	6.7%

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

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Reference Data



Exchange Rates

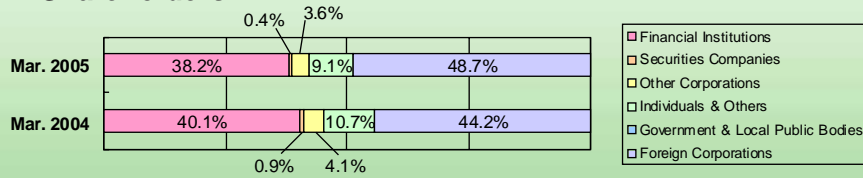
Unit: Yen

	FY2006	FY2005				FY2004					
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
US\$	105	110	110	106	104	108	119	118	109	108	113
Euro	135	132	134	137	137	135	133	133	130	133	132

Number of Employees

	As of Mar. 31, 2005	As of Sep. 30, 2004	As of Mar. 31, 2004
Non-Consolidated	8,914	9,359	9,363
Consolidated	75,638	74,870	73,164

Shareholders



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FUJI PHOTO FILM CO., LTD.
IR OFFICE, CORPORATE COMMUNICATIONS DIV.
<http://home.fujifilm.com/>