

## Earnings of 1H FY 2009/3

(From April 1, to September 30, 2008)

**FUJIFILM Holdings Corporation**

October 30, 2008

### 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 for 1H FY2009/3

Revenue and operating income decreased due to the impact of worldwide economic deceleration and progressive appreciation of the yen.

*Billions of yen*

	1H FY2008/3 (Apr. - Sep. 2007)		1H FY2009/3 (Apr. - Sep. 2008)		Change	
					Amount	%
Revenue	100.0%	1,408.0	100.0%	1,338.4	-69.6	-4.9
Operating Income*	7.7%	108.6	6.1%	81.2	-27.4	-25.2
Income Before Income Taxes	8.2%	114.7	6.1%	81.7	-33.0	-28.8
Net Income	4.6%	64.6	3.4%	45.3	-19.3	-29.8
Earnings per Share		¥126.48		¥89.97		-¥36.51
Exchange Rates						
US\$		¥119		¥106		-¥13
Euro€		¥162		¥163		+¥1

*(billions of yen)*

<Reference> Factors affecting YoY changes of 1H operating income

Exchange rates movements: **-10.9** Higher raw materials prices: **-11.5** Change in depreciation method: **-3.0** Sales expansion and other: **-2.0**

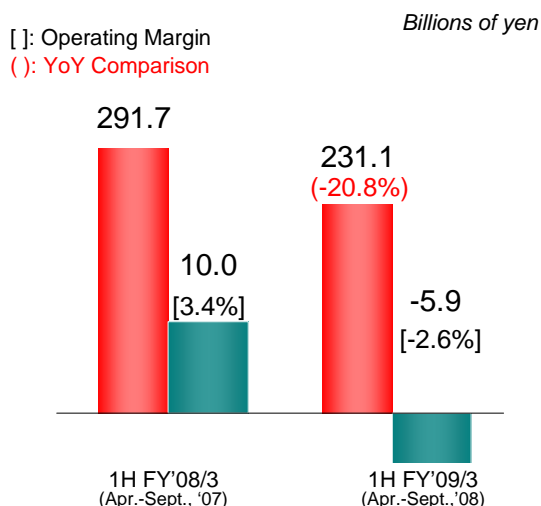
\* Including structural reform expenses: 1H FY2008/3 **4.3**

1 H FY2009/3 **4.1**

## ■ Imaging Solutions

### Revenue\* /Operating Income

■ Revenue  
■ Operating Income



### Revenue

¥231.1 billion (YoY: -20.8%)

- In addition to the shrinking of the color film market, sales of digital cameras declined due to drop in unit prices.
- Impact of yen appreciation: -¥13.5 billion

### Operating Income

-¥5.9 billion (fell into the red)

- Operating income decreased owing to the impact of decline in the unit prices of digital cameras and other factors.
- Stubbornly high silver prices and impact of yen appreciation pressuring profitability

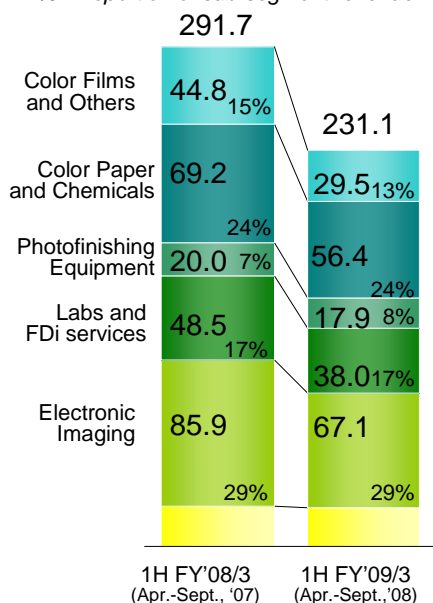
\*Note: After elimination of intersegment transaction

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### Sub-segment Revenue

Billions of yen

%: Proportion of sub-segment revenue



### Color Films and Others

¥29.5 billion (YoY: -34%)

- Revenue continued to decrease owing to market shrinkage.

### Color Paper and Chemicals

¥56.4 billion (YoY: -19%)

- Amid intensifying competition, Fujifilm worked to increase its market share by promoting such high-value-added print services as those for creating photo books.

### Photofinishing Equipment

¥17.9 billion (YoY: -10%)

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

### Electronic Imaging

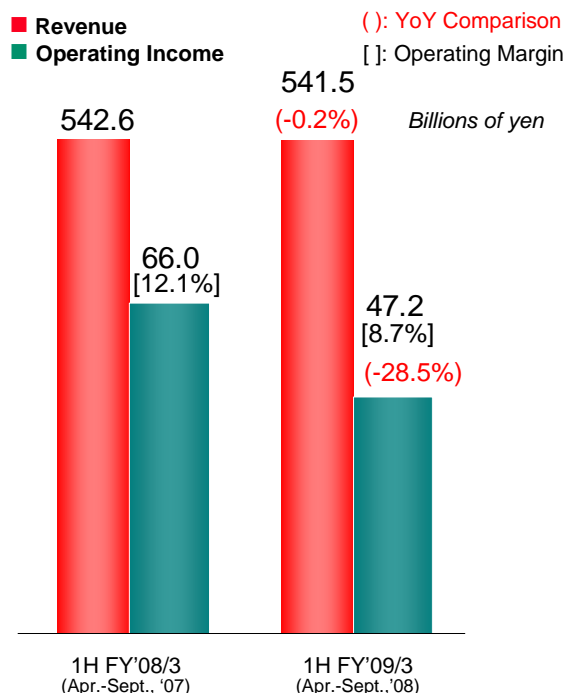
¥67.1 billion (YoY: -22%)

- On a world wide basis, the sales volume of digital cameras during the 1<sup>st</sup> half amounted to 4.3 million units
- Stable sales volume in Japan centered on FinePixF100fd and other products featuring high image quality; sales volume growth centered on reasonably priced, stylish products despite decelerating growth in overall North American demand
- Decline in revenue reflecting the impact of a drop in unit prices

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## Information Solutions

### Revenue\* /Operating Income



#### Revenue

¥541.5 billion (YoY: -0.2%)

- Segment sales kept flat overall despite growth in sales of such products as flat panel display materials and lens units for camera phones
- Impact of yen appreciation: -¥20.5 billion

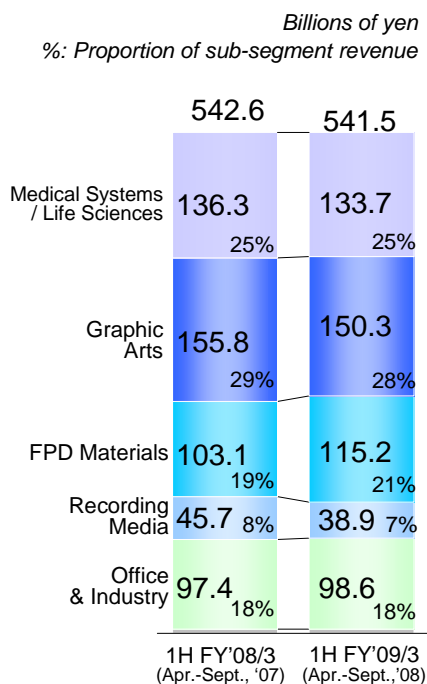
#### Operating Income

¥47.2 billion (YoY: -28.5%)

- Operating income decreased owing to the impact of such factors as yen appreciation and the surge in raw materials prices.

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue



#### Medical Systems / Life Sciences

¥133.7 billion (YoY: -2%)

- Although the revisions to Japan's national health care reimbursement system depressed demand for medical use films, sales of FCRs and picture archiving and communications systems (PACS) have expanded.
- Recorded robust sales overseas of newly launched Hi Resolution endoscope system products in Europe and North America; launched Justia electronic endoscope product amid intensified competition in Japan

#### Graphic Arts

¥150.3 billion (YoY: -4%)

- Despite impact of weakening economic conditions in North America and Europe, CTP sales volume continued to increase due to robust demand in Japan and expanding demand in NICs.
- Sales of wide-format ink-jet products increased owing to strength of orders received at the drupa trade fair and other factors.

#### FPD Materials

¥115.2 billion (YoY: +12%)

- Despite the impact of temporary production adjustments by panel manufacturers, growth was sustained in sales of FUJITAC, and such high-value-added films as WV film.

#### Recording Media

¥38.9 billion (YoY: -15%)

- The sales volume of high-end enterprise-use data storage media grew smoothly, although exchange rates movements and other factors weakened the revenue of this business.

#### Office & Industry

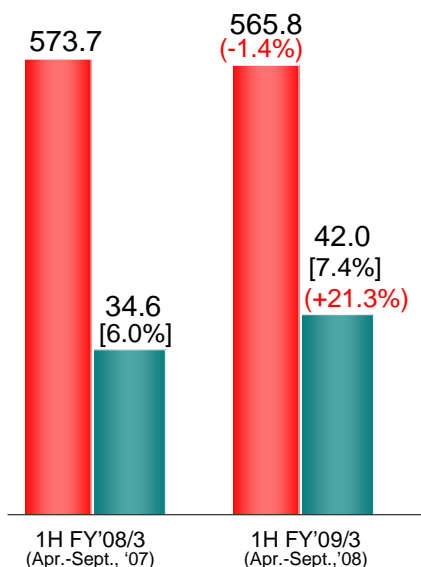
¥98.6 billion (YoY: +1%)

- In the field of optical devices, sales of Fujifilm's lens units for camera phones grew.
- Rising demand from principal customers supported an increase in sales of industrial ink-jet printer heads.

## ■ Document Solutions

### Revenue\* /Operating Income

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



#### Revenue

¥565.8 billion (YoY: -1.4%)

- Exports to Europe and North America grew considerably, particularly of color models, but the negative impact of exchange rates movements caused a decline in revenue.
- Impact of yen appreciation: -¥16.2billion

#### Operating Income

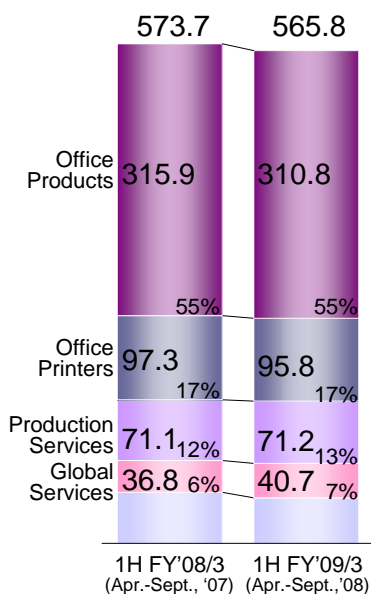
¥42.0 billion (YoY: +21.3%)

- Operating income grew greatly, reflecting the benefits of improvement of cost of sales and a reduction in SG&A expenses.

\*Note: After elimination of intersegment transaction

### Sub-segment Revenue

Billions of yen  
 %: Proportion of sub-segment revenue



#### Office Products

¥310.8 billion (YoY: -2%)

- In Japan, sales of digital color multifunction devices with LED printer heads and a reasonably priced color multifunction device launched in March 2008 were both strong, but slight decrease was recorded in domestic sales volume reflecting decrease in overall Japanese market centered on monochrome models.
- We recorded a large increase in the sales volume of color devices in the Asia-Pacific region including China, and in exports to Europe and North America.

#### Office Printers

¥95.8 billion (YoY: -2%)

- Slack demand in the Japanese market led to slight decline in domestic sales of our own brand office printers centered on the DocuPrint C3050 and DocuPrint C2250.
- Our color printers recorded large increases in the volume of shipments to the Asia-Pacific region including China, and of exports to Europe and North America.

#### Production Services

¥71.2 billion (YoY: Flat)

- In Japan, the sales volume of color and monochrome publishing systems increased.
- The sales volume of color publishing system export shipments to Europe and North America surged considerably.

#### Global Services

¥40.7 billion (YoY: +11%)

- We achieved continued growth in document outsourcing business both in Japan and overseas.

## Performance Summary for 2Q FY2009/3

Billions of yen

	2Q FY2008/3 (Jul. - Sep. 2007)		2Q FY2009/3 (Jul. - Sep. 2008)		Change	
					Amount	%
Revenue	100.0%	719.7	100.0%	684.7	-35.0	-4.9
Operating Income*	6.8%	48.8	5.2%	35.3	-13.5	-27.6
Income Before Income Taxes	6.2%	44.7	3.9%	26.7	-18.0	-40.2
Net Income	3.3%	23.6	2.0%	13.4	-10.2	-43.2
Earnings per Share		¥46.33		¥26.66		-¥19.67
Exchange Rates						
US\$		¥118		¥108		-¥10
Euro		¥162		¥162		-

(billions of yen)

&lt;Reference&gt; Factors affecting YoY changes of 2Q operating income

Exchange rates movements: -4.8 Higher raw materials prices: -7.7 Sales expansion and other: -1.0

\* Including structural reform expenses: 2Q FY2008/3 3.3 2Q FY2009/3 2.4

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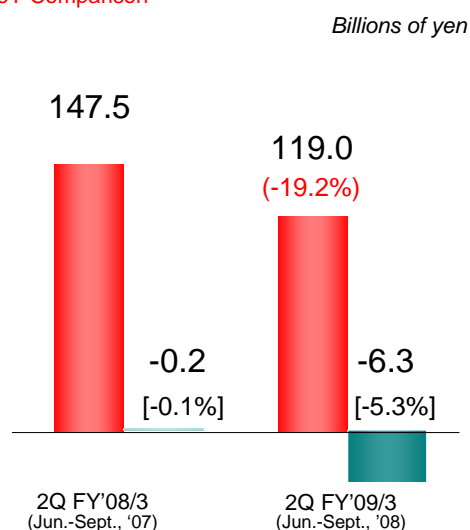
## ■ Imaging Solutions

## Revenue\* /Operating Income

■ Revenue  
■ Operating Income

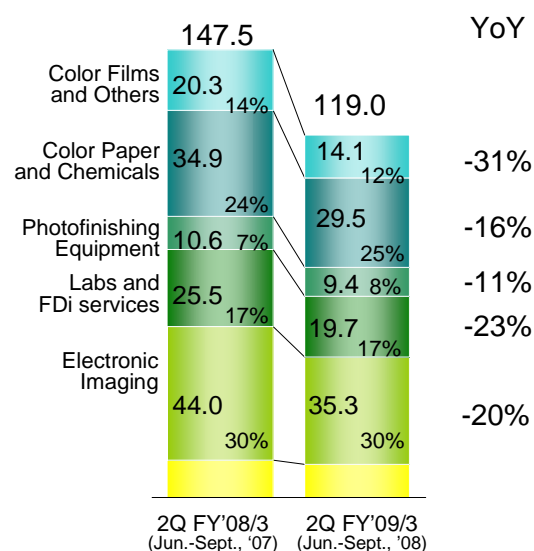
[ ]: Operating Margin

( ): YoY Comparison



## Sub-segment Revenue

Billions of yen

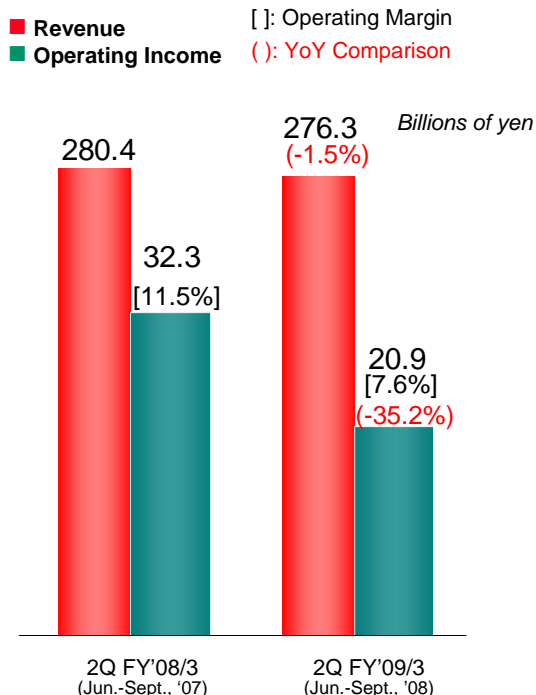


\*Note: After elimination of intersegment transaction

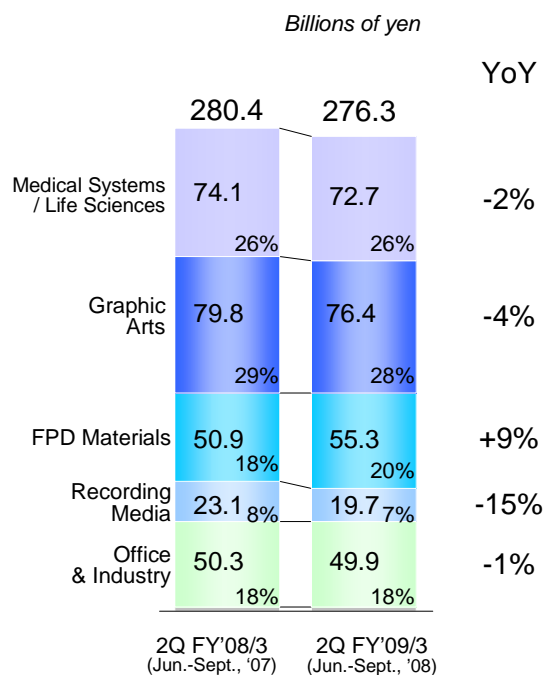
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Information Solutions

Revenue\* /Operating Income



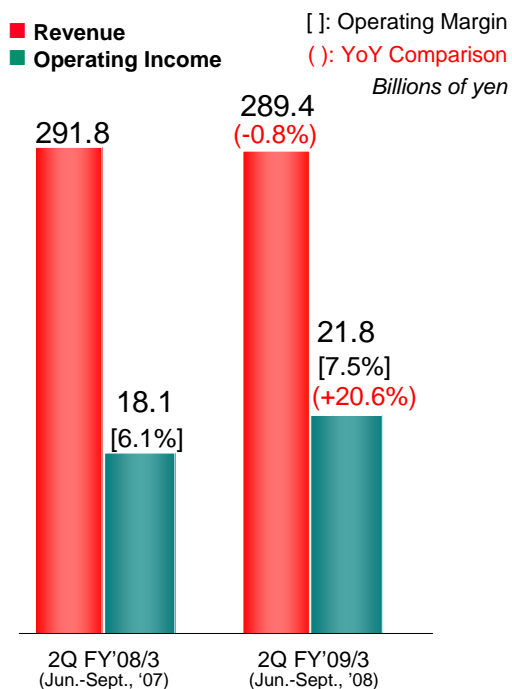
Sub-segment Revenue



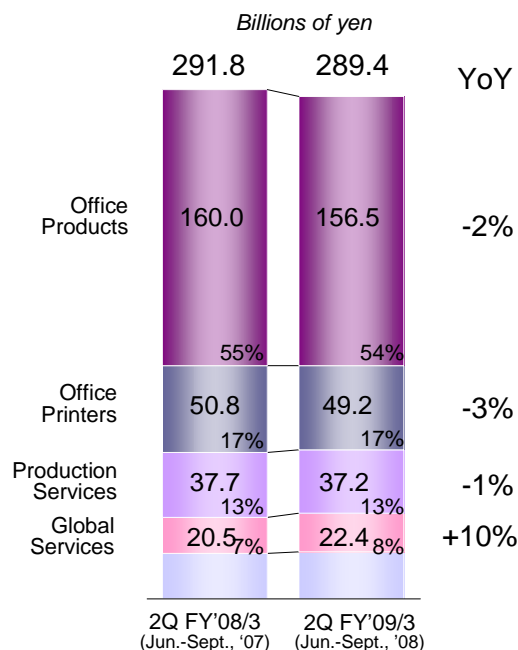
\*Note:After elimination of intersegment transaction

Document Solutions

Revenue\* /Operating Income

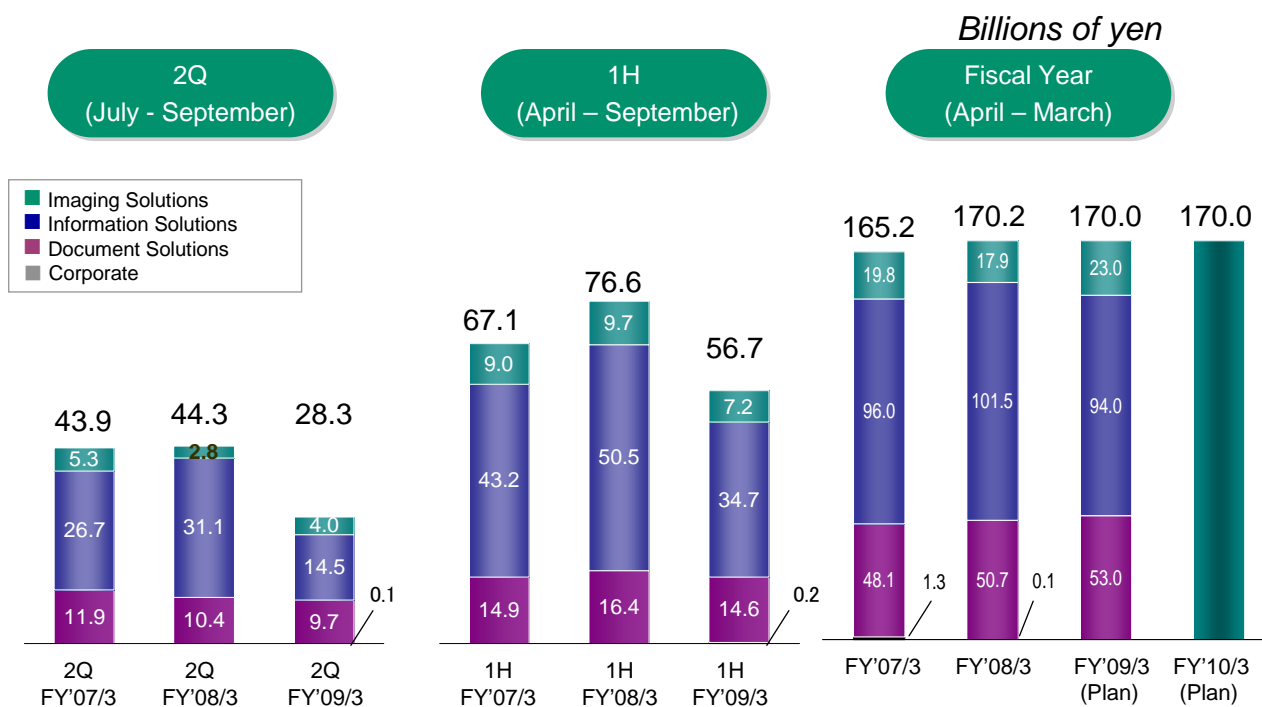


Sub-segment Revenue



\*Note:After elimination of intersegment transaction

■ Capital Expenditure\*



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

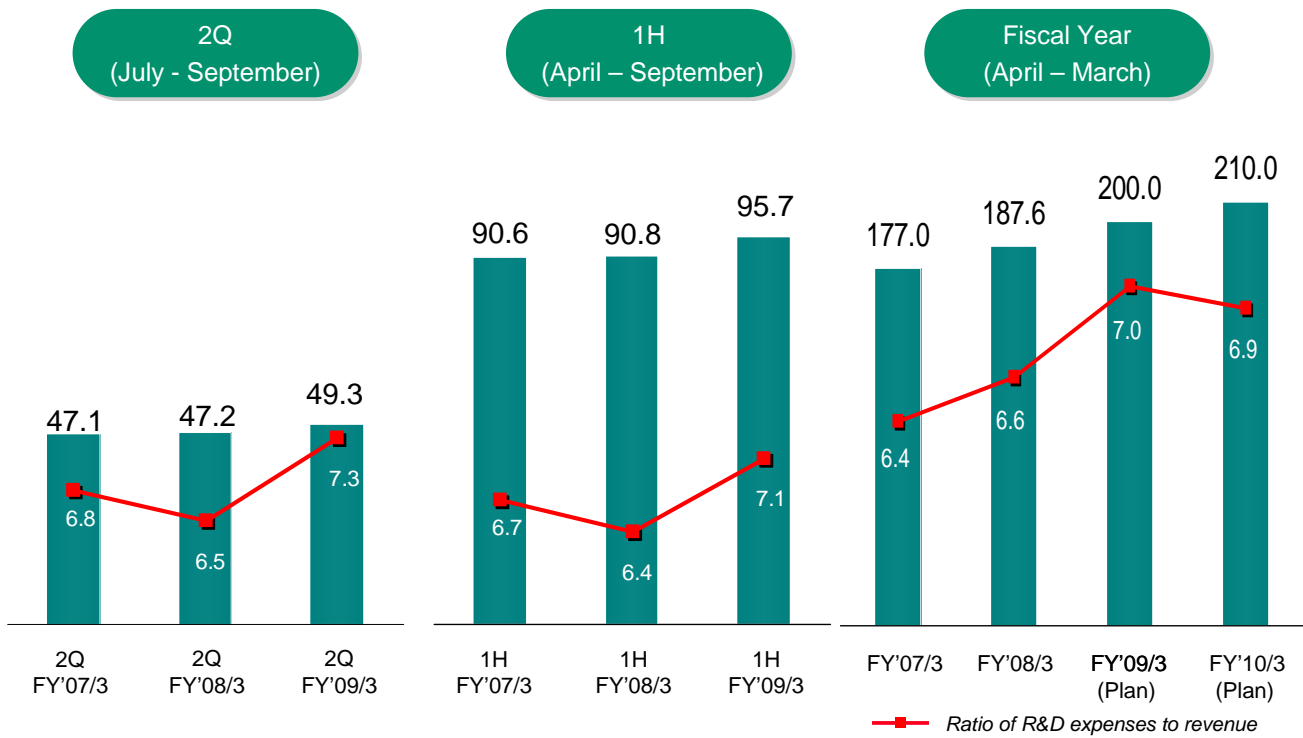
■ Depreciation & Amortization



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

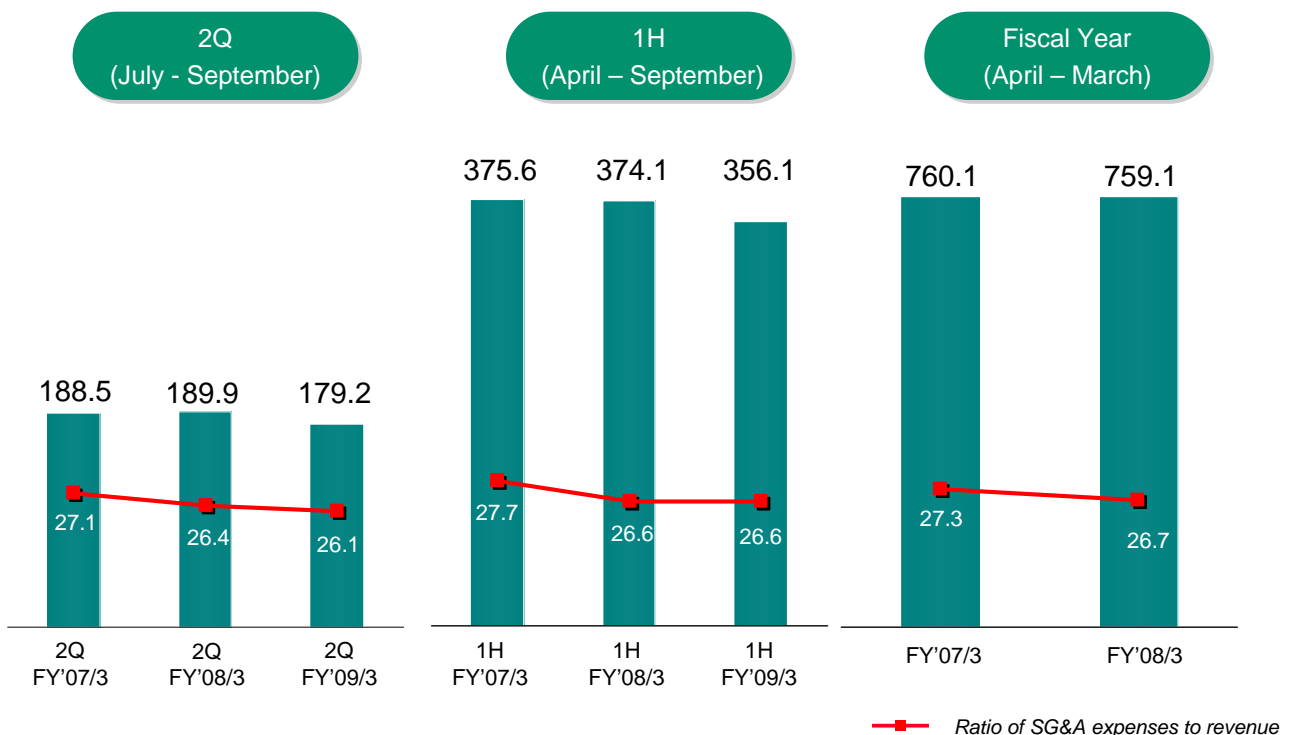
■ R&D Expenses

Billions of yen



■ SG&A Expenses

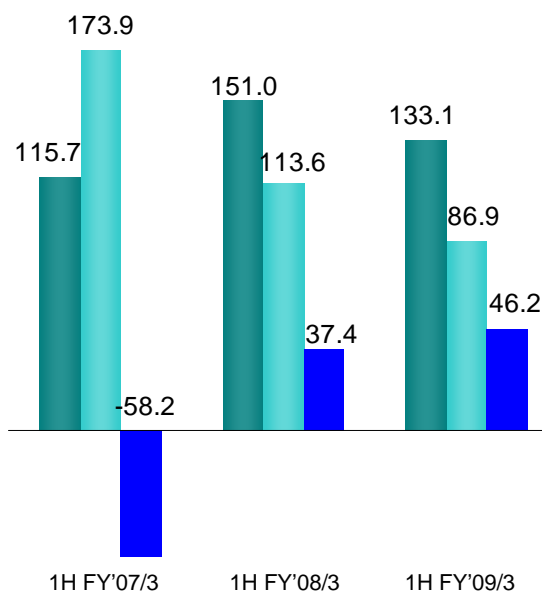
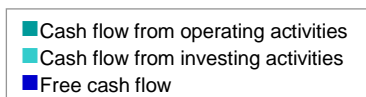
Billions of yen





Free Cash Flow

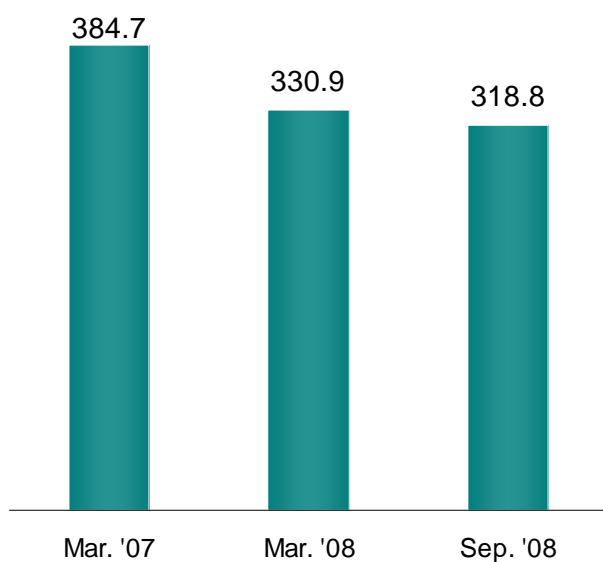
Billions of yen



Cash Flow

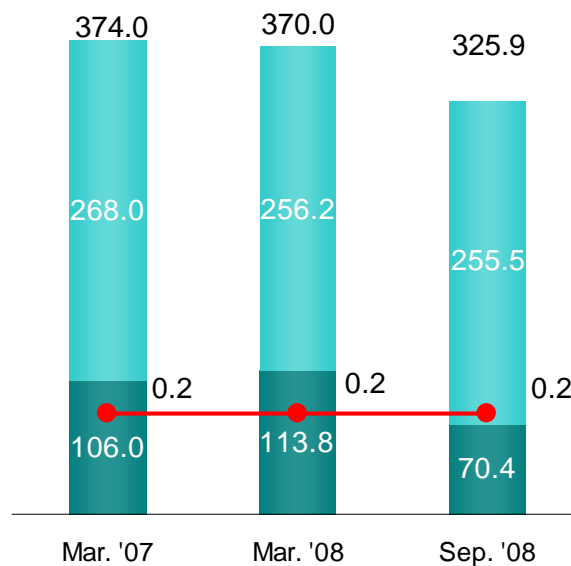
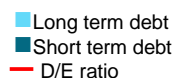
	1H FY'08/3	1H FY'09/3
Net income	64.6	45.3
Depreciation & amortization	109.0	105.6
Change in working capital	(20.1)	(0.4)
Change in deferred income taxes and other liabilities	(14.3)	(38.7)
Others	11.8	21.3
<b>C/F from operating activities</b>	<b>151.0</b>	<b>133.1</b>
Capital expenditure	(78.5)	(82.9)
M & A	-	-
Others	(35.1)	(4.0)
<b>C/F from investing activities</b>	<b>(113.6)</b>	<b>(86.9)</b>
<b>Free cash flow</b>	<b>37.4</b>	<b>46.2</b>

Cash and Cash Equivalents

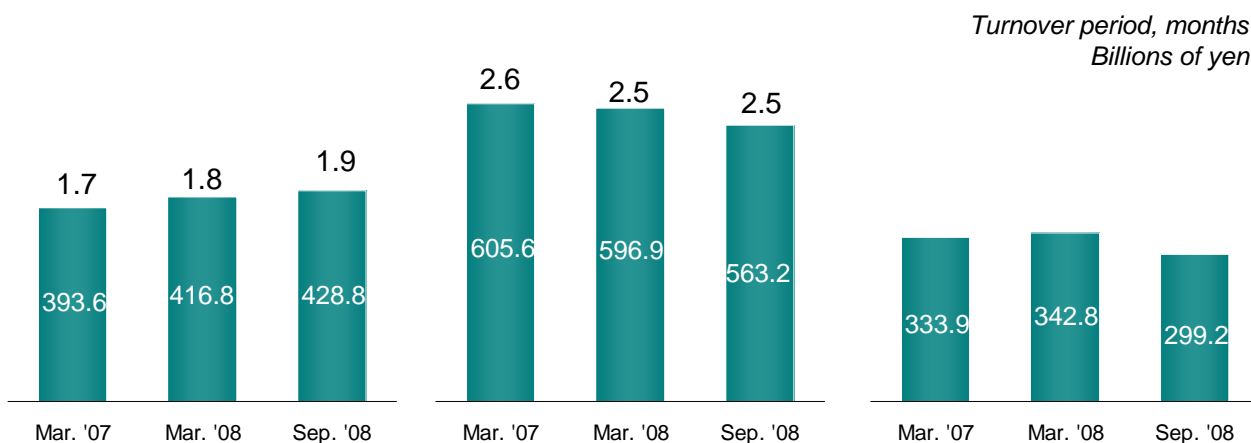


Interest Bearing Debt

Billions of yen



- 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 10% fine granules(OZ) EX fine granules for children)	Quinolone synthetic antibacterial	Japan	▶					Oral
			2008.10 Apply for approval of manufacturing and marketing					
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

\*Note: Received an approval in 2007 as a oral quinolone antibacterial agent under the brand name of GENINAX

\*\*Note: Additional dosage of PASIL intravenous drip, which received an approval in 2002

■ Exchange Rates

Yen

	FY2009/3			FY2008/3			
	1Q	2Q	1H	1Q	2Q	1H	Year
US\$	104	108	106	121	118	119	115
EURO €	163	162	163	162	162	162	162

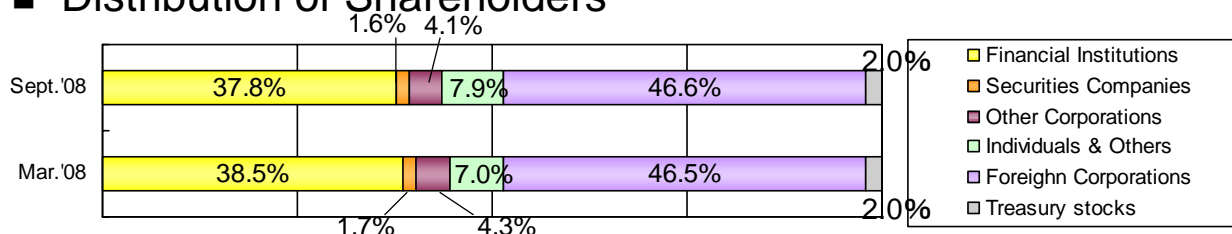
Impact of exchange rates movement on operating income (full year, ¥1 change)

US\$: ¥1.2 billion Euro: ¥1.1 billion

■ Number of Employees

	Sep.2008	Jun.2008	Mar.2008	Dec.2007	Sep.2007
	78,228	78,765	78,321	78,008	77,555

■ 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**