

April 28, 2011

FUJIFILM Holdings Corporation

**FY 2011/3 Performance Explanation Briefing (Performance Explanation Meeting)**

**Principal Questions and Answers**

Q1: On page two of the performance briefing materials (hereinafter, “the materials”), the factors impacting operating income include the impact of the March 11, 2011 earthquake disaster, which had the effect of reducing operating income ¥5.4 billion. Could you explain how much of this reduction is due to the earthquake’s impact on revenue? In addition, could you explain which of your businesses saw a large impact on their net sales subsequent to the earthquake?

A1: The ¥5.4 billion impact on operating income stems from a ¥13.3 billion impact on revenue. Looking at the impact on net sales since the time of the earthquake, it can be said that the magnitude of the impact was relatively large with respect to Fuji Xerox’s sales of devices.

Q2: In the section on page 10 of the materials explaining the impact of the earthquake on procurement, you mention that, although production of Fuji Xerox devices has currently been resumed, there are risks regarding the procurement of electronic components going forward. Could you explain your current component inventory situation and the outlook regarding manufacturing operations?

A2: With respect to copy machines, we anticipate that there is a possibility that the impact of component shortages may cause a drop of up to approximately 10% in unit production volume during the first half of the current fiscal year. However, we do not anticipate the impact on total performance for the full year will be large. This is because our production of mainstay products is expected to be in accordance with our plan; because there are no problems with our production system for toner, paper, and other consumables; and also because the impact of negative factors is not expected to continue to the second half of the fiscal year.

Q3: While the FY2012/3 performance forecast is for growth in both sales and profit, could you explain your current assumptions regarding the sales outlook of principal businesses and regarding factors likely to have a strong impact on profitability?

A3: With respect to sales, we are anticipating that the sales of our flat panel display business will continue to grow in response to the increase in LCD screen area production volume associated with demand in emerging economies in Asia and elsewhere. Because of production efficiency gains by polarizer manufacturers and other factors, we do not expect FUJITAC film sales to grow as quickly as the increase in LCD screen area production volume; we are anticipating that the FUJITAC film sales growth rate will be at low single-digit levels. With respect to document solutions business, we are not currently seeing the

event which may impact on the profitability such as the enterprise's color copy control, but it is extremely difficult to anticipate domestic demand trends going forward.

With respect to operating income, in particular, we are extremely concerned about the potential impact of surging silver prices. While it remains difficult to comprehensively assess the impact of the earthquake, we are aiming to generate a greater amount of operating income during FY2012/3 than the ¥136.4 billion in operating income (after restructuring and other charges) recorded in FY 2011/3.

Q4: Please explain your digital camera sales volume plan.

A4: We are planning to increase our digital camera sales volume to above the 14 million unit level, up 25% compared with the previous fiscal year. Having created a general framework for handling component procurement, we are continuing to undertake production operations in line with our plans.

End