

## Financial Results (Consolidated) for Six months ended September 30, 2004

Date of Board Meeting for Six months ended September 30, 2004: October 29, 2004

(Consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.)

### 1. Results of Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)

#### (1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Revenue		Operating Income		Income before Income Taxes	
		%		%		%
Six months ended Sept. 30, 2004	1,252,925	(0.5)	101,302	8.1	105,935	30.7
Six months ended Sept. 30, 2003	1,259,779	0.6	93,715	(4.2)	81,063	4.0
Year ended March 31, 2004	2,566,725		184,900		164,948	

	Net Income		Net Income Per Share of Common Stock	Net Income Per Share of Common Stock (Assuming Full Dilution)
		%	Yen	Yen
Six months ended Sept. 30, 2004	52,706	28.2	102.71	-
Six months ended Sept. 30, 2003	41,112	22.3	80.10	-
Year ended March 31, 2004	82,317		160.38	-

Notes 1. Equity in net earnings of affiliated companies (including unconsolidated subsidiaries)

Six months ended Sept. 30, 2004: ¥391 million Six months ended Sept. 30, 2003: ¥1,821million Year ended March 31, 2004: ¥2,947 million

2. Average number of shares:

Six months ended Sept. 30, 2004: 513,153,188 Six months ended Sept. 30, 2003: 513,276,761 Year ended March 31, 2004: 513,252,348

3. Change in Accounting Policies: None

4. Percent: Change against corresponding period of the previous year on 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 Sept. 30, 2004	2,996,808	1,831,348	61.1	3,569.07
As of Sept. 30, 2003	3,006,953	1,703,648	56.7	3,319.28
As of March 31, 2004	3,023,509	1,749,882	57.9	3,409.80

Note: Number of shares outstanding:

As of Sept. 30, 2004: 513,116,104 As of Sept. 30, 2003: 513,258,017 As of March 31, 2004: 513,192,100

#### (3) CASH FLOWS

	Net Cash provided by Operating activities	Net Cash used in Investing activities	Net Cash used in Financing activities	Cash and Cash Equivalents at end of period
Six months ended Sept. 30, 2004	125,322	(143,441)	(42,553)	404,565
Six months ended Sept. 30, 2003	159,585	(95,700)	(25,226)	445,971
Year ended March 31, 2004	327,358	(207,186)	(63,516)	461,764

#### (4) SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidated subsidiaries: 187 subsidiaries
- Companies accounted for by equity methods: 96 companies

#### (5) CHANGE IN SCOPE OF CONSOLIDATION AND EQUITY METHOD

- Consolidation: Increase 12, Decrease 3 Equity Method: Increase 2, Decrease 14

### 2. Forecast for the Fiscal Year ending March 31, 2005 (From April 1, 2004 to March 31, 2005)

	Revenue	Operating Income	Income before Income Taxes	Net Income
For Year ending March 31, 2005	2,610,000	164,000	160,000	82,500

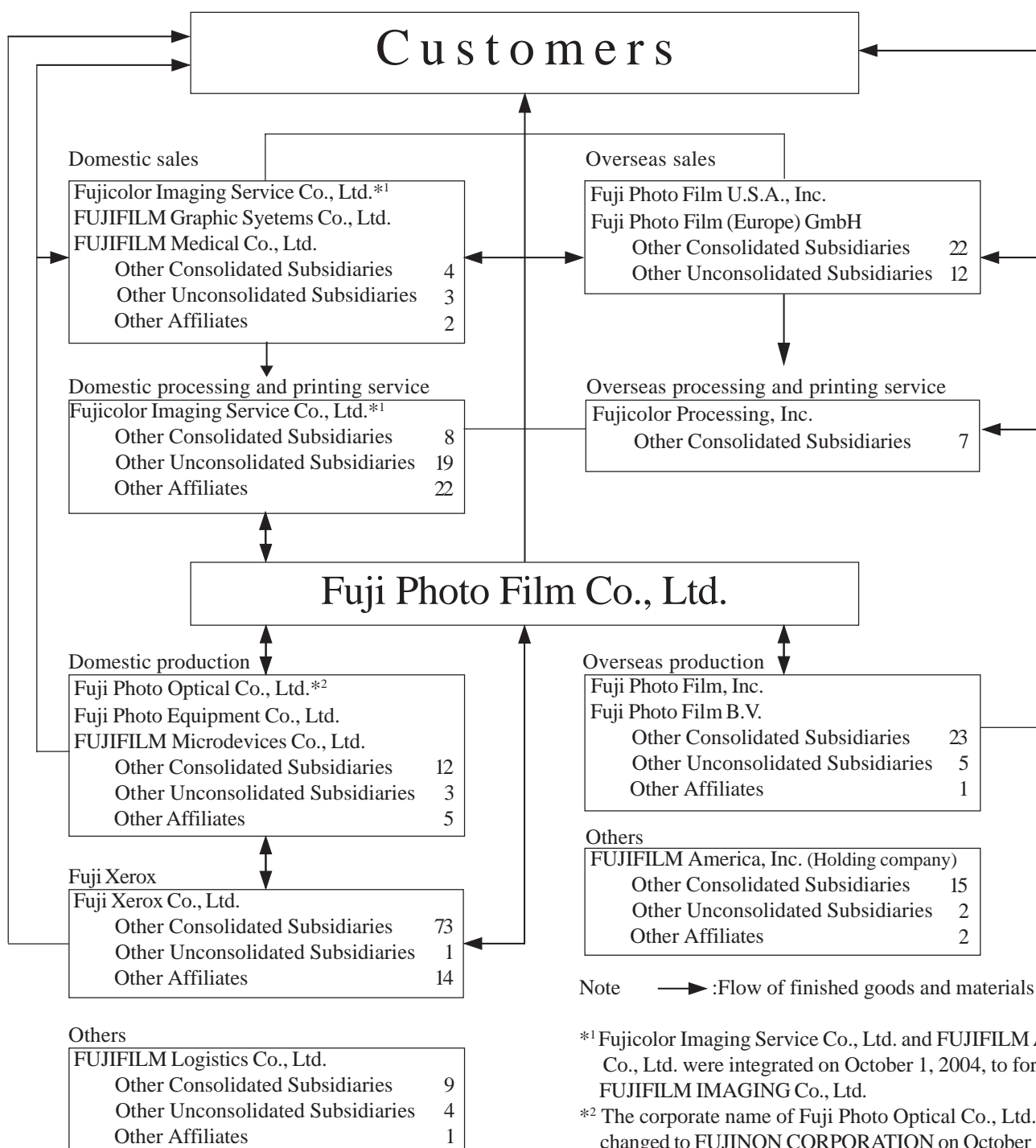
(Reference) Expected Net Income per Share of Common Stock for Year ending March 31, 2005: ¥160.78

Note: These forecast are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements. See note on page 9.

# 1. THE FUJIFILM GROUP

The Fujifilm Group comprises Fuji Photo Film Co., Ltd., 236 subsidiaries and 47 affiliated companies that perform R&D, manufacturing, marketing, and service activities in the Group's core business of segments of Imaging Solutions, Information Solutions, and Document Solutions. The Fujifilm Group's main companies in each segment are outlined as follows:

		Main companies
Imaging Solutions	Color film, digital camera, photofinishing equipment, color paper and chemicals and services for photofinishing, etc.	Fuji Photo Film Co., Ltd., Fuji Photo Optical Co., Ltd.*2, FUJIFILM Microdevices Co., Ltd., Fujicolor Imaging Service Co., Ltd.*1, Fuji Photo Film, Inc., Fuji Photo Film B.V., Fuji Photo Film U.S.A., Inc., Fuji Photo Film (Europe) GmbH, Fujicolor Processing, Inc. etc.
Information Solutions	Systems devices for graphic arts, medical imaging, and information systems, flat panel display materials and recording media, etc.	Fuji Photo Film Co., Ltd., Fuji Photo Equipment Co., Ltd., FUJIFILM Graphic Systems Co., Ltd. FUJIFILM Medical Co., Ltd., FUJIFILM ARCH Co., Ltd., Fuji Photo Film U.S.A., Inc., Fuji Photo Film (Europe) GmbH, etc.
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables and office services, etc.	Fuji Xerox Co., Ltd., Suzuka Fuji Xerox Co., Ltd., Fuji Xerox Office Supply Co., Ltd., Tokyo Xerox Co., Ltd., Fuji Xerox Printing Systems Co., Ltd., Fuji Xerox (China) Limited, Fuji Xerox Asia Pacific Pte Ltd., etc.



## 2. MANAGEMENT POLICIES

### (1) Basic Management Policies

FUJIFILM will constantly strive to develop superior technologies and to continue to cultivate an imaging and information culture. As a global company fully trusted by both customers and society itself, we aim to make innovative use of the most advanced technologies to create beautiful images and provide wide-ranging information, and provide the imaging, information, and document solutions that will best meet the increasingly sophisticated needs of the world community.

### (2) Medium- and Long-Term Strategy and Essential Task

In the fields in which we are developing our operations, rapid progress in the application of digital technologies has led to a major ongoing paradigmatic transition often referred to as “digital impact.” Taking full advantage of opportunities associated with digital impact, we have aptly responded to other changes in our business environment. Aiming to move ahead with additional reforms, and develop new corporate growth paths, Fujifilm has drafted the VISION75 medium-term management plan, which has the theme of “New Departure.” VISION75 extends through the fiscal year ending March 31, 2009, in which the Company will mark the 75th anniversary of its founding.

VISION75 articulates the fundamental strategies of “building new growth strategies,” “implementing comprehensive structural reforms at all management levels,” and “enhancing consolidated management.” In concrete terms, the entire Fujifilm Group will be strategically emphasizing the following efforts.

- a) We will strategically distribute our corporate resources in a manner that promotes additional expansion in business growth fields and strengthens the overall profit base.
- b) We will rebuild our R&D system, boost investment in it, and tighten its strategic focus with an eye to creating new businesses that will be pillars of the Group’s operations in the future.
- c) We will augment our manufacturing, marketing, and service operations in China and other emerging markets while seeking to strengthen the Fujifilm brand image as well as expand business scale.
- d) We will maintain our competitive superiority through restructuring that includes reexamining, reorganizing, and boosting the efficiency of systems associated with all our manufacturing, marketing, distribution, and purchasing processes.
- e) We will further increase the use of business management systems based on consolidated accounts with the objectives of more concertedly marshaling the Group and promoting greater competitiveness and growth.
- f) We will undertake corporate social responsibility (CSR) activities with an emphasis on appropriate internal control systems through the integrated promotion of compliance and risk management systems and more proactive responses to environmental issues.

### (3) Basic Policy Regarding Distribution of Profits

Fujifilm's basic policy regarding the distribution of profits is to provide shareholders with stable dividends and thereby meet shareholders’ expectations 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.

### (4) Policy Regarding the Reduction of the Basic Trading Unit of Shares

Recognizing that smaller trading units can increase market liquidity, Fujifilm has been considering the issue of reducing the size of the basic trading unit of its shares while giving due attention to market trends, calls for such reductions, and other factors. The Company believes it is important to expand and diversify its shareholder base by providing investment opportunities to a greater number of investors, particularly individuals. Accordingly, on September 1, 2004, the trading unit size was reduced from 1,000 shares to 100 shares.

## **(5) Basic Policy Regarding Corporate Governance and Implementation of Related Measures**

Recognizing that a corporation's main mission is to increase corporate value, Fujifilm has been given top priority to measures aimed at increasing its own corporate value by strengthening and broadening its corporate governance systems, and it has steadily proceeded with the implementation of these measures.

### **Units Associated with Corporate Governance**

#### a) Directors and the board of directors:

Currently, Fujifilm has sixteen directors and its board of directors is entirely composed of internal directors. In principle, regular meetings of the board of directors are held monthly and special meetings are held as the need arises. To further clarify the mission and responsibilities of directors, the Company gives them terms in office of one year.

#### b) Executive officer system:

In June 1998, Fujifilm introduced an executive officer system with the goal of expediting operational execution. The board of directors is positioned as "the body for determining basic management policies and strategies as well as for supervising the execution of business affairs," and the executive officers are responsible for the execution of business affairs in accordance with the basic policies and strategies adopted by the board of directors. The Company currently has 30 executive officers, 15 of whom also serve as directors, and they are given the same one-year terms as directors.

#### c) Management Council:

The Management Council determines which issues are exclusively the responsibility of the board of directors and should be submitted for consideration by the board. In addition, it serves as an organ for the discussion of important matters, such as those pertaining to business affairs carried out by executive officers, in accordance with the basic policies, strategies, and plans determined by the board of directors. Council meetings are scheduled in line with changing circumstances, and participants include executive officers who hold positions of executive vice president or higher and any additional executive officers who are connected with a meeting's agenda.

#### d) Auditors and the board of corporate auditors:

Fujifilm has adopted an auditor system. The board of corporate auditors is currently composed of five members, including three external corporate auditors who help increase input from outside perspectives. In principle, regular meetings of the board of corporate auditors are held monthly. All the auditors attend meetings of the board of directors, and the standing statutory auditor also attends every ordinary management council meeting. As an independent body with key roles and responsibilities in Fujifilm's corporate governance system, the auditors inspect and audit the entire range of business affair activities.

#### e) Independent Auditors

Fujifilm has commissioned Ernst & Young ShinNihon as its independent auditor, giving it the role of offering opinions on the Company's financial statements from an independent standpoint.

### **Promotion of CSR Management and Development of Risk Management and Internal Control Systems**

In line with its basic management principles, Fujifilm has long undertaken various corporate social responsibility (CSR) activities designed to ensure its maintenance of ethical standards, compliance, and appropriate response to environmental and product safety issues. In April 2004, Fujifilm further strengthened its CSR operations by establishing the CSR Division, which leads the promotion of CSR throughout the Company through appropriate measures, including the planning of CSR operations in cooperation with various relevant departments.

The CSR Division includes the Company's Compliance and Risk Management Division (previously the Compliance Office of the Legal Division) and the Ecology and Quality Management Division (previously named the Ecology and Quality Management Promotion Division). In addition to its compliance-related functions, the Compliance and Risk Management Division is responsible for building, operating, and upgrading a risk management system that comprehensively manages risks associated with all Fujifilm Group companies. It is seeking to augment the promotion and strengthening of both of its principal objectives in an integrated manner.

a) Risk Management System

In addition to the systematic activities of the newly established Compliance and Risk Management Division, Fujifilm maintains two committees that broadly coordinate risk management activities throughout the Company—the General Risk Management Committee and the PL (Product Liability) Committee. The General Risk Management Committee helps manage risks by delegating responsibilities to diverse specialized subcommittees, while the PL Committee establishes Companywide policies related to product safety management and discusses fundamental issues associated with the promotion of these policies.

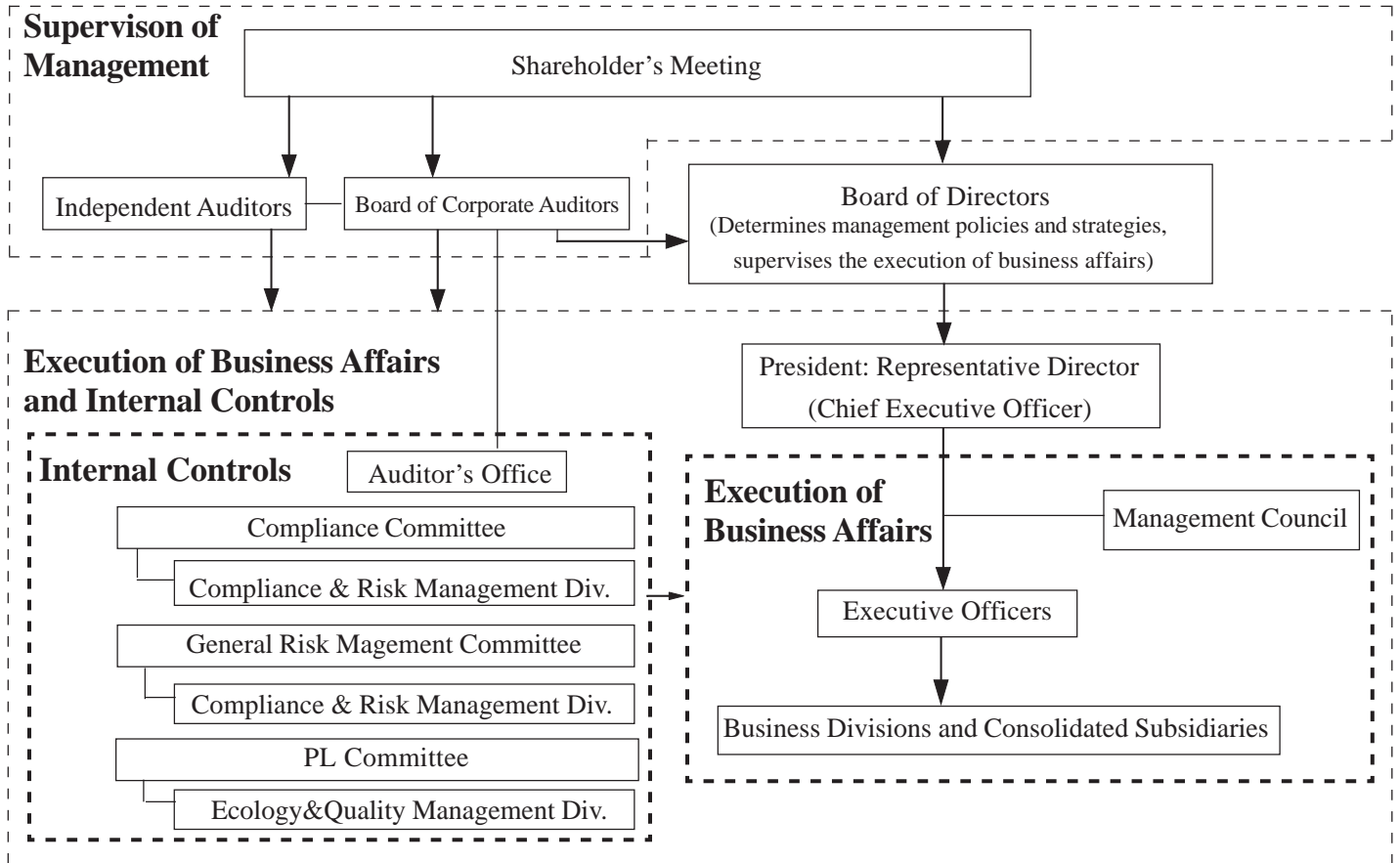
b) Internal Control Systems

Recognizing that compliance systems are crucial prerequisites of efficient and sound corporate management activities, Fujifilm has compiled its fundamental principles regarding compliance in its business activities in the Fujifilm Charter for Good Corporate Behavior. Based on this charter, principal Group companies in Japan and overseas have drafted their own employee conduct codes and are duly working to ensure compliance with those codes.

Fujifilm has also established a Compliance Committee chaired by the Company’s president. This committee and the Compliance and Risk Management Division, which serves as the committee’s secretariat, comprise the principal hub of programs for promoting compliance awareness throughout the Group. For example, they hold compliance explanation meetings at each workplace, organize compliance education programs for staff in each management stratum, and monitor performance by conducting compliance awareness surveys and taking various other measures. To prevent small problems within Fujifilm from developing into major disasters, since July 1999 the Company has been operating a unit that handles consultations with employees regarding liaison activities related to conformance and infractions of compliance standards. This unit is currently within the Compliance and Risk Management Division.

Internal auditing activities are the responsibility of the Auditor’s Office, which is independent of operational execution departments, and the Company is continually expanding and strengthening its internal auditing system through progressive reinforcement and the successive hiring of additional staff.

The following chart provides an overview of Fujifilm’s auditing and management systems and internal control mechanisms.



### 3. OPERATING RESULTS AND FINANCIAL POSITION

#### (1) Overview of the Period and Distribution of Profits

During the six-month period ended September 30, 2004, the U.S. economy showed a trend of improvement in employment conditions and other factors that supported generally positive economic trends centered on personal consumption, although concerns regarding the possibility of economic deceleration arose during the latter half of the period. In Europe, the leading influence of strong external demand brought a recovery in corporate perceptions of economic conditions, but personal consumption remained weak. The Japanese economy spurred expectations of an end to deflationary conditions, and such factors as growth in private-sector capital investment brought a trend of economic recovery, although continued harsh employment environment conditions kept the recovery in personal consumption to a slow pace. In addition, the sharp rise in oil prices began having a negative impact throughout the world economy.

Amid these conditions, Fujifilm dynamically expanded its operations while utilizing digital and networking technologies to provide customers with comprehensive solutions in the imaging, information, and document businesses. Noteworthy examples of progress include the marketing of new high-image-quality digital cameras featuring the Company's unique technologies; the expansion of supplies of CCD camera modules and lens units for incorporation in camera phones; the augmented marketing of Frontier digital minilabs capable of offering a wide range of digital imaging services; the implementation of campaigns to stimulate greater demand for photographic prints from digital cameras; the increasing market diffusion of medical imaging diagnostic systems that facilitate the early detection of lesions; the strengthening of manufacturing capabilities for flat panel display materials, which continued to be in strong demand; and the expanded sales of digital color multifunction machines incorporating new technologies. In addition to these efforts to strengthen and expand its business operations, the Company resolutely proceeded with the implementation of marketing and distribution reforms as well as organizational and staffing level reforms based on the structural reform plans that are one of the fundamental elements of the VISION75 medium-term management plan.

During the interim fiscal period under review (April 1, 2004, through September 30, 2004), Fujifilm's consolidated performance benefited from a large increase in sales of flat panel display materials that accompanied a surge in demand for such materials and robust sales of digital color multifunctional machines. However, these factors were offset by such factors as a steady appreciation of the yen against the U.S. dollar compared to the corresponding period of the previous year and an intensification of competition in recording media markets and certain other business fields that depressed selling prices as well as a decrease in demand for color film. As a result, consolidated revenue decreased 0.5% from the level in the corresponding period of the previous year, to ¥1,252.9 billion. Domestic revenue declined 2.1%, to ¥637.5 billion, while overseas revenue advanced 1.1%, to ¥615.4 billion. In connection with the transfer of the substitutional portion of employee pension fund liabilities of Fuji Xerox, the Company recognized a subsidy from the government representing the difference between the obligation settled and the assets transferred to the government and also recognized a settlement loss and derecognition of previously salary progression under selling, general and administrative expenses. This difference was one of the factors that helped an increase in operating income. Regarding the cost of sales and operating expenses, temporary costs were incurred in connection with the rebuilding of domestic marketing and distribution systems and other structural reforms, and R&D expenses were increased by such factors as a rise in R&D investment aimed at promoting the creation of new businesses. The Company worked to reduce the cost of sales through sustained efforts to boost manufacturing efficiency and also took measures to more-tightly focus expenditures and concentrate them in strategically emphasized areas. As a result, operating income increased 8.1%, to ¥101.3 billion. The foreign exchange gains recognized on the settlement and translation of receivables denominated in foreign currencies contributed to non-operating income, and income before income taxes increased 30.7%, to ¥105.9 billion., net income was ¥52.7 billion, up 28.2%.

The exchange rates for the U.S. dollar and the euro against the yen during the year were ¥110 and ¥133, respectively.

## Imaging Solutions

Consolidated revenue in this segment was ¥390.1 billion down 2.9% from the same period of the previous year.

In the imaging field, while maintaining emphasis on business in digital cameras and other digital imaging products, Fujifilm proactively worked to offer new types of solutions that leverage the special characteristics of silver-halide light-sensitive materials, thereby enabling itself to provide a broader range of products and services. Regarding one-time-use recyclable cameras, the Company organized intensive TV advertisement campaigns for its hit product QuickSnap Night & Day during the peak summer demand season, thereby strengthening its marketing operations for that product in Japan. The Company also completed the development of a new system launched in October that comprises the NATURA 1600, an ultrasensitive ISO 1600 film that further extends the capabilities of silver-halide photography by employing the broad dynamic range of ultrasensitive, ultrasmall light-sensing particles and the NATURA S compact camera, which incorporates Fujifilm's unique automatic control programming to enable optimal exposure settings, even for such extremely bright lens settings as F-1.9. Together, these two products create the Natural Photo (NP) System NATURA, which allows users to easily and simply take naturalistic photographs that present scenes as they appear to the human eye by using the ambient light available indoors or outdoors rather than flash illumination. While Japan's digital camera market showed a trend of decelerating growth owing to such factors as a rise to over 50% in the share of households already owning digital cameras, the Company targeted replacement and upgrade demand by launching its FinePix F440/F450 models, which feature a high level of functionality within stylish and compact square bodies, and these models were popular, particularly among relatively young people. Overseas sales of digital cameras expanded, with a particularly strong sales recorded of the entry-level FinePix A330/A340 models as well as the FinePix A550/510/500 models, which are a new series designed to meet the photography needs of families. In addition, the increasing market diffusion of high-image-quality camera phone models enabled the Company to augment the volume of megapixel camera modules it supplies to manufacturers of such phones. Fujifilm's sales of photofinishing equipment also increased, largely owing to surging sales of Frontier series digital minilab products in North America. The Company implemented powerful marketing promotion campaigns comprising TV advertisement and other promotion channels designed to encourage greater awareness of and demand for prints from digital cameras. Reflecting the effectiveness of these campaigns, the domestic market for prints from digital camera continued growing, and the volume of prints from digital cameras supplied by the Company in Japan surged by almost 300% from the same period of the previous year.

## Information Solutions

Consolidated revenue in this segment was ¥375.6 billion down, 0.3% from the same period of the previous year.

In the medical imaging products business, sales increased both in Japan and overseas, reflecting strong sales of the FCR (Fuji Computed Radiography) line of digital X-ray diagnostic systems and other products. Fujifilm also recorded robust sales of endoscope products, particularly such new products as Transnasal Endoscope, an ultrasmall-diameter endoscope that can be inserted via the nostrils, reducing patient discomfort, and the Double-Balloon method Electronic Enteroscopy System, which is the world's first endoscope to enable the diagnosis and treatment of the entire small intestine. The Company also initiated the marketing of the world's first fully digital electronic enteroscopy system, EPX4400, which brings together FUJINON lenses, Super CCDs, unique image processing technology, and other diverse strengths of the Fujifilm Group. Regarding graphic arts system products, the increasing use of computer-to-plate (CTP) systems throughout the world supported a continued rise in the Company's CTP-related products. To respond to rising demand for CTP plates, the Company continued boosting the capacity of its four-part global manufacturing system that includes units in the United States, the Netherlands, China, and Japan. In flat panel display materials, demand for FUJITAC and WV Film further increased. This and such factors as the inauguration of TAC film production lines at facilities of FUJIFILM Opto Materials Co., Ltd., and the start of full-scale antireflective CV Film supplies supported a large rise in overall sales of flat panel display materials. Because demand for flat panel display materials is projected to continue growing, the Company is rapidly proceeding with measures to augment its manufacturing capacity for FUJITAC and WV Film. Regarding recording media, price competition in the mid-range server-use data storage tape market continued to be intense, but Fujifilm sustained robust performance in supplying IBM with IBM TotalStorage<sup>(R)</sup> Enterprise Tape Drive 3592 data cartridge products, which were developed in cooperation with IBM and are the first commercial application of Fujifilm's unique NANOCUBIC technology for nano-thickness magnetic film coatings. In addition, the increasing popularity of DVD recorders helped boost sales of the Company's recently strengthened lineup of DVD media products. In the field of optical lens products, growth in the market for camera phones enabled a steady rise in sales of megapixel-compatible lens units for such phones that draw on Fujifilm's special technologies for molding plastic and glass lenses.

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

## Document Solutions

Consolidated revenue for this segment was ¥487.2 billion, up 1.2% from the same period in the previous year.

Regarding office product business, the Company continued to record strong domestic sales of the new DocuCentre Color series of intelligent multifunction machines launched in January 2004. Regarding monochrome digital multifunction machines, we launched two new lines, the DocuCentre 185/155, which are compact and reasonably priced models that still offer an expanded range of basic functions, and the DocuCentre f285/f235, which offer additional network functions and powerfully support revolutionary work styles. In the office printer business, the Company was able to greatly increase its sales volume of both full color and monochrome models, especially overseas. In particular, rising sales of high-image-quality color laser printers able to output 5 color pages or 25 monochrome pages per minute led to a year-on-year rise of approximately 60% in the unit volume of color printers exported to North America and Europe. In the production services business, an approximate doubling was recorded in the unit volume of exports to North America and Europe of digital color on-demand printing systems designed to meet printing needs such as those for small volume of diverse prints, shorter delivery times, and the creation of high-image-quality output at rapid speeds that have increased along with the expansion of the digital printing market. In Japan, we launched the leading-edge DocuColor iGen3 Digital Production Press and established an “epicenter,” a digital print innovation support center that employs a full array of high-image-quality, high-productivity digital outputting equipment. We are now able to provide clients with facilities that help them create highly profitable next-generation digital out-putting business models and supply customers with new kinds of added value, and are working to further expand the digital printing market. In the office services business, we augmented the scale of our domestic operations providing customers with document digitization services and document outsourcing that comprehensively resolve document flow problems.

## Restructuring Initiatives

As part of its structural reform measures, Fujifilm has moved forward with steps to reform its domestic marketing and distribution operations in the imaging solutions field. On October 1, 2004, the Company established FUJIFILM IMAGING Co., Ltd.; merged the subsidiaries Fujicolor Imaging Service Co., Ltd., and FUJIFILM AXIA Co., Ltd. and shifted the domestic photographic materials and equipment marketing operations of Fuji Photo Film Co., Ltd., and the domestic film camera marketing operations of FUJINON CORPORATION. As a result of these moves, Fujifilm has unified its domestic marketing operations for such products as photographic films, photographic printing papers, chemicals, and related equipment, digital cameras, film cameras, recording media, and batteries as well as its operations involving the provision of film development and photographic printing services. Fujifilm also reached agreement with four major photographic product distributors regarding the shift of domestic marketing operations for Fujifilm Group products to FUJIFILM Imaging on October 1. Besides unifying the Fujifilm Group’s domestic imaging solutions marketing operations, the integration of distributors’ marketing units within FUJIFILM Imaging is expected to enable the streamlining of the domestic distribution structure and facilitate the further strengthening of marketing and service systems.

Fuji Xerox Co., Ltd., a consolidated subsidiary responsible for the Company’s Document Solutions operations, is implementing a program of bold business optimization. As the principal means of improving its gross profit margin, Fuji Xerox is progressively shifting its copier and printer manufacturing operations to facilities in China. This shift is helping consolidate manufacturing bases and thereby lower processing costs and otherwise boost manufacturing efficiency, and it is also designed to promote the greater use of standardized components that can be utilized in multiple products, thereby greatly reducing procurement costs. Moreover, by rebuilding its information systems, Fuji Xerox is realizing greater efficiency in distribution, product development, administrative, and other operations. On April 1, 2004, Fuji Xerox shifted from an internal company system to a business division system while simultaneously effecting a large reduction in the number of organizational units within the corporation, thereby promoting the streamlining of its organizational structure and workforce. To increase its labor cost productivity, Fuji Xerox is resolutely proceeding with a comprehensive program of personnel cost reform measures involving the introduction of an early retirement system (including a system for supporting employees’ efforts to embark on new careers) and the reevaluation of the current pension and retirement systems.

Note: The name of Fuji Photo Optical Co.,Ltd.was changed to FUJINON CORPORATION on October 1, 2004.

Interim cash dividends per share have been set at ¥12.50.



## (2) Financial Position

Net cash provided by operating activities amounted to ¥125.3 billion, while net cash used in investing and financing activities totaled ¥143.4 billion and ¥42.6 billion, respectively. As a result, total cash and cash equivalents at the end of the period amounted to ¥404.6 billion, down ¥57.2 billion from the end of previous fiscal year.

	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	Six months ended September 30, 2004 From April 1, 2004 To September 30, 2004
Shareholders' equity ratio to total assets (%)	57.9	61.1
Market capitalization to ratio total assets (%)	56.2	62.0
Interest-bearing debt ratio to operating cash flow (years)	0.8	0.9
Interest coverage ratio (times)	60.0	60.3

Notes:

1. Market capitalization equals the stock price at the end of the year multiplied by the number of shares outstanding at the end of the year.
2. Interest-bearing debt includes bonds payable and short- and long- term borrowings.
3. The interest coverage ratio equals operating cash flow divided by interest paid

## (3) Outlook for the Full Fiscal Year and the Distribution of Profits

Predicting the future economic environment is difficult in light of such factors as a rise in raw materials costs stemming from the surge in oil prices, and Fujifilm is assuming that its operating environment will continue to be harsh. The Fujifilm Group is working concertedly to implement the strategies emphasized in the previously mentioned VISION75 medium-term business plan, thereby effecting important reforms and the creation of a stronger business structure able to overcome the challenges of competition in the 21st century. The Company forecasts that it will record consolidated revenue of ¥2,610.0 billion and net income of ¥82.5 billion, assuming an exchange rate of ¥108 to US\$1, and ¥130 to euro1 in the second half of the fiscal year.

Planned fiscal year-end cash dividends for the end of the period are ¥12.50, and ¥25.00.

#### 4. ENVIRONMENTAL POLICIES

Since its founding, Fujifilm has implemented diverse environmental policies in line with a corporate philosophy that designates environmental awareness and protection as fundamental elements of corporate business activities, giving particular emphasis to the themes of “environmental awareness in terms of maintaining harmony between people and nature” and “ensuring that chemicals are used in a safe manner.” Based on the Fujifilm Group “Green Policy,” a medium-term environmental policy established in April 2002, we are striving to maintain high levels of “environmental quality” in our products, services, and corporate activities.

All Fujifilm Group companies have adopted uniform standards for designing environment-friendly products. In addition, the Company has introduced a life cycle assessment (LCA) systems that involves the quantitative and objective assessment of environmental impact throughout the life cycles of products from the procurement of raw materials through final disposal. In April 2003, Fujifilm’s FinePix F410 became the first digital camera in Japan authorized to bear an EcoLeaf Environmental Label, which discloses quantitative environmental impact data. Since then, similar environmental labeling authorization has been obtained for such products as newly launched FinePix series products and the Night & Day model in the QuickSnap product line of one-time-use recyclable cameras as well as the Pivi digital mobile printer, which is scheduled for launch in November 2004.

Regarding environmental protection activities at manufacturing facilities, we are striving to help prevent global warming by reducing emissions of greenhouse gases and other problematic chemicals. Accordingly, the Fujinomiya factory shifted from use of heavy oil fuel to natural gas in February 2003, followed by the Ashigara and Odawara factories. We are proactively proceeding with diverse energy-saving measures and other steps aimed at reducing the environmental impact of manufacturing processes.

In addition, Fujifilm is proactively undertaking various communications activities related to its environmental policies and performance. In June 2004, the Company held an International Stakeholder Dialogue event to which numerous Japanese and foreign opinion leaders were invited. In September 2004, Fujifilm released the 2004 edition of its Sustainability Report, which describes the Company’s approach to CSR activities as well as its environmental protection performance in the previous fiscal year.

Fujifilm is committed to helping build a sustainable society by continually working in its product design, manufacturing, and marketing operations to increase “environmental quality” by proactively working to disclose information and organize multilateral communications activities.

#### **FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements. Where any such forward-looking statement includes a statement of the assumptions or bases underlying such forward-looking statement, Fujifilm cautions that assumed facts or bases almost always vary from the actual results, and differences between assumed facts or bases and actual results can be material, depending upon the circumstances. Where, in any forward-looking statement, Fujifilm or its management expresses an expectation or belief as to future results, there can be no guaranty or assurance that the statement of expectation or belief will result or be achieved or accomplished. The words “forecast,” “project,” “believe,” “expect,” “estimate,” “anticipate,” and similar expressions may identify forward-looking statements.

Taking into account the foregoing, the following are identified as important factors, risks or uncertainties that could cause the actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, Fujifilm: competitive factors, including without limitation, pricing, implementation of Fujifilm’s product strategies, and economic trends in important markets worldwide.

Fujifilm assumes no obligation to update its forward-looking statements or to advise of any changes in the assumptions and factors on which they are based.

## 5. CONSOLIDATED BALANCE SHEETS

Amount Unit: Millions of yen

	As of September 30, 2004		As of March 31, 2004		Change	As of September 30, 2003	
<b>ASSETS</b>	%		%			%	
Current assets:							
Cash and cash equivalents	404,565		461,764		(57,199)	445,971	
Marketable securities	73,038		33,906		39,132	38,037	
Notes and accounts receivable:							
Trade and finance	504,917		525,889		(20,972)	509,446	
Affiliated companies	29,142		24,417		4,725	23,883	
Allowance for doubtful receivables	(15,351)		(14,470)		(881)	(17,634)	
	518,708		535,836		(17,128)	515,695	
Inventories	376,187		348,309		27,878	354,958	
Deferred income taxes	84,653		82,276		2,377	80,954	
Prepaid expenses and other	28,647		28,557		90	30,035	
Total current assets	49.6	1,485,798	49.3	1,490,648	(4,850)	48.7	1,465,650
Investments and long-term receivables:							
Investments in and advances to affiliated companies	46,327		43,985		2,342	42,781	
Investment securities	245,736		261,022		(15,286)	260,726	
Long-term finance and other receivables	96,642		99,363		(2,721)	101,399	
Allowance for doubtful receivables	(6,888)		(7,677)		789	(7,167)	
Total investments and long-term receivables	12.7	381,817	13.1	396,693	(14,876)	13.2	397,739
Property, plant and equipment:							
Land	69,881		69,664		217	75,410	
Buildings	561,342		549,747		11,595	542,726	
Machinery and equipment	1,592,891		1,538,884		54,007	1,535,721	
Construction in progress	32,640		35,559		(2,919)	35,475	
	2,256,754		2,193,854		62,900	2,189,332	
Less accumulated depreciation	(1,533,433)		(1,488,705)		(44,728)	(1,483,687)	
Total property, plant and equipment	24.2	723,321	23.3	705,149	18,172	23.5	705,645
Other assets:							
Goodwill, net	215,572		214,649		923	214,170	
Other intangible assets, net	35,501		35,732		(231)	39,311	
Deferred income taxes	51,103		81,870		(30,767)	93,204	
Other	103,696		98,768		4,928	91,234	
Total other assets	13.5	405,872	14.3	431,019	(25,147)	14.6	437,919
Total assets	100.0	2,996,808	100.0	3,023,509	(26,701)	100.0	3,006,953

Amount Unit: Millions of yen

	As of September 30, 2004		As of March 31, 2004		Change	As of September 30, 2003	
<b>LIABILITIES</b>	%		%			%	
Current liabilities:							
Short-term debt	120,358		143,265		(22,907)	163,077	
Notes and accounts payable:							
Trade	275,622		287,691		(12,069)	259,923	
Construction	34,131		41,339		(7,208)	41,164	
Affiliated companies	12,164		11,649		515	9,288	
	321,917		340,679		(18,762)	310,375	
Accrued income taxes	33,486		42,626		(9,140)	39,550	
Accrued liabilities	189,730		172,426		17,304	167,685	
Other current liabilities	56,155		53,090		3,065	53,487	
Total current liabilities	24.1	721,646	24.9	752,086	(30,440)	24.4	734,174
Long-term liabilities:							
Long-term debt	114,748		116,823		(2,075)	128,143	
Accrued pension and severance costs	130,680		216,135		(85,455)	245,337	
Deferred income taxes	41,254		42,555		(1,301)	35,277	
Customers' guarantee deposits and other	42,148		42,303		(155)	42,723	
Total long-term liabilities	11.0	328,830	13.8	417,816	(88,986)	15.0	451,480
Minority interests in subsidiaries	3.8	114,984	3.4	103,725	11,259	3.9	117,651
<b>SHAREHOLDERS' EQUITY</b>							
Common stock, without par value:	40,363		40,363		0	40,363	
Authorized: 800,000,000 shares							
Issued: 514,625,728 shares							
Additional paid-in capital	68,135		68,135		0	68,135	
Retained earnings	1,768,979		1,722,692		46,287	1,687,912	
Accumulated other comprehensive income(loss)	(40,688)		(76,121)		35,433	(87,782)	
Treasury stock, at cost							
As of September 30, 2003 1,367,711 shares							
As of March 31, 2004 1,433,628 shares							
As of September 30, 2004 1,509,624 shares	(5,441)		(5,187)		(254)	(4,980)	
Total shareholders' equity	61.1	1,831,348	57.9	1,749,882	81,466	56.7	1,703,648
Total liabilities and shareholders' equity	100.0	2,996,808	100.0	3,023,509	(26,701)	100.0	3,006,953

Note: Details of Accumulated other comprehensive income(loss)

	As of September 30, 2004		As of March 31, 2004		Change	As of September 30, 2003	
Unrealized gains on securities	18,876		22,860		(3,984)	10,947	
Foreign currency translation adjustments	(19,274)		(38,127)		18,853	(24,134)	
Minimum pension liability adjustments	(40,254)		(60,701)		20,447	(74,274)	
Unrealized gains(losses) on derivatives	(36)		(153)		117	(321)	

## 6. CONSOLIDATED STATEMENTS OF INCOME

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	
					Amount	%		
	%		%				%	
Revenue:								
Sales	1,076,371		1,082,141		(5,770)	(0.5)	2,212,387	
Rentals	176,554		177,638		(1,084)	(0.6)	354,338	
	100.0	1,252,925	100.0	1,259,779	(6,854)	(0.5)	100.0	2,566,725
Cost of sales:								
Sales	667,749		660,652		7,097	1.1	1,364,537	
Rentals	71,478		70,296		1,182	1.7	139,306	
	59.0	739,227	58.1	730,948	8,279	1.1	58.6	1,503,843
Gross profit	41.0	513,698	41.9	528,831	(15,133)	(2.9)	41.4	1,062,882
Operating expenses:								
Selling, general and administrative	32.7	409,165	27.7	349,250	59,915	17.2	27.5	704,659
Research and development	6.8	86,360	6.8	85,866	494	0.6	6.7	173,323
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(6.6)	(83,129)	-	-	(83,129)	-	-	-
	32.9	412,396	34.5	435,116	(22,720)	(5.2)	34.2	877,982
Operating income	8.1	101,302	7.4	93,715	7,587	8.1	7.2	184,900
Other income (expenses):								
Interest and dividend income	2,765		2,384		381		4,246	
Interest expense	(2,080)		(3,108)		1,028		(5,459)	
Foreign exchange gains(losses), net	3,576		(3,555)		7,131		(4,835)	
Decline in value of investment securities	(33)		(288)		255		(466)	
Other, net	405		(8,085)		8,490		(13,438)	
	0.4	4,633	(1.0)	(12,652)	17,285	-	(0.8)	(19,952)
Income before income taxes	8.5	105,935	6.4	81,063	24,872	30.7	6.4	164,948
Income taxes	3.5	42,706	2.8	35,753	6,953	19.4	2.8	72,289
Income before minority interests and equity in net earnings of affiliated companies	5.0	63,229	3.6	45,310	17,919	39.5	3.6	92,659
Minority interests	(0.8)	(10,914)	(0.4)	(6,019)	(4,895)	(81.3)	(0.5)	(13,289)
Equity in net earnings of affiliated companies	0.0	391	0.1	1,821	(1,430)	(78.5)	0.1	2,947
Net income	4.2	52,706	3.3	41,112	11,594	28.2	3.2	82,317

## 7. CONSOLIDATED STATEMENTS OF CASH FLOWS

Amount Unit: Millions of yen

	Six months ended Sept. 30, 2004 From April 1, 2004 To Sept. 30, 2004	Six months ended Sept. 30, 2003 From April 1, 2003 To Sept. 30, 2003	Year ended March 31, 2004 From April 1, 2003 To March 31, 2004
<b>Operating activities</b>			
Net income	52,706	41,112	82,317
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	85,142	83,582	172,622
Decline in value of investment securities	33	288	466
Deferred income taxes	13,585	(953)	1,632
Minority interests	10,914	6,019	13,289
Equity in net earnings of affiliated companies, less dividend received	1,645	348	(667)
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(83,129)	-	-
Changes in operating assets and liabilities:			
Notes and accounts receivable	28,652	(2,036)	(20,519)
Inventories	(15,677)	(2,039)	174
Notes and accounts payable - trade	(16,708)	(9,538)	19,719
Accrued income taxes and other liabilities	48,607	30,444	40,481
Other	(448)	12,358	17,844
Subtotal	72,616	118,473	245,041
Net cash provided by operating activities	125,322	159,585	327,358
<b>Investing activities</b>			
Purchases of property, plant and equipment	(78,368)	(76,022)	(160,070)
Purchases of software	(12,550)	(16,487)	(37,367)
Proceeds from sales and maturities of marketable and investment securities	12,811	15,393	46,672
Purchases of marketable and investment securities	(44,145)	(3,539)	(16,634)
(Increase) decrease in investments in and advances to affiliated companies	(2,698)	(1,674)	1,702
Acquisitions of businesses and minority interests, net of cash acquired	(7,676)	(5,087)	(21,901)
Other	(10,815)	(8,284)	(19,588)
Net cash used in investing activities	(143,441)	(95,700)	(207,186)
<b>Financing activities</b>			
Proceeds from long-term debt	1,876	5,316	6,604
Repayments of long-term debt	(7,854)	(14,242)	(25,787)
Decrease in short-term debt	(26,673)	(7,711)	(27,615)
Cash dividends paid	(6,416)	(6,417)	(12,833)
Cash dividends paid to minority shareholders	(3,228)	(2,053)	(3,550)
Purchases of stock for treasury, net	(258)	(119)	(335)
Net cash used in financing activities	(42,553)	(25,226)	(63,516)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	3,473	(2,818)	(5,022)
<b>Net (decrease) increase in cash and cash equivalents</b>	(57,199)	35,841	51,634
<b>Cash and cash equivalents at beginning of period</b>	461,764	410,130	410,130
<b>Cash and cash equivalents at end of period</b>	404,565	445,971	461,764

## 8. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Year ended March 31, 2004 and Six months ended September 30, 2004

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
<b>Balance at March 31, 2003</b>	40,363	68,135	1,653,221	(76,243)	(4,865)	1,680,611
Comprehensive income:						
Net income	-	-	82,317	-	-	82,317
Net increase in unrealized gains on securities	-	-	-	21,028	-	21,028
Foreign currency translation adjustments	-	-	-	(34,379)	-	(34,379)
Minimum pension liability adjustments	-	-	-	13,573	-	13,573
Change in net unrealized gains(losses) on derivatives	-	-	-	(100)	-	(100)
Net comprehensive income						82,439
Purchases of stock for treasury	-	-	-	-	(521)	(521)
Sales of stock from treasury	-	-	(13)	-	199	186
Cash dividends applicable to earnings of the year	-	-	(12,833)	-	-	(12,833)
<b>Balance at March 31, 2004</b>	40,363	68,135	1,722,692	(76,121)	(5,187)	1,749,882
Comprehensive income:						
Net income	-	-	52,706	-	-	52,706
Net decrease in unrealized gains on securities	-	-	-	(3,984)	-	(3,984)
Foreign currency translation adjustments	-	-	-	18,853	-	18,853
Minimum pension liability adjustments	-	-	-	20,447	-	20,447
Change in net unrealized gains(losses) on derivatives	-	-	-	117	-	117
Net comprehensive income						88,139
Purchases of stock for treasury	-	-	-	-	(307)	(307)
Sales of stock from treasury	-	-	(4)	-	53	49
Cash dividends applicable to earnings of the period	-	-	(6,415)	-	-	(6,415)
<b>Balance at September 30, 2004</b>	40,363	68,135	1,768,979	(40,688)	(5,441)	1,831,348

Six months ended September 30, 2003

Amount Unit: Millions of yen

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	Total shareholders' equity
<b>Balance at March 31, 2003</b>	40,363	68,135	1,653,221	(76,243)	(4,865)	1,680,611
Comprehensive income:						
Net income	-	-	41,112	-	-	41,112
Net increase in unrealized gains on securities	-	-	-	9,115	-	9,115
Foreign currency translation adjustments	-	-	-	(20,386)	-	(20,386)
Change in net unrealized gains(losses) on derivatives	-	-	-	(268)	-	(268)
Net comprehensive income						29,573
Purchases of stock for treasury	-	-	-	-	(242)	(242)
Sales of stock from treasury	-	-	(4)	-	127	123
Cash dividends applicable to earnings of the period	-	-	(6,417)	-	-	(6,417)
<b>Balance at September 30, 2003</b>	40,363	68,135	1,687,912	87,782	(4,980)	1,703,648

## 9. DETAILS OF CONSOLIDATED REVENUE

### (1) Revenue by product

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions	31.1%	390,098	31.9%	401,724	(11,626)	(2.9)
Information Solutions	30.0%	375,639	29.9%	376,648	(1,009)	(0.3)
Document Solutions	38.9%	487,188	38.2%	481,407	5,781	1.2
Consolidated total	100.0%	1,252,925	100.0%	1,259,779	(6,854)	(0.5)

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

Imaging Solutions	Color film, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and consumables for graphic arts, medical imaging, and information systems, flat panel display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables and office services

### (2) Domestic and overseas revenue

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Revenue:						
Domestic	50.9%	637,561	51.7%	651,050	(13,489)	(2.1)
Overseas						
The Americas	21.1%	264,926	22.1%	278,050	(13,124)	(4.7)
Europe	14.2%	177,532	14.6%	183,844	(6,312)	(3.4)
Asia and others	13.8%	172,906	11.6%	146,835	26,071	17.8
Subtotal	49.1%	615,364	48.3%	608,729	6,635	1.1
Consolidated total	100.0%	1,252,925	100.0%	1,259,779	(6,854)	(0.5)



## 10. SEGMENT INFORMATION

### (1) Operating segments

#### Revenue and Operating Income

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions:						
External customers	31.1%	390,098	31.9%	401,724	(11,626)	(2.9)
Intersegment		111		449	(338)	-
Total		390,209		402,173	(11,964)	(3.0)
Information Solutions:						
External customers	30.0%	375,639	29.9%	376,648	(1,009)	△ 0.3
Intersegment		2,412		2,252	160	-
Total		378,051		378,900	(849)	△ 0.2
Document Solutions:						
External customers	38.9%	487,188	38.2%	481,407	5,781	1.2
Intersegment		6,897		6,159	738	-
Total		494,085		487,566	6,519	1.3
Eliminations		(9,420)		(8,860)	(560)	-
Consolidated total	100.0%	1,252,925	100.0%	1,259,779	(6,854)	△ 0.5

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Operating Income:						
Imaging Solutions	1.1%	4,274	7.6%	30,438	(26,164)	(86.0)
Information Solutions	9.7%	36,764	9.0%	34,266	2,498	7.3
Document Solutions	12.2%	60,442	5.9%	28,947	31,495	108.8
Total		101,480		93,651	7,829	8.4
Eliminations		(178)		64	(242)	-
Consolidated total	8.1%	101,302	7.4%	93,715	7,587	8.1

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

Imaging Solutions	Color film, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and consumables for graphic arts, medical imaging, and information systems, flat panel display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables and office services

## (2) Geographic information

### Revenue and Operating Income

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Revenue:						
Japan						
External customers	63.2%	792,063	62.5%	786,943	5,120	0.7
Intersegment		173,501		157,742	15,759	-
Total		965,564		944,685	20,879	2.2
The Americas						
External customers	17.9%	224,231	19.3%	242,925	(18,694)	(7.7)
Intersegment		5,496		2,636	2,860	-
Total		229,727		245,561	(15,834)	(6.4)
Europe						
External customers	11.0%	138,166	11.5%	144,790	(6,624)	(4.6)
Intersegment		5,886		6,382	(496)	-
Total		144,052		151,172	(7,120)	(4.7)
Asia and others						
External customers	7.9%	98,465	6.7%	85,121	13,344	15.7
Intersegment		51,546		37,813	13,733	-
Total		150,011		122,934	27,077	22.0
Eliminations		(236,429)		(204,573)	(31,856)	-
Consolidated total	100.0%	1,252,925	100.0%	1,259,779	(6,854)	(0.5)

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Operating Income:						
Japan	8.1%	78,489	7.2%	67,673	10,816	16.0
The Americas	3.0%	6,793	4.0%	9,818	(3,025)	(30.8)
Europe	6.5%	9,418	6.2%	9,414	4	0.0
Asia and others	5.2%	7,774	8.0%	9,801	(2,027)	(20.7)
Eliminations		(1,172)		(2,991)	1,819	-
Consolidated total	8.1%	101,302	7.4%	93,715	7,587	8.1

## 11. MARKETABLE AND INVESTMENT SECURITIES

### Fair Value on Marketable Securities

Amount Unit: Millions of yen

	As of September 30, 2004				As of September 30, 2003			
	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value	Cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Marketable securities:								
Corporate debt securities	67,768	290	19	68,039	38,138	57	158	38,037
Government debt securities	4,999	-	0	4,999	-	-	-	-
Total marketable securities	72,767	290	19	73,038	38,138	57	158	38,037
Investment securities:								
Government debt securities	12,734	35	1	12,768	2,717	20	0	2,737
Corporate debt securities	91,027	612	167	91,472	151,161	798	1,159	150,800
Equity securities	71,281	35,745	1,273	105,753	44,488	29,468	432	73,524
Total investment securities	175,042	36,392	1,441	209,993	198,366	30,286	1,591	227,061
Total	247,809	36,682	1,460	283,031	236,504	30,343	1,749	265,098

Note: This statement is prepared in accordance with accounting principles generally accepted in the United States of America. All debt and equity securities held by Fuji Photo Film Co., Ltd. and subsidiaries are classified as available-for-sale securities.

## &lt;Reference&gt;

## CONSOLIDATED STATEMENTS OF INCOME (The Second Quarter)

Amount Unit: Millions of yen

	Three months ended September 30, 2004 From July 1, 2004 To Sept. 30, 2004		Three months ended September 30, 2003 From July 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Revenue:						
Sales		555,108		562,005	(6,897)	(1.2)
Rentals		86,046		87,795	(1,749)	(2.0)
	100.0	641,154	100.0	649,800	(8,646)	(1.3)
Cost of sales:						
Sales		349,357		345,961	3,396	1.0
Rentals		35,514		35,294	220	0.6
	60.0	384,871	58.7	381,255	3,616	0.9
Gross profit	40.0	256,283	41.3	268,545	(12,262)	(4.6)
Operating expenses:						
Selling, general and administrative	36.3	232,805	27.3	177,350	55,455	31.3
Research and development	7.1	45,221	7.0	45,593	(372)	(0.8)
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(13.0)	(83,129)	-	-	(83,129)	-
	30.4	194,897	34.3	222,943	(28,046)	(12.6)
Operating income	9.6	61,386	7.0	45,602	15,784	34.6
Other income (expenses):						
Interest and dividend income		1,243		591	652	
Interest expense		(1,089)		(1,432)	343	
Foreign exchange gains(losses),net		3,069		(5,939)	9,008	
Decline in value of investment securities		(33)		(82)	49	
Other, net		37		(5,361)	5,398	
	0.5	3,227	(1.9)	(12,223)	15,450	-
Income before income taxes	10.1	64,613	5.1	33,379	31,234	93.6
Income taxes	4.2	26,797	2.1	13,958	12,839	92.0
Income before minority interests and equity in net earnings of affiliated companies	5.9	37,816	3.0	19,421	18,395	94.7
Minority interests	(1.2)	(7,830)	(0.5)	(2,761)	(5,069)	(183.6)
Equity in net earnings of affiliated companies	0.2	1,178	0.2	1,123	55	4.9
Net income	4.9	31,164	2.7	17,783	13,381	75.2

## &lt;Reference&gt;

**CONSOLIDATED STATEMENTS OF CASH FLOWS (The Second Quarter)**

Amount Unit: Millions of yen

	Three months ended Sept. 30, 2004 From July 1, 2004 To Sept. 30, 2004	Three months ended Sept. 30, 2003 From July 1, 2003 To Sept. 30, 2003
<b>Operating activities</b>		
Net income	31,164	17,783
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	44,185	41,046
Decline in value of investment securities	33	82
Minority interests	7,830	2,761
Equity in net earnings of affiliated companies, less dividends received	715	(65)
Subsidy related to transfer of substitutional portion of employee pension fund liabilities	(83,129)	-
Changes in operating assets and liabilities:		
Notes and accounts receivable	(3,968)	(25,067)
Inventories	(13,481)	8,183
Notes and accounts payable - trade	10,767	712
Accrued income taxes and other liabilities	35,835	1,006
Other	13,601	8,432
Subtotal	12,388	37,090
Net cash provided by operating activities	43,552	54,873
<b>Investing activities</b>		
Purchases of property, plant and equipment	(39,414)	(37,045)
Purchases of software	(7,315)	(10,706)
Proceeds from sales and maturities of marketable and investment securities	11,491	3,551
Purchases of marketable and investment securities	(18,340)	(3,427)
(Increase) decrease in investments in and advances to affiliated companies	(2,589)	1,203
Acquisitions of businesses and minority interest, net of cash acquired	(2,200)	(13,321)
Other	(5,549)	(1,083)
Net cash used in investing activities	(63,916)	(60,828)
<b>Financing activities</b>		
Proceeds from long-term debt	17	3,252
Repayments of long-term debt	(3,613)	(5,850)
Decrease in short-term debt	(20,420)	(11,667)
Cash dividends paid to minority shareholders	(286)	(336)
Purchases of stock for treasury, net	(140)	(55)
Net cash used in financing activities	(24,442)	(14,656)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	2,964	(3,740)
<b>Net decrease in cash and cash equivalents</b>	(41,842)	(24,351)
<b>Cash and cash equivalents at beginning of period</b>	446,407	470,322
<b>Cash and cash equivalents at end of period</b>	404,565	445,971

<Reference>

**DETAILS OF CONSOLIDATED REVENUE (The Second Quarter)**

**(1) Revenue by product**

Amount Unit: Millions of yen

	Three months ended September 30, 2004 From July 1, 2004 To Sept. 30, 2004		Three months ended September 30, 2003 From July 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Revenue:						
Imaging Solutions	30.3%	194,403	32.1%	208,394	(13,991)	(6.7)
Information Solutions	30.5%	195,727	29.9%	194,120	1,607	0.8
Document Solutions	39.2%	251,024	38.0%	247,286	3,738	1.5
Consolidated total	100.0%	641,154	100.0%	649,800	(8,646)	(1.3)

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

Imaging Solutions	Color film, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing
Information Solutions	Equipment and consumables for graphic arts, medical imaging, and information systems, flat panel display materials and recording media
Document Solutions	Office copiers/MFPs, printers, production systems and services, paper, consumables and office services

**(2) Domestic and overseas revenue**

Amount Unit: Millions of yen

	Three months ended September 30, 2004 From July 1, 2004 To Sept. 30, 2004		Three months ended September 30, 2003 From July 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Revenue:						
Domestic	51.2%	328,429	51.6%	335,345	(6,916)	(2.1)
Overseas						
The Americas	20.5%	131,687	21.5%	139,689	(8,002)	(5.7)
Europe	14.2%	90,634	14.7%	95,452	(4,818)	(5.0)
Asia and others	14.1%	90,404	12.2%	79,314	11,090	14.0
Subtotal	48.8%	312,725	48.4%	314,455	(1,730)	(0.6)
Consolidated total	100.0%	641,154	100.0%	649,800	(8,646)	(1.3)

## Financial Results (Non-Consolidated) for Six months ended September 30, 2004

Date of Board Meeting for Six months ended September 30, 2004: October 29, 2004

Payment date of Interim cash dividends: December 3, 2004

The Company has a policy of paying interim dividends.

Trading unit of the Company consists of 100 shares on the Tokyo Stock Exchange.

### 1. Results of Six months ended September 30, 2004 (From April 1, 2004 to September 30, 2004)

#### (1) OPERATING RESULTS

Amount Unit: Millions of yen unless otherwise specified

	Net Sales		Operating Income		Ordinary Income	
		%		%		%
Six months ended Sept. 30, 2004	395,528	5.1	25,729	(31.7)	37,865	(6.3)
Six months ended Sept. 30, 2003	376,339	(3.5)	37,692	(2.9)	40,404	(2.6)
Year ended March 31, 2004	771,234		75,138		79,848	

	Net Income		Net Income Per Share of Common Stock
		%	Yen
Six months ended Sept. 30, 2004	24,190	(7.4)	47.13
Six months ended Sept. 30, 2003	26,117	12.6	50.88
Year ended March 31, 2004	54,219		105.40

Notes 1. Average number of shares:

Six months ended Sept. 30, 2004: 513,226,393      Six months ended Sept. 30, 2003: 513,349,966      Year ended March 31, 2004: 513,325,553

2. Change in Accounting Policies: Applicable

3. Percent: Change against corresponding period of the previous year on Net Sales, Operating Income, Ordinary Income, Net Income.

#### (2) CASH DIVIDENDS

	Interim Cash Dividends per Share of Common Stock	Total Cash Dividends per Share of Common Stock
	Yen	Yen
Six months ended Sept. 30, 2004	12.50	-
Six months ended Sept. 30, 2003	12.50	-
Year ended March 31, 2004	-	25.00

#### (3) FINANCIAL POSITION

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to Total Assets	Shareholders' Equity Per Share of Common Stock
			%	Yen
As of Sept. 30, 2004	1,759,540	1,526,541	86.8	2,974.62
As of Sept. 30, 2003	1,691,769	1,484,338	87.7	2,891.58
As of March 31, 2004	1,740,065	1,513,980	87.0	2,949.48

Notes 1. Number of shares outstanding:

As of Sept. 30, 2004: 513,189,309      As of Sept. 30, 2003: 513,331,222      As of March 31, 2004: 513,265,305

2. Number of treasury stocks:

As of Sept. 30, 2004: 1,436,419      As of Sept. 30, 2003: 1,294,506      As of March 31, 2004: 1,360,423

### 2. Forecast for the Fiscal Year ending March 31, 2005 (From April 1, 2004 to March 31, 2005)

	Net Sales	Operating Income	Ordinary Income	Net Income	Cash Dividends per Share of Common Stock for the year	
					Year end	Yen
For Year ending March 31, 2005	780,000	55,000	75,000	50,000	Yen 12.50	Yen 25.00

(Reference) Expected Net Income per Share of Common Stock for Year ending March 31, 2005: ¥97.21

Note: These forecast are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in the forward-looking statements.

**1. BALANCE SHEETS (Non-Consolidated)**

Amount Unit: Millions of yen

	As of September 30, 2004		As of March 31, 2004		Change	As of September 30, 2003	
<b>ASSETS</b>	%		%			%	
Current assets							
Cash on hand and in banks		229,840		297,602	(67,762)		282,387
Trade notes receivable		8,005		8,171	(165)		10,392
Trade accounts receivable		176,433		140,955	35,477		125,089
Other accounts receivable		11,804		14,828	(3,024)		13,236
Short-term loans receivable		28,595		24,557	4,038		13,572
Marketable securities		72,968		33,874	39,093		38,005
	30.0	527,647	29.9	519,991	7,656	28.5	482,683
Finished goods		32,044		35,389	(3,344)		35,311
Semi-finished goods, Work in process		27,834		28,643	(809)		28,558
Raw materials		14,152		12,486	1,665		11,750
Supplies		5,923		5,892	31		7,215
	4.5	79,954	4.7	82,412	(2,457)	4.9	82,835
Deferred income taxes		17,015		15,182	1,833		13,663
Other current assets		862		2,380	(1,517)		2,211
Allowance for doubtful receivables		(240)		(250)	10		-
Total current assets	35.5	625,240	35.6	619,715	5,524	34.4	581,394
Fixed assets							
Property, plant and equipment							
Buildings		88,504		89,276	(772)		83,580
Structures		8,002		8,110	(108)		7,634
Machinery and equipment		122,568		119,924	2,644		115,754
Vehicles, furniture and fixtures		27,596		26,457	1,138		25,631
Land		21,833		20,387	1,446		20,750
Construction in progress		15,963		12,788	3,174		19,247
Subtotal	16.2	284,468	15.9	276,946	7,522	16.1	272,599
Intangible assets							
Software		31,434		31,064	369		29,846
Rights of utilization		2,562		2,360	202		2,277
Subtotal	1.9	33,997	1.9	33,424	572	1.9	32,124
Investments and other assets							
Investment securities		209,045		224,104	(15,058)		224,359
Investments in subsidiaries		577,019		569,614	7,404		566,654
Long-term loans receivable		22,134		8,844	13,290		8,196
Long-term prepaid expenses		5,718		5,647	71		4,832
Other investments		2,085		2,018	67		2,108
Allowance for doubtful receivables		(170)		(250)	80		(500)
Subtotal	46.4	815,834	46.6	809,979	5,854	47.6	805,650
Total fixed assets	64.5	1,134,300	64.4	1,120,350	13,949	65.6	1,110,374
Total assets	100.0	1,759,540	100.0	1,740,065	19,474	100.0	1,691,769



Amount Unit: Millions of yen

	As of September 30, 2004		As of March 31, 2004		Change	As of September 30, 2003	
<b>LIABILITIES</b>	%		%			%	
Current liabilities							
Trade notes payable		13,074		24,780	(11,706)		27,406
Trade accounts payable		75,980		58,292	17,688		54,913
Short-term debt		6,560		-	6,560		-
Other accounts payable		26,343		22,630	3,713		23,940
Accrued income taxes		7,766		15,658	(7,891)		10,884
Accrued expenses		58,779		52,879	5,900		47,416
Other current liabilities		5,054		4,459	594		4,887
Total current liabilities	11.0	193,559	10.3	178,700	14,858	10.0	169,449
Long-term liabilities							
Customers' guarantee deposits		14,760		17,787	(3,026)		17,060
Deferred income taxes		18,091		21,107	(3,016)		11,175
Accrued pension and severance costs		6,029		8,093	(2,063)		9,383
Directors' retirement benefit		558		395	162		360
Total long-term liabilities	2.2	39,439	2.7	47,384	(7,944)	2.3	37,980
Total liabilities	13.2	232,999	13.0	226,085	6,914	12.3	207,430
<b>SHAREHOLDERS' EQUITY</b>							
Common stock	2.3	40,363	2.3	40,363	0	2.4	40,363
Capital surplus							
Additional paid-in capital	3.4	58,980	3.4	58,980	0	3.5	58,980
Retained earnings							
Legal reserve	0.6	10,090	0.6	10,090	0	0.6	10,090
Reserve for dividends		280		280	0		280
Reserve for retirement allowance		280		280	0		280
Reserve for R&D		285		285	0		285
Reserve for overseas investment loss		-		13	(13)		13
Reserve for accelerated depreciation		2,123		497	1,626		497
Reserve for deferred capital gain for reinvestment in property		3,720		770	2,949		770
General reserve		1,357,305		1,320,305	37,000		1,320,305
Total voluntary reserve	77.5	1,363,993	76.0	1,322,431	41,562	78.2	1,322,431
Unappropriated retained earnings	2.3	40,142	3.7	64,048	(23,906)	2.5	42,372
Total retained earnings	80.4	1,414,226	80.3	1,396,571	17,655	81.3	1,374,894
Unrealized gains on securities	1.0	18,375	1.3	23,216	(4,841)	0.9	15,043
Treasury stocks		(5,404)		(5,150)	(253)		(4,943)
Total shareholders' equity	86.8	1,526,541	87.0	1,513,980	12,560	87.7	1,484,338
Total liabilities and shareholders' equity	100.0	1,759,540	100.0	1,740,065	19,474	100.0	1,691,769

## 2. STATEMENTS OF INCOME (Non-Consolidated)

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change		Year ended March 31, 2004 From April 1, 2003 To March 31, 2004	
					Amount	%		
Operating revenues	%		%				%	
Net sales	100.0	395,528	100.0	376,339	19,189	5.1	100.0	771,234
Operating expenses								
Cost of sales	66.5	262,851	63.4	238,476	24,375	10.2	64.1	494,569
Selling, general and administrative expenses	16.8	66,515	16.6	62,514	4,000	6.4	16.3	124,887
Research and development expenses	10.2	40,432	10.0	37,656	2,776	7.4	9.9	76,638
Total operating expenses	93.5	369,799	90.0	338,647	31,152	9.2	90.3	696,095
Operating income	6.5	25,729	10.0	37,692	(11,962)	(31.7)	9.7	75,138
Other income								
Interest income		1,179		973	205	21.2		2,030
Dividend income		10,363		5,189	5,173	99.7		9,311
Miscellaneous income		2,606		768	1,838	239.4		1,221
Total other income	3.6	14,149	1.8	6,931	7,218	104.1	1.7	12,563
Other expenses								
Interest expenses		144		154	(9)	(6.0)		301
Bank charges for export drafts discounted		232		223	8	3.8		442
Miscellaneous expenses		1,636		3,840	(2,204)	(57.4)		7,109
Total other expenses	0.5	2,013	1.1	4,218	(2,205)	(52.3)	1.0	7,853
Ordinary income	9.6	37,865	10.7	40,404	(2,539)	(6.3)	10.4	79,848
Extraordinary income								
Gain on disposal of fixed assets		-		-	-	-	0.8	6,364
Extraordinary losses								
Losses on disposal of fixed assets		2,590		2,314	276	11.9		5,080
Restructuring charges		3,825		-	3,825	-		-
Total extraordinary losses	1.6	6,415	0.6	2,314	4,101	177.2	0.7	5,080
Net income before income taxes	8.0	31,449	10.1	38,090	(6,640)	(17.4)	10.5	81,131
Current income taxes	2.2	8,800	3.1	11,600	(2,800)	(24.1)	3.1	23,800
Deferred income taxes		(1,540)		372	(1,913)			3,111
Net income	6.1	24,190	6.9	26,117	(1,927)	(7.4)	7.0	54,219
Retained earnings brought forward		15,956		16,259	(302)			16,259
Interim dividends paid		-		-	-			6,416
Losses from treasury stock transactions		4		4	0			13
Unappropriated retained earnings		40,142		42,372	(2,230)			64,048

### 3. DETAILS OF NET SALES (Non-Consolidated)

#### (1) Net sales by product

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Net sales:						
Imaging Solutions	51.4%	203,453	51.6%	194,033	9,420	4.9
Information Solutions	48.6%	192,075	48.4%	182,306	9,768	5.4
Total	100.0%	395,528	100.0%	376,339	19,189	5.1

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

Imaging Solutions	Color film, digital cameras, photofinishing equipment and color paper, chemicals for photofinishing
Information Solutions	Equipment and consumables for graphic arts, medical imaging, and information systems, flat panel display materials and recording media

#### (2) Domestic and export sales

Amount Unit: Millions of yen

	Six months ended September 30, 2004 From April 1, 2004 To Sept. 30, 2004		Six months ended September 30, 2003 From April 1, 2003 To Sept. 30, 2003		Change	
					Amount	%
Net sales:						
Domestic	47.1%	186,380	49.3%	185,560	819	0.4
Export	52.9%	209,148	50.7%	190,779	18,369	9.6
Total	100.0%	395,528	100.0%	376,339	19,189	5.1

## NOTES

### NOTES TO THE BALANCE SHEETS

Amount Unit: Millions of yen

	As of September 30, 2004	As of March 31, 2004	Change	As of September 30, 2003
Accumulated depreciation of tangible fixed assets	729,367	726,769	2,598	724,347
Contingent liabilities for guarantees	30,252	43,534	(13,281)	58,083
Amount of export drafts discounted	8,801	9,337	(535)	8,113
Number of treasury stocks	1,436,419 shares	1,360,423 shares	75,996 shares	1,294,506 shares

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (1) Securities

Investments in subsidiaries and affiliated companies are stated at cost determined by the moving average method.

Other securities that have fair values are stated at fair value, with unrealized gains and losses excluded from earnings and included in a separate component of shareholders' equity on a net-of-tax basis. Realized gains and losses on sales of securities are based on the moving average cost of the securities sold.

Other securities that do not have fair values are stated at cost determined by the moving average method.

#### (2) Inventories

Finished goods, semi-finished goods, work in process, supplemental materials and supplies are stated at the lower of moving average cost or market. Silver nitrate included in semi-finished goods and work in process, and principal raw materials are stated at the lower of cost or market determined by the last-in, first-out method.

#### (3) Depreciation and amortization

Depreciation of property, plant and equipment is computed by the declining-balance method except that depreciation of buildings acquired on and after April 1, 1998 is computed by the straight-line method.

Intangible assets are amortized by the straight-line method.

#### (4) Reserves

##### *Allowance for doubtful receivables*

The allowance for doubtful receivables is provided at the amount of estimated uncollectible accounts, based on individual collectibility with respect to identified doubtful receivables and past experience of doubtful receivables.

##### *Pension and severance benefits*

Pension and severance costs for employees are accrued based on an estimate of the pension obligation and the plan assets at the end of the year.

The allowance for officers' retirement benefits is provided on the basis of the Company's internal regulations for officers' retirement benefits at the amount which would be required to be paid if all officers retired at the balance sheet date.

##### *Directors' retirement benefits*

The allowance for directors' retirement benefits is provided on the basis of the Company's internal regulations for directors' retirement benefits at the amount that would be required to be paid if all directors retired at the balance sheet date. This allowance is established under Article 43 of the Commercial Code of Japan.

#### (5) Accounting for consumption tax

Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.

### Change in Accounting Policies

Effective April 1, 2004, the Company changed its method for the amortization of intangible assets, except for software, to the straight-line method. Until the year ended March 31, 2004, the amortization of software was calculated by the straight-line method and that of other intangible assets was calculated by the declining-balance method with no residual value. This change was made to achieve a more accurate presentation of operating results of the Company in consideration of the fact that the benefits from investment in intangible assets are considered to be realized evenly over the assets' useful lives. The effect of this change was immaterial.