

FUJIFILM Holdings Corporation

# INTEGRATED REPORT 2024

**FUJIFILM**  
Value from Innovation







Fujifilm Group's Purpose

# Giving our world more smiles

We bring diverse ideas, unique capabilities,  
and extraordinary people together to change the world.

**FUJIFILM**  
Value from Innovation



# The Fujifilm Group's Commitment

## Fujifilm Group's Purpose

# Giving our world more smiles

We bring diverse ideas, unique capabilities, and extraordinary people together to change the world.

## Corporate Slogan

# Value from Innovation

## How We Act

### Charter for Corporate Behavior

Based on the following six principles, the Fujifilm Group respects human rights and maintains compliance with, as well as respects, the spirit of all laws and international rules in its global business activities. Beyond this, we will take proactive action toward the realization of a sustainable society through innovation, while taking into account the impact of our activities.

- |                                    |   |
|------------------------------------|---|
| <b>1. A Trusted Company</b>        | <b>4. Global Environmental Conservation</b> |
| <b>2. Social Responsibility</b>    | <b>5. Vibrant Workplaces</b>                |
| <b>3. Respect for Human Rights</b> | <b>6. Management of Various Crises</b>      |

### Code of Conduct

In all aspects of our corporate activities, we emphasize compliance and endeavor to create new value. If compliance requirements conflict with business profits or the demands of third parties, we give priority to compliance. An open, fair and clear corporate culture is the basis for all our activities.

- **Respect for Human Rights**
- **Fair Corporate Activities**
- **Protection/Preservation of Corporate Assets and Information**
- **Measures Related to Environmental Issues**

## How We Will Fulfill Our Commitment

### Long-Term CSR Plan

## Sustainable Value Plan 2030 (SVP2030)

With fiscal 2030 as its long-term goal, this plan lays the foundations of the Fujifilm Group's business management strategies for sustainable growth. In this plan, we have set targets in the four priority areas of the environment, health, daily life and work style, as well as in the supply chain and governance, the basis of our business activities. These targets serve as guideposts toward our goal of contributing to the realization of a sustainable society through the dual standpoints of resolving social issues through our business activities and considering the environment and society in our business processes.

### Medium-Term Management Plan

## VISION2030

In April 2024, the Fujifilm Group formulated a specific action plan to accelerate the growth of business mainly in Healthcare and Electronics, aiming to achieve the goals set forth in the Sustainable Value Plan 2030.

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### About the Front Cover of the Integrated Report

The Fujifilm Group's Purpose, "Giving our world more smiles," which was newly formulated to mark the 90th anniversary of the foundation of the Fujifilm Group, is a vision of the future that we want to create through all of our businesses. The cover was designed based on the theme of the smiles of our Group employees, who are the driving force behind the creation of a sustainable future.





# Editorial Policy/Reporting Universe

## Editorial Policy

This Integrated Report contains information on the Fujifilm Group's corporate activities, including financial and non-financial information that is of particular importance to shareholders and other investors such as stories of value creation centered on innovation. Its basic concept is to communicate and share the Fujifilm Group's future vision with stakeholders. Together with the Sustainability Report, this Integrated Report introduces the Fujifilm Group's efforts to achieve sustainable growth.

## Period of Coverage

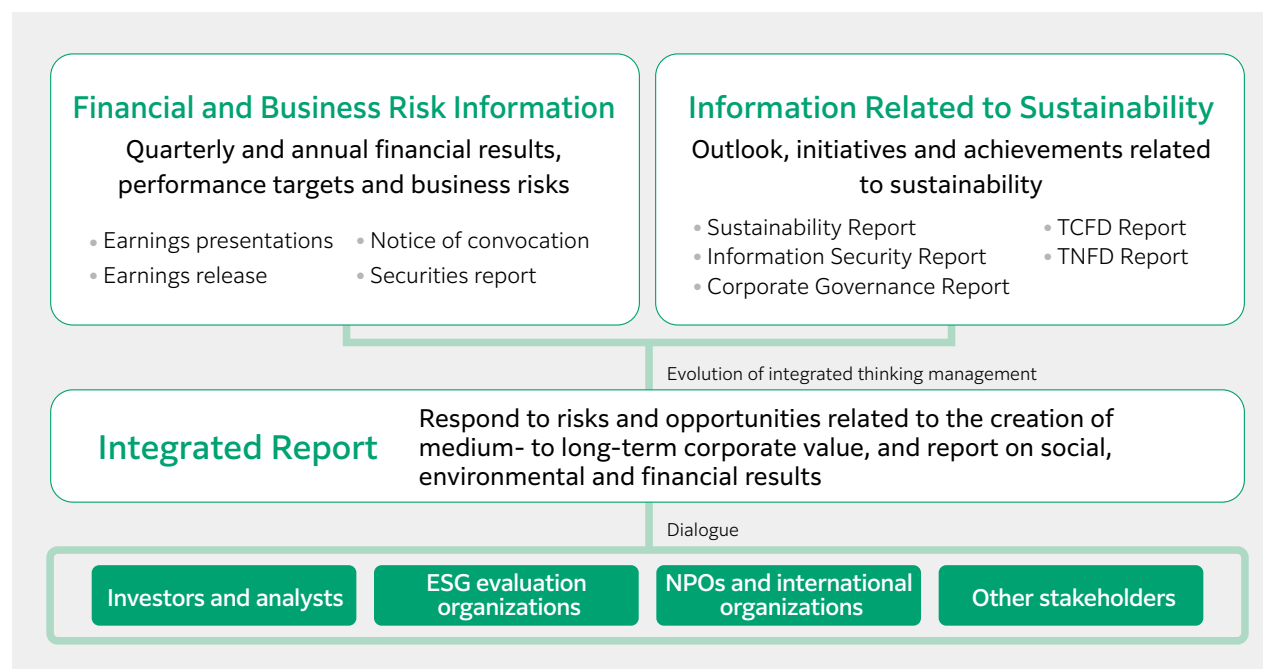
The financial and non-financial data are aggregated from fiscal 2023 (April 2023 to March 2024). Some activity details on or after April 2024 are included.

## Referenced Standards and Guidelines

IFRS Foundation "International Integrated Reporting Framework" / GRI "Sustainability Reporting Standards" / SASB "Sustainability Accounting Standards" / METI "Value Creation Guidance 2.0" / Ministry of the Environment "Environmental Reporting Guidelines" (2018 Edition)



## Reporting Universe



### FUJIFILM Holdings Corporation Corporate Site

► <https://holdings.fujifilm.com/en>



### Investor Relations

► <https://ir.fujifilm.com/en/investors.html>



### Sustainability Report

► <https://holdings.fujifilm.com/en/sustainability/report>

# The Fujifilm Group's Future Vision

The Fujifilm Group announced its long-term CSR plan, "Sustainable Value Plan 2030 (SVP2030)," in August 2017. It is our long-term target through fiscal 2030 and a plan that forms the foundation of management for the Fujifilm Group's sustainable development. Under SVP2030, we aim to become a company that further contributes to the realization of a sustainable society by promoting the priority measures of the medium-term management plan "VISION2030" announced in April 2024.

## Realize a Sustainable Society

### Value from Innovation

Deploy innovation to resolve global environmental and social issues

Positively impact society through our business activities

Respond appropriately to society's expectations through communication with stakeholders

The Long-Term CSR plan SVP2030

#### VISION2019

Strengthen our business portfolio and build a foundation for the next leap forward

Revenue:	<b>¥2,315.1 billion</b>
Operating income:	<b>¥186.6 billion</b>
GHG emission reduction* (compared with FY2013):	<b>25%</b>

#### VISION2023

Accelerate growth in Healthcare and Advanced Materials and build a business foundation for sustainable growth

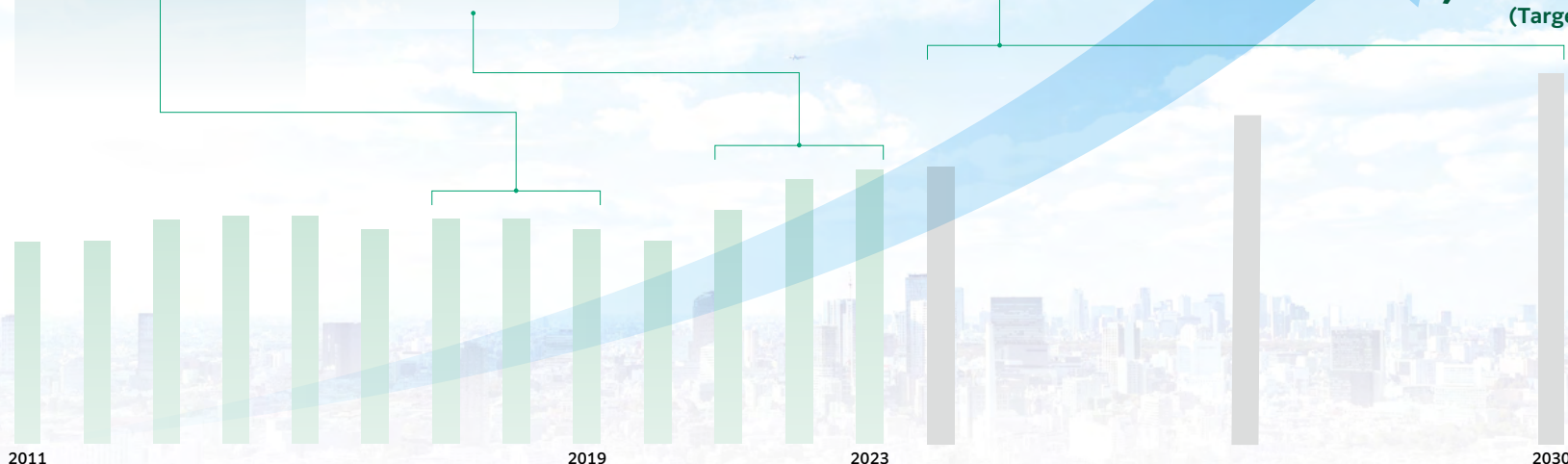
Revenue:	<b>¥2,960.9 billion</b>
Operating income:	<b>¥276.7 billion</b>
ROE	<b>8.2%</b>
ROIC	<b>5.6%</b>
GHG emission reduction* (compared with FY2019):	<b>15%</b>

#### VISION2030

As a collection of global top-tier businesses, we will change the world step-by-step and create value (more smiles) for various stakeholders

Revenue:	<b>¥4,000.0 billion</b>
Operating income:	<b>15% or more</b>
GHG emission reduction* (compared with FY2019):	<b>50%</b>
ROE	<b>10% or more</b>
ROIC	<b>9% or more</b>

Revenue:  
**¥4,000.0 billion**  
(Target)



\* GHG emission reduction figures apply to energy used by the Company (Scope 1 + 2).



# 01

Chapter

## Management's Message

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Under our Group Purpose, we  
will harness the aspirations of all  
employees as a driving force to bring  
more smiles to society.

**Teiichi Goto**

President, Representative Director  
& Chief Executive Officer  
FUJIFILM Holdings Corporation



CEO MESSAGE



## Formulation of the Fujifilm Group's New Global Purpose

## Our raison d'être is to resolve social issues through our business and thus bring smiles to people's faces.

The Fujifilm Group celebrated its 90th anniversary on January 20, 2024. Since its founding as Fuji Photo Film in 1934, the Company has expanded its photography business, pursued global growth and transformed its business structure while evolving into a company committed to addressing social challenges. Over the past 90 years, we brought photographic film production to Japan and consistently upheld our ambition to promote and advance photographic culture. It has been a history of challenges and efforts, during which we have overcome various difficulties and continued to explore new possibilities with passion.

Our business domains have also expanded. The Group now consists of more than 270 companies, with approximately 73,000 employees actively working across the globe. We have employees with varying talents from different countries and cultures who continue working for us with pride. To inspire and unify them in shaping the future of the Fujifilm Group, we recognized the need for one core idea as the foundation that defines a shared direction for all our businesses to strive toward. With this in mind, we formulated our new Group Purpose—"Giving our world more smiles"—to mark our 90th anniversary.

In developing this Purpose, our executives, including myself, along with employees from both domestic and overseas operations of the Group, engaged in discussions for more than a year. Through these discussions, we realized that the Purpose—Giving our world more smiles—was already a concept deeply embedded in the history, culture and hearts of the people in the Group. Accordingly, the Purpose felt both refreshingly new and yet very familiar at the same time to me.

Looking back, the reason I decided to join Fujifilm almost 40 years ago was because I believed that, through my work at the Company, I could help "bring happiness to people around the world." Photographs capture moments of emotion and happiness, and my motivation when I first joined the Company was the belief that encouraging more people to take photos would help spread happiness around the world. Reflecting on this, the word "smiles" in our Purpose stirred a sense of excitement within me. The more I reflect on it, the more I see the deep connections between the Fujifilm Group's business and its Purpose.

Our Purpose embodies our belief that "smiles" exist beyond corporate contributions to society and solutions to social issues, and that these "smiles" are the raison d'être of the Fujifilm Group. In our Bio CDMO business, for example, we adopted the vision, "Partners for Life." Driven by the aspirations of our employees, this vision enables us to deliver biopharmaceuticals, produced on behalf of pharmaceutical companies, to the patients who need them. By ensuring the stable supply of cutting-edge biopharmaceuticals, we help address critical social issues and, as a result, increase the number of people's "smiles." "Smiles" represent the future vision we aim to create through all of the Fujifilm Group's businesses.

To share the Purpose, which we announced on January 20, 2024, with our employees and embody it through our business activities, I visited nine domestic sites and eight countries overseas by the end of August. During these visits, I held town hall meetings and panel discussions. Through my dialogue with employees, I could sense that each individual was connecting the Purpose to their own aspirations, thinking, "This is what I want to achieve." In addition to myself, other executives are engaging in communications with employees about the Purpose at both domestic and overseas locations. We are also arranging creative dialogue sessions at various sites

to foster discussions on the front lines. Through these activities, I sense that the Purpose is gradually taking root, and that employees of the Fujifilm Group are giving it extra energy.

This panel discussion, held in Germany, was attended by around 100 employees in the audience and about 1,000 online.



## Review of VISION2023

## Best-ever performance with contributions from each and every employee

Fiscal 2023 was the final year of VISION2023, our medium-term management plan. During the period of the plan, the Fujifilm Group made growth investments of around ¥1.24 trillion, primarily focused on the growth areas of Healthcare and Advanced Materials (now Electronics). In fiscal 2023, we posted consolidated revenue of ¥2,960.9 billion and operating income of ¥276.7 billion—both record-high figures—thus laying a solid foundation for our next phase of growth. This was the result of our ability to achieve sustained growth, even amid rapidly changing external conditions, following the transformation of our business portfolio.

Looking back from the perspective of our business portfolio, we were able to build a solid business foundation for the future by making aggressive growth investments in the Healthcare and Electronic Materials (now Semiconductor Materials) segments. We also put our Imaging segment on a growth trajectory to significantly expand earnings. Regarding M&As, we acquired the



diagnostic imaging business of Hitachi, Ltd. in 2021 and the semiconductor process chemical business of U.S.-based Entegris, Inc. in 2023. By combining the strengths of these acquisitions with our own technologies and assets, we are working to further enhance Group synergies. Looking back, the announcement of my appointment as President in March 2021 coincided with the announcement of the successful acquisition of Hitachi's diagnostic imaging business. I still vividly remember my renewed determination to be proactive in creating new value and becoming a force for good in society.

On the other hand, we were unable to achieve our targets for capital efficiency indicators, such as CCC, ROIC and ROE, which we set to strengthen our ability to generate cash. We recognize this as a challenge going forward. The main factors were additional large-scale capital investments we made in growth areas, particularly in Bio CDMO, as well as the impact of COVID-19, during which we prioritized the stable supply of products and built up inventories as a result. Going forward, we will work to enhance our resilience to flexibly and swiftly address market conditions and other external factors while improving the profitability of each business.

### Aspirations of VISION2030

#### Become a global top-tier business group by prioritizing profitability and capital efficiency

In response to the challenges identified during the period of VISION2023, the Fujifilm Group announced a new medium-term management plan, VISION2030, in April 2024. VISION2030 is an action plan designed to achieve the goals of our long-term CSR plan, Sustainable Value Plan 2030, which sets targets for fiscal 2030. By practicing management that prioritizes profitability and capital efficiency, we aim to further enhance the corporate value of the Fujifilm Group. Our goal is to evolve into a global top-tier business group that brings value ("more smiles") to our various stakeholders. To achieve this, we will continue planting the seeds of growth, nurturing them to fruition and harvesting the results while pursuing both economic and social value. Through this cycle, we aim to evolve into a more profitable company. To further strengthen our earnings power, we have designated the three-year period from fiscal 2024 to 2026 (April 2024 to March 2027) as a critical phase during which each business division will implement specific initiatives and strategies.

#### Strengthen our business portfolio through investments in "New/Future Potential" and "Growth Driver" businesses and structural reorganization

To continue creating value for our various stakeholders, we will further strengthen our business portfolio. In June 2024, we integrated three businesses of the Electronics segment—Display Materials, Industrial Products and Fine Chemicals—into a new entity called the Advanced Functional Materials Division. At the same time, we merged

our Display Materials Research Laboratories and Highly Functional Materials Research Laboratories to establish the Advanced Functional Materials Development Center. Through this structural reorganization, we will leverage the diverse products, business models, customer bases and talent of the three businesses to maximize the profitability of the Electronics segment and accelerate the creation of new businesses.

We will also continue making proactive investments in potential high-growth areas, such as Bio CDMO and Semiconductor Materials. In April 2024, we announced a large-scale investment of approximately ¥180 billion to expand the facilities at our Bio CDMO site currently under construction in North Carolina, U.S.

When considering such large investments, we must make serious decisions made with an eye to future profitability. If we determine that we are not the best owner of a particular business, our policy is to sell that business based on objective assessments. For example, we decided to sell Japan Tissue Engineering, which provides regenerative medicine products, and the radiopharmaceutical business, as well as the business related to electronic medical records and medical-receipt systems that was part of the diagnostic imaging business acquired from Hitachi, Ltd.

#### Leveraging the Group's integrated strengths to drive further business growth in Business Innovation

As part of the business portfolio restructuring, we integrated the Graphic Communications business into the Business Innovation segment. Through this restructuring, the Business Innovation segment will leverage the Group's integrated strengths to drive further business growth. These strengths include our solid global customer base in



printing plate materials and our streamlined production system achieved through the consolidation of production lines, as well as the increased value we provide to customers by combining our xerography and inkjet technologies.

A new starting point for growth was drupa 2024, the world's largest printing and media industry trade show, held in Düsseldorf, Germany. It served as a big stage for us to show the world that we offer the largest and most comprehensive product lineup, ranging from analog and digital printing solutions to supporting customers in their digital transformation (DX) efforts.

During my visit to the event, I confirmed that new business opportunities are emerging in such areas as digital printing, packaging and signage and that the Graphic Communications business has ample room for growth. In fact, our participation in the event produced significant outcomes as we made numerous business deals thanks to the market's high assessment of the Group's integrated capabilities and strong environmental performance. In addition, we received a series of inquiries from dealers eager to handle our products. We will continue leading the transformation of the international printing industry, delivering value to many customers.



Our booth at drupa 2024 was our largest ever.

## Improve capital efficiency and ensure solid investment returns

### Focus on R&D management

Currently, we are in an investment phase, focusing on Bio CDMO and other growth businesses, and we are expanding capital investment accordingly. However, looking ahead, we recognize that improving capital efficiency and strengthening shareholder returns are key priorities. First, as outlined in VISION2030, we are committed to generating positive free cash flow by fiscal 2026. By becoming free cash flow positive, we will acquire greater management flexibility, and a wider range of options for shareholder returns, including share buybacks, will become available in fiscal 2027 and thereafter. We will also reap the benefits of our growth investments while improving profitability and capital efficiency.

Meanwhile, transforming our approach to R&D management is also essential to improving profitability. Accordingly, we will strengthen R&D in areas peripheral to our core businesses while carefully selecting themes for basic research and turning them into viable business opportunities.



Small meeting with sell-side analysts

Since the announcement of VISION2030, we have actively organized large meetings, small meetings and one-on-one discussions with investors to ensure they fully understand the direction we are aiming for as a company. To more clearly communicate our efforts to achieve VISION2030 and our value creation path, we will continue enhancing disclosures and enriching our dialogue with stakeholders.

## Sustainability Approach and Group Purpose

### Demonstrating our ongoing commitment to trust, embraced since our founding, from a sustainability perspective

Clean water and air are essential to manufacturing photographic film, the Fujifilm Group's founding business. Due to the nature of photographic film, which cannot be tested before use, customers essentially purchase "trust" in the product. As a result, we have kept a deeply embedded commitment to environmental protection, stakeholder trust and communication with local communities, as well as a strong approach to sustainability, since our founding. We will continue challenging ourselves to become a company that creates positive change in society and helps realize a sustainable future.

### Addressing environmental issues is a prerequisite for participating in global business

With the belief that addressing environmental issues is a prerequisite for participating in global business, the Fujifilm Group considers environmental protection to be one of its most pressing issues. We achieved our target of

reducing greenhouse gas emissions in fiscal 2023 by 11% compared with fiscal 2019.

To celebrate our 90th anniversary, moreover, we decided to donate a total of ¥1 billion to the Fujifilm Green Fund (FGF), a public charitable trust dedicated to environmental protection. We established the FGF in 1984 to mark our 50th anniversary. It was the first public trust created by a private company in Japan with a focus on nature conservation. Through the FGF, we have supported activities and research that contribute to biodiversity protection, such as planting forests for the future, over the past 40 years, so establishing the FGF has proven to be a valuable decision. Our mission is to continue this work for the long term. In September 2023, meanwhile, the Group expressed its support for the framework proposed by the Taskforce on Nature-related Financial Disclosures (TNFD), and in June 2024 we were registered as an official TNFD Adopter. TNFD is a global initiative that provides guidelines for companies to assess and report on nature-related risks and opportunities in their businesses.

In May 2024, we opened the Circular Manufacturing Center at FUJIFILM Manufacturing Europe B.V. in the Netherlands. At the new facility, we launched an initiative to collect used toner cartridges from multifunction devices sold in Europe and recycle them into new toner cartridges. As a key part of our effort to create a circular economy\*, this initiative leverages the resource recycling system technologies and manufacturing expertise that the Business Innovation segment has been building since the 1990s.

\* Circular economy: An economic model aimed at minimizing resource input and consumption while maximizing the use of existing stock to create added value.

► Please also watch the video introducing the recycling process at the Circular Manufacturing Center.



## NURA health screening centers: Creating social impact on a global scale

As part of our focus on health as a material issue, we are committed to improving healthcare access in emerging countries. To this end, we are expanding our health screening service business through NURA health screening centers aimed at the early detection of cancer and lifestyle-related diseases. NURA centers provide a health screening service using the Fujifilm Group's state-of-the-art medical equipment and diagnostic imaging AI technology to assist doctors in their diagnoses. This allows doctors to complete the entire examination in around 120 minutes and explain the results to the patient on the spot.

We opened the first center in Bengaluru, India, in 2021, and we now have four centers in India, two in Mongolia and one in Vietnam, serving more than 50,000 individuals as of August 2024. Among those screened, approximately 5% were found to have potential signs of myocardial infarction, and around 1% showed signs of possible cancer.

To spread the culture of health screenings, which is common in Japan, to various countries, we opened a second NURA center in Mongolia on August 1, 2024, in partnership with the Tavan Bogd Group, a Mongolian conglomerate. I also attended the opening ceremony and was honored to receive



the "Nairamdal (Friendship) Medal" from President Ukhnaagiin Khürelsükh of Mongolia in recognition of our contribution to improving the quality of healthcare in Mongolia, including the provision

At the Mongolian Parliament building, together with Mr. Gombojav Zandanshatar (right), the Mongolian President's Chief of Staff

of high-quality health screening services. We at the Fujifilm Group are pleased to have contributed to the health of so many people. In the NURA business, we aim to expand to 100 locations globally, primarily in emerging countries, by fiscal 2030, with the goal of helping people maintain and improve their health more effectively.

## Promoting management-linked DX to transform our business model

Seeking to incorporate DX into its business operations, the Fujifilm Group adopted a key management strategy to flexibly and rapidly utilize the latest digital technologies, such as generative AI, to transform its business models. We are accelerating DX initiatives across various business divisions, including Medical Systems and Semiconductor Materials, with the goal of having more products and services become foundations that support a sustainable society by fiscal 2030. In addition to enhancing the added value of our products and services and innovating business processes through DX, we are actively investing in talent development to ensure that individual employees can leverage digital technologies to improve their productivity. In recognition of these efforts, we were selected as one of the Noteworthy DX Companies 2024 by Japan's Ministry of Economy, Trade and Industry.

## DE&I: Foundation that supports the growth of the Fujifilm Group

The growth of the Fujifilm Group is driven by the aspirations of each and every employee. With approximately 73,000 employees around the world, it is important that we create an environment where they can appreciate each other's



diversity and demonstrate their strengths. To this end, in October 2023 we established the DE&I Promotion Committee, with myself as the chairperson, and formulated a DE&I vision under the theme of “Appreciating diverse stories.” We believe that respecting each employee’s individuality, values and experiences, while empowering everyone to live their life story to the fullest, will help us realize our Group Purpose. As part of this effort, we launched a self-development assistance program called +STORY, which encourages each employee to view change as an opportunity for growth and continuously take on new challenges. The program provides support for employee development from multiple angles.

We believe that the Fujifilm Group’s growth coincides with the smiles of its employees and their families. Based on this belief, we have been hosting Family Days at various locations. To celebrate our 90th anniversary, we also organized exclusive events for employees and their families, including a private party at Tokyo Disneyland, to foster stronger communications.

For the company to grow, it is also important for employees to be healthy both physically and mentally. With this in mind, in 2019 we established the Fujifilm Group Health Management Declaration and have been actively investing in the health and well-being of our employees. In April 2022, we opened the Fujifilm Group Health Insurance Association’s FUJIFILM Mediterrace Yokohama, a health screening center for Fujifilm Group employees. The center uses state-of-the-art medical equipment and AI-based

At a Family Day event at the Tokyo Midtown Head Office, Goto presented a picture-story show and answered questions from the children of employees.



**We will continue taking on the challenge of transforming our business ahead of changes in social needs and values in our quest to be a company that delivers value to society at all times.**



medical IT systems offered by our Medical Systems business to provide high-quality health screening and physical examinations for our employees. In fiscal 2023, we expanded the center’s capacity and established a Group policy focusing on endoscopic examinations for stomach cancer screenings. These efforts are aimed at improving employees’ health and raising awareness about the importance of their well-being. As a result of these efforts, FUJIFILM Holdings was selected as a Health and Productivity Stock for the fourth consecutive year.

run jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. This was in recognition of our efforts to promote corporate and social sustainability through our business while enhancing our ability to generate growth capital and increase corporate value. We also attribute it to the Group’s business transformation trajectory and actions targeting sustainable growth. We will continue taking on the challenge of transforming our business ahead of changes in social needs and values in our quest to be a company that delivers value to society at all times.

To achieve this, I will spearhead efforts to identify and realize the aspirations of each employee. By harnessing diverse ideas and a collective passion to see things through, I will transform this into a powerful force that drives the entire Group forward.

In the process, I believe that we will provide benefits to many stakeholders, giving our world more smiles, and create a sustainable future.

#### Concluding Message to Our Stakeholders

**Ongoing pursuit of challenges to “Giving our world more smiles”**

FUJIFILM Holdings was selected for inclusion in SX (Sustainability Transformation) Brands 2024 in a program

# Realizing Our Group Purpose, “Giving Our World More Smiles” —From Spreading Awareness To Practical Application

Our Group Purpose, “Giving our world more smiles,” is one core idea as the foundation for all employees worldwide that defines a shared direction for building the future together. However, merely deploying and instilling the Purpose internally and externally is not enough. Our aim is for individual employees to deepen their understanding of and empathy for the Purpose, connect it with their own aspirations and translate it into action.

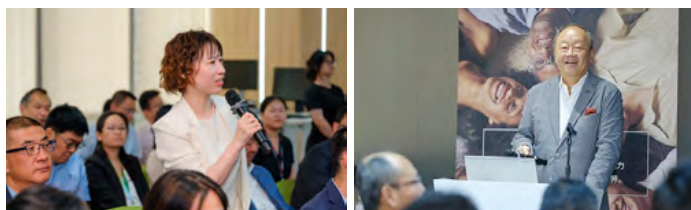
## Promoting the Group-Wide Adoption of the Purpose

Since announcing its Purpose on January 20, 2024, the Fujifilm Group has been promoting its adoption through both top-down and bottom-up approaches.

For example, our CEO and other members of the management team have been conducting town hall meetings and panel discussions at various Group companies and business locations, both in Japan and overseas. In these sessions, the management team directly explains to employees the vision and intent behind the Purpose, while also engaging in discussions with them to exchange ideas on how to achieve it. In addition, we hold briefings, dialogues and group workshops to share thoughts and issues regarding the Purpose among employees. These are led by Group companies, offices and departments.

Based on the belief that the Fujifilm Group's growth goes hand in hand with the “smiles” of its employees and their families, we hold “Family Days” at multiple locations to provide opportunities for employees' families to visit their workplaces. We also promote understanding of the Purpose by using “Purpose picture-story shows” and other storytelling tools to introduce the Fujifilm Group's vision in a friendly format.

### ● Town hall meetings and panel discussions with top management



We visited the Guangzhou branch of FUJIFILM (China) Investment and held dialogues with more than 200 employees.

Panel discussion with employees of FUJIFILM (Thailand) and FUJIFILM Business Innovation (Thailand)



### ● Dialogue sessions and group workshops hosted by various Group companies, business locations and departments



Town hall meeting at the Singapore office of FUJIFILM Electronic Materials Process Chemicals, which was established when Entegris Inc.'s semiconductor process chemicals business joined the Fujifilm Group.



Employees from different business locations exchange ideas to realize our Purpose (FUJIFILM Business Innovation).

### ● Information-sharing sessions led by executives and department heads who oversee various businesses and organizations

Discussion and exchange of ideas on symbolic actions to give our world more smiles based on each person's aspirations



### ● “Family Day” events for employees' families



Explanation of the Fujifilm Group's future vision using a “Purpose picture-story show” (right)



## Continuous Information Dissemination through In-House Media

To coincide with the establishment of our Group Purpose, we launched an employee-focused Purpose magazine, titled "Our Purpose." The inaugural issue, released in January 2024, introduced the background of the Purpose development project and shared messages from management and employees about achieving the Purpose. We will continue publishing the magazine on a regular basis.

Through our employee intranet, meanwhile, we provide updates on Purpose-related events under the title "Purpose Today." We also feature a series that highlights the aspirations and efforts of employees working to realize the Purpose, and we publish articles covering roundtable discussions between executives and employees.



Our Purpose magazine



Purpose-related articles distributed on the intranet (examples)

## Renewal of Company-Wide Award System Centered on our Purpose

Regarding FUJIFILM AWARD, which annually recognize activities that have delivered significant outcomes within the Fujifilm Group, we updated the criteria to coincide with the establishment of our Purpose. From 2024, the awards will honor activities that embody the vision of the Purpose and demonstrate outstanding achievements. As part of the update, we changed the name from "Value from Innovation Awards" to "FUJIFILM AWARD."



Award ceremony held in July 2024



Trophies and certificates were presented to the award recipients by top management during the ceremony

## Employees' voices on realizing the Purpose



### Kozue Ito

IT Solution Division, Medical Systems Division  
FUJIFILM Corporation

I am involved in product planning for medical devices that utilize AI technology and IT. Around the world, there are large differences in the level of medical technology depending on the country, region and medical institution. I believe that providing medical devices that narrow this gap, even a little bit, can help us deliver high-quality healthcare consistently around the world. This will ultimately give more smiles to healthcare professionals and patients alike. I focus on sharing positive feedback from healthcare professionals about our product concepts with the development team and clearly conveying the product features to the sales team. By doing so, I hope that all stakeholders will work together to provide useful products effectively and quickly, and thus give our world more smiles.



### Pedro Costa

Sales Representative, Imaging Solutions  
FUJIFILM PORTUGAL, S.A.

I am responsible for the sales promotion of instant photo systems, such as instax. To make the world a better place, we first need to reduce social inequalities, and I believe the Fujifilm Group can make a significant contribution to reducing such inequalities. With the establishment of our Purpose, "Giving our world more smiles," this belief has grown even stronger. Imaging products, such as instax, provide many people equally with precious memories and moments in the form of photographs. Through these products, I aim to spread happiness to people around the world and help give them more smiles.



## CFO Message

Under our new medium-term management plan, "VISION2030," we will strive to maximize corporate value through capital cost-conscious management and effective investment in the future.



**Masayuki Higuchi**

Director and Corporate Vice President  
Chief Financial Officer & General Manager of Corporate Planning Division  
FUJIFILM Holdings Corporation

### Q How do you evaluate your performance in fiscal 2023, the final year of the previous medium-term management plan "VISION2023"?

In fiscal 2023, revenue increased 3.6% year on year to ¥2,960.9 billion, thanks to solid performance in the Healthcare segment, which benefited from strong results in the Medical Systems business and the Bio CDMO business, and the Imaging segment, as well as the impact of the yen's depreciation. Operating income rose 1.3% to ¥276.7 billion, due to increased profits in the Imaging segment and foreign exchange factors, and net income attributable to FUJIFILM Holdings increased 11.0% to ¥243.5 billion, mainly due to increased operating income and a gain on valuation of

investment securities. We reached our initial VISION2023 targets for revenue and operating income in fiscal 2022, one year ahead of schedule. In fiscal 2023, the final year, we surpassed those results, posting record-high figures for revenue, operating income, and net income attributable to FUJIFILM Holdings. We believe this is proof that the Group is on a solid growth trajectory. We have made particularly good progress in building business foundations for the Healthcare segment and Electronic Materials (now Semiconductor Materials) segment and have put the Imaging segment on an elevated growth trajectory, which is a major achievement.

On the other hand, we still have a number of challenges to address moving forward. A particularly important issue is improving capital efficiency across all business segments. We

### ●Targets and results for VISION2023

(Billions of yen)		FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Actual	vs. Original Plan	FY2023 Original Plan (As of April 15, 2021)
Profitability	Revenue	2,192.5 100%	2,525.8 100%	2,859.0 100%	<b>Record High</b> 2,960.9 100%	9.7%	2,700.0 100%
	Operating income	165.5 7.5%	229.7 9.1%	273.1 9.6%	<b>Record High</b> 276.7 9.3%	6.4% -0.3pt	260.0 9.6%
	Income before income taxes	235.9 10.8%	260.4 10.3%	282.2 9.9%	<b>Record High</b> 317.3 10.7%	58.6%	200.0 7.4%
	Net income attributable to FUJIFILM Holdings	181.2 8.3%	211.2 8.4%	219.4 7.7%	<b>Record High</b> 243.5 8.2%	21.8%	200.0 7.4%
	EPS (after stock split adjustment)	¥151.09	¥175.78	¥182.40	¥202.29	+¥35.53	¥166.76
Capital efficiency	ROE	8.7%	9.0%	8.3%	8.2%	-0.2pt	8.4%
	ROIC	4.3%	5.6%	6.1%	5.6%	-0.5pt	6.1%
	CCC	123 days	122 days	125 days	116 days	+13 days	103 days
Financial soundness	Shareholders' equity ratio	62.1%	63.3%	66.8%	66.3%	-	-
	D/E ratio	0.23	0.18	0.14	0.16	-	-
Exchange (Average)	USD	¥106	¥113	¥136	¥145	-¥41	¥104
	EUR	¥124	¥131	¥141	¥157	-¥33	¥124

also failed to meet our targets for capital efficiency indicators. In fiscal 2023, we posted return on equity (ROE) of 8.2%, falling short of our 8.4% target, and return on invested capital (ROIC) of 5.6%, missing our 6.1% target. This was due to large-scale capital investments we made in the Bio CDMO business and increased inventories of raw materials and components across multiple segments in response to supply chain disruptions caused by COVID-19.

We recognize that generating solid returns on large investments in growth areas, such as Bio CDMO and Semiconductor Materials, as well as enhancing resilience to structural changes in the market and society and further improving the profitability of each business, are important themes for the Group to address in its pursuit of sustainable growth.

### Q Fiscal 2024 marks the start of a new medium-term management plan, VISION2030. What is the reason for setting fiscal 2030 as the final year of the plan?

In August 2017, we announced our long-term CSR plan, Sustainable Value Plan 2030 (SVP2030). SVP2030 is a long-term plan with fiscal 2030 as the final year. It is designed to lay the foundations of the Group's business management strategies for sustainable growth.

When formulating VISION2030, announced in April 2024, we set fiscal 2030 as the final year to coincide with SVP2030. We believed we needed to provide a clear pathway to fiscal 2030, so we set VISION2030 on a seven-year scope with fiscal 2030 as the final year.

VISION2030 is an action plan that outlines specific growth

strategies to enhance our earning power. Our ultimate goal is to achieve the Group Purpose we announced in January 2024 of "Giving the world more smiles." VISION2030 is designed to help us continuously generate the profits that will fund our effort to realize our Group Purpose.

To realize our Group Purpose, we must focus on three initiatives: (1) Make new product and R&D investments and capital expenditures that lead to sustainable business growth; (2) Engage in ESG-related initiatives, such as procurement activities from a sustainability perspective with consideration for the environment and human rights; and (3) Invest in human resource development, workplace improvement, wage increases and other areas that foster high employee engagement. To sustain these initiatives, it is crucial to enhance the earning power of each business and evolve into a profitable company. The core concept of VISION2030 is to reinvest the cash generated into the three aforementioned initiatives to create a perpetual cycle of growth and thus evolve into a globally recognized excellent company.

Our aspiration for 2030 is as follows: "By practicing management that prioritizes profitability and capital efficiency, we aim to further enhance the corporate value of the Fujifilm Group. Our goal is to evolve into a global top-tier business group that brings value ('more smiles') to our various stakeholders." To achieve this, we will focus on four key areas: "Invest in growth and emphasize profitability," "Improve capital efficiency," "Practice R&D management" and "Generate steady investment returns" (see page 40).

With respect to generating steady investment returns, we expect our Bio CDMO business to become free cash flow positive in fiscal 2027 as we phase out new capital investments, mainly in Denmark and North Carolina, and use new tanks to start up operations. The resulting Company-wide increase in free cash flow will provide greater managerial flexibility, allowing for enhanced shareholder returns, including share buybacks. From a capital efficiency perspective, this is also expected to lead to improvements in ROIC. As a global top-tier business group, we have set a goal to fully leverage the results of our past efforts while demonstrating a long-term

### ●Targets for VISION2030

(Billions of yen)		FY2023 Actual	FY2024 Forecast (As of August 7, 2024)	Change from FY2023	FY2026 Target VISION2030	CAGR (FY2023→FY2026)	FY2030 Direction
Profitability	Revenue	2,960.9 100%	3,150.0 100%	189.1 +6.4%	3,450.0 100%	+5.2%	¥4 trillion
	Operating income	276.7 9.3%	315.0 10.0%	38.3 +13.8%	360.0 10.4%	+9.2%	OPM 15% or more
	Income before income taxes	317.3 10.7%	330.0 10.5%	12.7 +4.0%	360.0 10.4%	+4.3%	
	Net income attributable to FUJIFILM Holdings	243.5 8.2%	250.0 7.9%	6.5 +2.7%	270.0 7.8%	+3.5%	
	EPS (after stock split adjustment)	¥202.29	¥207.63	+¥5.34	¥224.24		
Capital efficiency	ROE	8.2%	7.8%	-0.4pt	8.1%		10% or more
	ROIC	5.6%	5.4%	-0.2pt	5.8%		9% or more
	CCC	116 days	115 days	-1 day	112 days		—
Financial soundness	Shareholders' equity ratio	66.3%	61.9%	-4.4pt	64.1%		—
	D/E ratio	0.16	0.28	0.12	0.24		—
Shareholder Returns	DPS (after stock split adjustment)	¥50	¥60	¥10	Dividend Payout Ratio approx. 30%		—
Exchange (Average)	USD	¥145	¥148	-¥3	¥140		—
	EUR	¥157	¥162	-¥5	¥150		—

scenario beyond our ongoing growth investments. This is crucial to meeting the expectations of our stakeholders, including shareholders and other investors.

Our consolidated financial targets for fiscal 2024 are as follows: Revenue of ¥3,150 billion (up 6.4% year on year) and operating income of ¥315 billion, up 13.8%, both of which will be record-high figures. Over the next three years, we will focus on profitability, with the aim of achieving an operating margin of 10% or higher by fiscal 2026. We will also actively invest in high-growth areas, such as Bio CDMO and Semiconductor Materials, accelerating returns on these investments from fiscal 2027 onward. By fiscal 2030, our goals are to reach revenue of ¥4 trillion, an operating margin of 15% or higher, ROIC of 9% or higher, and an ROE of 10% or higher.

### Q In your new business portfolio, you have newly defined Graphic Communications and Pharmaceuticals as “Value Reconstruction” businesses. What is the reason for this?

In our business portfolio, we must acknowledge that both the Graphic Communications and Pharmaceuticals businesses are currently not contributing significantly to profitability. However,

we believe that by realigning our business strategies and implementing key initiatives, we can transition these businesses into “Earnings Base” ones. In VISION2030, therefore, we have identified these businesses as “Value Reconstruction” businesses and made a clear commitment to the capital markets that we will enhance their performance.

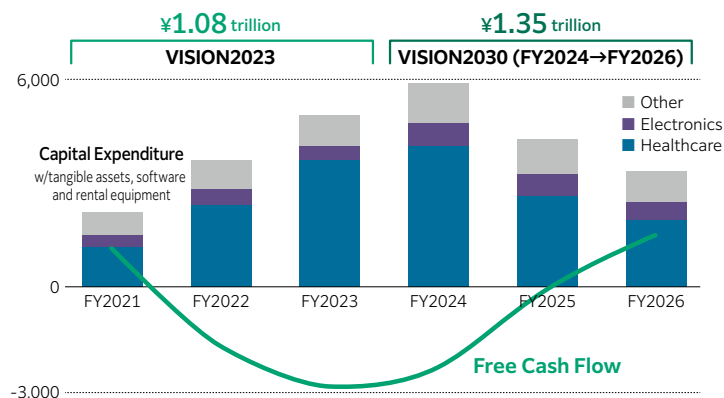
The Graphic Communications business has experienced a decline in profitability due to the continued decrease in demand for its mainstay printing plates (CTP plates), driven by structural market factors, while market conditions and the rising costs of key raw materials have further impacted profitability. In response, in fiscal 2024 we reorganized the business by integrating it into the Business Innovation segment and adopting a unified organizational management approach. This will enable us to become the only “solution partner” capable of covering the entire spectrum, from office to commercial and industrial printing, thus further enhancing the value of the business. In addition to our strong market share and customer base in the analog offset printing market that we have built over the years, we aim to turn our printing plates into a “cash cow” by streamlining our global production lines. At the same time, we will strengthen our inkjet business to further improve the overall

profitability of the Graphic Communications business. In addition, we will leverage our xerography and inkjet technologies, along with their synergies in devices and digital transformation (DX) solutions, to help resolve customers' issues. We will also work to maximize sales-related synergies by mutually utilizing the channels and customer bases of the former Business Innovation segment and the Graphic Communications business. By swiftly implementing these strategies, we aim to improve profitability and shift Graphic Communications from a “Value Reconstruction” business to an “Earnings Base” business.

In the Pharmaceuticals business, we are advancing our contract manufacturing business for antibiotics and liposomal formulations while preparing for the launch of a domestic biopharmaceutical CDMO business\*. We are shifting our focus “from drug discovery to drug discovery support” and “from small-molecule drugs to biopharmaceuticals” to align with growth markets. By supplying high-quality biopharmaceuticals efficiently, we will transition Pharmaceuticals from a “Value Reconstruction” business to an “Earnings Base” business.

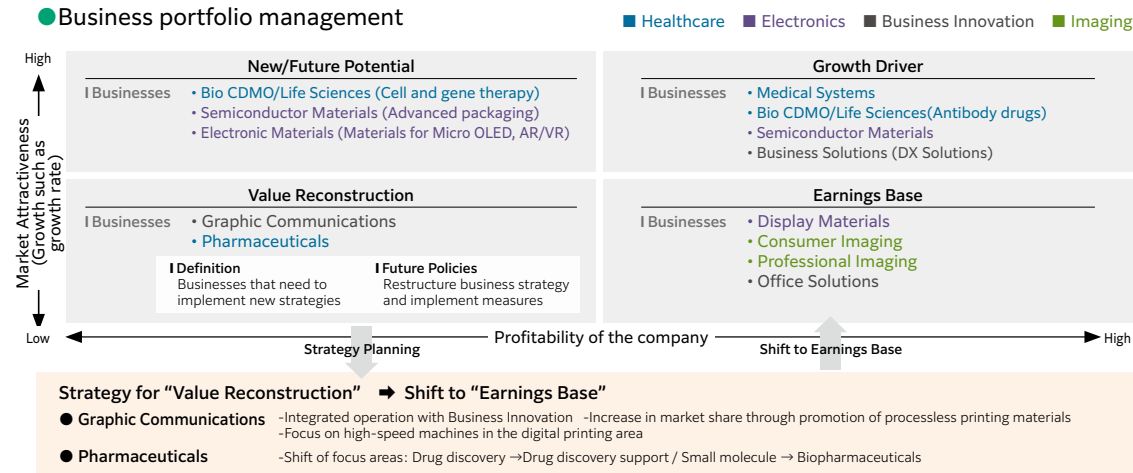
\* To expand its business in Asian markets and strengthen its vaccine production capabilities in Japan, FUJIFILM Toyama Chemical decided to establish its first domestic biopharmaceutical CDMO facility, in Toyama City, Toyama Prefecture. The facility will be equipped with dual-use capabilities, enabling the production of biopharmaceuticals, such as antibody drugs and antibody-drug conjugates, during normal times, and mRNA vaccines and recombinant protein vaccines during pandemics. In the process, we will establish an integrated system covering everything from drug substance manufacturing to assembly and packaging.

### ● Capital expenditure and free cash flow trends



\* The Graphic Communications business has been reclassified from the “Electronics” (former “Materials”) segment to the “Business Innovation” segment. In conjunction with this reclassification, the figures for FY2021–FY2023 have been restated.

### ● Business portfolio management



If improvement cannot be expected even with the above measures, consider and implement new strategies, including reorganization and restructuring.



## Q What are the key strategies for each segment under VISION2030?

### ●Healthcare

In the Healthcare segment, we are targeting revenue of ¥1.2 trillion and operating income of ¥140 billion (operating margin of 11.7%) by fiscal 2026 and an operating margin of around 20% by fiscal 2030.

In the Medical Systems business, we aim to further improve profitability by leveraging medical IT and AI to expand our recurring business. We also plan to expand the number of NURA health screening centers, which focus primarily on cancer screenings, to accelerate the growth of our medical screening service business. Our target is to achieve revenue of ¥710 billion by fiscal 2026.

In the Bio CDMO business, we are making good progress in negotiations aimed at achieving our fiscal 2026 targets of ¥355 billion in revenue and an EBITDA margin of around 25%. To meet growing demand for antibody drugs, meanwhile, we are investing \$1.2 billion to expand our North Carolina facility, equipping it with eight 20,000-liter tanks, with the aim of starting operations in fiscal 2028. With this additional investment, we will achieve a fivefold increase in tank capacity for antibody drugs, from 140,000 liters at the end of fiscal 2023 to 750,000 liters in fiscal 2030. Through these efforts, we intend to increase the revenue ratio of highly profitable large tanks from the current level of just under 50% to just under 70%. In the Bio CDMO business, we aim to raise revenue to ¥700 billion and the EBITDA margin to around 40% in fiscal 2030.

In the Life Sciences business, we anticipate continued growth in materials for drug discovery support and pharmaceutical manufacturing, driven by rising demand for biopharmaceuticals. With a focus on iPS cells, cell culture media and reagents, we aim to become a trusted partner ("Partners for Life") for pharmaceutical companies, biotech firms and academic institutions. During the period of our previous medium-term management plan, ensuring a stable supply of cell culture media to meet demand was a challenge. Moving forward, we will focus

on stabilizing product supply, particularly for antibody drug manufacturing, by expanding global production facilities and strengthening the resilience of our supply chain.

### ●Electronics

In the Electronics segment, we are targeting revenue of ¥470 billion and operating income of ¥70 billion (operating margin of 14.9%) by fiscal 2026 and an operating margin in the high teens by fiscal 2030.

Under VISION2030, we separated the Graphic Communications business, which was included in the Materials segment in the previous medium-term management period, and integrated it into the Electronics segment, which also consists of Semiconductor Materials and Advanced Functional Materials. As a group of businesses in the electronics field, with a focus on semiconductors, we will further leverage our unique strengths to accelerate growth. The semiconductor market continues to expand, driven by advances in high-performance

technologies, such as 5G/6G for faster and higher-capacity communications, the growth of autonomous driving and the spread of the metaverse. The market has been growing at an average annual rate of 7%, and we expect this strong growth to continue in the future. In addition to advances in miniaturization technology, the evolution of back-end processes that integrate multiple chips is also accelerating. With this in mind, we will strengthen our supply chain network for large global customers while expanding business opportunities, particularly in advanced EUV technology. Here, we will leverage our strength in CMP slurries and our high market share for NTI developer solutions. In the Semiconductor Materials business, we are targeting revenue of ¥300 billion by fiscal 2026 and ¥500 billion by fiscal 2030 and aim for a CAGR of 14%, which significantly exceeds the market growth rate.

### ●Business Innovation

In the Business Innovation segment, we are targeting revenue

## ●VISION2030 financial targets: By segment

(Billions of yen)		FY2023 Actual	FY2024 Forecast (As of August 7, 2024)	Change from FY2023	FY2026 Target VISION2030	CAGR (FY2023→FY2026)	FY2030 Direction
Healthcare	Revenue	975.1	1,010.0	+3.6%	1,200.0	+7.2%	OPM of approx. 20%
	Operating Income	97.4	100.0	+2.7%	140.0	+13%	
	Operating Margin	10.0%	9.9%	+0.1pt	11.7%		
Electronics	Revenue	358.4	420.0	+17.2%	470.0	+9.3%	High 10% <sup>s</sup>
	Operating Income	46.3	72.0	+55.0%	70.0	+15.9%	
	Operating Margin	13.0%	17.1%	+4.1pt	14.9%		
Business Innovation	Revenue	1,157.7	1,210.0	+4.5%	1,275.0	+3.3%	10% or more
	Operating Income	67.4	73.0	+8.6%	90.0	+9.3%	
	Operating Margin	5.8%	6.0%	+0.2pt	7.1%		
Imaging	Revenue	469.7	510.0	+8.6%	505.0	+2.6%	20% or more
	Operating Income	102.0	112.0	+9.9%	105.0	+1.0%	
	Operating Margin	21.7%	22.0%	+0.3pt	20.8%		
Corporate Expenses & Eliminations	Revenue	—	—	—	—	—	
	Operating Income	-36.4	-42.0	—	-45.0	—	
Total	Revenue	2,960.9	3,150.0	+6.4%	3,450.0	+5.2%	15% or more
	Operating Income	276.7	315.0	+13.8%	360.0	+9.1%	
	Operating Margin	9.3%	10.0%	+0.7pt	10.4%		

\* The Graphic Communications business has been reclassified from the "Electronics" (former "Materials") segment to the "Business Innovation" segment. In conjunction with this reclassification, the figures for FY2023 have been restated.

of ¥1,275 billion and operating income of ¥90 billion (operating margin of 7.1%) by fiscal 2026 and an operating margin of 10% or higher by fiscal 2030. As mentioned earlier, we aim to position ourselves as the only “solution partner” capable of covering the entire spectrum, from office to commercial and industrial printing. Based on our strategy, we integrated the Graphic Communications business into the Business Innovation segment alongside Business Solutions and Office Solutions.

In Business Solutions, we aim to drive growth by focusing on IT solutions and operational solutions tailored to small and medium-sized companies, centered on our own solutions. In addition, we will expand our ERP solutions business, anchored by Microsoft Dynamics 365, to establish a new revenue base. By also leveraging accumulated data from the various solutions we provide, we will support business optimization and provide new value to our customers, which will drive business growth. In Office Solutions, we will focus on the A3 color category, where we hold a top-level market share. In addition to strengthening our environmental initiatives and production capabilities, we will improve sales efficiency to maintain and enhance profitability. We will also expand sales in new markets by starting the distribution of our multifunction devices through leading dealers in the U.S. and various European countries. In Graphic Communications, we will focus on expanding sales of high-value, process-free plates to improve profitability despite the overall decline in demand for analog printing. In digital printing, we will invest in the digital transformation (DX) of the growing commercial printing market by offering devices and DX solutions to support customers in their shift from analog to digital printing. By also reviewing our pricing strategies and withdrawing from or restructuring low-profit products, we will further enhance our cash-generating capability and build a stronger profit base.

### ● Imaging

In the Imaging segment, we are targeting revenue of ¥505 billion and operating income of ¥105 billion (operating margin of 20.8%) by fiscal 2026 and an operating margin of 20% or higher by fiscal 2030.

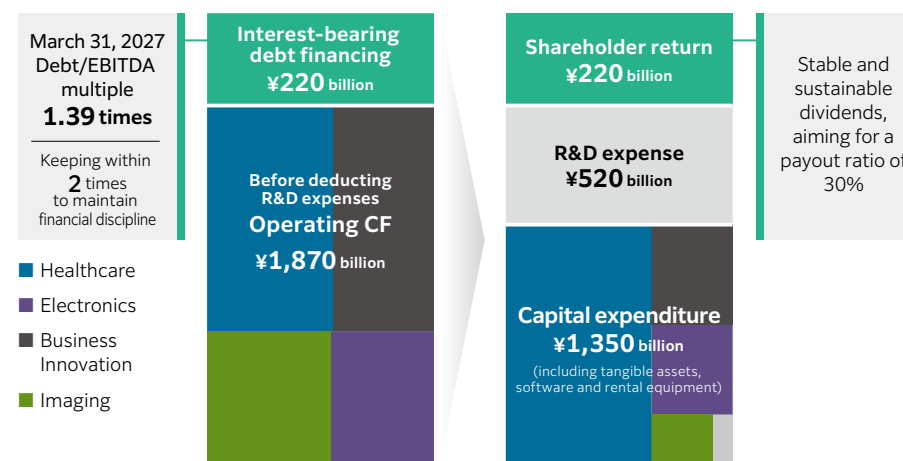
During the previous medium-term management plan period, our instax instant photo system and digital camera businesses experienced significant growth, becoming key pillars of profitability. To maintain our strong performance, our strategy for instax is to continuously launch attractive and unique products that combine analog taste with digital technology. This will help expand our user base and capture event- and business-related demand. We will also strengthen marketing DX and direct communication with users to accelerate the conversion of more customers into loyal ones. In addition, we will promote the use of devices and services while developing systems that encourage customers to print films. In digital cameras, we will reinforce our two-line strategy covering the compact, lightweight X Series and the large-format, highest-image-quality GFX Series. In addition to our unique color reproduction technology, we will target wider coverage of photography categories and image expressions with the aim of establishing a distinct position in the industry and enhancing our market presence. In addition, we will target growth in new BtoB fields, such as the Z projector for space production, the SX series of long-range surveillance cameras and DX solutions for business use (including inspection, surveillance and photography) using AI image analysis/synthesis technology. Through these strategies, we aim to maintain high profitability in the Imaging segment with an operating margin of 20% or higher moving forward.

### Q What is your approach to capital allocations in the new medium-term plan?

To capture robust demand in the rapidly growing biopharmaceutical and semiconductor markets, which are expanding more quickly than anticipated when VISION2023 was formulated, we have made large-scale investments that far exceed the initial plan. These include a cumulative three-year investment of ¥1,070 billion (up ¥320 billion compared with VISION2023) and M&A activities, such as our October 2023 acquisition of the semiconductor process chemical business of Entegris, Inc., to enhance our product lineup in the semiconductor materials field. By utilizing funds secured through strengthened cash management, we were able to make these investments over the three-year period without increasing the balance of interest-bearing debt. This allowed us to implement our investment strategy while maintaining financial discipline.

For the three-year period from fiscal 2024 through fiscal 2026, we plan to invest ¥1.9 trillion in growth initiatives

### ● Cash allocation for fiscal 2024–fiscal 2026

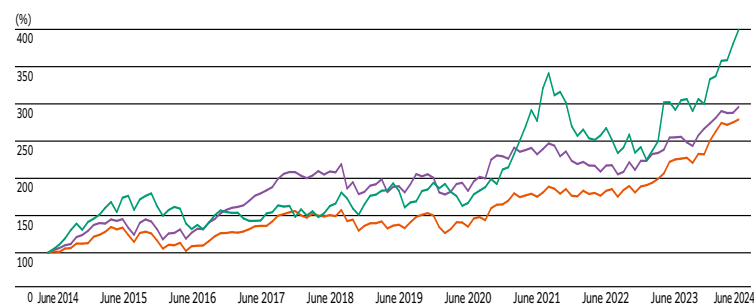


(sum of R&D expenses and capital expenditures), surpassing the VISION2023 figure. Of this amount, we will invest ¥1.6 trillion in “New/Future Potential” and “Growth Driver” businesses. In fiscal 2024, we will also leverage interest-bearing debt to make growth investments, mainly in Healthcare and Electronics, of approximately ¥750 billion, which will exceed cash flows from operating activities. While cash flows from investing activities will peak in fiscal 2024, cash flows from operating activities are expected to continue increasing steadily over the three-year period. We expect the balance of interest-bearing debt to increase by ¥220 billion over the three-year period. However, we will maintain a disciplined approach by keeping the interest-bearing debt/EBITDA ratio within 2x and working to retain an international credit rating of single-A or higher. In fiscal 2026, we expect EBITDA to be approximately ¥600 billion and the year-end balance of interest-bearing debt to be around ¥850 billion, resulting in an interest-bearing debt/EBITDA ratio of 1.4x.

### ●TSR (Total Shareholder Return)

Investment period	1 year		3 years		5 years		10 years	
	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
FUJIFILM Holdings	37.4%	51.2%	14.8%	138.7%	19.0%	299.5%	14.9%	
TOPIX	25.6%	55.6%	15.9%	104.3%	15.4%	179.1%	10.8%	
TOPIX Chemicals Index	16.1%	22.8%	7.1%	56.8%	9.4%	195.9%	11.5%	

### ●10-Year Trends



### Q In the previous medium-term management plan, you set return on invested capital (ROIC) and cash conversion cycle (CCC) as KPIs and have been working to achieve those targets. However, what are the current challenges? How is return on equity (ROE) progressing?

In the previous medium-term management plan, we set ROIC and CCC as KPIs and have since been promoting efficient management. As a result, our price-to-book ratio (PBR) has steadily risen to exceed 1x and reached 1.34x on June 30, 2024. Moreover, our total shareholder return (TSR; June 30, 2024 basis) has outperformed the TOPIX Index and the TOPIX Chemicals Index over the past five and 10 years. We estimate our cost of capital to be around 8%–9% and our weighted average cost of capital (WACC) to be in the 5%–6% range. Due to growth investments in the Bio CDMO and Semiconductor Materials businesses based on medium- to long-term perspectives, ROIC relative to WACC in fiscal 2023 remained mostly unchanged. From this level, we aim to become free cash flow positive on a Company-wide basis by fiscal 2026 and raise ROIC to 9% or higher by fiscal 2030. To achieve this, we will further entrench the business management efforts we have made to date. Meanwhile, the fact that ROE remains around the 8% level is an issue. By working to improve ROIC and other measures, we will achieve our ROE target of 10% or higher by fiscal 2030. In a specific initiative, we improved the overall CCC from 125 days in fiscal 2022 to 116 days in fiscal 2023. This was achieved through financial data-driven

management, in which we utilized the “One-Data” management information analysis system to analyze profit/loss, CCC, ROIC and other metrics by business segment. To strengthen our commitment to financial targets, we added CCC as a KPI, in addition to consolidated operating income and consolidated revenue, for short-term performance-linked executive remuneration starting this fiscal year.

### Q Finally, please tell us about your approach to shareholder returns and the results of your dialogue with the capital markets.

Under VISION2030, we will continue targeting a stable dividend payout ratio of 30%, as we have in the past, with respect to returning profits to shareholders. In addition, we will consider and implement share buybacks while closely monitoring cash flow conditions and stock price trends, with the aim of further increasing shareholder value. Furthermore, by maintaining sound financial discipline while implementing effective future investments, we aim to increase earnings per share (EPS), which serves as the foundation for stock price formation.

Regarding dialogue with the capital markets, we use multiple opportunities to promote understanding of the Group's growth strategies. These include small meetings with institutional investors hosted by the CEO and CFO, business briefings where department heads directly convey the growth potential of our business, one-on-one meetings during overseas road shows, online presentations for individual investors, and information dissemination through various IR tools and media. In our dialogues, we provide an overall picture of our long-term growth scenario aimed at 2030 and explain its effectiveness, while also describing our efforts to enhance human capital and intellectual capital, which are the sources of value creation for the Group. We also give serious consideration to the expectations and proposals raised through our various dialogues. Going forward, we will work to provide clearer disclosures focused on growth areas while implementing optimal capital policies, thereby strongly eliciting empathy and hope from our stakeholders, including shareholders and other investors.



# 02

Chapter

## The Fujifilm Group's Value Creation

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# Overview of Our Businesses

The Fujifilm Group's current business portfolio was established through the evolution of innovation with our leading-edge, proprietary and advanced technologies honing the photographic film business. We aim to build a portfolio that enables us to continue innovating even if our business environment changes.

## Imaging

Various products and services related to photographs and videos from shooting to printing

### Consumer Imaging p.53

instax, color films, color paper for photo printing, developing and printing systems, photo printing services and more

### Professional Imaging p.53

Mirrorless digital cameras, TV and cine lenses, industrial lenses for security cameras and manufacturing line inspection, projectors, digital signage and more

## Business Innovation

Products and solution services that bring about new changes in work styles, improving productivity and inspiring creativity

### Business Solutions p.51

Problem-solving solutions such as system integration, cloud services, management of multifunction devices, tailored to characteristics of various industries and operations

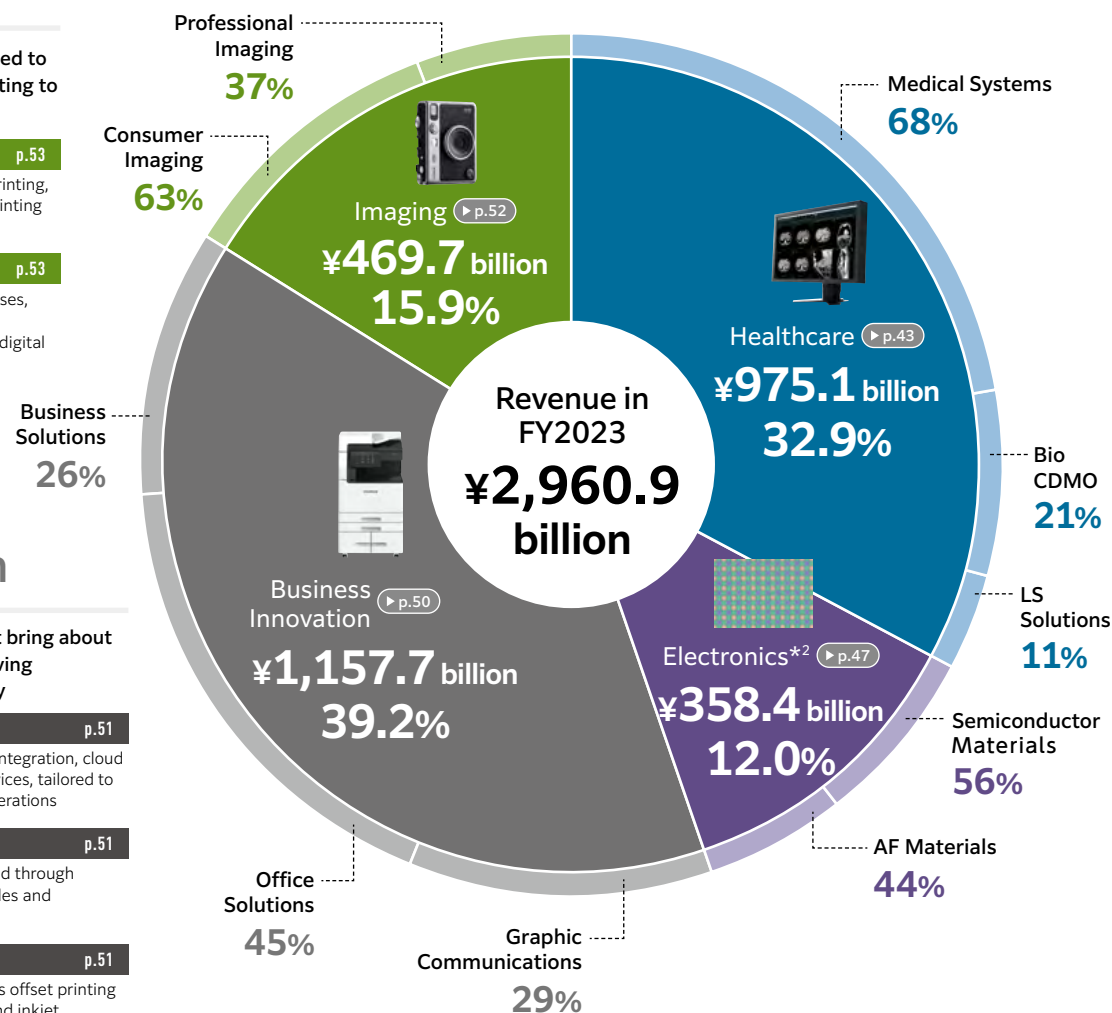
### Office Solutions p.51

Document-related office solutions provided through multifunction devices, printers, consumables and maintenance services

### Graphic Communications p.51

Graphic Communications solutions such as offset printing equipment and digital printing systems, and inkjet solutions such as industrial printheads

## Revenue by Segment



## Healthcare

Providing a wide range of businesses in the fields of prevention, diagnosis and treatment as a total healthcare company

### Medical Systems p.44

Various diagnostic equipment such as X-ray diagnostic imaging, endoscopes, ultrasound, in vitro diagnostic (IVD) and medical IT systems for centralized management of diagnostic images and other data

### Bio CDMO p.45

Process development and manufacturing services of biopharmaceuticals for antibodies and cell therapies, gene therapies, etc.

### LS Solutions p.46

Provision of drug discovery support materials such as iPS cells, culture media and reagents, process development and manufacturing services of cell therapy drugs, process development and contract manufacturing of next-generation pharmaceuticals and mRNA vaccines, functional cosmetics and supplements such as the ASTALIFT brand, and CRO businesses\*1

\*1 Abbreviation of the Contract Research Organization, which provides services such as drug efficacy evaluation and safety testing and supports pharmaceutical research and development conducted by pharmaceutical companies, bioventures, academia, etc.

## Electronics

Develops businesses that support high-performance of electronic equipment using cutting-edge technologies such as semiconductor materials and display materials

### Semiconductor Materials p.48

Provides various materials such as photoresist and CMP slurry used in semiconductor manufacturing

### AF Materials p.49

Provides materials for LCD and OLED panels, sensor films for touch panels, recording media, high-performance chemical products, R&D reagents and other products

\*2 The Graphic Communications business has been reclassified from the "Electronics" (former "Materials") segment to the "Business Innovation" segment.



# Global Network

## The Fujifilm Group around the World (Domestic and Overseas Revenue)

We began exporting in 1938, four years after our founding. We established a sales company in Brazil in 1958. Since then, we have actively expanded our business overseas and grown as a global company.

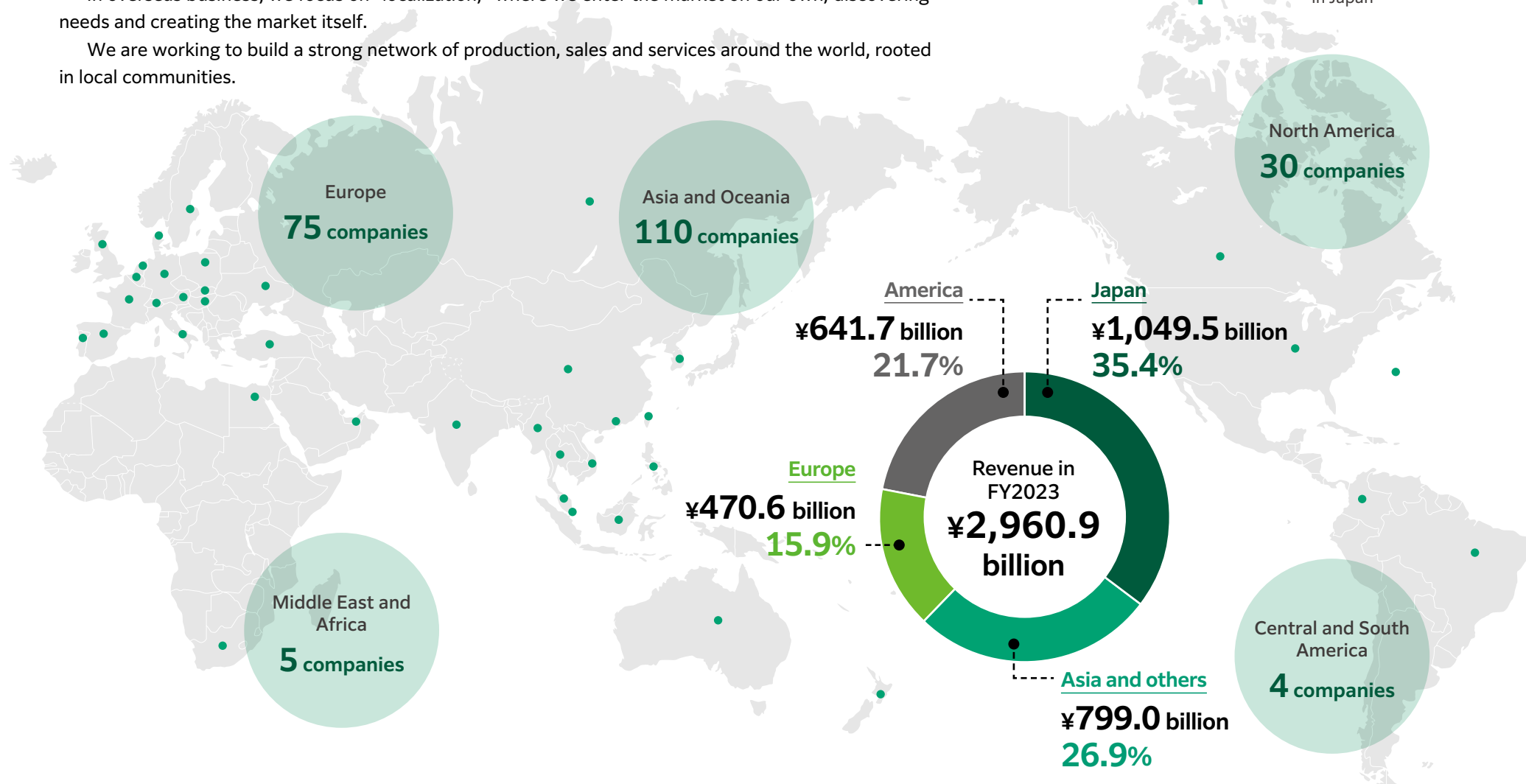
In overseas business, we focus on “localization,” where we enter the market on our own, discovering needs and creating the market itself.

We are working to build a strong network of production, sales and services around the world, rooted in local communities.

## Worldwide consolidated subsidiaries

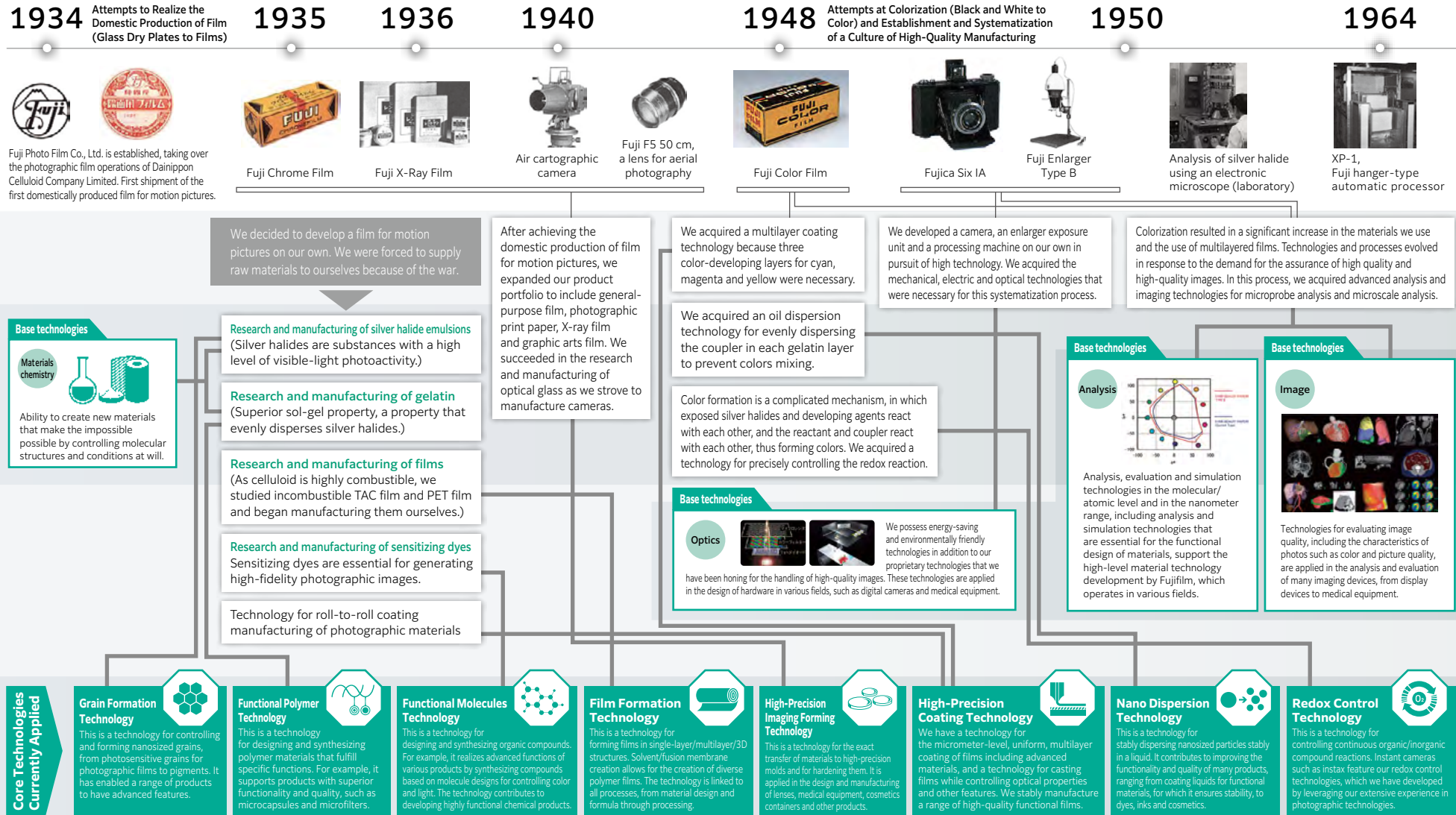
# 272 companies

As of March 31, 2024  
Including 48 companies  
in Japan



# Evolution of Innovation

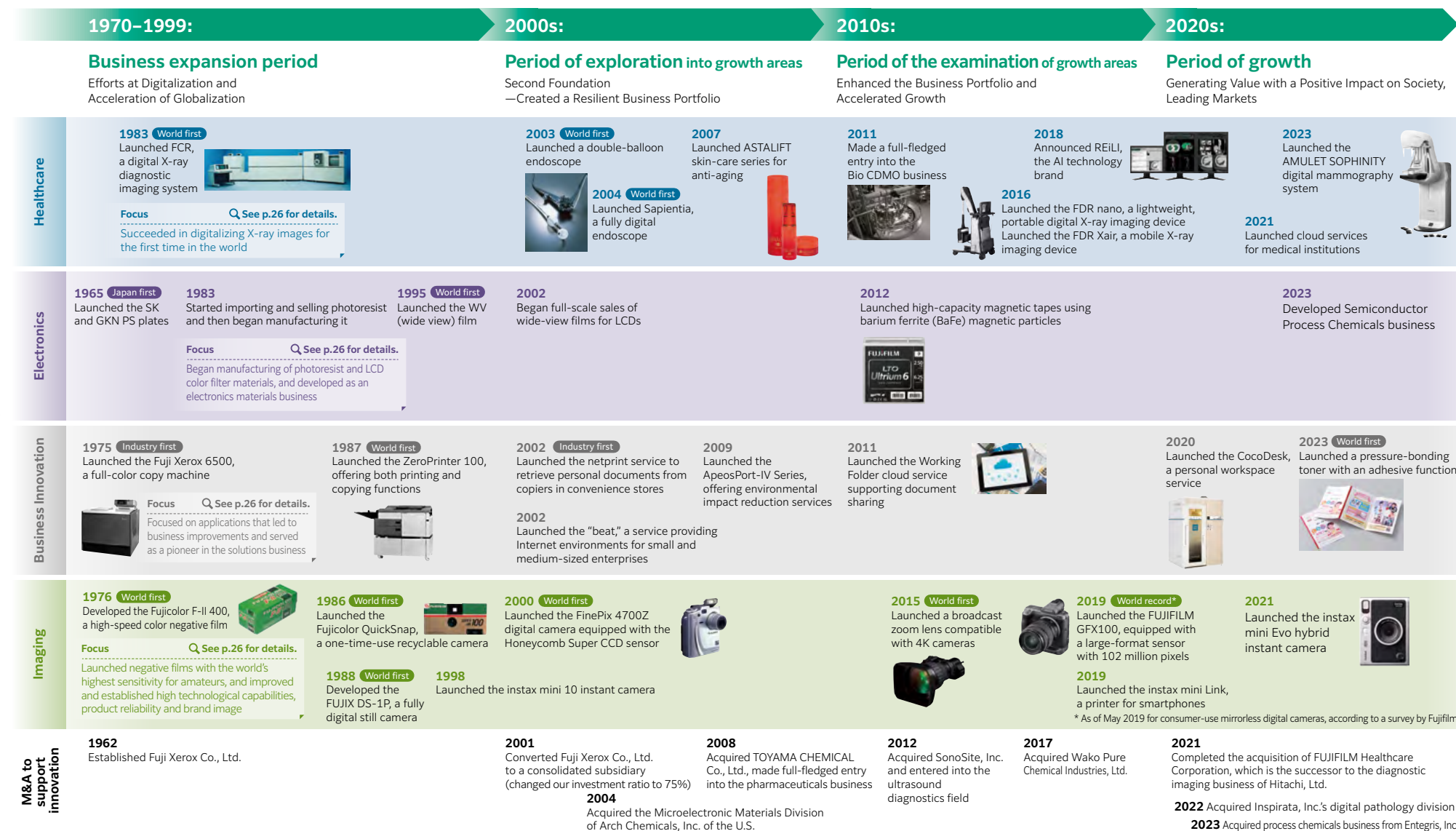
From our founding in 1934 to the present, we have continued to develop our proprietary core technologies to continually accumulate a competitive advantage by leveraging our base technologies. Here, we introduce the history of innovation that has evolved alongside these core technologies.



# Evolution of Innovation

The Fujifilm Group has been providing society with numerous products and solutions that contribute to the resolution of social issues by combining our core technologies and acquiring new technologies.

Leveraging Our Base and Core Technologies  
to Provide a Wide Array of Products and Solutions





## Products that laid the foundation for innovation

The Fujifilm Group has always been ahead of its time, evolving its unique technologies and providing innovative products and services. The spirit of contributing to the resolution of social issues through business is also alive in our current business.



Imaging

### Launched the Fujicolor F-II 400, the world's first high-speed color negative film

In 1976, Fujifilm introduced the world's first high-sensitivity general-purpose color negative film. It made it possible to take pictures indoors, such as on a stage where it is difficult to use the flash, without using auxiliary light, and even with fast-moving subjects such as sports, without blurring. It made it possible to take beautiful color photographs easily, and the range of color photographs greatly expanded. The Fujifilm brand became an international brand.



Fujicolor F-II 400

Business  
Innovation

### Launched the Fuji Xerox 6500, the industry's first full-color copy machine



Fuji Xerox 6500

As competition intensified in the office equipment field, we launched the Fuji Xerox 2200, the world's smallest copier, developed in-house for the first time, in 1973; the Fuji Xerox 6500, the industry's first full-color copier, in 1975; and the Fuji Xerox 3500, a compact, high-speed, high-performance copier at the price of a medium-speed machine, in 1978. Around this time, we began to focus on applications that would lead to business improvements and became a pioneer in the solutions business.



Healthcare

### Launched FCR, the world's first digital X-ray diagnostic imaging system

The Medical Systems business began with the sale of X-ray films in 1936. As one of the first to digitize X-ray images, in 1981, Fujifilm announced the development of the FCR (Fuji Computed Radiography), the world's first digital X-ray diagnostic imaging system, and launched it in 1983. It has attracted attention as a pioneer in the digital age and has led the ongoing "digitalization of medical care." At present, we are contributing to the further improvement of the efficiency of diagnostic imaging and the quality of medical care by providing systems based on the DR (Digital Radiography) method and other advanced low-dose, high-resolution, compact systems that make use of the advanced image processing technology we have developed over many years.



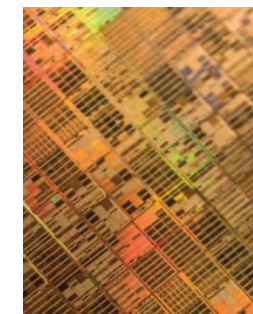
FCR, the world's first digital X-ray diagnostic imaging system



Electronics

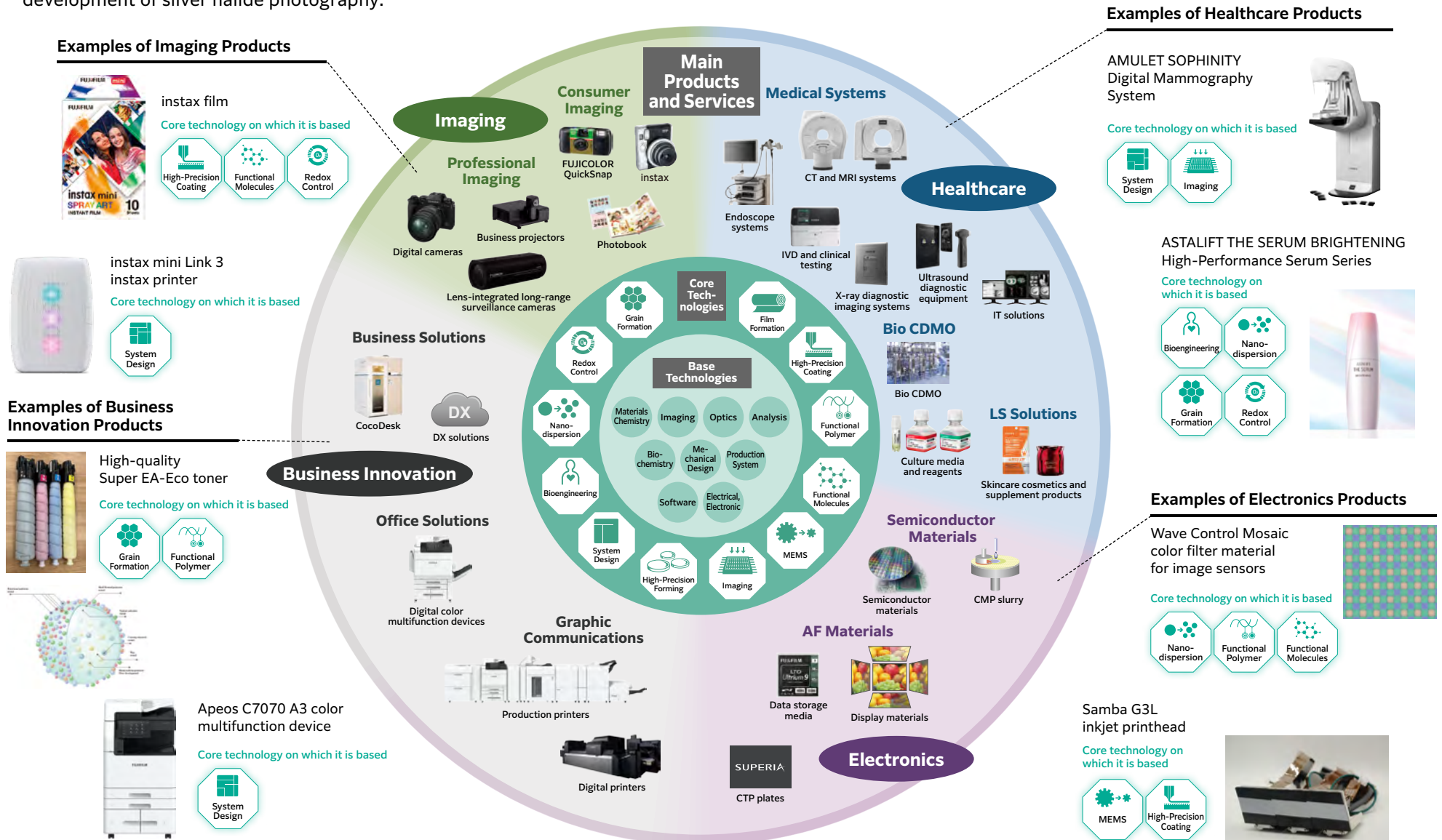
### Commenced import and sales of photoresist, a photosensitive polymer material indispensable for semiconductor circuit formation, and began manufacturing

In 1983, we established Fuji Hunt Electronics Technology (currently FUJIFILM Electronics Materials) as a joint venture with Philip A. Hunt Chemical Corporation of the U.S., and began importing and selling photoresist, a photosensitive polymer material essential to the formation of circuits in semiconductors. After that, we started manufacturing photoresist and color filter materials for liquid crystal displays, and the business developed as the Electronic Materials business.



# Proprietary Technologies Underlying Innovation

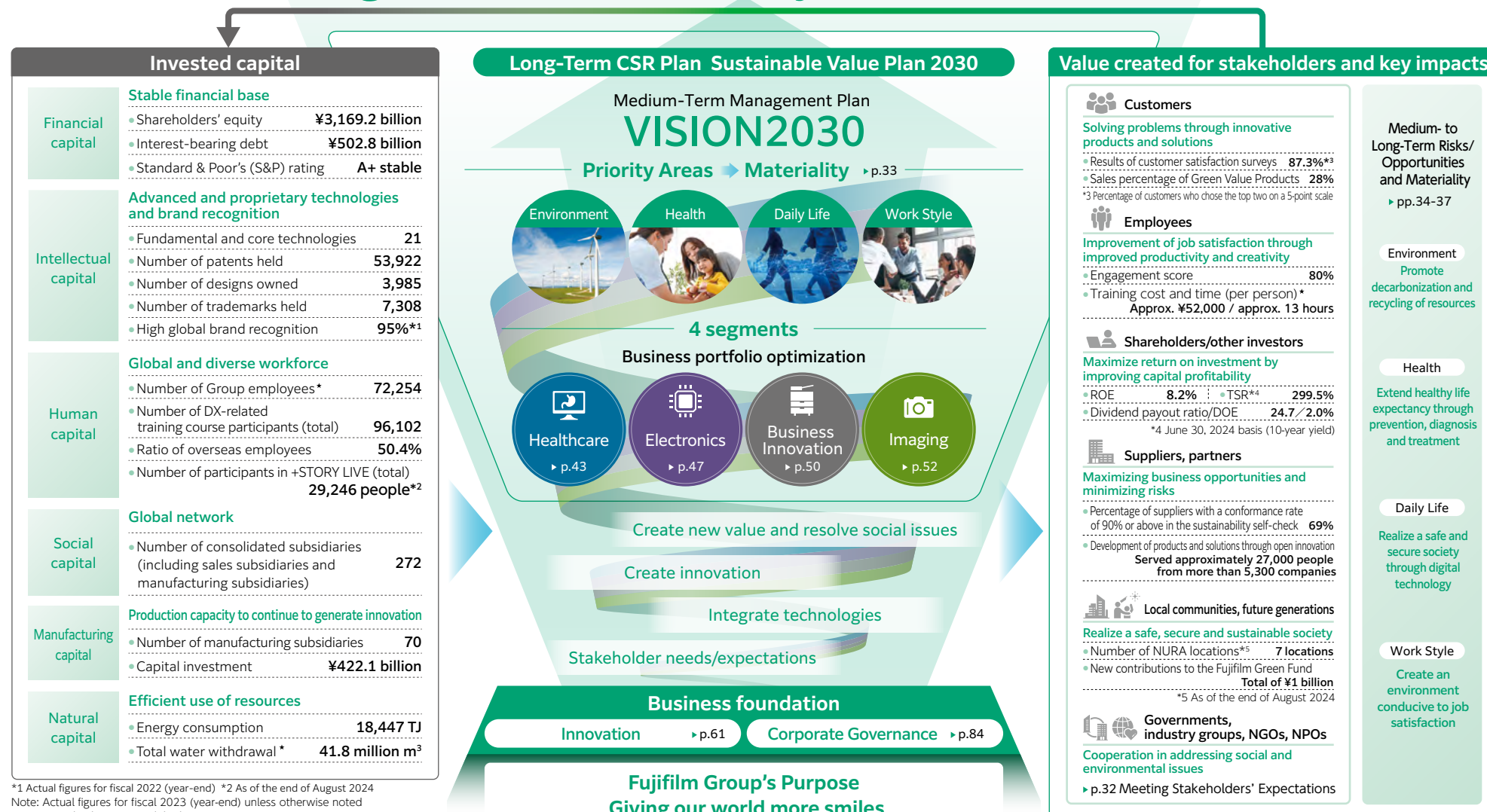
The process of completing a single photograph is made up of a wide variety of advanced, proprietary technologies. The Fujifilm Group has cultivated technological capabilities with a competitive advantage through the research and development of silver halide photography.



# Value Creation Process

By leveraging its invested capital to create value through innovation, the Fujifilm Group has worked to resolve social issues through our business activities and consider the environment and society in our business processes. We will continue co-creating value with society and thus help realize a sustainable society.

## Realizing a Sustainable Society Value from Innovation



\*1 Actual figures for fiscal 2022 (year-end) \*2 As of the end of August 2024  
Note: Actual figures for fiscal 2023 (year-end) unless otherwise noted  
\* are items that have received third-party guarantees.



# Frameworks to Continue to Generate Innovation and Sources of Value

Through constant innovation, the Fujifilm Group has provided top quality products and services that meet the changing needs of society. We are also working with stakeholders, including suppliers and partners, to jointly create value for the future while identifying not only current needs but also potential ones.

## Realizing a Sustainable Society



### Intellectual capital

#### Technological capabilities

▶ p.p.61-68

We will provide innovative products and services that contribute to the resolution of social issues by evolving our technological capabilities to build a sustainable competitive advantage through close collaboration among R&D, intellectual property, design and DX.

Accumulation of base technologies

Improvement of core technologies

Fusion of multiple technologies

### Human capital

#### Corporate culture

Under a corporate culture of being "open, fair and clear," the aspirations of each and every one of our employees support the creation of new value and the sustainable growth of the Fujifilm Group.

An open, fair and clear corporate culture

#### Human resources

▶ p.69

We will pass down our corporate culture that takes on the challenge of changes, and promote creating an organization in which diverse employees can demonstrate their full potential. At the same time, we are focusing on developing human resources who can lead business reforms.

Human resource development that views change as an opportunity for growth

High employee engagement

#### Trust

▶ p.75, p.77

The production of photographic film, our original business, is a product that customers purchase with "trust" and cannot be tested before shooting. The concept of sustainability has been rooted in our corporate culture since our founding.

Trust of stakeholders, including customers and the environment

### Social capital

#### Brand

By providing innovative products and services while confronting social issues head-on, we are increasing the value of the Fujifilm brand around the world and leading to high recognition.

Brand cultivated through continuous provision of innovative products and services

#### Global network

We began exporting in 1938, four years after our founding. We established a sales company in Brazil in 1958. Since then, we have actively expanded our business overseas and grown as a global company.

Proactive overseas expansion since our founding  
Strengthening business management functions through cooperation with regional management companies

# 03

Chapter

## Roadmap to SVP2030

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# Basic Policy for Sustainability

Under the Sustainable Value Plan 2030 (SVP2030), our long-term CSR plan that extends to fiscal 2030, we aim to contribute to the realization of a sustainable society by working to resolve social issues through innovative technologies, products and services.

## Basic Policy

The Fujifilm Group's approach to corporate social responsibility is to contribute to the sustainable development of society through sincere and fair business activities.

We will not only fulfill our economic and legal responsibilities but also

1. endeavor to understand global as well as local environmental and social issues and create value to address these issues through our business activities.
2. continue to evaluate the environmental and social impact of our business activities and strive to improve the performance while increasing our positive impact on society.
3. constantly reassess whether our activities are responding adequately to the demands and expectations of society through proactive stakeholder engagement with our stakeholders.
4. enhance corporate transparency by actively disclosing information



## Sustainability Promotion Structure







Initiatives related to sustainability are led by departments responsible for implementation headed by the CEO. The ESG Committee and the DE&I Committee, chaired by the CEO, draft policies and strategies, and the ESG Division, the Human Resources Division, other executive departments, and the operating subsidiaries implement and report on measures based on these policies and strategies. The CEO reports the sustainability initiatives to the Board of Directors, which then deliberates on them. The ESG Committee (1) formulates sustainability policies, (2) identifies and reviews materiality, and (3) deliberates on matters related to risk management. In the GX Committee, a subcommittee of the ESG Committee, environmental policies and specific measures are discussed. The ESG Committee consists of the Company's CEO as the chairman; the Directors in charge of ESG, Corporate Planning, and Human Resources; and the Presidents of the operating companies (FUJIFILM Corporation and FUJIFILM Business Innovation Corp.). Depending on the agenda, the relevant Directors, General Managers of business divisions and others participate in the deliberations of the committee. The ESG Division undertakes the role of instilling sustainability-related measures within the Company. At the same time, it discloses information on the results of its activities to the public, communicates with stakeholders, supports the CSR activities of the Group companies and manages the progress of these activities.





# Meeting Stakeholders' Expectations

The Fujifilm Group discloses information appropriately and checks at every opportunity whether its business activities appropriately meet stakeholders' requests and expectations. The Group's activities reflect the results of these checks.

	Customers	Employees	Shareholders, investors	Suppliers	Local communities, future generations	Governments, industry groups, NGOs, NPOs
						
Stakeholders' expectations and interest	<ul style="list-style-type: none"> <li>▶ Product safety, quality assurance</li> <li>▶ Environmentally conscious designs</li> <li>▶ Provision of appropriate information on products and services</li> <li>▶ Increasing customer satisfaction</li> <li>▶ Customer services and support</li> </ul>	<ul style="list-style-type: none"> <li>▶ Ensuring occupational safety and health</li> <li>▶ Respect for human rights</li> <li>▶ Developing and utilizing human resources</li> <li>▶ Respect for diversity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increasing corporate value</li> <li>▶ Returning profits appropriately</li> <li>▶ Appropriate disclosure in a timely manner</li> <li>▶ Constructive engagement (dialogue)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Completely fair and transparent transactions</li> <li>▶ Promoting CSR activities related to the environment and human rights, among other issues, in supply chains</li> </ul>	<ul style="list-style-type: none"> <li>▶ Contributions based on our main business</li> <li>▶ Respect for cultures and customs in individual regions, environmental conservation</li> <li>▶ Prevention of disasters and accidents at workplaces</li> <li>▶ Educational support to future generations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Compliance with laws and regulations</li> <li>▶ Cooperation in implementing public policies for addressing social issues, joint research and development</li> <li>▶ Dialogue, cooperation and support to address social and environmental issues</li> </ul>
Engagement channels	<ul style="list-style-type: none"> <li>▶ Customer center (contact point for inquiries)</li> <li>▶ Usability evaluation meetings, monitoring surveys</li> <li>▶ Customer satisfaction surveys</li> <li>▶ Surveys of product purchasers</li> <li>▶ Showrooms, trade shows</li> <li>▶ Holding seminars</li> <li>▶ Websites, social media</li> </ul>	<ul style="list-style-type: none"> <li>▶ Opportunities to talk with management</li> <li>▶ Contact with the Human Resources Division, meetings with the division</li> <li>▶ Compliance, sexual harassment helpline</li> <li>▶ Regular meetings between the labor union and the Company, the Health and Safety Committee</li> <li>▶ Newsletters, the intranet</li> </ul>	<ul style="list-style-type: none"> <li>▶ General meeting of shareholders, financial results briefings, Management plan/Business briefings for investors</li> <li>▶ IR conferences, 1-on-1 meetings</li> <li>▶ Integrated reports</li> <li>▶ IR page of the website</li> <li>▶ Contact point for inquiries (Corporate Communications Division)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Briefings for suppliers (e.g., about sustainable procurement, including green procurement, and management of contained chemical substances)</li> <li>▶ CSR Self-Checks (self-audits) and on-site visits by expert teams</li> <li>▶ Dedicated website for suppliers</li> <li>▶ Regular meetings with suppliers</li> <li>▶ Contact points for inquiries (procurement functions, sales functions)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Meetings to discuss environmental issues, factory tours</li> <li>▶ Local volunteer activities</li> <li>▶ Regular meetings with local governments</li> <li>▶ Contact points for inquiries (each business site and each factory)</li> <li>▶ Dispatching lecturers to academic institutions, endowed chairs</li> <li>▶ Environmental education in collaboration with NGO/NPOs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Participation in committees in the industry</li> <li>▶ Participation in creation of guidelines in the industry/others</li> <li>▶ Making public comments through industry groups</li> <li>▶ Joint studies with governments and industry groups</li> <li>▶ Proposals for solving social and environmental issues</li> <li>▶ Opinions on Sustainability Reports</li> <li>▶ Participation in dialogues with stakeholders</li> <li>▶ Charitable Trust Fujifilm Green Fund</li> <li>▶ Working groups to address many different CSR issues</li> <li>▶ Support to areas affected by a disaster in cooperation with NPOs</li> </ul>
Results, effects	<ul style="list-style-type: none"> <li>▶ Improving products and services based on voices of customers <ul style="list-style-type: none"> <li>• Example of products created based on voices of customers Instant camera instax SQUARE <a href="#">Please refer to the official website for details</a></li> </ul> </li> <li>• Customer satisfaction ratio (customer satisfaction index): 87.3% (fiscal 2023)</li> <li>Medical products: 80% (fiscal 2023)</li> <li>Multifunction device related products: 92% (fiscal 2023)</li> <li>Photo-related products: 90% (fiscal 2023)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Promoting mutual understanding through dialogue between management and employees to improve engagement</li> <li>▶ Improving workplaces based on consultations provided over the helpline <ul style="list-style-type: none"> <li>• Dialogue between the CEO and employees: 9 sites in Japan and 8 overseas countries (as of the end of August 2024)</li> <li>• Continue +STORY Dialogue between managers and their team members <a href="#">▶p.72</a></li> <li>• Employee engagement score <a href="#">▶p.74</a></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Improving management and IR activities based on opinions of shareholders and investors <ul style="list-style-type: none"> <li>• Annual number of 1-on-1 dialogues with shareholders and investors: 410 (fiscal 2023, excluding conferences)</li> <li>• Reporting on investor relations and shareholder relations at the Board of Directors meetings</li> <li>• Exchange opinions with investors on the Integrated Report and reflect improvements in the next year's disclosure</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Improvement of issues based on the content of inquiries through dialogues with suppliers <ul style="list-style-type: none"> <li>• Implementation of self-checks by suppliers (995 companies) and on-site visits to suppliers by expert teams (50 companies), and follow-up of improvement issues</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Environmental conservation for local communities and future generations <ul style="list-style-type: none"> <li>• Continue tree planting volunteer activities (since 1998, <a href="#">see official website for details</a>)</li> <li>• Maintain forests protecting the catchment function of the watershed in Kumamoto, where Fujifilm operates a factory</li> </ul> </li> <li>▶ Contributions to improve healthcare access <ul style="list-style-type: none"> <li>• Development of the health screening center "NURA" at 7 locations (as of August 2024) focusing on cancer screening in emerging countries</li> <li>• Efforts to end TB in emerging countries utilizing our mobile X-ray imaging devices (e.g., India, Vietnam, Pakistan, Nepal, Zambia, Azerbaijan). <a href="#">Please refer to the official website for details</a></li> </ul> </li> <li>▶ Educational support for future generations <ul style="list-style-type: none"> <li>• Opened "Green Park FLOOP," a hands-on facility exploring the sustainable future of the Earth.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ Revising guidelines and approaches</li> <li>▶ Reflecting the results of joint studies with governments and industry groups in the improvement of products and services</li> <li>▶ Environmental conservation for local communities and future generations <ul style="list-style-type: none"> <li>• Decided to make an additional contribution of ¥1 billion to the Fujifilm Green Fund, a public charitable trust dedicated to environmental protection</li> </ul> </li> </ul>

# SVP2030: Priority Issues (Materiality)

Defining the four priority areas of Environment, Health, Daily Life and Work Style, we aim to resolve social issues through our businesses by responding to climate change, eliminating medical disparities and transforming society into one where people can lead fulfilling lives, enjoy peaceful living and find job satisfaction.

## Process for Formulating Priority Issues Materiality

In formulating SVP2030, we conducted a materiality analysis (prioritized evaluation and selection of items) from the perspective of “social and environmental issues to be resolved” and “the Fujifilm Group’s business growth” expected by fiscal 2030. We will review our priority issues on a regular basis to further resolve social issues and enhance the Group’s corporate value.

Step  
1

### Decide Basic Policies

Clearly show our future vision of how we can contribute as a global company to resolving social issues from a long-term perspective

Step  
2

### Identify Social Issues Based on Business Strategy

List issues from external perspectives (e.g., ISO26000, GRI and other guidelines, SDGs) and in terms of potential of issue resolution by all our divisions

Step  
3

### Evaluate Materiality























Evaluate materiality via a two-pronged approach:  
1) Reduce/consider negative impacts on the environment and society caused by our business activities  
2) Resolve social issues through our business activities

Step  
4

### Plan, Review and Approve

Coordinate with relevant divisions on identified materiality and set targets; after deliberation and approval by the ESG Committee and reporting to the Board of Directors, promote initiatives as a Group policy

## SVP2030: Priority Areas/ Priority Issues (Materiality)

	Resolving social issues through business activities Contribution (Opportunities)	Considering society and the environment in our business processes Impact (Risks)	Goals in the SDGs
 <b>Environment</b> <ul style="list-style-type: none"> <li>① Address climate change</li> <li>② Promote recycling of resources</li> <li>③ Biodiversity conservation</li> <li>④ Ensure product and chemical safety</li> </ul>	● ● ● ●	● ● ● ●	     
 <b>Health</b> <ul style="list-style-type: none"> <li>① Fulfill unmet medical needs</li> <li>② Improve accessibility to medical services</li> <li>③ Contribute to early disease detection</li> <li>④ Contribute to health promotion and beauty</li> <li>⑤ Promote management of a healthy workplace</li> </ul>	● ● ● ●	● ● ● ● ● Employees	 
 <b>Daily Life</b> <ul style="list-style-type: none"> <li>① Contribute to creating a safe and secure society</li> <li>② Inheritance and development of photographic and visual culture that delivers new impressions and experiences to society</li> </ul> <p>Contribute to enriching humanity and relationships between people</p>	● ●		  
 <b>Work Style</b> <ul style="list-style-type: none"> <li>① Create environments that lead to a motivated workplace (provision of solution services)</li> <li>② Develop and utilize diverse human resources</li> </ul>	●	● Employees ● Employees	   
<b>Basis of Business Activities</b>			
 <b>Supply Chain</b>	Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics and human rights		
 <b>Governance</b>	Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture		

Please refer to our Sustainability Report 2024 for details. ▶ <https://holdings.fujifilm.com/en/sustainability/report>

# Medium- to Long-Term Risks/Opportunities and Materiality

We are working to achieve the goals of SVP2030 by identifying risks and opportunities from megatrends and identifying materialities and KPIs.



## Environment

### Priority issues (Materiality)

- ① Address climate change
- ② Promote recycling of resources
- ③ Biodiversity conservation
- ④ Ensure product and chemical safety

#### Risks

- Supply chain disruptions, plant shutdowns and shortages of water and raw materials needed for production due to abnormal weather and natural disasters caused by rising temperatures
  - Carbon taxation on CO<sub>2</sub> generated when fossil fuels are used
  - Europe ESPR (Ecodesign for Sustainable Products Regulation) to strengthen regulations on eco-design
  - Risk of inability to use existing raw materials due to tightening of regulations such as PFAS
- ▶ Please refer to p.80 for climate change measures.

#### Opportunities

- Need to incorporate CO<sub>2</sub> emission reduction initiatives (such as use of low power consumption products and preference for carbon-free production) into customers' procurement criteria
- Resource-recycling production using closed-loop systems in Business Innovation
- Increasing need to use water-free products (including process-less printing plates) due to growing concern about water resources



Ashigara Site of Kanagawa Factory, where Fujifilm was founded

Main related segments



Healthcare



Electronics



Business  
Innovation



Imaging

Major KPIs	Main achievements in fiscal 2023	FY2026 (Targets)	FY2030 (Targets)
<ul style="list-style-type: none"> <li>● GHG emission reduction rate from in-house energy</li> <li>● GHG emission reduction rate over product life cycle</li> <li>● Ratio of sales of environmentally friendly products/services to net sales</li> <li>● Contribution to CO<sub>2</sub> emission reduction in society</li> <li>● Reduction rate of total water withdrawal (input)</li> </ul>	<ul style="list-style-type: none"> <li>● 15% reduction in GHG emissions from in-house energy use (compared with fiscal 2019)</li> <li>● 5% reduction in GHG emissions in product life cycles (compared with fiscal 2019)</li> <li>● 17% reduction in total water withdrawal (input) (compared with fiscal 2013)</li> </ul> <hr/> <ul style="list-style-type: none"> <li>■ Announced the introduction of PPAs (Power Purchase Agreements) at bases in North America and Denmark</li> <li>■ Certified as an "A-list company" with the highest evaluation in "climate change" by CDP</li> <li>■ Decided to make an additional contribution of ¥1 billion to the charitable trust "Fujifilm Green Fund" (April 2024)</li> <li>■ Opened the Circular Manufacturing Center, a toner cartridge production base that promotes the recycling of resources in Europe (June 2024)</li> <li>■ Strengthened the lineup of recycled multifunction devices using reused parts (July 2024)</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>25% reduction</b> in GHG emissions from in-house energy (compared with fiscal 2019)</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>50% reduction</b> in GHG emissions from in-house energy (compared with fiscal 2019)</li> <li>■ <b>50% reduction</b> in GHG emissions from product life cycles (compared with fiscal 2019)</li> </ul>





## Health

### Priority issues (Materiality)

- ① Address unmet medical needs
- ② Improve accessibility to medical services
- ③ Contribute to early detection of disease
- ④ Promote enhanced health and beauty
- ⑤ Promote health management

#### Risks

- Major changes in healthcare administration policies due to healthcare reforms
- Strengthened laws and regulations for medical equipment
- Postponement or suspension of new drug development by pharmaceutical companies and changes in the management environment amid increasing difficulty of drug discovery
- Heightened competition in the biopharmaceutical process development and contract manufacturing market due to technological innovation
- Product liability and product defects (risk that defects in product quality could lead to health problems)

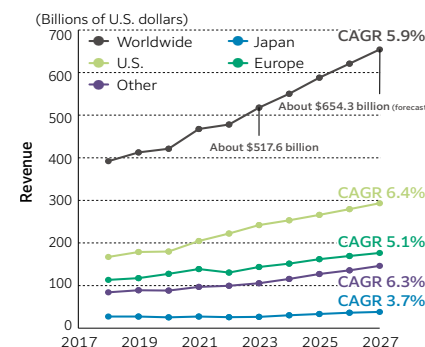
#### Opportunities

- Growing need for medical IT to support medical care and improve operational efficiency due to the aging population and shortage of medical personnel
- Increasing unmet medical needs, mainly for cancer, rare diseases and gene therapies
- Expanding market for biopharmaceuticals that deliver high efficacy with fewer side effects
- Progressive industrialization of advanced therapies
- Increasing need for vaccines and therapeutics to combat infectious disease pandemics

### Reference information: External environmental data

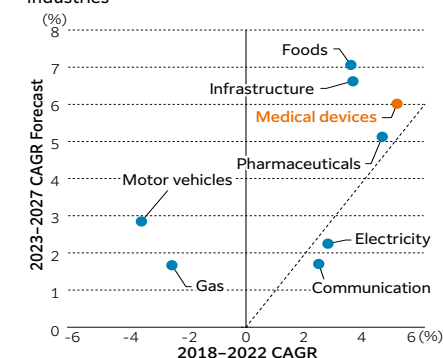
The global medical device market is expected to grow at a compound annual growth rate (CAGR) of 5.9% over the decade to 2027, with Japan's market expected to be approximately \$38 billion by 2027. In comparison with other industries, the medical device industry is expected to be an industry with sustainable growth, with a CAGR of more than 5% for both 2018 to 2022 actual results and the 2023 to 2027 forecast.

#### Revenue Trends in Medical Devices by Country



Source: Vision for the Medical Device Industry 2024 (Vision for the Medical Device Industry Research Group, March 2024 / Ministry of Economy, Trade and Industry)

#### Projected Average Annual Growth Rates in Various Industries



#### Main related segments



Major KPIs	Main achievements in fiscal 2023	FY2026 (Targets)	FY2030 (Targets)
<ul style="list-style-type: none"> <li>● No. of countries where our medical AI technology-based products/services are deployed</li> <li>● Bio CDMO tank capacity (production capacity)</li> <li>● Revenue in Bio CDMO</li> </ul>	<ul style="list-style-type: none"> <li>● No. of countries where our medical AI technology-based products/services are deployed: 100</li> <li>● Ratio of Healthcare sales to total revenue: 32.9%</li> <li>● Production capacity of Bio CDMO tank for antibody drugs: 140 kL</li> <li>● Revenue in Bio CDMO: ¥203.4 billion</li> </ul> <hr/> <ul style="list-style-type: none"> <li>■ Used IT and AI technologies to deploy products that improve workflow at medical sites</li> <li>■ Opened new locations of "NURA," a health screening center focusing on cancer screening in emerging countries (7 locations as of August 2024)</li> <li>■ Decided to invest a total of \$1.2 billion (approximately ¥180 billion) in the North Carolina site in the U.S. in Bio CDMO, and to significantly expand the drug substance manufacturing facilities for antibody drugs (announced in April 2024)</li> </ul>	<ul style="list-style-type: none"> <li>■ No. of countries where our medical AI technology-based products/services are deployed: 120</li> <li>■ No. of locations of the NURA health screening center in emerging countries: 30 locations</li> <li>■ Revenue in Bio CDMO: ¥355 billion</li> </ul>	<ul style="list-style-type: none"> <li>■ No. of countries/regions where our medical AI technology-based products/services are deployed: <b>196 (all countries)</b></li> <li>■ No. of locations of the NURA health screening center in emerging countries: <b>100 locations</b></li> <li>■ Production capacity of Bio CDMO tank for antibody drugs: More than 750 kL</li> <li>■ Revenue in Bio CDMO: ¥700 billion</li> </ul>



## Daily Life

### Priority issues (Materiality)

- 1 Help create a safe and secure society
- 2 Passing on and developing photo and video culture that delivers new impressions and experiences to society (contribute to spiritual enrichment and human connections)

#### Risks

- Rising raw material costs due to soaring resource prices
- Raw material procurement risks and supply chain disruptions due to increased concerns about economic security and the formation of economic blocs
- Intensifying competition from alternative materials due to the commercialization of new technologies
- Commoditization of digital devices
- Changes in the value and differentiation of consumer products and services due to technological progress, changes in the social environment and changes in user behavior and awareness
- Intensifying competition in the high-end mirrorless digital camera market

#### Opportunities

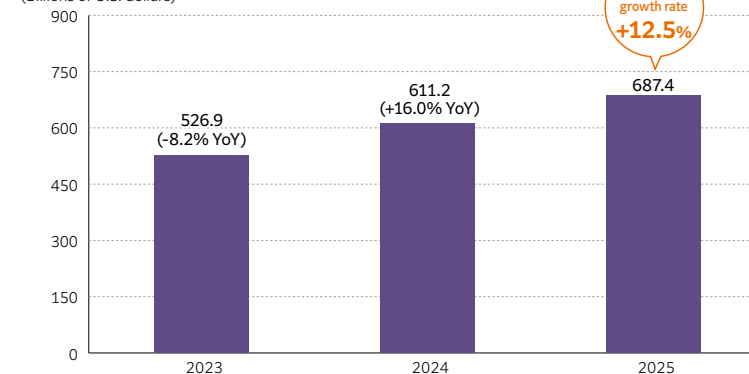
- Expansion of related markets, including the semiconductor market, through the spread of new technologies such as generative AI and autonomous driving
- Expanding demand for related materials due to the growth of the OLED market
- Growth in the number of images taken and printing needs due to smartphone proliferation
- Expanding demand for analog products for the digital native generation
- Increasing demand for high-performance lenses due to higher-resolution images, advanced IoT technologies and the growing importance of security monitoring

### Reference information: External environmental data

Demand in the global semiconductor market is expanding on the back of robust AI-related investment. In 2024, the market was worth \$611.2 billion, and double-digit growth is expected to continue in 2025 based on growth areas such as environmental measures and automation.

#### Market Size and Growth Rate of the Global Semiconductor Market

(Billions of U.S. dollars)



Source: WSTS Spring 2024 Semiconductor Market Forecast

#### Main related segments



Electronics



Imaging

Major KPIs	Main achievements in fiscal 2023	FY2026 (Targets)	FY2030 (Targets)
<ul style="list-style-type: none"> <li>● Sales targets for the Semiconductor Materials business</li> <li>● Maintain profitability of the Imaging business</li> </ul>	<ul style="list-style-type: none"> <li>● Semiconductor Materials business growth rate: +10.6% YoY</li> <li>● Operating margin of the Imaging business: 21.7%</li> </ul> <hr/> <ul style="list-style-type: none"> <li>■ Completed the acquisition of the semiconductor process chemicals business of U.S.-based Entegris, Inc., and promoted PMI</li> <li>■ Full-scale operation of state-of-the-art equipment to produce CMP slurries at the Kumamoto base</li> <li>■ Announced the introduction of production facilities for color filter materials for image sensors at the Kumamoto base</li> <li>■ Expanded the lineup of the instax series, including the "instax Pal" a palm-sized camera</li> <li>■ Released X100VI, the latest model of the X100 series of high-end compact digital cameras</li> </ul>	<ul style="list-style-type: none"> <li>■ Revenue in Semiconductor Materials business: ¥300 billion</li> <li>■ Operating margin of Imaging business: 20% or more</li> </ul>	<ul style="list-style-type: none"> <li>■ Semiconductor-related material revenue: ¥500 billion (FY2023→FY2030: 14% CAGR)</li> <li>■ Operating margin of Imaging business: 20% or more</li> </ul>



## Work Style

### Priority issues (Materiality)

- 1 Create environments that lead to a motivated workplace (provision of solutions services)
- 2 Develop and utilize diverse human resources

#### Risks

- Decrease in print volumes due to entrenchment of remote working and increasing digitization of business processes
- Slowing growth and declining profitability due to the maturation of the office equipment market
- Lower-than-expected demand in the offset printing market

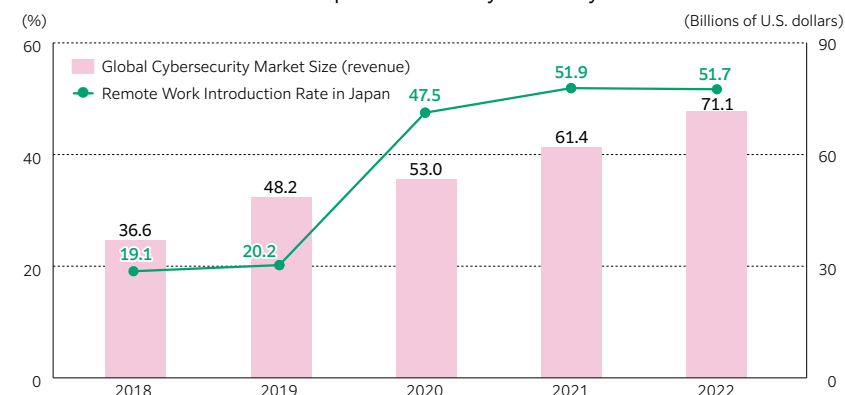
#### Opportunities

- Need to build and operate IT infrastructure with enhanced security/networking against the backdrop of cyberattack threats and the spread of remote working
- Growing market for business solutions and services that utilize AI and the cloud for DX and improving office work productivity
- Expanding demand for digital printing through an increase in on-demand printing

### Reference information: External environmental data

Since the spread of COVID-19 in 2020, the introduction rate of remote work in Japanese companies has rapidly increased, exceeding 50% since 2021. The global cybersecurity market (revenue) is also expanding accordingly.

#### Remote Work Introduction Rate in Japan and Global Cybersecurity Market Size



Source: Prepared based on the 2023 White Paper on Information and Communications in Japan (Ministry of Internal Affairs and Communications, Japan)  
 Transition of remote work introduction rate: Figure 4-11-2-5 Changes in introducing remote work  
[https://www.soumu.go.jp/johotsusintokei/whitepaper/eng/WP2023/pdf/01-chap4\\_sec11.pdf](https://www.soumu.go.jp/johotsusintokei/whitepaper/eng/WP2023/pdf/01-chap4_sec11.pdf)  
 Trends of the Global Cybersecurity Market Size (sales): Figure 4-10-1-1 Changes in global cybersecurity market size (sales)  
[https://www.soumu.go.jp/johotsusintokei/whitepaper/eng/WP2023/pdf/01-chap4\\_sec10.pdf](https://www.soumu.go.jp/johotsusintokei/whitepaper/eng/WP2023/pdf/01-chap4_sec10.pdf)

#### Main related segments



#### Business Innovation

Major KPIs	Main achievements in fiscal 2023	FY2026 (Targets)	FY2030 (Targets)
<ul style="list-style-type: none"> <li>● Provide solutions and services that help workers improve productivity and exercise their creativity</li> <li>● Growth rate of the Business Solutions business</li> <li>● Improving profitability in Business Innovation</li> </ul>	<ul style="list-style-type: none"> <li>● Provided 27 million people with work styles that support increased worker productivity and creativity</li> <li>● Business Solutions business growth rate: 6.8% (YoY)</li> </ul> <hr/> <ul style="list-style-type: none"> <li>■ Began providing IT Expert Services, a solution service aimed at CHX (Customer Happy Experience)*, and FUJIFILM IWpro, a cloud service</li> <li>■ Established FUJIFILM Cloud Corp. and began providing support for the introduction of cloud services and operation and maintenance services for small and medium-sized companies (April 2024)</li> <li>■ Launch of the Apeos series multifunction devices in Europe and the U.S. through dealers (Europe: April 2024; U.S.: October 2024)</li> </ul> <p>* The philosophy of Business Solutions business. It was established so that all members involved in this project can thoroughly carry out activities based on the customer-oriented approach toward the realization of a successful customer experience.</p>	<ul style="list-style-type: none"> <li>■ Provide <b>35 million people</b> with work styles that support increased worker productivity and creativity</li> <li>■ Business Solutions business growth rate (fiscal 2023→fiscal 2026): Average annual growth rate: 8%</li> <li>■ Operating margin of Business Innovation: 7.1%</li> </ul>	<ul style="list-style-type: none"> <li>■ Provide <b>50 million people</b> with work styles that support increased worker productivity and creativity</li> <li>■ Operating margin of Business Innovation: 10% or more</li> </ul>



# Review of Past Medium-Term Management Plans

Over the course of previous medium-term management plans, we have been building a strong operating base by accelerating growth in Healthcare and Advanced Materials (now Electronics) while strengthening our business portfolio management and cash flow management.

	VISION2016	VISION2019	VISION2023
Objectives	<ul style="list-style-type: none"> <li>● Achieve record-high profits and increase ROE by building a business portfolio that can grow stably over the medium to long term while strengthening shareholder returns.</li> </ul>	<ul style="list-style-type: none"> <li>● Further solidify the business portfolio established under VISION2016</li> <li>● Strengthen M&amp;A investments and shareholder returns, in order to achieve record-high profits, increase ROE and inspire new leaps forward</li> </ul>	<ul style="list-style-type: none"> <li>● Accelerate growth in the Healthcare segment and the Advanced Materials business and build an even stronger business foundation for sustainable growth</li> </ul>
Business portfolio policies	<ul style="list-style-type: none"> <li>● Accelerate the growth of core businesses: Increase sales, market share and profits by expanding sales activities, launching new products and engaging in M&amp;As, with the Healthcare, Advanced Materials (currently Electronics), and Document (currently Business Innovation) businesses as growth drivers</li> <li>● Improve profitability in all businesses: Improve profitability by increasing productivity and efficiency in all businesses while maintaining business scale and a competitive edge</li> </ul>	<ul style="list-style-type: none"> <li>● Position each business in the three stages according to our growth process—"Improve profitability," "Further accelerate growth" and "Invest to create a new future"—and develop measures to suit the relevant growth process</li> </ul>	<ul style="list-style-type: none"> <li>● Classify businesses into "New/Future Potential," "Growth Driver," "Earnings Base" and "Non-Core," and concentrate management resources on "New/Future Potential" and "Growth Driver" businesses for growth while controlling investment in "Earnings Base" businesses to pursue management efficiency and maximize cash flow</li> </ul>
Achievements/ progress of major initiatives	<b>Corporate Performance</b> <ul style="list-style-type: none"> <li>● FY2016: Underachieved revenue and operating income targets due to yen appreciation</li> </ul>	<b>Corporate Performance</b> <ul style="list-style-type: none"> <li>● Failed to meet the target for fiscal 2019 due to COVID-19 in the fourth quarter and the significant impact of foreign exchange rates in the Asia-Pacific region</li> </ul>	<b>Corporate Performance</b> <ul style="list-style-type: none"> <li>● Achieved the targets for revenue and operating income in VISION2023 one year ahead of schedule in fiscal 2022, and renewed record highs for revenue, operating income and net income attributable to FUJIFILM Holdings in fiscal 2023</li> </ul>
	<b>Business</b> <ul style="list-style-type: none"> <li>● Acquired Kalon Biotherapeutics (based in Texas) in the Bio CDMO business and Cellular Dynamics International in the Life Sciences business</li> <li>● Improved profitability in Advanced Materials by expanding sales in the Electronic Materials business (currently Semiconductor Materials business)</li> <li>● Significantly improved profitability of the Imaging business through the growth of instax and the shift to high-end digital cameras</li> </ul>	<b>Business</b> <ul style="list-style-type: none"> <li>● Decided to acquire the diagnostic imaging business of Hitachi, Ltd., a large-scale capital investment in the Bio CDMO business in Denmark, and acquired Wako Pure Chemical Industries</li> <li>● Advanced Materials: Growth in revenue and profit driven by the Electronic Materials business</li> <li>● Document: Posted an operating margin above 10% and made Fuji Xerox a wholly owned subsidiary</li> </ul>	<b>Business</b> <ul style="list-style-type: none"> <li>● Expansion of the Medical Systems businesses through synergies with the diagnostic imaging business acquired from Hitachi, Ltd.</li> <li>● Implementation of large-scale capital expenditures in the Bio CDMO business</li> <li>● Sale of the radiopharmaceutical business, sale of the electronic medical records and medical-receipt systems related business of FUJIFILM Healthcare (currently FUJIFILM Medical)</li> <li>● Acquisition of the Process Chemicals business in the Semiconductor Materials business (currently FUJIFILM Electronic Materials Process Chemicals)</li> <li>● Significant improvement in profitability of the Imaging business driven by instax and digital cameras</li> </ul>
	<b>Investment, shareholder returns, etc.</b> <ul style="list-style-type: none"> <li>● Delivered around ¥290 billion in shareholder returns (including dividends and share buybacks) over the three-year period</li> </ul>	<b>Investment, shareholder returns, etc.</b> <ul style="list-style-type: none"> <li>● Strengthened accounting, auditing and risk management systems</li> <li>● Delivered around ¥300 billion in shareholder returns (including dividends and share buybacks) over the three-year period</li> <li>● Made around ¥700 billion in M&amp;As and other growth-oriented investments over the three-year period</li> </ul>	<b>Investment, shareholder returns, etc.</b> <ul style="list-style-type: none"> <li>● Strengthen business portfolio management and make growth investments of approximately ¥1.2 trillion over three years</li> <li>● Strengthen cash flow management and promote business management through ROIC and CCC</li> <li>● 14 consecutive years of dividend increases until the end of fiscal 2023</li> </ul>

We continued to improve profitability and per-share indicators throughout the period of the previous medium-term management plans. We will accelerate initiatives under the new medium-term management plan VISION2030 to further improve capital efficiency.

### Profitability

#### Revenue

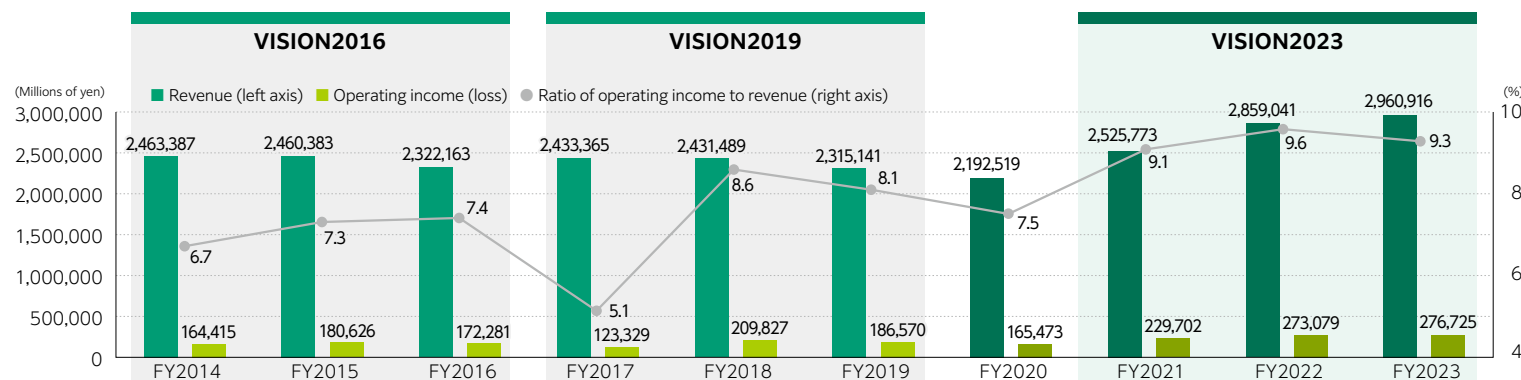
Results and plans for the final year of the plan

VISION2016 (Result) **¥2,322.2 billion**

VISION2019 (Result) **¥2,315.1 billion**

VISION2023 (Result) **¥2,960.9 billion**

VISION2023 (Plan) **¥2,700.0 billion**



### Per share indicator

#### EPS

(Net income attributable to FUJIFILM Holdings per share)

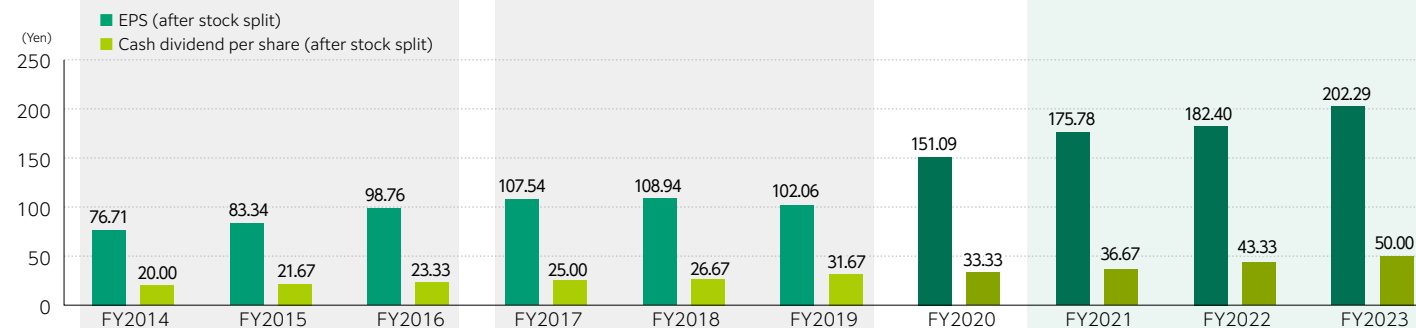
Results and plans for the final year of the plan

VISION2016 (Result) **¥98.76**

VISION2019 (Result) **¥102.06**

VISION2023 (Result) **¥202.29**

VISION2023 (Plan) **¥166.76**



### Capital efficiency

#### ROE

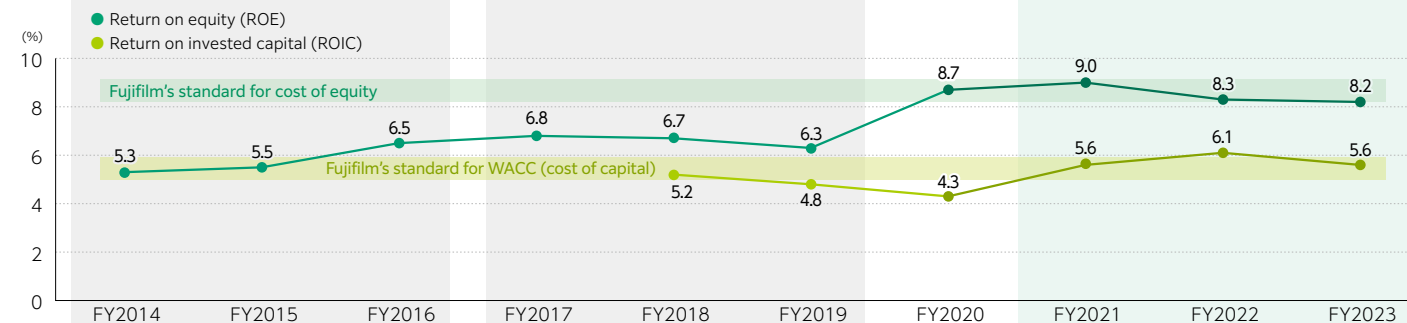
Results and plans for the final year of the plan

VISION2016 (Result) **6.5%**

VISION2019 (Result) **6.3%**

VISION2023 (Result) **8.2%**

VISION2023 (Plan) **8.4%**



# Policies of the New Medium-Term Management Plan “VISION2030”

Based on the review and challenges of VISION2023, the new medium-term management plan VISION2030 was announced in April 2024.

As a collection of global top-tier businesses, we will change the world step by step and create value (more smiles) for various stakeholders.

## Review of VISION2023 and challenges for VISION2030

Achieved steady development in Healthcare and Semiconductor Materials and set Imaging on a growth path, while the challenge lies in improving resilience to volatility and further enhancing profitability and capital efficiency in each business field.

Reinforce small-scale manufacturing in Bio CDMO and the cell culture media sales business, both of which are affected by biotech venture funding stagnation

Respond to the delay in the recovery of the market due to soaring raw material prices and the impact of COVID-19, and execute PMI in the business of acquiring semiconductor materials

Maintain the profitability of Office Solutions, which is experiencing a gradual decline in print volume, and improve the profitability of Business Solutions and Graphic Communications

Sustain silver halide photography (CLP and film) and develop new businesses such as safety monitoring and inspection

## Framework of VISION2030

### Invest in growth and emphasize profitability

Focus investment on growth areas  
Achieve an operating margin

**10% or more in all businesses  
by focusing on profitability**

(FY2030)

### Improve capital efficiency

Improve the efficiency of invested capital using ROIC as a KPI and combine with the capital policy to increase ROE

**ROE: 10% or more  
ROIC: 9% or more**

(FY2030)

### Practice R&D management

Increase resources for research themes in areas that closely relate to our businesses  
In fundamental research, select themes that will lead to the creation of new business opportunities, to enhance speed and to ensure the certainty of commercialization

### Generate steady investment returns

Improve the profitability of the acquired Medical Systems business, and separately create synergies from the acquired process chemical business in Semiconductor Materials  
Ensure a solid return on investments in Bio CDMO and Semiconductor Materials  
Achieve a Bio CDMO EBITDA margin of

**approx. 40%** (FY2030)

## Toward a Sustainable Society

### 1. GHG (Scope 1 + 2) emission reduction

- FY2026 reduction target: 25% reduction (vs. FY2019)
- Introduce new technologies such as energy conservation and fuel decarbonization
- Scope 1 | Direct emissions from fuel combustion
- Scope 2 | Indirect emissions from electricity supplied by other companies

### 2. Improvement of carbon efficiency

- Facilitate the transition to lower-carbon operations

### 3. Creation of Green Value Products

### 1. Conservation of water resources

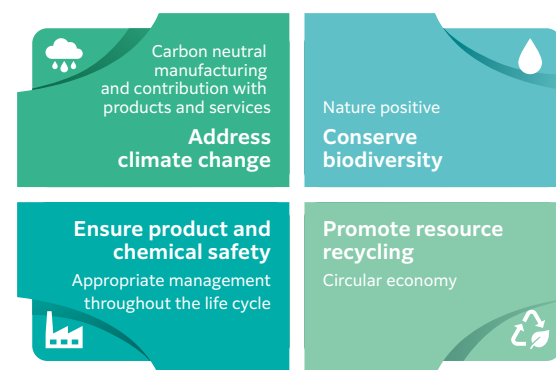
- Focus on measures in water-stressed areas
- Conserve water resources

### 2. Disclosure in accordance with TNFD\* recommendations

\*TNFD: Taskforce on Nature-related Financial Disclosures

### 3. Continued commitment to nature conservation activities

- Support nature conservation activities and research projects through the Fujifilm Green Fund, a charitable trust



- Voluntary reduction and substitution of substances of concern prior to enactment of laws and regulations
- Development of materials and processes that contribute to reducing environmental impact and promoting resource recycling

- Reducing the input of new raw materials
- Product life cycle design with efficient use of resources



# VISION2030 Performance Targets

By steadily reaping the return on our aggressive investment in Bio CDMO and Semiconductor Materials, we aim to achieve an operating margin of 15% or more and an ROE of 10% or more in fiscal 2030. At the same time, we will promote initiatives to achieve non-financial targets to realize a sustainable society.

## VISION2030 financial targets

		FY2023 Actual	FY2024 Forecast (As of August 7, 2024)	FY2026 Target VISION2030	FY2030 Direction
	(Billions of yen)				
Profitability	Revenue	2,960.9	<b>3,150.0</b>	<b>3,450.0</b>	4 trillion yen
	Operating Income	276.7	<b>315.0</b>	<b>360.0</b>	OPM of <b>15%</b> or more
	Income before Income Taxes	317.3	<b>330.0</b>	<b>360.0</b>	
	Net Income Attributable to FUJIFILM Holdings	243.5	<b>250.0</b>	<b>270.0</b>	
	EPS	¥202.29	<b>¥207.63</b>	<b>¥224.24</b>	
Capital efficiency	ROE	8.2%	<b>7.8%</b>	<b>8.1%</b>	10% or more
	ROIC	5.6%	<b>5.4%</b>	<b>5.8%</b>	9% or more
	CCC	116 days	<b>115 days</b>	<b>112 days</b>	—
Shareholder returns	DPS	¥50	<b>¥60</b>	Dividend Payout Ratio approx. 30%	—
Exchange (average)	USD	¥145	¥148	¥140	—
	EUR	¥157	¥162	¥150	—

## VISION2030 financial targets: By segment

		FY2023 Actual	FY2024 Forecast (As of August 7, 2024)	FY2026 Target VISION2030	FY2030 Direction
	(Billions of yen)				
Healthcare	Revenue	975.1	<b>1,010.0</b>	<b>1,200.0</b>	OPM of approx. <b>20%</b>
	Operating Income	97.4	<b>100.0</b>	<b>140.0</b>	
Electronics	Revenue	358.4	<b>420.0</b>	<b>470.0</b>	High <b>10%</b> s
	Operating Income	46.3	<b>72.0</b>	<b>70.0</b>	
Business Innovation	Revenue	1,157.7	<b>1,210.0</b>	<b>1,275.0</b>	10% or more
	Operating Income	67.4	<b>73.0</b>	<b>90.0</b>	
Imaging	Revenue	469.7	<b>510.0</b>	<b>505.0</b>	20% or more
	Operating Income	102.0	<b>112.0</b>	<b>105.0</b>	
Corporate Expenses & Eliminations	Revenue	—	—	—	
	Operating Income	-36.4	<b>-42.0</b>	<b>-45.0</b>	
Total	Revenue	2,960.9	<b>3,150.0</b>	<b>3,450.0</b>	15% or more
	Operating Income	276.7	<b>315.0</b>	<b>360.0</b>	

## Non-financial targets

We aim to achieve these non-financial targets and realize a sustainable society.



### Environment

GHG emissions from our own energy, compared with FY2019 (FY2030)

» **50% reduction**

The entire product life-cycle GHG emissions, compared with FY2019 (FY2030)

» **50% reduction**



### Health

Introduction of products and services using medical AI technology (FY2030)

» **196 countries**  
(FY2026: 120 countries)

Health screening center NURA, number of locations opened (FY2030)

» **100 locations**  
(FY2026: 30 locations)



### Work Style

A way of working that supports workers being more productive and creative (FY2030)

**Provided to 50 million people**  
(FY2026: 35 million)



### Human Capital

Percentage of women in managerial positions (FY2030)

» **25%**

Percentage of non-Japanese in key positions (FY2030)

» **35%**

Employee Engagement Survey

Source of Sustainable Engagement\*

» **Maintain above 80%**

\* Incorporated into directors' KPIs for "Medium-term performance-linked equity remuneration"  
Surveyed as an indicator with a strong correlation to corporate performance. Defined by our partner WTW (Willis Towers Watson)

# 04

Chapter

## Strategies for Business Growth

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# Strategies by Business Segment

## Healthcare

Relevant materiality



Environment



Health



Our Healthcare segment consists of Medical Systems, which includes medical IT and equipment, and LS Solutions, which includes the Bio CDMO\*<sup>1</sup>, Life Sciences, Pharmaceuticals, Consumer Healthcare and CRO\*<sup>2</sup> businesses.

In the life sciences field, we have positioned CDMO and drug discovery support as priority businesses.

\*1 Abbreviation for Contract Development & Manufacturing Organization, which offers services to pharmaceutical companies ranging from cell line development in the early stages of drug development, stability testing, and development and manufacturing of clinical trial drugs to commercial drug manufacturing.

\*2 Abbreviation for Contract Research Organization, which provides services such as drug efficacy evaluation and safety testing, and support pharmaceutical research and development conducted by pharmaceutical companies, bio-ventures, academia, etc.

\*3 According to a survey by Signify Research

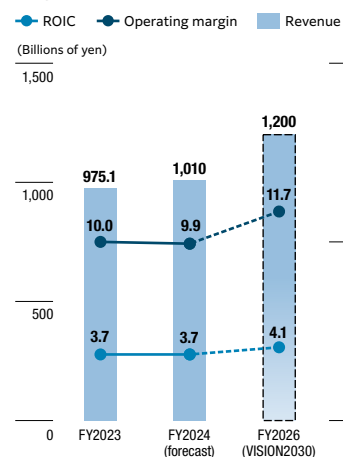
Share of the global  
market for PACS  
(picture archiving and  
communication system)

# No. 1<sup>\*3</sup>

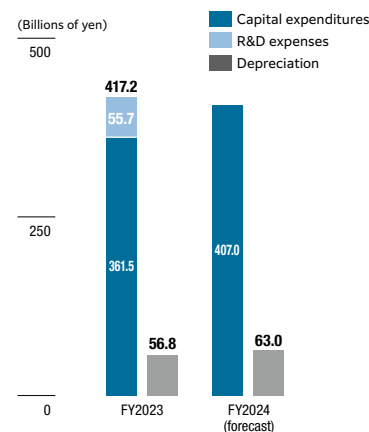
Medical-use PACS  
SYNAPSE



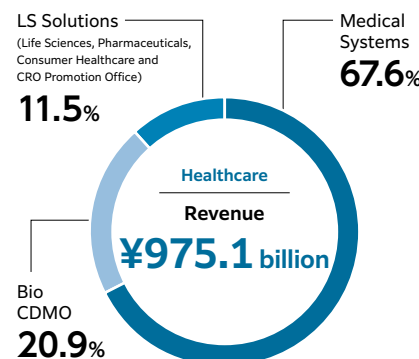
### Segment results



### Capital expenditures, R&D expenses and depreciation



### Revenue ratio by segment (FY2023)



## Business Environment

### Opportunities

The aging of society is increasing medical expenses, and at the same time, harsh working conditions in the medical field driven by a shortage of medical personnel are becoming apparent. In addition, there are many diseases for which effective treatments have yet to be established, such as cancer, rare diseases and new infectious diseases. Biopharmaceuticals, which have fewer side effects and are expected to be highly effective, have been attracting attention in recent years as a means of treating and preventing these diseases. They have grown to account for approximately 40% of the global pharmaceutical market, and the market size of the CDMO business, which develops production processes and contracts out manufacturing, continues to expand at an annual rate of approximately 15%.

### Risks

Unforeseeable large-scale changes in medical administration policies due to healthcare system reforms, tighter laws and regulations affecting medical devices, the postponement or cancellation of new drug development by pharmaceutical companies and changes in the business environment as the difficulty of drug discovery increases, and intensifying competition in the biopharmaceutical process development and contract manufacturing market because of technological innovation are recognized as risks.

### Competitive Advantages

- Image processing and AI technologies for providing images suitable for diagnosis
- Advanced chemical compounds, design capabilities and nanotechnologies that enable development of pharmaceuticals to address unmet medical needs
- High levels of technological capabilities to manufacture under consistent conditions and with superior quality control utilized in the process development and manufacturing of biopharmaceuticals
- World-leading iPS cell initialization and differentiation induction technology, and culture medium development capabilities

Notes: 1. ROIC for FY2024 is based on the initial full-year forecast (announced in May 2024).  
2. R&D expenses forecasts are not disclosed by segment.



## Medical Systems

### Long-Term Competitive Environment and Major Risks

- Shift to focusing on "prevention, early diagnosis and early treatment" as a means of curbing escalating medical expenditures
- Increased need for operational efficiency in hospital management against a backdrop of physician shortages
- Intensifying price competition in each product line due to the addition of emerging manufacturers to existing competitors

### Basic Strategies and Actions

#### Diverse equipment lineup and deepening of IT and AI technology to enhance our presence

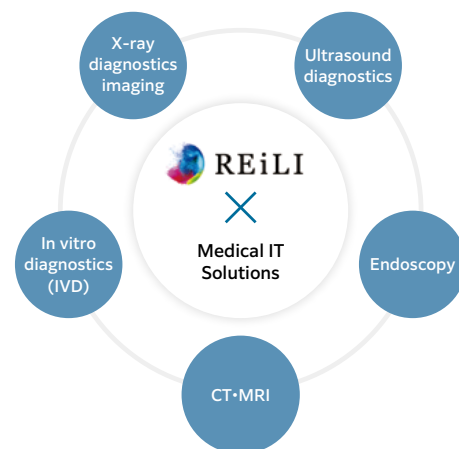
- In addition to clinical value, create products and services that contribute to solving challenges in medical settings, such as providing workflow support
- Promote differentiation through solution proposals based on IT/AI and linkage with other equipment, rather than on stand-alone devices

#### Expansion of recurring business leveraging IT and AI technology

- In the next three years, focus on accelerating IT implementation of various equipment and expand our market share, which will serve as the earnings base for our recurring business

#### Acceleration of business in health screening

- Expand existing business in health screening
- Expand NURA, a health screening center focusing on cancer screening, to 100 locations worldwide, mainly in emerging countries



### TOPICS Opened Southeast Asia's first NURA center in Hanoi, Vietnam

In July 2024, Fujifilm opened the NURA health screening center in Hanoi, Vietnam. NURA uses Fujifilm's medical equipment and AI technology to provide high-precision health screening services aimed at the early detection of cancer and lifestyle-related diseases. We opened the first center in Bengaluru, India, in 2021. We currently have four centers in India, two in Mongolia and one in Vietnam. An entire examination is completed in about 120 minutes, and after the examination, patients can receive an explanation of the results from the doctor while checking the diagnostic image on the spot. In Vietnam, non-communicable diseases such as cancer and ischemic heart disease are the leading causes of death, and while regular health examinations are mandatory, the rate of health examinations is low at around 3.5%. By forming an alliance with VIETNAM JAPAN HEALTH TECHNOLOGY JOINT STOCK COMPANY, which operates the T-Matsuoka Medical Center in Vietnam, and building an environment that provides high-quality health screening services in Vietnam, we aim to contribute to the early detection and treatment of these diseases and to establish a culture of health screening in Vietnam.



Grand opening ceremony

### Products

Diagnostic imaging system					Medical IT	IVD
CT	MRI	Fluoroscopy system	General radiography system	Mammography	HER*1/HIS*2	
Mobile X-ray system	DR panels/CR	Bone densitometer	Ultrasound system	Endoscopy	PACS	

\*1 Health Electronic Record  
\*2 Hospital Information System

# Life Sciences

## Bio CDMO

### Long-Term Competitive Environment and Major Risks

- As the market for antibody drugs is growing (CAGR +8%), backed by strong investment by pharmaceutical companies, CDMO companies are required to have ample supply capacity and high productivity
- In addition to supply capacity, "track record" and "trust" are important to be selected for outsourcing in the competitive environment
- Expanding needs for next-generation drugs (ADCs, bispecific antibodies, cell & gene therapy) and drug formulations with future growth potential

### Basic Strategies and Actions

#### "Partners for Life"

- Provide end-to-end services that support a wide range of pipelines from early development to commercial production
- Quick tech-transfer and respond to regulatory requirements and agility to meet fluctuating demand, backed by ample supply capacity

Build a track record and trust, and as a "Trusted Partner," deliver cutting-edge biopharmaceuticals to more patients more quickly and with reliable quality

#### Building and optimizing a production structure to meet growing demand

- **Large-scale facilities:**  
Make additional investments in our site in North Carolina, U.S. As one of the largest CDMO production site for antibody drugs in North America, eight tanks are scheduled to start operation in 2028.  
Expand capacity through KojoX\*1, by cloning existing highly productive facilities at a faster speed than other companies
- **Small to medium-scale facilities:**  
Establish a production organization capable of meeting demand fluctuations (restructuring, conversion of facilities from those for gene therapies to those for antibody drugs)

▶ Please refer to the Bio CDMO Special Feature (pp. 55–59).

\*1 KojoX: An approach to standardize the design and facilities of existing facilities that are highly productive and have a track record of obtaining various certifications and deploying them to other sites.

\*2 EBITDA margin excludes one-time costs (inventory write-downs in FY2023 and reforming cost in FY2024).

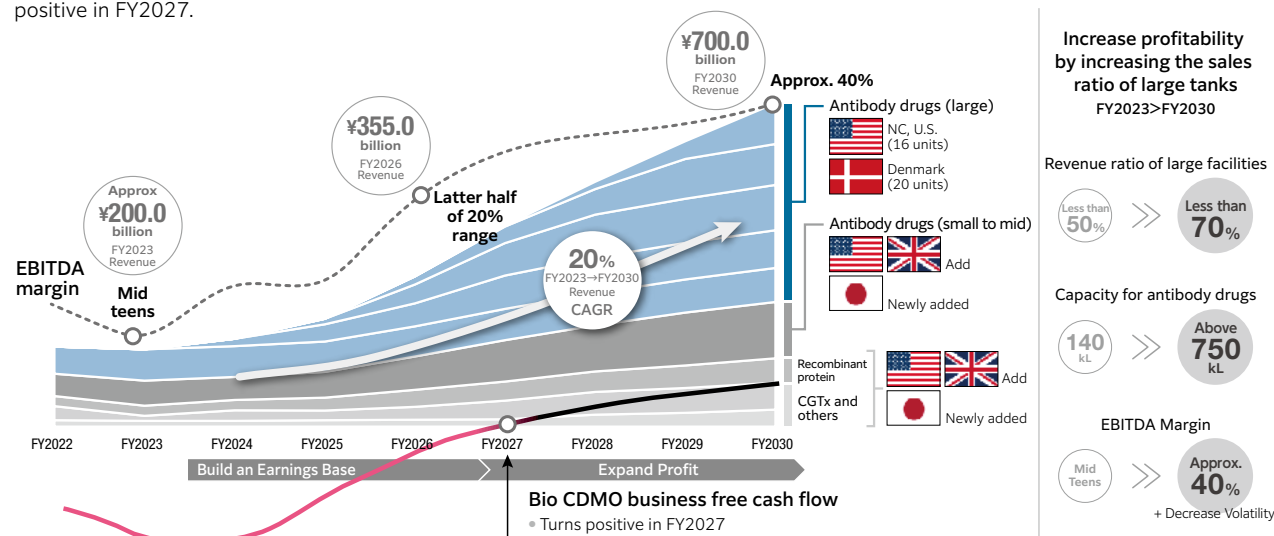
#### Development of next-generation technologies that will lead to sustainable growth

- Continuous Manufacturing System (continuous manufacturing of APIs from culture to purification):  
- Improve productivity by applying N-1 Perfusion (20,000 L), Apply next-generation production technology (500-2,000 L)
- ADC (Antibody-Drug Conjugate): Start end-to-end CDMO service from production of the antibody drug substance in Japan (Toyama) to conjugation (drug binding to antibody) and formulation (scheduled for 2027)

#### Revenue, EBITDA Margin\*2, Free Cash Flows (Illustration)

Aim to achieve ¥700.0 billion in revenue, with the contribution of new additional facilities in North Carolina, U.S., which will start operation in FY2028.

Achieve stable and high profitability by increasing the rate of large tanks. Free cash flow of Bio CDMO business is expected to turn positive in FY2027.



## Life Sciences

### LS Solutions

#### Long-Term Competitive Environment and Major Risks

- Driven by high-growth biopharmaceutical demand, materials for drug discovery support and drug manufacturing also continue to grow
- Spread of multi-company purchasing of culture medium for antibody drug production
- Reduced demand growth due to slowing investment in new modalities

#### Basic Strategies and Actions

##### "Partners for Life"

- Create solutions that contribute to drug discovery, drug manufacturing and healthcare with iPS cells, culture media and reagents
- Become a "Trusted Partner" by pursuing the satisfaction of a broad scope of customers including pharmaceutical companies, biotech and academia

**Drug Discovery Support Materials (Overall): Provide solutions in a wide range of areas from drug discovery processes to manufacturing**

- Provide solutions that combine iPS cells, culture media and reagents in a wide range of areas, from basic research to manufacturing, safety and quality testing; strengthen differentiation and our competitive advantage by developing distinctive products

##### Consumer Healthcare: Becoming a trusted cosmetics and supplement company

- Using the core technologies we have developed to date, continue to provide highly original products that meet a wider range of needs and contribute to the health and beauty of people

##### Drug Discovery Support Materials (Culture Medium): Stabilize product supply by expanding production sites and strengthening the supply chain structure

- Grow businesses and improve profitability by implementing appropriate capital expenditures in line with expanding demands, focusing on antibody drug manufacturing
- Expand production in areas closer to customers, achieve stable supply by strengthening the supply chain

##### Support for R&D of iPS cell therapy: Build a business foundation by supporting the pipeline of cell therapeutics from the exploratory and research stages

- Establish a CDMO business for iPS cells by acquiring milestone royalty income according to the progress of development through the provision and licensing of iPS cell lines, and build a track record through contract development

### Products and businesses

#### Life Sciences

Develop a Process Development and Contract Manufacturing business for iPS cells, culture media, reagents and other drug discovery support materials and cell therapeutics



#### Pharmaceuticals

- Promote liposomal formulation development using our nano-dispersion, analysis and process technologies
- Use our lipid nanoparticulate manufacturing facilities and infrastructure to build a process development and contract manufacturing business for antibiotics such as penicillin and next-generation nucleic acid drugs and mRNA vaccines

#### Consumer Healthcare

Cosmetics, supplements



#### CRO Business

Use our proprietary iPS cell technology and AI technology to provide services such as searching for new drug seeds and evaluating their effectiveness and safety

#### TOPICS

Bio CDMO

LS Solutions

#### Presenting a wide range of drug discovery support solutions at one of the world's largest exhibitions in collaboration with Group companies developing business in the life sciences field

Fujifilm, FUJIFILM Diosynth Biotechnologies, FUJIFILM Irvine Scientific, FUJIFILM Cellular Dynamics and FUJIFILM Wako Pure Chemical participated in the BIO International Convention 2024, the world's largest biotechnology exhibition, held in San Diego, U.S., in June 2024. The companies operated a joint booth under the "Partners for Life" vision for the Life Sciences field and the

group purpose "Giving our world more smiles."

We were able to demonstrate the value that the Fujifilm Group provides to the life sciences industry as a trusted partner to our customers, along with a wide range of solutions that support pharmaceutical companies from the initial stage of drug development to commercial production.





# Electronics

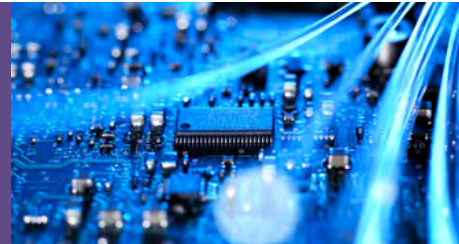
Relevant materiality



Environment



Daily Life



We provide advanced materials for communication devices, sensors and next-generation displays that support people's lives in the age of AI and IoT. The Electronics segment consists of the Semiconductors Materials business and the Advanced Functional Materials Division (AF Materials Division: Display Materials, Industrial Products and Fine Chemicals).

Share of the global  
market in color resists  
for image sensors

## No. 1\*

\* According to a survey by Fujifilm



## Business Environment

### Opportunities

The spread of 5G, autonomous driving and generative AI are expanding the semiconductor market, leading to increased business opportunities for semiconductor-related materials. Demand is also growing for display-related materials and materials for LCDs and OLEDs in applications other than TVs and monitors, such as in-vehicle devices.

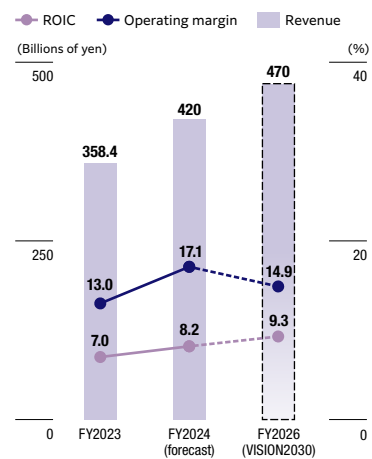
### Risks

In addition to rising raw materials costs due to soaring resource prices and intensifying competition from alternative materials due to the development and commercialization of new technologies, other issues including the risk of procuring raw materials, supply chain disruptions due to heightened awareness of economic security and the formation of economic blocs are recognized as risks.

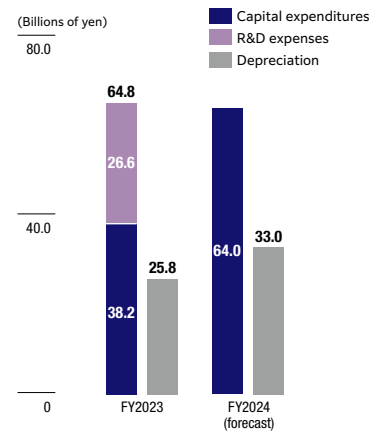
## Competitive Advantages

- Advanced technologies, such as functional molecular technology for imparting high functionality to film
- Advanced film forming and coating technologies to support advances in thinness and display size
- Cost competitiveness and stable supply
- Rapid and accurate product formulation capabilities and development capabilities, and a global production and supply system adjacent to customers

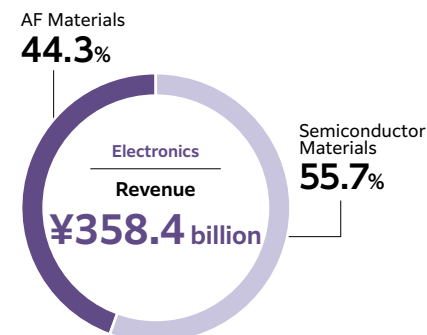
### Segment results



### Capital expenditures, R&D expenses and depreciation



### Revenue ratio by segment (FY2023)



Notes:  
1. Display Materials and Other Electronics Materials have been integrated into AF Materials.  
2. The Graphic Communications business has been reclassified from the "Electronics" (former "Materials") segment to the "Business Innovation" segment.  
3. In conjunction with these reclassifications, the figures for FY2023 have been restated.

Notes: 1. ROIC for FY2024 is based on the initial full-year forecast (announced in May 2024).  
2. R&D expenses forecasts are not disclosed by segment.

## Semiconductor Materials

### Long-Term Competitive Environment and Major Risks

- Market growth of semiconductors supporting DX/AI technology will continue at a CAGR of +7% from 2023 onward
- In addition to advancing miniaturization technology, technology evolution in the back-end process for integrating multiple chips is accelerating
- Increasing geopolitical risks in terms of economic security

### Basic Strategies and Actions

Strengthen the supply chain network for major customers who are expanding globally and acquire business in advanced nodes

- Actively invest in strengthening supply chain networks to respond to the expansion of major chip manufacturers in the U.S., Europe and Asia
- In addition to business expansion through one-stop solutions, acquire business in advanced EUV based on our strengths in CMP slurry and NTI development, which has a high market share, and propose new materials for Beyond EUV
- Steadily execute PMI in the process chemicals business acquired in 2023, and create sales synergies in process chemicals materials by leveraging customer connections in our existing materials business

Respond to geopolitical risks and launch and expand businesses in emerging markets

- Build the supply chain in anticipation of heightened geopolitical risks
- Enter emerging markets early and launch and expand businesses

Develop high-value-added products and businesses utilizing a broad portfolio and technologies

- Expand the advanced packaging materials business by leveraging materials technology for front-end processes
- Accelerate the development of new products and technologies for next-generation image sensors

#### TOPICS Strengthening the global supply network and contributing to the development of the semiconductor industry

In January 2024, Fujifilm began full-scale operation of the production facility for CMP slurry, a key material in the manufacturing process of semiconductors, in the FUJIFILM MATERIAL MANUFACTURING Kyushu Area in Kikuyomachi, Kumamoto. CMP slurry is a polisher, which contains a mixture of wires and insulators of varying hardness, for evenly leveling semiconductor surfaces on a micron scale. With the expected expansion of semiconductor demand in the future, a stable supply of high-performance, high-quality products is required.

In addition, in June 2024, FUJIFILM Electronic Materials Korea completed the construction of a new plant in Pyeongtaek, South Korea, to produce "WAVE CONTROL MOSAIC (WCM)," a color filter material for image sensors, which is an advanced semiconductor material. Full-scale operation is scheduled for December 2024, further strengthening our production and quality assurance systems to meet global semiconductor demand. Production of WCM is scheduled to begin in the FUJIFILM MATERIAL MANUFACTURING Kyushu Area in 2025. This will create a supply network consisting of four bases in Shizuoka, Taiwan, South Korea and Kumamoto, and realize prompt and stable supply to customers. We will continue to contribute to the development of the semiconductor industry by accelerating the timely introduction of products that meet customer needs.

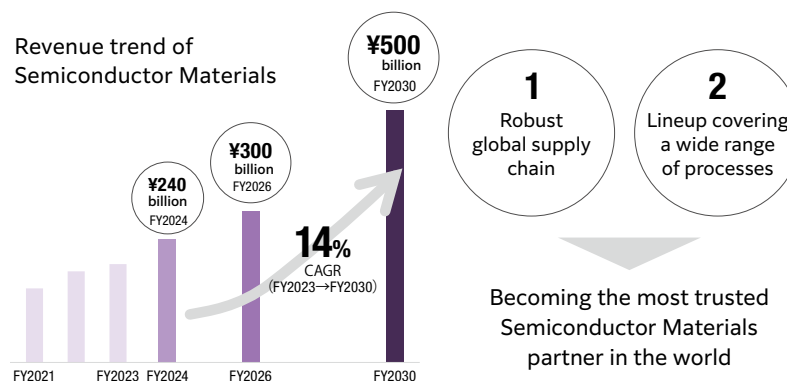
### Products

#### Semiconductor Materials

Wide range of products that enable semiconductor miniaturization and higher stacking (e.g., photoresist, CMP slurry, polyimide, process chemicals)



Revenue trend of  
Semiconductor Materials



## AF Materials

### Long-Term Competitive Environment and Major Risks

- Expansion of business opportunities due to the evolution of HMI (Human Machine Interface), which connects the real world and the information space, and changes in the “communication” and “energy” infrastructures that support the explosive growth of the information space
- The ability to quickly and continuously propose and implement new materials that anticipate market and technological changes and solve social issues is important



### Basic Strategies and Actions

Reorganize customer proposals and implementation activities by division to focus on the market, propose new materials that meet customer needs and accelerate business growth for electronics materials as a whole

#### Responding to the evolution of HMI

- Promote businesses targeting growth markets such as anti-reflective materials for OLEDs which is expanding in the smartphone and IT fields; touch sensor materials; and luminescent layer materials
- Increase our presence in the industry by proposing multiple new materials (e.g., materials for high-definition color filters, thin-layer optical films, reflective films for head-up displays) to manufacture for micro-OLED, AR/VR and mobility, which are expected to be the next-generation HMI, supporting them in addressing key challenges

#### Business and products

Display Materials	Industrial Products
Organic EL materials, TAC products for LCD panels and sensor films for touch panels	Pressure measurement film Prescale, recording media, etc.
	
Fine Chemicals	
Advanced polymers, functional colorants, battery materials, etc.	

#### Business expansion in the telecommunications and energy markets

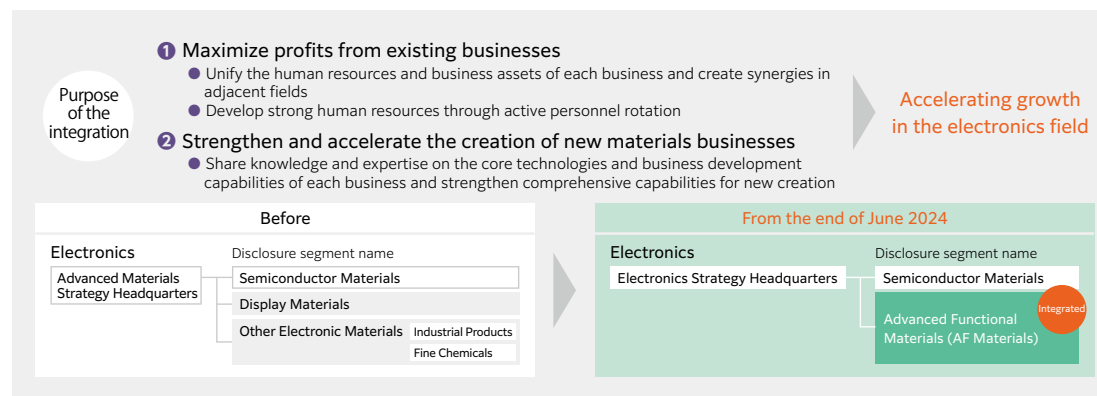
- Based on the technologies of the Electronics Materials Group (e.g., flow synthesis, high-purity liquefaction, inorganic particle formation, optical control using liquid crystals), propose and implement new materials (e.g., wide-band wavelength separation devices for optical communications, materials for separation and recovery of rare metal\*1) that capture customer needs by utilizing the customer contacts in the communications market (e.g., data center archives) and the energy market (e.g., dispersants for lithium batteries) that have been accumulated to date

\*1 Materials for separation and recovery of rare metal: Low molecular weight materials that recover rare metals such as cobalt from waste lithium-ion batteries

#### Developing a system to respond to rapidly changing markets

At the end of June this year, three business divisions in the Electronics field and the Divisional Laboratories\*2 were integrated. We will maximize profits in existing businesses while strengthening and accelerating the creation of new materials businesses in the electronics field.

\*2 Divisional Laboratories: An organization that conducts business-directed R&D





# Business Innovation

Relevant materiality



Environment



Work Style



The Business Innovation segment consists of the Business Solutions business, which helps customers address their business challenges through DX and work-style innovation by providing system integration and cloud services tailored to the characteristics of each industry and business; multifunction device management solutions, along with BPO\*<sup>1</sup> and ITO\*<sup>2</sup> for core business processes; the Office Solutions business, which provides office equipment and supplies such as multifunction devices and printers; and the Graphic Communications business, which provides offset printing equipment, digital printing systems and inkjet-related products.

\*<sup>1</sup> Business Process Outsourcing\*<sup>2</sup> IT Outsourcing\*<sup>3</sup> According to a survey by FUJIFILM Business Innovation

Market share by sales volume for  
A3 color multifunction devices in  
Japan and the Asia-Pacific region

**No. 1** \*<sup>3</sup>

Apeos C7070



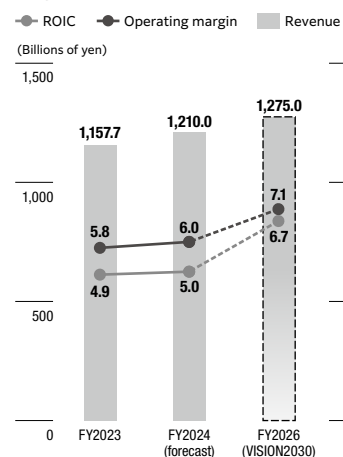
Market share by sales  
area of offset plates

**No. 1** \*<sup>3</sup>

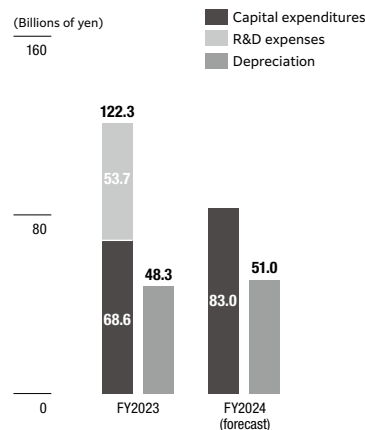
Market share by sales  
volume of digital printers

**No. 1** \*<sup>3</sup>

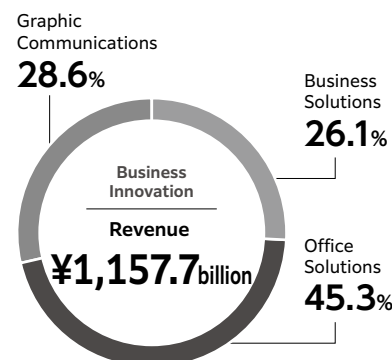
## Segment results



## Capital expenditures, R&D expenses and depreciation



## Revenue ratio by segment (FY2023)



Notes:

- The Graphic Communications business has been reclassified from the "Electronics" (former "Materials") segment to the "Business Innovation" segment.
- Information for FY2023 has been restated in line with this change in classification.

Notes: 1. ROIC for FY2024 is based on the initial full-year forecast (announced in May 2024).  
2. R&D expenses forecasts are not disclosed by segment.

## Business Environment

### Opportunities

Increased support is needed for building and operating office and IT infrastructure with enhanced security/networking against the backdrop of the threat of cyberattacks and the spread of remote work. Also, there is a growing market for business solutions and services that utilize AI and the cloud for DX to improve office work productivity. Demand for DX-related solutions is particularly high among small and medium-sized enterprises due to a lack of IT personnel and resources.

In addition, the need for high-speed digital printing and DX has expanded due to the increase in high-mix, small-lot printing and color printing. There is also a growing need for inkjet printheads for commercial printing and package printing (e.g., flexible packaging, labels), as well as food-safe water-based inkjet pigment inks and color materials.

### Risks

There is a risk of a long-term decline in office print volume due to the trend toward paperless operations and the spread of remote working. However, in A3 color multifunction devices, where we are particularly strong, the decline has been moderate due to factors such as continued demand for color products.

We also view lower-than-expected demand in the offset printing market as a risk.

## Competitive Advantages

- Provide high added value as the only solutions partner in the industry covering the entire range from office to commercial printing (analog and digital) and industrial printing
- Lineup of devices and DX solutions based on both xerography and inkjet technologies and their synergies, demonstrating strong solutions capabilities for customers' issues
- Excellent customer base leveraging a robust direct sales structure in Japan and the Asia-Pacific region
- Solid sales capabilities for helping customers resolve increasingly complex and diverse management issues, a lineup of solutions and services for problem-solving, and proprietary document-related technologies to support these offerings
- Familiarity with business processes in various industries developed through the Office Solutions business
- Strong relationships of trust with a wide range of customers, from major markets to the SMB\* market, through our multifunction device and printer business

\* Small to Medium Size Business



# Business Innovation

## Basic Strategies and Actions

Becoming a solutions partner that supports every customer's digital shift through environment-friendly devices and continuous customer service.

- Integrated Graphic Communications into the Business Innovation segment. Integrated the management of the Printing and Solutions businesses. Provide high added value as the only solutions partner in the industry covering the entire range from office to commercial printing (analog and digital) and industrial printing.
- Provide a lineup of devices and DX solutions based on both xerography and inkjet technologies and their synergies to customers across broad fields, from office to commercial and industrial printing, and demonstrate strong solutions capabilities for customers' issues.
- In addition to our customer base, which holds a large global market share, make the offset plate business a cash cow that has been transformed into a leaner structure through the global consolidation of production lines. Also, shift investment and resources to the digitalization of commercial printing. In doing so, improve the profitability of the Graphic Communications business and shift its classification from a "Value Reconstruction" business to an "Earnings Base" business.

### Business strategies

#### Business Solutions

- Develop products that cover the three stages of "IT Solutions," "Operational Solutions," and "Core Solutions" for SMEs that lack IT resources. Build and operate an IT environment tailored to the customer's stage by adding DX expertise to high-quality organization-wide problem-solving capabilities centered on account sales cultivated for large corporations.
- Further improve profitability by focusing on providing solutions centered on in-house products and partner products.

#### Office Solutions

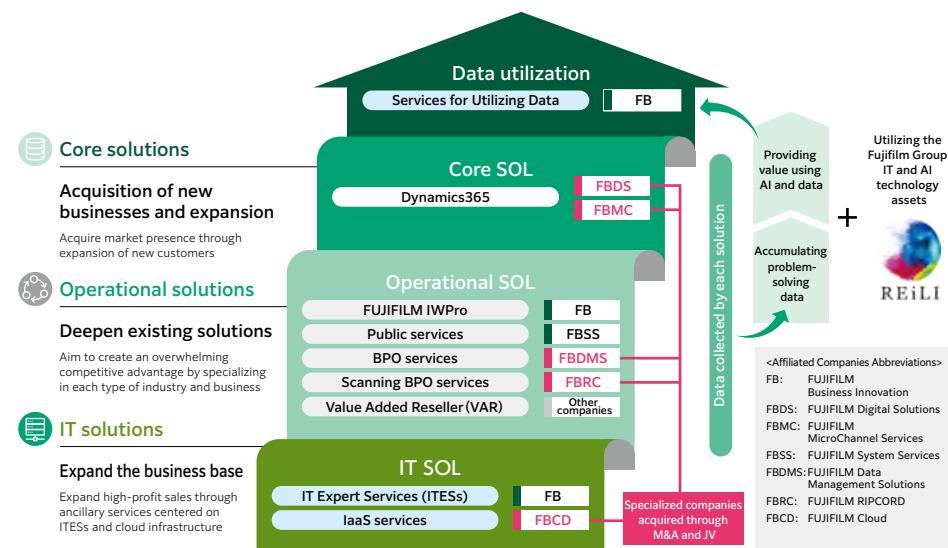
- Focus on the A3 color field, for which we hold the top-level market share. Maintain and improve profitability while shifting to more efficient sales, in addition to strengthening environmental measures and the production base.
- Expand sales in new markets through new business in multifunction devices and new OEMs by leading dealers in Europe and North America.
- Shift direct sales resources to solution sales for SMBs and strengthen marketing by area in Japan and the Asia-Pacific region.

#### Graphic Communications

- Consolidated production lines for offset plate materials due to a decline in total demand for analog printing. Improve profitability by focusing on expanding sales of high-value-added processless plates\*.
- Provide devices and DX solutions that support the digital shift in the printing industry, mainly in the analog sector, by investing in digital printing and DX in the growing field of commercial printing.
- Further enhance cash-generating capabilities and build a strong earnings base by reviewing sales prices and withdrawing from and streamlining low-profit products.

\* Processless plates: Do not require a developer, reducing both time and cost, and improving environmental performance (no developing solution and no waste liquid).

## Overview of the Business Solutions strategy



## TOPICS Promoting the Fujifilm brand to the world at "drupa 2024"

At drupa 2024, the world's largest international printing and media industry exhibition, held in Germany in May and June 2024, the Fujifilm Group exhibited under the theme of "Discover the difference." By offering a wide range of solutions, from offset plates for analog printing to various products for digital printing, ink-related products, robotics and workflow, we promoted the value we provide through our comprehensive capabilities to meet the diverse needs of our customers. In addition, we devised exhibits that allowed visitors to experience the use of our products. It led to many business negotiations and was a great opportunity for us to make significant progress toward expanding sales worldwide.



# Imaging

Relevant materiality



Environment



Daily Life



The Imaging segment consists of two businesses: Consumer Imaging and Professional Imaging. In the Consumer Imaging business, we offer everything from color film and instant photo systems (instax) to printing equipment, color paper and photo printing services. In the Professional Imaging business, we offer high-end mirrorless digital cameras (such as the GFX series, which delivers the ultimate in image quality and the compact, lightweight, high image quality X series), broadcast and cinema lenses, long-range surveillance camera and machine vision lenses, projectors and digital signage.

**Instant photo system  
instax**  
Cumulative worldwide sales volume  
**more than  
80 million units**

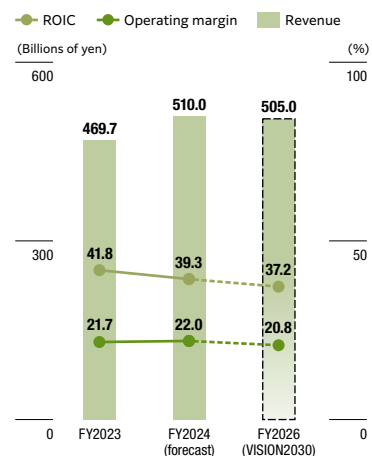


instax mini 12

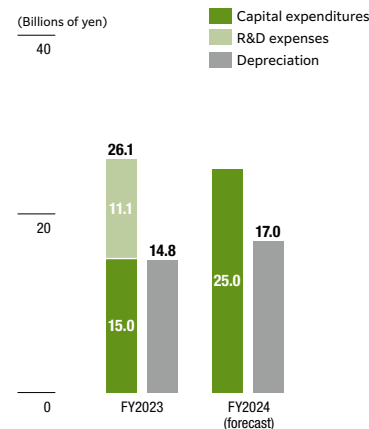
**New  
development**  
Equipped with a high-speed  
102 million pixels sensor

Mirrorless digital camera  
FUJIFILM GFX100 II

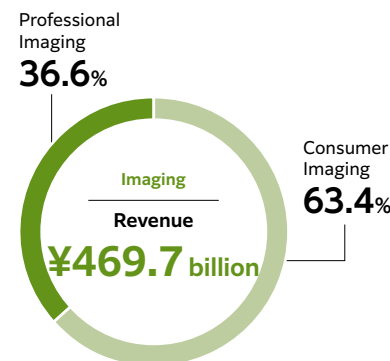
## Segment results



## Capital expenditures, R&D expenses and depreciation



## Revenue ratio by segment (FY2023)



Notes: 1. ROIC for FY2024 is based on the initial full-year forecast (announced in May 2024).  
2. R&D expenses forecasts are not disclosed by segment.

## Business Environment

### Opportunities

Demand for events and travel has recovered, and demand for print businesses such as instant photo systems and digital cameras is growing steadily. In addition, business opportunities are expanding due to the growth in demand for lenses resulting from the shift to IoT and 4K/8K video, as well as the growth of the surveillance camera market in response to social issues such as increasing disasters and aging infrastructure.

### Risks

Risks identified include an increasingly competitive environment in the high-end mirrorless digital camera market, declining demand for digital cameras due to the improved capabilities of smartphone cameras, tighter environmental laws and regulations, and disrupted supply chains due to geopolitical risks.

## Competitive Advantages

- Technological development capabilities to continuously create distinctive products in pursuit of originality
- Advanced technologies (photosensitive materials, optics, image design, precision processing and assembly) to support our appealing products
- Product planning capabilities to uncover and anticipate user needs
- Comprehensive capabilities to provide services from input (shooting) to output (printing)
- Strong market position as a leading company (global brand power and marketing and sales capabilities)

# Imaging

## Long-Term Competitive Environment and Major Risks

- Diversification of photographic and visual expressions, products and solutions due to technological progress, changes in the social environment and changes in user awareness and behavior
- Increased demand for realistic communication, analogue sensibilities, surprises and overwhelming emotions that resonate with the natural human sensibility

**Possible Changes** | CPS (Cyber Physical System) penetration, Ultrafast and multiple-connected network society, AR/VR becoming a tool for daily life, Image generation through AI, Evolution and diversification of imaging devices, Fusion of photo and printing

## Basic Strategies and Actions

### Pillar of earnings: Growth of instax/digital cameras

**instax: Promote the use of devices and services, and encourage users to print films**

- Expand the user customer base by continuously launching attractive and unique products that combine analog taste with digital technology
- Capture demand at events and in the BtoB space
- Increase loyal customers by marketing DX and enforcing direct user communication

### Digital Cameras: Increase market presence by establishing a unique position

- Strengthen the two-line strategy of the "X Series," with the best balance of compact, lightweight, and high image quality, and the "GFX Series" with the highest image quality equipped with large format
- In addition to our proprietary color reproduction technology (film simulation), expand the user base by further broadening the shooting range, image expression and the enjoyment of photography

### Expand growth in new BtoB areas

**Create new businesses and solve social issues by combining technological assets, unique devices and expertise in imaging**

- Expand the market for new products ("Z projector for space production," "Long-range surveillance cameras SX series") using our imaging and optical device technology
- Solve social issues through "DX solutions for business-use (e.g., inspection, surveillance, photography) using AI image analysis and synthesis"



## TOPICS Realized DX of instax through BtoB! "instax Biz"

"instax Biz" is a "photography application" that is used for marketing by companies such as event organizers. Photos taken at events can be combined with original design templates, company logos, and as such, a QR code\* (two-dimensional code) can be printed on instax films. By scanning the QR Code, various digital content can be accessed, such as responses to questionnaires, obtaining digital coupons and viewing promotional videos. This allows companies to offer special experiences to visitors, as well as measure the effectiveness of events and collect marketing data to help strengthen customer relationships.

\* QR code is a registered trademark of DENSO WAVE INCORPORATED.

▶ Please refer to the official website for details.

## Products

Consumer Imaging business	Professional Imaging business
	



# 05

Chapter

## Special Feature: Milestones and Prospects of the Bio CDMO Business

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- 59 Messages from the Members of FUJIFILM Diosynth Biotechnologies





# Vision of the Bio CDMO Business

The Bio CDMO (Contract Development and Manufacturing Organization) business in the Fujifilm Group is growing as a core business, leading the world in innovative production technology and quality control.

In this Special Feature, we focus on our development milestones and future prospects and introduce our influence in the industry and future strategies.

## About Bio CDMO

In the field of biopharmaceutical, which is made by utilizing the functions of living organisms, we are entrusted by pharmaceutical companies and others to develop production processes and manufacture products. The Bio CDMO market is expected to grow at an annual rate of 15%, which is higher than the biopharmaceutical market's annual growth rate of 8% through 2030, and demand for CDMOs continues to grow.



Biopharmaceutical manufacturing sites

### Biopharmaceutical

A pharmaceutical that consists mainly of proteins produced by cells and microorganisms, such as antibody drugs, gene therapies and cell therapeutics, and vaccines. While it is difficult to manufacture, it has few side effects and is expected to be highly effective for diseases that have been difficult to treat with small-molecular pharmaceuticals.

Cause cells to make drug components



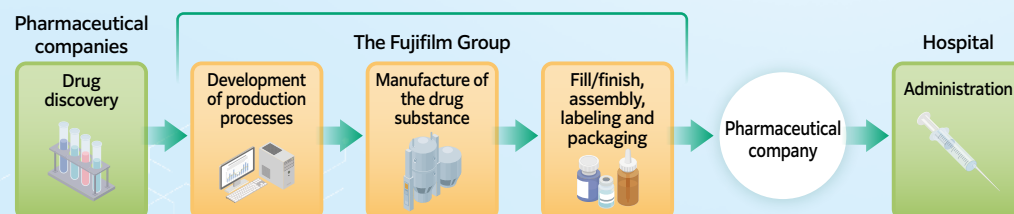
### Small-molecular pharmaceuticals

A pharmaceutical made by chemical synthesis. The manufacturing cost is relatively low.

Manufactured by chemical synthesis



## Major roles played by the Fujifilm Group in delivering biopharmaceuticals to patients



As pharmaceutical companies increasingly concentrate their investment on new drug development, the trend toward outsourcing post-discovery processes to CDMOs is accelerating. Because the production of biopharmaceuticals is affected by subtle environmental changes, such as changes in cells, it requires advanced technology and equipment. The Fujifilm Group has the technology to develop production processes, the know-how to start up the necessary production equipment and advanced analysis technology, which contribute to the delivery of safe and secure pharmaceuticals to patients.

### Message from the General Manager of the Bio CDMO business

**Contributing to the stable and prompt supply of pharmaceuticals as a “reliable and true partner” for customers**

**Toshihisa Iida**

Director, Corporate Vice President,  
General Manager of Life Science Strategy Headquarters and Bio CDMO Division,  
FUJIFILM Corporation  
Chairman, FUJIFILM Diosynth Biotechnologies



In the pharmaceutical industry, investment in new drug candidates (pipeline) is more active than ever, and the speed required for production is increasing in order to realize the launch from clinical trials as soon as possible. In particular, demands in antibody drug markets are expanding, and pharmaceutical companies are placing importance on outsourcing to CDMOs that have sufficient track records, such as certification in each country and stable production. To win the trust of customers, it is essential to have a flexible production system that is abundant and agile.

Having development and manufacturing bases mainly in Europe and the U.S., our main markets, we have the advantage of being able to provide end-to-end services that support a wide range of pipelines of pharmaceutical companies from the initial development stage to commercial production with small to medium- and large-scale manufacturing facilities. Since our entry into the Bio CDMO business in 2011, we have invested more than ¥1 trillion, including our currently announced facility expansion plan. We will continue to expand our production capacity to meet the needs of customers to scale up in line with the robust growth of the market. At the same time, we will introduce the “KojoX” approach, in which we share the designs and equipment of the Denmark site, which is highly productive and has a track record of obtaining various certifications and deploying them to other sites. This approach will enable us to quickly transfer technology between sites, ensure high-quality products and quickly obtain certifications. By fiscal 2030, we plan to increase production capacity for antibody drugs, centered on large-scale facilities, to more than 750,000 liters, more than five times the current level.

By supporting customers' efficient pharmaceutical processes, the Bio CDMO business has a social significance in being able to quickly deliver appropriate treatment to a large number of patients. As a reliable and true partner, we will pursue our vision, “Partners for Life,” which aims to deliver cutting-edge pharmaceuticals with reliable quality to as many patients as possible as quickly as possible.

### Biopharmaceutical Market

The Bio CDMO market will exceed the biopharmaceutical market  
**Growing at 15%**  
CAGR (2022–2030)

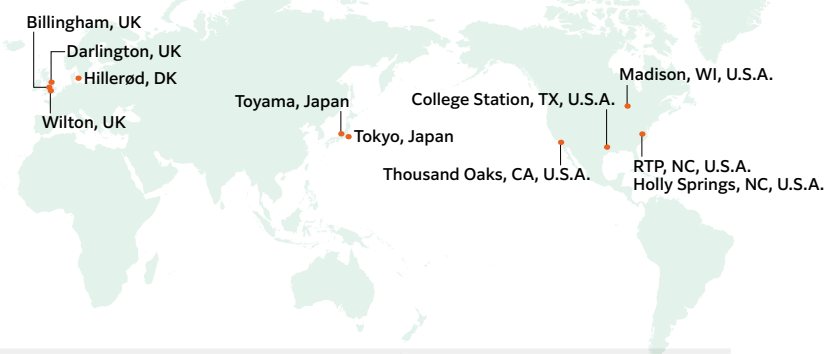
The Bio CDMO business will grow at an average annual rate of **20% through 2030**

Fiscal 2030 Target  
**¥700 billion**

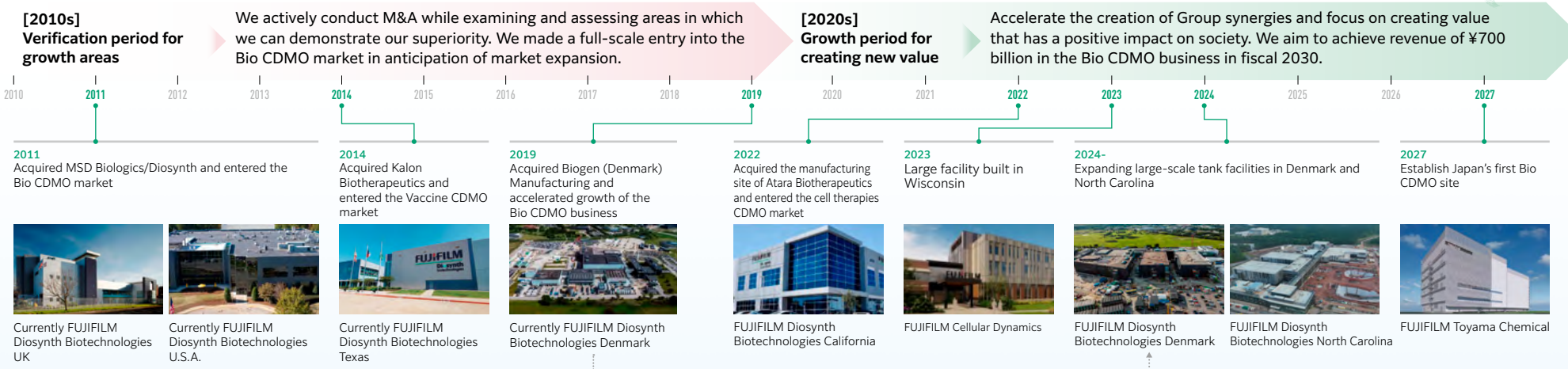
# History of the Bio CDMO Business and R&D Structure

The Fujifilm Group changed its business structure in the first half of the 2000s, when the photographic film market was rapidly shrinking. We have made Healthcare and Advanced Materials the pillars of our growth and have implemented aggressive capital expenditures and M&A in both areas. As part of these efforts, since our full-scale entry into the Bio CDMO market in 2011, we have expanded our operations through the introduction and evolution of technologies cultivated in the manufacture of photographic film, such as consistent condition manufacturing technology, advanced process engineering technology, and image analysis and analytical technology. In addition, by locating our plants close to our customers' pharmaceutical companies, we are building a fast and efficient production system and responding flexibly to customer needs.

## Global Network for the Bio CDMO Business



## History of the Bio CDMO Business



## R&D Structure of the Life Sciences Field

With the Bio Science & Engineering Laboratories as our core research laboratory, we are advancing medium- to long-term R&D based on the core technologies cultivated in our photographic film business, incorporating the needs of customers and markets from Group companies in Europe and the U.S., which are close to our customers' bases. In addition, we are strengthening our global R&D structure while promoting personnel exchanges, such as collaborating with researchers overseas on R&D for implementation at Group companies.

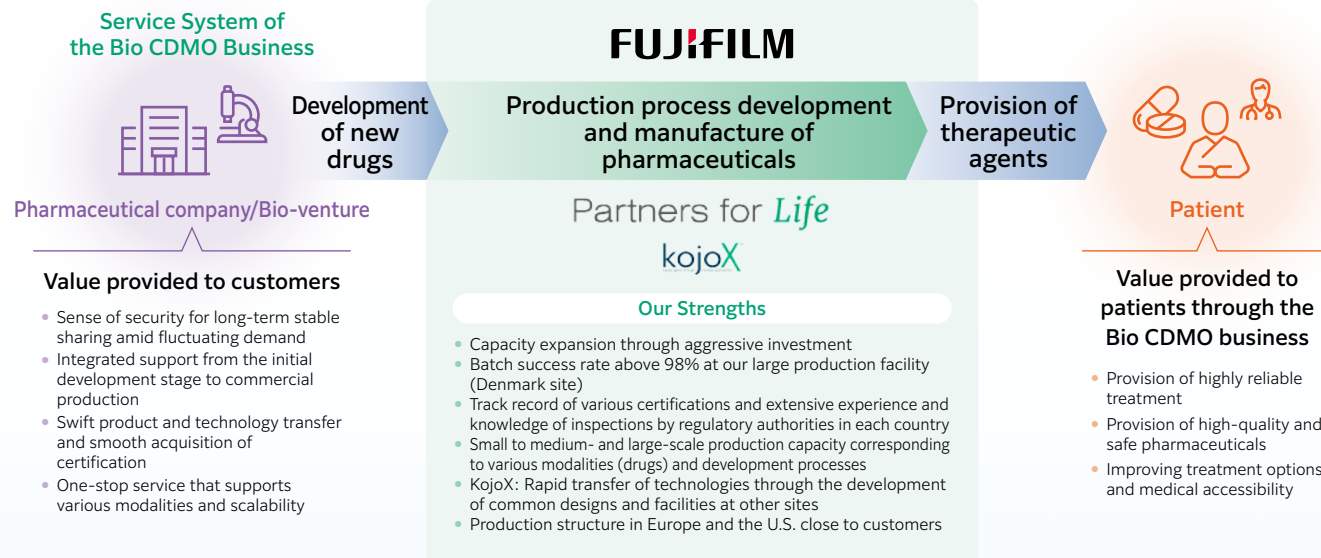


## Business Strengths (1) Partners for Life and KojoX

### Basic Policy

As the population ages, there are still many medical needs for diseases for which there is no effective treatment. The Fujifilm Group is accelerating its efforts to realize its "Partners for Life" vision, which aims to deliver state-of-the-art pharmaceuticals with high quality, faster and to as many people as possible in Bio CDMO and other Life Sciences areas, as a "trusted and true partner" that works closely with pharmaceutical companies and patients.

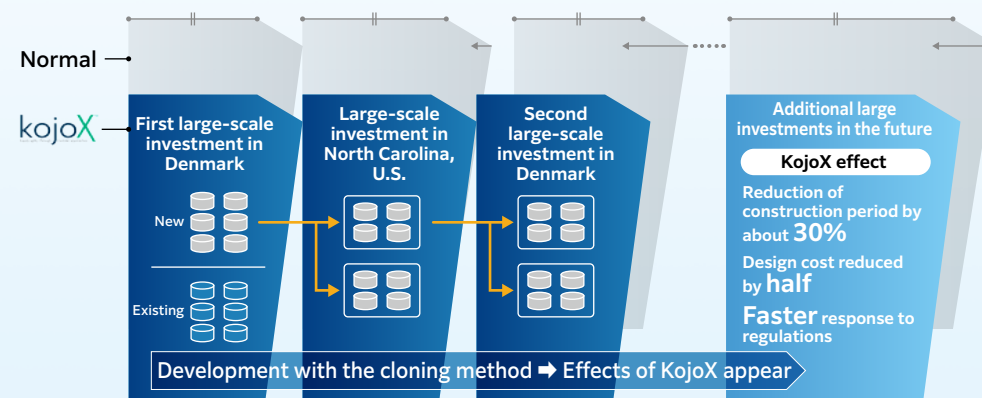
In addition to focusing on end-to-end services that provide integrated support from the initial stages of development to commercial production of a wide range of drugs of pharmaceutical companies, we will expand the range of solutions that can be provided to customers by sharing production technology that can respond to various pharmaceuticals and our abundant experience and knowledge on inspections by regulatory authorities in various countries among Group companies and creating synergies.



### Realized Rapid Transfer of Technology by KojoX, Where Common State-of-the-Art Equipment Is Deployed to Other Sites

Fujifilm aims to achieve high-quality products and shorten construction lead times by quickly transferring technologies between sites and by augmenting facilities through the KojoX approach. This approach involves sharing designs and facilities with the Denmark site of FUJIFILM Diosynth Biotechnologies, which is highly productive and has a track record of obtaining various certifications and deploying them to other sites.

At present, in addition to the six 20,000-L Mammalian cell culture tanks currently in operation at the Denmark site, construction is proceeding with the facility expansion of 14 tanks (the first phase: six tanks scheduled to start operation in fiscal 2024; the second phase: eight tanks scheduled to start operation in fiscal 2026) and the introduction of 16 tanks (the first phase: eight tanks scheduled to start operation in fiscal 2025; the second phase: eight tanks scheduled to start operation in fiscal 2028) at the North Carolina site in the U.S. Under the KojoX approach, the equipment, design, production flow, and systems from the Denmark site are transferred to the North Carolina site in the form of clones. Improvements made at the North Carolina site are then transferred to the secondary investment at the Denmark site. As a result, the construction period is reduced by about 30% and the design cost is reduced by about half. At the same time, it is possible to quickly transfer technologies and acquire various certifications.





## Business Strengths (2)

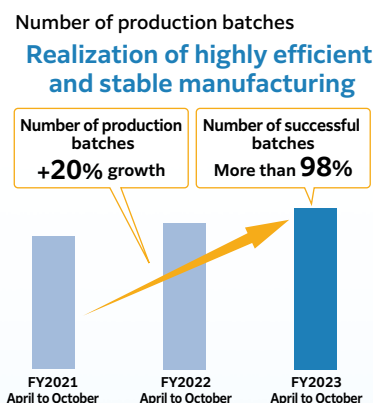
# Industry-Leading Technology and Manufacturing Experience

The Fujifilm Group's Bio CDMO business has introduced "high-quality production technologies," which were cultivated in the manufacture of photographic films and continues to manufacture products incorporating process-engineering technologies and image analysis technologies with the goal of productivity improvement. Through these multifaceted initiatives, we are taking the lead in technological innovation in a wide range of advanced therapies areas, from antibodies to cellular and gene therapies.

### Manufacturing Results at Denmark Site

Our site in Denmark has high productivity and an extensive record of inspection response. The number of production batches of existing tanks increased by 20% from 2021 to 2023. The success rate exceeded 98%, which has been highly evaluated by customers.

In addition, all inspections conducted by the regulatory authorities of various countries, where our biopharmaceuticals are distributed, having solid compliance systems and facilities since 2011. We have earned the trust of the U.S. Food and Drug Administration (FDA) for its track record, and 25% of pre-approval inspections by the FDA are exempted from on-site inspections.



#### Extensive experience in responding to inspections

- ▶ Number of acceptance of inspections by regulatory authorities in each country:

**35 in total (since 2011) All got positive results**

- ▶ Building trust with regulatory authorities by accumulating a track record

**25% of PAI\*<sup>1</sup> by U.S. FDA were approved with the exemption from on-site inspection**

\*<sup>1</sup> Pre-approval Inspection

### Systems for Batch and Continuous Manufacturing

In drug substance manufacturing of biopharmaceuticals, there are complex processes including a culture process in which mammalian cells are grown in a culture media serving as a nutrient in a culture tank to produce protein until harvest, and then a purification process in which impurities such as cells and their waste products are removed in order to extract the proteins.

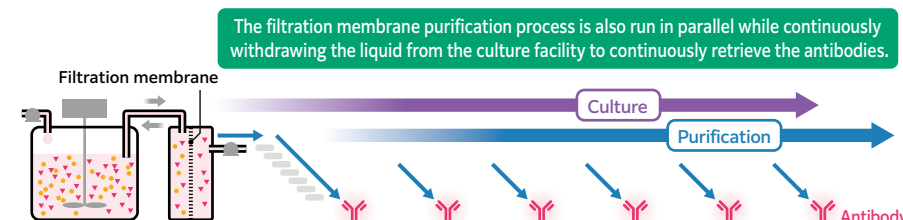
For the first time in the industry\*<sup>2</sup>, we have constructed a 500-L continuous manufacturing system that enables continuous, integrated production of drug substances by linking all processes from cultivation to purification, which is the manufacturing process of drug substances for biopharmaceuticals. It is possible to continuously and efficiently produce high-quality drug substances by suppressing the degradation and deterioration of antibodies over time. We are

currently developing the industry's first 2,000-L integrated continuous manufacturing system. We are also aiming to further improve productivity in large-scale facilities by applying this technology to the pre-incubation of 20,000-L production.

\*<sup>2</sup> According to a survey by Fujifilm

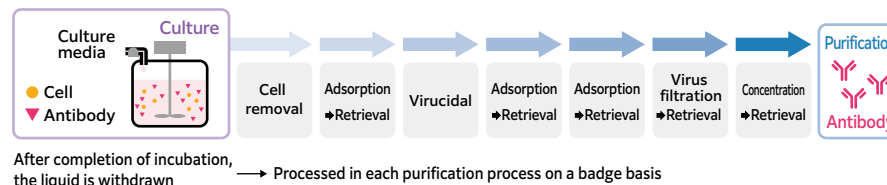
#### Continuous manufacturing

A manufacturing method that contributes to improvements in efficiency and productivity through the continuous supply of materials and uninterrupted operation of product manufacturing processes.



#### Batch manufacturing

A mainstream manufacturing method in which raw materials are put in at the beginning of the manufacturing process, and after one process is completed, the products obtained there are taken out and we proceed to the next process. It is expected that there will be less labor to change the production process and less loss than producing a variety of products in small quantities.

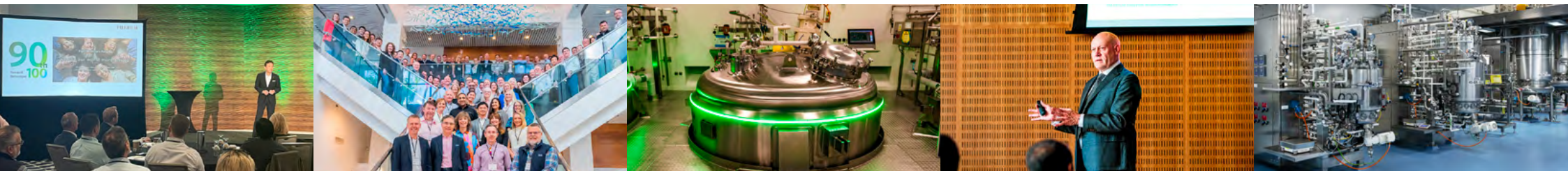


### Development of Next-Generation Biopharmaceuticals

In addition, we are proceeding with the development of production technologies to strengthen our response to the next-generation antibody drug, "Antibody Drug Conjugate (ADC)," which is expected to grow in the future, as well as "cutting-edge therapeutic areas such as cellular and gene therapies."



# Messages from the Members of FUJIFILM Diosynth Biotechnologies



## Your Trusted Partner for Life in the Biopharmaceutical Industry

**Lars Petersen**  
President & Chief Executive Officer

The 2030 Partners for Life strategy outlines our vision of being a true partner, where clients are willing to trust us with their entire portfolio across the full drug life cycle and end-to-end value chain—transforming the CDMO industry.

We will become Partners for Life and transform the industry by focusing on three key pillars.

### Putting people first:

We encourage everyone to bring their full selves to work to create trust and diversity. We lead and empower our people to take ownership, and we invest in creating a culture where people can flourish. We do that through our nine People Fundamentals that underpin our unified approach to how we show up, how we interact and how we lead across our organization.

### Transforming the industry through our KojoX philosophy:

We are building the next level of global modularity giving our customers everything they need with just one partner. With this approach, we can develop and commercialize treatments and therapies effectively and efficiently, and together make patients' lives better.

### Unprecedented delivery:

Trust is built on years of keeping our promises! We are dedicated to achieving unmatched delivery and security of supply, reinforcing the trust and confidence of our employees, partners, regulatory authorities and owners.



## Enabling Operating as One Organization by Driving Site-Agnostic and Consistent High-Quality Experiences

**Charlotte Kornbo**  
Vice President  
Global Quality Operations & Systems

We demonstrate our trustworthiness to our partners by embedding a quality mindset across our entire network. Our foundation is based on easily understood principles focusing on patient safety and systems that enable seamless business operations.

- Honest and transparent collaboration
- Platform guidelines that structure and simplify KojoX implementation
- Consistent GMP operations through value-added state-of-the-art systems and adopting a continuous improvement ethos



## Committed to Delivering New Capacity

**Jordan Ulrich**  
Vice President,  
Project Delivery

We have been entrusted with an incredible opportunity to deliver one of the largest greenfield cell culture bio-manufacturing facilities in North America. Though still under construction, we have already secured significant client commitments, making it critically important to make this facility operational on time. It is an enormous responsibility that the team and I are committed to delivering successfully.

Our commitment is shown through the energy and enthusiasm (*Genki*) with which we tackle challenges and create solutions each day. We show it by creating a culture that empowers people to both lead and hold each other accountable. We take pride in living up to our commitments, and we look forward to successfully delivering a facility that will manufacture life-impacting medicines to make patients' lives better!

# 06

## Chapter

# Non-Financial Capital That Supports Value Creation

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# R&D Strategies

The Fujifilm Group will engage in R&D with keener sensitivity and an open vision to provide the values needed by society while placing importance on our broad and expansive “imagination,” which is inspired by changes in society and people’s behavior.

## R&D Vision

The silver halide photographic system, from which the Fujifilm Group traces its roots, is based on a combination of wide-ranging technologies, including film-forming technology, particle-forming technology and precision-coating technology. Since our founding, we have evolved by refining and combining these technologies, which has enabled us to transform our business structure into what it is today and to continue creating innovations.

In our future R&D activities, however, we are facing an environment that is changing continuously and rapidly. To create value over the medium- to long-term, therefore, we need to engage in R&D that considers how we can help resolve social issues related to the Environment, Health, Daily Life and Work Style, which are the priority areas of our long-term CSR plan, Sustainable Value Plan 2030.

## R&D Policies

By integrating our business strategies and R&D strategies under the five research policies listed below, we will continue striving to develop robust new businesses that help improve people’s quality of life and maintain growth in existing business fields with innovative new products.

R&D policies	
1.	Deepening and broadening the Fujifilm Group’s fundamental technologies
2.	Creating new value by integrating multiple technologies in various fields
3.	Enhancing Group synergies
4.	Accelerating developments
5.	Improving the fundamental R&D capability of each researcher and organization

## R&D Structure

Our R&D structure consists of two laboratory groups: the Divisional Laboratories, which are under the direct control of the business units and conduct business-directed R&D, and the Corporate Laboratories, which are responsible for R&D on fundamental technologies from a Group-wide perspective.

For R&D that the two groups pursue together, members of both groups meet to discuss and collaborate in their respective fields. They also have regular forums, involving management and research institute directors, where they hold technical discussions about future business direction.

Furthermore, our Advanced Research Laboratories is an “open research space” that breaks down the barriers between technical fields and organizations with the aim of conducting cutting-edge technology research with an eye to the future.

Under the concept of “creating new value through the fusion of knowledge and innovation,” our researchers, business managers

and designers from various fields confront each other and engage in active discussions and projects to create new and differentiated technologies and value.

Through this system of close coordination among related departments across the Group, we actively engage in wide-ranging discussions, from the current business perspective to the resolution of medium- to long-term social issues. This enables us to delve deeper into issues, examine their value and improve their effectiveness.

## Two Strategies

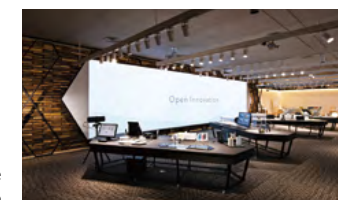
### 1. Leveraging AI and other digital technologies

From an early stage, the Fujifilm Group has embraced the challenge of digitization, developing Japan’s first computer and the world’s first fully digital camera, among other things. We have also conducted R&D on AI in various business areas for many years. We will further advance our R&D by using ICT to link the Fujifilm Group’s unique strengths cultivated in the physical domain with knowledge accumulated in the cyber domain.

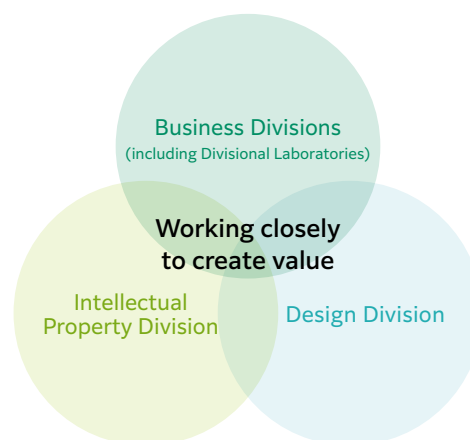
### 2. Open innovation

We are collaborating with a variety of partners, including start-ups and universities, to multiply our core technologies and thus create new value. The Open Innovation Hub at our Head Office serves as a co-creation space that we also use for collaborative activities tailored to market characteristics in cooperation with our business divisions and research laboratories.

Since opening in 2014, our Open Innovation Hub has attracted 27,000 visitors from around 5,300 companies (as of March 31, 2024), resulting in various forms of collaboration currently in progress.



Open Innovation Hub in the Tokyo Midtown Head Office



► Please refer to pp.51–55 of the Integrated Report 2023, Discussion between General Managers of the Intellectual Property, Medical System Research & Development and Design Divisions.



# DX Strategy

The Fujifilm Group's DX Vision

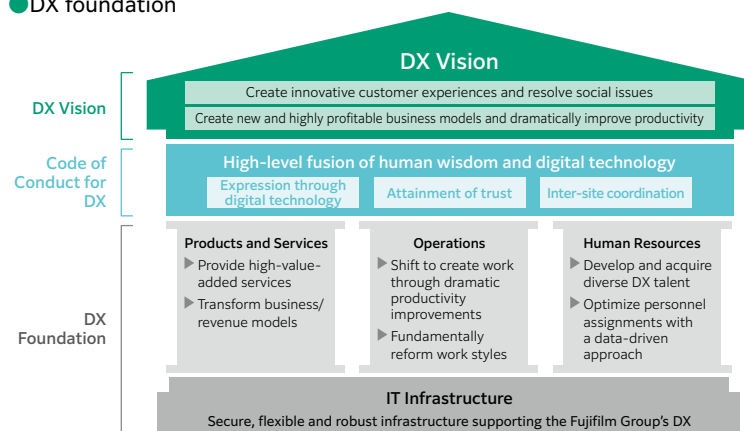
Fujifilm's relentless pursuit of a better world is entrenched in the Company's commitment to a more sustainable, healthier, and safer future. We are well prepared for taking on the greatest challenges of our time through the use of advanced and digital technology, valuable and innovative products and services, and from the connected contributions of every business, every team, and every individual at Fujifilm.

## Business Model Transformation through the DX Promotion Structure Integrated with Management

The Fujifilm Group is actively transforming its business model, leveraging generative AI and other digital technologies to boost corporate value through DX. We established the DX Strategy Council, chaired by the CEO and vice-chaired by the CDO, as the highest decision-making body associated with Group-wide DX promotion. The council's permanent members and the senior management of each business take part in discussions to determine the priority of DX-related investments and maximize the effects of strategy execution. We also launched the All-Fujifilm DX Promotion Program, with the CEO as the program director, to spearhead the Group-wide DX activities. Under the program, all of our businesses formulate and promote DX strategies in their respective activities. Corporate departments, such as ICT Strategy, Corporate Planning and Human Resources, provide cross-business support, and with the cooperation of outside experts we are working to accelerate the DX of our business.

The foundation for realizing our DX Vision comprises three pillars: Human Resources DX, Products and Services DX and Operations DX, as well as the secure, flexible and robust IT infrastructure supporting them. The basic idea is to substantially raise employee productivity by drastically changing the way we work, provide new value to customers and increase the time we have available to create products and services that help solve social issues.

### ● DX foundation



## The Direction of DX and Efforts to Achieve It

Under the Sustainable Value Plan 2030, our long-term CSR plan, and VISION2030, our medium-term management plan, we are aiming to create and instill more products and services as the foundation to support a sustainable society by fiscal 2030. The path to achieving this has been laid out in the DX Roadmap.

The DX Roadmap is divided into three stages.

Stage I	Further enhance the functional value of our products and services and shift to recurring and subscription-based models
Stage II	Leverage customer usage data to continuously evolve and optimize the value we provide
Stage III	Form a new ecosystem through collaboration with various stakeholders, aiming to entrench products and services that help solve social issues as the foundation of a sustainable society

Initiatives in business fields at each stage will be wide-ranging. For example, in the Medical Systems business, recurring business accounted for around 40% of net sales in fiscal 2023, and we aim for further growth and expansion. In each business field, we will actively leverage generative AI and digital trust platforms (DTPFs\*) and accelerate their implementation.

### ● Themes of initiatives at each stage of the DX Roadmap

Business Segment	Healthcare	Electronics	Business Innovation	Imaging
Stage I	Enhancing supply chain management (recurring revenue from consumables) Enhancing business processes in Bio CDMO (common operations)	Building of research and development infrastructure (development of materials data utilization infrastructure)	Enhancing supply chain management (consumables recurring revenue and recycling)	DTPF Enhancing supply chain management (parts procurement through utilization of DTPF*)
Stage II	Generative AI Enhancing medical device maintenance services (predictive maintenance and operator support) Generative AI Developing Bio CDMO and enhancing production technologies	Generative AI Enhancing research and development (discovery of new materials structures)	Enhancing office equipment maintenance services	Customer service recommendations based on analysis of captured images
Stage III	DTPF Generative AI Expanding the Healthcare business (diagnostic data ecosystem through DTPF* utilization, and the SYNAPSE Creative Space, which is a service to support the development of AI technologies)	Generative AI Enhancing research and development (ecosystem-type new materials development)	Generative AI DTPF Enhancing supply chain management (circular economy)	Business exploration based on "House of Photography in Metaverse," a web metaverse for photography enthusiasts

\* An information infrastructure built by the Fujifilm Group to realize its DX Vision. It utilizes blockchain technologies to achieve a "trust-first" approach by ensuring the authenticity of digital information and guaranteeing that no malicious acts such as tampering can occur.



## Leveraging Generative AI to Accelerate DX

We have internally developed "Fujifilm AIChat," a chat-based generative AI usage environment based on a generative AI large language model (LLM)\*<sup>1</sup> that is available to all employees. With the Fujifilm AIChat, we aim to dramatically improve our ability to develop new innovations and speed up operations. This will accelerate the achievement of DX through the utilization of generative AI in every aspect of our business activities.

While performing risk management through an organization promoting AI governance, we will establish a generative AI Center of Excellence (CoE)\*<sup>2</sup> structure and roll out a chat-based LLM usage environment globally. Particularly among research and development personnel, this has produced significant operational improvement effects through the summarization of text and code generation. As future challenges, we plan to expand LLM use cases and extend utilization to images, audio and other media. The planning and implementation of key projects that will accelerate business contributions are also under way.

\*1 A language model built using a vast amount of text data and deep learning technologies to achieve a more advanced understanding of language.

\*2 An "Artificial Intelligence Center of Excellence" is a dedicated group specializing in AI technologies.

### ● AI governance

#### AI Policy

Based on its corporate philosophy, the Fujifilm Group has been developing and accumulating technologies to decipher valuable information from large volumes of image data in the fields of medical diagnostics and imaging. Leveraging our strength in these areas, we are developing AI technologies and deploying them in society while addressing the needs and challenges of each of our businesses, including healthcare and advanced materials.

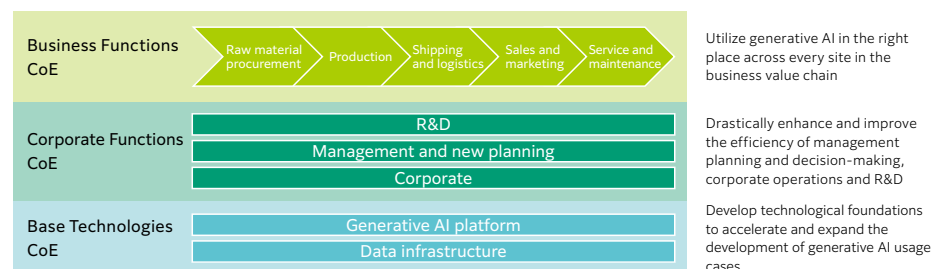
In accordance with the Fujifilm Group AI Policy, we are committed to creating new value and resolving social issues by providing safe and secure products and services. To implement this policy properly, we are enhancing literacy training for employees who develop and use AI while strengthening the development of AI human resources.

#### Fujifilm Group AI Policy Framework

- 1 Accelerating new value creation with the active use of AI
- 2 Developing and providing products and services respecting human rights
- 3 Ensuring fair and appropriate use of AI
- 4 Ensuring the security of information to be used
- 5 Fulfilling accountability and ensuring transparency
- 6 Developing human resources capable of utilizing AI in an advanced and appropriate manner

### ● Generative AI CoE structure

The Generative AI CoE structure promotes business streamlining and more sophisticated management decisions, accelerating Fujifilm's value creation as a dedicated generative AI group.



### Examples of AI/ICT technology rollouts achieving more sophisticated decision-making and new service creation

#### Materials generative AI (MI: Material Informatics)

MI involves recreating real experiments in the digital space in an effort to streamline development. As MI makes it possible to verify a large volume of tests around the clock, it can speed up development, lighten the burden on human resource development and prevent tasks from becoming too dependent on specific individuals. For example, in the development of reagents for in vitro diagnostic (IVD) systems from our Medical Systems business, or materials development in the Electronics business, utilizing MI to explore materials with new structures can lead to dramatic improvements in efficiency.

#### Service enhancing generative AI

The Fujifilm Group is using generative AI to enhance the operations of its service engineers and call centers. AI is trained to learn past service response information, manuals and other related information, and is used to help solve customers' issues in a prompt and accurate manner. For example, AI can provide solutions to problems that engineers encounter in the field. Similarly, at call centers, AI can support operators to improve their efficiency by providing solutions to inquiries received from customers.

#### Report generating AI for NURA health screening center users

At our NURA health screening centers, we are considering the use of generative AI to create health screening and provide explanations to users. Generative AI can create draft reports for doctor consultations, which are optimized for individuals, including health screening results, lifestyle disease treatment, CT scans and others. This enables efficiency by being able to complete all checkups and receive feedback on the results in just two hours.

## Accelerating DX through the Digital Trust Platform (DTPF)

### ● Roles and technologies of the DTPF

In Stage III of the DX Roadmap, highly sensitive data including personal information will be exchanged between various internal and external stakeholders at a greater level than before. As an information infrastructure to realize safe and secure digital transactions between companies and individuals, it is essential to have a digital trust platform (DTPF) that serves as an information infrastructure that allows the correct digital information to be used safely and swiftly and in optimal real time while ensuring trust. In developing our DTPF, we introduced block chain technology to decentralize and manage transaction histories between companies and individuals on the network.

We are currently applying the DTPF for parts procurement and the utilization of health screening data, and in the future we plan to expand its application to many other areas including IoT data and payment information. We are building an environment in which the ownership rights and copyrights to data can be proven, individuals can manage their own data and the data can be safely distributed and utilized. Through this, we aim to realize a trust-first digital society.

### ● DTPF technology roadmap

We have formulated a technology roadmap and divided it into four phases to raise the level of development and operations. In the first phase, we established management such as the scope of data disclosure by data owners, the “people” phase. In the second phase, we are currently developing an environment in which data is safely shared from wearable devices and medical devices, the “products” phase. In the third phase, we aim to manage financial information regarding contracts and payments, the “money” phase, and make adjustments in line with legislation in each country. In the fourth phase, we will integrate information related to people, products and money over the DTPF on a joint basis with partner companies, with the aim of forming an ecosystem in which business can be developed in an autonomous and sustainable way. One of the features we aim to realize is a decentralized autonomous organization (DAO) that can operate without the involvement of specific administrators.

#### DTPF technology roadmap

	FY2023 ~	FY2024 ~	FY2025 ~	FY2026 ~
What will be achieved	Expansion to a decentralized system through coordination between multiple DTPFs <b>People</b>	Expanding coverage from data input by people to IoT data generated from goods <b>Products</b>	Expansion from data management to contracts and payments <b>Money</b>	Expansion to autonomous business <b>Ecosystem</b>
Implementation details	Management and verification of IDs and the scope of data disclosure by data owners	Verification of IoT device integration	Handling of contract and payment operations	Automation of business through the open and transparent integration of people, products and money

### Examples of DTPF utilization

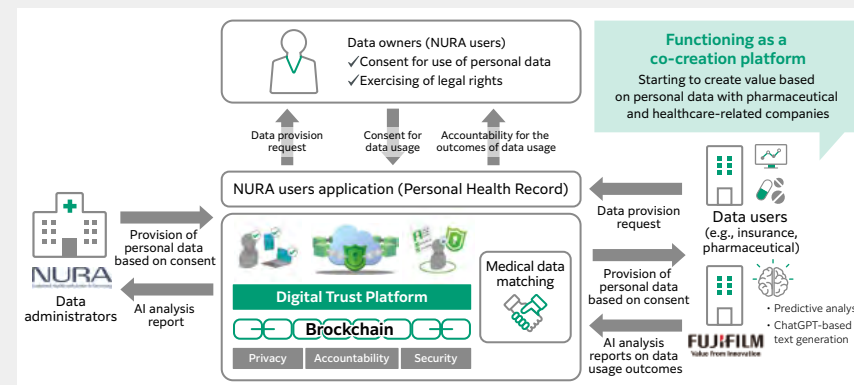
#### Effective utilization of vast amounts of data from NURA health screening centers for business expansion

At NURA health screening centers, which are focused mainly on cancer screening, a vast amount of health screening data captured with medical devices such as CT scanners and mammography machines has been accumulated as big data. Health screening data needs to be strictly managed, and it is essential that consent information from screened individuals be strictly recorded and managed; that various countries' laws, regulations and security requirements be observed; and that there are mechanisms to prove to screened individuals, data users and regulatory authorities that the information is being properly used. Guaranteeing “trust” through a DTPF enables the effective use of health screening data and collaboration both internally and externally.

In the future, we aim to expand our health screening business in emerging countries outside Asia and increase the number of NURA centers to 100 worldwide by fiscal 2030. As a result, health screening data from individuals in various countries and regions will be accumulated, regardless of whether they suffer from any diseases. In addition, by integrating this health screening data with diagnostic data from other medical institutions and biometric data collected from smartwatches and other wearable devices over a DTPF, the quantity and quality of the accumulated data will be drastically improved.

By linking NURA to the DTPF, we aim to create more diverse and unique healthcare businesses internally and externally, transforming the overall healthcare information supply chain.

#### Conceptual image of health screening data sharing through the DTPF



- Sharing health screening data with academic institutions, support for bringing disease mechanisms to life and researching new treatments
- Screened individuals can engage in the secondary usage of their personal data as an asset
- Accelerating businesses providing products and services optimized for individual patients in coordination with other companies

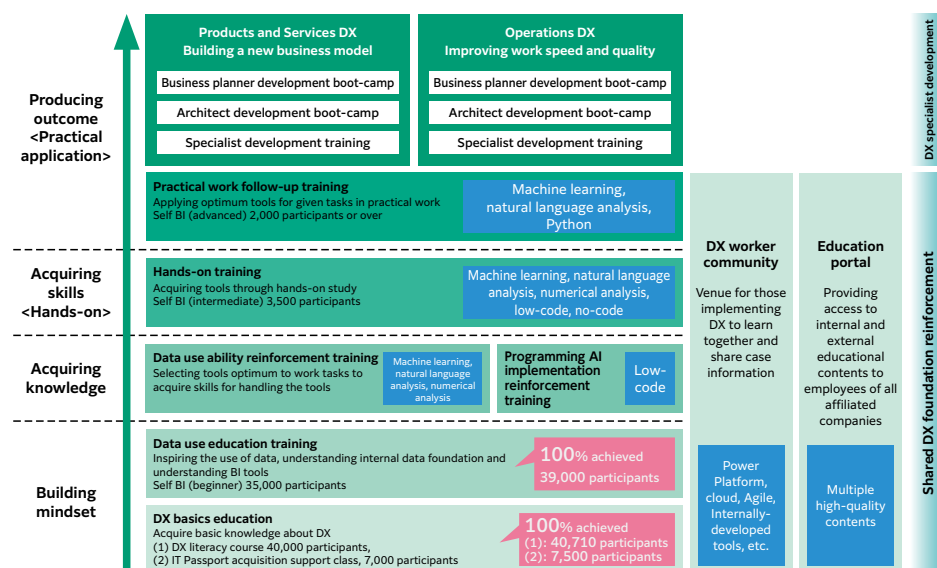
## DX Human Resource Development

### ● DX human resource development system

The emphasis of our DX human resource development efforts is on ensuring that each employee is convinced of why Fujifilm has declared the DX Vision and is striving for transformation, and then enhancing their mindset toward embracing DX initiatives. A feature of our human resource development system is how we first establish a foundation based on the employee mindset, and then move on to the phase of producing outcomes through the acquisition of knowledge and skills. We are also focused on cultivating hybrid talent who are familiar with both IT and the specializations of each business, such as a combination of chemistry and IT skills, or healthcare and IT skills.

In the area of "shared DX foundation reinforcement," we have offered company-wide training programs including "DX basics education" and "data use education training." In addition, we offer development support tools such as "DX worker community" and provide an education portal site with e-learning courses and others.

In the area of DX specialist development, we have prepared training programs for Products and Services DX and Operations DX. For example, in our boot-camp program, we have participants engage in practical training by working intensively on an actual problems in three-month cycles, cultivating their abilities as business planners and architects. We also actively provide more specialized training, cultivating core human resources in each expert field through specialist development training, developing data scientists through practical work follow-up training and hands-on training, and training experts in the use of BI tools, Python and so on.



### Examples of DX human resources succeeding

#### Business planners

By rotating personnel between the ICT Strategy Division, which drives DX implementation, and other major business divisions, members involved in product and service planning and back-office operations can acquire DX perspectives and skills, creating new products and services through practical operations in each business, leading to considerable improvements in efficiency.

Examples: SYNAPSE Creative Space, a cloud-based AI technology development support service, generative AI utilized to develop more sophisticated services, DX for demand and supply, etc.

#### Architects, specialists

The Imaging & Informatics Laboratories, a company-wide research division working on cutting-edge information technology such as AI, and the members of development centers in each business are involved in the planning of DX projects from the initial stages, engaging architecture building and the development and application of AI technologies.

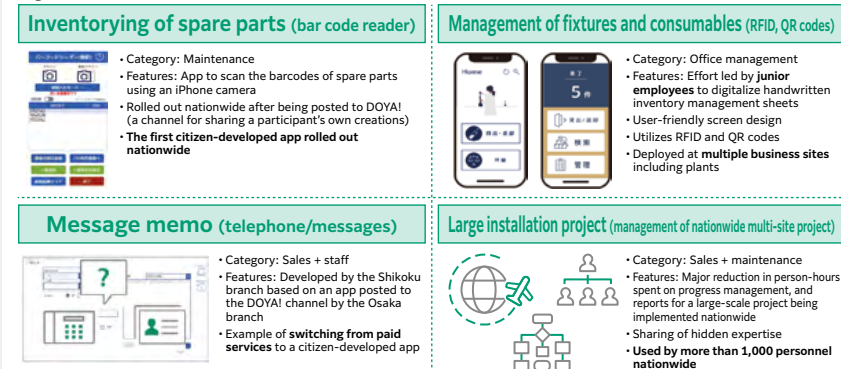
Examples: Materials generative AI, report generating AI for NURA health screening users, and the health screening data ecosystems through the utilization of the DTPF

#### DX worker community

We have formed a community of around 8,000 employees from across the Fujifilm Group, spreading information such as examples of DX implementation based on citizen development, providing DX-related Q&A functions and distributing educational content.

Examples: Sharing and utilizing community-developed applications like those shown below across departments helps accelerate business streamlining.

Applications initially developed for individual and/or departmental use are now being shared and utilized across organization.



# Intellectual Property Strategy

The Fujifilm Group's Intellectual Property Division focuses on proactive intellectual property (IP) activities to ensure that our corporate activities are linked to our competitive advantage and contribute to our business, including by maximizing earnings.



**Naoko Sakuma**

Corporate Vice President,  
General Manager,  
Intellectual Property Division,  
FUJIFILM Holdings Corporation

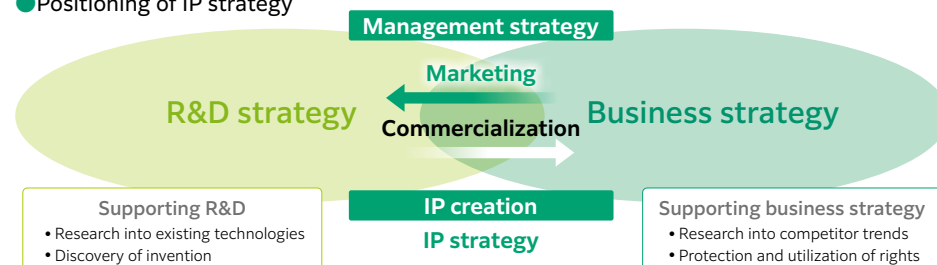
## The Fujifilm Group's IP Activities

The Fujifilm Group aims to create new value by integrating advanced and proprietary technologies and developing distinctive technologies. We will continue making a positive change in society by providing customers with products and services of the highest quality. Working with business divisions and R&D divisions, our Intellectual Property Division focuses on proactive IP activities to ensure that we continue to increase our corporate value by appropriately protecting the value created across various corporate activities as an intangible asset and effectively utilizing it.

## Organizational Structure

Intangible assets including intellectual property rights are important corporate assets, and the Intellectual Property Division works directly under the president to ensure close coordination with management strategy. Its team consists of people responsible for IP technology, legal and negotiations, standardization, and planning and operations. Rather than subdividing tasks and assigning fixed responsibilities, we encourage our members to gain diverse experience and broaden the scope of each person's knowledge of their responsible business areas, in addition to acquiring a high level of expertise necessary for the profession. We strive for each member to be able to leverage IP to create "value and victory" for the Fujifilm Group's business. Our Intellectual Property Division's primary mission is to contribute to the realization of business strategies and achieve sustainable growth by creating and utilizing IP assets based on our advanced and proprietary technologies. Furthermore, in recent years, we have also been putting effort into contributing in the innovation creation phase.

### ● Positioning of IP strategy



## Role of the Intellectual Property Division in the Fujifilm Group's Innovation Creation

The Intellectual Property Division continuously shares "intelligence" (information giving an insight into future changes in the market and environment) with business divisions and research laboratories to accelerate the Fujifilm Group's flexible transformation.

In particular, we actively use IP landscapes (comprehensive analysis of the IP of the Fujifilm Group and our competitors and markets based on patent literature and other technical information) to inform business and management strategies. For example, in the Medical Systems business, we gain an understanding of the technological strengths and weaknesses of the Fujifilm Group and our competitors as well as the acquisition of intellectual property rights in the form of a heat map, and we use this as a reference to differentiate our products from those of our competitors. In addition, when we acquired the diagnostic imaging related business from Hitachi, Ltd. in 2021, we used a technology heat map to confirm technology complementarity between our business and the acquired business. We used this heat map to formulate a strategy for strategically combining the technologies each of us excelled at and for marketing brand new solutions and products and offering higher added value.

### ● How IP landscapes are utilized

Complementarity of technologies of both companies in the area of radiation

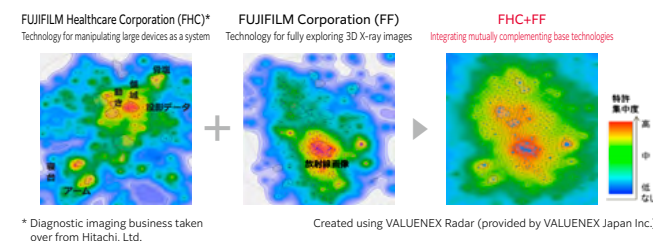
**Area search:** For identifying promising potential research themes in new fields

**Use search:** For considering the possibility of applying existing Fujifilm technologies

**Strategic market entry hypothesis:**

For developing business strategy based on market entry hypothesis

**M&A target selection:** For selecting promising M&A targets



With our IP management system, which is due to be revamped in 2026, playing a central part, we will integrate various IP and non-IP data (e.g., competitor patent clearance information, records of IP rights utilization, technological value, product information, market information) both from inside and outside the Fujifilm Group, with the aim of accelerating the use of information and providing intelligence more rapidly and with greater accuracy. In addition, we are harnessing generative AI to visualize the value of IP, which has long been an issue in the IP industry as a whole. We will create a positive cycle in which visualization of the value of IP results in feedback on the intelligence provided, which in turn leads to further improvement.

Going forward, the Intellectual Property Division will leverage its strength as a division in touch with both information about all the Fujifilm Group's technologies and information about the IP of our competitors to forge connections with various technologies and business both inside and outside the Group and, by being a strong driver of innovation creation, we will play a part in the Fujifilm Group's business and development activities.



## Driving Strategic Intellectual Property Activities That Contribute to Business

The Intellectual Property Division has connections with all the Fujifilm Group's R&D divisions and business divisions and works closely with relevant divisions from the initial stages of commercialization and development.

We hold an annual IP Strategy Conference to promote strategic IP activities by utilizing IP that will contribute to business. The general managers of business divisions and R&D divisions, together with the general manager of the Intellectual Property Division, share short-term and medium- to long-term challenges related to IP, and discuss and reach a consensus on IP measures. For example, we analyze the value of our technology in the market and determine an effective IP portfolio to maintain and strengthen our competitive advantage, and discuss issues from various perspectives, such as how to reduce business continuity risks at an early stage. We also conduct competitive research and analysis and provide useful information both from a ground-level perspective and a bird's-eye perspective that will help assess the direction of development and increase the speed of development. The progress and results of measures agreed in the IP Strategy Conference are reviewed regularly in meetings held in the following years. The Intellectual Property Division also conducts IP activities that will help improve the Fujifilm Group's earnings power and the Fujifilm brand, correcting its course of action flexibly to adapt to changes in the business environment.



### Tetsuya Iwasaki

Director, Corporate Vice President,  
General Manager of Electronic Materials Business Division,  
FUJIFILM Corporation  
Chairman and Representative Director, FUJIFILM Electronic Materials Co., Ltd.

Aiming for further growth in the Semiconductor Materials business, the Electronic Materials Business Division conducts business activities based on a 10-year R&D roadmap we share with our customers. The IP Strategy Conference provides a beneficial opportunity to consider and drive IP activities required in the medium to long term, in collaboration with the

Intellectual Property Division and overseas bases.

By combining the Intellectual Property Division's analysis information and proposals with the information held by business divisions and R&D divisions, we gain an insight into the technologies needed for next-generation semiconductors and market trends, allowing us to acquire core IP rights for future business ahead of our competitors and to take early action in response to the IP of our competitors.

The Intellectual Property Division is made up of professionals who are eager to learn about the technologies and R&D-related fields of the Semiconductor Materials business, and we will continue to strengthen our collaboration as like-minded people driving business growth and provide even more innovative value, aiming to become a world-class electronic materials manufacturer.

## IP Activities across the Fujifilm Group

The Fujifilm Group conducts Group-wide IP activities, including overseas Group companies. As part of these activities, we regularly hold Global IP Summits, where we closely share information and strengthen collaboration with IP managers of overseas subsidiaries. In addition to supporting the IP activities of Group companies in the U.S., Europe and other regions from Japan, we are building a framework for close collaboration with overseas bases by dispatching expatriates, and conduct IP activities to support the Fujifilm Group's global development as one team, including the IP members of our overseas Group companies.



(From left)

### Tatsuya Fujinami

Senior Manager,  
Intellectual Property Division,  
FUJIFILM Holdings Corporation  
(worked at FUJIFILM Sonosite Inc.  
until the end of July 2024)

### Richard Fabian

President and Chief Executive  
Officer,  
FUJIFILM Sonosite Inc. (FFSS)

### Message from the FUJIFILM Sonosite CEO

**The expat from FUJIFILM Holdings enabled us conduct IP activities linked to business strategy**

We were very fortunate to work closely with the Intellectual Property Division over the past several years. Tatsuya Fujinami was located at our headquarters in Bothell, WA U.S. and his engagement with our team was instrumental in alignment with our overall strategy as support during discussions on how to best protect our IP.

Many organizations look at their IP through the rearview mirror but I believe that IP is central to our business strategy and roadmap. Understanding what are strategic and scarce opportunities should help drive what assets a business works on and what assets they choose to protect. My expectations are that we will work closely with the Intellectual Property Division to have these high level conversations across the ultrasound businesses at Fujifilm.

### Message from the Expat

**Conducting IP activities across the Group through the cooperation of each company**

The companies acquired by the Fujifilm Group to date have different histories, technologies and IP from us, and I am always searching for opportunities to combine these with the Group's intellectual property and contribute to business development.

During my time at FFSS, I had the opportunity to lead strategic IP activities across the Fujifilm Group by proposing to the management of FFSS that we take an IP action against a competitor infringing our patents with both FFSS and Fujifilm patents.

I felt that these activities led to deeper communication between the management of FFSS and our Intellectual Property Division and raised FFSS's expectations for collaboration with the Fujifilm Group. I will keep working to have daily collaborative activities not only to make use of the existing IP but also to generate valuable IP by integrating ideas from Fujifilm and its Group companies.

## International Standardization Activities That Increase Our Competitive Advantage in the Global Market

In the face of dramatically changing social values, playing a leading role in the formulation of rules and international standardization is an important strategy for increasing a company's competitiveness in the global market. We have long recognized the importance of such initiatives as part of IP activities, and prioritize activities that will contribute to our business, including the growth of the Fujifilm Group's revenue, operating income and the mitigation of risks. As part of these activities, we dispatch our employees as experts in their respective fields to ISO and IEC technical committees that develop international standards.\*

A recent example of our central involvement in the formulation of rules is our contribution to the formulation of ISO standards relating to the environmental performance of printing materials. With the importance of action on the environment increasing as a social issue, companies are required to include information such as environmental and safety hazards and precautions on use on labels in accordance with the United Nations Globally Harmonized System of Classification and Labelling of Chemicals. However, there have been cases of improper practices in the printing industry. Companies in the printing industry often use environmentally harmful substances such as organic solvents, and the mitigation of environmental hazards is an issue the industry needs to address; however, there were problems that the information on such hazards included on risk labels varies from country to country, and in some cases information on environmental hazards and workplace safety is not shared with workers in the field.

To solve these problems and develop a market environment where the environmental performance of the Fujifilm Group's products could be correctly communicated, Tadanobu Sato, Senior Engineering Scientist, who is responsible for driving international standardization in the Intellectual Property Division, served as project leader on ISO 22067-1, an ISO standard series that specifies requirements and criteria for communication of environmental aspects within the print production supply chain, and worked to establish printing technology standards through coordination with the various relevant parties. These activities were deemed to have significantly contributed to the global printing industry, and Sato received the "METI Minister's Award" at the Ministry of Economy, Trade and Industry (METI)'s Industrial Standardization Awards in 2023.

\* IEC: International Electrotechnical Commission

### 2023 Industrial Standardization Awards A word from the winner of the METI Minister's Award

#### Tadanobu Sato

Senior Engineering Scientist,  
International Standards Promotion Office,  
Intellectual Property Division,  
FUJIFILM Holdings Corporation

Amid conflicting stakeholder interests, we established the ISO standards in cooperation with the ISO Central Secretariat and various other relevant parties. It is often said that Japan wins in technology but loses in business. While standardization is an important rule that can make or break a business, I believe that the creation of standards is not the end in itself but simply the means to the end. The "implementation" part, in other words, how to change the world through standardization, is important and it is also necessary to derive results that are positive for both the environment and business. I will focus on utilizing these standards to help customers understand the superiority of our products in terms of environmental performance.



Tadanobu Sato with members of the International Standards Promotion Office after the awards ceremony

## Highlighting Evaluations by Other External Organizations

### Ranked No. 1 in the chemical industry in 2023 in terms of patent asset size and competitiveness ranking

Patent Result Co., Ltd. is a company that provides a database and analysis about patents in Japan. It evaluates the patent assets and patent competitiveness of companies based on patent quality and quantity and publishes a ranking for each industry. We were ranked No. 1 in the chemical industry in 2023 in terms of patent asset size and patent competitiveness. In terms of patent competitiveness in the chemical industry, we have maintained the top position since 2012.

### IAM Asia IP Elite 2024

The Asia IP Elite award recognizes companies that excel in creating IP value, as selected by IAM (Intellectual Asset Management). To be a member of the Asia IP Elite, a company must place IP strategy at the center of its business and obtain ongoing value from intellectual property. In 2024, we were selected as one of the 93 companies from Asia.

### Top 100 Global Innovators 2024™

Clarivate, which provides information about biotechnology and patents and other information for the innovation of society, published the 2024 list of the Top 100 Global Innovators™, and we were on the list.

# Human Resources Strategy

## Message from the General Manager of the Human Resources Division

We will embrace a corporate culture of continuous change and promote a human resources strategy that fosters an upward spiral of growth for both employees and the organization.



Yasushi Zama

Corporate Vice President,  
General Manager,  
Human Resources Division  
FUJIFILM Holdings Corporation

## Promoting a Human Resources Strategy to Achieve the Goals of Our Long-Term CSR Plan—Sustainable Value Plan 2030

We have achieved transformation and growth by embracing the challenge of boldly changing our business structure. I attribute this to our employees, who spearheaded the transformation and were not afraid to take on the challenge of change. I feel that the root of our company's activities lies in a corporate culture that continues to drive change.

Following the expansion of our business fields, we currently have around 73,000 employees actively working across the globe. The source of innovation in the Fujifilm Group is "employee power." To mark our 90th anniversary, we formulated a new Group Purpose to be one core idea as the foundation that defines a shared direction for Group employees to create the future together.

Our Group Purpose, "Giving our world more smiles," reflects our value as a company. To achieve this purpose, we will promote a human resources strategy that connects the Sustainable Value Plan 2030 (SVP2030), which is our long-term CSR plan with targets for 2030, and VISION2030, our medium-term management plan. I also

believe it is my mission to continue developing human resources who see changes as opportunities for growth, embrace challenges and spearhead business transformation.

## Human Resources Strategy Framework

Our human resources strategy consists of three pillars: 1) the optimization of our human resources portfolio for promoting our businesses in four segments, 2) the development of an environment where our diverse employees are highly motivated to work, and 3) the recruitment of diverse human resources.

It is the "open, fair and clear" corporate culture we value that supports these three pillars. These pillars can be used to securely embrace i) human resources development and ii) health management, and can be used to increase employee engagement across the Group by iii) promoting diversity and iv) developing the organization. In doing so, we are targeting further growth for the Group and among employees as we further develop the corporate culture.

### ● Human resources strategy: Three pillars and four enhancement areas for passing on and fostering corporate culture



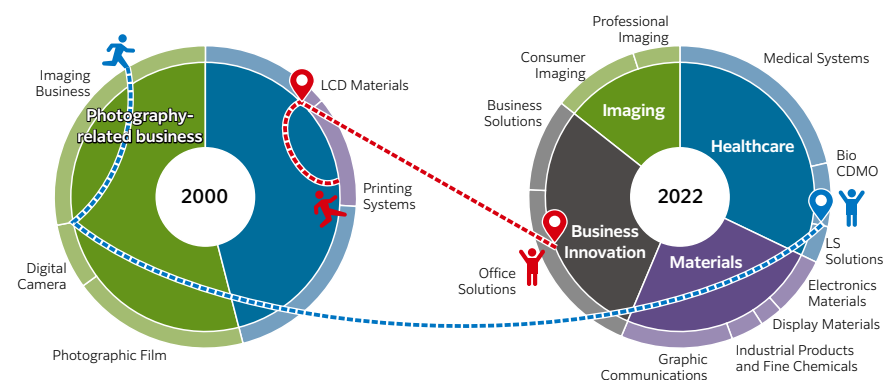
## Transforming Human Resources to Enable Business Transformation

We have been transforming our business since the early 2000s, when the photographic film business shrank rapidly. Our employees have also greatly changed the fields in which they work. Developing key personnel across business boundaries is one of our strengths that we have achieved through our transformation.

For example, one employee worked on the overseas operations of a photography-related business after joining the Group. He was then responsible for the digital camera business, leading the transformation of our core business from compact digital cameras to mirrorless digital cameras. He is currently responsible for the Bio CDMO business, where they are driving growth.

Another employee began in production management at a factory and later contributed to the growth of the display materials business. After working in the inkjet business, he is now in a leadership role focused on Business Innovation.

To achieve this transformation in our human resources, we implement rotations that broaden employees' experiences through 1) changing roles, businesses and technical fields and 2) developing their expertise. This opportunity is not limited to key personnel but also available to young and mid-level employees. This broadening of experiences contributes to the depth of our human resources.



## The Fujifilm Group Employees' Strengths

### Achieving Human Resources and Business Transformations through Practice and Study

Our three core competencies, listed to the right, serve as the focal point and foundation for training human resources capable of driving transformation.

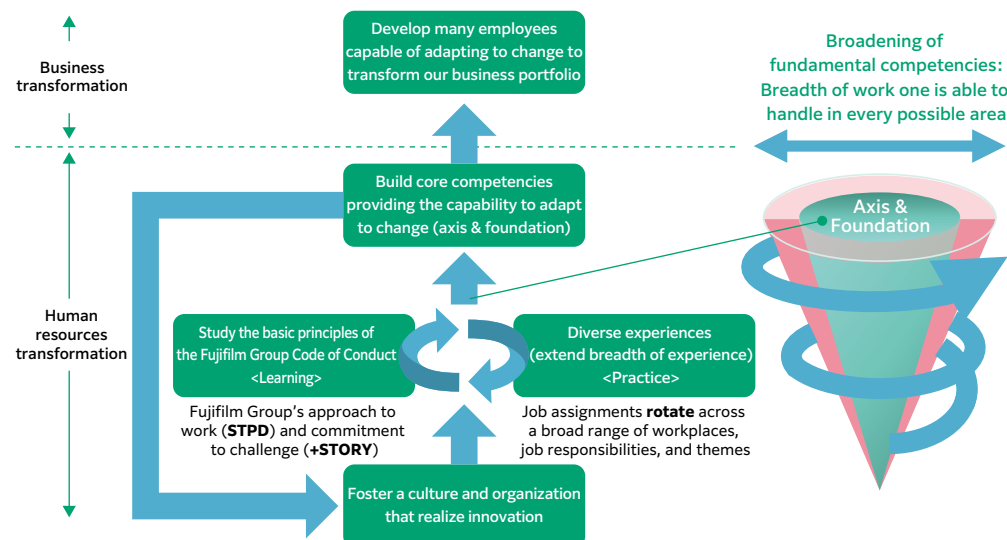
One approach to enhancing these core competencies as our human resources grow is to broaden their experiences through hands-on practice. Employees have many opportunities to take an active role, as there are a variety of functions and positions across our various businesses. In addition to broadening their experiences through practice, we ensure that employees learn the basic principles and work procedures common to all business fields and positions. Employees are able to improve their core competencies through repeated practice and study to form an upward spiral.

The adaptable human resources trained in this way will become a driving force for the transformation of our business. You could say that both human resources and businesses can continue growing in an upward spiral.

### Fujifilm Group Employee Core Competencies (Axis & Foundation)

- 1 Setting out essential issues and working to address them regardless of role or age
- 2 Taking the leading role in carrying out projects, involving those around them even beyond their own division or group
- 3 Seeing change as an opportunity for growth and taking up the challenges in every field of business or functional area

### ● Building core competencies





## STPD Strengthens the Issue Formulation Ability That Forms the Foundation for Work

It is our unique STPD (See-Think-Plan-Do) management cycle that is the key to promoting the growth of our human resources through both practice and study. We have developed a common approach to work in all of our businesses and functions. Employees are encouraged to “look carefully at the facts, think until they understand the essence of an issue, clarify the issue and then forge ahead with a concrete implementation plan.”

### Acquiring the Ability to Move Forward Even Without an Answer

STPD is an essential cycle in facing the rapidly changing times and unfamiliar terrain. It is an approach that supports the foundations of the Group. There are many situations where empirical rules gained through practice do not apply when creating change. STPD helps

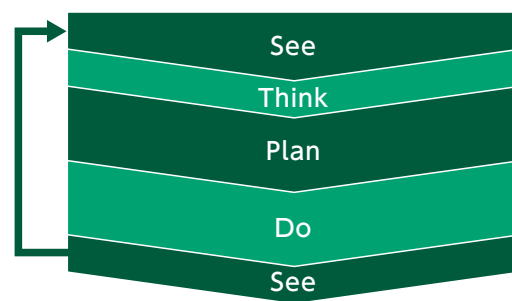
employees grasp the essence and principles behind issues and develops their ability to identify necessary tasks rather than just solving problems as they appear. This will enable them to make their own decisions in a wide range of unfamiliar situations. What is most important is that employees are able to grasp the higher purpose of the issue they are involved with. To enable this, employees repeat the See-Think process and ponder the background and true purpose of the issue, along with their own roles. When they have clarification, they nimbly implement Plan + Do. This quickly leads to See and speeds up the STPD cycle, creating a proactive approach to any issue.

We offer STPD training for all employees, including newly hired employees and foreign nationals, and this includes training on the principles of things. Employees are then judged on whether they are putting this approach into practice when being promoted. By learning this approach steadily and thoroughly, employees strengthen their foundation.

### Facing Challenges Head-on without Reverting to Easier Issues

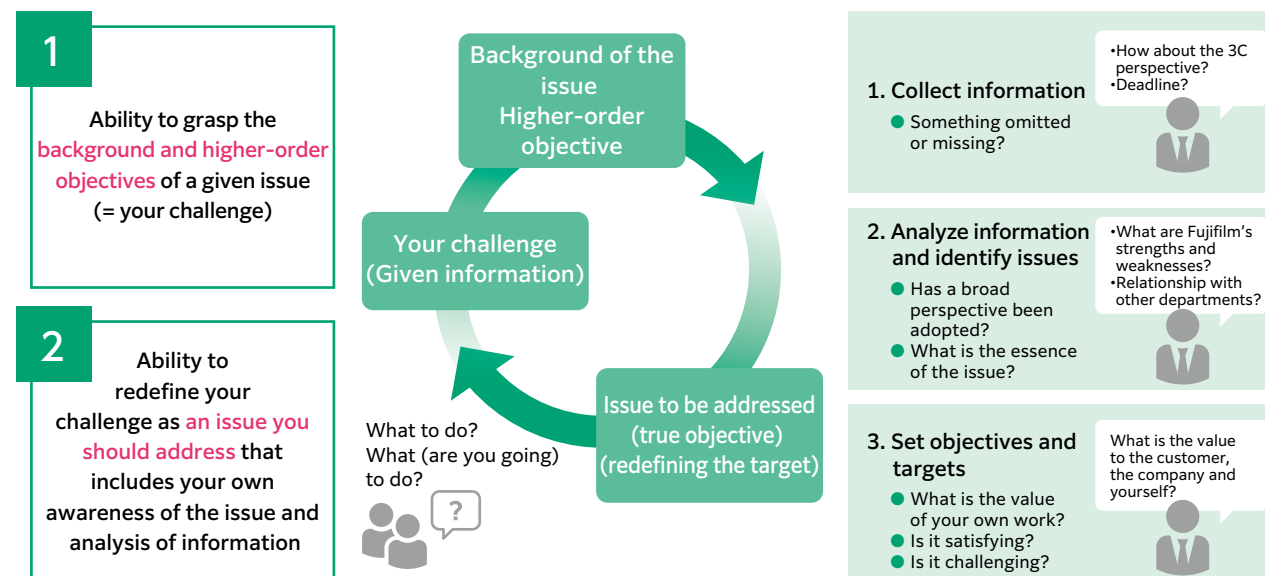
The second point emphasizes facing those challenges you do not want to look at head-on, including the ones you have avoided or put off, rather than starting with the issues that can be worked on easily through the STPD cycle. This also encourages a mindset that seeks to identify essential challenges by questioning conventional wisdom and stereotypes while exploring unseen issues.

#### ● Work steps



- 1 Collect information
- 2 Analyze information and identify issues
- 3 Establish objectives and targets
- 4 Develop achievement scenarios
- 5 Draft concrete implementation measures
- 6 Stick to it and do it thoroughly
- 7 Reflect and summarize (feedback for next time)

#### ● Ability to accurately grasp your own challenges: Issue formulation ability



## +STORY, Valuing Each Employee's "Story"

+STORY is a self-development assistance program through which each employee takes on challenges viewing changes as opportunities for growth. It instills a cycle of growth among employees with the goal of increasing their motivation for proactive growth.

+STORY Dialogue enables employees to reflect on the past year's experiences, gain new insights through dialogue with their superiors and develop aspirations. In addition, we have set up a variety of other measures to support employee growth in a variety of ways. +STORY Academy is a platform to support and promote independent learning, and +STORY LIVE is an in-house online event where a diverse range of employees share their experiences and what they have learned.

### +STORY Dialogue, the Foundation for Diversity Management

+STORY Dialogue is an important part of the growth cycle. In addition to target and evaluation feedback meetings, superiors engage in dialogue with their team members annually to properly understand the values and approaches of those who work under them. This dialogue helps superiors understand their team members' temperaments and supports them as they create their future stories by making use of their personalities and characteristics.

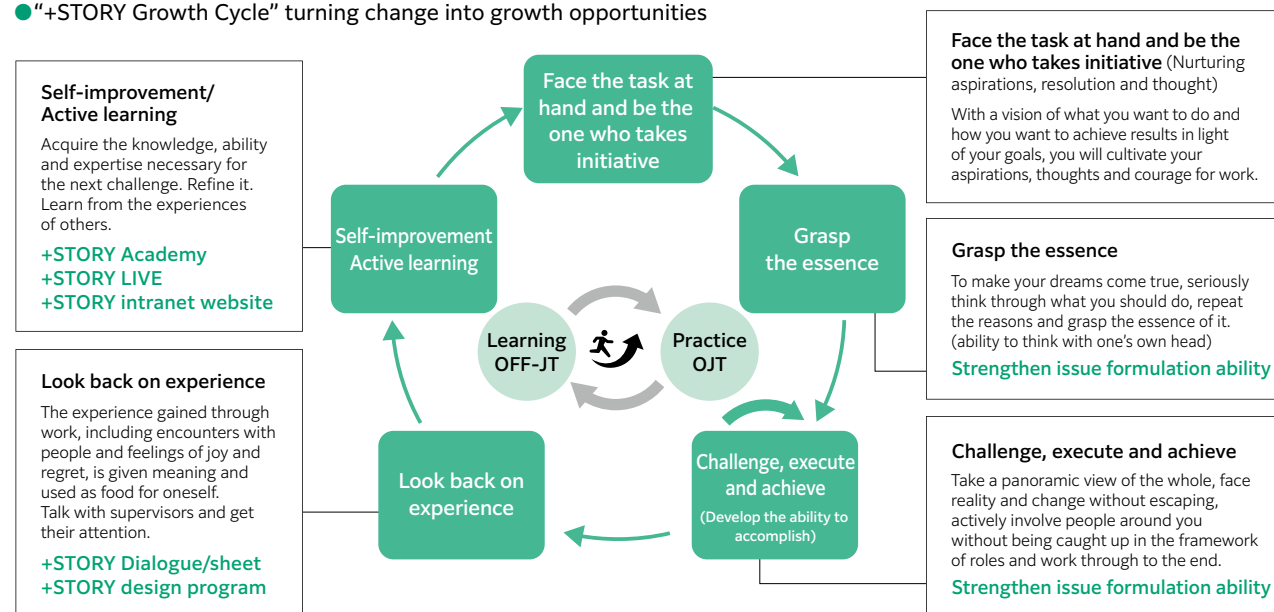
+STORY LIVE has been held monthly since March 2021. Here, the Fujifilm Group employees, each with their own diverse expertise, personality and history, share their perspectives developed through their own past experiences. Speakers at this event share success stories as well as what they learned through failure and how they really felt about it. This allows employees to learn from one another, and more than 1,000 employees participate each month. There are more than 29,200 total viewers. We also held a +STORY LIVE event outside Japan with FUJIFILM Malaysia in November 2023. Local

employees showed increased interest in the event as a platform to share speakers' stories.



+STORY LIVE held in Malaysia

### ● "+STORY Growth Cycle" turning change into growth opportunities



### External Evaluations

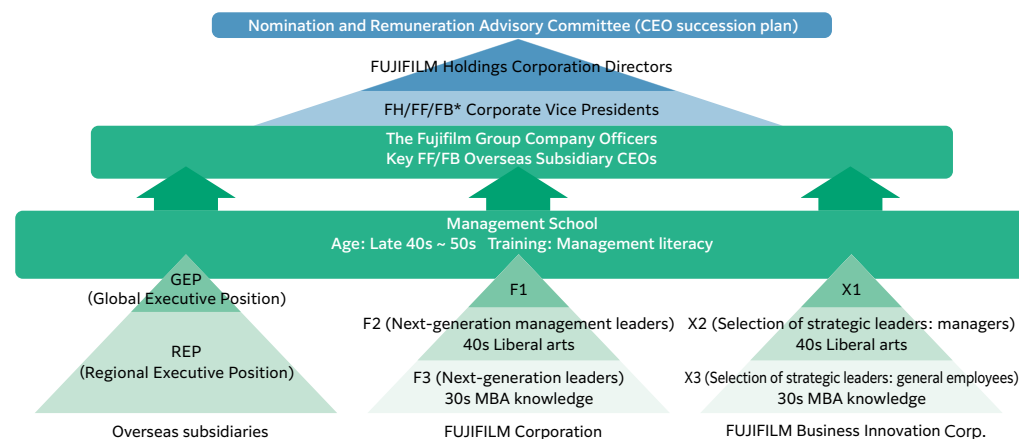
These +STORY initiatives have been highly praised by external organizations, and the Group received the Award for Excellence in the Human Resources Development category at the 12th Japan HR Challenge Awards 2023 hosted by the HR Research Institute. The Group also received an award in the Corporate Personnel Division category at the Nihon-no-Jinjibu HR Award 2023 hosted by the HR Award Steering Committee. As we continue to work to train our valued human resources, we will embrace and develop the Fujifilm Group's corporate culture.



## Succession of Key Personnel

We also have a system in place to develop leadership talent and select key personnel. We select next-generation leaders from employees in their 30s, and we have training programs to build the foundation for work, including MBA-level knowledge. We also select next-generation management leaders from managerial personnel in their mid-40s and offer programs to study liberal arts to impart a wide perspective and historical viewpoint. In the final stage, we have a training program called Management School for selected personnel from the general manager level and higher. In addition to systematically training key human resources, we enrich the human resource pool by giving employees difficult tasks.

Our Human Resources Division also manages and provides training for the pool of personnel known as Global Executive Positions (GEP) for key personnel in overseas subsidiaries. Human Resources Divisions overseas are also promoting the succession of business leaders who will lead the business in their regions through the Regional Executive Position (REP) scheme.



\* FH: FUJIFILM Holdings Corporation, FF: FUJIFILM Corporation, FB: FUJIFILM Business Innovation Corporation

## Accelerating DE&I Measures Globally

In October 2023, we established the DE&I (Diversity, Equity and Inclusion) Promotion Committee with our CEO as the committee chair. To accelerate the advancement of DE&I across the Fujifilm Group, we also launched DE&I Promotion Committees at domestic and overseas affiliated companies with their respective CEOs as committee chairs. The DE&I Commitment offered by regional leaders to promote DE&I was then deployed across the Group to accelerate DE&I measures at each company.

## Creating an Environment Where Employees Can Work with Psychological Safety

Establishing an environment where employees from diverse backgrounds can energetically work with high psychological safety is an important measure to achieve our Group's Purpose, "Giving our world more smiles."

We also host Family Days where the Group employees' families are invited with the idea that growth within the Fujifilm Group coexists with the smiles of its employees and their families. Participants experience our products and technology, visit workplaces where families work and more. Each Group company creates a variety of well-crafted plans, and the day is full of lively interactions.

Our overseas Group companies also host this type of event. For example, FUJIFILM Cellular Dynamics (FCDI) in the U.S. hosts a Take Your Child to Work Day, giving children from preschool to high school a chance to experience the fun of science. The Open Door Day hosted by FUJIFILM Europe in Germany offers a variety of programs, including Fujifilm quizzes, live band performances, and tours of the workplace for families and the Open Innovation Hub, where participants can experience the Fujifilm Group's cutting-edge technological prowess.

The Good Parental Leave System was also introduced in Japan in July 2024. This system offers 20 days of special leave when an employee's child is born. This encourages male employees to take the first step toward proper participation in childcare, and it helps reduce the burden placed on female employees after birth and during childcare.



Family Day held at the FUJIFILM Omiya Office



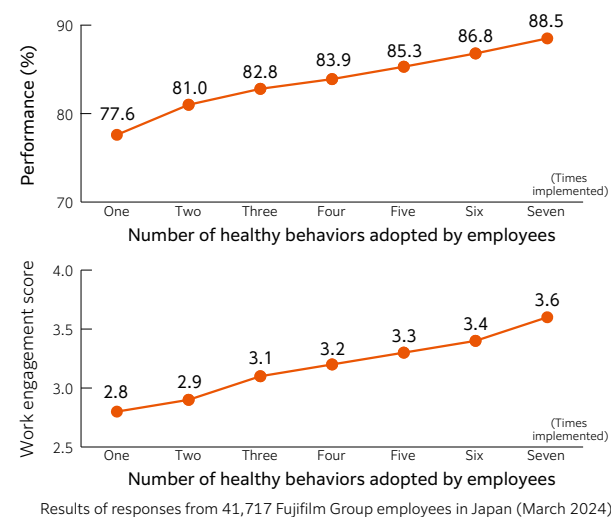
Take Your Child to Work Day, held at FCDI

### The Fujifilm Group's Health Management

Employee health is an important theme in a human resources strategy. With this in mind, the Fujifilm Group focuses on health promotion activities by working closely with employee organizations, companies, the Fujifilm Group Health Insurance Association, and occupational health physicians and other medical personnel.

We have identified five priority areas associated with employee wellness: lifestyle-related diseases, cancer, smoking, mental health and long working hours. We also encourage employees to adopt the "Seven Healthy Behaviors in the Fujifilm Group" to develop healthy lifestyle habits.

#### ● Seven healthy behaviors



FUJIFILM Mediterra Yokohama

In April 2022, we opened the Fujifilm Group Health Insurance Association's "FUJIFILM Mediterra Yokohama," a health screening center for Fujifilm Group employees. The center uses our state-of-the-art medical equipment and medical IT systems, which incorporate AI technology, to provide state-of-the-art health screening to our employees. We expanded the number of reservations accepted in FY2023, and measures are being developed to encourage employees to improve their own health, including extensive support both before and after health screenings.

As a result of these efforts, FUJIFILM Holdings was selected as a Health and Productivity Stock for the fourth consecutive year and as a Health and Productivity Management Outstanding Organization (White 500) for the eighth consecutive year.

### Utilizing Engagement Survey Results for Further Growth of Employees and the Company

Understanding our employees' sense of job satisfaction and continuously improving employee engagement are also key priorities



### Evaluation by Outside Director

#### Tsuyoshi Nagano

Chairman of Tokio Marine Holdings, Inc.

There is a need for increased productivity in Japanese industry today, but this cannot be solved by the mobilization of human resources alone, creating a major challenge. With this challenge, the mission of large companies is to create opportunities for insight that allow employees to grow on their own. This is found in internal human resource training. I believe the Fujifilm Group's human resources strategy to be an extremely useful example of this point for Japanese industry.

The Fujifilm Group's framework promotes proactive employee growth. For example, through job rotations across businesses

of our human resources strategy. We have conducted the Fujifilm Group Employee Engagement Survey since 2022 to measure employees' empathy with the Group's Purpose and their motivation to proactively help achieve the Group's targets. All employees in Japan and abroad are part of the survey. For "Engagement," which indicates the percentage of positive responses, we received a score of 80% again this year. According to the consulting firm that helped us conduct the survey, this is a high score compared to other companies in Japan and overseas. We added a new Engagement Survey score as a non-financial KPI for remuneration to directors to commit to improving employee engagement in the future. However, a macro evaluation of the score results does not lead to sustainable engagement. It is important to clarify real issues from survey results at each workplace and implement a cycle that actively works for improvements through active discussions in the workplace.

To continue taking on change, we will enhance our human resources development system, which will serve as the foundation for change, and further enhance the value of the Fujifilm Group.

and other diverse experiences, new challenges and innovation are promoted as employees gain practice, and this prevents the organization from getting into a rut. STPD also verbalizes the Group's culture, which leads to enhanced employee independence. This, in turn, develops employees' ability to see the essence of things, consider future challenges on their own, and achieve their goals. Having a culture that takes on challenges and sharing stories is also important. I think that the fact that the system of gaining insight from the challenges of others with strong beliefs leads to growth is foundational in tackling bigger jobs and more difficult challenges.

It is often stated that, from the outside, the strengths of the Fujifilm Group are technology, products and other tangible strengths along with design and brand capabilities, but the true strength of the Group lies in its intangible foundational strength that includes its corporate culture and strength of its human resources. This foundational strength is needed for success, not only at the Fujifilm Group but also in any industry. I sense that this is the source for creating true value.



# Human Rights Initiatives

The Fujifilm Group considers respect for human rights to be its corporate responsibility. To assess and mitigate the human rights risks involved in our business activities, we have established the Fujifilm Group Human Rights Statement based on international standards and are promoting human rights initiatives.

## Basic Policy

The Fujifilm Group Charter for Corporate Behavior and Code of Conduct, which are available in 24 languages, express our fundamental approach to human rights. We support international principles including the International Bill of Human Rights of the United Nations (UN) and the UN Guiding Principles on Business and Human Rights. In 2018, we established the Fujifilm Group Human Rights Statement, which declares our commitment to taking necessary measures to assess and mitigate the human rights risks in our business activities.

In step with the expansion of our Healthcare business, in July 2020 we established the Fujifilm Group Global Healthcare Code of Conduct, thus clarifying our respect for human rights of patients and the transparency of our relationship with healthcare professionals. We also adopted the Fujifilm Group AI Policy in December 2020 as the basis for our active utilization of AI technology. We recognize ethical and other risks that could arise from the emerging technology of AI and strive to promote business activities that respect basic human rights. Furthermore, we are pursuing initiatives for diversity in accordance with the DE&I Vision established in March 2024, in which we clearly state that our basic policy is to respect human rights.

## Structure of Promotion

The Fujifilm Group's priority issues related to human rights and the outcomes of measures taken to prevent and mitigate these issues are reported to and discussed at our ESG Committee and are then reported to the Board of Directors.

Human rights risks related to employees are addressed by the Human Resources Division while ones concerning suppliers, outsourcing contractors and on-site contractors are handled by the procurement divisions. When launching a new business involving M&A or a large investment, we include items related to

human rights among the due diligence items and assess the appropriateness of the investment.

information. We assess the impact on human rights using risk mapping and regularly review assessments.

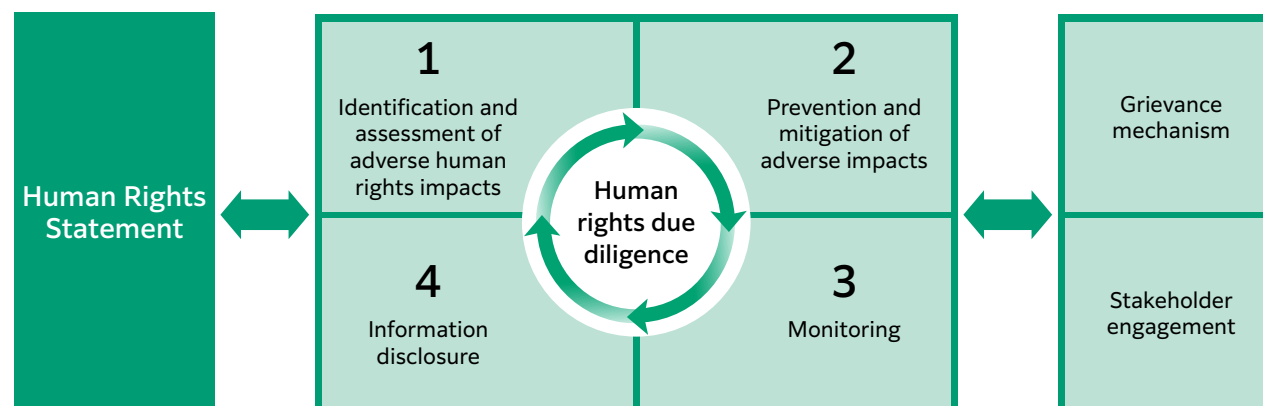
## Human Rights Due Diligence

The Fujifilm Group implements human rights due diligence by following the steps shown in the figure below and in accordance with the UN Guiding Principles on Business and Human Rights. In the implementation, we refer to the requirements in the UN Guiding Principles Reporting Framework with Implementation Guidance, which were discussed by the Human Rights Due Diligence Working Group of the UN Global Compact Network Japan. Specifically, this involves identifying actual and potential risks, determining where these risks occur within the Company's activities and the value chain of the Group's business, identifying the individuals who could be negatively impacted and how, evaluating risks based on likelihood and severity, examining and implementing preventive and mitigating measures, and engaging with stakeholders and disclosing

### Review of Priority Human Rights Issues

Since fiscal 2023, we have been reviewing the impact assessment of human rights issues to reflect new human rights issues, which could arise due to changes in the business environment and the use of AI, in the priority issues of the Fujifilm Group. Above all, in fiscal 2023, ESG issues were discussed with all business divisions to respond to the EU Corporate Sustainability Reporting Directive (CSRD), and opinions were exchanged about human rights issues in each business during these discussions. We plan to set new priority issues in fiscal 2025 based on the results of these internal discussions and with support from external experts.

### ● Human rights due diligence process



## Risk Mapping in Existing Businesses

As a result of the impact assessment of potential human rights issues that was conducted in fiscal 2019, the Fujifilm Group has identified the following three as priority human rights issues.

### Priority Human Rights Issues

1. Inappropriate work environment and labor practices at suppliers;
2. Long working hours, discrimination and harassment of our employees; and
3. Violations of the rights of clinical trial participants in our healthcare business.

As described on the previous page, we have been reviewing the impact assessment of human rights issues since fiscal 2023, and the above priority human rights issues are planned to be newly established in fiscal 2025.

## Grievance Mechanisms

The UN Guiding Principles on Business and Human Rights (UNGPR) requires that companies build grievance mechanisms so that rights holders seeking remedies can access appropriate remedial actions.

The Fujifilm Group provides internal whistleblowing systems for employees, as well as reporting channels via the official website and an external platform for external stakeholders. In these processes, the privacy of whistleblowers is guaranteed, and comprehensive measures are taken to protect them from retaliatory actions.

Whistleblowing cases that were handled are reported to the ESG Committee and the Board of Directors on a regular basis, and supervision is made to ensure appropriate operation of the grievance mechanisms.

## Whistleblowing System Using an External Platform

The Fujifilm Group joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a regular member in June 2024. JaCER offers the Engagement and Remedy Platform, a non-judicial grievance handling platform that conforms to UNGP. Using this platform, we aim to increase the contact points for a broad range of stakeholders to report human rights-related issues and to further enhance the fairness and transparency required by the UNGP.

In July 2024, our procurement divisions and the ESG Division collaborated to hold briefing sessions for the procurement divisions of affiliated companies in Japan that procure production materials, aiming to promote understanding of the grievance mechanisms as well as JaCER.

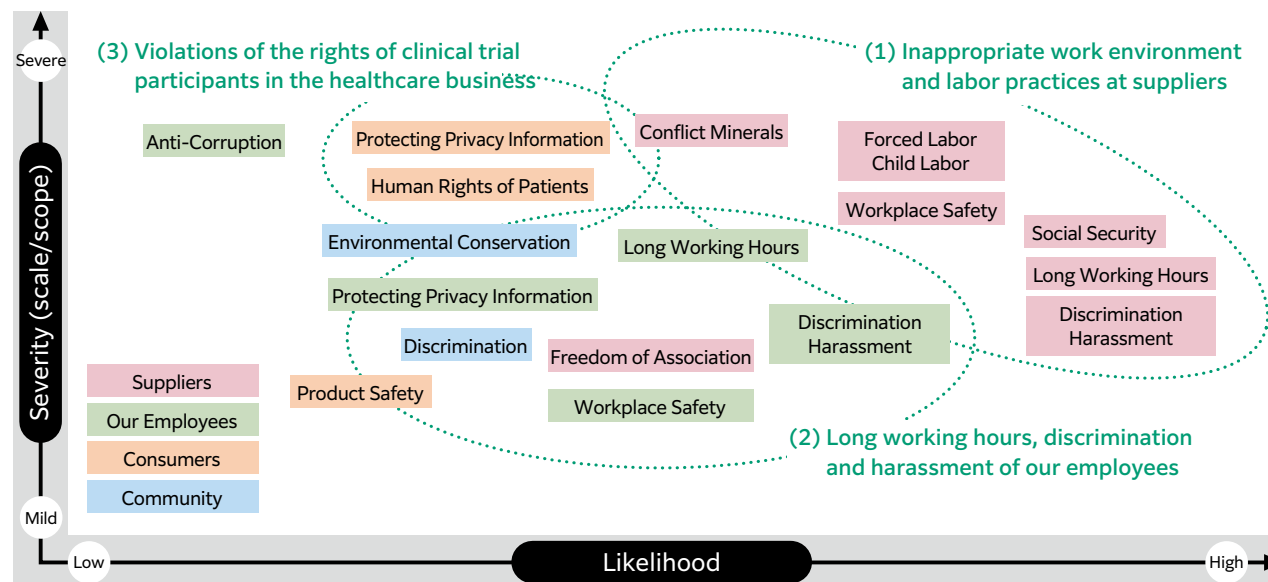


## Stakeholder Engagement

Please refer to "4.6.3-5. Stakeholder Engagement" of our Sustainability Report 2024 for details about our collaborations with external stakeholders (stakeholder engagement) and training of officers and employees.

▶ <https://holdings.fujifilm.com/en/sustainability/report>

### ● Impact assessment of potential human rights issues (risks associated with existing businesses)



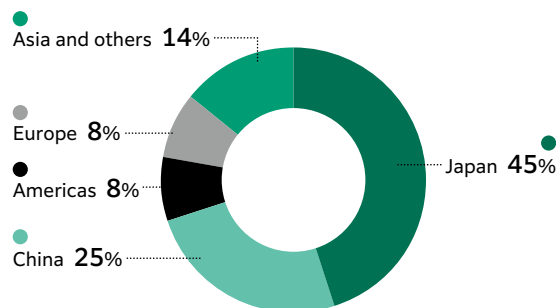
# Responsible Supply Chain Management

As a global corporate entity, the Fujifilm Group procures large volumes of raw materials and supplies. We believe that we are responsible for appropriately managing not only our own operations but also the supply chain we are involved with.

## Procurement Strategy and Sourcing Regions

The Company pursues the optimization of production and procurement processes in all its businesses to provide better products and services at appropriate prices. Our specific procurement strategy emphasizes three aspects: (1) Quality, (2) Cost Reduction and (3) Stable Procurement (Delivery). Each year, we establish targets and develop plans to continuously enhance our procurement activities.

### ● Proportion of procurement amount by region



## Initiatives to Enhance Sustainability

### Basic Approach to Sustainable Procurement

The Fujifilm Group categorizes its suppliers into one of three levels to apply targeted measures to each.

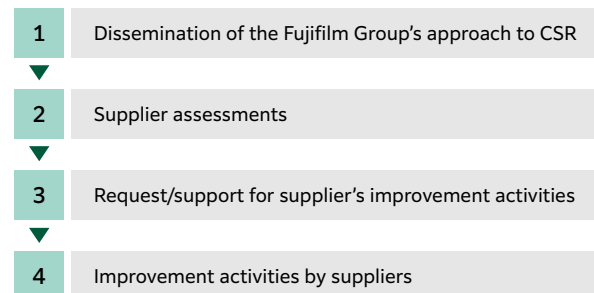
Level 1	Dissemination of the Fujifilm Group's approach to CSR (all suppliers)
Level 2	Self-assessment by suppliers (critical suppliers)
Level 3	On-site assessment (high-risk suppliers/most critical suppliers)

### Sustainable Procurement Initiatives

We have positioned our series of activities to promote sustainable procurement as our Sustainable Procurement Promotion Program, which consists of the four-step cycle shown in the figure below.

In regions such as China and other Asian areas, where we have many critical suppliers and where high-priority risk management is required, we conduct CSR risk assessments and self-checks covering human rights, labor, environment, health and safety, ethics, supplier management and BCP. For suppliers identified as high risk, we conduct individual on-site inspections, request improvements and provide support. Particularly for suppliers in China and Vietnam, our expert team conducts on-site assessments to verify their progress and provide guidance for improvement.

### ● Sustainable procurement activity cycle



### Measurement of Effectiveness (KPIs)

We have communicated our Requests for Suppliers in Procurement, which are based on our Code of Conduct, to our suppliers in Japan, China, and other Asian countries as part of our priority risk management. We received agreements from 867 suppliers, compared to our target of 300. In addition, in Europe and the Americas, we have created a statement of standards summarizing our sustainability requests for business partners, and we have begun to inform our key business partners of these requests.

We conducted self-checks for critical suppliers and collected results from 995 companies (1,493 manufacturing sites) with a response rate of 96% in fiscal 2023. The results of the self-check assessments showed no significant risks related to child labor, forced labor or freedom of association.

Furthermore, we initiated an information security survey (self-check) in fiscal 2022 to find how cyberattacks and other risks are actually handled. In fiscal 2023, we collected responses from 1,064 suppliers.

### ● Sustainability self-check conformance rate

Conformance rate	Evaluation	Ratio of responding companies
90% or above	Almost satisfy the requirements of our Code of Conduct	69%
80%–89%	Need improvement regarding some issues	22%
Less than 80%	Need our support for improvement	9%

## Responsible Mineral Procurement

### Framework of Policy and Initiatives

We recognize that tantalum, tungsten, tin, gold (3TG) and other minerals in our supply chain, especially from conflict-affected or high-risk areas in the world, could become a source of funding for organizations involved in human rights abuses including child labor, environmental destruction or inhumane acts involving armed forces, and that issues related to these minerals are of social significance. We clearly declare that we have no intention to use minerals involved in such human rights violations or that have any other negative impact. To ensure responsible procurement across our supply chain, we manage our operations in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, following its five-step framework.

### ● OECD's Five-Step Framework

1	Establish a robust planning and management system
2	Identify and assess risks in the supply chain
3	Develop and implement strategies to address identified risks
4	Engage an independent third party audit to assess the due diligence practices of smelters/refiners
5	Report annually on due diligence in the supply chain

### Measurement of Effectiveness (KPIs)

The Fujifilm Group is strengthening its initiatives for responsible mineral procurement, reflecting the increase in countries and regions where it sells its products and the growing social demand. Results of the annual survey of each business segment in fiscal 2023 are as follows.

### ● Results of mineral survey of each segment

#### Business Innovation

		FY2023	FY2024 Target
3TG	Response rate	99%	95% or above
	Ratio of conformant smelters	63%	Continuing to increase the ratio of conformant smelters
Cobalt	Response rate	98%	95% or above
	Ratio of conformant smelters	55%	Continuing to increase the ratio of conformant smelters

#### Electronics

		FY2023	FY2024 Target
3TG	Response rate	87%	92% or above
	Ratio of conformant smelters	97%	Continuing to increase the ratio of conformant smelters
Cobalt	Response rate	87%	92% or above
	Ratio of conformant smelters	- (Not applicable)	- (Not applicable)

#### Imaging

		FY2023	FY2024 Target
3TG	Response rate	82%	90% or above
	Ratio of conformant smelters	64%	Continuing to increase the ratio of conformant smelters
Cobalt	Response rate	89%	92% or above
	Ratio of conformant smelters	56%	Continuing to increase the ratio of conformant smelters

## Collaboration with Initiatives in the Supply Chain Area

To meet evolving global demands in production and procurement and to deliver products and services that customers find reassuring, the Fujifilm Group participates in various initiatives to keep abreast of global trends in a timely and accurate manner.



### Joint Article Management Promotion-consortium (JAMP)

Fujifilm is a member of JAMP, which aims to promote a system for the appropriate management of information on chemical substances and the smooth disclosure and communication of such information throughout the supply chain.



### UN Global Compact (UNGC)

FUJIFILM Business Innovation signed the UNGC in 2002. Since June 2020, FUJIFILM Holdings has been a signatory and participant.



### Japan Electronics and Information Technology Industries Association (JEITA)

Fujifilm and FUJIFILM Business Innovation are members of the JEITA Responsible Minerals Trade Working Group.

### Responsible Minerals Initiatives (RMI)

FUJIFILM Business Innovation participates and partners with the RMI and JEITA to strengthen its commitment to responsible mineral procurement.



一般社団法人ビジネス機械・情報システム産業協会  
Japan Business Machine and Information System Industries Association

### Japan Business Machine and Information System Industries Association (JBMA)

FUJIFILM Business Innovation participates in the activities of the Responsible Corporate Behavior Committee, established in April 2022 within the JBMA.

### Responsible Business Alliance (RBA)

FUJIFILM Business Innovation is a member of the RBA, which establishes standards related to occupational safety, the treatment of workers and environmental considerations in electronics industry supply chains.



# Environmental Initiatives

Clear water and air are essential for manufacturing photographic films, which was the starting point of our founding. We have therefore been proactive since our earliest days in taking environmental measures in our business activities. We will remain proactive in pursuing environmental initiatives, positioning them as a requirement for participating in global business.



## Carbon Neutrality and Contribution with Products and Services Address climate change

### ● Metrics and targets

We aim to achieve practically zero GHG emissions from energy consumed by the Company\*<sup>1</sup> by fiscal 2040 (carbon zero), by maximizing energy use efficiency and promoting the introduction of renewable energy. In addition to promoting energy conservation and introducing renewable energy, we will continue to contribute to the reduction of CO<sub>2</sub> emissions in society by operating the Green Value Products Certification Program, which internally certifies products and services that excel in reducing environmental impact.

\*<sup>1</sup> Direct emissions from the Company during the product manufacturing stage (Scope 1) and indirect emissions from the use of electricity and steam supplied by other companies (Scope 2)

#### ■ GHG emission reduction target throughout the product life cycle

Reduce GHG emissions by 50% by the end of fiscal 2030 (compared with fiscal 2019)

#### ■ GHG emission reduction target for energy used by the Company

Reduce GHG emissions by 50% by the end of fiscal 2030 (compared with fiscal 2019)

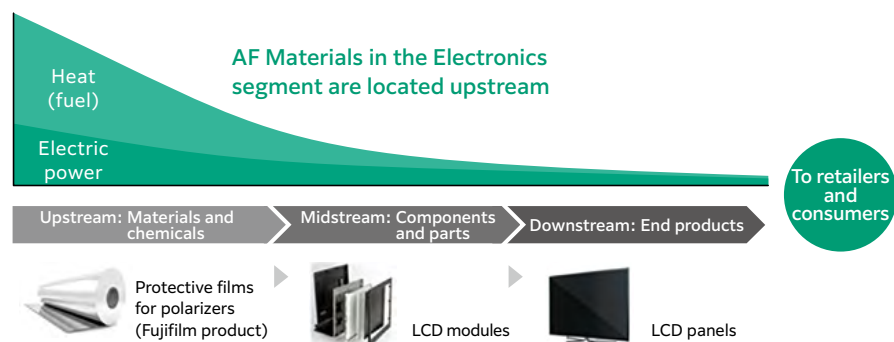
#### ■ Target for the introduction of renewable energies

Convert 50% of purchased electricity to electricity derived from renewable energy sources by fiscal 2030

#### ■ Target for contributing to CO<sub>2</sub> emission reductions in society through products and services

Contribute to a cumulative reduction of 90 million tons of CO<sub>2</sub> emissions in society by fiscal 2030

### Energy requirements in the supply chain

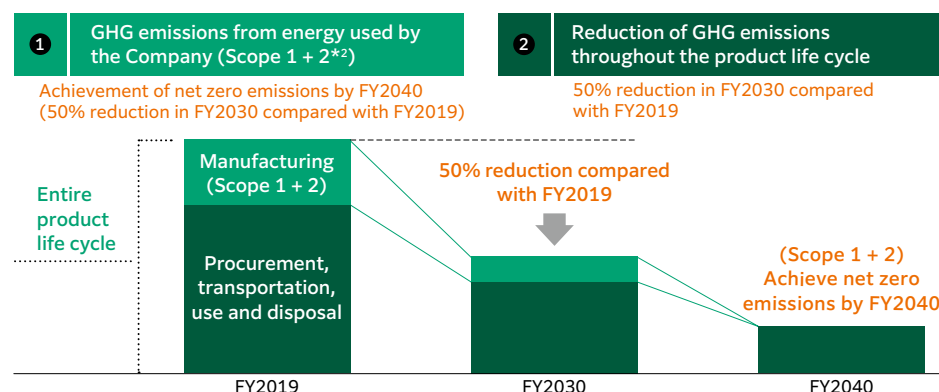


### ● Risk management and governance

As part of risk management, the Fujifilm Group has introduced a system to monitor environmental performance related to climate change on a global basis and uses this system to identify risks by monitoring emissions of CO<sub>2</sub>, fluorocarbons and other greenhouse gases, as well as energy consumption volumes, at each business site of each country and region.

The Energy Strategy Promotion Committee analyzes factors involved in the identified risks and reports on these to the ESG Committee before we make decisions regarding a response. In 2023, we created the GX Committee to effectively reflect matters resolved by the ESG Committee in each business. The GX Committee is responsible for instituting specific environmental measures and works with the ESG Committee in addressing climate change.

To assess the risks of climate change, we utilize the internal carbon pricing (ICP) system and the virtual power purchase agreement (VPPA) scheme introduced for the procurement of power from renewable energy sources and investigate the assumed financial impacts and future responses. Moreover, we apply scenario analyses based on the TCFD recommendations to implement countermeasures against risks caused by external factors. The ESG Committee discusses and makes decisions on issues and targets regarding climate change and reports on these to the Board of Directors.



\*<sup>2</sup> Scope 1: Greenhouse gas emitted directly by the business itself (fuel combustion, industrial processes); Scope 2: Indirect emissions from the use of electricity, heat and steam supplied by other companies

### ● Strategies: Risks and opportunities by analysis based on scenario

For scenario analysis based on the TCFD recommendations, we have set and evaluated two types of climate-related scenarios—1.5°C and 4°C—in reference to the low-carbon 2°C scenario based on the Representative Concentration Pathways (RCP) 2.6 through 8.5 described in the report of the Intergovernmental Panel on Climate Change (IPCC) and Energy Technology Perspectives (ETPs) of the International Energy Agency (IEA). One is the 1.5°C scenario in which more rigorous measures are implemented to build a decarbonized society and effectively keep the rise in temperatures by the year 2100 to 1.5°C compared with the level during the Industrial Revolution. The other is the 4°C scenario in which the temperature rises by 3.2°C to 5°C over the Industrial Revolution level as a result of failing to implement measures that surpass those currently in place.

	4°C Scenario	1.5°C Scenario
	Measures surpassing those in place at present are not implemented, resulting in the average temperature rising by the year 2100 by 3.2°C to 5°C over the level during the Industrial Revolution. Natural disasters will increase in intensity and irreversible ecological changes will occur.	Rigorous measures are implemented to build a decarbonized society, keeping temperature rises by the year 2100 down to 1.5°C in comparison with the level during the Industrial Revolution.
Business Risks	<b>Physical Risks</b> <ol style="list-style-type: none"> <li>Impact on production facilities due to extreme weather conditions, suspension of supply of raw materials for products and factory shutdowns due to power outages  <b>[Countermeasures]</b> Promote measures such as the decentralization of production bases and raw material suppliers by formulating business continuity plans (BCPs) and securing a stable power supply.</li> <li>Instability and soaring prices of plant-derived raw materials due to ecological changes caused by climate change  <b>[Countermeasures]</b> Reduce the amount of raw materials used by producing thinner films made from plant-derived raw materials and promoting the recycling (reuse) of multifunction devices in the area of business innovation.</li> </ol>	<b>Transition risk</b> <p>Laws and regulations for carbon pricing systems will be introduced in each country/region, which will be a cost-increasing factor. Assuming that the Fujifilm Group itself emitted 924,000 tons of Scope 1 + 2 CO<sub>2</sub> in fiscal 2023 and that the carbon tax per ton of CO<sub>2</sub> emitted was ¥13,000, the financial risk is estimated to be approximately ¥12.0 billion.</p> <p><b>[Countermeasures]</b> Accelerate capital investment for decarbonization by utilizing an internal carbon pricing system.</p>
Business Opportunities	<ol style="list-style-type: none"> <li><b>Developing the resilience of the social infrastructure against disasters</b> <ul style="list-style-type: none"> <li>Highly sensitive camera products that can monitor rivers and sea surfaces at night and in stormy weather</li> <li>Deterioration diagnosis technology for bridges, levees, etc., using high-precision image analysis and AI technology</li> <li>Digitalization of local governments' disaster response processes to help residents quickly rebuild their lives after a disaster</li> </ul> </li> <li><b>Reducing the burden on healthcare professionals and improving access to healthcare</b> <ul style="list-style-type: none"> <li>Global deployment of medical IT, medical diagnostic imaging and AI technologies that help reduce the workload on healthcare professionals and contribute to remote diagnosis</li> </ul> </li> </ol>	<p>Help solve energy issues and achieve a decentralized society based on fundamental and core technologies</p> <ol style="list-style-type: none"> <li><b>Energy conservation</b> <ul style="list-style-type: none"> <li>Data archive storage systems using high-capacity magnetic tape to reduce CO<sub>2</sub> emissions during data storage</li> <li>Multifunction devices with enhanced power saving performance</li> </ul> </li> <li><b>Energy creation</b> <ul style="list-style-type: none"> <li>Technology that enables inspection and diagnosis of operating wind turbine blades even in harsh environments such as windy coastal and offshore areas by combining a high-performance anti-vibration and ultra-telephoto camera that utilizes imaging and precision molding technologies with high-precision image analysis and AI technologies</li> </ul> </li> <li><b>Energy storage</b> <ul style="list-style-type: none"> <li>Development of semi-solid batteries with lower cost and higher capacity compared to conventional liquid lithium-ion batteries by utilizing dispersion/coating and material technologies</li> </ul> </li> <li><b>CO<sub>2</sub> capture and fixation</b> <ul style="list-style-type: none"> <li>Bioproduction of useful substances from CO<sub>2</sub> using bioengineering technology</li> </ul> </li> <li><b>Solutions and services adapted to a decentralized society</b> <ul style="list-style-type: none"> <li>Solutions that support lifestyles and business activities in a decentralized society by promoting digitization, automation and paperless business processes</li> <li>Solutions and services to support healthcare professionals and improve access to healthcare through the use of healthcare IT and AI technologies</li> </ul> </li> </ol>

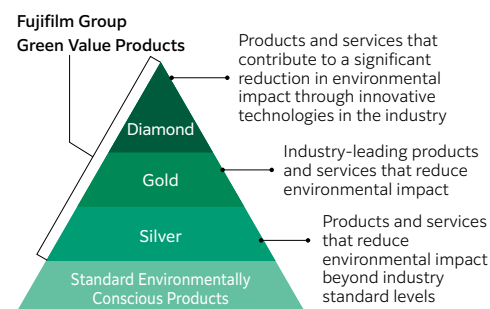


Carbon Neutral Manufacturing and Contribution with Products and Services

## Address climate change

## ● Design for environment (product stewardship)

The Fujifilm Group is engaged in Design for Environment (product stewardship) for all new products and improved products under the Fujifilm Group Green Policy (environmental policy). During the product development stage, we quantitatively and objectively assess the environmental impact across the entire product life cycle, from raw material procurement to production, transport, use and disposal, in an effort to design products with lower environmental impacts. Since fiscal 2018, we have managed the Green Value Products Certification Program for products and services that satisfy certain standards for environmental consciousness, and in fiscal 2023 achieved 28% for the ratio of Group-wide net sales accounted for by Green Value Products, compared with our target of 60% for fiscal 2030.



Appropriate Management throughout the Life Cycle

## Ensure product and chemical safety

## ● Management of chemical substances

The Fujifilm Group not only complies with current chemical substance regulations but also looks to the future and manages chemical substances for which significant hazards or social concerns have been identified by voluntarily restricting their use in advance of legal requirements. We are working to reduce risks by substituting target substances with safer chemicals, reducing their use or developing new process technologies. To guarantee the safety of chemical substances developed in-house, the Fujifilm Group has owned safety testing facilities since 1975 to evaluate their safety in relation to the global environment and human health. Under "Environment," a priority area in our SVP2030 long-term CSR plan, we aim to help solve various social issues according to the five goals of the SDGs. Specifically, we are developing low-risk, sustainable materials and manufacturing processes based on the safety data, chemical substance libraries and core technologies we have developed to date. Moreover, from the perspective of animal welfare<sup>\*1</sup> in the safety evaluation of material development, we are focusing on the use of alternatives to animal testing. We therefore aim to contribute to proper chemical substance management in the supply chain through the dissemination of knowledge and mechanisms for the safe handling of chemical substances.

<sup>\*1</sup> The 3Rs of animal welfare (Replacement: use of alternatives to animal testing, Reduction: reduction in the number of animals used, Refinement: minimization of animal suffering)



Circular Economy

## Promote recycling of resources

The Fujifilm Group is proactive in resource recycling initiatives, including the establishment of a system for reusing and recycling FUJICOLOR QuickSnap and a recycling system for multifunction devices, as well as recovering and reusing silver and other resources. We have been making effective use of resources and reducing waste by taking comprehensive initiatives throughout the life cycle, such as designing products in consideration of the 3Rs (reduce, reuse and recycle); reducing losses in the manufacturing phase; collecting, reusing and recycling used products; and recycling waste by converting it into valuables.

We are pursuing these initiatives across the entire Fujifilm Group, including not only our manufacturing bases but also offices and logistic warehouses. To achieve the targets under SVP2030, we will continue to implement Group-wide measures such as reducing waste through process improvement and reusing plastic materials.



Nature Positive

## Conserve biodiversity

## ● Basic approach

Since its founding, the Fujifilm Group has consistently emphasized protection of the environment and biodiversity based on its understanding that all of its business activities benefit from the natural environment and have an effect on the natural environment. In contributing to building a sustainable society through business activities, we consider nature-positive (halting and reversing loss of natural ecosystem) as an important social issue. We have established a policy as the foundation for this idea and implement various activities based on it.

We have endorsed recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD), an international initiative aimed at building a framework in which companies and financial institutions assess the impact of their economic activities on the natural environment and biodiversity and disclose the information. Please refer to our TNFD Report for results of analysis and assessment made by using the LEAP approach<sup>\*2</sup> in accordance with the TNFD recommendations v1.0.

Biodiversity is affected by regional characteristics more strongly than climate change. We will therefore reflect social demand in each region in communicating with our stakeholders while maintaining a global perspective.

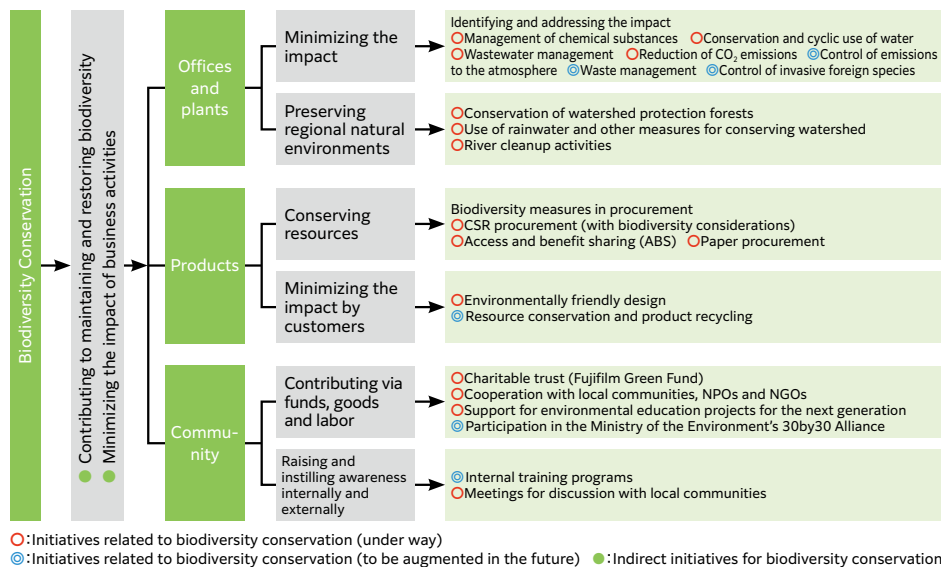
► For more information, please see the TNFD Report on our website.  
<https://holdings.fujifilm.com/en/sustainability/report/2024>

<sup>\*2</sup> LEAP approach: An integrated approach to assessing nature-related issues that is recommended by TNFD. Consisting of analyses in Scoping, which is a preliminary assessment, and the four steps of Locate, Evaluate, Assess and Prepare, the LEAP approach facilitates the location of interface with nature; identification of nature-related dependencies, impacts, risks and opportunities; and disclosure of information including details of countermeasures and metrics and targets.

## ● Overview of initiatives

The Fujifilm Group engages in various activities from the perspectives of business sites, products and local communities, based on biodiversity-related risks and opportunities.

### Our major initiatives related to biodiversity conservation



## ● Water resources seen from a biodiversity perspective

While climate change is a global environmental issue that depends on the concentration of greenhouse gases in the atmosphere, issues in ecosystems are strongly related to the atmosphere, water, soil and minerals as factors. Accordingly, biodiversity is an environmental issue that is highly dependent on regional characteristics. Because water is essential for operating our business sites, our activities focus on the relationship between water and our businesses.

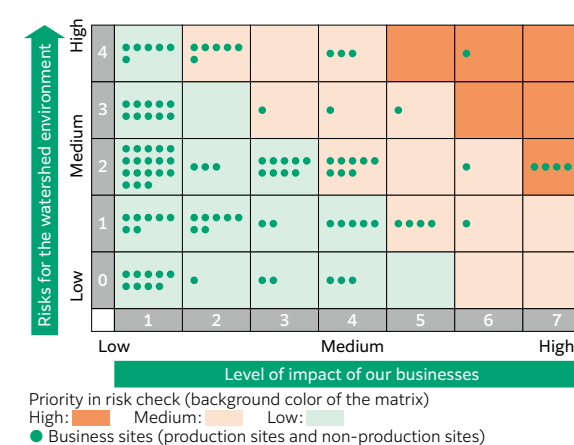
### Water-related targets and progress

Long term	Target	Reduce water input by the Group by 30% by fiscal 2030 (compared with fiscal 2013)
Medium term	Target	Reduce water input by the Group by 20% by fiscal 2025 (compared with fiscal 2013)
Short term	Target	Reduce water input by the Group by 18% by the end of fiscal 2023 (compared with fiscal 2013)
	Progress	17% reduction by the end of fiscal 2023 (compared with fiscal 2013)

## ● Response to water risks

Regarding water risks, there is a concern that more regions around the world will face problems. Accordingly, in 2014 we began water risk assessment using a matrix with two indexes: water stressed areas, which are at risk of experiencing a tight water supply-demand situation, and the level of impact of businesses based on water withdrawal. We have continued to assess risks at all business sites of the Fujifilm Group.

### Assessment of impact of water resources on our businesses



## ● Initiatives at business sites

### Conservation and cyclic use of water

Manufacturing optical films involves the use of water (groundwater) as cooling water and for generating steam, in-process cleaning and other purposes. The consumption of cooling water is particularly large. Cooling water is used mainly for air-conditioning equipment called a cooling tower, which dries optical films. At the Eighth Manufacturing Headquarters (Kumamoto) of FUJIFILM MATERIAL MANUFACTURING, sterilized and filtered rainwater is used as the primary cooling water of the above equipment, thus saving groundwater. We are also committed to reusing groundwater and rainwater, with the rate of reuse at nearly 60%.

## ● Collaborations with stakeholders related to water resources

The Fujifilm Group engages in activities for protecting the environment with local residents and NGOs. Clean water was essential for the manufacturing of movie films and photographic films, which was the starting point of our founding. We have therefore continued striving to protect water resources up to the present.

### Activity examples

Implementer	Initiatives	Stakeholders
FUJIFILM MATERIAL MANUFACTURING CO., LTD. Eighth Manufacturing Headquarters (Kumamoto)	Water resources from the upper reaches of the Shirakawa River, an important area for groundwater recharge management of watershed protection forests (tree planting)	Minamiaso Village, Kumamoto Prefecture
FUJIFILM (China) Investment Co., Ltd.	Volunteer tree-planting activities ongoing for 26 years	Local NPO
FUJIFILM Manufacturing Europe B.V.	The company has introduced large-capacity wastewater treatment facilities on the premises and jointly treats wastewater from plants with four companies in the neighborhood.	Four companies in the neighborhood

▶ For more information, please see the TNFD Report on our website.  
<https://holdings.fujifilm.com/en/sustainability/report/2024>



# 07

Chapter

## Governance

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## Discussion on Governance

### Governance structure that pursues substantive discussions to help us continue earning the trust of society

To accurately identify the Company's desired direction, we held a dialogue between the Chairman of the Board of Directors and an outside director, focusing on the roles that the Board of Directors should fulfill.



Passing on our corporate culture

— This year, as we celebrate the 90th anniversary of our founding, we formulated our Group Purpose. What role does the Board of Directors play in the quest for sustainable growth?

**Sukeno:** The role of the Board of Directors is to set the desired direction of management and monitor whether business execution is properly aligned with that direction. Making appropriate adjustments as necessary is also a role of the Board. The most important thing is to engage in rigorous discussions from multiple perspectives on what the Fujifilm

Group should do to continue earning the trust of society in the future. I consider this to be the foundation of governance.

**Sugawara:** It was a valuable opportunity for me to be directly involved in the formulation of the Group Purpose as an outside director and to participate in live discussions. The Fujifilm Group is one of the few Japanese entities that has transformed

its business structure while responding swiftly to changing external conditions. I feel it is very significant that Fujifilm has formulated its Group Purpose to foster a sense of unity among the various people and organizations that make up the Group, both domestically and internationally.

**Sukeno:** As you mentioned, the Fujifilm Group has significantly transformed its business, which happened around the 2000s. I believe our ability to adapt to change lies in the DNA we inherited from our predecessors, particularly our spirit of challenge. We developed the Group Purpose to unite our organization, consisting of individuals embodying a spirit of challenge, toward a common goal. I believe the process itself was equally important. It took over a year and involved a project team predominantly made up of employees who gathered and consolidated ideas from within the Group.

**Sugawara:** Looking at our current situation, approximately one-third of our revenue comes from the domestic market. In our growth businesses, such as Bio CDMO and Semiconductor Materials, we have a significantly large number of overseas employees. We also have many employees who recently joined the Group through M&As. In this context, it will take more than half-hearted efforts to pass on the Fujifilm Group's long-held DNA to new employees.

While I think the new Group Purpose and its formulation process are commendable, what is crucial for entrenching this Purpose among our new employees is to have ongoing dialogue between Chairman Sukeno, CEO Goto, the executive team and employees. Rather than being the end of the process, the Group Purpose is just the starting point. It is important to foster a sense of unity throughout the entire Group, allowing each employee to feel pride in contributing to society. We, as outside directors, would like to appeal to employees and external

## Discussion on Governance

stakeholders and actively participate in this process.

### Strengthening our governance structure

— The number of outside directors was increased after the General Meeting of Shareholders. What is the background to this, and what are your expectations for the new director?

**Sukeno:** I believe the most important role of the Chairperson of the Board of Directors is to facilitate open discussions within the Board. The key to achieving this is to provide sufficient information to each director and create an atmosphere that encourages active discussion.

There is a lot of public discussion today that outside directors should constitute the majority of the Board, but that is not the essence of the matter. What is important is to gather individuals with expertise who can engage in deep discussions aimed at improving the company and to enhance the quality of those discussions. Substance is what truly matters.

**Sugawara:** Regarding the composition of the Board of Directors, many companies focus on ensuring formal independence and diversity. In our case, however, I feel we are appointing individuals who can contribute substantively to the

future of the Company as directors. Because Board members are selected based on character, not gender or nationality, we are able to hold substantive discussions to enhance corporate value. Under your leadership, Chairman Sukeno, I feel that the Board remains highly effective. With the appointment of a new director, Ms. Takako Suzuki, who has a wealth of management experience and accomplishments, I look forward to more substantive discussions at future Board meetings.

### Agenda setting and discussions at Board meetings

— At its meeting held in June 2024, the Board resolved to amend the threshold amount for proposals related to M&As and capital investments. What is the background to this and what is its significance and purpose in strengthening governance?

**Sukeno:** For matters where an operating subsidiary has already had extensive discussions and determined a direction, I believe that proper governance involves the Board receiving reports and monitoring the situation, instead of reevaluating and making new resolutions. To properly select agenda items to be discussed by the Board of Directors, we have raised the threshold amount in this amendment and made it a policy to allow sufficient time for the Board to discuss matters that have a significant impact on overall Group management. Topics to be discussed at Board meetings should include medium- to long-term management strategies, human capital, economic security and sustainability. These are overarching issues aimed at making the Fujifilm Group a better organization that continues earning the trust of society. I want to focus on in-depth discussions on such topics.

**Sugawara:** Until now, the Board of Directors has devoted a significant portion of its time to approving individual projects, such as investments by operating companies and M&As. Of course, it is important to better understand and discuss these issues, but it is even more important to discuss how to strategically respond to changes in the Company's

## Kenji Sukeno

Chairman, Director and  
Board Chairman



environment. As outside directors, we are not experts in the Company's individual businesses. I believe that engaging in discussions that determine the overall direction of the Company is where we can make our most meaningful contribution.

To make this work, however, both the executive team and the outside directors must be prepared and committed. For a start, we would like the executive team to share information on individual issues outside of Board meetings as well as at Board meetings so that discussions on strategy do not end up as empty rhetoric. As outside directors, we also need to thoroughly absorb the information provided to ensure we have a proper understanding of the Company's business and can assess whether it's heading in the right direction. We need to attend Board meetings after careful preparation, rather than expressing opinions haphazardly, so the meetings can become a forum for serious strategic discussions.

For example, topics related to the Bio CDMO business, which has received particularly strong market attention, frequently come up in Board meetings, but we have not had the opportunity to hear directly from the overseas leaders responsible for the core of that business. Therefore, we asked Chairman Sukeno to invite Mr. Lars Petersen, CEO of FUJIFILM Diosynth Biotechnologies (a subsidiary engaged in the Bio



## Ikuro Sugawara

Outside Director

Outside Director of TOYOTA  
MOTOR CORPORATION  
Outside Director of Hitachi, Ltd.



## Discussion on Governance

CDMO business), to a Board meeting, allowing us to hear directly about his thoughts on the business and the specific activities taking place on the ground. I felt it was a valuable opportunity. Inspired by Mr. Petersen's remarks, I wanted to visit a Bio CDMO site myself, so I went to North Carolina and visited the construction site of our new plant. By visiting the site in person, I was able to gain a deeper understanding of why a new plant is being built and the passion with which the team is currently approaching that project. Having access to firsthand information at Board meetings enables us to engage in deeper discussions and take more effective actions.

**Sukeno:** I believe that hearing various opinions from the outside directors at our Board meeting provided a valuable opportunity for Mr. Petersen to reassess the direction of the business and gain new insights. We plan to actively pursue similar opportunities in the future.

**Sugawara:** By fostering effective information sharing both inside and outside Board meetings while encouraging open exchanges of ideas with the Chairman and CEO, we are able to engage in candid and meaningful discussions. I believe that the Board of Directors Office has been effective in creating this favorable environment. The discussions at our Board meetings are both challenging and exciting, and I am thrilled to participate every time.



### Share-based remuneration plan

— At the General Meeting of Shareholders in June 2024, you renewed the share-based remuneration plan introduced three years ago. Please give us some background on this.

**Sukeno:** Although the share-based plan has been in place for some time, we were unable to grant shares to overseas-based officers due to tax constraints. There was a shared concern within the Company regarding the fairness of applying different remuneration systems for the same officers based on their location, whether domestic or overseas. Under the new system, tax-related issues have been resolved, allowing us to grant share-based remuneration to overseas-based officers and foreign national employees.

Until now, moreover, remuneration for outside directors consisted solely of fixed remuneration, and no shares were granted. In the past, many shareholders and investors were opposed to outside directors holding shares, with the prevailing view that outside directors should maintain a neutral position. Recently, however, more and more people have suggested that outside directors should consider matters from the same perspective as shareholders. At other companies' general meetings, people have asked why outside directors do not hold shares. Considering these social trends, the Nomination and Remuneration Advisory Committee thoroughly debated the matter, leading to the decision to change the system.

**Sugawara:** I feel that the introduction of this share-based remuneration system is a progressive initiative among Japanese companies, but there are two other points that are also commendable.

First, we added employee engagement scores to medium-term performance-linked share-based remuneration as a non-financial evaluation indicator, in addition to the CO<sub>2</sub> emission reduction target. This demonstrates both internally and externally that we place great importance on human capital, not only in addressing environmental issues but also in realizing our business plan.

Second, we set up a new share delivery trust for employees, allowing us to grant shares more widely than before to key employees. This will enable us to attract the best talent and motivate employees.

I am confident that the Company will continue leading the industry in promoting aggressive and bold initiatives.

### Medium-term management plan and risk management

— In April 2024, you announced a new medium-term management plan. What kind of discussions did the Board of Directors have in formulating the plan?

**Sukeno:** In the new medium-term management plan "VISION2030," I asked the executive team to first reflect on the previous plan, VISION2023. In VISION2023, we achieved our performance targets, including for operating income, a year ahead of schedule. However, it is essential to not only analyze this achievement but also thoroughly assess the various goals set during the planning phase. This involves identifying what was accomplished and what was not as part of the new plan's formulation process. In particular, the causes of what was not accomplished should be thoroughly analyzed and utilized in the formulation of the new plan. Failure to do such a retrospective review might cause us to repeat the same mistakes. This means going back to the Fujifilm Group's unique





## Discussion on Governance

management cycle of See-Think-Plan-Do (STPD). VISION2030 takes this into account and is based on a reflection of VISION2023, making it a more grounded and realistic plan.

**Sugawara:** In VISION2030, we have set targets for fiscal 2024, as well as for six years later in fiscal 2030, with detailed targets specified for fiscal 2026. Medium-term plans usually focus all of their efforts on three-year time frames, but the speed of change in the current environment is completely different from that of the past three years. While setting long-term goals, therefore, establishing a system that allows us to flexibly reassess immediate three-year targets is the correct approach. I believe this is a highly effective and realistic method for swiftly addressing trends in economic security and advancements in technology, including AI.

Our ability to make such flexible and agile responses demonstrates that we have a clear understanding of changing risks, which makes our Company stand out. Risk analysis also is discussed at Board meetings, where members compare the latest risk map with the previous year's risk map to clarify what has changed. Understanding risks that have changed, risks that have become more important and risks that have become less important enables us to address all risks correctly.

**Sukeno:** This year, we engaged in in-depth discussions at Board meetings based on the updated risk map and found that information security and healthcare quality are challenges that require particular attention. Such challenges are critical points for risk management that are essential for maintaining the trust of society, so we need to effectively communicate our efforts in these areas as the Company.

In information security, we must spare no expense when investing in defenses and securing and training talented IT personnel. This is because hackers' techniques are evolving at an ever-increasing pace. Recently, a significant global issue related to some operating systems arose, and I observed our IT team's swift response. This reinforced my understanding of the importance of securing and developing IT personnel.

**Sugawara:** In risk management, I pay close attention to two main points. The first is cybersecurity. It is extremely difficult to

prevent ransomware and other cyberattacks. Particularly since we are a global entity, we cannot deny the possibility that vulnerabilities might remain somewhere within our systems. With this in mind, I asked at the Board meeting whether there is a command-and-control system at the head office for real-time intrusion detection and response. I was relieved to hear that the head office is developing a system to responsibly manage cyber risks in real time.

The second is the use of AI. While AI is used in many situations, there are concerns about personal information leaks and potential harm caused by misinformation. At a Board meeting, we confirmed the Company is taking measures to address the risk of using generative AI without obtaining the necessary usage permissions. Thanks to the security software installed in devices accessing our network, access to websites that the head office has prohibited is restricted. This means that access to unauthorized external generative AI is blocked, confirming that appropriate measures are in place to mitigate this risk.

However, cybersecurity and the use of AI will become increasingly complex in the future. As these issues are fundamental to our business, I hope to continue receiving reports at Board meetings to closely monitor them.

**Sukeno:** For many years, the Company has provided photographic film to the world. When I joined the Company, a senior colleague asked me, "What does Fujifilm sell?" The answer given was "trust," which has left a strong impression on me to this day. Photographs capture important moments that can never be recaptured, and because the results cannot be confirmed when the picture is taken, customers purchase our film because they trust us. When defects are found at a production site or elsewhere, therefore, we have always responded according to strict standards, such as immediately escalating and suspending shipments. Our keen sensitivity to risk and willingness to escalate rapidly are truly hallmarks of our Company.

This corporate culture is a crucial foundation for establishing a competitive advantage over other companies, and we must

continue passing on our DNA to future generations. This DNA of "trust" is a key strength of our risk management and the source of our ability to deliver sustainable growth for the future.



# Message from Newly Appointed Outside Officers



**Takako Suzuki**

Chairman, S.T. Corporation  
Outside Director, Trusco Nakayama Corporation  
External Director, King Jim Co., Ltd.  
Outside Director, Cosmo Energy Holdings Co., Ltd.

## I will safeguard the legacy of our DNA for continuous transformation based on an outsider's perspective.

I served as the President and CEO of S.T. Corporation for a decade from 2013 and am currently Chairman of that company. Drawing on my 18 years of marketing and branding experience at foreign luxury brands in Japan, including my previous role at the LVMH Group, I have sought to challenge the conventional wisdom and practices of Japanese companies that have become homogenized, approaching these issues with an outsider's perspective. Dedicated to corporate transformation, I have also led efforts to enhance brand value in existing businesses, redefine business domains, reorganize portfolios and explore new areas. As Chairman of S.T. Corporation, I have worked to enhance the effectiveness of the Board by ensuring broad information-sharing with outside directors and shifting time allocation to prioritize important medium- to long-term issues.

I believe the mission of outside directors is to recognize the various expectations and concerns of stakeholders, which can only be perceived from an external perspective, and to guide decision-making in a direction that aligns with the Company's medium- to long-term objectives. In our medium-term management plan, VISION2030, we are planning further proactive investments in growth areas. I want to ensure that each decision we make truly helps give "more smiles" to our various stakeholders. With a different background from the other directors, I aim to express my opinions boldly and contribute from an outsider's perspective.

In addition to its unique core technologies, the strength of the Fujifilm Group lies in its personnel who fearlessly embrace challenges. This is supported by an open, fair and clear corporate culture. As the Group transforms its business structure and grows in new areas, I am committed to safeguarding the inheritance and evolution of our DNA from an outsider's perspective. This ensures we do not become complacent with our current status but continue embracing further transformation.



**Yoshio Iteya**

Partner, Anderson Mori & Tomotsune  
Outside Audit & Supervisory Board Member,  
Sumitomo Pharma Co., Ltd.  
Specially Appointed Professor, Hitotsubashi  
University School of Law

## As a legal expert, I will objectively audit the legality of the directors' execution of duties to foster the advancement of the Fujifilm Group.

Since becoming a lawyer in 1983, I have focused on legal work, primarily in international law. I have worked to support Japanese companies in their overseas expansion and helped resolve international disputes. Addressing various issues faced by Japanese companies in China and other Asian countries has been a particularly significant part of my experience. I have also been involved in numerous corporate acquisitions within Japan. In addition, I serve as a specially appointed professor at the Hitotsubashi University School of Law and as the President of the Japan Negotiation Society, where I aim to integrate legal theory with corporate practice.

As a lawyer, I have witnessed numerous cases of both success and failure in overseas business ventures and domestic projects of Japanese companies. The current global situation is changing dramatically, and in more and more situations, conventional corporate approaches no longer work. Our Group Purpose, "Giving our world more smiles," is truly wonderful. The challenges we must tackle globally to achieve this goal are becoming increasingly numerous and complex.

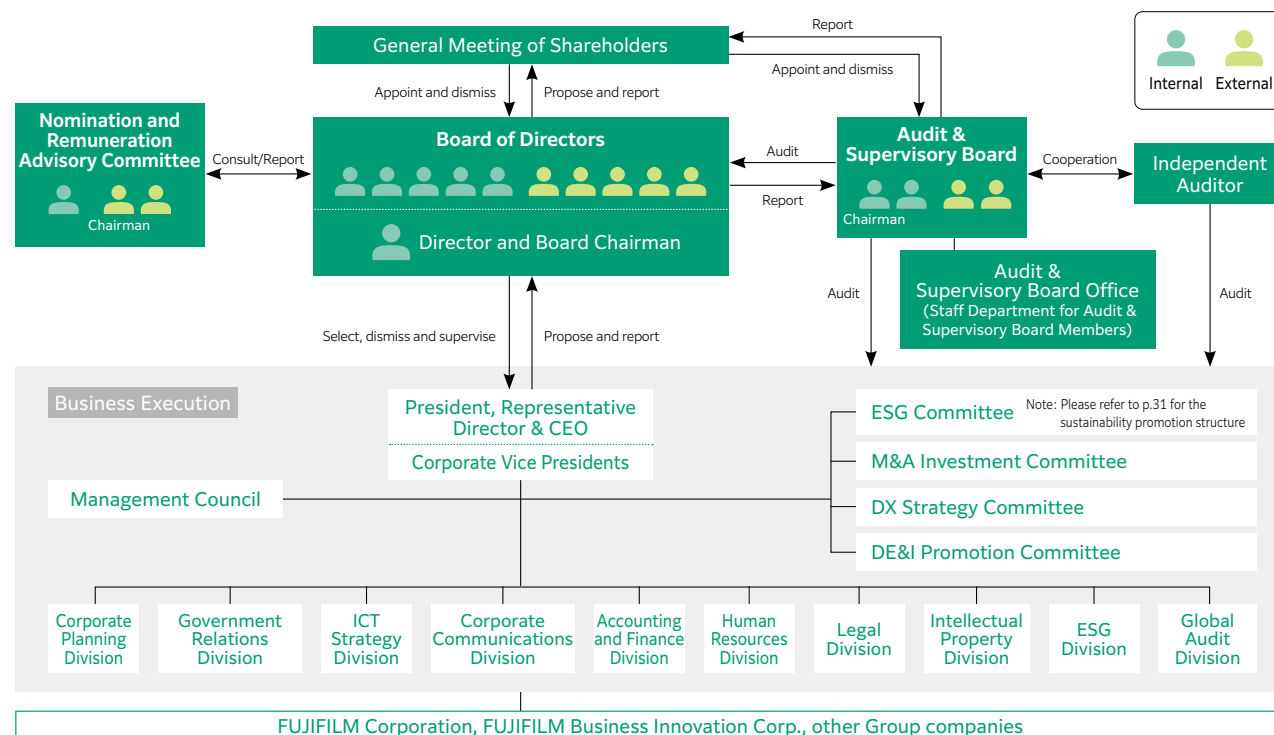
As a legal expert, I will objectively assess the legality of the directors' execution of duties while closely monitoring the Company's overseas expansion and domestic operations as it pursues globalization. As a member of the Audit & Supervisory Board, I will attend Board meetings and actively express my opinions, ensuring that the directors' duties are properly monitored.

In addition to compliance and risk management perspectives, I will do my utmost to foster the advancement of the Fujifilm Group.

# Corporate Governance

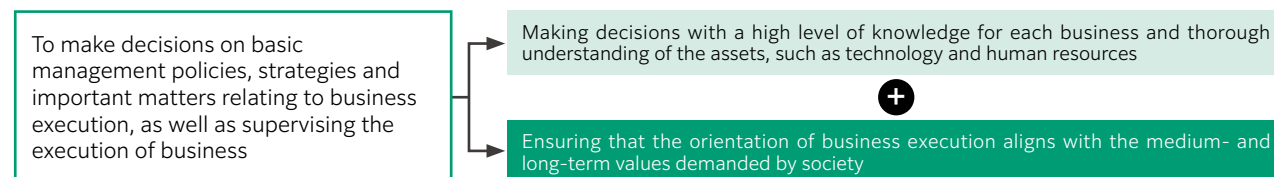
The Fujifilm Group positions governance as one area of materiality and tirelessly endeavors to improve our governance structure on the basis of an “open, fair and clear” corporate culture.

## ● Corporate Governance Structure (As of September 30, 2024)



Note: The above departments responsible for implementation do not represent all the organizations of the Company.

## ● Roles of the Company's Board of Directors



## Point 1: Increasing the independence of the Board of Directors

Since the Board of Directors appointed its first outside directors in 2006, the Company has continued to increase the number of outside directors, and in June 2024 it added another member. Currently, the Board of Directors has five outside directors, and the ratio of outside directors is 45%, making the Board of Directors highly independent. The skills sought from directors are disclosed in the form of a skills matrix. The reasons for the selection of each skill as well as the skills matrix creation philosophy and process are also disclosed.

▶ Please refer to **p.90** for the Board of Directors and Audit & Supervisory Board skills matrix.

## Point 2: Incentive plan for increasing corporate value

The Company introduced a share-based remuneration plan in fiscal 2021. In fiscal 2022, the Company added the degree of progress toward the decarbonization target as an ESG indicator to the KPI of medium-term performance-linked share-based remuneration. In fiscal 2024, we renewed our share-based remuneration plan as a common global design and introduced a non-performance-linked share-based remuneration plan for outside directors. In addition, we have added an engagement score as a new ESG indicator.

▶ Please refer to **p.92** for Director Remuneration

## Point 3: Improving the effectiveness of the Board of Directors

The Company analyzes the deliberation time for each proposal in the effectiveness evaluation process every year to verify whether the Company's Board of Directors is fulfilling its roles adequately. In June 2024, the Board of Directors revised its submission standards to include more proposals on medium- to long-term issues and their progress, thereby further strengthening its supervisory function.

▶ Please refer to **pp.93-94** for the Evaluation of the Effectiveness of the Board of Directors

## Board of Directors and Audit & Supervisory Board Skills Matrix

### ● Skills Matrix

Name and position in the Company		Gender	Attendance at Board of Directors Meetings in FY2023*1	Years in office*2	Global management	Knowledge and expertise in core businesses and related industries	Innovation/technology	Finance and accounting/capital policy	Legal affairs/risk management/governance	Sustainability	Human resources strategy and corporate culture
Kenji Sukeno	Chairman, Director and Board Chairman	Male	13 of 13	11	●	●		●	●		●
Teiichi Goto	President, Representative Director and Chief Executive Officer	Male	13 of 13	6	●	●	●			●	●
Masayuki Higuchi	Director, Corporate Vice President and Chief Financial Officer	Male	13 of 13	3	●	●		●	●		
Naoki Hama	Director	Male	13 of 13	2	●	●	●			●	●
Chisato Yoshizawa	Director, Corporate Vice President	Female	13 of 13	2				●	●	●	●
Yoji Ito	Director	Male	10 of 10	1	●	●	●				
Kunitaro Kitamura	Director (Outside)	Male	13 of 13	7	●			●	●	●	●
Makiko Eda	Director (Outside)	Female	13 of 13	6	●	●			●	●	●
Tsuyoshi Nagano	Director (Outside)	Male	13 of 13	2	●			●	●	●	●
Ikuro Sugawara	Director (Outside)	Male	13 of 13	2	●				●	●	●
Takako Suzuki	Director (Outside)	Female	(New appointee)	—	●		●		●	●	●
Motoko Kawasaki	Full-time Audit & Supervisory Board Member	Female	13 of 13	3					●	●	
Tsumugu Ishigaki	Full-time Audit & Supervisory Board Member	Male	(New appointee)	—				●	●		
Masataka Mitsuhashi	Audit & Supervisory Board Member (Outside)	Male	13 of 13	5	●			●		●	
Yoshio Iteya	Audit & Supervisory Board Member (Outside)	Male	(New appointee)	—	●				●		

\*1 For Mr. Yoji Ito, attendance is for Board of Directors meetings held after June 29, 2023, when he assumed office as a Director of the Company.

\*2 As of elections at the 128th Ordinary General Meeting of Shareholders held June 27, 2024

\*3 A maximum of five sought-after items are indicated for each individual. The table is not indicative of all the expertise and experience possessed by each individual.

### ● Reasons for selection of skills

Skill	Reason for selection
Global management	We aspire to accelerate business growth while resolving environmental and social issues globally in looking to attain the Company's future vision of realizing a sustainable society. To such ends, we seek experience in global corporate management and overseas business management, as well as knowledge and expertise related to the global business environment.
Knowledge and expertise in core business and related industries	We aspire to accelerate growth in the healthcare and electronics domains, which serve as growth drivers of the Company. We furthermore aspire to achieve sustainable growth and to build a more resilient business platform. To such ends, we seek experience in leading operations in business segments being pursued by the Company (Healthcare, Electronics, Business Innovation and Imaging) and furthermore seek knowledge and expertise related to such business and related industries.
Innovation/technology	In achieving sustainable innovation, it is important that we provide the world with innovative products and solutions that contribute to resolving environmental and social issues enlisting the tangible and intangible technological assets we have created by using our base technologies cultivated through the development of new business models and photographic film, combined with our core technologies and production technologies for building a sustainable competitive advantage. To such ends, we seek experience in transforming business models as well as knowledge and expertise in technology.
Finance and accounting/capital policy	We aspire to build a robust business portfolio to increase our corporate value over the medium to long term. To such ends, we seek experience in cash (flow/allocation) management, fundraising and dialogue with the capital markets, achieved through M&As and operational streamlining, as well as knowledge and expertise related to finance, accounting and capital policy.

Skill	Reason for selection
Legal affairs/risk management/governance	We aspire to create a framework for sustainable growth and medium- to long-term improvement in corporate value under an open, fair and clear corporate culture. To such ends, we seek experience in business risk management as well as knowledge and expertise related to governance, which we position as the foundation of our business activities particularly in terms of long-term CSR plans and medium-term management plans.
Sustainability	We aspire to achieve objectives particularly with respect to long-term CSR and medium-term management plans. We also aspire to assess whether our trajectory and outcomes align with social trends and the medium- to long-term value sought by society in order to improve our corporate value. To such ends, we seek experience in striking a balance between economic value and social/ environmental value, as well as knowledge and expertise related to sustainability.
Human resources strategies and corporate culture	When it comes to human resources, which serve as our source of innovation, we aspire to build a robust business portfolio by speedily implementing a human resources strategy centered on securing and training human resources in new fields, utilizing diverse employees, supporting their growth and improving engagement. In addition, it is important that we perpetuate and develop the corporate culture, which has given rise to innovation, in order to sustain the growth of the Company. To such ends, we seek experience in making decisions related to human resources from a management perspective as well as knowledge and expertise in human capital management.



## ● Approach and process when preparing the skills matrix

### Approach to skills matrix preparation

- The Company aims to achieve sustainable growth and increase the corporate value of the Fujifilm Group while contributing to the sustainable development of society by conducting open, fair and clear business activities guided by the Fujifilm Group's Purpose\*<sup>1</sup>.
- We position corporate governance as an important management priority to achieve this aim. In taking on such challenges, we must ensure the effectiveness of our Board of Directors, to which end we believe it is necessary to articulate the skills we seek from individual Directors by periodically assessing the functions of the Board of Directors and the skills matrix.
- As a company with an Audit & Supervisory Board, the Company enlists its Board of Directors in making decisions on basic policies of management, strategies and key matters pertaining to business execution, and supervising business execution. We deem that the Board of Directors must assume a dual role in this regard. First, the Board of Directors must assume the role of making decisions enlisting its familiarity with technology, human resources and other assets along with its substantial knowledge regarding the respective businesses, which has facilitated the Company's business growth thus far. Second, the Board of Directors must assume the role of ensuring that the trajectory of business execution aligns with the medium- to long-term value sought by society in striking a balance between economic value and social value toward achieving a sustainable society.
- With the Board of Directors effectively assuming its dual role, we have selected the categories of skills necessary for enabling the Company to achieve sustainable growth and increase corporate value over the medium to long term, in part by achieving the objectives of the long-term CSR plans and medium- to long-term management plans. Specifically, we are prioritizing businesses, functions and regions in terms of our internal environment from among the themes that should be addressed by the Board of Directors. When it comes to functions in particular, we identify key functions for supporting the primary functions of the manufacturing industry. In addition, we have selected categories of skills taking into account perspectives that the Company prioritizes as well as the interests of external stakeholders in order to prompt more extensive discussions among the Board of Directors while also considering the external environment. Reasons for the selection of each skill category are provided in the table on p.90.

- The skills matrix applied to Audit & Supervisory Board Members is the same as that used for Directors in order to confirm their skills in the categories of "finance and accounting/capital policy" and "legal affairs/risk management/governance," which are particularly important in terms of auditing the execution of duties assumed by the Board of Directors.

### Process of skills matrix preparation

- With respect to overhauling the skill items, the Board of Directors passes resolutions in that regard upon having held discussions with outside directors and outside Audit & Supervisory Board members regarding the skills sought with respect to Directors of the Company, taking into account the roles and responsibilities of the Company's Board of Directors on the matter. In addition, when preparing the skills matrix, we identify skills that are particularly desirable with respect to candidates for Director and Audit & Supervisory Board Member\*<sup>2</sup> based on their backgrounds and other such factors. The Board of Directors then pass resolutions in that regard.

\*1 Fujifilm Group's Purpose:  
Giving our world more smiles  
We bring diverse ideas, unique capabilities and extraordinary people together to change the world.

\*2 This includes Audit & Supervisory Board Members not subject to reelection.

## CEO Succession Plan

The Company selects candidates for the position of Director, Audit & Supervisory Board member, CEO and Corporate Vice President at the Board of Directors in consideration of the criteria stipulated in the Company's Corporate Governance Guidelines.

In regard to selecting CEO candidates, we comprehensively consider the qualifications deliberated at the Nomination and Remuneration Advisory Committee, an advisory body for the Board of Directors. Since establishing the Nomination and Remuneration Advisory Committee in 2018, each year the Committee has deliberated on whether to maintain the current CEO, as well as updated the list of candidates for succession, which was created taking into consideration the qualities required for the CEO.

When Mr. Shigetaka Komori, the previous CEO, resigned in June 2021 and Mr. Teiichi Goto, the current CEO, was appointed as his successor, procedures were taken in line with the above process. At the meeting held in February 2021, the Committee deliberated on the nomination of Mr. Teiichi Goto as President and CEO, Representative Director. He had been continuously on the list of

candidates to succeed Mr. Shigetaka Komori, who had requested to resign from his position as President and CEO, Representative Director. The Committee then submitted a report regarding these deliberations to the Board of Directors meeting held in March 2021.

Note that the current succession plan assumes two patterns. One is when the CEO must step down suddenly due to unforeseen circumstances, and the other is when the CEO is succeeded after serving for a certain period of time.

## Activities of the Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors, convenes at least once a year, in principle, to deliberate on the CEO succession plan and the basic policies and procedures for director remuneration. The committee reports on its deliberations to the Board of Directors. The committee consists of three or more members appointed by resolution of the Board of Directors, and the chairman is selected from the independent outside directors in order to strengthen objectivity and transparency.

The committee currently has three members as follows:

Chairman	Kunitaro Kitamura (Outside Director)
Committee members	Tsuyoshi Nagano (Outside Director), Kenji Sukeno (Director)

In fiscal 2023, the Committee convened three times to deliberate the following matters related to nomination and remuneration. All committee members attended each session.

### Details of deliberation and reporting

- Deliberations on the CEO succession plan
- Deliberation on remuneration to directors and Audit & Supervisory Board members (evaluation and amount)
- Deliberation on the implementation of new share-based remuneration
- Deliberation on KPIs for short-term performance-linked remuneration and medium-term performance-linked share-based remuneration in fiscal 2024

## Remuneration to directors and Audit & Supervisory Board members

### ● Director remuneration

#### ① Fixed remuneration

Fixed remuneration is determined according to position and responsibilities and is paid on a regular basis.

#### ② Short-term performance-linked remuneration

For short-term performance-linked remuneration, "consolidated operating income," "consolidated revenue" and "CCC," which are the numerical targets for the Company's short-term business management, are selected as performance-linked indicators in a single fiscal year, and the amount of short-term performance-linked remuneration is changed based on the achievement level of the indicators and the comparison with the previous fiscal year's results for "consolidated operating income" and "consolidated revenue," and based on the comparison with the previous fiscal year's results for "CCC."

#### ③ Medium-term performance-linked share-based remuneration

In this performance-linked share-based remuneration plan, the Company will deliver shares of its common stock or pay cash to directors of the Company excluding outside directors (in this section hereinafter, the "Eligible Directors") after the three fiscal years. When making such deliveries and payments, the figures set in advance by

the Board of Directors corresponding to each Eligible Director's title, etc., shall be the base, with adjustments made in a range of 0% to 150% according to the level of achievement of indicators in the Company, such as financial indicators including consolidated operating income, consolidated revenue and return on invested capital (ROIC), as well as ESG indicators, etc., or other factors, and the number of the Company's shares of common stock equating to 50% of that adjusted number and the cash equivalent to the stock price of the same number of the Company's shares of common stock at time of delivery shall be delivered or paid. The initial eligible period for business performance evaluation is from April 1, 2024 to March 31, 2027, and thereafter, the Medium-Term Performance-Linked Share-Based Remuneration Plan may be implemented for the three consecutive fiscal years beginning on April 1 of each year.

The purpose of this plan is for Eligible Directors to share the benefits and risks of share price fluctuations with shareholders, and to motivate them toward increasing our stock price, enhancing corporate value and improving business performance over the medium term.

#### ④ Non-Performance-Linked Share-Based Remuneration

The Company will issue or dispose of restricted shares by granting monetary remuneration claims to directors of the Company

including outside directors (in this section hereinafter, the "Eligible Directors") for the purpose of allotting restricted shares, in principle, every fiscal year, and have the Eligible Directors hold these shares by having them contribute in kind all of these monetary remuneration claims. The aforementioned monetary remuneration claims shall be paid on the condition that the Eligible Directors agree to said contribution in kind and that the Company and the Eligible Directors have concluded an allotment agreement for the transfer of restricted shares.

In this plan, to enhance the motivation of Eligible Directors toward sustainable growth in corporate value over the medium to long term and to further encourage management from the shareholders' perspective, the Company imposes share transfer restrictions from the day the allotment was received until the day on which the Eligible Director loses the position of director, Audit & Supervisory Board member, corporate vice president, fellow, etc., or employee of the Company or its consolidated subsidiary.

### ● Outside director remuneration

The remuneration for outside directors consists of only fixed remuneration and non-performance-linked share-based remuneration in consideration of their roles and independence.

### ● Audit & Supervisory Board member remuneration

The remuneration for Audit & Supervisory Board members consists of only fixed remuneration in consideration of their role and independence, and the amount of remuneration paid to each Audit & Supervisory Board member is determined based on deliberations among Audit & Supervisory Board members.

Please refer to the Securities Report (Japanese only) for the remuneration of individual Directors, the total amount of remuneration for each category of Directors, the total amount for each type of remuneration and the number of eligible Directors.

▶ <https://data.swcms.net/file/ir-fujifilm/dam/jcr:f5295285-a766-433d-9dfe-3cab76c29727/S100TWKF.pdf> (Japanese only)

### Short-term performance-linked remuneration

	Evaluation index	FY2023 result	FY2024 target
Financial indicator	Consolidated operating income	¥276.7 billion	¥315.0 billion
	Consolidated revenue	¥2,960.9 billion	¥3,150.0 billion
	CCC	116 days	115 days

### Medium-term performance-linked remuneration

	Evaluation index	VISION2030 FY2026 target
Financial indicator	Consolidated operating income	¥360.0 billion
	Consolidated revenue	¥3,450.0 billion
	ROIC	5.8%
ESG indicators	Rate of CO <sub>2</sub> emission reduction in energy used by the Company (Scope 1 + 2)	25% reduction (compared with fiscal 2019)
	Engagement score	Sustainable engagement score 80% or above

### Composition of director remuneration (Excluding outside directors)

① approx. 55%	Performance-linked remuneration		④ approx. 30%
	② approx. 10%	③ approx. 5%	

The above shall be guidelines, with exact percentages determined according to the position of each director and other elements.

## Activities of the Board of Directors

### ● Operation status and results of the Board of Directors

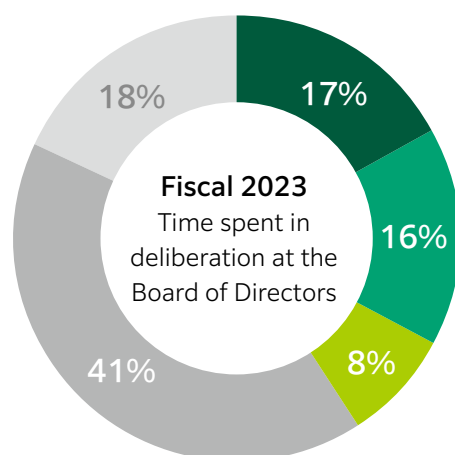
The Board of Directors makes decisions on basic management policies, strategies and important matters relating to business execution, as well as supervising the execution of business. In addition, the Board of Directors formulates basic policies on sustainability initiatives.

In fiscal 2023, the Board of Directors deliberated on the formulation of the new medium-term management plan "VISION2030," and deliberated and exchanged opinions on medium- to long-term themes such as the Fujifilm Group's purpose, employee engagement and priority risk issues on multiple occasions.

#### Analysis of Agenda Items (January 2023 to December 2023):

##### Based on time spent on deliberation at the Board of Directors

- Medium- to Long-Term Strategies (e.g., Company-wide policy)
- Governance/Sustainability related
- Internal Controls/Risk Management related
- Decisions on the Execution of Important Business
- Financial/Business Results related



### ● Provision of information to outside directors and outside Audit & Supervisory Board members

The Company distributes materials and provides information in advance to outside directors and outside Audit & Supervisory Board members regarding agenda items to be submitted to the Board of Directors and provides explanations in advance. Furthermore, in addition to programs that contribute to understanding of the Group, such as business briefings and tours of showrooms, factories, research laboratories, subsidiaries, etc., where technologies are introduced, we hold briefings on initiatives related to human resource development, IT strategies and ESG promotion, which are important for the Company's sustainable growth. In fiscal 2023, we held briefings on our growing Bio CDMO business and Semiconductor Materials business, as well as on our intellectual property strategies. In addition, outside directors and outside Audit & Supervisory Board members visited several business sites, including the CLAY Studio Design Center and the Analysis Technology Center, to gain a deeper understanding of the Company's management and business operations through exposure to on-site employees and information.



Visit to Fujifilm Analysis Technology Center



Visit to CLAY Studio, Fujifilm Design Center

## The Evaluation of the Effectiveness of the Board of Directors

The roles and duties of the Board of Directors are to make decisions on basic management policies, strategies and important matters relating to business execution, and to supervise the execution of business. To ensure the effectiveness of the Board of Directors, each year, we conduct evaluations and hearing sessions from each director and Audit & Supervisory Board member. After analyses, evaluations and discussions of improvement measures by the Board of Directors, we publish a summary of the results.

### ● Roles of our Company's Board of Directors

We are organized as a company with an Audit & Supervisory Board, and our company's Board of Directors makes decisions on basic management policies, strategies and important matters relating to business execution, as well as supervising the execution of business. In this context, it is important to fulfill the following two roles.

1. The role of making decisions with a high-level of knowledge for each business and thorough understanding of the assets, such as technology and human resources, in line with the robust business portfolio that we have built to date.
2. The role of ensuring that the orientation of business execution aligns with the medium- and long-term values demanded by society, in order to balance economic and social value, with the aim of achieving a sustainable society.

#### Evaluation overview

Subject of Evaluation	Board Meetings of our company held in CY2023 (all 15 that were held, including written resolutions and written reports)
Evaluators	Our company's Directors and Audit & Supervisory Board Members (14 persons in total)
Method of Evaluation	Questionnaire, individual interviews
Evaluation Items	Roles that the Board of Directors should fulfill, composition of the Board of Directors, quality of discussions, deliberations by the Nomination and Remuneration Advisory Committee, support system for Outside Officers, constructive dialogue with stakeholders, etc.

● Details of the evaluation, future issues and initiatives for 2024

	2023		Evaluation results	Future issues	2024	
	Initiatives	Results			Initiatives	
Evaluation Items	Roles that the Board of Directors (BoD) should fulfill	<ul style="list-style-type: none"><li>● We will submit agenda items to the BoD related to our overall business portfolio, strategies, human capital and risks, etc.</li><li>● We will increase opportunities for open discussions and exchange of views on medium- and long-term strategic themes not only among directors but also among executives to further enhance the quality of discussions at the BoD.</li></ul>	<ul style="list-style-type: none"><li>● Agenda items related to medium- and long-term themes such as revision of the skills matrix for the Directors and Audit &amp; Supervisory Board members, introduction of the Group's Purpose, employee engagement and overall company risks were submitted to the BoD and subject to deliberation and exchange of views.</li><li>● In the deliberation of the next medium-term management plan, discussions were conducted regarding our overall business portfolio (March 2024).</li><li>● Executive members actively participated in the BoD deliberations and there were exchanges of views with outside officers during business briefings and site visits.</li></ul>	<ul style="list-style-type: none"><li>● There has been an increase in the agenda items related to medium- and long-term enhancement of corporate value and sustainable growth, and regarding agenda setting, initiatives for continuous improvement are being made.</li><li>● To ensure that outside officers fulfill their role of "ensuring alignment with the medium- and long-term values demanded by society," active discussions and exchanges of views between outside officers and executives are being conducted.</li></ul>	<ul style="list-style-type: none"><li>● We will further deepen discussions on medium- and long-term strategies and issues, taking into account the roles and functions of our Company's BoD.</li><li>● To further deepen discussions, Directors, especially those who concurrently serve as corporate vice presidents of our Company or its subsidiaries, will express firm views from a perspective of overall optimization, even on themes outside their direct purview.</li></ul>	<ul style="list-style-type: none"><li>● To further deepen discussions on medium- and long-term strategies and issues, we will continue to improve agenda setting, including in the selection of agenda items related to subsidiaries' execution of business.</li><li>● We will report to the BoD and conduct discussion regarding the integration of the Group Purpose established in January 2024, and the progress in corporate issues, etc., set forth in the next medium-term management plan.</li></ul>
	Composition of the BoD	<ul style="list-style-type: none"><li>● To improve the quality of discussions at the BoD, we will aim for diversity in the attendees, such as by having foreign executives from strategically important businesses participate in deliberations.</li></ul>	<ul style="list-style-type: none"><li>● The foreign head of a strategically important business attended a BoD meeting and participated in deliberation of agenda items (March 2024).</li></ul>	<ul style="list-style-type: none"><li>● Initiatives to improve the quality of discussions at the BoD are being continuously implemented.</li></ul>	<ul style="list-style-type: none"><li>● We will continuously implement initiatives and measures that foster diverse value perspectives in the discussions at the BoD.</li></ul>	<ul style="list-style-type: none"><li>● To ensure diversity of views at the BoD, we will increase opportunities for having foreign executives from strategically important businesses participate in BoD deliberations.</li></ul>
	Quality of discussions	<p>We will provide regular opportunities for discussion between outside officers and the Chairman of the BoD and CEO on the following themes.</p> <ul style="list-style-type: none"><li>● The Chairman of the BoD's perspective on the positioning of the BoD, the future direction and the expectations for outside officers, etc.</li><li>● The CEO's perspective on medium- and long-term strategies and recognition of issues, etc.</li></ul>	<ul style="list-style-type: none"><li>● In the process of revising the skills matrix for the Directors and Audit &amp; Supervisory Board members, discussions were held between the Chairman of the BoD and outside officers regarding the positioning of the BoD and the future direction, and the Chairman of the BoD conducted explanations of the expectations, etc., for outside officers.</li><li>● A discussion session was conducted between the CEO and outside officers, during which there was an exchange of views on medium- and long-term business strategies, human resources strategies, etc.</li></ul>	<ul style="list-style-type: none"><li>● Opportunities for dialogue between the outside officers and the Chairman of the BoD/CEO have increased, and there are active exchanges of views.</li></ul>	<ul style="list-style-type: none"><li>● We will continuously implement initiatives and measures that contribute to improving the quality of active exchanges of views and discussions at the BoD.</li></ul>	<ul style="list-style-type: none"><li>● We will continue the regular dialogue between the outside officers and the Chairman of the BoD/CEO.</li><li>● We will provide opportunities to openly discuss medium- and long-term strategies for strategically important businesses, taking into account market conditions, competitors, risk analysis, etc.</li><li>● To improve the quality of discussions at the BoD, we will consider establishing a forum for discussion inviting external experts knowledgeable in key business areas and corporate issues.</li><li>● We will keep the agenda explanation time to the minimum necessary and allocate more time for discussions.</li><li>● We will initiate paperless processes and promote the digital transformation (DX) of BoD operations, aiming to further enhance efficiency.</li></ul>
	Constructive dialogue with stakeholders	<ul style="list-style-type: none"><li>● We will report to the BoD as appropriate on the views and requests of investors, stock market evaluations, etc., via IR reports and briefing sessions.</li><li>● We will select appropriate themes and provide opportunities for outside directors to participate in dialogue with shareholders and investors.</li></ul>	<ul style="list-style-type: none"><li>● Reported to the BoD and conducted discussions on the views of investors, stock market evaluations, etc., via financial announcements and IR events.</li><li>● Held a DX strategy briefing session for institutional investors, providing an opportunity for outside directors to participate in dialogue with shareholders and investors.</li></ul>	<ul style="list-style-type: none"><li>● Shareholder and investor views, etc., are regularly reported to the BoD, and opportunities for dialogue between outside directors and shareholders/investors are also increasing.</li></ul>	<ul style="list-style-type: none"><li>● We will ascertain the expectations and views of stakeholders other than shareholders and investors (such as employees, customers, suppliers and local communities) and increase opportunities to report these to the BoD.</li></ul>	<ul style="list-style-type: none"><li>● We will increase opportunities to report to the BoD on activities such as improving employee diversity, environmental protection, contributing to local communities and promoting sustainability in supply chains, as well as opportunities for interaction between outside officers and employees of our Group.</li></ul>



## Activities of the Audit & Supervisory Board Members and Audit & Supervisory Board

### ● Audit & Supervisory Board Members, Audit & Supervisory Board

The Company has adopted an Audit & Supervisory Board system. As an independent organization with wide-ranging investigative authority, Audit & Supervisory Board members audit the overall execution of duties by directors, including the development and operation of the internal control systems. Currently, the Audit & Supervisory Board consists of four Audit & Supervisory Board members, two of whom are outside members. A full-time Audit & Supervisory Board member, Ms. Motoko Kawasaki, serves as the chairman. In principle, Audit & Supervisory Board meetings are held once a month to share the details of audits. In addition, the Audit & Supervisory Board Office (staff department for Audit & Supervisory Board) has been established under the direct jurisdiction of the Audit & Supervisory Board to enhance the auditing function of Audit & Supervisory Board members.

### ● Activities of Audit & Supervisory Board Members

Each Audit & Supervisory Board member audits the overall executions of duties by Directors in accordance with auditing policies, audit priorities, auditing plans and other measures in line with the auditing standards for Audit & Supervisory Board members established by the Audit & Supervisory Board, based on the recognition that it is an independent organization that plays a role in corporate governance. In fiscal 2023, activities were performed based on the following audit priorities: "Confirm the status of improvement of issues in the Company's Growth Driver businesses," "Confirm the status of fulfillment of the roles of the Head Office concerning Group companies governance" and "Confirm the status of response to supply chain risks that affect the Company's global business activities." An overview of Audit & Supervisory Board member activities in fiscal 2023 is as follows.

		● Implemented based on roles ■ Implemented by the Audit & Supervisory Board	
Target	Outline of Audit & Supervisory Board member activities in fiscal 2023	Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
(1) Director	Attendance at Board of Directors meetings	● (Monthly)	●
	Exchange of opinions with Chairman of the Board of Directors/Representative Directors	● (Monthly)	■ (Once a year)
	Exchange of opinions with outside directors	●	●
	Interviews and meetings with directors	●	■
(2) Business Execution	Attendance at important company-wide meetings such as the Management Council, etc.	●	
	Regular meetings with the compliance and risk management division	● (Monthly)	
	The compliance and risk management division reports on the key risk issues	●	■ (Once a year)
	Interviews and meetings with corporate vice presidents and division managers	●	■
(3) Group Companies	Inspection of important approval documents and minutes of important meetings	●	
	Interviews and exchanges of opinions with the presidents of major subsidiaries	●	■
	Report on audit activities from Audit & Supervisory Board members of major subsidiaries	●	■
	Domestic Group Companies Audit & Supervisory Board Members Liaison Meeting (semiannually)	●	
	Interviews with Audit & Supervisory Board members in domestic Group companies	●	
	Audits and inspections in domestic Group companies (13 sites)	●	●
(4) Internal Audit	Audits and inspections at overseas Group companies (including remote audits using the Web) (31 sites)	●	
	Report on the audit plan, progress and results from the internal audit division	● (Monthly)	■ (Quarterly)
(5) Accounting Audit	Regular meetings with the independent auditor	● (Monthly)	
	Auditing plan, quarterly review and implementation reports from the independent auditor	●	■ (Quarterly)
	Observation of physical inventory	●	

All Audit & Supervisory Board members attend Board of Directors meetings, and full-time Audit & Supervisory Board members regularly attend Management Council meetings. In addition, full-time Audit & Supervisory Board members regularly exchange opinions with the Chairman of the Board of Directors and representative directors and conduct meetings with directors, corporate vice presidents, division heads and other key personnel. They also inspect important approval documents and conduct audits of Group companies in Japan and overseas. In this way, they conduct audits of all aspects of business execution. The results of these audits are shared with outside Audit & Supervisory Board members at Audit Supervisory Board meetings.

### Cooperation between the internal audit division and the independent auditor

Full-time Audit & Supervisory Board members hold regular monthly meetings with the ESG Division Compliance and Risk Management Group, of the compliance and risk management division, to confirm the occurrence and status of responses to risk cases, whistleblowing cases and other matters in the Group. In addition, regular monthly meetings are held with the Global Audit Division, our internal audit division, to confirm internal auditing plans, the status of implementation and other matters. In addition, the Audit & Supervisory Board members hold regular monthly meetings with KPMG AZSA LLC, the independent auditor, and work together with overseas audit firms by exchanging opinions and confirming the status of the use of IT in audits. The auditing plans and implementation reports of the internal audit division and independent auditor are also reported to outside Audit & Supervisory Board members at Audit & Supervisory Board meetings and opinions are exchanged.

### Cooperation with Group companies' Audit & Supervisory Board members

To strengthen cooperation between the domestic Group companies' Audit & Supervisory Board members, the Company holds the Domestic Group Companies Audit & Supervisory Board Members Liaison Meeting twice a year. The Company's full-time Audit & Supervisory Board members regularly receive reports on the implementation of audits from each Group company's Audit & Supervisory Board members, and individual interviews are conducted as appropriate.

#### TOPICS

### The Domestic Group Companies Audit & Supervisory Board Members Liaison Meeting

To further enhance the implementation of audits by the Fujifilm Group's Audit & Supervisory Board members and to ensure smooth communication between Audit & Supervisory Board members, the Audit & Supervisory Board Office holds and operates the Domestic Group Companies Audit & Supervisory Board Members Liaison Meeting on the following content.

- (1) Direction of Group-wide audit policies and sharing of risk recognition and audit plans
- (2) Sharing of information and exchange of opinions among Group companies' Audit & Supervisory Board members
- (3) Group training aimed at improving audit-related knowledge and skills
- (4) Other matters deemed necessary by the Company's full-time Audit & Supervisory Board members

In fiscal 2023, the DE&I Promotion Office explained the status of deployment of DE&I to Group companies, and Group companies' Audit & Supervisory Board members held discussions to strengthen horizontal cooperation to share information and opinions.



## ● Activities in the Audit & Supervisory Board

A total of 16 Audit & Supervisory Board meetings were held in fiscal 2023.

Attendance at Audit & Supervisory Board meetings in fiscal 2023		
Nobuo Hanada	Full-time Audit & Supervisory Board Member	16 of 16 (100%)
Masataka Mitsuhashi	Outside Audit & Supervisory Board Member	16 of 16 (100%)
Motoko Kawasaki	Full-time Audit & Supervisory Board Member	16 of 16 (100%)
Tatsuya Inagawa	Outside Audit & Supervisory Board Member	16 of 16 (100%)
Contents of reviews and reports		
Resolution and consultation	Resolutions and consultations stipulated by laws and regulations, the Company's Articles of Incorporation and the Regulations of the Audit & Supervisory Board • The Audit & Supervisory Board's audit policies, audit priorities, audit plan and division of duties • Preparation of audit reports • Evaluation of, appointment/dismissal of and agreement on remuneration for the independent auditor, etc.	
Reports and discussion	• Discussions on important management issues and risks of the entire Group based on audits by Audit & Supervisory Board members • Exchange of opinions with the Chairman of the Board of Directors/Representative Directors on medium-term management issues and risks, strengthening of governance, etc. • Reports and exchanges of opinions from relevant corporate vice presidents and the presidents of major subsidiaries according to audit themes • Reports on the results of inspection of important requests for approval by full-time Audit & Supervisory Board members • Reports on the implementation of audits (e.g., at Group companies) by full-time Audit & Supervisory Board members • Reports on audits from Audit & Supervisory Board members of major subsidiaries • Reports on the audit activity plan and audit implementation by the internal audit division • Reports on Independent Auditors' audit plans, quarterly reviews and results of audits • Independent Auditors' discussion on Key Audit Matters (KAM)	

## ● Evaluation of the effectiveness of the Audit & Supervisory Board

To further improve its roles and functions as an independent organization that plays a role in corporate governance, the Company evaluated the effectiveness of the Company's Audit & Supervisory Board in fiscal 2023 based on the answers to open-ended questions in a questionnaire by each Audit & Supervisory Board member. As a result of discussions among all Audit & Supervisory Board members, it was evaluated that the Company's Audit & Supervisory Board is effective. The evaluation results are also reported to the Board of Directors.

Summary of effectiveness evaluation results	
<b>Measures Implemented to Improve Effectiveness in Fiscal 2023</b> • At meetings held twice a year to exchange opinions with outside directors, Audit & Supervisory Board members report on issues that they are aware of through their activities as Audit & Supervisory Board members and actively exchange opinions • Opinions were exchanged openly with directors and corporate vice presidents through interviews at Audit & Supervisory Board meetings to hear their frank views on issues and policies on how to address them	<b>Issues Identified in the Fiscal 2023 Effectiveness Evaluation</b> • Review the operation so that important issues can be discussed in depth when receiving reports from the Audit & Supervisory Board members of major subsidiaries and the internal audit division • After holding meetings with directors and corporate vice presidents, review the operation to deepen discussions among Audit & Supervisory Board members and sort out issues, etc.

The issues identified in fiscal 2023 will be reflected in the fiscal 2024 audit plan to further improve effectiveness.

## ● Sharing information on Audit & Supervisory Board members' activities with Directors (Board of Directors)

We hold meetings with outside directors twice a year to exchange opinions and engage in active discussions. Based on the content of these meetings, the Audit & Supervisory Board members share the important issues and risks of the Group recognized by the Audit & Supervisory Board with the Board of Directors.

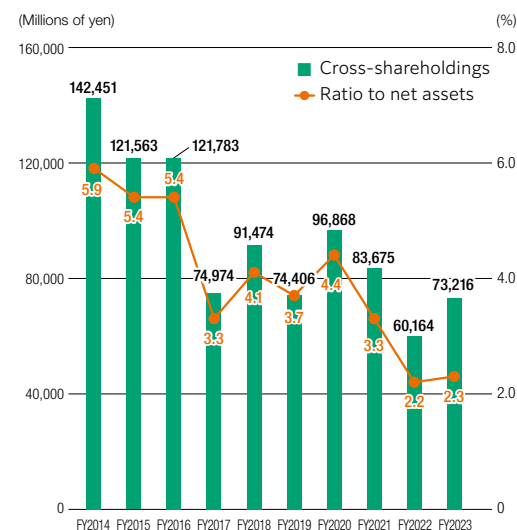
## Approach to cross-shareholdings

The Fujifilm Group can hold cross-shareholdings after verifying their economic rationality and only when there is a recognized need for business purposes, such as to maintain or expand transactions, or a recognized contribution to the medium- to long-term development of the Company. Each year, the Company verifies whether cross-shareholdings have a valid purpose from a medium- to long-term perspective, and whether the benefits and risks associated with these holdings are commensurate with the cost of capital and other factors. The results of these verifications are presented to the Board of Directors. As a result of verification, we will sell any shares for which holdings are deemed unreasonable. We also reported the results of these verifications for fiscal 2023 at the Board of Directors meeting held in May 2024 in line with this policy.

### [Specific voting rights execution criteria]

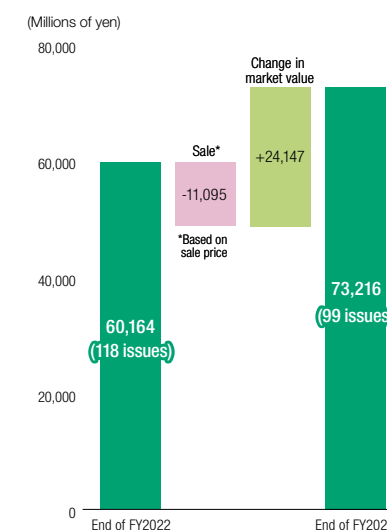
As for voting rights related to cross-shareholdings, we will, in principle, exercise these rights in all agenda items in the appropriate use of our shareholder authority. When exercising voting rights, we judge the pros and cons following an individual investigation into whether doing so is in agreement with the purpose of the cross-shareholding, and whether doing so will help maintain or increase the corporate value of the cross-held company and its stock value.

## ● Cross-shareholdings\*: Balance and ratio to net assets



\* Total cross-shareholdings of the Company and FUJIFILM Corporation

## ● Breakdown of changes



## Compliance and Risk Management System

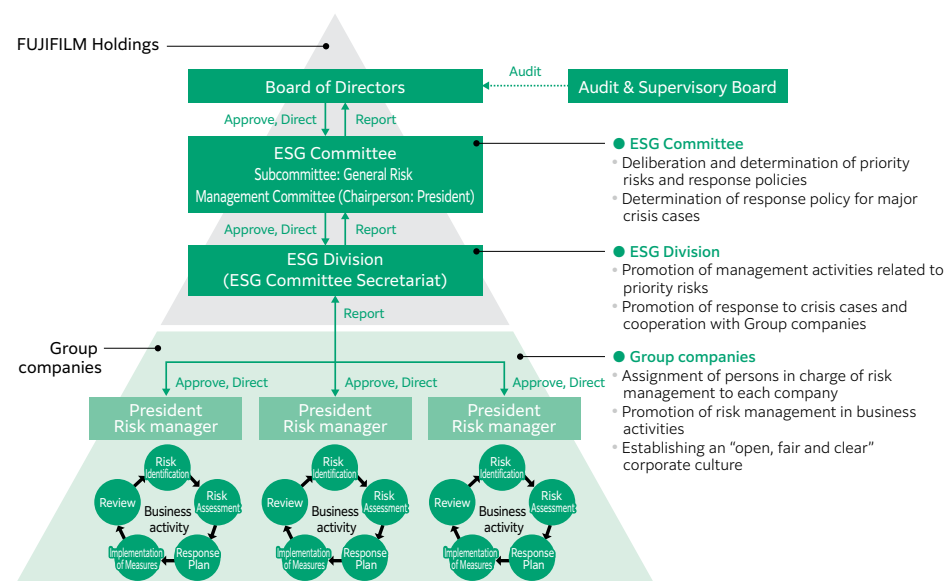
The Fujifilm Group has appointed persons responsible for compliance and risk management at each operating company. In addition to promoting risk management in business activities, the Fujifilm Group is implementing various measures to instill a corporate culture of “open, fair and clear” throughout the Group.

### Reporting and responding to crisis incidents

Crisis incidents occurring at Group companies are reported to the Company's ESG Division in accordance with the General Risk Management Regulations, while incidents that could lead to serious incidents are immediately reported to the Total Risk Management Committee, which is a subcommittee of the ESG Committee, and the response policy is discussed and decided.

FUJIFILM Corporation and FUJIFILM Business Innovation Corp., which are operating companies, supervise the implementation of recurrence prevention measures, share the cases with other Group companies and take measures to prevent recurrence.

The Company's ESG Division periodically reports matters reported through each operating company to the ESG Committee and uses this information to strengthen and promote risk management for the entire Group. The ESG Division also reports such information to the Directors and Audit & Supervisory Board Members on a quarterly basis, thereby ensuring the effectiveness of risk management on a Group-wide basis.



## Information Security Risk Management System

### Information Security Risk Management System

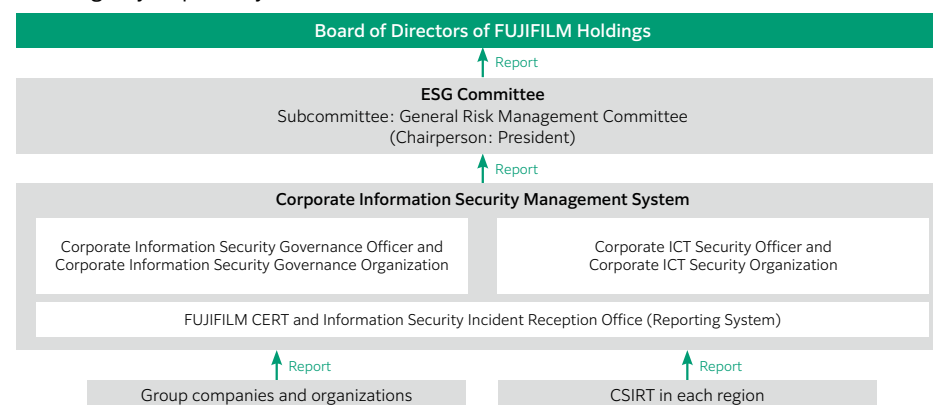
In the Fujifilm Group, the officer in charge of the Company's ESG Division is designated as the Corporate Information Security Governance Officer, and the officer in charge of the Company's ICT Strategy Division is designated as the Corporate ICT Security Officer. The Corporate Information Security Governance Organization and the Corporate ICT Security Organization are placed under the Corporate Information Security Governance Officer and the Corporate ICT Security Officer, respectively, to form a system that supervises information security. The Group's overall information security strategy is determined by the ESG Committee, which regularly reports to the Board of Directors.

### Cybersecurity Response System

The Fujifilm Group has established and operates the “FUJIFILM SOC (FUJIFILM Security Operation Center),” an organization for Group-wide security monitoring, and the “FUJIFILM CERT (FUJIFILM Cybersecurity Incident Response/Readiness Team),” an organization for responding to security incidents, with the aim of “comprehensively monitoring the entire Fujifilm Group,” “quickly detecting signs of incidents” and “promptly responding to incidents and suppressing the spread of damage,” in order to safely provide customers with products and services and ensure stable business continuity.

In addition, to protect the environment that is always connected to the highly convenient cloud with strong security, we have introduced advanced defense measures based on the concept of zero trust network access, aiming to achieve both convenience and safety. In response to the increasing risk of cyber attacks on a daily basis, the Group as a whole is reviewing and strengthening its systems, from defense to detection, response and recovery, by identifying issues that need to be resolved within the Group in anticipation of sophisticated attacks.

### Emergency response system in the event of an incident



## Risk Management

Based on the Risk Management Regulations stipulated by the Group-wide basic policy on risk management and risk management structure, the Fujifilm Group identifies issues for preventing the various risks that encompass the Group's business and implements an appropriate response in the event of a crisis.

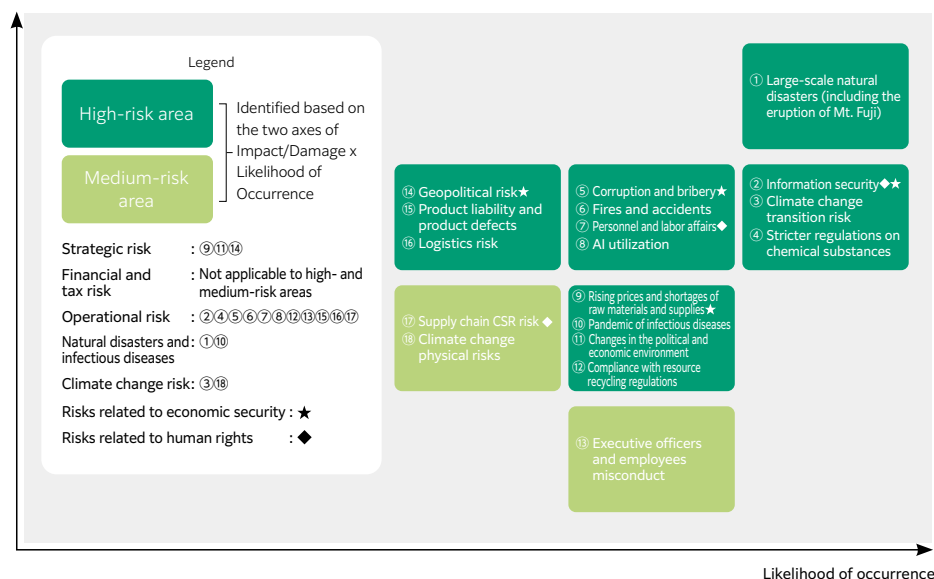
### ● Company-wide priority risks determination process

The Fujifilm Group has identified 64 risk items that could have a significant impact on its management and has classified them into five categories: strategic risk, financial and tax risk, operational risk, natural disasters and infectious diseases, and climate change. In addition to the quantitative evaluation of all risk items based on the size of the impact and damage multiplied by the likelihood of occurrence, we have recently added human rights and economic security perspectives to the evaluation, and the "priority risks" to be prioritized and the measures to be taken against them are decided by the ESG Committee. Priority risks determined by the ESG Committee and the status of responses to such risks are reported to the Board of Directors semiannually.

### ● Fiscal 2024 Company-wide risk map (excerpt)

Note: Not all risks are listed (items in the high/medium risk area are listed)

Magnitude of impact and damage



### ● Priority risk issues for fiscal 2024

Risk items	Response status
Large-scale natural disasters (including the eruption of Mt. Fuji)	Risk assessment, monitoring and BCP formulation for each business site and supply chain. The BCP is strengthening activities for early recovery and damage risk reduction.
Information security (cyberattacks, leakage of confidential information, and protection of personal information)	To reinforce measures against cyberattacks, installation of sensors to monitor the behavior of PCs and servers and development of a global scale security surveillance centers have been completed.
Climate change transition risk	We promote low-carbon investment by reducing CO <sub>2</sub> emissions throughout the product life cycle, promoting production activities with low environmental impact and implementing internal carbon pricing systems.
Stricter regulations on chemical substances	Increased regulation requirements might lead to prohibition of the use of existing raw materials. As the risk of the PFAS regulation is high, minimize the impact by developing and substituting alternative materials.
Corruption and bribery	Due to the strict legal regulation and the government approval required in the Healthcare business, corruption poses a high risk. Preventive measures are strengthened, chiefly through employee education and monitoring intermediaries through external vendors.
Fires and accidents	Utilizing knowledge and technology related to the handling of chemical substances and equipment safety, fire and explosion prevention measures are being considered and implemented. Also, the fire risk assessment of the production facility was carried out.
AI utilization	Major risks include a decline in competitiveness due to a delay in the use of AI, the occurrence of discrimination and prejudice based on AI judgment results, and delays in responding to regulations. We will promote employee education and develop systems to address these risks.
Rising prices and shortages of raw materials and supplies	Promote the procurement of raw materials and supplies for our Growth Driver business and products from multiple regions.
Pandemic of infectious diseases	To avoid the business impact of the spread of infectious diseases, the BCP for each organization has been formulated, and measures to prevent internal infections have been thoroughly implemented.
Compliance with resource recycling regulations	With a view to strengthening regulations under the European ESPR (Ecodesign for Sustainable Products Regulation), we will promote the shift to products that meet Ecodesign requirements.
Executive officers and employees misconduct	Control fraud by appropriately developing and operating internal controls. Early detection and deterrence will be realized through monitoring activities.
Geopolitical risk	The bases of the Group's production, development and sales as well as our suppliers are located throughout the world. Collect the latest information on the safety of employees, the preservation of assets, and the direction of economic activities under the risk management system, and promptly share those decisions to minimize damage.
Product liability and product defects	In the Healthcare business, there is a risk that defects in product quality could lead to health problems for customers. Therefore, the audit on quality assurance is strengthened.
Logistics risk	In addition to logistics accidents, there are risks of capacity shortfalls and geopolitical impacts on international transport routes. We will promote appropriate price increases and modal shifts in order to secure transportation capacity. We will also promote the construction of transport routes that take into account climate change and geopolitical risks.
Supply chain CSR risk	CSR risks in the supply chain (human rights violations, occupational health and safety issues, conflict minerals, and violations of the Modern Slavery Act and the Forced Labor Prevention Act) could lead to supply disruptions and reputational risks. We will promote risk-reduction activities through dissemination of the Code of Conduct, self-evaluation questionnaires and on-site diagnosis.

▶ Please refer to p.97 for details on the risk management system.



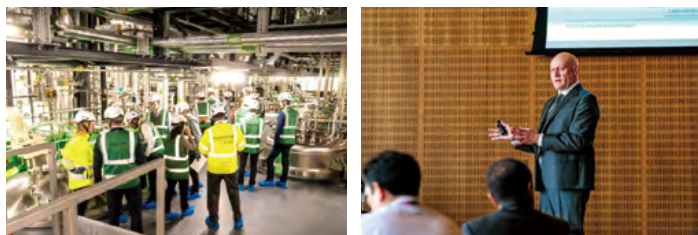
## Stakeholder Engagement

### ● Dialogue with shareholders and investors

At FUJIFILM Holdings, top management is actively involved in investor relations (IR) activities, enhancing these activities in an effort to strengthen trust relationships with investors. In addition, we are working to reduce the gap between intrinsic corporate value and market ratings by continuously expounding the Company's management policy and utilizing management to assist the capital markets in forming their opinions. Specifically, members of top management attend events such as financial results briefings and business briefings, participate in conferences including large meetings with the CEO, hold small meetings with the CEO and CFO, and hold individual meetings to strengthen communication with investors in Japan and overseas. In addition, through ongoing dialogue with those in charge of exercising voting rights and ESG analysts, we update our management policies and governance system, receive appropriate advice on the Company's management and strive to build a relationship of mutual trust. To benefit overseas investors, we post English-language information on our website in a timely manner, and we are working to enhance our IR activities worldwide, including through communication from IR members at our bases in North America and Europe. In fiscal 2022, we resumed our international road shows, and the CEO and CFO visited North America, Europe and Singapore to strengthen face-to-face communication with our international investors.

In addition, in June 2024, FUJIFILM Diosynth Biotechnologies (FDB), the Denmark site for our CDMO business that is of great interest to investors, held a site tour for institutional investors in Japan and overseas, including the Company's shareholders, and sell-side analysts, which was attended by 20 people. Visitors were introduced to large-scale production facilities under construction and FDB management explained the business and held Q&A sessions to promote understanding of the Company's business advantages and growth strategies.

For individual investors, we consistently post easy-to-understand information about the Fujifilm Group's business on the IR section of our website. In fiscal 2023, we also participated in IR events for individual investors hosted by securities companies, providing an opportunity for individual investors to deepen their understanding of our management policies and business online.



FDB site tour for institutional investors and sell-side analysts

### ● Major IR activities (fiscal 2023)

Activity	Number of times	Overview
Financial results briefings	4	Quarterly meetings for analysts and institutional investors
Business briefings	3	Briefings on the Medical Systems business (October), the Bio CDMO and LS Solutions businesses (December), and the Imaging business (March)
Small meetings	4	Held small meetings for analysts and institutional investors with the CEO and the head of the Bio CDMO business
Conferences hosted by securities companies	11	The CEO gave a speech at a healthcare conference held in North America, and the CFO and the executive officer in charge of IR held 116 individual interviews with institutional investors at each conference
Individual meetings with institutional investors	410	Individual online and face-to-face interviews
Overseas IR	4	The CEO, CFO and the executive officer in charge of IR held 32 individual interviews at road shows conducted in Europe (May), Singapore (October) and North America (May and November)
Company briefings for individual investors	1	Online participation in an IR event for individual investors hosted by securities companies (January)

Please refer to the IR Materials page on our website for details.

▶ <https://ir.fujifilm.com/en/investors/ir-materials.html>

## Message from a Shareholder/Investor

### Column



**Ario Kishida**

Managing Director,  
Portfolio Manager/Analyst  
Lazard Asset Management LLC

In June 2024, I had the opportunity to visit a Bio CDMO site located in Copenhagen. Management explained that Fujifilm is not only acting as a subcontractor but also aiming to build a win-win relationship by partnering with its clients to solve challenges within their pharmaceutical manufacturing processes. In addition, Fujifilm aims to reduce lead time and costs through a unique strategy of standardizing manufacturing know-how and equipment within the company and deploying it at other locations. Although Fujifilm is a newcomer to the Bio CDMO industry, I feel that Fujifilm has shown the potential for improving its position through the acquisition of excellent industry talent and meaningful capital investment.

# Management Structure (As of September 30, 2024)



Group photo taken with our official company pose of extending both hands forward with smiles, while calling our Group Purpose "Giving our world more smiles."

## Directors



**Kenji Sukeno**

Chairman,  
Director & Board Chairman

### Career Summary

1977 Joined the Company\*  
2002 Chief Financial Officer, FUJIFILM Holdings America Corporation  
2012 Corporate Vice President and General Manager, Corporate Planning Division of the Company  
2013 Director of the Company  
2016 President & Chief Operating Officer, Representative Director of the Company  
2018 President & Chief Operating Officer, Representative Director, FUJIFILM Corporation  
2021 Chairman, Representative Director and Board Chairman of the Company (to present)  
Chairman, Director and Board Chairman, FUJIFILM Corporation (to present)  
2023 Chairman, Director and Board Chairman of the Company (to present)

### Significant Concurrent Positions

Chairman, Director and Board Chairman, FUJIFILM Corporation  
Director, FUJIFILM Business Innovation Corp.  
Outside Director of Isetan Mitsukoshi Holdings Ltd.



**Teiichi Goto**

President, Representative  
Director & Chief Executive  
Officer

### Career Summary

1983 Joined the Company  
2008 President, FUJIFILM Medical Systems (Shanghai) Co., Ltd.  
2013 General Manager, Medical Systems Business Division, FUJIFILM Corporation  
2014 Corporate Vice President, FUJIFILM Corporation  
2016 Director, FUJIFILM Corporation  
2018 Director of the Company  
2021 President, Representative Director & Chief Executive Officer of the Company (to present)  
President, Representative Director & Chief Executive Officer, FUJIFILM Corporation (to present)

### Significant Concurrent Positions

President & CEO, Representative Director, FUJIFILM Corporation  
Director, FUJIFILM Business Innovation Corp.



**Masayuki Higuchi**

Director,  
Chief Financial Officer

### Career Summary

1987 Joined the Company  
2009 Chief Financial Officer, FUJIFILM Holdings America Corporation  
2015 President and Chief Executive Officer, FUJIFILM Sonosite, Inc.  
2018 Corporate Vice President of the Company  
Director, Corporate Vice President and General Manager of Corporate Planning Headquarters, FUJIFILM Corporation  
2021 Director, Corporate Vice President, Chief Financial Officer and General Manager of Corporate Planning Division of the Company (to present)  
Director, Senior Vice President, Chief Financial Officer and General Manager of Corporate Planning Division, FUJIFILM Corporation

### Significant Concurrent Positions

Director & Executive Vice President and General Manager of Corporate Planning Division of FUJIFILM Corporation  
Audit & Supervisory Board Member of FUJIFILM Business Innovation Corp.



**Naoki Hama**

Director

### Career Summary

1986 Joined the Company  
2017 Corporate Vice President, General Manager of Display Materials Business Division and Deputy General Manager of Highly Functional Materials Business Development Headquarters of FUJIFILM Corporation  
2018 Director, Corporate Vice President and General Manager of Highly Functional Materials Business Development Headquarters of FUJIFILM Corporation  
2019 Director, Corporate Vice President and General Manager of Inkjet Business Division of FUJIFILM Corporation  
2021 Corporate Vice President and General Manager of Inkjet Business Division of FUJIFILM Corporation  
Director, Executive Vice President of FUJIFILM Business Innovation Corp.  
2022 President & Representative Director, CEO of FUJIFILM Business Innovation Corp. (to present)  
Director of the Company (to present)

### Significant Concurrent Positions

President & Representative Director, CEO of FUJIFILM Business Innovation Corp.  
Corporate Vice President, FUJIFILM Corporation

Note: "The Company" refers to FUJIFILM Holdings Corporation and its predecessor, Fuji Photo Film Co., Ltd.

## Directors



Chisato Yoshizawa

Director

### Career Summary

1986 Joined the Company  
2017 Corporate Vice President, General Manager of Corporate Communication Office of Corporate Planning Division of the Company  
Corporate Vice President, General Manager of Corporate Communications Division of FUJIFILM Corporation  
2018 Director, Corporate Vice President and General Manager of Corporate Communications Division of FUJIFILM Corporation  
2021 Corporate Vice President, General Manager of Corporate Communications Division and ESG Division of the Company (to present)  
Director, Senior Vice President, General Manager of Corporate Communications Division and ESG Division of FUJIFILM Corporation  
2022 Director, Corporate Vice President of the Company (to present)

### Significant Concurrent Positions

Director & Executive Vice President, General Manager of Corporate Communications Division and General Manager of ESG Division of FUJIFILM Corporation



Yoji Ito

Director

### Career Summary

1990 Joined the Company  
2012 General Manager of Flat Panel Display Materials Laboratories of R&D Management Headquarters, FUJIFILM Corporation  
2017 General Manager of Display Materials Research Laboratories and General Manager of Highly Functional Materials Research Laboratories of R&D Management Headquarters, FUJIFILM Corporation  
2019 Corporate Vice President of FUJIFILM Corporation  
2021 Director & Corporate Vice President, General Manager of Display Materials Research Laboratories, and General Manager of Highly Functional Materials Research Laboratories, FUJIFILM Corporation  
2022 Director, Corporate Vice President and General Manager of Advanced Materials Strategy Headquarters, FUJIFILM Corporation  
2023 Director of the Company (to present)

### Significant Concurrent Positions

Director & Senior Vice President, General Manager of Electronic Strategy Headquarters and General Manager of Electronic Materials Research & Development Center of FUJIFILM Corporation



Kunitaro Kitamura

Director (Outside)

### Career Summary

2012 Representative Director and President of Sumitomo Mitsui Trust Holdings, Inc.  
Chairman (Representative Director) of Sumitomo Mitsui Trust Bank, Limited  
2017 Representative Director of Sumitomo Mitsui Trust Holdings, Inc.  
Chairman (Director) of Sumitomo Mitsui Trust Bank, Limited  
Director of Sumitomo Mitsui Trust Holdings, Inc.  
Outside Director of the Company (to present)

### Significant Concurrent Positions

Outside Director of ASAGAMI Corporation  
Outside Audit & Supervisory Board Member of OHBA CO., LTD.



Makiko Eda

Director (Outside)

### Career Summary

2013 Representative Director and President of Intel K.K.  
2018 Chief Representative Officer of World Economic Forum Japan  
Outside Director of the Company (to present)  
2023 Managing Executive Officer of SUMITOMO CORPORATION (to present)

### Significant Concurrent Positions

Managing Executive Officer of SUMITOMO CORPORATION



Tsuyoshi Nagano

Director (Outside)

### Career Summary

2013 President & Chief Executive Officer (Representative Director) of Tokio Marine Holdings, Inc.  
President & Chief Executive Officer (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd.  
2016 Chairman (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd.  
2019 Chairman (Director) of Tokio Marine Holdings, Inc. (to present)  
2022 Outside Director of the Company (to present)

### Significant Concurrent Positions

Chairman (Director) of Tokio Marine Holdings, Inc.  
Outside Director of Central Japan Railway Company



Ikuro Sugawara

Director (Outside)

### Career Summary

1981 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)  
2010 Director-General of Industrial Science and Technology Policy and Environment Bureau of Ministry of Economy, Trade and Industry  
2012 Director-General of Manufacturing Industries Bureau of Ministry of Economy, Trade and Industry  
2013 Director-General of Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry  
2015 Vice-Minister of Ministry of Economy, Trade and Industry  
2017 Special Advisor to the Cabinet  
2022 Outside Director of the Company (to present)

### Significant Concurrent Positions

Outside Director of TOYOTA MOTOR CORPORATION  
Outside Director of Hitachi, Ltd.



Takako Suzuki

Director (Outside)

### Career Summary

2013 Director, President & CEO of S.T. CORPORATION  
2020 Outside Director of TRUSCO NAKAYAMA CORPORATION (to present)  
2021 Chairman of the Board of Directors, President & CEO of S.T. CORPORATION  
2022 Outside Director of KING JIM CO., LTD. (to present)  
2023 Chairman of S.T. CORPORATION (to present)  
2024 Outside Director of the Company (to present)

### Significant Concurrent Positions

Outside Director of TRUSCO NAKAYAMA CORPORATION  
Outside Director of KING JIM CO., LTD.  
Outside Director of COSMO ENERGY HOLDINGS CO., LTD.



## Audit & Supervisory Board Members



**Motoko Kawasaki**

**Audit & Supervisory Board  
Member**

### Career Summary

1983 Joined the Company  
2016 General Manager of CSR Group, Corporate Planning Division of the Company  
General Manager of CSR Division, FUJIFILM Corporation  
2019 Corporate Vice President, General Manager of ESG Division and General Manager of Corporate General Administration Division of the Company  
Corporate Vice President, General Manager of ESG Division, FUJIFILM Corporation  
2021 Audit & Supervisory Board Member of the Company (to present)  
Audit & Supervisory Board Member of FUJIFILM Corporation (to present)

### Significant Concurrent Positions

Audit & Supervisory Board Member of FUJIFILM Corporation  
External Director (Serving as Audit and Supervisory Committee Member) of TOKYO SEIMITSU CO., LTD.



**Tsumugu Ishigaki**

**Audit & Supervisory Board  
Member**

### Career Summary

1990 Joined the Company  
2016 Senior Manager of Corporate Planning Division of FUJIFILM Global Graphic Systems Co., Ltd. (currently FUJIFILM Graphic Solutions Corporation)  
2018 Senior Director of Administration of Fuji Xerox (China) Limited. (currently FUJIFILM Business Innovation (China) Corp.)  
2021 General Manager of Global Audit Division of the Company  
2024 Audit & Supervisory Board Member of the Company (to present)  
Audit & Supervisory Board Member of FUJIFILM Corporation (to present)

### Significant Concurrent Positions

Audit & Supervisory Board Member of FUJIFILM Corporation



**Masataka Mitsuhashi**

**Audit & Supervisory Board  
Member (Outside)**

### Career Summary

1983 Registered as Certified Public Accountant  
2004 Representative Director of Chuo Aoyama PwC Transaction Services Corporation (current PwC Advisory LLC)  
2008 Partner of Aarata (current PricewaterhouseCoopers Aarata LLC)  
2010 Representative Director and Deputy President of PricewaterhouseCoopers Co., Ltd.  
2012 Representative Director and President of PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd. (current PricewaterhouseCoopers Sustainability LLC)  
2018 Executive Adviser of PricewaterhouseCoopers Aarata LLC  
Chairman of PricewaterhouseCoopers Sustainability LLC  
2019 Outside Audit & Supervisory Board Member of the Company (to present)

### Significant Concurrent Positions

Outside Director of Nippon Paint Holdings Co., Ltd.  
Outside Director of Integral Corporation



**Yoshio Iteya**

**Audit & Supervisory Board  
Member (Outside)**

### Career Summary

1983 Registered as Attorney at Law  
1989 Registered as Attorney at Law in the State of New York, the United States  
1992 Partner of Mori Hamada & Matsumoto  
2018 Outside Audit & Supervisory Board Member of Sumitomo Pharma Co., Ltd. (to present)  
2021 Partner of Anderson Mori & Tomotsune (to present)  
2024 Outside Audit & Supervisory Board Member of the Company (to present)

### Significant Concurrent Positions

Partner of Anderson Mori & Tomotsune  
Outside Audit & Supervisory Board Member of Sumitomo Pharma Co., Ltd.  
Specially Appointed Professor at Hitotsubashi University School of Law

## Corporate Vice Presidents

**Teiichi Goto**

**President and CEO**

Chief Executive Officer

**Masayuki Higuchi**

**Corporate Vice President & CFO**

Chief Financial Officer

General Manager of Corporate Planning Division  
Responsible for Accounting and Finance Division, Logistics

**Chisato Yoshizawa**

**Corporate Vice President**

General Manager of Corporate Communications Division and ESG Division  
Responsible for Global Audit Division, Brand Management



**Kazuhisa Horikiri**

**Corporate Vice  
President**

General Manager of  
Design Strategy Office



**Seigo Sugimoto**

**Corporate Vice  
President & CDO**

Chief Digital Officer  
General Manager of ICT  
Strategy Division



**Yasushi Zama**

**Corporate Vice  
President**

General Manager of  
Human Resources  
Division  
Responsible for  
Corporate General  
Administration Division



**Shuzo Takada**

**Corporate Vice  
President**

General Manager of  
Government Relations  
Division



**Atsushi Sakurai**

**Corporate Vice  
President**

General Manager of  
Legal Division



**Yasuhisa Tazawa**

**Corporate Vice  
President**

General Manager of  
Procurement &  
Equipment  
Manufacturing Division



**Naoko Sakuma**

**Corporate Vice  
President**

General Manager of  
Intellectual Property  
Division



# 08

Chapter

## Data Section

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# Financial Analysis and Review

## Overview of Consolidated Business Performance and Results

### Revenue

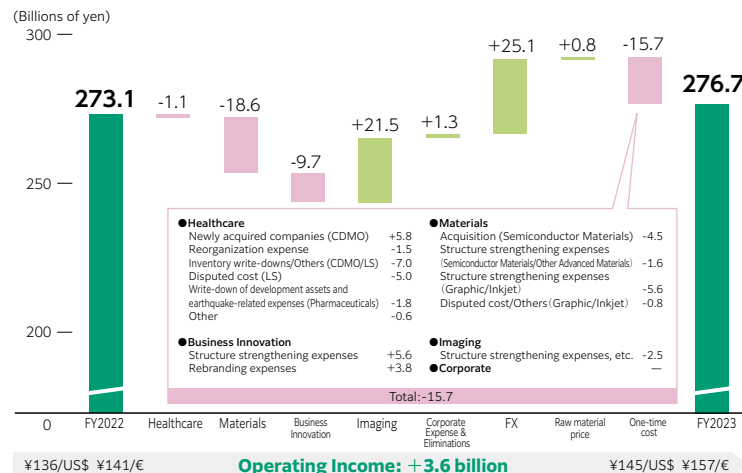
Revenue increased 3.6% year on year to ¥2,960.9 billion, mainly due to the Healthcare segment's medical systems business and the Imaging segment.

### Operating income

Operating income rose 1.3% year on year to reach ¥276.7 billion, a record high, due to the increase in profit accompanying the increase in sales and the impact of foreign exchange rates.

### Net income attributable to FUJIFILM Holdings

Net income attributable to FUJIFILM Holdings rose to a record high of ¥243.5 billion, up 11.0% year on year, due to the same factors as for operating income.



(Billions of yen)	FY2022	FY2023	YoY change	FY2024 (Forecast)	YoY change
Revenue	2,859.0	2,960.9	101.9	3,150.0	189.1
Operating income	273.1	276.7	3.6	315.0	38.3
Operating margin	9.6%	9.3%	-0.3pt	10.0%	+0.7pt
Income before income taxes	282.2	317.3	35.1	330.0	12.7
Net income attributable to FUJIFILM Holdings	219.4	243.5	24.1	250.0	6.5
Net income attributable to FUJIFILM Holdings per share*	¥182.40	¥202.29	+¥19.89	¥207.63	+¥5.34
ROE	8.3%	8.2%	-0.1pt	7.8%	-0.4pt
ROIC	6.1%	5.6%	-0.5pt	5.4%	-0.2pt
CCC	125 days	116 days	-9 days	115 days	-1 day
Exchange rate (¥/US\$)	¥136	¥145	-¥9	¥148	-¥3
Exchange rate (¥/€)	¥141	¥157	-¥16	¥162	-¥5

\* The Company implemented a 3-for-1 stock split of its common stock on April 1, 2024. As a result, the per-share amounts reflect the post-split value.

## Analysis of Consolidated Balance Sheet

### Total assets

Total assets increased by ¥649.2 billion from the end of the previous fiscal year to ¥4,783.5 billion, mainly due to an increase in property, plant and equipment.

### Liabilities

Liabilities increased by ¥263.8 billion from the end of the previous fiscal year to ¥1,610.2 billion.

### Equity

Equity increased by ¥385.4 billion from the end of the previous fiscal year to ¥3,173.3 billion.

(Billions of yen)	FY2021	FY2022	FY2023	YoY change
Cash and cash equivalents	486.3	268.6	179.7	-88.9
Notes and accounts receivable	598.6	633.1	696.6	63.5
Inventories	504.5	567.3	547.8	-19.5
Other current assets	135.3	162.1	150.6	-11.5
<b>Total current assets</b>	<b>1,724.7</b>	<b>1,631.1</b>	<b>1,574.7</b>	<b>-56.4</b>
Property, plant and equipment	736.8	976.1	1,395.7	419.6
Goodwill, net	824.0	858.3	953.8	95.5
Investment securities and other	669.8	668.8	859.3	190.5
<b>Total non-current assets</b>	<b>2,230.6</b>	<b>2,503.2</b>	<b>3,208.8</b>	<b>705.6</b>
<b>Total assets</b>	<b>3,955.3</b>	<b>4,134.3</b>	<b>4,783.5</b>	<b>649.2</b>
Short-term and long-term debt	447.2	376.2	502.8	126.6
Notes and accounts payable	303.2	320.4	346.5	26.1
Other liabilities	680.0	649.8	760.9	111.1
<b>Total liabilities</b>	<b>1,430.4</b>	<b>1,346.4</b>	<b>1,610.2</b>	<b>263.8</b>
Total FUJIFILM Holdings shareholders' equity	2,502.7	2,763.1	3,169.2	406.1
Noncontrolling interests	22.2	24.8	4.1	-20.7
<b>Total equity</b>	<b>2,524.9</b>	<b>2,787.9</b>	<b>3,173.3</b>	<b>385.4</b>
<b>Total liabilities and net assets</b>	<b>3,955.3</b>	<b>4,134.3</b>	<b>4,783.5</b>	<b>649.2</b>

## Analysis of Consolidated Cash Flow

### C/F from operating activities

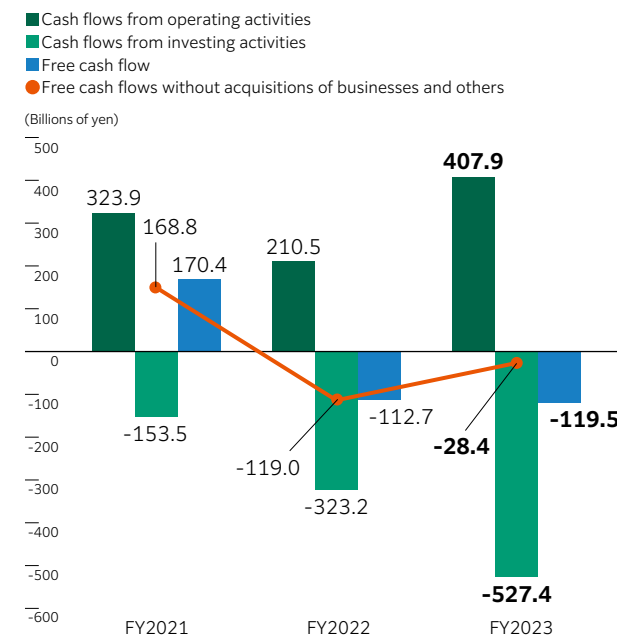
Net cash provided by operating activities totaled ¥407.9 billion mainly due to a decrease in inventories.

### C/F from investing activities

Net cash used in investing activities amounted to ¥527.4 billion, mainly due to purchases of property, plant and equipment.

### Free cash flow

As a result of the above, free cash flow resulted in cash outflows of ¥119.5 billion. Free cash flow excluding business acquisitions and others resulted in cash outflows of ¥28.4 billion.



# Consolidated Financial Statements, etc.

## Consolidated Statements of Income

(Millions of yen)	FY2021	FY2022	FY2023
<b>Revenue</b>	2,525,773	2,859,041	2,960,916
<b>Cost of sales</b>	1,492,549	1,721,113	1,774,656
Gross profit	1,033,224	1,137,928	1,186,260
Operating expenses:			
Selling, general and administrative	652,995	710,702	752,427
Research and development	150,527	154,147	157,108
	803,522	864,849	909,535
<b>Operating income</b>	229,702	273,079	276,725
Other income (expenses):			
Interest and dividend income	4,646	7,670	12,226
Interest expense	(2,316)	(5,006)	(8,483)
Foreign exchange gains (losses), net	4,437	(3,563)	2,702
Gains (losses) on equity securities, net	4,453	(662)	24,675
Others, net	19,524	10,706	9,443
	30,744	9,145	40,563
<b>Income before income taxes</b>	260,446	282,224	317,288
Income taxes:			
Current	48,615	79,168	79,809
Deferred	8,514	(13,962)	(1,707)
	57,129	65,206	78,102
Equity in net earnings of affiliated companies	13,128	4,656	4,111
<b>Net income</b>	216,445	221,674	243,297
Less: Net loss attributable to noncontrolling interests	(5,265)	(2,252)	212
<b>Net income attributable to FUJIFILM Holdings</b>	211,180	219,422	243,509

(Yen)	FY2021	FY2022	FY2023
<b>Amounts per share of common stock*</b>			
Net income attributable to FUJIFILM Holdings: Basic	175.78	182.40	202.29
Net income attributable to FUJIFILM Holdings: Diluted	175.37	182.14	202.05
Cash dividend declared	36.67	43.33	50.00

\* The Company implemented a 3-for-1 stock split of its common stock on April 1, 2024. As a result, the per-share amounts reflect the post-split value.

## Consolidated Statements of Comprehensive Income

(Millions of yen)	FY2021	FY2022	FY2023
<b>Net income</b>	216,445	221,674	243,297
<b>Other comprehensive income (loss), net of tax:</b>			
Unrealized gains (losses) on securities	26	(27)	—
Foreign currency translation adjustments	117,466	85,528	227,828
Pension liability adjustments	13,381	2,801	48,189
Unrealized gains (losses) on derivatives	(182)	74	(122)
Other comprehensive income (loss)	130,691	88,376	275,895
Comprehensive income (loss)	347,136	310,050	519,192
Less: Comprehensive loss attributable to noncontrolling interests	(7,127)	(2,801)	4,116
Comprehensive income attributable to FUJIFILM Holdings	340,009	307,249	523,308

► Consolidated Financial Statements, etc.

## Consolidated Balance Sheets

(Millions of yen)	FY2022	FY2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	268,608	179,715
Notes and accounts receivable:		
Trade and lease receivables	648,683	713,360
Affiliated companies	2,561	2,397
Allowance for doubtful receivables	(18,193)	—
Allowance for credit losses	—	(19,172)
Inventories	567,302	547,803
Prepaid expenses and other	162,146	150,525
Total current assets	1,631,107	1,574,628
<b>Investments and long-term receivables</b>		
Investments in and advances to affiliated companies	42,921	40,771
Investment securities	70,745	83,458
Long-term lease receivable and other long-term receivables	77,590	85,833
Allowance for doubtful receivables	(2,351)	—
Allowance for credit losses	—	(2,185)
Total investments and long-term receivables	188,905	207,877
<b>Property, plant and equipment</b>		
Land	105,923	113,350
Buildings	770,926	818,610
Machinery and equipment	1,505,008	1,611,452
Construction in progress	345,253	685,176
	2,727,110	3,228,588
Less: Accumulated depreciation	(1,750,999)	(1,832,853)
Total property, plant and equipment	976,111	1,395,735
<b>Other assets</b>		
Operating lease right-of-use assets	82,276	100,094
Goodwill, net	858,311	953,835
Other intangible assets, net	144,258	178,335
Deferred income taxes	30,125	38,815
Others	223,218	334,141
Total other assets	1,338,188	1,605,220
Total assets	4,134,311	4,783,460

(Millions of yen)	FY2022	FY2023
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Short-term debt	106,093	317,103
Notes and accounts payable:		
Trade	246,093	262,752
Construction	72,713	82,421
Affiliated companies	1,603	1,305
Accrued income taxes	39,214	47,947
Accrued liabilities	234,809	251,205
Short-term operating lease liabilities	31,031	32,589
Other current liabilities	158,766	170,519
Total current liabilities	890,322	1,165,841
<b>Long-term liabilities</b>		
Long-term debt	270,060	185,716
Accrued pension and severance costs	21,909	21,055
Long-term operating lease liabilities	55,400	72,223
Deferred income taxes	49,150	90,747
Other long-term liabilities	59,610	74,563
Total long-term liabilities	456,129	444,304
Total liabilities	1,346,451	1,610,145
<b>EQUITY</b>		
<b>FUJIFILM Holdings shareholders' equity</b>		
Common stock	40,363	40,363
Common stock, without par value		
Authorized: 800,000,000 shares		
Issued: 414,625,728 shares		
Retained earnings	2,616,191	2,741,416
Accumulated other comprehensive income (loss)	163,820	443,619
Treasury stock, to cost:		
As of March 31, 2023: 13,528,181 shares	(57,229)	
As of March 31, 2024: 13,269,764 shares		(56,151)
Total FUJIFILM Holdings shareholders' equity	2,763,145	3,169,247
Noncontrolling interests	24,715	4,068
Total equity	2,787,860	3,173,315
Total liabilities and equity	4,134,311	4,783,460



► Consolidated Financial Statements, etc.

## Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
<b>Balance as of March 31, 2021</b>	40,363		2,702,760	(52,836)	(485,721)	2,204,566	17,591	2,222,157
Comprehensive income (loss):								
Net income			211,180			211,180	5,265	216,445
Changes in unrealized gains (losses) on securities				26		26		26
Foreign currency translation adjustments				115,727		115,727	1,739	117,466
Pension liability adjustments				13,258		13,258	123	13,381
Changes in unrealized gains (losses) on derivatives				(182)		(182)		(182)
Net comprehensive income						340,009	7,127	347,136
Purchases of stock for treasury					(32)	(32)		(32)
Sales of stock from treasury			(42)		4,206	4,164		4,164
Dividends paid to FUJIFILM Holdings shareholders			(44,086)			(44,086)		(44,086)
Dividends paid to noncontrolling interests							(783)	(783)
Share-based payment transactions		(1,922)				(1,922)		(1,922)
Transfer from retained earnings to additional paid-in capital		1,964	(1,964)					
Equity transactions with noncontrolling interests and other		(42)				(42)	(1,652)	(1,694)
<b>Balance as of March 31, 2022</b>	40,363		2,867,848	75,993	(481,547)	2,502,657	22,283	2,524,940
Comprehensive income (loss):								
Net income			219,422			219,422	2,252	221,674
Changes in unrealized gains (losses) on securities				(27)		(27)		(27)
Foreign currency translation adjustments				84,193		84,193	1,335	85,528
Pension liability adjustments				3,587		3,587	(786)	2,801
Changes in unrealized gains (losses) on derivatives				74		74		74
Net comprehensive income						307,249	2,801	310,050
Purchases of stock for treasury					(20)	(20)		(20)
Sales of stock from treasury		317			1,308	1,625		1,625
Retirement of treasury stock		(423,030)				423,030		
Dividends paid to FUJIFILM Holdings shareholders			(48,131)			(48,131)		(48,131)
Dividends paid to noncontrolling interests							(382)	(382)
Share-based payment transactions		(235)				(235)		(235)
Transfer from retained earnings to additional paid-in capital		422,948	(422,948)					
Equity transactions with noncontrolling interests and other							13	13
<b>Balance as of March 31, 2023</b>	40,363		2,616,191	163,820	(57,229)	2,763,145	24,715	2,787,860

(Millions of yen)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
<b>Balance as of March 31, 2023</b>	40,363		2,616,191	163,820	(57,229)	2,763,145	24,715	2,787,860
Cumulative effect of adoption of Accounting Standard Update No. 2016-13			(234)			(234)		(234)
Comprehensive income (loss):								
Net income			243,509			243,509	(212)	243,297
Foreign currency translation adjustments				232,225		232,225	(4,397)	227,828
Pension liability adjustments				47,696		47,696	493	48,189
Changes in unrealized gains (losses) on derivatives				(122)		(122)		(122)
Purchases of stock for treasury					(31)	(31)		(31)
Sales of stock from treasury		551			1,109	1,660		1,660
Dividends paid to FUJIFILM Holdings shareholders			(60,201)			(60,201)		(60,201)
Dividends paid to noncontrolling interests							(12,577)	(12,577)
Share-based payment transactions		(464)				(464)		(464)
Transfer from retained earnings to additional paid-in capital		53,838	(53,838)			—		—
Equity transactions with noncontrolling interests and other		(53,925)	(4,011)			(57,936)	(3,954)	(61,890)
<b>Balance as of March 31, 2024</b>	40,363	—	2,741,416	443,619	(56,151)	3,169,247	4,068	3,173,315

► Consolidated Financial Statements, etc.

## Consolidated Statements of Cash Flows

(Millions of yen)	FY2021	FY2022	FY2023
<b>Operating activities</b>			
Net income	216,445	221,674	243,297
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	132,999	142,215	150,014
(Gains) losses on equity securities, net	(4,453)	662	(24,675)
Deferred income taxes	8,514	(13,962)	(1,707)
Equity in net (gains) losses of affiliated companies, net of dividends received	(12,194)	(3,994)	(3,469)
Changes in operating assets and liabilities:			
Decrease (increase) in notes and accounts receivable	34,741	(17,052)	(21,157)
(Increase) decrease in inventories	(68,273)	(51,545)	62,023
Increase (decrease) in notes and accounts payable—trade	21,007	(9,221)	3,382
(Increase) decrease in prepaid expenses and other current assets	(30,766)	(14,349)	6,512
Increase (decrease) in accrued income taxes and other liabilities	28,794	(51,712)	4,341
Others	(2,880)	7,736	(10,620)
Net cash provided by operating activities	323,934	210,452	407,941
<b>Investing activities</b>			
Purchases of property, plant and equipment	(126,054)	(269,844)	(417,966)
Purchases of software	(39,853)	(53,628)	(46,746)
Proceeds from sales and maturities of marketable and investment securities	15,119	38,890	13,443
Purchase of marketable and investment securities	(2,860)	(3,880)	(729)
(Increase) decrease in time deposits, net	(4,959)	2,711	945
(Increase) decrease in investments in and advances to affiliated companies and other advances, net	(459)	(853)	(343)
Acquisition of businesses, net of cash acquired	(10,714)	(28,653)	(103,849)
Proceeds from sale of businesses, net of cash and cash equivalents disposed of	24,480	—	12,416
Others	(8,242)	(7,968)	15,413
Net cash used in investing activities	(153,542)	(323,225)	(527,416)

(Millions of yen)	FY2021	FY2022	FY2023
<b>Financing activities</b>			
Proceeds from long-term debt	2,079	120,000	—
Repayments of long-term debt	(61,929)	(192,360)	(104,561)
Increase (decrease) in short-term debt with maturities within three months, net	2,364	(1,538)	229,062
Cash dividends paid to shareholders	(43,032)	(46,109)	(56,170)
Cash dividends paid to noncontrolling interests	(783)	(382)	(12,577)
Net purchases of stock for treasury	(31)	(20)	(31)
Capital transactions with noncontrolling interests and other	(3,852)	(3,286)	(56,185)
Net cash used in financing activities	(105,184)	(123,695)	(462)
Effect of exchange rate changes on cash and cash equivalents	26,325	18,748	31,044
Net increase (decrease) in cash and cash equivalents	91,533	(217,720)	(88,893)
Cash and cash equivalents at beginning of year	394,795	486,328	268,608
Cash and cash equivalents at end of year	486,328	268,608	179,715
<b>Supplemental disclosures</b>			
Cash paid for interest:			
Interest	2,519	5,093	8,483
Income taxes	61,780	75,205	65,673

# 11-Year Financial Summary

	FY2013	FY2014	FY2015	FY2016	FY2017*2	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
(Millions of yen)											
Revenue											
Japan	1,025,256	1,006,533	983,703	962,711	1,006,512	1,006,536	1,004,076	927,910	991,885	1,026,295	1,049,550
Overseas	1,392,839	1,456,854	1,476,680	1,359,452	1,426,853	1,424,953	1,311,065	1,264,609	1,533,888	1,832,746	1,911,366
Total	2,418,095	2,463,387	2,460,383	2,322,163	2,433,365	2,431,489	2,315,141	2,192,519	2,525,773	2,859,041	2,960,916
Operating income	128,461	164,415	180,626	172,281	123,329	209,827	186,570	165,473	229,702	273,079	276,725
Interest and dividend income	6,219	5,858	6,206	5,404	6,262	4,787	5,183	3,884	4,646	7,670	12,226
Interest expense	(4,183)	(4,569)	(4,376)	(4,795)	(4,570)	(3,314)	(2,316)	(2,578)	(2,316)	(5,006)	(8,483)
Income before income taxes	144,740	188,966	182,242	194,775	197,807	212,762	173,071	235,870	260,446	282,224	317,288
Net income attributable to FUJIFILM Holdings	71,558	110,940	116,402	131,506	140,694	138,106	124,987	181,205	211,180	219,422	243,509
Capital expenditures*1	67,004	56,127	74,143	71,805	67,483	75,372	85,692	100,883	155,230	288,306	422,073
Depreciation*1	90,950	65,294	65,831	58,870	66,526	70,868	68,619	69,152	74,583	78,253	84,386
R&D expenses	165,245	160,281	163,027	160,232	167,940	156,132	157,880	152,150	150,527	154,147	157,108
C/F from operating activities	296,589	267,778	223,479	288,619	261,152	249,343	255,667	420,861	323,934	210,452	407,941
C/F from investing activities	(129,535)	(124,555)	(157,320)	(116,439)	(111,786)	(208,585)	(244,850)	(279,381)	(153,542)	(323,225)	(527,416)
Free cash flow	167,054	143,223	66,159	172,180	149,366	40,758	10,817	141,480	170,392	(112,773)	(119,475)
Cash dividends paid	24,097	28,929	29,737	30,845	32,526	33,403	38,432	39,979	44,086	52,142	60,201
Purchases of stock for treasury	23	62	150,050	50,022	50,024	100,018	51,624	20	32	20	31
<b>Financial condition (Millions of yen)</b>											
Total assets	3,191,847	3,501,950	3,311,970	3,533,189	3,492,940	3,414,692	3,321,692	3,549,203	3,955,280	4,134,311	4,783,460
Long-term/Short-term debt	359,699	349,689	365,693	558,842	454,178	524,112	624,169	503,080	447,196	376,153	502,819
FUJIFILM Holdings shareholders' equity	1,990,986	2,195,539	2,014,826	2,043,559	2,079,134	2,036,963	1,953,252	2,204,566	2,502,657	2,763,145	3,169,247

\*1 The figures do not include amounts for rental equipment handled by the Business Innovation segment and other segments.

\*2 Changes in classification for the presentation of net periodic pension cost and net periodic post-retirement benefit cost are applied retroactively in fiscal 2017 in accordance with changes in U.S. generally accepted accounting principles (US GAAP).

## ► 11-Year Financial Summary

		FY2013	FY2014	FY2015	FY2016	FY2017	Y2018	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Per share data (Yen)*<sup>3</sup></b>												
Net income attributable to FUJIFILM Holdings per share* <sup>4</sup>		49.50	76.71	83.34	98.76	107.54	108.94	102.06	151.09	175.78	182.40	202.29
FUJIFILM Holdings shareholders' equity per share* <sup>5</sup>		1,376.97	1,517.64	1,490.82	1,556.09	1,610.87	1,658.96	1,628.89	1,838.05	2,081.43	2,296.32	2,632.12
Cash dividend per share* <sup>6</sup>		16.67	20.00	21.67	23.33	25.00	26.67	31.67	33.33	36.67	43.33	50.00
<b>Price ratios/Profitability ratios</b>												
Ratio of operating income to revenue	(%)	5.3	6.7	7.3	7.4	5.1	8.6	8.1	7.5	9.1	9.6	9.3
Ratio of R&D expenses to revenue	(%)	6.8	6.5	6.6	6.9	6.9	6.4	6.8	6.9	6.0	5.4	5.3
Shareholders' equity ratio	(%)	62.4	62.7	60.8	57.8	59.5	59.7	58.8	62.1	63.3	66.8	66.3
Return on equity (ROE)	(%)	3.7	5.3	5.5	6.5	6.8	6.7	6.3	8.7	9.0	8.3	8.2
ROIC	(%)	—	—	—	—	—	—	—	4.3	5.6	6.1	5.6
D/E ratio	(Times)	0.18	0.16	0.18	0.27	0.22	0.26	0.32	0.23	0.18	0.14	0.16
Dividend payout ratio	(%)	33.7	26.1	26.0	23.6	23.2	24.5	31.0	22.1	20.9	23.8	24.7
Total return ratio	(%)	33.7	26.1	154.5	61.5	58.7	96.6	72.1	22.1	20.9	23.8	24.7
Stock price at year-end	(Yen)	2,771	4,277	4,451	4,348	4,245	5,034	5,439	6,571	7,502	6,698	3,370
Price-to-book value ratio (PBR)* <sup>7</sup>	(Times)	0.67	0.94	1.00	0.93	0.88	1.01	1.11	1.19	1.20	0.97	1.28
Price-to-earnings ratio (PER)* <sup>7</sup>	(Times)	18.66	18.58	17.80	14.67	13.16	15.40	17.80	14.50	14.23	12.24	16.66

\*3 The Company implemented a 3-for-1 stock split of its common stock on April 1, 2024. As a result, the per-share amounts reflect the post-split value.

\*4 Net income attributable to FUJIFILM Holdings per share is calculated based on the weighted average number of shares of common stock (excluding treasury stock) outstanding for the year.

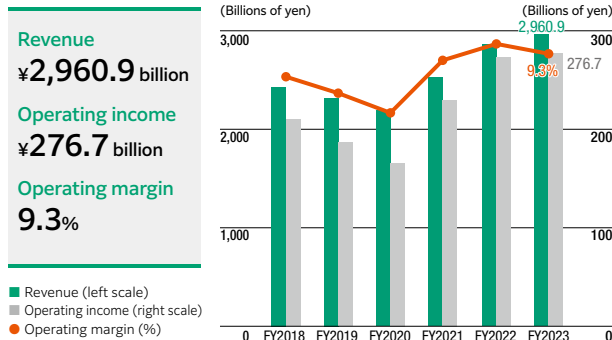
\*5 FUJIFILM Holdings shareholders' equity per share is calculated based on the number of shares (excluding treasury stock) outstanding at the end of each period.

\*6 Cash dividend per share represents the amount declared per share for each period.

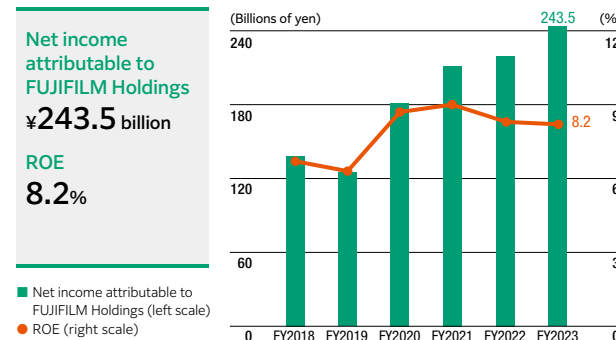
\*7 The price-to-book value ratio (PBR) and price-to-earnings ratio (PER) are calculated based on the stock price as of the end of each fiscal year.



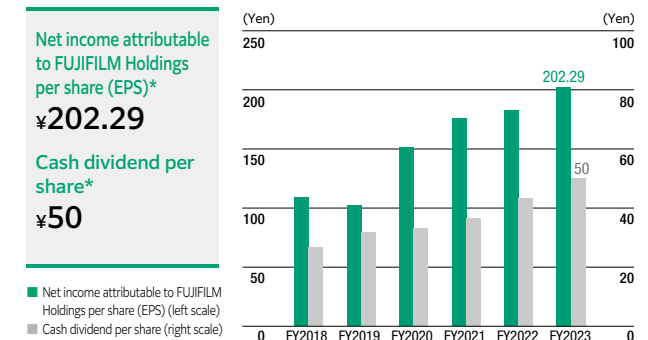
# Financial Highlights



In fiscal 2023, we posted revenue of ¥2,960.9 billion (up 3.6% year on year) and operating income of ¥276.7 billion (up 1.3% year on year), which were both record highs. We achieved increases in revenue and operating income due to strong sales in Medical Systems and Imaging as well as the impact of foreign exchange rates.

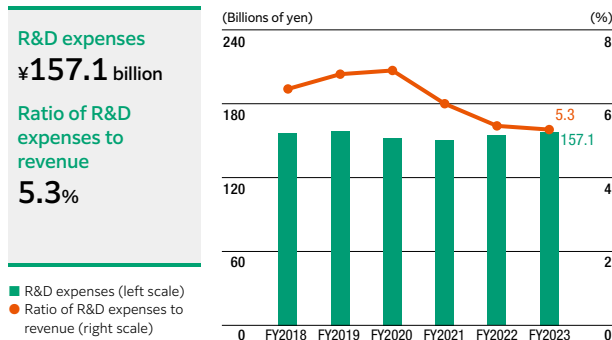


In fiscal 2023, net income attributable to FUJIFILM Holdings was a record ¥243.5 billion (up 11% year on year), thanks to the contribution of the record-high operating income.

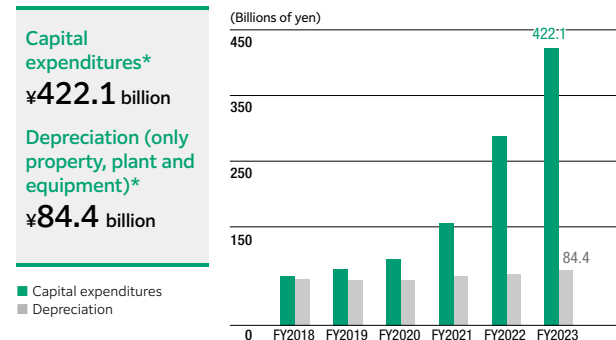


In fiscal 2023, net income attributable to FUJIFILM Holdings per share totaled ¥202.29 (up ¥19.89 year on year). Cash dividend per share increased for the 14th consecutive year to ¥50, which includes the 90th anniversary commemorative dividend of ¥3.3, with a dividend payout ratio of 24.7%. The Company has a policy of shareholder returns that emphasizes cash dividends, targeting a dividend payout ratio of 30%.

\* The Company conducted a three-for-one stock split of its common shares with an effective date of April 1, 2024. The results prior to this date have been converted to reflect the stock split.

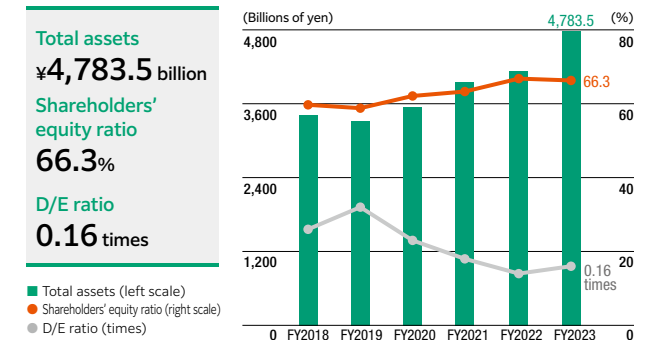


The Fujifilm Group does business in a variety of fields. It advances research and development in priority business areas through product design integrating a wide range of fundamental and core technologies, while at the same time generating new businesses for the future.



We are making aggressive capital investments to ensure that we capture the robust demand in the biopharmaceuticals and semiconductor markets. In fiscal 2023, a total of ¥422.1 billion in capital expenditures was made.

\* The figures do not include amounts for rental equipment handled by the Business Innovation segment, etc.



In fiscal 2023, total assets were ¥4,783.5 billion (up 15.7% year on year), mainly reflecting increases in property, plant and equipment. The shareholders' equity ratio was 66.3% (down 0.5 percentage point year on year), maintaining a stable capital structure.

# Non-Financial Data for the Past 5 Years

Please refer to our Sustainability Report 2024 for details.

► <https://holdings.fujifilm.com/en/sustainability/report>

★ are items that have received third-party guarantees.

	Units	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Environment (E)</b> Note: Data for the overall Group						
Amount of GHG emissions throughout the entire product life cycle* <sup>1</sup>	kt-CO <sub>2</sub>	4,498	3,663	4,216	4,083	* <sup>1</sup> 7,424
Total direct GHG emissions (Scope 1)	kt-CO <sub>2</sub>	633	603	633	580	* 534
Total indirect GHG emissions (Scope 2) market-based	kt-CO <sub>2</sub>	451	409	420	400	* 390
Total GHG emissions (Scope 3)	kt-CO <sub>2</sub>	—	—	3,473	4,085	7,926
Energy consumption	TJ	23,014	21,601	22,531	20,875	18,447
Renewable energy-derived power consumption	MW/h	94,658	94,038	108,290	119,606	101,211
Atmospheric emissions (NOx)	t/year	325	268	269	302	252
Atmospheric emissions (SOx)	t/year	11	15	15	18	15
Volatile organic compounds emissions (VOC)	t	735	675	754	645	557
Total water withdrawal	Million m <sup>3</sup>	42.7	41.3	43.3	41.9	* 41.8
Water withdrawal intensity	kt/100 million yen	1.84	1.92	1.67	1.46	1.41
Total waste generated volume* <sup>2</sup>	kt	96.0	88.7	92.5	109.3	* 100.7
Total waste used, recycled or sold	kt	72.4	66.7	72.4	91.7	79.3
Recycling index* <sup>3</sup>		6.8	6.8	7.8	7.7	5.4
Valuables conversion index* <sup>4</sup>		0.64	0.59	0.61	0.49	0.46

\*<sup>1</sup> From FY2023, Scope 3 Category 1 emissions are calculated not only for raw materials and parts used in existing products but also for emissions derived from contract manufacturing products purchased by the Company, packaging materials, services purchased and products purchased for the purpose of sales. As a result, emissions increased from the previous fiscal year.

\*<sup>2</sup> Processed by external service providers and simple incineration or landfill disposal on Fujifilm sites

\*<sup>3</sup> Recycling index = (Recycled volume + Valuable-converted volume) / Simple disposal volume

\*<sup>4</sup> Valuable conversion index = Valuable-converted volume / Recycled volume. Valuable-converted waste is the volume of valuable resources sold to a third party.

\*<sup>5</sup> The average annual salary includes bonuses and extra wages. The figures are on a non-consolidated basis of FUJIFILM Holdings only.

\*<sup>6</sup> Number of employees who began a leave period during the relevant fiscal year (from April to the following March)

\*<sup>7</sup> Under the "accumulated paid leave (nursing care for family members)," "nursing care for family members (half or full day)" and "one-day nursing care leave" programs

\*<sup>8</sup> Retention rate three years after returning to work =  $\frac{\text{Number of regular employees who have been retained until the end of the fiscal year among those who have returned to work from a leave of absence in the fiscal year before last}}{\text{Number of employees returning to work from a leave of absence in the fiscal year before last}}$

\*<sup>9</sup> Under the "accumulated paid leave (child healthcare)," "child healthcare (half or full day)" and "child nursing care leave" programs As a program equivalent to childcare leave, special leave (of five days at most) is granted in addition to the above when an employee's spouse gives birth to a child, and the number of employees who used this program is shown.

\*<sup>10</sup> Volunteer work leave shows the number of employees who took "accumulated paid leave (volunteer activity)" and the number of days spent for such activities.

\*<sup>11</sup> Turnover rate = (Attrition + Voluntary) / Number of regular employees at FUJIFILM Corporation on March 31 of the previous fiscal year (Not counting compulsory retiree or retiree through the early retirement program)

\*<sup>12</sup> Turnover rate = (Attrition + Voluntary) / Number of regular employees at FUJIFILM Corporation on March 31 of the previous fiscal year + Number of retirees (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)

\*<sup>13</sup> Turnover rate = (Attrition + Voluntary) / Number of regular employees at FUJIFILM Business Innovation Corp. on March 31 of the previous fiscal year + Number of retirees (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)

\*<sup>14</sup> Turnover rate = Voluntary resignations / Number of regular employees at Fujifilm on March 31 of the fiscal year + Number of retirees (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)

\*<sup>15</sup> Turnover rate = Voluntary resignations / Number of regular employees at FUJIFILM Business Innovation on March 31 of the fiscal year + Number of retirees (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)

\*<sup>16</sup> Total Recordable Incident Rate (TRIR): Number of injuries per million working hours (accidents not associated with lost work time + accidents involving lost time and deaths)

\*<sup>17</sup> For FY2021, the reported figure is the total spending for the programs rolled out by FUJIFILM Holdings and for the programs led by our lines of business. For FY2020 and before, we reported the spending for the programs rolled out by FUJIFILM Holdings only.

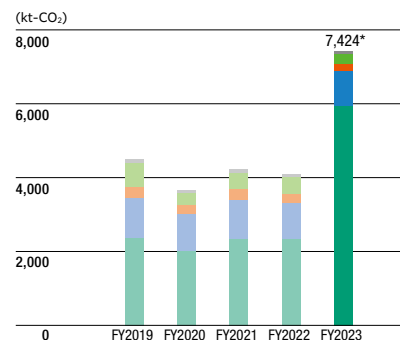
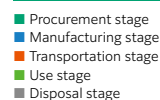
\*<sup>18</sup> On May 1, 2021, the absorption-type split of the domestic sales functions of the former Fuji Xerox Co., Ltd. was completed and the functions were integrated into FUJIFILM Business Innovation Japan Corp.

	Units	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Social (S)</b>						
Number of employees	Persons	73,906	73,275	75,474	73,878	* 72,254
Percentage of female employees	%	27.8	28.5	30.0	30.0	* 30.5
Percentage of non-Japanese employees in key position	%	26.0	27.1	27.7	27.8	* 28.6
Percentage of women in managerial positions	%	14.5	15.4	16.1	16.5	* 17.1
Average annual salary* <sup>5</sup>	Yen	10,028,486	9,701,348	10,170,102	10,326,556	10,742,168
Wage differences between men and women in regular employment						
FUJIFILM	%	—	—	—	101.1 (managerial position) 79.6 (regular)	*98.3 (managerial position) * 79.6 (regular)
FUJIFILM Business Innovation Corp.	%	—	—	—	98.8 (managerial position) 82.1 (regular)	*98.1 (managerial position) *85.3 (regular)
Percentage of employment of persons with disabilities	%	2.42	2.48	2.47	2.45	* 2.52
Number of employees taking nursing care leave* <sup>6</sup>						
FUJIFILM	Persons	38 (male 24, female 14)	28 (male 18, female 10)	30 (male 24, female 6)	42 (male 30, female 12)	33 (male 25, female 8)
FUJIFILM Business Innovation Corp.* <sup>7</sup>	Persons	98 (male 82, female 16)	70 (male 55, female 15)	* <sup>18</sup> 59 (male 47, female 12)	59 (male 52, female 7)	64 (male 53, female 11)
Retention rate three years after returning to work from nursing care leave* <sup>8</sup>						
FUJIFILM	%	—	100 (4/4)	100 (2/2)	100 (1/1)	* 100 (1/1)
FUJIFILM Business Innovation Corp.	%	—	20.0 (1/5)	100 (5/5)	100 (1/1)	* 50 (1/2)
Number of employees taking childcare leave* <sup>6</sup>						
FUJIFILM	Persons	24 (male 18, female 6)	21 (male 16, female 5)	73 (male 48, female 25)	52 (male 35, female 17)	46 (male 41, female 5)
FUJIFILM Business Innovation Corp.* <sup>9</sup>	Persons	503 (male 332, female 171)	396 (male 244, female 152)	* <sup>18</sup> 298 (male 202, female 96)	272 (male 241, female 31)	266 (male 194, female 72)
Retention rate three years after returning to work from childcare leave* <sup>8</sup>						
FUJIFILM	%	—	90.5 (38/42)	95.1 (39/41)	89.4 (42/47)	* 83.7 (41/49)
FUJIFILM Business Innovation Corp.	%	—	91.3 (73/80)	86.0 (92/107)	70.3 (78/111)	* 97.1 (68/70)
Male workers taking childcare leave						
FUJIFILM	%	—	—	—	52.0	* 66.7
FUJIFILM Business Innovation Corp.	%	—	—	—	82.2	* 83.5
Number of employees taking volunteer work leave* <sup>6</sup>						
FUJIFILM	Persons	1 (male 1, female 0)	0 (male 0, female 0)	2 (male 1, female 1)	0 (male 0, female 0)	0 (male 0, female 0)
FUJIFILM Business Innovation Corp.* <sup>10</sup>	Persons	21 (male 12, female 9)	2 (male 1, female 1)	2 (male 1, female 1)	0 (male 0, female 0)	1 (male 1, female 0)
Turnover rate						
FUJIFILM	%	* <sup>11</sup> 1.22	* <sup>12</sup> 1.42	* <sup>12</sup> 1.72	* <sup>14</sup> 1.81	* * <sup>15</sup> 1.8
FUJIFILM Business Innovation Corp.	%	—	* <sup>13</sup> 3.49	* <sup>13,18</sup> 3.55	* <sup>15</sup> 4.89	* * <sup>15</sup> 1.9
TRIR* <sup>16</sup>		2.10	2.34	2.07	2.70	2.24
Training expenses	Yen	—	Approx. 550 million	Approx. 1.7 billion	Approx. 3.1 billion	*Approx. 4.2 billion
Training expenses per employee* <sup>17</sup>	Yen	—	7,552	Approx. 20,000	Approx. 37,000	*Approx. 52,000

# Non-Financial Highlights

## Greenhouse gas (GHG) emissions in the entire product life cycle

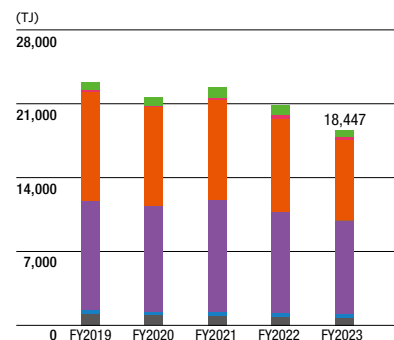
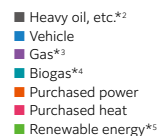
7,424 kt-CO<sub>2</sub>



\* As part of our efforts to achieve the GHG emission reduction targets set as our goal for fiscal 2030, starting from fiscal 2023, Scope 3 Category 1 emissions are calculated not only for raw materials and parts used in existing products but also for emissions derived from contract manufacturing products purchased by the Company, packaging materials, services purchased and products purchased for the purpose of sales. As a result, emissions increased from the previous fiscal year. We are also contributing to the reduction of GHG emissions in society through the provision of our products and services.

## Energy consumption\*1

18,447 TJ



In addition to examining measures to maximize energy use efficiency and reduce CO<sub>2</sub> emissions in energy procurement across the Group, we are proactively developing these measures within the Group. Our target is to switch to renewable energy at a rate of 50% of purchased electricity by fiscal 2030, and 100% by 2040, achieving zero CO<sub>2</sub> emissions from all the energy that we use.

\*1 The total might not match the sum of the indicated figures.

\*2 Total of heavy oil A, heavy oil C, kerosene, light oil and gasoline

\*3 Total of natural gas, liquefied natural gas (LNG), city gas, butane and liquefied petroleum gas (LPG)

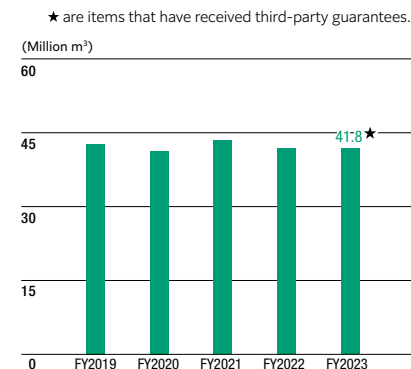
\*4 Landfill methane gas

\*5 Total of electricity generated by in-house power generators and purchased electricity

## Total Group water withdrawal

41.8 million m<sup>3</sup>

■ Total Group water withdrawal



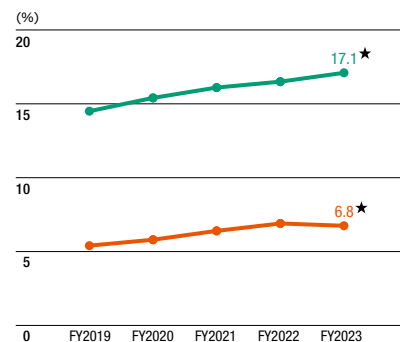
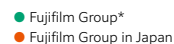
We have been using a large amount of clean water for the manufacturing of photographic films. Therefore, we have been taking actions to reduce the water withdrawal amount and to utilize recycled water since our early days. Our goal is to reduce the Group's water usage by 30%\* by fiscal 2030. In Kumamoto Prefecture, where Fujifilm operates a factory, we have been making efforts to protect water sources for many years. For example, we have been working with local residents to plant trees and maintain forests protecting the catchment function of the watershed in the upper reaches of the Shirakawa River.

\* Compared with fiscal 2013

## Percentage of women in managerial positions

Fujifilm Group\*  
17.1%

Fujifilm Group in Japan  
6.8%

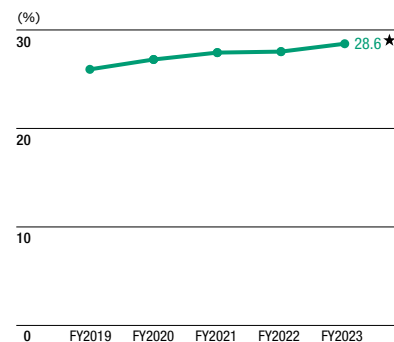


In the Sustainable Value Plan 2030, the creation of frameworks and workplaces in which diverse employees can play active roles is a priority issue. To promote the success of women, we have set a goal of increasing the percentage of women in managerial positions in the Fujifilm Group to 25% by the end of fiscal 2030. Fujifilm and FUJIFILM Business Innovation have each formulated and announced a five-year action plan for promoting the success of women covering the period from April 2021 to March 2026 based on the Act on the Promotion of Women's Active Engagement in Professional Life.

\* Executive and management positions are based on the definitions used by each Group company

## Percentage of non-Japanese employees\*1 in key positions\*2

28.6%



To promote talented non-Japanese employees, we have set the goal of increasing the percentage of non-Japanese employees in key positions to 35% by fiscal 2030. We appoint the right people to be the leaders of our businesses in each market, regardless of their nationality.

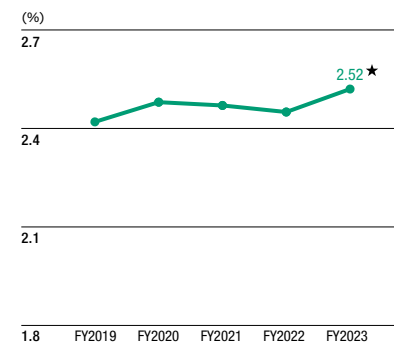
\*1 Employees who do not have Japanese citizenship

\*2 Key positions: The positions of the presidents of major subsidiaries, general managers of departments in charge of key businesses and the like are defined as key positions. Looking at the overall Group from a global perspective, to accelerate the growth of the global business, we have reorganized our structure by adding functions that will become increasingly important as well as adding key positions in the head office, clarifying them as key positions within the Group.

## Percentage of employees with disabilities\*

Fujifilm Group in Japan  
2.52%

■ Fujifilm Group in Japan



In Japan, the Fujifilm Group has continued to achieve a percentage of employees with disabilities above the statutory level since fiscal 2016. We aim to maintain a percentage that is higher than the statutory level. We created operations that people with disabilities can skillfully accomplish by involving an external specialized institution (Local Vocational Centers for Persons with Disabilities), and helped those people become engaged in their jobs by working together with supporting organizations. We also continued to create workplaces where people with intellectual or mental disabilities can play active roles.

\* Starting in fiscal 2018, we disclose the rate achieved by FUJIFILM Holdings Group companies to which the special calculation rules for corporate groups apply.

# Appraisals and Awards

## Credit ratings (As of July 5, 2024)

Credit rating agency	Credit rating
Moody's	Long-term rating
	A2 stable
Standard & Poor's	Long-term rating
	A+ stable
Rating and Investment Information (R&I)	Short-term rating
	A-1
Rating and Investment Information (R&I)	Long-term rating
	AA stable
Rating and Investment Information (R&I)	Short-term rating
	a-1+

Note: "—" indicates no credit rating available.

## Adoption of socially responsible investment (SRI)



FTSE4Good Global Index



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index (WIN)



S&P/JPX Carbon Efficient Index

2024 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI NIKONKABU  
ESG SELECT LEADERS INDEX

MSCI Nihonkabu ESG Select Leaders Index



CDP Climate Change A List



CDP Supplier Engagement Leader



JPX Prime 150 Index



JPX Nikkei Index 400



SX Brand 2024



Digital Transformation Certification



Noteworthy DX Companies 2024



2024 Health and Productivity Stock



Health and Productivity Management Outstanding Organization 2024



Sompo Sustainability Index



iSTOXX MUTB Japan Platinum Career 150 index



Five Stars, seventh Nikkei Smart Work Survey 2024



Nikkei SDGs Management Survey 2023



SPORTS YELL COMPANY 2024

Please refer to our website for an explanation of each recognition.  
▶ <https://holdings.fujifilm.com/en/sustainability/evaluation>



# Corporate Overview

## Corporate overview (As of March 31, 2024)

Company name:	FUJIFILM Holdings Corporation
Head office:	7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan
Date of establishment:	January 20, 1934
Capital:	¥40,363 million
Consolidated number of employees:	72,254
Number of consolidated subsidiaries:	272
Inquiries about IR:	Corporate Communications Division, FUJIFILM Holdings Corporation 7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan TEL: +81-3-6271-1111 (Reception)
Website:	<a href="https://holdings.fujifilm.com/en">https://holdings.fujifilm.com/en</a>

## Stock information (As of March 31, 2024)

### ● Stock exchange listing

Tokyo

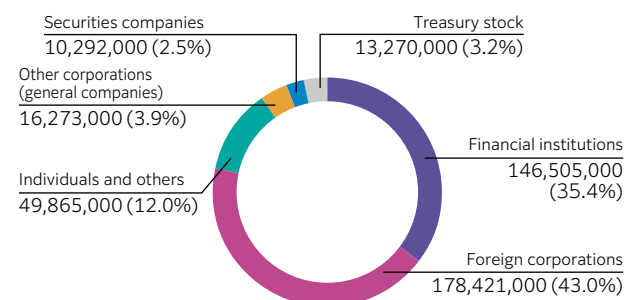
### ● Share registrar

Sumitomo Mitsui Trust Bank, Limited  
4-1, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo 100-8233, Japan

### ● Distribution of shareholders and shares

Number of shareholders	126,825
Number of shares outstanding	414,625,728

Notes: 1. The Company implemented a 3-for-1 stock split of its common stock on April 1, 2024. As a result, the total number of issued shares is 1,243,877,184 shares.  
2. In connection with the above stock split, the total number of authorized shares by the Company stipulated in Article 6 of the Articles of Incorporation was changed to 2,400,000,000 shares as of April 1, 2024, in accordance with Article 184, Paragraph 2 of the Companies Act.

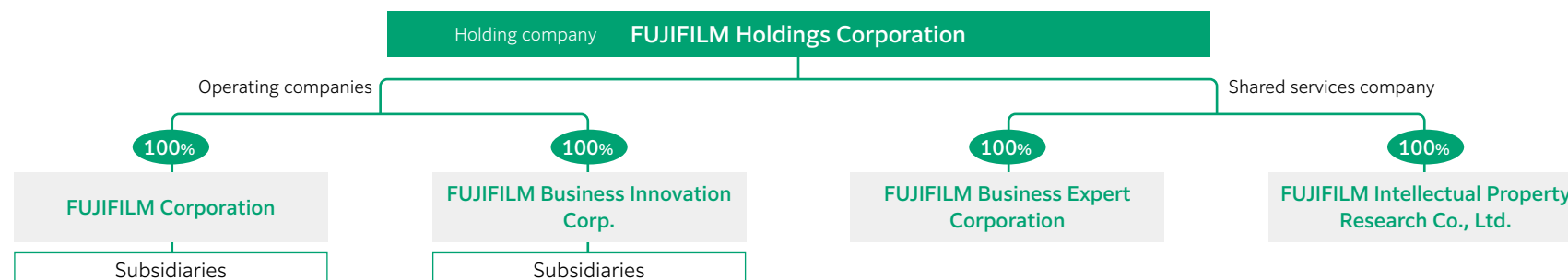


### ● Major shareholders

Name	Percentages of issued shares
The Master Trust Bank of Japan, Ltd. (Trust account)	18.1%
Custody Bank of Japan, Ltd. (Trust account)	6.8%
Nippon Life Insurance Company	3.5%
STATE STREET BANK WEST CLIENT - TREATY 505234	1.9%
SSBTC CLIENT OMNIBUS ACCOUNT	1.8%
GOVERNMENT OF NORWAY	1.4%
Mitsui Sumitomo Insurance Company, Limited	1.3%
JP MORGAN CHASE BANK 385781	1.2%
THE BANK OF NEW YORK MELLON 140044	1.1%
Daicel Corporation	1.1%

Notes: 1. The Company holds 13,269,764 shares of treasury stock, which is excluded from the above major shareholders.  
2. The shareholding ratio is calculated by deducting the number of treasury shares from the total number of issued shares (401,355,964 shares).  
3. The numbers of shares and the shareholding ratio are rounded off to the nearest whole number of the units being used.

## Fujifilm Group organization overview (As of September 29, 2024)



Please refer to our website for more details about each consolidated subsidiary. ▶ <https://holdings.fujifilm.com/en/about/group>

## Independent Assurance

To improve the objectiveness and accuracy of the information disclosed through the Integrated Report 2024, FUJIFILM Holdings Corporation has obtained SGS Japan Inc.'s independent assurance of the following reported information.

### Information subject to independent assurance

#### Environmental Data

- Scope 1 including CFCs (pp.112 and 113)
- Scope 2 (pp.112 and 113)
- Scope 3 Categories 1 and 11 (p.112)
- Water withdrawal (pp.28, 112 and 113)
- Waste generated (p.112)

#### Social Data

- Regular employees: Employee structure (pp.28, 112 and 115)
- Percentage of non-Japanese employees in key positions (pp.112 and 113)
- Percentage of women in managerial positions (pp.112 and 113)
- Percentage of employees with disabilities (pp.112 and 113)
- Retention rate after returning to work from childcare/nursing care leave (p.112)

Please refer to the Independent Assurance Report for FUJIFILM Holdings Corporation's Sustainability Report 2024.

<https://holdings.fujifilm.com/en/sustainability/evaluation>

For details on items verified (including scope of verification, performance and supplementary explanations of definitions), please refer to the relevant sections of the Sustainability Report 2024.

<https://holdings.fujifilm.com/en/sustainability/report/2024>

## Assurance by the Officer in Charge



### Publication of Integrated Report 2024

#### Chisato Yoshizawa

Director and Corporate Vice President  
General Manager of Corporate Communications Division and ESG Division  
FUJIFILM Holdings Corporation

To commemorate the 90th anniversary of our founding in January 2024, we formulated our Group Purpose, "Giving our world more smiles." All employees involved in our businesses will embrace this Purpose as their new banner and, with aspiration, foster the sustainable development of society through their business activities.

We believe that publishing the Integrated Report provides an important opportunity to convey our medium- to long-term value creation efforts to stakeholders, including shareholders and other investors, and this facilitates mutual communication. We take the feedback we receive on each issue seriously and continue to reflect it in our efforts to enhance the content of the report.

When producing this report, we repeatedly asked ourselves the question, "What kind of impact can the Fujifilm Group, which continues to create value through innovation, have on society?" At the beginning of this report, the CEO and CFO discuss their commitment and strategies included in the new medium-term management plan, VISION2030, which serves as a concrete action plan toward realizing the long-term CSR plan, Sustainable Value Plan 2030 (SVP2030). This is followed by details of our medium- and long-term risk and opportunity management approach and our roadmap to SVP2030, where we also touch on the sources of our value.

In the latter half of the report, we focus on specific business strategies, particularly highlighting the Bio CDMO business, which garners significant interest from shareholders and other investors. We then introduce the governance structure, which includes non-financial capital and risk management information, that supports our business activities.

As General Manager of the Corporate Communications Division who is responsible for overseeing production of the Integrated Report, I wish to clearly state that this report was created through a legitimate process and its contents are accurate. I hope this report helps all stakeholders, including shareholders and other investors, gain a deeper understanding of our efforts to create value. We would also appreciate your candid feedback moving forward.



## **FUJIFILM Holdings Corporation**

Corporate Communications Division

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Tokyo 107-0052, Japan

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<https://holdings.fujifilm.com/en>

Published: November 2024

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### General Disclaimer

The information contained in this integrated report concerning business performance and results forecasts, excluding statements of objective fact, are based on management's views that have been made in accordance with information available at the time of issue. These forward-looking statements involve risks and uncertainties. Actual results might differ materially from those discussed in these forward-looking statements due to a variety of factors, including trends in economic conditions and markets in which the Company operates as well as fluctuations in foreign currency exchange rates. The contents of amendments to earnings releases for prior fiscal years, which were announced in 2017, have been retroactively adjusted for fiscal 2013 to fiscal 2015. Unless otherwise specified in this integrated report, the information herein is as of March 31, 2024.