

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.

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

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.

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

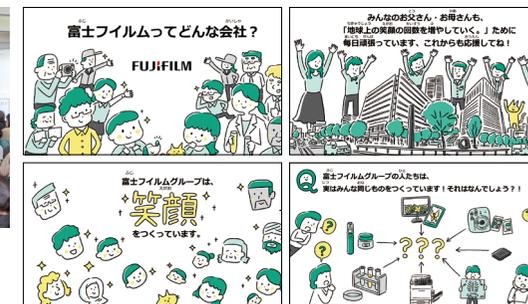
Discussion and exchange of ideas on symbolic actions to give our world more smiles based on each person's aspirations



● “Family Day” events for employees' families



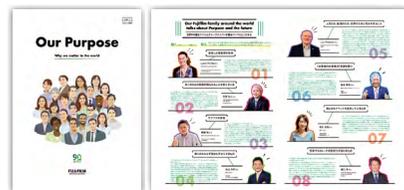
Explanation of the Fujifilm Group's future vision using a “Purpose picture-story show” (right)



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		FY2023 Original Plan (As of April 15, 2021)
					Actual	vs. Original Plan	
Profitability	Revenue	2,192.5	2,525.8	2,859.0	Record High 2,960.9	9.7%	2,700.0
		100%	100%	100%	100%		100%
	Operating income	165.5	229.7	273.1	Record High 276.7	6.4%	260.0
		7.5%	9.1%	9.6%	9.3%	-0.3pt	9.6%
	Income before income taxes	235.9	260.4	282.2	Record High 317.3	58.6%	200.0
	10.8%	10.3%	9.9%	10.7%		7.4%	
	Net income attributable to FUJIFILM Holdings	181.2	211.2	219.4	Record High 243.5	21.8%	200.0
		8.3%	8.4%	7.7%	8.2%		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.

● Targets for VISION2030

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

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

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.

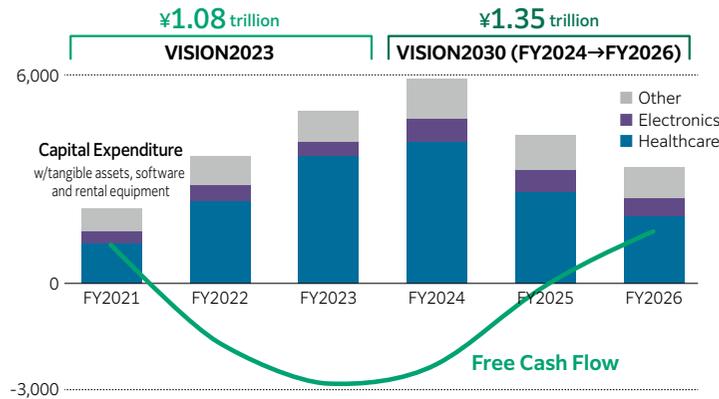
The Graphic Communications business has experienced a decline in profitability due to the continued decrease in demand for its mainstay printing plates (CTP plates), driven by structural market factors, while market conditions and the rising costs of key raw materials have further impacted profitability. 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.

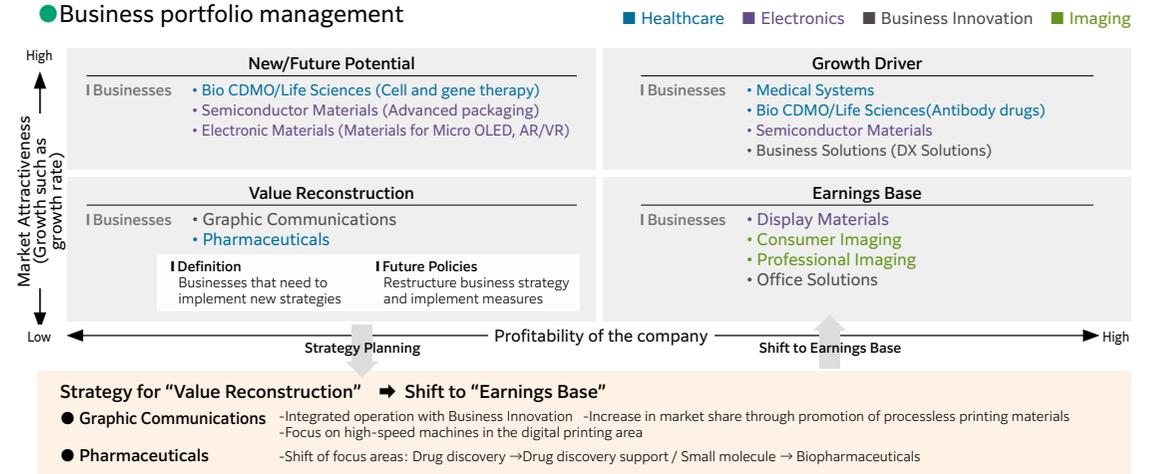
* To expand its business in Asian markets and strengthen its vaccine production capabilities in Japan, FUJIFILM Toyama Chemical decided to establish its first domestic biopharmaceutical CDMO facility, in Toyama City, Toyama Prefecture. The facility will be equipped with dual-use capabilities, enabling 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		FY2026 Target	CAGR (FY2023→FY2026)	FY2030 Direction
			(As of August 7, 2024)	Change from FY2023			
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% ^s
	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.

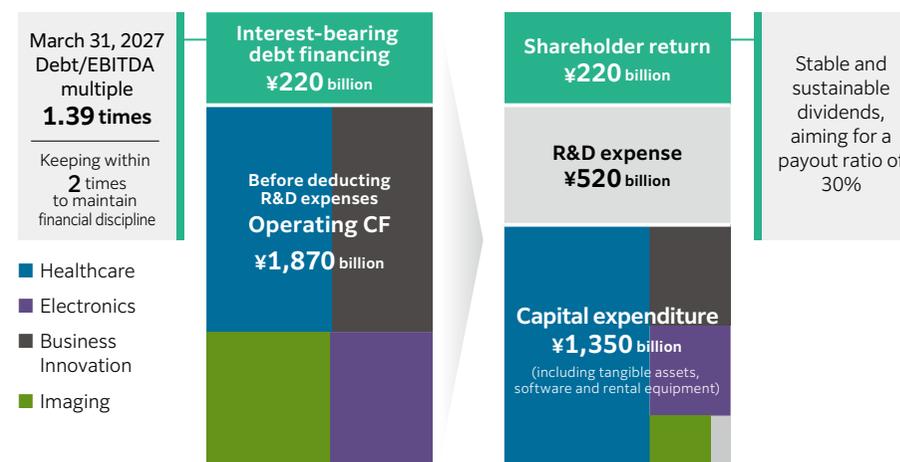
During the previous medium-term management plan period, our instax instant photo system and digital camera businesses experienced significant growth, becoming key pillars of profitability. To maintain our strong performance, our strategy for instax is to continuously launch attractive and unique products 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

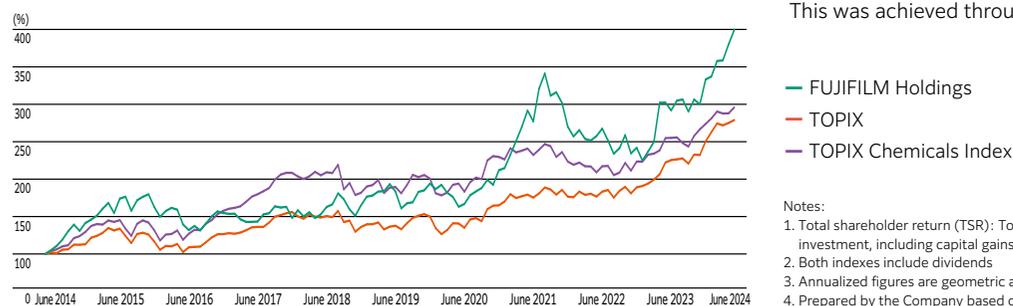


(sum of R&D expenses and capital expenditures), surpassing the VISION2023 figure. Of this amount, we will invest ¥1.6 trillion in “New/Future Potential” and “Growth Driver” businesses. In fiscal 2024, we will also leverage interest-bearing debt to make growth investments, mainly in Healthcare and Electronics, 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.