Chapter 01

The Fujifilm Group's Value Creation

CONTENTS

Message from the CEO

The source of our execution capability is our “burning desire.” We will continue embracing the challenge of business transformation by firmly planting the seeds for “Creating the future of the Fujifilm Group.”

Teiichi Goto
President and CEO,
Representative Director
FUJIFILM Holdings Corporation

By increasing our speed and agility, we achieved the targets of VISION2023 one year ahead of schedule. The ability of our frontline staff to deliver results has become our corporate strength.

Fiscal 2022 in Review

In the year under review, the global economy remained unstable and uncertain due to geopolitical risks, continued inflation and other factors. The Fujifilm Group also faced a challenging business environment, as it did in the previous fiscal year, affected by soaring resource and energy prices and tight supply–demand conditions for semiconductors and other materials. Despite the challenges, however, we posted record-high figures for both revenue and operating income. Moreover, we achieved the revenue and income targets of our medium-term management plan, VISION2023, one year ahead of schedule.

I attribute these results to the persistent efforts of each and every Fujifilm Group employee to resolve issues. Fiscal 2022 was a year in which we gained ground as a company that can deliver results by turning risks into opportunities and taking prompt and appropriate preemptive action. In 2000s, the rapid shrinkage of the photographic film market caused the Group to lose its core business and prompted it to change its business structure. This experience gave us "speed" and "agility," which will greatly help us enhance our corporate value in the future. As we transformed our business structure, we also strengthened our STPD (See-Think-Plan-Do) business cycle, which begins with the collection and analysis of information (See), followed by the identification of essential issues (Think), the formulation of action plans (Plan) and the resolute implementation of those plans (Do). By deploying DX, AI and other technologies to accelerate this cycle, we can break away from "industry paradigms" that are rooted in the subconscious of individuals and the "inertia" that tends to occur in large organizations. I believe that this sense of speed will help us achieve "swift differentiation," which is the most effective way to gain a competitive advantage.

Starting in my 30s, I spent 17 years in Vietnam, Singapore and China. During that time, I gained a wide range of business experience, which has been the foundation of my career since then. One of the most memorable experiences was when I was assigned to Vietnam, where I established an office by myself and even built a processing plant for photographic film and photographic paper. While stationed in Singapore, I was responsible for sales and marketing of all Fujifilm businesses at the time, including photography, medical and printing-related businesses throughout Asia, including India, Bangladesh, Indonesia and Pakistan. In addition, I worked to

In front of the office I set up when I was posted to Vietnam

expand our medical business in China as the head of that business. All the challenges I have taken on have shaped me into the person I am today as I strengthened bonds with various people. At the time, however, strategies and plans formulated on the business front lines were difficult to understand correctly by people in the head office in Japan, which was a long distance away. This sometimes slowed the speed of our business activities. Since then, I have focused on evolving and developing our business by seeing with my own eyes, using my sense of smell and understanding the key aspects of our business based on the belief that "the truth lies in the field." As the COVID-19 pandemic has subsided, I have been visiting offices and customers around the world to engage in meaningful discussions. Since July 2022, I have visited more than 30 business locations in 17 countries/regions. In the process, I have become more confident than ever in our strategy of leveraging the Healthcare and Advanced Materials segments to achieve growth of the Group. To lay the groundwork for sustainable growth, we have continued investing aggressively. In the three-year period of VISION2023, for example, we significantly increased the amount earmarked for capital investment, from ¥750 billion in the original plan to ¥1,121.4 billion.

In the Medical Systems business, we are actively working on areas where we can use DX to improve the quality of medical care. One example is the acquisition of the digital pathology division of Inspirata, Inc., a U.S. company that develops and sells software for digital pathology diagnoses. This marked our full-scale entry into the digital pathology business.

In the Life Sciences business (including the Bio CDMO business), we are expanding production capacity to meet strong demand for biopharmaceuticals, with plans to complete a large-scale facility at our Denmark site by the end of fiscal 2023. We will also introduce new large-scale facilities at our North Carolina site in fiscal 2025 and our Denmark site in fiscal 2026. In addition, we are constructing a new facility in Toyama Prefecture with the aim of starting operations at our first Japanese site.

In the Electronic Materials business, we are currently building a state-of-the-art facility for making CMP slurry in Kumamoto Prefecture, Japan. The aim in building the facility, the first of its kind in Japan for the Company, is to stably produce and supply high-quality materials under a global production system. Meanwhile, in May 2023 we announced our decision to acquire the semiconductor-use high-purity process chemicals business of U.S.-based Entegris, Inc. for US$700 million (about ¥95 billion). This is our largest acquisition deal since I became CEO in 2021. Our decisions to make these large investments were based on our conviction that the biopharmaceutical and semiconductor markets will grow faster in the medium to long term than we had assumed when we formulated VISION2023. These decisions were made after careful consideration of each market situation and after identifying winning opportunities to quickly address growing demand and bolster earnings at an early stage. These are the seeds that I planted for "Creating the future of the Fujifilm Group," my stated mission when I became CEO, which will lead to our next stage of growth.

I have focused on evolving and developing our business by seeing with my own eyes, using my sense of smell and understanding the key aspects of our business based on the belief that "the truth lies in the field."

Positioning of Fiscal 2023

Evolving into a "Profitable Company" in the Lead-up to Fiscal 2030

Fiscal 2023, the final year of VISION2023, is also an important year for formulating our next medium-term management plan aimed at achieving our long-term CSR plan, Sustainable Value Plan 2030 (SVP2030), ending in fiscal 2030. In fiscal 2030, we are targeting consolidated revenue of more than ¥3.5 trillion, of which the Healthcare business will account for ¥1.75 trillion, or roughly half. To achieve these long-term targets, the Fujifilm Group needs to further improve

the earning power of each of its businesses. To this end, I will focus on further enhancing the "earning power" of each business. Specifically, we will create high-value-added products and services and new business models and work to improve productivity, with the aim of becoming a "profitable company" that continues growing and providing value to society through its business. In fiscal 2023, the final year of VISION2023, we have raised our targets to record-high figures: revenue of ¥2,950 billion, operating income of ¥290 billion and net income attributable to FUJIFILM Holdings of ¥225 billion. By broadly applying the technological capabilities cultivated over the years to all its businesses, the Fujifilm Group will help resolve social issues from various angles. As a group, we are off to a good start in fiscal 2023 as each business continues introducing highly competitive and differentiated new products and services to the market.

In the Medical Systems business, we acquired the diagnostic imaging business of Hitachi, Ltd. in March 2021 and relaunched it as FUJIFILM Healthcare. Since then, we have taken various measures in rapid succession to maximize Group synergies. For example, we increased synergies on the sales side through the integration of local subsidiaries in the United States, Asia–Pacific and Europe, and on the product development side with the launch of CT and ultrasound diagnostic systems equipped with functions developed using Fujifilm's AI technology. In fiscal 2023 (third year after the acquisition) and fiscal 2024, we will reorganize Japanese Group companies involved in business strategy planning, R&D, and sales and maintenance services, which were previously dispersed among domestic Group companies. Our aim is to maximize synergies, accelerate business growth and further enhance the Group's comprehensive strengths.

Under the REiLI brand utilizing our unique image processing and AI technologies, we will further expand our business by developing and commercializing AI technology to support workflow in the medical field. Using AI technology, for example, we developed software that received Japan's first pharmaceutical approval as a medical device to support endoscopic diagnosis in the upper gastrointestinal tract area, which improves the efficiency of testing and the quality of medical care. We will continue creating innovations that help people maintain and improve their health.

Through these efforts, in the Medical Systems business we are targeting revenue of ¥1 trillion and an operating margin in the high 10% range in fiscal 2030. To this end, we must achieve our interim revenue target of ¥700 billion in fiscal 2026.

The Bio CDMO business posted year-on-year revenue growth in fiscal 2022. However, this business was impacted by increased costs due to higher-than-expected inflation, which led to a year-on-year decline in income and thus presents a challenge going forward. Our aim is to grow the Bio CDMO business into a pillar of our Healthcare business by fiscal 2030. To this end, we will first complete the expansion of API manufacturing facilities and the construction of a new formulation manufacturing line at our Denmark site by the end of fiscal 2023 to strengthen our business foundation. We will also aggressively invest in facilities in the United States and Europe to further strengthen our product development and contract manufacturing systems for various biopharmaceuticals, including antibody drugs, gene therapies and vaccines, while further accelerating the growth of our Bio CDMO business.

In materials, our Electronic Materials business has been affected by the softening semiconductor market, but we anticipate strong market growth in the medium- to long-term, including for generative AI applications. To this end, we will accelerate business growth by strengthening our global manufacturing and supply system without slowing our investment plans, including for the construction of new plants for cutting-edge semiconductor materials in Taiwan and Europe.

Sustainability

Thoughts on Realizing SVP2030 to Create a Sustainable Society

To create a sustainable society, companies must tackle a wide range of issues head-on, such as climate change mitigation, resource recycling and biodiversity conservation, while emphasizing respect for human rights and responsible supply chain management. To realize SVP2030, with fiscal 2030 as the goal, we are advancing our business activities from the two angles of "resolving social issues through our business activities" and "reducing and considering negative impacts on society and the environment caused by our business activities." We have identified the Environment, Health, Daily Life, and Work Style as our four priority areas. Going forward, we will promote the growth of both social and

Manufacturing facility under construction in Denmark

economic value by utilizing digital technology to accomplish our tasks. Of these, my top priorities are the Environment and Health.

With respect to the environment, we aim to achieve a decarbonized society by reducing CO_2 emissions from the energy we use and from the entire life cycle of our products by 50% in fiscal 2030 compared with fiscal 2019. For capital investments and other decisions, we introduced an "Internal Carbon Pricing System*" and achieved a 10% reduction in CO_2 emissions from in-house energy use in fiscal 2022 compared with fiscal 2019. Looking ahead, we will accelerate green transformation (GX) via the newly established GX Committee, a subordinate organization of the ESG Committee, which I chair. We will also use internal carbon pricing, which is based on the carbon price of the EU Emissions Trading Scheme (EU-ETS), in important aspects of our business activities, such as capital investment and M&As. In some cases, investments in M&As and production capacity expansion might lead to increased CO_2 emissions as the projects are implemented. Nevertheless, we will closely check to ensure that new cash generated by these investments can be earned at a level that exceeds our internal standards over the medium- to long-term, even after subtracting the carbon price. At the same time, we are developing measures that require investment, such as using electricity from renewable energy sources with an emphasis on scalability and developing innovative production processes that reduce energy consumption.

* A system that promotes low-carbon business activities by allowing companies to set their own internal carbon prices, convert CO_2 emissions into cost equivalents, quantify the economic impact of increases or decreases in emissions and reflect this information in their decision-making processes.

In the area of health, our aim is to help improve access to healthcare in emerging countries. One project is our NURA health screening centers focusing on cancer screening. I launched the first center as general manager of the Medical Systems Division before assuming the position of CEO. The NURA centers assist with doctors' diagnoses and provide health checkup services by utilizing Fujifilm's medical equipment, featuring high-definition diagnostic images and diagnostic imaging AI technology. We currently operate three NURA centers in India, serving more than 12,000 people (as of August 31, 2023). In September 2023, we opened a NURA center in Ulaanbaatar, Mongolia, and plan to open a new center in Hyderabad, India, in November. To expand into Southeast Asia, the Middle East and Africa, we will continue forming technology partnership agreements with local companies in the countries involved in addition to developing our own business. By fiscal 2030, we will expand the number of centers to 100 worldwide, mainly in emerging countries. Our aim is to help people maintain and improve their health by spreading the Japanese culture of regular health checkups and prevention measures to other countries.

Committed to ending tuberculosis (TB), we are promoting the use of compact and lightweight portable X-ray equipment that enables TB screening in suburban and mountainous areas without electric power infrastructure. By visualizing the global TB epidemic status using cloud computing based on data from TB screening conducted in each region, our vision is to help control TB in each country and region. To make this happen, we have started a project in India to combat TB in collaboration with the government and academia. We will continue fulfilling our responsibility by providing distinctive products and services that help eliminate medical disparities and maintain and improve the health of people around the world.

Protecting the health of employees is another important strategic theme for the Fujifilm Group's development. As part of this effort, we opened the Fujifilm Group Health Insurance Association's "FUJIFILM Mediterrace Yokohama," a health screening center for Fujifilm Group employees, in April 2022. The center uses our state-of-the-art endoscopes, medical equipment (including for mammograms) and AI-based medical IT systems to provide Fujifilm Group employees with the opportunity to receive high-quality health checkups. Our efforts to provide environments in which employees can work vigorously both mentally and physically have been highly evaluated by external sources. For example, FUJIFILM Holdings was selected as a Health and Productivity Stock for the third consecutive year in a program run jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

The opening ceremony of NURA, held in Ulaanbaatar, Mongolia. (From left to right) Hiroyuki Kobayashi, Ambassador Extraordinary and Plenipotentiary of Japan to Mongolia; Mohinder Pratap Singh, Ambassador of India to Mongolia; Teiichi Goto; Baatarsaikhan Tsagaach, President of the Tavan Bogd Group; Vellakkat Niaz, FUJIFILM DKH LLP (NURA) Board Director

Please also watch the video introducing NURA Mongolia
(which includes scenes from inside NURA and the opening ceremony):
▶ https://www.youtube.com/watch?v=MEHLoBZJEYU

Human and Intellectual Capital

Targeting Further Growth of Employees and the Fujifilm Group

The Fujifilm Group has achieved change and growth to date because of the "individual powers" of its highly motivated employees. Our competitiveness is underpinned by our diverse technologies, know-how and frontline capabilities that have continued to generate intellectual property. We are proud of these attributes. When employees in Japan and overseas share our corporate philosophy and vision and take pride in their work, this creates additional value and helps realize a sustainable society. As we welcome new employees to the Group through M&As, we are keenly aware of the need to continually improve engagement. The Fujifilm Group Employee Engagement Survey, conducted in December 2022, received responses from 90% of Group employees worldwide and resulted in an engagement score of 80% (percentage of positive responses). Analysis of the survey results revealed that while our strengths lie in our employees' deep understanding and empathy for the Group's vision and high awareness of compliance, there is also room for improvement in promoting productive work styles and diversity. Based on the results of the survey, we need to engage in discussion at each workplace and incorporate the results into specific measures to ensure that employees are highly motivated to work. Accordingly, we will put a system in place to firmly establish a cycle that will foster the further growth of the Fujifilm Group and the employees who work there.

To rapidly advance business activities aimed at realizing a sustainable society, which is our objective, we use data to optimize human resource allocations, in addition to conducting various programs to develop DX and AI human resources. Using DX, we will dramatically boost employee productivity while increasing the amount of time they spend creating products and services that provide new value to customers and help resolve social issues, while conducting work-style reforms to improve work efficiency.

To Our Stakeholders

Burning Desire: The Source of Our Execution Capability

Clean water and air are essential for manufacturing photographic film, which was the starting point of our founding. Because customers cannot test photographic film before taking photos, it was a product that customers purchased with "trust." Therefore, the Fujifilm Group's corporate culture is rooted in ESG concepts, such as environmental conservation, stakeholder trust and communication with the community. Our business structure has undergone a major shift along with the changing needs and values of society. Nevertheless, we will continue emphasizing a spirit of challenge as a company that creates change for the better in society.

At the start of fiscal 2023, I called on our employees to "act with a burning desire." When trying to accomplish something, a "burning desire" provides the power to overcome any difficulties. My "burning desire" is to achieve the goals of SVP2030. Aggressive investment in growth areas is part of this effort, and we will continue embracing challenges to make our business blossom. We will continue striving to be a company that always provides value to society. We look forward to your continued support of the Fujifilm Group.

As the needs and values of society change, we will continue to make positive changes for society by transforming our business structure.

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 will explain the history of innovation in the Fujifilm Group, which has promoted a growth strategy by consistently anticipating the future.

1934 Attempts to Realize the Domestic Production of Film (Glass Dry Plates to Films)

Fuji Photo Film Co., Ltd. is established, taking over the photographic film operations of Dainippon Celluloid Company Limited. First shipment of the first domestically produced film for motion pictures

1935

Fuji Chrome Film

1936

Fuji X-Ray Film

1940

Air cartographic camera

Fuji F5 50 cm, a lens for aerial photography

1948 Attempts at Colorization (Black and White to Color) and Establishment and Systematization of a Culture of High-Quality Manufacturing

Fuji Color Film

Fujica Six IA

Fuji Enlarger Type B

1950

Analysis of silver halide using an electronic microscope (laboratory)

1964

XP-1, Fuji hanger-type automatic processor

We decided to develop a film for motion pictures on our own. We were forced to supply raw materials to ourselves because of the war.

After achieving the domestic production of film for motion pictures, we expanded our product portfolio to include general-purpose film, photographic print paper, X-ray film and graphic arts film. We succeeded in the research and manufacturing of optical glass as we strove to manufacture cameras.

We acquired a multilayer coating technology because three color-developing layers for cyan, magenta and yellow were necessary.

We acquired an oil dispersion technology for evenly dispersing the coupler in each gelatin layer to prevent colors mixing.

Color formation is a complicated mechanism, in which exposed silver halides and developing agents react with each other, and the reactant and coupler react with each other, thus forming colors. We acquired a technology for precisely controlling the redox reaction.

We developed a camera, an enlarger exposure unit and a processing machine on our own in pursuit of high technology. We acquired the mechanical, electric and optical technologies that were necessary for this systematization process.

Colorization resulted in a significant increase in the materials we use and the use of multilayered films. Technologies and processes evolved in response to the demand for the assurance of high quality and high-quality images. In this process, we acquired advanced analysis and imaging technologies for microprobe analysis and microscale analysis.

Base technologies

Materials chemistry

Ability to create new materials that make the impossible possible by controlling molecular structures and conditions at will

- **Research and manufacturing of silver halide emulsions** (Silver halides are substances with a high level of visible-light photoactivity.)
- **Research and manufacturing of gelatin** (Superior sol-gel property, a property that evenly disperses silver halides)
- **Research and manufacturing of films** (As celluloid is highly combustible, we studied incombustible TAC film and PET film and began manufacturing them ourselves.)
- **Research and manufacturing of sensitizing dyes** Sensitizing dyes are essential for generating high-fidelity photographic images.
- Technology for roll-to-roll coating manufacturing of photographic materials

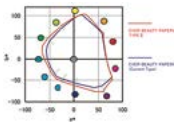
Base technologies

Optics

We possess energy-saving and environmentally friendly technologies in addition to our proprietary technologies that we have been honing for the handling of high-quality images. These technologies are applied in the design of hardware in various fields, such as digital cameras and medical equipment.

Base technologies

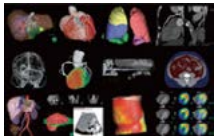
Analysis



Analysis, evaluation and simulation technologies in the molecular/atomic level and in the nanometer range, including analysis and simulation technologies that are essential for the functional design of materials, support the high-level material technology development by Fujifilm, which operates in various fields.

Base technologies

Image



Technologies for evaluating image quality, including the characteristics of photos such as color and picture quality, are applied in the analysis and evaluation of many imaging devices, from display devices to medical equipment.

Core Technologies Currently Applied

Grain Formation Technology
This is a technology for controlling and forming nanosized grains, from photosensitive grains for photographic films to pigments. It has enabled a range of products to have advanced features.

Functional Polymer Technology
This is a technology for designing and synthesizing polymer materials that fulfill specific functions. For example, it supports products with superior functionality and quality, such as microcapsules and microfilters.

Functional Molecules Technology
This is a technology for designing and synthesizing organic compounds. For example, it realizes advanced functions of various products by synthesizing compounds based on molecule designs for controlling color and light. The technology contributes to developing highly functional chemical products.

Film Formation Technology
This is a technology for forming films in single-layer/multilayer/3D structures. Solvent/fusion membrane creation allows for the creation of diverse polymer films. The technology is linked to all processes, from material design and formula through processing.

High-Precision Imaging Forming Technology
This is a technology for the exact transfer of materials to high-precision molds and for hardening them. It is applied in the design and manufacturing of lenses, medical equipment, cosmetics containers and other products.

High-Precision Coating Technology
We have a technology for the micrometer-level, uniform, multilayer coating of films including advanced materials, and a technology for casting films while controlling optical properties and other features. We stably manufacture a range of high-quality functional films.

Nano Dispersion Technology
This is a technology for stably dispersing nanosized particles stably in a liquid. It contributes to improving the functionality and quality of many products, ranging from coating liquids for functional materials, for which it ensures stability, to dyes, inks and cosmetics.

Redox Control Technology
This is a technology for controlling continuous organic/inorganic compound reactions. Instant cameras such as INSTAX feature our redox control technologies, which we have developed by leveraging our extensive experience in photographic technologies.

The Fujifilm Group has been providing society with a large number of products and solutions that contribute to solving social issues by combining its core technologies and acquiring new technologies.

1970

2000

2001
Converted Fuji Xerox Co., Ltd. to a consolidated subsidiary (changed our investment ratio to 75%)

2006
Established FUJIFILM Holdings Corporation

2008
Acquired TOYAMA CHEMICAL Co., Ltd., made full-fledged entry into the pharmaceuticals business

1970–1999 Business expansion based on technological capabilities

Efforts at Digitalization and Acceleration of Globalization

We promoted the digitalization of the photographic film, medicine and printing businesses ahead of others. Furthermore, we began to establish overseas subsidiaries in the 1960s and started to establish overseas production sites and promote overseas sales in the 1980s, thus accelerating globalization.

2000s: Period of exploration into growth areas

Second Foundation—Created a Resilient Business Portfolio

The photographic film market shrank at a rapid rate. To overcome this crisis—the potential loss of our core business—we restructured our business. Taking stock of the technologies we had cultivated in the development and production of photographic film, we entered the cosmetics and pharmaceuticals markets as future growth areas.

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

▶ Please refer to p.16 for our current base and core technologies.

Healthcare

1983 World first
Launched FCR, a digital X-ray diagnostic imaging system

1999
Launched the medical-use picture archiving and communications system (PACS) SYNAPSE

2003 World first
Launched a double-balloon endoscope

2004 World first
Launched Sapientia, a fully digital endoscope

2006
Launched the F Square i series of functional skincare cosmetics (Entered the cosmetics market)

2007
Launched ASTALIFT skin-care series for anti-aging

Materials

1965 Japan first
Launched the SK and GKN PS plates

1996 World first
Launched the WV (wide view) film

Business Innovation

1975 Industry first
Launched the Fuji Xerox 6500, a full-color copy machine

1987 World first
Launched the Zero Printer 100, offering both printing and copying functions

2000
Launched the Color DocuTech 60, the world's fastest (at that time) full-color electronic printing and publishing system

2002 Industry first
Launched the netprint service to retrieve personal documents from copiers in convenience stores

2002
Launched the "beat," a service providing Internet environments for small and medium-sized enterprises

Imaging

1976 World first
Developed the Fujicolor F-II 400, a high-speed color negative film

1986 World first
Launched the Fujicolor QuickSnap, a one-time-use recyclable camera

1988 World first
Developed the FUJIX DS-1P, a fully digital still camera

1998
Launched the INSTAX mini 10 instant camera

2000 World first
Launched the FinePix 4700Z digital camera equipped with the Honeycomb Super CCD sensor

Evolution of Innovation

2010

2011
Acquired MSD Biologics Limited/ Diosynth RTP Inc. and entered into the Bio CDMO markets

2012
Acquired SonoSite, Inc. and entered into the ultrasound diagnostics field

2015
Acquired Cellular Dynamics International, Inc.

2017
Acquired Wako Pure Chemical Industries, Ltd.

2018
Acquired Irvine Scientific Sales Company and expanded businesses in the fields of life sciences (culture media)

2019
Converted Fuji Xerox Co., Ltd. to a wholly owned subsidiary

2019
Acquired Biogen (Denmark) Manufacturing ApS and accelerated the growth of the Bio CDMO business

2020

2021
Changed the company name from Fuji Xerox Co., Ltd. to FUJIFILM Business Innovation Corp.

2021
Completed the acquisition of FUJIFILM Healthcare Corporation, which is the successor to the diagnostic imaging business of Hitachi, Ltd.

2022
Acquired Inspirata, Inc.'s digital pathology division

2010s: Period of the examination of growth areas

Enhanced the Business Portfolio and Accelerated Growth

Anticipating the expansion of the market, we fully entered the Bio CDMO business in 2011 and actively pursued M&A opportunities by examining and identifying areas where we could demonstrate our competitive advantages.

2011
Made full-fledged entry into the Bio CDMO business

2016
Launched the FDR nano, a lightweight, portable digital X-ray imaging device

Launched the FDR Xair, a mobile X-ray imaging device

2018
Announced REiLI, the AI technology brand

2021
Launched cloud services for medical institutions

2023
Launched the AMULET SOPHINITY digital mammography system

2011
Launched the Jet Press 720

2012
Launched high-capacity magnetic tapes using barium ferrite (BaFe) magnetic particles

2018
Launched the "Hibimikke (Crack Finder)," a social infrastructure image diagnostic service

2021
Launched the FUJIFILM LTO Ultrium9 Data Cartridge, which provides safe, long-term storage of high-volume data at low cost

2009
Launched the ApeosPort-IV Series, offering environmental impact reduction services

2011
Launched the Working Folder cloud service supporting document sharing

2020
Launched the CocoDesk, a personal workspace service

2021
Launched the Apeos Series of Fujifilm-brand multifunction devices and printers with enhanced security features

2023 World first
Launched a pressure-bonding toner with an adhesive function

2015 World first
Launched a broadcast zoom lens compatible with 4K cameras

2019 World record*
Launched the FUJIFILM GFX100, equipped with a large-format sensor with 102 million pixels

2019
Launched the INSTAX mini Link, a printer for smartphones

2021
Launched the INSTAX mini Evo hybrid instant camera

2020s: Period of growth

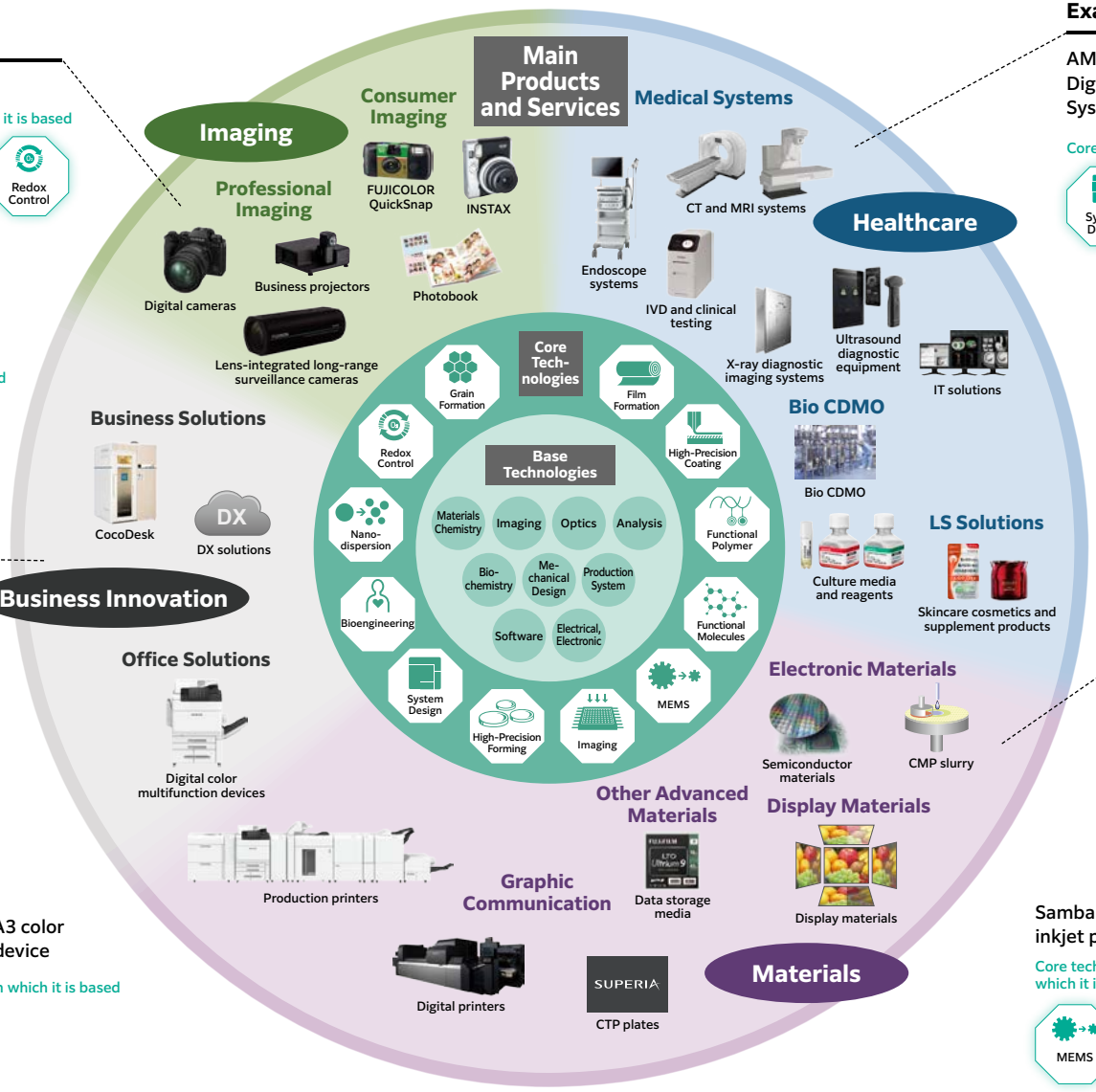
Generating Value with a Positive Impact on Society, Leading Markets

We are focusing our efforts on generating value to positively impact industries and society by accelerating the creation of synergies within the Fujifilm Group and enabling our leading-edge proprietary technologies to evolve.

* As of May 2019 for consumer-use mirrorless digital cameras, according to a survey by Fujifilm

The Fujifilm Group's Proprietary Technologies

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.



Examples of Imaging Products

INSTAX film

Core technology on which it is based

High-Precision Coating | Functional Molecules | Redox Control

INSTAX mini Link 2
INSTAX printer

Core technology on which it is based

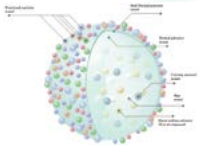
System Design

Examples of Business Innovation Products

High-quality
Super EA-Eco toner

Core technology on which it is based

Grain Formation | Functional Polymer



Apeos C7070 A3 color multifunction device

Core technology on which it is based

System Design

Examples of Healthcare Products

AMULET SOPHINITY
Digital Mammography System

Core technology on which it is based

System Design | Imaging

ASTALIFT THE SERUM BRIGHTENING
High-Performance Serum Series

Core technology on which it is based

Bioengineering Technology | Nano-dispersion | Grain Formation | Redox Control

Examples of Materials Products

Wave Control Mosaic color filter material for image sensors

Core technology on which it is based

Nano-dispersion | Functional Polymer | Functional Molecules

Samba G3L
inkjet printhead

Core technology on which it is based

MEMS | High-Precision Coating

Value Creation Process

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

Realizing a Sustainable Society　Value from Innovation

Invested capital

Financial capital

Stable financial base
- Shareholders' equity ..... **¥2,763.1 billion**
- Interest-bearing debt ..... **¥376.2 billion**
- Standard & Poor's (S&P) rating ..... **AA-**

Intellectual capital

Advanced and proprietary technologies and brand recognition
- Fundamental and core technologies **21**
- Number of patents held **54,791**
- Number of designs owned **3,842**
- Number of trademarks held **6,662**
- High global brand recognition **95%**

Human capital

Global and diverse workforce
- Number of Group employees **73,878**
- Number of DX-related training course participants (total) ..... **Approx. 94,000**
- Ratio of overseas employees **48%**

Social capital

Global network
- Number of consolidated subsidiaries (including sales subsidiaries and manufacturing subsidiaries) **273**

Manufacturing capital

Production capacity to continue to generate innovation
- Number of manufacturing subsidiaries **72**
- Capital investment ..... **¥288.3 billion**

Natural capital

Efficient use of resources
- Energy consumption ..... **20,875 TJ**
- Total water intake ..... **41.8 million m³**

Note: Actual figures for FY2022 (year-end)

Long-Term CSR Plan　Sustainable Value Plan 2030

Medium-Term Management Plan

VISION2023

Priority Areas ▸Materiality pp.20–22

4 segments

Business portfolio optimization

- Healthcare p.35
- Materials p.39
- Business Innovation p.41
- Imaging p.43

Create new value and resolve social issues

Create innovation

Integrate technologies

Stakeholder needs/expectations

Financial base

Innovation p.51 | Corporate Governance p.87

Corporate Philosophy | **Vision**

Co-creating value with stakeholders ▸p.62

Customers | Employees | Shareholders/ other investors | Suppliers

Local communities | Future generations | Governments/ industry groups | NGOs/NPOs

Realize a decarbonized society through business activities

Business activity
- Reduction of CO_2 emissions throughout the entire product life cycle ..... **6.9% reduction** (compared with FY2019)
- Reduction of CO_2 emissions from in-house energy ..... **10% reduction** (compared with FY2019)

Corporate activities
- Number of in-house environmentally friendly certified products ("Green Value Products") ..... **226** (cumulative)
- Achieving carbon neutrality at multifunction device recycling base in China

Extend healthy life expectancy through prevention, diagnosis and treatment
- Improving access to medical care; Deployment of products/services using medical AI technology ..... **93 countries and regions**
- Bio CDMO tank capacity (production capacity) ..... **180 kL**
- Development of AI-based medical checkup services and initiatives to end tuberculosis in emerging countries

Help realize a safe and secure society through digital technology
- Number of companies registered for the "Hibimikke (social infrastructure image diagnostic)" service (as of June 30, 2023) ..... **More than 1,200**
- Providing the "Integrated Disaster Investigation System" and "Residential Damage Assessment App" to speed up the issuance of disaster victimization certificates by local governments

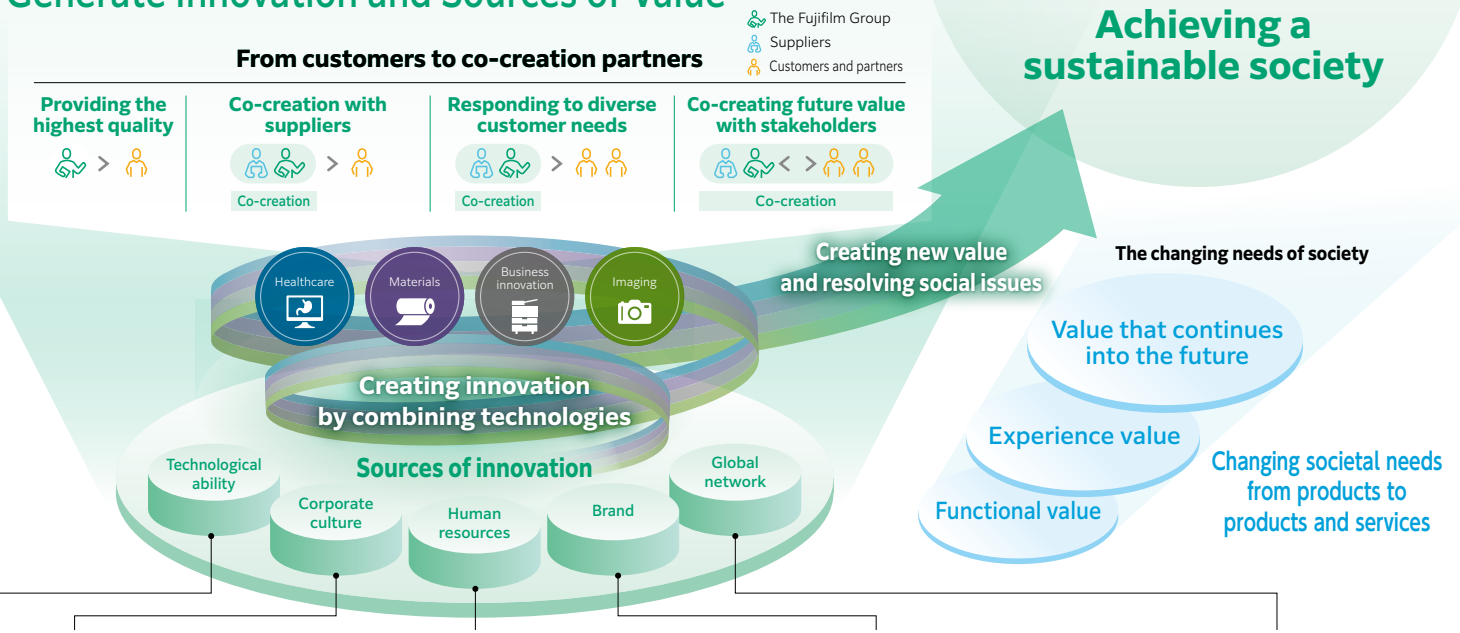
Improve job satisfaction through business innovation
- Access to work styles that support improvement of productivity/creativity ..... **25.33 million people***
- Bridge DX Library solutions ..... **146 types**

*Revision of calculation logic from FY2022

Note: Actual figures for FY2022 (year-end)

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.



Technological capabilities

Accumulation of base technologies

In the field of photography, which consists of the accumulation of a wide variety of advanced and proprietary technologies, we cultivate world-class technological capabilities and accumulate base technologies that support each business.

Improvement of core technologies

Based on our base technologies, we are refining our core technologies to build a sustainable competitive advantage.

Fusion of multiple technologies

By combining base and core technologies, we provide a variety of innovative products and services.

- **p.13** Evolution of Innovation
- **p.16** The Fujifilm Group's Proprietary Technologies
- **p.45** R&D Strategies
- **p.50** Intellectual Property Strategy

Corporate culture

An open, fair and clear corporate culture

Based on our corporate culture of "open, fair and clear," we aim to continue to be a company that is trusted and needed by society by creating new value through brave challenges. "Open, fair and clear" is the basis for all activities of the Fujifilm Group, and is an essential element for sustainable growth and medium- to long-term enhancement of corporate value.

- **p.5** The Fujifilm Group's Commitment
- **p.56** Human Resources Strategy
- **p.75** Diversity, Job Satisfaction, and Occupational Health and Safety

Human resources

Fostering human resources that see change as an opportunity for growth

We see change as an opportunity for growth and are focusing on developing human resources who take on challenges and create change on a daily basis.

High level of employee engagement

We are promoting the creation of an organization with a high level of employee engagement that permits diverse human resources to fully demonstrate their capabilities. Each individual employee supports the growth of the Fujifilm Group.

- **p.56** Human Resources Strategy
- **p.75** Diversity, Job Satisfaction, and Occupational Health and Safety

Brand

Cultivating the brand through continuous provision of innovative products and services

The Fujifilm Group has cultivated the Fujifilm brand by providing innovative products and services and confronting social issues head-on while evolving the advanced and proprietary technologies it has developed in the field of photography. Raising the value of the Fujifilm brand leads to a high level of recognition worldwide.

- **p.13** Evolution of Innovation
- **p.62** Co-Creating Value with Stakeholders

Global network

Proactive overseas expansion since our founding

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.

Strengthening business management functions through cooperation with regional management companies

We established regional management companies to accelerate decision-making and enhance business management functions. This has enabled the collection of information in each country or region in a timely manner, the planning of strategies adapted to the local region, and cooperation with local companies in research and development, production, marketing, sales and other aspects of business.

- **p.23** Overview of Our Businesses
- **p.62** Co-Creating Value with Stakeholders

The Fujifilm Group's Future Vision

Roadmap and Priority Issues (Materiality) for Realizing Our Future Vision

To achieve the goals of Sustainable Value Plan 2030 (SVP2030), we will promote the priority measures set forth in VISION2023, our medium-term management plan announced in April 2021, and help realize a sustainable society.

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

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

VISION2019

Revenue: ¥2,315.1 billion
Operating income: ¥186.6 billion
CO_2 emission reduction*1: 25%
(compared with FY2013)

Accelerate growth in healthcare and advanced materials and build a business foundation for sustainable growth

VISION2023

Revenue: ¥2,950.0 billion
Operating income: ¥290.0 billion
CO_2 emission reduction*1: 11%
(compared with FY2019)

The initial target of VISION2023, our medium-term management plan, was ¥2.7 trillion for revenue and ¥260 billion for operating income. The target was achieved one year ahead of schedule in FY2022 and has been revised upward accordingly.

Help realize a sustainable society by resolving social issues through innovative technologies, products and services

SVP2030

Revenue: ¥3,500.0 billion or more
(Healthcare ¥1,750.0 billion)
CO_2 emission reduction*1, 2: 50%
(compared with FY2019)

*1 CO_2 emission reduction figures apply to energy used by the Company (Scope 1 + 2).
*2 50% reduction compared with FY2019 corresponds to 65% reduction compared with FY2013. CO_2 emission reduction target for the entire product life cycle in FY2030: 50% compared with FY2019.

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 in 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 resolve social issues from a long-term perspective

Step 2

Identify Social Issues Based on Business Strategy

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

Step 3

Evaluate Materiality

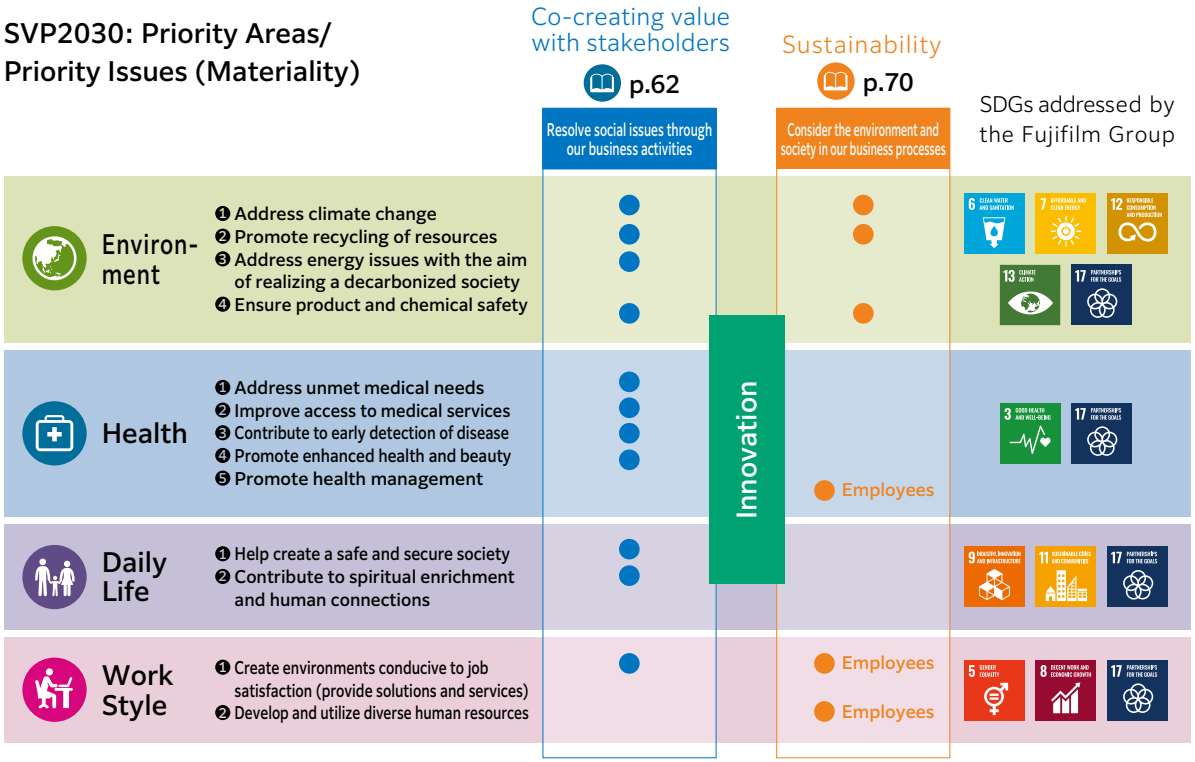
Evaluate materiality via a two-pronged approach:
1) Reduce/consider the social and environmental impacts of our business activities
2) Resolve social issues through our business activities

Step 4

Plan and Plan, Review, 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)



Basis of Business Activities

Supply Chain — Strengthen CSR foundations (including the environment, ethics and human rights) throughout the supply chain

Governance — Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture

Please refer to pp.9-12 of our Sustainability Report 2023 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.

Megatrends that have an impact on materiality

- Emerging risks of large-scale natural disasters and infectious disease pandemics, changes in the global environment and ecosystems due to climate change, and depletion of energy and resources
- Unstable political and economic conditions, heightened geopolitical risks due to escalating conflicts, and widening disparities between countries and regions
- Declining birth rates and aging populations globally, declining workforces, changes in work styles and retirement security due to the advent of the 100-year life era; growing interest in healthy life expectancy
- Increasing concern about human rights, diversification of individual values and emphasis on diversity in organizations
- Rapid advances in technology, rise of new lifestyles/businesses due to DX and rising cyber risks

Priority issues (Materiality)	Opportunities	Risks	Major KPIs	Main achievements in FY2022	FY2023 (Targets)	FY2030 (Targets)	Main related segments
Environment ❶Address climate change ❷Promote recycling of resources ❸Address energy issues with the aim of realizing a decarbonized society ❹Ensure product and chemical safety	●Growing need for efficient, energy-saving, low-cost storage of large volumes of data in the era of big data ●Increasing demand for systems, products and technologies to monitor and forecast weather conditions and diagnose deterioration of infrastructure, including buildings and water sources, in response to abnormal weather events ●Need to incorporate CO_2 emission reduction initiatives (such as use of low power consumption products and preference for carbon-free production) into customers' procurement criteria ●Increasing need to use water-free products (including process-less printing plates) due to growing concern about water resources	●Disruption of supply chains, plant shutdowns and lack of water needed for production due to abnormal weather (e.g., heavy rains, floods, droughts) and natural disasters caused by rising temperatures ●Shortage of raw materials for products (pulp for paper, cellulose for film) due to depletion of forests and plants ●Levying a carbon tax on CO_2 generated when fossil fuels are used and the accompanying cost increases ▸Please refer to p.73 for climate change measures.	●CO_2 emission reduction rate from in-house energy ●CO_2 emission reduction rate over product life cycle ●Ratio of sales of environmentally friendly products/services to net sales ●Contribution to CO_2 emission reduction in society	●10% reduction in CO_2 emissions from in-house energy use (compared with FY2019) ●6.9% reduction in CO_2 emissions in product life cycles (compared with FY2019) ■Started collaboration with Tokyo Gas Co., Ltd. and Minamiashigara City to aim for zero carbon models in manufacturing ■Achieved carbon neutrality at multifunction device recycling sites in China ■Introduced internal carbon pricing (ICP) system ■Certified as an "A-list company" by the CDP, the highest evaluation in the two areas of "climate change" and "water security"	■CO_2 emission reduction rate from in-house energy: 11% (compared with FY2019)	■CO_2 emission reduction rate from in-house energy: 50% (compared with FY2019) ■50% reduction of CO_2 emissions in product life cycles (compared with FY2019)	Healthcare Materials Business Innovation Imaging
Health ❶Address unmet medical needs ❷Improve accessibility to medical services ❸Contribute to early detection of disease ❹Promote enhanced health and beauty ❺Promote health management	●Growing need for IT solutions 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 few side effects ●Progressive industrialization of advanced therapies ●Increasing need for vaccines and therapeutics to combat infectious disease pandemics	●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	●No. of countries/regions where our medical AI technology-based products/services are deployed ●Ratio of Healthcare sales to total revenue ●Bio CDMO tank capacity (production capacity)	●No. of countries/regions where our medical AI technology-based products/services are deployed: 93 ●Ratio of Healthcare sales to total revenue: 32.5% ●Bio CDMO tank capacity (production capacity): 180 kL ■Use IT and AI technologies to deploy products that improve workflow at medical sites ■Opened a new base (Gurugram, Mumbai) for "NURA," a health checkup center focusing on cancer screening in India ■Promoted TB control efforts in developing countries ■To expand business in the Asian market and strengthen the Japanese vaccine production system, the Company established its first domestic Bio CDMO base in Toyama Prefecture	■No. of countries/regions where our medical AI technology-based products/services are deployed: 100 ■Achieve further growth as the largest segment ■Bio CDMO tank capacity (production capacity): 337 kL	■No. of countries/regions where our medical AI technology-based products/services are deployed: 196 ■Ratio of Healthcare sales to total revenue: 50% (¥1,750.0 billion vs. total revenue of ¥3,500.0 billion) ■Bio CDMO tank capacity (production capacity): 658 kL (FY2026)	Healthcare

Megatrends that have an impact on materiality

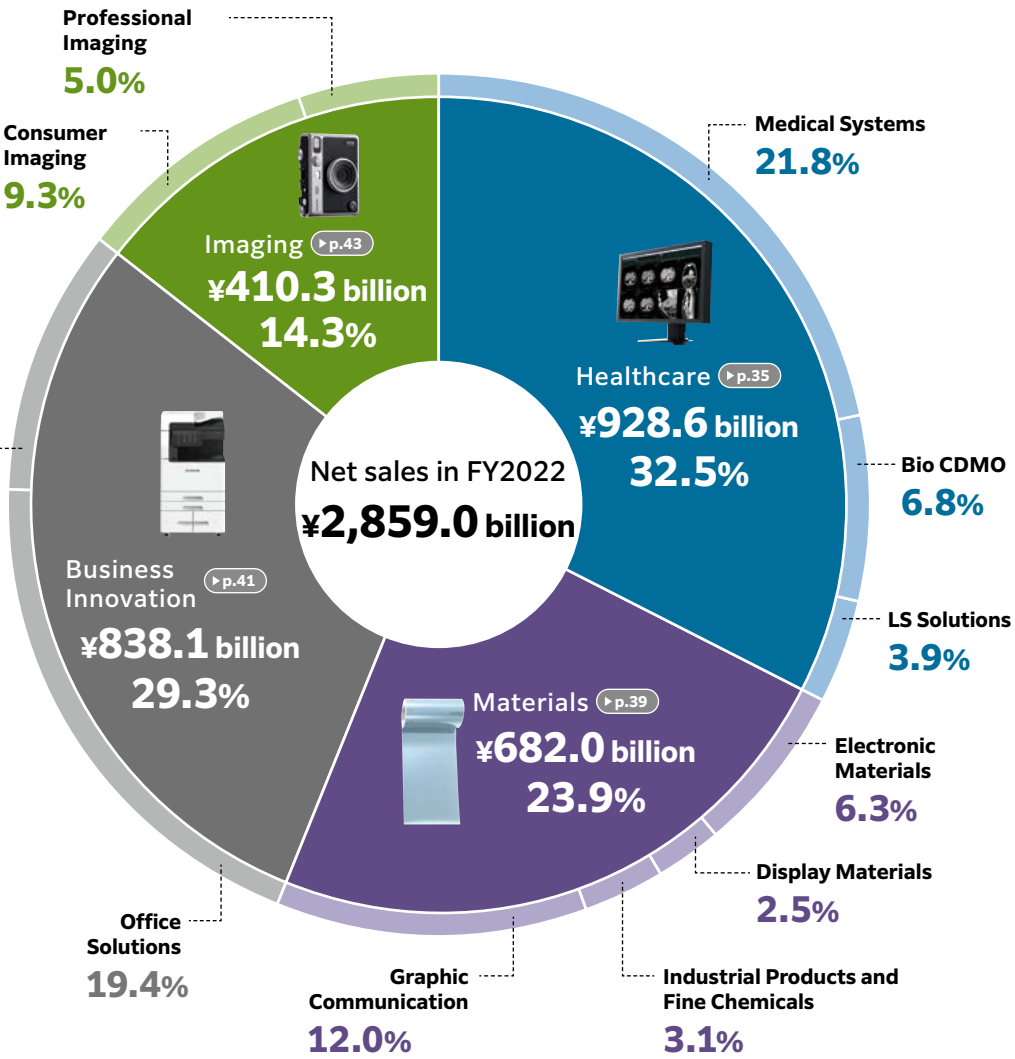
Priority issues (Materiality)	Opportunities	Risks	Major KPIs	Main achievements in FY2022	FY2023 (Targets)	FY2030 (Targets)	Main related segments
Daily Life ❶Help create a safe and secure society ❷Contribute to spiritual enrichment and human connections	●Expansion of related markets including the semiconductor market through the spread of new technologies such as 5G, autonomous driving and generative AI ●Expanding demand for related materials due to the growth of the OLED market ●Growing demand for digital printing due to increase in on-demand printing ●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	●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 ●Commoditization of digital devices ●Intensifying competition from alternative materials due to the commercialization of new technologies ●Lower-than-expected demand in the offset printing market ●Intensifying competition in the high-end mirrorless digital camera market ●Shrinking digital camera market due to improved smartphone cameras	●Electronic Materials business: Growth rate and growth-oriented investments ●Ratio of Materials sales to total revenue	●Growth rate of Electronic Materials business: 23.1% (YoY) ●Ratio of Materials sales to total revenue: 23.9% ■Announced the introduction of state-of-the-art equipment to produce CMP slurries in Kumamoto with the aim of building a stable semiconductor supply system ■Announced the construction of a new plant for color filter materials for image sensors in South Korea	■Ratio of Materials sales to total revenue: 23.9%*1	■Average annual growth rate of Electronic Materials business: More than 10% by FY2030 ■Achieve ¥500 billion in Electronic Materials business sales (¥250 billion by FY2024, ¥400 billion by FY2028)	Materials Imaging
Work Style ❶Create environments conducive to job satisfaction (provide solutions and services) ❷Develop and utilize diverse human resources	●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	●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	●Provide solutions and services that help workers improve productivity and exercise their creativity ●Growth rate of Business Solutions business	●Provided 25.33 million*2 people with work styles that support increased worker productivity and creativity ●Business Solutions business growth rate: 8.5% (YoY) ■Leveraged the Fujifilm brand to drive global expansion ■Acquired MicroChannel Services Pty. Limited, an Australian IT services company, and began full-scale overseas development of core DX business mainly targeting small and medium-sized enterprises	■Achieve 4% annual growth (FY2020→ FY2023) in Business Solutions sales that contribute to customers' DX	■Provide 50 million people with work styles that support improved productivity and creativity	Business Innovation

*1 Based on full-year forecasts (announced on August 9, 2023) *2 Revision of calculation logic from fiscal 2022

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.

Net Sales by Segment



Imaging

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

- **Consumer Imaging**
  INSTAX, color films, color paper for photo printing, developing and printing systems, photo printing services and more
- **Professional Imaging**
  Mirrorless digital cameras featuring high picture quality enabled by our proprietary color reproduction technology, TV and cine lenses, industrial lenses including security lenses and machine vision lenses, projectors, digital signage and more

Business Innovation

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

- **Office Solutions**
  Document-related office solutions provided through multifunction devices, printers, consumables and maintenance services
- **Business Solutions**
  Solution-oriented document services tailored to various industries and operations, including system integration, cloud services, management of multifunction devices and business process outsourcing

Healthcare

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

- **Medical Systems**
  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**
  Process development and manufacturing services for high-quality biopharmaceuticals, demand for which is growing, and in the advanced medical fields of cell therapy drugs and gene therapy drugs
- **LS Solutions**
  Life Sciences
  Total solutions in the fields of cells, culture media and reagents for drug discovery support
  Consumer Healthcare
  Functional cosmetics such as the ASTALIFT brand and supplement products
  Pharmaceuticals
  Process development and manufacturing services for next-generation drugs and mRNA vaccines

Materials

Various advanced materials and graphic communication solutions for communication equipment, sensors, next-generation displays and other equipment that support lifestyles in the era of AI and IoT

- **Electronic Materials**
  Various materials (e.g., photoresists, CMP slurries) used to manufacture semiconductors
- **Display Materials**
  Materials for LCD panels, OLED panels and other products
- **Industrial Products and Fine Chemicals**
  Industrial Products (e.g., sensor films for touch panels, recording media) and Fine Chemicals (e.g., advanced chemicals, reagents for research use)
- **Graphic Communication**
  Graphic communication solutions (e.g., offset printing equipment, digital printing systems) and inkjet solutions such as industrial printheads

Note: Figures for revenue in the Non-destructive Inspection business have been reclassified from the Materials segment to the Healthcare segment from fiscal 2023. Information for fiscal 2022 has been restated to reflect this change in classification.

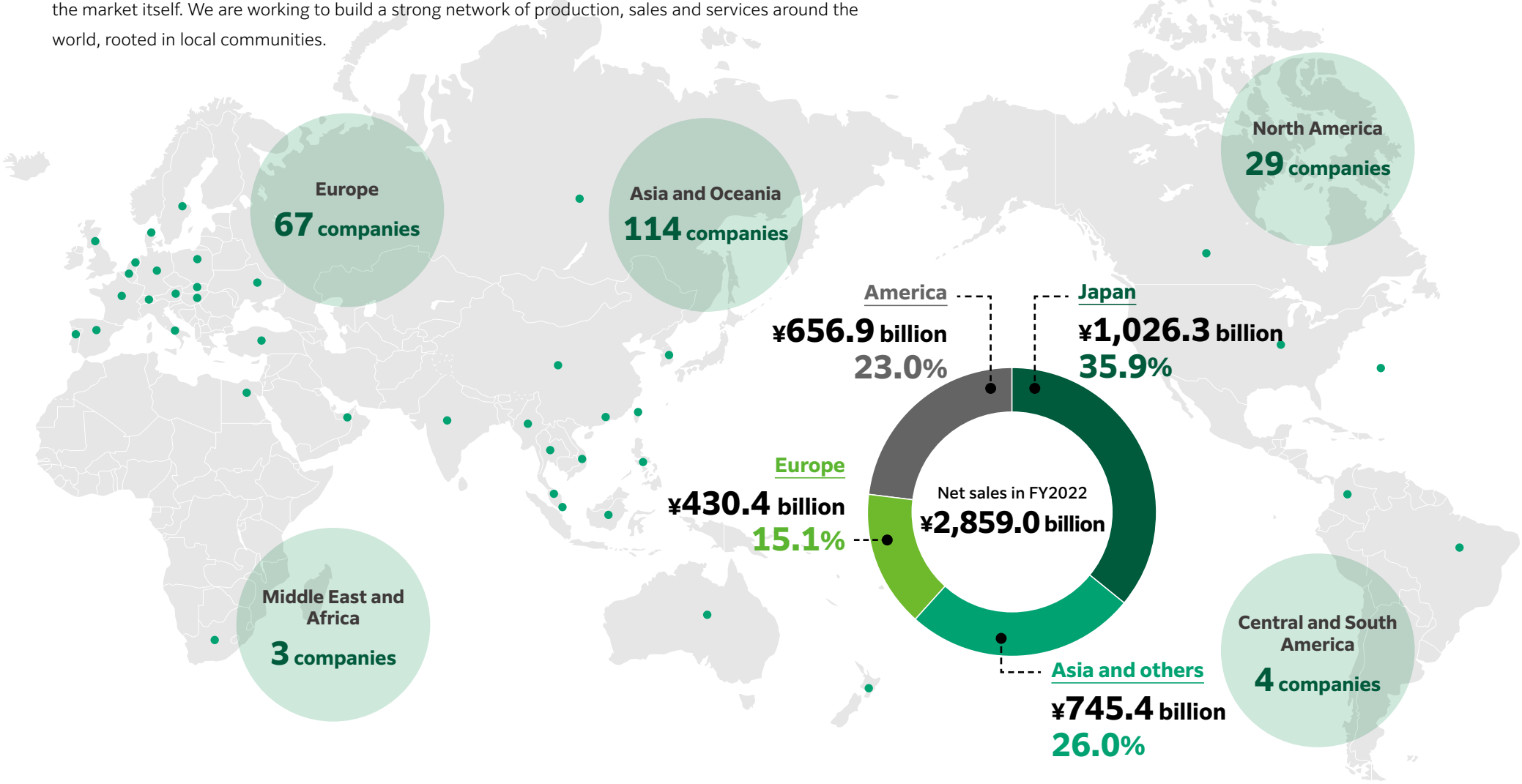
The Fujifilm Group around the World (Domestic and Overseas Revenue)

Since its founding, the Fujifilm Group has developed its business in global markets. Overseas business is "localization," in other words, a style of entering the market on one's 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

273 companies

As of March 31, 2023
Including 56 companies in Japan

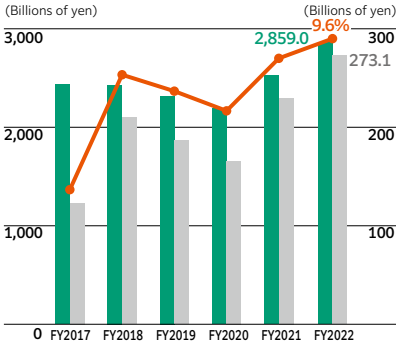


Financial Highlights

Revenue
¥2,859.0 billion

Operating income
¥273.1 billion

Operating margin
9.6%

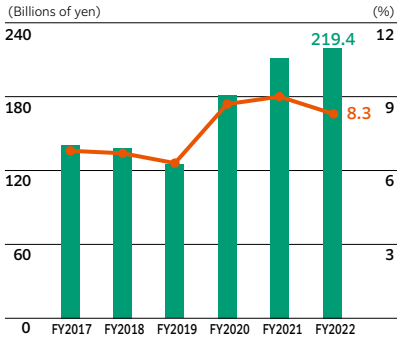


■ Revenue (left scale)
■ Operating income (right scale)
● Operating margin (%)

In fiscal 2022, we posted revenue of ¥2,859.0 billion (up 13.2% year-on-year) and operating income of ¥273.1 billion (up 18.9% year-on-year), which were both record highs. We thus achieved significant increases in revenue and operating income in strong businesses such as Medical Systems, Electronic Materials, Business Innovation and Imaging.

Net income attributable to FUJIFILM Holdings
¥219.4 billion

ROE
8.3%

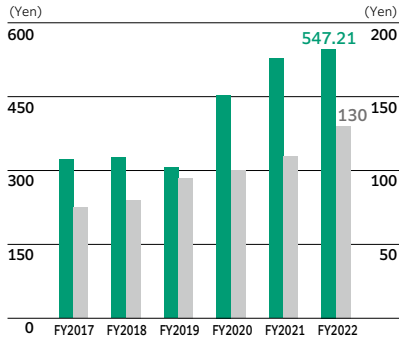


■ Net income attributable to FUJIFILM Holdings (left scale)
● ROE (right scale)

In fiscal 2022, net income attributable to FUJIFILM Holdings was a record ¥219.4 billion (up 3.9% year-on-year), thanks to the contribution of the record-high operating income.

Net income attributable to FUJIFILM Holdings per share (EPS)*
¥547.21

Cash dividend per share
¥130



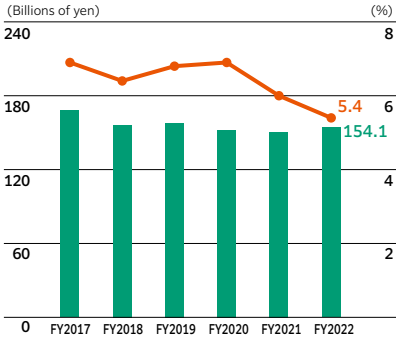
■ Net income attributable to FUJIFILM Holdings per share (EPS) (left scale)
■ Cash dividend per share (right scale)

Net income attributable to FUJIFILM Holdings per share in fiscal 2022 totaled ¥547.21 (up 3.8% year-on-year). Cash dividend per share increased for the 13th consecutive year to ¥130, with a dividend payout ratio of 23.8%. The Company has a policy of shareholder returns that emphasizes cash dividends, targeting a dividend payout ratio of 30%.

* Net income (loss) attributable to FUJIFILM Holdings per share is calculated based on the average number of shares of common stock (excluding treasury stock) outstanding for the year.

R&D expenses
¥154.1 billion

Ratio of R&D expenses to revenue
5.4%

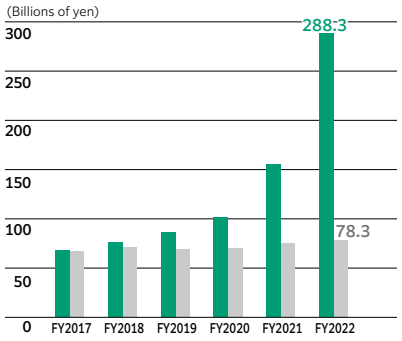


■ R&D expenses (left scale)
● Ratio of R&D expenses to revenue (right scale)

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.

Capital expenditures*
¥288.3 billion

Depreciation (only property, plant and equipment)*
¥78.3 billion



■ Capital expenditures
■ Depreciation

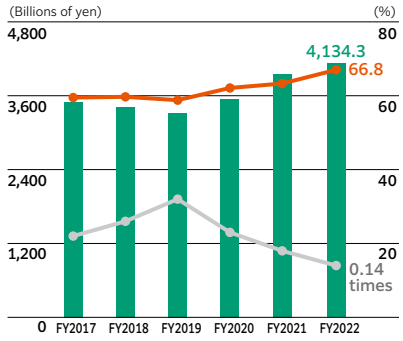
We are making aggressive capital investments to ensure that we capture the robust demand in the biopharmaceuticals and semiconductor markets. In fiscal 2022, a total of ¥288.3 billion in capital expenditures was made.

* The figures do not include amounts for rental equipment handled by the Business Innovation segment, etc.

Total assets
¥4,134.3 billion

Shareholders' equity ratio
66.8%

D/E ratio
0.14 times



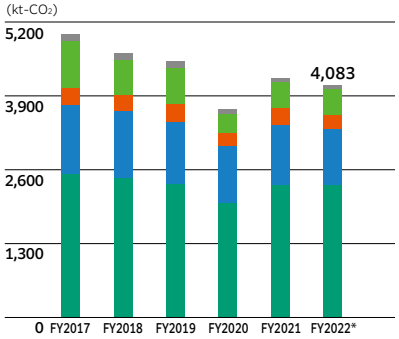
■ Total assets (left scale)
● Shareholders' equity ratio (right scale)
● D/E ratio (times)

In fiscal 2022, total assets were ¥4,134.3 billion (up 4.5% year-on-year), mainly reflecting increases in property, plant and equipment. The shareholders' equity ratio was 66.8% (up 3.5 percentage points year-on-year), maintaining a stable capital structure.

Non-Financial Highlights

Greenhouse gas (GHG) emissions throughout the entire product life cycle

4,083 kt-CO_2

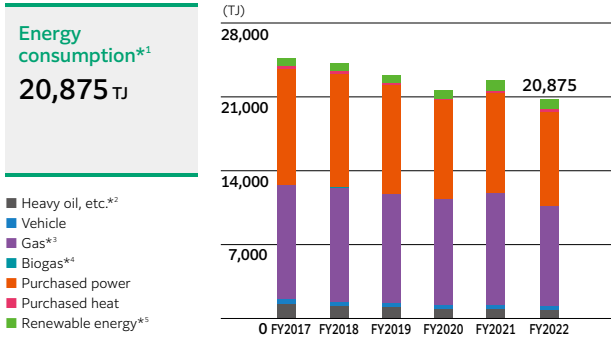


To realize a decarbonized society, a target of the Paris Agreement, we have set CO_2 emission reduction targets to achieve by fiscal 2030. We are working to reduce CO_2 emissions throughout product life cycles (in raw material procurement and in product manufacturing, transportation, use and disposal). In addition, we are contributing to CO_2 emission reductions in society through our products and services.

* The figures are restated after fiscal 2019, the base year for the emission reduction target, by reviewing target products at each stage.

Energy consumption*1

20,875 TJ

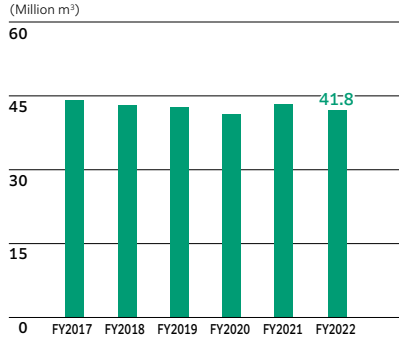


In addition to examining measures to maximize energy use efficiency and reduce CO_2 emissions in energy procurement across the Group, we are proactively developing these measures within the Group. Our target is to switch to renewable energy at a rate of 50% of purchased electricity by fiscal 2030 and 100% by 2040, achieving zero CO_2 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 intake

41.8 million m^3



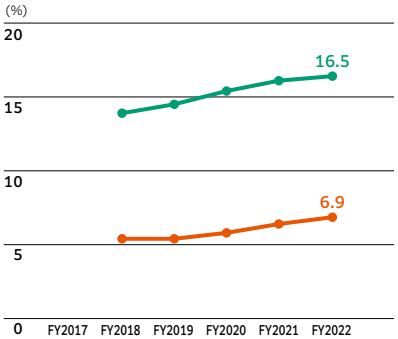
We have been using a large amount of clean water for the manufacturing of photographic films. Therefore, we have been taking actions to reduce the water intake amount and to utilize recycled water since our early days. Our goal is to reduce the Group's water usage by 30%* by fiscal 2030. In Kumamoto 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*
16.5%

Fujifilm Group in Japan
6.9%

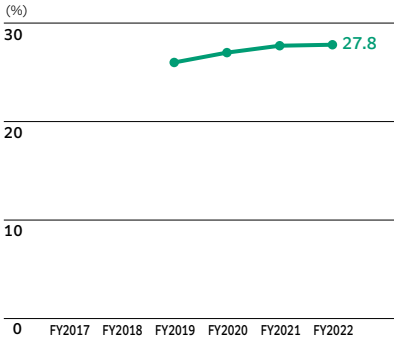


In the Sustainable Value Plan 2030, the creation of frameworks and workplaces in which diverse employees can play active roles is a priority issue. To promote the success of women, we have set a goal of increasing the percentage of women in managerial positions in the Fujifilm Group to 25% by the end 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

27.8%

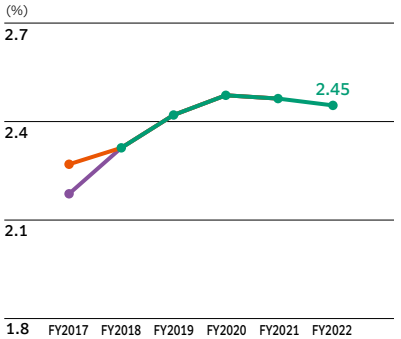


To promote talented non-Japanese employees, we have set the goal of increasing the percentage of non-Japanese employees in key positions to 35% by fiscal 2030. We appoint the right people to be the leaders of our businesses in each market, regardless of their nationality.

*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
2.45%



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.