



Chapter 03

Chapter







Special Feature: Co-creating Value with Stakeholders

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Meeting Stakeholders' Expectations

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

	Customers	Employees	Shareholders, Investors ▶ p.64	Suppliers	Local communities, future generations ▶ p.65	Governments, industry groups, NGOs, NPOs ▶ p.68
						
Stakeholders' expectations and interest	<ul style="list-style-type: none"> ▶ Product safety, quality assurance ▶ Environmentally conscious designs ▶ Provision of appropriate information on products and services ▶ Increasing customer satisfaction ▶ Customer services and support 	<ul style="list-style-type: none"> ▶ Ensuring occupational safety and health ▶ Respect for human rights ▶ Developing and utilizing human resources ▶ Respect for diversity 	<ul style="list-style-type: none"> ▶ Increasing corporate value ▶ Returning profits appropriately ▶ Appropriate disclosure in a timely manner ▶ Socially responsible investing (SRI) 	<ul style="list-style-type: none"> ▶ Completely fair and transparent transactions ▶ Promoting CSR activities related to the environment and human rights, among other issues, in supply chains 	<ul style="list-style-type: none"> ▶ Contributions based on our main business ▶ Respect for cultures and customs in individual regions, environmental conservation ▶ Prevention of disasters and accidents at factories ▶ Educational support to future generations 	<ul style="list-style-type: none"> ▶ Compliance with laws and regulations ▶ Cooperation in implementing public policies for addressing social issues, joint research and development ▶ Dialogue, cooperation and support to address social and environmental issues
Engagement channels	<ul style="list-style-type: none"> ▶ Customer center (contact point for inquiries) ▶ Usability evaluation meetings, monitoring surveys ▶ Customer satisfaction surveys ▶ Surveys of product purchasers ▶ Showrooms, trade shows ▶ Holding seminars ▶ Websites, social media 	<ul style="list-style-type: none"> ▶ Opportunities to talk with management ▶ Contact with the Human Resources Division, meetings with the division ▶ Compliance, sexual harassment helpline ▶ Regular meetings between the labor union and the Company, the Health and Safety Committee ▶ Newsletters, the intranet 	<ul style="list-style-type: none"> ▶ General meeting of shareholders, financial results briefings, briefings for investors ▶ IR conferences, meetings with individual shareholders and investors ▶ Integrated reports, shareholder newsletters ▶ IR page of the website ▶ Contact point for inquiries (Corporate Communications Division) 	<ul style="list-style-type: none"> ▶ Briefings for suppliers (e.g., about CSR procurement, including green procurement, and management of contained chemical substances) ▶ CSR Self-Checks (self-audits) and on-site visits by expert teams ▶ Dedicated website for suppliers ▶ Regular meetings with suppliers ▶ Contact points for inquiries (procurement functions, sales functions) 	<ul style="list-style-type: none"> ▶ Meetings to discuss environmental issues, factory tours ▶ Local volunteer activities ▶ Regular meetings with local governments (city halls, mayors, neighborhood community association leaders, etc.) ▶ Contact points for inquiries (each business site and each factory) ▶ Dispatching lecturers to academic institutions, endowed chairs ▶ Environmental education in collaboration with NGOs/NPOs 	<ul style="list-style-type: none"> ▶ Participation in committees in the industry ▶ Participation in creation of guidelines in the industry, etc. ▶ Making public comments through industry groups ▶ Joint studies with governments and industry groups ▶ Proposals for solving social and environmental issues ▶ Opinions on Sustainability Reports ▶ Participation in dialogues with stakeholders ▶ Charitable Trust Fujifilm Green Fund ▶ Working groups to address many different CSR issues ▶ Support to areas affected by a disaster in cooperation with NPOs
Results, effects	<ul style="list-style-type: none"> ▶ Improving products and services based on voices of customers 	<ul style="list-style-type: none"> ▶ Promoting mutual understanding of occupational health and safety and comfortable working environment through dialogues between management and employees ▶ Improving workplaces based on the content of consultations provided over the helpline 	<ul style="list-style-type: none"> ▶ Improving management and IR activities based on opinions of shareholders and investors 	<ul style="list-style-type: none"> ▶ Improvement of issues based on the content of inquiries through dialogues with suppliers 	<ul style="list-style-type: none"> ▶ Addressing issues based on the content of consultations provided by contact points for inquiries 	<ul style="list-style-type: none"> ▶ Changing guidelines and approaches ▶ Reflecting the results of joint studies with governments and industry groups in the improvement of products and services

Shareholders and Investors

Actively promoting shareholder and investor engagement to achieve sustainable growth and enhance corporate value in the medium to long term

Expectations of Shareholders and Investors

The Group is constantly working to strengthen trust with domestic and overseas shareholders and investors through constructive dialogue. Top management actively participate in financial results briefings, road shows overseas and conferences, and meet with individual shareholders and investors, listening sincerely to useful opinions through interactive communication with shareholders and investors. Major expectations that we have heard through dialogue in recent years include disclosing the information necessary for investment decisions, including management strategies, results and shareholder returns, and working to build a management base for improving corporate value, including non-financial data related to climate change adaptation and corporate governance. Continued progress in the Group's initiatives to achieve sustainable growth and enhance corporate value in the medium to long term, rather than improving results in the short term, is attracting increasing attention.

Results of Initiatives through Dialogue

We aim to reduce the gap between intrinsic corporate value and market ratings by continuing to disclose management strategies and our business plan, thereby enhancing the transparency of management, and incorporating shareholders and investors' opinions and proposals into management.

We canceled 0.1 billion shares of treasury stock in fiscal 2022 to optimize the number of shares issued and eliminate concern about the dilution of shares in the market. Consequently, the Company's shareholding ratio (based on the number of shares) has decreased from 22.1% to 2.7%. Shareholders and investors had great expectations for the cancellation of treasury stock, and the cancellation was highly appreciated in our dialogue with them.

With regard to corporate governance, we received many requests in fiscal 2021 to clarify reasons for the choice of items of the skills matrix for the directors and the process of making choices while we held a dialogue about the membership of the Board of Directors. We discussed the issue throughout fiscal 2022. Discussions were held at meetings of the Board of Directors, and outside officers participated in discussions outside of the Board meetings. A new skills matrix was disclosed in the notice of ordinary shareholders' meeting.

Employee engagement attracted a great deal of interest. We conducted an engagement survey of all employees of the Fujifilm Group working in Japan and overseas in fiscal 2022 in cooperation with external entities. The results were favorable. We will continue to share policies for sustainable engagement with shareholders and investors and run a cycle of issue setting and improvement to get the Fujifilm Group to grow.

Message from a Shareholder/Investor

Fujifilm is renowned as a company that has successfully transformed its business. Rather than the business transformation, however, I am impressed every time I hold a dialogue with Fujifilm that the Company's experience of succeeding in business transformation has reinforced its foundations, something that might be superficially invisible but has seeds that will emerge.

In the age of VUCA (volatility, uncertainty, complexity and ambiguity), when it is difficult to think ahead, Fujifilm has clear ideas based on its experience and uses the STPD (see-think-plan-do) cycle instead of the simpler PDCA (plan-do-check-adjust) cycle. In this way, Fujifilm is moving forward carefully and steadily. Fujifilm is always striving to create innovations to resolve social issues and enhance corporate value in the medium to long term by adding creative elements to its competitive advantages, which are technology, talents and a corporate culture that encourages employees to boldly take on challenges.

As an investor, I very much hope that companies like this one will continue to do business as such companies are indispensable for creating a sustainable society. I am also curious about Fujifilm's next move to contribute to that.



Megumi Sakuramoto

Executive ESG Analyst
Stewardship Group, Investment Div.
Asset Management One Co., Ltd.



Community

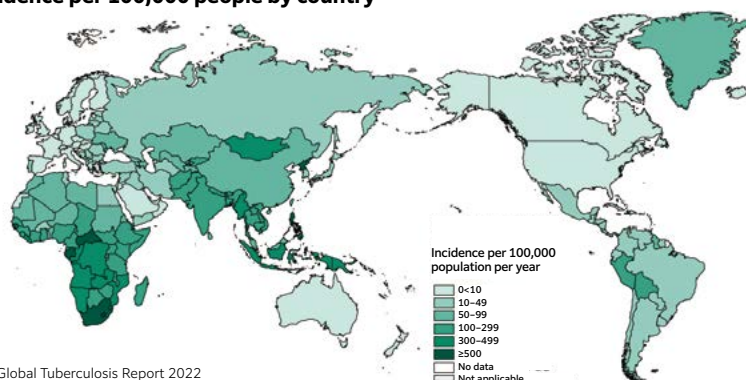
Working to Stop Tuberculosis with Mobile X-ray Imaging Devices



Social Issues

Tuberculosis (TB) is one of the world's three major infectious diseases, along with malaria and AIDS, and one of the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 is to end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases by 2030. More than 10 million people worldwide are affected by TB annually, and around 1.5 million people will die. Around 90% of those affected by TB are from developing countries, especially in Africa and Southeast Asia. TB can be cured through early detection and treatment, and the early identification of patients through screening tests is important to control the spread of infection and reduce the risk of serious illness. However, in addition to a lack of medical organizations in developing nations, transportation infrastructure and other services are often inadequate, making access to screening and treatment difficult, especially for people living outside urban areas.

Annual TB incidence per 100,000 people by country *1



*1 Source: The WHO Global Tuberculosis Report 2022



Solutions

The mobile X-ray imaging devices that we commercialized are compact, lightweight, easy to carry and easy to operate, allowing for TB screening tests even in environments without X-ray rooms. As the built-in battery allows for use even in areas with unstable power infrastructure, these devices can offer the chance for TB screenings even for people living in mountainous regions, remote islands and other remote areas.

We conducted a TB screening verification test using this device in member countries of the Stop TB Partnership*2 in 2020. The device was subsequently recommended as a new TB screening method through the Stop TB Partnership in 2021, being recognized for its effectiveness and utility. The World Health Organization (WHO) also issued new guidelines in 2021, recommending a new TB screening test using chest X-rays in addition to the conventional sputum examination. It also recommends applying AI technology to chest X-ray images for on-the-spot discovery of lesions in countries with insufficient specialist physicians and other human resources.

*2 Established in 2000 with the goal of stopping TB, this organization is operated by the United Nations Office for Project Services (UNOPS). The organization partners with 1,600 organizations, including international organizations, NGOs, governmental organizations and patient groups, working to stop TB.

Our Mobile X-ray Imaging Device and Related Devices



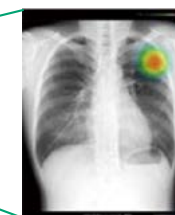
Compact and lightweight, with no power supply needed.
This mobile X-ray imaging device can be transported and used to take scans anywhere.



Digital X-ray diagnostic imaging system (Cassette DR)



Mobile console



Lesion detection software using AI*3

*3 Uses deep learning, a type of AI technology, in its design. System performance or precision will not be automatically altered after commercial launch.

Community

Social Impact

We are actively engaged in activities to educate people on TB screening. For example, cases of TB in India account for 26% of the cases worldwide, making addressing TB a significant challenge. In light of the Indian government's plan to stop TB by 2025, FUJIFILM India has partnered with local provincial governments, medical institutions, the International Union against Tuberculosis and Lung Disease (The UNION), and the Stop TB Partnership* to conduct TB screenings across India using our mobile X-ray imaging devices. In the first phase, which began in 2021, examination cars visited 27 cities, conducting X-ray screenings for around 12,000 people and leading to the treatment of 125 positive cases at medical institutions.

Similar TB screenings were also conducted in Vietnam for around 11,000 people from February to April 2022, leading to the treatment of 77 positive cases at medical institutions.

* An organization established under the umbrella of the WHO in Geneva, Switzerland, in 2001. A multi-sector partnership (confederation) that works with various partners to combat TB

Economic Impact on the Group

In September 2021, we signed a long-term contract with UNOPS*¹ for our mobile X-ray imaging devices and have thus far supplied these devices to 30 countries. We also began supplying these devices to The Global Fund*² in March 2022.

*1 An organization of the UN to realize sustainable development through infrastructure construction, procurement and project management

*2 The Global Fund to Fight AIDS, Tuberculosis and Malaria

Global Effort to Stop TB

FUJIFILM India Never Stop TB Screening:

<https://www.youtube.com/watch?v=QnJxN7JLRME>



Business Opportunities

FUJIFILM India aims to provide screening opportunities to 6 million people through awareness-raising activities and X-ray screenings to more than 30,000 people in India in 2023. If X-ray imaging equipment can be deployed to the primary healthcare centers scattered around the world, it will become possible to perform simple medical exams, follow-up exams and more on-site. We are also currently developing software to centrally manage exams and treatment data, connecting systems across the world through a cloud-based network. By visualizing the status of TB screening and treatment around the world in real time, we are aiming for further contributions through keeping tabs on the epidemic situation and quickly delivering medications and other supplies to the areas most in need.



Many residents lined up for a TB screening



In the second phase, which began in December 2022, food was provided to patients who tested positive for TB



X-ray imaging



Community

Message from an NGO

Our organization focuses on increasing women's access to healthcare services, including reproductive health. We work with local partners in more than 20 countries in Africa, South Asia and the Middle East. In India, we are promoting the "Never Stop Screening to Reduce Diagnostic Delays" project in collaboration with FUJIFILM India and with technical support from The UNION. This project is part of the Indian government's campaign to end tuberculosis (TB) and is being deployed in eight high-priority districts in the fight against TB: Assam (six districts), Kerala (one district) and Gujarat (one district).

One feature of this initiative is that it utilizes AI along with CALNEO Xair, Fujifilm's portable X-ray system. The initiative has been well received by screened patients and the government for its work across wide-ranging areas in close partnerships with local governments. Subjects who test positive receive treatment through the government's healthcare system and receive food donations from Fujifilm.

At the same time, the project faces some challenges (see list below). Accordingly, we are working with Fujifilm, The UNION and government officials to study and implement solutions.

- ▶ Identifying high-risk regions (particularly in hilly areas where mapping takes time)
- ▶ Collecting and managing data
- ▶ High turnover rate of ground staff
- ▶ Lack of trained X-ray technicians in agricultural areas
- ▶ Lack of facilities for sputum examinations

As anticipation for Fujifilm's role in the future increases, I hope it will consider offering support on a two- to three-year cycle, rather than on an annual basis, for programs like the current initiative that are expected to bring major social benefits. I also hope that Fujifilm will conduct a social impact assessment of this project and share its findings with other like-minded organizations and provide support that will result in changes in TB prevention behavior among society and individuals alike.



K. Laxmi Rao
Senior Director
PATHFINDER INTERNATIONAL

Message from an International Organization

The International Union Against Tuberculosis and Lung Disease (The UNION) operates the Corporate TB Pledge*¹ office as part of a TB prevention project supported by the United States Agency for International Development (USAID) and the Indian government. I am very pleased that FUJIFILM India has also committed to participate in this initiative, in which more than 300 companies have taken part over the past three years. Thanks to FUJIFILM India's assistance in



Dr. Kuldeep Singh Sachdeva
Regional Director,
The Union South-East Asia
International Union Against
Tuberculosis and Lung Disease

screening TB patients with the innovative CALNEO Xair and its support for collecting and transporting sputum, we were able to identify more than 500 TB patients under the Pradhan Mantri TB Mukht Bharat Abhiyaan (PMTBMBA) campaign*². I hope that Fujifilm and FUJIFILM India will continue supporting our efforts to end TB.

*¹ A joint initiative between USAID and the Indian government with the goal of stopping TB by 2025. This initiative provides opportunities for participation by private companies in TB prevention activities.

*² A nationwide campaign launched in September 2022 by Droupadi Murmu (President of India) and the Indian Ministry of Health and Family Welfare. This campaign aims to eliminate discrimination and prejudice against TB in the community and spread the word that the disease is preventable and treatable. It also encourages TB patients to receive nutritional support, nutritional supplements, additional testing and vocational assistance for six months to up to three years.

Message from an Employee

The population of India is expected to become the world's largest in 2023, and while experiencing remarkable economic growth, the country faces many social issues including infrastructure construction and the healthcare system. In 2021, we began touring around India and conducting examinations using FDR Xair based on our strong belief that we will contribute to the Indian society through our business. We faced many challenges, including the fact that it took around a year to apply and receive approval for pharmaceutical affairs in India and our struggles in securing human resources and infrastructure in rural areas, but the grateful voices of people who have been screened through our partnerships act as a major driving force for us. We will continue to push forward with responsibility and pride in playing a part in achieving the Indian government's goal of stopping TB by 2025.

**Koji Wada, Managing Director,
and employees working to stop TB**
FUJIFILM India Private Limited





Government (Local Governments)

Contributing to the Rebuilding of People's Lives through Ensuring Quick Issuance of Victim Certificates Using ICT



Social Issues

There has been an increase in the number of natural disasters occurring in Japan, and the increase in severity and intensity of torrential rains, earthquakes and other natural disasters due to extreme weather has become an issue in recent years.

Residents whose homes are damaged due to natural disasters can receive assistance for rebuilding their lives by having their local governments issue a victim certificate based on the damages. These local governments are required to prepare for contingencies by establishing a system for promptly evaluating damage and making appropriate judgments to protect the safety of residents and help them put their lives back in order.

However, in past disasters, including major earthquakes, there have been cases where it took several months before victims were issued certificates. The more serious the damage, the more time and effort it takes to conduct on-site surveys. The fact that this leads to delays in reconstruction for victims due to a delay in the issuance of victim certificates has become an issue.



Solutions

While promoting digital transformations in disaster prevention and mitigation, FUJIFILM System Services, a provider of BPO (Business Process Outsourcing) services for local governments and companies across Japan, noted that the reason why operations for issuing victim certificates took so long was that they involved manual processes done by humans using paper forms.

We have conducted multiple demonstrations with local governments, considering the digitalization of formulating house damage survey plans and damage certification surveys to be a particular challenge. Starting in August 2022, we have provided multiple local governments with free applications to support damage certification surveys and have taken

their requests and comments on improvements into consideration in system development. As the first step in our lineup of victim certificate acceleration solutions, we developed the Integrated Damage Survey System to handle the planning and progress management of damage surveys and a Home Damage Assessment App to support on-site damage severity surveys using tablets. We began offering this software in June 2023.

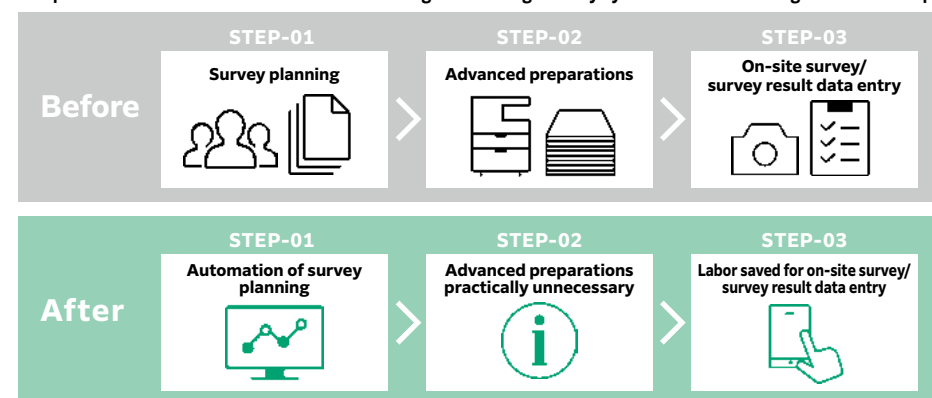
Integrated Damage Survey System

We promote the digital transformation of the work process for damage surveys. In survey planning, the system automatically establishes survey plans including number of victims, groupings and survey routes, and simulations can be performed on the system in response to progress. Efforts in reporting are also reduced as survey progress is converted to data. Also, information needed for on-site surveys is contained within the app on the tablet, thereby nearly eliminating the advance preparations needed to bring documents on-site.

Home Damage Assessment App

Surveys can be carried out while looking at directions on the tablet even for staff who have little experience with on-site surveys and survey result data entry, standardizing results. Without a paper survey form, data entry becomes unnecessary, allowing the survey to be completed on-site.

Comparison before and after introduction of the Integrated Damage Survey System and Home Damage Assessment App





Government (Local Governments)

Social Impact

Compared to conventional manual operations, a reduction in man-hours and length of time of more than 50% can be expected through the introduction of the Integrated Damage Survey System and the Home Damage Assessment App, contributing to rapid reconstruction for victims and a reduction in the burden placed on local government employees.

Economic Impact on the Group

In regard to our achievements in digital transformation solutions for local governments, we now account for about 70% of the market among local governments nationwide in terms of integrated family register systems introduced. We are aiming to have 100 local governments introduce our systems by the end of fiscal 2026, and we will propose services that meet the needs of each local government.

Business Opportunities

These solutions have been put into use by Hita City in Oita Prefecture and Takeo City in Saga Prefecture since June 2023, and in Uwajima City in Ehime Prefecture since July. We will help support the early reconstruction of victims' lives by further strengthening our disaster prevention and mitigation digital transformation initiatives, including linkage with the J-LIS* cloud-based victim support system.

* Japan Agency for Local Authority Information Systems



Messages from Local Governments

From Joint Research to Problem Solving

Hita City has experienced disastrous heavy rain three times in the last decade. Because of internal transfers and retirements, it was difficult to pass on employees' knowledge and experience, and we faced difficulties in handling the issuance of victim certificates given the limited number of employees. While engaged in joint research with FUJIFILM System Services that began in 2021, we felt that their victim certificate acceleration solutions were truly a system for on-site support, and we chose to officially implement the system. We hope that the system will continue to be updated to respond to new issues, including large-scale natural disasters.



Hita City, Oita

(From left) Tadashi Hasebe, Disaster Prevention and Crisis Management Section; Seigo Sugawara, Tax Affairs Section; Takahiro Harada, Tax Affairs Section

Experiencing the Convenience of the System during an Actual Natural Disaster

Komatsu City has been offering employee training and engaging in cooperation with neighboring communities to speed up the issuance of victim certificates. In August 2022, immediately after applying for a trial of the Home Damage Assessment App, our city was hit by torrential rains, and we used both the app and the Integrated Damage Survey System that FUJIFILM System Services were developing at the time. Our ideals were incorporated into the system as is, and it felt like anyone could use the system after trying it out once. We hope that these solutions will be further enhanced based on actual comments from people who have used them during disasters.



Komatsu City, Ishikawa

(From left) Yoshie Hara, Tax Affairs Section, Administrative Management Department; Keita Watanabe, Tax Affairs Section, Administrative Management Department; Hisao Hayashi, Tax Affairs Section, Administrative Management Department



Message from an Employee

Since our company was founded, we have been supporting local governments in reducing employee workload and improving services for residents. Our disaster prevention and mitigation digital transformations began with a consultation from a local government in Tokyo. They are solutions developed in cooperation with many local governments from a thorough on-site perspective.

One of our strengths is our ability to offer services that align with the customer's business by fully understanding nationwide trends and policies and by utilizing accumulated business knowledge and high-quality business operational ability. We will continue to offer innovative services, aiming for a sustainable society.



Minoru Takenaka

General Manager,
Digital Strategy Promotion,
Business Management Group,
FUJIFILM System Services Corp.