

FUJIFILM Holdings Corporation

INTEGRATED REPORT 2023

FUJIFILM
Value from Innovation



Value from Innovation

At Fujifilm, we are continuously innovating—creating new technologies, products and services that inspire and excite people everywhere. Our goal is to empower the potential and expand the horizons of tomorrow's businesses and lifestyles.



"Chemical Industry Competitiveness Ranking 2022"
conducted by Patent Result Co., Ltd.

1st
in the chemical industry
Ranked 1st for 12 consecutive years
since 2012

International Electrotechnical
Commission (IEC)

**Thomas Edison
Award**

Red Dot Design Award 2023

27 Products and Services were Awarded
Including two Best of the Best awards
23 items awarded in Product Design categories
Four items awarded in Brands &
Communication Design categories

Worldwide brand recognition
(According to a survey by Fujifilm)

95%

Cumulative number of visitors to
the FUJIFILM SQUARE, multipurpose showroom

Over **8 million** visitors
since opening
More than **1,600**
photo exhibitions held

Open Innovation Hub*
Cumulative number of visitors and corporate visitors

26,000 participants
5,000 companies
(As of March 31, 2023)

*Please refer to p.45 for details.

Number of open innovations with companies and
organizations in Japan and other countries/regions

300 cases
in fiscal 2022



Editorial Policy

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

Period of Coverage

The financial and non-financial data are aggregated from fiscal 2022 (April 2022 to March 2023). Some activity details on or after April 2023 are included.

Organizations Covered in the Report

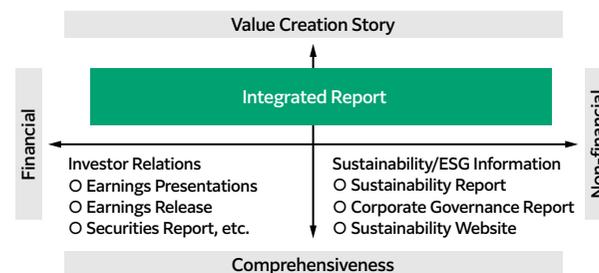
The Fujifilm Group includes FUJIFILM Holdings and all consolidated companies. Consolidated companies are shown on our website: <https://holdings.fujifilm.com/en/about/group>

Referenced Standards and Guidelines

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



Position of the Integrated Report



— [FUJIFILM Holdings Corporation Corporate Site](https://holdings.fujifilm.com/en)

<https://holdings.fujifilm.com/en>

— [Investor Relations](https://ir.fujifilm.com/en/investors.html)

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

— [Sustainability Report](https://holdings.fujifilm.com/en/sustainability/report)

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

About the Integrated Report Front Cover



The Fujifilm Group is developing its business with the mission of creating change on its own and transforming society into a better place by integrating diverse people, wisdom and technology. With the concept of ESG (Environmental, Social and Corporate Governance) represented by "trust" and "environmental conservation" taking root in the corporate culture, the themes of "people" representing customers, employees, shareholders, investors and other stakeholders; "dynamism" to continue creating innovations; and "nature" representing the environment are expressed.

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Themes of the Integrated Report 2023

Since its founding in 1934, the Fujifilm Group has continued to create innovations that meet the changing needs of changing times and society, and has transformed its business portfolio. We have worked in various ways to create value, aiming to continually contribute to solving social issues and realizing a sustainable society through our business. In the Integrated Report 2023, we have enhanced our information disclosures from the following perspectives, focusing on the value creation story centered on innovation.

Mechanisms for Continuing to Generate Innovation

In the chapter “The Fujifilm Group's Value Creation,” we summarize how the fundamental technologies cultivated in the photographic film business since our founding have evolved into core technologies that create value for the future and how sources of innovation such as human resources and technological capabilities have contributed to business development and sustainable growth. In the chapter “Strategy and Resource Allocation,” we summarize the Company-wide strategy to continue generating innovation and the approach to resource allocation to realize the strategy by function, including financial and capital strategies, R&D, intellectual property, DX and human capital. In addition, through a three-way discussion among division heads, we introduce examples of cross-organizational utilization of intellectual property under the theme of product development in the Medical Systems business.

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pp.7–12 >> Message from the CEO

Teiichi Goto, CEO, offers a review of business activities in fiscal 2022, when we achieved the sales and profit targets of our VISION2023 Medium-Term Management Plan one year ahead of schedule by turning risks into opportunities and taking prompt and appropriate preemptive action, as well as a look at the challenges we face in the final year of the plan and the CEO's thoughts on the realization of a sustainable society.

pp.31–34 >> Financial Capital Strategy (Message from the CFO)

The CFO message describes the progress of the VISION2023 Medium-Term Management Plan, our approach to capital efficiency and capital structure, and our shareholder return policy.

pp.51–55 >> **NEW** Discussion between General Managers of the Intellectual Property, Medical System Research & Development and Design Divisions

This special feature provides an in-depth look at the Fujifilm Group's efforts to continue to drive further innovation with a solid intellectual property strategy.

pp.56–61 >> Human Resources Strategy (Message from General Manager of Human Resources Division)

Through an interview with the General Manager of the Human Resources Division, this section summarizes human resource strategies to foster human resources and a culture in which each employee sees changes as opportunities for growth and continues to create change, as well as the results of an engagement survey conducted for all Fujifilm Group employees.

Co-creating Value with Stakeholders

We aim to provide value for the future while co-creating with various stakeholders. In the Special Feature “Co-creating Value with Stakeholders,” we summarize how the Fujifilm Group provides society with solutions and impact through its business activities in response to social issues and the expectations and requests of stakeholders.

Main Contents

pp.63–69 >> **NEW** Special Feature: Co-creating Value with Stakeholders

Along with a look at how we respond to stakeholder expectations, we introduce our value co-creation efforts with shareholders, investors, local communities and government (local government).

Corporate Governance

In the chapter “Corporate Governance,” we explain our efforts to further strengthen governance through a discussion between the Chairman of the Board of Directors and an outside director, and share messages from various outside directors.

Main Contents

pp.83–85 >> **NEW** Discussion on Governance

Under the theme of “Aiming for an even higher level of corporate governance to carry on the corporate culture,” a two-way discussion was held between Kenji Sueno, Chairman and Chairman of the Board of Directors, and Kunitaro Kitamura, Outside Director and chairman of the Nomination and Remuneration Advisory Committee. The discussion focuses on the role of the Board of Directors and the pair's thoughts on how to further improve its effectiveness.

pp.89–90 >> Board of Directors and Audit & Supervisory Board Skills Matrix

The skills matrix, which was revised in fiscal 2022, explains the reasons for the selection of each skill item, as well as the approaches and processes behind their creation.

The Fujifilm Group's Commitment

Corporate Philosophy

We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.

Vision

Anchored by an open, fair and clear corporate culture and with leading-edge, proprietary technologies, Fujifilm is determined to remain a leading company by boldly taking up the challenge of developing new products and creating new value.

Corporate Slogan

Value from Innovation

How We Act

Charter for Corporate Behavior

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

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

Code of Conduct

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

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

How We Will Fulfill Our Commitment

Long-Term CSR Plan

Sustainable Value Plan 2030

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

Medium-Term Management Plan

VISION2023

In April 2021, the Fujifilm Group formulated a specific action plan to accelerate the growth of business mainly in healthcare and advanced materials, aiming to achieve the goals set forth in the Sustainable Value Plan 2030.



Chapter 01

Chapter

The Fujifilm Group's Value Creation

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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 the 2000s, the rapid shrinkage of the photographic film market has 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

CEO Message

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

CEO Message

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 REiL 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

CEO Message

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 CO₂ 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 CO₂ 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 CO₂ 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 CO₂ 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; and 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>

CEO Message

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.



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.

Fuji Chrome Film

Fuji X-Ray Film

Air cartographic camera

Fuji F5 50 cm, a lens for aerial photography

Fuji Color Film

Fujica Six IA

Fuji Enlarger Type B

Analysis of silver halide using an electronic microscope (laboratory)

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

2000s: Period of exploration into growth areas

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.

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

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 Sapiaientia, 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



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



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.

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.

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



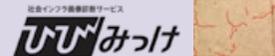
2011
Launched the Jet Press 720



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



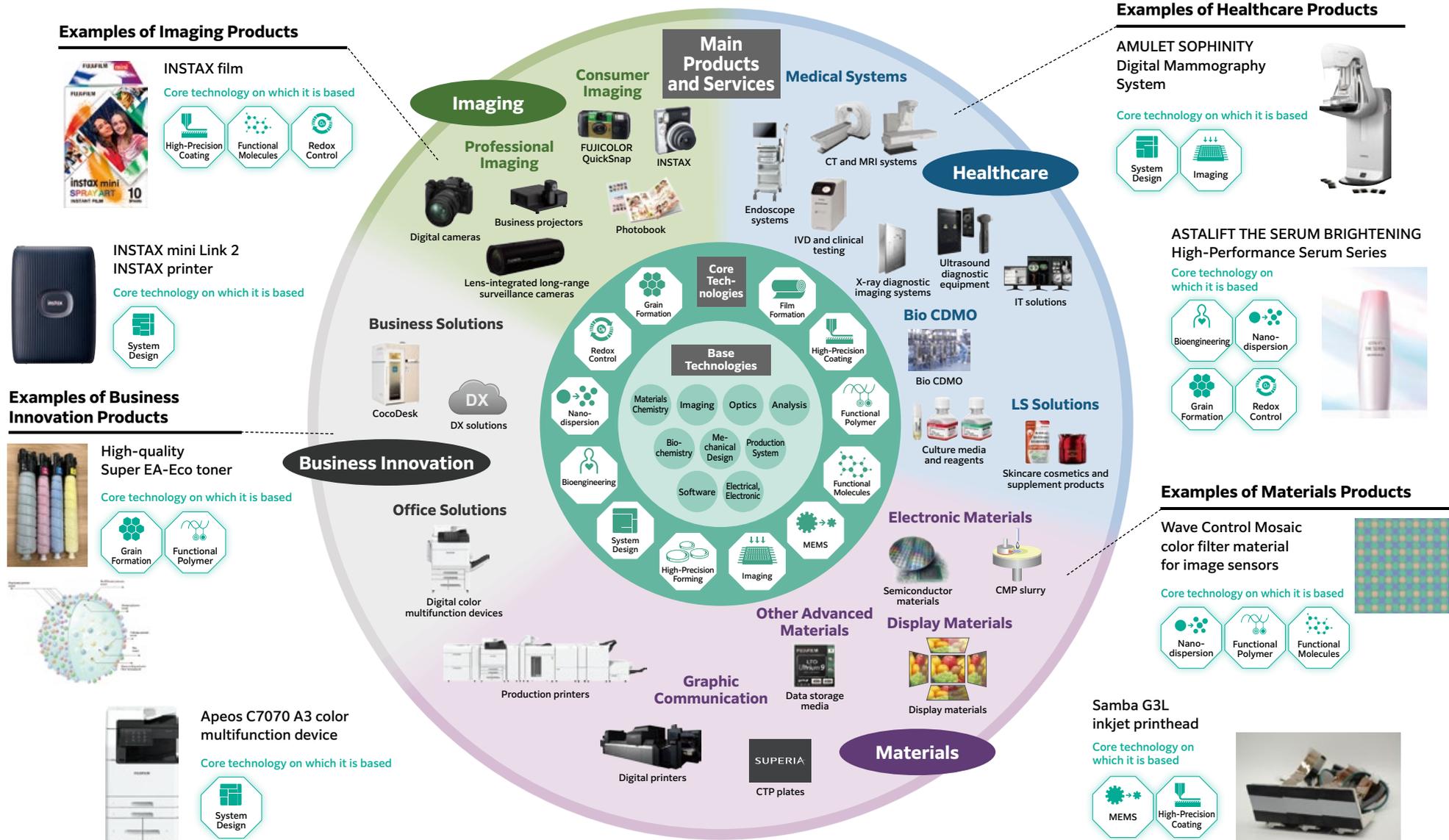
2021
Launched the INSTAX mini Evo hybrid instant camera



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

The Fujifilm Group's Proprietary Technologies

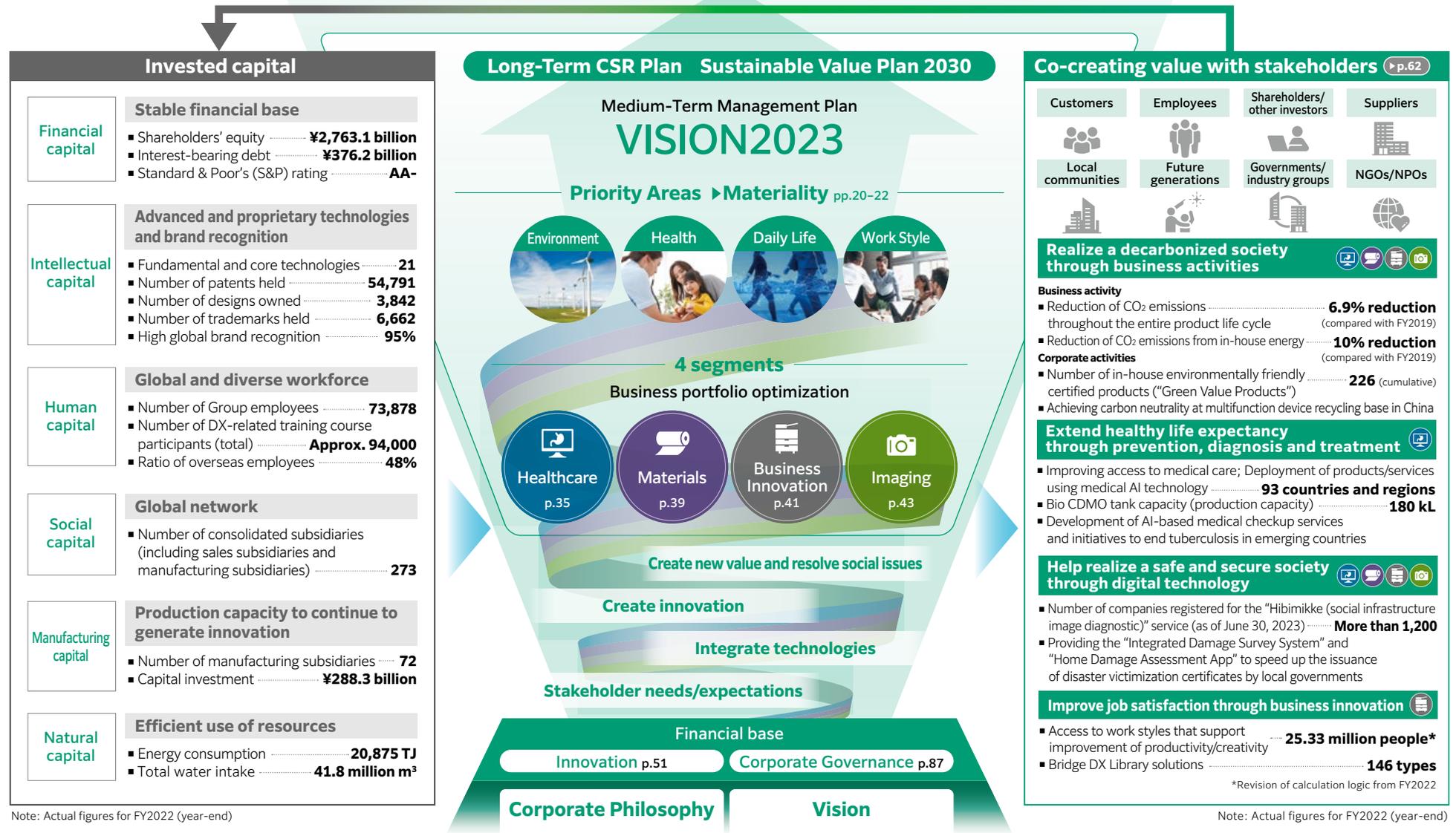
The process of completing a single photograph is made up of a wide variety of advanced, proprietary technologies. The Fujifilm Group has cultivated technological capabilities with a competitive advantage through the research and development of silver halide photography.



Value Creation Process

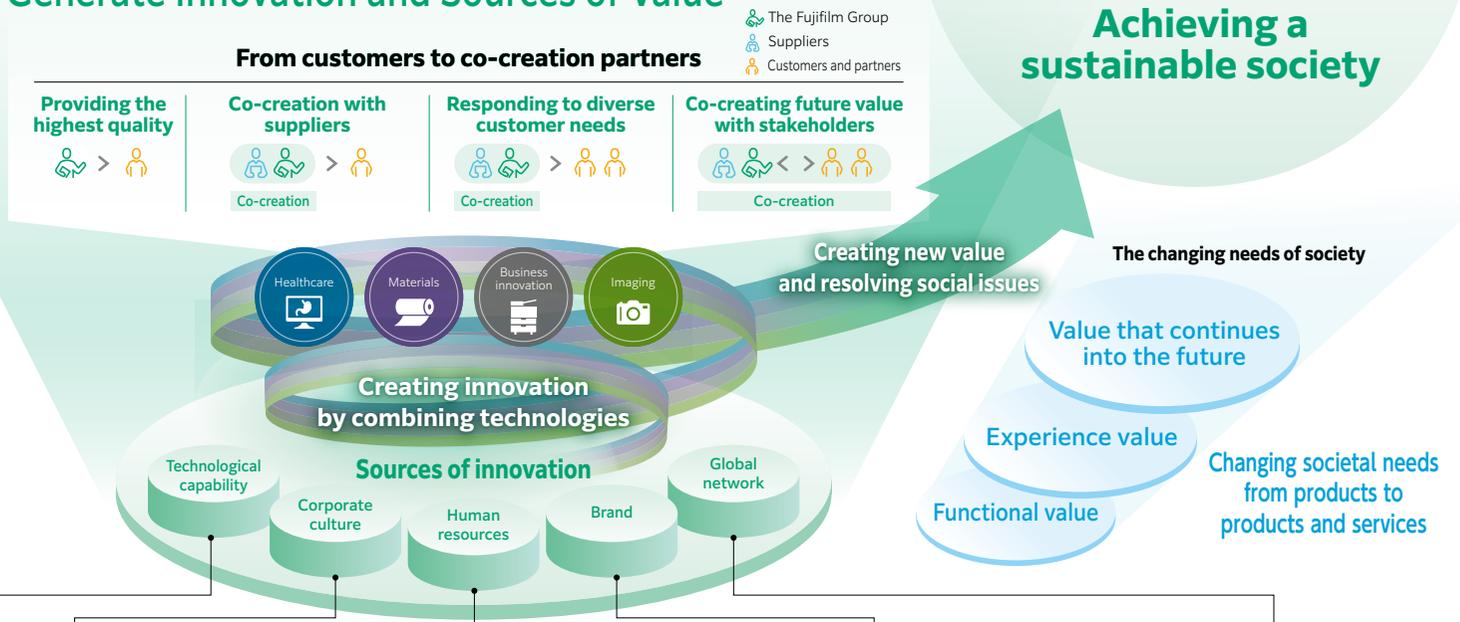
By leveraging its invested capital to create value through innovation, the Fujifilm Group has worked to resolve social issues through our business activities and consider the environment and society in our business processes. We will continue co-creating value with society and thus help realize a sustainable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

Realizing a Sustainable Society Value from Innovation



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, Motivated Work Style, 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, Motivated Work Style, 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.

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

VISION2019

Revenue: ¥2,315.1 billion
Operating income: ¥186.6 billion
CO₂ 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
CO₂ 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)
CO₂ emission reduction*^{1,2}: 50%
(compared with FY2019)

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

*1 CO₂ emission reduction figures apply to energy used by the Company (Scope 1 + 2).

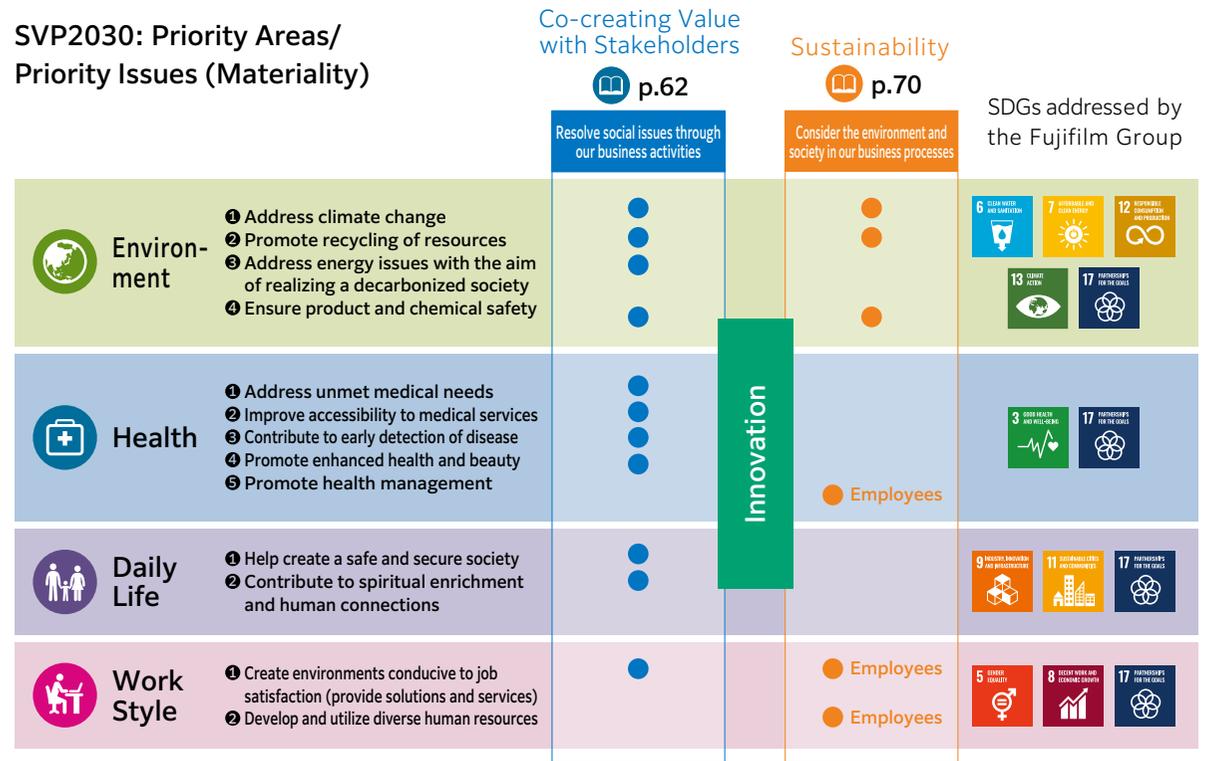
*2 50% reduction compared with FY2019 corresponds to 65% reduction compared with FY2013. CO₂ emission reduction target for the entire product life cycle in FY2030: 50% compared with FY2019.

Process for Formulating Priority Issues Materiality

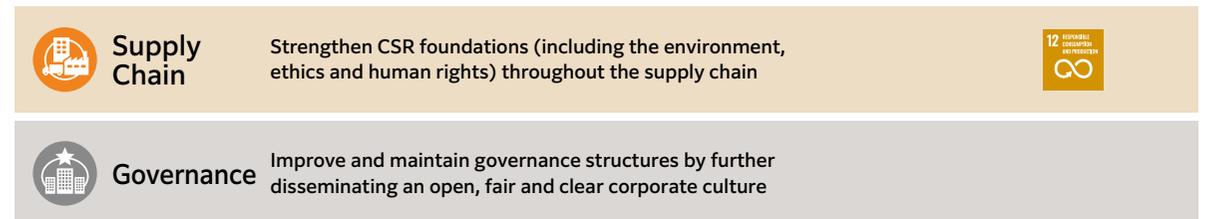
In formulating SVP2030, we conducted a materiality analysis (prioritized evaluation and selection of items) from the perspective of “social and environmental issues to be resolved” and “the Fujifilm Group’s business growth” expected in fiscal 2030. We will review our priority issues on a regular basis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



SVP2030: Priority Areas/ Priority Issues (Materiality)



Basis of Business Activities



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
 <p>Environment</p> <ol style="list-style-type: none"> 1 Address climate change 2 Promote recycling of resources 3 Address energy issues with the aim of realizing a decarbonized society 4 Ensure product and chemical safety 	<ul style="list-style-type: none"> ● 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 CO₂ 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 	<ul style="list-style-type: none"> ● 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 CO₂ generated when fossil fuels are used and the accompanying cost increases <p>▶ Please refer to p.73 for climate change measures.</p>	<ul style="list-style-type: none"> ● CO₂ emission reduction rate from in-house energy ● CO₂ emission reduction rate over product life cycle ● Ratio of sales of environmentally friendly products/services to net sales ● Contribution to CO₂ emission reduction in society 	<ul style="list-style-type: none"> ● 10% reduction in CO₂ emissions from in-house energy use (compared with FY2019) ● 6.9% reduction in CO₂ emissions in product life cycles (compared with FY2019) <p>-----</p> <ul style="list-style-type: none"> ■ Started collaboration with TOKYO GAS CO., LTD and Minamishigara 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" 	<ul style="list-style-type: none"> ■ CO₂ emission reduction rate from in-house energy: 11% (compared with FY2019) 	<ul style="list-style-type: none"> ■ CO₂ emission reduction rate from in-house energy: 50% (compared with FY2019) ■ 50% reduction of CO₂ emissions in product life cycles (compared with FY2019) 	<ul style="list-style-type: none"> Healthcare  Materials  Business Innovation  Imaging 
 <p>Health</p> <ol style="list-style-type: none"> 1 Address unmet medical needs 2 Improve accessibility to medical services 3 Contribute to early detection of disease 4 Promote enhanced health and beauty 5 Promote health management 	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● 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) 	<ul style="list-style-type: none"> ● 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 <p>-----</p> <ul style="list-style-type: none"> ■ Used 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 	<ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ 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 more than ¥3,500.0 billion) ■ Bio CDMO tank capacity (production capacity): 658 kL (FY2026) 	<ul style="list-style-type: none"> 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
 <p>Daily Life</p> <ul style="list-style-type: none"> ① Help create a safe and secure society ② Contribute to spiritual enrichment and human connections 	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Electronic Materials business: Growth rate and growth-oriented investments ● Ratio of Materials sales to total revenue 	<ul style="list-style-type: none"> ● Growth rate of Electronic Materials business: 23.1% (YoY) ● Ratio of Materials sales to total revenue: 23.9% <p>-----</p> <ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ Ratio of Materials sales to total revenue: 23.9%*1 	<ul style="list-style-type: none"> ■ 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) 	<p>Materials</p>  <p>Imaging</p> 
 <p>Work Style</p> <ul style="list-style-type: none"> ① Create environments conducive to job satisfaction (provide solutions and services) ② Develop and utilize diverse human resources 	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Provide solutions and services that help workers improve productivity and exercise their creativity ● Growth rate of Business Solutions business 	<ul style="list-style-type: none"> ● Provided 25.33 million**2 people with work styles that support increased worker productivity and creativity ● Business Solutions business growth rate: 8.5% (YoY) <p>-----</p> <ul style="list-style-type: none"> ■ 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 	<ul style="list-style-type: none"> ■ Achieve 4% annual growth (FY2020→FY2023) in Business Solutions sales that contribute to customers' DX 	<ul style="list-style-type: none"> ■ Provide 50 million people with work styles that support improved productivity and creativity 	<p>Business Innovation</p> 

*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.

Imaging

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

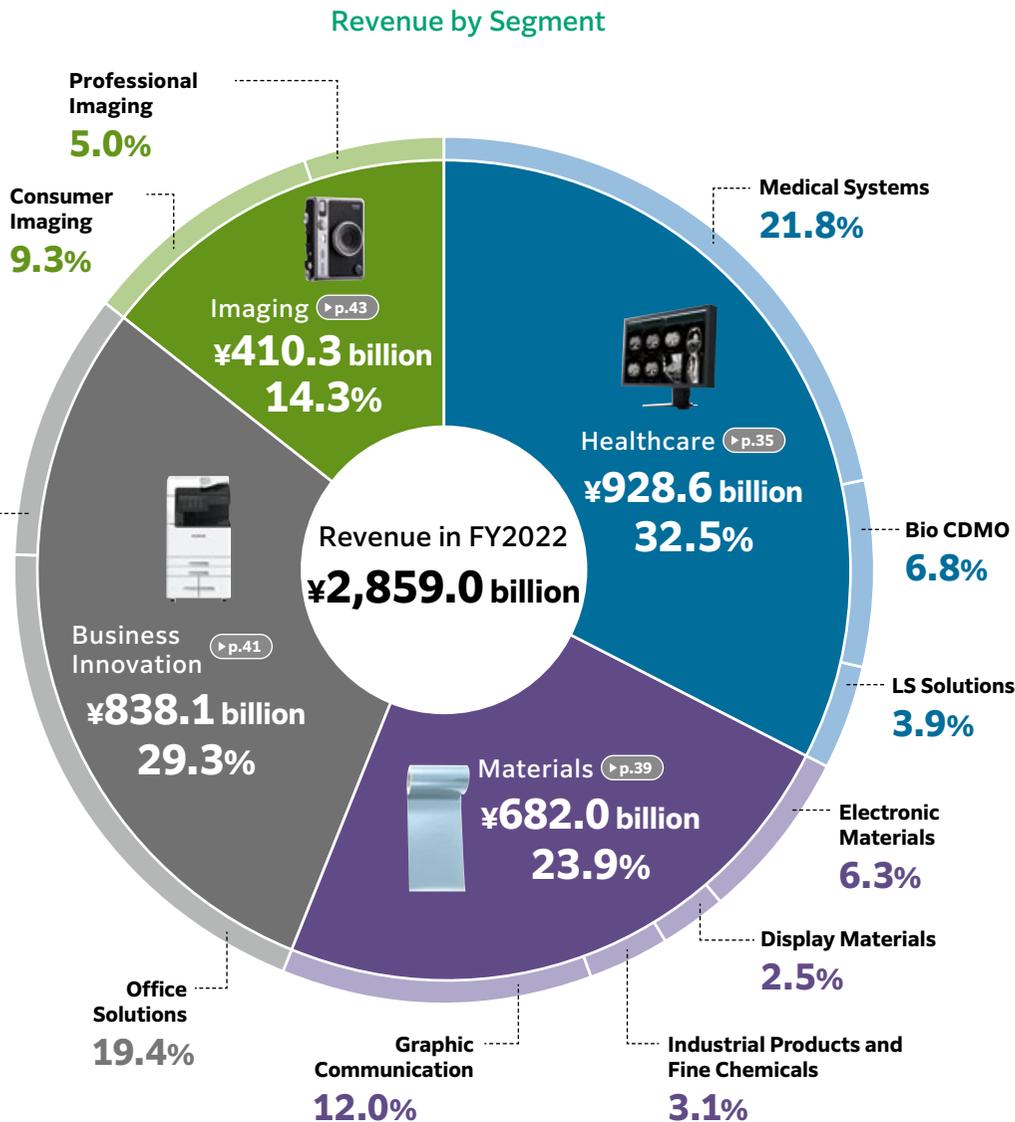
- **Consumer Imaging**
INSTAX, color films, color paper for photo printing, developing and printing systems, photo printing services and more
- **Professional Imaging**
Mirrorless digital cameras featuring high picture quality enabled by our proprietary color reproduction technology, TV and cine lenses,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

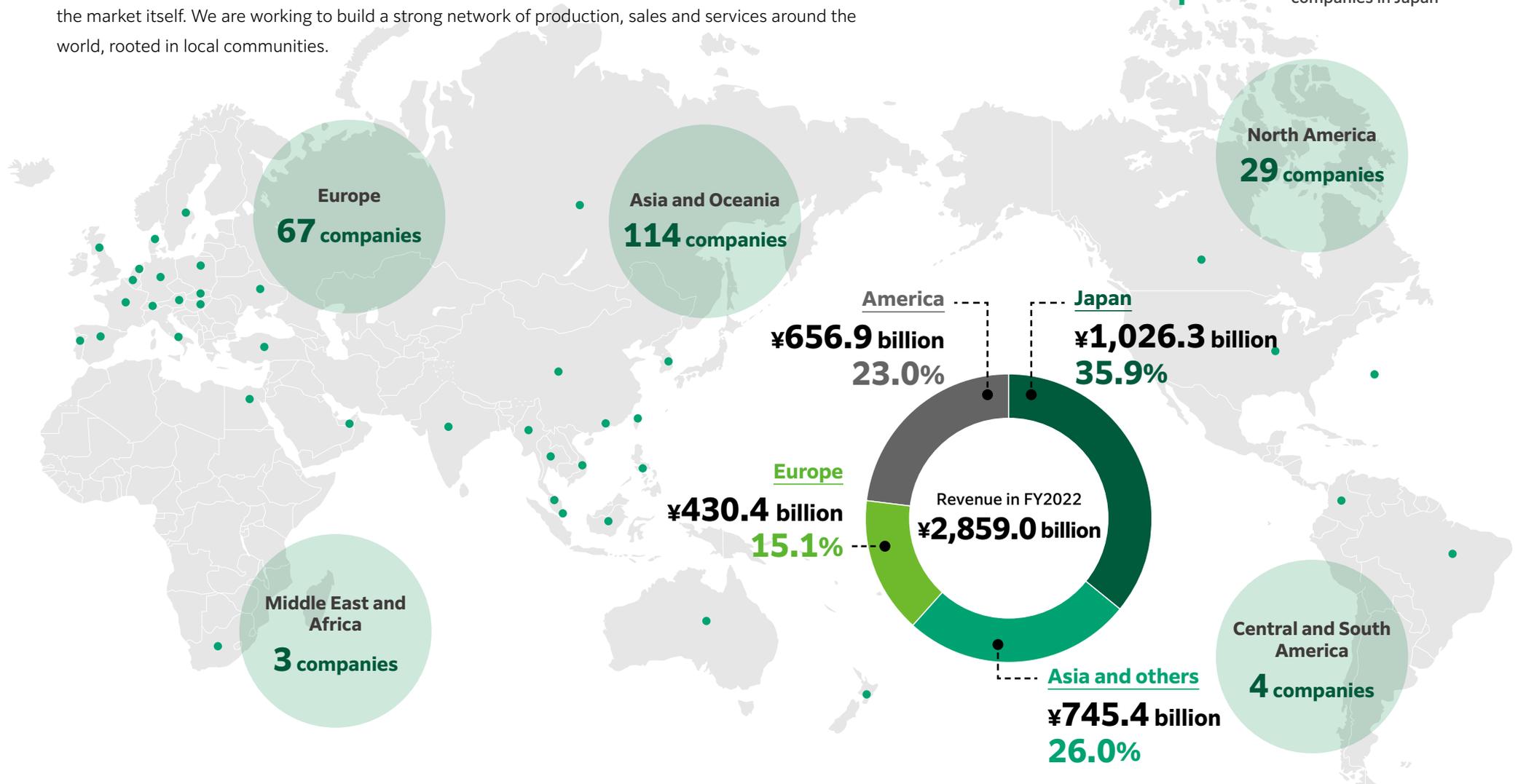
The Fujifilm Group around the World (Domestic and Overseas Revenue)

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.

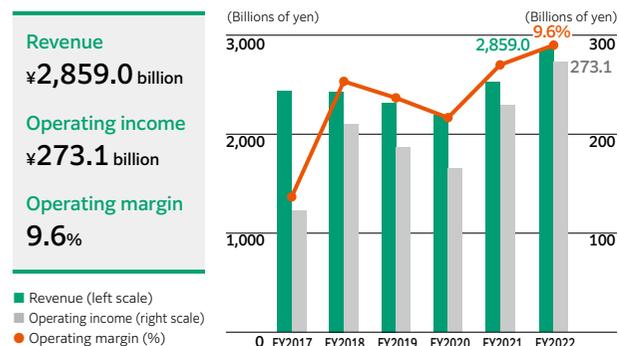
Worldwide consolidated subsidiaries

273 companies

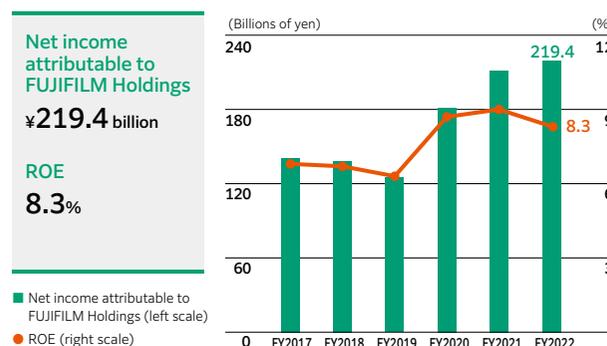
As of March 31, 2023
Including 56
companies in Japan



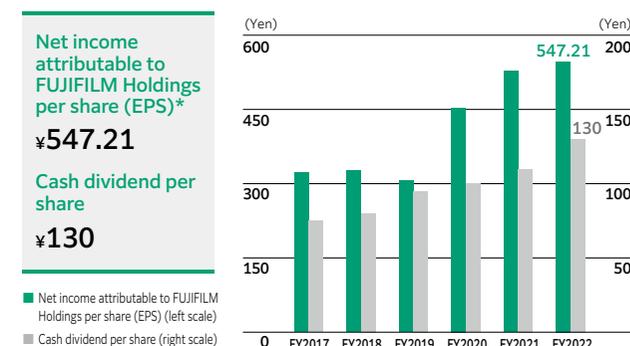
Financial Highlights



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.

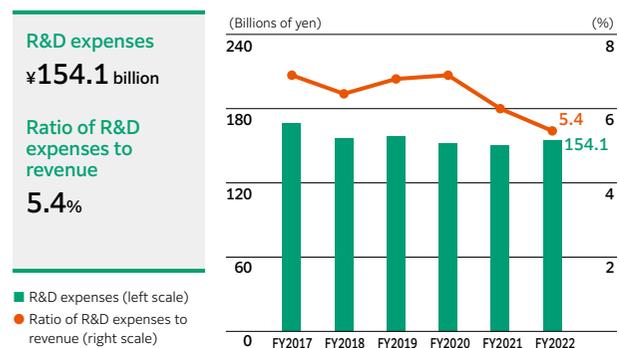


In fiscal 2022, net income attributable to FUJIFILM Holdings was a record ¥219.4 billion (up 3.9% year on year), thanks to the contribution of the record-high operating income.

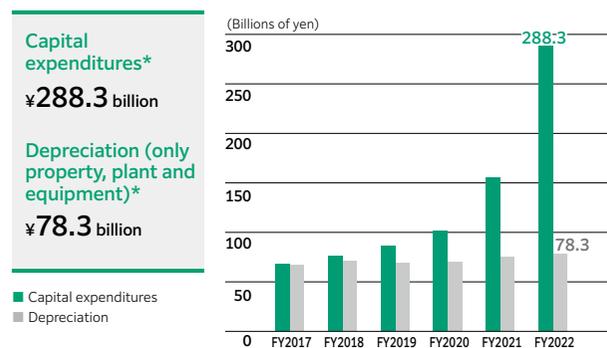


Net income attributable to FUJIFILM Holdings per share in fiscal 2022 totaled ¥547.21 (up 3.8% year on year). Cash dividend per share increased for the 13th consecutive year to ¥130, with a dividend payout ratio of 23.8%. The Company has a policy of shareholder returns that emphasizes cash dividends,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

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

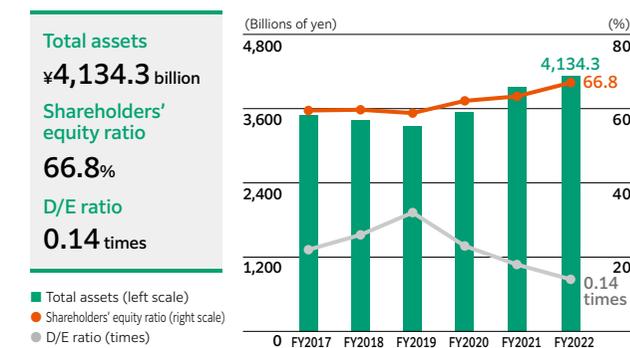


The Fujifilm Group does business in a variety of fields. It advances research and development in priority business areas through product design integrating a wide range of fundamental and core technologies, while at the same time generating new businesses for the future.



We are making aggressive capital investments to ensure that we capture the robust demand in the biopharmaceuticals and semiconductor markets. In fiscal 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.



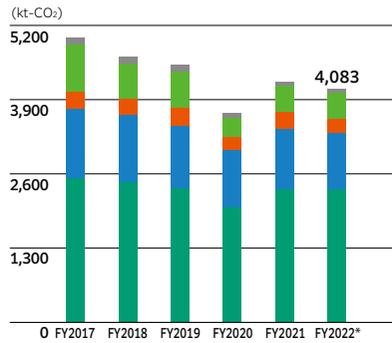
In fiscal 2022, total assets were ¥4,134.3 billion (up 4.5% year on year), mainly reflecting increases in property, plant and equipment. The shareholders' equity ratio was 66.8% (up 3.5 percentage points year on year), maintaining a stable capital structure.

Non-Financial Highlights

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

4,083 kt-CO₂

- Procurement stage
- Manufacturing stage
- Transportation stage
- Use stage
- Disposal stage



To realize a decarbonized society, a target of the Paris Agreement, we have set CO₂ emission reduction targets to achieve by fiscal 2030. We are working to reduce CO₂ emissions throughout product life cycles (in raw material procurement and in product manufacturing, transportation, use and disposal). In addition, we are contributing to CO₂ 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.

Percentage of women in managerial positions

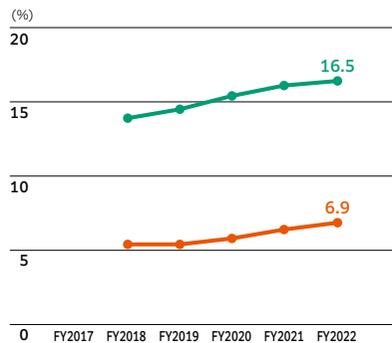
Fujifilm Group*

16.5%

Fujifilm Group in Japan

6.9%

- Fujifilm Group*
- Fujifilm Group in Japan



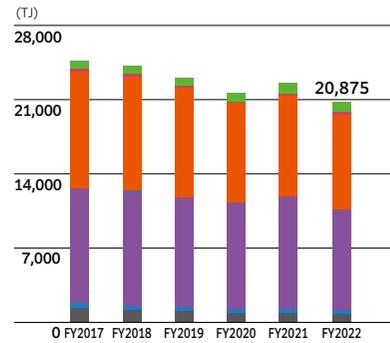
In the Sustainable Value Plan 2030, the creation of frameworks and workplaces in which diverse employees can play active roles is a priority issue. To promote the success of women, we have set a goal of increasing the percentage of women in managerial positions in the Fujifilm Group to 25% by the end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

Energy consumption*¹

20,875 TJ

- Heavy oil, etc.*²
- Vehicle
- Gas*³
- Biogas*⁴
- Purchased power
- Purchased heat
- Renewable energy*⁵



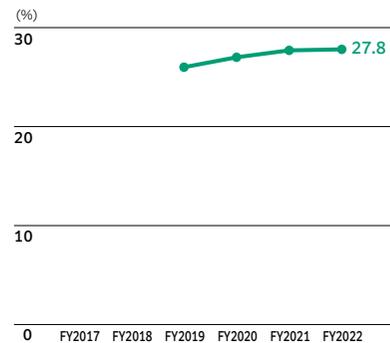
In addition to examining measures to maximize energy use efficiency and reduce CO₂ emissions in energy procurement across the Group, we are proactively developing these measures within the Group. Our target is to switch to renewable energy at a rate of 50% of purchased electricity by fiscal 2030 and 100% by 2040, achieving zero CO₂ 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

Percentage of non-Japanese employees*¹ in key positions*²

27.8%

- Percentage of non-Japanese employees in key positions



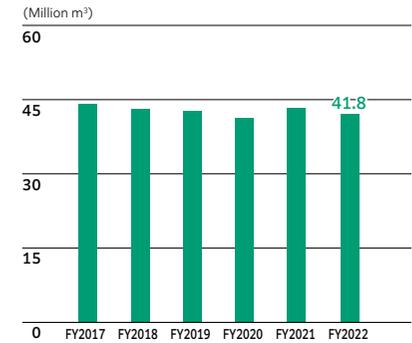
To promote talented non-Japanese employees, we have set the goal of increasing the percentage of non-Japanese employees in key positions to 35% by fiscal 2030. We appoint the right people to be the leaders of our businesses in each market, regardless of their nationality.

*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.

Total Group water intake

41.8 million m³

- Total Group water usage



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.

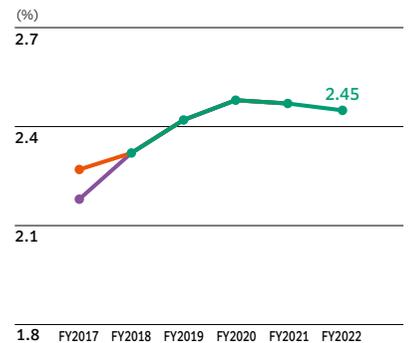
* Compared with fiscal 2013

Percentage of employees with disabilities*

Fujifilm Group in Japan

2.45%

- Fujifilm Group in Japan
- Fujifilm
- FUJIFILM Business Innovation



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.

Chapter **02** Strategy and Resource Allocation





Chapter 02

Chapter

Strategy and Resource Allocation

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Review of Past Medium-Term Management Plans

	VISION2016	VISION2019	VISION2023
Objectives	Achieve record-high profits and increase ROE by building a business portfolio that can grow stably over the medium to long term while strengthening shareholder returns.	Further solidify the business portfolio established under the previous medium-term management plan by entrenching each business and strengthening M&A investments and shareholder returns, in order to achieve record-high profits, increase ROE and inspire new leaps forward.	Accelerate growth in the Healthcare segment and the Advanced Materials business and build an even stronger business foundation for sustainable growth, in order to achieve record-high figures for operating income and net income attributable to FUJIFILM Holdings.
Priority issues/ Initiatives	<ul style="list-style-type: none"> Accelerate the growth of core businesses: Increase sales, market share and profits by expanding sales activities, launching new products and engaging in M&As, with the Healthcare, Advancement Materials and Document businesses as growth drivers Improve profitability in all businesses: Improve profitability by increasing productivity and efficiency in all businesses while maintaining business scale and a competitive edge Set and disclose targets for ROE and shareholder returns (more than ¥200 billion) 	<ul style="list-style-type: none"> Position each business into three stages according to our growth process—"Improve profitability," "Further accelerate growth" and "Invest to create a new future"—and develop measures to suit the relevant growth process Strengthen corporate governance as a foundation and accelerate global business development Deliver total shareholder returns of ¥300 billion Make total M&A investments of ¥500 billion 	<ul style="list-style-type: none"> Strengthen business portfolio management and make growth investments of ¥1.2 trillion over three years Strengthen cash flow management and set/disclose target values for ROIC and CCC Enter new markets for further growth Create synergies from the businesses strengthened through M&As in the Healthcare and Business Innovation segments Establish indicators to show the status of efforts to address social issues through our business activities and disclose target values
Achievements/ Progress	<ul style="list-style-type: none"> Promoted investment in advanced medical fields, including healthcare (through the acquisition of Texas-based Kalon Biotherapeutics, LLC in the Bio CDMO business) and regenerative medicine (through the acquisition of Cellular Dynamics International, Inc.) Advanced Materials: Improved profitability through increased sales in the Electronic Materials and Display Materials businesses Imaging: Achieved significant increases in profitability in both the Photo Imaging business driven by the growth of instant photo systems and the Electronic Imaging business, which is shifting to high-end mirrorless digital cameras 	<ul style="list-style-type: none"> Healthcare: Made and implemented aggressive investment decisions, including the acquisition of the diagnostic imaging business of Hitachi, Ltd., a large-scale capital investment in the Bio CDMO business in Denmark and the acquisition of Wako Pure Chemical Industries Advanced Materials: Growth in revenue and profit driven by the Electronic Materials business Document: Posted an operating margin above 10% (in the plan's final year), sped up decision-making by making Fuji Xerox a wholly owned subsidiary and built a foundation for further synergies within the Fujifilm Group 	<p style="text-align: center;">Fiscal 2021 to 2022</p> <ul style="list-style-type: none"> Healthcare has grown into the largest segment in both revenue and operating income Following the sale of the radiopharmaceutical business, we decided to sell the electronic medical records and medical-receipt systems related business of FUJIFILM Healthcare (FHC) and promote building an optimal business portfolio In fiscal 2022, the second year of the medium-term management plan, the Company posted consecutive record-high profits of ¥273.1 billion in operating income and ¥219.4 billion in net income attributable to FUJIFILM Holdings <p><small>Note: Please refer to Financial Capital Strategy (Message from the CFO) on p.31 for details of the review of fiscal 2022.</small></p>
Performance target achievement level/ Tasks for the final year	<ul style="list-style-type: none"> FY2016: Underachieved revenue and operating income targets due to yen appreciation Net income attributable to FUJIFILM Holdings reached a record high of ¥131.5 billion Delivered around ¥290 billion in shareholder returns (including dividends and share buybacks) over the three-year period 	<ul style="list-style-type: none"> Achieved record-high operating income of ¥209.8 billion in fiscal 2018, but failed to meet the target for fiscal 2019 (final year of the plan) due to COVID-19 in the fourth quarter and the significant impact of foreign exchange rates in the Asia-Pacific region Made around ¥700 billion in M&As and other growth-oriented investments over the three-year period Delivered around ¥300 billion in shareholder returns (including dividends and share buybacks) over the three-year period 	<ul style="list-style-type: none"> Maximize synergies with FHC in Medical Systems and reorganize the functions of domestic Group companies (scheduled to be completed in the summer of 2024) Pass on cost increases to prices due to higher energy prices and labor costs in Bio CDMO and complete the first phase of ongoing capacity expansion at the Denmark site Stabilize the supply and demand of raw materials in Life Sciences (culture media) Secure closing of the acquisition of the Semiconductor Process Chemicals business in Electronic Materials

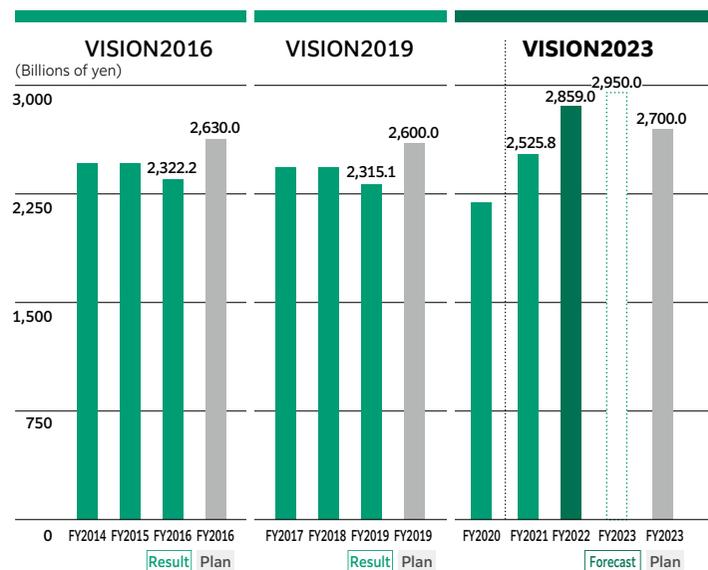
Revenue

VISION2016 (result)
¥2,322.2 billion

VISION2019 (result)
¥2,315.1 billion

VISION2023 (Full-year forecast)
¥2,950.0 billion

VISION2023 (plan)
¥2,700.0 billion



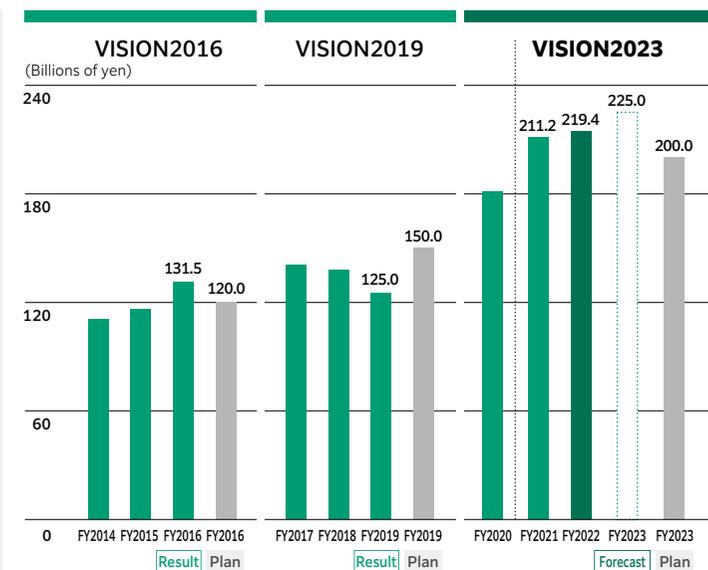
Net income attributable to FUJIFILM Holdings

VISION2016 (result)
¥131.5 billion

VISION2019 (result)
¥125.0 billion

VISION2023 (Full-year forecast)
¥225.0 billion

VISION2023 (plan)
¥200.0 billion



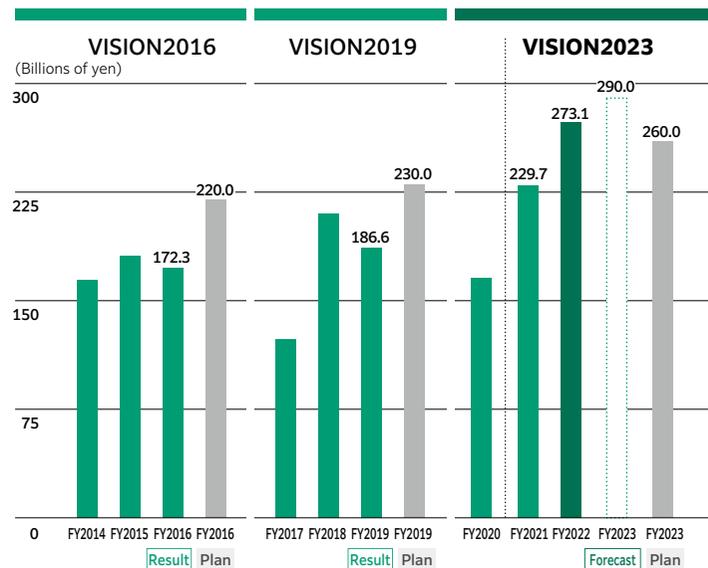
Operating income

VISION2016 (result)
¥172.3 billion

VISION2019 (result)
¥186.6 billion

VISION2023 (Full-year forecast)
¥290.0 billion

VISION2023 (plan)
¥260.0 billion



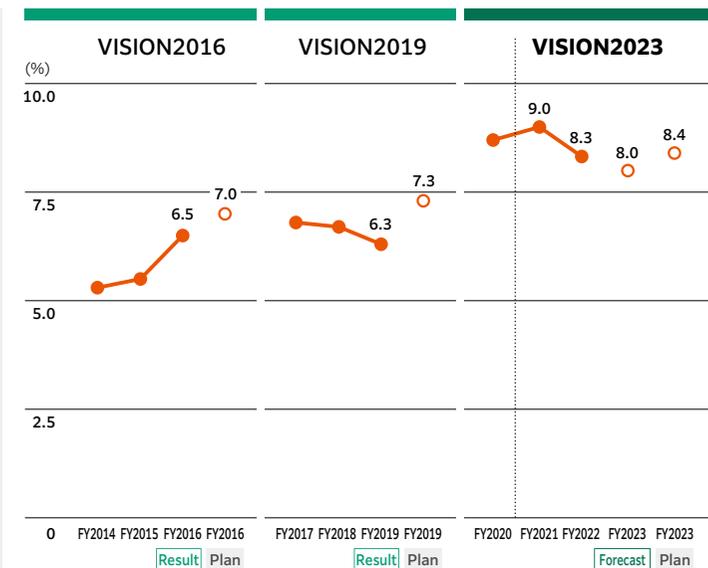
ROE

VISION2016 (result)
6.5%

VISION2019 (result)
6.3%

VISION2023 (Full-year forecast)
8.0%

VISION2023 (plan)
8.4%



Financial Capital Strategy



Message from the CFO

We will build a foundation for future earnings by strengthening our ability to generate cash and reinforcing business portfolio management.

Masayuki Higuchi

Director and Corporate Vice President
CFO and General Manager of Corporate Planning
Division
FUJIFILM Holdings Corporation

□ Please give us a review of your medium-term management plan, VISION2023, and tell us about the challenges you face in fiscal 2023, the final year of the plan.

In fiscal 2022, we posted record-high figures for revenue and operating income, both of which surpassed the final-year targets of VISION2023 one year ahead of schedule. Revenue increased 13.2% year on year to ¥2,859.0 billion, with all segments achieving year-on-year revenue growth. Operating income rose 18.9% to ¥273.1 billion, mainly due to the revenue increase and the impact of foreign exchange rates. This was despite a decrease in COVID-related special demand in the Healthcare and Materials segments compared to the previous year, as well as higher material and energy costs.

We faced a challenging business environment due to lockdowns in China, soaring energy prices caused by the Ukraine situation and other geopolitical factors, and a tight supply-demand balance for parts and materials. Nevertheless,

businesses/segments such as Medical Systems, Business Innovation and Imaging performed better than expected because we swiftly addressed the parts procurement issue and appropriately reviewed our selling prices.

On the other hand, the Bio CDMO business, which could not absorb sharp increases in fixed costs due to inflation, and the Life Sciences business, which continued to face a tight supply-demand balance for raw materials, fell short of their targets. In addition, conditions remained difficult for Display Materials and other businesses compared to the previous fiscal year, which benefited from COVID-related demand, but the Company as a whole achieved favorable results that exceeded its forecasts.

In fiscal 2023, we are targeting revenue of ¥2,950 billion, operating income of ¥290 billion and net income attributable to FUJIFILM Holdings of ¥225 billion. All of these will be record-high figures surpassing the final-year targets of VISION2023. Meanwhile, demand for biopharmaceuticals and

● Performance targets

(Billions of yen)

	FY2021 result	FY2022 result	FY2023 forecast	FY2023 VISION2023
Revenue	2,525.8 100%	2,859.0 100%	2,950.0 100%	2,700.0 100%
Operating income	229.7 9.1%	273.1 9.6%	290.0 9.8%	260.0 9.6%
Income before income taxes	260.4 10.3%	282.2 9.9%	295.0 10.0%	265.0 9.8%
Net income attributable to FUJIFILM Holdings	211.2 8.4%	219.4 7.7%	225.0 7.6%	200.0 7.4%
Net income attributable to FUJIFILM Holdings per share	¥527.33	¥547.21	¥560.95	¥500.27
ROE	9.0%	8.3%	8.0%	8.4%
ROIC	5.6%	6.1%	5.9%	6.1%
CCC (days)	122	125	111	103

FY2022 exchange rates: US\$1.00=¥136, €1.00=¥141; silver price=¥93,000/kg

Operating income exchange rate sensitivity: US\$: ¥0.6 billion, €: ¥0.8 billion

Exchange rate assumptions (VISION2023): US\$1.00=¥104, €1.00=¥124; silver price=¥84,000/kg

Exchange rate assumptions (FY2023 forecasts): US\$1.00=¥136, €1.00=¥146; silver price=¥106,000/kg

semiconductor-related products is stronger than we assumed when we formulated VISION2023. For this reason, we have decided to further increase growth-oriented investments, particularly in the Bio CDMO and Electronic Materials businesses, to capture this growth opportunity.

In the Bio CDMO business, we are currently expanding the primary capacity of our tanks in Denmark (FDBD*1), with the larger-capacity production scheduled to start in fiscal 2024. Accordingly, we expect revenue to remain flat in fiscal 2023. With respect to operating income, however, we will improve the operating margin by passing on higher costs caused by inflation to our selling prices.

In the Electronic Materials business, we expect the market for semiconductor-related materials to begin recovering from the second half of fiscal 2023, which will also benefit our business. In anticipation of significant growth in the semiconductor market, including in the area of generative AI applications, we will work to expand the Electronic Materials business.

In the Business Innovation segment, print volumes in the office market are on a gradual downtrend. Nevertheless, we will maintain steady sales of office equipment and supplies through OEM supply partnerships and expansion into new sales regions, while increasing revenue from solutions and services. As a result, we are targeting an increase in overall segment revenue.

In the Imaging segment, demand for INSTAX instant photo systems remains strong in North America and Europe, as well as China, Japan, India and other countries. We also expect demand to remain firm in the future, which will benefit earnings in this segment.

Our next medium-term management plan will cover the three-year period starting in April 2024. At present, we are conducting in-depth Company-wide discussions with a view to announcing the plan around next spring. Our strategy of positioning Healthcare and Advanced Materials as growth drivers remains unchanged. Based on this strategy, we will reiterate our specific management plan and guidance.

*1 FUJIFILM Diosynth Biotechnologies Denmark ApS

Q How is your progress with respect to return on invested capital (ROIC)?

Our ROIC in fiscal 2022 was 6.1%, up 0.5 percentage point year on year, due to an improved operating margin. In fiscal 2023, however, we forecast ROIC of 5.9%, down 0.2 percentage point. While the operating margin will improve, we have to make large-scale capital investments exceeding the plan of VISION2023 (¥1,121.4 billion over three years, which is ¥371.4 billion higher than VISION2023) to address strong demand for biopharmaceuticals and semiconductor materials.

In the Bio CDMO business, we are currently in the large-scale growth-oriented investment phase, which involves negative cash flow. In the final year of the next medium-term management plan, however, we expect to generate positive cash flow, and capital efficiency will improve accordingly.

We are working to make sure that ROIC exceeds the weighted average cost of capital (WACC), which is the hurdle rate we have set, while taking into account global interest rate fluctuations and the business environment. For businesses with

ROIC below WACC (among Medical Systems, Life Sciences, Advanced Materials, Graphic Communication, Business Innovation and Imaging), we will work to improve ROIC by reducing working capital to improve the cash conversion cycle (CCC) while increasing capital investment efficiency and improving profitability.

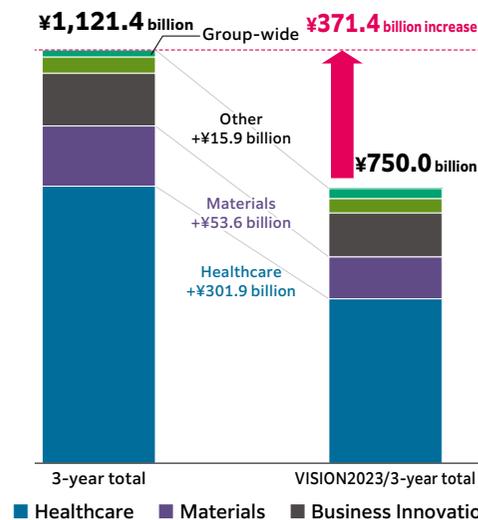
Q How is your cash flow management progressing?

In fiscal 2022 financial results, net cash provided by operations amounted to ¥210.5 billion, down ¥113.4 billion from the previous year, mainly due to an increase in year-end receivables resulting from strong sales in the fourth quarter.

Net cash used in investing activities totaled ¥323.2 billion, up ¥169.7 billion from the previous year, mainly due to increased capital expenditures centered on the Bio CDMO business.

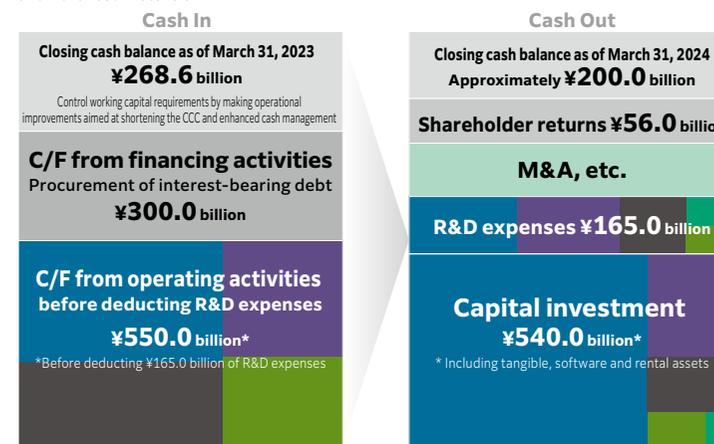
CCC for the year was 125 days, meaning we did not reach the 114-day target set at the beginning of the year. This was due to an increase in inventory days resulting from a temporary

● Capital investment (including tangible, software and rental assets)



● FY2023 cash allocation

We will maximize net cash provided by operating activities by strengthening portfolio management and maintaining financial soundness while continuing growth investment centered on Healthcare and Advanced Materials.



buildup of inventory associated with the procurement of semiconductors and other parts and materials. Our target for fiscal 2023 is 111 days. To this end, we will work on improvements mainly targeting inventories, including by building a system to prevent new inventory backlogs and shortening lead times for all aspects of supply, such as procurement, production and logistics.

In addition to making large capital investments centered on the Bio CDMO and Electronic Materials businesses, we have factored in cash outflows in fiscal 2023 associated with the acquisition of the semiconductor process chemical business of Entegris, Inc., a U.S. semiconductor materials manufacturer (approx. ¥95 billion investment) and the conversion of two Bio CDMO subsidiaries—FDBU*² (United States) and FDBK*³ (United Kingdom)—into wholly owned subsidiaries.

Under these circumstances, in addition to operating cash flow, we will consolidate funds from Group subsidiaries to the head office and procure interest-bearing debt (totaling ¥300 billion) for growth-oriented investments in such areas as capital expenditures, R&D, M&As and shareholder returns.

With respect to our business portfolio, we will leverage the Business Innovation and Imaging segments, positioned as foundations for future earnings as reflected in VISION2023, to ensure the stability of the Group's overall management. Cash generated by those businesses will be allocated to the New/Future Potential and Growth Driver businesses, namely Healthcare and Advanced Materials, on a priority basis. We will continue maximizing operating cash flow by strengthening our business portfolio management. At the same time, we will work to increase corporate value through ongoing investments in growth, particularly in Healthcare and Advanced Materials, while maintaining financial soundness.

*2 FUJIFILM Diosynth Biotechnologies U.S.A., Inc.

*3 FUJIFILM Diosynth Biotechnologies UK Limited

Q What is your approach to capital structure?

We aim to grow our business while maintaining financial soundness, without excessive reliance on leverage. Specifically, we aim to maintain the net debt/EBITDA ratio (net of cash and

cash equivalents) at no more than 2 times and receive credit ratings of at least single A (current ratings include long-term AA- from S&P and long-term AA from R&I). Our current EBITDA is approximately ¥400 billion, and interest-bearing debt at fiscal year-end was ¥376.2 billion. After taking into account additional financing of ¥300 billion and an estimated cash and cash equivalents balance of around ¥200 billion (end of fiscal 2023), our current net debt/EBITDA ratio is about 1.2 times. Therefore, we expect to be able to borrow up to around ¥1 trillion from external sources.

Q What is your policy on shareholder returns?

In fiscal 2022, we paid an annual dividend of ¥130 per share (up ¥20 year on year). In fiscal 2023, we plan to declare an annual dividend of ¥150 per share, including a ¥10 commemorative dividend for the 90th anniversary of the Company's founding, marking the 14th consecutive year of dividend increases. The

full-year dividend payout ratio is projected to be 26.7%.

Our shareholder return policy remains unchanged. We will continue balancing business growth and financial discipline while paying stable and continuous dividends, with a target payout ratio of 30%. We will also implement share buybacks flexibly in accordance with changes in our stock price, taking into consideration our cash position and cash flow situation at the time. Our total shareholder return (TSR; June 30, 2023 basis) has outperformed the TOPIX Index and the TOPIX Chemicals Index over the past three, five and 10 years. We believe that the market recognizes our progress in increasing corporate value, with Healthcare and Advanced Materials as growth drivers, which is also reflected in our stable and progressive dividend payments.

Q How is your business portfolio management progressing?

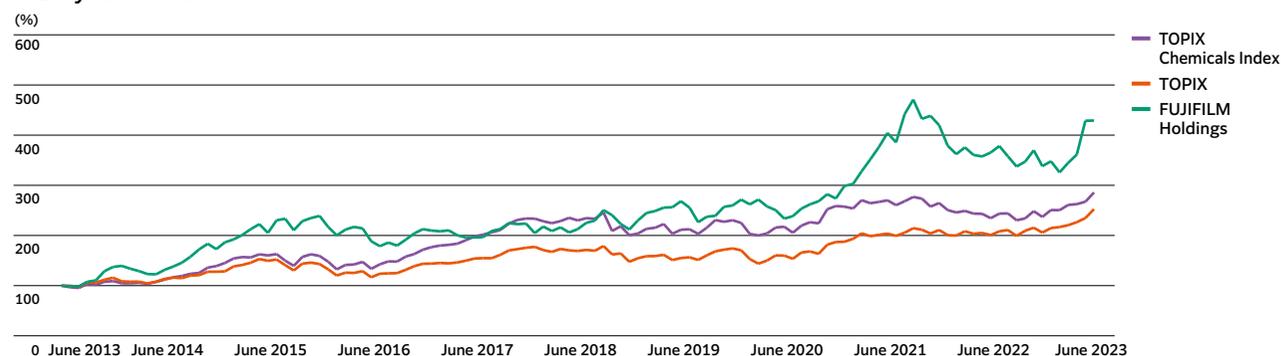
By strengthening business portfolio management, we will

● TSR (Total Shareholder Return)

Investment period	1 year		3 years		5 years		10 years	
	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
FUJIFILM Holdings	19.1%	92.6%	24.4%	109.3%	15.9%	329.1%	15.7%	
TOPIX	25.7%	57.8%	16.4%	49.3%	8.3%	152.4%	9.7%	
TOPIX Chemicals Index	21.8%	31.3%	9.5%	24.2%	4.4%	185.7%	11.1%	

Notes:
 · Total shareholder return (TSR): Total return on investment, including capital gains and dividends
 · Both indexes include dividends
 · Annualized figures are geometric averages
 · Prepared by the Company based on data from QUICK

● 10-year trends



maximize operating cash flow and continue making growth-oriented investments, centered on Healthcare and Advanced Materials, while maintaining financial soundness.

In the Medical Systems business, we will create greater synergies through the integration of FUJIFILM Healthcare Corporation (FHC), which took over the diagnostic imaging business of Hitachi, Ltd. in March 2021. In addition, we acquired the digital pathology business of Inspirata, Inc. of the United States, marking our full-scale entry into that business. In the process, we will accelerate our business strategy with medical IT at the core. We are aiming for 7% annual growth, with revenue targets of ¥700 billion in fiscal 2026 and ¥1 trillion in fiscal 2030.

In the Bio CDMO business, we are aiming for more than 20% annual growth, with a revenue target of ¥500 billion in fiscal 2030. We will achieve this by making FDBU and FDBK into wholly owned subsidiaries and increasing production capacity

at FDBD.

Meanwhile, we are constantly reviewing and optimizing our portfolio by withdrawing from business within the Healthcare segment deemed to be non-core, as reflected in our decision to sell FHC's electronic medical record and medical-receipt systems related business.

Q What are the implications of your acquisition of Entegris's semiconductor process chemical business?

To accelerate the growth of our Advanced Materials business, positioned as a growth area, we will acquire the semiconductor process chemical business of Entegris, Inc., a U.S. semiconductor materials manufacturer. Specifically, we will acquire CMC Materials KMG Corporation (KMG), an Entegris Group company that operates a global semiconductor process chemical business. This will enable us to expand our product lineup and strengthen our ability to make proposals to

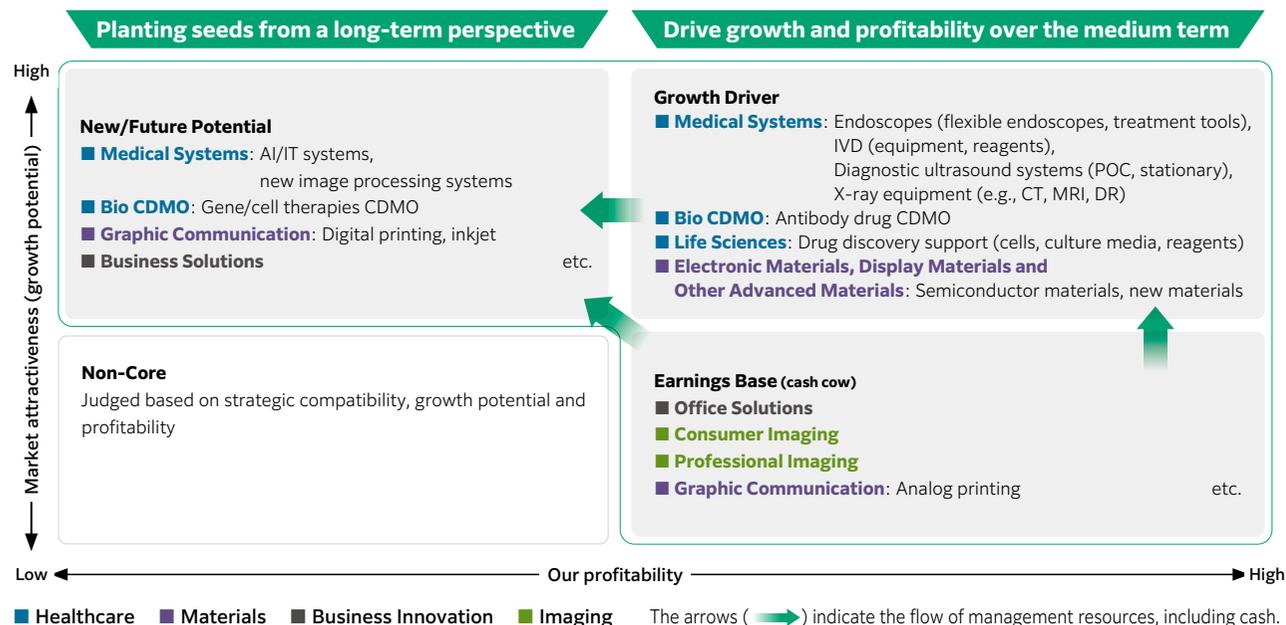
customers while broadening our manufacturing network in Europe and the United States. We will also acquire our first manufacturing base in Southeast Asia in the semiconductor materials field, thereby further strengthening our global manufacturing structure. In addition, it will accelerate the growth of our Electronic Materials business. This will allow us to achieve our revenue targets (¥250 billion for fiscal 2024 and ¥400 billion for fiscal 2028), two years ahead of our initial plan.

Q What are the results of your dialogue with capital market participants?

In February 2023, we cancelled 100 million shares of treasury stock, or 19.4% of shares outstanding before cancellation. We held treasury stock for the purpose of making large-scale M&As and the like. However, as we implement our current management plan, which centers on growth-oriented investments in capital equipment and R&D, we decided to cancel the treasury stock, judging that there will be no immediate opportunity to utilize it for its initial purpose. We have received high acclaim from shareholders and other investors regarding this matter, as some investors had raised concerns about dilution.

We also regard price-to-book value ratio (PBR) as one of our key performance indicators and always strive to close the gap between corporate value and the demands of the stock market. Through active dialogue with shareholders and other investors, we will increase their understanding of our medium-to long-term growth strategy and enhance our corporate value. Specifically, we will promote a growth scenario targeting revenue of ¥3.5 trillion or more by fiscal 2030, with Healthcare and Advanced Materials as the pillars. We will also work to help investors understand that intangible assets, such as human capital and intellectual capital, which have been the driving force behind our business structural transformation, are key sources of our corporate value creation. To this end, we will continue actively engaging in dialogue with stock market players.

● Business portfolio management



Strategies by Business Segment



Healthcare

Relevant materiality



Business Environment

Opportunities

The aging of society is increasing medical expenses, and at the same time, harsh working conditions in the medical field driven by a shortage of medical personnel are becoming apparent. In addition, there are many diseases for which effective treatments have yet to be established, such as cancer, rare diseases and new infectious diseases. Biopharmaceuticals, which have few side effects and are expected to be highly effective, have been attracting attention in recent years as a means of treating and preventing these diseases. They have grown to account for approximately 30% of the global pharmaceutical market, and the market size of the CDMO business, which develops production processes and contracts out manufacturing, continues to expand at an annual rate of approximately 10%.

Risks

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

Business Activities

Our Healthcare segment consists of Medical Systems, which includes medical IT and equipment, and Life Sciences, which includes the Bio CDMO business*¹, Life Sciences business, Pharmaceuticals business, Consumer Healthcare business, and the CRO Business Development Office that was established in April 2023. In the life sciences field, we have positioned CDMO and drug discovery support as priority businesses.

No. 1
share of the global market for medical imaging information systems*²

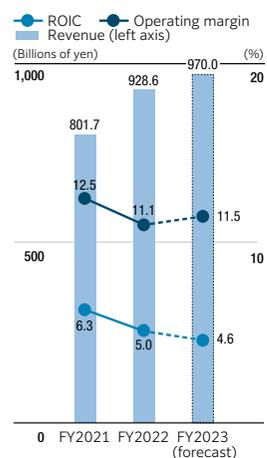


Medical-use PACS
SYNAPSE

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

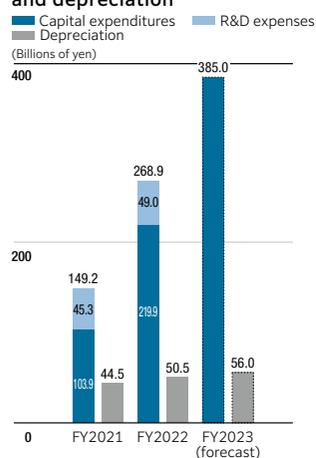
*2 According to a survey by Signify Research.

Segment results

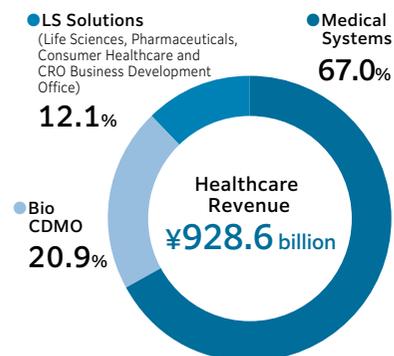


Notes:
1. R&D expenses forecasts are not disclosed by segment.
2. ROIC for FY2023 is based on the initial full-year forecast (announced in May 2023).

Capital expenditures, R&D expenses and depreciation



Revenue ratio by segment (FY2022)



Note: From FY2023, the amounts for revenue and operating income from the non-destructive testing business have been reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated to reflect this reclassification.

Competitive advantages

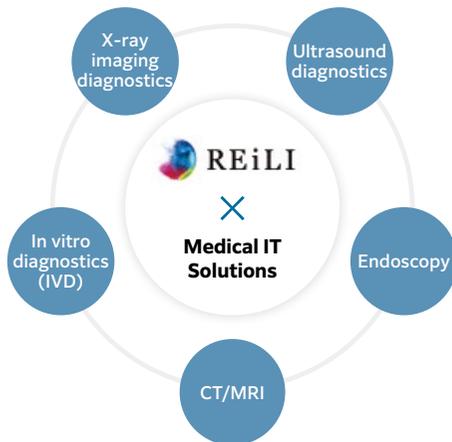
- Image processing and AI technologies for providing images suitable for diagnosis
- Advanced chemical compounds, design capabilities and nanotechnologies that enable development of pharmaceuticals to address unmet medical needs
- High levels of technological capabilities to manufacture under consistent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

Medical Systems

Growth Strategy

Utilizing its proprietary image processing and AI technologies, Fujifilm is advancing its business in a wide range of areas. These include X-ray diagnostic imaging, endoscopy, ultrasound, in vitro diagnostics (IVD) and medical IT solutions. In 2021, FUJIFILM Healthcare (which took over the Diagnostic Imaging business of Hitachi, Ltd.), for which the main products include CT and MRI equipment, joined the Fujifilm Group. With medical IT at the core of our business, we will continue developing and providing products and services that meet the needs of the medical field by linking our various product groups around SYNAPSE, our medical-use picture archiving and communication system (PACS), which boasts the world's top market share. In these ways, we will foster advances in medical care and help maintain and improve the health of people around the world.

To help resolve the major global issue of eliminating medical disparities, we will provide our unique solutions, such as NURA, a health screening business launched in India, and tuberculosis screening that utilizes a portable X-ray imaging device.



Business Strategies

Medical Systems

Create new value and help resolve social issues by combining our industry-leading AI/IT technology with our broad product lineup.

- Under the AI technology brand "REiLI," drive the development of IT and AI technologies that provide new value to medical professionals along four axes: high image quality, organ segmentation, computer-aided diagnosis and improved workflow efficiency
- Create synergies in sales and development with FUJIFILM Healthcare
- Expand the diagnostic solutions business in the endoscopy business
- Engage in full-scale development of "SYNAPSE Creative Space," a cloud-based AI technology development support service
- Launch the INNOMUSE brand of women's health solutions to support women facing health challenges at various life stages with a broad portfolio of solutions

Field	Diagnostic imaging system										Medical IT		IVD
	CT	MRI	Fluoroscopy system	General radiography system	Mammography	Mobile x-ray system	DR panels/ CR	Bone densitometry	Ultrasound system	Endoscopy	HER/HIS	PACS	
FUJIFILM Corporation													
FUJIFILM Healthcare Corporation													

TOPICS Launch of the women's health solution brand INNOMUSE

The Fujifilm Group is strengthening its solution proposals for breast cancer screening and other breast imaging areas. Here, we combine a wide range of offerings, including digital radiography systems, medical IT, diagnostic ultrasound systems and MRI systems, to meet the needs of medical practices. We are also accelerating the development of products that combine the Group's technologies to provide higher-value-added solutions. In the future, these efforts will be expanded from the breast imaging area to the area of women's healthcare (women's health), including obstetric and gynecological examinations and bone density testing. We will implement a broad rollout of solutions under the brand name "INNOMUSE" to help maintain and advance women's health.

Life Sciences

Growth Strategy

We will continue to make capital investments in the Bio CDMO and Life Sciences businesses, which are expected to achieve high growth over the medium to long term, and aim to expand our business by providing one-stop value as a company that supports the creation of cutting-edge biopharmaceutical products.

Business Strategies

Bio CDMO



Contribute to improving medical accessibility and fulfilling unmet medical needs through the stable supply of high-quality biopharmaceuticals and the process development and contract manufacture of cell and gene therapeutics, an advanced medical field.

- Further expand our contract manufacturing business in cutting-edge therapeutics by adding gene therapies, which are being strengthened at our sites in Texas and Boston in the United States and the United Kingdom, and cell therapeutics, which were launched at our California site, to the antibody drugs for which production capacity is being increased at our sites in Europe and the United States.
- Establish FUJIFILM Diosynth Biotechnologies Japan. Expand the contract development and manufacturing business for biopharmaceuticals in the growing Japanese and Asian markets in cooperation with FUJIFILM Diosynth Biotechnologies (FDB), which has accumulated a large track record of contract manufacturing mainly in Europe and the United States.
- Achieve differentiation by establishing industry-leading high-productivity technologies in each modality, such as the commercial continuous production system, which enables integrated production of antibody drugs from culture to purification, and proprietary plasmid technology to build highly productive cell lines for bispecific antibodies.
- Establish "one-stop service offerings" including process development, drug substance manufacturing, fill/finish, assembly, labeling and packaging, from small-scale to large-scale production.

Business Strategies

Life Sciences

(Drug discovery support, contract development/ manufacture of cell therapeutic processes)



To support the pharmaceutical industry through aggressive business development in the biomedical field.

- Drug discovery support: Globally supply and sell cells (mainly iPS cells), culture media, cytokines and reagents as a set
- Cell therapeutics (utilizing iPS cell technology and know-how): Accelerate the development of therapeutics with alliance partners and promote contract development and manufacturing services
- Strengthen the supply and customer support capabilities under a global production system that includes the United States, Europe and Japan



Pharmaceuticals



Help further develop the pharmaceutical industry by utilizing our unique Drug Delivery System (DDS) technology, manufacturing facilities and infrastructure.

- Promote liposomal formulation development using our nano-dispersion, analysis and process technologies.
- Use our lipid nanoparticulate manufacturing facilities and infrastructure to build a process development and contract manufacturing business for antibiotics such as penicillin and next-generation nucleic acid drugs and mRNA vaccines.
- The decision to establish Japan's first Bio CDMO site in Toyama Prefecture will accelerate business growth by introducing a dual-use facility that can produce biopharmaceuticals to meet customer needs in normal times and switch to vaccine production in the event of a pandemic. It will also play a role in the Japanese government's initiative to strengthen domestic vaccine production.

Business Strategies

Consumer Healthcare

(Cosmetics, supplements)

Offer highly distinctive products that address broader needs and contribute to people's beauty and health.

- Cosmetics: Develop highly original and functional products such as launching the ASTALIFT the Serum series by applying liposome technology to cosmetics and enhancing the value of the ASTALIFT brand to meet a wide range of needs.
- Supplements: Respond to growing needs to maintain and improve health, focusing on our MetabARRIER series of functional foods.



TOPICS Full-scale entry into the drug discovery support CRO business

In recent years, pharmaceutical companies and bio-ventures have increasingly collaborated with a Contract Research Organization* (CRO), which possesses advanced analytical technologies and expertise from the early stages of research and development, aiming to improve the probability of success in new drug development and the efficiency of the drug discovery process. To accelerate business growth in the life sciences field, we have established the CRO Business Development Office under the Life Sciences Strategy Headquarters, which promotes overall strategies across the Life Sciences business, and are entering the drug discovery support CRO business in earnest. The Office will formulate the overall strategy for the drug discovery support CRO business. We will first develop a drug discovery support CRO business in Japan by combining the resources of our Group companies, including the Bio Science & Engineering Laboratories, which conducts research and development of biotechnology; FUJIFILM Toyama Chemical, which has rich knowledge of drug discovery; and FUJIFILM Wako Pure Chemical, which has a strong domestic sales network built through its reagent business and other business activities.

Specifically, we provide services for efficacy and safety evaluation and mechanism-of-action analysis of drug candidate substances by combining human iPS cell-derived differentiated cells developed and manufactured by FUJIFILM Cellular Dynamics, a leading iPS cell company, and AI (artificial intelligence) technology accumulated through our extensive product development experience. We will respond to customer needs to reduce the number of animal experiments using mice and other animals by taking advantage of the ability to reproduce the effects on the human body and conduct highly accurate evaluation and analysis. We will also be contracted to prepare samples of gene therapeutic drugs and analyze the molecular structures of those drugs. In addition, we will provide drug discovery consulting services, drawing on our knowledge of pharmaceutical research and development, which we have cultivated mainly in the fields of oncology and infectious diseases.

* An organization that provides services such as drug efficacy evaluation and safety testing to support pharmaceutical research and development conducted by pharmaceutical companies, bio-ventures and academia.



Materials

Relevant materiality



Business Environment

Opportunities

Demand is growing for display-related materials and materials for LCDs and OLEDs in applications other than TVs and monitors, such as in-vehicle devices. In addition, the spread of 5G, autonomous driving and generative AI is expanding the semiconductor market, leading to increased business opportunities for semiconductor-related materials. Moreover, demand for digital printing is growing due to the increase in on-demand printing.

Risks

Surging raw material costs due to soaring resource prices, intensifying competition from alternative materials due to the development and commercialization of new technologies, and lower-than-expected demand in the offset printing market are recognized as risks.

Competitive advantages

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

Business Activities

We provide advanced materials for communication devices, sensors and next-generation displays that support people's lives in the age of AI and IoT, as well as graphic communication products and services. The Materials segment consists of Electronic Materials, Display Materials, Industrial Products*¹, Fine Chemicals, Graphic Communication and Inkjet.



No. 1

share of the global market in protective film for polarizers*²

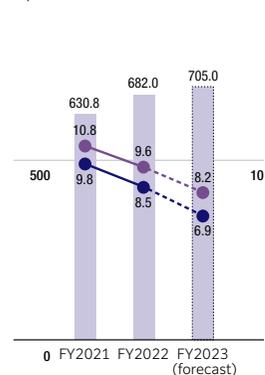
No. 1

share of the global market in color resists for image sensors*²

*¹ The Recording Media business was merged with the Industrial Products business in April 2023.
*² According to a survey by Fujifilm

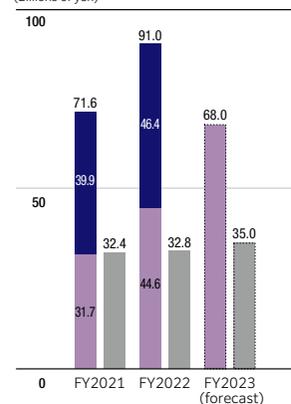
Segment results

● ROIC ● Operating margin
■ Revenue (left axis) ■ (%)
(Billions of yen) (right axis)

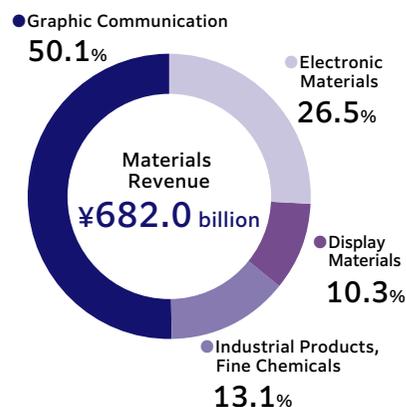


Capital expenditures, R&D expenses and depreciation

■ Capital expenditures ■ R&D expenses
■ Depreciation
(Billions of yen)



Revenue ratio by segment (FY2022)



Note: From FY2023, the amounts for revenue and operating income from the non-destructive testing business have been reclassified from the Materials segment to the Healthcare segment. The information for FY2022 has been restated to reflect this reclassification.

Notes:
1. R&D expenses forecasts are not disclosed by segment.
2. ROIC for FY2023 is based on the initial full-year forecast (announced in May 2023).

Growth Strategy

Under the Advanced Materials Strategy Headquarters, which serves a cross-divisional strategy-building role in the field of advanced materials, we will continue creating new businesses that foster acceleration of DX in various fields, including by developing 5G and other high-speed communication networks and enhancing the functionality of our sensors and communication devices, and by integrating the optical wavelength control and other technologies cultivated in our various businesses. In addition, we will strengthen collaboration under the new organization and structure of the Material Manufacturing Headquarters, which was established on July 1, 2023, and FUJIFILM MATERIAL MANUFACTURING, which was established by integrating five

Business Strategies

Advanced Materials	
Electronic Materials 	<ul style="list-style-type: none"> ● Offer total solutions to solve customer issues by combining our technologies with a wide range of advanced materials that enable semiconductor miniaturization and higher layering density (e.g., photoresist, CMP slurry, polyimide and process chemicals newly added through acquisitions). ● Contribute to increases in the pixelization, sensitivity and functionality of image sensors through the development of Wave Control Mosaic (WCM) materials for controlling wider wavelength light. ● Strengthen our supply system through aggressive capital investment in our global production facilities.
Display Materials 	<ul style="list-style-type: none"> ● Maintain a high market share for OLED materials. ● Maintain a strong market position in TAC film for LCD panels. ● Develop and introduce differentiated products by leveraging our strengths in thin and multilayer coating. ● Expand our business in materials for new applications, such as in-vehicle displays and smart glasses.
Industrial Products (Including Recording Media) 	<ul style="list-style-type: none"> ● Expand sales of storage tape products to support data growth in the 5G/AI era. ● Increase sales of advanced material products utilizing our proprietary technologies, such as EXCLEAR sensor film for touch panels. ● Create new businesses (e.g., rechargeable batteries/optical sensors/communication-related materials).
Fine Chemicals	<ul style="list-style-type: none"> ● Create new businesses (advanced polymers/functional colorants/battery materials) by focusing on the three high-growth fields of life sciences, electronics and the environment/energy. ● Help reduce environmental impacts by deploying "flow synthesis" and other innovative manufacturing processes.
Graphic Communication	
Graphic Communication 	<ul style="list-style-type: none"> ● Digital Printing: Accelerate global expansion of digital printing presses mainly in the commercial printing domain and provide various DX solutions for brand owners and the printing industry by deploying synergies from the integration of FUJIFILM Corporation and FUJIFILM Business Innovation. ● Analog Printing: Help reduce environmental impacts by shifting from treated to non-treated offset printing plates (currently under way).
Inkjet 	<ul style="list-style-type: none"> ● Growth markets (commercial printing/packaging): Develop, introduce and expand high-precision, high-productivity inkjet printer heads, food-safe water-based pigment inks, and custom systems combining heads and inks to meet customer requirements.

domestic production subsidiaries, further improving our manufacturing capabilities by utilizing human resources with a wide range of technologies and skills and application development. In these ways, we will strive to increase revenue and earnings.

In Graphic Communication, we will combine Fujifilm's global customer base, mainly in commercial and package printing, with FUJIFILM Business Innovation's sales, technology and product capabilities. This will expand worldwide sales of on-demand digital printers, provide various types of DX solutions for brand owners and printing companies, and further accelerate improvements to profitability through sales and production streamlining in the area of printing plate materials.

TOPICS Electronic Materials business: Acquisition of semiconductor high purity process chemicals business

On May 10, 2023, FUJIFILM Corporation entered into a share purchase agreement^{*1} to acquire all outstanding shares of CMC Materials KMG Corporation (Headquartered in Texas, the United States; hereinafter "KMG") for \$700 million^{*2}, a group company of U.S.-based Entegris, Inc. that operates a global semiconductor high purity process chemicals (HPPC) business.

HPPCs are used to remove foreign matter in the cleaning and drying processes of semiconductor manufacturing and to remove metals, oils and grease in the etching process^{*3} and are key products for the semiconductor manufacturing process. Today, as semiconductors become more sophisticated, they are becoming finer and more multilayered, and the manufacturing process is becoming more complex. Against this backdrop, the use of HPPCs is increasing at an accelerating rate, and the market for such chemicals is growing at an annual rate of 11%^{*4}.

Through this acquisition, Fujifilm has gained access to KMG's broad range of semiconductor HPPCs. We will enhance our ability to make comprehensive proposals with a product lineup that covers a wide range of semiconductor manufacturing processes to solve customers' manufacturing process issues. In addition to expanding our manufacturing bases in Europe and the United States, the acquisition of a manufacturing base in Southeast Asia, a first for Fujifilm in the semiconductor materials field, will enable us to build an even stronger global manufacturing structure and contribute to the strengthening of our supply chain. Furthermore, by combining KMG's advanced purification technology with Fujifilm's sophisticated R&D and quality assurance capabilities that enable us to develop and manufacture a wide range of semiconductor materials, we will develop and provide semiconductor materials that meet the most advanced needs, such as process chemicals for higher purity semiconductors, thereby facilitating further semiconductor performance gains.

^{*1} The agreement was concluded between Fujifilm and CMC Materials LLC, a subsidiary of Entegris.

^{*2} The acquisition price will be determined by taking into account the cash and cash equivalents, interest-bearing debt and working capital of the target company at the time of completion of the acquisition, and is therefore subject to change. The acquisition is expected to close by the end of 2023, subject to the satisfaction of customary closing conditions.

^{*3} A process in which a semiconductor circuit is formed by transferring a circuit onto a silicon wafer using an exposure device and then using the corrosive action of chemicals to scrape away unnecessary metal films, oxide films and others.

^{*4} Average annual growth rate over five years starting in 2021. Based on a semiconductor materials report by the U.S. research company Linx.



Business Innovation



Business Activities

The Business Innovation segment consists of the Office Solutions business, which provides office equipment and supplies, such as multifunction devices and printers, and the Business Solutions business, which helps customers address their business challenges through DX and work-style innovation by providing system integration, cloud services and multifunction device management solutions, along with BPO*1 and ITO*2 for core business processes.

*1 Business Process Outsourcing
*2 IT Outsourcing

*3 According to a survey by FUJIFILM Business Innovation



Apeos C7070

No. 1

market share by sales volume for A3 color multifunction devices in the Asia-Pacific region*3

Total number of DocuWorks document handling software licenses worldwide

More than **8 million licenses**

Business Environment

Opportunities

Increased support is needed for building and operating office and IT infrastructure with enhanced security/networking against the backdrop of cyberattack threats and the spread of remote working. Also, there is a growing market for business solutions and services that utilize AI and the cloud for DX to improve office work productivity.

Risks

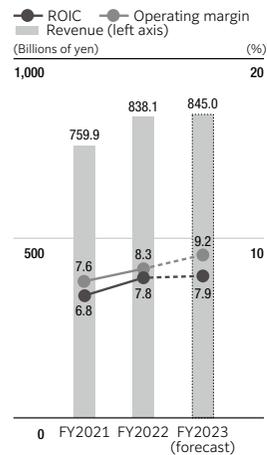
A decrease in office print volumes due to the spread of remote working and the trend toward paperless solutions are recognized as risks.

Competitive advantages

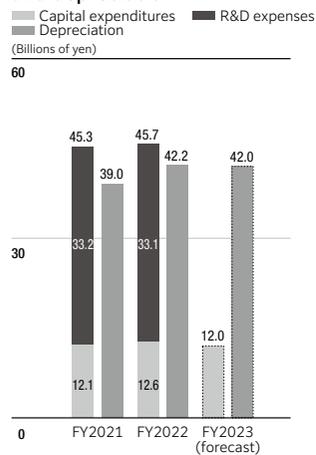
- Excellent customer base leveraging a robust direct sales structure in Japan and the Asia-Pacific region
- Solid sales capabilities for helping customers resolve increasingly complex and diverse management issues, a lineup of solutions and services for problem solving, and proprietary document-related technologies to support these offerings
- Familiarity with business processes in various industries developed through the Office Solutions business
- Strong relationships of trust with a wide range of customers, from major markets to the SMB*4 market, through our multifunction device and printer business

*4 Small to Medium Size Business

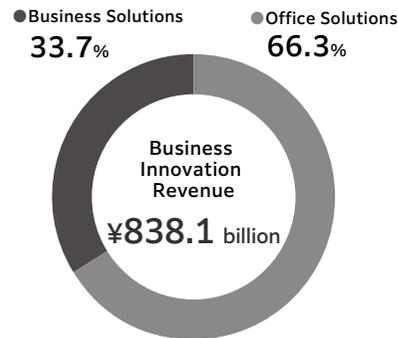
Segment results



Capital expenditures, R&D expenses and depreciation



Revenue ratio by segment (FY2022)



Notes:
1. R&D expenses forecasts are not disclosed by segment.
2. ROIC for FY2023 is based on the initial full-year forecast (announced in May 2023).

Growth Strategy

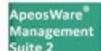
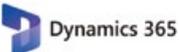
In the Office Solutions business, we will further promote the expansion of new Fujifilm brand products and the expansion of global sales, including new OEM supply opportunities. In the Business Solutions business, we will accelerate sustainable growth and business portfolio transformation through the expansion of core DX solutions, BPO services to achieve business reform, and ITO services to support the construction and operation of IT infrastructure environments, in addition to expansion of industry and business solutions.

Accelerate growth by strengthening solutions and services.

Value expected by customers
CHX (Customer Happy Experience)

Evolve into an IT service provider
(enhancement of existing solutions and services)

Expand into customer core business support
(new business development)

DX (Digital Transformation) Achieve business transformation through digital technologies	Strengthen in-house solutions  	Evolve to managed services for the entire IT environment through the integration of MPS and ITO	Develop the core solution business 
	DX (Digitalization) Improve productivity through the digitization of operations	Expand industry/business solutions 	Full-scale launch of solutions and services in the Asia-Pacific region
DX (Digitization) Improve operational efficiency through the digitization of information	Enhance commercial products through strengthened partnerships	New business development (including M&A)	
Utilize MFPs as office infrastructure	Maintain and expand MPS and print solutions		

MPS (Managed Print Service): Services that optimize the office output environment while maintaining and enhancing cost control, security and governance
ITO (IT Outsourcing): Services that support the development of IT strategies as well as IT environments from introduction to operation and management
BPO (Business Process Outsourcing): Services that provide core business process services on behalf of local governments, public institutions and corporations

We will grow as a business innovation partner by providing one-stop DX services to our customers and achieving "CHX" (Customer Happy Experience) that contributes to their success beyond DX.

Evolve into an IT Service Provider

Bridge DX Library

We provide packages of solutions to address business issues tailored to six industries including construction, manufacturing and medical institutions, in addition to issues affecting all industries such as compliance with the Electronic Book Preservation Act, the invoice system and enhanced security. We currently have a lineup of 146 solutions for small and medium-sized companies.

IT Expert Services

These ITO services provide a wide range of support from IT operation and management to improving usage environments. Service options can be flexibly combined according to the customer IT environments, and contracts can be made for as little as one PC.

Expand the support of customers' core businesses

Microsoft Dynamics 365

Based on the concept of "Fit to Standard," we support business transformations that efficiently and effectively adapt the customer's existing business processes to the system to be introduced. We realize speedy implementation by providing business process templates packed with know-how in the cloud using a Business Process as a Service approach.

RIPCORD

FUJIFILM RIPCORD utilizes robot technology to digitize large volumes of printed documents at high speed, and extracts and assigns attribute information to each document using OCR. We also facilitate customer DX implementation by providing total support for the construction of data utilization environments.

TOPICS Globally expanding our ERP business

On March 1, 2023, FUJIFILM Business Innovation (FB) acquired Australia-based IT company, MicroChannel Services Pty. Limited. (and its affiliates), and relaunched it under the name FUJIFILM MicroChannel Services (MicroChannel).

MicroChannel's main business is sales and implementation support of mission-critical systems, such as Microsoft Dynamics 365, in the Oceania region. It has a top-class track record in the market for serving small and medium-sized companies. The acquisition marks the full-scale global expansion of FB's ERP business. Going forward, FB will leverage the highly experienced IT personnel and advanced technological capabilities of MicroChannel to expand the value it provides to customers and accelerate the growth of its solutions business, including through collaboration with the Fujifilm Group's existing businesses.



Brett Matthews
CEO
FUJIFILM MicroChannel Services Pty Ltd

Message from the CEO of FUJIFILM MicroChannel Services

Our strategic plan is focused on becoming the core of FB's Solution Business and a trusted technology partner for our customers around the world. To this end, we are actively focusing on management integration and realizing our DX strategy. Based on the excellent customer experience built by our group, we will step up the global expansion of our core system sales and support business by providing one-stop services, from implementation to operation of diverse solutions, handled by dedicated teams in each solution field.

Imaging

Relevant materiality

Environment Daily Life

Business Activities

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

Instant photo system
Cumulative worldwide sales volume

More than 50 million units



INSTAX mini 12

New development

Equipped with a high-speed 102-megapixel sensor

FUJIFILM GFX100 II mirrorless digital camera



Business Environment

Opportunities

Demand for events and travel has recovered, and demand for print businesses such as instant photo systems and digital cameras is growing steadily. In addition, business opportunities are expanding due to the growth in demand for lenses resulting from the shift to IoT and 4K/8K video, as well as the growth of the surveillance camera system market due to heightened awareness of crime prevention and disaster preparedness.

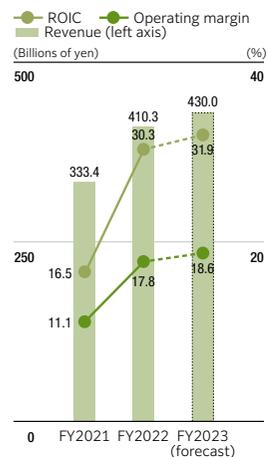
Risks

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

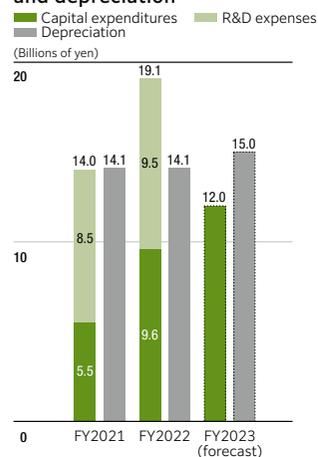
Competitive advantages

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

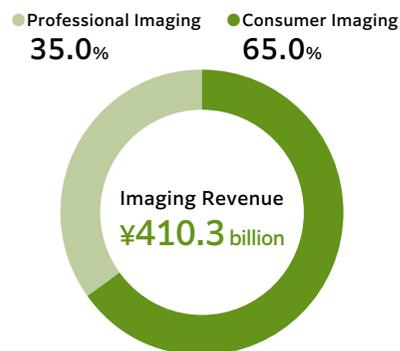
Segment results



Capital expenditures, R&D expenses and depreciation



Revenue ratio by segment (FY2022)



Notes:
1. R&D expenses forecasts are not disclosed by segment.
2. ROIC for FY2023 is based on the initial full-year forecast (announced in May 2023).

Growth Strategy

Our unique product line, which covers a wide range of imaging areas from input (shooting) to output (printing), has established a strong market position globally. With the INSTAX instant photo system and the GFX/X series of high-end mirrorless digital cameras, we will continue to offer attractive new products backed by cutting-edge technology and create new business areas by developing smartphone applications and proposing business applications. In the print business, including photo printing services, we will steadily respond to the demand for school and wedding photos, which has recovered from the COVID-19 pandemic. At the same time, in collaboration with FUJIFILM Business Innovation, we will develop and introduce toner-based printers with improved image quality for use in photography and focus on expanding the dry printing business. In addition, we will help solve social issues including border surveillance, natural disasters and the remote inspection of infrastructure facilities by expanding into new B-to-B fields, such as projectors and long-range multipurpose cameras, and the image inspection solution business, such as Hibimikke (Crack Finder), a social infrastructure image diagnostic service.

Business Strategies

Consumer Imaging



- INSTAX instant photo systems: Introduce various new products and apps and promote cross-industry cooperation to provide different ways to enjoy INSTAX and expand its user base.
- Expand environmentally friendly dry systems (e.g., inkjet, xerography) to meet strong smartphone printing demand.

Professional Imaging



- Roll out the GFX series and the X series of high-end mirrorless digital cameras that are compact and lightweight and deliver outstanding image quality with our proprietary color reproduction technology.
- Monitoring, measurement and digital signage: Promote the image/video solutions business.

TOPICS The INSTAX series celebrates its 25th anniversary

The INSTAX instant camera, nicknamed “Cheki” in Japan since its launch in 1998, not only allows users to capture their precious moments and print them on the spot but also serves as a new tool for communication and self-expression. Currently, INSTAX cameras are used by many people, especially the younger generation, in more than 100 countries and regions around the world, including Europe, the United States, China and Southeast Asia.

We have also expanded the user base by adding hybrid cameras that incorporate digital technology and a lineup of smartphone printers that allows users to easily print smartphone images on the spot. In fiscal 2022, we launched two smartphone printers, the INSTAX mini Link 2 and INSTAX SQUARE Link. These new products made a significant contribution to the performance of the Imaging business.

In development, we have worked to accelerate the growth of the overall INSTAX business by shifting from the traditional approach of providing functional value through the sale of goods to the expansion and optimization of usage value through new products and services and new business models driven by DX. In addition, our product planning, design and development teams work together from the initial stages of product planning, which enables us to develop innovative, unique and high-quality products.

As an entertainment brand that provides unique value, we will continue to create new value by combining analog printing and digital technology to offer products and services that facilitate spiritual enrichment and human connections.

A message from an INSTAX mini Link 2 planner

“Cheki” prints are characterized by their analog, physical feel and unique texture, and are a popular tool for unique and real communication particularly among younger generations, including Gen Z. The INSTAX mini Link 2 smartphone printer can easily make “Cheki” prints from images stored on a smartphone, making it a digital product with an analog feel, which is part of its appeal. As the main person in charge of the product planning team, I have been responsible for determining the direction of concepts, specifications and functions, as well as advancing the product toward commercialization. We conducted analyses from various perspectives including market conditions, the features of competing products and the needs of target users, and utilized raw feedback from users to develop a smartphone printer that users can enjoy playing with. We will continue to convey the appeal of our products to satisfy customers.

Kaoruko Mochizuki

Consumer Imaging Group,
Imaging Solutions Division,
FUJIFILM Corporation



R&D Strategies

R&D Vision

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

In our future R&D activities, however, we are facing an environment that is changing continuously and rapidly. To create value over the medium to long term, therefore, we need to engage in R&D that considers how we can help resolve social issues related to the Environment, Health, Daily Life and Work Style, which are the priority areas of our long-term CSR plan, Sustainable Value Plan 2030. With keener sensitivity and an open vision, we will engage in R&D to provide the values needed by society while placing importance on our broad and expansive "imagination," which is inspired by changes in society and people's behavior.

R&D Structure

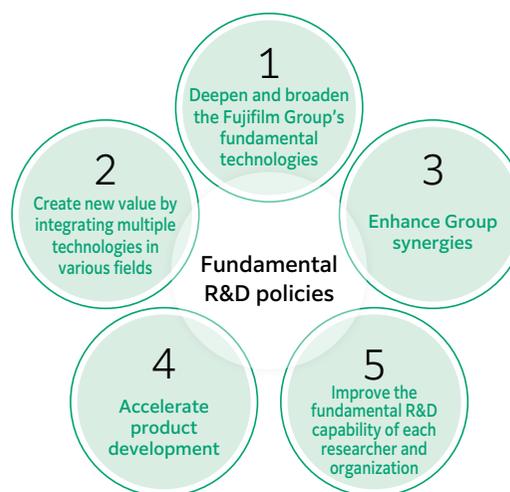
Our R&D structure consists of two laboratory groups: the Divisional Laboratories, which are under the direct control of the business units and conduct business-directed R&D, and the Corporate Laboratories, which are responsible for R&D on fundamental technologies from a Group-wide perspective.

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

Furthermore, our Advanced Research Laboratories is an "open research space" that breaks down the barriers between technical

R&D Policies

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



fields and organizations with the aim of conducting cutting-edge technology research with an eye to the future. Under the concept of "creating new value through the fusion of knowledge and innovation," our researchers, business managers and designers from various fields confront each other and engage in active discussions and projects to create new and differentiated technologies and value.

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

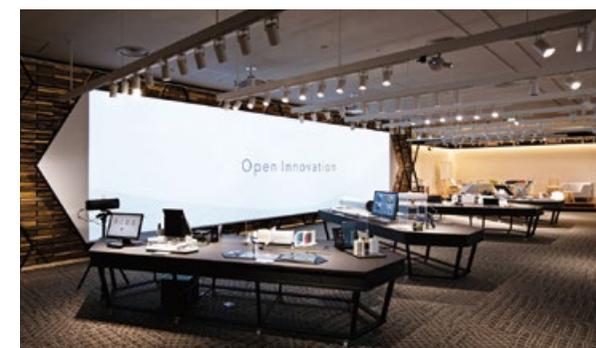
Two Strategies: Digital Leverage and Open Innovation

1. Digital leverage

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

2. Open innovation

We are collaborating with a variety of partners, including start-ups and universities, to multiply our core technologies and thus create new value. The Open Innovation Hub at our Head Office serves as a co-creation space that we also use for collaborative activities tailored to market characteristics in cooperation with our business divisions and research laboratories. Since opening in 2014, our Open Innovation Hub has attracted 26,000 visitors from around 5,000 companies (as of March 31, 2023), resulting in various forms of collaboration currently in progress.



Open Innovation Hub in the Tokyo Midtown Head Office

AI Development and Utilization

AI Policy

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

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

Fujifilm Group AI Policy Framework

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

Combining the Fujifilm Group businesses with AI technology: Example cases

The following are examples of how we use AI technology in our businesses.

[AI × Imaging]

Using an AI chatbot platform developed in-house, we automate highly specialized inquiry-related tasks about such matters as equipment maintenance, which could not be handled by existing AI systems. This enables us to systematize business knowledge and centralize management. We are progressively introducing the platform to enhance our support for digital camera customers.

The introduction of AI chatbots has enabled us to respond to customers 24 hours a day, 365 days a year, which has led to cost reductions. It has also enabled us to systematize business knowledge and achieve uniformity of services, which helps improve both customer experience (CX) and employee experience (EX).

[AI × Medical Systems]

SYNAPSE Creative Space: Cloud-based AI support service that assists in the development of diagnostic imaging AI

FUJIFILM Corporation and Japan's National Cancer Center jointly developed a research platform that enables physicians and researchers to develop their own image diagnosis support AI technology without programming or other specialized knowledge.

The entire AI technology development process, from project management to the annotation of data with relevant information for AI training, learning and technology trials, can be performed in the cloud. By also using learning models developed for medical imaging, physicians and researchers can develop AI technology without programming knowledge.

By providing this service, we hope to encourage the development of AI technology to support image diagnosis of rare diseases in the future. We are also looking to use this service as an educational tool to improve AI literacy among healthcare professionals. In addition to creating an environment for AI technology to support medical practice, we are expanding and optimizing the content of the service to help medical and research institutions develop AI technologies to support image diagnosis.

[AI × Pharmaceuticals]

Utilizing AI drug discovery technology in the contract research operation (CRO) business

In April 2023, we launched AI Amino-Acid Mapping (AI-AAM), a system that can automatically search for and design new candidate compounds from the structural formula of a drug candidate compound using our proprietary AI technology, in the form a contract research service. This enables researchers to explore and design new candidate compounds using only the structural formula of the candidate compound, without the need for structural analysis of the target protein (disease-causing protein), which was previously necessary. It also shortens the time required for new drug development and improves the probability of success, thus benefiting our customers' drug discovery research activities.

[AI × Business Innovation]

Photo quality optimization by AI

The Revoria Press PC1120 production printer, which produces commercial prints, is capable of automatically determining the scene for each photo image to be printed and performing the appropriate image correction and printing for each photo (e.g., by judging whether the photo is too dark, too bright, backlit, or includes people or a blue sky with poor color). It is a great solution for production printers that require professional results.

Automatic scene detection for each photo



People mode

- Human skin correction
- Brightness correction
- Texture correction



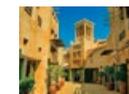
Indoor mode

- Brightness correction
- Texture correction



Landscape mode

- Sky color correction
- Noise correction



Outdoor mode

- Backlight correction
- Sharpness

DX Strategy

Our DX Vision engages all employees and aims to transform the Fujifilm Group and society

Since 2014, we have worked actively to achieve digital transformation (DX) with the aim of using AI and IoT technologies to transform the Fujifilm Group. In 2021, we established the DX Strategy Council, chaired by the CEO and vice-chaired by the CDO, as the highest decision-making body for promoting the DX of the entire Group. Its permanent members engage in discussion with the top management of each business on how to determine DX-related investment priorities and maximize the effects of strategy implementation. We also launched the All-Fujifilm DX Promotion Program, with the CEO as the program director, to spearhead the Group-wide DX activities. Under the program, all of our businesses formulate and promote DX strategies in their respective activities. Corporate departments, such as ICT Strategy, Corporate Planning and Human Resources, provide cross-business support, and with the cooperation of outside experts we are working to accelerate the DX of our business.

As stated in the DX Vision, we will target a dramatic increase in employee productivity to give us more time to create products and services that provide new value to our customers and help resolve social issues. The basic idea is to establish and accelerate a virtuous cycle by using digital technology to drastically change the way we work. The foundation for realizing this vision consists of three pillars: products/services, operations and human resources, as well as the IT infrastructure that supports these pillars.

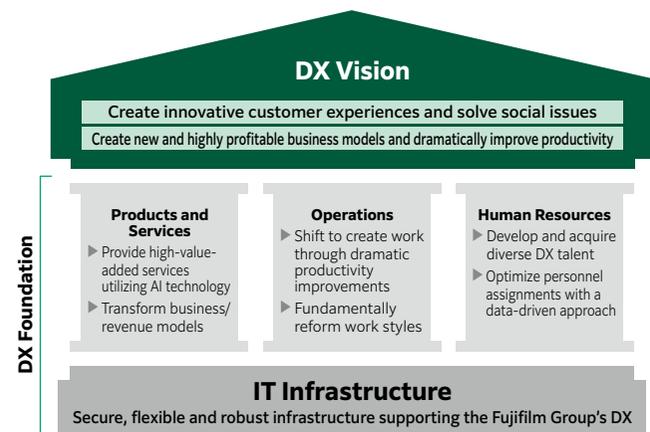
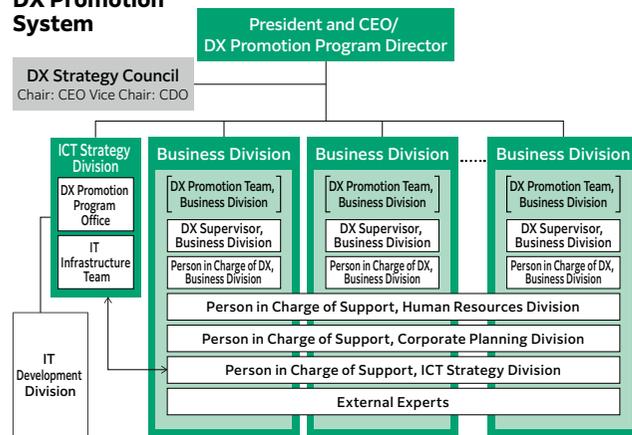
The Fujifilm Group's DX Vision and DX Foundation

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

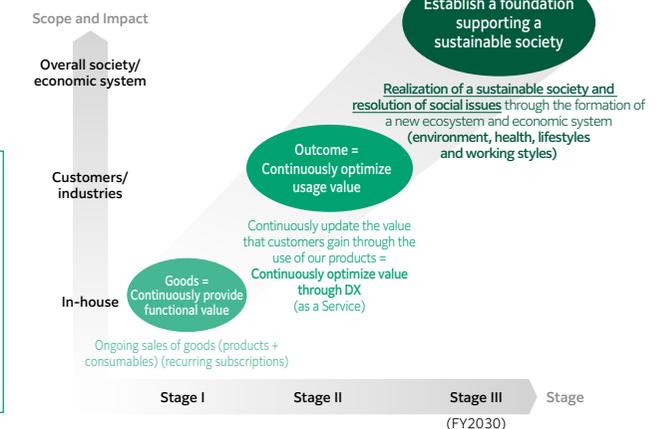
DX for a Sustainable Society

The Fujifilm Group is committed to realizing its long-term CSR plan, Sustainable Value Plan 2030, and its medium-term management plan, VISION2023, which outlines specific actions. Under these plans, we are developing our business from the two perspectives of "resolving social issues through our business activities" and "considering the environment and society in our business processes." It is difficult to strike a balance between achieving corporate growth (by increasing the output of products and services that help resolve social issues and increasing revenue) and reducing environmental impacts (by reducing CO₂ emissions and the like). To strike such a balance, the effective use of digital technology is crucial. Therefore, we formulated a DX roadmap as a common guideline to promote DX throughout the Group. The aim of the roadmap is to create and instill more products and services as the foundation to support a sustainable society by fiscal 2030. The roadmap is divided into three stages, and we are prioritizing investments to raise the level of each business, focusing on growth areas.

DX Promotion System



DX Roadmap



Value Creation Framework of DX Activities

To follow the DX roadmap, we established the DX Activity Value Creation Framework, which shows what needs to be accomplished to deliver optimal value to customers through the use of digital technology from the perspectives of “management” and “strategy” and with the three aforementioned DX pillars in mind.

* Deployment of various types of informatics that utilize internal and external data (such as Material Informatics and Process Informatics) in all aspects of DX



Digital Trust Platform: Supporting the Fujifilm Group's DX

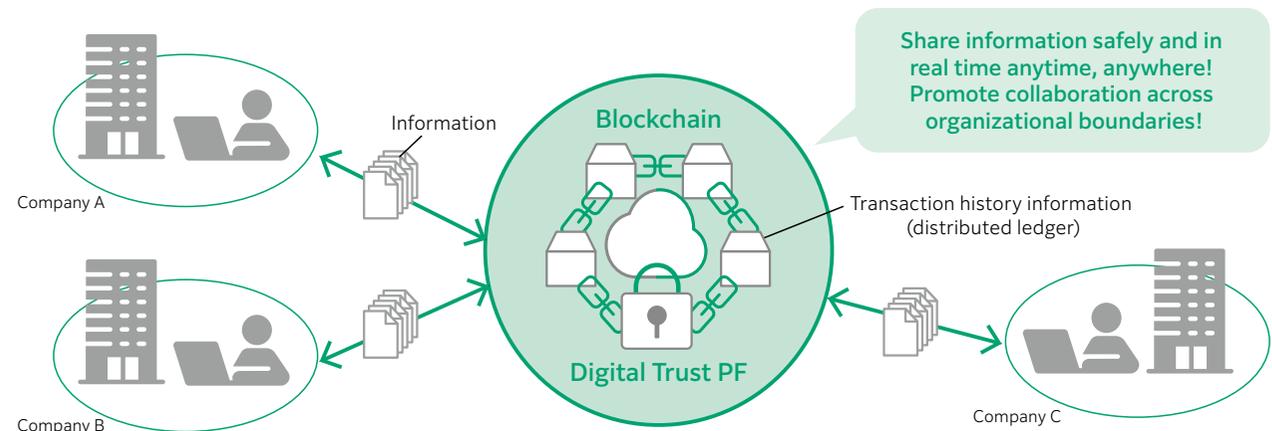
The Fujifilm Group is developing and deploying its Digital Trust Platform, an information platform that will benefit many businesses and operations that are promoting the DX of their products/services and operations. It serves as an information infrastructure that allows the correct digital information to be used safely and swiftly and in optimal real time while ensuring trust. In developing the platform, we introduced blockchain technology to decentralize and manage transaction histories between companies and individuals on the network. In 2016, the Informatics Research Laboratory of FUJIFILM Corporation, which leads R&D on cutting-edge information science technology and fundamental software technologies in the Fujifilm Group, started researching the blockchain technology, which provides robust tamper resistance for digital data based on distributed management and encryption. In 2020, engineers at FUJIFILM Business Innovation joined the laboratory, and the synergies that resulted from the collaboration led to the early realization of the Digital Trust Platform.

The platform enables inefficient internal and external communication of information, such as the conventional

“bucket relay system” for ordering and receipt, to be addressed and correct information to be shared in real time. This will help optimize supply chain operations, including by stabilizing the procurement of parts and

reducing excess inventories. It also has the advantage of providing users with a sense of security that the Fujifilm Group, a provider of products and services, has built and is operating its own cloud-based information infrastructure.

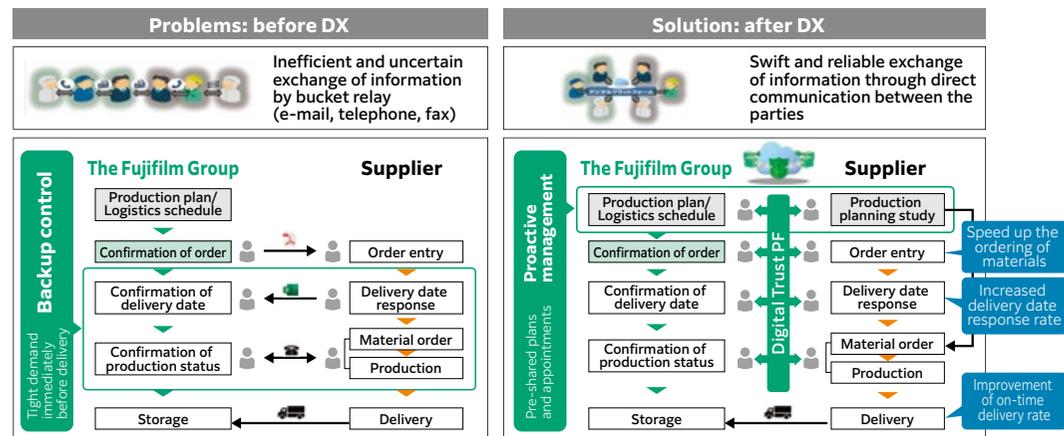
Information coordination centered on the “Digital Trust Platform” (image)



Digital Trust Platform Application Examples

① DX in supply chain management

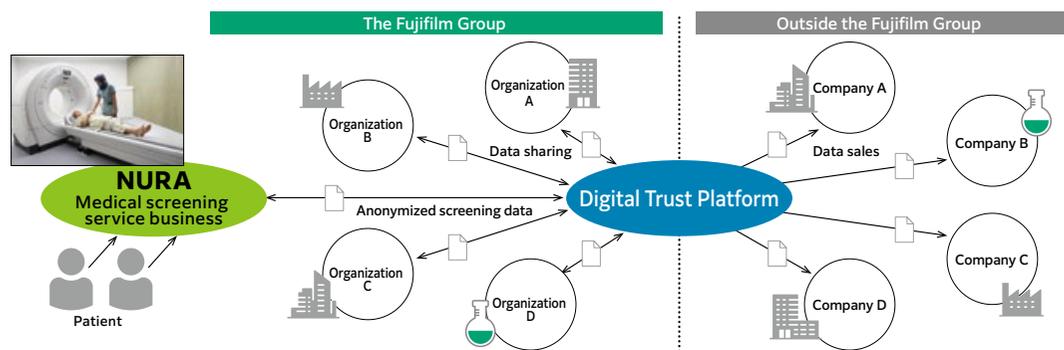
To ensure the stable procurement of raw materials and parts, we share various information, such as required quantities calculated from production plans, accurately and in real time with major suppliers. We are also conducting demonstration tests in multiple product fields, including digital cameras.



② Effective use of the huge amount of data from the health screening center "NURA" for business expansion

We share and analyze huge amounts of health screening data, gathered through our health screening service business in India, with partner companies in a completely anonymous and secure environment after obtaining the consent of the examinees and in compliance with the legal systems of each country and region. We are considering the possibility of linking this to new services, such as data sales, to help improve the health of examinees.

Distribution of health screening data using the Digital Trust Platform



We will continue to promote the development of the Digital Trust Platform as a part of the Group's "earning power."

Evaluation by Outside Director



Makiko Eda

Chief Representative Officer,
World Economic Forum Japan
Outside Director, Tokyo Electron Ltd.

While the power of digital is essential for creating new business models, many opportunities are lost due to time-consuming decision-making or a lack of human resources to make the best use of digital resources. With this in mind, the Fujifilm Group established the All-Fujifilm DX Promotion Program, which enables rapid and decisive decision-making, including about organizational and process changes, with President and CEO Goto, who is well versed in digital technology, serving as program director. We are also actively investing in human resources, and I highly regard the progress we have made to improve digital sensitivity and skills throughout the Group.

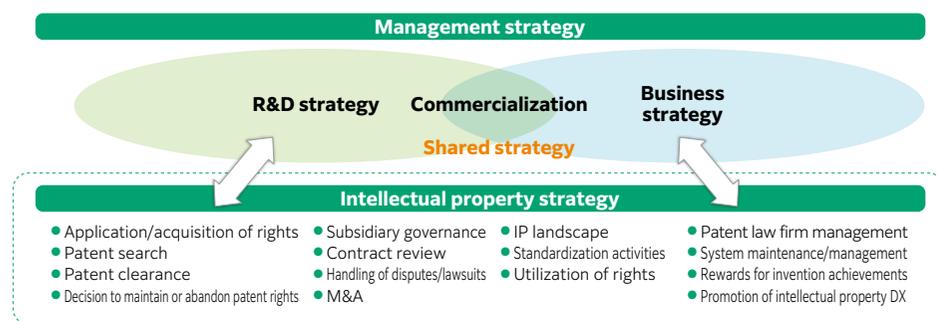
At the Group, we assume that both the external environment and our business will always change. Therefore, we have been aggressively pursuing M&As with an eye on the goals of our long-term CSR plan, Sustainable Value Plan 2030. I believe that the Fujifilm Group's advantage lies in its ability to quickly incorporate the strengths of acquired companies by taking advantage of DX-based systems and tools.

The world is deeply connected, and improving access to healthcare around the world is critical to the growth and stability of the global economy. The World Economic Forum's meeting in Davos, held in January 2023, featured lively discussions on how to achieve zero health disparities. Using digital technology is essential to extend the level of healthcare services enjoyed by developed countries to people around the world. Deploying medical AI technology developed by the Group, I am confident that we can make a significant contribution to eliminating health disparities.

Intellectual Property Strategy

The Fujifilm Group's Intellectual Property Strategy

The Fujifilm Group aims to create new value by integrating advanced and proprietary technologies and developing distinctive technologies. We will continue making a positive difference in society by providing customers with products and services of the highest quality. Our Intellectual Property Division focuses on proactive intellectual property activities to ensure that the value created across our various corporate activities is linked to our competitive advantage and contributes to our business, including by maximizing earnings.



The Fujifilm Group's Intellectual Property Activities

The Intellectual Property Division works directly under the president to ensure close coordination with management strategy. Its team consists of people responsible for IP technology, legal and liaison affairs, standardization and IP planning operations. Rather than subdividing tasks and fixing responsibilities, the division enables each team member to have a broader scope of work. In addition to having the high level of expertise necessary for the job, we foster a multifaceted perspective by giving members diverse experiences and the opportunity to create innovation and use intellectual property to realize business strategies, which also helps improve corporate value.

For more than 10 years, the Fujifilm Group has been actively engaged in (1) formulating IP landscapes*¹ to analyze the relationship with competitors from an IP perspective based on technical information, mainly patent documents, to gain a bird's-eye view of entire markets, and (2) international standardization activities, including participation in formulating international rules at the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC)*². The information we obtain from these activities is shared and utilized as "intelligence" with our business divisions and research laboratories and plays a role in our business development activities. In addition, members of the Intellectual Property Division, who have extensive knowledge of patents, designs and trademarks, are actively involved from the conception stage of commercialization. This is to ensure that product concepts, our proprietary advanced technologies, and functions that we want to highlight to customers are quickly and widely patented from multiple perspectives.

To create intellectual property that will contribute to our operations, our business divisions, the R&D divisions and the Intellectual Property Division work together to promote intellectual property activities. For example, we hold an annual Intellectual Property Strategy Council, where the general managers of business divisions and the R&D divisions, together with the general manager of the Intellectual Property Division, discuss and reach agreement on intellectual property measures. In addition, Intellectual Property Division members visit customers together with representatives of our business divisions and R&D divisions to directly listen to customer requests and help them obtain a better understanding of the distinctive points of our technology. This in turn helps us create high-value intellectual property. Our efforts in this area have been highly evaluated in the industry. In the Chemical Industry Competitiveness Ranking*³, we have maintained the top position since 2012.

*1 A term coined by combining the terms "intellectual property" and "landscape." It means analyzing intellectual property information and utilizing the results in corporate decision-making, including formulation of management and business strategies.

*2 An international standardization organization that develops international standards in the field of electrical and electronic technology. <https://iec.ch/homepage>

*3 Annual survey by Patent Result Co., Ltd. Shows ranking of companies according to the number of patents they hold that are cited as reasons for the rejection of other companies' patents. Ranks advanced companies possessing numerous innovative technologies that prove to be an impediment for competitors to obtain their own rights.

Key Issues in Intellectual Property Activities

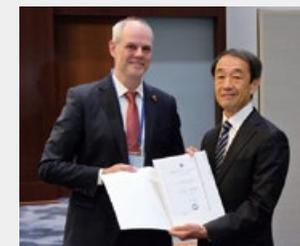
In our active pursuit of M&A opportunities in Japan and overseas, we engage in intellectual property activities across the Group, including at overseas Group companies. To this end, we hold Global IP Summits (United States in October 2022 and Germany in March 2023), where we closely share information and collaborate with intellectual property managers of overseas subsidiaries. In addition to supporting the intellectual property activities of Group companies in the United States, Europe and other regions from Japan, we are strengthening collaboration with overseas product development bases by dispatching local representatives. We will continue reinforcing the intellectual property capabilities of the Fujifilm Group as a whole.

TOPICS

Received IEC's Thomas A. Edison Award

The International Electrotechnical Commission (IEC) bestowed its Thomas A. Edison Award to Yoshihiko Shibahara, an employee of FUJIFILM Holdings. The Thomas A. Edison Award is a prestigious award given by the IEC, which establishes international standards for electrical and electronic matters (IEC standards).

Shibahara, who received the award, has been engaged in international standardization work in the field of electronic displays at the IEC since 2007. Making use of his knowledge of image evaluation cultivated in the photography field, he has helped formulate international standards for the electronic display field. The award recognizes his contributions to the IEC's operations over the years and his ability to negotiate with other countries since he became international secretary in 2012.



Dr. Ralph Sporer, IEC Vice-President and Chairman of the Standardization Management Board, presents the Thomas A. Edison Award to Yoshihiko Shibahara (right).

Discussion between General Managers of the Intellectual Property, Medical System Research & Development and Design Divisions

The Fujifilm Group continues to innovate with a solid intellectual property strategy.

Current Status of Innovation Creation through Three-Way Collaboration

How do the Intellectual Property, Product Development and Design Divisions work together to develop medical systems?

Nabeta: FUJIFILM Corporation's Medical Systems Research & Development Center aims to help resolve various medical issues around the world by developing X-ray diagnostic imaging systems and endoscope systems that improve the quality and efficiency of medical treatment. Society and markets are now changing quickly, making product development more and more difficult. In light of this situation, the Center works closely with the Intellectual Property Division and the Design Center from the so-called ground zero of product development. Together, they focus on improving the accuracy and efficiency of product development while remaining acutely aware of the appropriate use of intellectual property.

Sakuma: For example, we used AI technology^{*1} to develop the CAD EYE endoscopy diagnosis support platform (which supports the detection of polyps and other lesions during colonoscopies and differentiates between tumors^{*2} and non-tumors^{*3}). At the time, we closely examined the status of other companies' patent applications, particularly for AI technology. We focused on proactively communicating and sharing analytical information with the product development side, with two questions in mind: "If we proceed with development in this direction, will other companies file many patent applications?" and "If we file a patent application for such a technology, will it give us a competitive advantage?"

Nabeta: Investigations by the Intellectual Property Division have revealed that the products of one of our competitors have complex specifications that combine AI technologies from other companies. This prompted the Medical Systems Research & Development Center to quickly formulate its product development policy of "engaging in integrated in-house development of endoscope technology and AI technology to create simple and easy-to-use products for medical professionals."





Kazuhiya Horikiri

Corporate Vice President and General Manager of Design Strategy Office responsible for brand management, FUJIFILM Holdings Corporation
Corporate Vice President and General Manager of Design Center, FUJIFILM Corporation

Horikiri: CAD EYE has a function that lights up the outer edge of the endoscopic image displayed on the monitor near the suspected lesion or frames the target area when a lesion such as a polyp is detected. Initially, the Design Center focused on the design of the display and user experience of the monitor screens. Based on sound prior information provided by the Intellectual Property Division, however, it shifted the focus to creating a display design that is easy for medical professionals to understand, while avoiding patents and designs from other companies.

Nabeta: In our former product development projects, we had to check with the Intellectual Property Division for any potential infringements of other companies' patents and make corrections if there were any problems after the technology or product had reached a certain stage of development, which was often inefficient. Now, the Intellectual Property Division and the Design Center engage in discussions from the early stages of development. This

allows us to quickly recognize the existence of other companies' intellectual property that could be an obstacle and discuss countermeasures on the spot, which has greatly improved the quality and speed of product development.

Horikiri: I agree. Creating new products, technologies and designs is not an easy task and requires a considerable amount of "thinking time." By integrating intellectual property and product development and design at an early stage, we can avoid unnecessary repeated tasks and thus have more time to think through the process for a better product.

*1 Deep learning, one artificial intelligence (AI) technology, was used in the design. The performance and accuracy of the system does not automatically change after implementation.

*2 Polyps that are considered to be early-stage cancer or at the pre-cancer stage (precancerous lesion) and generally need to be resected.

*3 Polyps that are not tumors and are generally considered not to require resection.

Efforts to Strengthen Our Intellectual Property

How is the so-called IP landscape being used in the Fujifilm Group?

Sakuma: In addition to patent information, we use public resources, such as academic presentations, news releases and papers, to shape our IP landscape. This enables us to comprehensively analyze our own and other companies' intellectual property and markets for the benefit of our business and management strategies. We also disseminate information based on fixed-point observation, confirming in advance the perspective needed by the information recipient and focusing on that perspective. In the case of medical systems, we try to provide the product development and business divisions with a bird's-eye view of the information they need. This includes the status of applications for medical devices awaiting approval from the Ministry of Health, Labour and Welfare and trends in the development of next-generation technologies, such as AI. In addition to "dry" information obtained from patents

and other literature, we aim to increase accuracy by adding the latest "wet" information obtained from people. This includes information on industry trends obtained through the promotion of standardization activities.

Nabeta: In the product development divisions, we use the IP landscape as a compass to help us implement the best product development strategy. It helps us confirm whether competitors can easily catch up if we further develop a certain technology or whether we should form a partnership with a venture company with superior technologies.

Horikiri: Designers can also use the IP landscape to grasp major design trends in the market. In this sense, I feel that it functions as a "reference book" and a "treasure trove of design ideas."

Nabeta: During our most recent product development project, the IP landscape served as a "heat map" for understanding the technical advantages and disadvantages of our company and our competitors. It also helped us with product differentiation.



Toshiyuki Nabeta

Deputy General Manager, ICT Strategy Division, FUJIFILM Holdings Corporation
Corporate Vice President and General Manager, Medical Systems Research & Development Center and IT Solution Division, Medical Systems Division, FUJIFILM Corporation

In addition to the so-called “macro” information provided by the IP landscape, the Fujifilm Group places importance on “micro” information obtained from actual markets and customers.

Sakuma: While the IP landscape enables us to understand major product and technology trends in the market, we must also consider the importance of understanding and analyzing micro information, including the real voices of customers. This is because product specifications and performance requirements change markedly according to regional differences and the like.

Horikiri: In the process of developing FDR nano, an ultra-lightweight mobile X-ray system for use in emergency medicine and other applications, members of the Design Center and the Medical Systems Research & Development Center visited emergency medicine sites. While closely observing the actions and workflows of medical personnel,



▲ FDR nano

we identified a problem with existing mobile imaging units, namely that they are difficult to maneuver on the spot, where every minute counts, due to their large dimensions and weight. By determining the functions necessary to perform rapid imaging in crowded environments and drastically reducing the number of functions, we achieved a significant reduction in size and weight compared to existing equipment. We also incorporated a four-wheel caster cart and monitor with an arm, allowing easy movement and rapid image review through manual operation. In addition to these product development projects, in recent years we have emphasized the importance of having multiple people from the manufacturing side inspect the customer’s site to ensure that all parties involved are aware of each other. This includes identifying potential issues that the customer might not even be aware of.

Sakuma: Our development members and designers identify customer needs and product specifications that we need to achieve and share this information immediately with the Intellectual Property Division. This is a great help because it enables us to quickly formulate strategies aimed at protecting our unique and differentiated technology in the form of intellectual property.

Horikiri: Incidentally, we also invite members of the Intellectual Property Division to participate in weekly meetings at the Design Center to share information on new design projects and ask us questions. I feel that our intellectual property is getting stronger given the number of questions they ask.

Nabeta: Some members of the Intellectual Property Division are stationed in the United States, where we have a base for developing such products as SYNAPSE, a medical imaging information system (PACS). The U.S. market has a major influence on trends in medical systems. Accordingly, we work with Intellectual Property Division staff at Group companies in the United States to develop and implement regionally based intellectual property strategies, which I find encouraging.

Sakuma: With multiple R&D and production bases overseas, we place high priority on advancing high-quality intellectual property activities on a global level, and we will continue strengthening activities based on collaboration with local product development bases and Intellectual Property Division personnel.



Naoko Sakuma

General Manager, Intellectual Property Division, FUJIFILM Holdings Corporation
General Manager, Intellectual Property Division and General Manager,
Intellectual Property Legal Division, FUJIFILM Corporation

Intellectual Property Strategy: Challenges and Prospects

What should the future image of innovation creation utilizing intellectual property look like?

Nabeta: In the Medical Systems business, we are targeting revenue of ¥1 trillion by fiscal 2030. To achieve this, we will need to not only expand individual product groups, such as X-ray diagnostic imaging systems and endoscope systems,



but also increase the number of IT solutions that support new approaches, such as building disease-specific solutions. In this context, creating value by combining the knowledge, technologies and products of Fujifilm Group companies will become even more important.

Sakuma: I agree. From the users' perspective, the value we provide is shifting from "products" to "products plus services." To this end, the role of the Intellectual Property Division in looking at products and services across the board is becoming more important. Going forward, we will strengthen our focus on using a combination of in-house technologies and products to create and protect the "service" aspect of our offerings.

Horikiri: For example, when developing the FDR nano, we added a four-wheel caster cart to enable smooth maneuvering in any direction. This, in itself, is not a novel

mechanism. However, to prevent the unit from tipping over and achieve a lightweight, compact design enabling easy handling in emergency medical-care settings, we had to devise a technologically advanced combination of solutions.

Nabeta: FDR nano is a compact, lightweight, highly mobile unit. We developed it by combining our expertise in "ultrahigh-sensitivity systems" to produce clear images even with small exposure, cultivated over many years through the development and manufacture of medical X-ray diagnostic systems, with our specialized medical image processing and recognition technologies.

Sakuma: Yes, that's right. If we focus only on the fact that FDR nano is "smaller" than competing products, nobody would notice the novelty of the individual technologies used. By contrast, we focused on values prioritized by the

user, such as "easy to move" and "hard to fall over," and turned them into intellectual property in the form of patents and designs. That was a great outcome.

Horikiri: I think one strength of our intellectual property activities in recent years is our emphasis on combining these technologies.

Nabeta: Let's take the example of our endoscopic retrograde cholangiopancreatography (ERCP) solution, a procedure in which an endoscope is used to deliver contrast medium into the bile and pancreatic ducts so that X-rays can be taken to confirm the presence and status of diseases. The solution evolved from Fujifilm's endoscope and medical image 3D analysis technologies and the X-ray moving image technology of FUJIFILM Healthcare, established in 2021 when we acquired the diagnostic imaging business of Hitachi, Ltd. I firmly believe that unique combinations like this will result in even stronger intellectual property.

Horikiri: We are also looking at combining various products and services of the Fujifilm Group to establish a facility where patients can receive simple medical treatment and help eliminate regional disparities in medical care. I believe this is another new innovation that can be realized through combinations of solutions.

Sakuma: The Intellectual Property Division has connections with all Fujifilm Group research laboratories, product development divisions, and business divisions and thus has access to the latest technical information possessed by the Group. To leverage this strength and accelerate the combination of technologies and products across business fields, we will monitor and share Group-wide product development trends. In so doing, for example, we hope to build an "intellectual property information platform" that will facilitate the flow of intellectual property created in Business A to the development of Business B. Ideally, we aim to establish a system that allows us to quickly search for the technologies we need when developing new products and services.

Horikiri: I like that. I think that viewing things through the prism of intellectual property will lead to stronger horizontal ties within the Fujifilm Group.

Nabeta: It is important to expand horizontal connections across departments. For example, when performing breast cancer screening using mammography, we need to capture images at the same location as the previous screening in order to accurately assess changes in the patient's condition. To assist with this, we developed AMULET SOPHINITY, a digital mammography system that uses AI technology*4 to guide the camera to the same positioning as mammography images taken in the past. Its Positioning

MAP projection function allows the skinline*5 and nipple position extracted from the image to be projected onto the monitor screen. To develop this function, our Imaging Solutions Development Center, which is separate from the Medical Systems Research & Development Center, utilized its expertise in professional-use projectors. I anticipate that collaborations like these will further accelerate as we evolve our intellectual property information into a platform.

*4 The nipple position detection algorithm is designed using deep learning, an AI technology. The performance and accuracy of the system does not automatically change after installation.

*5 The contour of the skin of the breast.

What are your future aspirations for each division?

Nabeta: We will work together with the Intellectual Property Division and the Design Center to strengthen the Group's product development activities and create as many products and services as possible that address medical issues, such as regional health disparities, and have a powerful intellectual property component.

Sakuma: With the advancement of AI technology and the expansion of product and service offerings through collaboration among companies of different nationalities, the situation for intellectual property has reached a turning point. With this in mind, the Intellectual Property Division will continue strengthening cooperation with the product development, design and other divisions to build a Fujifilm Group that can provide more innovative value while protecting and utilizing intellectual property for technologies and products with unconventional foundations.

Horikiri: Our intellectual property strategy is essential for the Group to continue to shine as an honest brand trusted by society. Therefore, we recently opened FUJIFILM Creative Village, a new facility where designers and IT engineers can work together on product development. I am convinced that engaging in design with a sense of sincerity while including people's unspoken thoughts, with the FUJIFILM Creative Village as the starting point, will help us build a Fujifilm brand that continues to evolve. By combining people and technologies in this way, we will create innovative products and services that will become the "next standard."

Connecting design and IT to build a strategic base for accelerating value creation

Opening of FUJIFILM Creative Village

In May 2023, we opened the FUJIFILM Creative Village, a design and IT development base in Minami Aoyama, Tokyo. All members of our Design Center worked on the entire design process, from concept creation to the building's exterior, interior and facilities.

The center consists of two buildings: CLAY, a design development center that captures the potential needs of users and gives shape to their solutions, and ITs, an IT development center that utilizes AI and ICT to create added value for businesses. The center will allow our designers and IT engineers to demonstrate their creativity and maximize their performance. By combining the power of both teams to generate innovation, we will create more innovative products and services and help resolve social issues.



Exterior of FUJIFILM Creative Village (left) and "ITs," the medical AI researcher floor.

Human Resources Strategy



Message from General Manager of Human Resources Division

We will foster human resources and a culture in which each employee sees changes as opportunities for growth, embraces challenges and continues to create change.

Yasushi Zama

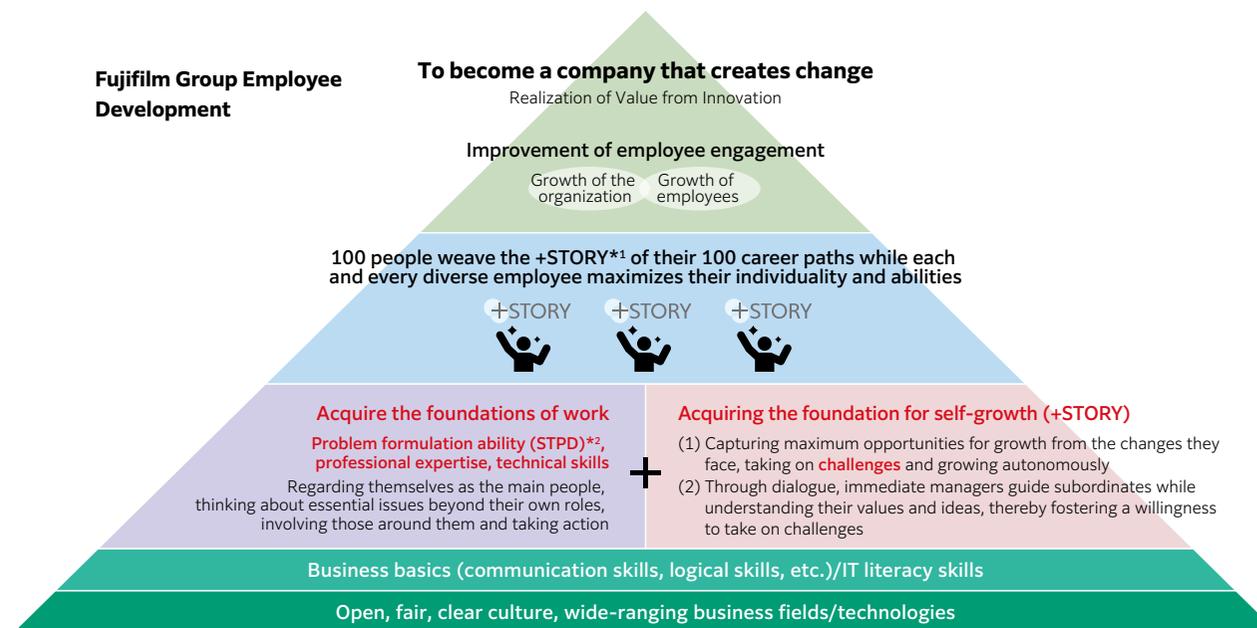
Corporate Vice President and General Manager of Human Resources Division
FUJIFILM Holdings Corporation

Focal Areas for Human Resources Development and Human Resources Strategy

We have achieved transformation and growth by embracing the challenge of boldly changing our business structure. I attribute this to our employees, who spearheaded the transformation and were not afraid to take on the challenge of change. I feel that the root of our company's success lies in a corporate culture that continues to drive change. The source of innovation in the Fujifilm Group is "employee power." To continue delivering sustainable growth in a rapidly changing business environment, we need to continue developing human resources who see changes as opportunities for growth,

embrace challenges and spearhead business transformation.

To realize our long-term CSR plan (Sustainable Value Plan 2030, SVP2030) targeting fiscal 2030 and our medium-term management plan, VISION2023, we have identified three priority areas of our human resources strategy: human resources development, diversity and health management. Under our "open, fair and clear" corporate culture, we are working to increase employee engagement while creating an upward spiral of individual and organizational growth.



*1 Assistance program to acquire the foundation for individual growth *2 Fujifilm Group's unique management cycle: See-Think-Plan-Do (STPD)

Developing Leadership Talent

The Fujifilm Group's human resources development focuses on helping employees build a foundation for work and personal growth. Here, we place particular emphasis on employees' ability to identify essential issues and formulate and implement key tasks. The Fujifilm Group has an innovative management cycle called STPD (See, Think, Plan, Do), which encourages employees to "look carefully at the facts, think until they understand the essence of an issue, clarify the issue and then forge ahead with a concrete implementation plan" as a common approach to work across all businesses and functions.

An indispensable part of developing leadership talent is "practice." The Fujifilm Group offers job rotations across a

variety of businesses and positions to broaden employees' perspectives through various experiences. Our aim is to help employees, through practice, understand the importance of continuous personal change and grow as human beings.

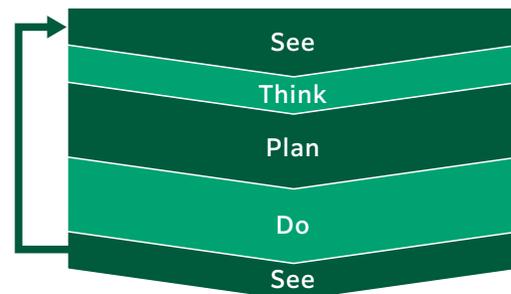
Another indispensable part is "learning." When creating change, there are many situations where the rules of thumb developed in practice do not apply. To make decisions on their own in wide-ranging situations never experienced before, employees must understand essential matters and principles of things and have a personal foundation on which to base their decisions. To foster future leaders, therefore, we developed a rigorous liberal arts program to

help employees obtain a solid view of the big picture and a sense of history. By turning the two wheels of "practice" and "learning," we encourage the growth of our employees.

We also have a system in place for selecting key personnel. Under the system, we select next-generation leaders from employees in their 30s and next-generation management leaders from managerial personnel in their mid-40s. In the final stage, we have a training program called Management School for selected personnel from the general manager level and higher. In addition to systematically training key human resources, we prepare them for the future by giving them difficult tasks that we call "tough assignments."

The Fujifilm Group's unique management cycle See-Think-Plan-Do (STDP)

Work steps



- 1 Collection of information
- 2 Analysis of information and identification of issues
- 3 Establishment of objectives and targets
- 4 Development of achievement scenarios
- 5 Drafting of concrete implementation measures
- 6 Sticking to it and doing it thoroughly
- 7 Reflection and summary (feedback for next time)

Education program system

Qualification	Foundation for work							Foundation for self-growth		
	Qualifying role	Selection	Mind	Business skill	Agenda setting skills	Technical skills	DX skills	+STORY	Diversity	Global
Senior			Career life design training							
Job title	Training for newly appointed managers	Management school Next generation of management leaders		Development of subordinates Strategic planning	Project management Ability to accomplish agenda <Practice> Setting of the reform agenda					
V	Pre-promotion training	Next generation leaders		Marketing practice Coaching	Advanced QC problem solving	Technology presentation meeting				
IV	V promotion training		+STORY design training	Relationship building and negotiation skills Corporate finance Financial statement analysis	Project management Ability to accomplish agenda <Basics>	Patent education				
			"Stage Up" (third year achievement review) presentations Practical training in the field Step 2 training Training for new employees	Presentation Facilitation Marketing Accounting Finance Management strategy	KT method Data analysis Logical thinking Critical thinking Information structuring power Questioning skills	Problem solving Quality control Seven quality control tools Risk prediction Safety and environmental education				
III	IV promotion training									
II	III promotion training									
I	II promotion training									

Light green: Selected and self-nominated | White: All employees

Transforming Changes into Opportunities for Growth by Valuing Each Person's "Story"

When developing human resources, we encourage each employee to view changes as opportunities for growth and embrace challenges. We also ask supervisors to provide motivation to take on challenges by obtaining a thorough understanding of the values and ideas of their subordinates. To realize this goal, we offer the "+STORY" self-development assistance program.

The program has various elements to support employees' growth in multiple areas. These include "+STORY Dialogue," in which employees reflect on their experiences over the past year, gain new insights and knowledge through dialogue with their supervisors, and foster motivation to embrace further challenges; "+STORY Academy," a platform to support and promote independent learning; and "+STORY LIVE," an online platform enabling diverse employees

to share their experiences and knowledge.

We also encourage our employees to grow autonomously while embracing the "+STORY Challenge Cycle" (see figure below), which links these measures to the "+STORY" philosophy.

"+STORY Dialogue," which is the foundation of diversity management, is separate from interviews aimed at obtaining feedback on goals and evaluations. With "+STORY Dialogue," a dialogue is held once a year to help supervisors gain a thorough understanding of the values and ideas of their subordinates. The purpose of this dialogue is to help supervisors understand the personalities of their subordinates and support the creation of stories for the subordinates' future challenges based on their own personalities and characteristics.

In fiscal 2022, "+STORY Dialogue" received positive responses from 96% of executives and 82% of the general workforce,

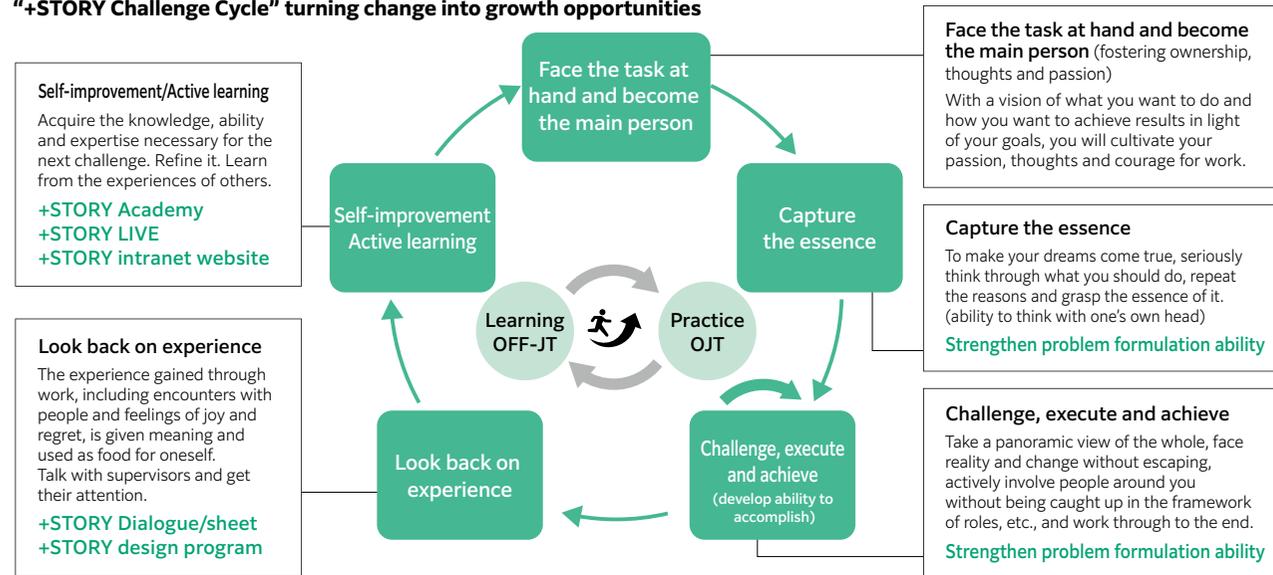
indicating a certain level of satisfaction with the program. We will continue working to raise the overall level of the Company while strengthening the dialogue skills of executives and employees.

Since March 2021, meanwhile, we have held "+STORY LIVE" sessions once a month, with a total viewership of more than 15,000 and an average of 700 to 800 employees participating each time. Through these sessions, we found that many employees are highly motivated to share their experiences and ways of thinking, gain new insights and learn from employees with various specialties, personalities and backgrounds. At the same time, we are encouraging employees to share their own stories to strengthen their connections with the legacy and development of the Fujifilm Group's corporate culture.



President Goto sometimes joined "+STORY LIVE" sessions to encourage speakers.

"+STORY Challenge Cycle" turning change into growth opportunities



"+STORY Academy"

Launched in 2023, "+STORY Academy" is a learning platform with many online programs. It offers more than 2,000 diverse programs, ranging from specialized areas, centered on business skills and MBA course essentials, to practical areas, such as languages, project management, specialized technology and programming. In consultation with their supervisors, employees select the programs they need to develop their strengths and address areas requiring improvement, enabling them to strengthen their skills base to embrace the challenges of change.

Course examples

GLOBALIS Unlimited (provided by GLOBALIS Corporation)

Udemy Business (provided by Benesse Corporation)



All components of the “+STORY” program received awards for excellence in the Human Resource Development category at the 12th Japan HR Challenge Awards 2023, sponsored by the HR Research Institute. Moreover, FUJIFILM Holdings was awarded the highest honor in the Corporate HR category of HR Awards 2023, bestowed by HR Vision Co., Ltd. and hosted by the HR Awards Steering Committee. We are pleased that our efforts to develop the human resources valued by the Fujifilm Group have been recognized, and we believe that continuing these efforts will help employees embrace the legacy and corporate culture that is unique to the Fujifilm Group. Going forward, we will expand this service to overseas Group companies while localizing it for each country and region.



Achieving Greater Diversity

We have always valued the diversity of our employees, not only with respect to gender and nationality but also in terms of their diverse experiences and skills. In this context, we recognize the need to step up efforts to appoint exceptional non-Japanese employees and promote the advancement of women in the future. For example, the percentage of women in managerial positions in Japan was 6.9% in fiscal 2022, compared with our target of 15% in fiscal 2030. To achieve our target, we need to change our systems and awareness. With this in mind, in November 2022 we established the Diversity, Equity & Inclusion (DE&I) Promotion Group*¹ within the Human Resources Division. Based on the concept of “recognizing and supporting each other’s diverse +STORY,” we are taking measures to promote the advancement of women, help employees balance work and childcare/nursing care, and encourage male employees to participate in childcare. In these ways, we are working to transform our culture to ensure that efficient work styles produce good outcomes. In fiscal 2022, we held meetings on the theme of the so-called barrier of first graders*². We also held seminars on balancing childcare and

work for employees to attend with their supervisors when they return to work after childcare leave. Through these steady measures, we are solidifying our foundation for employees.

Another challenge is the appointment of talented non-Japanese employees. The percentage of non-Japanese employees in major positions in the Fujifilm Group was 27.8% in fiscal 2022, compared with our target of 35% in fiscal 2030. We are developing a human resources system that optimally allocates and utilizes excellent human resources globally, regardless of nationality or gender. We have also started building a system to systematically identify, train and promote excellent human resources. In our next medium-term management plan, we aim to formulate a succession plan for fiscal 2030 together with the regional head offices and business managers in each region.

These are important priorities for helping employees maximize their capabilities on the Fujifilm Group stage. With this in mind, we plan to establish a DE&I Promotion Committee, chaired by the CEO, to accelerate DE&I measures.

*1 Reorganized to Diversity, Equity & Inclusion Promotion Office as of October 1, 2023.

*2 Refers to the time when a child graduates from nursery school and enters elementary school, making it difficult for parents to balance work and childcare due to the difference between school hours and regular working hours. This requires one parent to either shorten his/her workdays or have someone take care of the child after school.

Dynamic Human Resources Portfolio

We have been drastically changing our business structure since the early 2000s, when the photographic film market shrank rapidly. Specifically, we have sought to change the mindsets of our employees by developing human resources capable of responding to our changed business strategy. We have also been conducting job rotations across businesses and now believe we have laid the foundation for a dynamic human resources portfolio.

Going forward, we need to appoint human resources speedily and appropriately so we can continue operating a dynamic portfolio that aligns with our business strategy. To implement innovative business measures with an eye on the future, we must not only look within our existing organization but also find good measures between organizations and formulate and implement them spontaneously. This is one way to build a dynamic human resources portfolio. Another characteristic of the Fujifilm Group is that many employees work independently in multiple organizations to implement future policies.

Health Management Unique to the Fujifilm Group

For a company to develop, it needs a human resources strategy with high importance on employee health. With this in mind, the Fujifilm Group engages in health promotion activities by working closely with employee organizations, companies, the Fujifilm Group Health Insurance Association, and occupational health physicians and other medical personnel. We have identified five priority areas associated with employee wellness: lifestyle-related diseases, cancer, smoking, mental health and long working hours. We also encourage employees to adopt the “Seven Healthy Behaviors in the Fujifilm Group” to develop healthy lifestyle habits. We check the implementation status of these behaviors once a year and have found that employees who engage in more of the seven behaviors have better job performance. In addition, we are proud of the fact that we have made endoscopic examination a standard part of our stomach cancer screening and have set the rate of endoscopic examinations as a KPI to facilitate early detection.

In April 2022, we opened the Fujifilm Group Health Insurance Association's “FUJIFILM Mediterrace Yokohama,” a health screening center for Fujifilm Group employees. The center uses our state-of-the-art medical equipment and medical IT systems, which incorporate AI technology, to provide state-of-the-art health checkups to our employees.

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



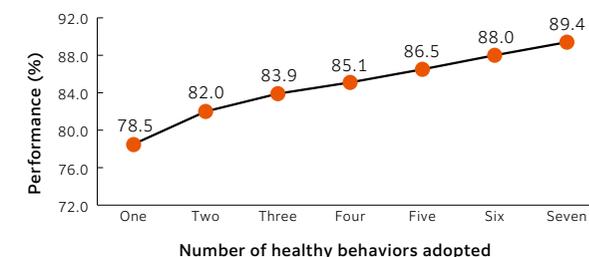
FUJIFILM Mediterrace
Yokohama

Targeting Further Growth of Employees and the Company

Understanding our employees' sense of job satisfaction and continuously improving employee engagement are also key priorities of our human resources strategy. In December 2022, we conducted the Fujifilm Group Employee Engagement Survey, which indicates whether our employees share the Group's philosophy and vision and act proactively. We received responses from 68,485 people, equivalent to 90% of the Group's employees worldwide. For “Engagement,” which indicates the percentage of positive responses, we received a score of 80%. According to the

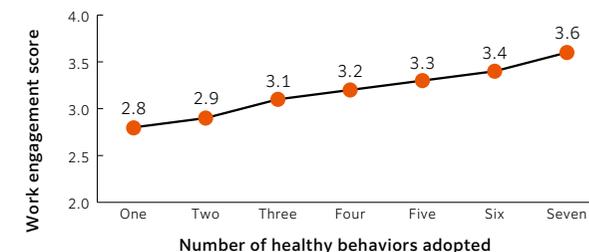
consulting firm that helped us conduct the survey, this is a high score compared to other companies in Japan and overseas. Most important, however, is to convey the survey results to each workplace, engage in discussions to create better workplaces, and translate the results into specific measures based on action plans following discussions at each company and department. We will continue conducting the survey annually to establish a cycle of dialogue in the workplace, and thus foster further growth of the Fujifilm Group and its employees.

Seven healthy behaviors in the Fujifilm Group and performance



Results of responses from 38,006 Fujifilm Group employees in Japan (December 2022)

Seven health behaviors in the Fujifilm Group and work engagement



Results of responses from 38,006 Fujifilm Group employees in Japan (December 2022)

In a new initiative, we have started “+STORY Connecting Workshops” in several departments to share stories across our organization. This has led to improvement in the psychological safety of the entire organization, creating a virtuous cycle of increased engagement. In our next medium-term management plan, we will focus on human resources development, organizational development, and corporate culture succession and development, with “+STORY” at the core. To continue driving change, we will enhance our human resources development system, which will serve as the foundation for change, and further enhance the value of the Fujifilm Group.

Employee Engagement Survey

Fujifilm Group Employee Engagement Survey 2022: Summary of Results

Purpose of the survey

The Fujifilm Group aims to create a highly engaged organization where employees empathize with its vision and act willingly and voluntarily, based on a foundation of physical and mental health and a high awareness of compliance. Through the Engagement Survey, we will ascertain the current status of engagement with employees in Japan and overseas and link this to measures for the joint growth of employees and the Fujifilm Group.

Survey overview

Survey target: Fujifilm Group (the Company and its consolidated subsidiaries; 75,474 employees)
 Survey period: December 1–21, 2022 (3 weeks)
 Response rate: 90% for the entire Fujifilm Group

Survey method

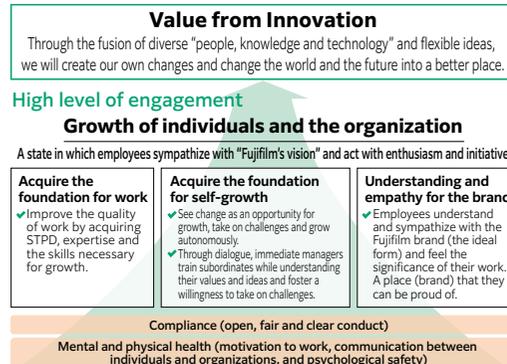
As an indicator, we used “Sustainable Engagement,” which quantitatively measures employees’ empathy with the Fujifilm Group’s philosophy and vision and their willingness to help achieve the Group’s goals. The three elements that make up “Sustainable Engagement” are “Engaged,” “Enabled” and “Energized,” and companies that score well in all three are said to be capable of strong performance. Under these indicators, we asked seven questions, and the percentage of Group employees who gave positive responses (1 or 2 on a 5-point scale) was cited as our engagement score (indicator of “Sustainable Engagement”).

Overview of survey results

Our engagement score was 80%, regarded as a good overall result. This indicates that many of our employees share the direction that the Fujifilm Group is heading and are acting proactively.

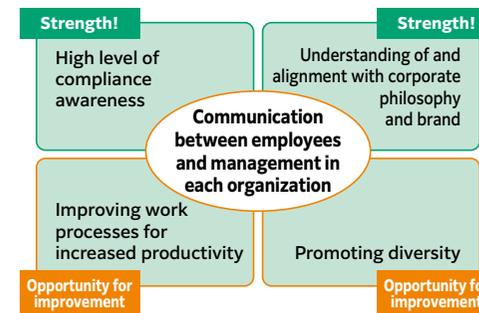
Course examples	Response rate	Number of responses	Engagement score
The Fujifilm Group as a whole (global results)	90%	68,485	80%

Realization of Fujifilm's Vision



The Fujifilm Group's Strengths and Challenges

The results of this Engagement Survey confirmed that the Fujifilm Group’s overall strengths are a pervasive “understanding of and alignment with corporate philosophy and brand” and a “high level of compliance awareness” among individual employees. The results also strongly showed that employees are committed to valuing the open, fair and clear corporate culture set forth in the Group’s vision. In other words, they approach their daily work with a strong sense of mission to continue providing better value to society. These strengths are an expression of each individual’s “pride” and “sense of responsibility,” which are the two wheels that carry their work forward. By developing these strengths, we will continue targeting growth as a company that creates positive change in society.



On the other hand, the survey revealed some points that require improvement, namely, the need to “improve work processes for increased productivity” and to “promote diversity.” In Japan, we launched our “Work Style Innovation” initiative in 2014 and have since sought to adopt highly productive work styles. In 2022, we launched the “Work Style Innovation × DX” initiative, through which we use the power of DX to simplify our organization and standardize processes throughout the Group. To create an environment where diverse employees can remain active through multiple life stages, meanwhile, we are strengthening systems and seminars to help employees balance work and other responsibilities, such as childcare and nursing care. Communication between employees and management of each organization is conducted through the “+STORY” self-development assistance program, as well as the DE&I initiative, which respects diversity.

Future Activities

We will continue conducting the annual survey to identify issues facing the entire Group, recognize the challenges faced by each Group company’s divisions, and implement measures based on the action plans discussed through workplace discussions on each company’s strengths and improvement issues. Through annual discussions, we aim to achieve growth for both employees and organizations by transforming our work environment into one in which employees can work with high levels of motivation and vigor.



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.

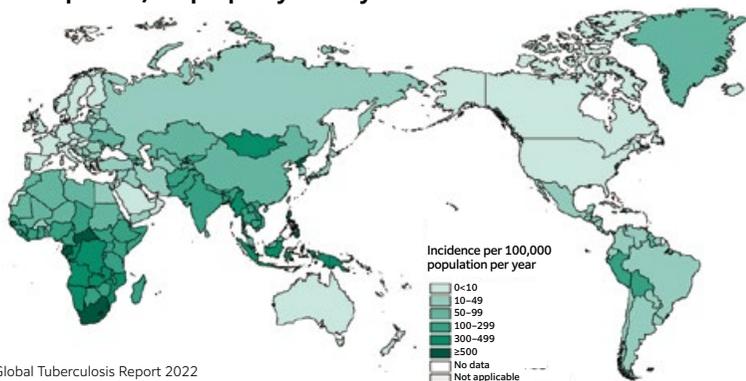
Community

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 Mukh 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.

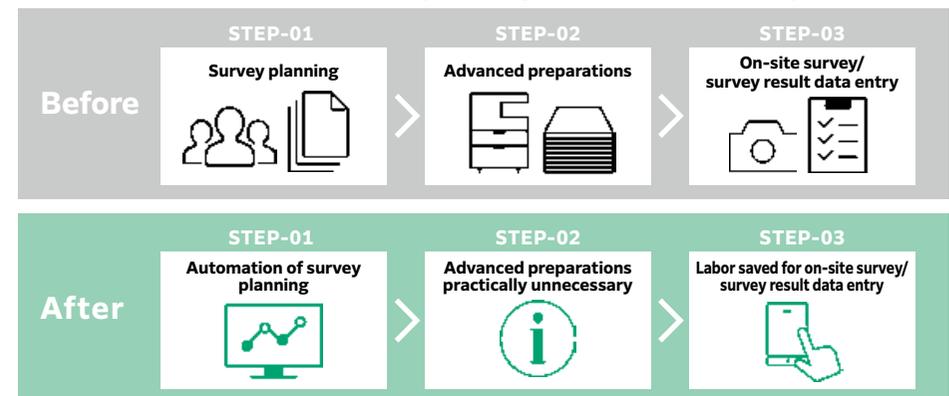
Integrated Damage Survey System

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.



Chapter 04

Chapter

Sustainability

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Initiatives for Realizing a Sustainable Society

We are advancing initiatives throughout the Fujifilm Group that aim to realize a sustainable society in line with Sustainable Value Plan 2030 (SVP2030), a CSR plan formulated to establish our long-term targets through fiscal 2030.

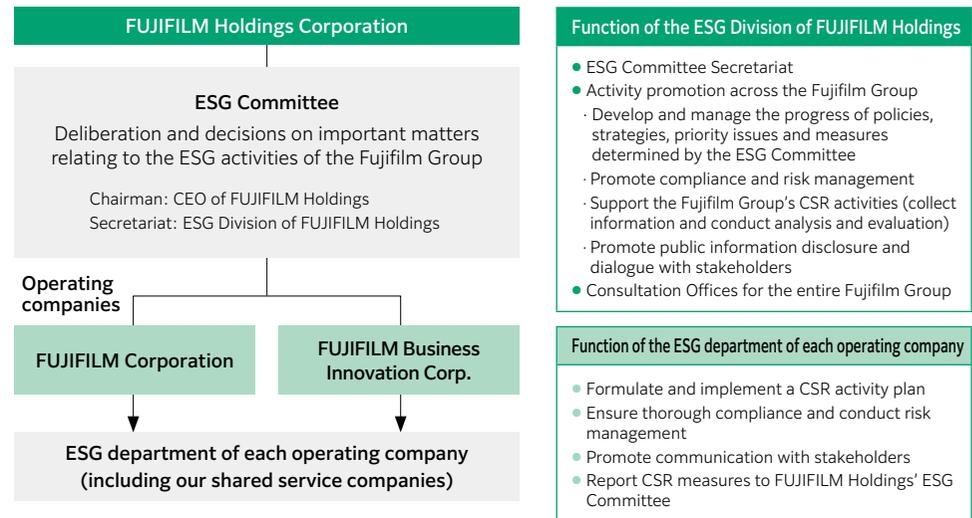
Basic Policy

In August 2017, the Fujifilm Group established SVP2030, our long-term CSR plan that extends to fiscal 2030. SVP2030 includes the four priority areas of the Environment, Health, Daily Life and Work Style, as well as the two areas of Supply Chain and Governance, which form the basis of our business activities. Under these six areas, we have set 15 priority issues and promote activities to achieve these targets as the vision for the entire Group. In addition to the numerical targets in Environment (see p.72), SVP2030 lays down numerical targets that serve as KPIs for Health and Work Style. Specifically, in Health, we aim to improve access to medical care through the introduction of products and services utilizing medical AI technology to all 196 countries and regions throughout the world by fiscal 2030. Moreover, in the area of Work Style, we aim to offer 50 million individuals with work styles that support workers in improving productivity and demonstrating creativity by providing solutions and services that bring innovation to business. We have disclosed information regarding these targets and their progress through the Company's website, the Integrated Report, the Sustainability Report and other similar means. Moreover, we take various opportunities to verify that our business activities satisfy the demands and expectations of our stakeholders, and reflect the results within our overall business activities.



Structure of Promotion

Under the explicit policy of resolving the challenges faced by society through our business activities, the Fujifilm Group's approach of balancing contributions to the development of society with greater growth for the Company's business is rooted in the foundations of our management and corporate culture. To accelerate our ESG initiatives, during June 2019 we constructively reorganized our CSR Group, which was originally situated within the Corporate Planning Division, and established the ESG Division as an organization directly under the CEO. The ESG Division incorporates ESG perspectives into the foundations of the Fujifilm Group's management and undertakes the role of instilling ESG-related measures within the Company. At the same time, it discloses information on Group-wide investigations, proposals and activity results regarding ESG issues outside the Company, communicates with stakeholders, supports the CSR activities of Group companies and manages the progress of these activities. Chaired by the Company's CEO, the ESG Committee also engages in decision-making regarding important ESG-related matters for the Fujifilm Group and reports on these decisions to the Board of Directors. The ESG Committee is composed of the Company's CEO as chair; the executive officers responsible for ESG, corporate planning and human resources; and the CEOs of the operating companies (Fujifilm and FUJIFILM Business Innovation). Related executive officers and general managers of business divisions, among others, also participate in the discussions depending on the agenda item.



Environment

In terms of climate-related initiatives, under the concept of meeting the qualifications for participating in global business, we have moved up our targets for decarbonization and are promoting a new environmental strategy that aims to achieve zero CO₂ emissions from energy consumed by the Company in 2040.

Sustainable Value Plan 2030 Initiatives

- ▶ Address climate change
- ▶ Promote recycling of resources
- ▶ Address energy issues with the aim of realizing a decarbonized society
- ▶ Ensure product and chemical safety

Addressing Climate Change (Information Disclosure Based on the TCFD Recommendations)

Metrics and Targets

The Fujifilm Group aims to achieve practically zero CO₂ emissions from energy consumed by the Company*¹ by fiscal 2040 (carbon zero), by maximizing energy use efficiency and promoting the introduction of renewable energy. In addition to promoting energy conservation and introducing renewable energy, we will continue to contribute to the reduction of CO₂ emissions in society by operating the Green Value Products system, which internally certifies products and services that excel in reducing environmental impact.

In addition, of the energy requirements in the supply chain, fuel and electricity use is highest in the upstream materials and chemicals industry. We are committed to fulfilling our responsibilities as a company in the materials and chemicals industry by balancing business growth with CO₂ emission reductions.

- **CO₂ emission reduction target throughout the product life cycle**
Reduce CO₂ emissions by 50% by the end of FY2030 (compared with FY2019)
- **CO₂ emission reduction target for energy used by the Company**
Reduce CO₂ emissions by 50% by the end of FY2030 (compared with FY2019)
- **Target for the introduction of renewable energies**
Convert 50% of purchased electricity to electricity derived from renewable energy sources by FY2030

- **Target for contributing to CO₂ emission reductions in society through products and services**

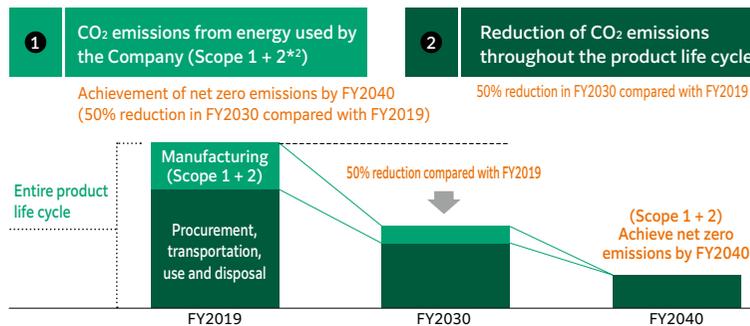
Contribute to a cumulative reduction of 90 million tons of CO₂ emissions in society by FY2030

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

Risk Management and Governance

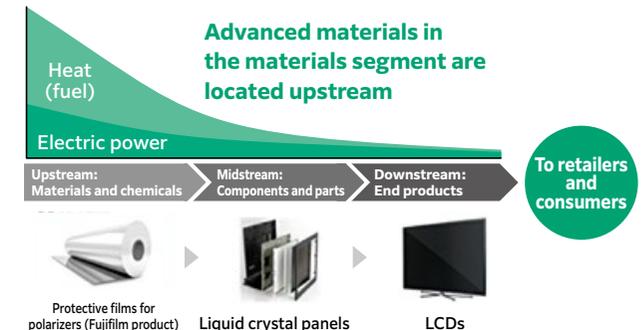
As part of risk management, the Fujifilm Group has introduced a system to monitor environmental performance related to climate change on a global basis and uses this system to identify risks by monitoring emissions of CO₂, fluorocarbons and other greenhouse gases, as well as energy consumption volumes, at each business site. The Energy Strategy Promotion Committee analyzes factors involved in the identified risks and reports on these to the ESG Committee before we make decisions regarding a response. To assess the risks of climate change, we utilize the internal carbon pricing (ICP) system to investigate the assumed financial impacts and future responses. Moreover, we apply scenario analyses based on the TCFD recommendations to implement countermeasures against risks caused by external factors. The ESG Committee discusses and makes decisions on issues and targets regarding climate change and reports on these to the Board of Directors.

Provide products and services with significant CO₂ emission reduction effects in society



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

Energy requirements in the supply chain



Strategies: Risks and Opportunities by Analysis Based on Scenario

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

	<div style="border: 1px solid #e57373; padding: 5px; display: inline-block;">4°C Scenario</div> <p>Measures surpassing those in place at present are not implemented, resulting in the average temperature rising by the year 2100 by 3.2°C to 5°C over the level during the Industrial Revolution. Natural disasters will increase in intensity and irreversible ecological changes will occur.</p>	<div style="border: 1px solid #4db6ac; padding: 5px; display: inline-block;">1.5°C Scenario</div> <p>Rigorous measures are implemented to build a decarbonized society, keeping temperature rises by the year 2100 down to 1.5°C in comparison with the level during the Industrial Revolution.</p>
Business Risks	<p>Physical Risks</p> <p>① Impact on production facilities due to extreme weather conditions, suspension of supply of raw materials for products and factory shutdowns due to power outages [Countermeasures] Promote measures such as the decentralization of production bases and raw material suppliers by formulating business continuity plans (BCP) and securing a stable power supply.</p> <p>② Instability and soaring prices of plant-derived raw materials due to ecological changes caused by climate change [Countermeasures] Reduce the amount of raw materials used by producing thinner films made from plant-derived raw materials and promoting the recycling (reuse) of multifunction devices in the area of business innovation.</p>	<p>Transition risk</p> <p>Laws and regulations for carbon pricing systems will be introduced in each country/region, which will be a cost-increasing factor. Assuming that the Fujifilm Group itself emitted 980,000 tons of Scope 1 + 2 CO₂ in FY2022 and that the carbon tax per ton of CO₂ emitted was ¥12,000, the financial risk is estimated to be approximately ¥11.7 billion.</p> <p>[Countermeasures] Accelerate capital investment for decarbonization by utilizing an internal carbon pricing system.</p>
Business Opportunities	<p>① Developing resilience of social infrastructure against disasters</p> <ul style="list-style-type: none"> ● Highly sensitive camera products that can monitor rivers and sea surfaces at night and in stormy weather ● Deterioration diagnosis technology for bridges, levees, etc., using high-precision image analysis and AI technology ● Digitalization of local governments' disaster response processes to help residents quickly rebuild their lives after a disaster <p>② Securing drinking water and water for agriculture</p> <ul style="list-style-type: none"> ● Desalination of brine and seawater using ion exchange membranes and other filtration technologies <p>③ Reducing the burden on healthcare professionals and improving access to healthcare</p> <ul style="list-style-type: none"> ● Global deployment of medical IT, medical diagnostic imaging and AI technologies that help reduce the workload on healthcare professionals and contribute to remote diagnosis 	<p>Help solve energy issues and achieve a decentralized society based on fundamental and core technologies</p> <p>① Energy conservation</p> <ul style="list-style-type: none"> ● Data archive storage systems using high-capacity magnetic tape to reduce CO₂ emissions during data storage ● Multifunction devices with enhanced power-saving performance <p>② Energy creation</p> <ul style="list-style-type: none"> ● Technology that enables inspection and diagnosis of operating wind turbine blades even in harsh environments such as windy coastal and offshore areas by combining a high-performance anti-vibration and ultra-telephoto camera that utilizes imaging and precision molding technologies with high-precision image analysis and AI technologies <p>③ Energy storage</p> <ul style="list-style-type: none"> ● Development of semi-solid batteries with lower cost and higher capacity compared to conventional liquid lithium-ion batteries by utilizing dispersion/coating and material technologies <p>④ CO₂ capture and fixation</p> <ul style="list-style-type: none"> ● Bioproduction of useful substances from CO₂ using bioengineering technology <p>⑤ Solutions and services adapted to a decentralized society</p> <ul style="list-style-type: none"> ● Solutions that support lifestyles and business activities in a decentralized society by promoting digitization, automation and paperless business processes ● Solutions and services to support healthcare professionals and improve access to healthcare through the use of healthcare IT and AI technologies

Resource Recycling Initiatives

Response to Water Risks: Working Together with Stakeholders

The Fujifilm Group is actively advancing resource recycling through an approach to the entire product life cycle, including reducing the use of water in production, recycling water, recovering and reusing silver resources, and establishing a recycling system for multifunction devices.

In regard to water resources, as we use a large amount of clean water for the manufacturing of photographic film, since our foundation we have long strived to reduce water usage and recycle water. We also engage in environmental protection efforts in conjunction with local residents, NGOs and other stakeholders, and make every effort to conserve water resources.

Long-term target	Reduce water intake by the Group by 30% by FY2030 (compared with FY2013)*1
Medium-term target	Reduce water intake by the Group by 20% by FY2025 (compared with FY2013)*1
Short-term target	Reduce water intake by the Group by 1% by the end of FY2022 (compared with FY2021)*1

*1 Progress: 3% reduction by the end of FY2022 (compared with FY2021)/17% reduction by the end of FY2022 (compared with FY2013)

Contributing to Reducing CO₂ Emissions in Society



Design for Environment (Product Stewardship)

The Fujifilm Group is engaged in Design for Environment (product stewardship) for all new products and improved products under the Fujifilm Group Green Policy (environmental policy). During the product development stage, we quantitatively and objectively assess the environmental impact across the entire product life cycle, from raw material procurement to production, transport, use and disposal, in an effort to design products with lower environmental impacts. Since fiscal 2018, we have managed the Green Value Products certification system for products and services that satisfy certain standards for environmental consciousness, and in fiscal 2022 achieved 30% for the ratio of Group-wide net sales accounted for by Green Value Products, compared with our target of 60% for fiscal 2030.



Ensure Product and Chemical Safety

Management of Chemical Substances

The Fujifilm Group not only complies with current chemical substance regulations but also looks to the future and manages chemical substances for which significant hazards or social concerns have been identified by voluntarily restricting their use in advance of legal requirements. We are working to reduce risks by substituting target substances with safer chemicals, reducing their use or developing new process technologies. To guarantee the safety of chemical substances developed in-house, the Fujifilm Group has owned safety testing facilities since 1975 to evaluate their safety in relation to the global environment and human health. Under "Environment," a priority area in our SVP2030 long-term CSR plan, we aim to help solve various social issues according to five goals of the SDGs. Specifically, we are developing low-risk, sustainable materials and manufacturing processes based on the safety data, chemical substance libraries and core technologies we have developed to date. Moreover, from the perspective of animal welfare*2 in the safety evaluation of material development, we are focusing on the use of alternatives to animal testing. The products offered by the Fujifilm Group span the entire supply chain from upstream to downstream, including fine chemicals, advanced materials, optical devices, multifunction devices and medical equipment. We therefore aim to contribute to proper chemical substance management in the supply chain through the dissemination of knowledge and mechanisms for the safe handling of chemical substances.

*2 The 3Rs of animal welfare (Replacement: use of alternatives to animal testing, Reduction: reduction in the number of animals used, Refinement: minimization of animal suffering)

Biodiversity Conservation

For the preservation and maintenance of biodiversity, the Fujifilm Group has established the Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation, under which we assess the risks our business activities present for biodiversity and promote efforts to minimize these. As a result of our risk assessments, we have designated paper procurement standards as an area that presents a high risk of affecting forest ecosystems and are therefore expanding paper procurement initiatives that consider ecosystems, biodiversity and the human rights of local residents. During product development, we incorporate the perspective of biodiversity conservation into Design for the Environment and conduct a biodiversity assessment as part of every process involved in the product development cycle. We also established guidelines for the procurement of plant-derived materials and manage these to ensure they avoid any involvement in environmental destruction and human rights violations. We also engage in activities on an individual business site basis to minimize environmental impact. As an example of environmental protection in local communities, FUJIFILM MATERIAL MANUFACTURING Kyushu Area (formerly FUJIFILM Kyusyu) has helped secure water resources by cooperating in activities to replenish groundwater levels in Minami-Aso Village and by planting trees on the upper reaches of the Shirakawa River.

Diversity, Motivated Work Style, and Occupational Health and Safety

Promoting the creation of systems that allow each and every diverse employee to demonstrate their individuality and abilities, we aim to remain a strong organization that boldly takes on the challenges of innovation and creates value for society even in a rapidly changing business environment.

Sustainable Value Plan 2030 Initiatives

- ▶ Create environments conducive to job satisfaction
- ▶ Develop and utilize diverse human resources

Diversity and Equal Opportunities

Basic Policy

The Fujifilm Group upholds “respect for and promotion of diversity” and “prohibition of discrimination” in its Code of Conduct. We believe in the diversity of people, prohibit discrimination, and respect, accept and stimulate each other’s personality and individuality. In doing so, we strive to create new value and become a robust organization that can contribute to the prosperity of society.

We also provide an environment that allows for flexible work styles and a smooth return to the workplace during life events, such as childcare or nursing care. We support each individual in leveraging their diversity to contribute to the organization without missing growth opportunities through their work.

Promotion System and Structure

In our long-term CSR plan, SVP2030, we have identified “the creation of frameworks and workplaces in which diverse employees can play active roles” as one of the priority issues in the area of Work Style. Specifically, we set the following targets to promote the transformation of work styles and diversity:

- ① Promote talented non-Japanese employees in key positions in the Fujifilm Group;
- ② Promote women in leadership roles;
- ③ Continue exceeding the legally stipulated percentage of employees with disabilities (in Japan); and
- ④ Achieve zero retirement of employees due to childcare or nursing care (in Japan).

The Fujifilm Group clearly states the respect for diversity and the elimination of discrimination in the Fujifilm Group Charter for Corporate Behavior and Code of Conduct, which are available to our employees in 24 languages and through e-learning to promote their understanding.

In November 2022, the Diversity, Equity & Inclusion (DE&I) Promotion Group was established within the Human Resources Division with the aim of “recognizing and supporting each other’s STORY among our diverse employees.” The group implements initiatives focused mainly on promoting women employees in leadership roles, supporting the balance between work and childcare/nursing

Accelerating DE&I Across the Fujifilm Group

As the DE&I Promotion Group, we are committed to supporting the growth of employees through various programs, including a seminar on Balancing Work and Childcare and +STORY Childcare Salon for the child-rearing generation. In July 2023, we held the Tokyo Midtown Head Office Family Day 2023, with approximately 550 employees and their families in attendance. The event aimed to encourage interaction among participants as they experienced products from each business, participated in workshops and visited workplaces where their families work. The atmosphere was lively, filled with cheerful laughter and smiles. This event was organized under the principle that the Fujifilm Group supports the active participation of each diverse employee and is a company that grows with its employees and their families. To accelerate DE&I throughout the Fujifilm Group in Japan and overseas, we will launch a DE&I Promotion Committee chaired by our CEO to discuss a wide range of issues and implement specific measures, including the promotion of women in leadership roles, the participation of men in childcare and supporting the balance between work and family life. We will continue to create an environment that allows each and every diverse employee to fully demonstrate their individuality and abilities as well as foster a corporate culture that highly motivates diverse employees, striving for the growth of the Fujifilm Group.

Mai Yamaguchi

Group Manager
DE&I Promotion Group*, Human Resources Division,
FUJIFILM Holdings Corporation



* Reorganized into the Diversity, Equity and Inclusion Office as of October 1, 2023

care, and encouraging men to participate in childcare. These initiatives include a seminar on Balancing Work and Childcare for employees returning from childcare leave and their superiors, as well as +STORY Childcare Salon as a platform for networking and interaction among employees, all aimed at deepening their understanding of DE&I and fostering a corporate culture that promotes diversity.

■ Initiatives and Progress

The Fujifilm Group has established long-term targets for fiscal 2030 for various indicators representing “active participation of diverse employees.”

As a Group-wide initiative, we promote the advancement of outstanding female employees to managerial positions and are stepping up the recruitment of women who can potentially take on leadership positions. We also organize seminars for employees who have returned to work after maternity or childcare leave and their supervisors and invite external speakers to provide guidance on key aspects of balancing work and childcare, emphasizing the importance of support in the workspace. Panel discussions involving employees and supervisors are also organized. All of these efforts are aimed at facilitating a smooth return to work after maternity or childcare leave and providing career support for employees. In addition, to provide a platform for networking and mutual consultation, we organize gatherings every three months where employees balancing childcare responsibilities can connect and share experiences.

In Japan, the Fujifilm Group has continued to achieve a percentage of employment of people with disabilities above the statutory level since fiscal 2016. We aim to maintain a percentage that is higher than the statutory level.

For childcare support, we promote and raise awareness of our various systems available, including Stock Leave (accumulated paid leave), to encourage men to take childcare leave and facilitate the balance between childcare and work. For nursing care support, we have enhanced our nursing care consultation service and organize seminars by specialists to prevent caregiver turnover. In fiscal 2022, we expanded our telecommuting system and work-life balance support system to enable diverse employees to successfully balance work and life stages, fostering a greater sense of motivation and proactivity in their work.

■ Measurement of Effectiveness (KPIs)

Indicators illustrating the “active participation of diverse employees” are as follows:

		FY2022	FY2030 target
Percentage of non-Japanese employees in key positions	Fujifilm Group	27.8%	35%
	Fujifilm Group in Japan	6.9%	15%
Percentage of women in managerial positions	Fujifilm Group*1	16.5%	25%
	Fujifilm Group in Japan	6.9%	15%
Percentage of employees with disabilities	Fujifilm Group in Japan	2.45%	2.35%*2

*1 Classification of management is based on definitions at each overseas subsidiary.

*2 In Japan, the Fujifilm Group has continued to achieve a percentage of employment of people with disabilities above the statutory level since fiscal 2016. We aim to maintain a percentage that is higher than the statutory level.

Please refer to p.109 for the retention rate after returning to work from childcare and nursing care, rate of male workers taking childcare leave, etc., in fiscal 2022.

Message from a Childcare Leave Taker

“I aspire to a more flexible work style with a better balance.”

Childcare Leave Period: December 29, 2021, to March 31, 2022

I took childcare leave from the first to the fourth month after my child was born. One positive aspect was that my wife and I were able to organize our daily rhythm, discussing and sharing housework and childcare responsibilities. My wife said, “I felt at ease both physically and mentally.” We could also witness and share the growth of our child every day, bringing us great joy. As I had been selected as the leader of product development, I handed over my responsibilities while leading the team just before my leave. Juggling childcare while fulfilling my role presented its challenges. However, the support and encouragement from my supervisor and colleagues made me feel strong. Currently, I am striving to balance work and childcare, collaborating with my wife, who has also returned to work, by utilizing a flextime system and finding ways to appropriately hand over my duties to other members in case my child suddenly becomes ill. I look forward to further improvements in the work environment that enable a more flexible work style with a better balance.



Takashi Kojima

DX Division, Graphic Communication Division, FUJIFILM Business Innovation Corp.

Message from the Supervisor

“We support childcare leave! — Hoping for an expansion of support systems for team members taking over responsibilities.”

In our division, it has become a natural atmosphere for both male and female team members to take childcare leave, although the duration might vary. However, beyond individual readiness, understanding and cooperation from colleagues and superiors in taking over tasks are essential. Despite everyone being busy, the team covers for each other to ensure smooth operations. I believe that expanding the support system for team members taking over the tasks of those on childcare leave could further lower psychological barriers. Upon returning from childcare leave, everyone comes back to the office with a sense of fulfillment, which also brings me a sense of happiness and joy. We will continue to support employees of both genders in taking childcare leave, with the hope that they will share the challenges of childcare with their spouses and enjoy the experience to the fullest.

Takahide Abe DX Division, Graphic Communication Division, FUJIFILM Business Innovation Corp.

Employee Safety and Health

Basic Policy

The Fujifilm Group clearly states in its Code of Conduct that it is committed to adhering to applicable laws and rules regarding occupational health and safety, and aims to maintain and enhance a safe and comfortable workplace environment, considering the physical and mental well-being of its employees. The maintenance and enhancement of the wellness of employees is one of our top management's priorities as it forms the basis for practicing our Corporate Philosophy and Vision. In September 2019, we established the Fujifilm Group Employee Wellness Declaration to vigorously promote health management.

Occupational Health and Safety Initiatives

In fiscal 2020, we established our new occupational health and safety regulations that comply with ISO 45001:2018, an international safety standard, and commenced their operation across all of our sites, including those overseas. We have clarified the safety management structure and activity goals for the entire Group, aiming to strengthen governance in occupational safety. These efforts include labor-management consultations on health and safety, checklist-based workplace inspections, and the identification of sources of danger and countermeasures in risk assessments when introducing new operations or changing work methods.

KPIs for Occupational Health and Safety

As our Company-wide goals for occupational health and safety initiatives, we have set targets to achieve zero serious work-related accidents and to reduce the workplace accident rate to 0.1 or less by fiscal 2030.

		FY2022 Chemical industry average in parenthesis*4
Workplace accident rate*1	Fujifilm Group in Japan	0.36 (0.34)
	Fujifilm Group (Overseas)	1.94
Workplace accident severity*2	Fujifilm Group in Japan	0.007 (0.01)
	Fujifilm Group (Overseas)	0.031
TRIR*3	Fujifilm Group	2.70

*1 Workplace accident rate (LTIR) = $\frac{\text{Number of employees involved in workplace accidents}}{\text{Gross number of hours worked}} \times 1,000,000$

*2 Workplace accident severity = $\frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1,000$

*3 Total recordable incident rate (TRIR) is the number of injuries per million working hours (accidents without lost work time + accidents involving lost time and deaths)

*4 Source for chemical industry average: 2022 Survey on Industrial Accidents (Ministry of Health, Labour and Welfare)

Health Promotion Initiatives

Under the leadership of the General Manager of Human Resources Division, who is the Fujifilm Group Health Management Officer, we have established the Employee Wellness Promotion Group to consolidate

the health promotion departments of various Group companies and focus on formulating and promoting Group-wide wellness promotion initiatives. We ensure widespread awareness of the Fujifilm Group Employee Health and Wellness Declaration across all Group companies, proactively promoting initiatives tailored to the cultures and customs of each country and region. In April 2022, the Fujifilm Group Health Insurance Association opened FUJIFILM Mediterrace Yokohama, a health screening facility for Fujifilm Group employees that provides health screenings using our state-of-the-art medical equipment.

Measurement of Effectiveness (KPIs) on Health Promotion

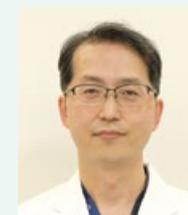
Fujifilm Group KPIs in health issues, medium-term targets and results

Priority areas	KPI	Results	Medium-term targets for FY2025	
		FY2022		
Lifestyle-Related Disease Control	Employees with BMI \geq 25	26.8%	21%	
	Employees with HbA1c \geq 6.0%	7.9%	6%	
Smoking Control	Employees who smoke	18.3%	12%	
Cancer Control	Employees who received screening	Lungs	99.3%	100%
		Stomach	80.0%	100%
		(Of which) Endoscopy rate	64.1%	90%+
		Large intestines	89.6%	100%
		Breasts	80.1%	90%+
	Cervical	67.2%	90%+	

Note: Target: Domestic employees in the Fujifilm Group (screening rate of gastric and colon cancer examination of those 40 years old and older)

Shedding Light on the Health of Fujifilm Group Employees at FUJIFILM Mediterrace Yokohama

The Fujifilm Health Management Center has long been deeply committed to protecting the health of Fujifilm Group employees, with a specific focus on cancer screenings. Opened in April 2022, the center features the Fujifilm Group's state-of-the-art medical equipment and AI-based medical IT systems, which are operated by skilled medical professionals to help manage the health of employees. The entire team at FUJIFILM Mediterrace Yokohama hopes to be a beacon of light for the healthy and fulfilling lives of our employees. We envision our center as a hub that brings together all of the insights that the Fujifilm Group possesses, aiming to contribute to the spread and development of improved healthcare for the future.



Masami Ogawa
Fujifilm Group Health Insurance Association
Director, Fujifilm Health Management Center,
FUJIFILM Mediterrace Yokohama

Human Rights

We declare our respect for human rights in our daily business activities based on our Human Rights Statement and its foundation, the Fujifilm Group Charter for Corporate Behavior and Code of Conduct.

Sustainable Value Plan 2030 Initiatives

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

Human Rights

Basic Policy

The Fujifilm Group considers respect for human rights to be its corporate responsibility. The Fujifilm Group Charter for Corporate Behavior and Code of Conduct, which are available in 24 languages, express our fundamental approach and support international principles on human rights. We have also established the Fujifilm Group Human Rights Statement, which declares that we will take the necessary measures to assess and reduce the risk of human rights violations in our business activities.

In step with the expansion of our healthcare business, in July 2020 we established the Fujifilm Group Global Healthcare Code of Conduct to clarify our basic principles, such as respecting the human rights of patients and ensuring appropriateness and transparency in our interactions with healthcare professionals. In April 2023, we revised the Guidelines for the Global Healthcare Code of Conduct.

We also adopted the Fujifilm Group AI Policy in December 2020 as the basis for our active utilization of AI technology. We recognize ethical and other risks that might arise from the emerging technology of AI and strive to promote business activities that respect basic human rights.

Structure

1. Human Rights Due Diligence Process

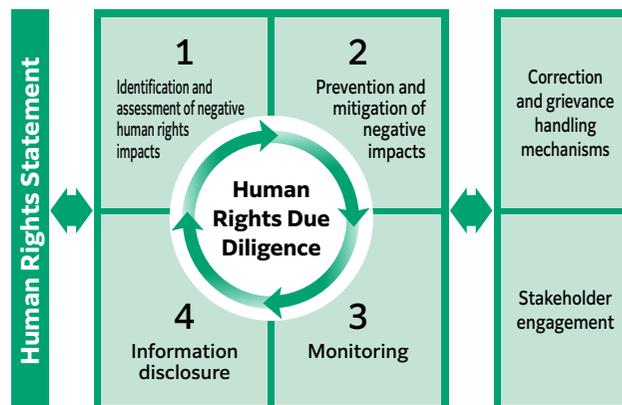
The Fujifilm Group has established and implemented a human rights due diligence process. Specifically, this involves identifying actual and potential risks, determining where these risks occur in the Company's activities and the value chain of the Group's business, identifying the individuals who could be negatively impacted and how, evaluating risks based on the likelihood and severity of occurrence, examining and implementing preventive and mitigating measures, engaging with stakeholders and disclosing information. We assess the impact on human rights using risk mapping and regularly review the assessments.

2. Impact Assessment of Priority Human Rights Issues for the Fujifilm Group

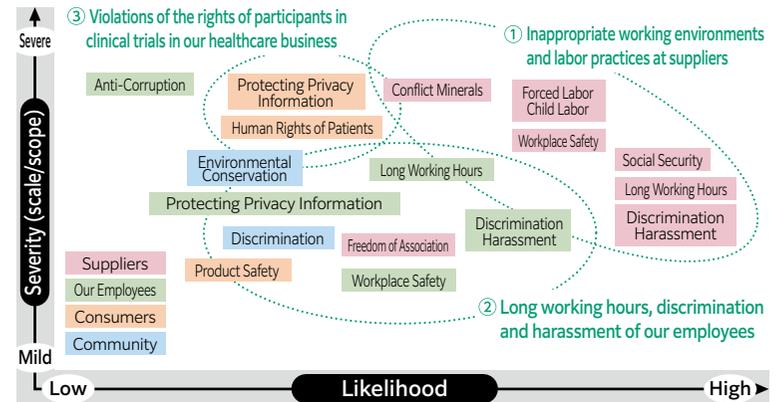
In fiscal 2019, we identified potential human rights issues and have continued to address the following priority issues:

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

Human rights due diligence process



Impact assessment of potential human rights issues (risk mapping in existing businesses)



■ Initiatives Related to Priority Human Rights Issues

(1) Inappropriate working environments and labor practices at suppliers

In fiscal 2022, we continued to conduct risk assessments through self-checks in China and other Asian countries—priority regions where many of our manufacturing sites are located.

In addition, our expert team visits suppliers to conduct risk assessments and provide support for improvements as a part of our on-site assessment program. For suppliers identified as having issues in labor practices, the team encourages them to improve and implements corrective measures from the perspective of human rights. In fiscal 2022, we discovered issues, such as inaccuracies in employee handbooks (not updated in accordance with changes in labor regulations, discrepancies between actual operations and documented leave-related policies) and lack of regular inspections regarding the quality of the drinking water from the water dispensers in employee dormitories. We asked these suppliers to implement improvements. We have confirmed that all of the suppliers subject to on-site assessment by our expert team had made improvements in key areas by the end of the fiscal year.

(2) Long working hours, discrimination and harassment of our employees

In fiscal 2022, 68 organizations within the Fujifilm Group identified long working hours and discrimination against or harassment of employees as priority issues. They developed and implemented prevention and mitigation measures at their companies.

In response to the emerging human rights issues concerning non-Japanese employees in Japan, the Fujifilm Group initiated a survey in fiscal 2019 to assess the situation of non-Japanese employees directly employed by its major operating companies in Japan. As of the end of fiscal 2022, there were 232 individuals from 20 countries/regions in our employ, and no reports of issues regarding labor conditions or practices were identified. We will continue to monitor the working environment for non-Japanese employees.

We have also confirmed that no child labor is being used within the Fujifilm Group in fiscal 2022.

(3) Violations of the rights of participants in clinical trials in our healthcare business

We have established a Life Science Ethics Review Committee to ensure that clinical trial participants are not disadvantaged in any way. We identified no violations of the Global Healthcare Code of Conduct in fiscal 2022.

■ Dialogue with External Stakeholders on Human Rights Activities

● Participation in the Stakeholder Engagement Program by the Caux Round Table (CRT) Japan

In fiscal 2022, the Caux Round Table (CRT) Japan held eight Stakeholder Engagement Program sessions from May 19 to July 14, in which three representatives from our company participated. During these sessions, participating companies, NGOs/NPOs, scholars and other experts discussed the execution of human rights due diligence. The conversations included group work with other companies to review human rights issues that should be focused on in each industry.

● Participation in the Business and Human Rights Academy organized by the United Nations Development Programme (UNDP)

We participated in the second session of the Business and Human Rights Academy held in Tokyo on February 27–28, 2023. We learned about legal frameworks, trends and implementation methods related to human rights due diligence from leading experts and specialists in the field of business and human rights in Japan and abroad. In addition, discussions with other participating companies allowed us to reflect on our own initiatives. We will incorporate insights from this experience into the Group's human rights due diligence efforts.

● Incorporation of the opinions of external experts on life sciences (Life Science Ethics Review Committee)

We have established the Life Science Ethics Review Committee that includes external experts to comprehensively evaluate the appropriateness of implementation in consideration of privacy, ethics, science and other aspects. The scope of the committee's reviews includes research involving human-derived tissues for genetic analysis, epidemiological studies, clinical research and the handling of individual genetic information and related tasks. For instance, to ensure that participants in clinical trials are not disadvantaged in any way, external experts review our clinical trial plans on behalf of the participants.

In fiscal 2022, we conducted 29 life science ethics reviews, including expedited reviews.

● Dialogue with local communities

As a member of the local community, the Fujifilm Group discloses information about its environmental conservation activities and continues to gather the opinions of local residents through activities such as environmental dialogue meetings. We will further strengthen environmental initiatives at our business sites and actively disclose and disseminate information outside the Company on an ongoing basis.

Please refer to our Sustainability Report 2023 for details.

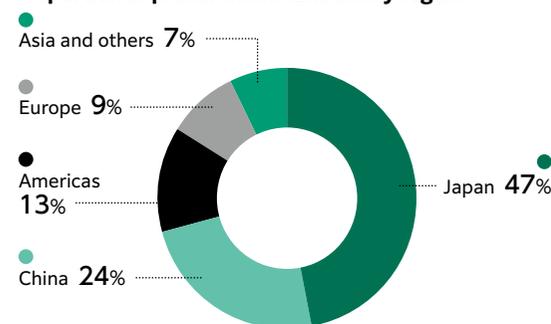
▶ <https://holdings.fujifilm.com/en/sustainability/report>

Responsible Supply Chain Management

Basic Policy

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

Proportion of procurement amount by region



Basic Approach to Sustainable Procurement

The Fujifilm Group categorizes each supplier into one of three levels that determine the measures applied to them.

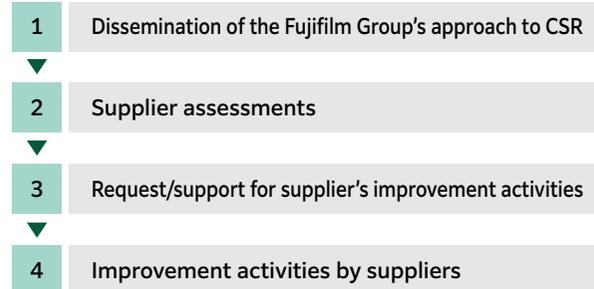
Level 1	Dissemination of the Fujifilm Group's approach to CSR (all suppliers)
Level 2	Self-assessment by suppliers (critical suppliers)
Level 3	On-site assessment (high-risk suppliers/most critical suppliers)

Sustainable Procurement Initiatives

The Fujifilm Group has positioned its series of activities to promote sustainable procurement as its Sustainable Procurement Promotion Program, which consists of the four-step cycle shown in the figure below.

We conduct CSR risk assessments and self-checks (human rights, labor, environment, health and safety, ethics, supplier management/BCP) for critical suppliers and suppliers in high-risk areas, such as in China and other Asian countries. For suppliers identified as high risk, we conduct individual on-site inspections, request improvements and provide support. Particularly for suppliers in China and other Asian countries, our expert team conducts on-site assessments to verify their progress and provide guidance for improvement.

Sustainable Procurement Activity Cycle



In addition, as part of our environmental initiatives in the supply chain, we collaborate with our suppliers under the key themes of "Sharing information on chemical substances" (see p.74), "Responsible procurement of paper" and "Responsible procurement of plant-derived materials." In fiscal 2021, we

formulated guidelines for the procurement of plant-derived materials. These guidelines set procurement standards for pulp, palm oil and paper sourced from responsibly managed forest resources prioritizing environmental and human rights considerations. This ensures compliance with sustainable procurement principles throughout the supply chain, avoiding involvement in environmental destruction and human rights violations.

Measurement of Effectiveness (KPIs)

We conducted self-checks for critical suppliers in Japan and overseas. As a result of the expansion of the targets, self-check results were collected from 774 companies (1,262 bases), approximately double the number in the previous fiscal year (response rate of 92%). The results of the self-check assessments in fiscal 2022 showed no significant risks related to child labor, forced labor or freedom of association. Starting from fiscal 2022, we initiated an information security survey (self-check) targeting critical suppliers in Japan and overseas.

Sustainability self-check conformance rate

Conformance rate	Evaluation	Ratio of responding companies
90% or above	Almost satisfy the requirements of our Code of Conduct	70%
80%–89%	Need improvement regarding some issues	20%
Less than 80%	Need our support for improvement	10%

Responsible Mineral Procurement

Basic Policy

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

Initiatives

OECD's Five-Step Framework

- 1 Establishment of a robust planning and management system
- 2 Identification and assessment of risks in the supply chain
- 3 Development and implementation of strategies to address identified risks
- 4 Audit by an independent third party to assess the due diligence practices of smelters/refiners
- 5 Annual reporting on due diligence in the supply chain

Measurement of Effectiveness (KPIs)

Each of the Fujifilm Group's businesses responds to requests from customers to trace the origins of minerals.

In the Business Innovation segment, we are strengthening initiatives for responsible mineral procurement.

For the 3TG origin survey, we obtained responses from 99.8% of the surveyed suppliers. The survey identified 337 smelters/refiners recognized by the Responsible Minerals Initiatives (RMI), of which 220 were Responsible Business Alliance (RBA) Conformant (as of May 2023). Responding to increasing customer requests, we added cobalt to our existing 3TG origin survey starting in fiscal 2021. In fiscal 2022, we collected responses from 99.6% of the surveyed suppliers. The survey identified 70 smelters/refiners recognized by the RMI, of which 35 were the Responsible Minerals Assurance Process (RMAP) Conformant (as of May 2023). Based on the responses from these suppliers, we requested them to switch to RMAP Conformant smelters and avoid using high-risk smelters. We will continue to expand the scope of our survey as we advance our efforts toward responsible mineral procurement.

Collaboration Initiatives in the Supply Chain Area

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



Joint Article Management Promotion-consortium (JAMP)

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



UN Global Compact (UNGC)

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



Japan Electronics and Information Technology Industries Association (JEITA)

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

Responsible Minerals Initiatives (RMI)

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



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

Japan Business Machine and Information System Industries Association (JBMA)

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

Responsible Business Alliance (RBA)

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



Chapter 05

Chapter

Corporate Governance

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Discussion on Governance



Aiming for an even higher level of corporate governance to carry on the corporate culture

How should we pass down our corporate culture to the next generation? The Chairman of the Board and an outside director discuss the roles that the Board of Directors should play.

Establishing a corporate governance system

— What are your views on initiatives to improve corporate governance (“Governance”)?

Sukeno: At the very least, we need to establish a solid governance system and get it to work effectively for a global company to operate globally. Taking action to contribute to creating a decarbonized society is also one of the global market participation requirements. Considering these requirements, since I became Chairman of the Board (“Chairman”), we have worked to improve the Company’s governance system and have built the present governance system. In the course of building the present governance

system, the Board of Directors has naturally played a key role. I believe that the roles of the Board of Directors are formulating basic management policies and strategies, making important decisions about business execution, and effectively supervising execution to make sure that the policies and strategies are implemented properly.

I do not believe that we can establish a governance system in the true sense of the term if the Chairman is involved in execution. We have now decided that we do not specify who shall be Chairman in the Articles of Incorporation. The Board of Directors selects the Chairman and has designated that I, as Chairman, shall not be Representative Director. In this way, we have made it clear

that the Chairman is not involved in execution. The Board of Directors now consists of 10 members, of whom five members are inside directors who engage in execution at operating companies. Four members are outside directors. I believe that given that as Chairman I am not involved in execution, I can monitor the executive directors and outside directors from a neutral position. As a result, we can build a stronger governance system, and the transparency of the Board of Directors will increase.

Kitamura: I realize that Chairman Sukeno has been pursuing initiatives to improve governance at the Company with a clear intention. The initiatives include a review of the skills matrix and a revision through discussions at Board meetings. In the process of reviewing the skills matrix, we did not simply choose skill items that are generally considered to be required in corporate management, such as legal affairs and accounting. We first chose business, function and region as three priority areas that will deepen discussions at Board meetings and then intensively discussed particularly important elements. Before discussions at Board of Directors meetings, the Chairman and outside officers discussed the skills matrix and deepened the understanding of each other’s views. This process enabled us to reconsider what we should primarily discuss at Board meetings and was very meaningful.

Sukeno: What is important in reviewing the skills matrix is identifying areas where each director has expertise in light of the roles of the Board of Directors. Inside directors are required to have full knowledge of the assets, including technologies and human resources, that have supported the growth of the Company and to make the optimum business decisions. The main role of outside directors is, I would say, monitoring the direction of execution to determine whether it deviates from common values and common sense. Under these assumptions, the skills matrix should show how the members of the Board of Directors can contribute to deepening discussions at Board meetings.

Discussion on Governance

Passing down corporate culture

— A new skill item, “Human resources strategies and corporate culture,” has been added. Why did you add it?

Kitamura: When we discussed the skills matrix, many Board members said that it is important for us to develop genes, or characteristics, that we have inherited, which made possible a significant change in the business structure as the photographic film market rapidly contracted. To achieve the sustainable growth of the Company, we need to maintain and develop our flexibility and resilience, which is part of our corporate culture. Corporate culture is a company's values and code of conduct. It is created by employees' awareness and actions. It is therefore closely related to human resources strategies. However good our management policies are, we cannot achieve our goals if we do not have a corporate culture in which employees, who implement the policies, have a good understanding of the Company's values and have pride in what they do.

Sukeno: In addition to the transformation of the business, I would like to give attention to predecessors' efforts to overcome difficult challenges and start domestic production and commercialization of photographic film. We will be marking our 90th year in business. We need to remember our predecessors' extraordinary efforts and the



**Kunitaro
Kitamura**

Outside Director and the
Chairman of the Nomination
and Remuneration Advisory
Committee

Special Advisor, Sumitomo Mitsui
Trust Bank, Limited
Outside Director, ASAGAMI
CORPORATION
Outside Audit & Supervisory
Board Member, OHBA CO., LTD.

assets they left behind, including the desire to take on challenges, speed and teamwork, and pass these down to younger employees. It is these foundations laid by our predecessors that have enabled us to transform our business in the 2000s. As times change, values in society change. It is important for the Board of Directors to monitor what should not be changed and what should change.

The basic principle of corporate management is helping employees perform to the best of their ability. Investment in human resources, including investment in employee education and health and productivity management, is indispensable for ensuring the continuity of companies. Developing future management personnel is a particularly important issue. That is a theme that we should discuss more deeply at Board meetings. The addition of human resources strategies and corporate culture as a new skill item reflects this thought. The skill item is embodied in our management policy emphasizing human capital.

— What are your views on changes in the external environment surrounding human resources?

Kitamura: The decline in the nation's workforce is an important change. The turnover rate is increasing, and the lifetime employment system, which was an assumption for career plans, is ceasing to function. In this environment, recruitment and human resources development are becoming increasingly important in human resources strategies. We need to have a process for attracting excellent human resources, while paying attention to evaluation and assignments, cultivating and evaluating them, and developing human resources who will become responsible for management. The key to this process is corporate culture. The turnover rate is low among employees who align with the Company's philosophy. They perform well even in adverse circumstances and continue to be motivated to come up with innovations.

When we discuss themes related to human resources strategies



Kenji Sukeno

Chairman and
Chairman of the
Board of Directors

at Board meetings, I think about how executives, including top management, should communicate and explain the corporate culture to employees. Some voices of employees that we hear through the employee engagement survey and others incorporate the essence of the corporate culture, and outside directors pay attention to these voices. If there are any discrepancies between employees' voices and management's understanding, it is important to eliminate those discrepancies steadily.

Sukeno: I believe that the CEO's most important role is to make sure to explain the corporate culture to employees who join the Group through M&A. If the CEO shows the direction to the head of each business, and the head of each business educates the management of companies that join the Group, the Company's corporate culture and genes will be made known throughout the entire Group.

Improving the effectiveness of the Board of Directors

— In the evaluation of the effectiveness of the Board of Directors, a range of opinions were expressed about the members of the Board of Directors.

Sukeno: The key points of what we should do to raise the effectiveness of the Board of Directors are to share necessary and adequate information among the directors and have lively discussions. This is what the members of

Discussion on Governance

the Board of Directors should do. I think that arguments about governance put a little too much emphasis on the social attributes of the directors, such as nationality and gender, and the level of independence. The genders and nationalities of directors and whether they are inside or outside directors do not matter. If the appointment of outside directors who have expertise in certain areas raises the effectiveness of the Company's Board of Directors, we should appoint them, even if outside directors account for a majority of the members as a result. It is important to think about appropriate members according to the Company's management policy instead of having superficial discussions.

Kitamura: I too have put emphasis on qualities rather than social attributes when I choose directors. I believe that we should further explain about our policy of choosing directors based on the qualities of the candidates, irrespective of whether the members of the Board of Directors meet the standards of the Corporate Governance Code. We have, of course, made steady progress in the development of non-Japanese employees. I have heard that some non-Japanese employees have come close to being promoted to management. I think Chairman Sukeno is considering the participation of non-Japanese employees in discussions at Board meetings this fiscal year. I hope that we will deepen discussions.

— Outside Officers are having more opportunities to exchange opinions with CEO Goto.

Kitamura: In addition to discussions at Board meetings, we are able to have casual discussions with CEO Goto. These discussions are very meaningful because we get to know what the CEO is paying particular attention to. Exchanging opinions freely on informal occasions will result in more lively discussions at Board meetings. We often notice something in casual conversations. I hope we will have more opportunities to speak with executives other than the CEO.

Accomplishing the management plan

— What roles will the Board of Directors play in developing the next medium-term management plan?

Sukeno: We have two points to keep in mind when we develop the next medium-term management plan. First, we need to determine what we have been able to do and what we have not been able to do in the current medium-term management plan. We also need to accurately identify risk factors that block us from achieving our targets. We might not be able to achieve results as planned in some businesses. In those cases, we need to thoroughly analyze the factors for changes in the assumptions that we made when we developed the plan and check whether solutions to the problems are included in the next medium-term management plan. I have requested the corporate executives to do these things.

The second point is return on investment. In the period of the current medium-term management plan, we have made decisions on active capital investment and M&A, particularly in growth areas, including the Healthcare and Advanced Materials segments. We will deepen discussions at Board meetings on whether the return on investment is in line with the initial plan, what the risks are and whether we will hedge the risks.

Kitamura: We have had meaningful discussions at Board of Directors meetings on evaluations in the capital markets, including our stock price. We will concentrate our management resources in growth areas while generating management resources by establishing a revenue base in other businesses. In this way, the Company will achieve growth in the medium to long term. Our story is clear. To communicate the story to the market in a way that is easy to understand, we should devise better ways of disclosing information. For example, we could present supporting data.

We have announced our policy of selling cross-shareholdings if there is no rationality in holding them. We have already made a noticeable reduction in our cross-shareholdings, and I expect us to earn high marks for that from investors.

CEO succession

— Please describe the concrete process of CEO succession in the Nomination and Remuneration Advisory Committee.

Kitamura: Since the Nomination and Remuneration Advisory Committee was established in 2018, we have been holding discussions every year about whether the CEO should stay in the position and about a list of successor candidates created in consideration of whether they have the qualities required of the CEO, listening to the opinions of the inside directors who are members of the committee. CEO Goto was appointed in 2021 based on ongoing discussions according to our succession plan. The list of successor candidates is updated each year. CEO Goto had been included in the list. We make sure to implement this procedure to facilitate succession. In this way, we ensure a process that those outside of the Company consider to be objective and transparent.

Sukeno: We revised the CEO succession plan after I became a member of the committee. Now we have two succession plans: a plan in case of a sudden replacement of the CEO due to a contingency and a plan for succession after the CEO has been in the position for a certain period. Under the latter plan, we discuss what kinds of experience we should give the candidates opportunities to gain and how we should broaden their expertise for their personal development. We have been updating the list of successor candidates. What are the important qualities that the CEO should possess? The CEO should have an overall picture of the Company, which has multiple businesses. As I said at the beginning, the CEO should also be able to pass down the corporate culture. The most important quality is that the CEO should have a deep understanding of the Company's corporate culture, enabling corporate executives to pass it down to the next generation.

Through these efforts, the Company will help employees perform to the best of their potential and continue to strive to create innovations and enhance corporate value over the medium to long term. As Chairman, I pledge to take the lead in discussions at Board meetings and pursue a higher level of governance.

Messages from Outside Directors



Makiko Eda

Chief Representative Officer of
World Economic Forum Japan
Outside Director of Tokyo
Electron Ltd.

I will actively contribute to management's discussions to help create a sustainable world.

I realize that the Company's business portfolio, which reflects its strategies, is growing strongly. Every time we make a decision about M&A activities or other issues, we discuss a range of matters. Because we internally share common long-term goals, the Company's direction does not change. In addition to the latest financial results, I am impressed by the Company's global contributions to the qualitative improvement of healthcare and society and the restoration of the environment through innovation and continued efforts to help create a sustainable world.

The Board of Directors holds open and lively discussions to enable the Company to contribute to the world through its business growth and continue to foster an organizational culture that enables the Company to invest in a range of activities and develop human resources. The COVID-19 pandemic has subsided, and there are now more opportunities to communicate with management. We are facing an unstable geopolitical situation, technology such as AI that develops at an exponential rate and environmental crises that could cause unrecoverable losses. The Company needs to make decisions to minimize risk and contribute to the creation of a more sustainable world and implement these decisions. As a director, I will continue to actively contribute to management discussions.



Tsuyoshi Nagano

Chairman (Director) of Tokio Marine
Holdings, Inc.
Outside Director of Central Japan Railway
Company

I will do my best to contribute to the establishment of sustainable management through discussions of medium- to long-term strategies, including human resources strategies.

In the past year, we faced many difficulties, including geopolitical division such as the Russia-Ukraine conflict and the confrontations between the United States and China, the disruption of supply chains and worldwide price increases. However, I strongly feel that the Company has been producing results steadily by implementing a correct growth cycle starting with highly motivated people who understand the Company's culture and the purposes of its businesses.

I think the main strength of the Company's culture is its desire to NEVER STOP working to solve social issues through business and to transform itself to that end.

In terms of health, which is one of the core businesses, for example, initiatives have been promoted leveraging the desire to improve the health of as many people as possible and enable them to have a sense of security, particularly in emerging and developing countries, such as India, through biopharmaceuticals and products and services in the Medical Systems business using medical AI technology. The Company is starting to implement mission-driven growth cycles where solutions to social issues are always being innovated and expanded for sustainable growth in all business areas, even areas outside health. These initiatives increase employee motivation and accelerate growth cycles. This is obviously reflected in the high engagement scores of the Group's employees.

I will continue to do what I can to contribute to establishing more sustainable management through frank exchanges of opinions with top management and discussions of medium- to long-term strategies, including human resources strategies, at Board meetings.



Ikuro Sugawara

Former Vice-Minister of Ministry of
Economy, Trade and Industry
Outside Director of TOYOTA MOTOR
CORPORATION
Outside Director of Hitachi, Ltd.

I argue with the corporate executives about many issues, including geopolitical issues and the advent of new technologies.

This is already my second year as an Outside Director of the Company. Looking back on the past year, I realize that the meetings of the Company's Board of Directors give outside directors exciting and challenging opportunities. We engaged in frank exchanges of views with the corporate executives about many different issues, including large investments, Group company governance, human resources strategies and technological development strategies.

To achieve sustainable growth, the Company needs to enhance the competitiveness it has been developing in its businesses, including Business Innovation and Imaging. In Healthcare and Materials, the Company needs to continue taking on bold challenges to reach the top of these industries. The increasing number of elements in the business environment, based on which we make important decisions, are becoming difficult to predict. This adds to the difficulties we face.

In addition to geopolitical issues and large natural disasters, I am particularly concerned about the rapid progress of technology beyond expectations. Up until the fall of last year, we were only talking about generative AI. Now, generative AI is considered to be a tool that could change society and business and could lead to fundamental changes in employment. The use of generative AI is increasing rapidly in certain business areas. I feel that we are entering into an age when we need to pay more attention than ever to the advent of new technologies that can be said to be game changers, beyond generative AI. They could significantly impact the Company's businesses.

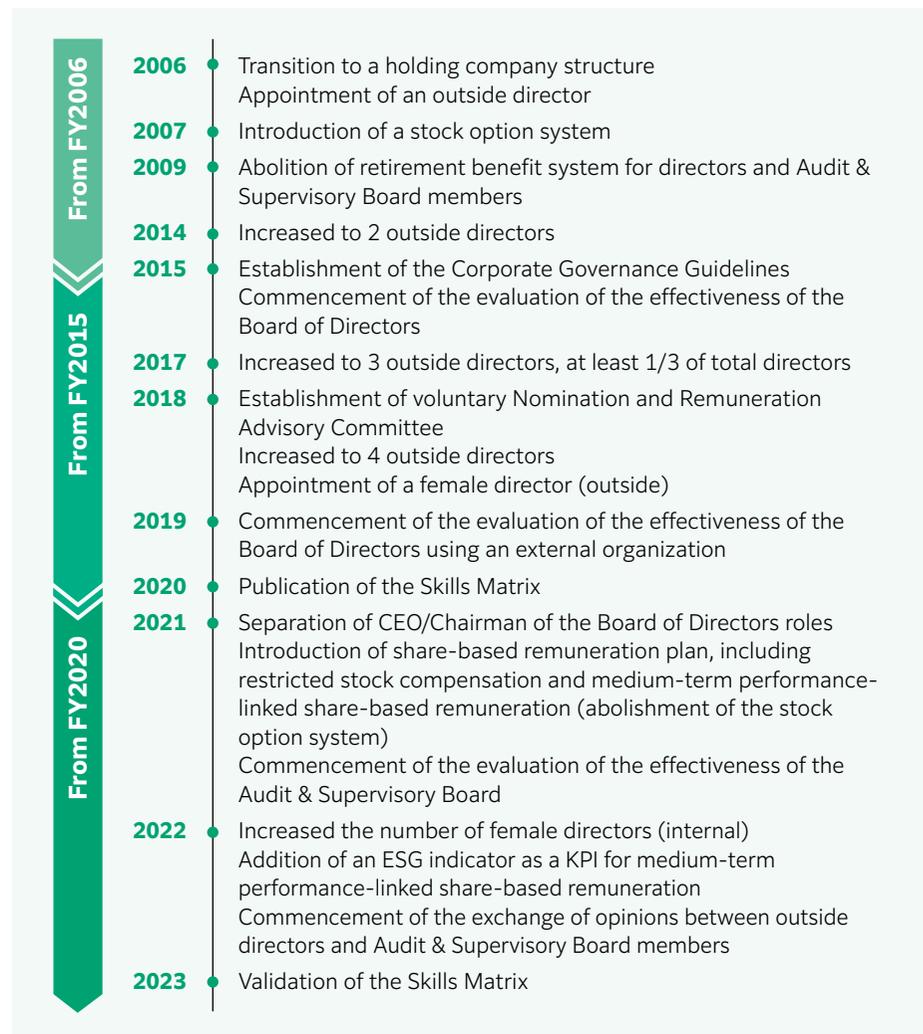
Corporate Governance

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

Corporate governance structure and features

Institutional Design	<ul style="list-style-type: none"> ● Adopted a system with an Audit & Supervisory Board ● Established the Nomination and Remuneration Advisory Committee as an arbitrary advisory body to the Board of Directors
Board of Directors	<ul style="list-style-type: none"> ● Set the number of directors at 12 or less, of which at least one-third shall be independent outside directors (currently 10 directors, including four independent outside directors) ● Separated the roles of the Chairman of the Board of Directors and CEO and strengthened the supervision function ● Set the terms of office of directors at one year to further clarify the mission and responsibilities of directors
Audit & Supervisory Board	<ul style="list-style-type: none"> ● Set the number of Audit & Supervisory Board members at five or less, of which at least half shall be independent outside Audit & Supervisory Board members (currently four Audit & Supervisory Board members, including two independent outside Audit & Supervisory Board members) ● Established an Audit & Supervisory Board Office (a staff department for Audit & Supervisory Board members) to enhance the audit functions of Audit & Supervisory Board members
Nomination and Remuneration Advisory Committee	<ul style="list-style-type: none"> ● Set the composition of the committee to be three or more members appointed by resolution of the Board of Directors, with at least half being independent outside directors (currently comprising three members, including two independent outside directors, one of which is the chairman) ● The chairman shall be an independent outside director

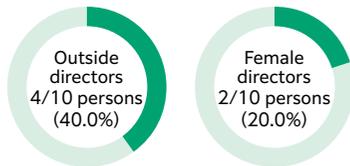
Initiatives to strengthen governance



Roles and activities of major meetings and committees

① Board of Directors

The Company has positioned the Board of Directors as the organization for determining basic Group management policies and strategies and other important matters relating to business execution as well as supervising the implementation of business affairs. The Board's regular meetings are held, in principle, once a month, with extraordinary Board meetings held on an as-required basis.



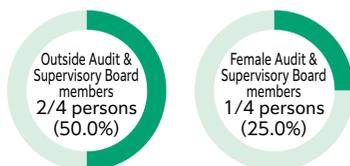
② Nomination and Remuneration Advisory Committee

As an advisory body to the Board of Directors, the Nomination and Remuneration Advisory Committee was voluntarily established for the purpose of ensuring objectivity and transparency regarding the CEO succession plan and the procedures for director remuneration plans and related matters. Please refer to p.90 for activity details.



③ Audit & Supervisory Board

We have chosen to become a company with an Audit & Supervisory Board system. Each Audit & Supervisory Board member audits the Directors' overall execution of their duties in accordance with auditing policies, auditing plans, etc., based on the auditing standards for Audit & Supervisory Board members established by the Audit & Supervisory Board. Please refer to p.94 for details.



④ Management Council

The Management Council deliberates on important matters and Group-wide topics based on the basic policies, plans and strategies decided by the Board of Directors. In addition, the Company has adopted the corporate vice president system to facilitate speedy business execution. Corporate Vice Presidents are responsible for business execution in accordance with the basic policy determined by the Board of Directors. The Company currently has 10 Corporate Vice Presidents, three of whom are concurrently serving as Board members. The Corporate Vice Presidents have a one-year term of office, the same as the Company's directors.

⑤ ESG Committee

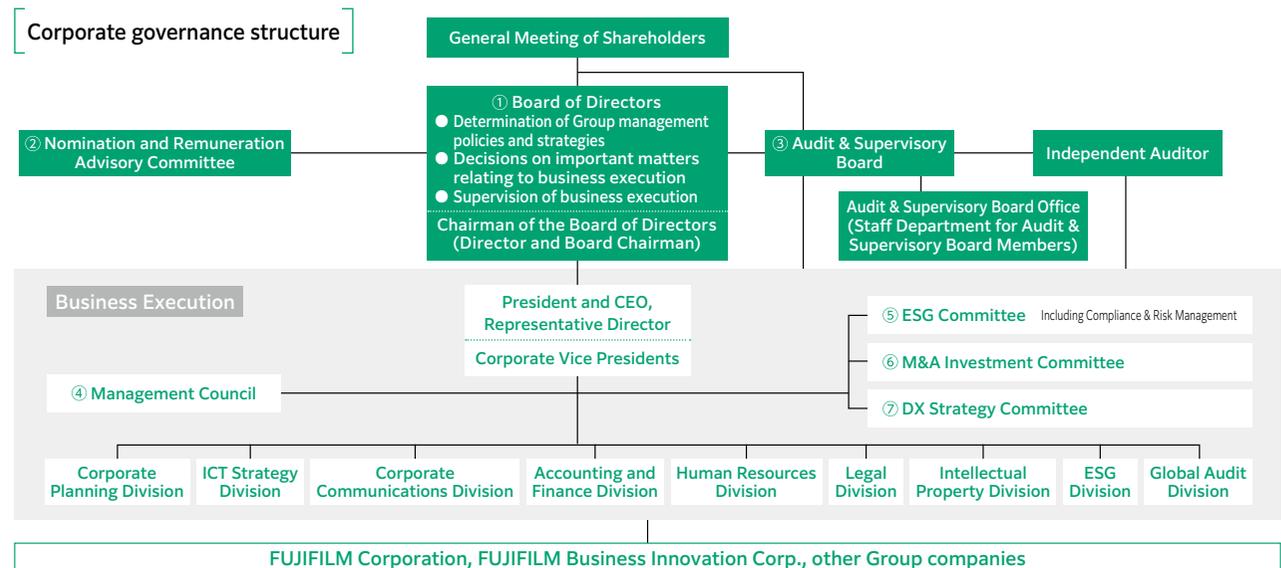
The ESG Committee deliberates and decides on important ESG-related matters for the Fujifilm Group. The committee also conducts reviews and promotes basic policy development and appropriate measures from a Group-wide perspective with regard to important risks facing each Group company. The committee is chaired by the President and vice-chaired by the director responsible for the ESG Division.

⑥ M&A Investment Committee

The M&A Investment Committee selects M&A projects that align with Group-wide management strategy and business strategy, and holds discussions to ensure M&As are conducted through the proper processes with appropriate schemes and at an appropriate price. The committee also checks on the progress of post-merger integration (PMI) after the M&A. The committee is chaired by the President and vice-chaired by the director responsible for the Corporate Planning Division.

⑦ DX Strategy Committee

The Company established the DX Strategy Committee as the highest decision-making body involved in promoting DX throughout the Fujifilm Group. The CEO serves as chairman and the CDO as vice-chairman.



Board of Directors and Audit & Supervisory Board Skills Matrix

● Skills Matrix

Name and position		Gender	Meeting attendance in FY2022 ^{*1}		Years in office ^{*2}	Expertise and experience sought ^{*3}							
			Board of Directors' meetings			Global management	Knowledge and expertise in core businesses and related industries	Innovation/technology	Finance and accounting/capital policy	Legal affairs/risk management/governance	Sustainability	Human resources strategy and corporate culture	
Kenji Sukeno	Chairman, Representative Director and Board Chairman	Male	13 of 14		10	●	●		●	●		●	
Teiichi Goto	President, Representative Director and Chief Executive Officer	Male	14 of 14		5	●	●	●				●	●
Masayuki Higuchi	Director, Corporate Vice President and Chief Financial Officer	Male	14 of 14		2	●	●		●	●			
Naoki Hama	Director	Male	11 of 11		1	●	●	●				●	●
Chisato Yoshizawa	Director, Corporate Vice President	Female	11 of 11		1				●	●		●	●
Yoji Ito	Director	Male	— (New appointee)		—	●	●	●					
Kunitaro Kitamura	Director (Outside)	Male	14 of 14		6	●			●	●		●	●
Makiko Eda	Director (Outside)	Female	13 of 14		5	●	●			●		●	●
Tsuyoshi Nagano	Director (Outside)	Male	10 of 11		1	●			●	●		●	●
Ikuro Sugawara	Director (Outside)	Male	11 of 11		1	●				●		●	●
Nobuo Hanada	Full-time Audit & Supervisory Board Member	Male	14 of 14		3				●	●			
Motoko Kawasaki	Full-time Audit & Supervisory Board Member	Female	14 of 14		2					●		●	
Masataka Mitsuhashi	Audit & Supervisory Board Member (Outside)	Male	14 of 14		4	●			●			●	
Tatsuya Inagawa	Audit & Supervisory Board Member (Outside)	Male	14 of 14		3					●			

*1 For Mr. Naoki Hama, Ms. Chisato Yoshizawa, Mr. Tsuyoshi Nagano and Mr. Ikuro Sugawara, attendance is for Board of Directors meetings held after June 29, 2022, when they assumed office as Directors of the Company.

*2 As of elections at the 127th Ordinary General Meeting of Shareholders held June 29, 2023

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

● Reasons for selection of skills

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

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

● Skills Matrix creation philosophy and process

Approach to skills matrix preparation

- The Company aims to achieve sustainable growth and increase the corporate value of the Fujifilm Group while contributing to the sustainable development of society by conducting sincere and fair business activities, underpinned by its Corporate Philosophy*¹ and Vision*².
- We position corporate governance as an important management priority to achieve this aim. In taking on such challenges, we must ensure the effectiveness of our Board of Directors, to which end we believe it is necessary to articulate the skills we seek from individual Directors by periodically assessing the functions of the Board of Directors and the skills matrix.
- As a company with an Audit & Supervisory Board, the Company enlists its Board of Directors in making decisions on basic policies of management, strategies and key matters pertaining to business execution, and supervising business execution. We deem that the Board of Directors must assume a dual role in this regard. First, the Board of Directors must assume the role of making decisions enlisting its familiarity with technology, human resources and other assets along with its substantial knowledge regarding the respective businesses, which has facilitated the Company's business growth thus far. Second, the Board of Directors must assume the role of ensuring that the trajectory of business execution aligns with the medium- to long-term value sought by society in striking a balance between economic value and social value toward achieving a sustainable society.
- With the Board of Directors effectively assuming its dual role, we have selected categories of skills necessary for enabling the Company to achieve sustainable growth and increase corporate value over the medium to long term, in part by achieving objectives of long-term CSR plans and medium- to long-term management plans. Specifically, we are prioritizing businesses, functions and regions in terms of our internal environment from among the themes that should be addressed by the Board of Directors. When it comes to functions in particular, we identify key functions for supporting the primary functions of the manufacturing industry. In addition, we have selected categories of skills taking into account perspectives that the Company prioritizes as well as the interests of external stakeholders in order to prompt more extensive discussions among the Board of Directors while also considering the external environment. The reasons for the selection of each skill category are provided in the table on p.89.

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

Process of skills matrix preparation

- With respect to overhauling the skill items, the Board of Directors passes resolutions in that regard upon having held discussions with outside directors and outside Audit & Supervisory Board members regarding the skills sought with respect to Directors of the Company, taking into account the roles and responsibilities of the Company's Board of Directors on the matter. In addition, when preparing the skills matrix, we identify skills that are particularly desirable with respect to candidates for Director and Audit & Supervisory Board Member*³ based on their backgrounds and other such factors. The Board of Directors then pass resolutions in that regard.

*1 Corporate Philosophy: We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.

*2 Vision: Anchored by an open, fair and clear corporate culture and with leading-edge, proprietary technologies, Fujifilm is determined to remain a leading company by boldly taking up the challenge of developing new products and creating new value.

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

CEO Succession Plan

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

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

When Mr. Shigetaka Komori, the previous CEO, resigned in June 2021 and Mr. Teiichi Goto, the current CEO, was appointed as his

successor, procedures were taken in line with the above process. At the meeting held in February 2021, the Committee deliberated on the nomination of Mr. Teiichi Goto as President and CEO, Representative Director. He had been continuously on the list of candidates to succeed Mr. Shigetaka Komori, who had requested to resign from his position as President and CEO, Representative Director. The Committee then submitted a report regarding these deliberations to the Board of Directors meeting held in March 2021.

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

Activities of the Nomination and Remuneration Advisory Committee

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

The committee currently has three members as follows:

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

Note: As of June 29, 2022, Mr. Kunitaro Kitamura assumed the post of chairman and Mr. Tsuyoshi Nagano assumed the post of committee member.

In fiscal 2022, the Committee met three times, in May and December 2022 and March 2023, to deliberate on the following matters related to nomination and remuneration. All committee members attended each session.

Details of deliberation and reporting

- Deliberations on maintaining the CEO
- Deliberations on the CEO succession plan
- Report on evaluation results for executive bonuses in fiscal 2021
- Report on the allocation of share-based remuneration under the share-based remuneration plan
- Deliberation on executive remuneration (evaluation method and amount) in fiscal 2022

Remuneration to directors and Audit & Supervisory Board members

● Director remuneration

① Fixed remuneration

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

② Short-term performance-linked remuneration

Short-term performance-linked remuneration is paid for a specific period each year as the employee portion of bonuses for directors who concurrently serve as Corporate Vice Presidents. Short-term performance-linked remuneration is paid in an amount calculated based on performance-linked indicators. Here, consolidated revenue and consolidated operating income, which are the numerical targets for the Company's short-term business management, are used as single-year performance-linked indicators, where the amount paid varies based on the achievement level of these indicators and in comparison with the previous fiscal year's performance within the range of 0% to 150% of a reference value.

These indicators were chosen under the assumption that they will serve as an incentive for achieving the short-term performance targets and that they will help improve medium- to long-term corporate value.

The target values and actual values for these indicators in fiscal 2022 are as follows.

	Evaluation index	Target value for fiscal 2022	Results for fiscal 2022
Financial indicator	Consolidated revenue	¥2,650.0 billion	¥2,859.0 billion
	Consolidated operating income	¥245.0 billion	¥273.1 billion

③ Medium-term performance-linked share-based remuneration (performance share unit)

Medium-term performance-linked share-based remuneration is paid to directors, other than outside directors (hereinafter, "Eligible Directors"), with adjustments made in a range of 0% to 150% relative to the base paid shares according to the level of achievement of indicators in the Company's medium-term management plan, such as consolidated revenue, consolidated operating income, ROIC and ESG indicators. A number of shares equivalent to 50% of the adjusted number of shares is paid as medium-term performance-linked share-based remuneration. In addition, cash equivalent to the share price times 50% of the adjusted number of shares is also paid. The number of base paid shares by position, as determined by the Board of Directors, is listed in the regulations for medium-term performance-linked share-based remuneration. This form of remuneration shall be granted after performance is finalized.

These indicators were selected under the assumption that they will help better encourage Eligible Directors to contribute to share price growth, improved corporate value and enhanced performance over the medium term. These indicators cover the period from fiscal 2021 to fiscal 2023 of the Medium-Term Management Plan "VISION2023." The target values for fiscal 2023, the final year of the plan, are as follows.

	Evaluation index	VISION2023 target values (fiscal 2023)
Financial indicator	Consolidated revenue	¥2,700.0 billion
	Consolidated operating income	¥260.0 billion
	ROIC	6.1%
ESG indicators	Reduction rate for CO ₂ emissions stemming from energy consumed by the Company (Scope 1 + 2)*	11% reduction (compared with fiscal 2019)

④ Restricted Share-Based Remuneration Plan

The Company will issue or dispose of restricted shares by granting monetary remuneration receivables to the Eligible Directors for the purpose of allotting restricted shares, in principle, every fiscal year, and have the Eligible Directors hold these shares by having them contribute all of these monetary remuneration receivables in kind. The aforementioned monetary remuneration receivables shall be paid on the condition that the Eligible Directors agree to said contribution in kind and that the Company and the Eligible Directors have concluded an allotment agreement for the transfer of restricted shares.

In this plan, to enhance the motivation of Eligible Directors toward sustainable growth in corporate value over the medium to long term and to further encourage management from the shareholders' perspective, the Company imposes share transfer restrictions from the day the allotment was received until the day on which the Eligible Director loses the position of director, Audit & Supervisory Board member, corporate vice president, fellow, etc., or employee of the Company or its consolidated subsidiary.

● Audit & Supervisory Board member remuneration

The remuneration for Audit & Supervisory Board members consists of only fixed remuneration in consideration of their role and independence, and the amount of remuneration paid to each Audit & Supervisory Board member is determined based on deliberations among Audit & Supervisory Board members.

Please refer to the Securities Report for the remuneration of individual Directors, the total amount of remuneration for each category of Directors, the total amount for each type of remuneration and the number of eligible Directors.

▶ <https://data.swcms.net/file/ir-fujifilm/dam/jcr:cd594df2-f7e4-4467-8c68-f60c3c43b8fa/S100R9YB.pdf> (Japanese only)

* Added to evaluation indices on April 1, 2022. Reduce CO₂ emissions to virtually zero (carbon zero) by fiscal 2040.

Composition of director remuneration (Excluding outside directors)



The above shall be guidelines, with exact percentages determined according to the position of each director and other elements. Remuneration for outside directors consists of fixed remuneration only from the perspective of their role and independence.

Activities of the Board of Directors

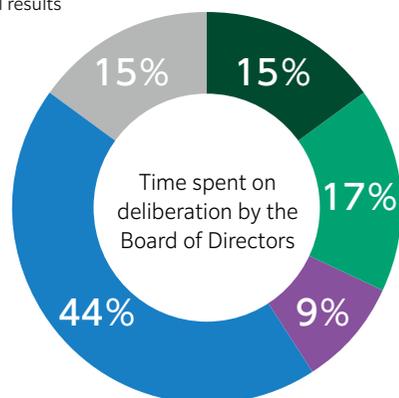
● Operation status and results of the Board of Directors

The Board of Directors makes decisions on basic management policies, strategies and important matters related to the execution of business, and supervises the execution of business. In addition, the Board of Directors formulates basic policies on sustainability initiatives.

In fiscal 2022, the Board of Directors and the Audit & Supervisory Board held multiple discussions and exchanges of opinions on items related to decision-making on business execution, such as M&As and large-scale capital expenditures projects in Healthcare and Advanced Materials, which are priority areas of the Medium-Term Management Plan "VISION2023," as well as on medium- to long-term issues such as decarbonization, DX-based strategies and economic security.

Distribution of agenda items by theme (January to December 2022)

- Medium- to long-term strategies (Company-wide policies)
- Governance and sustainability
- Internal control and risk management
- Decisions on important business operations
- Financial results



● Provision of information to outside directors and outside Audit & Supervisory Board members

The Company distributes materials and provides information in advance to outside directors and outside Audit & Supervisory Board members regarding proposals to be submitted to the Board of Directors and provides explanations in advance. Furthermore, in addition to programs that contribute to understanding of the Group, such as business briefings and tours of showrooms, factories, research laboratories, subsidiaries, etc., where technologies are introduced, we hold briefings on initiatives related to human resources development, IT strategies and ESG promotion, which are important for the Company's sustainable growth. In fiscal 2022, we held briefings on our businesses in the growth areas of Healthcare and Advanced Materials. In addition, outside officers visit several business sites, including our endoscopy factory and the Design Center, to gain a deeper understanding of the Company's management and business operations through exposure to on-site information.



Visit to Sano Factory, FUJIFILM Healthcare Manufacturing Corporation



Visit to Omiya Office, FUJIFILM Corporation

Evaluating the effectiveness of the Board of Directors

The roles and responsibilities of the Fujifilm Group's Board of Directors are to make decisions on basic management policies, strategies and key matters pertaining to business execution, as well as to ensure the effectiveness of the supervision of business execution. Each year, therefore, we conduct evaluations and hear opinions from each director and Audit & Supervisory Board member. The Board of Directors then deliberates on the analyses, evaluations and improvement measures and discloses a summary of those deliberations.

● Evaluation Process

- For the purpose of securing the transparency and objectivity of the evaluation, we engaged a third-party organization to establish evaluation items and create questionnaire items. Based on changes in the management structure in June 2021 and subsequent initiatives to improve the BoD, the evaluation criteria and questionnaire items were given a comprehensive reexamination. In this process, the third-party organization reviewed documents such as the Board Meeting minutes, the rules related to the BoD and related items.
- The third-party organization conducted analysis of the questionnaire responses from each Director and Audit & Supervisory Board Member. Based on the analysis, the BoD Office conducted individual interviews with the Directors and Audit & Supervisory Board Members.
- The effectiveness of the BoD was evaluated based on analysis of the document reviews, questionnaire responses and interview results. Furthermore, the status of initiatives to address issues identified in the previous evaluation was clarified and future issues were identified.

Evaluation Overview

Subject of Evaluation	Board Meetings of our company held in CY2022 (all 15 that were held)
Evaluators	Our company's Directors and Audit & Supervisory Board Members (15 persons in total)
Evaluation Items	Roles that the BoD should fulfill, composition of the BoD, quality of discussions, deliberations by the Nomination and Remuneration Advisory Committee, support system for Outside Officers, constructive dialogue with stakeholders, etc.

● Evaluation results and policies for 2023

		2022		Evaluation results		Future issues		2023	
		Challenges	Initiatives					Action policy	
Evaluation points	Roles to be performed by the Board of Directors	Increase opportunities to exchange opinions and discuss medium- to long-term issues such as sustainability, measures to improve value in society, DX strategies and human resources strategies.	Agenda items such as decarbonization, DX strategy and economic security were presented to the Board of Directors for discussion and exchange of views.	The number of agenda items on medium- to long-term issues has increased, and discussions have been active. There are ongoing efforts to improve agenda setting.		<ul style="list-style-type: none"> ● We will further enhance the agenda (medium- to long-term strategies, governance and sustainability-related) in line with one of the Board of Directors' roles, which is to "ensure that we are in line with the medium- to long-term values demanded by society." ● We will make greater use of the knowledge and expertise of outside officers when discussing medium- to long-term themes and strategies. 		<ul style="list-style-type: none"> ● We will present agenda items related to the Company-wide business portfolio, strategy, human capital and risk to the Board of Directors. ● To further improve the quality of discussions in the Board of Directors, we will increase opportunities for free discussion and exchange of opinions on medium- to long-term strategic themes not only among directors but also among corporate executives. 	
	Composition of the Board of Directors			The composition is appropriate in terms of the number of members, the ratio of inside/ outside directors and the combination of knowledge, experience and expertise.		Continue to examine the possibility of improving effectiveness by further diversifying the Board of Directors membership.		To improve the quality of discussions in the Board of Directors, the participation of foreign executives in strategically important projects will be diversified.	
	Quality of the discussion	<ul style="list-style-type: none"> ● To further improve Board of Directors deliberations, we will further enhance the provision of information on the background projects of proposals and the process of internal discussions. 	<ul style="list-style-type: none"> ● When explaining proposals to outside officers in advance, explain in detail the aim of the business/project and the related background. ● In relation to investment projects, explain the risks and details of each project. ● For proposals that have undergone deliberations in the Management Council, M&A Investment Committee, or by the boards of directors of business operating subsidiaries, a summary of the deliberations will be reported to the Board of Directors of the Company. 	<ul style="list-style-type: none"> ● The Board of Directors is engaged in in-depth discussions through the management by the Chairman and the active statements by outside officers. ● The Company has established an environment in which outside officers understand the Company's business, culture, etc., and fulfill their expected roles by providing opportunities for explanation of proposals, briefing sessions, inspection of business sites and exchange of opinions with corporate executives. 		Enhance dialogue between outside officers and the Chairman of the Board of Directors and CEO.		<ul style="list-style-type: none"> ● The Company regularly provides opportunities for outside officers to exchange opinions with the Chairman of the Board of Directors and CEO on the following themes. ● The Chairman's view on the positioning of the Board of Directors, future direction and expectations for outside officers. ● The CEO's medium- to long-term strategies and recognition of issues. 	
	Quality of the discussion	<ul style="list-style-type: none"> ● For the Board of Directors to fulfill their expected roles and functions, the Company will provide opportunities for the Board of Directors and Audit & Supervisory Board members to acquire the necessary knowledge and disseminate their insights. ● Through the effective use of the online conference system, the Company will further improve and enhance the efficiency of Board of Directors operations by holding Board of Directors meetings flexibly and holding briefing sessions, as well as by providing effective explanations of proposals. 	<ul style="list-style-type: none"> ● Further enhance explanations at the time of newly appointing officers, conduct tours of the Company's Open Innovation Hub and offer business briefings and SR briefing sessions. ● Resume inspection of business sites* by outside officers, which had been suspended due to COVID-19. Help outside officers deepen their understanding of the Company's business, including by continuing to hold business briefings. ● Utilize online meetings in order to flexibly provide briefing sessions in advance to temporary Board of Directors and outside officers. 						
	Constructive dialogue with stakeholders			The system of sharing with directors the evaluations and expectations of shareholders and investors for the Company through analyst reports, etc., is in place.		Increase opportunities to report the opinions and requests of shareholders and investors to the Board of Directors and opportunities for outside directors to participate in dialogue with shareholders and investors.		<ul style="list-style-type: none"> ● Report the opinions and requests of investors in IR reports and briefings, evaluations by the stock market, etc., to the Board of Directors as appropriate. ● Select appropriate themes and create opportunities for outside directors to participate in dialogue with shareholders and investors. 	

Note: Sites inspected in 2022: FUJIFILM Corporation Omiya Office (Imaging Solutions business), FUJIFILM Corporation Design Center CLAY Studio, FUJIFILM Business Innovation Corp. Center Office in Toyosu, and FUJIFILM Healthcare Manufacturing Corporation Sano Factory (Endoscopy business)

Activities of the Audit & Supervisory Board Members and Audit & Supervisory Board

● Audit & Supervisory Board Members, Audit & Supervisory Board

The Company has adopted an Audit & Supervisory Board system. As an independent organization with wide-ranging investigative authority, Audit & Supervisory Board members audit the overall execution of duties by directors, including the development and operation of the internal control system. Currently, the Audit & Supervisory Board consists of four Audit & Supervisory Board members, two of whom are outside members. A full-time Audit & Supervisory Board member, Mr. Nobuo Hanada, serves as the chairman. In principle, Audit & Supervisory Board meetings are held once a month to share the details of audits. In addition, the Audit & Supervisory Board Office (Staff Department for Audit & Supervisory Board members) has been established under the direct jurisdiction of the Audit & Supervisory Board to enhance the auditing function of Audit & Supervisory Board members.

● Activities of Audit & Supervisory Board members

Activities of members ▶ Each Audit & Supervisory Board member audits the overall execution of duties by Directors in accordance with auditing policies, auditing plans and other measures in line with the auditing standards for Audit & Supervisory Board members established by the Audit & Supervisory Board, based on the recognition that it is an independent organization that plays a role in corporate governance. All Audit & Supervisory Board members attend Board of Directors' meetings, and full-time members regularly attend Management Council meetings. In addition, full-time Audit & Supervisory Board members regularly exchange opinions with representative directors and conduct meetings with directors, corporate executives, department heads and other key personnel. They also inspect important approval documents and conduct audits of Group company offices in Japan and overseas. In this way, they conduct audits of all aspects of business execution. The results of these audits are shared with outside Audit & Supervisory Board members. In fiscal 2022, in addition to web-based remote audits, full-time Audit & Supervisory Board members resumed Group company audits of subsidiaries in America, Europe and Asia.

Cooperation between the internal audit division and the independent auditor ▶ Full-time Audit & Supervisory Board members hold regular monthly meetings with the Global Audit Division, our internal audit division, to confirm internal auditing plans, the status of implementation and other matters. Regular monthly meetings are held with the ESG Division CP & RM Group, our compliance and risk management division, to confirm the occurrence and status of responses to risk cases, whistleblowing cases and other matters in the Group. In addition, the Audit & Supervisory Board members exchange opinions with KPMG AZSA LLC, an independent auditor, including on topics related to accounting audits at regular monthly meetings and cooperate with each other. The auditing plans and implementation reports of the internal audit division and independent auditor are also reported to outside Audit & Supervisory Board members at Audit & Supervisory Board meetings and opinions are exchanged.

Cooperation with Group companies' Audit & Supervisory Board members ▶ To strengthen cooperation between the domestic Group companies' Audit & Supervisory Board members, the Company holds the Domestic and Group Companies Audit & Supervisory Board Members Liaison Meeting twice a year. The Company's full-time Audit & Supervisory Board members regularly receive reports on the implementation of audits from each Group company's Audit & Supervisory Board members, and individual interviews are conducted as appropriate.

● Activities in the Audit & Supervisory Board

A total of 17 Audit & Supervisory Board meetings were held in fiscal 2022.

Attendance at Audit & Supervisory Board meetings in fiscal 2022

Nobuo Hanada	Full-time Audit & Supervisory Board Member	17 of 17 (100%)
Motoko Kawasaki	Full-time Audit & Supervisory Board Member	17 of 17 (100%)
Masataka Mitsuhashi	Outside Audit & Supervisory Board Member	17 of 17 (100%)
Tatsuya Inagawa	Outside Audit & Supervisory Board Member	17 of 17 (100%)

Contents of reviews and reports

- The following resolutions and consultations stipulated by laws and regulations, the Company's Articles of Incorporation and the Regulations of the Audit & Supervisory Board
The Audit & Supervisory Board's audit policy, audit plan and division of duties
Preparation of audit reports
Evaluation of, appointment/dismissal of and agreement on remuneration for the independent auditor, etc.
- Reports on the implementation of audits (e.g., at Group companies), reports on the results of inspection of important requests for approval by full-time Audit and Supervisory Board members
- Reports on audits by Audit & Supervisory Board members of major subsidiaries
- Reports on Independent Auditors' audit plan, quarterly review and results of audits, and discussion on the "Key Audit Matters (KAM)"
- Reports on the audit activity plan and audit implementation by the internal audit department
- Exchange opinions with the Company's Representative Directors on medium-term management plan issues and risks, strengthening of governance and other matters
- Reports and exchanges of opinions from relevant corporate executives and the presidents of major subsidiaries according to audit themes
- Discussions on important management issues and risks of the entire Group based on audits by Audit & Supervisory Board members

● Evaluation of the effectiveness of the Audit & Supervisory Board

To further improve its roles and functions as an independent organization that plays a role in corporate governance, the Company evaluated the effectiveness of the Company's Audit & Supervisory Board in fiscal 2022 based on the answers to open-ended questions in a questionnaire by each Audit & Supervisory Board member. As a result of discussions among all Audit & Supervisory Board members, it was evaluated that the Company's Audit & Supervisory Board is effective. The evaluation results are also reported to the Board of Directors.

Summary of effectiveness evaluation results

Measures to Improve Effectiveness in Fiscal 2022

- Review of the content of Audit & Supervisory Board reviews and discussions (review of audit results reports of individual companies; meetings with representative directors, directors and corporate executives in line with audit priorities)
- Expansion of reporting to the Board of Directors
- Establishment of opportunities to exchange opinions with outside directors
- Examination of the specific flow of responses by Audit & Supervisory Board members in the event of an emergency
- Improvement and clarification of processes for appointment and dismissal of Audit & Supervisory Board members

Issues Identified in the Fiscal 2022 Effectiveness Evaluation

- Further strengthen cooperation with outside officers by exchanging opinions on management risks
- Strengthen the ability to make recommendations to management by encouraging active discussions among the Audit & Supervisory Board members on important issues and risks to the entire Group

The issues identified in fiscal 2022 will be reflected in the fiscal 2023 audit plan to further improve effectiveness.

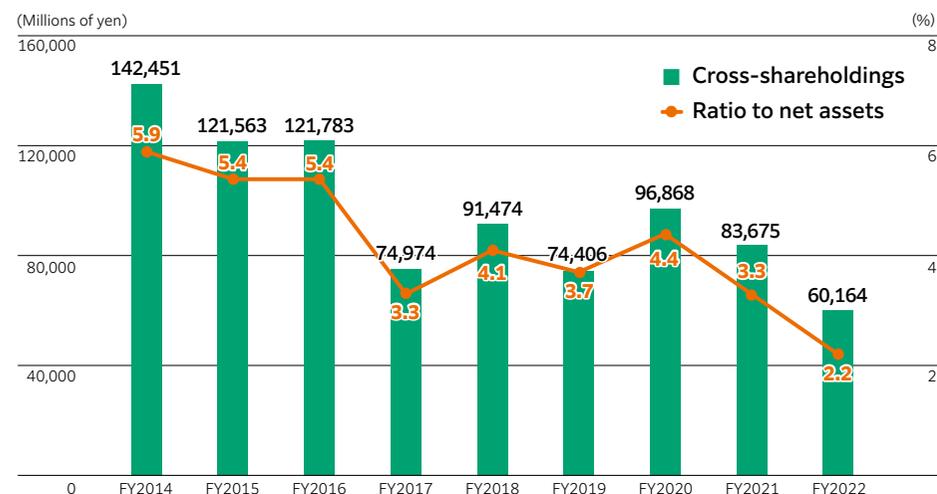
Approach to cross-shareholdings

The Fujifilm Group can hold cross-shareholdings after verifying their economic rationality and only when there is a recognized need for business purposes, such as to maintain or expand transactions, or a recognized contribution to the medium- to long-term development of the Company. Each year, the Company verifies whether cross-shareholdings have a valid purpose from a medium- to long-term perspective, and whether the benefits and risks associated with these holdings are commensurate with the cost of capital and other factors. The results of these verifications are presented to the Board of Directors. As a result of verification, we will sell any shares for which holdings are deemed unreasonable. We also reported the results of these verifications for fiscal 2022 at the Board of Directors meeting held in May 2023 in line with this policy.

[Specific voting rights execution criteria]

As for voting rights related to cross-shareholdings, we will, in principle, exercise these rights in all agenda items in the appropriate use of our shareholder authority. When exercising voting rights, we judge the pros and cons following an individual investigation into whether doing so is in agreement with the purpose of the cross-shareholding, and whether doing so will help maintain or increase the corporate value of the cross-held company and its stock value.

● Cross-shareholdings*: Balance and ratio to net assets



* Total cross-shareholdings of the Company and FUJIFILM Corporation

Basic approach to compliance and risk management

The Fujifilm Group defines compliance as “not only the act of not violating the law but also of acting in accordance with common sense and ethics.” Because a lack of compliance awareness among employees can lead to risks for the Company, we consider compliance and risk to be two sides of the same coin and promote compliance and risk management.

Compliance and risk management promotion system

The Company has established the ESG Committee, which is chaired by the President of FUJIFILM Holdings and vice-chaired by the executive officer in charge of ESG-related matters. The Committee deliberates and makes decisions on important matters related to risk management. ESG Committee activities are regularly reported to the Board of Directors, and the Board of Directors ensures the effectiveness of Group-wide risk management activities. Audits are also conducted by the Audit & Supervisory Board to ensure that internal controls are functioning properly. Each Fujifilm Group operating company appoints officers in charge of compliance and risk management and implements a variety of measures to instill the spirit of an “open, fair and clear” corporate culture throughout the Group.

● The Fujifilm Group Compliance and Risk Management System



Risk management

Based on the Risk Management Regulations stipulated by the Group-wide basic policy on risk management and risk management structure, the Fujifilm Group identifies issues for preventing the various risks that encompass the Group's business and implements an appropriate response in the event of a crisis.

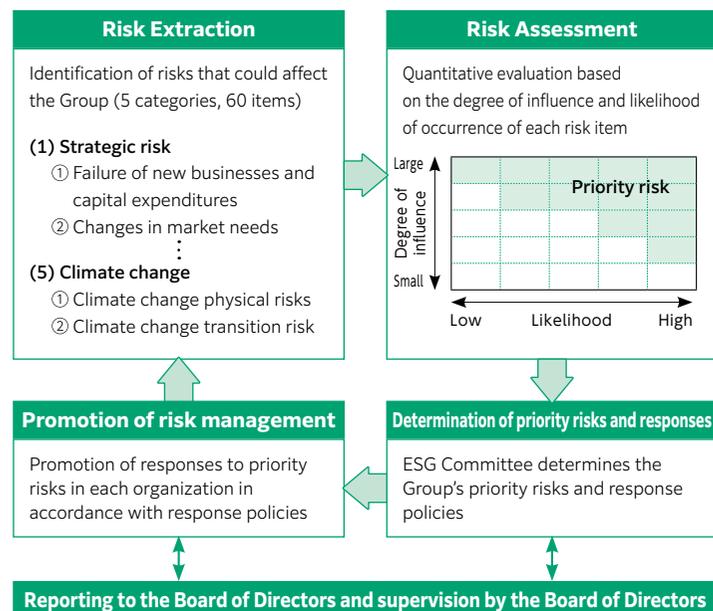
● Priority risks determination process

The Fujifilm Group has identified 60 risk items that could have a significant impact on its business operations. These risk items are classified into five categories: strategic risk, financial and tax risk, operational risk, natural disasters and infectious diseases, and climate change.

All risk items are quantitatively evaluated by multiplying the degree of influence by the likelihood of occurrence, and the "priority risks" and the measures to be taken against these risks are decided by the ESG Committee.

The priority risks determined by the ESG Committee and the status of responses to these risks are reported to the Board of Directors semiannually.

Company-wide priority risk issues surrounding our businesses are set after ESG Committee deliberation and approval annually. When these issues are reviewed, they are also checked from the perspective of human rights and economic security.



● Priority risk issues for fiscal 2023

Please refer to the 127th Annual Securities Report for details on the risk issues besides those listed below. [Business risks, etc.] (Japanese only).

Risk items	Reason for selection
Information security (cyberattacks, leakage of confidential information, leakage of personal information)	Completed the introduction of sensors to monitor the behavior of PCs and servers and the construction of a global security monitoring center, and in the process of strengthening resistance to cyberattacks.
Rising prices and shortages of raw materials and supplies	Promote the procurement of raw materials and supplies for our Growth Driver business and products from multiple regions.
Geopolitical risk	The Group's production, development, sales bases and suppliers are located throughout the world. Gather up-to-date information, and in the risk management system, decide on the safety of employees, the protection of assets and the direction of economic activities, and promptly communicate them to minimize damage.
Large-scale natural disasters	Risk assessment, monitoring and BCP formulation for each business site and supply chain.
Climate change risk	Promote low-carbon investment by reducing CO ₂ emissions in product life cycles, promoting production activities with low environmental impact and implementing internal carbon pricing system.
Strengthening of chemical substance regulations	Increased regulation might result in the unavailability of existing raw materials. Consider the PFAS regulation as a priority issue, and minimize the impact by developing and substituting alternative materials.
Corruption and bribery	Legal regulations and permits for healthcare projects are strict, and there is a high risk of corruption. Strengthen measures centered on employee education and monitoring of intermediaries using external vendors.
Pandemic of infectious diseases	To avoid the business impact of the spread of infectious diseases, formulate a BCP for each organization and take thorough measures to prevent internal infections.
Fires and accidents	Utilize knowledge and technology related to the handling of chemical substances and equipment safety, and consider and implement fire and explosion prevention measures.
Product liability and product defects	In the healthcare business, there is a risk that defects in product quality could lead to health problems for customers. Prevent accidents in product design and quality assurance.
Misconduct by officers and employees	Control fraud by appropriately developing and operating internal controls. Early detection and deterrence will be realized through monitoring activities.

Tax compliance

In accordance with the Fujifilm Group Tax Policy, the Fujifilm Group makes payment of all required taxes by all specified dates in all countries in which it operates and strives to maintain and improve governance on tax affairs. The Group does not have any serious issue concerning tax-related risks at this time. Please refer to p.30 of our Sustainability Report 2023 for details on the Fujifilm Group Tax Policy.

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

Stakeholder engagement

● Dialogue with shareholders and investors

At FUJIFILM Holdings, top management is actively involved in investor relations (IR) activities, enhancing these activities in an effort to strengthen trust relationships with investors. In addition, we are working to reduce the gap between intrinsic corporate value and market ratings by continuously expounding the Company's management policy and utilizing management to assist the capital markets in forming their opinions. Specifically, members of top management attend events such as financial results briefings and business briefings, participate in conferences including large meetings with the CEO, hold small meetings with the CEO and CFO, and hold individual meetings to strengthen communication with investors in Japan and overseas.

In addition, through ongoing dialogue with those in charge of exercising voting rights and ESG analysts, we update our management policies and governance system, receive appropriate advice on the Company's management and strive to build a relationship of mutual trust.

To benefit overseas investors, we post English-language information on our website in a timely manner, and we are working to enhance our IR activities worldwide, including through communication from IR members at our bases in North America and Europe. In fiscal 2022, we resumed our international road shows, and the CEO and CFO visited North America, Europe, Singapore and Australia to strengthen face-to-face communication with our international investors. From Japan, we also conduct many individual meetings online and via teleconferencing.

For individual investors, we consistently post easy-to-understand information about the Fujifilm Group's businesses on the IR section of our website and through shareholder newsletters issued twice a year. In fiscal 2022, we also participated in IR events for individual investors hosted by securities companies, providing an opportunity for individual investors to deepen their understanding of our management policies and business online.

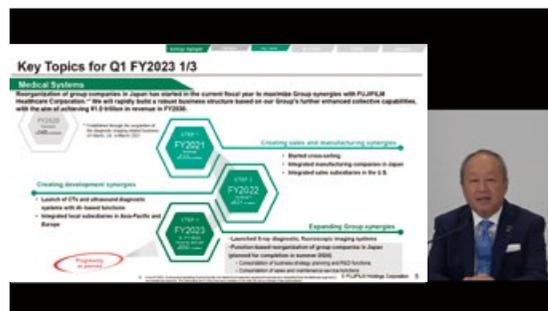
● Major IR activities (Fiscal 2022)

Activity	Number of times	Overview
Financial results briefings	4	Quarterly meetings for analysts and institutional investors
Business briefings	5	Briefings on environmental strategies (April), Electronic Materials business (June), Bio CDMO and LS Solutions businesses (December), and DX strategies (March)
Small meetings	4	Held small meetings for analysts and institutional investors with the CEO, CFO and business managers
Conferences hosted by securities companies	14	The CEO gave a speech at a healthcare conference held in North America, and the CFO and the executive officer in charge of IR held individual interviews with institutional investors at each conference
Individual meetings with institutional investors	376	Individual online and face-to-face interviews
Overseas IR	4	The CEO, CFO and executive officer in charge of IR conducted road shows in Europe (September), Singapore (October), North America (November) and Australia (February)
Company briefings for individual investors	1	Online participation in IR events for individual investors hosted by securities companies (February)

Please refer to the IR Materials page on our website for details.

▶ <https://ir.fujifilm.com/en/investors/ir-materials.html>

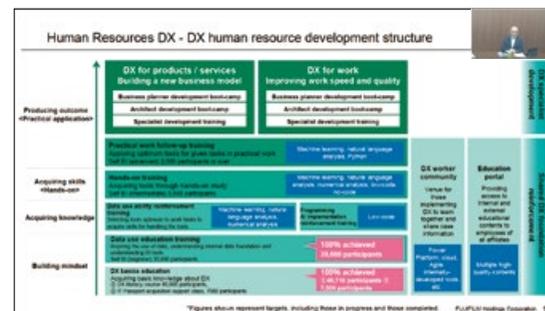
● Financial results briefings



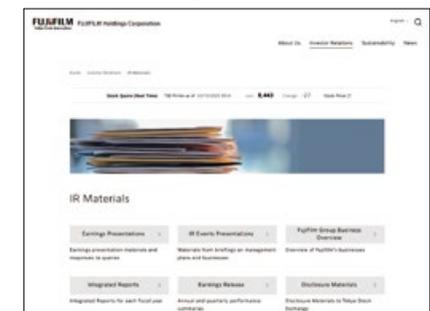
● Shareholder newsletters (Japanese only)



● DX Strategy briefing



● IR Materials page on the Company's website



Management Structure

(As of September 29, 2023)

Directors



Kenji Sukeno

Chairman,
Director and Board
Chairman

Career Summary

1977 Joined the Company*
2002 CFO, FUJIFILM Holdings America Corporation
2012 Corporate Vice President and General Manager, Corporate Planning Division of the Company Director, FUJIFILM Corporation
2013 Director of the Company
2016 President and COO, Representative Director of the Company President and COO, Representative Director, FUJIFILM Corporation
2021 Chairman, Representative Director and Board Chairman of the Company (to present)
Chairman, Director and Board Chairman, FUJIFILM Corporation (to present)
2023 Chairman, Director and Board Chairman of the Company (to present)

Significant Concurrent Positions

Chairman, Director and Board Chairman, FUJIFILM Corporation Director, FUJIFILM Business Innovation Corp.



Teiichi Goto

President and CEO,
Representative Director

Career Summary

1983 Joined the Company
2008 President, FUJIFILM Medical Systems (Shanghai) Co., Ltd.
2013 General Manager, Medical Systems Business Division, FUJIFILM Corporation
2014 Corporate Vice President, FUJIFILM Corporation
2016 Director, FUJIFILM Corporation
2018 Director of the Company
2021 President and CEO, Representative Director of the Company (to present)
President and CEO, Representative Director, FUJIFILM Corporation (to present)

Significant Concurrent Positions

President and CEO, Representative Director, FUJIFILM Corporation Director, FUJIFILM Business Innovation Corp.



Masayuki Higuchi

Director, CFO

Career Summary

1987 Joined the Company
2009 CFO, FUJIFILM Holdings America Corporation
2015 President and CEO, FUJIFILM Sonosite, Inc.
2018 Corporate Vice President of the Company Director, Corporate Vice President and General Manager of Corporate Planning Headquarters, FUJIFILM Corporation
2021 Director, Corporate Vice President, CFO and General Manager of Corporate Planning Division of the Company (to present)
Director, Senior Vice President, CFO and General Manager of Corporate Planning Division, FUJIFILM Corporation (to present)

Significant Concurrent Positions

Director, Senior Vice President, CFO and General Manager of Corporate Planning Division, FUJIFILM Corporation
Audit & Supervisory Board Member of FUJIFILM Business Innovation Corp.



Naoki Hama

Director

Career Summary

1986 Joined the Company
2017 Corporate Vice President, General Manager of Display Materials Business Division and Deputy General Manager of Highly Functional Materials Business Development Headquarters of FUJIFILM Corporation
2018 Director, Corporate Vice President and General Manager of Highly Functional Materials Business Development Headquarters of FUJIFILM Corporation
2019 Director, Corporate Vice President and General Manager of Inkjet Business Division of FUJIFILM Corporation
2021 Corporate Vice President and General Manager of Inkjet Business Division of FUJIFILM Corporation
Director, Executive Vice President of FUJIFILM Business Innovation Corp.
2022 President & Representative Director, CEO of FUJIFILM Business Innovation Corp. (to present)
Director of the Company (to present)

Significant Concurrent Positions

President & Representative Director, CEO of FUJIFILM Business Innovation Corp. Corporate Vice President, FUJIFILM Corporation



Chisato Yoshizawa

Director

Career Summary

1986 Joined the Company
2017 Corporate Vice President, General Manager of Corporate Communication Office of Corporate Planning Division of the Company Corporate Vice President, General Manager of Corporate Communications Division of FUJIFILM Corporation
2018 Director, Corporate Vice President and General Manager of Corporate Communications Division of FUJIFILM Corporation
2021 Corporate Vice President, General Manager of Corporate Communications Division and ESG Division of the Company (to present)
Director, Senior Vice President, General Manager of Corporate Communications Division and ESG Division of FUJIFILM Corporation (to present)
2022 Director, Corporate Vice President of the Company (to present)

Significant Concurrent Positions

Director, Senior Vice President, General Manager of Corporate Communications Division and ESG Division of FUJIFILM Corporation



Yoji Ito

Director

Career Summary

1990 Joined the Company
2012 General Manager of Flat Panel Display Materials Laboratories of R&D Management Headquarters, FUJIFILM Corporation
2017 General Manager of Display Materials Research Laboratories and General Manager of Highly Functional Materials Research Laboratories of R&D Management Headquarters, FUJIFILM Corporation
2019 Corporate Vice President of FUJIFILM Corporation
2021 Director & Corporate Vice President, General Manager of Display Materials Research Laboratories, and General Manager of Highly Functional Materials Research Laboratories, FUJIFILM Corporation
2022 Director, Corporate Vice President and General Manager of Advanced Materials Strategy Headquarters, FUJIFILM Corporation (to present)
2023 Director of the Company (to present)

Significant Concurrent Positions

Director, Corporate Vice President, FUJIFILM Corporation
General Manager of Advanced Materials Strategy Headquarters

* The Company refers to FUJIFILM Holdings Corporation and Fuji Photo Film Co., Ltd., prior to its renaming.

Directors



Kunitaro Kitamura
Director (Outside)

Career Summary

2012 Representative Director and President of Sumitomo Mitsui Trust Holdings, Inc.
Chairman (Representative Director) of Sumitomo Mitsui Trust Bank, Limited

2017 Representative Director of Sumitomo Mitsui Trust Holdings, Inc.
Chairman (Director) of Sumitomo Mitsui Trust Bank, Limited
Director of Sumitomo Mitsui Trust Holdings, Inc.
Outside Director of the Company (to present)

Significant Concurrent Positions

Outside Director of ASAGAMI Corporation
Outside Audit & Supervisory Board Member of OHBA CO., LTD.



Makiko Eda
Director (Outside)

Career Summary

2013 Representative Director and President of Intel K.K.
2018 Chief Representative Officer of World Economic Forum Japan (to present)
Outside Director of the Company (to present)

Significant Concurrent Positions

Chief Representative Officer of World Economic Forum Japan
Outside Director of Tokyo Electron Ltd.



Nobuo Hanada
Audit & Supervisory Board Member

Career Summary

1983 Joined the Company
2006 Senior Operations Manager of Accounting and Finance Division, FUJIFILM Corporation
2013 General Manager of Audit Division of the Company
General Manager of Audit Division, FUJIFILM Corporation
2017 General Manager of Global Audit Division of the Company
2020 Audit & Supervisory Board Member of the Company (to present)
Audit & Supervisory Board Member of FUJIFILM Corporation (to present)

Significant Concurrent Positions

Audit & Supervisory Board Member of FUJIFILM Corporation



Motoko Kawasaki
Audit & Supervisory Board Member

Career Summary

1983 Joined the Company
2016 General Manager of CSR Group, Corporate Planning Division of the Company
General Manager of CSR Division, FUJIFILM Corporation
2019 Corporate Vice President, General Manager of ESG Division and General Manager of Corporate General Administration Division of the Company
Corporate Vice President, General Manager of ESG Division, FUJIFILM Corporation
2021 Audit & Supervisory Board Member of the Company (to present)
Audit & Supervisory Board Member of FUJIFILM Corporation (to present)

Significant Concurrent Positions

Audit & Supervisory Board Member of FUJIFILM Corporation



Tsuyoshi Nagano
Director (Outside)

Career Summary

2013 President & Chief Executive Officer (Representative Director) of Tokio Marine Holdings, Inc.
President & Chief Executive Officer (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd.

2016 Chairman (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd.

2019 Chairman (Director) of Tokio Marine Holdings, Inc. (to present)
2022 Outside Director of the Company (to present)

Significant Concurrent Positions

Chairman (Director) of Tokio Marine Holdings, Inc.
Outside Director of Central Japan Railway Company



Ikuro Sugawara
Director (Outside)

Career Summary

1981 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)

2010 Director-General of Industrial Science and Technology Policy and Environment Bureau of Ministry of Economy, Trade and Industry

2012 Director-General of Manufacturing Industries Bureau of Ministry of Economy, Trade and Industry

2013 Director-General of Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry

2015 Vice-Minister of Ministry of Economy, Trade and Industry
2017 Special Advisor to the Cabinet
2022 Outside Director of the Company (to present)

Significant Concurrent Positions

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



Masataka Mitsuhashi
Audit & Supervisory Board Member (Outside)

Career Summary

1983 Registered as Certified Public Accountant
2004 Representative Director of Chuo Aoyama PwC Transaction Services Corporation (current PwC Advisory LLC)

2008 Partner of Aarata (current PricewaterhouseCoopers Aarata LLC)

2010 Representative Director and Deputy President of PricewaterhouseCoopers Co., Ltd.

2012 Representative Director and President of PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd. (current PricewaterhouseCoopers Sustainability LLC)

2018 Executive Adviser of PricewaterhouseCoopers Aarata LLC
Chairman of PricewaterhouseCoopers Sustainability LLC

2019 Outside Audit & Supervisory Board Member of the Company (to present)

Significant Concurrent Positions

Outside Director of Nippon Paint Holdings Co., Ltd.
External Director of SkyMark Airlines Inc.
Outside Audit & Supervisory Board Member of Integral Corporation



Tatsuya Inagawa
Audit & Supervisory Board Member (Outside)

Career Summary

1983 Public Prosecutor of Tokyo District Public Prosecutors Office
2016 Director-General of the Public Security Department of Supreme Public Prosecutors Office
2017 Superintending Public Prosecutor of Takamatsu High Public Prosecutors Office
2018 Superintending Public Prosecutor of Hiroshima High Public Prosecutors Office
2019 Retired from Public Prosecutor
Registered as Attorney at Law
Attorney at Takahashi Sogo Law Office (to present)
2020 Outside Audit & Supervisory Board Member of the Company (to present)

Significant Concurrent Positions

Attorney at Takahashi Sogo Law Office
Outside Director of Sumitomo Osaka Cement Co., Ltd.

Corporate Vice Presidents

Teiichi Goto

President and CEO
Chief Executive Officer

Masayuki Higuchi

Corporate Vice President & CFO
Chief Financial Officer
General Manager of Corporate Planning Division
Responsible for Accounting and Finance Division,
Fujifilm Way Management Innovation, Logistics

Chisato Yoshizawa

Corporate Vice President
General Manager of Corporate Communications
Division and ESG Division
Responsible for Global Audit Division



Kazuhisa Horikiri

Corporate Vice President
General Manager of Design Strategy Office
Responsible for Brand Management



Seigo Sugimoto

Corporate Vice President & CDO
Chief Digital Officer
General Manager of ICT Strategy Division



Naoto Yanagihara

Corporate Vice President
Responsible for Intellectual Property Division



Yasushi Zama

Corporate Vice President
General Manager of Human Resources Division
Responsible for Corporate General Administration Division



Shuzo Takada

Corporate Vice President
General Manager of Government Relations Division



Atsushi Sakurai

Corporate Vice President
General Manager of Legal Division



Yasuhisa Tazawa

Corporate Vice President
General Manager of Procurement & Equipment Manufacturing Division



Chapter 06

Chapter

Data Section

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Financial Analysis and Review

Overview of Consolidated Business Performance and Results

Revenue

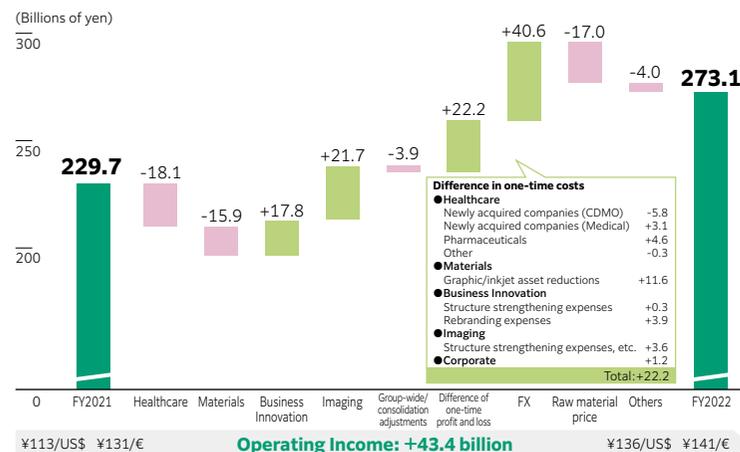
Revenue increased in all segments and rose 13.2% year on year to ¥2,859.0 billion.

Operating income

Operating income rose 18.9% year on year to reach ¥273.1 billion, a record high, due to the increase in profit accompanying the increase in sales and the impact of foreign exchange rates.

Net income attributable to FUJIFILM Holdings

Net income attributable to FUJIFILM Holdings rose to a record high of ¥219.4 billion, up 3.9% year on year, due to the same factors as for operating income.



(Billions of yen)	FY2021	FY2022	YoY change	FY2023 (Forecast)	YoY change
Revenue	2,525.8	2,859.0	333.2	2,950.0	91.0
Operating income	229.7	273.1	43.4	290.0	16.9
Operating margin	9.1%	9.6%	0.5pt	9.8%	0.2pt
Income before income taxes	260.4	282.2	21.8	295.0	12.8
Net income attributable to FUJIFILM Holdings	211.2	219.4	8.2	225.0	5.6
Net income attributable to FUJIFILM Holdings per share (Yen)	¥527.33	¥547.21	¥19.88	¥560.95	¥13.74
ROE	9.0%	8.3%	-0.7pt	8.0%	-0.3pt
ROIC	5.6%	6.1%	0.5pt	5.9%	-0.2pt
CCC	122 days	125 days	3 days	111 days	-14 days
Exchange rate (¥/US\$)	¥113	¥136	-¥23	¥136	—
Exchange rate (¥/€)	¥131	¥141	-¥10	¥146	-¥5

Analysis of Consolidated Balance Sheet

Total assets

Total assets increased by ¥179.0 billion to ¥4,134.3 billion, mainly due to increases in inventories and property, plant and equipment.

Liabilities

Liabilities decreased by ¥84.0 billion from the end of the previous fiscal year to ¥1,346.4 billion.

Equity

Equity increased by ¥263.0 billion from the end of the previous fiscal year to ¥2,787.9 billion.

(Billions of yen)	FY2020	FY2021	FY2022	YoY change
Cash and cash equivalents	394.8	486.3	268.6	-217.7
Notes and accounts receivable	605.7	598.6	633.1	34.5
Inventories	417.7	504.5	567.3	62.8
Other current assets	89.2	135.3	162.1	26.8
Total current assets	1,507.4	1,724.7	1,631.1	-93.6
Property, plant and equipment	635.3	736.8	976.1	239.3
Goodwill, net	804.2	824.0	858.3	34.3
Investment securities and other	602.3	669.8	668.8	-1.0
Total non-current assets	2,041.8	2,230.6	2,503.2	272.6
Total assets	3,549.2	3,955.3	4,134.3	179.0
Short-term and long-term debt	503.0	447.2	376.2	-71.0
Notes and accounts payable	239.9	303.2	320.4	17.2
Other liabilities	584.1	680.0	649.8	-30.2
Total liabilities	1,327.0	1,430.4	1,346.4	-84.0
Total FUJIFILM Holdings shareholders' equity	2,204.6	2,502.7	2,763.1	260.4
Non-controlling interests	17.6	22.2	24.8	2.6
Total equity	2,222.2	2,524.9	2,787.9	263.0
Total liabilities and equity	3,549.2	3,955.3	4,134.3	179.0

Analysis of Consolidated Cash Flow

C/F from operating activities

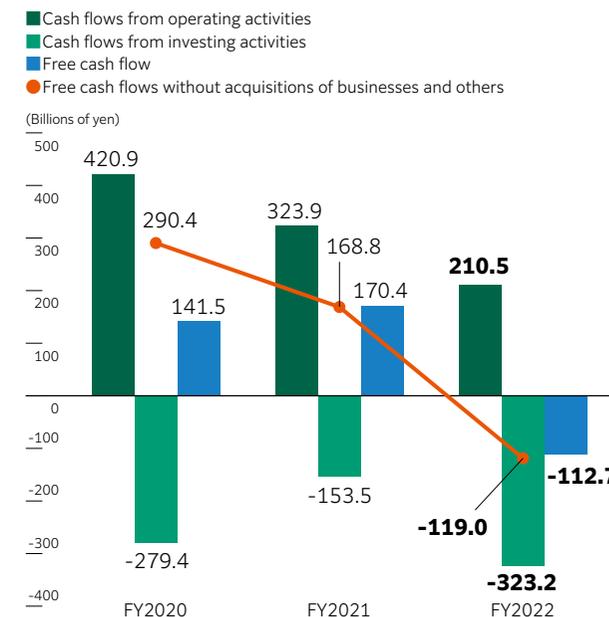
Net cash provided by operating activities totaled ¥210.5 billion, down ¥113.4 billion year on year, mainly due to an increase in notes and accounts receivable.

C/F from investing activities

Net cash used in investing activities amounted to ¥323.2 billion, mainly due to purchases of property, plant and equipment.

Free cash flow

As a result of the above, free cash flow resulted in cash outflows of ¥112.7 billion. Free cash flow excluding business acquisitions and others resulted in cash outflows of ¥119.0 billion.



Consolidated Financial Statements, etc.

Consolidated Statements of Income

(Millions of yen)	FY2020	FY2021	FY2022
Revenue	2,192,519	2,525,773	2,859,041
Cost of sales	1,322,828	1,492,549	1,721,113
Gross profit	869,691	1,033,224	1,137,928
Operating expenses:			
Selling, general and administrative	552,068	652,995	710,702
Research and development	152,150	150,527	154,147
	704,218	803,522	864,849
Operating income	165,473	229,702	273,079
Other income (expenses):			
Interest and dividend income	3,884	4,646	7,670
Interest expense	(2,578)	(2,316)	(5,006)
Foreign exchange gains (losses), net	(2,593)	4,437	(3,563)
Gains (losses) on equity securities, net	48,778	4,453	(662)
Others, net	22,906	19,524	10,706
	70,397	30,744	9,145
Income before income taxes	235,870	260,446	282,224
Income taxes:			
Current	47,973	48,615	79,168
Deferred	7,638	8,514	(13,962)
	55,611	57,129	65,206
Equity in net earnings of affiliated companies	3,198	13,128	4,656
Net income	183,457	216,445	221,674
Less: Net loss attributable to noncontrolling interests	(2,252)	(5,265)	(2,252)
Net income attributable to FUJIFILM Holdings	181,205	211,180	219,422

(Yen)	FY2020	FY2021	FY2022
Amounts per share of common stock			
Net income attributable to FUJIFILM Holdings: Basic	453.28	527.33	547.21
Diluted	451.75	526.11	546.41
Cash dividend declared	100.00	110.00	130.00

Consolidated Statements of Comprehensive Income

(Millions of yen)	FY2020	FY2021	FY2022
Net income	183,457	216,445	221,674
Other comprehensive income (loss), net of tax:			
Unrealized gains (losses) on securities	12	26	(27)
Foreign currency translation adjustments	80,635	117,466	85,528
Pension liability adjustments	31,786	13,381	2,801
Unrealized gains (losses) on derivatives	336	(182)	74
Other comprehensive income (loss)	112,769	130,691	88,376
Comprehensive income (loss)	296,226	347,136	310,050
Less: Comprehensive loss attributable to noncontrolling interests	(3,757)	(7,127)	(2,801)
Comprehensive income attributable to FUJIFILM Holdings	292,469	340,009	307,249

Consolidated Financial Statements, etc.

Consolidated Balance Sheets

(Millions of yen)	FY2021	FY2022
ASSETS		
Current assets		
Cash and cash equivalents	486,328	268,608
Notes and accounts receivable:		
Trade and lease receivable	616,424	648,683
Affiliated companies	2,354	2,561
Allowance for doubtful receivables	(20,144)	(18,193)
Inventories	504,467	567,302
Prepaid expenses and other	135,300	162,146
Total current assets	1,724,729	1,631,107
Investments and long-term receivables		
Investments in and advances to affiliated companies	43,467	42,921
Investment securities	105,329	70,745
Long-term lease receivable and other long-term receivables	85,261	77,590
Allowance for doubtful receivables	(3,010)	(2,351)
Total investments and long-term receivables	231,047	188,905
Property, plant and equipment		
Land	104,718	105,923
Buildings	739,525	770,926
Machinery and equipment	1,497,457	1,505,008
Construction in progress	145,084	345,253
	2,486,784	2,727,110
Less: Accumulated depreciation	(1,749,945)	(1,750,999)
Total property, plant and equipment	736,839	976,111
Other assets		
Operating lease right-of-use assets	83,389	82,276
Goodwill, net	824,003	858,311
Other intangible assets, net	152,691	144,258
Deferred income taxes	24,210	30,125
Others	178,372	223,218
Total other assets	1,262,665	1,338,188
Total assets	3,955,280	4,134,311

(Millions of yen)	FY2021	FY2022
LIABILITIES		
Current liabilities		
Short-term debt	200,095	106,093
Notes and accounts payable:		
Trade	249,919	246,093
Construction	51,868	72,713
Affiliated companies	1,396	1,603
Accrued income taxes	21,453	39,214
Accrued liabilities	226,830	234,809
Short-term operating lease liabilities	31,494	31,031
Other current liabilities	196,520	158,766
Total current liabilities	979,575	890,322
Long-term liabilities		
Long-term debt	247,101	270,060
Accrued pension and severance costs	27,927	21,909
Long-term operating lease liabilities	56,866	55,400
Deferred income taxes	54,035	49,150
Other long-term liabilities	64,836	59,610
Total long-term liabilities	450,765	456,129
Total liabilities	1,430,340	1,346,451
EQUITY		
FUJIFILM Holdings shareholders' equity		
Common stock	40,363	40,363
Common stock, without par value		
Authorized: 800,000,000 shares		
Issued: 414,625,728 shares		
Retained earnings	2,867,848	2,616,191
Accumulated other comprehensive income (loss)	75,993	163,820
Treasury stock, to cost:		
As of March 31, 2022: 113,834,546 shares		
As of March 31, 2023: 13,528,181 shares	(481,547)	(57,229)
Total FUJIFILM Holdings shareholders' equity	2,502,657	2,763,145
Noncontrolling interests	22,283	24,715
Total equity	2,524,940	2,787,860
Total liabilities and equity	3,955,280	4,134,311

Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2020	40,363		2,563,091	(164,100)	(486,102)	1,953,252	40,505	1,993,757
Comprehensive income (loss):								
Net income			181,205			181,205	2,252	183,457
Changes in unrealized gains (losses) on securities				12		12		12
Foreign currency translation adjustments				79,174		79,174	1,461	80,635
Pension liability adjustments				31,742		31,742	44	31,786
Changes in unrealized gains (losses) on derivatives				336		336		336
Net comprehensive income						292,469	3,757	296,226
Purchases of stock for treasury					(20)	(20)		(20)
Sales of stock from treasury			(32)		401	369		369
Dividends paid to FUJIFILM Holdings shareholders			(39,979)			(39,979)		(39,979)
Dividends paid to noncontrolling interests							(1,314)	(1,314)
Stock acquisition rights		485				485		485
Transfer from retained earnings to additional paid-in capital		1,525	(1,525)					
Equity transactions with noncontrolling interests and other		(2,010)				(2,010)	(25,357)	(27,367)
Balance as of March 31, 2021	40,363		2,702,760	(52,836)	(485,721)	2,204,566	17,591	2,222,157
Comprehensive income (loss):								
Net income			211,180			211,180	5,265	216,445
Changes in unrealized gains (losses) on securities				26		26		26
Foreign currency translation adjustments				115,727		115,727	1,739	117,466
Pension liability adjustments				13,258		13,258	123	13,381
Changes in unrealized gains (losses) on derivatives				(182)		(182)		(182)
Net comprehensive income						340,009	7,127	347,136
Purchases of stock for treasury					(32)	(32)		(32)
Sales of stock from treasury			(42)		4,206	4,164		4,164
Dividends paid to FUJIFILM Holdings shareholders			(44,086)			(44,086)		(44,086)
Dividends paid to noncontrolling interests							(783)	(783)
Share-based payment transactions		(1,922)				(1,922)		(1,922)
Transfer from retained earnings to additional paid-in capital		1,964	(1,964)					
Equity transactions with noncontrolling interests and other			(42)			(42)	(1,652)	(1,694)
Balance as of March 31, 2022	40,363		2,867,848	75,993	(481,547)	2,502,657	22,283	2,524,940

(Millions of yen)	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock	FUJIFILM Holdings shareholders' equity	Noncontrolling interests	Total equity
Balance as of March 31, 2022	40,363		2,867,848	75,993	(481,547)	2,502,657	22,283	2,524,940
Comprehensive income (loss):								
Net income			219,422			219,422	2,252	221,674
Changes in unrealized gains (losses) on securities				(27)		(27)		(27)
Foreign currency translation adjustments				84,193		84,193	1,335	85,528
Pension liability adjustments				3,587		3,587	(786)	2,801
Changes in unrealized gains (losses) on derivatives				74		74		74
Net comprehensive income						307,249	2,801	310,050
Purchases of stock for treasury					(20)	(20)		(20)
Sales of stock from treasury		317			1,308	1,625		1,625
Elimination of stock from treasury		(423,030)			423,030			
Dividends paid to FUJIFILM Holdings shareholders			(48,131)			(48,131)		(48,131)
Dividends paid to noncontrolling interests							(382)	(382)
Share-based payment transactions		(235)				(235)		(235)
Transfer from retained earnings to additional paid-in capital		422,948	(422,948)					
Equity transactions with noncontrolling interests and other							13	13
Balance as of March 31, 2023	40,363		2,616,191	163,820	(57,229)	2,763,145	24,715	2,787,860

Consolidated Financial Statements, etc.

Consolidated Statements of Cash Flows

(Millions of yen)	FY2020	FY2021	FY2022
Operating activities			
Net income	183,457	216,445	221,674
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	123,423	132,999	142,215
(Gains) losses on equity securities, net	(48,778)	(4,453)	662
Deferred income taxes	7,638	8,514	(13,962)
Equity in net (gains) losses of affiliated companies, net of dividends received	(2,571)	(12,194)	(3,994)
Changes in operating assets and liabilities:			
Decrease (increase) in notes and accounts receivable	20,576	34,741	(17,052)
(Increase) decrease in inventories	9,215	(68,273)	(51,545)
Increase (decrease) in notes and accounts payable—trade	(9,713)	21,007	(9,221)
(Increase) decrease in prepaid expenses and other current assets	64,071	(30,766)	(14,349)
Increase (decrease) in accrued income taxes and other liabilities	46,099	28,794	(51,712)
Others	27,444	(2,880)	7,736
Net cash provided by operating activities	420,861	323,934	210,452
Investing activities			
Purchases of property, plant and equipment	(100,063)	(126,054)	(269,844)
Purchases of software	(25,544)	(39,853)	(53,628)
Proceeds from sales and maturities of marketable and investment securities	26,239	15,119	38,890
Purchase of marketable and investment securities	(1,685)	(2,860)	(3,880)
(Increase) decrease in time deposits, net	(3,090)	(4,959)	2,711
(Increase) decrease in investments in and advances to affiliated companies and other advances, net	(2,945)	(459)	(853)
Acquisition of businesses, net of cash acquired	(173,515)	(10,714)	(28,653)
Proceeds from sale of businesses, net of cash and cash equivalents disposed of	—	24,480	—
Proceeds from sale of subsidiaries, net of cash and cash equivalents disposed of	14,707	—	—
Others	(13,485)	(8,242)	(7,968)
Net cash used in investing activities	(279,381)	(153,542)	(323,225)

(Millions of yen)	FY2020	FY2021	FY2022
Investing activities			
Proceeds from long-term debt	4,073	2,079	120,000
Repayments of long-term debt	(78,650)	(61,929)	(192,360)
Increase (decrease) in short-term debt with maturities within three months, net	(625)	2,364	(1,538)
Payments of short-term debt with maturities longer than three months	(50,000)	—	—
Cash dividends paid to shareholders	(37,975)	(43,032)	(46,109)
Cash dividends paid to noncontrolling interests	(1,314)	(783)	(382)
Net purchases of stock for treasury	(20)	(31)	(20)
Capital transactions with noncontrolling interests and other	1,418	(3,852)	(3,286)
Net cash used in financing activities	(163,093)	(105,184)	(123,695)
Effect of exchange rate changes on cash and cash equivalents	20,317	26,325	18,748
Net increase (decrease) in cash and cash equivalents	(1,296)	91,533	(217,720)
Cash and cash equivalents at beginning of year	396,091	394,795	486,328
Cash and cash equivalents at end of year	394,795	486,328	268,608
Supplemental disclosures			
Cash paid for interest:			
Interest	3,112	2,519	5,093
Income taxes	51,841	61,780	71,954

11-Year Financial Summary

(Millions of yen)

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017*2	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue											
Japan	991,426	1,025,256	1,006,533	983,703	962,711	1,006,512	1,006,536	1,004,076	927,910	991,885	1,026,295
Overseas	1,208,114	1,392,839	1,456,854	1,476,680	1,359,452	1,426,853	1,424,953	1,311,065	1,264,609	1,533,888	1,832,746
Total	2,199,540	2,418,095	2,463,387	2,460,383	2,322,163	2,433,365	2,431,489	2,315,141	2,192,519	2,525,773	2,859,041
Operating income	108,384	128,461	164,415	180,626	172,281	123,329	209,827	186,570	165,473	229,702	273,079
Interest and dividend income	4,764	6,219	5,858	6,206	5,404	6,262	4,787	5,183	3,884	4,646	7,670
Interest expense	(4,934)	(4,183)	(4,569)	(4,376)	(4,795)	(4,570)	(3,314)	(2,316)	(2,578)	(2,316)	(5,006)
Income before income taxes	112,883	144,740	188,966	182,242	194,775	197,807	212,762	173,071	235,870	260,446	282,224
Net income attributable to FUJIFILM Holdings	50,847	71,558	110,940	116,402	131,506	140,694	138,106	124,987	181,205	211,180	219,422
Capital expenditures*1	76,660	67,004	56,127	74,143	71,805	67,483	75,372	85,692	100,883	155,230	288,306
Depreciation*1	93,549	90,950	65,294	65,831	58,870	66,526	70,868	68,619	69,152	74,583	78,253
R&D expenses	168,160	165,245	160,281	163,027	160,232	167,940	156,132	157,880	152,150	150,527	154,147
C/F from operating activities	202,099	296,589	267,778	223,479	288,619	261,152	249,343	255,667	420,861	323,934	210,452
C/F from investing activities	(143,582)	(129,535)	(124,555)	(157,320)	(116,439)	(111,786)	(208,585)	(244,850)	(279,381)	(153,542)	(323,225)
Free cash flow	58,517	167,054	143,223	66,159	172,180	149,366	40,758	10,817	141,480	170,392	(112,773)
Cash dividends paid	19,271	24,097	28,929	29,737	30,845	32,526	33,403	38,432	39,979	44,086	52,142
Purchases of stock for treasury	6	23	62	150,050	50,022	50,024	100,018	51,624	20	32	20
Financial condition (Millions of yen)											
Total assets	3,035,901	3,191,847	3,501,950	3,311,970	3,533,189	3,492,940	3,414,692	3,321,692	3,549,203	3,955,280	4,134,311
Long-term/Short-term debt	358,272	359,699	349,689	365,693	558,842	454,178	524,112	624,169	503,080	447,196	376,153
FUJIFILM Holdings shareholders' equity	1,850,723	1,990,986	2,195,539	2,014,826	2,043,559	2,079,134	2,036,963	1,953,252	2,204,566	2,502,657	2,763,145

*1 The figures do not include amounts for rental equipment handled by the Business Innovation segment and other segments.

*2 Changes in classification for the presentation of net periodic pension cost and net periodic post-retirement benefit cost are applied retroactively in fiscal 2017 in accordance with changes in U.S. generally accepted accounting principles (US GAAP).

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Y2018	FY2019	FY2020	FY2021	FY2022
Per Share Data (Yen)												
Net income attributable to FUJIFILM Holdings per share*3		105.55	148.49	230.14	250.03	296.27	322.62	326.81	306.18	453.28	527.33	547.21
Cash dividend per share*4		40.00	50.00	60.00	65.00	70.00	75.00	80.00	95.00	100.00	110.00	130.00
FUJIFILM Holdings shareholders' equity per share*5		3,840.79	4,130.91	4,552.91	4,472.45	4,668.26	4,832.62	4,976.88	4,886.66	5,514.14	6,244.29	6,888.96
Price ratios/Profitability ratios												
Ratio of operating income to revenue	(%)	4.9	5.3	6.7	7.3	7.4	5.1	8.6	8.1	7.5	9.1	9.6
Ratio of R&D expenses to revenue	(%)	7.6	6.8	6.5	6.6	6.9	6.9	6.4	6.8	6.9	6.0	5.4
Shareholders' equity ratio	(%)	61.0	62.4	62.7	60.8	57.8	59.5	59.7	58.8	62.1	63.3	66.8
Return on equity (ROE)	(%)	2.9	3.7	5.3	5.5	6.5	6.8	6.7	6.3	8.7	9.0	8.3
ROIC	(%)	—	—	—	—	—	—	—	—	4.3	5.6	6.1
D/E ratio	(Times)	0.19	0.18	0.16	0.18	0.27	0.22	0.26	0.32	0.23	0.18	0.14
Dividend payout ratio	(%)	37.9	33.7	26.1	26.0	23.6	23.2	24.5	31.0	22.1	20.9	23.8
Total return ratio	(%)	37.9	33.7	26.1	154.5	61.5	58.7	96.6	72.1	22.1	20.9	23.8
Stock price at year-end	(Yen)	1,836	2,771	4,277	4,451	4,348	4,245	5,034	5,439	6,571	7,502	6,698
Price-to-book value ratio (PBR)*6	(Times)	0.48	0.67	0.94	1.00	0.93	0.88	1.01	1.11	1.19	1.20	0.97
Price-to-earnings ratio (PER)*6	(Times)	17.39	18.66	18.58	17.80	14.67	13.16	15.40	17.80	14.50	14.23	12.24

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

*4 Cash dividend per share represents the amount declared per share for each period.

*5 FUJIFILM Holdings shareholders' equity per share is calculated based on the number of shares (excluding treasury stock) outstanding at the end of each period.

*6 The price-to-book value ratio (PBR) and price-to-earnings ratio (PER) are calculated based on the stock price as of the end of each fiscal year.

Non-Financial Data for Past 5 Years

Please refer to our Sustainability Report 2023 for details.

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

	Units	FY2018	FY2019	FY2020	FY2021	FY2022
Environment (E) Note: Data for the overall Group						
Amount of GHG emissions throughout the entire product life cycle*1	kt-CO ₂ e	4,648	4,498	3,663	4,216	4,083
Total direct GHG emissions (Scope 1)	kt-CO ₂ e	672	633	603	633	580
Total indirect GHG emissions (Scope 2), market-based	kt-CO ₂ e	510	451	409	420	400
Total GHG emissions (Scope 3)	kt-CO ₂ e	—	—	—	3,473	4,085
Energy consumption	TJ	24,206	23,014	21,601	22,531	20,875
Renewable energy-derived power consumption	MW/h	94,741	94,658	94,038	108,290	119,606
Atmospheric emissions (NOx)	t/year	326	325	268	269	302
Atmospheric emissions (SOx)	t/year	22	11	15	15	18
Volatile organic compounds (VOC) emissions	t	707	735	675	754	645
Total water intake	Million m ³	43.2	42.7	41.3	43.3	41.8
Water intake intensity	kt/100 million yen	1.77	1.84	1.92	1.67	1.46
Total waste generated volume*2	t	95,000	96,000	88,700	92,500	109,300
Total waste used, recycled or sold	t	74,100	72,400	66,700	72,400	91,700
Recycling index*3		7.2	6.8	6.8	7.8	7.7
Valuables conversion index*4		0.65	0.64	0.59	0.61	0.49

- *1 Product life cycle refers to procurement of raw materials and the manufacturing, transportation, use and disposal of products.
Following a review of target products at each stage of the life cycle, we have restated figures for FY2019 (base year for emission reduction targets) and thereafter.
- *2 Processed by external service providers and simple incineration or landfill disposal on the Fujifilm Group sites
- *3 Recycling index = (Recycled volume + Valuable-converted volume) / Simple disposal volume
- *4 Valuables conversion index = Valuable-converted volume / Recycled volume. Valuable-converted waste is the volume of valuable resources sold to a third party.
- *5 The average annual salary includes bonuses and extra wages. The figures are on a non-consolidated basis of FUJIFILM Holdings only.
- *6 Number of employees who began a leave period during the relevant fiscal year (from April 1 to the following March 31)
- *7 Under the "accumulated paid leave (nursing care for family members)," "nursing care for family members (half or full day)" and "one-day nursing care leave" programs
- *8 Retention rate three years = $\frac{\text{Number of regular employees who have been retained until the end of the fiscal year among those who have returned to work from a leave of absence in the fiscal year before last after returning to work}}{\text{Number of employees returning to work from a leave of absence in the fiscal year before last}}$
- *9 Under the "accumulated paid leave (child healthcare)," "child healthcare (half or full day)" and "child nursing care leave" programs
As a program equivalent to childcare leave, special leave (of five days at most) is granted in addition to the above when an employee's spouse gives birth to a child, and the number of employees who used this program is shown.
- *10 Volunteer work leave shows the number of employees who took "accumulated paid leave (volunteer activity)."
- *11 Turnover rate = $\frac{\text{Attrition} + \text{Compulsory retiree} + \text{Voluntary retirement} + \text{Retiree through the early retirement program}}{\text{Annual average number of regular employees at FUJIFILM Corporation on March 31 of the previous fiscal year}}$
- *12 Turnover rate = $\frac{\text{Attrition} + \text{Voluntary}}{\text{Number of regular employees at FUJIFILM Corporation on March 31 of the previous fiscal year (Not counting compulsory retiree or retiree through the early retirement program)}}$
- *13 Turnover rate = $\frac{\text{Attrition} + \text{Voluntary}}{\text{Number of regular employees at FUJIFILM Corporation on March 31 of the previous fiscal year} + \text{Number of retirees (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)}}$
- *14 Turnover rate = $\frac{\text{Attrition} + \text{Voluntary}}{\text{Number of regular employees at FUJIFILM Business Innovation Corp. on March 31 of the previous fiscal year} + \text{Number of retirees (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)}}$
- *15 Turnover rate = $\frac{\text{Voluntary retirement} + \text{Number of regular employees at FUJIFILM Corporation on March 31 of the previous fiscal year} + \text{Number of retirees (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)}}$
- *16 Turnover rate = $\frac{\text{Voluntary retirement} + \text{Number of employees at FUJIFILM Business Innovation Corp. on March 31 of the fiscal year} + \text{Number of retirees from April 1, 2022 to March 31, 2023 (Numerator not counting compulsory retiree, transferee to other Group companies or retiree through the early retirement program)}}$
- *17 Total Recordable Incident Rate (TRIR): Number of injuries per million working hours (accidents not associated with lost work time + accidents involving lost time and deaths)
- *18 For FY2021, the reported figure is the total spending for the programs rolled out by FUJIFILM Holdings and for the programs led by our lines of business. For FY2020 and before, we reported the spending for the programs rolled out by FUJIFILM Holdings only.
- *19 On May 1, 2021, the absorption-type split of the domestic sales functions of the former Fuji Xerox Co., Ltd. was completed and the functions were integrated into FUJIFILM Business Innovation Japan Corp.

	Units	FY2018	FY2019	FY2020	FY2021	FY2022
Social (S)						
Number of employees	Persons	72,332	73,906	73,275	75,474	73,878
Percentage of female employees	%	—	27.8	28.5	30.0	30.0
Percentage of non-Japanese employees in key positions	%	—	26.0	27.1	27.7	27.8
Percentage of women in managerial positions	%	13.9	14.5	15.4	16.1	16.5
Average annual salary*5	Yen	9,974,684	10,028,486	9,701,348	10,170,102	10,326,556
Wage differences between men and women in regular employment						
FUJIFILM Corporation	%	—	—	—	—	101.1 (Managerial position) 79.6 (Regular)
FUJIFILM Business Innovation Corp.	%	—	—	—	—	98.8 (Managerial position) 82.1 (Regular)
Percentage of employees with disabilities	%	2.32	2.42	2.48	2.47	2.45
Number of employees taking nursing care leave*6						
FUJIFILM Corporation	Persons	25 (male 22, female 3)	38 (male 24, female 14)	28 (male 18, female 10)	30 (male 24, female 6)	42 (male 30, female 12)
FUJIFILM Business Innovation Corp.*7	Persons	85 (male 69, female 16)	98 (male 82, female 16)	70 (male 55, female 15)	*19 59 (male 47, female 12)	59 (male 52, female 7)
Retention rate three years after returning to work from nursing care leave*8						
FUJIFILM Corporation	%	—	—	100 (4/4)	100 (2/2)	100 (1/1)
FUJIFILM Business Innovation Corp.	%	—	—	20.0 (1/5)	100 (5/5)	100 (1/1)
Number of employees taking childcare leave*6						
FUJIFILM Corporation	Persons	18 (male 10, female 8)	24 (male 18, female 6)	21 (male 16, female 5)	73 (male 48, female 25)	52 (male 35, female 17)
FUJIFILM Business Innovation Corp.*9	Persons	382 (male 241, female 141)	503 (male 332, female 171)	396 (male 244, female 152)	*19 298 (male 202, female 96)	272 (male 241, female 31)
Retention rate three years after returning to work from childcare leave*6						
FUJIFILM Corporation	%	—	—	90.5(38/42)	95.1(39/41)	89.4(42/47)
FUJIFILM Business Innovation Corp.	%	—	—	91.3(73/80)	86.0(92/107)	70.3(78/111)
Male workers taking childcare leave						
FUJIFILM Corporation	%	—	—	—	—	52.0
FUJIFILM Business Innovation Corp.	%	—	—	—	—	82.2
Number of employees taking volunteer work leave*6						
FUJIFILM Corporation	Persons	1 (male 1, female 0)	1 (male 1, female 0)	0 (male 0, female 0)	2 (male 1, female 1)	0 (male 0, female 0)
FUJIFILM Business Innovation Corp.*10	Persons	8 (male 6, female 2)	21 (male 12, female 9)	2 (male 1, female 1)	2 (male 1, female 1)	0 (male 0, female 0)
Turnover rate						
FUJIFILM Corporation	%	*11 2.63	*12 1.22	*13 1.42	*13 1.72	*15 1.81
FUJIFILM Business Innovation Corp.	%	—	—	*14 3.49	*14,19 3.55	*16 4.89
TRIR*17		—	2.10	2.34	2.07	2.70
Training expenses	Yen	—	—	Approx. 550 million	Approx. 1.7 billion	Approx. 3.1 billion
Training expenses per employee*18	Yen	—	—	7,552	Approx. 20,000	Approx. 37,000

Appraisals and Awards

Credit ratings (As of September 29, 2023)

Credit rating agency		Credit rating
Moody's	Long-term rating	A2 stable
	Short-term rating	—
Standard & Poor's	Long-term rating	AA-
	Short-term rating	A-1+
Rating and Investment Information (R&I)	Long-term rating	AA
	Short-term rating	a-1+

Note: "—" indicates no credit rating available.

Adoption of socially responsible investment (SRI)



FTSE4Good Global Index



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



S&P/JPX Carbon Efficient Index

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index (WIN)

Appraisals from external organizations



CDP Climate Change
CDP Water Security
A List



CDP Supplier Engagement Leader



JPX Nikkei Index 400 for 2023



2023 Health and Productivity Stock



Health and Productivity Management
Outstanding Organization 2023



Digital Transformation Certification



Sompo Sustainability Index



S&P Global Sustainability Yearbook
Member 2023



Five Stars, Nikkei Smart Work
Management Survey 2023



Nikkei Smart Work Award 2023
Cultivation category



Nikkei SDGs Management Survey
2022



Sports Yell Company 2023

Please refer to our website for an explanation of each recognition.

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

Corporate Overview

Corporate overview (As of March 31, 2023)

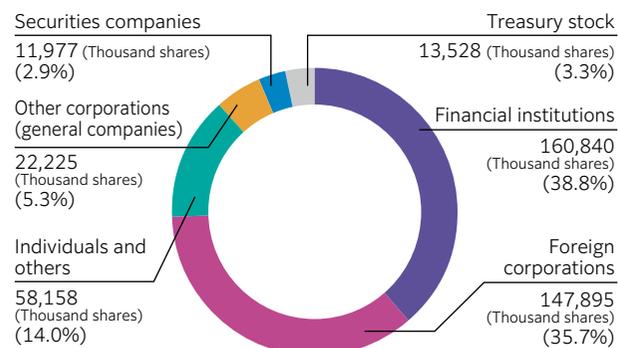
Company name:	FUJIFILM Holdings Corporation
Head office:	7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan
Date of establishment:	January 20, 1934
Capital:	¥40,363 million
Consolidated number of employees:	73,878
Number of consolidated subsidiaries:	273
Inquiries about IR:	Corporate Communications Division, FUJIFILM Holdings Corporation 7-3, Akasaka 9-chome, Minato-ku, Tokyo 107-0052, Japan TEL: +81-3-6271-1111 (Reception)
Website:	https://holdings.fujifilm.com/en

Stock information (As of March 31, 2023)

● Stock exchange listing	● Share registrar
Tokyo	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

● Distribution of shareholders and shares

Number of shareholders	146,849
Number of shares outstanding	414,625,728



● Major shareholders

Name	Percentages of issued shares
The Master Trust Bank of Japan, Ltd. (Trust account)	19.2%
Custody Bank of Japan, Ltd. (Trust account)	7.1%
Nippon Life Insurance Company	3.7%
Sumitomo Mitsui Banking Corporation	2.0%
STATE STREET BANK WEST CLIENT - TREATY 505234	1.8%
SSBTC CLIENT OMNIBUS ACCOUNT	1.6%
Daicel Corporation	1.4%
Mitsui Sumitomo Insurance Company, Limited	1.4%
GOVERNMENT OF NORWAY	1.2%
JP MORGAN CHASE BANK 385781	1.1%

Notes: 1. The Company holds 13,528,181 shares of treasury stock, but excluded from the above major shareholders.
 2. The shareholding ratio is calculated by deducting the number of treasury shares from the total number of issued shares (401,097,547 shares).
 3. The numbers of shares and the shareholding ratio are rounded off to the nearest whole number of the units being used.

Fujifilm Group organization overview (as of September 29, 2023)



Please refer to our website for details on each consolidated subsidiary. ▶ <https://holdings.fujifilm.com/en/about/group>

Independent Assurance

To improve the objectiveness and accuracy of the information disclosed through the Integrated Report 2023, FUJIFILM Holdings Corporation has obtained SGS Japan Inc.'s independent assurance of the following reported information.

Information subject to independent assurance

Environmental Data

- Scope 1, 2
Energy-related CO₂ emissions and energy consumption (pp.26, 73 and 109)
- Scope 1
Non-energy-related CO₂ emissions, HFCs and PFCs (pp.26, 73 and 109)
- Scope 3
Categories 1 and 11 (p.109)
- Water intake (pp.17, 26 and 109)
- Waste generated (p.109)
- Direct VOC emissions (p.109)

Social Data

- Regular employees: Employee structure (pp.17, 109 and 111)
- Percentage of non-Japanese employees in key positions (pp.26, 76 and 109)
- Percentage of women in managerial positions (pp.26, 76 and 109)
- Percentage of employees with disabilities (pp.26, 76 and 109)
- Retention rate after returning to work from childcare/nursing care leave (p.109)

Please refer to the Independent Assurance Report for FUJIFILM Holdings Corporation's Sustainability Report 2023.

<https://holdings.fujifilm.com/en/sustainability/evaluation>

Assurance by the Officer in Charge

Publication of Integrated Report 2023

In the Sustainable Value Plan 2030 (SVP2030), our long-term CSR plan that targets fiscal 2030, we have set targets in each of the four priority areas of the Environment, Health, Daily Life and Work Style, and are working to resolve social issues through our businesses. In previous integrated reports, we introduced our efforts in each priority area to improve corporate value over the medium to long term for our stakeholders, including our shareholders and investors. We are working to continually improve the integrated report by sincerely considering the opinions that we receive from readers after each year's publication and reflecting them in the planning and production of new issues.

In this integrated report, we have focused on explaining the Fujifilm Group's mechanism for continuing to generate innovation by further developing the "story of innovation-based value creation" that we covered last year. Through explanations of the sources of innovation, such as human resources and technological capabilities, as well as strategies, resource allocation and specific initiatives, we clarified the Company's vision under SVP2030 and the roadmap for achieving future growth. We introduced the results of our value creation initiatives from the perspectives of shareholders and investors, external partner companies and organizations, and local governments in a special feature.

As General Manager of the Corporate Communications Division who is responsible for overseeing production of the integrated report, I wish to clearly state that this report was created through a legitimate process and its contents are accurate. I hope that this integrated report will help all our stakeholders, including our shareholders, investors, customers and employees, have a better understanding of the Fujifilm Group. We would like to enhance the content of this report and increase its understandability, as we attach significant value to dialogue with our stakeholders. Therefore, we would appreciate your frank opinions.



Director and Corporate Vice President
General Manager of Corporate Communications Division and ESG Division
FUJIFILM Holdings Corporation

Chisato Yoshizawa



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Published: November 2023

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General Disclaimer

The information contained in this integrated report concerning business performance and results forecasts, excluding statements of objective fact, are based on management's views that have been made in accordance with information available at the time of issue. These forward-looking statements involve risks and uncertainties. Actual results might differ materially from those discussed in these forward-looking statements due to a variety of factors, including trends in economic conditions and markets in which the Company operates as well as fluctuations in foreign currency exchange rates. The contents of amendments to earnings releases for prior fiscal years, which were announced in 2017, have been retroactively adjusted for fiscal 2012 to fiscal 2015. Unless otherwise specified in this integrated report, the information herein is as of March 31, 2023.