



**FUJIFILM Holdings Corporation**

ESG Briefing

The Fujifilm Group's Human Resources Strategy

## Event Summary

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|                             |   |  |
|-----------------------------|---|--|
| <b>[Company Name]</b>       | FUJIFILM Holdings Corporation   |  |
| <b>[Company ID]</b>         | 4901-QCODE  |  |
| <b>[Event Language]</b>     | JPN   |  |
| <b>[Event Type]</b>         | Analyst Meeting   |  |
| <b>[Event Name]</b>         | ESG Briefing (Human Resources Strategy Briefing)                                |  |
| <b>[Fiscal Period]</b>      |   |  |
| <b>[Date]</b>               | April 5, 2024   |  |
| <b>[Number of Pages]</b>    | 38  |  |
| <b>[Time]</b>               | 14:00 – 15:17<br>(Total: 77 minutes, Presentation: 50 minutes, Q&A: 27 minutes) |  |
| <b>[Venue]</b>              | Webcast   |  |
| <b>[Venue Size]</b>         |   |  |
| <b>[Participants]</b>       |   |  |
| <b>[Number of Speakers]</b> | 3   |  |
|                             | Chisato Yoshizawa   | Director and Senior Vice President, General Manager of Corporate Communications Division and General Manager of ESG Division of FUJIFILM Corporation |
|                             | Yasushi Zama  | Corporate Vice President, General Manager of Human Resources Division  |
|                             | Tsuyoshi Nagano   | Director (Outside Director)  |

## Presentation

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**Moderator:** We will now begin the FUJIFILM Holdings Corporation ESG briefing "The Fujifilm Group's Human Resources Strategy."

Thank you very much for taking time out of your busy schedule to attend our information session today. I am Nagasawa of the Corporate Communications Division, and I will be your moderator today. Thank you very much for your cooperation.

### Today's speakers

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- 1 Chisato Yoshizawa**  
Director and Corporate Vice President  
General Manager, Corporate Communications Division  
General Manager, ESG Division
- 2 Yasushi Zama**  
Corporate Vice President  
General Manager, Human Resources Division
- 3 Tsuyoshi Nagano**  
Director (Outside)



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I would like to introduce today's attendees. Chisato Yoshizawa, Director and Corporate Vice President, General Manager of Corporate Communications Division, and General Manager of ESG Division of FUJIFILM Holdings Corporation.

**Yoshizawa:** My name is Yoshizawa. Thank you.

**Moderator:** Yasushi Zama, Corporate Vice President, General Manager of Human Resources Division.

**Zama:** I am Zama. Thank you.

**Moderator:** Mr. Tsuyoshi Nagano, Outside Director.

**Nagano:** My name is Nagano. Thank you.

## Today's agenda

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- 1 | **The Fujifilm Group's Management Plan & Sustainability Policy**
- 2 | **Today's Key Points about Our Human Resources Strategy**
- 3 | **Sources of Strength for Transforming Our Human Resources**
- 4 | **Encouraging Each and Every Employee to Play a More Active Role  
(Health Management, Diversity, Equity & Inclusion, Employee Engagement)**
- 5 | **Assessment by Outside Director**
- 6 | **Q&A**

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**Moderator:** Today, we will begin with an explanation based on the slides, followed by a question-and-answer session.

First of all, Yoshizawa will explain our management plan and sustainability policy.

## Profile

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### Chisato Yoshizawa

|           |  |
|-----------|--|
| July 1986 | Secretary Div., Presidents Office  |
| May 1992  | Childcare leave  |
| May 1994  | Equipment Products Div. (sales and marketing of laboratory equipment)  |
| Aug 1998  | Childcare leave  |
| Nov 1999  | Corporate Public Relations Div. (external and internal communications)   |
| Jun 2007  | General Manager of Public Relations Group, Corporate Support Div., FUJIFILM Holdings Corporation   |
| Jun 2014  | General Manager of Corporate Communications Office (IR and PR), Corporate Planning Div. of the Company   |
| Jun 2017  | Corporate Vice President of the Company  |
| Jun 2018  | Corporate Vice President, General Manager of Corporate Communications Office, Corporate Planning Div. and General Manager of Human Resources Div. of the Company |
| July 2021 | Corporate Vice President, General Manager of Corporate Communications Div. and General Manager of ESG Div. (responsible for Global Audit Div.) of the Company    |
| Jun 2022  | Director and Corporate Vice President of the Company   |

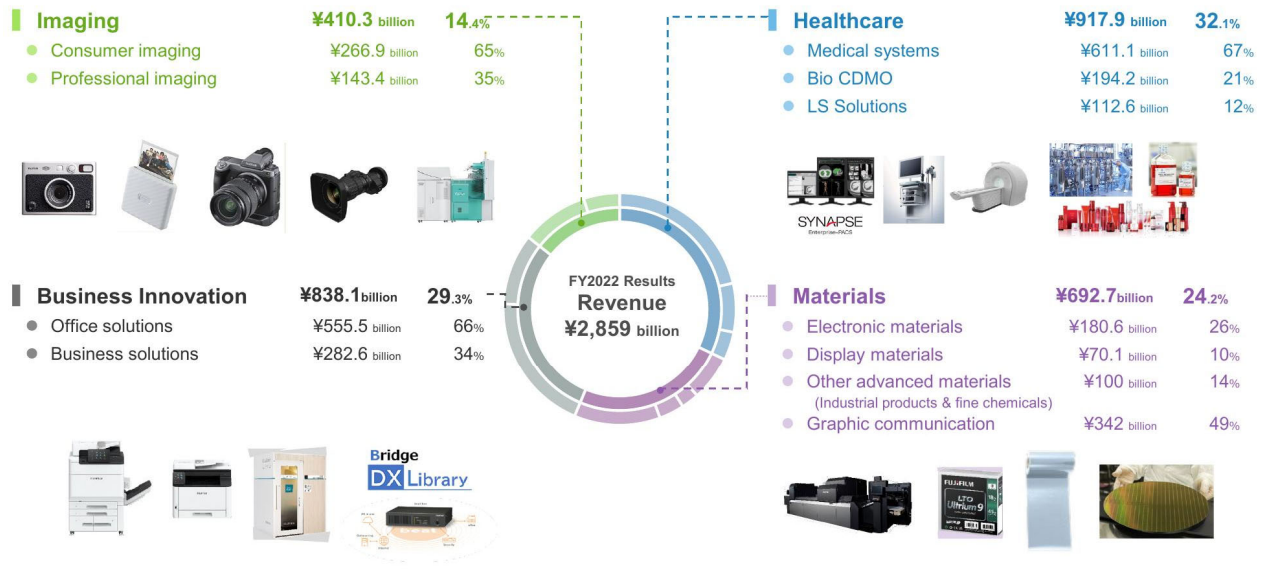
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**Yoshizawa:** I, Yoshizawa, would like to make an explanation. I have been engaged in IR for a relatively long time. Since we will be talking a lot about careers today, I am presenting a slide of my career as a way of introducing myself.

I joined Fujifilm in 1986, the first year the Equal Employment Opportunity Law went into effect, and worked in the secretarial office. I then had one child and took a leave of absence to raise the child. I then worked in sales and marketing. I had another child and then joined the Public Relations Group.

Later, I became responsible for IR, advertising, et cetera, as well. To get to this point, I have expanded my work as general manager of the Human Resources Division and general manager of the ESG Division.

## Fujifilm Group's Business Segments

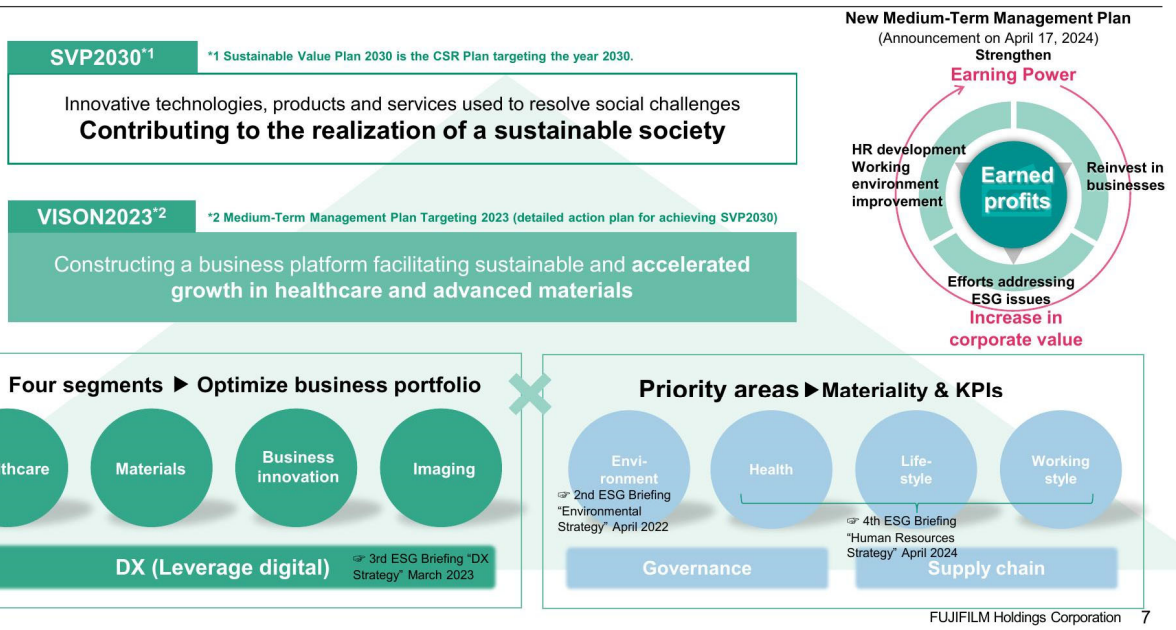


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This is the business field of the Fujifilm Group.

Photography was originally the core of our business in 2000, and more than half of our sales and profits came from the photography business. Since then, we have transformed our business structure by leveraging our technology and human resources, and now Healthcare, Materials, Business Innovation and Imaging each account for a percentage of our overall business, as you can see.

## Our Future Vision



This is our future vision.

We have informed you that on April 17 we will announce our new midterm management plan. I can't go into too much detail now, but I will start with just that concept.

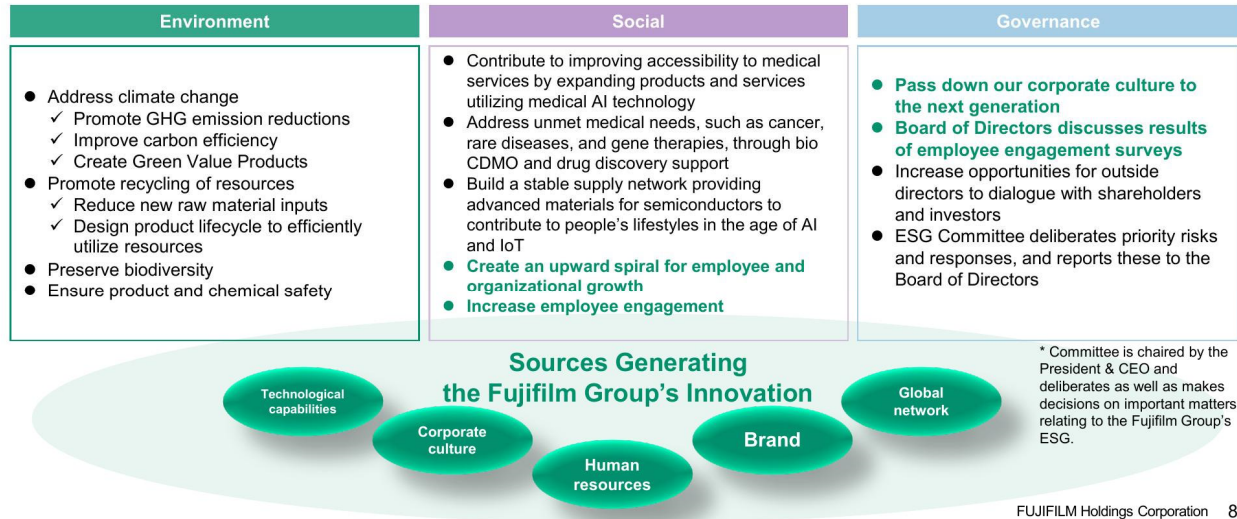
Compared to the current medium-term management plan, though not a major shift, we are trying to visualize our growth strategy toward 2030, so that it can be better understood by everyone, and to put it into a solid medium-term plan.

As noted to the right, the CEO is now very much internalizing the earning power of the Company. To achieve this, we will earn profits and reinvest them to continuously grow our business and to fund our efforts to address ESG issues, supply chain management, and human rights, which are currently the focus of much attention. We will also use profits to improve the working environment, including human resource development and wage increases, which are the main topics on today's agenda. I believe that one of the key points of the next medium-term plan is to continue to be a profitable company that can implement these things.

The four business segments and materiality that will make this possible are shown below. We have spoken about the environment and DX at ESG briefings in the past. I will talk later today about human resources, which we believe are the most important.

## Sustainability Initiative Policy

Combining sources of the Fujifilm Group's innovation to offer innovative technologies, products and services, work to help resolve social issues, and contribute to realizing a sustainable society.



Here you see our policy on sustainability initiatives.

I will not read out everything because it would be a waste of time. We intend to further enhance our approach to the environment, society, and governance over the next few years.

Later today, Zama will talk about things that can lead to a significant upward spiral of employee and organizational growth, and employee engagement in the social area.

## Progress on Key KPIs

### Key Initiatives During Past Year

- New skill matrix disclosed
- Under auspices of the ESG Committee, GX Committee established and decarbonization efforts accelerated
- Announced adoption of PPA (Power Purchase Agreement) at sites in North America and Denmark
- DE&I Promotion Committee chaired by CEO established to promote diversity
- Self-development Assistance Program "+STORY" promoted, encouraging employees to take the initiative in addressing challenges
- Employee Engagement Surveys continued to be conducted toward realizing sustainable engagement
- NURA health screening centers focusing on cancer screening further expanded



Today's briefing

### Expansion of NURA health screening centers



▲ Highest honor awarded in the Human Resource Department category at Nihon-no-Jinjibu HR Awards 2023

### Progress on Key KPIs (FY2022 results)

|                    |  |   |
|--------------------|--|---|
| <b>Environment</b> | <p><b>Reduction in GHG emissions</b><br/>Scope1 + 2<br/>(Compared to FY 2019)</p> <p>FY2021   FY2022   FY2023   FY2030<br/>3% ▶ <b>10%</b> ▶ 11% ▶ 50%</p>   | <p><b>Reduction in GHG emissions</b><br/>Product life cycle<br/>(Compared to FY 2019)<sup>1</sup></p> <p>FY2021   FY2022   FY2030<br/>6.3% ▶ <b>9.2%</b> ▶▶▶ 50%</p>  |
| <b>Social</b>      | <p><b>Improvement in accessibility to medical services</b><br/>Deployment of products &amp; services using medical AI technology (Medical Systems)</p> <p>FY2021   FY2022   FY2023   FY2030<br/>83 ▶ <b>93</b> ▶ 100 ▶ 196 (countries)</p> | <p><b>Enhancement of job satisfaction</b><br/>Access to workstyles that support improved productivity &amp; creativity for workers (Business Solutions)<sup>2</sup></p> <p>FY2021   FY2022   FY2030<br/>29.3 ▶ <b>25.33</b> ▶▶▶ 50 (million people)</p> |

<sup>1</sup> Product life cycle refers to the procurement of raw materials as well as manufacturing, transportation, use and disposal of products. Figures restate those for FY2019 and thereafter based on a reassessment of products targeted during each stage.  
<sup>2</sup> Calculation logic revised in FY2022.

This page shows the progress of key KPIs.

In the area of environment and society, we have always indicated what is described in the boxes as indicators. Today, we will focus on the fourth through sixth items in the "key initiatives during the past year" section, which are circled in a square with the words, "today's briefing."

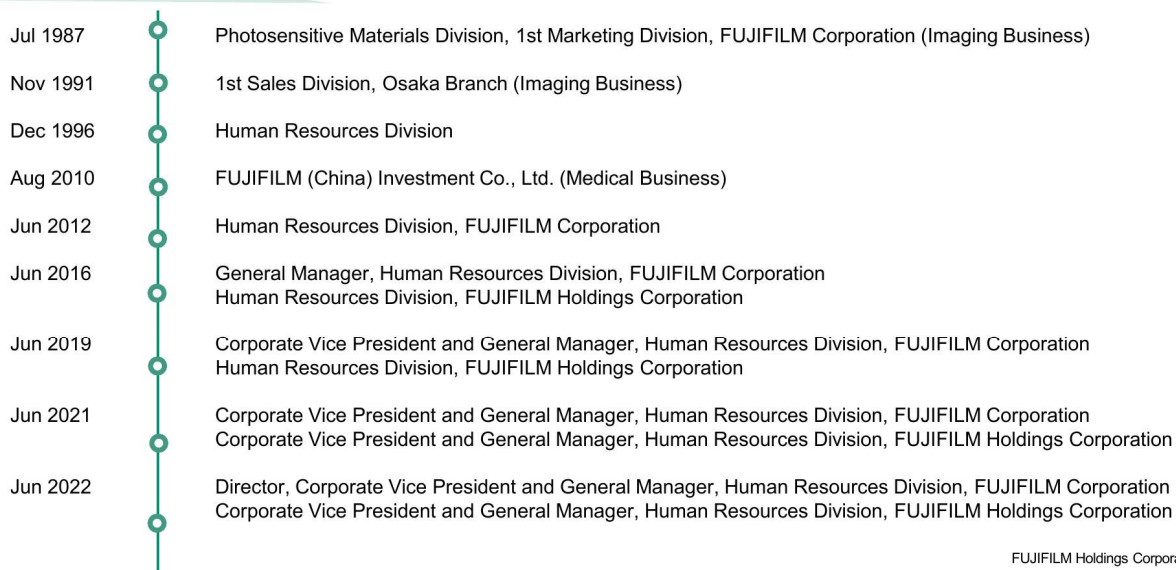
Zama will now explain this point.

**Moderator:** Next, Zama will give an explanation.

## Profile

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### Yasushi Zama



|          |   |
|----------|---|
| Jul 1987 | Photosensitive Materials Division, 1st Marketing Division, FUJIFILM Corporation (Imaging Business)  |
| Nov 1991 | 1st Sales Division, Osaka Branch (Imaging Business)   |
| Dec 1996 | Human Resources Division  |
| Aug 2010 | FUJIFILM (China) Investment Co., Ltd. (Medical Business)  |
| Jun 2012 | Human Resources Division, FUJIFILM Corporation  |
| Jun 2016 | General Manager, Human Resources Division, FUJIFILM Corporation<br>Human Resources Division, FUJIFILM Holdings Corporation  |
| Jun 2019 | Corporate Vice President and General Manager, Human Resources Division, FUJIFILM Corporation<br>Human Resources Division, FUJIFILM Holdings Corporation   |
| Jun 2021 | Corporate Vice President and General Manager, Human Resources Division, FUJIFILM Corporation<br>Corporate Vice President and General Manager, Human Resources Division, FUJIFILM Holdings Corporation           |
| Jun 2022 | Director, Corporate Vice President and General Manager, Human Resources Division, FUJIFILM Corporation<br>Corporate Vice President and General Manager, Human Resources Division, FUJIFILM Holdings Corporation |

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**Zama:** My name is Zama, and I am general manager of the Human Resources Division at FUJIFILM Holdings Corporation. Thank you. I believe this is my first time meeting many of you. I have been looking forward to speaking with you all here today. Nice to meet you.

First, I would like to introduce myself. I joined Fuji Photo Film Co., Ltd. in 1987. At first, I worked for about four years in the Imaging business, marketing the "FUJICOLOR QuickSnap" products. After that, I worked in the Imaging business, this time as a field staff member in Osaka for about five years in domestic sales, focusing on photo exhibition sales.

After that, I was transferred to the Human Resources Division, where I worked in human resources, focusing on recruitment, training, and personnel transfers. Since 2010, I have been stationed in Shanghai, China, where I have worked as the head of the Medical business at Fujifilm's local subsidiary in China.

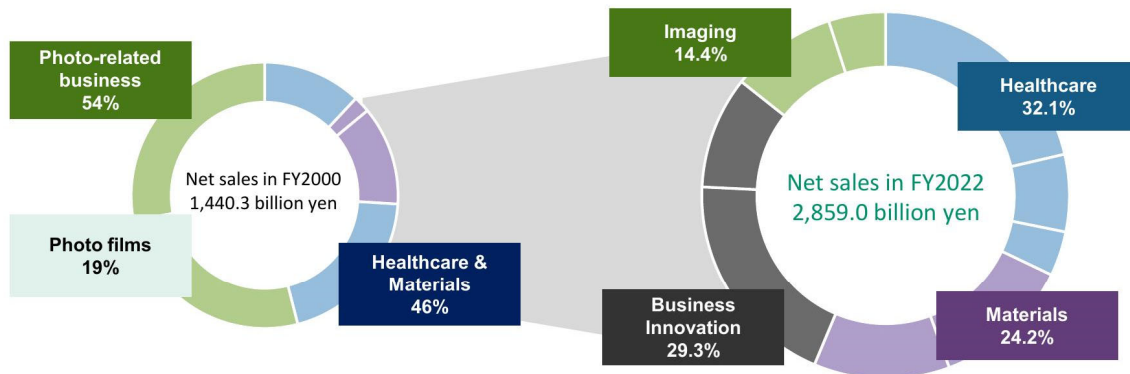
I then returned to the Human Resources Division in 2012 and became the general manager in 2016, and I have been working in the Human Resources Division ever since, up to the present day. Thank you for your continued support.

I will now talk about personnel matters.



## Transformation of Business Structure: Expansion of New/Growth Driver Businesses (from FY2000 to FY2022)

Growth areas including Healthcare and Materials (advanced materials) grew and succeeded in transforming the business structure.



Dynamically restructuring various resources to meet the changing environment so that we continue to grow as a 'company creating change ourselves'

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First, let me briefly give you the premise for discussing human resources.

In 2000, our business was centered on photographic films, but as you know, we have achieved business transformation, and as of 2023, Fujifilm has four business segments, imaging, healthcare, materials, and business innovation.

One of our directions is to continue to create new businesses and create change without being satisfied with the present.



In particular, as we celebrate our 90th anniversary, we have set forth a new group purpose, "Giving our world more smiles" as our corporate value in society this year.

### Position of Human Resources Strategy

**Our employees are the driving force behind our business transformation since 2000s.**  
 Starting from the Fujifilm Group's purpose, we will pass down and foster our corporate culture as well as implement the Three Pillars, which are comprised as our human resources strategy for realizing SVP2030 and business strategy.



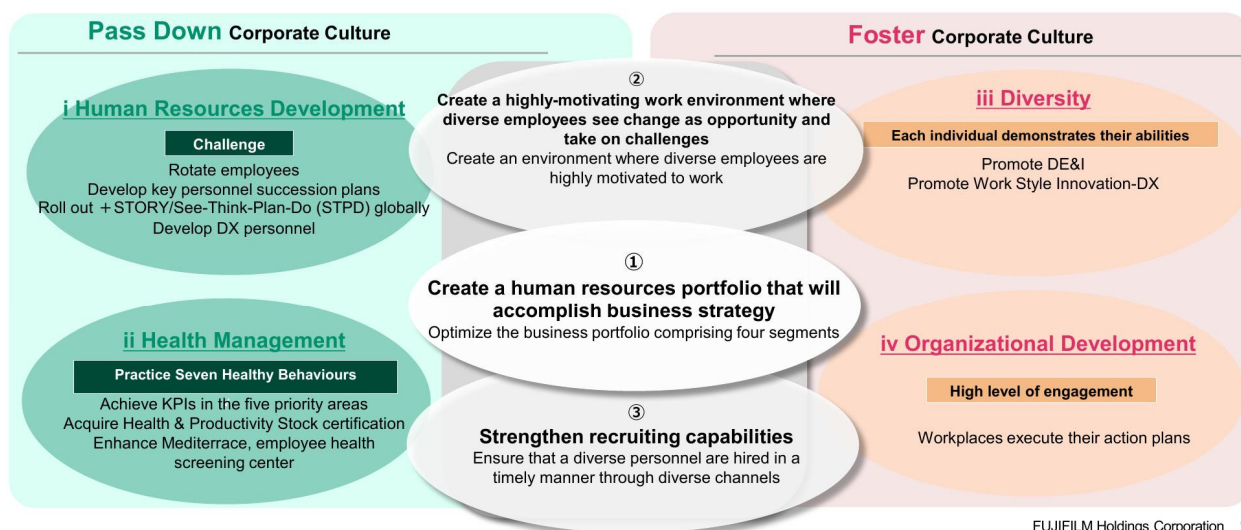
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In this context, I personally believe that the transformation of our business since 2000 has been driven by the power of our employees.

In order to utilize this strength to realize the group purpose I have just mentioned, we need to give solid shape to the SVP2030 and business strategy. I believe that it is my mission to firmly draw up and lead the human resource strategy to achieve this goal.

## Human Resources Strategy: Three Pillars & Four Enhancement Areas for Passing Down and Fostering Corporate Culture

We will promote our transformation so that we pass down our corporate culture, the driving force with which we have created change, and grow further.



I will first explain the framework of our human resources strategy. This framework is based on three pillars and a four-point approach to passing down and fostering corporate culture.

The first step is to realize a portfolio of human resources to properly portray the business strategy and to optimize the human resources to ensure that the four segments are operated properly. We want to create an environment in which each employee can grow, work with high motivation, and take on new challenges. Third, we will hire a diverse workforce. We will realize these three pillars.

To this end, we will continue to carry on the corporate culture that we cherish so dearly. In particular, we will carry on the concept of human resource development and health management, which we will mainly discuss today. The health of each employee is the foundation for our growth.

Next, we need to keep evolving this corporate culture. In this context, we will first promote DE&I. We will also develop the organization with a strong engagement survey to ensure that each workplace or each company maintains a high level of engagement.

We would like to properly develop our human resources while focusing on this.

First of all, as I mentioned earlier, over the past 20 years, as we have transformed our business, we have also transformed our human resources, and we have changed the fields in which we work. I believe that is what we need to continue to do. I would like to first explain how we have been transforming ourselves, which is the key to this transformation.

Although not included in the materials distributed in advance, we would like to share specific examples with you using individuals' names.

First of all, producing key personnel across business boundaries is a strength that we have achieved through our transformation, and I believe it is important to continue to build on this strength.

For example, Iida, below left, the current general manager of Bio-CDMO, originally worked overseas in the photographic field and then was stationed in London. Later, as the general manager of the digital camera

business, he led and accomplished a major transformation, from compact digital cameras, to mirrorless cameras. He then became the head of all European operations. As the head of the CDMO business, which is now just beginning to grow, he is leading the entire Bio-CDMO business while stationed overseas at the moment.

Hama on the right is the CEO of FUJIFILM Business Innovation Corporation. After joining the Company, he worked in production control at a manufacturer's plant. He then joined the industrial materials division, the division that created the current display materials business, and have grown the display materials business significantly since 2000. He then worked in the inkjet business and is now CEO of FUJIFILM Business Innovation Corporation.

They both worked in several businesses and broadened their experience by working domestically and internationally.

I will also talk about technical employees. On the left is Nabeta, Executive Officer of FUJIFILM Corporation. He was working in the Ashigara research center at the time he joined the Company, developing materials for imaging. Later, he broadened his scope to equipment and IT technology, and now he has become the head of the development of medical, and especially the head of IT, who is driving medical, and is driving the IT of the entire company.

The second is Yamamoto on the right. He was originally in the technical section of imaging materials for color paper at the Ashigara plant. Based on his experience with that, from Japan to the Netherlands, to overseas, he next expanded the technology to biotechnology and served as the head of the biotechnology laboratory and then as the head of iPSC development in the US. He is the executive director, who is now the very head of the biotechnology laboratory.

This rotation of personnel working across multiple businesses, domestic and international, and broadening their experience while deepening their expertise is a cornerstone of Fujifilm.

To add to this, Akiyama, right, worked in production management at the Ashigara plant, then was transferred to Europe, then was the head of endoscopy, then was the head of regenerative medicine, and now is leading the medical business.

Iwasaki, below left, was engaged in the imaging business, then served as head of overseas subsidiaries in Russia and other countries, and is now general manager of the electronics materials business.

As an example of deepening expertise, CFO Higuchi has broadened his experience from accounting to planning, with a focus on finance, and has also served as CFO of local subsidiaries in Europe and the US respectively, headed overseas subsidiaries, and is currently CFO.

Executive Officer Yamaguchi, second from the top on the left, is expanding the scope of his activities around production. He was originally in charge of X-ray films at the Fujinomiya plant, and after being in charge of production in various areas in the US, he returned to Fujinomiya once again. This time, he was engaged in the production of functional materials, stationed overseas again, and now he is the Executive Officer in charge of production for Fujifilm as a whole.

I mainly explained the Board members. The key to this idea of rotation 1 and 2 is to broaden the range of experience for young and mid-career employees, not only key personnel.

## The Fujifilm Group Employees' Strengths

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The foundation of Fujifilm Group's human resources transformation is our employees possessing the following three core competencies.

### **Fujifilm Group employee Core Competencies (Axis & Foundation)**

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

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Each will grow as they broaden their experience to achieve business transformation and human resource transformation. I would like to explain how we are trying to do that.

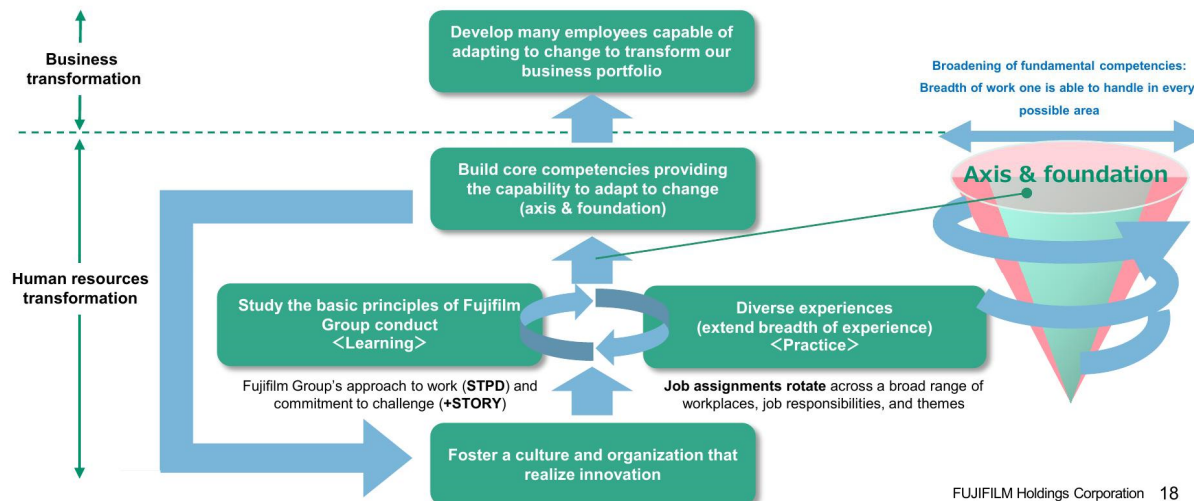
We have clearly indicated three core competencies of human resources who are capable of this kind of transformation.

One is to set out essential issues in any field and work on them regardless of role or age. The second is to take the leading role and carry out the task, not only in one area of the field, but also across divisions and groups, involving others. Third is, just as in the specific examples I just mentioned, to see change as an opportunity for growth and positively take up challenges in any business or functional area.

These core competencies are what Fujifilm looks for in its employees, and I believe that there are many people in our company who possess these core competencies.

## Building Core Competencies

Employees are developed to possess the core competencies (axis & foundation) with which they are able to adapt to change as they rise up through 'practice' and 'learning.' That realizes the transformation of our human resources and businesses.



How do we nurture these axes and bases?

First, as I just mentioned, we will broaden the range of experience through rotation. We are developing a lot of businesses and accordingly, there are a lot of functions, so there are a lot of opportunities for us.

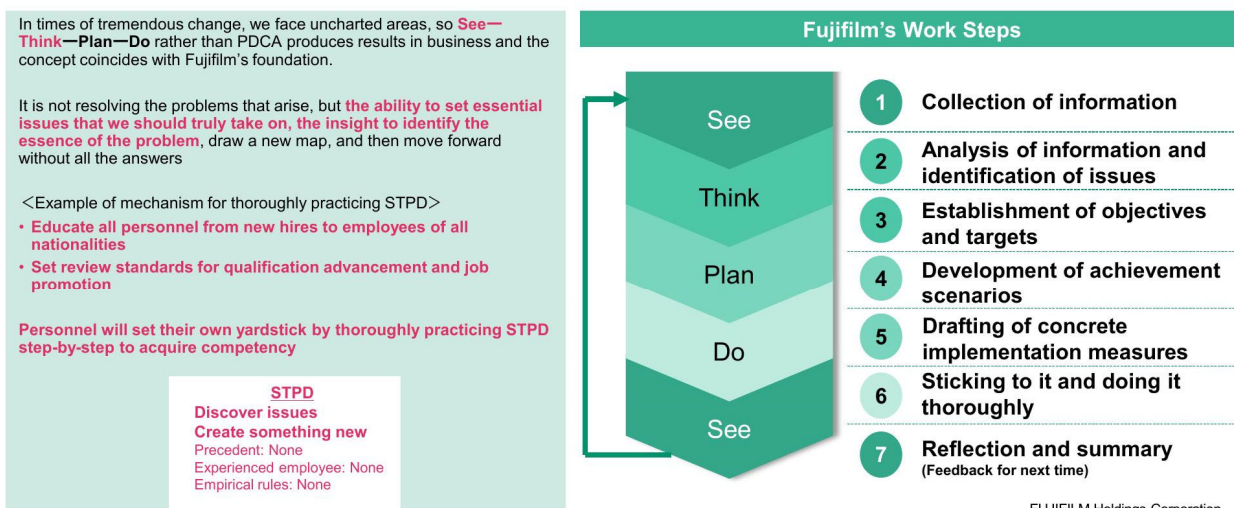
However, it is very important not only to broaden our experience through this practice, but also to properly learn and thoroughly implement the principles that are common and important in every field of business and in every job.

When this is properly rotated, the three bases will be properly established, and a culture will be formed in which the organization nurtures one human resource.

The key for us is that if we have many such people, when we change our business portfolio and transform it, our human resources will transform more and more, and our business and human resources will grow in a spiral.

## STPD: Common Approach to Work (Fujifilm Method)

The “See-Think-Plan-Do” cycle is the common approach at Fujifilm to work in all segments and fields, and the process of repeating this cycle is fundamental to taking the initiative and setting essential issues.



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I just gave you a specific example of a practice rotation. Next, I would like to introduce a common work philosophy that we value in all of our fields.

The first is STPD, which is known as the Fujifilm method. This explanation is based on the diagram on the right side of the page. STPD is a cycle of work that involves first looking at the actual product, gathering information, not just taking the information gathered, but thinking carefully about the other side of the issue, holding firm to the essential issues, and working through them to the end.

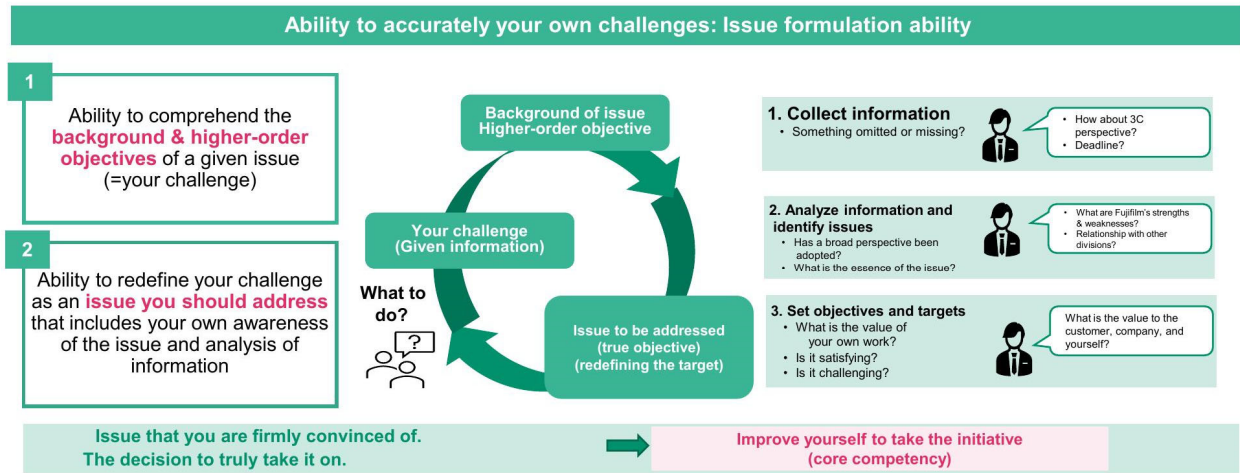
It is important to think what the issues are that really need to be addressed, rather than just solving the problems that are occurring. Through this method, we will make sure that they learn to think about what they essentially need to do to make their business or organization better.

This concept is the same for everyone, from new hires to foreign nationals, and we will train everyone properly. Even in the criteria for the examination for promotion of qualifications and for becoming a position holder, the evaluation criteria are based on whether or not the applicant is concretely practicing through this concept.

It is a steady approach, but the main idea of the transformation is to have people firmly establish their own axis by learning to do this properly.

## Redefining Your Own Issues and Problems

The most important aspect of the STPD cycle is to be sure to understand higher-order objectives beyond your own issues. That is why we train to develop the ability to repeat the See-Think process to consider the background underlying the issues, see issues that you should address in that process, make that an issue you are firmly convinced of, and take action to address the issue hands-on.



Let me tell you a little more about the relationship between STPD and core competencies.

First, there are issues. Some issues you may want to address on your own, or if you are a young employee, you may be given issues. Instead of struggling with it, you think carefully about the higher purpose, what it is for.

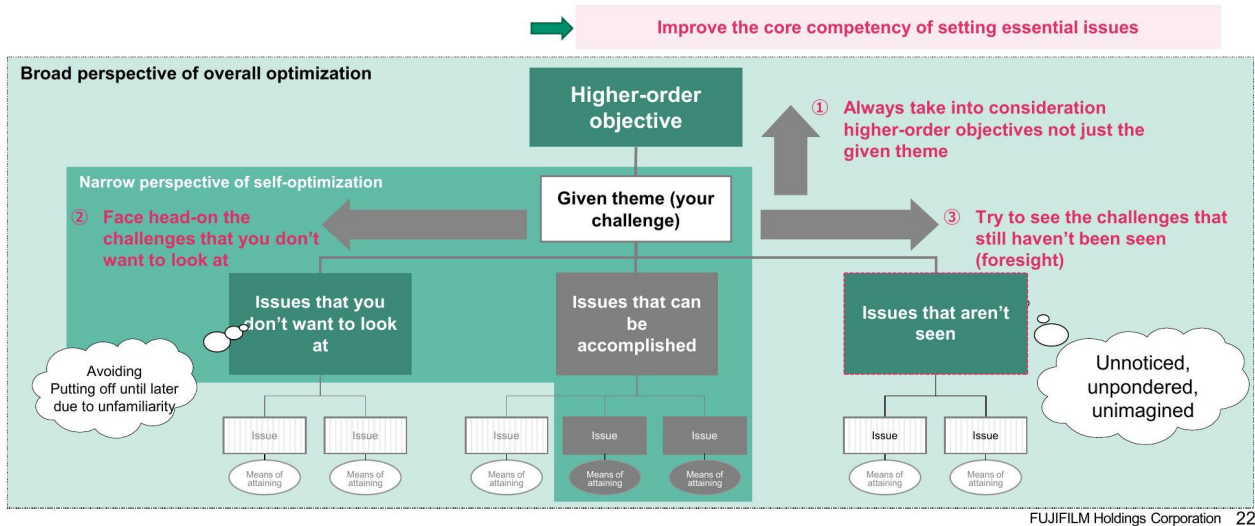
In the process of thinking naturally, you repeatedly ruminate and think about how it looks from the 3C (Customer, Competitor, Company) perspective, how it relates to other divisions, what its strengths are, and what value it has for the customer. By doing so, you discover the true purpose of the issues and make issues, you are convinced of, your own issues. One of most important things to do is to execute this ST well for this purpose.

I believe that if you can learn these things, it will lead you to take the initiative in any field.



## Effect of Emphasizing See-Think-Plan-Do

When setting issues, don't fly to those "issues that can be accomplished," but rather confront the "issues that you don't want to look at." That will make you doubt common sense and stereotypes, and, in a new context/story, you will find 'challenges that still haven't been seen' and make those the essential issue.



The second is one method to think about the higher purposes I mentioned earlier as you rotate STPD, implement them, and get to know the essential issues.

Instead of jumping into an issue that can be taken up immediately, you first face the issue head-on, which you don't want to see.

When proceeding with something, the first assumption is that there is absolutely nothing that you are avoiding or putting off because you are unfamiliar with it. The process of thinking to find essential issues is to arrive at issues that are not noticed, not thought about, not yet seen, and that become foresighted issues.

Basically questioning common sense or stereotypes, or what we have done in the past, and thinking about the essentials in a new context/story, the second approach is to educate employees about this from a young age, either on the job or through various training programs.

## Instilling the See—Think—Plan—Do Cycle

The STPD approach is used globally, including in companies that we have merged with and acquired both inside and outside Japan.

| Region                                   | Company   | Score |
|--|---|-------|
| Japan                                    | FUJIFILM Business Innovation Corp.                      | 87    |
|  | FUJIFILM Healthcare Corporation                         | 88    |
|  | FUJIFILM Wako Pure Chemical Corporation                 | 81    |
| North America                            | FUJIFILM Diosynth Biotechnologies California (FDBC)     | 92    |
|  | FUJIFILM Diosynth Biotechnologies North Carolina (FDBN) | 95    |
|  | FUJIFILM Diosynth Biotechnologies Texas, LLC (FDBT)     | 94    |
|  | FUJIFILM Diosynth Biotechnologies U.S.A., Inc. (FDBU)   | 93    |
|  | FUJIFILM Wako Chemicals U.S.A. Corporation (WKUS)       | 86    |
|  | FUJIFILM Healthcare Americas Corporation (HCUS)         | 97    |
| Europe                                   | FUJIFILM Irvine Scientific, Inc. (FISI)                 | 97    |
|  | FUJIFILM Sonosite, Inc. (FFSS)                          | 95    |
|  | FDBK Fujifilm Diosynth Biotechnologies UK Limited       | 76    |
|  | FUJIFILM Diosynth Biotechnologies Denmark (FDBD)        | 81    |
|  | FUJIFILM HEALTHCARE France - HCFR                       | 89    |
|  | FUJIFILM Healthcare Germany GmbH (HCDE)                 | 83    |
|  | HCBE FUJIFILM Healthcare Belgium                        | 83    |
|  | HCME FUJIFILM Healthcare Middle East S.A.E.             | 100   |
|  | HCNL FUJIFILM Healthcare Nederland B.V.                 | 83    |
| WKEU FUJIFILM Wako Chemicals Europe GmbH | 89  |       |

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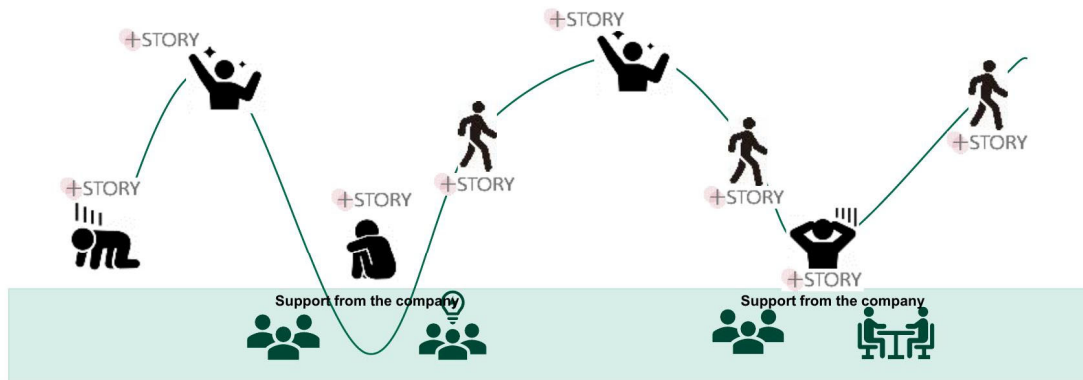
We are committed to developing such principles, both domestically and internationally, especially with companies that we have acquired. What you are seeing are the results of the engagement survey.

The percentage of respondents who understood the Fujifilm method was 94% for Fujifilm group as a whole. On the right is the score of companies that we acquired. The average score was 89%. In all of our companies, we believe we have developed a stance of working with this understanding.

This is exactly one of our efforts, to pass on the Fujifilm Group's corporate culture to acquired companies, in terms of human resource growth and development.

## + STORY (Seeing Changes as Opportunities for Growth & Taking on Challenges)

The Fujifilm Group uses the term '+STORY' in place of 'career.' It refers to each and every employee seeing changes as opportunities for growth and learning from experiences that they have accumulated. Plotting their next growth is called +STORY (Plus Story). The cycle of +STORY challenges forms the axis on which measures to develop personnel are based, and this facilitates challenges that generate change.



The 100 different +STORIES of 100 different people woven in this way are the driving force that creates change within the Fujifilm Group. Sharing and understanding +STORY in this way by all team members leads to the creation of a culture of challenge.

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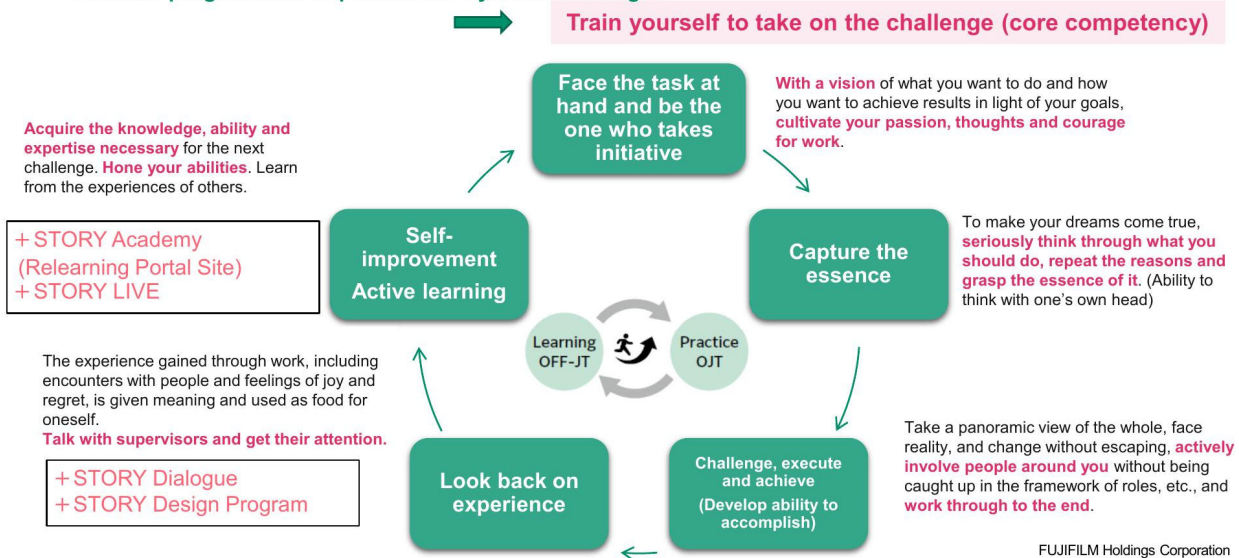
The second is +STORY, a method for rooting a foundation for personal growth and challenge in the Company.

The world uses the word "career," but we use the word, +STORY. In order for each of us to see change as an opportunity for growth, we should not be happy or sad about whether we failed or succeeded as a result of the challenge, but always give meaning to the experience, such as what we felt there, who we met, or what someone said to us. We will do this not by one person, but by the entire company. We call such a growth picture +STORY.

What we call the +STORY curve is always a different curve for everyone when we connect experiences that we have made sense of. The fact that 100 employees can create 100 different stories is also an indication of the individuality of each of our employees. Sharing these things throughout the Company will lead to a culture of challenge, which I will discuss later. I believe this is one method to pass on our challenges to the next generation.

## Cycle of Challenge in +STORY

Learning the cycle of challenge through practice leads to growth and carrying out a concrete +STORY program that helps learn the cycle of challenge.

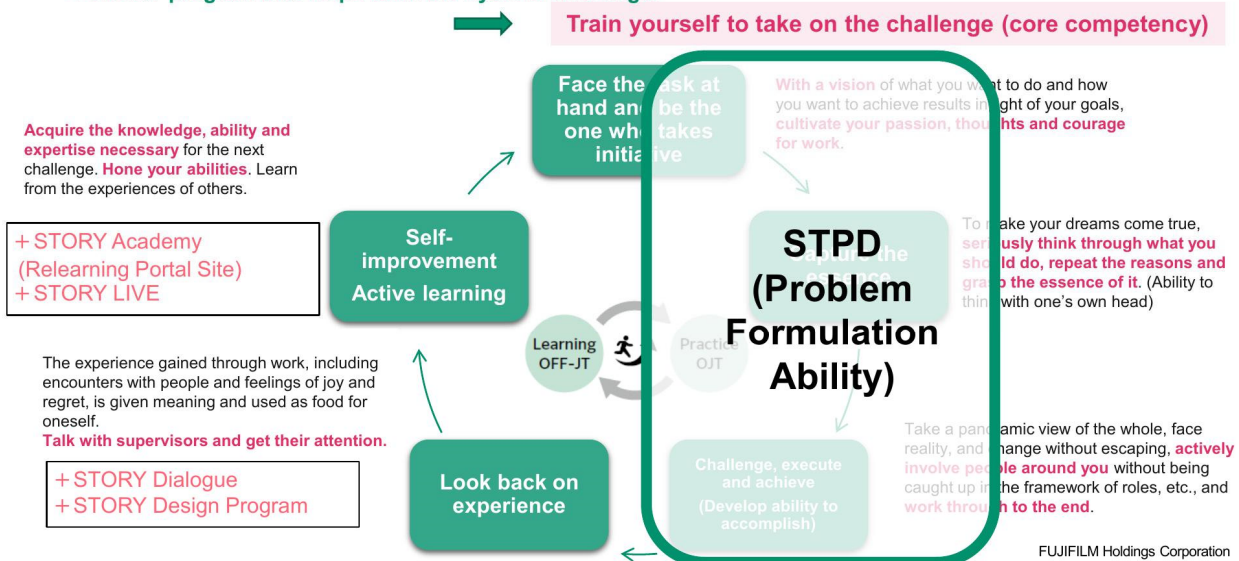


We have developed a language to ensure that this method is firmly established in the field. We call this the challenge cycle, and we use it to feed our workplace's or our own growth.

First, you will be the subject of the work and think about the essence of the work, and you'll get it done. This is to rotate the STPD, which I mentioned earlier.

## Cycle of Challenge in +STORY

Learning the cycle of challenge through practice leads to growth and carrying out a concrete +STORY program that helps learn the cycle of challenge.



We will rotate this and provide training on +STORY dialogue and design programs that will allow people to look back on their experience, not just as an experience, but to look back on it properly and to look back on it in five- and six-year increments. In addition, in order to polish what you lack and develop your strengths

through reflection, we offer +STORY Academy, a portal site that is a self-study system online. Through these, the employees themselves become a new person again and use this as a platform for new challenges.

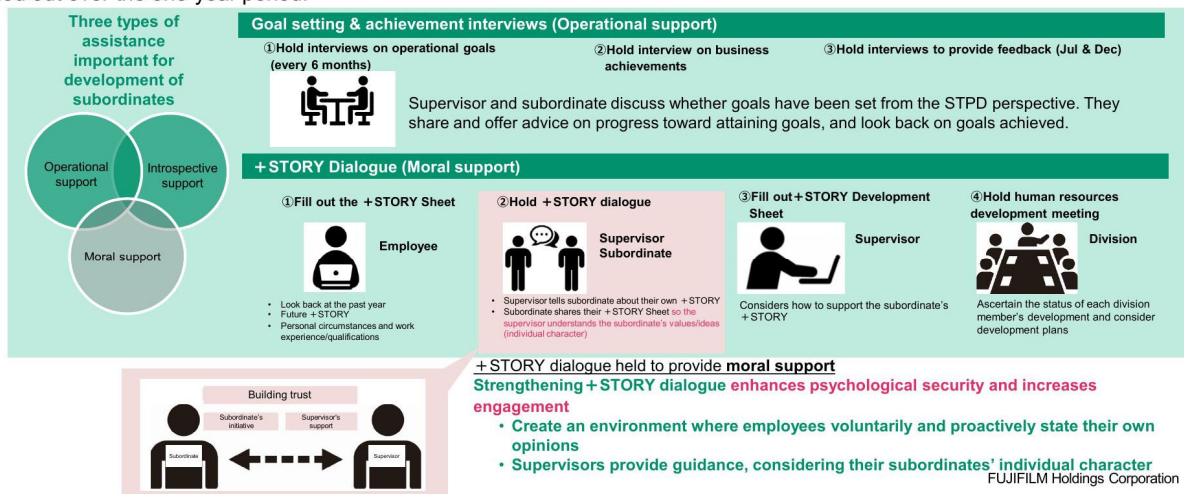
The challenge to realize this cycle is the basis of our training.

## + STORY: Importance of Dialogue

**+STORY Dialogue: Understand subordinates' values, ideas, and other aspects of their character and personality, give meaning to their experience, and discuss their future story (once annually)**

**Goal setting & achievement interviews: Hold a thorough interview about challenges based on STPD (every 6 months)**

The motivation and desire to take on challenges are fostered by ensuring that the cycle of dialogue and interview is continuously carried out over the one-year period.



This +STORY dialogue is one key element.

I believe that many companies set goals from the STPD perspective once a year, guide the process, and provide feedback on the evaluation in an achievement interview. We are also doing this as business support.

In addition to this, we give meaning to the experience once a year. The subordinate tells his supervisor about his years' experience, and the supervisor advises and makes sense of it. As we do that, we also talk about each other's stories.

This allows subordinates to actively voice their opinions. Through various stories and values, the supervisor understands the person and ideas of the subordinate, and then provides guidance. We hold these +STORY dialogues once a year.

This +STORY concept is being implemented to create a workplace with high psychological safety and engagement, while conducting both goal-setting and achievement interviews, and +STORY dialogues.

At the company-wide +STORY Live, which I just touched on, employees tell their own stories once a month on a variety of Fujifilm business and work themes.

Each of the performers will talk not only about their current work, but also about what they did in the past, what they felt, and what they are learning now, which is the lower-left curve of the +STORY. People who work in digital marketing, people who handle functions in factories, and people who work abroad will speak online. Sometimes, CEO Goto also joins the meeting, which is held once a month, with more than 1,000 participants.

When we do something like this, we tend to talk only about our successes, but we never record them, and by holding only once online, we can talk about our true feelings and what we learned from our mistakes. The entire company is committed to this as a place for awareness among employees.

## +STORY: Appraisals from External Organizations

- +STORY has been rated highly by multiple outside organizations.
- +STORY received the Award for Excellence in the Human Resources Development category at the Japan HR Challenge Awards 2023!
- +STORY awarded the Top Prize in the Corporate Personnel Division category at the Nihon-no-Jinjibu HR Award 2023!

Supported by the Ministry of Health, Labour and Welfare, the Japan HR Challenge Awards are sponsored by the HR Research Institute to promote the revitalization of Japanese society with an award program recognizing companies that are actively working on outstanding new initiatives in the field of human resources.

Supported by the Ministry of Health, Labour and Welfare, the HR Award is a program sponsored by Nihon-no-Jinjibu that recognizes initiatives relating to personnel and organizations.

The purpose is to share new knowledge and know-how with human resources professionals that will help develop companies nationwide. This program is supported by many in the personnel field.



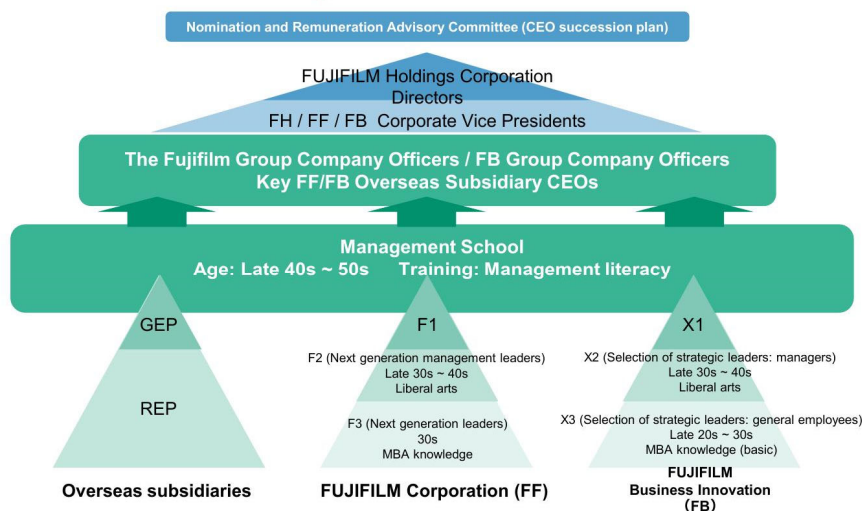
[HR Award Top Prize presented to Fujifilm Group in the Corporate Personnel Division category](#)

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There are two major awards for HR departments in Japan, the Japan HR Challenge Awards and the HR Awards. The +STORY initiatives won the grand prize last year. Encouraged by this, the entire group is working on this.

## Succession of Key Personnel

Human Resources Division handles the succession of corporate officers, top positions in key divisions and group companies in Japan, as well as CEO succession of Global Executive Position (GEP). Overseas Regional HRs handle the succession of Regional Executive Position (REP) responsible for leading key businesses and functions in each region.



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Apart from this, we are also working on the succession to develop leaders.

First, we are creating a pool of human resources in their late 40s and 50s through a management school for general managers. For the managerial level, we will develop human resources through liberal arts training, and for the general level in their 30s, we will provide training in MBA knowledge.

FUJIFILM Corporation and FUJIFILM Business Innovation Corporation each conduct these successions independently, but training for general managers are held together. For the position of GEP (Global Executive Position) at overseas subsidiaries, the Holdings' human resources division will provide global human resources training to employees who are deemed outstanding. In addition, the HR division in each of the overseas regions will work on succession of key business leaders to the REP (Regional Executive Position).

While doing so, we are systematically working on succession that will lead to future key personnel.

## The Fujifilm Group Health Management

With adoption of the Fujifilm Group Employee Wellness Declaration in September 2019, the entire Fujifilm Group set about striving to improve health management based on the Health Management Strategy Map. These efforts have been rewarded with the Fujifilm Group's selection as a Health & Productivity Stock for four consecutive years and a Health and Productivity Management Outstanding Organization (White 500) for eight consecutive years.



Established "Mediterrace Yokohama," a health screening center for the Fujifilm Group employees in 2022

- ✓ Medical devices are used that leverage the most advanced technology, such as Fujifilm's endoscopes, CT, and modalities.
- ✓ The facility provides high-quality health screening by occupational health physicians, endoscopists, nurses and other skilled staff employed by the Fujifilm Group Health Insurance Association.
- ✓ As circumstances warrant, the facility refers employees to appropriate medical institutions and provides guidance to employees about early retesting, treatment, and other follow-up (staff courteously follows up on patients after their health screening)



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Next, I would like to talk about the three things I just mentioned that we are working on to ensure that each and every one of our employees can play an active role in the Company.

One is the health of each employee, as I mentioned in the strategy. With the enactment of the Fujifilm Group Employee Wellness Declaration in 2019, we have implemented various measures and have been selected as a Health and Productivity Stock for four consecutive years.

We have established KPIs for the three priority areas and are working with our industrial physicians to implement the seven health behaviors of our employees.

In addition, as an initiative not often seen in the world, we established Mediterrace Yokohama last year as an exclusive health check-up facility for our employees. By creating a health screening facility, we have been working to directly protect the health of our employees by using our state-of-the-art medical equipment and by our wonderful medical professionals.

Global DE&I Vision Established

**DE&I Vision**

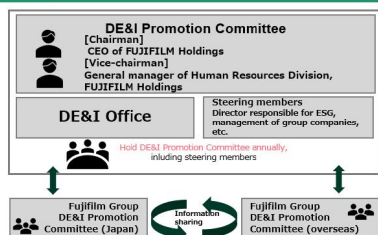
**Celebrating the Power of Diverse Stories**

The Fujifilm group values an open, fair, and clear corporate culture that fosters innovation by respecting “stories,” such as individuality and the diversity of values and experiences of each employee.

Our diversity ensures a highly motivated work culture that celebrates differences and encourages collaboration towards “giving our world more smiles.”

This vision is based on the basic concept of “Respect for Human Rights” in the Fujifilm Group Code of Conduct.

FH DE&I Promotion Committee launched in October 2023  
 ‘All-Fujifilm’ is the collective effort that we are making to promoting diversity



\*At subsidiaries in Japan and regions overseas as well, DE&I Promotion Committees will be set up to be headed by the subsidiary presidents and this effort pursued groupwide.

| DE&I KPIs  |                                    |                |                    |
|--|------------------------------------|----------------|--------------------|
| KPI  | Focus                              | FY2022 Results | FY2030 Target      |
| Ratio of a foreign national employees in key posts             | Fujifilm Group                     | 27.8%          | 35%                |
| Ratio of women in management positions                         | Fujifilm Group <sup>*1</sup>       | 16.5%          | 25%                |
|  | Fujifilm Group in Japan            | 6.9%           | 15%                |
| Percentage of employees with disabilities                      | Fujifilm Group in Japan            | 2.47%          | 2.7% <sup>*2</sup> |
|  | Fujifilm                           | 89.4%          | 100%               |
| Retention rate 3 years after returning from childcare leave    | FUJIFILM Business Innovation Corp. | 70.3%          | 100%               |
|  | Fujifilm                           | 100.0%         | 100%               |
| Retention rate 3 years after returning from nursing care leave | FUJIFILM Business Innovation Corp. | 100.0%         | 100%               |
|  | Fujifilm                           | 100.0%         | 100%               |

\*1 Based on the definition of managerial position set by each overseas subsidiary.

\*2 Target is to exceed the statutory employment rate (2026: 2.7%)

—Dialogue with employees—

DE&I Roundtables held



—Support for balancing work & family—

- Seminars held for employees returning from childcare leave
- +STORY Childcare Salon held
- Family days held etc.

The DE&I Promotion Committee was launched last October. Mr. Goto is the chairperson of the committee and I am the vice chairperson, and we are promoting the DE&I initiative in dialogue with our employees.

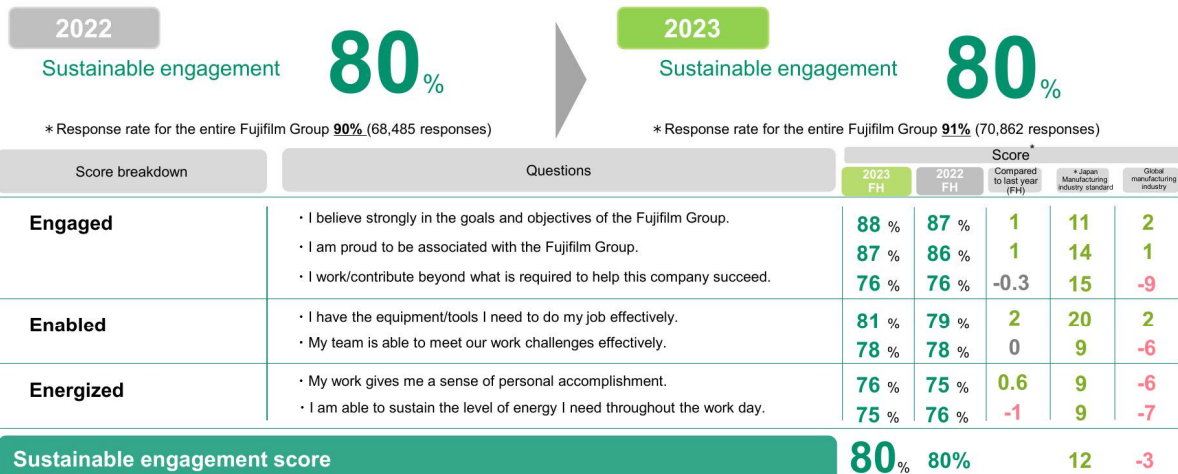
The global DE&I vision is to recognize diverse stories. The +STORY I referred to earlier is also a base of this vision. Our vision is to value an open, fair, and clear corporate culture by firmly nurturing the individuality, values, and experience of each person.

KPIs include raising the ratio of foreign nationals in key positions from 27.8% in FY2022 to 35% by FY2030, raising the ratio of female managers globally from 16.5% to 25%, and raising the ratio of female managers in Japan from 6.9% to 15%. Specifically in Japan, we hold seminars for employees returning from childcare leave and hold family days for both employees and their families to help them feel rewarded, smile, and grow.



## Employee Engagement Survey

Just as in the previous year, the Fujifilm Group received an “overall good result” even when compared to other global and Japanese companies.



\* Scores indicate the percentage of group employees who chose “affirmative responses” (1 or 2 on a 5-tier scale) from among the options available for each question. (1. Agree, 2. Agree somewhat, 3. Neither, 4. Disagree somewhat, 5. Disagree)

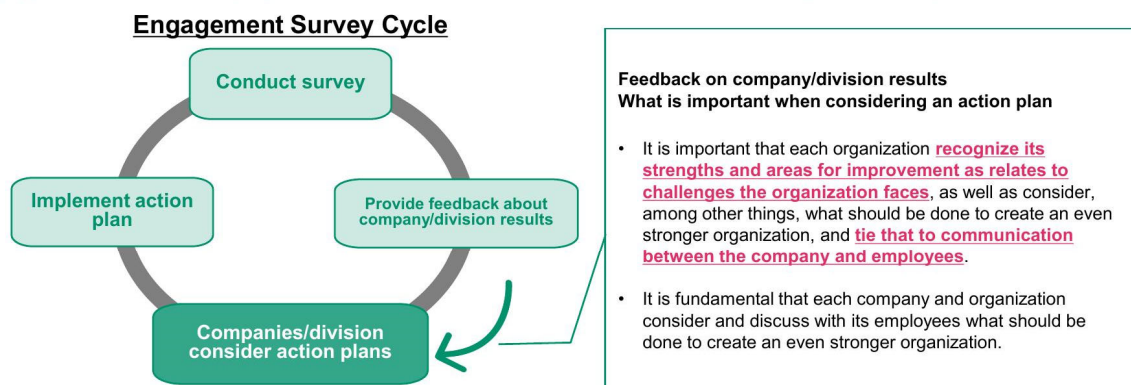
\* Sustainable engagement is defined as a metric having a strong correlation with corporate performance by Willis Towers Watson (WTW), the partner firm that conducted the survey. FUJIFILM Holdings Corporation 34

Engagement surveys leading to organizational development have been conducted since 2022.

We have an indicator called sustainable engagement. 80% of respondents answered positively in 2022. This year's results are also very good, at 80%. We are pleased to see that this figure is higher than the average for the manufacturing industry in Japan.

## Realizing Companies/Workplaces with High Levels of Employee Engagement

We will instill the practice of holding workplace discussions from the first engagement survey as a customary practice and also create a link to the KPI for executives' medium-term performance-linked share remuneration that requires establishment of companies or workplaces with high employee engagement where employees take the lead and want to work at the Fujifilm Group.



Improvements will be made while listening sincerely to comments and concerns of employees in each workplace

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Instead of just being happy or sad, the important thing is to visualize these results in numbers for each workplace and provide feedback. Based on this, we ask each workplace to have a discussion with its employees, and we will go through this cycle so that we can change even one thing and especially so that we

can listen carefully to our employees' voices. The results of this engagement are also set as a KPI for executive compensation, and we are working to put this into practice.

So far, I have talked about the foundation for the transformation of Fujifilm's business, which is for the transformation of employees as well or for the success of each individual employee.

I love my employees and the Fujifilm Group's corporate culture, and I want to carry on this corporate culture. I feel that this corporate culture was not created suddenly after the year 2000, but rather over many years, or since the establishment of the Company in 1963 through the efforts of many senior members of the Company.

## Corporate Culture That Can & Will Be Passed Down

**Fujifilm sought out human resources that tackle change without demanding stability, even in the heyday of photographic film.**

### 1986 Recruiting Pamphlet ("Anti-employment declaration")



We think there are many university students who find it appealing that Fujifilm is a stable company....

**We will be honest. Fujifilm also has problems....**

We are also afraid that a powerful composite product will emerge in the future like an electronic steel camera.

This camera doesn't use film like previous cameras, but records images electrically on a small floppy disk.

**If someday this camera is widely sold on the market, then it will be a big problem for Fujifilm.**

We honestly wrote about the problems that Fujifilm is facing. What are your feelings about this?

Knowing this situation, **will you shy away from Fujifilm? If you do, then we will probably be disappointed in you....**

**Because the company is seeking to deal with problems frankly and find solutions, that has produced a sense of urgency and energy in a good sense.**

Since then, we are thinking about the company's path of development in the future in order to create an even better company....

That is why we want people who are really trying to change Fujifilm....

**Steadfastly demanding from the time employees are hired through their training they acquire the core competencies that are Fujifilm's strength is something which has been passed down in its corporate culture.**

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Here is one episode. This is a brochure of Fujifilm, Fuji Photo Film at that time, when I was exactly job-hunting in 1986. This brochure is aimed at students.

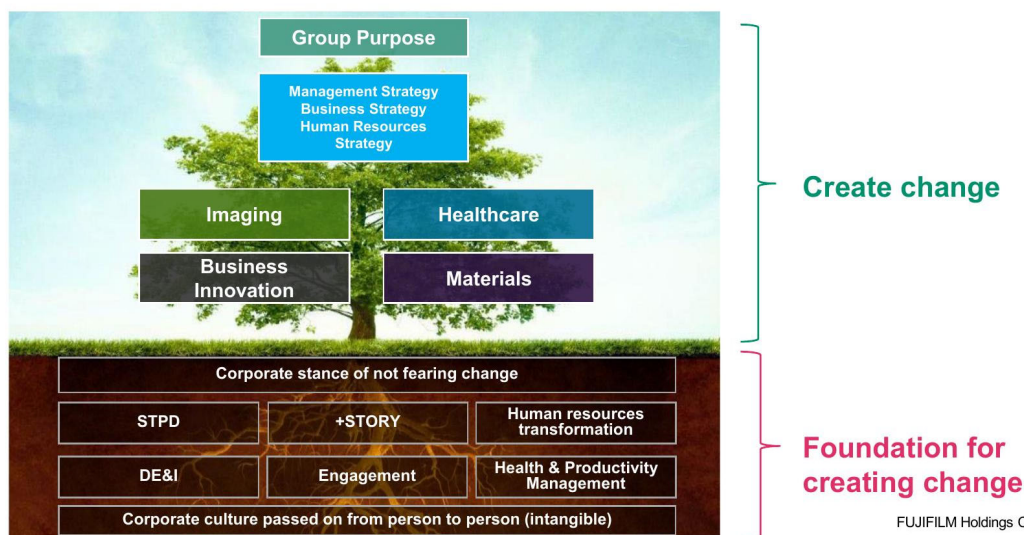
At the time, there were only four companies in the world dealing in photographic film, and in a sense, the Company was stable and very profitable. I think there were a lot of students who were attracted to the Company and applied. However, it is noted here that Fujifilm also has problems. With the advent of digital still cameras, perhaps in the midst of such a major technological revolution, photographic film may cease to be used in the future. If you all shy away when you hear that, we will be disappointed in that. In other words, we don't want those people.

We take the problem in stride and try to solve it. It is in this constant tension to "change" that the Company grows. It said, "We are looking for people who are determined to change Fujifilm." Even in the heyday of photographic film, the Company was seeking this kind of change. We are still working hard on that in hiring.

The core competencies, the strengths I spoke of, were not formed suddenly. By steadily and thoroughly implementing this approach, from recruitment to training, and creating a corporate culture, we have been able to transform our business, and I believe that this is the key to our human resource strategy for future business transformation.

## Foundation for Creating Change

Our corporate culture and employees form the crucial foundation that enables the Fujifilm Group to generate change.



In order to create change, to solve social problems in order to realize our purpose, it is necessary to set the principles in place as a corporate culture by making sure that each employee has absorbed the principles to make the transformation that is taking place in both the employees and the business unwavering. In this way, we will continue to grow and realize our goals by taking care of this changing foundation.

These are my responsibilities, and I will continue to work on these matters throughout the Fujifilm Group. We look forward to your support. That is all.

**Moderator:** Finally, Mr. Nagano, an outside director, will comment on our human resource strategy. After many years of experience in domestic and international insurance sales, corporate planning, and product planning at Tokio Marine Holdings, Inc., Mr. Nagano has been in charge of overseas business and has executed overall group management with strong leadership.

We would appreciate your candid comments from the standpoint of having observed our human resource strategy efforts since your appointment as an outside director of the Company in 2022.

Now, Director Nagano, please proceed.

## Assessment by Outside Director

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### Tsuyoshi Nagano

Director (Outside)



|          |  |
|----------|--|
| Jun 2013 | President & Chief Executive Officer (Representative Director) of Tokio Marine Holdings, Inc.<br>President & Chief Executive Officer (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd. |
| Apr 2016 | Chairman (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd.  |
| Jun 2019 | Chairman (Director) of Tokio Marine Holdings, Inc. (to present)  |
| Jun 2022 | Director (Outside Director) of the Company (to present)  |

- Director Nagano has been engaged in insurance sales, corporate planning, and product planning operations both in Japan and overseas for many years at a major insurance company, where he also has experience in supervising the overseas business. Moreover, he has demonstrated strong leadership in his management of the group as a whole.
- Based on such ample experience and wide range of knowledge, Director Nagano has facilitated reasonable and adequate decision-making by the board of directors by giving useful suggestions and expressing opinions on many aspects of the Fujifilm Group's management at the board of directors meetings, while he proactively provided, from a medium- to long-term perspective, advice on the measures pertaining to the risk management system, instilling corporate culture, and dialogue with stakeholders at the Fujifilm Group.

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**Nagano:** Hello, everyone. Thank you for your introduction. As just mentioned, I was CEO of the Tokio Marine Group from 2013 to 2019, and I have met most of you, or at least most of your companies. I remember those days, and for the first time in a long time, I came here today to enjoy myself.

During my time as president, I always used to tell my employees, "to be a good company" in a very coherent way. In a nutshell, I feel that what the Fujifilm Group is working on is more clearly and very clearly verbalized what I had in mind.

I truly believe now that Fujifilm's initiative is not only something that I hope you will use in your investment strategies, but also something that I believe will be helpful to all Japanese business circles and companies.

Today, I would like to talk about how this Fujifilm's strategy looks like from my experience and what I can see, other than the technical part. I hope to deepen your understanding of the issues by contrasting my talk with Japanese issues and general common sense.

1

**Key to the Fujifilm Group's sustainable growth**

- **Our corporate culture and human resources are elements intrinsic to our foundation**

2

**Confidence and courage to take the initiative strengthen as we encounter experiences that raise our awareness**

- **Practical experience is accumulated** through job rotations to a variety of divisions
- STPD and +STORY **thoroughly enhance fundamental capabilities**

3

**Sharing and collaboration of resources as the four segments work together**

- **Horizontal integration of human resources and technologies** further strengthens all businesses

I will tell you what you are seeing on the screen right now.

I would like to talk about what Mr. Zama has just carefully explained to you from a slightly different angle.

Japan's entire industry must now improve productivity. I think this is a major challenge. In doing so, the world is trying to increase productivity through the mobility of human resources, but I do not think this is necessarily correct. Even with 3.5 million people on the move, salaries have never been higher. In Japan, productivity isn't increasing by moving sideways. That is the reality.

The mission of large companies is to nurture people within the Company and to provide them with opportunities to grow, in other words to provide many opportunities to become aware of issues. If you have had a lot of experience and now want to experience something outside the Company, I don't mind at all if you leave the Company.

Issues for school education is the same as for adult education. To educate people is called education, but I do not think this is quite right. People grow up on their own. The Company is thoroughly committed to such a concept.

However, in order for people to grow on their own, we must provide them with many opportunities for awareness. This ignites initiative and allows people to grow on their own. I feel that Fujifilm's tricks and mechanisms are designed to make this happen successfully.

I think the diagram on page 18 explains it very well. See page 18. There are two axes.

As Mr. Zama mentioned, one axis is job rotation. The Company provides them with diverse experiences. It lets people move around within job titles, business, and technical areas. It lets them try new things, things they have not experienced before at all. The other axis is to let them deepen their expertise more and more as they change locations. The Company lets them experience foreign countries. That's how it lets them broaden their experience. The Company is doing job rotation on these two axes.

When I think back on my own experience, I think this is very good because when faced with a completely new experience, people will always have the ability to catch up to it quickly. It prevents the organization from getting stuck in a rut, and that's where we can break out of the norm, where innovation can come from. I feel this is the source of Fujifilm's transformation.

The Japanese trend is going against this, and there is an argument that transferring is a bad thing. In the process of transferring employees from one place to another, there is actually a tremendous amount of good material for nurturing people, but we are abandoning it and moving them sideways. This is a real waste and a shame.

Another thing I have heard from Mr. Zama before is that Fujifilm does not create or change organizations, but moves people. In other words, it lets the person who has the thought and the soul do it. It is not that there is an organization, but that there are people. That kind of thing has become part of its culture.

If organizations are left alone, they forget their organizational purpose and multiply themselves. However, those who have a clear purpose will surely realize the purpose. Even if you create a new business or a new company, you don't have too many staff members and work by yourself. This is also culture, but I think that kind of thing speaks for itself.

The other axis is, as you mentioned earlier, the axis of learning. This is the principle or principle of action that the Fujifilm Group employees should follow.

STPD has really become a culture, and I believe this is a verbalization of culture. This See, Think, Plan, Do is a verbalization of culture. It is the ability to see the essence, the ability to create real issues, the ability to think for oneself about future issues even if one does not see the issues now, and the ability not to lose sight of the purpose.

The utilization of doctoral human resources is currently in the spotlight in Japan. I believe that the greatest strength of PhD personnel is not only their expertise, but also their ability to find and realize future issues on their own. I think it is amazing that such things are embedded in Fujifilm's efforts.

One more thing, they mentioned earlier about +STORY. I believe this is a verbalization of a challenging culture, a challenging story, I think. They listen to the stories of other people's challenges, gain insights, and replace them with your own. I think this is great. It makes me want to experience and challenge myself in new or unknown fields. This has been tremendously pervasive.

By moving back and forth between these two axes of job rotation and diverse experiences, and learning, the rotational force of the right side of the axis will increase rapidly, and this will drive you to face even bigger and more difficult tasks. I feel that such a way is in place.

Again, what I really feel is that the power of Fujifilmas seen from the outside is a tangible power. This could be technology, product, design, brand, marketing, solution capability, and many other things. I believe, however, that the real power is the power of the people, the power of the culture, the power of the base, and the intangible foundation.

Again, I think it is the power of people and culture that is necessary to see the essence, to create the right issues, to create future issues, to challenge proactively, to work through, to change, and to make changes on our own. I believe that the power of people and the power of culture come together to create the products and technologies that can be seen on the surface.

Without mincing words, I feel that these people can be successful in any industry, even if it is not Fujifilm, because they have a common axis for business. I feel that they are working based on that axis.

In other words, I feel that their business is now concentrated in the four segments where the power of people and the power of culture, which I mentioned earlier, can be most effectively utilized.

I feel that these four segments of imaging, healthcare, materials, and business innovation, the power of people and culture, and the power of film technology created in their ancestral business are being skewered horizontally. Thus, I feel that the four segments are firmly bundled.

Some people who do not understand this may see that they are causing conglomerate discounting. However, rather than discounting, it appears to me that people and technology are collaborating to create a solid synergy. I feel that we need to take a closer look at that.

That is all.

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## Question & Answer

**Moderator [M]:** We will now begin the question-and-answer period.

Mr. Shibano of Citigroup Global Markets, please ask your questions.

**Shibano [Q]:** Thank you very much for organizing this very interesting meeting today. I have two questions.

As you explained today, I have always believed that Fujifilm's strength is its leadership team, which is selected and has diverse experiences. This is due to the fact that in the early 2000s, you experienced the disappearance of your core business, to borrow your expression, and people in positions at the frontlines, whether Ms. Yoshizawa or Mr. Zama, who were in their late 30s or 40s at the time, went through and overcame extremely severe experiences, including structural reforms and business reorganization. I believe the strength of your company is that you have an executive in leadership who has had this experience and understands the need for change.

On the other hand, while I believe that Fujifilm today has such a culture rooted in the Company, it is becoming very sophisticated and better as a whole. It seems to me that real dreadful scenes are not such often seen as 20 years ago. From this perspective, what is missing, or what are the challenges, in order to pass on to the next generation of leadership the experience, determination, and resolve that those of you in your 60s have? If you are aware of such issues, I would like to hear from you.

**Zama [A]:** That's exactly same as my problem recognition, and that's exactly what I have to do.

I am repeating your question, but the generation that has experienced all 30 or 40 years of major changes since the heyday of photo film is now running the Company. On the other hand, some of the employees in the Company have experienced about half of that, and many of our first- and second-year employees came into the Company recognizing that it is exactly the kind of company we have today.

That is one of the main reasons why I wanted to realize something like +STORY. It is quite difficult to pass on such things through systems and mechanisms. I wonder how we must pass on our thoughts and philosophies to the next generation in order to pass on what we have experienced.

Experience is not to be merely an experience, but to be universalized, given meaning, and passed on to the generations that come after us. The younger generation will further nourish that universalization with their own specific experiences. This is probably what is behind +STORY. I think we have to do those things properly.

However, one of the challenges is that while we have been able to shape this in Japan, including at group companies, to be honest, in order to convey such a mindset globally, there are issues such as differences in the employment environment and values.

However, as far as I have discussed with employees all over the world working in the Fujifilm Group and with HR overseas, there are many employees who are very much in favor of the culture that Fujifilm has cultivated up to now. I believe that our challenge and mission is to pass on to the next generation what we have experienced throughout our history, while deploying this globally.

**Shibano [Q]:** I would like to ask Director Nagano my second question.

I listened to your very energetic explanation of Fujifilm's good points with great interest. In particular, at the end, on page 18 of the document, you talked about building core competencies, and that in a sense the conglomerate's strength is because of this kind of structure. I would also like to give feedback to the IR people



later on, that this is exactly what I would like to use for discussion. Mr. Nagano has already pointed this out to me, and I listened with interest.

Mr. Nagano mentioned a great many good points. What challenges, if any, do you see when compared to other companies and other initiatives? If not, that's fine, but if there are any, I was hoping you could point them out or introduce them to us.

**Nagano [A]:** I thought I would probably get those questions. Your first question is similar to that. Will they continue to be a challenger and how can they pass it on to the next generation without becoming defensive? This is as answered by Mr. Zama.

Speaking of challenges, this is not unique to Fujifilm, but the organization is expanding rapidly. They are doing M&A and expanding overseas. In such a situation, I am worried if this culture and corporate culture became a mere facade. I think this is something every company experiences. I don't think there is one solution to this, I think this is an endless journey. They have to do many things.

The basis for this is dialogue, as Mr. Zama just explained, and systems and mechanisms alone are not enough. They need to communicate these thoughts and feelings based on dialogue. They will also make employees aware of this on their own as they experience new areas as they have in the past. They should not teach them, but make them aware. It is important how much they can create such a place.

Another thing I think is important is how to address diversity within the Company, including start-ups and mid-career hires, as well as the diversity of people from overseas.

How do you establish the strength of your human resources or cultural strengths when you make large M&A deals with people overseas? This is a very difficult challenge, in my opinion.

Compared to Japan, the retention rate within a company is small to begin with overseas. By establishing this culture in such a context, there are many opportunities to make the Fujifilm Group such a group where rather good people can stay for a long time. Conversely, this in turn becomes an advantage in global business. This is one challenge I see. The challenge is how to make this culture take root globally.

The other is how to properly carry on the succession of core human resources overseas. I think that is one major challenge they are facing.

**Moderator [M]:** Next, Mr. Shimamoto of Okasan Securities, please ask your question.

**Shimamoto [Q]:** On page 30, there is a clear description of how the overseas subsidiaries, FUJIFILM Corporation and FUJIFILM Business Innovation Corp., will develop human resources to lead at each level. At a certain level, the plans get mixed up, making trainees directors and then CEO.

When people from each of the businesses join the management team, what kind of management axis and what kind of management content is needed to make good decisions for the Group as a whole? Can you give us some specifics about the training program?

**Zama [A]:** Regarding the management axis, Messrs. Goto and Sukeno will naturally participate as the heads of this management school. As stated, the training is about management literacy of the Fujifilm Group and how to improve conceptual skills in practice.

We are attracting people who are highly conceptual in their respective businesses. Over the course of a year, they will consider what the Fujifilm Group's current essential issues are and what they should do to solve them when they become the top manager, either with themselves or in a discussion with about 20 people

who usually gather. The management school is not a formal program, but is based on the very dojo-like approach of learning and thinking about things as you learn by yourself.

It is also stated that liberal arts training is provided to the section heads, which is one key element.

In the axis I mentioned earlier, I mentioned only the way they work within Fujifilm. However, a person who will become a manager of Fujifilm needs to have his or her own axis to the world. No matter how much breadth of experience is required, it does not mean that you will be at the top with experience in all businesses and functions. In order to hone one's ability to judge what one has not experienced, it is necessary to create a proper foundation for one's own view of the big picture, history, and so on. To do this, they will spend a year reading difficult books on religion, philosophy, history, et cetera, while working, and spend a day in discussion with top intellectuals in their field.

In this way, people in their 30s who have acquired business fundamentals and human skills based on MBA knowledge can then hone their conceptual ability for the Company as a whole at the management school. This concept is systematized in this way.

**Shimamoto [Q]:** The triangle of FUJIFILM Corporation and FUJIFILM Business Innovation Corp. is divided. Is it because of the different predecessors?

**Zama [A]:** Yes. Management schools are common. We dare to basically separate them now because we want to pool a certain amount of personnel at the section head level and at the general level, and we want to nurture them. However, we have discussed that, in the future, it would be better for the section chiefs to join together in discussions.

**Moderator [M]:** Next, Mr. Katsura from SMBC Nikko Securities, please ask your question.

**Katsura [Q]:** Thank you very much for your very interesting explanation today. I have two questions. The first question is for Mr. Zama, and the second is for Ms. Yoshizawa.

It is about aligning vectors between different stakeholders. Earlier, Mr. Nagano mentioned "discounted." Please tell us if there have been any changes in your approach to compensation over the past 5 or 10 years in terms of how you link your company's corporate value to the market, so that the market side can properly evaluate your company's corporate value.

**Yoshizawa [M]:** Are you talking about compensation and incentives?

**Katsura [Q]:** Yes. What are the compensations and returns on performance? Also, now that I understand each +STORY, please tell us about the changes in the system for evaluating them.

**Zama [A]:** Regarding evaluation, we basically use two axes, one is to evaluate whether the role has been well fulfilled, and the other is to measure performance. We have not changed that significantly. In making this evaluation, we continue to work on properly establishing the STPD for the issues.

However, in the context of market value, I believe it is very important for the Company as a whole to properly recruit and retain personnel in the IT field these days. We have been offering positive incentives to certified personnel as part of our certification program for excellence in IT and AI. We are implementing this as one major incentive.

**Katsura [Q]:** As a follow-up question to that, regarding the ratio of foreign national employees in key posts and the ratio of women in management positions in the upper right corner of page 33, I would like to know if there have been any changes in compensations or evaluation methods to raise this among the management level.

**Zama [A]:** Although it is not tied to specific compensation, we are now trying to implement a scheme to grant equity compensation to foreign key personnel, for example. I think one such incentive will be created in the future.

Although not an incentive, we have been working for the past few years to encourage women to work at Fujifilm for a long time and to balance work and private life while staying with the Company. Rather than specific evaluations, we are implementing the +STORY dialogue I mentioned earlier, in which supervisors understand the life events of their subordinates, regardless of whether they are women or men.

We have been working for the past several years to have supervisors present at seminars and training sessions to help employees develop an awareness of the need to balance work and family life.

**Katsura [Q]:** Second, I would like to ask Ms. Yoshizawa. The Company has set a target of 25% for women in management positions in the Group and 15% in Japan by 2030. This is probably a relatively high target domestically, while you should aim for higher level globally.

If you have any mechanism that has been created or is being created to raise this level in your past experience, please introduce it to us.

**Yoshizawa [A]:** These target figures were drawn up through discussions with Mr. Zama when I was involved in human resources myself. Some said that 15% in Japan is difficult yet. The population of my generation is small, but the population is growing considerably, as I believe that this is the demographic that will be the target of the position holders in the coming 2030s.

The most important thing is to keep the excellent girls, and not only girls who have joined the Company, working with high motivation and staying at the Company. As Mr. Zama mentioned earlier, we need to have a system that the Company can back up well so that life events do not hinder the succession, or even if an employee is at cruising speed for a moment when a life event occurs, they can overcome it and speed up again, and we also need to communicate such expectations.

I also believe that the most important thing is to look at the individual. Earlier, I mentioned entering cruising speed, but some people do not want to change to cruising speed, and the timing at which you want to speed up from cruising speed is totally different for each person. It is no good to be frustrated because you want to work more but are held back, or to be forced to work like a horse even though it is hard for you. Therefore, I believe it is extremely important to look at each individual and respond to them.

I now believe that the fact that we have been able to shape a system like +STORY in recent years will help us achieve our goals in the future.

**Katsura [M]:** I strongly felt that if I was a stakeholder, an employee, I would want to make a very good company. Thank you very much.

**Moderator [M]:** Next, Mr. Nakanomyo from Jefferies, please ask your question.

**Nakanomyo [Q]:** After watching today's presentation, as Director Nagano mentioned at the end, I also thought that this framework is a very good one that should be introduced by all Japanese companies. On the other hand, if I were a newcomer, I would feel that this company is a bit of a hurdle for someone like me and would shy away. However, since you recruit nearly 100 people each year who do not think that way, perhaps there is no such problem.

In short, has this framework been accepted in an effective rather than formal way by today's younger generation or by those in foreign companies that you acquired?

**Zama [A]:** I understand that this is not the trend in the world, but as human resources people, we do not want to do the same thing as everyone else, and we want to stick to this in terms of human resources as a differentiation of the Company.

When we ask young people we hire at interviews, the number one reason for joining Fujifilm is the human resources, and the second reason is the corporate culture.

When I talk to students, I don't talk much about the business or about the tree tops I mentioned earlier. I don't want to say what is on the website. On the contrary, we talk about STPD and +STORY as a foundation. As a side note, internships are now the main way for new graduates in Japan, and we are using STPD for this as well. Moreover, we are doing this by asking students to raise their own student issues and transforming them into a program that sublimates them into essential issues through STPD.

It may be the premise for us that it is a group of people who sympathize with Fujifilm in that way. I believe that we are still attracting talented people who want to work within Fujifilm's corporate culture, and I believe that we are attracting such people, so we would like to continue to do this through and through.

**Nakanomyo [Q]:** What about when the culture changes one day, as in the case of an acquired foreign company?

**Zama [A]:** I think the hurdle for changing jobs, or rather businesses, is probably higher overseas. However, there are also many people who very much like to broaden their experience even though the job is the same, for example, in Denmark or the US, in CDMO or FDB (Subsidiary companies of Bio CDMO), or in quality assurance or finance in the functional axis.

The STPD concept is conveyed in the form of e-learning, for example, no matter in which region you have joined the Group, and workshops are held at FUJIFILM Irvine Scientific, Inc. (Subsidiary company of Life Science), which we acquired. All of our international employees have been very proactive in making issues their own issues, and I would like to believe in this.

**Nakanomyo [Q]:** The second point is about page 22. I want to understand the actual situation a little more concretely. When you have this kind of dialogue, do you ever get into arguments that the given theme itself is not right or that the higher purpose itself is not satisfactory?

**Zama [A]:** I think there are probably such cases. However, the Fujifilm Group has been greatly supported by everyone, and if the direction we are heading in is not mistaken, I believe that we will not miss the target by a large margin when we break down downward. However, when the direction is wrong, I think it is important to talk about it properly until both parties are satisfied.

**Nakanomyo [Q]:** There is rather such a dialogue going on?

**Yoshizawa [A]:** Our culture is such a culture.

**Zama [A]:** Yes, that's right. From the time employees are young, in their first or second year with the Company, we constantly ask them if the theme is an issue for them and what they think about it, and I feel that they have been working while accepting these questions.

**Moderator [M]:** Now that the ending time has come, we will conclude the briefing. Thank you very much for your participation today.

[END]

**Document Notes**

*Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*