



Environmental Strategy Briefing
The Fujifilm Group's Environmental Strategy

April 13, 2022
FUJIFILM Holdings Corporation

Today's agenda

Environmental Strategy Briefing- The Fujifilm Group's Environmental Strategy

1

The objective of today's briefing

Chisato Yoshizawa

Executive Officer and General Manager of Corporate Communications Division and ESG Division

2

The Fujifilm Group's vision and ideals

Kenji Sukeno

Chairman, Representative Director and Board Chairman

3

Initiatives for building a decarbonized society

Yasufumi Nakai

Group Manager of Ecology and Quality Management Group, ESG Division

1. The objective of today's briefing

The objective and positioning of today's briefing



Providing information about the Fujifilm Group's basic approach to ESG

Providing information about the Fujifilm Group's environmental strategy reflecting new decarbonization targets announced in December 2021

Continuing to provide information about the Fujifilm Group's ESG initiatives for achieving sustainable growth and enhancing corporate value

Information shared in the previous ESG Briefing

Reflecting on focuses at the first ESG Briefing (February 19, 2019)

■ Positioning ESG at the core of corporate management as the established business philosophy

The long-term CSR plan, “Sustainable Value Plan 2030 (SVP2030),” is deployed to and promoted at all business fields through the medium-term management plan, which is a specific action plan for achieving the goals in SVP2030.

■ “Offering value to our society” and “contributing to business performance” at the same time

■ Continuously “drawing up and implementing a growth strategy” that reflects social issues and “managing risks”

Main focuses of today's briefing

Main focuses of the Environmental Strategy Briefing

- **Environmental considerations, conservation, and communication with local communities form the foundation of corporate activities.**
- **The Fujifilm Group undertakes business activities with equal emphasis on paying consideration to the environment in business processes and solving environmental issues through business activities.**
- **In order to help build a decarbonized society, the Fujifilm Group has adopted the “Green Value Climate Strategy,” which highlights the need to promote “Green Value Manufacturing” (production activities with a lower environmental impact) and create / promote “Green Value Products” (products and services with excellent environmental performance).**

2. The Fujifilm Group's vision and ideals

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The Fujifilm Group's vision and ideals

We will use leading-edge, proprietary technologies to provide top-quality products and services, thereby working on resolving social issues through business activities and contributing to the realization of a sustainable society.

*Referring to the reduction of CO2 emissions attributable to energy used by Fujifilm (Scope 1 + 2)

The CO2 emission reduction goal across product lifecycle, to be achieved by FY2030, is 50% reduction from the FY2019 level.

**VISION
2019**

Revenue 2,315.1 billion yen
Operating income 186.6 billion yen
CO2 emission reduction 25% (from FY2013 level)

**VISION
2023**

Revenue 2,700 billion yen
Operating income 260 billion yen
CO2 emission reduction 11% (from FY2019 level)



Medium-term management plan that stipulates a specific action for achieving SVP2030 targets

**Sustainable
Value Plan
2030
(SVP2030)**

Revenue 3,500 billion yen+
CO2 emissions reduction 50% (from FY2019 level)
(Reference) 65% (from FY2013 level)

Outlining tasks and targets in four priority categories (environment, health, daily life and work style) and two categories that form the foundation of business activities (supply chain and governance), to be addressed through “resolving social issues through business activities” and “considering society and the environment in our business activities”

Resolving social issues through business activities

Priority areas		Business segments	SDGs goals
<div style="background-color: #90c040; color: white; padding: 5px; text-align: center; font-weight: bold;">Environment</div> <ul style="list-style-type: none"> • Address climate change • Promote recycling of resources • Address energy issues • Ensure product and chemical safety 	Explained this time	Healthcare Materials Business innovation Imaging	
<div style="background-color: #4db6ac; color: white; padding: 5px; text-align: center; font-weight: bold;">Health</div> <ul style="list-style-type: none"> • Reduce healthcare disparities and build a healthy society through the global provision of leading-edge products and services in all areas of prevention, diagnosis and treatment 		Healthcare	
<div style="background-color: #b39ddb; color: white; padding: 5px; text-align: center; font-weight: bold;">Daily life</div> <ul style="list-style-type: none"> • Contribute to the creation of a safe and secure society that promotes DX through the development and delivery of highly advanced materials • Contribute to enriching and making people's life peaceful through the development and provision of high-quality and high-performance products and services in the field of photography and videography 		Materials Imaging	
<div style="background-color: #e91e63; color: white; padding: 5px; text-align: center; font-weight: bold;">Work style</div> <ul style="list-style-type: none"> • Contribute to social change where every person is motivated in the workplace through global provision of products and solutions that increase productivity and creativity creating 		Business innovation	

The Fujifilm Group's approach to the environment

Environmental approach – Corporate DNA since foundation

- Clean water and air are essential for manufacturing photographic films, the origin of Fujifilm's business foundation
- Photographic films cannot be tested before shooting. Photography captures precious moments in life that would never be repeated.

People are buying “reliability” when buying photographic films Gaining trust from stakeholders is crucial

Since our foundation, we have positioned

- Environmental considerations and conservation
- Communication with local communities

as factors that **form the foundation of corporate activities**



Watershed and protection forest near the Ashigara site of Kanagawa Factory

The Fujifilm Group's approach to the environment

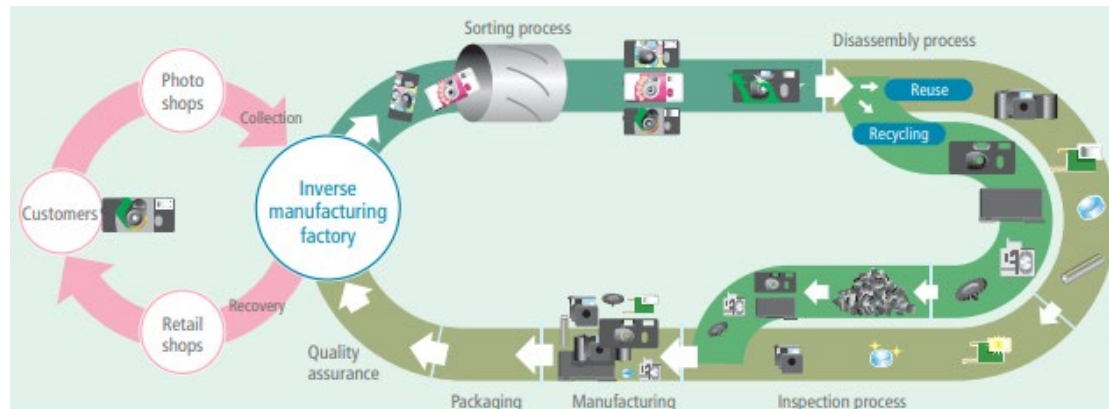
Since the early days, the Fujifilm Group has embraced the concept of resource recycling and chemical safety assurance at the heart of business activities for environmental considerations and conservation.

【Example】 Recycling-based production of QuickSnap, film with lens

In 1998, Fujifilm established a recycling-based production system for QuickSnap to implement 3R (reduce, reuse and recycle).

Sustainable recycling-based production and environmentally-considerate design with a long-term perspective
 ⇒ “Considerations for the future of the environment” embedded in the Fujifilm's Group's business activities

Recycling-based production system for QuickSnap



*The above recycling-based production system is currently in operation in the United States with changes to some processes.

Environmentally-considerate design of QuickSnap

- Minimizing the number of parts
- Designing parts so that they can be used in multiple models
- Eliminating the use of screws and adhesives in product design on the premise of recycling

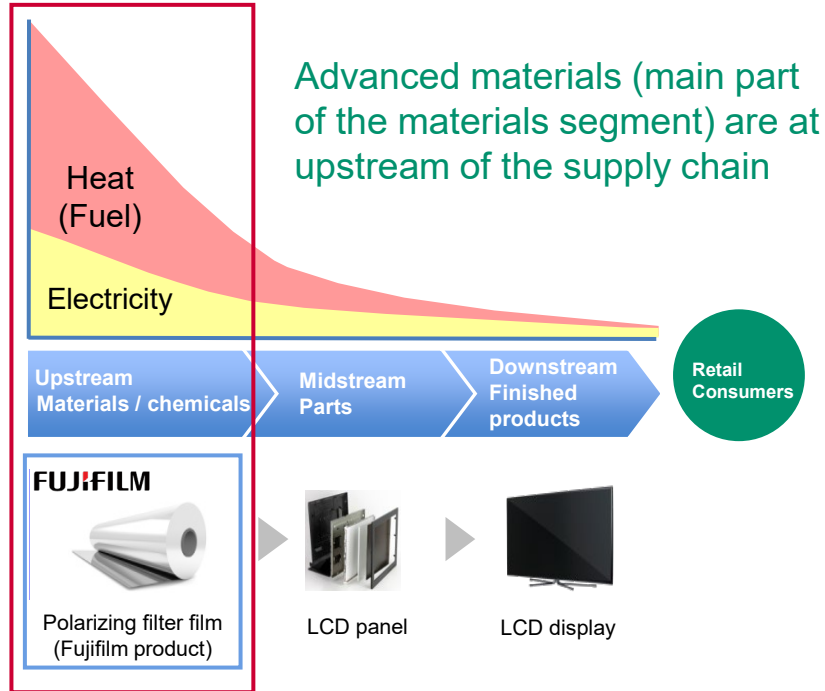
Early environmental initiatives

- 1975 Setting up a testing organization for the safety assessment of chemical substances
- 1998 Launching a recycling-based production system for QuickSnap-branded film with lens

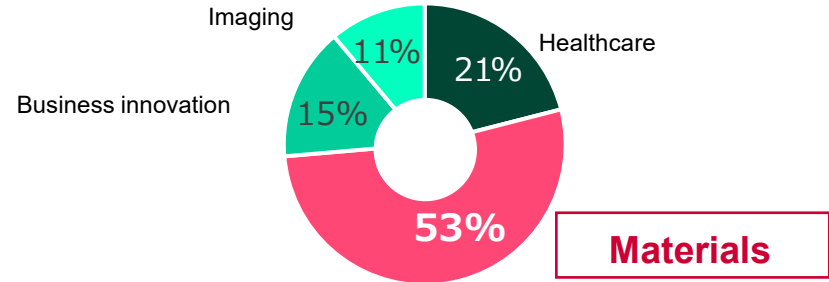
Significance of the Fujifilm Group's environmental initiatives

The Fujifilm Group is fulfilling its responsibility as CO2 emissions reduction is a crucial initiative for the materials / chemicals industry, which is upstream of the supply chain.

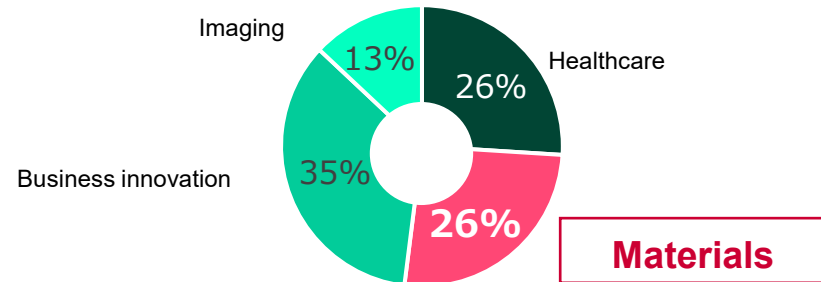
Energy requirement in the supply chain



Breakdown of CO2 emissions in the manufacturing stage (FY2020 actual)



Revenue breakdown (FY2020 actual)



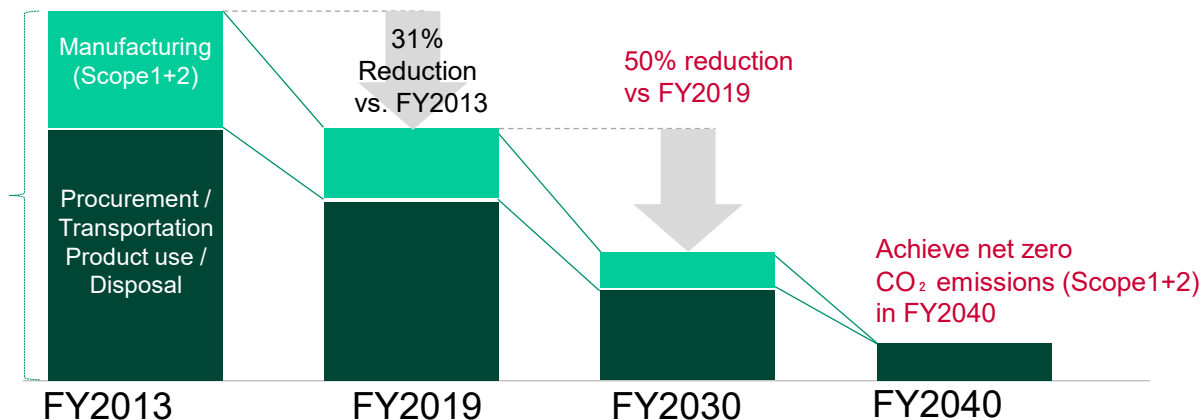
New CO₂ emissions reduction targets

① CO₂ emissions from manufacturing (Scope1+2*)

Target: Achieve net zero CO₂ emissions in FY2040
 (Previous target: FY2050)
(Achieve 50% reduction compared to FY2019 level in FY2030)

② Reduce CO₂ emissions across entire product life cycle

Target: 50% reduction compared to FY2019 levels by FY2030
 (Previous target: 45% reduction compared to FY2013 levels)



*Scope 1: Direct emission of greenhouse gases (during fuel combustion, industrial processes) by the business operator
 Scope 2: Indirect emissions through the use of electricity and heat/steam supplied by other companies

New environmental strategy

Policy for achieving decarbonization targets

Rather than merely withdrawing from business operations with large CO2 emissions, the Fujifilm Group will strive to reduce carbon in existing businesses and develop / supply low-carbon solutions to help build a decarbonized society while fulfilling supply responsibility in areas with social needs.

New Environmental Strategy “Green Value Climate Strategy”

1. Promoting “Green Value Manufacturing” (production activities with a lower environmental impact)
2. Creating and promoting “Green Value Products” (products and services with excellent environmental performance)

Past general tendency

Energy-efficient and resource-saving initiatives that lead to cost reduction



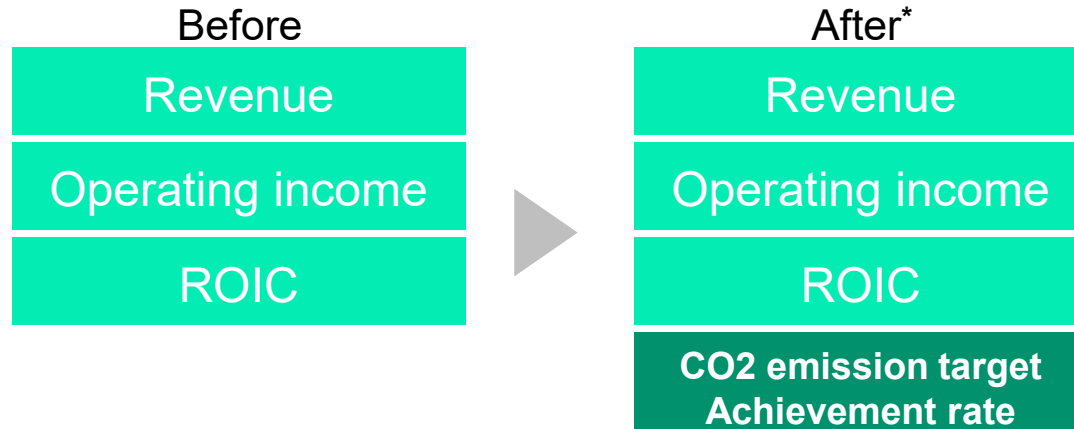
The Fujifilm Group’s approach

Making necessary investments for decarbonization to achieve sustainable growth
(Using ICP in investment decisions)

Reflecting decarbonization targets to performance-based remunerations

To boost the effectiveness of achieving new targets, the Board resolved, in a meeting held in March 2022, to reflect the progress in CO2 emissions reduction target, to the part of remunerations linked to medium-term performance. (Incorporating ESG indicators to directors' remunerations)

- Consolidated performance KPI to be linked
CO2 emissions attributable to energy used by the Fujifilm Group (Scope 1 + 2)
FY2023 target: -11% (from FY2019 level)



*The period for measuring performance corresponds to that of mid-term management plan (3 years from FY2021 to FY2023 initially)

3. Initiatives for building a decarbonized society

New environmental strategy "Green Value Climate Strategy"

1. Promoting "Green Value Manufacturing" (production activities with a lower environmental impact)

① Achieving carbon-neutral production (☞ P20-24)

Converting to electricity generated with renewable energy

Introducing and applying fuel technology that effectively eliminates CO2 emissions

② Contributing to reducing CO2 emissions in society through contract manufacturing

Using factories capable of carbon neutral production to cater to external manufacturing needs

③ Developing new production processes with significant effectiveness in reducing CO2 emissions

Example: Flow synthesis*

*A chemical synthesis method that continuously feeds chemical substances through a fine tube measuring several hundred microns – several millimeters in diameter to mix them to initiate a chemical reaction. It enables precise control of chemical reaction.

2. Creating and promoting "Green Value Products" (products and services with excellent environmental performance) (👉P26)

① Reducing CO2 emissions across product lifecycle (👉P27-28)

Reducing CO2 emissions in production stages from raw material procurement to manufacturing, transportation, usage and disposal

② Contributing to CO2 emissions reduction in society (👉P29-30)

Introducing new products / services with better environmental performance and switching from previous systems to reduce customers' CO2 emissions

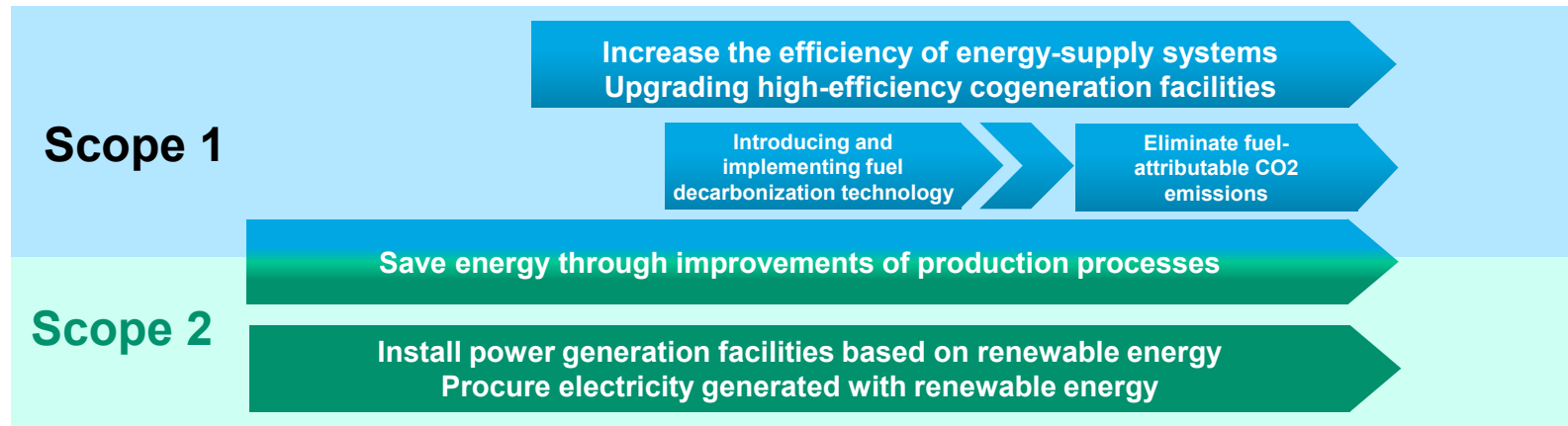
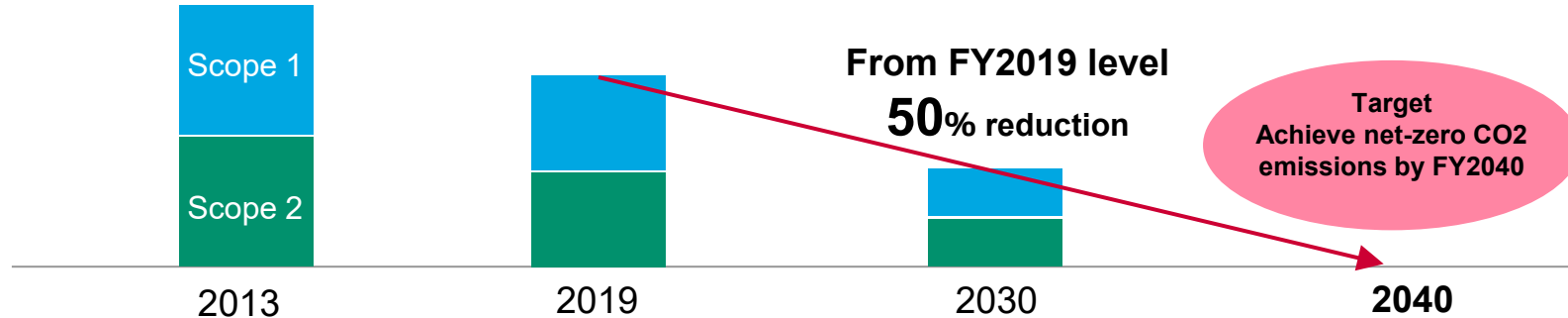


Setting separate targets for each of the business fields in promoting initiatives

- ① **Businesses that release significant CO2 during manufacturing and are expected to make a major future growth**
⇒ Pursuing carbon neutral production
- ② **Businesses that release significant CO2 during material procurement and product use**
⇒ Promoting the procurement of low-carbon materials and resource recycling, and improving energy-saving performance
- ③ **Businesses that have a significant effect in contributing CO2 emission reduction in society**
⇒ Promoting the use of such products and services

Achieving carbon neutral production

Roadmap toward effectively reducing CO2 emissions by FY2040



Decarbonizing electricity

Introducing the use of renewable energy globally

- Analyzing business sites' social and geographical factors
- Evaluating supply capacity, supply stability and economic viability based on candidate sites' business processes
- Incorporating supply possibility of renewable energy as a criterion in selecting the site for M&A and factory development

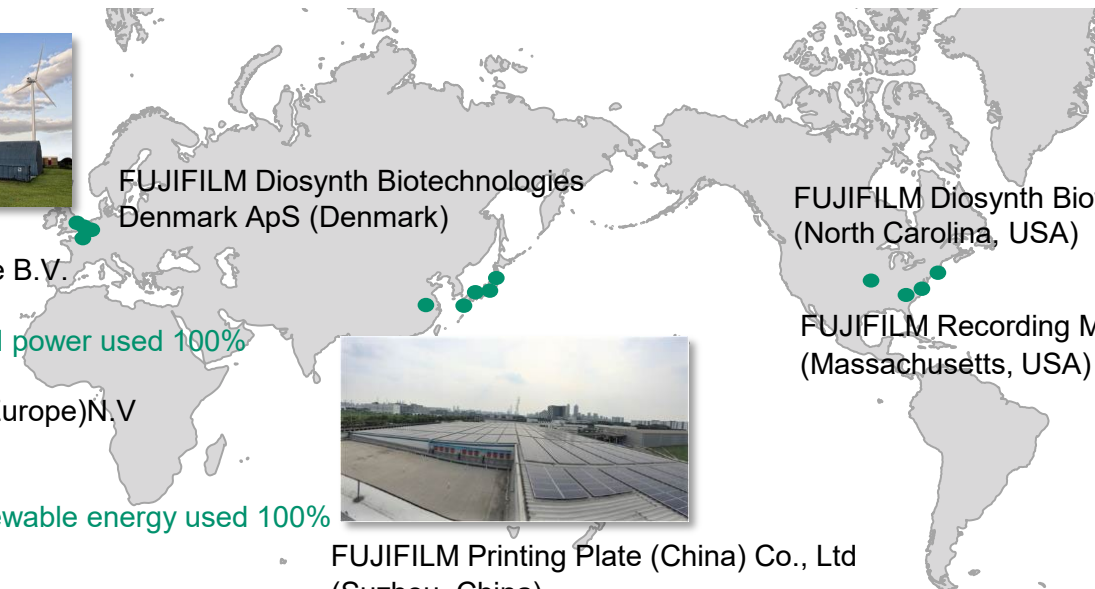


FUJIFILM Manufacturing Europe B.V.
(Netherlands)

● Electricity generated with wind power used 100%

FUJIFILM Electronic Materials(Europe)N.V
FUJIFILM Belgium NV.
(Belgium)

● Electricity generated with renewable energy used 100%



FUJIFILM Diosynth Biotechnologies
Denmark ApS (Denmark)

FUJIFILM Diosynth Biotechnologies U.S.A., Inc.
(North Carolina, USA)

FUJIFILM Recording Media U.S.A., Inc.
(Massachusetts, USA)

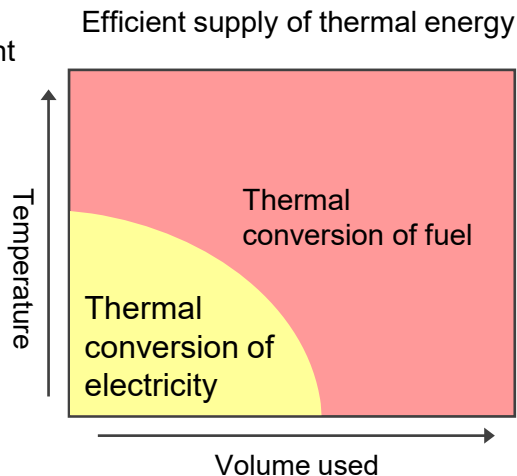
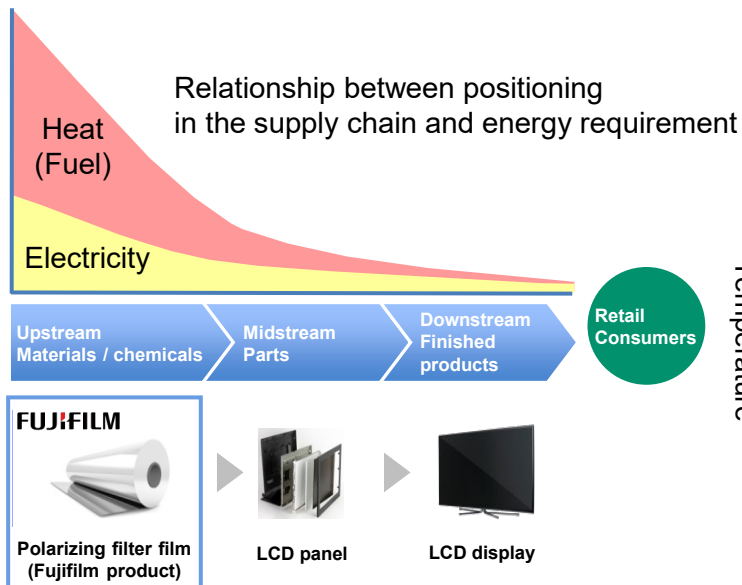


FUJIFILM Printing Plate (China) Co., Ltd
(Suzhou, China)

Decarbonizing fuel

Common challenges of the materials industry using high-temperature processes

- The materials industry is at the upstream of supply chain.
- High-temperature steam is required when producing and drying advanced films.
 - “Fuel” is more efficient than “electricity” to generate high-temperature steam.
- “Decarbonization of fuel” is essential to achieve carbon neutrality in manufacturing.



Natural gas cogeneration system (Fujinomiya Factory)



Promoting initiatives through collaboration with other companies

Decarbonizing fuel that is essential in producing advanced films

- Positioning main production sites for advanced films, namely Kanagawa Factory's Ashigara Site and Fujinomiya Factory, as “**carbon neutral model plants**” to introduce and implement the use of fuels that do not generate CO2 emissions, such as hydrogen and synthetic methane.

- Announced on March 29, 2022

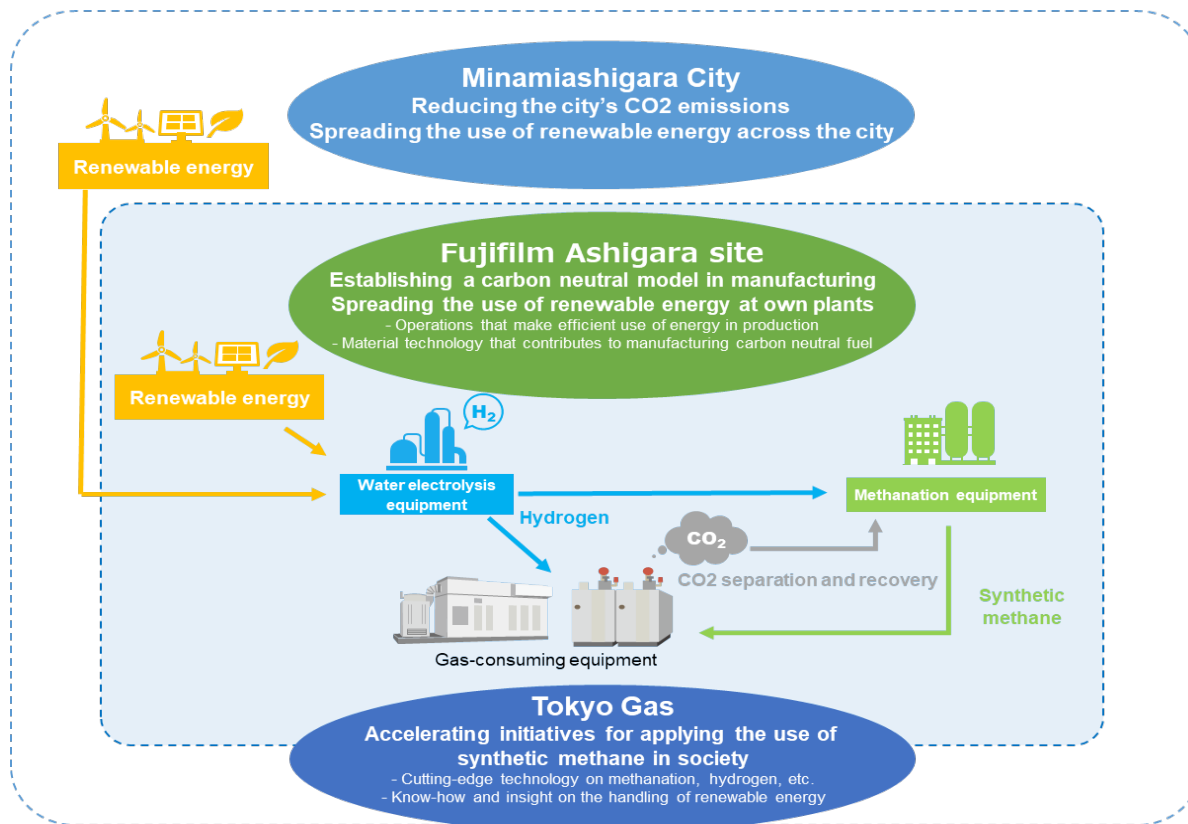
Fujifilm, Tokyo Gas and Minamiashigara City sign a comprehensive partnership agreement for building a decarbonized society

Moving toward establishing a zero-carbon model in manufacturing



Promoting initiatives through collaboration with other companies

Diagram of a carbon neutral model in manufacturing



【Methanation】
Technology that uses chemical reaction between hydrogen and CO₂ to generate methane, the main component of city gas. CO₂ to be released by using the synthesized methane is offset against CO₂ that is separated and collected. This means using gas produced through methanation does not increase CO₂.

- **Applying internal carbon pricing to capital investments, M&A, renewable energy procurement, etc. to promote low-carbon investments**
 - **Commencing administration from FY2022**
- **Setting internal carbon pricing based on the carbon price of EU's emissions trading system**
 - **FY2022 ¥11,000/ton-CO₂**
- **Having the ESG Committee monitor and assess the administration status for review by the Board of Directors**

Creating and promoting Green Value Products

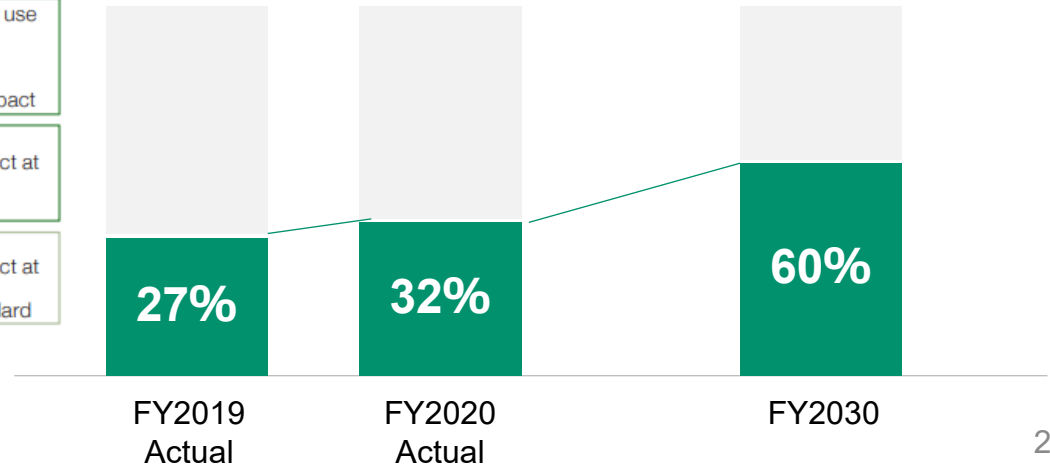
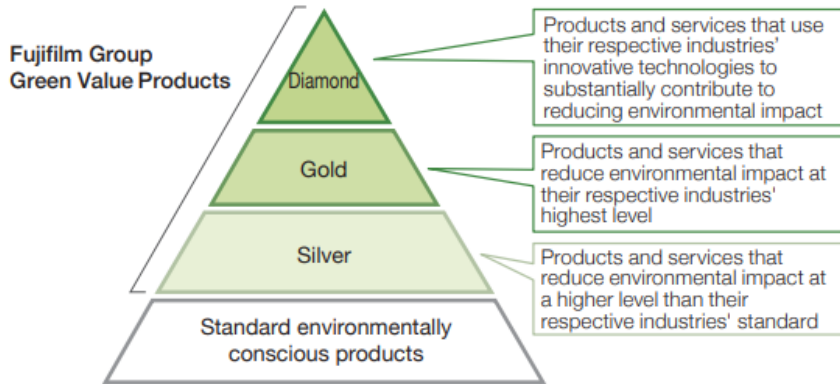


- Applying environmentally conscious design to all products and services: 2002 onwards

***Addressing climate change, promoting resource recycling, reducing hazardous materials, finding alternatives for them, and reducing waste**

- Products and services that meet certain criteria concerning environmental consideration are disclosed as “Green Value Products”: 2018 onwards

Raising the revenue ratio of certified environmentally-considerate products “Green Value Products” against company-wide sales to 60% by FY2030



Reducing CO2 emission across product lifecycle

Product lifecycle

Procurement, manufacturing, transportation, product use, disposal

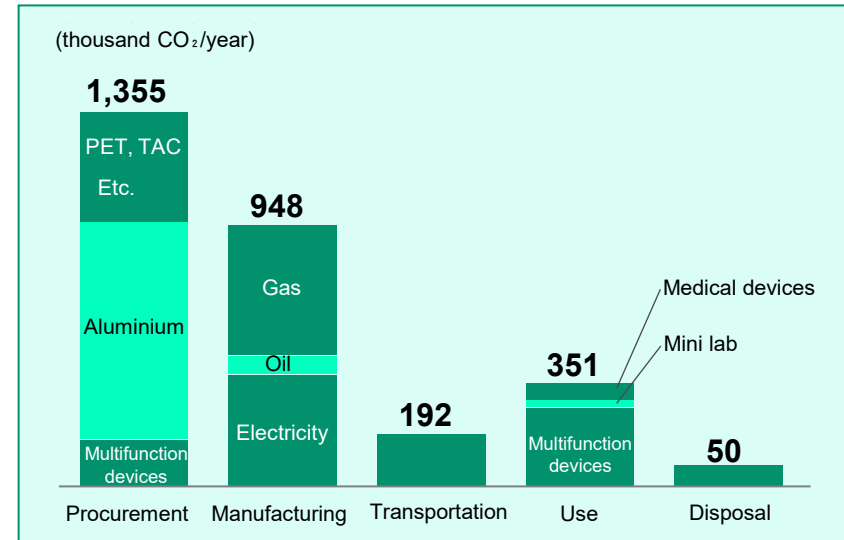
= Scope 1 + Scope 2

+ Scope 3 in categories with significant contribution
(Procurement, transportation, product use, disposal)

< Emission reduction measures >

- | | |
|------------------|--|
| ■ Procurement | Promoting the recycling of raw materials
Reinforcing collaboration with suppliers |
| ■ Manufacturing | Promoting Green Value Manufacturing |
| ■ Transportation | Streamlining transportation |
| ■ Product use | Providing energy-saving products |
| ■ Disposal | Recycling waste
Developing products that generate less CO2 emission at the time of disposal |

CO2 emission by stage of product lifecycle (FY2020)



Target

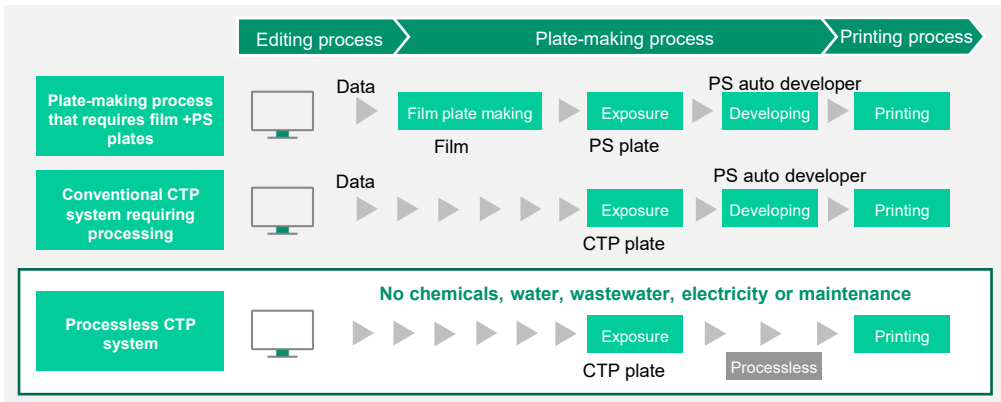
Reducing CO2 emission across product lifecycle

50% reduction (from FY2019 level) by FY2030

Reducing CO2 emission across product lifecycle (Product examples)

Fully processless thermal CTP plates for newspaper printing (Graphic Communication business)

- Eliminating the use of chemicals and electricity previously required in conventional plate development
- Using control technology to eliminate protective paper on the rear side of plates
- “Closed-loop recycling” for aluminium, which is the main raw material



Multifunction devices (Office Solutions business)

- Using power-saving technology to reduce CO2 emissions attributable to power consumption, compared to previous models
- “Closed-loop system” for effectively utilizing spent products as resources



【Power-saving technology】

- LED printhead
- Super EA-Eco toner, which fuses and fixes at lower temperature

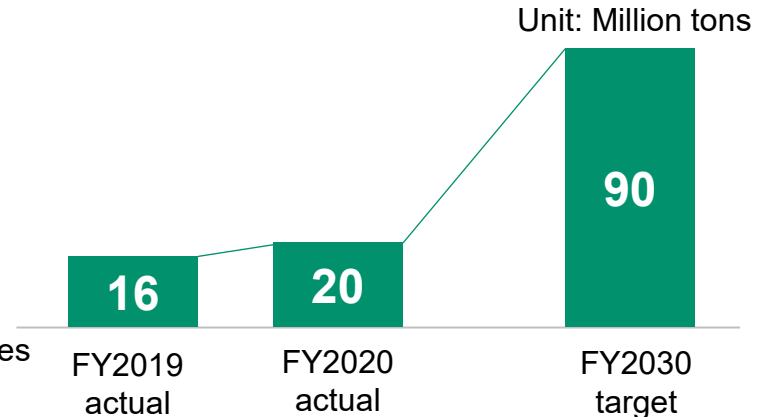
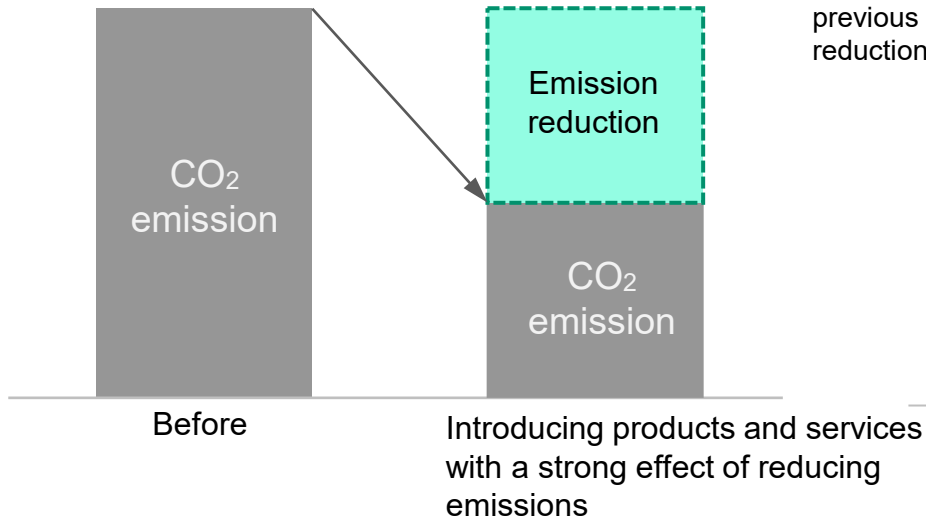
Contributing to CO2 emission reduction in society

Providing products and services with a high level of CO2 reduction effect

- Business solutions that reduce the movements of people / goods, time and use of resources
- Low-energy method of saving data
- Highly energy-efficient devices and products

Target
Contributing to reducing CO2 emissions in society by cumulative total of 90 million tons*
(Contribution more than double the amount of cumulative emission by Fujifilm)

*Target for contributing to CO2 emissions reduction in society by replacing previous products with Fujifilm's products and services with enhanced CO2-reduction effects (cumulative reduction since FY2017)



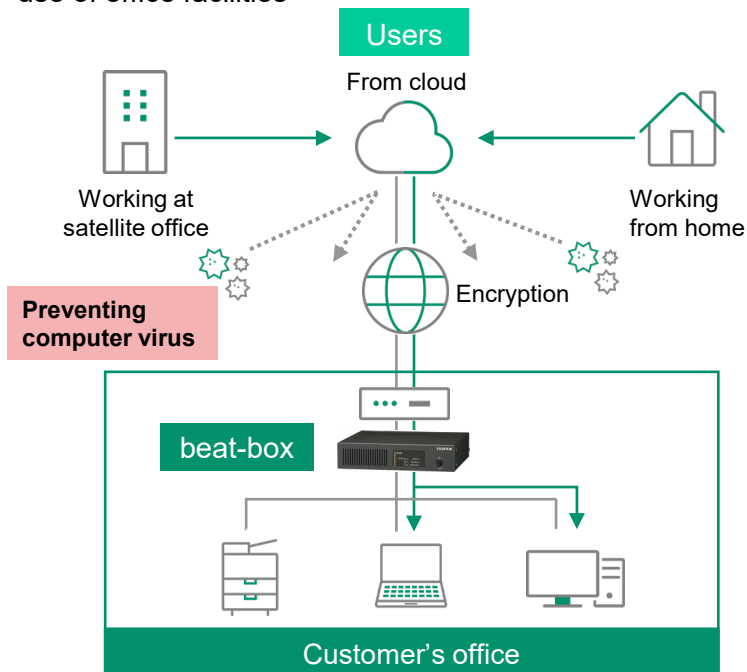
Contributing to CO2 emissions reduction in society

(Product examples)

Telework solution “beat”

(Business Solutions business)

Facilitating the introduction of remote work, thereby reducing CO2 emissions attributable to human movements and the use of office facilities



Data archive storage system / Magnetic tape LTO9

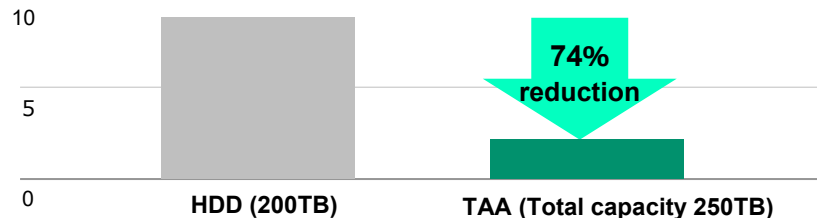
(Recording Media business)

Significantly reducing CO2 emissions attributable to power consumption during data storage, compared to HDD-based data storage



Comparison of power consumption

(kwh/day)



Administration conditions: Writing approx. 110GB of data each day and having the system powered on for 24 hours a day; Calculating power consumption during writing data and other times

TAA data: Fujifilm's actual measurement based on 10TB HDD + 240TB tape storage (LTO7 x 40)
HDD data: [Source] JEITA data storage technical committee [Energy saving contribution through the use of tape storage 2016]

Summary

New environmental strategy “Green Value Climate Strategy”

1. Promoting “Green Value Manufacturing”
(production activities with a low environmental impact)
2. Creating and spreading “Green Value Products”
(products and services with excellent environmental performance)

Drawing up an action plan for CO2 emissions based on the characteristics of all business fields, and making a group-wide effort to promote it with full commitment

Tatsuo Kawada

Chairman and CEO
SEIREN Co., Ltd.



Kunitaro Kitamura

Senior Corporate Advisor
Sumitomo Mitsui Trust Bank, Limited



Makiko Eda

Chief Representative Officer
World Economic Forum Japan



Climate change is causing numerous major natural disasters. There are concerns that our planet might one day become unsuitable for human habitation or that we may be reaching the tipping points where the change is irreversible. As IPCC* issues strong-worded recommendations in its Sixth Assessment Report, countries around the world are sharing a sense of crisis and stepping up their climate initiatives.

Sharing the risk awareness, the Fujifilm Group has set new decarbonization targets through deliberations by the Board of Directors. Specific measures are already in place in pursuit of the strategy.

Key factors in achieving the targets include national energy policy and collaboration with business partners. The government, in particular, deals with real issues including the energy mix plan for electricity, and appropriate measures are needed to be taken.

*Intergovernmental Panel on Climate Change

The Fujifilm Group's zero-carbon initiatives are positioned as essential elements of our growth strategy, in order to reduce or eliminate management risks and boost corporate value.

Our new decarbonization targets are very ambitious and enthusiastic, yet backed by specific strategies and measures that have been formulated in intricate details. That is why the chances of us achieving the targets are high.

This strategy serves as the driving force for contributing to resolving social issues and dramatically advancing innovation.

To meet the expectations of our stakeholders, I hope to see the Fujifilm Group embodies the spirit of "Never Stop" and take on these challenges speedily. As an outside director, I will monitor the progress with keen interest.

Building on the founding tradition of valuing clean water and air, the Fujifilm Group has always strived to give back to society through business activities. Facing environmental crisis of the unprecedented global scale, the Fujifilm Group has now established an environmental strategy that goes one step further as one of Japan's major corporations, which I feel very proud of.

We have compiled an action plan in line with individual business segments' characteristics in a way that is achievable and addresses demands from society at the same time, rather than merely trying to look as though we are coming close to lofty goals. This bold and courageous stance truly reflects the Fujifilm Group's founding tradition.

This new environmental strategy sets out a goal for employees and external business partners to work toward in collaboration. As an outside director, I will continue to ensure transparency about the progress of this process, while guiding the Fujifilm Group's growth as a leading company that actively takes on climate issues.

FUJIFILM

Value from Innovation