



FUJIFILM Holdings Corporation

Social Bond Framework

FUJIFILM SOCIAL BOND FRAMEWORK

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FUJIFILM Holdings Corporation, Social Bond Framework

1. Introduction

FUJIFILM Holdings Corporation (“the Company”) is working to contribute to society through the value that only the Company can provide as a company indispensable for the realization of a sustainable society. In order to raise the funds required for these efforts as social bonds, we have formulated a social bond framework (“the framework”) in accordance with Social Bond Principles 2021 (SBP2021) of International Capital Market Association (ICMA) and Social Bond Guidelines 2021 Edition (SBG2021) of the Financial Services Agency (FSA).

The framework has obtained a second party opinion on the suitability for the principles above, etc., from an independent external agency DNV Business Assurance Japan K.K., and we will issue social bonds in accordance with the framework.

1.1 Overview of the issuer (FUJIFILM Holdings Corporation)

Fuji Photo Film Co., Ltd., established, based on a government plan to establish a domestic photographic film manufacturing industry. The new company inherited the split-off photographic film operations of Dainippon Celluloid Company Limited. (Fujifilm Group shifted to a holding company structure centering on the Company)

As the film market shrunk since 2000 due to the dramatic digital transformation though it was our main business at that time, we have been expanding our business area through drastic business transformation and innovative evolvement of our technology which was cultivated in our film business. Currently, we are tackling to solve social issues through our business by providing innovative technology, products and services in the four business areas of "Healthcare", "Materials", "Business Innovation" and "Imaging".

1.2 Sustainability management

Corporate Philosophy






















Our corporate philosophy is as follows.

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

CSR Plan "Sustainable Value Plan 2030"

Based on the Corporate Philosophy above, we formulated the "Sustainable Value Plan 2030" in 2017 to outline our vision targeting fiscal 2030.

To realize a sustainable society via a two-pronged approach of both "resolving social issues through business activities" and "considering society and the environment in our business processes", we have defined four priority areas of "Environment", "Health", "Daily Life" and "Work Style" and two areas of "Supply Chain" and "Governance Processes" as basis of our business activities, identified priority issues and set targets in the six areas.

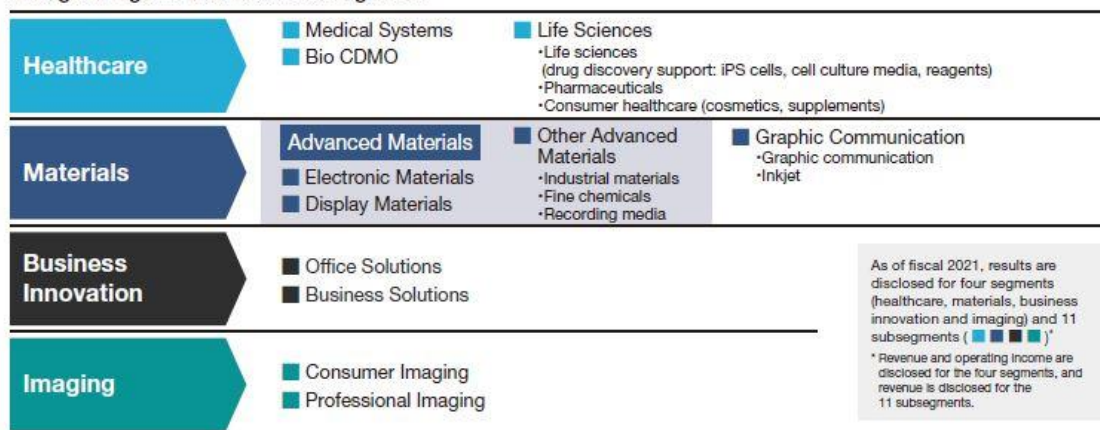
Priority Areas	Priority Issues	Resolving social issues through business activities		Business Segments	Goals in the SDGs
		Contribution (Opportunities)	Impact (Risks)		
 Environment	1. Address climate change 2. Promote recycling of resources 3. Address energy issues toward a decarbonized society 4. Ensure product and chemical safety	● ● ● ●	● ● ●	▶ Healthcare ▶ Materials ▶ Business Innovation ▶ Imaging	     
 Health	1. Fulfill unmet medical needs 2. Improve accessibility to medical services 3. Contribute to identifying diseases at an early stage 4. Contribute to health promotion and beauty 5. Promote management of a healthy workplace	● ● ● ●	●(Employees)	▶ Healthcare	  
 Daily Life	1. Contribute to creating a safe and secure society 2. Contribute to enriching humanity and relationships between people	● ●	●	▶ Materials ▶ Imaging	  
 Work Style	1. Create environments that lead to a motivated workplace (provision of solution services) 2. Develop and utilize diverse human resources	●	●(Employees) ●(Employees)	▶ Business Innovation	  
Basis of Business Activities					
●Supply Chain	Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights				 
●Governance	Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture				

Medium-term Management Plan “VISION 2023”

We have formulated VISION2019 in 2017 and VISION 2023 in 2021 as our Medium-Term Management Plan to set concrete action plans for achieving goals set forth in Sustainable Value Plan 2030 targets.

The outline of VISION 2023 is accelerating the growth of healthcare/high-functional materials and building further solid business basis for sustainable growth and also promoting enhancement of business portfolio management and cash flow management. We will invest more than JPY1.2trillion as R&D and capital expenditure, etc., over the three-year period from FY2021 to accelerate business growth with a focus on healthcare and highly-functional materials businesses. Above all, healthcare business is to be expanded to the largest segment in terms of both revenue and operational income to build a robust business foundation that enables sustainable growth. Also, through business portfolio management and efficient asset utilization, we will originate JPY 1 trillion operating cash flow between FY2021 and FY2023 and will allocate that cash preferentially to the business development in healthcare, etc.

Reorganizing into four business segments



Efforts in Bio CDMO Businesses in Healthcare Segment corresponding to Our Priority Area “Health” under Our CSR Plan “Sustainable Value Plan 2030”

As stated in “JPMA Industry Vision 2025” of Japan Pharmaceutical Manufacturers Association (JPMA), unmet medical needs(*1), including intractable and rare diseases, are becoming increasingly apparent worldwide and the development of effective treatments for these diseases are becoming increasingly important.

As described in “Fifth Industrial Revolution Cultivated with Biotechnology” compiled by the Ministry of Economy, Trade and Industry, bio manufacturing has a value that can recover the minus effect on our earth’s environment by changing the existing chemical manufacturing which needs a lot of oil resources in its raw materials and processes. As biopharmaceuticals(*2) originated by this biotechnology have fewer side effects than small molecules and have been proven to be highly effective in treating many diseases that have not been improved by small molecules, its demand seems to expand as an effective therapy drug for unmet medical needs.

On the other hand, as stated in “Pharmaceutical Industry Vision 2021” of Ministry of Health, Labour and Welfare, as the manufacturing of biopharmaceuticals requires advanced technology and large-scale capital investment, outsourcing of process development and manufacturing to CDMO(*3) has increased and the role and importance of Bio CDMO to solve unmet medical needs are increasing. Furthermore, while the global supply chain has been expanding and as we have seen in the Covid-19 pandemic, global supply chain issue in biopharmaceuticals has been exposed and it is more and more important to improve the accessibility to medical services through stable production and supply of biopharmaceuticals.

We are developing our Bio CDMO business which undertakes production process development and manufacturing of biopharmaceuticals in the “Healthcare” segment

where we are accelerating our growth under VISION 2023.

Biopharmaceuticals are seemed to get high demand as it can be expected to have high therapeutic effects and less side effects on unmet medical needs such as cancer, intractable diseases and new infections. As stated above, the manufacturing of biopharmaceuticals requires advanced technology and equipment. Therefore, cases that CDMO undertakes process development and manufacturing from pharmaceutical companies have been increasing. Also, the large-scale demand has occurred due to the Covid-19 in the vaccine field and this demand seems to continue. We think Bio CDMO capacity enhancement in our each business base will be one of the efficient solution to solve social issues as high-quality/stable supply is essential to deal with these unmet medical needs and improve the accessibility to medical services.

Our Bio CDMO business is demonstrating competitiveness by “high productivity technology” which integrates our industry-leading culture technology, advanced equipment and sophisticated production/analysis/engineering technologies etc., cultivated in photographic film. Currently, we are expanding our business by proactive investments for production capacity enhancement and development of highly efficient/high productivity technology in the United States (North Carolina State and Texas State), the United Kingdom (Billingham) and Denmark (Hillerød). The cumulative investment amount which includes M&A and announced plans is around JPY 600 billion

We will keep supporting pharmaceutical companies as our clients by providing a stable supply of high-quality biopharmaceuticals through utilizing our strength which can cope with contract development of antibody drugs, recombinant proteins, gene therapy drugs, genetically-modified cell therapy drugs, vaccines, etc., and contract manufacturing from clinical to commercial scale for drug substances, drug products, and packaging. This support will contribute to solving social issues such as fulfilling unmet medical needs, improving the accessibility of medical services and further development of the healthcare industry.

(*1) Medical needs for diseases where effective treatment has not been established.

(*2) Pharmaceuticals that utilizes biomolecules such as proteins, etc., that have characteristics small molecules cannot realize. This includes not only recombinant proteins such as insulin and growth hormone but also vaccines, antibody drugs, gene therapy drugs, etc.

(*3) Abbreviation for Contract Development & Manufacturing Organization.

Providing pharmaceutical companies with various services such as cell line development in early development stage, production process development, stability testing, development and manufacturing of investigational drugs and manufacturing of commercial drugs.

JPMA “JPMA Industry Vision 2025”

- https://www.jpma.or.jp/news_room/release/news2016/lofurc000000emd3-att/pdf-160115_1-02.pdf

Ministry of Health, Labour and Welfare “Pharmaceutical Industry Vision 2021”

- <https://www.mhlw.go.jp/content/10800000/000831973.pdf>

Ministry of Economy, Trade and Industry “Fifth Industrial Revolution Cultivated with Biotechnology”

- <https://www.meti.go.jp/press/2020/02/20210202001/20210202001-1.pdf>

1.3 Significance of Social Bond Issuance

We have provided new value that impacts society in a positive way by applying the leading-edge, proprietary technologies cultivated through the photography film business to a wide range of businesses. Setting targets in the four priority areas “Environment”, “Health”, “Daily Life” and “Work Style” in our CSR plan “Sustainable Value Plan 2030” as well as in “Supply Chain” and “Governance” which form the basis of our business activities, we will contribute to the realization of a sustainable society by providing new value. With regard to Bio CDMO business that contributes to solving the “Health” problem as one of our priority areas, expenses on projects with social benefits will be procured through the issuance of social bonds. Our social bonds issuance is based on the framework and meets the requirements of SBP2021 and SBG2021 set by ICMA and FSA respectively.

Our efforts in Bio CDMO business is lead to our priority issue No.1 “Fulfill unmet medical needs” and No.2 “Improve accessibility to medical services” in our priority area “Health” in the Sustainable Value Plan 2030. We believe that bio pharmaceuticals development and manufacturing which could satisfy the expanding needs for bio pharmaceuticals globally through our top-tier culture technology, advanced equipment and “high productivity technology” that integrates sophisticated production/analysis/engineering technology obtained by film business contributes to the achievement of “Target 3.8 : achieve universal health coverage, including financial risk protection, access to quality essential health-care services

and access to safe, effective, quality and affordable essential medicines and vaccines for all” under SDGs Goal 3 “Good Health and Well-Being” which was formulated by the United Nations in September 2015.

2. Social Bond Framework

The framework is aligned to the "Social Bond Principles (SBP) 2021" established by International Capital Markets Association (ICMA) and "Social Bond Guidelines (SBG) 2021 Edition" established by the Financial Services Agency of Japan addresses the following four core components.

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

We also describe the external review stipulated as recommended items in "3. External Review" below.

2.1 Use of Proceeds

Net proceeds from the bonds issued under the framework will be allocated to finance or refinance new or existing investments that meet the following eligibility criteria. In the case of allocation to refinance, the look-back period for refinanced projects will be within 36 months from the date of issuance of social bonds.

Through the expansion of Bio CDMO business by allocating proceeds to the project, we will contribute to meeting unmet medical needs that are becoming increasingly apparent and improving access to medical services by the development of production process and stable supply of biopharmaceuticals.

【Eligibility Criteria】

Social Project Category	Eligibility Criteria	Target Population
Access to essential services (health, healthcare)	Building new manufacturing bases, M&A, capital investment for production capacity enhancement, development for high efficiency and high productivity technologies, etc. , on Bio CDMO business	Biopharmaceutical users

2.2 Process for Project Evaluation and Selection

Projects that will be procured through proceeds of social bonds will be selected based on the "Sustainable Value Plan 2030" / "Priority Issues (Materiality)". Our Accounting & Finance Division will discuss with [Corporate Communication Division, ESG Division and related Business Division] and select the projects which meet the eligibility criteria. The Corporate Vice President in charge of the Accounting & Finance Division will make the final decision on the projects. The results will be reported to the Board of Directors.

For all candidate eligible projects, we will confirm that the following measures are taken to mitigate environmental and social risks.

- Based on the Risk Management Regulations of Fujifilm Group, we will identify risks and develop action plans to address them on a global basis, covering all companies in the Fujifilm Group. Risk items include impacts of economic changes and foreign exchange fluctuations on business performance, environmental changes and competition in each business field, manufacturing activities, public regulations and environmental regulations.
- As described in our "Fujifilm Group Green Policy" (Environmental Policy), we will comply with the rules established by each country and region where we operate our business, self-regulations, standards, and individually agreed requirements of the Fujifilm Group companies. In case of the acquisition of lands and/or buildings through M&A, we will undertake environmental due diligence to assess lands and underground water pollution.
- We will conduct due diligence to assess occupational safety, labor and human rights. Under our "Fujifilm Group Human Rights Statement", we declare our support for a range of global human rights principles, including the United Nation's "International Bill of Human Rights" and "Guiding Principles on Business and Human Rights" and to take any necessary measures to assess and mitigate the risks of the negatively impact human rights in business activities. We will evaluate the validity of our investment from the perspectives of occupational safety and labor risks in case of M&A and conduct human rights due diligence regularly on our whole business.

The Fujifilm Group appoints officers in charge of compliance and risk management at each of its business corporations and group companies and those officers regularly report to our ESG Committee chaired by our President. Also, ESG

Committee reports to the Board of Directors regularly. The Board of Directors is responsible for supervising compliance and risk management for the entire Group. The Board also provides direction and advice on the report from the ESG Committee to assure the effectiveness of the processes.

2.3 Management of Proceeds

The Accounting & Finance Division allocates and manages the entire net proceeds to projects that meet eligibility criteria. The Accounting & Finance Division checks the disbursement status of proceeds annually. If there will be unallocated amount, projects that meet the eligibility criteria will be selected and that unallocated amount will be allocated.

Proceeds of social bonds will be managed as cash or cash equivalents until they are allocated to projects that meet the eligibility criteria. The proceeds are scheduled to be allocated within about 2 years after procurement.

2.4 Reporting

① Allocation Reporting

Until the proceeds of social bonds are fully allocated to eligible projects and production equipment goes into operation, the following information will be disclosed on our website annually.

- Allocated amount, unallocated amount, scheduled allocation period and management method during the unallocated period
- Approximate amount (or ratio) of refinance

In the event such as significant changes in the allocation plan, we will disclose it on our website in a timely manner.

② Impact Reporting

Until the proceeds of social bonds are fully allocated to eligible projects and production equipment goes into operation, we will disclose the following indicators related to eligible projects on our website annually to the extent we can disclose from the viewpoint of confidentiality.

Eligibility Criteria	Output	Outcome	Impact
Building new manufacturing bases, M&A, capital investment for production capacity enhancement, development for high efficiency and high productivity technologies, etc., on Bio CDMO business	Overview of the projects (location, size, etc.)	Production capacity of our Bio CDMO business (L)	Satisfying unmet medical needs and improving access to medical services through stable supply of high-quality bio pharmaceuticals

3. External Review

3.1 Second Party Opinion (Pre-Issuance)

We obtained the second party opinion regarding the suitability to the SBP2021 and SBG2021 from DNV Business Assurance Japan K.K. as the independent external agency.

3.2 Review (Post Issuance)

We will obtain the review within 1 year from our social bond issuance regarding the suitability to the framework on eligible projects reporting from DNV Business Assurance Japan K.K. as the independent external agency.