

FUJIFILM Holdings Corporation

SUSTAINABILITY REPORT 2019

SVP Stories

Value from Innovation

SUSTAINABILITY REPORT 2019

SVP Stories CONTENTS

Top Commitment	04
Fujifilm Group's Activities in Building a Sustainable Society.....	06
The Fujifilm Group's Business and Innovation.....	08
The CSR Plan of the Fujifilm Group Sustainable Value Plan 2030 (SVP 2030)	09
Background of CSR Planning and Basic Approach.....	10
 Environment	12
Reduce our own environmental impacts and contribute to the resolution of environmental issues.	
[Priority Issue 1] Address Climate Change.....	13
Reduce the Fujifilm Group's CO ₂ Emissions/ Contribute to a Reduction in the CO ₂ Emissions Generated by Society	
[Priority Issue 2] Promote Recycling of Resources.....	16
Response to Water Risks/Measures to Reduce Waste/ Improve the Efficiency of Resource Use	
[Priority Issue 3] Address Energy Issues toward a Non-Carbon Society.....	19
[Priority Issue 4] Ensure Product and Chemical Safety.....	19
Management of Chemical Substances/Education on Safe Management of Reagents/Replacing Animal Testing in Safety Assessments	



Health.....21

Create a healthy society through the process of prevention, diagnosis and treatment in healthcare.

[Priority Issue 1] Fulfill Unmet Medical Needs.....	22
Development of Regenerative Medicine that Enables "Complete Cure"/ Spread of Biopharmaceuticals as an Effective Treatment	
[Priority Issue 2] Improve Accessibilities to Medical Services.....	24
Use of AI and IoT in the Medical IT Field/ Improving the Medical Environment in Emerging Countries	
[Priority Issue 3] Contribute to Early Disease Detection.....	26
[Priority Issue 4] Contribute to Health Promotion and Beauty.....	26
[Priority Issue 5] Promote Management of a Healthy Workplace.....	27
Initiative to Promote Employee Wellness/ Promoting Occupational Health and Safety	



Daily Life.....29

Support the tangible and intangible aspects of social infrastructure in people's lives through various products, services and technologies.

[Priority Issue 1] Contribute to Creating a Safe and Secure Society.....	30
[Priority Issue 2] Contribute to Enriching Humanity and Relationships between People.....	31

At Fujifilm, we are continuously innovating —creating new technologies, products and services that inspire and excite people everywhere.

We take an open and flexible attitude to innovation, combining our own original technology with human resources, expertise and technology from around the world. Through this powerful synergy, we rapidly and nimbly develop new solutions that address the true needs of our global customers.

Work Style..... 33

Promote social change where every person is motivated in the workplace through extending our in-house work style reforms.

[Priority Issue 1] Create Environments That Lead to Motivated Workplace 34

[Priority Issue 2] Develop and Utilize Diverse Human Resources 37
Human Resource Development/Diversity

Supply Chain..... 39

Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.

[Priority Issue] Strengthen CSR Foundations across the Entire Supply Chain 40

Governance..... 42

Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.

[Priority Issue] Improve and Maintain Governance Structures 42

Fundamental activities that support SVP 2030

Social Contribution Activities 44

Stakeholder Communication TOPICS..... 46

Domestic and International Appraisals 47

Third-Party Opinion 48

Editorial Policy..... 49

Never Stop—Leading Changes through Unrelenting Challenges to Build a Sustainable Society

Uniting to take on the challenge of resolving social issues

Again this year, major natural disasters have struck Japan and other parts of the world. We would like to take this opportunity to express our condolences to the disaster victims and our prayers for their recovery at the earliest possible time.

Since ancient times, we have regarded natural disasters as “scourges from heaven,” accepting them as a bane that transcends human wisdom. In recent years, however, we are becoming aware that rapid growth in populations and economic activities is triggering climate change and amplifying the damage caused by these “scourges from heaven.” How are we to curb climate change and build greater resilience and adaptability to natural disasters? These matters are one of the Sustainable Development Goals (SDGs) that we aspire to achieve and are a challenge that requires human knowledge and wisdom to come together. At the same time, there are many issues that need to be resolved from the global political and economic standpoint. Once again, human knowledge and wisdom must come together to achieve compromises. As a global company with business operations around the world, the Fujifilm Group is working to achieve the targets set out in the SDGs. To raise our achievements to a higher level, it is most important that our global workforce of more than 70,000 unite in their understanding and awareness of the roles that we must fulfill and of our vision for the future.

In April this year, we revised the Fujifilm Group Charter for Corporate Behavior and Code of Conduct for the first time in 12 years in response to the changes in the global and social environments. The Charter for Corporate Behavior and the Code of Conduct are to be shared by all employees and to serve as guidelines for their everyday activities. In the revisions, we have explicitly stated that we will proactively work on resolving social issues through innovation. Furthermore, we have declared once again that we will conduct our business activities with an open, fair and clear corporate culture. The revised Fujifilm Group Charter for Corporate Behavior and Code of Conduct has been published in 24 languages so that our employees around the world can understand it in their own native languages. We will continue to work on resolving social issues as a global company under the new Group Charter for Corporate Behavior and Code of Conduct.

Commitment to achieving Vision 2019 and setting a milestone for the next leap forward

In 2017, we announced Vision 2019, our medium-term management plan, and have been promoting activities

to achieve its objectives. Vision 2019 is in fact a present action plan that forms part of our efforts to achieve our business vision for the year 2030, as set out in Sustainable Value Plan 2030 (SVP 2030), the CSR Plan we announced simultaneously with Vision 2019.

In FY2018, the second year of Vision 2019, the Group's total sales reached ¥2.4315 trillion, chiefly through growth in our healthcare business, and in particular our medical systems and bio CDMO businesses. With improvements in earnings and the effect of restructuring in the document solutions business, operating profits reached an all-time high of ¥209.8 billion, up by 70% over the previous fiscal year. Net profit attributable to Fujifilm shareholders was ¥138.1 billion.

There has been steady progress in strategies based on Vision 2019 in all business operations, which I feel shows the effort of each and every person in their individual workplaces. FY2019 is the final year of Vision 2019 and at the same time the year when we must plan for the next medium-term management plan. In the face of growing severity in our areas of business, including trade friction and foreign-exchange fluctuations, we are committed to accomplishing the objectives of Vision 2019, developing strategies and setting milestones for our next leap forward. Our entire workforce in business management, R&D, manufacturing, sales and administration that support our business activities will devote all their energies to addressing these issues.

Promoting SVP 2030 for longer-range growth

SVP 2030 is our CSR plan that defined the areas to be prioritized and set out our goals for our business vision for 2030. Priority is put on the six areas of the environment, health, daily life, work style, supply chain and governance.

In the area of the environment, in addressing climate change, one of the most pressing priority issues shared by the entire international community, we have set as our goal the reduction of CO₂ emissions over the entire lifecycle of our products by 30% by FY2030 (compared to the FY2013 level). In FY2018, we were able to make steady progress in reducing emissions, with reductions of 8% over the previous fiscal year and 22% over FY2013. Additionally, we announced our support for TCFD* in December 2018 in response to international demand. In January 2019, the Group declared its goal of converting 100% of purchased electric power to renewable energy-derived power aiming at zero CO₂ emissions from our energy usage by FY2050, and joined RE100, the international initiative promoting 100% renewable electricity in business.

In the area of healthcare, we are working to mitigate the medical divide through dissemination of our X-ray diagnostic imaging systems, with a built-in power generator that can



October 2019
Shigetaka Komori
Chairman and CEO

be used in areas where power supplies are unstable, and our portable ultrasonic diagnostic systems that are both compact and durable. We are also working to develop medical IT systems that can connect medical centers with remote areas. At the Seventh Tokyo International Conference on African Development (TICAD7) held last August, we presented these new systems and they attracted great interest from visitors. We plan to take greater initiatives in their dissemination.

In addition to contributions to society, we place a premium on the health of our employees, and announced the Fujifilm Group Employee Wellness Declaration in September. The good health and energy of all employees as they work at their workplaces are the source of the company's energy. We plan to implement employee wellness for all employees worldwide, setting goals for each nation and region.

These issues that are to be addressed under SVP 2030 are essential for medium- to long-term business growth. Last June, we reorganized and expanded the CSR Group that had been part of our Corporate Planning Division, renamed it the ESG Division and positioned it under the direct supervision of the President. This new organization is committed to addressing the issues set out under SVP 2030 to achieve medium- and long-term growth.

*Task Force on Climate-related Financial Disclosures: Recommendation urging information disclosure of both risks and opportunities regarding climate change

Exercising initiatives to bring about changes in society through a strong resolve and daring and ambitious actions

I have always said that a business corporation must pursue profits through fair competition and at the same time bring benefits to society. In business management, maximizing profits in business operations is an important management goal. At the same time, business management must contribute to resolving social issues such as climate change, poverty and population divides that are defined in the SDGs. It is through accomplishments in all these areas that the going concerns of a business corporation are covered and we are able to satisfy all stakeholders. We were able to deal with the risk of the drastic reduction in the demand for photographic film through the united efforts of both management and employees in applying the wide range of technologies that we have developed in the photographic film development and manufacturing processes. Not one of the social issues we face can be resolved easily. Notwithstanding this, I believe that we will be able to contribute to resolving these various issues so long as all employees adopt a new approach, one that is not trapped by convention and that demonstrates a strong resolve to accomplish our goals, and act assertively and daringly.

Never Stop—we will continue to take on challenges and will be relentless, together with all our employees, in our desire to build a sustainable society.

Fujifilm Group's Activities in Building a Sustainable Society

The Roots of CSR are the Trust of Stakeholders and Consideration for the Environment

The Fujifilm Group's business originated with motion picture/photographic film, a product for which lots of clean water and fresh air are essential to the manufacturing process. It is also a product which requires customers to "buy on trust," since they cannot try it out beforehand. Thus, for the Fujifilm Group, an approach which emphasizes environmental conservation and maintaining the trust of stakeholders has been a major premise at the very foundations of our business activities. This approach is the starting point for our corporate social



FUJIFILM Ashigara site located in an environment blessed with copious clean air and water

responsibility (CSR) activities and continues to be passed down within our Group, as the Fujifilm Group's "DNA."

Fujifilm Group established a current Corporate Philosophy and Vision following the shift to a holding company structure in 2006. Founded on the spirit of contribution to advancement of society, improved health, environment protection and enhancement of the quality of life of people, by providing top-quality products and services with open, fair and clear workplace culture and leading-edge, proprietary technologies, we have established the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct and implement them thoroughly throughout the Group.

We revised our Charter for Corporate Behavior and our Code of Conduct in April 2019 to reflect changing social demands and the roles and responsibilities that the Fujifilm Group should fulfill. The Charter for Corporate Behavior states that we will develop our business based on six principles and work proactively toward creating a sustainable society through innovation (see Page 43). Moreover we have made the following statement to encourage all Fujifilm Group employees to commit themselves to the fulfillment of corporate social responsibility (CSR) in their daily business operations: The Fujifilm Group's Approach to Corporate Social Responsibility is to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities.

The Fujifilm Group's Approach to CSR

The Fujifilm Group's approach to corporate social responsibility is to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities.

We will not only fulfill our economic and legal responsibilities, but also:

1. endeavor to understand global as well as local environmental and social issues and create value to address these issues through our business activities.
2. continue to evaluate the environmental and social impact of our business activities and strive to improve the performance while increasing our positive impact on society.
3. constantly reassess whether our activities are responding adequately to the demands and expectations of society through proactive stakeholder engagement with our stakeholders.
4. enhance corporate transparency by actively disclosing information

■ The Fujifilm Group's Approach to CSR



[Fujifilm Group Corporate Philosophy/Vision \(full text\) http://www.fujifilmholdings.com/en/about/philosophy/index.html](http://www.fujifilmholdings.com/en/about/philosophy/index.html)

[Fujifilm Group Charter for Corporate Behavior \(full text\) http://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html](http://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html)

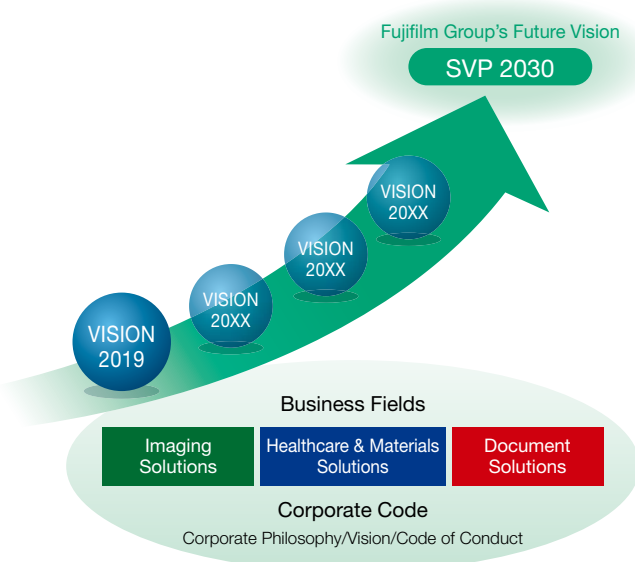
[Fujifilm Group Code of Conduct \(full text\) http://www.fujifilmholdings.com/en/about/philosophy/law/index.html](http://www.fujifilmholdings.com/en/about/philosophy/law/index.html)

Achieve the Long-Term Goal Set for FY2030, to Contribute to Sustainable Society Development

To celebrate the 80th anniversary in 2014, the Fujifilm Group founded its new corporate slogan, “Value from Innovation,” which seeks to continue creating new technologies, products and services that inspire and excite people everywhere, and empower the potential and expand the horizons of tomorrow’s business and lifestyle.

Under this slogan, we revised the Approach to CSR in 2014 to express that we identify the social challenges and more actively seek their solutions. In the same year, we announced our Medium-Term CSR Plan, Sustainable Value Plan 2016 (SVP 2016), aimed at “solving social issues through our business operation” and our Medium-Term Management Plan, Vision 2016, to serve as the plan for concrete action in achieving the goal. In the three-year period from FY2014 to FY2016, the two Medium-Term Plans were interlinked and produced results for realization of business growth alongside contribution in resolving social issues.

Based on the results and the experiences in the previous medium-term plans, we announced in August 2017 our new CSR Plan, Sustainable Value Plan 2030 (SVP 2030), and the new Medium-Term Management Plan, Vision 2019. SVP 2030 represents the long-term vision of the Fujifilm Group to contribute to create a sustainable society. The target year was set to FY2030 in line with the UNDP Sustainable Development Goals (SDGs), which are targeted at 2030. Also, to achieve the goals of SVP 2030, Vision 2019 shows the Group’s concrete business strategy until FY2019. Rather than focusing only on the growth of our current business operations, the Group plans to invest our management resources into businesses that will drive the Fujifilm Group further in the future, such as healthcare



to respond to the unmet medical needs now becoming a major social issue and highly functional materials that aid in resolving environmental problems, and expect this to lead to the next medium-term management plan.

SVP 2030 is a plan that will lay the foundation of business management at Fujifilm Group. In order to achieve the goals, we will strive to become a company with long scope of perspective, capable of contributing to sustainable growth of society by creating “new values” through our business activities.

■ Corporate Philosophy

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

■ Vision

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

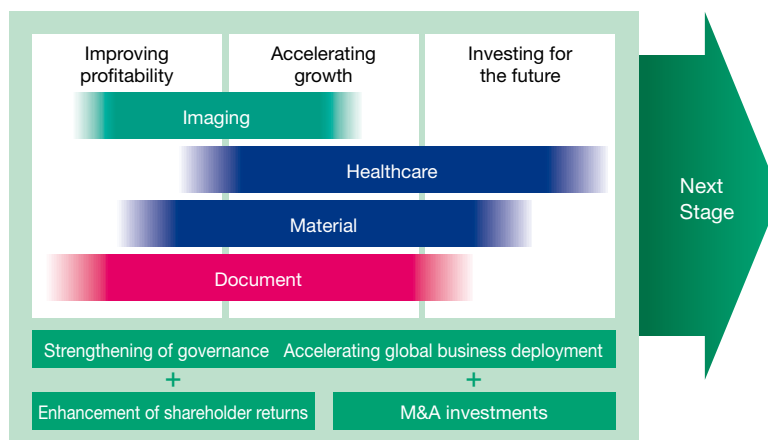
■ Charter for Corporate Behavior

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

■ Code of Conduct

1. Respect for Basic Human Rights
2. Open, Fair and Clear Corporate Activities
3. Protection/Preservation of Corporate Assets and Information
4. Environmental Conservation and Protection

■ The Vision 2019, the New Medium-Term Management Plan

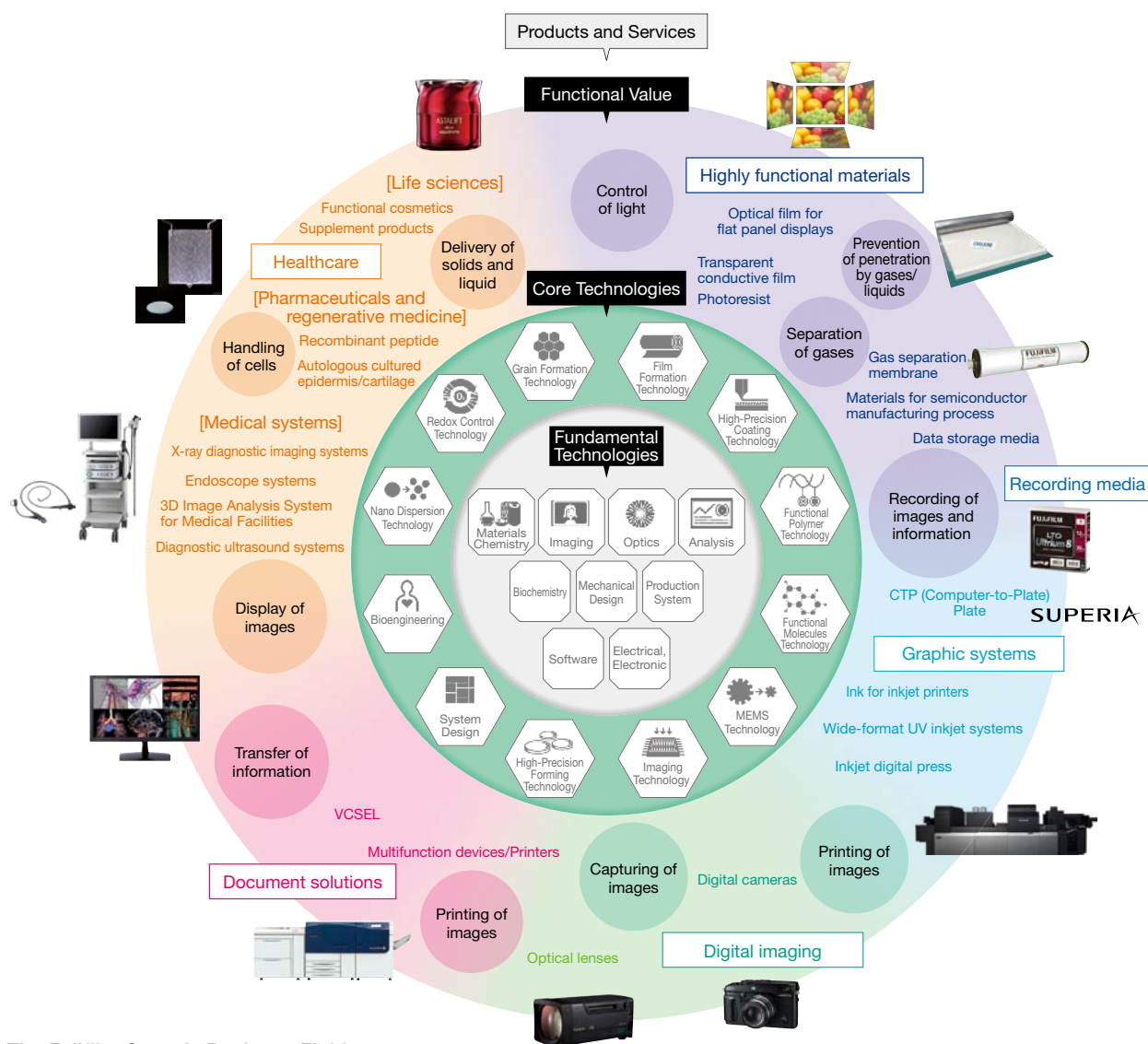


VISION 2019, the new Medium-Term Management Plan, lays down three stages of growth, namely “improving profitability,” “accelerating growth” and “investing for the future,” to adapt to the stage of growth of our business operations in the fields of Imaging, Healthcare, Material and Document solutions. Through action to promote “stable generation of cash-flow through improved profitability of each business operation,” “expansion of sales and income through acceleration in growth of the main business operations” and “growth of our future business pillars that become major contributors to our group revenues,” we will built an ever more solid portfolio and pursue growth of the entire Group.

The Fujifilm Group's Business and Innovation

The Fujifilm Group, with its business origins in motion picture and photographic film, today runs wide ranging businesses utilizing the technologies based on advanced silverhalide photography. We are improving our fundamental technologies that are the base of our business and exclusive core technologies that differentiate us in terms

of sustainable superiority. Combining those technologies, we are able to create a diverse range of innovation. Under the corporate slogan: "Value from Innovation," we continue to create products and services that create new value for society by enhancing and upgrading our technologies and open innovation.



The Fujifilm Group's Business Fields

Imaging Solutions

We develop and sell digital cameras, color paper for printing and printing equipment. We are further developing photography culture by offering new ideas on how to enjoy photos, including Instax and Photo Books. We offer lenses for various purposes, including surveillance camera lenses and satellite lenses.

Document Solutions

We are in the document business, including both paper documents and electronic data. With our business copiers and multifunction machines and software that help to improve business efficiency, we offer a wide variety of solutions and services aimed at resolving environmental issues, conserving energy and resources, and implementing work style and productivity reforms.

Healthcare and Materials Solutions

Our healthcare business covers three areas: prevention, diagnosis and treatment. In addition to advanced examination equipment that assists with early detection and medical IT that makes efficient use of diagnostic findings, we are working to develop cosmetic products and supplements aimed at prevention, pharmaceuticals for unmet medical needs and regenerative medicine, which is anticipated to bring new medical technology.

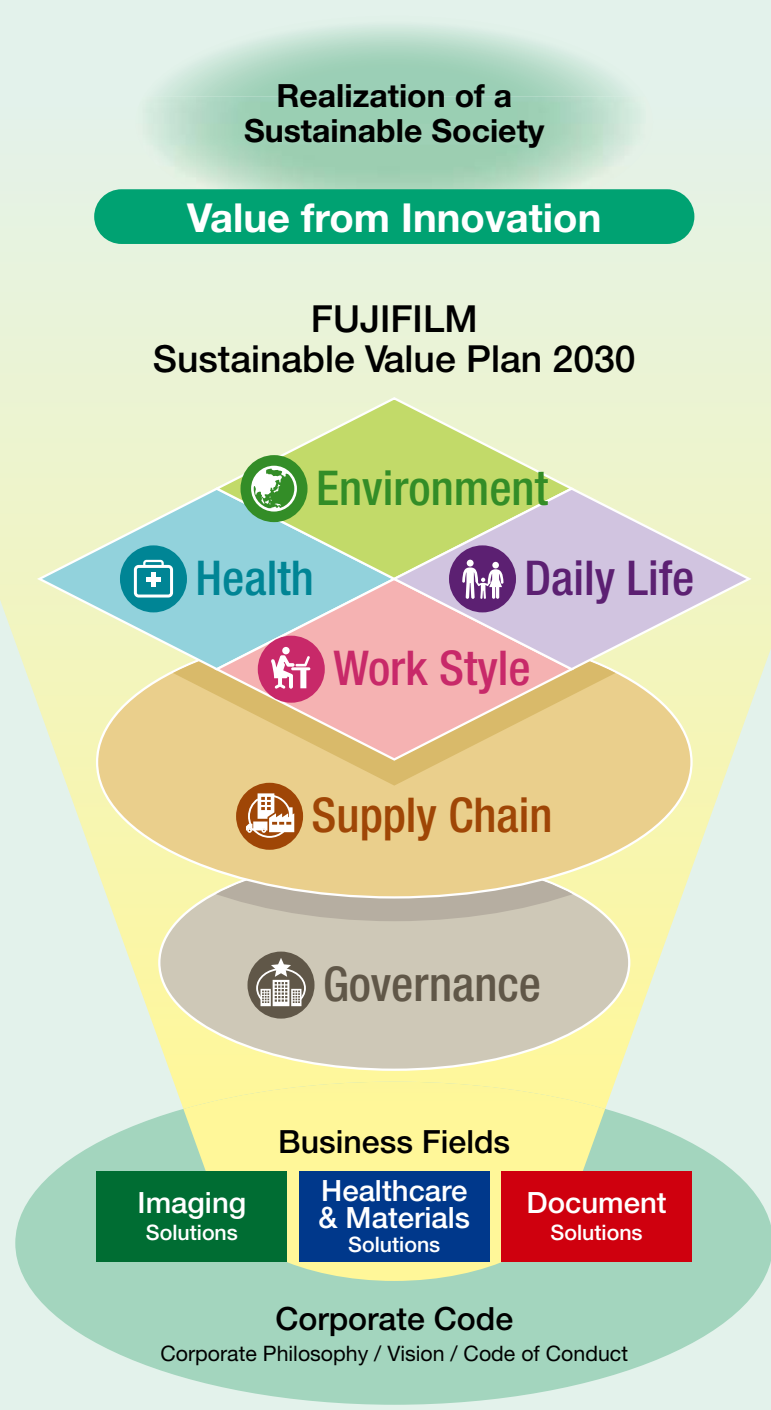
For material business, we are working to develop new materials and products that reduce environmental impact and contribute to the growth of a safe and comfortable society, through the application of advanced fundamental and core technologies for the polarizer protective films that are essential on LCD displays, as well as high performance data storage media and social infrastructure inspection services for tunnels and bridges.

The CSR Plan of the Fujifilm Group

Sustainable Value Plan 2030 (SVP 2030)

The Fujifilm Group announced its Sustainable Value Plan 2030 (SVP 2030) in August 2017. The new plan sets targeting FY2030 as its long-term goal, which is expected to lay the foundations of the Group's business management strategies for sustainable growth. Under SVP 2030, the Fujifilm Group will introduce further measures to resolve social issues through our business activities, including the launch of innovative technologies, products and services, in our aim to develop into a company that can make a greater contribution to creating a sustainable society.

SDGs	SVP 2030 Slogans and Priority Issues
	<p>Environment</p> <p>Reduce our own environmental impacts and contribute to the resolution of environmental issues.</p> <p>Priority Issue</p> <ol style="list-style-type: none"> 1. Address climate change. 2. Promote recycling of resources. 3. Address energy issues toward a non-carbon society. 4. Ensure product and chemical safety.
	<p>Health</p> <p>Create a healthy society through the process of prevention, diagnosis and treatment in healthcare.</p> <p>Priority Issue</p> <ol style="list-style-type: none"> 1. Fulfill unmet medical needs. 2. Improve accessibilities to medical services. 3. Contribute to early disease detection. 4. Contribute to health promotion and beauty. 5. Promote management of a healthy workplace.
	<p>Daily Life</p> <p>Support the tangible and intangible aspects of social infrastructure in people's lives through various products, services and technologies.</p> <p>Priority Issue</p> <ol style="list-style-type: none"> 1. Contribute to creating a safe and secure society. 2. Contribute to enriching humanity and relationships between people.
	<p>Work Style</p> <p>Promote social change where every person is motivated in the workplace through extending our in-house work-style reforms.</p> <p>Priority Issue</p> <ol style="list-style-type: none"> 1. Create environments that lead to motivated workplace. 2. Develop and utilize diverse human resources.
	<p>Supply Chain</p> <p>Priority Issue</p> <p>Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.</p>
	<p>Governance</p> <p>Priority Issue</p> <p>Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.</p>



Background of CSR Planning and Basic Approach

Establishing the Long-Term Goal

In recent days, international long-term targets such as Sustainable Development Goals (SDGs^{*1}) and the Paris Agreement^{*2} have been announced in the drive to resolve social issues. In particular, expectations are growing for the role of companies as players in resolving social issues and building a sustainable society. In view of these developments, the SVP 2030 has set as its long-term goal for FY2030 to contribute to achieving the goals for resolving global social issues set by SDGs, the Paris Agreement, etc.

In the medium-term CSR plan for FY2014 to FY2016, Sustainable Value Plan 2016 (SVP 2016), Fujifilm declared its shift from passive engagement in CSR in the form of statutory compliance to a more active one, perceiving CSR as an opportunity for business growth and for addressing social issues. This stance earned great praise from outside experts. However, the major goal of solving social issues cannot produce results so easily in a span of three years. For this reason, a conversion in our approach to establishing targets was deemed necessary alongside activities to be continued into the future.

By establishing a long-range plan, targets can now be established not by forecasting (approach based on accumulation of actions) but by backcasting, an approach that sets the vision to be achieved as the starting point and focuses on what must be done to achieve it. This has led to the introduction of more challenging activities.

In defining the social responsibilities a global company should fulfill, a review was also conducted on the 17 goals and 169 targets defined under the SDGs, to examine the Fujifilm Group's business opportunities and its negative impact on society. The review showed that nine out of the 17

goals were recognized as goals that enable Fujifilm to make major contributions to achieving its SDGs, and concrete measures to achieve these goals were defined.



*1 SDGs (Sustainable Development Goals): Goals in sustainable development adopted by the United Nations General Assembly in 2015, to be addressed as social issues by the international community until 2030. There are 17 goals and 169 targets established to address the issues of poverty, inequality and injustice, health, education, fulfillment in work, climate change and the environment, etc.

*2 Paris Agreement: International, multilateral agreement on arresting climatic changes that was adopted by The 21st Session of the United Nations Framework Convention on Climate Change Conference of the Parties (COP 21) held in Paris in 2015. The Agreement calls for holding the global temperature rise to less than 2°C over the level before the Industrial Revolution.

Assessment of the 15 Priority Issues in Six Areas

In SVP 2016, priority issues were divided into “solving social issues through business activities” (opportunities) and “conscious of environmental and social impact within business processes (environment, work style, etc.)” (risks). SVP 2030 specifies internal and external aspects of each of the areas of the environment, health, daily life and work style. In “1. Address climate change” under “Environment,” for example, Fujifilm Group plans to tackle this goal from both aspects of opportunity and risks, through reducing CO₂ emissions in its business activities and at the same time through development and promotion of environmentally conscious products and services.

In promoting global business, the plan focuses on reinforcement of the CSR foundation in the environment, ethics, human rights, etc., for the entire supply chain, as well as reinforcement of governance for greater dissemination of an “open, fair and clear” corporate culture. For these purposes, 15 priority issues in six areas were established for implementation in all corporate activities.

Especially in the area of the environment among these priority issues, concrete numerical targets were established

for FY2030. We are currently working on reducing our Group's CO₂ emissions across the entire product lifecycle, as well as reducing the CO₂ emissions generated in society through dissemination of our Group's products and services. FY2018 CO₂ emissions across the entire product lifecycle were reduced by 8.3% over the previous year, showing steady progress with a reduction of 22% against the 30% reduction target compared to the FY2013 level. We received certification for our CO₂ emissions reduction target from Science Based Targets (SBT) Initiative, an international environmental initiative. Since FY2017, our contribution to reduction in the CO₂ emissions generated in society by 50 million tons was 9.1 million tons, which represents a progress rate of 18% to the FY2030 target.

As for water resources, water consumption in FY2018 fell by 2.5% over the previous year, showing a steady reduction of 15% against the 30% reduction target in the amount of water our Group uses by 30% compared to the FY2013 level. In contributions to the treatment of 35 million tons of water per year in society, our total contribution for FY2018 reached 8.7 million tons, showing a progress rate of 25%.

Achieving the Goals of 2030












The long-term goals set out in SVP 2030 were conceived in the drive to take one step forward from the previous “inside-out” perspective that focuses on existing business activities as the starting point and adopts an “outside-in” approach starting from social issues to examine what the company, its products and services should be. What products and services are necessary in the development of a sustainable society, and what technologies are needed for this purpose? SVP 2030 reaches beyond the Fujifilm Group’s products and services (i.e., output*³) to a concrete vision of its contribution to building a sustainable society (i.e., outcome*⁴) and lays down as its final goal realization of both growth for the

Group and solutions to social issues.

In the years ahead, the Group plans to work on contributing further to resolving social issues and on enhancing corporate value through creation of new values from products, services and technology development that can move social reform forward to achieve the goals of SVP 2030.

*³ Output: Products, services, etc., created by organizational and business activities

*⁴ Outcome: Change, benefit, learning and other effects of output from an organization or business operation

SVP 2030 Priority Area/Priority Issues (Materiality)		Solving social issues through business activities	Considering society and the environment in our business processes	Fujifilm Group's Contribution to SDGs
		Contribution (Opportunities)	Impact (Risks)	
 Environment	<ol style="list-style-type: none"> 1. Address climate change. 2. Promote recycling of resources. 3. Address energy issues toward a non-carbon society. 4. Ensure product and chemical safety. 	● ● ● ●	● ● ●	
 Health	<ol style="list-style-type: none"> 1. Fulfill unmet medical needs. 2. Improve accessibilities to medical services. 3. Contribute to early disease detection. 4. Contribute to health promotion and beauty. 5. Promote management of a healthy workplace. 	● ● ● ●	● (Employees)	
 Daily Life	<ol style="list-style-type: none"> 1. Contribute to creating a safe and secure society. 2. Contribute to enriching humanity and relationships between people. 	● ●		
 Work Style	<ol style="list-style-type: none"> 1. Create environments that lead to motivated workplace (provide solution services). 2. Develop and utilize diverse human resources. 	●	● (Employees) ● (Employees)	
Base for 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.			

Characteristics of SVP 2030

● Establishment of long-term goals (FY2030)

- To become a corporation that promotes social revolution through innovation involving all employees and action on social issues from a long-term perspective.
- 2030 was set as the target year for goals which is the base year for international social issues (Paris Agreement and SDGs).

● Numerical targets for FY2030 defined for global environmental issues

● 15 priority issues established in the four areas of the environment, health, daily life, work style, and adding supply chain and governance

- Priority areas redefined with attention both to “solving social issues through business activities” and “reducing the negative impact of our business activities.”
- With society and customers demanding that as a global corporation we enhance our management of the entire supply chain from the viewpoint of CSR, “supply chain” has been established as a priority area.
- “Governance” has been added as a priority area to further disseminate an open, fair and clear corporate culture.



Sustainable Value Plan 2030

Reduce our own environmental impacts and contribute to the resolution of environmental issues.

Environment

Social Issues

Since the Industrial Revolution, we have experienced large improvements in our lives, but at the same time, this has caused a range of environmental issues. Continuing rises in sea levels and extreme weather resulting from climate change, depletion of our land resources, destruction of our forests, water pollution and depletion of water resources and changes in our ecosystems are taking place on a global scale. The Paris Agreement calls for action by all countries to reduce greenhouse gas emissions. The international society must take action to resolve both the issues resulting from our economic activities and environmental issues to guarantee sustainable development into the future.



Fujifilm Group's Goals under SVP 2030

(Priority Issues)

1. Address climate change.
2. Promote recycling of resources.
3. Address energy issues toward a non-carbon society.
4. Ensure product and chemical safety.

To achieve sustainable development, the whole of the Fujifilm Group around the world is working on various environmental issues under its Green Policy so that it can also be the leading company in the environmental field. In addition to reducing the environmental impact of our production activities, we are focusing on cutting CO2 emissions and making effective use of water and other resources across the entire product lifecycle, reaching as far as the use and disposal of our products by our customers. We are also developing products and services that offer outstanding energy-saving and resource saving results that will contribute to reducing the environmental impact for society as a whole. In R&D we are developing new technologies to resolve environmental issues including energy issues.

The Key Points in FY2018 Activities

OUTPUT

OUTCOME

Established a renewable energy usage target.



Promoted renewable energy usage.

Started the new certification system for environmentally conscious products.



Contributed to CO2 emissions reduction in society.

Developed an alternative animal testing method.



Promoted the 3R principles* in animal testing.

* 3R principles in animal testing: Replacement, Reduction, and Refinement.

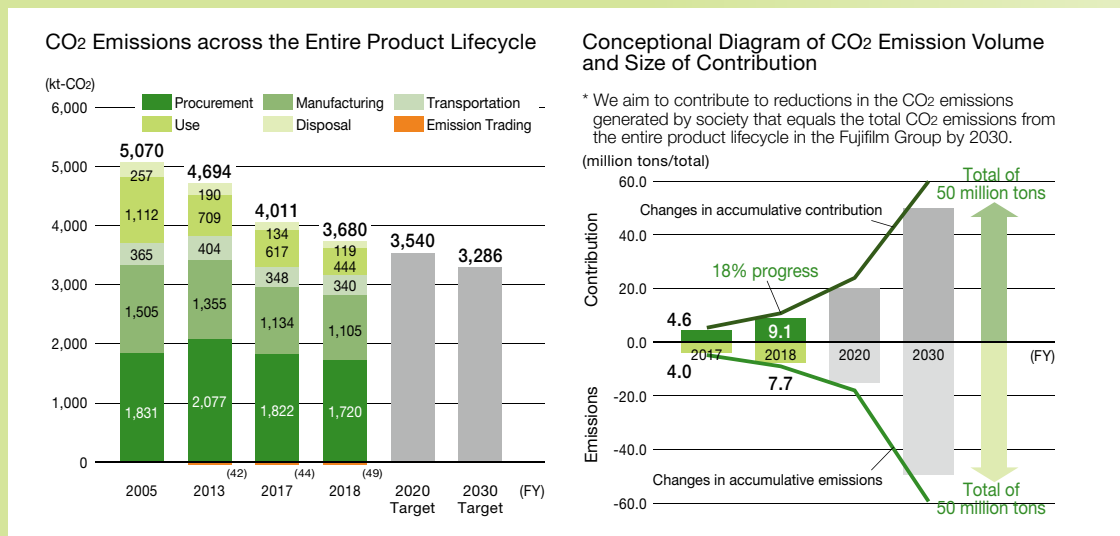


Address Climate Change

Target for 2030

- (1) Reduce the Fujifilm Group's CO₂ emissions by 30% by FY2030 (compared to the FY2013 level).
- (2) Contribute to a reduction in the CO₂ emissions generated by society by 50 million tons by FY2030.

The Fujifilm Group has set new targets to create of a carbon neutral society aimed at by the Paris Agreement. Along with CO₂ emissions reduction across the entire product lifecycle (from material procurement, product manufacturing, transportation, use and disposal), we are continuing to actively reduce CO₂ emissions in society through providing our products and services. At the manufacturing stage, we direct our efforts at using lower carbon energy sources, including adopting and utilizing renewable energy, in addition to the promotion of energy saving and efficient energy usage.



Outline of Activities in FY2018

- Dissemination and expansion of energy-saving measures at production sites. (Energy loss reduction by rationalizing chillers and air conditioners, Energy saving by revising production conditions)
- Endorsed the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).
- Established a renewable energy usage target, and joined RE100, a global corporate leadership initiative bringing together influential businesses committed to 100% renewable electricity (see Page 15).
- Installed a solar power generation system in FUJIFILM Printing Plate (China) Co., Ltd.
- Started the Fujifilm Group "Green Value Products" Certification Program.
- Fujifilm received the GP Equipment Environmental Awards under the Green Printing Certification Program 2018.
- Fuji Xerox received the 2018 Minister of the Environment's Award for Global Warming Prevention Activity.



Solar power generation system installed in FUJIFILM Printing Plate (China) Co., Ltd.

► **Related Data and Information:**

Management Performance Page 49 *Climate Change Strategy*, Page 58 *Product Stewardship (Design for Environment)*

Future Activities and Targets

- Further disseminate and enhance energy-saving measures at production sites.
- Seek the further opportunities and actual utilization to achieve renewable energy usage targets (Procuring renewable energy-derived electricity and installation of renewable energy facilities).
- Promote creation of environmentally conscious products through the "Green Value Products" Certification Program.



Reduce the Fujifilm Group’s CO2 Emissions

In FY2018, CO2 emissions from the entire product lifecycle in the Fujifilm Group achieved a large reduction of 8.3% over the previous year. Our target was “Reduce the Fujifilm Group’s CO2 emissions by 30% by FY2030 (compared to the FY2013 level)” and our actual achievement so far against this target is 22%. Companywide efforts in our continuing energy-saving activities were particularly significant for emissions reduction in the production stage of our product lifecycles. In FY2018, Fujifilm’s Kanagawa Factory succeeded in dramatic energy conservation through the reuse of heat employed in the efficient air dryer needed in the magnetic tape coating process and the introduction of air blowers that are able to control the air flow flexibly to correspond with the solvent evaporation volume.

We are actively involved in introducing renewable energy, represented by FUJIFILM Manufacturing Europe B.V. converting 100% of its power consumption to renewable energy in FY2016 and FUJIFILM Printing Plate (China) Co., Ltd. installing a large-scale solar power generation system. At briefings for suppliers and in works to deal with climate change throughout the supply chain, the Fujifilm Group also encourages its suppliers to install energy-saving and renewable energy systems that incorporate the energy-saving technologies held by FUJIFILM Engineering Co., Ltd.

A renewable energy usage target was established by the Fujifilm Group in January 2019 (see Page 15). We will work to reduce our CO2 emissions through both the pursuit of energy conservation and the introduction of renewable energy sources.

The Fujifilm Group received certification from Science Based Targets (SBT), the climate change initiative in collaboration with We Mean Business*, for its activities to reduce CO2 emissions by 2030, demonstrating its commitment to responsible contributions to climate change control measures.

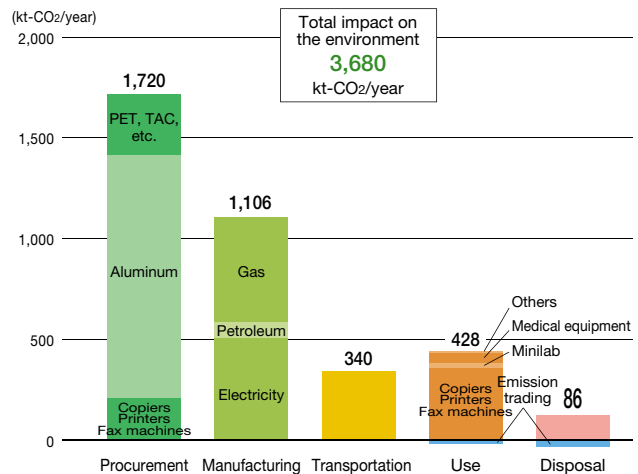
*We Mean Business: An environmental platform operated by international organizations, think tanks, and NGOs that are promoting global warming countermeasures among corporations and investors.

Contribute to a Reduction in the CO2 Emissions Generated by Society

The Fujifilm Group progressively reduces environmental impact from its products and services according to the internal rules and guidelines for the Design for Environment. In FY2018, we started the “Green Value Products” Certification Program, an internal scheme that certifies products that reduce environmental impact, as further efforts to create our environmentally conscious products and disclose such product information. The Program certified 92 Green Value Products in FY2018 (see Page 15).

Further, the total amounts for the FY2017-FY2018 target of “Contribute to a reduction in the CO2 emissions generated by society by 50 million tons by FY2030” was 9.1 million tons, which marked 18%

FY2018 Results for Fujifilm Group



* Trading emissions are allocated to Use and Disposal.

progress. The major products that contributed to CO2 emissions reduction in society are as follows.

- Data Archive Storage System: Energy saving by converting archive data from a server to magnetic tape.
- Process-less CTP plate (printing material): Resource and energy usage reduction by eliminating the development process.
- Multifunction devices and related solutions: Improvement in energy-saving performance, utilization of recycling devices, and resource & energy saving by solutions to manage the optimum printing environment.
- Medical IT systems: Resource & energy saving by streamlining business processes.

In the document solutions business, we developed the Managed Print Service (MPS), which realizes energy saving, resource conservation, and users’ productivity enhancement through integration and involvement of the recycled device business and the comprehensive office device management business that offers the optimum printing environment. This business model received the 2018 Minister of the Environment’s Award for Global Warming Prevention Activity (Countermeasure Technology Introduction and Dissemination) in recognition of the significant contribution in protection of the global environment and work style reforms through optimization of the office printing environment.

We have also been enhanced the carbon offsetting* as one of our CO2 emissions reduction schemes in the areas of cosmetics since FY2016 and process-less CTP plates since FY2018. We will continue working on CO2 emissions reduction in those two areas together with our customers.

* Carbon offsetting: A scheme to offset a volume of CO2 emissions that could not be reduced regardless of reduction efforts, out of the recognized emission volume associated with daily life and economic activities. To offset some CO2 emissions, we use amount gained through other CO2 reduction activities. Our offset activities are registered in the Carbon Offsetting operated by the Ministry of Economy, Trade and Industry.

Priority Issue 1

Conversion to Renewable Electricity

The Fujifilm Group joined RE100 that aims at 100% renewable electricity in business

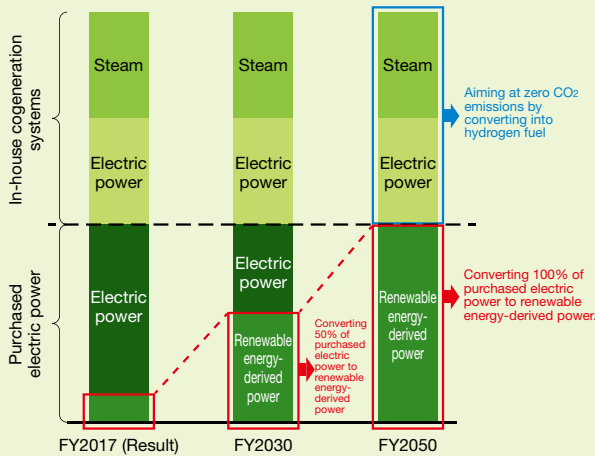
The Fujifilm Group has been shifting to renewable electricity derived from solar and wind power generation, and we set a renewable energy usage target in January 2019. Our target is to convert 50% of purchased electric power to renewable energy-derived power by FY2030, and convert all of purchased electric power to renewable energy-derived power by FY2050. We also aim at zero CO₂ emissions from any energy we utilize by

employing new technologies, such as converting fuels in our in-house cogeneration systems*1 into hydrogen.



As part of these efforts, FUJIFILM Holdings has joined the RE100*2, an international initiative that aims to make the electricity used in business activities 100% renewable. The above target has been certified by The Climate Group, an international NPO that runs RE100, as an effort in line with the purpose of RE100. Our participation in RE100 demonstrates our carbon neutral approach to society, taking important initiatives toward realizing a carbon neutral society.

Fujifilm Group's Energy Consumption in the Future



*1 In-house cogeneration systems: To manufacture the many highly functional films offered by the Fujifilm Group, it is necessary to maintain high temperatures during their production process utilizing high-temperature steam. A cogeneration system is effective for this as it can produce both high-temperature steam and electricity, which is used for other processes at the same time. This helps maintain highly efficient energy usage in our production sites.

*2 RE100: An initiative operated by The Climate Group, an international NPO that promotes climate change countermeasures, in partnership with CDP, another international NPO that encourages companies to manage and disclose their environmental impact information. Members are companies that aim to make the electricity used in their business activities 100% renewable.

Priority Issue 1

New System to Certify Environmentally Conscious Products

Degree of contribution to reduce environmental impact clarified with three-level evaluation

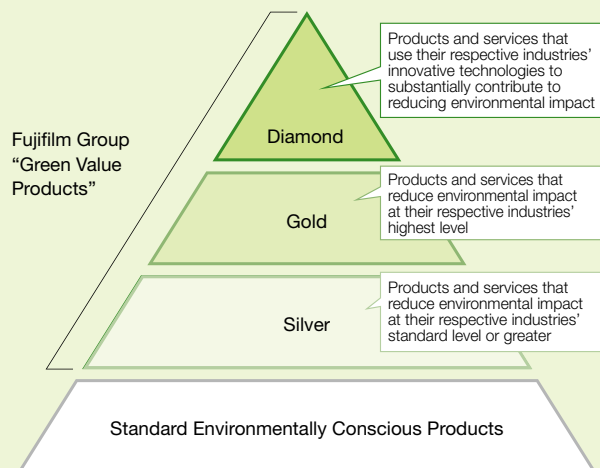


In FY2018, the Fujifilm Group introduced its "Green Value Products" Certification Program, which sets internal rules for environmentally conscious products. The program specifies assessment criteria for each product group, in which the assessment weight varies according to the product's usage and characteristics as determined from a product lifecycle perspective. With these assessment criteria, the Design for Environment for each product is assessed during the product development process. This clarifies the product's environmental value and the overall score obtained from the points for each assessment item certifies three product ranks.

In FY2018, the SUPERIA ZN-II system for process-less CTP plates for newspaper printing was certified with the highest Diamond rank. This was due to resource conservation, energy savings, waste savings and water savings achieved by eliminating the development process. Ninety-two products were certified with the Gold rank, including the sheet-fed digital inkjet press Jet Press 750S with its significant energy saving performance, the Data Archive Storage System which contributes to reducing CO₂ emissions in society, and the ApeosPort/DocuCentre-V1 C7773/7771 series of color multifunction devices for their high energy saving performance and

usability as well as their advanced quietness.

We continue use this program to develop and distribute products and services that reduce the environmental impact from the development stage.



Development and Dissemination of Environmentally Conscious Products and Services

https://www.fujifilmholdings.com/en/sustainability/vision/greenpolicy/eco_products.html

Priority Issue 2

Promote Recycling of Resources

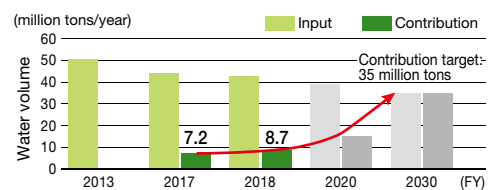
Target for 2030

- (1) Reduce the amount of water the Fujifilm Group inputs for production by 30% by FY2030 (compared to the FY2013 level).
- (2) Contribute to the treatment of 35 million tons of water per year in society by FY2030.
- (3) Reduce the amount of waste generated by the Fujifilm Group by 30% by FY2030 (compared to the FY2013 level).
- (4) Improve the efficiency of the Fujifilm Group's resource use per unit of production by 30% by FY2030 (compared to the FY2013 level).

Since our establishment, the Fujifilm Group has been actively recycling resources, through reducing water usage, recycling and reusing water, recovering and reusing resources (e.g. silver), and establishing a recycling system for multifunction devices and copiers, etc. We are conducting efforts to use resources effectively and reduce waste through measures which take into account the total lifecycle of a product, by considering the 3Rs (reduce, reuse, recycle) in the product design, reducing loss at the manufacturing stage, collecting, reusing and recycling used products, and recycling or converting into valuables.

Conceptional Diagram of Water Usage and Contribution

* We aim at contribution in society that equals the environment impact (input) from our business activities by 2030.



Outline of Activities in FY2018

- Water usage: 15% reduction (compared to the FY2013 level)
- Water treatment contribution in society: 8.7 million tons/year
- Resource usage per unit: 28% improvement (compared to the FY2013 level)
- Waste generation: 5% increase (compared to the FY2013 level)
- Lected on the Fujifilm Group's water risk countermeasures at the 60th Anniversary Lecture of the Japanese Association of Groundwater Hydrology.
- Lected on groundwater conservation by FUJIFILM Kyushu in a symposium held by the Japanese Association of Groundwater Hydrology.

▶ Related Data and Information: **Management Performance** Page 54 *Recycling of Resource*

Future Activities and Targets

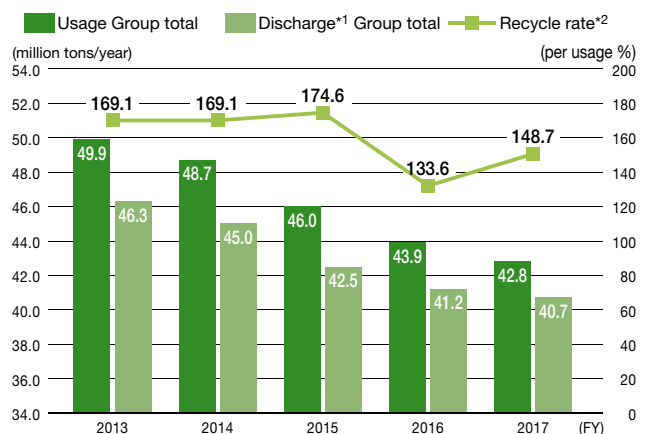
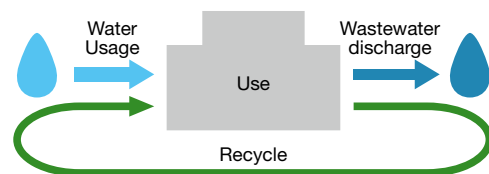
- Continue stable reduction measures suited each region and site.

Response to Water Risks

Since our establishment, the Fujifilm Group has been working toward water usage reduction and water recycling. Considering increasing attention toward water risk as an important international issue, we have been promoting further reductions and more efficient water usage. As a result of continuous efforts at each site, the amount of water usage in FY2018 decreased by 2.5% compared to the previous year. This figure is 15% of the target of 30% reduction by FY2030 (compared to the FY2013 level), indicating successful progress.

As for the expansion of water risk regions, which is drawing the world's attention, we created a water risk assessment system in 2014, utilizing a matrix with the two indices: "water stressed regions" and "impact on company business in terms of water usage." Since then, we have continued to assess water risks for all of our Group sites. In FY2018, we confirmed the status of water management and reduction efforts mainly in sites with relatively high water risks, and confirmed that the impact to the Group was low.

Annual Trend in Water Usage, Recycling and Discharge as Wastewater



*1 Includes water, rainwater, etc. used in the business activities
*2 Recycle rate including cooling water usage

With regard to the contribution by our products and services for water treatment in society, we are moving steadily forward with brackish water desalination and wastewater treatment by providing filtration materials, and reducing water usage at customers' sites through process-less CTP plates for printing and other technologies. The contribution in FY2018 was 8.7 million tons, a progress of 25% toward our target to contribute to the treatment of 35 million tons of water per year in society by FY2030. As we calculated the FY2018 results based on items that showed a high contribution, we have re-calculated our FY2017 results. We will expand the scope of application of our water treatment technology in society, thereby further contributing to society with our products and services.

These efforts in the area of water risk and opportunity are supported by the Fujifilm Group's commitment to improving water security under the initiative with We Mean Business, an environmental platform.

Measures to Reduce Waste

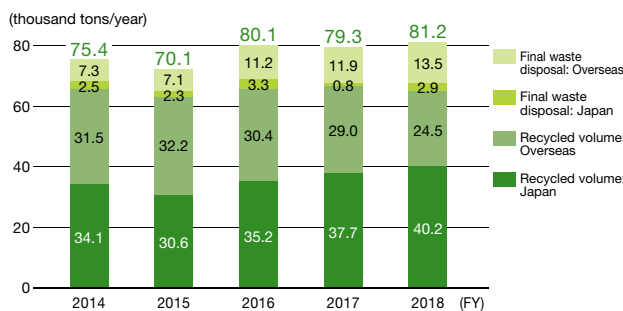
The Fujifilm Group is proceeding more effective use for resources and reduction of waste, not only at the manufacturing stage but over the entire product lifecycle as well. In addition to the emphasis on recycling and conservation of resources at the product design stage, reductions in the waste generated at the manufacturing stage are underway in Japan, North America, Europe and China, in ways that suit each region. In Japan, from FY2011 we have been promoting group-wide optimization, including extracting valuables from waste and improving the quality of recycling, not only at our production sites but over our entire business operations including offices and warehouses. At the Yoshida Factory of FUJIFILM Optomaterials Co., Ltd., we have changed our packaging materials so that they can be converted into valuables, making it possible to reduce waste. Over the last five years, we have used Fuji Xerox business solutions to reduce paper usage in our offices by between 5% and 10% every year.

However, the waste volume in FY2018 increased by

Outline of Measurements for Waste Reduction in Fujifilm Group



Annual Changes in Waste Generation*1, Recycling & Final Disposal*2

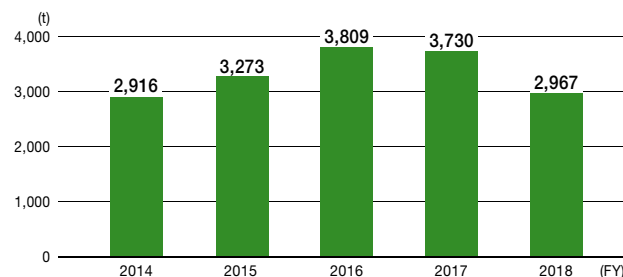


*1 Processed by external service providers and simple incineration or landfill disposal on sites.

*2 Simple incineration or landfill disposal by external service providers and on sites.

Fuji Xerox New Resource Reduction by Using Reuse Parts*

(Total for Japan, the Asia-Pacific Region, and China)



* The total amount of new resource reduction in the production stage by using reuse parts.

2% compared to the previous year due to a decrease in the recycling rate of valuable waste plastic caused by a strengthening of the plastic import regulations internationally. Even so, this still represents a 5%

TOPICS

Priority Issue
2

Reducing Environmental Impact through Factory Wastewater Pretreatment

Earning awards for industrial wastewater pretreatment program

FUJIFILM Manufacturing USA, Inc. (FA), which manufactures photosensitive materials and thermal CTP plates, received the Industrial Pretreatment Program (IPP) Gold Award and Gold Star Award for compliance with the Greenwood Metropolitan District's Industrial Pretreatment Program for five consecutive years. The awards are given to companies located in the district in recognition of activities directed to the assurance and maintenance of wastewater quality through continuous monitoring and reporting. FA was recognized for its continuing efforts. Prior to receiving the Gold Star Award, FA received the

Palmetto Award for compliance with the program for 10 consecutive years, meaning that FA has been in receipt of these awards for 15 consecutive years.

The Fujifilm Group will continue to assure optimal management of factory wastewater through continuous monitoring and pretreatment.



FA's Waste Water Treatment Associates have led the company to 15 consecutive years with no violations.



increase towards the target of a 30% reduction by FY2030 (compared to FY2013). We are now planning to reassess waste emission volumes and waste processing methods in each of our business sites. We will then discuss the long-term waste reduction strategy of the Fujifilm Group as a whole, as well as creating and implementing concrete plans.

Improve the Efficiency of Resource Use

The Fujifilm Group uses the Assessment Method of Material Input per Unit*¹, which has been exclusively formulated, in order to accurately measure our resource input reduction status. In FY2018, we continued our Design for Environment for resource saving and downsizing, as well as loss reduction and recycling of offcuts in production sites. As a result, we achieved a 4% improvement in resource input compared to the previous year, and a 28% progress against the target of 30% reduction by FY2030 (compared to the FY2013 level), which was a significant step.

For multifunction devices and copiers which are products of one of our main business areas, we collect customers' used products and reuse or recycle them, based on our principal of "treating used products as valuable resources instead of as waste." The program

aims to utilize resources as effectively as possible with Zero Landfill as our goal. In FY2018, the recycling and reuse rate for used products continued more than 99.5%*², our Zero Landfill standard for all domestic and overseas sites, and 99.9% for sites in Japan. On the other hand, the volume of parts reused to reduce the consumption of new resources was 2,967 tons by 76 tons reduction from the previous year. This was because the volume of parts reused is declining due to product downsizing even if the production volume remains the same. We continue resource usage reduction through comprehensive 3R activities.

*¹ Assessment Method of Material Input per Unit: As the Fujifilm Group has a wide range of product lineups (chemicals, highly functional materials, equipment, etc.), it is necessary to have a single index to assess various resource input volumes uniformly. To achieve this, we calculated "a resource material input weight per converted production volume," which utilizes the Converted Production Volume (converted production volume of each product using the energy consumed during production), which is authorized by the Energy Saving Act in Japan. This assessment method is used to obtain an index of resource input reduction.

*² Excluding some of the overseas regions that changed their recycling sites (as the recycling rate in the region cannot be determined).

OPINION

Third-Party Opinion on "Environment"



**Mr. Takejiro
Sueyoshi**

Special Advisor
UNEP Finance Initiative

Profile

In addition to being involved in UNEP FI, Mr. Sueyoshi has served in various positions, such as committee member on various types of councils on the Central Environment Council, advisor to Kawasaki City and Kagoshima City, part-time lecturer at Waseda University and others. He also works as an external member of the board to companies and engages in efforts to raise awareness on environmental issues and the social responsibility of companies on TV, in newspapers, published works, and lectures.

Firstly I would like to express my respect for the Fujifilm Group's environmental efforts that continue to expand year by year. Their efforts cover climate change, resource recycling, and biodiversity—even human health. The Group's all-round focus is truly astonishing.

When we look at the world situation, the global issues that need to be addressed, such as successive natural disasters, are growing increasingly severe. The international community has started to demand that businesses take action that make a real difference. International trends concerning global issues are changing rapidly, as we can see, for example, by the inauguration of the Principles for Responsible Banking (PRB), led by the United Nations Environment Programme Finance Initiative (UNEP FI) in September, and teenagers and the younger generation strongly appealing to public opinion about environmental issues. Businesses are now being seriously questioned with regard to their approach to their operations.

For a corporation like the Fujifilm Group, which has already taken a number of significant environmental initiatives, reflecting international opinion into corporate activities is more important than ever. In that sense, the decision to participate in RE100 in FY2018 was exceptional.

The approach from the viewpoint of a member of international society is essential and correct for the Fujifilm Group toward resolving global issues, as well as to survive new international competition in the 21st century.

Response to the third-party opinion

We are truly grateful for your high evaluation of our continuing efforts for environment, including our activities to address climate change and promote resource recycling.

To achieve our targets concerning climate change, it is essential to develop and utilize upcoming technologies, such as introducing hydrogen fuel for our in-house cogeneration systems, as well as converting our purchased electric power to renewable electricity.

We aim to lead the realization of a decarbonized society as demanded internationally by demonstrating our approach of decarbonization through the participation of RE100. We steadily continue our environmental activities with technical progress through open innovation.

(ESG Division, FUJIFILM Holdings)

Address Energy Issues toward a Non-Carbon Society

Target for 2030

Contribute to the creation and widespread use of renewable energies through highly functional materials.

To build the carbon neutral society envisioned under the Paris Agreement, the Fujifilm Group will develop and make available energy-related technologies that use highly functional materials from three aspects: energy creation, energy storage and energy conservation. We continue contributing to renewable energy creation and dissemination through accelerating the introduction and widespread use of renewable energies in society by our technologies.

Outline of Activities in FY2018

- Participated in an industry, government, and academia project hosted by the New Energy and Industrial Technology Development Organization (NEDO) to develop the all-solid-state lithium-ion batteries, the next-generation storage batteries for electric vehicles, as one of 23 companies, including automobile and battery manufacturers.

Future Activities and Targets

- We will continue participating in the NEDO activities and R&D collaborating with other companies.

Ensure Product and Chemical Safety

Target for 2030

Minimize adverse effects on human health and the environment through the manufacture and use of chemicals.

Because the Fujifilm Group manufactures a wide range of products including chemical products, highly functional materials, optical devices, office equipment, and medical equipment, we have established management rules for each manufacturing process of our products from two perspectives: management of the handling of chemical substances and management of information on chemical substances in our products. We have implemented global operations management across the Group and we have established a system to acquire accurate information on the laws and regulations in each country and region around the world to start a prompt preparation in an early stage. This has allowed us to maintain comprehensive and efficient management of chemical substances.

Outline of Activities in FY2018

- Completed the review of chemical substances used globally in products according to our voluntary management policy for specific chemical substances preceding regulation in each country. Created and enforced management plans for alternatives and reduction of chemical usage and emissions.
- An alternative test method for skin sensitization test, ADRA has been adopted in OECD test guidelines 442C*. For in vitro skin corrosion tests using 3-dimensional reconstructed human epidermis model, LabCyte EPI-MODEL 24 was also adopted into OECD test guidelines 431.
- Started full-scale operation of a chemical information communication system, chemSHERPA in China.
- Started development of a safety prediction method that takes account of animal welfare.
- Started education program for reagent users concerning chemical substance handling.



LabCyte EPI-MODEL 24

* OECD test guidelines: Guidelines specified by the Organization for Economic Co-operation and Development (OECD) to standardize testing methods to assess the characteristics and safety of chemical substances.

► **Related Data and Information:**

Management Performance Page 61 *Management of Chemical Substance*

Future Activities and Targets

- Further reduce usage and emissions of hazardous substances and replace them with safer alternatives based on the chemical substance management plan.
- Complete transfer to the new version of chemSHERPA within FY2019 and utilize IT tools such as RPA to make the legal compliance system more robust.
- Further expansion of chemical handling education program to reagent product users and improvement of internal education.
- Develop a highly accurate safety prediction method.
- Build a next-generation chemical substance management system.
- Utilize alternative methods to animal testing for internal safety evaluations.



Management of Chemical Substances

The Fujifilm Group classifies specially managed chemical substances into five categories based on hazards and toxicities, legal and regulatory requirements, and management policies, keeping them under stricter control than even the legal requirements. For example, if a certain chemical substance is found to be significantly hazardous, we immediately start considering replacing that chemical. Also, if a regulation newly specifies a list of chemicals to be placed under stricter control, we immediately start planning to replace them, even though they are legally permitted to be used. For this reason, we have already started to develop a safety prediction method using computer simulations. The Fujifilm Group adopts the same approach concerning controls for all the chemical substances that we use across the world.

Education on Safe Management of Reagents

Since FY2000, FUJIFILM Wako Pure Chemical Corporation has held more than 400 training sessions on Safe Management of Reagents for our customers in corporations, universities, hospitals, and public research institutes. Our sessions are highly appreciated for their easy-to-understand contents directly connected to actual work with abundant examples. Some of the customers request us to provide such sessions annually. To respond to demands from a greater number of customers, we plan to increase the number of lecturers. We continue to contribute to minimizing chemical risks by providing the same training to Fujifilm Group employees.

Replacing Animal Testing in Safety Assessments

Fujifilm has been working to establish new methods of management and safety assessments concerning chemical substances—which can affect the global environment and human health—across the entire production procedure, from the early development stage to commercialization.

In June 2019, an alternative test for skin sensitization, Amino Acid Derivative Reactivity Assay (ADRA), developed by Fujifilm, was adopted in the Organization for Economic Co-operation and Development (OECD) test guidelines 442C. ADRA can evaluate a wider variety of chemical substances by making use of a reagent with high detection sensitivity developed with Fujifilm's chemical synthesis and molecular design technology. Fujifilm developed the ADRA Kit in September 2018 utilizing FUJIFILM Wako Pure Chemical's technology. We distribute this ADRA Kit inside and outside Japan, aiming at a wider adoption of this method. We also held a technology seminar at the premises of FUJIFILM Wako Pure Chemical in June 2019 with the aim of smoothly introducing and spreading use of ADRA. The seminar was well attended by different types of businesses.

Also, Japan Tissue Engineering Co., Ltd., one of our group companies, offers the LabCyte series, a cultured human epidermis for research purposes. The company has developed Autologous Cultured Epidermis as Japan's first regenerative medicine, and its cell culturing technologies and expertise gained from development of this medicine were utilized to create the LabCyte series. The skin irritation testing method using LabCyte EPI-MODEL 24, a 3-dimensional reconstructed human epidermal model, and an eye irritation test using the LabCyte CORNEA-MODEL 24, a reconstructed human corneal epithelial tissue, are now both adopted in the OECD test guidelines to be used as an alternative method to animal testing. In June 2019, the testing method using the EPI-MODEL 24 has additionally been certified to satisfy the requirements of the in vitro skin corrosion testing method stipulated by the OECD TG431 guidelines.

The Fujifilm Group continues to proactively develop and widen new chemical safety assessment methods that can replace existing animal testing.

TOPICS

Priority Issue
4

Chemical Substance Management Working Together with Suppliers Full-scale operation of chemical information communication system chemSHERPA starts in China

Fujifilm has established the Fujifilm Green Procurement Standards that specify permitted chemical substances used in the raw materials, parts, and components of our products. The standards are used for sound management of chemical substances contained in products in cooperation with suppliers. In addition, we have introduced chemSHERPA, a new system to communicate information on chemical substances in products among companies in the supply chain. We provide explanatory meetings on chemSHERPA every year and we held 20 meetings in FY2018. In June 2018, we held an explanatory meeting in FUJIFILM Imaging Systems (Suzhou) Co., Ltd. to local part manufacturers. The meeting explained

how chemSHERPA works and related IT tools to share chemical information efficiently, as well as mandating the suppliers to provide such information. We plan to complete the transfer to the new version of chemSHERPA within FY2019 and then expand this to other areas of the Asian region.



A meeting at FUJIFILM Imaging Systems (Suzhou) Co., Ltd.



Sustainable Value Plan 2030

Health

Create a healthy society through the process of prevention, diagnosis and treatment in healthcare.

Social Issues

One of the goals set out under SDGs is to “achieve universal health coverage (UHC), ensuring that all people can access essential quality health services without facing financial hardship.” UHC requires the development of medical infrastructure that makes healthcare and medical services readily available to all, improvement in medical care quality and society that places top priority on health, with emphasis on disease prevention and early detection.



Fujifilm Group’s Goals under SVP 2030

(Priority Issues)

1. Fulfill unmet medical needs.
2. Improve accessibilities to medical services.
3. Contribute to early disease detection.
4. Contribute to health promotion and beauty.
5. Promote management of a healthy workplace.

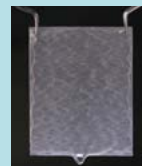
Health is a theme of great importance and attracts the highest level of interest from people. However, there are many issues to be addressed—not only in terms of unmet medical needs, but also other issues that include the medical divide, the shortage of doctors, the increased burden on doctors and high medical expenses. Also protecting our employees’ health is a significant responsibility for the company because our employees are the foundation of our business activities. Fujifilm Group began its X-ray film in 1936, soon after the company was established. Today, the scope of our businesses have expanded into prevention, diagnosis and treatment of diseases in our drive to become a “total health company.” We will mobilize its technologies, products and services to resolving various issues and contributing to further improving the quality of medical care and better health for all.

The Key Points in FY2018 Activities

OUTPUT

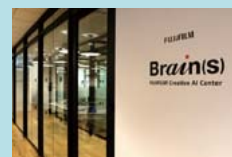
OUTCOME

Developed and disseminated regenerative medicine products.



Supported the dissemination of new treatment methods.

Applied AI technology to medical IT.



Improved the quality of medical care and reduced the workload of doctors.

Formulated the Fujifilm Group Employee Wellness Declaration.



Maintained the health of our employees.



Priority Issue 1

Fulfill Unmet Medical Needs

Target for 2030

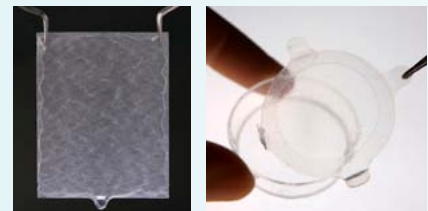
Develop and disseminate new treatments based on regenerative medicine and cell therapy.

The Fujifilm Group is striving forward in the development and dissemination of new therapies for unmet medical needs, where effective treatment is still to be found. Fujifilm possesses the highly functional material synthetic technologies and engineering skills that we have gained through our photographic film development and production, including advanced nano dispersion technology, analysis technology, and production engineering technologies. We are actively seeking synergetic collaborations with business partners who also possess superior technologies, in order to develop new solutions in regenerative medicine and cell therapy and improve accessibility to such advanced treatments.

Outline of Activities in FY2018

[Target] Develop new treatment solutions (1 Regenerative medicine, 2 Infectious disease treatment, 3 Central nervous system)

- 1 Autologous cultured epidermis JACE® was approved for inclusion within national health insurance coverage as regenerative care for hereditary epidermolysis bullosa, a refractory genetic disease.
- 1 Applied for manufacturing and marketing approval of autologous cultured corneal epithelium (EYE-01M), the first regenerative medical product in ophthalmic field in Japan.
- 1 Received the Prize for Science and Technology under a FY2019 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology for “Development of Autologous Cultured Epidermis.”
- 2 Obtained an imported drug license in China for the oral synthetic quinolone antibacterial agent, which is mainly for respiratory tract infections, such as pneumonia.
- 2 Applied for manufacturing and marketing approval in Japan for a new antibacterial agent for treatment for infectious diseases in otorhinolaryngology, such as otitis media and sinusitis.
- 2 Launched Japan’s first oral antifungal agent miconazole ORAVI® Mucoadhesive Tablets 50 mg for oropharyngeal candidiasis treatment.
- 3 Started the phase II clinical trials of a new drug candidate that accelerates rehabilitation after strokes.



Autologous cultured epidermis JACE® (left) and autologous cultured corneal epithelium: EYE-01M (right)

[Target] Improve accessibility to new treatment solutions (4 Contribution through contract development and manufacturing, 5 Contribution through development and dissemination of products that support advanced treatments)

- 4 Acquired a large-scale biologics manufacturing site from a major US biopharmaceutical* company, Biogen.
- 4 Significantly shortened the development period of biopharmaceuticals down to 34 weeks, the shortest in the CDMO industry.
- 4 Developed a high-performance and highly efficient fully integrated continuous production system that controls processes from cultivation to purification.
- 5 Launched new product iCell® Microglia, an iPSC-derived neural cell type, contributing to new drug evaluation in human biology, mainly for drugs for neurological diseases, such as for Alzheimer’s diseases.
- 5 FUJIFILM Wako Bio Solutions Corporation, our new company, started new subcontract services in new drug development support and inspection.

* Biopharmaceuticals: Pharmaceutical products utilizing biological particles, such as proteins, that provide effects unachievable by conventional chemically synthesized small-molecule drugs. Such biopharmaceuticals include insulin, vaccines, and antibody drugs. Antibody drugs utilize antibodies used by the immune system to protect our bodies from abnormal organisms, such as viruses and cancer cells, by recognizing them selectively.

Future Activities and Targets

- Introduce regenerative medicine products to the market, expand their application and improve contract manufacturing for these products.
- Accelerate the development of new drug pipelines.
- Expand contract manufacturing for biopharmaceuticals.
- Develop and disseminate cell culture medium or relevant manufacturing technologies that support advanced biomedical treatments (gene therapy, etc.).

Development of Regenerative Medicine that Enables “Complete Cure”

Regenerative medicine is expected to be a solution to treat diseases that currently do not have effective treatments. Aiming to be a leading company in regenerative medicine field, the Fujifilm Group has

actively conducted R&D and M&A. Such efforts have made us the only company in the world that possesses the tissue engineering triad necessary for regenerative medicine—stem cells, scaffolds, and cell culture medium/cytokine, and we are continuing these efforts as we expand this area of our business.

History of Regenerative Medicine Business

2013	FUJIFILM Corporation established its Regenerative Medicine Research Laboratories (current Bio Science and Engineering Laboratory) and the Regenerative Medicine Business Development Office (current Regenerative Medicine Business Division).
2014	Japan Tissue Engineering Co., Ltd. (J-TEC) became a consolidated subsidiary of FUJIFILM Holdings, which developed and launched Japan's first regenerative medicine.
2015	Transformed Cellular Dynamics International, Inc. (current FUJIFILM Cellular Dynamics, Inc. (FCDI)), a leading US company in the development and manufacture of iPSCs, into a wholly owned subsidiary of FUJIFILM Holdings. Entered the drug discovery support business.
2017	Wako Pure Chemical Industries, Ltd. (current FUJIFILM Wako Pure Chemical Corporation (FFWK)), a leading company in cell culture medium—essential in regenerative medicine, became a consolidated subsidiary of FUJIFILM Holdings.
2018	Irvine Scientific Sales Company, Inc. (current FUJIFILM Irvine Scientific, Inc. (FISI)) and IS JAPAN CO., LTD. (current FUJIFILM Wako Pure Chemical Corporation (FFWK)), leading companies of cell culture media, became consolidated subsidiaries of FUJIFILM Holdings.

Japan Tissue Engineering Co., Ltd. (J-TEC) is a regenerative medicine manufacturer that cultivates cells collected from patients as requested by medical institutions, and then returns the cultured cells to the patients. The company has developed skin and cartilage products, such as Japan's first autologous cultured epidermis, JACE[®], and autologous cultured cartilage, JACC[®]. The company has recently applied its technology to the fields concerning corneal treatments and oncology. Concluding a patent license agreement with Nagoya University and Shinshu University, the company began developing a CAR-T cell therapy to treat cancer using T-cells (a type of immune cell) which have been engineered to be more aggressive against cancer cells. Further, the company applied for production and sales approval of autologous cultured corneal epithelium (development name: EYE-01M) for the treatment of Limbal Stem Cell Deficiency*. J-TEC is actively expanding the application of our regenerative medicines through Japan's first application to the Ministry of Health, Labour and Welfare concerning a regenerative medicine in the ophthalmology field.

Utilizing the know-how and systems accumulated in product development to date, J-TEC also offers a contract service to develop regenerative medicine products, as well as sells research support kits featuring their applied culturing technology. In 2017, the company was commissioned by Nagoya City University Hospital to produce cultured epidermis to be used for clinical studies of autologous epidermis transplantation for vitiligo and refractory skin ulcers, and also J-TEC was able to receive a commission from Gamagori City Hospital from April 2019. After setting "Gamagori City Healthcare Plan in FY2013," the city has been actively promoting the regenerative medicine industry in the area. J-TEC and Gamagori City Hospital participated in this activity to spread and raise awareness of regenerative medicine among citizens. Against this backdrop, in 2018, Gamagori City Hospital and Nagoya City University Hospital executed agreement for "Mutual Cooperation in Conducting Regenerative Medicine." Gamagori City started clinical studies of autologous epidermis transplantation for vitiligo and refractory skin ulcers at the end of March 2019, and commissioned J-TEC to produce the cultured epidermis for this study the following month.

Regenerative medicine is still developing. Therefore, the Fujifilm Group aims to lead the commercialization of regenerative medicine through actively collaborating not only within own group but also with other companies and organizations in order to accelerate the future development of regenerative medicine and to expand its potential market.

*Limbal Stem Cell Deficiency: A disease that develops when the corneal epithelial stem cells that are present in the limbus, the

boundary region between the conjunctiva and the cornea, are lost due to innate or external factors. The clinical symptoms include a cloudy cornea, deterioration of vision, and eye pain.

Spread of Biopharmaceuticals as an Effective Treatment

Biopharmaceuticals are expected to be an effective treatment for unmet medical needs, thanks to their high efficacy and very few side effects. The Fujifilm Group is expanding its CDMO* business for biopharmaceuticals, utilizing its production and quality control techniques cultivated in the photographic film business. With this in mind, we are actively investing in major production plants and equipment in the US and UK owned by FUJIFILM Diosynth Biotechnologies (FDB) in order to increase production capacity. In August 2019, we also acquired Biogen (Denmark) Manufacturing ApS, a subsidiary manufacturer of the major US biopharmaceutical company, Biogen Inc. Biogen (Denmark) Manufacturing ApS has an experience and a proven track record of providing biopharmaceuticals globally utilizing its mass production facilities. In addition to FDB's small-to-medium-volume production facilities, owning Biogen's mass production facility has significantly increased our production capacity, enabling us to meet a wide range of needs from small to large quantities. We have also developed a high-performance and highly efficient fully integrated all-inclusive continuous production system that controls processes from culturing to purification for the first time in the biopharmaceutical CDMO industry. We will start a process development subcontract service using this system from autumn in 2019. By enhancing our biopharmaceutical production capacity and highly productive technologies, the Fujifilm Group continues to support the development of new drugs for the corporate customers who are aiming to address unmet medical needs.

* CDMO: Contract Development and Manufacturing Organization. A company or organization that offers a subcontract service of development and manufacturing of biopharmaceutical production processes. As production of biopharmaceuticals requires advanced production technology and equipment, pharmaceutical companies worldwide are increasingly outsourcing process development and manufacturing.

FDB is installing concurrent manufacturing facilities which enable switching with less operation for the biopharmaceuticals to meet the growing demand for high-variety low-volume manufacturing.



Priority Issue 2

Improve Accessibilities to Medical Services

Target for 2030

- (1) Reducing burden on doctors and medical staff by utilizing IT
- (2) Development and dissemination of infectious disease diagnostic system to contribute to global health
- (3) Offering technical diagnosis training and spreading effective health practices to emerging countries

The rapid aging of society is proceeding in Japan, and population and economic growth are advancing in emerging countries. As a result, these countries are experiencing expanding medical demands, giving rise to a variety of problems, such as the insufficient number of doctors and nurses, their harsh working conditions, and regional disparities in medical services. The death rate from infectious diseases is still high in developing countries, and eradication of infectious diseases, such as AIDS, tuberculosis, and malaria, is also one of the SDGs. The Fujifilm Group is contributing to the establishment of a sound medical environment and to supporting medical staff to realize disease prevention, make early diagnoses, and provide early treatment through combining our exclusive technologies acquired over the years with the large volume of data we have accumulated in the medical IT field, and with AI technology.

Outline of Activities in FY2018

[Target] Expand and scale up AI & IoT technology to reduce burdens on medical staff

- In collaboration with academia, the FUJIFILM Creative AI Center, “Brain(s)” was established as a dedicated research center to foster next-generation AI technologies that can help resolve social issues, including health problems (October 2018).
- Together with Kyoto University, we have successfully developed an AI technology to support diagnosis of interstitial pneumonia*1 (April 2019).
- Launched SYNAPSE SAI viewer, an AI diagnosis support platform, as the first product under the brand of our medical AI technology, REILI (July 2019).



“FUJIFILM Creative AI Center Brain(s)” in Marunouchi to explore next-generation AI technology as well as develop human resources in AI/ICT fields.

[Target] Market launch and scale up a novel point-of-care tuberculosis diagnostic kits in developing countries

- A highly sensitive rapid tuberculosis diagnostic kit, TB-LAM was adopted for the Phase 2 investment (FY2018 to FY2020) by the Global Health Innovative Technology (GHIT) Fund, to continue its clinical trials. TB-LAM is being developed by Fujifilm with the collaborating partner FIND*2 under continuous investments from the GHIT Fund, which aims at creating innovative therapeutic drugs, vaccines, and diagnostic drugs originating in Japan to fight against infectious diseases and poverty in the developing world.

[Target] Implement a medical checkup system to help improve the medical environment in emerging countries

- Continued to carry out the FY2017 project in Brazil to promote medical collaboration in the use of remote diagnostic imaging technology funded by the Japan International Cooperation Agency (JICA) in FY2014 (completed in March 2019).
- Convened technical workshops to provide trainings to medical staff in South Africa, Myanmar, Kirghiz, etc.

*1 Interstitial pneumonia: A general category of lung diseases in which the lungs harden through inflammation. Causes of interstitial pneumonia vary such as pneumoconiosis caused by asbestos and idiopathic interstitial pneumonia which the cause is unknown. Idiopathic interstitial pneumonia is a designated intractable disease that is difficult to treat.

*2 FIND (Foundation for Innovative New Diagnostics): Swiss non-profit organization that helps development and spread new diagnostic techniques for infectious diseases suitable for developing countries.

Future Activities and Targets

- Accelerate the implementation of R&D and solutions that utilize advanced medical AI Technology through the platform of “Brain(s).”
- With an aim of commercialization, additional clinical trials to be conducted for TB-LAM to further accumulate data to obtain WHO recommendation. Contribute to the SDGs Goal 3 by aligning the TB-LAM initiative with the WHO target to end the global tuberculosis epidemic by 2030.
- Scale up medical checkup systems and continue providing education and trainings to help improve the medical environment in emerging countries.

Use of AI and IoT in the Medical IT Field

The Fujifilm Group developed an AI technology that can be applied to a wide range of services, including diagnostic imaging systems, medical workflow streamlining, and medical device maintenance. In April

2018, the Fujifilm Group announced development of such widely applicable AI technologies under the brand name of REILI. To further develop this together with academia, we established the FUJIFILM Creative AI Center, Brain(s), an R&D center for next-

generation AI technologies that help to solve social issues. Combining our AI imaging technology, which is our forte, with other advanced AI technologies through partnerships with research institutes, medical institutes, and corporations across the world, we aim to create products and services that can address more complex social issues in a swifter manner. By deploying the world fastest super computer which to be utilized for AI deep learning, Brain(s) achieves to be Japan's most advanced research environment. The center also provides trainings and capacity building for AI and ICT human resources that will lead the future of Japan.

The Fujifilm Group's efforts to develop AI technology has stimulated responses and support from many medical professionals, and as a result, we are receiving more requests to provide lectures on AI technology at academic and research conferences. The number of medical professionals who visit our Brain(s) facility is also increasing. Our other initiatives include a successful development of AI-based diagnostic technology for interstitial pneumonia, achieved jointly with Kyoto University. A joint research project with Osaka University and Indiana University School of Medicine has also commenced. We have set up the Artificial Intelligence Diagnostic Imaging Joint Research Chair within Osaka University's Graduate School of Medicine to develop practical applications for advanced AI technologies. We also took a part as a private company in Global Alliance Under the Dynamic Innovation (GAUDI), an open innovation program started in July 2019 by Juntendo University to accelerate the commercialization of new medical technologies. Based on the clinical data obtained through the university's hospital, which has one of the largest numbers of beds and patients in Japan, we plan to develop comprehensive medical AI technologies in close collaboration with doctors and medical staff. In July 2019, we launched the SYNAPSE SAI viewer under the brand name of REIL. The SYNAPSE SAI viewer is an AI platform that supports diagnostic imaging workflows by extracting images of a specific organ from a CT scan or by displaying chronological changes in bone structure. We plan to accelerate the implementation of AI solutions which allows doctors to concentrate on diagnosis

by streamlining their workflow and maximizing their time dedicated on their core task of appropriate and right diagnosis of patients. The solutions were jointly created with academia around the world.

Improving the Medical Environment in Emerging Countries

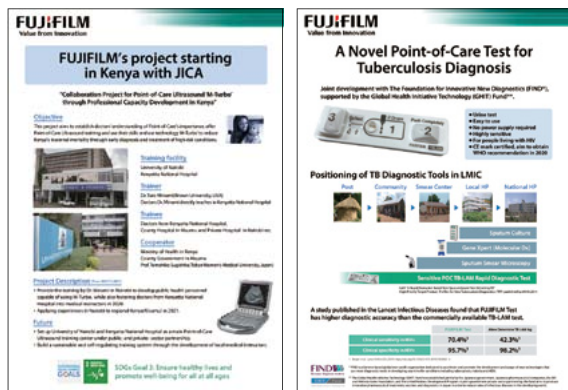
Achieving Universal Health Coverage (UHC)* especially in emerging countries in Africa and Asia is a global goal outlined as one of the targets in the SDG Goal 3. Japan is a model UHC country because of its universal health insurance system. Utilizing the know-how developed in Japan, the Fujifilm Group has been supporting the development of medical technology, human resource development and dissemination of regular medical checkup practice in emerging countries.

In FY2018, we continued with the medical collaboration project for the use of remote diagnostic imaging technology in Brazil that was adopted by JICA in FY2017. Our efforts this year included holding the first Mammography Training Seminar in South Africa, and endoscopy workshops in Myanmar and Kirghiz. We are keen to provide technical instructions and training sessions to doctors and technicians in emerging countries. Together with FIND, since 2016 we have also been developing TB-LAM, a highly sensitive rapid tuberculosis diagnostic kit to detect tuberculosis among people living with HIV using urine specimens. As a preparation to obtain WHO recommendation, TB-LAM has acquired IVD98/79/EC (In-Vitro Diagnostic Medical Device Directive) in December 2018 and we have begun supplying TB-LAM kits to research institutions around the globe for clinical evaluation purposes.

The 7th Tokyo International Conference on African Development (TICAD7) was held in Yokohama in August 2019, and the Fujifilm Group presented our medical work in Africa at the conference. We contributed to the success of TICAD7 in a unique Fujifilm way by holding a TICAD memorial photo exhibition in FUJIFILM SQUARE and participated in an official side event.

*Universal Health Coverage: The condition in which all people can receive appropriate health care services, such as disease prevention, treatment, and rehabilitation at a reasonable cost.

[Participation in TICAD7]



The exhibition booth displayed our recent efforts with JICA to reduce maternal mortality by using an ultrasound imaging system (left, Kenya), as well as introducing the diagnostic performance of a highly sensitive point-of-care tuberculosis diagnostic kit TB-LAM (right).



- ① Displayed healthcare products for tuberculosis and breast cancer, which are major issues in Africa.
- ② Participated as a panelist at the official side event, "Partnering for Progress: Promoting Innovation & Access for Neglected Diseases in Furtherance of UHC."
- ③ Held a memorial photo exhibition "Africa—Heartbeat of the Continent" in FUJIFILM SQUARE (hosted by the World Bank Group). The photo taken at the opening reception.

Priority Issue 3

Contribute to Early Disease Detection

Target for 2030

Reduce the physical burden through widespread and expanded use of medical diagnostic systems.

To maintain our health, it is important to detect diseases at an early stage even if there are no recognized symptoms, or take countermeasures for unpleasant symptoms before they have reached the level of disease. However, one in three Japanese people still do not take a regular health check* regardless of the seemingly wide understanding of the necessity for such proactive health checks. The Fujifilm Group contributes to the early detection and treatment of diseases through making easy-to-use self-health check systems widely available across society.

* The FY2014 National Health and Nutrition Survey by the Ministry of Health, Labour and Welfare reported that among people of ages 20 and above in Japan, 27.8% of males and 37.1% of females had not undergone a health check (general health check, health examination or complete medical examination) within the last year.

Outline of Activities in FY2018

- Continued promoting CureSign*, a remote blood test service in which a user sends self-collected blood by post. The service is targeted mainly towards family members of health insurance association members, who are not eligible for a mandatory annual medical checkup.

* CureSign: A service in which a user collects a small sample of their own blood using a blood collection kit and sends the sample to the test center by post. Within one to two weeks, the test results are returned by post. The screening items currently available are stomach cancer, stomach ulcer, duodenal ulcer, and 14 other items related to lifestyle diseases, including metabolic syndrome. Approximately 14,000 people used this service as of FY2018.



Future Activities and Targets

- Promote the CureSign service among health insurance associations and consider to adopt this service as a substitute of medical exam required for life medical insurance application.
- As a part of overseas business expansion, the project has initiated in Thailand with an aim to implement the service in the country under the JETRO Experimental Project.

Priority Issue 4

Contribute to Health Promotion and Beauty

Target for 2030

(1) Promote to prolong healthy lives. (2) Promote support for women empowerment.

As the aging society progresses, increasing healthy life expectancy* is a significant social issue in order to minimize increasing medical costs and elderly care issues. At the same time, the elderly are expected to remain an active part of society. The Fujifilm Group is contributing to realize "The older you get, the more enjoyable life is. A society with laughter regardless of age." We do this by offering anti-aging care cosmetics and foods with functional claims which we have taken salacia and astaxanthin in and developed using our exclusive technologies.

* Healthy life expectancy: Formally, Healthy Average Life Expectancy (HALE). Average number of years that a person can expect to live in "full health" by taking into account years lived in less than full health due to illness and/or injury.

Outline of Activities in FY2018

[Target] Prolong healthy lives and support a positive state in everyday life

- Launched foods with functional claims to support improvements in lifestyle-related diseases by improving the intestinal environment and excretion, and lower LDL (bad) cholesterol.

[Target] Support women in staying healthy, beautiful, and attractive

- Developed a new and unique component, Nano-Resveratrol EX, which employs a new function of collagen that helps maintain skin firmness and resilience, and launched cosmetics with functional claims containing this component.
- Introduced a new product lineup that utilizes D-UV Guard+ developed based on our recent ultraviolet research.
- Created the big opportunity to try ASTALIFT, through a free sample giveaway campaign for 100,000 people.



Future Activities and Targets

- Increase the number of trial opportunities of highly-functional and scientifically-proven anti-aging care products. (Aim at a total of 10 million people who have experienced our products by 2030.)
- Increase the number of people's SNS postings on our healthcare products, such as experience reports. (Aim at a total of 100,000 postings by 2030.)

Promote Management of a Healthy Workplace

Target for 2030

Promote management of health and productivity to maintain employees' vitality.

As the Fujifilm Group believes it essential to ensure that employees can work with energy and remain in good health both physically and mentally at their workplaces, to maintain our position as a leading company by Creating New Value which is stated in our Vision, we have been working to promote employees' health promotion activities focusing on the priority areas such as preventing lifestyle-related diseases and cancers, quitting smoking, mental illness and preventing overwork.

In occupational safety and health, our effort will be directed to ensuring safety at work for our employees by making safety a priority and to implementing absolute compliance with the laws related to safety and health, founded on the belief that "occupational safety is the basis of all business activities."

Occupational Safety and Health Policy http://www.fujifilmholdings.com/en/sustainability/vision/health_safety.html

Outline of Activities in FY2018

[Target] Raise cancer screening rates to 90% or more (for men/women: stomach, lungs, large intestine)

- The number of people who requested gastroscopies and screening for breast and gynecological cancer increased steadily. The endoscopy-specialist clinic within the company premises continually encouraged employees to take large intestine endoscopies and to utilize the clinic. The number of users in FY2018 increased to 2,206 (7% over the previous year).
- Promoted breast and gynecological cancer screening by dispatching a cancer screening cars.

[Target] Reduction in number of workdays lost

- The group-wide physical and mental health committee conducted a factor analysis concerning sick leave in order to study the signs that could indicate potential mental illness and implement countermeasures at an early stage. The committee also analyzed departmental characteristics based on stress checks and sent feedback to those departments with high risks.

[Other major activities]

- The Employee Wellness Promotion Group was inaugurated in July 2018. The entire Group, including the health insurance association, formed this structure to promote health practice by setting group-wide health management targets and standardizing measures.
- Announced the Fujifilm Group Employee Wellness Declaration in September 2019 to contribute to achieve a healthy and long life society in addition to accelerate the employee wellness initiatives.
- Listed in the "White 500," the Certified Health and Productivity Management Organization Recognition Program for three consecutive years. Nine group companies were also listed in the program.
- Fujifilm and Fuji Xerox group companies set medium-term targets and KPIs for their health promotion plans.
- Promoted our online stop-smoking program and held walking events as a part of initiatives to address five priority areas (lifestyle diseases, smoking, cancer, mental health, and long working hours) concerning management of employee wellness.
- Identified health issues in each of the 85 group companies belonging to the Fujifilm Group Health Insurance Association, and presented a *Health Report* to the senior management of each company.
- Reinforced the company's health management system for Japanese employees dispatched overseas to the same level as in Japan (since 2017). This ensured that such employees received regular health checks, and if any health risks were identified, a telephone interview and advice from a Japanese doctor were arranged.

▶ **Related Data and Information:**

Management Performance Page 73 *Health and Safety for Employees*



Poster for the Walking Event

Future Activities and Targets

- Further encourage group-wide health promotion for employees and reinforce the disclosure of the results.
- Under the leadership by top management of each group company, set KPIs in five priority areas and promote healthy practices.
- Reinforce countermeasures against breast cancer and large intestine cancer, cases of which have increased rapidly and occupy a large percentage of the company's medical expenses for cancer.
- Organize a group-wide e-learning program to raise health awareness.
- Further enhance the ongoing online stop-smoking program and a walking event.
- Expand health promotion measures suitable for each region and country, and share good practices.

Initiative to Promote Employee Wellness

In 2013, the Fujifilm Group established a group-wide health promotion council, composed of human resources departments, occupational physicians, and the Fujifilm Group Health Insurance Association, to address issues in the five priority areas involving employee wellness: lifestyle-related diseases, smoking, cancer, mental health and long working hours. We established the Employee Wellness Promotion Group within FUJIFILM Holdings in July 2018 to give a global foundation to promote employee wellness led by an officer in charge of employee wellness (executive officer). In acknowledgment of our long-standing efforts, nine of our group companies including our health insurance association were commended under the 2019 Certified Health and Productivity Management Organization Recognition Program.



Further, we announced the Fujifilm Group Employee Wellness Declaration in September 2019 to

reinforce employee wellness initiatives across the entire group. Next, we will set KPIs for the priority issues to be addressed up to 2022, and continue to improve the level of employee wellness through the PDCA cycle of action and assessment. We plan to expand these employee wellness promotion activities not only in Japan but also worldwide to raise the bottom line of awareness across the Group by rolling out good practices.

Fujifilm Group Employee Wellness Declaration
https://www.fujifilmholdings.com/en/sustainability/vision/health_safety.html

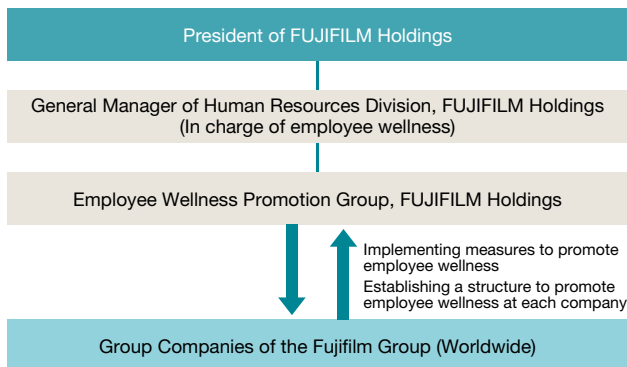
Promoting Occupational Health and Safety

Fujifilm has approximately 80 group production sites around the world, and we are promoting occupational safety suited to the business characteristics of each site. We have now started to share information on individual safety practices so that we can learn from each other and continue to make improvements. In Japan, the occupational safety managers of each Group company hold regular meetings to conduct safety patrols at each factory and discuss priority issues. In the US, a team comprised of EHS experts from the Group companies visits the factories to make safety patrols and suggest improvement ideas across all sites. We plan to take this opportunity to spread the rollout of these improved occupational health and safety practices across the factories, as well as to Fuji Xerox.



EHS expert visiting and training at a Group company's factory.

Wellness Promotion Structure



TOPICS

Priority Issue
5

Initiative in Health Maintenance and Promotion Among Employees

Promote effective measures utilizing employees' medical data

Since 2015, the Fujifilm Group has been using the Health Data Bank, which integrates health check results and the working status of each employee, in order to visualize health conditions and examine countermeasures based on data analysis. This data analysis identified five major issues (lifestyle-related diseases, smoking, cancer, mental health, and long working hours) that we should address urgently and we have already started taking action. In FY2018, we published the ranking of smoking rates in different business sites as a part of the stop-smoking campaign, and encouraged the sites with high smoking rates to promote this campaign to those with high smoking rates. Also, we started a trial of an online stop-smoking program. We have been involved in a walking event, *Aru Katsu*, in order to establish a regular exercise habit among employees. The number of participants has increased with each successive event. For the Spring 2018 event, 2,487 employees participated, 4,295 joined

in Autumn 2018, and 5,921 the one in Spring 2019.



Health Report for each company

The health insurance association created and submitted a *Health Report* for each group company that indicates their health status in an easy-to-understand manner using numbers and graphs. The management of the companies with high health risks received a briefing directly from the association to gain a better understanding of their employees' health and were given instructions on taking countermeasures to improve the situation. The *Health Report* helps them to create effective countermeasures; for example, companies with a high smoking rate recommend their employees to use the online stop-smoking program, and companies with a high rate of metabolic syndrome promote participation in the walking event.



Sustainable Value Plan 2030

Support the tangible and intangible aspects of social infrastructure in people's lives through various products, services and technologies.

Daily Life

Social Issues

As industrial and economic development proceed urbanization, our lives have become more convenient and comfortable. At the same time, however, stress and a sense of isolation from society have surfaced as serious issues. In particular, the breakneck speed in the spread of information has created new sources of entertainment and services, but at the same time has generated anxiety and risk as well. To build a society that is both sound and sustainable, we must build an infrastructure and environment that will enable everyone to live with a feeling of security and safety and develop communication methods that provide mental support and a sense of fulfillment in life.



Fujifilm Group's Goals under SVP 2030

(Priority Issues)

1. Contribute to creating a safe and secure society.
2. Contribute to enriching humanity and relationships between people.

Photography, the original business of the Fujifilm Group, has the power to preserve memories of events and help us to lead fulfilling lives. The Fujifilm Group contributes to preserving culture and history, as well as information that is vital to society, and to developing a society that is safe, with less crime and fewer accidents through infrastructure development utilizing technologies that were created from photographic film manufacturing. We have also renewed our awareness into the power of photography to enrich lives and we are developing and disseminating new products and services that lead to strengthening relationships between people and to enriching everyday life.

The Key Points in FY2018 Activities

OUTPUT

OUTCOME

Introduced AI to support the maintenance and management of the social infrastructure.



Contributed to creating a safe and sustainable urban life.

Developed high-performance, long-range surveillance camera.



Supported safety and security in everyday living.

Promoted new child-raising practices utilizing photographs.



Contributed to improving children's self-esteem through photography.





Priority Issue 1

Contribute to Creating a Safe and Secure Society

Target for 2030

- (1) Develop technologies for products and services and promote their greater use to contribute to the development of an ICT.
- (2) Contribute to enhancing the safety of infrastructure through more efficient inspections for the deterioration and malfunctioning of buildings and structures.

Internet crime, spread along with the rapid advancement of the information society, careless digital data management, and the deterioration of infrastructure are some of these risks. The Fujifilm Group continues to develop and disseminate new technologies that address such ever-changing social risks to minimize their possible damage. In concrete, we are contributing to building a safe and secure society by offering secure means of digital data storage over a long period of time in this big data era, improving information security, and helping to maintain the infrastructure.

Outline of Activities in FY2018

[Target] Aim at 100% preservation of records archived on tapes

- Won the Minister of Economy, Trade and Industry Prize under the 7th Management of Technology and Innovation Awards, for developing a large-capacity data tape using barium ferrite magnetic particles that supports the age of big data and the IoT. (Fujifilm)

[Target] Shorten the inspection periods of deterioration and malfunctioning through providing a non-destructive inspection system

- Launches the FUJIFILM Creative AI Center Brain(s) Kyushu, a research facility to develop next-generation AI technologies to streamline the inspection and diagnosis of social infrastructures including bridges.

[Other major activities]

- Newly entered the long-range surveillance camera market in July 2019 by releasing the FUJIFILM SX800, a long-range surveillance camera with built-in zoom lens, in which our cutting-edge optical and image processing technologies are integrated.
- Launched the cloud-based signage service, SkyDeck Media Message which enables multi-language broadcasting of information about facilities and evacuation in case of a disaster.



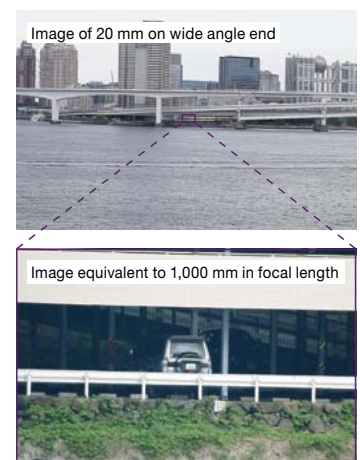
Award reception ceremony for the 7th Management of Technology and Innovation Awards

Future Activities and Targets

- Promote reliable and cost effective long-term data storage with the development of magnetic tape with higher data storage capacity.
- Promote next-generation AI technology research to improve safety in social infrastructure.
- Develop innovative long-range surveillance cameras by combining our unique optical technology, refined through the development of 4K/8K-compatible broadcast lenses with cutting-edge image processing technology found in the "X Series" of digital cameras.

The Fujifilm Group develops products that address a variety of risks to create a safe and secure society. In FY2018, we started research into upgrading the efficiency of the Infrastructure Photo Analysis Cloud Service that had already introduced in collaboration with Nagasaki University and the Nagasaki Prefectural Government (see Page 32). We have also entered the market for long-range surveillance cameras, a product that is growing in demand in recent years as a security measure. It is an innovative product that resolves the problems of conventional long-range surveillance cameras through a combination of our unique optical technology and cutting-edge image processing technology to bring outstanding vibration resistance and high-speed and high-accuracy autofocus. In September 2019, we launched the FUJIFILM LTO Ultrium 8 (LTO8) Data Cartridge with a storage capacity of 30 TB, twice the capacity of the previous generation. Fujifilm has introduced a magnetic tape with the fine barium ferrite (BaFe) magnetic particles with outstanding magnetic properties and long-term

storage performance and launched the first commercial BaFe data storage cartridge in 2011. Fujifilm has consistently developing high-performance and high-quality magnetic tapes with large storage capacity. In the future, LTO8 is expected to used with data archiving storage systems to satisfy the needs of mass data storage with low energy consumption.



Our first surveillance camera FUJIFILM SX800 featuring the world's longest telephoto range of 800 mm. The camera can capture an object in the far distance instantly and clearly.

Contribute to Enriching Humanity and Relationships between People

Target for 2030

Contribute to enriching and making people's lives peaceful through records of photos and videos, and photographic products that give form to memories.

The wide-spread use of smartphones and SNSs has made photographs an important and indispensable daily communication tool, enabling people to express themselves and share their feelings with each other. As a leading company of photographs, the Fujifilm Group connects people heart-to-heart, disseminating the value of photographs to enrich their lives. By providing a various way to enjoy photography, including shooting, preserving, displaying, and gifting, we always aim to expand the potential of photography keeping up with the times, and contribute to the development of photographic and imaging culture and realization of enriching lives in society.

Outline of Activities in FY2018

[Target] Offering opportunities to enjoy photos that give forms to memories

- Launched various smartphone services, including *Kazoku no Kiroku* (Family Record) app, FUJIFILM Prints & Gifts service, as well as a photo book service, PhotoZINE Slim-Type.
- Launched the Premium Print Service through which customers can easily order professional-level high-quality silver prints on the Internet.
- Held the 20th anniversary campaign to commemorate sales of instax and enhanced the product lineup.
- Hosted photo exhibitions in Japan, the US and Europe to display works, aiming at participation by 100,000 people by 2020. Exhibited 100,000 photographs worldwide and achieved this target ahead of schedule in FY2018.
- Started the *Homesha* (Praise with Photos) Project as a main partner to establish a new child-raising practice that improves children's self-esteem by displaying their photographs at home.

[Other major activities]

- Providing high image quality mirrorless cameras that respond to a wide range of demands from entry models to medium format models.
- Received the Award for Excellence "Art of Moment Award" at Japan Mécénat Awards 2018, in recognition of FUJIFILM SQUARE activities.
- FinePix 4700Z, the world's first digital camera with honeycomb-structured CCD, was registered as Essential Historical Materials for Science and Technology by the National Museum of Nature and Science, Tokyo.



FUJIFILM Global Photo Exhibition held in overseas countries. A scene from the exhibition in South Africa.

Future Activities and Targets

- Offer products, services, and opportunities that disseminate the various ways to enjoy photography across the world, including shooting, preserving, displaying and gifting photographs.
- Launch a cloud photo archive service which uses AI to manage the uploaded digital photographs or scanned analog data.
- Further dissemination of open participation photo exhibitions worldwide.

The Fujifilm Group has been developing photographic culture since its foundation by promoting photographic entertainment, beauty, and emotion, as well as the importance of archiving photographs. In FY2018, we released various apps and services for smartphones, and they have now become important photographic tools. We suggest and offer new means to enjoy photographs in the era of smartphones. We also started our Premium Print Service to deliver high-quality silver prints from photographs taken by high-quality mirrorless and other digital cameras as "works of art." A silver print provides an image with depth, rich tone, and a highly-defined gradation, a more sophisticated way to enjoy photographs than looking at them on the screen of a PC or smartphone. We are keen to utilize

our expertise in photographic empowerment in various projects, including by being a main partner in the *Homesha* (Praise with Photo) project, to establish new child-raising practices that improve the self-esteem of children by displaying their photographs at home (see Page 32).



Received the Award for Excellence "Art of Moment Award" at Japan Mécénat Awards 2018 in recognition of our photographic activities over the years.



TOPICS

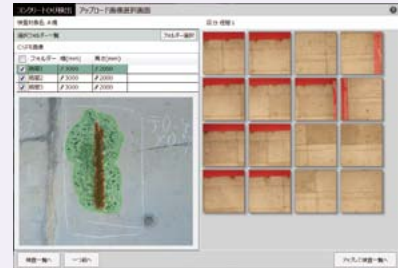
Priority Issue 1

Support in the Maintenance and Management of Social Infrastructure

Accelerated collaboration between industrial, government and academic sectors to create solutions for greater efficiency in Infrastructure Photo Analysis.

Fujifilm has taken steps to address the problem of deterioration in the social infrastructure and introduced in April 2018 a new Infrastructure Photo Analysis Cloud Service “Hibimikke (Crack Finder)” that utilizes the high precision imaging technology we developed for our medical diagnostic imaging systems. The service helps halve the inspection period for bridges, tunnels and other similar structures and more than 500 companies have registered for this service.

Fujifilm set up Brain(s) Kyushu in Nagasaki City, Nagasaki Prefecture in March 2019. The objective of the project is joint development of AI technology designed for social infrastructure inspection through integration of Fujifilm Group’s diagnostic imaging and AI technologies and expertise in civil engineering and social infrastructure maintenance and management at Nagasaki University. Furthermore, the cooperation of Nagasaki Prefecture has been secured to conduct a demonstration experiment with the developed AI technology planned for bridges and related facilities in this prefecture, which has the largest number of islands in Japan and numerous bridges connecting these islands. At present, we are working on AI used to determine the crack severity level and Multipurpose Inspection AI that covers severity of damage in five other important categories including concrete peeling, steel frame exposure and water leakage. We are conducting demonstration experiments on a number of bridges in Nagasaki Prefecture for practical application in the future.



New functions are scheduled to be added. An example of concrete peeling detection

Priority Issue 2

Supporting Nutritional Improvement for Weaning-Age Children in Africa

Supported sales promotion tool for a nutritional food supplement with instax



With each purchase, customers receive a photograph of the child taken with instax that they can paste into their maternal and child health record book.

Fujifilm supports and cooperates with the Ghana Nutrition Improvement Project organized by The Ajinomoto Foundation. The project was organized in cooperation with government agencies in Ghana, the United Nations and international NGOs to market and promote the nutritional food supplement “KOKO Plus”* in the drive to support as many weaning-aged children in Ghana who are suffering from malnutrition. When photographs taken by instax were provided as a perk with the purchase of KOKO Plus, it triggered growth in the number of customers and proved effective in their continued use of KOKO Plus. This success prompted a request for Fujifilm’s support. In addition to improving nutrition among children in Africa, this activity resulted in promoting and spreading the joy of photography to make it easier to maintain children’s growth and normal daily life, and we are committed to supporting it in the future.

* KOKO Plus: Nutritional food supplement developed exclusively for Ghana to improve the nutritional quality of Ghana’s traditional baby food known as “koko.” The product has been developed by Ajinomoto and its partners.

Priority Issue 2

Improving Children’s Self-Esteem with Photography

Homesha Project to establish a new child-raising practice through “Praise with Photos”

The *Homesha* (Praise with Photos) Project is an activity aimed at spreading a new child-raising practice aimed at building children’s self-esteem. An educational expert, Mr. Chikara Oyano, was its proposer, and the project was established with Fujifilm as the main partner. In the course of his career as an elementary school teacher, Mr. Oyano noticed that the homes of children who had high self-esteem were decorated with photographs. With the cooperation of brain scientist Mr. Kikunori Shinohara and developmental psychologist Ms. Kyoko Iwatate, studies were conducted on “praise with photos” through activities such as an awareness survey regarding self-esteem, demonstration experiments with *Homesha* and measurements of brain activity. The findings revealed that the level of self-esteem is higher for children in homes where photographs are on display than for children without photographs in their homes. The activities started in August 2018. In addition to publishing past survey findings on its website, workshops and events are being held to communicate a wide range of information on how to practice *Homesha* effectively and how to build children’s self-esteem.

In comparison with other industrialized nations, many children in Japan show a low level of self-esteem—an issue that is being studied by the Ministry of Education, Culture, Sports, Science and Technology to develop corrective measures. We are promoting *Homesha* in the hope that the number of confident children will increase.



Homesha Project website <https://homesha-pj.jp/>



Sustainable Value Plan 2030

Promote social change where every person is motivated in the workplace through extending our in-house work style reforms.

Work Style

Social Issues

With the ever-increasing competition amid globalization and technological innovation, a company has to offer a work environment where individuals can exert their capabilities and creativity to the fullest extent and have greater satisfaction in their job. This is the way for a company to grow constantly—by streamlining its business and fully utilizing diverse human resources. To this end, it is indispensable for us to build a system that realizes a new way of working and delivers a communication environment free from limitations of time, location, language, gender, age, or disability. We must also promote various work styles for employees to choose to meet the needs of their lifestyle and life stage changes.



Fujifilm Group's Goals under SVP 2030

(Priority Issues)

1. Create environments that lead to motivated workplace.
2. Develop and utilize diverse human resources.

The Fujifilm Group has brought evolution to communications in society through combining familiar paper data with digital data and seamlessly integrating with cloud services and mobile solutions. Enabling people to access and share the information in various forms with ease and without any conscious of the digital divide, we will expand the possibilities for providing various services and work styles in every possible workplace—in company offices, government organizations, and the fields of education and medical care, etc. The Fujifilm Group supports a wide range of work styles for the new age by enhancing the value of communications through human-centric “Better Communications” that we have fostered through our research and practice of work style reform in our own company. In addition, we believe that the capacity building of each employee and demonstration of the performance will contribute to our own company’s growth and ultimately to society through our business. For this reason, we strive to create workplace that our diverse employees can exert their capabilities to the fullest extent.

The Key Points in FY2018 Activities

OUTPUT

OUTCOME

Provided a new value proposition strategy, Smart Work Innovation.



Supported teleworking in society.

Business streamlining by utilizing ICT.



Promoted work style reform in our company and support for efficiency using our know-how.

Provided work environment and system for diverse employees to exert their capabilities.



Promoted diversity in our company.



Priority Issue 1

Create Environments That Lead to Motivated Workplace

Target for 2030

Contribute to generate the innovation for organizations and society by offering solutions and services that support increasing worker’s productivity and exerting their creativity.

We aim to realize work styles that enhance people’s creativity through offering to reform our means of communications. For example, we can automate business processes by seamlessly connecting multifunction devices and document information input through such devices. This can drastically improve productivity. At the same time, we plan to utilize our exclusive advanced technologies, such as natural language processing and image recognition, which we have cultivated over the years, along with AI and Big Data analysis, to extract valuable information. Then, we use this information to go beyond conventional work style reform to create a work environment that enables people to exert their intellectual creativity and satisfy their work. This in turn will contribute to innovative creation in organizations and in society.

Outline of Activities in FY2018

[Target] Efforts in work style reform in our own company

- Overtime working hours per employee has been reduced by 20% compared to FY2014. (FF)
- Implemented measures that give more consideration to employees’ health, such as revising the upper limit of overtime working hours and management-driven initiatives to eliminate long-hour working. (FF & FX)
- Provided mobile PCs to office-based and sales employees to promote more efficient working. (FF & FX)
- Promoted work streamlining by utilizing ICT, such as Robotic Process Automation (RPA), Business Intelligence (BI) tools in offices, and training new employees to use such technologies. (FF)
- Provided seminar for all managers concerning efficient working. (FF)
- Reinforced and streamlined sales procedures and reformed business processes through company-wide reform project. (FX)
- Modified conditions (such as types of work and work locations) for home working for childcare and nursing care and remote working system (effective from April 2019). (FX)



Promoted work style reform using IT tools. A scene from the WSI: Work Style Reform and IT Tools Festa.

[Target] Actions for work style reform for customers

- Offered solution services to realize Smart Work Innovation*. (FX)
- Concluded a partnership agreement with Yokohama City to realize Innovation City Yokohama. Conducted demonstration experiments to progress work style reform. (FX)

* Smart Work Innovation: Fuji Xerox’s value provision strategy through offering solution services utilizing AI, IoT, and loH technologies that support our customers’ work style reforms. FF: Fujifilm FX: Fuji Xerox

Future Activities and Targets

- Promote further work style reform by enabling all employees to utilize the latest IT through offering training and support. (FF)
- Continue to reform work environments so that employees can work healthily to increase their productivity. (FX)
- Offer solution services globally to support our customers’ work style reforms. (FX)

The Fujifilm Group seeks to contribute to creating social innovation by providing solution services that lead to customers’ work style reforms based on our own reforms. To realize this—and collaborating with stakeholders inside and outside the company—we ensure that each one of our diverse employees

identifies their own strengths and can exert their capabilities to the fullest extent in order to generate business performance in a productive working manner. We are now improving the work environment and providing a range of training programs.

In terms of FY2018 work style reform, both Fujifilm

and Fuji Xerox focused on promoting efficient working by strictly controlling overtime working and providing mobile PCs to all employees. Fujifilm increased opportunities for ICT HR training programs to improve productivity through effective data utilization in each workplace (see Page 36), and Fuji Xerox changed their system to enable location-free work style, such as remote working and home working.

As for the work style reforms for our customers, we are increasing a range of solution services based on our value proposition strategy, Smart Work Innovation, which we announced in 2018 (see Pages 35 and 36).

On April 17, 2019, Yokohama City and Fuji Xerox

concluded a partnership agreement to realize Innovation City Yokohama. We plan to conduct a demonstration experiment of work style reforms utilizing the latest technologies, such as AI, and organize an environment to generate innovation toward realizing Innovation City Yokohama. Since the foundation of its R&D center in Minato Mirai 21 in Yokohama, Fuji Xerox has been working to create new technologies in collaboration with other companies. Yokohama City is one such partner. We are actively forming partnerships and alliances with various companies and organizations to help resolve social issues concerning work styles.

TOPICS

Priority Issue 1

Solution Services that Support Work Style Reform (1) Automating complicated document workflows to streamline accounts payable management procedures

Enhancing creativity and productivity of working people is one of the aims of work style reform and companies are striving to streamline administrative work. However, it is not easy to realize, and managing accounts payable is a typical example that highlights the difficulty. Invoice formats can vary depending on the supplier, and so the automatic processing of these invoices has been considered difficult. Moreover, employees in charge of invoice processing need to spend a lot of time circulating the related documents among the approvers responsible for payments and then filing the documents.

Fuji Xerox Accounts Payable Management Automation Solution Service is designed to streamline this complex procedure. The service enables to extract data from various formats of invoices using OCR*1 through AI-based machine learning. Knowledge accumulated through repeating the task improves the data extraction accuracy, making the data analysis easier. Our service reduces the burden of complicated manual invoice handling and shortens the lead time from payment approval application to approval by managers. It also visualizes unhandled payments and unprocessed invoices, reinforcing financial governance.

This service was realized by combining the expertise accumulated by Fuji Xerox for document management with “Esker on Demand,” an accounts payable management service provided by Esker.*2 The service was first launched in New Zealand, and then in Japan. We will also expand it to Australia, Singapore, and Hong Kong. Fuji Xerox New Zealand has been offering the service since 2016 and has introduced it to customers in a

variety of industries, including government, construction, education, retail, agriculture, and manufacturing. An analysis after installing the service compared to the previous manual operations in the company showed a 65% improvement in processing speed of accounts payable invoices and 5.3 times more invoices processed per person.

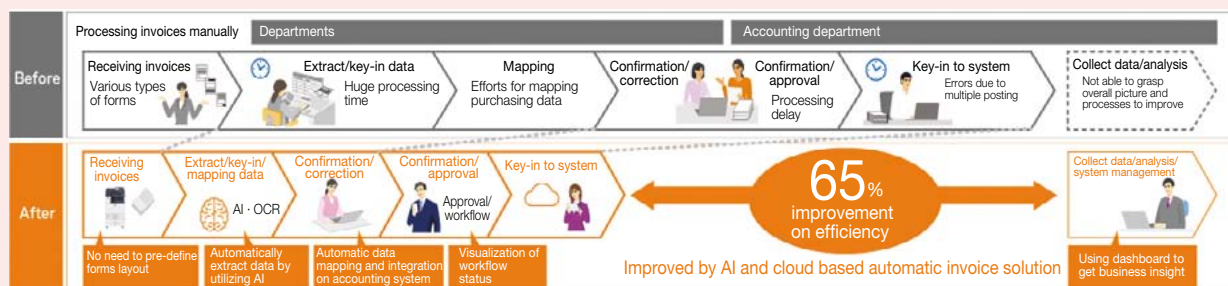
Aiming to promote “the transformation of society where everyone can enjoy fulfilling work” by 2030, Fuji Xerox has been offering various solution services that support work style reform. Since 2018, when we announced Smart Work Innovation, we are proactively forming partnerships and alliances with other companies to increase services to improve productivity and streamline their business workflows. We continue to contribute to creating innovations for organizations and society through offering our solution services to help working people improve the productivity and creativity.

*1 OCR: Optical character recognition. A technology to convert handwritten or printed characters into digital format for use by a computer through reading the characters with a scanner or digital camera.

*2 Esker: A global company with advanced technology in the field of cloud-based document processing automation software. More than 6,000 companies across the world use their services. Their head offices are located in Lyon in France and Madison, Wisconsin, in the US. Their business covers North America, Latin America, Europe, and the Asia Pacific region.

Details: https://www.fujixerox.com/eng/company/csr/svp2030/work_health_life

Six Points to Streamline Business Processes



TOPICS

Priority Issue 1

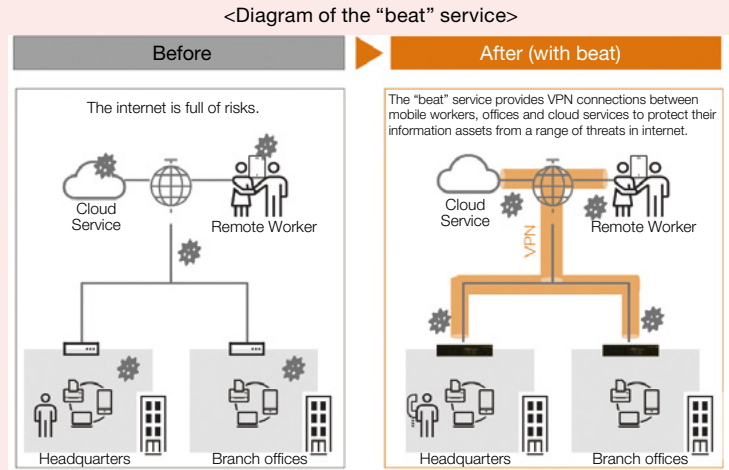
Solution Services that Support Work Style Reform (2)

Comfortable, secured, and easy-to-use security networks to enable flexible work styles

Along with progress of work style reform, rapid expansion of IT utilization, and the technological innovation, diversification of working styles that are flexible in time and location, such as teleworking, are expanding. At the same time, information security risks, such as cyber attacks and crimes and unauthorized access through websites, are also expanding—with targets from the public sector and large companies to SMEs (small and medium enterprises). Because such SMEs often lack the enough human resources dedicated to information security, experience in security system operations, or have financial burdens, handling of information security risks is becoming increasingly demanding for such companies.

To solve such difficult issues in SMEs which account for approximately 70% of all employees in Japan, since 2002, Fuji Xerox has been offering a security service called “beat”^{*1} to SMEs for securing their networking environments as well as providing a regular updating service for information security. “beat” features Fuji Xerox’s one-stop service that manages installation, operation, and maintenance of the system, as well as ensured service quality across Japan based on our nation-wide sales network. We have delivered a total of 70,000 security devices for “beat” service to date. In 2019, we released the option, “beat Cloud Connection Service” to help customers use the Amazon Web Services (AWS)^{*2} with grater safety.

Security risks have been expanding in multiple aspects recently and even large companies are facing the challenges of making investments and hiring IT staff. For the next stage of “beat” service, we have launched a new service called Smart Cyber Security for business of all sizes to enjoy the value provided by “beat” from SMEs to large enterprise. We plan to enhance the range of our safe network services for a wider range of customers



so that they can enable flexible work styles for their employees.

^{*1} beat: A secure network outsourcing service that fully supports security measures and communication network functions in office. As the key feature of the service, Fuji Xerox offers outsourcing services for a range of operations on building, maintaining and managing the communication network systems. A variety of security measures are provided based on the installation of a security device called the beat-box, and the “beat-noc” Network Operation Center monitors the networking situation 24 hours a day, 365 days a year. Moreover, the beat Contact Center can support quick recovery in case of network failures.

^{*2} Amazon Web Services: A cloud computing service offered by Amazon.com.

Details: https://www.fujixerox.co.jp/company/csr/svp2030/work_health_life/jirei.html#anc01

Priority Issue 1

Optimizing Business Processes by Data Utilization

Data Scientist Training Programs—human resources development program for digital data utilization

As a part of its work style reform, Fujifilm is actively streamlining work processes by effective data utilization and training employees to adopt such data utilization. We established the Digital Reform Committee in 2017. In February 2018, we also started various training programs for leading human resources, including the Hands-On Data Scientist Introductory Course, which teaches operations and usage examples of the latest BI tools*. This was followed by the Data Scientist Practical Work Follow-Up Course to enable actual application of their knowledge in data utilization. To date, more than 400 employees from 63 departments attended the Introductory Course and more than 100 from 38 departments attended the Follow-Up Course. The results from attendees started appearing as productivity improvements and reduced costs. In March 2019, we held the Data Science Festa as an opportunity to present good practices concerning data utilization. The festa welcomed some 500 attendants,

including those from group companies, showing the high interest of employees.

Although these training programs are only given in Fujifilm at the



Training graduates become trainers to spread their knowledge across the company

moment, we plan to prepare the education system in order to refine business processes and create new products and services utilizing ICT across the Group.

^{*} BI tools: Tools to help faster decision making by collecting and analyzing a large volume of data accumulated in a company. Such tools include Tableau (a data visualization tool) and KH Coder (quantitative content analysis or text mining software).

Develop and Utilize Diverse Human Resources

Target for 2030

Create frameworks and workplaces so that the Fujifilm Group's diverse employees may exert their capabilities and creativity to the fullest extent.

To create and develop a high-growth business and accelerate the global expansion in an ever-changing business environment, it is important for a company to develop human resources who support such business by creating an environment where diverse employees can exert their capabilities to the fullest extent. The Fujifilm Group has been creating frameworks to find, foster, and utilize human resources from a global group-wide viewpoint. Fujifilm Group also provides necessary training to develop human resources worldwide who can proactively create innovation to adjust to social changes. We are also working to develop a corporate culture in which each member of our diverse employees can exert their capabilities, embracing differences of race, gender, nationality, disability, and age.

Outline of Activities in FY2018

[Target] Increase the rate of international employees (i.e., non-Japanese) in major positions.

- Identified important posts in overseas subsidiaries, and started successor training through training programs. (FF)
- Aiming at optimized assignments and best use of global human resources, promoted more communications and discussions among HR officers in Europe, North America, China, and the Asia Pacific region. (FF)



Creating workplace where every person is motivated as a part of Work Style Innovation (WSI)

[Target] Improve the rate of women in managerial positions.

- Percentage of women in executive and managerial positions increased from 3.4% in 2011 to 7.6% in FY2018. (FX)

[Target] Continue exceeding the legally stipulated rate of employment of people with disabilities.

- The rate of employment of people with disabilities in June 2019 was 2.35% (group-wide calculation method under FUJIFILM Holdings).
- Promoted employment of people with disabilities working together with group companies (workplaces tailored for people with disabilities, etc.). (FX)
- Distributed voice recognition software to help communications for employees with hearing problem. (FX)

[Target] Achieve zero retirement of employees caused by nursing care, childbirth, and childcare.

- Held seminars for employees returning from childcare leave and their managers to raise awareness on how to make their return to work smooth. (FF)
- Held specialist seminars to prevent employees quitting their job for nursing care; increased support offices for nursing care. (FF)
- Prepared for enhanced home working system for childcare and nursing care (raising the maximum age of children requiring care, expanding system coverage to pregnant employees, and more flexible work locations in the use of the system) (effective from April 2019). (FX)

[Other major activities]

- Accepted intern students from overseas universities. (FF)
- Held a cross-industry exchange forum for women managers to support their careers. (FX)
- Distributed a Managers' Guide to Support Employees in Childcare. (FX)

FF: Fujifilm FX: Fuji Xerox

▶ **Related Data and Information:** **Management Performance** Page 70 *Promotion of Diversity and Equal Opportunities for Employees*

Future Activities and Targets

- Further disseminate and accelerate Work Style Innovation (WSI)* to realize diverse work styles with high productivity. (FF)
- Work style reform focusing on thorough business streamlining, work environment to exert employees' capabilities, and thorough labor compliance. (FX)

* Work Style Innovation (WSI): Activities implemented by Fujifilm to aim to become a company where diverse employees can utilize their individual strengths to demonstrate their capabilities in effective ways of working that produce results.

The Fujifilm Group believes that we can contribute to a richer society by generating new values through respecting, accepting, and being inspired by each employee's personality and individuality regardless of their backgrounds and values. We aim to be a robust

organization where diversified employees can exert their capabilities to the fullest extent.

In FY2018, we have achieved positive results on the percentage of women in executive and managerial positions, and the employment rate of people with



disabilities. This was achieved through a number of efforts, including maintaining and enhancing the flexible work style to suit different life stages, such as childbirth, childcare, and nursing care; implementing job retention measures for employees with disabilities; and providing workshops for female employees. We are also maintaining our efforts in training and making optimum HR allocation globally.

Human Resource Development

The Fujifilm Group implements the following measures to develop individuals who can survive global business competition: (1) Reinforcing employees' global business capabilities including language skills; (2) Providing opportunities for overseas working experience and systematic job appointments for skill development; and (3) Developing talented local employees in overseas subsidiaries and proactively appointing such employees. In FY2018, we identified major positions in overseas subsidiaries (Global Executive Positions) and provided the Regional Leadership Program to train successors for each region. In addition, we are reinforcing our human resource portfolio to expand business globally by accepting overseas subsidiary employees and foreign students in Japanese offices, as well as increasing the number of foreign national employees.

Further, we are providing future executive training programs based on career stage to develop core employees responsible for corporate management in the future.

Diversity

To enable employees who have various values to continue to perform well, we are expanding our flexible work styles, such as work-at-home system and more accessible paid holidays, so that our employees can continue working while experiencing major life events, such as childcare and nursing care. We are also raising awareness of work-life balance by providing a

range of related seminars. We are particularly focusing on women empowerment in the office through multi-dimensional support, along with OJT and OFF-JT to develop human resources to play core roles. In order to increase the percentage of women in executive and managerial positions, Fujifilm has been offering a number of support programs, including the Re-Employment Program, the Work-at-Home System, and the Paid Leave by the Hour System from the viewpoint of skill application of diverse employees as a part of our Work Style Innovation activities, which we started in 2014. Fujifilm's other women empowerment programs include the career design training program for women employees, the job returning support program after childcare leave, and a work balance support seminar, etc. In addition to similar programs to those of Fujifilm, Fuji Xerox also implements a range of measures under their action plan based on the Act of Promotion of Women's Participation and Advancement in the Workplace. In FY2018, Fuji Xerox offered a training program for women sales staff and customer engineers to help create career plans and share gender-specific issues and countermeasures in male-dominated workplaces. The company also published the Managers' Guide to Support Employees in Childcare to enable them to appropriately handle communications, welfare, and performance appraisals for employees who are involved with pregnancy, childbirth, and childcare at each stage.

As a part of diversity enhancement, we are promoting the employment of people with disabilities under the medium to long-term targets. In FY2018, the rate within the entire Fujifilm Group reached 2.35% as a result of reinforcement of inter-group collaborations based on the group-wide calculation method under FUJIFILM Holdings. We aim to create workplaces where everyone are motivated regardless of their disabilities.

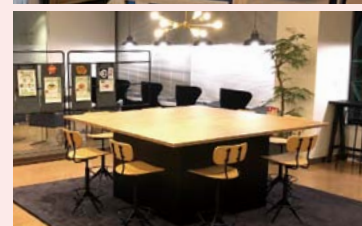
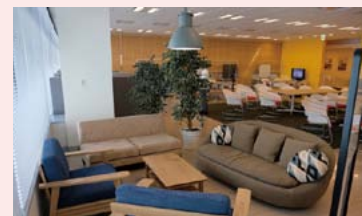
TOPICS

Priority Issue
2

Reforming the Work Environment Providing work spaces to help productivity

The Fujifilm Group is improving office facilities toward creating a better work environment. In Tokyo Midtown, where the head offices of FUJIFILM Holdings, Fujifilm, and Fuji Xerox are located, a part of the canteen and cafeteria were transformed into three work spaces to promote Communication, Action, Reading, and Planning in May 2018. Besides that, one space is allocated as a free-address office for some divisions, the others are shared spaces equipped with high tables and stools for rapid communications, booth seats, and telephone boxes allowing employees to work with remote partners without worrying about their surroundings. This is an example of our attempts to realize new ways of working. Since August 2019, we have been refurbishing the central area of each floor to create characteristics specific to that floor and offer a free space that employees can use according to their purposes. We believe that employees can adopt

more efficient and creative manners of working by offering them an environment where employees can choose the place to work according to their purpose. We plan to expand this attempt to other offices assessing the results from the current design.



The three work spaces are PARK, where people can gather to exchange ideas freely; PIT, where they can concentrate on their work for efficiency; and PORT, available as a satellite work space or for solo work.



Sustainable Value Plan 2030

Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.

Supply Chain

Social Issues

In recent times, depletion of agricultural, marine and mineral resources is now of great concern as consumption of resources expands rapidly to keep pace with expansion of the global population and economic growth. In addition, environmental destruction associated with new land development and labor exploitation issues, including harsh working environments and overwork, are becoming social issues. Against this backdrop, corporations are now required to build sustainable supply chains from the viewpoint of the environment, ethics, and human rights so that they can maintain a sustainable manufacturing process to provide products and services.



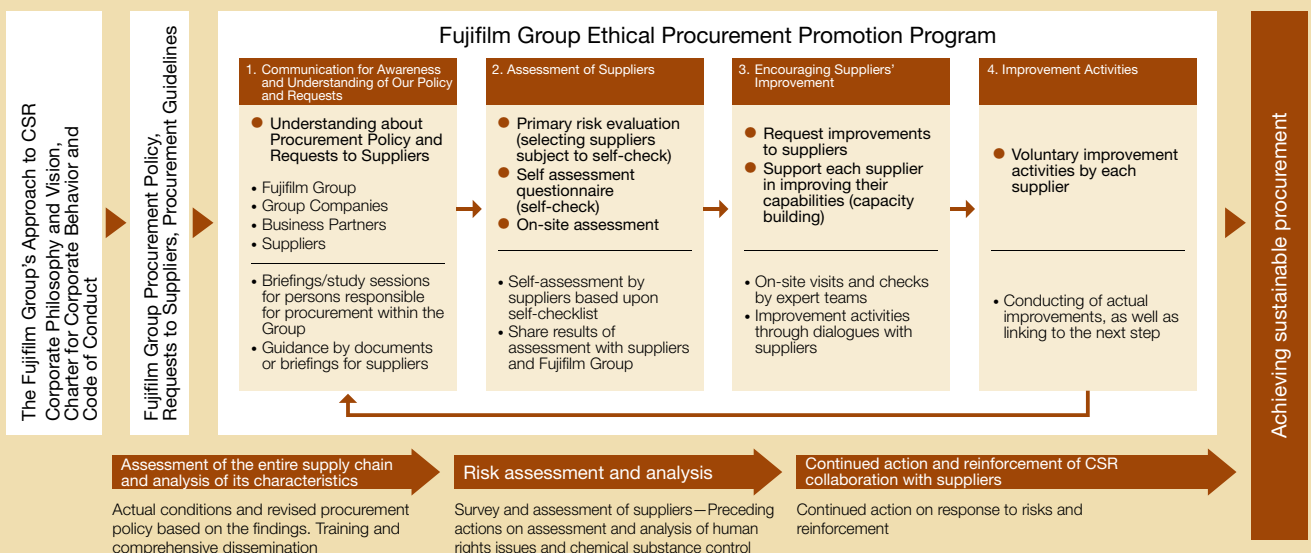
Fujifilm Group's Goals under SVP 2030

(Priority Issues)

Strengthen CSR foundations across the entire supply chain.

The Fujifilm Group began as a manufacturer of photographic and motion picture film and has grown into a large corporation that encompasses 15 different businesses, including our healthcare business. Because of this change, the range of production related materials has increased and our supply chain now covers a wide range of fields. We understand the significance of corporate social responsibility and corporate ethics, and are implementing CSR activities to contribute to the sustainable development of society. However, it is impossible to achieve this through our own efforts alone, and it is important to tackle the issue across the entire supply chain. We ask our suppliers and partners related to the Group manufacturing processes to understand the importance of CSR management. With their understanding and cooperation, we will build a firm and strong CSR foundation by working together to resolve social issues.

Fujifilm Group Supply Chain Management





Priority Issue 1

Strengthen CSR Foundations across the Entire Supply Chain

Target for 2030

- (1) Realize sustainable procurement considering the environment, ethics and human rights.
- (2) Ensure compliance with legislation on biodiversity.

In SVP 2030, we have reconfirmed CSR as a priority issue, notably factors concerning the environment, ethics, and human rights. Under the Fujifilm Group's Procurement Policy, we are strengthening our CSR foundation together with our suppliers to build a sounder supply chain that would achieve sustainable procurement. In addition, based upon the Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation (Guidelines for Biodiversity) established in June 2009, the Fujifilm Group is engaging in a wide range of environmental protection activities for the conservation and protection of biodiversity to sustain the various benefits we now receive from our ecosystem into the future.

Human Rights Statement <http://www.fujifilmholdings.com/en/sustainability/vision/human/index.html>
 Guidelines for Biodiversity <http://www.fujifilmholdings.com/en/sustainability/vision/creature.html>

Outline of Activities in FY2018

[Target] Realize sustainable procurement

- Started on-site visits by expert teams to suppliers with assemble works in China to offer procurement diagnoses and started providing support for improvements. (FF)
- Achieved elimination of production line stops caused by suppliers' CSR risks in consecutive years → FX Shenzhen for four years & FX Haiphong for three years. (FX)
- Obtained 100% response rate from suppliers for the conflict minerals survey (in the document business where customer interest is high). (FX)



Briefings for suppliers in China

[Target] Ensure compliance with legislation on biodiversity

- Continued risk assessment of biological resource procurement from the product design stage, based on internal rules (starting in February 2010).
- Participated in the Taskforce Committee for the Nagoya Protocol under the Ministry of Economy, Trade and Industry (METI), Japan (continuous participation since FY2014).
- Continued risk management for procurement of copier paper, one of our important products, based on internal rules and guidelines (since 2012).

[Other major activities]

- In June 2018, the Fujifilm Group Human Rights Statement was approved by the CSR Committee (current ESG Committee; headed by the President) to be disclosed.
- In April 2019, the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct were revised to enhance descriptions concerning respect for human rights. Started dissemination and education including the Human Rights Statement.
- Conducted the comprehensive human rights impact assessment across the Group and determined the priority in human rights issues to address.
- Conducted natural capital assessments concerning procurement of copier paper based on the Natural Capital Protocol*.

* Natural Capital Protocol: A standardized framework developed by the Natural Capital Coalition (NCC) for businesses to identify, measure and value their impacts and dependencies on natural capital to improve their decision making and strategies. First published in July 2016. FF: Fujifilm FX: Fuji Xerox

▶ Related Data and Information:

Management Performance Page 73 *Supply Chain Management*, Page 65 *Biodiversity Conservation*, Page 77 *Human Rights*

Future Activities and Targets

- Establish on-site visits by expert teams to suppliers with assemble works in China as a regular practice and reinforce support for improvements. (FF)
- Maintain 95% or more response rate from suppliers for the conflict minerals survey, and refine data accuracy (in the document business where customer interest is high). (FX)
- Implement ongoing efforts to comprehensively manage biological diversity risks resulting from procurement, continuing our FY2018 activities.
- Expand our business assessment in compliance with the Natural Capital Protocol.
- Increase the preventive and mitigating measures for the priority human rights issues (identified human rights risks) and monitor the progress.

Although Fujifilm (FF) and Fuji Xerox (FX) are in the Fujifilm Group, the products they manufacture are very different. Thus, the situation and risks associated with their production, procurement, and suppliers are also diverse. However, we regard collaboration with suppliers concerning socially responsible management as highly important regardless of such differences in business content. This is why we have been working to gain their understanding about the Fujifilm Group Procurement Policy, particularly from our production materials suppliers, by distributing our Procurement Policy and Requests to Suppliers to them and distributing our policy documents taking account of business such differences.

FX has been leading promotion of ethical procurement in the Group since 2007. This is because the company has an overseas production rate as high as 90% and belongs to the electrical and electronic industry, where demand for socially responsible management has been strong since early days. Through our procurement scheme, FX (1) adopts the international ethical procurement standards required by the Responsible Business Alliance (RBA), which includes many electrical and electronic industry as members; (2) offers suppliers the expertise gained by FX and Fuji Xerox Shenzhen (FXSZ), a major FX production site; and (3) makes and distributes management tools (management guidelines and self-checklists) to our suppliers. Utilizing these management tools, suppliers have become able to

check their procurement soundness and establish improvement plans by themselves. Also, running the PDCA cycle for procurement every year ensures steady improvements. FX requires all of its suppliers to conform to 90% or more of the “very important” items in the CSR Self-Checklist. Currently, the average conformance rate remains around 90% and since 2014, FXSZ is now in the fourth consecutive year of being free from any production line stops caused by CSR risks in its suppliers. FF began requests to some of its suppliers to conduct self-assessment from the CSR viewpoint in 2009, in addition to conventional communications concerning the chemical substances contained in products. This self-assessment has been expanded to other suppliers and now covers 80% of each business division’s procurement. In FY2018, we extended the procurement management that FX has developed to FF’s production subsidiaries in order to reinforce and deepen our procurement policy across the Fujifilm Group. As the first site to introduce this scheme, we appointed Fujifilm Imaging Devices (Suzhou) Co., Ltd. (FC), FF’s major production site for digital cameras and instant camera systems, for which customers have been increasingly demanding CSR management over suppliers in recent years. The procurement management has already started in cooperation with FXSZ, which has knowhow in assessment and improvement support in China. We continue to reinforce our CSR management across the supply chain by sharing knowhow within the Group.

- See the *Management Performance* for more details on ethical procurement and our FY2018 efforts concerning conflict minerals, human rights, and biodiversity.
 - Please refer to the Feature Article of the Integrated Report 2019 *Promoting Sustainable Procurement through Group Synergies*.
- https://www.fujifilmholdings.com/en/pdf/investors/integrated_report/ff_ar_2019_005e.pdf

OPINION Third-Party Opinion on “Supply Chain”



Mr. Hidemi Tomita
 Director
 Lloyd's Register Japan K.K.

Profile

Graduated from the Department of Applied Physics, The University of Tokyo. M.S.E. in Chemical Engineering, Princeton University. Took the role of General Manager of the CSR Department in Sony Corporation since the department's foundation, including supply chain management. After joining the Lloyd's Register Group, he became the director of Lloyd's Register Japan K.K. Participated in the formulation of domestic and international standards, including ISO 26000, ISO 20400, GRI standards, Tokyo Olympic and Paralympic sustainable sourcing code, etc.

Among the Fujifilm Group, the ethical procurement implemented by Fuji Xerox (FX) has particularly matured, having departments specializing in ethical procurement at different business sites. Using an international standard—RBA—as its own benchmark, the company not only conducts self-assessments but also seeks professional advice in workplaces. Their extensive initiatives have led to successful risk management as well as productivity enhancements. These are noteworthy results. At the same time, they have meticulously addressed issues specific to FX, such as paper procurement.

On the other hand, ethical procurement in Fujifilm (FF) appears to be still at the introductory stage. It is expected that its initiatives will eventually become as extensive as FX, however, managing suppliers' factories is not sufficient when taking account of the diversity of FF's entire business area. The evaluation of human rights due diligence risks across the supply chain is still in the general stage and identification of risks specific to FF's business seems to be insufficient. I hope the company will improve these aspects in the near future.

Response to the third-party opinion

Thank you very much for your considered opinions regarding our initiatives.

FX which belongs to the electrical and electronic industry has started ethical procurement as an early starter. The initiatives made by FX have resulted in productivity improvements, not only for its suppliers but also in its own business. FF has also been working together with suppliers taking account of its business characteristics and has also been involved with controlling the chemicals contained in its products over the last several years. We plan to further improve our initiatives utilizing FX's expertise to continue to raise the standards of ethical procurement across the Group. (ESG Division, FUJIFILM Holdings)



Sustainable Value Plan 2030

Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.

Governance

Social Issues

To continue to be as a valued member of society and to grow, the company must meet the expectations of its various stakeholders and to win the trust of society. To fulfill its social responsibilities and promote sustainable growth and long-term improvement in corporate value, the company must conduct its business activities in accordance with the social code of conduct, with an emphasis on transparency and fairness. It is important to improve corporate governance, which is essential for swift and bold decision-making, and implement measures that lead to corporate growth and improvement in corporate value alongside changes in the business environment.

Fujifilm Group's Goals under SVP 2030

(Priority Issues)

Improve and maintain governance structures.

Under its Corporate Philosophy and Vision upholding an open, fair and clear corporate culture, the Fujifilm Group is determined to promote sustainable growth and improve its corporate value through sincere and fair business activities and to contribute to the sustainable development of society. To achieve this, corporate governance, which underlies all such efforts, has been confirmed once again as a major issue. We will develop, maintain and continue to strengthen corporate governance through reinforcement of internal controls and audit systems.

Target for 2030

Aim for zero cases of misconduct and major legal violations by disseminating an open, fair and clear corporate culture.

Outline of Activities in FY2018

[Target] Develop a governance organization for the entire Fujifilm Group and reinforce the business management process.

- Increased the number of independent outside directors to four to augment deliberations by the Board of Directors and improve transparency of management decision-making by using an independent outside director.
- Established the Nomination and Remuneration Advisory Committee chaired by an independent outside director as an arbitrary advisory body to the Board of Directors.



Training program for risk managers at overseas sites

[Target] Improve compliance awareness across the entire global Group and reinforce risk management.

- Revised the Fujifilm Group Charter for Corporate Behavior and Code of Conduct. (see Page 43)
- Follow-up investigation on the FY2017 compliance awareness survey ⇒ No major issues.
- Implemented training programs for risk managers at several overseas regional headquarters.
- Introduced the information security reporting system globally.
- Implemented disaster prevention education and training to prepare for a wide-area disaster. (see Page 43)

[Target] Maintain a fair and independent audit and improve the audit quality level.

- Established methods for analysis of financial data and work record etc. as well as an e-mail forensics mechanism; all of which have already been deployed in domestic audits and have led to improving audit completeness and objectivity.

► **Related Data and Information:**

Management Performance Page 21 *Corporate Governance*, Page 26 *Compliance and Risk Management*

Future Activities and Targets

- Strengthen consolidated management of compliance activities by operating companies FF & FX under an FH initiative and by execution of measures aimed at further improving compliance awareness among all employees.
- Enhance deliberations by the Board of Directors and improve transparency of management decision-making.

FH: FUJIFILM Holdings FF: Fujifilm FX: Fuji Xerox

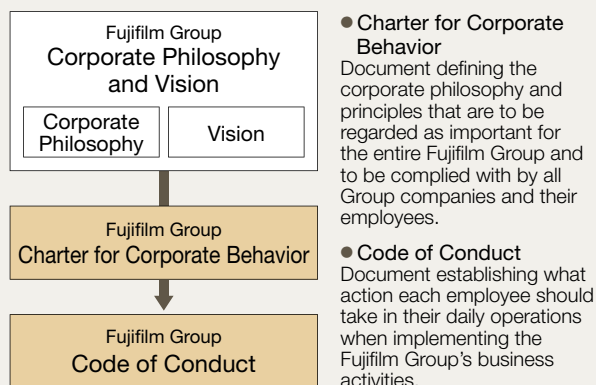
Revision of Charter for Corporate Behavior and Code of Conduct

Covering SDGs, human rights, risk management and other issues in response to changes in the global situation

The Fujifilm Group believes a business corporation as an entity that provides value to society through its business activities and earns profits as fair compensation for its efforts. At the same time, we believe we must function as a member of society to contribute to sustainable development. In view of the ever-growing influence and importance of the role companies must fulfill in society, we introduced in 2017 the Sustainable Value Plan 2030 (SVP 2030) to meet the expectations of society. Furthermore, we have taken action in face of the changing demands of society and revised our Charter for Corporate Behavior and Code of Conduct in April 2019 to clarify how each employee should behave and act in business. The key is our declaration to “make an active contribution to resolving social issues through innovation.” It urges each and every employee to take on their assigned role in the face of many social issues and tackle innovative challenges with the aim of creating the sustainable society envisioned under SVP 2030. Additionally, it communicates to all employees that business activities must be conducted with “an open, fair and clear corporate culture” and explicitly states that compliance is the key to a company continuing to be needed and trusted by society.

To promote greater understanding of the Charter for

Relationship between the Fujifilm Group Corporate Philosophy and Vision and the Charter for Corporate Behavior and Code of Conduct



Corporate Behavior and Code of Conduct, education programs will be implemented in a total of 24 languages so that they can reach all the employees in the Fujifilm Group worldwide.

Fujifilm Group Charter for Corporate Behavior (full text) <http://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html>

Fujifilm Group Code of Conduct (full text) <http://www.fujifilmholdings.com/en/about/philosophy/law/index.html>

Reinforcement of Governance

Improved audit capabilities through consolidation of audit organizations and introduction of advanced IT-based audit methods

In September 2017, FUJIFILM Holdings established its Global Audit Division, consolidating the existing audit organizations in each Group company, to create a system for the direct auditing of consolidated subsidiaries. This has led to the centralization of information at each company, swift reporting of action, effective utilization of auditing human resources scattered across the Group and other benefits that led to the auditing of all 300 companies in the Group in three years.

In addition, the Audit Planning Group was established to introduce new auditing methods utilizing IT. One such method is the e-mail forensics system, which is very

often outsourced to external service providers in an emergency but not in a normal internal audit. At FUJIFILM Holdings, however, the original system was developed internally, utilizing our own AI and other internal systems. This led to analysis that combined more detailed internal data and produced greater accuracy, making it possible to detect problems and signs of wrongdoing as well as to save costs through internal development. The system has already been implemented at sites in other countries as well as in Japan, and we are going to expand its application in the future.

Disaster Prevention Training

Training conducted to raise disaster prevention awareness among all employees

Fujifilm implements various activities to raise disaster prevention awareness in each and every employee. In FY2018, the first e-learning program for disaster prevention was implemented for all employees. Each participant studies for approximately 15 minutes to solidify their knowledge of disaster prevention, including the “basic information of disaster” and “the importance of preparation at home” through their responses to a Q&A checklist. Additionally, stockpiles to prepare for an emergency are being offered for sale at corporate cooperative unions in the Group. They come in the form

of “original sets” consisting of foodstuffs, drinking water and supplies needed in an emergency. The items were selected by employees who experienced the Great East Japan Earthquake and the Kumamoto Earthquake. Each set comes with a service notifying the purchaser of the expiration date of the set six months in advance.

We will continue disaster prevention activities, based on the conviction that the safety and security of the lives of employees and their families will lead to the company's early recovery and business continuity in the event of a disaster.

Fundamental activities that support SVP 2030

Social Contribution Activities

The Fujifilm Group contributes to society through its business operations while interacting proactively with local communities as a corporate citizen, thereby contributing to the sustainable development of society. Utilizing the unique characteristics of our business operations, the Fujifilm Group implements distinctive activities that include creating archives of cultural assets and artistic works (record storage), reproducing historical documents, providing medical devices for use at disaster sites and by emerging nations and support through photography. In addition to these activities, we participate in various other activities to support education and foster coexistence with communities. Continued involvement in these activities makes up an important foundation for the Group's business activities and for achieving the goals of SVP 2030.

Fujifilm Group Social Contribution Policy

<https://www.fujifilmholdings.com/en/sustainability/vision/society.html>

► **Related Data and Information:**

Management Performance Page 82 *Corporate Citizenship*



U.K. Helping people living on the streets Photo exhibition with QuickSnap



Fujifilm UK Ltd. supports the photo exhibition by homeless people in London that is organized by Café Art, with the aim of connecting homeless people with society through photography. QuickSnaps were distributed among the homeless to take pictures on the theme "MyLondon." More than 200 photographs gathered were displayed. Twenty of the best photographs were selected by the judges and those photographs voted for by more than 5,000 members of the public will be featured in the 2019 MyLondon calendar.



These activities are spread to Sydney, Toronto, etc., and the Fujifilm Group is supporting them across the borders. The calendar has sold more than 30,000 copies since 2013, raising money for rough sleepers.



Turkey

Support for a project to build libraries at schools

FUJIFILM Dis Ticaret A.S. (FFTR) members participate as volunteers in support of the One Child One Hope Association that establishes libraries for schools. FFTR members collected approximately 1,000 books and in November 2018, established a library in the name of FFTR as a part of the Association's "One child, one hope, one book, a thousand dreams" project. The Association has reached 142 village schools in 62 cities with thousands of volunteers during the eight years since its foundation. On the day the library was opened, FFTR members visited to celebrate the opening together with the children.



China, Vietnam

Continued reforestation activities in China and Vietnam

Since 1998, the Fujifilm Workers' Union has been engaged in reforestation activities in the Inner Mongolia Autonomous Region of China. In 2017, as the reforestation activities in China supported by Fujifilm (China) Investment Co., Ltd. are now well established, the Union shifted its focus to Vietnam and restoration of the Can Gio mangrove forest. In 2018, the activities in China and Vietnam drew a large number of participants, spreading the scope of the areas covered. The activities are expected to continue into the future, carrying on the reforestation spirit.



South Africa

Giving away photographs of themselves to children who have never taken photographs

July 18 marks an important event in South Africa—Mandela Day. The day celebrates the birthday of Mr. Nelson Mandela, former president of the Republic of South Africa, by asking people from across the globe to donate 67 minutes of their time to a charitable cause to mark his 67 years as a politician. Members from FUJIFILM South Africa (Pty) Ltd. (FFZA) visited the Rankelonyane Primary School in Rustenburg on this day to take pictures of all 467 pupils and staff, with the photos printed instantly. Large-sized prints of educational materials were also made for classroom use. Many of the pupils come from poor backgrounds and have never had photographs of themselves. This experience was an invaluable opportunity for the children to experience the joys of photography.



The Philippines, Myanmar, Thailand, Vietnam, Indonesia, Malaysia

Offering learning materials in emerging countries to contribute to narrowing educational gaps

In FY2014, Fuji Xerox started with other group companies, offering learning materials in the Philippines to contribute to narrowing educational gaps among children in the emerging countries of the Asia-Pacific. Since then, the activity has expanded into Myanmar, Thailand, Vietnam, Indonesia and Malaysia. To date, assistance has been provided to some 90,000 children, and the number of employees participating in the activity now exceeds 600. In Vietnam, where educational disparity is an issue, activities have been organized jointly with the international NGO Save the Children. In FY2018, 7,500 books and picture books for preschool children were supplied to kindergartens and primary schools in remote areas to create an environment



accessible to 3,000 children. Fostering cooperation with NGOs and businesses, the goal of the entire project is to help 100,000 children by 2023.



Reproducing and utilizing historical documents to support conservation of diminishing cultures and information

As part of its social contribution activities, Fuji Xerox Kyoto Co., Ltd. is engaged in the conservation of cultural inheritance through reproduction of historical documents since 2008. To date, the company has provided reproductions for more than 250 items. In 2018, reproductions were created for *Maeda Gen'i Sadamegaki*, a historical document from the Toyotomi reign, and *Nariaiji Sankei Mandara* owned by Nariaiji Temple. In approximating the traditional Japanese shades of gold, white and vermilion, the originals were examined repeatedly. Also, our developers brainstormed to create faithful reproductions. With the theme of "timeless communication," our reproductions will help conserve diminishing cultures and irreplaceable historical documents for the future and make them fully accessible to a wider community.

Maeda Gen'i Sadamegaki, a historical document from the Toyotomi reign, and *Nariaiji Sankei Mandara* owned by Nariaiji Temple. In approximating the traditional Japanese shades of gold, white and vermilion, the originals were examined repeatedly. Also, our developers brainstormed to create faithful reproductions. With the theme of "timeless communication," our reproductions will help conserve diminishing cultures and irreplaceable historical documents for the future and make them fully accessible to a wider community.



Support for the prevention of heart disease, a major health issue for American women

Heart disease is the leading cause of death for women in the United States. As a result, Fujifilm Group companies in North America support the American Heart Association (AHA) and the Canadian Heart & Stroke Foundation. During National Heart Month (February) in the U.S., FUJIFILM Holdings America Corporation (HLUS) launched a national employee fundraising event. The total for employee donations and Fujifilm Matching Funds was \$17,000 in the U.S and over \$6,500 in Canada. The fundraiser raised more money than any of Fujifilm's past campaigns in the U.S. On National Wear Red Day®, an event furthering heart disease awareness by wearing red to work, employees of Fujifilm Group companies across the country wore red and hosted heart-healthy events at their locations.



Various events held for citizens to foster the development and widespread application of regenerative medicine



Japan Tissue Engineering Co., Ltd. organizes various events to foster a greater understanding and wider acceptance of regenerative medicine. In Gamagori City where the company is located and is working on promoting city development through regenerative medicine, workshops for elementary school children and civic courses in the field are being held each year. In March 2019, the company participated in Health Future Expo 2019, an exposition for local citizens organized as a medical theme park. It has also held workshops for elementary school students. [Photo shows hands-on experiences "To future researchers, Waku-Waku Regenerative Medicine Workshop" held in Gamagori City (left); the Waku-Waku Regenerative Medicine Lab "Cell Culture Workshop" held at Health Future Expo 2019 (right).]



Global health program for reducing the medical care divide around the world

FUJIFILM SonoSite, Inc. (FFSS) is conducting a global health program with FFSS's diagnostic ultrasound system for areas that cannot access medical care imaging due to social conditions, distance or shortage of funds. One such area is Cuenca, located in the Andes in southern Ecuador. Esperanza (meaning "hope" in Spanish) 2018, a team of more than 60 medical specialists, used the portable diagnostic ultrasound system SonoSite M-Turbo for medical examinations and treatment of adults and children in the poverty-stricken area.



Contributing to the conservation of diverse marine ecosystems



PT. FUJIFILM INDONESIA (FFID) took part in a mangrove planting project on the Seribu Islands, a chain of 108 islands located north of Jakarta that are home to mangroves, sea animals and corals. Participants from FFID planted more than 100 mangrove seedlings and corals. According to local divers, waste from land carried by the floods in Jakarta last year triggered destruction of parts of the mangrove forests. Diligent efforts to help restoration have become vitally important. Through such activities, FFID will continue to contribute to the recovery and conservation of Indonesia's diverse marine ecosystems.

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Supporting recovery from the disasters

● Volunteer activities to restore windbreak forest

Organized by the Fujifilm Group Workers' Union's Federation, volunteer activities aimed at restoring windbreak forests is organized each year to aid in recovery from the Great East Japan Earthquake. In 2018, 81 persons from 12 organizations participated in the volunteer program that took place in Yotsukura Town, Iwaki City, Fukushima Prefecture. Volunteers weeded the area and planted black pine trees to restore the windbreak forest along the coast.

● Rikuzen-takata Memento Return and Photo Exhibition

In March 2019, an event by Sanriku Archive Disaster Reduction Center to return

photographs and other mementos whose owners could not be identified in the Great East Japan Earthquake took place at Fujifilm Wonder Photo Shop, a store located in Harajuku, Tokyo and managed directly by Fujifilm. The Rikuzen-takata Memento Return and Photo Exhibition was held at the same time, displaying more than 140 photographs of the Center's activities and the festivities and landscape of Rikuzen-takata before the earthquake disaster.

● Disaster recovery support through purchasing local goods

FUJIFILM Holdings held its annual mail order sales and food tasting event, organized under a labor-management cooperation project across Fujifilm Group companies in Japan (supported by FUJIFILM COOP), for

the sale of local products from the Tohoku and Kumamoto regions to Fujifilm Group employees nationwide.

● Launch of a donation website for Group employees

To facilitate social contributions by employees of the Fujifilm Group, the FUJIFILM Holdings Donation Website was launched in November 2018. Fuji Xerox introduced it in FY2013 to accelerate contributions for disaster recovery support in the event of a large-scale natural disaster, and we have now expanded this website on a Group-wide scale. The disaster recovery fund for the Hokkaido Eastern Iburi Earthquake collected ¥1,400,000.



Coastal windbreaker forest restoration activities



Mini-event for the return of mementos and photo exhibition



Tasting events for produce from the disaster-stricken areas



Expand disaster recovery donations across the Group after the Hokkaido Eastern Iburi Earthquake

Stakeholder Communication TOPICS

Group Exchange Meeting Held to Share Energy-Saving Technologies and Activities

In June 2018, some 30 members representing energy strategy planning at Fujifilm, Suzuka Fuji Xerox Manufacturing and FUJIFILM Engineering assembled to share energy-saving technologies and information on their activities and hence to increase energy efficiency in the Group through across-the-board application of best practices. This is the first time the Fuji Xerox group participated in the working-level meetings on energy conservation. Although SVP 2030 calls for ambitious goals in reducing CO₂ emissions, the reality is that activities founded on improvement over past energy-saving efforts at each site are not likely to achieve these goals. For a breakthrough from the current situation, it is necessary for all the companies in the Fujifilm Group, around the world, to unite in the effort. The exchange meeting organized is part of this effort. By sharing energy-saving activity know-how among work sites that did not interact in the past and therefore by spreading best practices, the meeting expects to raise the quality of the efforts conducted by the various work sites. To promote bottom-up activities under a working-level initiative, engineers from various participating sites inspected the production process at Suzuka Fuji Xerox Manufacturing, which hosted the meeting. Active exchange took place among the participating members in a “walk-through” involving the proposal of energy-saving measures from new perspectives and energy-saving workshops in which members shared problems and successful practices in energy-saving for application at their respective sites. The exchange drew reports of improvements in energy-saving awareness at the site level, along with group-wide sharing of technologies and activities. Such energy-saving exchange meetings will be expanded to cover the entire Group to achieve greater energy use efficiency and CO₂ emissions reductions.



Active exchanges at energy-saving workshop

Communicating Environmental Activity Information to Stakeholders

To participate as a member of the local community, Fujifilm Group discloses its environmental conservation activities and at the same time holds events to listen to the opinions of local residents. At Fujifilm’s Fujinomiya Factory, environmental communication meetings are held with residents of the Onakazato area of Fujinomiya City every year. In FY2018, approximately 50 participants, including 20 junior high school students, attended activity reports, information exchanges and factory tours. Also, presentations on the environment are held annually at the Kanagawa Factory, the Kaisei area in Kanagawa Prefecture and Yoshida-minami Factory. In particular, in the Kaisei area, Fujifilm, Fuji Xerox, FUJIFILM TechnoProducts and Fuji Xerox Manufacturing hold a joint presentation including opinion exchanges among the four companies.

The Kanagawa Factory was highly recognized for its long-standing environmental efforts and gave presentations on its activities to protect the local water resources at the Refresher Training for Pollution Control Managers (organized by the Japan Environmental Management Association for Industry, supported by the Ministry of the Environment) held at 11 locations in Japan. We plan to strengthen our environmental activities at sites in the future and actively communicate and disclose information to society.



Environmental dialogue at the Fujinomiya Factory (top). Opinion exchanges and presentations held in the Kaisei area (bottom)

Evaluation Facility to Support Machine Vision Lens Selection

In the machine vision system (industrial image processing system) used for various automatic inspections chiefly at factories, the lens is the vitally important “eye of the machine.” In contrast to the conventional lens, it requires an optical design that maintains a high-resolution performance across the entire image area, as well as a mechanical design that is resistant to performance degradation in the face of long-term use in the factory environment with significant levels of vibration.

Fujifilm has manufactured more than 1.3 million machine vision lenses in total. They are used at manufacturing and quality inspection sites around the world. However, it is extremely difficult to communicate its outstanding performance to customers who have never used these lenses. To accommodate inquiries and requests for advice in the selection of lenses while examining the inspection target and seeing how performance improves with lens replacement, we opened T-Lab, a machine vision evaluation facility enabling customers to experience the performance of the lenses free of charge on December 2018. It is equipped with facilities that enable customers to conduct inspections optimally. Advisers also provide assistance with lens selection. To date, many customers in Japan and elsewhere have made use of the facility. We plan to continue support our customers in building the optimized inspection environment through active use of T-Lab.



In addition to machine vision systems, the facility is equipped with broadcast lenses, surveillance cameras and various photographic equipment to enable a variety of inspection and performance conditions.

Domestic and International Appraisals

Ranking and status of SRI audit

FUJIFILM Holdings has received the following evaluations by external organizations as a corporate group that proactively promotes CSR actions toward sustainable development. It is included in the Socially Responsible Investment (SRI) index listed right. Also listed below are evaluations of FUJIFILM Holdings in domestic and international ranking surveys. (As of October 2019)

Survey	Evaluation for FUJIFILM Holdings
13th CSR Corporate Ranking (2019, Toyo Keizai, Inc.)	5th out of 1,501 companies (565.2 points)
22nd Nikkei Environmental Management Survey (sponsored by Nikkei Inc.)	35th out of 360 manufacturers; 1st in the petrochemical field for the 12th consecutive year
10th JUSE Quality Management Level Research (Union of Japanese Scientists and Engineers)	18th out of 193 companies; 1st in the chemical, textile and pharmaceutical industry
CDP	Climate Change B Water B- Supply Chain A

• FTSE4Good Global Index



• FTSE Blossom Japan Index



• MSCI Japan Empowering Women (WIN) Select Index



• S&P/JPX Carbon Efficient Index



• The 22nd Environmental Communication Awards 2019 Excellence Prize in the Sustainability Report, Environmental Report Category



• Health and Productivity 2019



Appraisals and awards in FY2018

See pages: 13, 17, 22, 30 and 31

Recipient	Name and description of the award	Awarding entity
FUJIFILM Corporation	The Minister of Economy, Trade and Industry Prize under the 7th Management of Technology and Innovation Awards, in recognition of developing a large-capacity data tape that uses Barium Ferrite magnetic particles to support the era of big data and the IoT.	Japan Techno-Economics Society
FUJIFILM Corporation	Red Dot Design Award: Product Design 2019 (24 major products). FUJIFILM PROJECTOR Z5000 and CALNEO Xair, won the highest ranked "Best of the Best Award."	Design Zentrum Nordrhein Westfalen
FUJIFILM Corporation	iF DESIGN AWARD 2019 (20 major products). CALNEO Xair, a portable X-ray unit won the highest ranked "iF Gold Award."	iF International Forum Design
FUJIFILM Corporation	Good Design Award 2018 (29 major products). CALNEO Xair won the Good Design Gold Award and FUJIFILM DR CALNEO Dua was selected for the Good Design Best 100.	Japan Institute of Design Promotion
FUJIFILM Corporation	The Art of Moment Award under the Japan Mécénat Awards 2018, in recognition of FUJIFILM SQUARE activities.	Association for Corporate Support of the Arts
FUJIFILM Corporation	2019 Commendation by the Japanese Society of Printing Science and Technology for development of new process-free CTP plate for newspaper printing.	Japanese Society of Printing Science and Technology
FUJIFILM Corporation	2018 Green Printing Certification, GP Environmental Award for Materials and Equipment.	Japan Federation of Printing Industries
FUJIFILM Kyushu Co., Ltd.	2018 Commendation for Contribution to Local Environment Management.	Ministry of the Environment
FUJIFILM Kyushu Co., Ltd.	2018 Commendation for Contribution to Water Resource Management.	Ministry of Land, Infrastructure, Transport and Tourism
Fuji Xerox Co., Ltd.	Minister of the Environment's 2018 Commendation for Global Warming Prevention Activity (The Pioneering Countermeasures Technology category).	Ministry of the Environment
Fuji Xerox Co., Ltd.	2018 Reduce, Reuse, Recycle Promotion Association Chairperson Award.	3R Promotion Association
Fuji Xerox Fukushima Co., Ltd.	2018 Fukushima Protocol, Prize of Excellence in the Business Site category in recognition of significant reduction of standby power consumption.	Fukushima Prefecture
Japan Tissue Engineering Co., Ltd.	2019 Science and Technology Award, under Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology, for development of autologous cultured epidermis.	Ministry of Education, Culture, Sports, Science and Technology
Toyama Chemical Co., Ltd. (Current FUJIFILM Toyama Chemical Co., Ltd.)	2018 Science and Technology Award, under Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology, for development of anti-pandemic influenza medicine in a new action mechanism.	Ministry of Education, Culture, Sports, Science and Technology
FUJIFILM Manufacturing U.S.A., Inc. (FA)	Gold Award and the Gold Star Award	Greenwood Metropolitan District
FUJIFILM Imaging Colorants Ltd.	RoSPA President's Award	Royal Society for Prevention of Accidents
FUJIFILM Hunt Chemicals U.S.A., Inc.	Dischargers Demonstrating Exemplary Compliance	Metropolitan Water Reclamation District of Greater Chicago
FUJIFILM (China) Investment Co., Ltd.	The 2018 Third CSR China Education Award	Central Committee of the Communist Youth League
Fuji Xerox (China) Limited	GoldenBee Excellent CSR Report 2018 (Evergreen Award)	GoldenBee
Fuji Xerox (China) Limited	China Electronic Energy Saving Technology Association Climate Award	China Electronic Energy Saving Technology Association
Fuji Xerox (China) Limited	Guangdong CSR Award 2018	Sina/Weibo
Fuji Xerox (Hong Kong) Limited	The Hong Kong Council of Social Service Caring Company	The Hong Kong Council of Social Service
Fuji Xerox Singapore Pte Ltd	HR Excellence 2018 - Gold Award for Excellence in Multigenerational Workforce Strategies	Human Resources magazine
Fuji Xerox Taiwan Corporation	Excellence in Corporate Social Responsibility	Common Wealth Magazine

Third-Party Opinion



Mr. Keisuke Takegahara

Executive Officer, Deputy Chief Research Officer,
Chief Manager, Sustainability Management Office, Corporate Planning & Coordination
Department
Development Bank of Japan Inc. (DBJ)

Profile

Graduated from Hitotsubashi University Faculty of Law in 1989 and joined the Development Bank of Japan in the same year. After appointments as Chief Representative for the Frankfurt Office and Manager of the Environment and CSR Division, he was appointed to his current position in 2017. He has been working for many years in the field of environmental finance planning, including creation of DBJ's environmental rating based financing program. At present, he supervises the bank's industrial research activities. He also holds many public posts, including membership of the Study Group on Long-term Investment toward Sustainable Growth of the Ministry of Economy, Trade and Industry and the Study Group on Environmental Industry Growth Engine of the Ministry of the Environment. He co-authored the book "Renewable Energy and New Growth Strategy," Energy Forum 2015, and others.

The Report this year has taken a new format, divided into two reports—*Management Performance*, which is a systematic and general presentation of sustainable management at Fujifilm Group and *SVP Stories*, which reports the details of activities conducted in accordance with the CSR plan, Sustainable Value Plan 2030 (SVP 2030). The *Management Performance* consists of existing Data and Information that has been disclosed in detail but which is now reorganized in accordance with ESG themes and provides commentary and an overview of the Group's sustainable management strategy. The *SVP Stories*, on the other hand, gives a clear and easy-to-understand description of the action plan to be implemented up to the year 2030 under the strategy described in the *Management Performance*. Because of the varied ways available of disclosing non-financial data, I believe companies adopt different approaches in making effective use of their respective business characteristics. Recently, I frequently see corporate reports that present the main stories, with the substantiating details made available as a data version on the web. Although rational in approach, this format is likely to result in a quandary, with information that should be communicated as corporate stories being overwhelmed by the data, especially for companies that require extensive information disclosure due to the large number of stakeholders. Fujifilm Group's new two-part format constituting strategies presented as a framework and concrete activities may be a prescription for resolving this issue.

Reading the *Management Performance*, I found the structure reflects the clarity and attention to detail that has been paid in accordance with the ESG system. Particularly notable is the description of SVP 2030. As I mentioned in the previous year, SVP 2030 is an excellent concept that identifies the broad range CSR activities as a list. In the latest report, the priority issues that make up the content are explored in depth, namely, in terms of their relationship with business operations, state of progress achieved and future actions. With the background and foundation underlying each issue described clearly in the *Management Performance* and connected with the *SVP Stories* that brings passion to the portrayal of the single-year progress, I find this method of connecting the two parts effective.

Specifically, TOPICS that are placed at key points in the *SVP Stories* to cover the priority issues in SVP 2030 supply concrete images of the strategy described in the *Management Performance* and increases reader understanding.

One example is Priority Issue 1—Work Style, which

is shown in a tangible form as a solution, namely greater efficiency from the application of AI to management of trade accounts payable. At the same time, the Fujifilm Group communicates clearly that this demonstrates its strengths in document management expertise and open innovation. The same applies to the text that describes the Supply Chain. In the *Management Performance*, the supply chain management system is explained as the foundation that supports SVP 2030, leading to detailed descriptions in the *SVP Stories*. The Report stands out especially in the way it presents the Fujifilm Group's own unique approach to combining the different business domains of Fuji Xerox and Fujifilm, integrating their respective strengths in supply chain management that were developed separately.

The *SVP Stories* present the Fujifilm Group's business activities synchronized with its efforts to resolve social issues vividly as a story. Founded on the explicit declaration in the top management message that contributing to resolving social issues is the main concern of the Fujifilm Group as a business corporation, the solid progress made by the Group toward the long-term goal of SVP 2030 is reported from a multilateral approach. In addition to such significant developments as the revision of the Fujifilm Group Charter for Corporate Behavior and Code of Conduct for the first time in 12 years and the creation of ESG Division that reports directly to the President, the report is impressive in the way that it presents the activities in the area of environmental protection concerning climate change issues, such as membership of RE100 and support for TCFD, and the advances made in contributions to society in the area of health management, represented by the Fujifilm Employee Wellness Declaration.

There are many topics to look forward to in the future, such as enhanced disclosures relating to action on climate change, represented by activities that utilize carbon pricing and analysis of environmental scenarios based on the TCFD framework, and further, in-depth disclosure of information concerning development and utilization of diverse human resources that are given increased importance in the Report. Especially in the area of business strategy, the Report defines measurable goals for outcomes in themes that are closely linked with business operations and shows that such achievements will be linked to remuneration for directors, clearly indicating that the Fujifilm Group is heading in a new direction. I look forward to the Fujifilm Group's value creation stories gaining greater prominence and attraction both in terms of strategy and concrete action through the new disclosure system.

Editorial Policy

●FUJIFILM Holdings Sustainability Report 2019 comprises two parts in response to recent demand for information disclosure. One is *Management Performance* and the other is *SVP Stories*. Overviews of each part follow.

	<i>Management Performance</i>	<i>SVP Stories</i>
Report overview	In addition to the contents covered in the previous "Data and Information" section, articles concerning the Environment, Social, and Governance (ESG) are comprehensively covered.	The sustainability scenario is described as concrete actions toward SVP 2030.
Consideration for readability	Tables were used for Basic Approach, Related Policies, Outline of Activities, etc. to make the data provided easier to understand.	Visual help is provided for easier understanding of contents of each of the six areas in SVP 2030 and their progress. Help includes color markers for different categories, summary of major activities related to priority issues and icons to indicate major points.

●Our Sustainable Value Plan 2030 (SVP 2030) is a long-term plan with the same target year as the Paris Agreement and the SDGs. The plan, which was announced in August 2017 together with our Medium-Term Management Plan, VISION 2019, was created based on the CSR issues that have high materiality for both the Fujifilm Group and its stakeholders from the environmental and social aspects out of the three features of our business activities. We clarify some of the 17 SDGs Goals that we can contribute to through our business activities, and introduce our activities toward resolving the social issues.

●To increase accessibility to the topics from the CSR issues, they are associated with ISO 26000 and the GRI standards. Further, continuous third-party opinions have been consulted on major topics, as well as on environmental and social data to ensure objective assessment and data accuracy.

●For readers who are interested in more extensive information, visit our website that also contains archived data for the last five years. You can find the Integrated Report in the IR Library on the FUJIFILM Holdings website. Fujifilm, Fuji Xerox, and other business companies have their own CSR websites for proactive disclosure of information. For more details of their CSR activities, please refer to each company's official website.

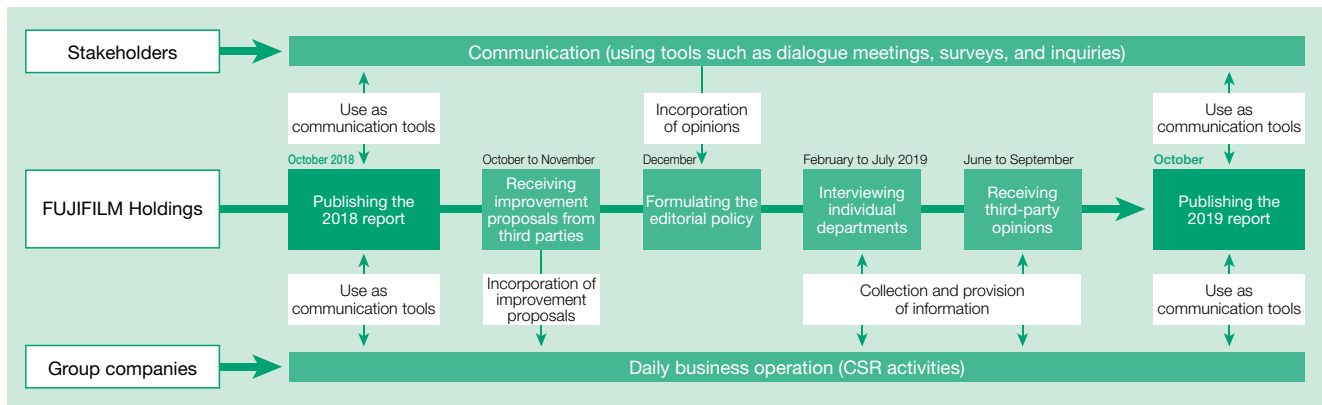
●Please note that Fujifilm has obtained independent assurance of the following information.

[Scope of Independent Assurance]

- Greenhouse gases emissions [Scope 1, 2 & 3 (Category 1)]
- Energy consumption ●Volumes of water intake and discharge
- Volume of waste generated ●Volume of VOC emissions
- Data on Personnel and Labor (for Fujifilm and Fuji Xerox)
- Management systems supporting the reporting process
- Stakeholder Management Process of the report

<http://www.fujifilmholdings.com/en/sustainability/index.html>

● Process of Creating the Report



●Period covered by the report

FY2018 (April 1, 2018—March 31, 2019) is covered in the performance data. With regards to the contents of activities, wherever possible, we have conveyed the most recent trends, including activities in FY2019.

●Organizations covered by the report

The Fujifilm Group (FUJIFILM Holdings and its affiliates)
 ◎Major consolidated companies are shown on our website.

<http://www.fujifilmholdings.com/en/business/group/index.html>

●Date of publication (*SVP Stories*)

December 2019 (next report: August 2020, previous report: September 2018)

●Referenced guidelines

◎Japan's Ministry of the Environment: Environmental Reporting Guidelines (2018 Version)/◎GRI: The GRI Sustainability Reporting Standards/◎Japan's Ministry of the Environment: Environmental Accounting Guidelines (2005 Version)/◎ISO 26000: Social Responsibility

●Supplemental information regarding reported matters

◎The term "employees" refers to all employees, including managers, general employees, and part-time staff. The term "company employees" indicates employees (full-time staff). To further ensure the accuracy of the report, the terms "regular employees" and "non-regular employees" (temporary staff, part-time staff, others) have been used separately as required.

[GRI Standard Comparison Table]

<http://www.fujifilmholdings.com/en/sustainability/report/guideline/index.html>

[ISO 26000 Comparison Table]

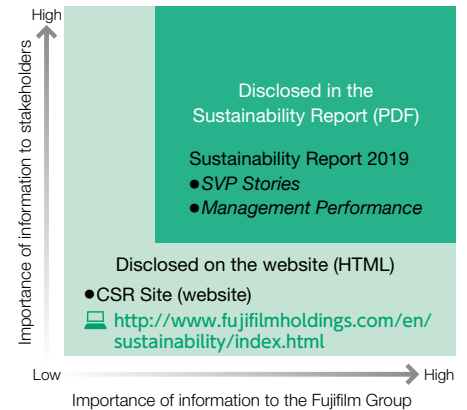
<http://www.fujifilmholdings.com/en/sustainability/report/iso26000/index.html>

Economic aspect Disclosed as IR information (including governance)

●IR Site (website)

<http://www.fujifilmholdings.com/en/investors/index.html>

Social/Environmental aspects Disclosed as CSR information (including governance)



We welcome your comments to improve our future reports. We would appreciate your participation in the questionnaire accessible from the following URL:

<http://www.fujifilmholdings.com/en/sustainability/report/questionnaire/index.html>

Company Profile (Holding Company)

Company name: FUJIFILM Holdings Corporation

Representative: Shigetaka Komori

Head office: Tokyo Midtown, 9-7-3 Akasaka, Minato-ku, Tokyo 107-0052, Japan

Established: January 20, 1934

Capital: ¥40,363 million (as of March 31, 2019)

Employees: 234 (as of March 31, 2019)

Consolidated employees: 72,332 (as of March 31, 2019)

Consolidated subsidiaries: 279 (as of March 31, 2019)

◎ About the art work on the front cover

The Fujifilm Group is recording and storing cultural and artistic works in the form of photos and images to pass on to future generations. We do this as part of our social contribution through our business. Thanks to cooperation from the Nara National Museum, we are presenting works owned by the museum on the front cover of this report.



“Bachiru Soukamon Obidome (Engraved Dyed Ivory Sash Clip with Flower Pattern)—Master Works in Wood by Three Generations in the Kiuchi Family”

Meiji-Showa period
Nara National Museum Collection

Nara National Museum

50 Noborioji-cho, Nara 630-8213 Japan
Tel. (Hello Dial) 050-5542-8600 (from within Japan) (81) 50-5542-8600 (from outside Japan)
<http://www.narahaku.go.jp/>

The establishment of Nara National Museum was first planned in May 1889 by the government of the day as one of three imperial museums, the others being in Tokyo and Kyoto; it actually opened in April 1895. Nara National Museum marked the 120th anniversary of its foundation in 2015.

■ Please address inquiries on this publication to:

FUJIFILM Holdings Corporation

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Tel.: +81-3-6271-2065 Fax: +81-3-6271-1190
<http://www.fujifilmholdings.com/en/sustainability/contact/index.html>
