

Value Creation Story

The Fujifilm Group has faced and overcome many tough challenges over the years, including the development of technology to manufacture film in Japan, skyrocketing raw material prices at the time of the oil crises and Silver Thursday, and being sued by Eastman Kodak under Section 301 of the U.S. Trade Law. In particular, the photography market, which had been our main business, fell into steep decline beginning in 2000 due to rapid advances in digitization. The Fujifilm Group faced the crisis of losing its core business, but we managed to boldly transform our business structure and expand our business domain by further developing and innovating the technologies we had cultivated. By orienting

ourselves to the future and determining what must be done and what is lacking today, and emphasizing the strengthening of strategies and allocating resources from a pre-arranged backcasting, we have been able to build a resilient business portfolio.

By creating value through innovation, the Fujifilm Group aims to resolve the challenges faced by society through its business activities and take the environment and society into consideration in all its business processes so as to contribute to the realization of a sustainable society.

► For more information, please see "Medium-Term Management Plan VISION2023" on pages 29–33.

Realization of a Sustainable Society through Value from Innovation



Resolving Issues in Global Society

Using future-oriented
backcasting to
strengthen strategies
and allocate resources



Needs, Expectations,
and Trust of Society

CSR Plan: Sustainable Value Plan 2030 (SVP2030)



Environment

Contribute to resolving environmental issues through reducing environmental impacts



Health

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



Daily Life

Support the tangible and intangible aspects of social infrastructure through various products, services and technologies



Work Style

Promote social change where every person is motivated in their workplaces, through extending our in-house work-style reform

Supply Chain

Governance

Business Activities

Sources of Corporate Value

Technological
Capabilities

Corporate
Culture

Human
Resources

Brand Strength

Global Network



Business Segments

Healthcare

Materials

Business
Innovation

Imaging

Creating Value
through Innovation

Medium-Term Management Plan

Basic Strategy in the New Medium-Term Management Plan VISION2023

Accelerate business growth in healthcare and advanced materials and build a more resilient business platform to facilitate sustainable growth



Reinforce business portfolio management



Strengthen cash flow management



Enter into new markets for further growth



Create stronger integrated business synergies through M&A

Corporate Philosophy / Vision

Code of Conduct

Evolution of Our Technologies and Businesses

Since its founding, the Fujifilm Group has amassed a wide range of technologies cultivated through its photographic film business and provided products and services valuable to society, continuing to grow as a company. The Group promoted a growth strategy by consistently anticipating the future and centering on technologies such as optics, chemicals and electronics, which are needed to develop and produce photo-related products. Here, we will explain the history of innovation in the Fujifilm Group.

From 1934

Domestic Production of Film and Establishment of Sales Network in Japan

- Established in 1934. Launched domestic film for motion pictures
- Expanded business operations into the medical, graphic systems and related fields by sales of X-ray and graphic arts film
- Established a robust position as a manufacturer of comprehensive photosensitive materials
- Expanded into the lens and optical fields
- Developed Japan's first computer for lens design in 1956

From 1960

Expansion of Business / Enhancement of Technologies

- Commenced development of a global network by establishing local overseas subsidiaries and offices
- Established Fuji Xerox, as a joint venture with Rank Xerox
- Pioneered successful research, development and commercialization of high-sensitivity color negative films

From 1980

Pursuit of Digitization and Acceleration of Globalization

- Accelerated globalization by organizing production sites and promoting sales overseas
- Promoted early efforts to digitize the photography, medical and graphic systems fields
- Developed and sold a host of innovative products, including the Fuji Computed Radiography (FCR) system and digital still cameras

STEP 1 toward Transformation

2000–2006 Adapting to changes Second Foundation— Creation of a Resilient Business Portfolio

In 2000, the photographic film business accounted for roughly 60% of Fujifilm's sales and generated around two-thirds of operating income. With the subsequent rapid rise of digital technology, the photographic film market shrank at a rapid pace. The market fell to less than one-tenth of its historical peak by 2010. In order to overcome the biggest crisis since its founding—losing its core business—Fujifilm undertook a large-scale business restructuring centered on reorganizing its photography-related business. By taking stock of the technologies we had cultivated in the

development and production of photographic film and examining the fields in which these technologies could be applied, we were able to enter the markets of cosmetics and pharmaceuticals, newly identified as future growth areas. After making Fuji Xerox Co., Ltd. (now FUJIFILM Business Innovation Corp.) a consolidated subsidiary in 2001, we established FUJIFILM Holdings Corporation in 2006 to bolster our consolidated management. This also marked our transition to a holding company structure.

Healthcare & Material Solutions

1936

Launch of X-ray film

1958

Launched FUJITAC

1959

Launched Fuji Medical X-Ray Film PX, a film pursuing non-flammability and high sensitivity

1971

Launched the endoscope business

1983 World first

Launched FCR, the world's first digital X-ray diagnostic imaging system

1999

Launched the medical-use picture archiving and communications systems (PACS) SYNAPSE

2004 World first

Developed a fully digital double-balloon endoscope

2006

Entered into the cosmetics market



Document Solutions

1962

Established Fuji Xerox

1962 Japan first

Launched sales of Japan's first plain-paper copy machines

1975 Industry first

Launched the Fuji Xerox 6500, a full-color copy machine

1987 World first

Launched the Zero Printer 100, offering both printing and copying functions

2000

Established a "Zero Landfill" system on a nationwide scale, achieving a recycling rate of 99.97%

2000

Launched the Color DocuTech 60, the world's fastest (at that time) full-color electronic printing and publishing system

2001

Fuji Xerox became a consolidated subsidiary of Fuji Photo Film (changed Fuji Photo Film's investment ratio to 75%)

2002 Industry first

Launched the Net Print service to retrieve personal documents from copiers in convenience stores



Imaging Solutions

1934

Launched positive film for motion pictures made domestically in Japan

1958

Launched general-use color negative film color paper

1976 World first

Developed the Fujicolor F-II 400, the world's first high-speed color negative film

1986 World first

Launched the Fujicolor QuickSnap, the world's first one-time-use recyclable camera

1988 World first

Developed the FUJIX DS-1P, a fully digital still camera

1998

Launched the instax mini 10 instant camera



Successfully transformed the business structure in response to sharp decline in demand for photographic film

2000 World first

Launched the FinePix 4700Z digital camera equipped with the Honeycomb Super CCD sensor



Evolution of Our Technologies and Businesses

STEP 2 toward Transformation

2007–2017 Forecast changes and act proactively To Enhance the Business Portfolio and Accelerate Growth

In anticipation of market growth, the Fujifilm Group made full-fledged entry into the regenerative medicine business in 2010 and the bio CDMO (contract development and manufacturing organization) business in 2011. In addition to actively pursuing M&A, we expanded our business by applying advanced production technologies, such as process engineering, cultivated through the manufacture

of photographic film. In fiscal 2017, we formulated Sustainable Value Plan 2030 (SVP2030), a long-term corporate social responsibility (CSR) plan, and VISION2019, a medium-term management plan acting as a concrete action plan for realizing the former's goals. We took action toward the priority issues of accelerating growth in the healthcare field and improving profitability of the document business.

STEP 3 toward Transformation

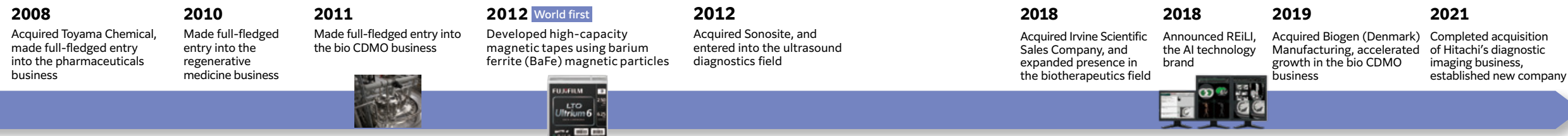
Since 2018 Creating changes by ourselves Generating Value with a Positive Impact on Society, Leading Markets

We have accelerated synergies across the Fujifilm Group, focusing on the creation of value that exerts positive impact on society while evolving our leading-edge proprietary technologies. Especially in the bio CDMO business, we acquired a manufacturing subsidiary of U.S.-based Biogen Inc. and are aggressively promoting capital investment to reinforce our production capacity. By acquiring Hitachi, Ltd.'s

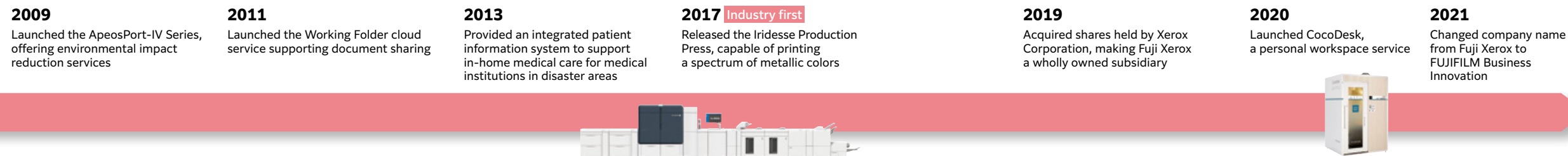
diagnostic imaging business and making Fuji Xerox a wholly owned subsidiary, we also strengthened our business portfolio. This has built a foundation for our future growth. Toward the realization of our medium-term management plan VISION2023 announced in April 2021, we will accelerate the growth of the Fujifilm Group and contribute to resolving social issues.

Healthcare & Material Solutions

Growth with healthcare as an earnings pillar



Document Solutions



Imaging Solutions



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

2021 Transition to New Segments

We have reorganized our businesses into the following four segments, and will implement strategies according to the phase each segment is in.

► For more information, please see "Medium-Term Management Plan VISION2023" on pages 29–33.

Healthcare

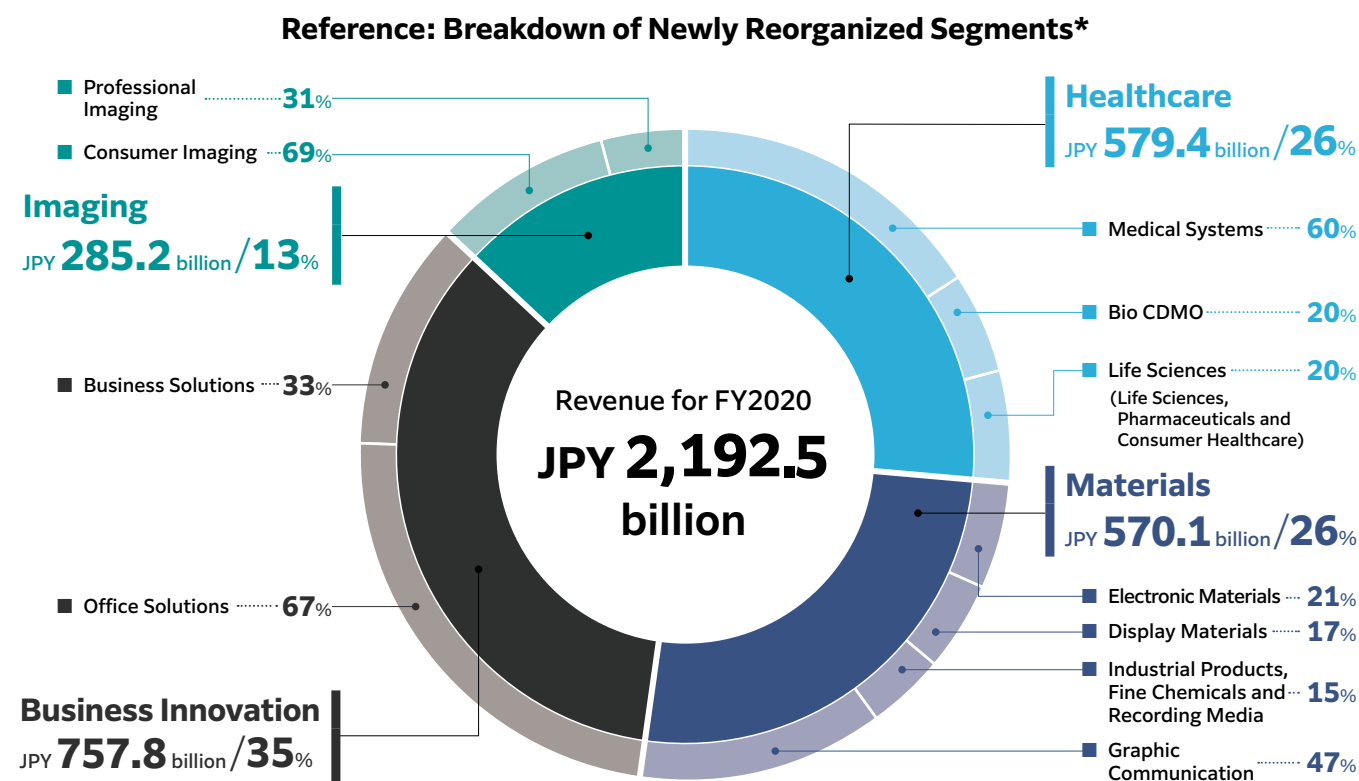
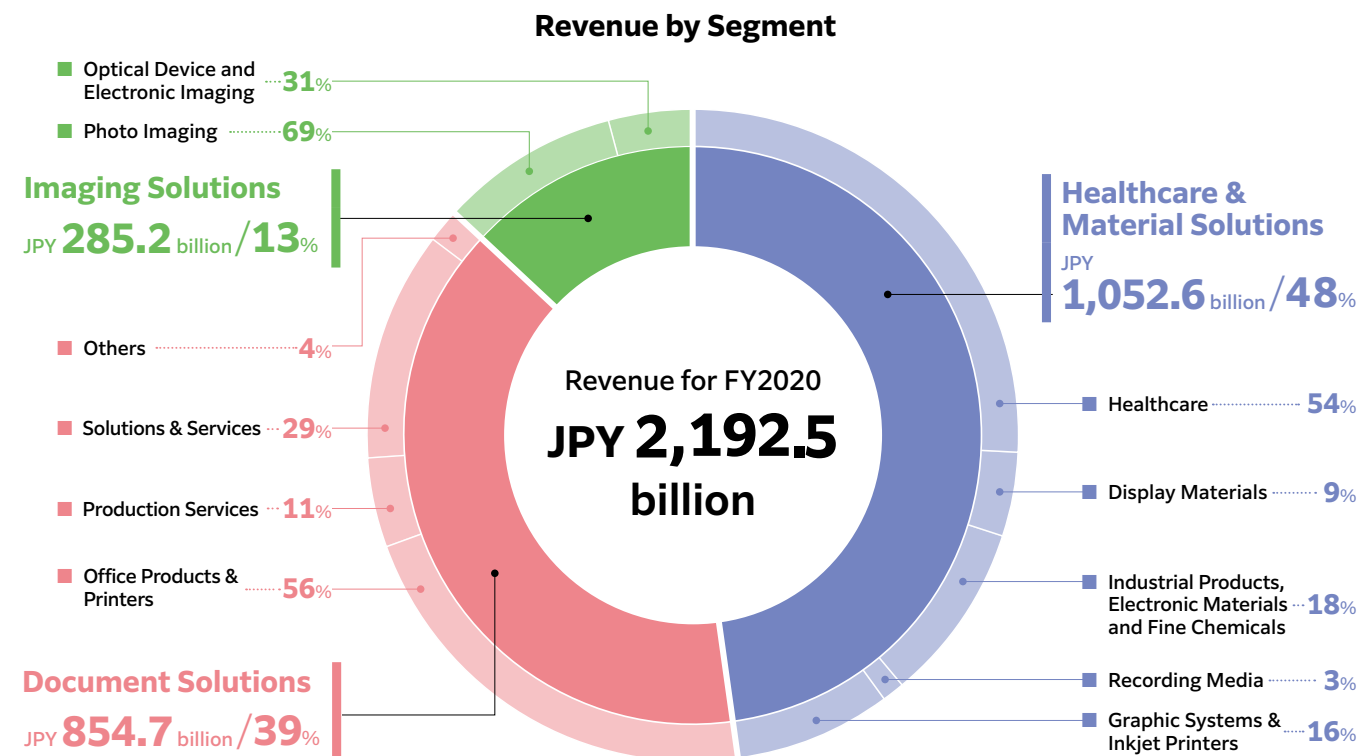
Materials

Business Innovation

Imaging

Business Portfolio

The Fujifilm Group's current business portfolio was built after we survived the crisis of losing our core business to advances in digitization by leveraging our unique, cutting-edge and advanced technologies honed in the photographic film business. We are continuing to put together and promote growth strategies to further solidify this portfolio.



Note: Figures are provisional due to incomplete audit.



Healthcare

Providing a wide range of businesses in the fields of prevention, diagnosis and treatment as a total healthcare company

Medical-use picture archiving and communication system (PACS)

Global market share
No. 1^{*1}



Medical Systems

Various diagnostic equipment such as X-ray diagnostic imaging, endoscopes and ultrasound, and medical IT systems for centralized management of diagnostic images and other data

Bio CDMO

Process development and manufacturing services for high-quality biopharmaceuticals and COVID-19 vaccine in growing demand, and the advanced medical field of gene therapy drugs

Life Sciences

Total solutions in the fields of induced pluripotent stem (iPS) cells, culture media and reagents for drug discovery support

Pharmaceuticals

Process development and manufacturing services for next-generation nucleic acid drugs and mRNA vaccines

Consumer Healthcare

Functional cosmetics such as the ASTALIFT brand and supplement products

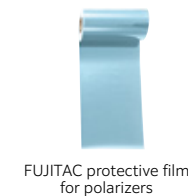


Materials

Various advanced materials and graphic communication solutions

Protective film for polarizers

Global market share
No. 1^{*2}



Electronic Materials

Various materials (photoresists, CMP slurries, etc.) used to manufacture semiconductors

Display Materials

Materials for LCD panels, organic EL panels and other products

Other Advanced Materials

Fine chemicals (advanced chemicals, reagents for research use, etc.), industrial products such as sensor films for touch panels and recording media

Graphic Communication

Graphic communication solutions (offset printing equipment, digital printing systems, etc.) and inkjet solutions such as industrial printheads



Business Innovation

Products and solution services that bring about new changes in work styles, improving productivity and inspiring creativity

A3 color multifunction devices
Market share in sales volume in the Asia-Pacific region

No. 1^{*3}



Cumulative total number of licenses of document handling software DocuWorks

7.77
million licenses^{*4}

Office Solutions

Multifunction devices, printers, consumables and document solutions

Business Solutions

Solution-oriented document services tailored to various industries and operations, including system integration, cloud services, management of multifunction devices and business process outsourcing



Imaging

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

Instant photo system

Cumulative worldwide sales volume

Over **50** million units



instax mini 11

Broadcast zoom lens compatible with 4K cameras

World's first^{*5}



FUJINON UA107x8.4BESM AF

Consumer Imaging

instax, color films, color paper for photo printing, developing and printing systems, photo printing services and more

Professional Imaging

Ultra-high image quality GFX Series cameras, compact, lightweight and high image quality X Series cameras, TV and cine lenses, security lenses, machine vision lenses, projectors and more

^{*1} According to a survey by Signify Research ^{*2} According to a survey by Fujifilm ^{*3} According to a survey by FUJIFILM Business Innovation ^{*4} As of April 2021
^{*5} A portable broadcast zoom lens with optical performance compatible with broadcast 4K cameras equipped with 2/3 inch sensors (according to a survey by Fujifilm)

Sources of Corporate Value

The sources of our value creation are our technological capabilities, corporate culture, human resources, brand and global network. All of these are indispensable if we are to meet the needs and expectations of society and earn its trust.

Corporate Culture

Inner branding activities
active in

22 languages

- Conducting e-Learning through the FUJIFILM Corporate Movie for all Group employees worldwide designed to promote understanding and penetration of the Fujifilm Group's vision
- Conducting ongoing internal training to improve compliance awareness and strengthen risk management
- Providing whistleblowing contact points in 23 languages and ensuring an "open, fair and clear" corporate culture from our vision

Human Resources

Data science-related training for DX acceleration
Course participants:

4,485

(Cumulative total as of September 2021)

- Implementing health promotion measures globally tailored per country/region and promoting health management
- Recognized as a Health and Productivity Enterprise (White 500) for five consecutive years and as a 2021 Health and Productivity Stock
- Established long-term goals for development and utilization of diverse human resources, appointing talented non-Japanese employees to key posts, and promoting the success of female employees
- Conducting ongoing FUJIFILM WAY Training and training for enhancing problem formulation skills

Brand

Worldwide brand recognition

96%

- Earned high recognition rates in a 2021 brand survey conducted in 12 countries. Recognition scores included 100% in Japan, 99% in Singapore, 97% in China and 92% in the United States, the United Kingdom and Germany
- Conducting the NEVER STOP global branding campaign worldwide, widely promoting the Fujifilm Group's broad business domains and corporate stance of consistently taking on challenges
- Carry out education and training within the Group and in the sales distribution network to improve customer satisfaction
- Conduct employee engagement survey

Technological Capabilities

Number of patents held

58,208

(Combined holdings of FUJIFILM Corporation and FUJIFILM Business Innovation Corp. as of March 31 2021)

- Conducting R&D utilizing cutting-edge technologies such as big data analysis at the Informatics Research Laboratory
- Creating open innovation globally from Open Innovation Hubs in Japan, the United States and Europe
- Launched the All-Fujifilm DX Promotion Program, promoting digital transformation (DX) leveraging artificial intelligence (AI) and the Internet of Things (IoT) across the entire Fujifilm Group
- Developing intellectual property strategies reducing business risks and contributing to business growth in collaboration with business divisions and R&D divisions

Competitive Advantages of the Fujifilm Group

Global Network

Number of consolidated subsidiaries worldwide

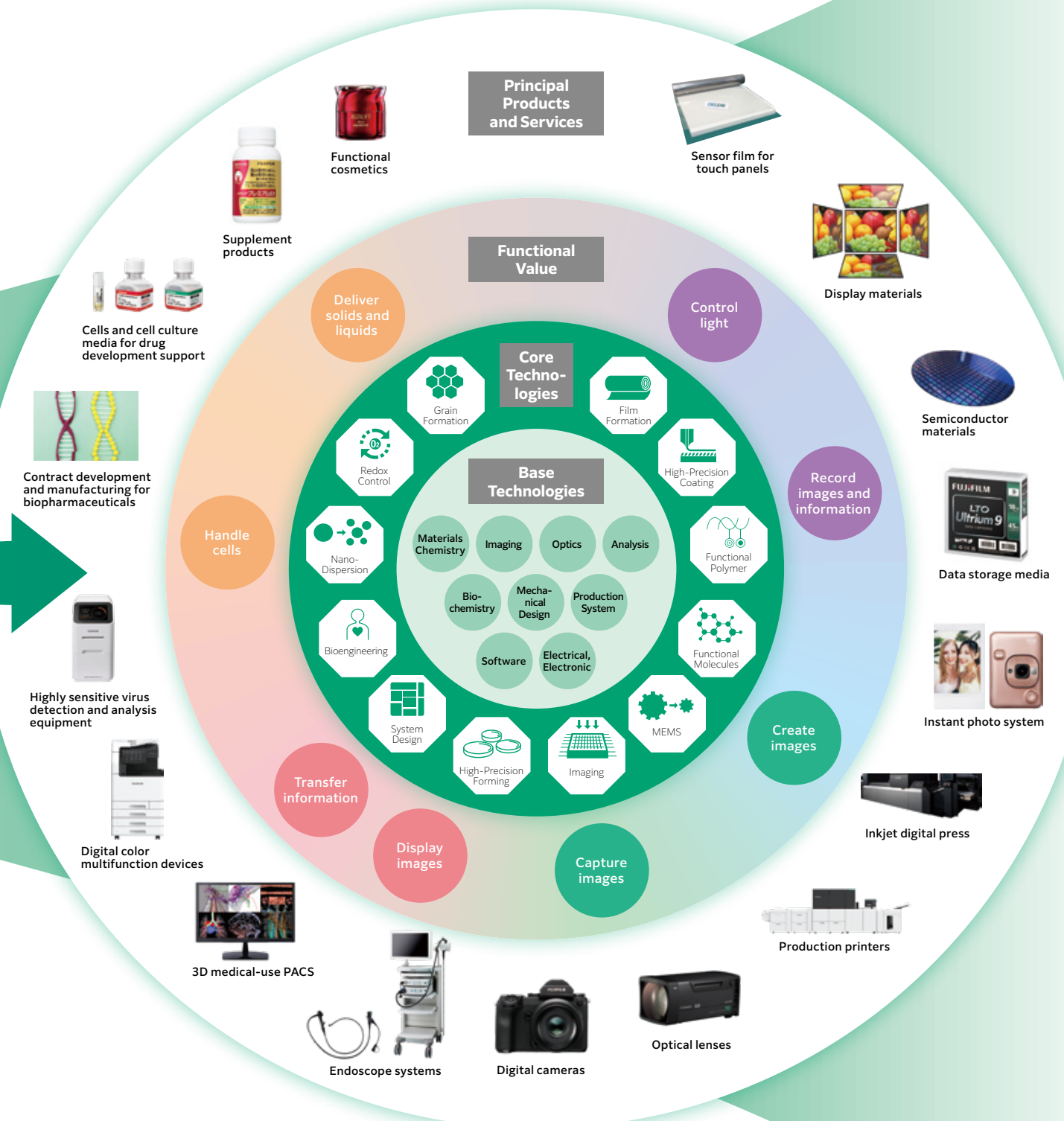
310

(As of March 31, 2021)

- International revenue ratio (excluding Japan) for fiscal 2020: 58%
- Established regional management companies at major locations in Europe, the United States, China and Southeast Asia
- Established five bio CDMO facilities in Europe and the United States, the main markets for biopharmaceutical development and manufacturing
- Newly established process development and API manufacturing locations for gene therapy drugs

The Fujifilm Group's Proprietary Technologies

Since our founding, we have been accumulating the base technologies to support our business, including organic and inorganic materials chemistry, optical technologies and analytical technologies. Based on these technologies, we have honed our proprietary core technologies, which are central to continuously building up our competitive advantage. By combining these technologies, we provide a wide range of products and services.



Value Created by Technology

Our technological capabilities are one of the sources of corporate value that support the diverse businesses of the Fujifilm Group. We work to improve our technological capabilities in order to create revolutionary products and services with our advanced proprietary technologies and continue providing new value to the world. At the same time, we are aggressively promoting open innovation combining our technology with outside technology.

R&D policy

Under the five research policies, we aim to develop bold new businesses that can contribute to improving quality of life and sustain growth in existing business fields with innovative new products by fusing together our business strategies and R&D strategies.

Research policies

1. Deepening and broadening the Fujifilm Group's fundamental technologies
2. Creating new value by integrating multiple technologies in various fields
3. Enhancing Group synergies
4. Accelerating developments
5. Improving the fundamental R&D capability of each researcher and organization

R&D structure

We established the CTO Office at FUJIFILM Holdings in December 2020. This office is tasked with formulating a portfolio of technologies for us to evolve and new technologies for us to incorporate, and with following through on this evolution and incorporation. The office's operations are founded in the Fujifilm Group's business concept of resolving medium- to long-term social issues. At Fujifilm, we have set up so-called Divisional Laboratories to engage in R&D directly linked to each business and Corporate Laboratories to conduct research into our base technologies. These laboratories provide the technologies we need in each business from a group-wide perspective.

In addition, FUJIFILM Business Innovation is advancing R&D to contribute to solving customers' management issues. We are constantly working to design people-centric products and services, as well as collaborating with universities, research institutes, corporations and other partners in our focus to generate synergies for resolving issues faced by regional communities. And through collaboration of development sites in Japan and overseas, we have established a structure to respond to global market demand quickly.

Approach to intellectual property

The Fujifilm Group engages in intellectual property activities to ensure that the value created through various business activities always provides a competitive edge. The extent of our activities is extremely broad ranging; for example, in addition to conventional activities like assisting the creation of inventions, submitting patent applications and acquiring

rights, we conduct strategic analyses of competitors and address industry standards for the purpose of achieving business superiority. With an aim to further enhance corporate value, we engage in intellectual property activities that contribute to business growth and reducing business risks by creating and utilizing strong intellectual property in close collaboration with business divisions and R&D divisions.

Open innovation initiatives creating new value through co-creation

We have established Open Innovation Hubs in Japan, the United States and Europe as places to facilitate the co-creation of new value and where we can link our base and core technologies—the source of the Fujifilm Group's competitiveness—along with the materials, products and services that incorporate them, to the issues and needs faced by external business partners and society. While all locations share the same core concepts, their exhibits are tailored to each location's respective market environment and regional characteristics. Since their openings, the three regions have welcomed a combined total of 20,000 visitors from about 4,000 companies (as of August 31, 2021), and collaborations have taken place in various forms. In 2020, with the ongoing spread of COVID-19, rapidly establishing an online environment of co-creation has resulted in growing collaborations with distant and worldwide business partners, as well as broader activities in general.

FUJIFILM Business Innovation also offers the Business Innovation Lab, a place where visitors can experience our long-cultivated communications technologies hands-on. It also provides Future Edge, a facility for verification and testing ahead of new business innovations in the global communications domain and where it works alongside customers to generate new innovations. Also incorporating the latest AI, IoT and other technologies, both hubs propose solutions to address the diverse management challenges of customers in a rapidly changing business environment.



◀ Please watch our video on the Open Innovation Hub for more information. (The password is "fujifilm".)

AI / ICT initiatives

In order to create innovative products and services and dramatically evolve our business processes, we are taking strong action led by the ICT* Strategy Division, toward DX using advanced technologies such as AI and the IoT. Our goal is to contribute to achieving DX not only for ourselves but also for our customers and society as a whole.

We have built a platform for data utilization and are working to enhance our AI capabilities by combining imaging AI that applies Fujifilm's image processing technology, analytical AI that uses statistical analysis technology and linguistic AI that makes use of FUJIFILM Business Innovation's natural language processing technology as we promote advanced DX.

* Information and Communication Technology

Topic 1: Formulation of the Fujifilm Group AI Policy

In November 2020, we adopted the Fujifilm Group AI Policy, guidelines for the effective and appropriate use of AI in all corporate activities.

The Fujifilm Group, based on its corporate philosophy, has been developing and accumulating technologies for deciphering valuable information from large volumes of image data in the fields of medical diagnostic imaging and photo imaging. With these technologies and knowledge as strengths, we are developing AI technologies that can tackle needs and issues in areas such as healthcare and advanced materials and are promoting their implementation in society.

The Company will work to create new value and resolve social issues by providing products and services offering safety and peace of mind, developed in accordance with the

Fujifilm Group AI Policy. In addition, in order to properly utilize and enforce this policy, we will enhance literacy training for employees involved in the development and usage of AI, and better cultivate AI human resources.

Outline of the Fujifilm Group AI Policy

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

Combinations of Fujifilm Group businesses and AI technology

These are some applications of AI technology in our businesses.

AI in the imaging field



A service allowing a photo book to be easily edited and ordered from many images. AI technology is utilized in the personalization function that selects images according to user tastes and likes and proposes layouts.

AI in the industrial products field



This social infrastructure diagnostic imaging service greatly improves the efficiency of inspection for bridges, tunnels and other infrastructure. This service uses the cloud to automatically synthesize images from multiple photographs that have been uploaded to a server and applies AI-based image analysis to detect damage. Further, it creates a comprehensive dataset for the results.

AI in the pharmaceutical field

AI-AAM: Drug Candidate Compound Search and Design Simulation Technology

This is a world-first technology to automatically search and design new drug candidates from the structural formula of a known biologically active compound. In addition to searching for drug candidates from chemical libraries, this technology also allows design of new drug candidate compounds with different drug scaffolds with our unique AI technology*1.

AI in the medical systems field



An AI platform that utilizes AI technology to provide support for the image diagnosis workflow on Fujifilm's PACS, SYNAPSE. We are developing AI technologies that can be used to support medical imaging diagnosis, medical setting workflows and for medical equipment maintenance services.

AI in the business innovation field

We provide AI-based document services tailored to the specific needs of different industries and operations in order to solve customer business challenges. We contribute to the greater efficiency and productivity of operations among our customers as well as to work-style reform by delivering those services including high value-added solutions based on systems integration and cloud services and BPO*2.

Topic 2: Formulation of the DX Vision

In July 2021, the Fujifilm Group formulated its DX Vision, clearly defining its commitment to dramatically increasing value provided to customers and to continuing to take on the challenge of resolving social issues through the further promotion of DX.

In addition to creating the Digital Reform Committee in

2017 as an organization managing the digital officers appointed in each division, we are promoting DX on a group-wide, cross-organizational basis, aiming to resolve DX issues using the latest ICT within all business activities, services and operations.

▶ For details, please see "Message from the CEO" on page 21.

*1 Unique AI technology which extracts necessary conditions for stable structural compounds from a massive number of the known compounds in chemical libraries and designs new compounds based on the conditions

*2 Business Process Outsourcing