Feature

Enhancing Quality of Life

In this section, based on the theme of “Enhancing Quality of Life”, our corporate philosophy, we introduce examples of business in which we generated new value through Group companies’ cooperation, and describe various efforts to develop and exchange human resources that will sustain our business activities.

Part 1
Healthcare Business ........................................ 8

Part 2
The Fujifilm Group’s Healthcare IT .................. 14

Part 3
Energy Cost Reduction Project: for Electricity, Gas, and Fuel .................. 16

Part 4
Activities That Create a Sense of Unity ............ 18

Part 5
Human Resources Development and Its Exchange within Fujifilm Group .......... 20

Consolidated Subsidiaries of FUJIFILM Holdings Corporation ............... 24

Corporate Philosophy
—The Unchanging Values of the Fujifilm Group—

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.

We will create new value by integrating our distinctive and leading-edge technologies as well as turning out proprietary technologies to continue providing top-quality products and services that cultivate customer trust and satisfaction.

Through these efforts we will transcend past boundaries of “Imaging and Information” to advance the development of culture, science, technology and industry across society and furthermore improve human health and protect the environment.

Our new corporate philosophy is based on the recognition that our mission, through our sustained corporate activities, is to significantly contribute to the realization of a society in which all people across the world can lead lives that are abundant in spiritual as well as material wealth with a sense of fulfillment and satisfaction.

Fujifilm Group
Charter for Corporate Behavior

In addition to pursuing profits through fair competition, corporations must make a contribution to society at large. To this end, the Fujifilm Group, in its corporate activities in Japan and abroad, respects human rights, observes both the spirit and the letter of all laws and regulations and international rules, and, acting in a socially responsible manner, works independently toward the sustainable development of society and the Fujifilm Group companies, in accordance with the following five principles.

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

Recognizing top management’s responsibility to embody the spirit of this Charter, Fujifilm Group executives shall lead by example and promote sound understanding of the Charter both within Group companies and among business partners. They shall strive to continually take account of views within and outside the Group, establish efficient corporate systems, and foster high ethical standards.

In the event of situations that contravene this Charter, top management shall clearly indicate both within and outside the Group its approach to resolving the situation and work to identify its causes and prevent any recurrence. Top management shall take accountability, promptly and appropriately disclose information, and take strict disciplinary action when appropriate, including in regard to itself.

Fujifilm Group Code of Conduct

Vision
—Fujifilm Group’s Ideals—

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 value.

We will create an open, fair and clear workplace culture that allows us to discern objective facts in a sincere and straightforward manner, make rational decisions, and continuously take on challenges with courage.

With this corporate culture, we will further hone our leading-edge, proprietary technologies and develop innovative products and services that gain customer trust and provide satisfaction to remain a vigorous company, consistently creating new value and exercising pioneering leadership.

The Fujifilm Group’s Approach to CSR

The Fujifilm Group’s Approach to CSR is to contribute to the sustainable development of society by putting into practice the Fujifilm Group’s Corporate Philosophy, and realizing its Vision through sincere and fair business activities.

We will:
1. fulfill our economic and legal responsibilities, and respond to society’s demands by contributing as a corporate citizen to the development of culture and technology in society and environmental protection.
2. constantly reassess whether our CSR activities are responding adequately to the demands and expectations of society and whether those activities are conducted properly through dialogue with our stakeholders including customers, shareholders, investors, employees, local communities, and business partners.
3. enhance corporate transparency by actively disclosing information to fulfill our accountability for our business activities.

Feature

Enhancing Quality of Life
Part 1  Healthcare Business

Creating New Value through Greater Cooperation within the Group

The Fujifilm Group is set to make major progress as a comprehensive healthcare company 2 years after its full entry into the pharmaceutical business. Aiming at the development of original advanced technologies, we are encouraging increased cooperation among Group companies including FUJIFILM Corporation, Toyama Chemical, FUJIFILM RI Pharma, and FUJIFILM Pharma.

2010: The year we moved forward as a comprehensive healthcare company

The Fujifilm Group fully entered the pharmaceutical business in 2008, welcoming Toyama Chemical to the Group. The year 2010 was one filled with dynamic changes focused on accelerating our activities as a comprehensive healthcare company. In June 2010, the Pharmaceutical Products Division was established to unify all of our pharmaceutical business. Also, the Drug Discovery Research Laboratories and the Life Science Research Laboratories were unified into the Pharmaceutical and Healthcare Research Laboratories. Further progress was made in creating a system for wide-ranging pharmaceutical business with, for example, the inception of FUJIFILM Pharma, which develops and sells high-value-added generic pharmaceutical products, and a capital alliance with Japan Tissue Engineering, a pioneer in regenerative medicine.

Fujifilm’s Pharmaceutical Products Division: Its role and systems

Toward a unique pharmaceutical business

The Pharmaceutical Products Division was established in June 2010 to make significant headway as a comprehensive healthcare company. The division has two roles, expanding Fujifilm’s pharmaceutical business and unifying management of the Group companies involved in its pharmaceutical business.

To expand the business, the division not only creates basic strategies for the Fujifilm Group’s pharmaceutical business, such as promoting overseas business, creating and executing M&As and licensing strategies, and improving mechanisms for cross-group research and development, it also specifies the Group’s business domain and constructs new business models.

For unified management of Group companies in our pharmaceutical business, the division manages business planning, research, production, pharmaceutical affairs, and systems ensuring product quality. The division is building a unified management system for the Group as part of its functions for company headquarters. Based on such concepts as optimization for the entire Group and creating a sense of unity in the Group, the division has set up an R&D Committee, a Production System Committee, a Licensing Committee, a Pharmaceutical Affairs Committee, and a liaison conference for Group companies in the pharmaceutical business.

The division will pursue unique pharmaceutical business by taking advantage of the technological resources of Fujifilm and the strengths of Group companies and by organizing the Group’s best efforts.

Research and development at the Fujifilm Group
Goals for the Pharmaceutical Products Division

Similarities between photographic film technology and healthcare

The successful launching of a new business hinges on three key terms: “can do”, “should do”, and “want to do”. The reason why we made a significant change in our course is because these three keywords clearly applied to our business.

The key term “can do” represents a company’s potential. Fujifilm has been involved with healthcare through its production of X-ray film since 1936, soon after the company’s inception. We have strong ties with medical practice, and we continue to maintain the largest share in the domestic market as a provider of medical imaging systems.

Photographic technology is similar to pharmaceutical technology in its use of fine chemicals. We have assembled a one-of-a-kind chemical library of 200,000 compounds through our photographic film business. The library contains a number of compounds that can potentially be used in pharmaceutical products, such as pigments with antineoplastic properties. Also, collagen, which is a main component of skin, cartilage, and ligament, is a substrate of film, and technologies for manufacturing collagen are expected to be applied in regenerative medicine. Our original nanotechnologies that make high-level emulifusion and dispersion possible can be applied to FTD (formulation, targeting, and delivery) technology, which can deliver chemical compounds to targeted areas in appropriate form, quantity, and timing. As many as 100 kinds of chemical compounds are used for film approximately 18 microns thick, and it cannot function as a product without their complex interactions. The enormous number of technologies accumulated for photographic film is indeed a mountain of treasure. It is our duty to utilize these technologies in closely related medical fields and not to consider them merely as legacies of the past.

The key term “should do” represents marketability. With populations aging worldwide, increased healthcare costs have become a serious social issue, and people’s medical needs and views on health are shifting significantly. The future requires us to consider healthcare in a comprehensive framework consisting of prevention, diagnosis, and treatment. It is our duty to utilize these technologies in closely related medical fields and not to consider them merely as legacies of the past.

Activities at FUJIFILM Pharma

Toward new value creation

FUJIFILM Pharma started in April 2010 with the primary responsibilities of development and sales in Fujifilm’s pharmaceutical business. We started with the release of more than 170 generic pharmaceutical products and, in November, released five new generic pharmaceutical products under our own brand. We now have more than 10,000 customers and recognize that the Fujifilm brand is greatly trusted in the market. Fujifilm has rigorously controlled product quality by applying its own standards, being careful not to miss a once-in-a-lifetime moment for a “great memory”. This corporate culture of achieving high product quality under self-imposed rules has influenced our pharmaceutical business too, and FUJIFILM Pharma strives to control product quality, placing emphasis on the 3 qualities of the raw materials used, the manufacturing process, and post-marketing information gathering and distribution.

FUJIFILM Pharma can be attributed to employees actively interacting with each other across the Group’s companies. For instance, Toyama Chemical has a group of excellent researchers highly capable of identifying and judging the potential usefulness of materials for new drugs and finding the shortest path to product release, and has created numerous original new drugs. FUJIFILM Pharma is specialized in development and sales, with professionals who have detailed knowledge of the pharmaceutical industry and are more than ready to take on a challenge. Every employee is a first-rate professional with a diverse range of skills, and synergy arises from friendly competition. We are confident that we have established a strong team for unique new drug development.

We will approach research and development of pharmaceutical products from a creative perspective unrivaled by other pharmaceutical companies because we came from a different industry. We will focus on contributing to improving people’s quality of life in all that we do.
Breakthroughs created by a network of researchers from various fields

I am a member of a project that aims to develop new anti-cancer drugs and new drugs for autoimmune diseases, and I am responsible for organic synthesis. Although the project members have been brought together from FUJIFILM Corporation and Toyama Chemical, through co-operation our work is progressing rapidly because the core technology is common and because we all can employ our own methodology. Thanks to the collaboration with Toyama Chemical, I can see the path to launching new products for pharmacological evaluations of candidate substances for new drugs, tests for toxicity, and clinical tests. This motivates me to do my absolute best in my work. Before the Laboratories were established, I was sent to Toyama Chemical where I met colleagues who were knowledgeable on experiments and approval procedures. The personal connections that I made and continue to improve enable me to accomplish in such an exciting environment.

Fusion of speed and robust capabilities that turns ideas into reality

I came here when the Laboratories were in the process of being established and I was involved in various tasks, such as planning of the Experimental Building. Since there were many new mid-career employees, we started with creating common rules. The atmosphere at Fujifilm is similar to that at Toyama Chemical because both are made up of groups of craftsman-like professionals, and this meant we could naturally create an environment in which researchers accept each other’s methodology so that they can each freely turn his or her ideas into reality. A difference, if any, could be seen between our approaches to time and cost. Fujifilm rigorously maintains its approach to time management: to make time for creative activities, time used for other work is reduced by outsourcing and purchasing machines. This leads to speed. In contrast, Toyama Chemical has robust capabilities that enable the company to develop unprecedented original drugs as long as the proofs of concept are clear. I believe that unexpected results can be obtained when we utilize the positive aspects of such speed and solid capabilities. During lunch times, cross-project seminars are voluntarily held, with participants learning and eating at the same time. This reflects the fact that we have many researchers wanting to present their research results. Our researchers are greatly enthusiastic, believing that more interesting things can be accomplished in such an exciting environment.

The dynamic fusion of methods and technologies

In 2008, I was sent to Toyama Chemical for one year before the Pharmaceutical and Healthcare Research Laboratories were established. Working side-by-side with the researchers there, I realized that there were common aspects—which were significant from a qualitative standpoint—between photographic film manufacture and drugs manufacture. One example is the method for managing product quality. Since film is a product that is based on interactions between various chemical substances, reproducibility is maintained by an extremely precise workflow, and the method used is similar to a detailed testing method employed for pharmaceutical products.

For consumer products, such as film, there are many model changes after its initial release in the market, and new products are announced almost every year. In contrast, because it takes an enormous amount of time and money for pharmaceutical products to be approved, new drugs, once completed, are rarely improved after approval is realized. Therefore, we would be new possibilities in the area of generic drugs and the like if the culture of rigorously pursuing pharmaceutical safety was combined with the culture of making continuous improvements from the perspective of final users.

The Pharmaceutical and Healthcare Research Laboratories are currently running multiple projects in the areas of anticancer drugs, central nervous system diseases, inflammatory diseases, FTD technology research, and regenerative medicine. In their collaboration, researchers from Toyama Chemical and FUJIFILM Corporation are taking advantage of each other’s specialties.

Team management that stimulates motivation

Management of the Laboratories presented a challenge for us. In the photographic film business, there is a culture of frequent communication, reporting, and consulting because an enormous number of techniques and vast knowledge must be passed on by experienced workers to younger workers who had been accumulated. However, today, it is impossible for managers to understand all of the details of highly advanced research projects. Therefore, we have established a system where individual project teams are responsible for all aspects of their research, from deciding on the research methods to use to making the schedule, and each team presents its research results at a review conference held every other month. Since projects can be terminated if they do not produce certain results by the deadline set by the project team, the Laboratories become more energized before a review conference, with young researchers in their twenties and thirties taking the lead. The researchers are often told that responsibility for the fates of the entire Group, which hinges on rapid development of new drugs, is imposed on them in return for not attending non-essential meetings and not producing all but the most necessary reports, and that they therefore should have a sense of mission and urgency. The role of managers is not to give detailed instructions, but to motivate members, achieve consensus on targets, and have researchers realize new drugs that no other companies could develop. We have made great progress toward further cross-department collaboration and we plan to hold a conference for technological exchanges in 2011, gathering together researchers from the entire Group. Utilizing all available resources, we will continue to challenge ourselves to develop new original drugs.
Part 2: The Fujifilm Group’s Healthcare IT

Changing regional healthcare through the integration and efficient management of healthcare information

IT has been increasingly utilized in healthcare fields in recent years. By offering IT solutions, the Fujifilm Group contributes not only to efficient medical treatment and management of hospitals, but also to telemedicine and regional healthcare services.

Contributing to the creation of a unified medical information network

Alongside regional central hospitals, small and medium-scale medical facilities have started to introduce healthcare IT at a rapid pace, as seen in the digitization of medical records and imaging data. More and more medical facilities are connected to IT networks, becoming possible for all medical facilities in a region to share diagnostic information and for a highly efficient medical system to be created. The Fujifilm Group is actively developing solution systems to create a unified medical information network that can handle various types of information including images and documents, thereby increasing diagnostic efficiency.

Fujifilm Group

Toward comprehensive information sharing and regional medical cooperation

Fujifilm has been deeply involved in clinical diagnosis through radiography since 1936. We currently offer digital radiographic imaging systems, endoscopes, and blood diagnostic systems. The medical imaging information system, SYNAPSE, which enables all the images produced by these systems to be shared, is used as the platform for cooperation between medical institutions and has the largest domestic market share. We also offer CBIRa which is a network-based medical service and establishes a network between hospitals and clinics. By linking these systems and services with other medical IT systems, Fujifilm aims to create a clinical information system (CIS) that unifies all medical information. In order to strengthen efforts in this field, in October 2009 Fujifilm established the Medical Systems Research and Development Center, which integrates development centers for various equipment and systems.

New trends in hospitals include a growing need for diagnostic information management in an integrated manner was built by combining SYNAPSE (a picture archiving and communication system) and other unified medical information systems tailored to customer needs, and they have been used by Yahgee Co., Ltd. Fuji Xerox responds to needs of various healthcare providers by building a diagnostic assistance system centering on the concept of a Document Archiving and Communication System (DACS). As for the future, efforts are being made domestically to realize a government plan, “My Hospital Anywhere”, in which, with an extended network of medical institutions, medical records of patients’ entire lives can be accessed from any facility.

The Fujifilm Group will continue not only to offer multiple integrative solutions to respond to various medical needs, but also to provide support to staff working on the frontiers of medicine and contribute to medical advancements.

Unified medical assistance system, Yahgee

The name, Yahgee, comes from the word for ‘goat’ ("Yagi" in Japanese), which eats paper and can derive nourishment from it. Yahgee is a system that digitizes a variety of medical information accumulated in hospitals, stores it in databases, and makes it accessible for various medical procedures. The system has detailed functions that enable its users to understand the whole picture by placing various information on one screen, to easily utilize data through search and extraction capabilities, to easily prepare documents with information from order forms and electronic medical records extracted and automatically filled, and to utilize data in documents to create various workflows that are not easily made with an electronic medical record system. Yahgee also excels at scanning paper documents, saving images from digital cameras, and calculating basic data statistics.

In addition, what is advocated in Yahgee is the creation of a platform that consists of common functions drawn from various hospital systems. Complexities are eliminated because various procedures are gathered in one platform. With Yahgee, it can manage multiple systems in an integrated manner under an optimal environment.

FUJIFILM Holdings Corporation Sustainability Report 2011

Part 2: The Fujifilm Group’s Healthcare IT

Integrating healthcare management

Our hospital began using an ordering system in 2007 and SYNAPSE, Fujifilm’s medical imaging information system, in 2008. Later, we decided to manage various documents in the hospital with a digital system because we needed to organize medical information due to a lack of storage space for paper documents. Therefore, we started using a comprehensive medical imaging and documentation management system in March 2009. The mechanism for managing all medical information in an integrated manner was built by combining SYNAPSE (for the management of images), Yahgee (for the preparation and management of documents), and DACS (for the storage and management of original documents).

Integrated Medical Record Management Solution through DACS concept

Integrated Medical Record Management Solution through DACS concept

During the introduction of electronic medical record systems, hospitals face difficulties in shifting to a paperless system as they typically must deal with an enormous amount of paper documents, such as old paper medical records, consent forms, and referral letters. There are also many cases where network connections with information systems running on different software applications are not smooth, resulting in a long wait while searching for and reading medical information.

Therefore, Fuji Xerox developed the Integrated Medical Record Management Solution based on the concept of a Document Archiving and Communication System (DACS) advocated by the Department of Integrated Medicine, Medical Informatics at Osaka University Hospital. The solution provides unified management of various medical records, ranging from paper documents to electronic data, which are converted into electronic documents through virtual printers or scanners. Since the files are saved in general formats, such as PDF, JPEG, and DocuWorks, they can be used in the future in many situations. The solution also prevents document falsification by clearly recording who created the documents with a digital signature and time stamp, and guarantee document authenticity as specified in the guidelines issued by the Ministry of Health, Labour, and Welfare.

A cross-organization project started the development of this solution. With a goal to build an information environment where patients can receive the best healthcare anytime anywhere, the project brought together many members, and the solution was realized in cooperation with Osaka University Hospital.

FUJIFILM Holdings Corporation Sustainability Report 2011
Reducing CO₂ emissions from factories and offices through Group cooperation

It is an important continuing challenge in business management to reduce energy costs. Needless to say, a key measure is to reduce energy consumption through energy conservation, which directly decreases CO₂ emissions.

Aiming to half the projected increase in energy costs (less energy consumption per unit of output)

Based on its forecast of expanded production and rising energy costs for the period until 2012, the Fujifilm Group is expecting an increase in energy costs by 1.5 times (relative to the 2009 level). The overall goal of the project for energy cost reduction, which started in July 2010, is to curb the energy cost increase to a half of that expected. Accomplishing this significant cost reduction will lead to reductions in CO₂ emissions and is an important factor in strongly promoting the achievement of the Group’s long-term target of a 30% reduction in CO₂ emissions throughout the life cycle of its products by 2020 (relative to the 2005 level).

System in place for promoting the energy cost reduction project

Executing effective measures “horizontally” using all the resources available in domestic and overseas organizations

Fujifilm Group companies have promoted activities for reducing CO₂ emissions as anti-global-warming measures. The project for energy cost reduction, which started in July 2010, administers various measures for reducing the domestic and overseas Group companies as a whole, in cooperation with the existing committee for promoting anti-global-warming measures and with energy-saving activities at different sites.

With executives in charge of Technology Management Division or CSR in FUJIFILM Holdings as the project owners and the director of the CSR department as the project leader, the project engages in activities to reduce energy consumption and energy-related procurement costs.

The activities for reducing energy consumption are divided into production-related and office-work-related activities. In the production-related activities, the operator companies—Fujiﬁlm and Fuji Xerox—set their targets and work to reduce energy consumption. In the office-work-related activities, FUJIFILM Holdings sets the targets, and accordingly Fujiﬁlm and Fuji Xerox collaborate together to reduce energy consumption.

As for the activities to reduce energy costs in procurement, the procurement group of FUJIFILM Holdings leads the efforts and cooperates with the groups in charge of materials in the operator companies.

Office-work-related activities

“Horizontal” execution of effective energy-saving measures

With regard to domestic office-related energy-saving measures, a joint team from Fujifilm and Fuji Xerox has reduced the lighting and heating costs at research facilities and office buildings as well as the amount of fuel used for company cars.

To reduce lighting and heating costs, energy-saving measures have been examined mainly for air conditioning and lighting (a large part of energy consumption in the office buildings). These are implemented as part of the environmental rules that apply to all offices in the Group.

As for the air conditioning system, it has been confirmed that the temperature does not rapidly fall with the system’s heaters turned off in the winter in the Roppongi headquarters building, which has a high-performance insulation system. A large amount of energy is therefore saved by turning off the air conditioners outside of business hours, and the same measure is horizontally executed in other buildings with a high-performance insulation system.

Lighting methods were also reexamined and a task-ambient lighting system with LED task lights was adopted. Starting with the Roppongi headquarters building, the system was installed in the office buildings, which led to a more than 10% reduction in electricity use.

With regard to company cars, a program for safe, environmentally friendly driving is promoted to improve fuel efficiency and reduce the number of cars. The program is being implemented in cooperation with a cross-company team of vehicle managers from different Group companies, and efforts are being made to reduce the amount of fuel used in the entire Group.
### Feature: Enhancing Quality of Life

#### Part 4: Activities That Create a Sense of Unity

Coexisting with the global environment
Activities involving work and lifestyle

To protect the global environment, each of us takes action and we grow them into larger movements. The sense of solidarity that emerges from such activities is a necessary factor for the sustainable development of society.

Awareness of sustainability that spreads from the workplace to families

In order to truly realize sustainable development, it is important to train so that they not only can think by themselves about what they should do for the environment, but also can take action and change the behavior of others around them. The Fujifilm Group has engaged in various activities for environmental protection from the standpoint of work and lifestyle, and environmentally conscious lifestyles are spreading from the workplace into families. The environmental activities of the Fujifilm Group are characterized by encouraging employees to participate in specific actions and events and offering opportunities to think on one’s own, in addition to calling for CO2 emission reductions and biodiversity conservation. We believe that encouraging ways of life that care about the planet leads to employees having vibrant lives and eventually to improved enhancing quality of life throughout society.

Program for safe eco-driving

Eco-driving for commuting
Raising awareness through visualizing fuel economy

The Fujifilm Group has been operating an eco-driving program since 2008. In 2009, Fuji Xerox Osaka received the President’s Award from the Environmental Restoration and Conservation Agency for its Eco-Driving Contest. The company developed by itself an environment in which its employees can enjoy eco-driving, as seen in a contest held within the company. As a result, the company succeeded in reducing, in 1 year, CO2 emissions by around 11,000 cars owned by employees, and it is held within the company. As a result, the company succeeded in reducing, in 1 year, CO2 emissions by around 11,000 cars owned by employees. The Fujifilm Group has engaged in various activities for environmental protection from the standpoint of work and lifestyle, and environmentally conscious lifestyles are spreading from the workplace into families. The environmental activities of the Fujifilm Group are characterized by encouraging employees to participate in specific actions and events and offering opportunities to think on one’s own, in addition to calling for CO2 emission reductions and biodiversity conservation. We believe that encouraging ways of life that care about the planet leads to employees having vibrant lives and eventually to improved enhancing quality of life throughout society.

Life and nature photo contest
Thinking about biodiversity with family members through photography

In 2010, the Fujifilm Group held a life and nature photo contest as an awareness program about biodiversity conservation, in which all its employees and their family members could participate. A total of 1,093 photos were submitted and were judged by Mr. Shin Yoshino, a renowned nature photographer in Japan, and President Komori. The award ceremony was held in December 2010. All photographs were exhibited in the mini gallery and form of the Fujifilm Square at our headquarters in “Tokyo Midtown”. Roppongi, which offered an opportunity for the general public as well as employees to think about biodiversity.

The photograph is a medium that is appropriate for capturing the moment of living things changing from one state to another. The photo contest offered an opportunity for the photographers to observe nature and living things, which must be protected for the next generation, through direct contact with them, and to record precious moments experienced in nature and share them with others. It also provided a chance for visitors to understand the thoughts of the photographers when viewing their works. The purpose of the photo contest was to encourage employees and their families to think about biodiversity conservation through these opportunities and make their experience a starting point for further action.

Contest participants commented that the contest provided opportunities to talk about living things and nature with family members, and that sharing the beautiful landscapes captured in the photographs with many other people and the future generations would lead to protection of this wonderful nature.

The Fujifilm Group will continue to actively engage in environmental protection activities including activities for biodiversity conservation, contribute to the development of photographic culture, and share the attractive and wonderful world of photography.

#### VOICE

Continue outreach efforts to protect the global environment

Mr. Jun Miyachi
Chairman
Public Interest Incorporated Foundation
Associates of the Earth

In recent years, a declining birthrate combined with an aging population has become a social issue in Japan. How many children are there to take care of their elderly parents? How will their family’s traditions as well as discussions about their various experiences continue? I believe that Japan is at a critical moment when families are in jeopardy.

The cornerstone strength of the group one believes is focused on the individuals families, or in other words, protecting each families happiness to facilitate a healthy nation.

The outreach efforts of the Fujifilm Group are excellent at turning the focus of their efforts to family, from the individuals to their families, society and its Group Companies by considering “family happiness” as the quality of life, which cannot be assigned a monetary value, by directing their actions even more externally, rather than stopping within their own Group Companies.
Part 5  Human Resources Development and Its Exchange within Fujifilm Group

Training people to strengthen the overall ability of the Group

Various efforts centering on reforming corporate awareness and culture, and increasing personnel exchanges are being made by the Fujifilm Group to realize its management plan.

Training and communication programs for various organizational levels and departments

A variety of measures were taken in FY2010 to create synergy between Fujifilm (FF) and Fuji Xerox (FX). Understanding the businesses of both FF and FX activities such as a camp for reformist leaders and a seminar on synergy were held. Furthermore, activities for personnel training and communication were held at various organizational levels and departments that included an event for technical exchange and a research seminar on design.

Extended personnel training and communication programs

The camp for reformist leaders (part II) and the seminar on synergy (for young employees)

In 2010, the camp for reformist leaders (part II, 175 participants) was held mainly for General Manager from Fujifilm and Fuji Xerox. It was a place for the participants to have in-depth discussions on approaches to be taken in tackling importance common issues for the Fujifilm Group and on obstacles to realizing reforms. It also allowed participants to contemplate, based on the discussions, reform issues that each participant should work to resolve. A total of eight reporting sessions were held for top-management. In addition, the seminar on synergy between Fujifilm and Fuji Xerox, which was designed for mid-level managers (leaders) and had been held throughout 2009, was expanded. Also, a new seminar was held 6 times, which was intended to give 144 young leaders around the age of 30 from both companies an opportunity to create synergy for the Fujifilm Group and to improve their mindset.

As a result of these activities, general managers, mid-level managers (leaders), and young leaders from both companies deepened their understanding of the counterpart’s business. It is expected that opportunities for creating new business value and advancing technologies will arise through increased interactions between personnel.

Symposium on production technology and Knowledge Festa 2010

To create opportunities for vitalizing the Group and generating new ideas, Fujifilm regularly holds an event for technical exchange in which various employees participate.

At the symposium on production technology held in November 2010, a total of 1,000 people came together from various divisions of Fujifilm and Group companies of Fuji Xerox. There were poster and technical presentations on a basic theme so that all participants and not just experts could understand. The participants could experience the technologies through the devices displayed. This event created opportunities not only to explain the various technologies comprehensively, but also to convey the presenters’ concepts behind them. In December, Knowledge Festa 2010 was held and around 1,200 employees participated. The festival was held for the fifth time, and the K-fusing technology—Fuji Xerox’s original technology—and other technologies were explained in poster presentations prepared by employees about their research and development work. Participants commented that they gained many ideas through researcher-level discussions. The festival provided a good opportunity for generating synergy.

Joint research seminar on design

Since 2006, the design divisions of Fujifilm and Fuji Xerox have cooperatively held the Fujifilm-Fuji Xerox Joint Research Seminar on Design for current students of art-oriented universities and graduate schools. At the research seminar, would-be designers (students) and designers (trainees) from both companies hold a 6-day camp and produce works on a given theme, thinking together about, among other things, the definition of design, important factors in producing good designs, and necessary processes. The participants greatly appreciated the research seminar as they could hear directly from designers about the mindset of professional designers, the design development processes undertaken at the companies, and the difficulties faced and sense of achievement felt by the companies’ in-house designers—all topics which cannot be learned in school.

As administrative members and trainers from both divisions cooperatively plan, prepare, and administer the research seminar, they have opportunities to mutually understand and share their organizational management guidelines, design guidelines, and design processes. This produces a synergy effect and leads to the creation of other joint project teams. Also, newly employed designers who have participated in the joint research seminar understand the operations and members of both divisions. In this way, the research seminar contributes to generating a strong sense of cooperation among the new designers and broadens their perspective.

Continuing to be a socially valuable company

Mr. Toshiya Banno  Director of Beauty Biz & Company, Inc.

Generally speaking, organization’s activity toward its objective creates a unique culture, custom, rule and values of its own. There are cases where this rigidity—in an uncontrollable way—the process of generating new ideas, which leads to unfavorable conditions for creating new value. It is not rare, in large companies especially, that members become parts, and that such companies become introversion and cannot provide value to society. In other words, it becomes difficult for them to become a social asset.

Against this backdrop, it seems that the Fujifilm Group has a unique business and culture, and is actually trying to create a new culture and new value with its large, vibrant Group companies inspiring one another at both the employee and organizational level. It is expected that, besides its activities at these levels, the Group will strive to resolve social issues with its new operations and thus produce results that realize its corporate principle, namely, enhancing people’s quality of life.
The Personnel Division of FUJIFILM Holdings held a round table discussion on human resources exchange on June 29, 2011. The Fujifilm Group promotes active personnel exchanges in order to take advantage of the operational strengths of Fujifilm (FF) and Fuji Xerox (FX) and to improve the management foundation of the group. The discussants were employees who had moved or were temporarily assigned to positions in a different Group company to help realize these goals. From FF to FX, and also from FX to FF, they candidly exchanged opinions on their impressions of FF and FX, the possibilities for greater synergy, and recommendations for expanding the personnel exchange programs.

A new corporate culture arising from the fusion of the two companies’ cultures

Yoshimura (FX): Many technological divisions at FF have a top-down organization. A boss comes in and says, “Do this by June 29.” But FX has a bottom-up system: topics chosen by team members are presented to a leader, or things start at the point of actual operation and move spirally upward. Both have their own advantages though.

Iwase (FF): In terms of sales, I used to have the impression that FF was more oriented toward a top-down organization than FX. But in the area of overseas marketing, I see that FF actually uses a bottom-up system for negotiations with local distributors, so it responds to situations flexibly.

Tashiro (FX): I think the fact that each person moves to the other company with a mission or purpose is increasing the synergy effect. I moved with the goal of significantly growing the sales of medical-equipment-related services at FF.

Approaches to work: teams vs. individuals

Inoue (FX): I am currently in charge of overseas marketing of medical equipment and film. Activities like medium-term management planning, supply and demand adjustments, decisions on export prices, and product planning, which are handled by multiple departments at FX, are assigned to those in charge of the market in each country at FF. I work hard, thinking that I can personally grow in this system. But I feel huge pressure, knowing that I am responsible for all these tasks.

Ishihara (FF): It seems that FX tends to conduct its business in teams, whereas FF tends to assign work to individuals.

Okamoto (FF): At FX, operations are mapped, appropriate mechanisms are in place for them, and the company’s mission is clearly defined. In contrast, there is a wide range of issues that FF is dealing with. This is why it’s necessary to take advantage of individuals’ experiences. Tackling challenges at FF, I have felt great satisfaction as I have become able to do more things.

Iwase (FX): To me, FX and FF are the same in that employees become able to work deeply and broadly, rather than deeply and narrowly, by experiencing the frontiers in their specialized field and by engaging in their work with a wide perspective in a highly mapped out organization. For example, engineers can be knowledgeable in finance as well as in engineering and can think of ways to build a low-cost, efficient production line from different perspectives. I think this is very important.

Tashiro (FX): I am currently in a position at FX to direct my subordinate’s work. I want them to become widely skilled, manager-like workers, so I assign two or three tasks to one person and ask him or her to work on them simultaneously, which is what I experienced at FF. With a will to pursue the advantages of specialization and efficiency, workers have become aware of the importance of doing things deeply and broadly, which has led to the effective development of human resources.

Possibilities beyond synergy: utilizing each other’s strengths

Ishihara (FF): I think the fact that each person moves to the other company with a mission or purpose is increasing the synergy effect. I moved with the goal of significantly growing the sales of medical-equipment-related services at FF.

Inoue (FX): The purpose of my move is to experience, in a concrete way, the overseas business of FF, whose operations extend to the entire world, and to turn the experiences into my strengths. Also, I intend to utilize the solutions and experiences I gained at FX in overseas operations at FF.
Consolidated Subsidiaries of FUJIFILM Holdings Corporation

The number of consolidated subsidiaries of FUJIFILM Holdings is 239 as of March 31, 2011.

FUJIFILM Corporation Group Companies

FUJIFILM Corporation and its group companies develop, produce and market products in the Imaging Solutions business (color films, digital cameras, photo-finishing equipment and color paper, chemicals and services for photo-finishing) and Information Solutions business (equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet materials).

Fuji Xerox Group Companies

Fuji Xerox Co., Ltd. and its group companies develop, produce and market products in the Document Solutions business (office copy machines/multifunction devices, printers, production systems and services, paper, consumables and office services).

Toyama Chemical Co., Ltd.

Toyama Chemical Co., Ltd. is creating pharmaceuticals by concentrating its R&D in three areas: “anti-infective area”, “central nervous system and cardiology area”, and “anti-inflammatory area”. Toyama Chemical owns drugs such as “Synthetic penicillin agent” or “antibacterial agent”, as well as numerous drugs in the development pipeline such as “anti-influenza agent” and “treatment of alzheimer’s disease”.

FUJIFILM Business Expert Corporation

A shared services company of Fujifilm Group in Japan, which integrates the administrative, human resource, insurance agency, indirect material purchasing and travel agency functions for the Group companies.