



Top Commitment

Never stop.  
Only when you  
move forward are  
you able to open up  
a new world.

September 2018  
Shigetaka Komori  
Chairman and CEO

### Building people and an organization resistant to disasters

In 2018, torrential rains and a huge earthquake caused immense flood and landslides over Hokkaido and a wide area of western Japan. We would like to take this opportunity to express our condolences to the victims of the disaster and our prayers for the earliest possible recovery of the affected areas.

Japan has a long history of natural disasters caused by earthquakes, typhoons, volcanic eruptions and other natural phenomena. However, disasters that can be placed in the government-designated class of “extreme severity” have occurred seven times in the past five years, including the latest caused by torrential rains. In addition, news of major disasters elsewhere in the world will not cease. There was a time when people said “natural disasters strike when they are forgotten.” It is clear that the global environment has changed.

With the globalization of economic activities, however, a disaster in one country or region can affect activities in other countries through disruption of the supply chain, the information network and human exchanges. Global corporations doing business around the world are increasingly being put to the test on their ability to handle such disasters. To boost the resistance of our employees and organization to such risks, we have in place disaster preparedness programs such as action plans for our contingency organization, contingency instructions and information communication schemes, as well as regular drills.

During the recent torrential rains and disastrous earthquakes, we were able to swiftly assess the damage status at various Group sites, the safety of our employees and the damage our clients suffered. We have also made a contribution through FUJIFILM Corporation and Fuji Xerox Co., Ltd. of 30 million yen as relief money to assist in recovery from these disasters. We plan to continue strengthening disaster preparedness and to fulfill our contribution to contingencies as members of local communities.

### Foresee. Envision. Take solid action. Achieve VISION 2019.

We announced our CSR plan, Sustainable Value Plan 2030 (SVP 2030), and our Medium-Term Management Plan, VISION 2019, last year. SVP 2030 embodies the goals we aspire to achieve in the target year 2030 in accordance with the sustainable development goals (SDGs) promoted by the United Nations. VISION 2019 is a plan for implementing concrete action directed toward these goals. In FY2017, which is the first year of the two plans, sales grew in electronic imaging, medical systems, electronic materials, and other fields by 4.8% over the previous term to reach 2.4334 trillion yen. Operating profits stood at 130.7 billion yen. In operation-based figures excluding the temporary restructuring expenses at Fuji Xerox, profits rose 13.8% over the previous year to 200.7 billion yen. Net profits marked an all-time high of 140.7 billion yen, up

7.0% on the previous year. We were able to further bolster our business portfolio established through business restructuring that we had implemented strategically and to take the first steps forward toward another dramatic advancement.

However, dramatic changes take place in modern society, and the market environment can change in a flash. We must not become satisfied with the status quo but strive to see what lies ahead in the marketplace and to objectively assess the conditions surrounding our products and services in our various fields of business. We need to look into what should be done, take solid action and arrive at results without fail in all conceivable business situations. We plan to achieve our targets under VISION 2019 through objective assessment of the present and the future and through action with a firm determination to achieve them.

### Collaboration with a variety of organizations under SVP 2030 to accelerate action on resolving social issues

Under SVP 2030, action has started on issues to be addressed in the areas of the environment, health, daily life and work style, as well as the fields of the supply chain and governance that provide the foundation, and is moving forward steadily.

In governance, which is the foundation of our corporate activities, the lessons learned from the inappropriate accounting at a Fuji Xerox overseas subsidiary that occurred last year led to the renewed embodiment of the Fujifilm Group vision of an “open, fair and clear” spirit in all employees of our Group companies. The awareness survey of all employees conducted last year showed that more than 90% of our employees displayed an understanding of this spirit. We plan to continue to instill this in all our employees to enable them to practice “fair and open competition.” To upgrade corporate governance and secure diversity in the Board of Directors, we have appointed a new female outside director and established a voluntary Designated Reward Committee chaired by an independent director. We plan to pursue greater improvements in Board of Directors’ deliberations and greater transparency in management decision-making.

In the area of the environment, a priority issue around the world, the total CO<sub>2</sub> emissions over the entire product lifecycle of all the products from our Group fell 7% over the previous year in FY2017, a reduction of 15% vis-à-vis the FY2030 target over the base year (FY2013), due to group-wide energy-saving activities. In terms of our Group’s contribution to CO<sub>2</sub> emissions reductions for society, we have achieved a reduction of 4.63 million tons with our high-capacity magnetic tapes, multifunction devices, medical IT systems, etc., making steady progress with 9% vis-à-vis the FY2030 target. It should also be noted that our CO<sub>2</sub> emissions reduction target has been certified by Science Based Target (SBT), an international environmental initiative.

In the area of healthcare, which is a growth area for our Group, and the universal wish of all people, we have reinforced development of regenerative medicine and biopharmaceuticals, which are perceived as forming the medical care of the future.

Wako Pure Chemical Industries, Ltd. (currently FUJIFILM Wako Pure Chemical Corporation), which was turned into a consolidated subsidiary, Irvine Scientific Sales Company and IS Japan possess excellent culture medium technologies in cell cultivation that are indispensable in these fields. By absorbing the technological resources of the three companies and generating synergy with our own technologies and products, we expect to be able to not only accelerate the research and development of new treatment methods but also to make major contributions in the dissemination of new medicines by providing these technologies and products to a wide range of businesses and research organizations.

The complex interrelationships between the problems involved in social issues mean they cannot be resolved by a single business corporation. Collaboration and partnerships across social sectors and national boundaries with people and organizations sharing the same aspirations are becoming increasingly important. An example in this direction is the recent announcement of the establishment of an organization that will carry out consistent research on AI technology from fundamental technology development to social implementation in the fields of healthcare and highly functional materials, in collaboration with the RIKEN research institute. Under SVP 2030, we plan to mobilize the diverse technological resources cultivated through photographic film development, as well as AI and other new technologies, to speed up action in addressing social issues, while forming partnerships with various organizations.

### Never stop. Move forward.

At the beginning of my message, I mentioned our ability to handle disasters. As a global corporation, it is necessary to be able to foresee and adapt appropriately, not only to disasters, but also to political, economic, environmental and various other risks. As a member of society, we must at the same time play a major role in changing society for the better.

I believe that a business corporation must be an entity that contributes to resolving social issues through its business activities, and by developing and supplying its own technologies, products and services. Backed by the profits gained from supplying products and services that are useful to society, we are able to create products and services that can make a greater contribution. It is through this spiral that we become a presence that is valued by society. As a company, we have overcome many crises with a spirit of fortitude, including the drastic reduction in the demand for photographic film, which had been our mainstay in the past. I firmly believe that it is only through refusing to stop and continuing to move forward that we are able to address social issues and build a better future. Notwithstanding the numerous issues that modern society faces, we pledge never to stop but to move forward in improving the quality of life for all people and the sustainable growth of society, through the leading-edge, and proprietary technologies we have created and through the continuous effort and the strong passion our employees have to achieve these goals.