

Third-Party Opinion



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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.