



## Feature: Enhancing Quality of Life

In this section, we will introduce the three priority business fields of the Fujifilm Group, which are described in our medium-term management plan VISION 75, on the theme of Enhancing Quality of Life—our corporate philosophy.

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About the illustrations on the section title pages of this report:

*Shobutsu Ruisan* and *Shobutsu Ruisan Zuyoku* (designated as important cultural properties of Japan), the property of the National Archives of Japan

*Shobutsu Ruisan* is a comprehensive work on botany compiled by Ino Jakusui and Niwa Seihaku. This work has been evaluated as an epoch-making achievement in the field of natural history in Japan. *Zuyoku* (collection of illustrations) was created and submitted to the Edo Shogunate by Toda Sukeyuki, an official of the Shogunate. It is composed of 530 beautifully colored and elaborately depicted pictures.



Part 1  
Activities in the Optical Device Business

## Meeting a Wide Range of Needs through Advanced Technologies as a Leader in the Age of Higher Image Quality

Lenses for cell phones with cameras, lenses for TV cameras, lenses for digital cameras, and lenses for security cameras. We enjoy top shares in these growth markets in which demand is increasing globally by producing products that meet the needs for high-definition images.

### Achieving outstanding cost competitiveness by building a robust production system comprising Chinese bases

Manufacturers of parts that are used in products sold in very large quantities across the world such as cell phones and security cameras need to be cost competitive in addition to having the ability to produce stable supplies of high-performance products. FUJINON has been preparing for this type of market since early days. In 1994 the company launched a production base in Tianjin and established one more in Shenzhen in 2001, and is now processing and assembling lens units at the bases 24 hours a day. As the scale of production expands, the stable procurement of optical materials usually becomes more difficult, but FUJINON has already established a system for stable procurement by investing in a Chinese company that has the world's largest glass furnace and by concluding a preferential supply agreement with that company.

By establishing a robust product system, FUJINON can produce stable supplies of manufactured products, and in order to ensure the precision of the products, the company is implementing drastic measures to manage quality at its Chinese bases as strictly as in Japan.

While increasing the number of products for which it can enjoy the top share by strengthening its sales power, FUJINON will add more value to its products by developing its lens units into camera modules through stronger cooperation with FUJIFILM's departments dealing with electronic imaging devices such as digital cameras. The Fujifilm Group aims to expand its optical device business even more through this kind of cooperation.



### Highly value-added and high-performance products created through unique opt-mechatronics

The Fujifilm Group's optical device business is centered on lenses, which are indispensable to producing images of things. In this business, FUJINON Corporation is in charge of the development, manufacture, and sale of lenses in cooperation with FUJIFILM Corporation's business departments and research laboratories.

Since it was founded in 1944, FUJINON has been constantly improving its technologies to design, process, and assemble optical devices such as binoculars and still cameras. In recent years, the company has developed its technologies as "opt-mechatronics," combining its optical, mechanical and electronic technologies, thereby delivering more advanced and valued added products. Moreover, FUJINON's business strategy has been to focus on products for which it can win the number one share using its unique advanced technologies, and actually enjoys top shares for the lenses used in cell phones with high-definition cameras (at least two million pixels) and TV cameras, as well as for lenses used in security devices such as security cameras.

manufactured lenses for Utsurundesu (a roll of film with a lens) and has acquired the technology needed to mass-produce small lenses with high performance, which provides it with a big competitive advantage.

Using all these strengths, FUJINON successfully developed lenses for cell phone cameras as its representative product. Early in the 2000s, soon after the cell phone camera market was launched, the company began developing highly value-added lenses for the phones, predicting that high-quality and highly functional lenses would be needed in the future, although the image quality of 100,000 to 300,000 pixels was the standard for cell phone cameras at that time. Now that an image quality of three million pixels is becoming the standard, FUJINON is far and away the top maker of high-performance lenses in the three million-pixel or higher image quality. In order to ensure that photos are taken at a high definition exceeding three million pixels, multiple lenses need to be combined. FUJINON has reduced the number of lenses used by introducing complex-shaped aspheric lenses, thereby achieving a downsizing. What is more, the company can produce a stable supply of several million products each month—an incredibly large number.

### Flexibly polishing glass and molding plastics for different applications and in different sizes

In the manufacture of lenses, both glass and plastic are used. Glass is polished and plastic is molded with special technologies. For this reason, in the lens manufacturing industry, division of labor and outsourcing are taken for granted. However, FUJINON has all the technologies required for the treatment and processing of the materials, and as its strong point, has been responsible for product development, design, molding, manufacture, and inspection in an integrated manner. The company has also

#### Takeshi Higuchi

Director, Senior Vice President  
General Manager of Optical Device Business Division  
FUJIFILM Corporation  
Chairman of FUJINON Corporation



### Strategy

#### Lenses for security and in-vehicle cameras are expected to become growth markets

In the world of optical devices, higher-quality images and digitization are becoming the two keywords. For FUJINON, which has a competitive edge in high-performance lenses, this trend is favorable. In addition to lenses used in broadcast cameras and cell phones cameras, lenses for security and in-vehicle cameras are expected to become growth markets for us. We are already enjoying a top share globally for lenses for security cameras, but we will make even more efforts to increase our share by meeting the needs for higher definition and super-telephotographic cameras. In addition, there is an increasing demand for high-precision vein authentication in the field of personal recognition systems, and so we are now finding ourselves in a business environment where we can fully display our technological capabilities.

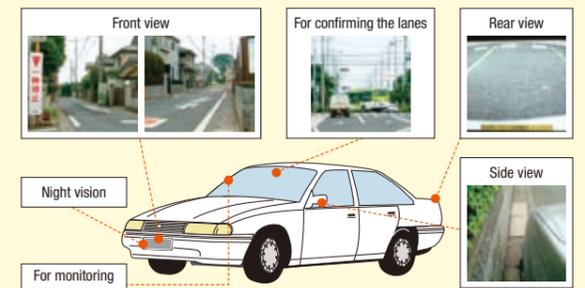
The introduction of lenses for in-vehicle cameras has just started for rear monitoring and front viewing systems. In the future, however, it is said that at least 10 cameras will be installed onboard a vehicle to ensure driving safety, and so we are committed to developing in-vehicle camera lenses in cooperation with auto-makers, particularly in fields where we can utilize our high-quality image technologies.

#### Takahiro Amano

Operating Manager, Corporate Public Relations, Employees Welfare  
General Administration Department  
FUJINON Corporation



#### In-vehicle camera lenses that use the Fujifilm Group's optical lenses



#### Corporate Profile

#### FUJINON CORPORATION

- Location: 1-324 Uetake, Kita-ku, Saitama-shi, Saitama 331-9624, Japan
- Established: March 1944
- Capital: 500 million (as of March 31, 2009)
- Employees: 1,100 (as of March 31, 2009)
- Major products: Industrial Lenses, TV Lenses/Cine Lenses, CCTV Lenses, Laser Interferometers/Analyzers, Binoculars/Field Scopes, Educational/Skill Succession equipments, etc.

Website: <http://www.fujinon.co.jp/en/index.htm>

**CASE 1 FUJINON sends its lenses to the Moon in Kaguya based on the 20 years of experience producing lenses for use in space**



**Producing lenses that will never break even in the harsh environment in space**

FUJINON's basic attitude in developing lenses has been to tackle difficult problems to enhance its technological capabilities. The company has also been producing lenses for use in space—which can be said to be an extremely severe environment for lenses—for more than 20 years.

FUJINON lenses went into space for the first time in 1987, mounted on the marine observation satellite 1 (Momo-1). The harsh environment in space that lenses mounted on artificial satellites would be exposed to was as-yet unknown, and developers at FUJINON went through a trial-and-error development process to achieve absolute reliability and weight reduction for the lenses, which were not permitted to stop functioning space. In fact, the lenses successfully played their role as the “eyes” of the sensors in the marine observation satellite. Through the development of these lenses, FUJINON was able to establish the basic technology for satellite optics lenses and increased the reliability of its products. Subsequently in 1992, the company succeeded in developing a high-precision lens to be used to take stereoscopic images of the Earth landform for an earth observation satellite named FUYO-1. Since then, the company has been continuously developing lenses that meet the needs of space exploration by participating in various space projects.

**Three types of lenses mounted on KAGUYA will elucidate the secrets of the Moon**

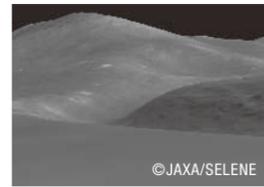
In 2007, a lunar explorer named “KAGUYA” was launched to elucidate the origins and evolution of the Moon. Three different types of FUJINON lenses (six lenses in total) are mounted on this lunar orbit satellite: (1) two lenses for a terrain camera capable of taking stereoscopic images of the Moon landform to create detailed topographic maps; (2) two lenses for a multi band imager to explore rock distribution on the Moon by collecting geological data through photography using specific visible and near-infrared light; and (3) two lenses for a high-definition cam-

era that shoots the Moon's surface and the Earth seen from the moon. All these lenses, which played a part in the second fully-fledged lunar exploration program after the Apollo program, were developed based on the technologies that the Fujifilm Group has accumulated over 20 years.

FUJINON lenses are also mounted on IBUKI, which was launched in January 2009. IBUKI has an important mission to measure greenhouse gases that are causing serious problems on Earth, thereby contributing to relevant research projects. To full this mission, the satellite has been collecting valuable data from about 700 km above the Earth.



Multi band imager and terrain camera which uses FUJINON lenses ©JAXA



Stereoscopic image of the Moon landform created using observation data from the terrain camera ©JAXA/SELENE

**VOICE**

**>> Heavy responsibility and strong motivation are constantly present**

All the huge rockets are designed to launch satellites, but the satellites cannot play their intended role if the lenses mounted on them stop functioning. With this heavy responsibility constantly in my mind, I have devoted myself to designing lenses. The valuable data delivered by these satellites, however, contributes significantly to the progress of society and so I also feel a strong motivation in my job as an engineer.



**Minoru Kurose**  
Operations Manager of the Optical Device Business Division FUJINON Corporation

**CASE 2 Lens technology that contributes to the progress of the TV industry Developing the world's first lens for high-definition TV cameras**



**Establishing the “FUJINON” brand in the broadcasting industry through our progressive product development capabilities**

In Japan, black-and-white broadcasting started in 1953 and TVs had spread rapidly to many households by 1959, when the Crown Prince (the present Emperor) was married. In 1960, colorcasts started, and subsequently in 1962, when everyone in the broadcasting field were developing technologies for colorcasts of the Summer Olympics to be held two years later in Tokyo, the Fujifilm Group also began developing lenses for TV cameras used for colorcasts. In a very short time span, the Group completed development of four types of high-performance lenses, thereby contributing to the success of the world's first colorcasts of the Olympic Games.



Early TV cameras with lenses for black-and-white broadcasting ©NHK

Subsequently, the Group developed a series of advanced products, including large-diameter 10x, 14x, and 22x zoom lenses. The Group also created the lenses for small and light cameras used for news reporting that would become standards in their class and thus established the “FUJINON” brand in the broadcasting industry.

**Developing epoch-making autofocus lenses for high-definition broadcasting**

The broadcasting industry has undergone multiple changes, including the start of colorcasts and satellite broadcasting. The industry is now at another turning point: it will soon shift to digital terrestrial broadcasting. With digitization, high-definition (HD) broadcasting will also become the norm, which will enable people to enjoy watching clearer images on large screens. FUJINON lenses have been making various contributions to HD technology. For example, in 1979, at the request of the NHK Science and

Technology Research Laboratories, the Fujifilm Group developed the world's first lenses for HD cameras. Subsequently in 1988, FUJINON lenses were used for the trial high-definition broadcasting of the Summer Olympics held in Seoul, which continued for 17 days in a row. The Fujifilm Group developed smaller and lighter lenses and epoch-making autofocus lenses called “Precision Focus (PF)” lenses for high-definition cameras, because it proved difficult even for professional photographers to adjust the focus on these cameras. These lenses are now used by many broadcasting stations both inside and outside Japan. In the broadcasting industry, the development of technologies for super HD and stereoscopic images has already started, and FUJINON lenses are expected to play an important role in the next generation technologies.



FUJINON lenses used for TV filming ©NHK

**VOICE**

**>> Honing technologies in response to demanding requests from professionals**

Lenses for high-definition cameras need to be extremely high precision in all aspects. We were able to develop lenses that met these requirements because we did everything by ourselves within the company, including the design, processing, and assembly of lenses and parts, and also because we had outstanding engineers who we consider to be “contemporary master craftsmen.” Moreover, we have been able to improve our technologies by responding to demanding requests from professional photographers.



**Minoru Tanaka (left)**  
**Tadashi Sasaki (right)**  
Associate Managers Design, Television Lenses Department FUJINON Corporation

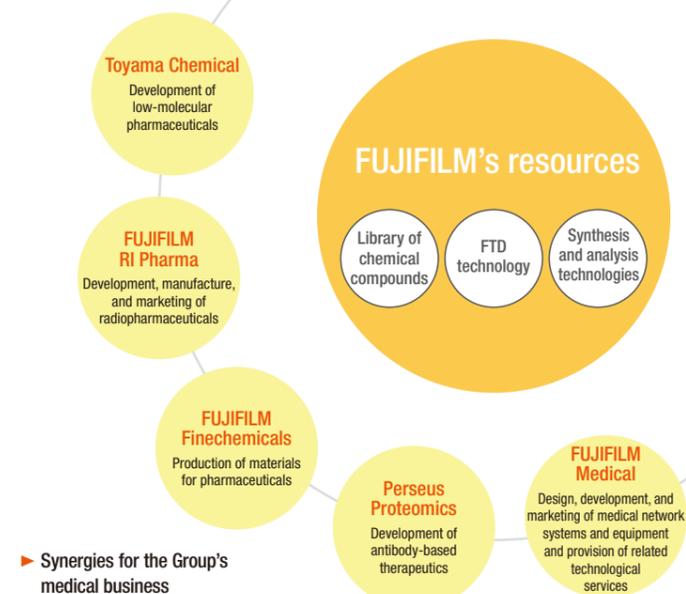
Part 2  
Activities in the Life Science Business

## Building a Comprehensive Life Science Business Covering Prevention, Diagnosis, and Treatment

In addition to examinations, diagnosis, treatment, nutritional supplements, and cosmetics, the Fujifilm Group has now entered the pharmaceuticals business, and is now developing its life science business covering the three fields of prevention, diagnosis, and treatment.

technology has been advanced to a level where we can take images of the functioning of the body. This company is an expert in radiopharmaceuticals, and by combining its technologies with our existing diagnostic systems, we can now provide medical practitioners with systems to check even the functioning of internal tissue, including the functioning of internal organs and intralésional situations.

In addition to advancing the level of diagnosis, the introduction of radiopharmaceuticals has also contributed to the better treatment of disease. Radiopharmaceuticals are useful for the diagnosis of lesions, including those caused by cancers, and can also work as therapeutic radiopharmaceuticals if the function to suppress the pathogen is added to the medical agent. In February 2009, we became more involved in this business by increasing our stake in Perseus Proteomics, a venture concerned with antibody-based therapeutics,<sup>2</sup> to more than 75%, making it a subsidiary. The Fujifilm Group is thus further advancing its diagnostic imaging technology by adding the imaging of functioning and expanding its life science business to integrate the fields of diagnosis and treatment.



► Synergies for the Group's medical business

Moreover, the FTD technology<sup>3</sup> developed by FUJIFILM has a lot in common with the drug delivery technology<sup>4</sup> for pharmaceuticals. If it becomes possible to deliver a medical agent to its destination in the appropriate amount and manner using FTD technology, concerns over side effects will decrease and the latitude for new drug development will be substantially increased.

We will also expand our business further and faster in the area of prevention, where we have Astalift (cosmetics developed based on research into collagens and antioxidation technologies) as well as MetabARRIER and Oxibarrier (nutritional supplements).

### Yuzo Toda

Director and Corporate Vice President  
General Manager of the Life Science Products Division  
FUJIFILM Corporation



### Life Imaging/Information, Life Safety/Security, and Life Cure/Care

The Fujifilm Group began marketing X-ray films in 1936, soon after its foundation, and now we expand our business worldwide for X-ray diagnosis, Sonography diagnosis, and Endoscope diagnosis. We have long been deeply involved in the medical field and have recently been fostering proactive expansion strategies to make medical and health care business one of our core businesses.

We call the diagnosis business in which we have already achieved significant results the "Life Imaging/Information" field and we now aim to expand our business to include the "Life Safety/Security" field (such as an air purifier) and the "Life Cure/Care" field (treatment and preventive medicine). In other words, we will be involved with "life" from various aspects in our life science business.

### Shifting from diagnostic imaging of morphologies to imaging the functioning of organs

The Fujifilm Group was an expert in the diagnostic imaging of morphologies. For example, in X-ray examinations of tuberculosis, images of the inflamed area were taken for diagnosis. Now, however, as a result of establishing FUJIFILM RI Pharma in 2007,<sup>1</sup> our diagnostic imaging



### Toyama Chemical's participation in the Group accelerates the treatment and prevention businesses

We made great progress in the field of treatment after Toyama Chemical joined the Fujifilm Group in 2008. This R&D-oriented company was founded in 1936 and achieved its growth through its synthesis technology. At present, it focuses on anti-infective agents, CNS and cardiovascular agents, and anti-inflammatory agents and is one of the top companies in terms of the number of new drugs marketed. On the other hand, FUJIFILM has a library of more than 200,000 chemical compounds as a result of its R&D activities for photographic film. Combining this valuable library, which provides the "source" for developing new drugs, with the technologies of Toyama Chemical, we aim to dramatically expand the range and accelerate the speed of drug discovery.

\*1. Established by acquiring shares in Daiichi Radioisotope Laboratories, Ltd. and changing the corporate name

\*2. Pharmaceutical agents that make use of the natural immune system, specifically antibodies that bind with specified proteins

\*3. Formulation, targeting and delivery (FTD) technology is a technology to formulate ingredients and materials functionally into the desired chemicals and deliver them to targeted sites freshly, stably, and timely in an appropriate amount to ensure the durability of the effect.

\*4. Technology to deliver medical agents effectively to the targeted diseased part

Synergy 1

#### Human exchanges

### Encouraging exchanges among researchers' capability of new drug development through cross-industrial collaborations

Since Toyama Chemical joined the Fujifilm Group in March 2008, Toyama and FUJIFILM have implemented many joint projects, including joint research into FTD; screening of a library of 200,000 chemical compounds for drug discovery; applied research into imaging technologies; improvements in productivity; and projects related to intellectual property. In these joint projects, the two companies began to encourage human exchanges, including an exchange of researchers. In order to maximize the merits of cross-industrial collaboration between a chemical

manufacturer and a drug discovery company, human exchanges are encouraged under the slogan "Respect each other." Researchers at FUJIFILM gain inspiration from their counterparts at Toyama Chemical, who show strong patience and concentration in manufacturing and can deal flexibly with new information, while researchers of Toyama Chemical are impressed with our corporate culture which allows people at FUJIFILM to focus on quality and reliability. The joint research projects are thus beginning to generate synergy effects.



Joint research members

Synergy 2

#### Animal experiments

### Animal welfare in research activities is ensured by enhanced collaboration among Group companies

In the process of developing chemicals and pharmaceuticals, we need to conduct animal experiments to confirm the safety and effectiveness of the products on human health. In the interests of animal welfare, however, we believe it essential to conduct animal experiments only when they are really necessary. Based on this commitment and to comply with the Act on the Welfare and Management of Animals implemented in Japan, we have rules in place and committees monitoring animal experiments at our related facilities.

Also, we have ethical rules on animals for the entire Group and have a committee on animals ethics to ensure appropriate animal experiments. In March 2009, members of FUJIFILM, FUJIFILM RI Pharma, and Toyama Chemical, which are all conducting animal experiments, and the environmental safety supervisor of Fuji Xerox had a meeting to exchange information on animal ethics and environmental safety. Based on the results of this meeting, we will improve the management of animal experiments and the

sharing of relevant information by holding similar meetings regularly, thereby promoting the "3Rs" (replacement, reduction, and refinement) for animal experiments.



Exchanging information on environmental safety tests conducted using underwater creatures (water fleas)

### CASE 1 Drug candidate T-705 attracting much attention as anti-influenza agent

Toyama Chemical is creating pharmaceuticals by concentrating its R&D in the following three areas: the “anti-infective agents,” the “central nervous system (CNS) and cardiovascular agents,” and the “anti-inflammatory agents.” Recently, the company has created the T-5224 anti-rheumatic drug and the T-817 MA Alzheimer’s disease and is now attracting much more social attention with the development of the T-705 anti-flu agent.

As one of the reasons for this strong attention, T-705 has a working mechanism that differs from that of currently-available anti-flu drugs. While existing drugs only slow down viral replication, T-705 can prevent viral replication, so it is expected to work effectively even if not taken immediately after infection. Also, T-705 is thought to be effective against viruses that are resistant to established drugs. Based on the experiments at Utah State University,

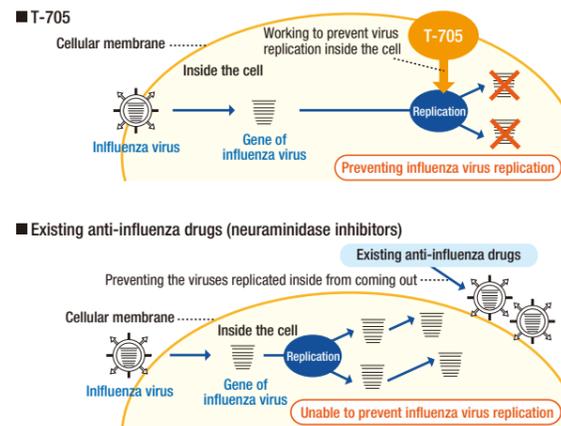
T-705 has been proved to be effective for bird flu (H5N1 Type). (Toyama Chemical is now making preparations to start the pivotal phase III clinical trials for T-705 in Japan in the winter of 2009.)

Amid concerns over the pandemic of a new strain of influenza, we believe it one of our social responsibilities to market T-705 as early as possible, and we are giving first priority to the development of the drug.



**Masuji Sugata**  
President of Toyama Chemical Co., Ltd.

#### ► Mechanisms of action of T-705 and established anti-influenza drugs



**Corporate Profile**

**TOYAMA CHEMICAL CO., LTD.**

- Location: 3-2-5, Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023, Japan (Head office)  
2-4-1, Shimo-Okui, Toyama-shi, Toyama 930-8508, Japan (Toyama Works [Laboratories/Factory])
- Established: November 15, 1936
- Capital: 37,400 million yen (as of March 31, 2009)
- Business outline: Manufacture and sale of pharmaceuticals
- Employees: 755 (as of March 31, 2009)
- Major products: GENINAX (oral quinolone antibacterial agent), OZEX (quinolone antibacterial agent [oral/eyedrops]), PASIL (quinolone antibacterial agent for the injection), PENTCILLIN (penicillin)

Website: <http://www.toyama-chemical.co.jp/en/index.html>

### CASE 2 Jointly marketing Zevalin®, the world’s first approved radioimmunotherapy

FUJIFILM RI Pharma began marketing Zevalin® in Japan in August of 2008 jointly with Bayer Yakuin Ltd. Zevalin® is the world’s first radioisotope (RI)-labeled antibody-based therapeutic drug for lymphatic malignancies.

Malignant Lymphoma is a kind of blood cancer. (Lymph cells that become cancerous multiply through the whole blood system.) In recent years, the number of patients suffering from this disease has been clearly increasing. Zevalin® is a drug that has both tumor recognition and destruction functions. Specifically, its major ingredient (monoclonal antibody) recognizes cancer cells and attaches to the antigen, while the radioisotope Yttrium-90 (90Y) combined with the monoclonal antibody attacks the cancer cells. The sale of this therapeutic drug had already been approved in more than 40 countries, including Europe and the United States and its marketing in Japan was long coveted.

For the manufacture of radioactive pharmaceuticals, it is necessary to have complex manufacturing technologies, and because of the decrease in radioactivity over time, it is also important to have a system to supply them

speedily to medical institutions. FUJIFILM RI Pharma had been engaged in the manufacture and marketing of radioactive pharmaceuticals over 40 years and had abundant experience, knowledge, and reliable manufacturing and marketing systems for such drugs. Because of this, the company was chosen as the joint marketer for Zevalin®.

Our radioactive diagnostic pharmaceuticals have been playing an essential role in the early detection and appropriate treatment of disease. In the future, we will further develop therapeutic drugs like Zevalin®, utilizing the special features of radioactive rays.



**Misao Tsuda**  
President of FUJIFILM RI Pharma Co., Ltd.



**Corporate Profile**

**FUJIFILM RI Pharma Co., Ltd.**

- Location: 1-17-10, Kyobashi, Chuo-ku, Tokyo 104-0031, Japan  
453-1, Shimo-Okura, Matsuo-Machi, Sammu-shi, Chiba 289-1592, Japan (Chiba Office [Chiba Plant/R&D Center])
- Established: December 5, 1968
- Capital: 1,400 million yen (as of March 31, 2009)
- Employees: 390 (as of March 31, 2009)
- Major products: Diagnostic Radiopharmaceuticals: Brain Imaging NeuroLite®, Heart Imaging Cardiolite®, Bone Imaging Technetium-99m MDP, Malignant Tumor & Adrenal Imaging Gallium Citrate-Ga67, Therapeutic Radiopharmaceuticals: Sodium Iodide Capsules, Radiolabeled antibody-based therapeutic drug Zevalin®

Website: <http://fri.fujifilm.co.jp/en/index.html>

### CASE 3 Highly antibacterial and antiviral air purifier developed based on a new concept

The Fujifilm Group is developing its healthcare business comprehensively for the prevention, diagnosis, and treatment of disease. In November 2008, we marketed the KPD1000 air purifier as a new product in the prevention field.

In accordance with the increase in people’s health awareness, the use of air purifiers has been expanding. In response, we developed the KPD1000 by using new technologies to equip it with antibacterial and antiviral functions. For the antibacterial filter, we have adopted highly-active ultrafine grains of organic silver, which we developed by combining our long accumulated fine organic synthesis and fine particle technologies, making it

possible for the filter to release silver ions effectively.

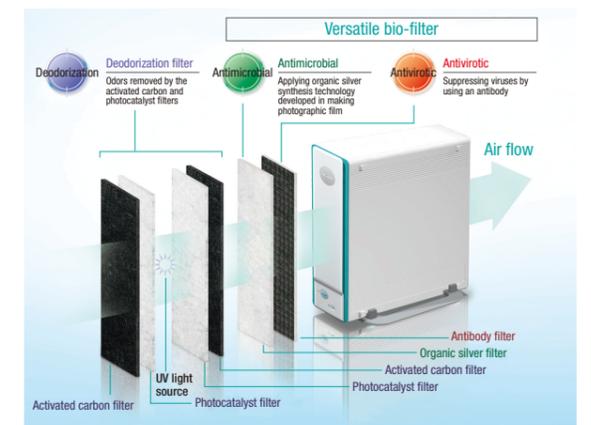
For the antiviral filter, we have applied the new influenza virus antibody developed by Professor Yasuhiro Tsukamoto of Kyoto Prefectural University using the yolk of ostrich eggs, and the filter has proved dramatically successful in reducing the infectivity of (2) type A Soviet (H1N1), type A Hong Kong (H3N2) and type B influenza viruses and also of the Avian flu type A (H5N1) strain.

To provide a highly air freshening effect, the KPD1000 contains two types of deodorizing filters, namely an activated carbon filter that absorbs odors and a titanium oxide photo-catalyst filter that decomposes odor compounds. We are now promoting the use of this air purifier in rooms

of between 6.6 and 13 square meters, offering the benefits of being super-quiet and of low power consumption, in addition to its unique antimicrobial and antiviral functions.



**Yoichiro Kamiyama**  
Research Manager, in the Life Science Research Laboratories Research and Development Management Headquarters FUJIFILM Corporation





**Part 3**  
**Activities in the Document Solutions Business**

## Helping Clients Meet Management Challenges: Focusing on Documents—a Must in Business

Fuji Xerox is in charge of the document solutions field, which is one of the three core business fields of the Fujifilm Group. The company is constantly developing to provide even better solutions to help clients solve their problems.

### Changing the corporate logo shows our strong commitment to reform

Fuji Xerox introduced a new corporate logo in April 2008 as a way to show our commitment to reforming our business model to provide clients with even better solutions globally. We are determined to think with clients and help them meet their management challenges as their business partner.

Fuji Xerox was the first company to commercialize a plain paper copy machine in Japan, which dramatically changed office operations in the country. Our business model was to rent machines and provide utility such as improving productivity and promoting communication in office operations. Based on this principle, we marketed our first plain paper copy machine in 1962, after which plain paper copy machines rapidly became popular. Along with spread of network and PCs, we further evolved copy machines—from digitization, multifunction, colorization

and networked, to office portals. In the course of this progress, however, competition intensified with a greater number of companies entering the business field, and it became difficult for us to maintain our competitive edge just by improving the performance of our products in terms of speed and quality. With the diversification and sophistication of our clients' management and business requirements, we began to transform ourselves into a solutions provider that delivers new value to clients, using our accumulated know-how and technologies to handle documents.

### Flow of documents shows the flow of communication

In corporate activities, a whole range of documents and slips are created, including proposals, reports, agreements, invoices, receipts, catalogues, and pamphlets. Documents include not only paper-based documents but

also electronic contents such as text and audiovisual data exchanged via online networks. We regard all these as important management resources, and commit ourselves to supporting companies in efficiently managing and effectively using documents as well as to helping them find solutions to their problems.

Communication is the basis of business, and is often through documents. The flow of documents therefore shows the flow of communication, and we deliver value to our clients in the form of streamlining, growth, and governance in the whole document flow.

### Contributing to streamlining, growth, and governance

In the face of the continuing economic recession, companies regard streamlining (cost reduction) as a priority in their corporate management. In response, we provide consulting services and systems to help them optimize their print environment and manage and use documents efficiently. In addition, we are providing an integrated document management system, which uses copy machines as network portals to digitize paper information and link it with electronic data stored on the mission-critical system.

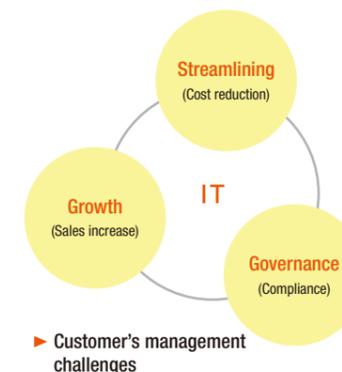
To achieve growth, we specifically help clients strengthen their customer relations (sales promotion, etc.) and create business. Our "direct 2 one" outsourcing service, which supports one-to-one marketing using print-on-demand technology, is one of our representative services. In addition, our color management service that globally manages corporate color on prints is also contributing to growth and governance.

With governance, we provide consulting services and solutions to help clients comply with the so-called J-SOX law and carry out enterprise risk management (ERM). Specifically, we centrally manage documents distributed in the company, identify corporate governance related

problems regarding document flows, and help clients solve the problems identified and improve their operations.

In the Global Services business that we started in April 2007, we are offering outsourcing services focusing on clients' document-related costs and business processes. In partnership with Xerox Corporation in the United States, we provide clients who are expanding their business globally with the same service across the world. By increasing the efficiency of document flows, we can help clients reduce their costs and improve their productivity.

In fiscal 2009, we have reorganized our marketing structure by dividing the organization by industry of customers to understand their needs more deeply and deliver optimal proposals to them. In addition, to respond to diversifying needs flexibly and promptly, we are strengthening partnerships with IT vendors and system integrators. We will continue to support clients in solving their problems through the concerted efforts of all functions, from R&D to sales and marketing.



▶ Customer's management challenges

### Isamu Sekine

Corporate Vice President  
Deputy Executive General  
Manager of  
Sales & Marketing Group  
Fuji Xerox Co., Ltd.



### History

▶ Progress in office products provided by Fuji Xerox



## CASE 1 Providing support for comprehensive risk management based on experience in ensuring compliance with the J-SOX

### Developing a new business based on experience in ensuring compliance with J-SOX ahead of others

Companies face a range of risks in conducting their activities, including malfunction of their products, leakage of personal information, noncompliance, and natural disasters, and if they fail to deal with these issues appropriately, they risk not being able to continue in business. Recognizing this, Fuji Xerox established the know-how and systems for the appropriate management of these risks and based on that experience, launched an enterprise risk management (ERM) service.

This new service originated from the enforcement of the Financial Instruments and Exchange Act (so-called J-SOX law) in Japan in 2007. The law mandates Japanese listed companies to submit internal control reports and others in addition to financial reports to ensure that they have systems in place to prevent errors and illegal acts. Fuji Xerox began implementing measures to comply with J-SOX as early as 2005, before the guidelines were released and other companies began preparations to comply with the law. Based on the experience and know-how obtained in those compliance efforts and using the relevant tools we developed independently, we then successfully began giving support to companies in complying with J-SOX as a new business.

### Centrally managing documents for ERM and building a comprehensive risk management system

As the core of our J-SOX compliance support service, we provide central management of paper and electronic documents and give advisory based on our own expertise. Although the management of documents to comply

with J-SOX comes under the remit of the accounting department, the scope of documents to be managed can be expanded to build a comprehensive risk management system on a company-wide basis.

It is important for companies to have a central management system for all the information they have, which will enable them to identify the causes for emerging risks, to take recovery measures promptly, and to fulfill their accountability. It is certainly essential for them to be able to take appropriate responses in cases of emergency, and Fuji Xerox supports them in building the necessary systems through ERM solutions.

#### VOICE

##### >> Providing proven services based on our own experience

J-SOX is applicable to about 3,900 companies, and a number of companies are showing interest in our service proposals, after trying to establish the required system on their own and then finding it difficult to maintain the system. We have a wider range of potential clients for comprehensive risk management: more than 20,000 companies of a certain size that are seeking ISO certification are potential clients.

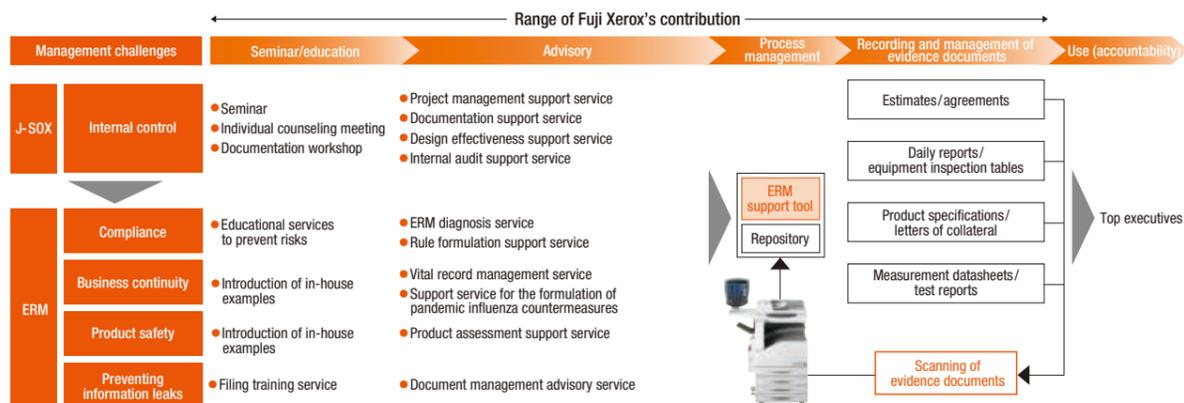
In this business, it is also important to approach the top executives in our client companies. We can provide both consulting services to build an ERM system and the necessary software and hardware, which have been proven to be effective as a result of us using them in our own ERM system. We believe that our greatest competitive edge in our business is staying true to our words by providing proven services.

Masanori Kawahara (left)  
Planning Manager  
Solution Sales  
Fuji Xerox Co., Ltd.



Yuhei Yano (right)  
J-SOX Advisor  
Solution Sales

#### Overall picture of ERM solutions



## CASE 2 Giving customized services for one-to-one marketing

### Delivering information that meets the needs of individual clients

Due to the diversification of consumers' habits, tastes, and lifestyles, it is becoming difficult to attract their attention by sending the equal information to all. Accordingly, there is a business shift from mass marketing (delivering the same information to a large and indefinite number of people) to one-to-one marketing. Under these circumstances, companies are urgently required to review their basic marketing approaches, regarding "how" they should send "what" information to "whom."

To help companies meet this requirement, Fuji Xerox has launched the "direct 2 one" service, in which we fully support our clients in direct marketing from upstream to downstream, making the maximum use of our accumulated print-on-demand technologies.

### Giving full support from data analysis to evaluation to ensure optimal communication

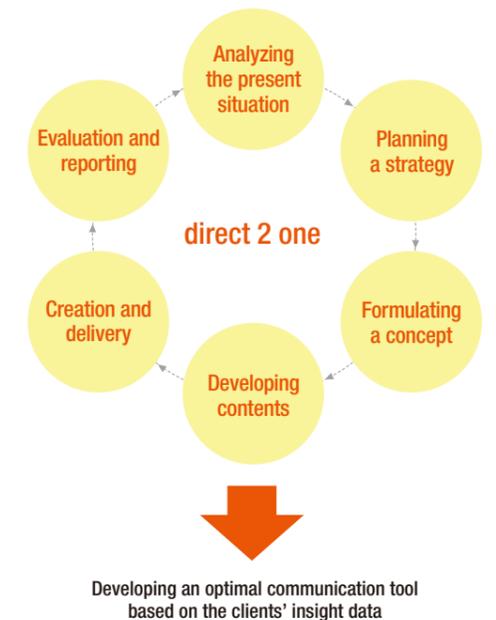
In the "direct 2 one" service, we design an optimal communication scenario based on insight information on the client and propose an effective campaign plan. We have a team of marketing specialists, including experts in the upstream process, in order to provide clients with an unprecedented one-stop service on a continual basis.

As their best partner, Fuji Xerox proposes better marketing methods to clients, instead of just providing them with variable data printing services. For example, we help them understand their own customers; identify the under-

lying needs of those customers; and keep in continuous communication with each of them, thereby contributing to new business creation and their growth.

#### Range of support provided by the "direct 2 one" service

The "direct 2 one" service is a one-stop direct marketing service, which covers the entire marketing operations from the design of a campaign to its implementation.



#### Tools for female office workers in their 20s



#### Tools for men in their 50s



#### VOICE

##### >> Attributing importance to carrying out measures to help clients solve problems

The consulting team is in charge of sales activities and project management in an integrated manner and focuses intensively on how to incorporate the results of a project into subsequent projects. Customers who continuously use our services find value in the way we formulate their strategies: set targets, implement measures, and review the results for the formulation of next strategies. We will continue to execute this PDCA cycle in cooperation with our customers and support them in making optimal communications with their own customers.

Yoshiko Toyoda  
Consultant for "direct 2 one"  
Production Services  
Marketing  
Production Services  
Sales & Marketing  
Fuji Xerox Co., Ltd.

