



Going Digital: Opportunities in Packaging

SHIFT Packaging Conference 2023

Graphic Communications Business Division

Limited Distribution
1 October, 2023

Agenda

1. The New Fujifilm Graphic Communications business
2. Catalysts of change
3. Opportunities
4. Smart factories
5. We Innovate, so you don't follow

Meet the Speaker:

SCOTT MACKIE

*General Manager, Graphic Communications Business
FUJIFILM Business Innovation Asia Pacific and
Senior Group Manager International Sales and Marketing*

In a career spanning Europe the Middle East and Asia Pacific, Scott's career has focused on driving transformation in the printing industry for the last 18 years, enabling businesses to create hybrid or completely digital production.

With 30 years in the industry, from studying printing technology and management to Sales and Development roles in Commercial Print and Packaging, he joined the digital revolution in 2005 and is now Graphic Communications General Manager in Asia Pacific, and a Senior leader of their global expansion team driving digital change across markets.





The New Fujifilm Graphic Communications Division

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Our digital print on demand business in Asia Pacific...

\$350M USD annual sales, our customers print 1.5Billion <B3 sheets per month, digitally...from >28,000 presses in Asia Pacific

we are much more than plates and pressroom supplies.

**We've transformed
our business,
to help you
transform yours.**

**Two Industry
Giants.**

**One Graphic
Communications
Division.**

A history of innovation

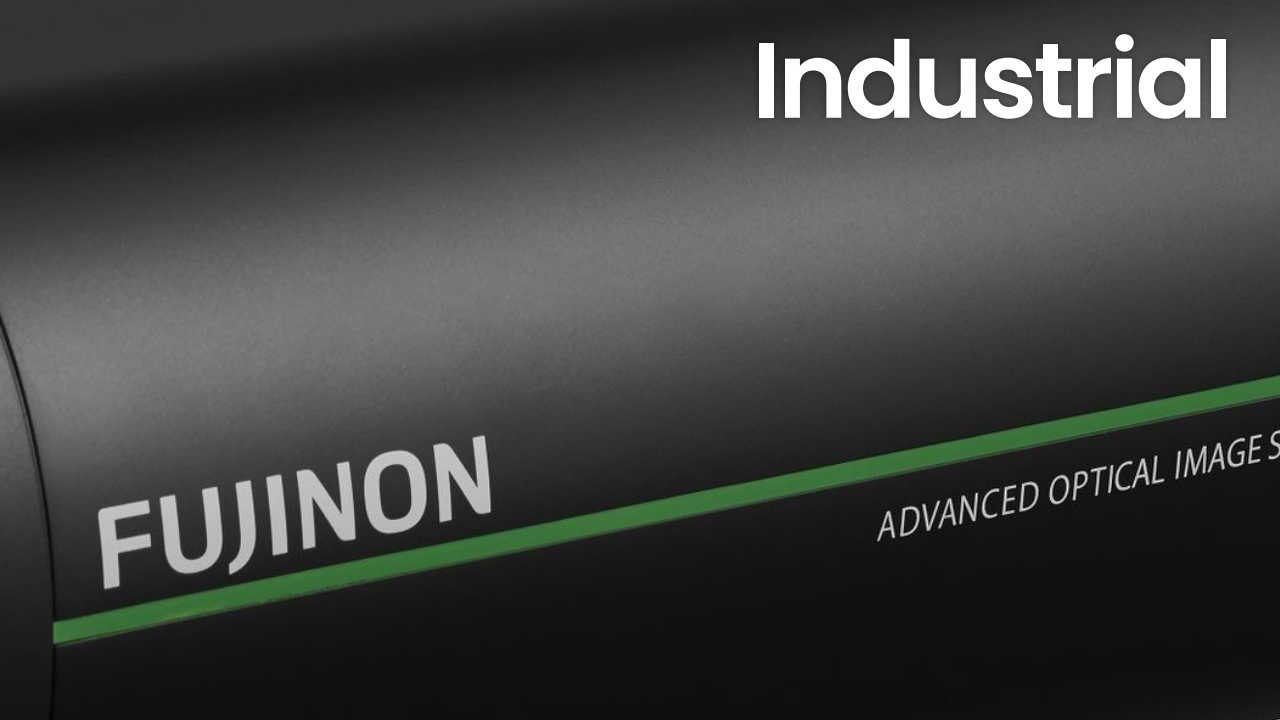




Imaging



Data



Industrial



Healthcare

SCREEN

**A history in
traditional printing**



NARROW WEB

A stylized butterfly is the central focus, constructed from a dense network of thin, glowing lines. The lines are primarily red and cyan, creating a vibrant, digital aesthetic. The butterfly's wings are spread wide, and its body and antennae are also defined by these lines. The background is a solid, dark blue, which makes the glowing lines stand out prominently. The overall effect is one of dynamic energy and technological sophistication.

Digital Transformation



Commercial



Photographic

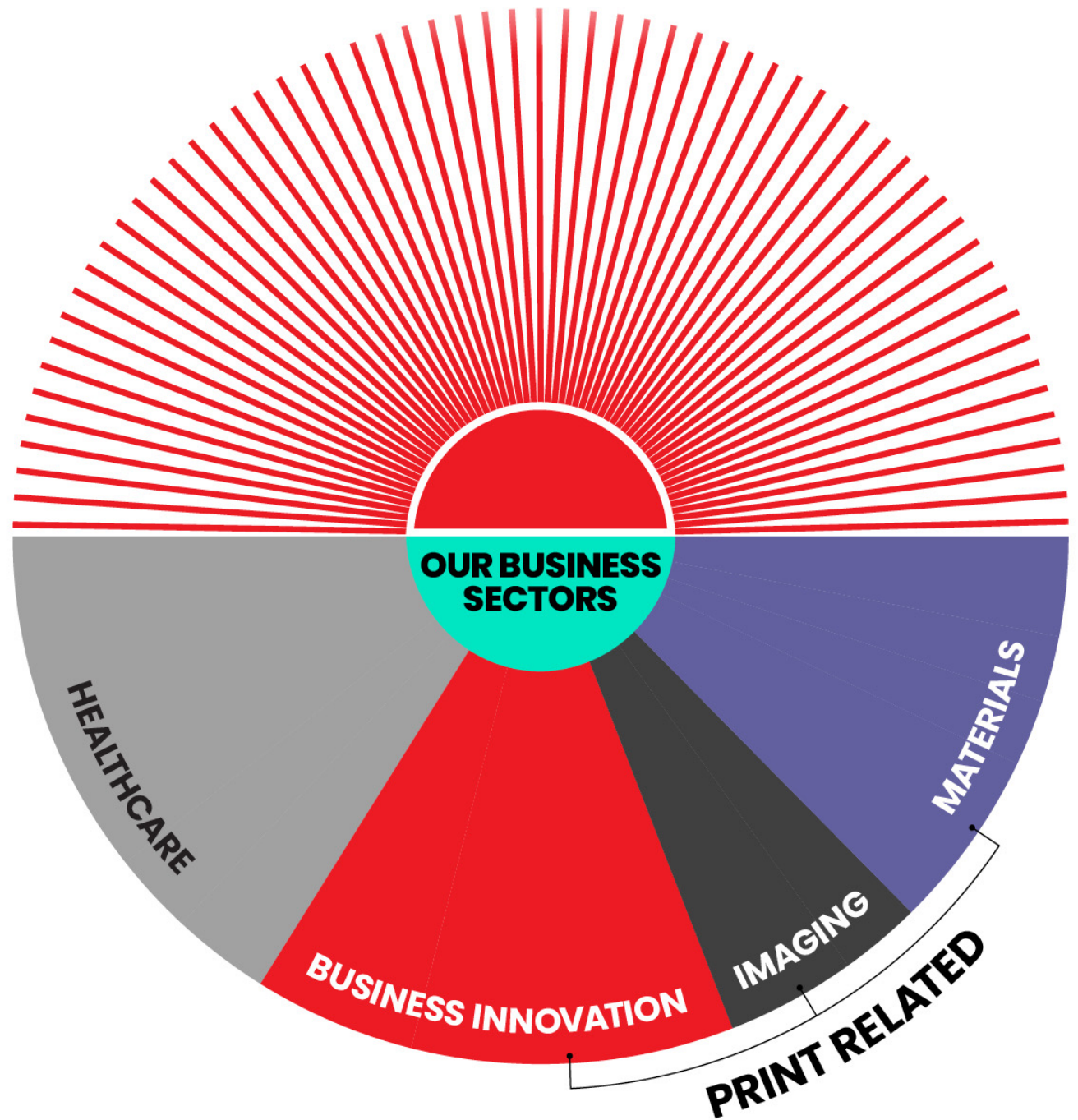


Label & Packaging



Wide Format

**40% of
our global
business
relates to
print**





We value sustainability

A vibrant, high-angle photograph of a tropical forest. The foreground is dominated by several large, detailed palm trees with long, feathery fronds. The background consists of a dense, multi-layered canopy of various green trees and shrubs, extending to a distant horizon. The sky above is a clear, bright blue with a few wispy white clouds. The overall scene is bright and healthy, representing a natural carbon sink.

**Achieve net zero CO₂
emissions by 2040**



Realise your vision



Catalysts of Change

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Print is dead, long live print

“One of the biggest drivers of change is with customer applications. Simply put, analogue methods cannot produce to market needs; short run, versioned, 24 hour delivery and the trend is set to accelerate, especially in labels and packaging, and short run graphic work will continue to grow”



\$642B Global Revenue in 2012 **\$843B** Est. 2026

49 Trillion Pages Est. 2019 **43 Trillion** Est. 2026

(\$ million, constant 2020 prices & exchange rates) Countries include: China, South Korea, Other Asian, Australasia, Source : Smithers, The Future of Print Equipment Markets 2026

Print is dead, long live print

VALUE MOVEMENT

“One of the biggest challenges for analogue production is profitability.

Simply, for offset or analogue printing; volume = profit.

With declining run lengths combined with increases in complexity, digital production is a key to profitability. The focus returns to added value from digital technology advancements.”

In...
2019

\$139B digitally produced

\$230B by 2029

By 2029

reducing volume, but increasing \$ value / page drives digital production to >25% of market value by 2029

(\$ million, constant 2020 prices & exchange rates) Countries include: China, South Korea, Other Asian, Australasia

Edit Presentation Source: Smithers, The Future of Print Equipment Company confidential

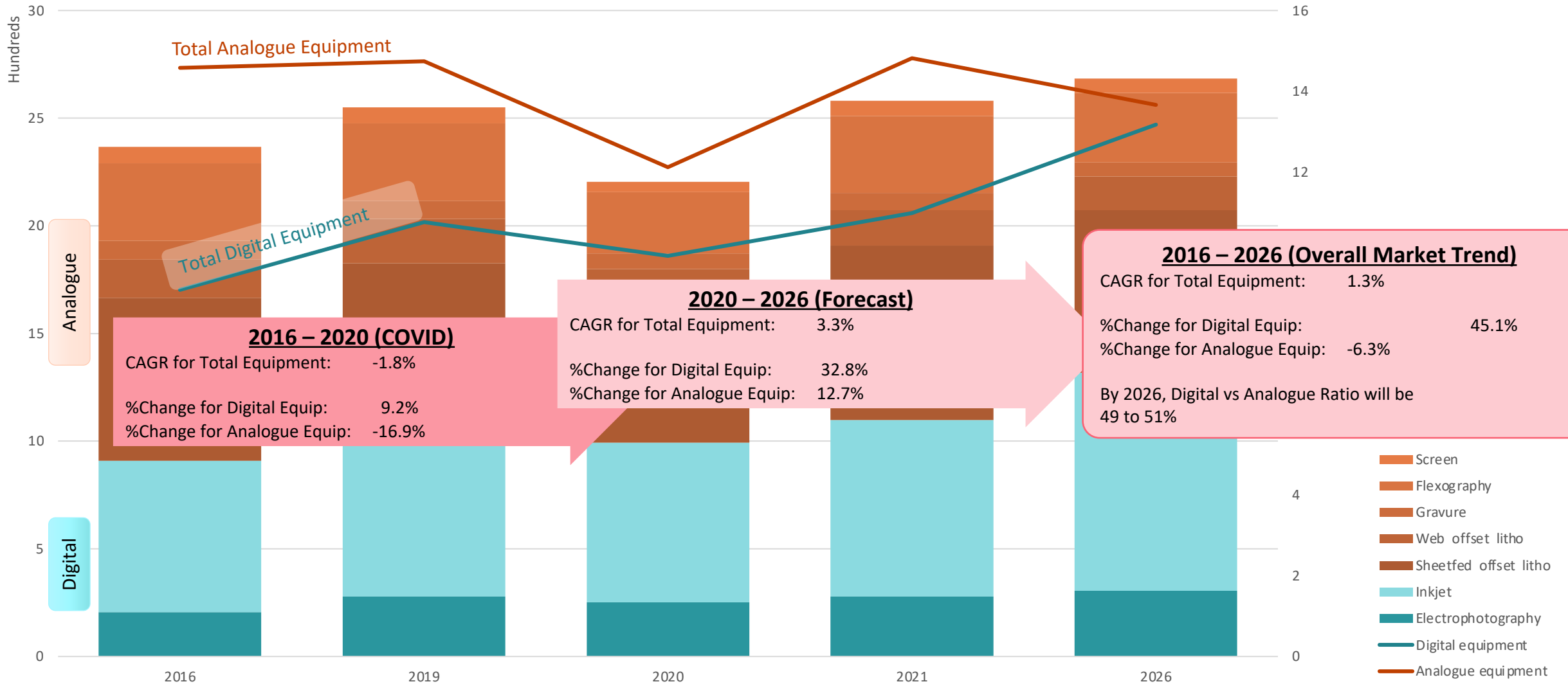
What is Digital Transformation in Industrial Print & Packaging?

- Digital transformation is the process of using digital technologies to create **new — or modify existing — business processes**, culture, and customer experiences to meet changing business and market requirements.

Digitization vs Digital Transformation :

- Digitization is the process of converting analogue information into digital form using an analogue to digital converter, such as in an image scanner or for digital audio recordings. As usage of the internet increased since the 1990s, digitization has also increased.
- **Digital transformation, however, is broader than just the digitalization** of existing processes. Digital transformation entails considering how products, processes and organisations can be changed through the use of new, digital technologies.

Asia Pacific Region Equipment Sales



2016 – 2020 (COVID)
 CAGR for Total Equipment: -1.8%
 %Change for Digital Equip: 9.2%
 %Change for Analogue Equip: -16.9%

2020 – 2026 (Forecast)
 CAGR for Total Equipment: 3.3%
 %Change for Digital Equip: 32.8%
 %Change for Analogue Equip: 12.7%

2016 – 2026 (Overall Market Trend)
 CAGR for Total Equipment: 1.3%
 %Change for Digital Equip: 45.1%
 %Change for Analogue Equip: -6.3%
 By 2026, Digital vs Analogue Ratio will be 49 to 51%

(\$ million, constant 2020 prices & exchange rates)
 Countries include: China, South Korea, Other Asian, Australasia
 Source : Smithers, The Future of Print Equipment Markets 2026

Key drivers of digitization

Digitized methods of production transcend all applications. As brands drive demand they are looking for innovations that connect to their audience.

Digital production, enables the products they need.

1 / Lifecycles have reduced significantly. >2 years in 1980, only 6 months today

2 / The TikTok Generation. Change, shorter run SKU's growing no of jobs 47%

3 / Time to market. Needs digital to respond swiftly to micro trends

4 / Connectivity. Brands need to connect with their audience, digital enables it.



Opportunities

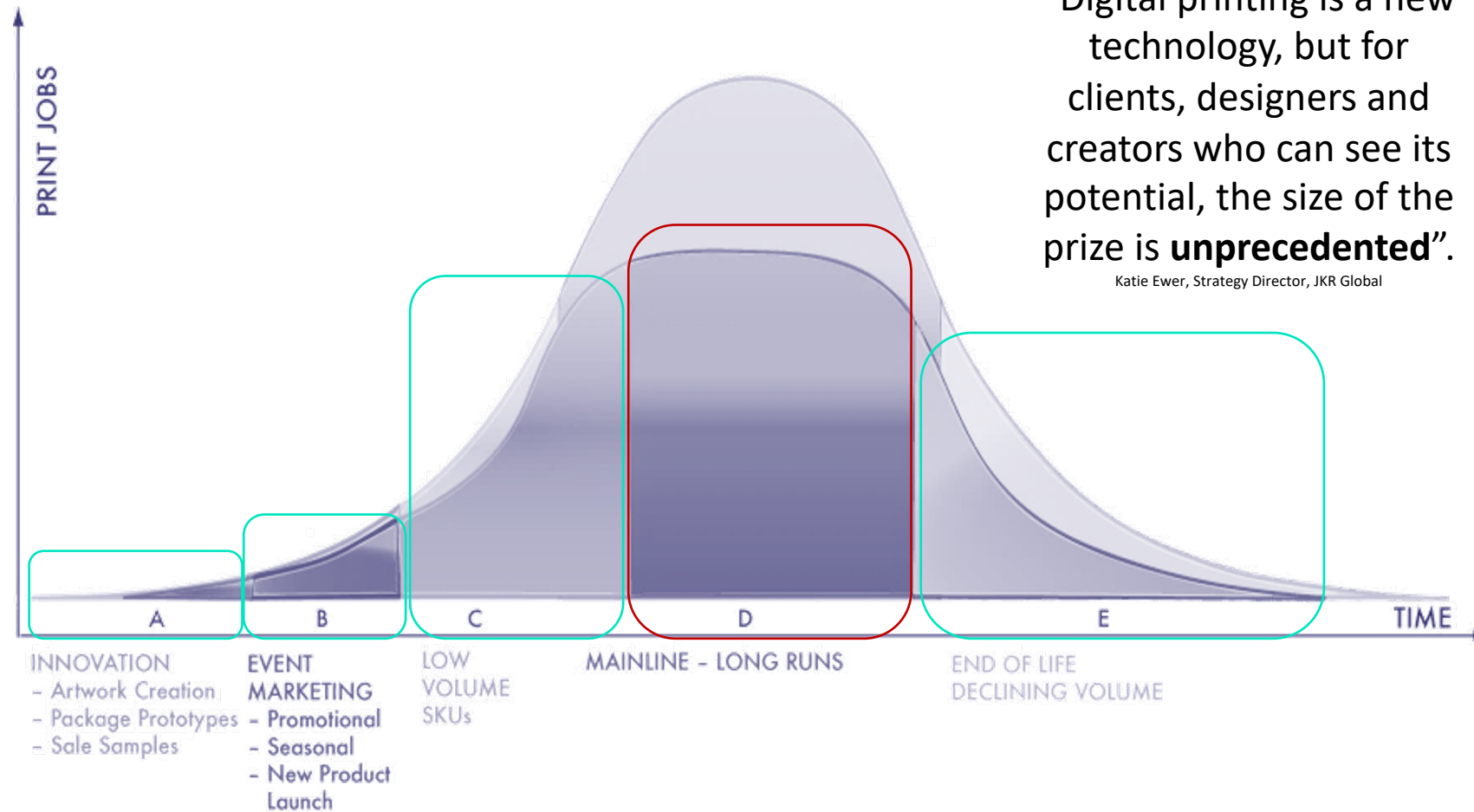
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Emerging digital packaging applications

The brand connection point

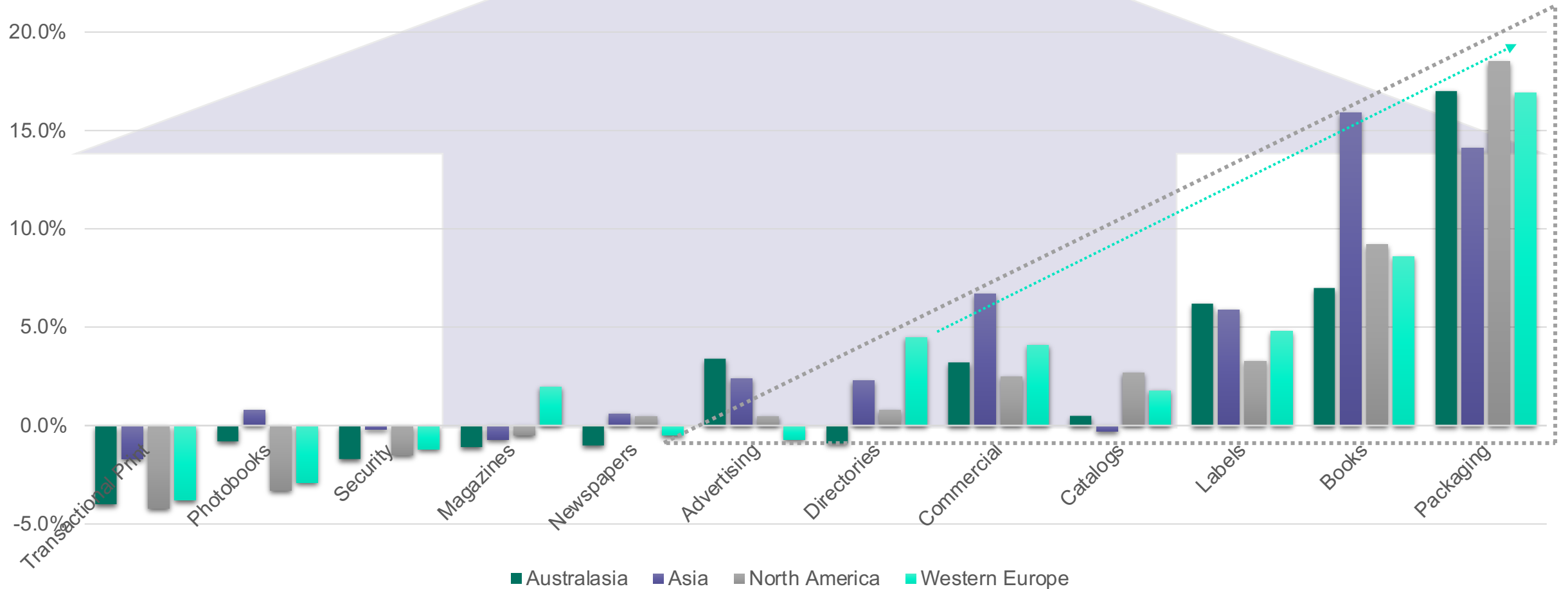


“Digital printing is a new technology, but for clients, designers and creators who can see its potential, the size of the prize is **unprecedented**”.

Katie Ewer, Strategy Director, JKR Global

Digital Printing Output Growth by Application

Australasia/Asia/North America/Western Europe CAGR from 2024 to 2029

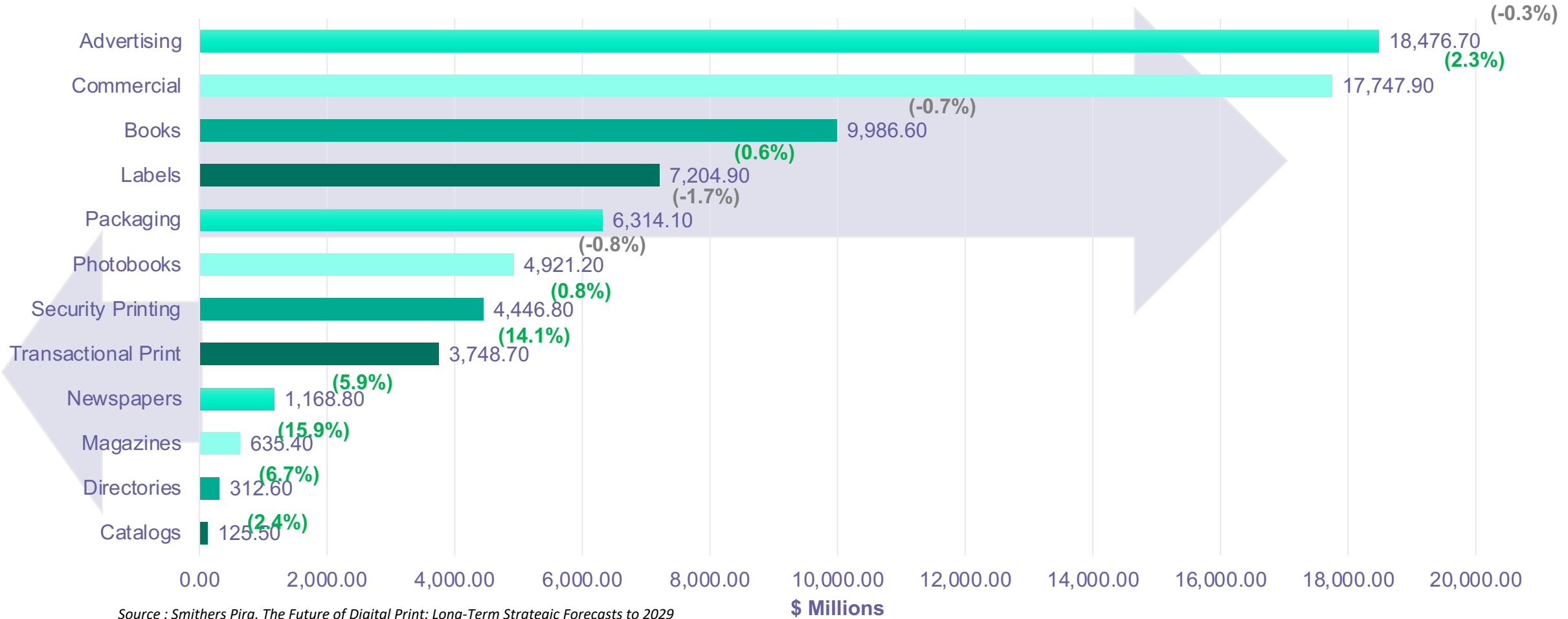


Source : Smithers Pira, The Future of Digital Print: Long-Term Strategic Forecasts to 2029

Digital Printing Output by Application

Asia Forecast in 2029

CAGR
2024-2029

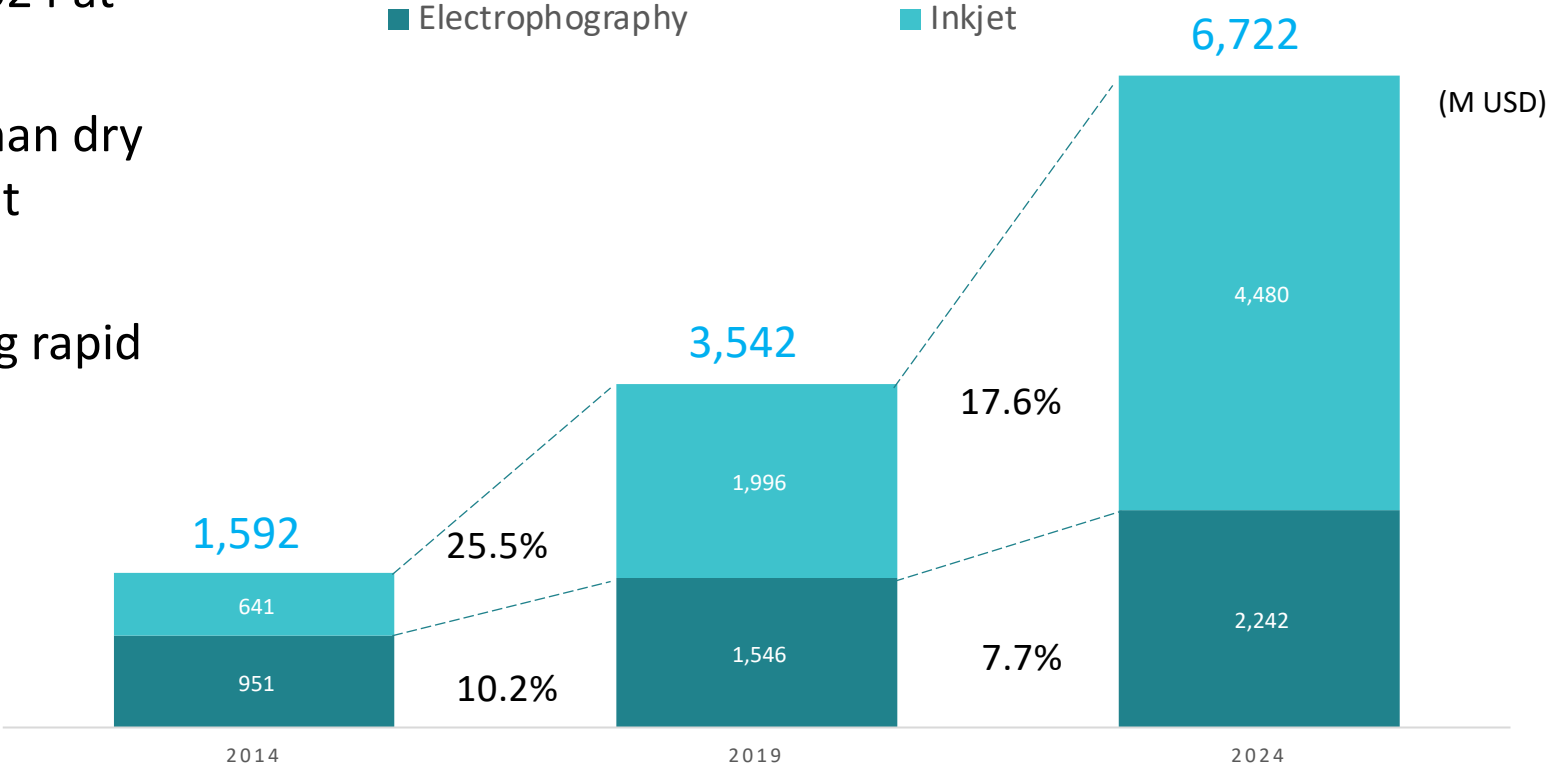


Source : Smithers Pira, The Future of Digital Print: Long-Term Strategic Forecasts to 2029

Digital Printing Output in Labels and Packaging

- Asia Pacific region CAGR 2019 to 2024 at 13.7%.
- Inkjet growth much more rapidly than dry ink due to greater speed and format options
- Fujifilm Revoria technology showing rapid adoption in key areas

DIGITAL LABEL & PACKAGING



Notes:
 Value covers all activities billed by packaging producer, including design and prepress were carried out with substrate and all finishing

Source : The Future of Digital Print for Packaging to 2024 (based on FBAP Opcos)



Smart Factory

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The backbone of every operation, the beginning of automation.

68%

of business owners say **reducing production costs and increasing efficiency** are their top priorities in the next 5 years².

59%

of workers say they could **save 6 or more hours per week** by automating repetitive tasks¹



62%

Need new workflow software and/or better use of current software to enable expansion of print applications¹

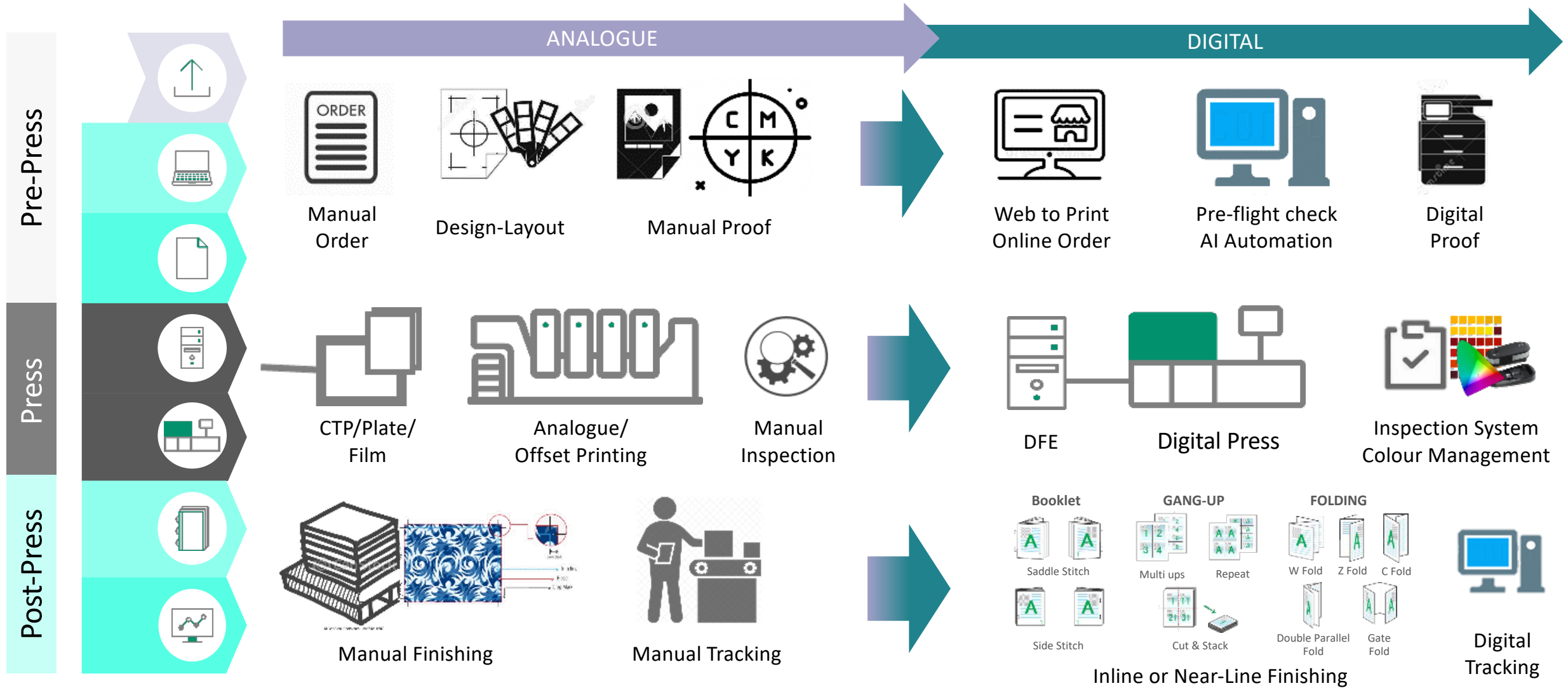
30%

Who have grown over the past 5 years attribute it to SW investments that have increased automation

1. NA & EUROPEAN Production SOFTWARE INVESTMENT OUTLOOK: 2018, Keypoint intelligence-InfoTrends
2. EUROPEAN SOFTWARE INVESTMENT OUTLOOK: 2018, Keypoint intelligence-InfoTrends

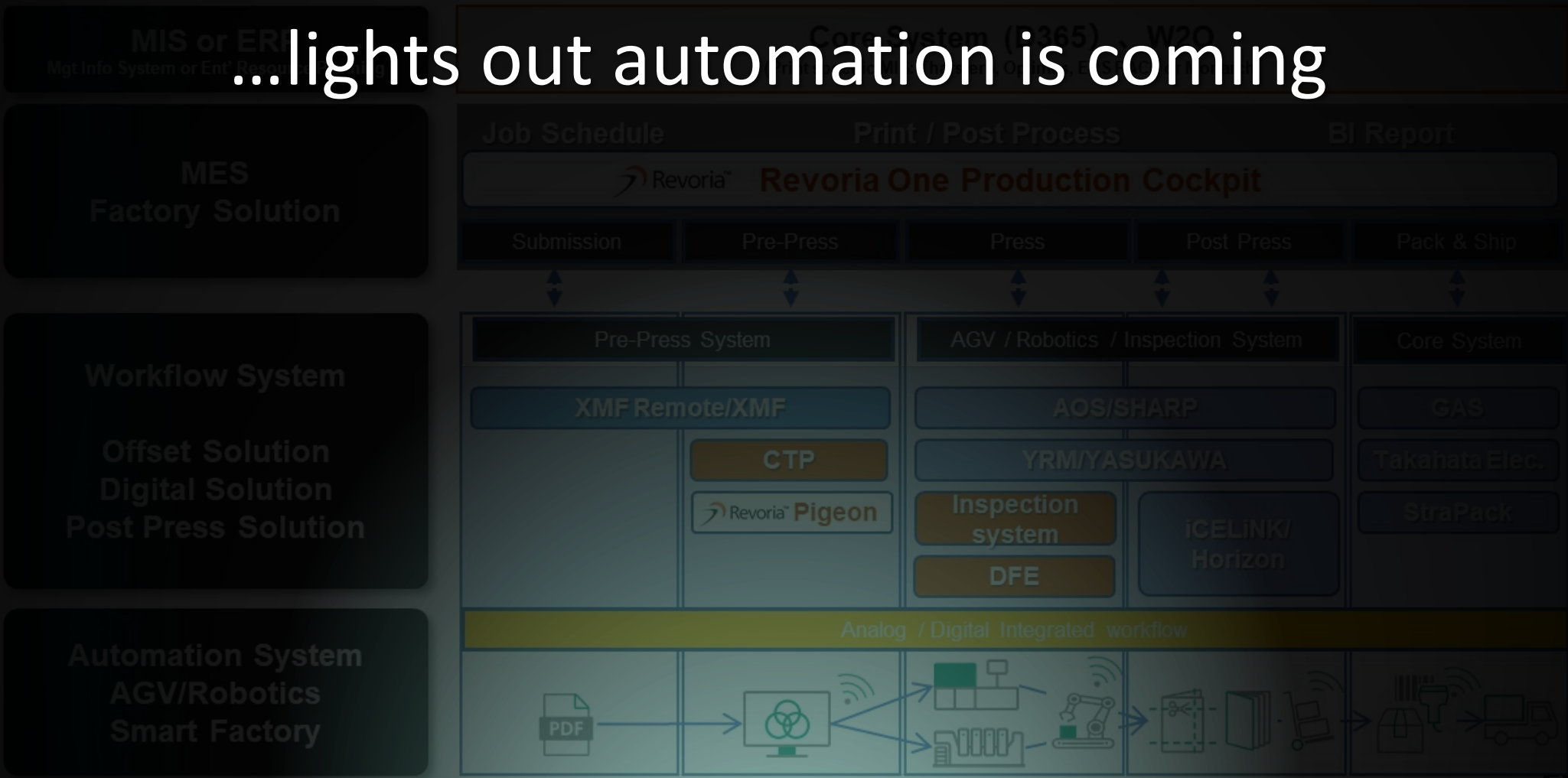
Transforming Print Processes

Moving from analogue to **hybrid** or **digital** only production workflows



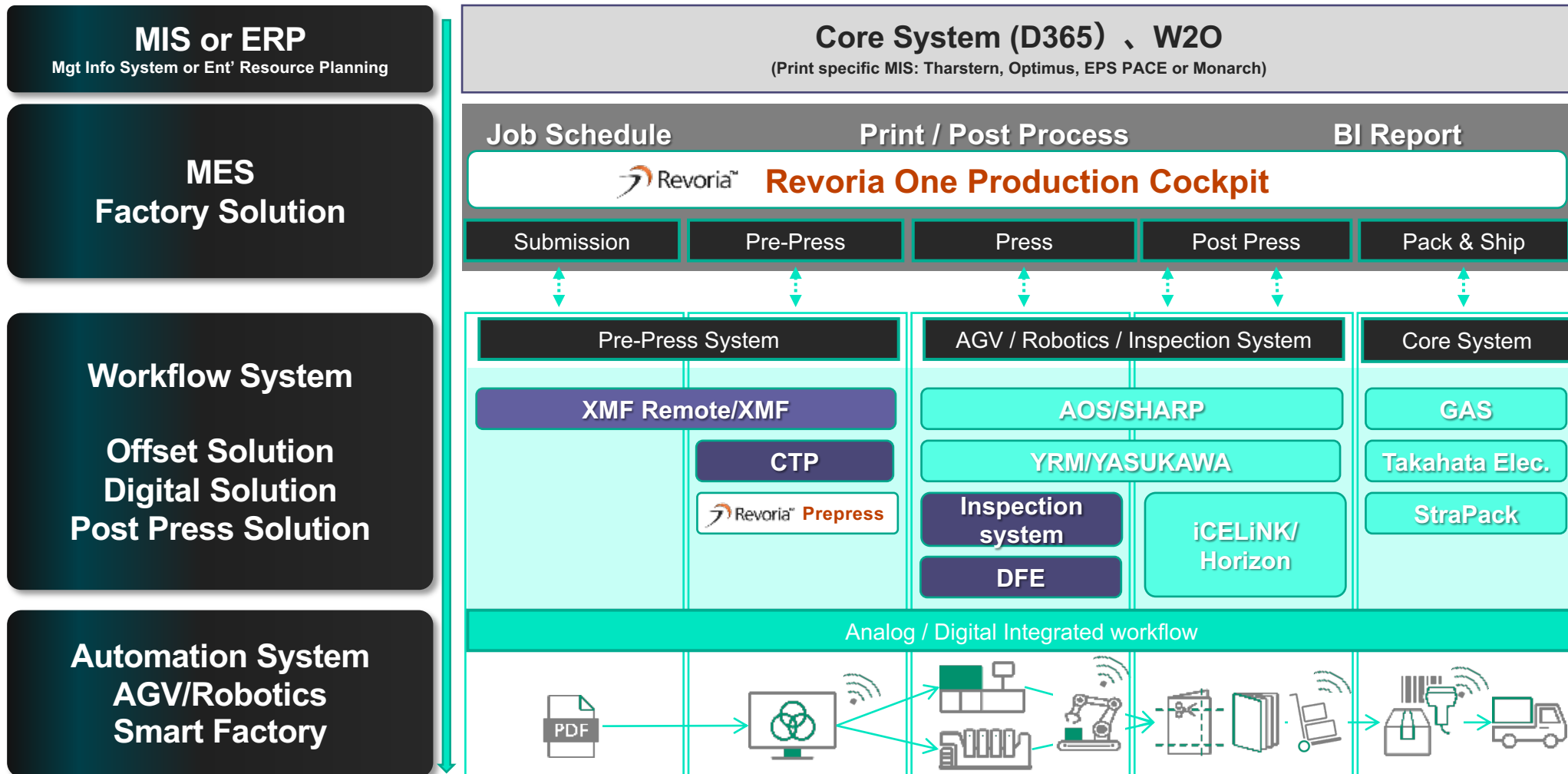
Demonstrating optimal production environment by automating/visualizing the print production process in a hybrid workflow of analog & digital, starting with Revoria One Production Cockpit and XMF based on FF Group synergy

...lights out automation is coming



Fujifilm Smart Factory Digital Transformation IGAS

Demonstrating optimal production environment by automating/visualizing the print production process in a hybrid workflow of analog & digital, starting with Revoria One Production Cockpit and XMF based on Fujifilm Graphic Communications total portfolio .





**We Innovate, so you
don't have to follow**

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leading technologies



inkjet

toner

A man in a black shirt is standing in a dark industrial setting, interacting with a control panel on a large machine. The machine has a screen displaying a technical diagram. The Fujifilm logo is visible on a panel of the machine. The scene is lit with dramatic, low-key lighting, highlighting the man and the machine against a dark background.

FUJIFILM

Jet Press 750S

The new standard in print



Jet Press FP790

For mainstream flexible packaging

FUJIFILM
Value from Innovation

**LIGHTNING
DELIVERY**

JetPress 1160CF




FUJIFILM
Value from Innovation

INKJET LABEL PRESS LP350/LP230



FUJIFILM
Value from Innovation

**NEVER
STOP**

 **Revoria™**



Revoria™ Press B2 +



Imprinting solutions

For adding digital to analogue production lines

Time to be creative

The brand connection point

If you're the owner of a big brand, you're obliged to make big bets with any packaging change.

Big bets, therefore, tend to be safe bets. Big bets make for risk-averse clients and boring, safe creative design and production.

Digital print is more cost effective for short runs, so it allows you to experiment, test, trial, adapt, test again and perfect a design idea.

Heinz Get Well Soups allow customers to send a tin of Heinz soup with a personalized message to a friend feeling poorly.



“Digital printing is a new technology, but for clients, designers and creators who can see its potential, the size of the prize is **unprecedented**”.

Katie Ewer, Strategy Director, JKR Global

Forget about limited editions

Digital printing allows brands to produce limitless editions. Absolut vodka combined digital print with algorithms to create its Absolut Unique range, consisting of 4 million completely individual bottle designs. For the first time, technology was being used as a creative enabler—as a vital part of the creative process—rather than simply the executor of a designer's vision*

*campaignasai.com

Multi-Piece Campaign

Winner

Country: Indonesia

“A multipiece campaign to help small business - executed perfectly with digital technology”



Business Effectiveness – Mock Up

Winner

Country: Thailand

“The client says I need a sample, only one please, then this company produces this type of job. Nothing comes close!”



Specialty Colours

Winner

Country: Singapore

“We took our time going over this entry, it was that good”



Folding Carton (NEW)

Winner



Country: Vietnam

“Sometimes by keeping the job clean and simple is the best practice”

Runner-up



Country: Singapore

“Great example of digital technology on metallised board”

Label

Runner-up

Winner



Country: Thailand

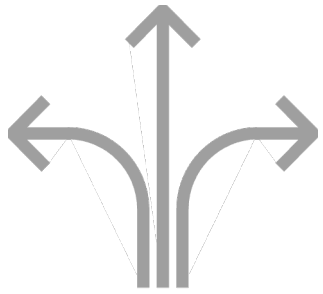
“What better way to showcase digital labels, this is what it’s all about”



Country: Vietnam

“Produced on Matt label stock, this is a world class label”

One Solution Provider. Who will Never Stop, Innovation in Print.



Flexible



Intelligent



Efficient



Reliable

FUJIFILM
Value from Innovation