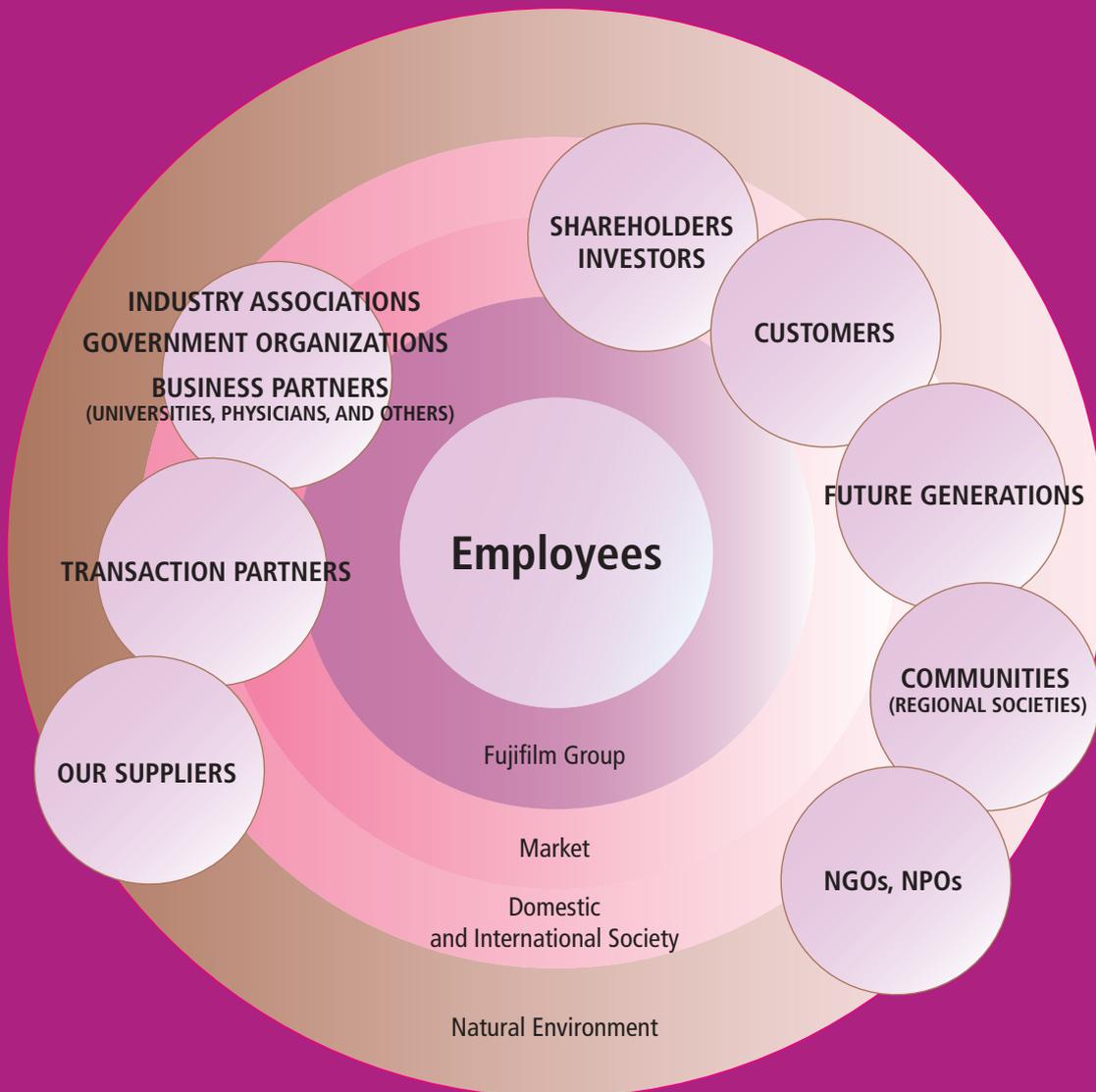


Social Activities Report

Corporations conduct their activities while sustaining relationships with a broad range of stakeholders. The basis of CSR is for companies to grow and develop as they seek solutions that simultaneously address the issues they confront and the issues facing society whilst working with the same viewpoints, as well as working in harmony with the stakeholders. The Social Activities Report provides information on our activities from the perspective of communication with each stakeholder.



■ Employees

Employees play a central role in the promotion of Fujifilm's CSR activities. Since the founding of the company, "concern for the natural environment and environmental preservation," "customer satisfaction and trust," and "a customer-oriented spirit" have been basic capabilities for all our employees, and we are promoting CSR activities, with the objectives of nurturing and infusing a deeper awareness of CSR among our staff.

Methods for Sustaining Dialogue

- Consulting centers of the Personnel Department and personnel interviews
- Preparation of self-development plans and follow-up interviews
- Compliance advisory functions
- Sexual Harassment Hotline
- Labor union and regular company meetings
- Meetings to exchange opinions with readers of the Sustainability Report
- Stakeholder Dialogue
- Awareness surveys related to making work more satisfying

■ Our Suppliers

Our suppliers are important partners who assist us in continuing to offer products that reflect proper regard for safety and the natural environment. We work to maintain ongoing communication and understanding with our suppliers, based on the goals of environmental protection and maintenance as well as compliance, and endeavor to treat our suppliers fairly.

Methods for Sustaining Dialogue

- Procurement Division (For responding to inquiries)
- Ecology and Quality Management Division (For responding to inquiries)
- Information meetings for suppliers (green procurement, management of chemical content)
- Periodic discussion meetings with our suppliers
- Operation of a materials procurement website and Corporate Environment Green Analysis
- Stakeholder Dialogue

■ Communities (Regional Societies)

We believe that symbiosis with the community and the preservation of the natural environment are key elements among our social responsibilities as a corporation, especially at those places of business for production operation. We, therefore, provide opportunities for continuing dialogue and disclose corporate information as well as promote communication with the community. We also promote activities closely rooted in local communities, including those related to the natural environment, regional beautification, and education, with the goal of creating more affluent regional communities.

Methods for Sustaining Dialogue

- Consulting centers at each of our factories and offices (For responding to inquiries)
- Meetings related to environmental policy
- Factory visits
- Volunteer activities in the local community
- Lectures and information meetings for community members
- Periodic discussions with local governments (municipal governments and mayors, leaders of local government organizations, and others)

■ Shareholders/Investors

We are constantly aware of the need to promote a proper understanding of the Company's value, and work to provide timely disclosure of investor relations (IR) information in Japan and overseas. In 2006, we prepared our IR Information Disclosure Policy, which sets forth our basic policy stance, standards, and other matters related to information disclosure. In addition, we have newly created a section on our website to provide information to individual investors.

Methods for Sustaining Dialogue

- IR Office (For responding to inquiries)
- Information meetings for investors and visits with investors
- Shareholder meetings
- IR information section on the company website

■ Transaction Partners

In the fields of photography, printing, healthcare, and other areas, we supply products to our sales outlets. Also, in the liquid crystal display (LCD) market and other fields, we supply materials to manufacturers. As we propose new creations worthy of merit, our transaction partners are vital, and we work with them and support them in the development of new products.

Methods for Sustaining Dialogue

- Sales companies and marketing/sales departments (For responding to inquiries)
- Periodic discussions with our transactions partners
- Seeking advice in the creation of new products and materials and participating in joint development activities
- Participation in exhibitions, events, and academic meetings
- Stakeholder Dialogue

■ NGOs, NPOs

Since the establishment of Fujifilm, we have held the belief that "concern for the environment and environmental preservation are the basis for corporate management." We were the first in Japan to establish a trust with the theme of protecting the natural environment — the Public Trust Fujifilm Green Fund— and its activities have continued to the present. In addition, we provide continuing support for NGOs and NPOs that engage in educational and enlightenment activities related to the natural environment.

Methods for Sustaining Dialogue

- Corporate General Administration Division (For responding to inquiries)
- CSR Division (For responding to inquiries)
- Secretariat of the Public Trust Fujifilm Green Fund
- Stakeholder Dialogue

■ Customers

Reflecting the opinions and requests of customers in our products, services, and corporate activities is one of the most important issues for a manufacturing company. We have made customer orientation the basis of our management activities and are working to contribute value to society by creating products and services, engaging in new business activities, contributing through our products, and preserving the culture of photography.

Methods for Sustaining Dialogue

- Customers Communication Center (For responding to inquiries)
- Technical Support Centers
- Service Centers
- Usability evaluations, advice on production development, preparation of user reports, and other activities
- Photo contests, photo exhibitions, photography classes
- Events, exhibitions, seminars, and other activities
- Showrooms

■ Future Generations

We believe that one of our important social responsibilities is to conduct educational activities for future generations that will be responsible for the future. We are placing special emphasis on educational activities that draw on photographic technology and environment-related education. Working together with NGOs, NPOs, schools, industry associations, and others, we are helping to nurture rich sensibilities in future generations and help to build healthy minds and hearts.

Methods for Sustaining Dialogue

- Providing lecturers to conduct school courses
- Participating in events held in schools
- Sponsoring factory visits as part of extracurricular and other activities
- Working with NGOs in environmental education activities

■ Industry Groups, Governmental Organizations and Business Partners

We are actively engaging in dialogue such as approaching supervisory agencies inside and outside Japan through industry groups to respond to laws and ordinances such as the RoHS Directive and REACH and participating in JAMP (Japan Article Management Promotion-consortium) as one of the founding companies.

Methods for Sustaining Dialogue

- Participation in the creation of guidelines such as those made by the Japan Chemical Industry Association
- Statement of public comments through industry groups
- Pink Ribbon Movement, joint research with hospitals and universities, and establishment of sponsored lectures

Social Activities

Communication with Customers

The Fujifilm Group Charter for Corporate Behavior states that Fujifilm “will develop and provide socially beneficial goods and services of the highest quality using advanced and original technologies in a safe and responsible manner. Based on an open, fair and clear corporate climate, we create new value in a spirit of appropriate competition and fair dealing, continually striving to satisfy customers and other stakeholders and earn their trust.”

Customer satisfaction is the basic tenet of corporate management. Fujifilm is actively endeavoring toward harmony and coexistence with society, always aiming to provide quality from a customer’s viewpoint.

Basic Approach

As stated in its Corporate Philosophy, the Fujifilm Group aims to secure the satisfaction and confidence of customers through the creation of top-quality products and services that are safe, secure and appealing for customers, in addition to endeavoring toward harmony and coexistence with society and the environment by ensuring the highest level of corporate quality.

Speed, kindness, accuracy and fairness are the basis of responses to inquiries and proposals from all customers through e-mail, telephone calls and letters. Major points and complaints as well as matters that customers make inquiries about frequently are reported, reflecting direct improvement of our products and services, to top management and heads of divisions.

10002 in September 2006. We also conducted training for a total of 1,000 employees of FUJIFILM IMAGING Co., Ltd. (which sells cameras and films) and FUJIFILM Techno Service Co., Ltd (which provides after-sales service and technical support for cameras) to spread and establish customer satisfaction quality management systems based on ISO 10002. We will continue these efforts in the future. In recent years, the Fujifilm Group’s scope of business has expanded into a variety of fields, and providing a uniform level of customer service has become an issue. In the fiscal year 2007, we will ardently work to improve the quality of customer service in the contact center operations of Fujifilm’s domestic affiliates.



<http://www.fujifilm.co.jp/corporate/environment/direction/iso10002/>
(Available in Japanese only)

Overview of Activities in Fiscal 2006

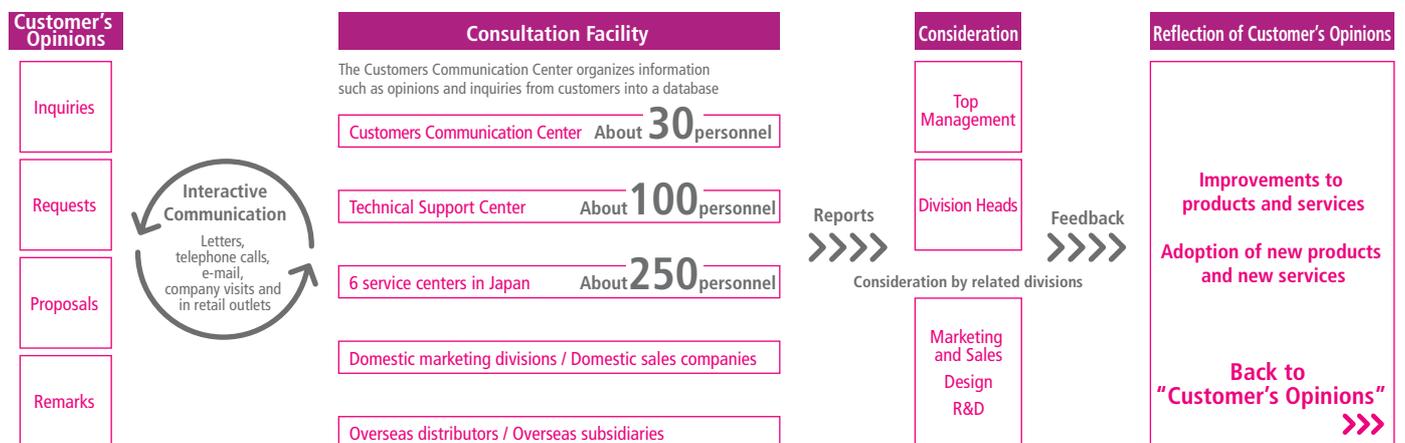
In fiscal 2006, we continued to work on the important issue of how we respond to customers through improvement in customer satisfaction and quality of our responses (through strengthening working-level capabilities). One of the initiatives taken was our declaration of conformity that we are compliant with ISO 10002 (Quality Management –Customer Satisfaction)*1. The Fujifilm customer response manual titled “Basics of Customer/ Complaint Response” was revised at the end of March 2006 to meet with ISO 10002 standards. After checking our efforts according to the ISO 10002 Self-Audit Checklist and undergoing an internal audit, we declared conformity with ISO

Outline of Consulting Facilities

▼ Customers Communication Center

Fujifilm’s Customers Communication Center has a staff of about 30 persons who take principal responsibility for responding to about 40,000 customer inquiries a year, in addition to taking overall responsibility for responding to customers of Fujifilm and its affiliates. Most inquiries by telephone are related to products, and we respond quickly to resolve such issues. We believe that expanding information that is available over the Internet on products and services and improving the understandability of this information are effective in helping customers solve problems by themselves. Accordingly, we are actively expanding our product FAQ (Frequently Asked Questions) sections and revising our website content.

▼ Mechanism for Reflecting Customers’ Opinions in Products and Services (Fujifilm and its Affiliates)



Please refer to the following website for details on the communication mechanisms used for the customers of Fuji Xerox and its affiliates.



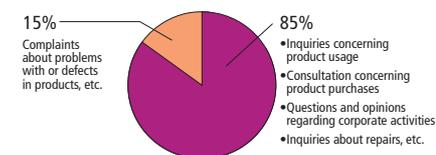
<http://www.fujixerox.co.jp/company/sr/stakeholder/user/communication.html> (Available in Japanese only)

In the Fiscal year 2007, we have introduced infrastructure to provide uniform customer service and accurately assimilate the opinions of our customers. Specifically, this is a system called a Talk Checklist, which displays a questionnaire appropriate for dealing with a customer making an inquiry when the operator enters a keyword into the computer. For example, this makes it possible to learn information such as "Where did you drop the camera and in what situation and how did you break it?" which provides effective feedback to development and manufacturing divisions for making new products.

▼ Technical Support for Products and Repair Services

To respond to more specialized questions from customers relating to products (including digital cameras, recording media, and digital imaging services at mini-lab shops), we have formed the Technical Support Center, with a staff of 100 technical personnel. This center also responds to requests for consultation related to overall systems, including the environment where products are used. It also responds to a total of 400,000 customer inquiries for the entire Fujifilm Group each year, including BtoB matters.

▼ Content of Customer Consultation and Composition by Type



Customers Communication Center

▼ New Showroom

At the end of March 2007, we opened FUJIFILM SQUARE (Open 11:00 a.m. - 8:00 p.m. all year except the New Year's break) on the first floor of the Fujifilm Headquarters located in Tokyo Midtown, Roppongi (P.15). Former Fujifilm employees with excellent customer contact skills and a wealth of knowledge in photography serve as senior concierges to provide detailed explanations to customers. This is also one of the ways we are addressing the ageing society, and we will continue to consider ways to utilize the skills of experienced former employees in the future.

Activities in Improving Capabilities for Responding to Customers

The Customers Communication Center has prepared the *Customer Response Manual*, with the aim of improving the quality of interaction with customers throughout Fujifilm group, and distributed it principally to sales companies and marketing divisions. In addition, this center conducts frequent training sessions in customer response for Fujifilm's sales companies as well as marketing and sales divisions, making use of the *Customer Response Manual* as a textbook. Training sessions on frontline customer service and management of responses to complaints are also held annually in an effort to dramatically improve the level of customer satisfaction. Thus far, these training sessions have been held for sales and marketing divisions, but to draw on product development perspectives in responding to customer inquiries, these sessions are now being expanded as we are using them as an opportunity to exchange opinions with the development and manufacturing divisions. In addition, meetings to improve customer satisfaction are also held periodically between divisions, sales companies and support divisions for each product group.

Universal Design

The Design Center, which is in charge of product design instituted Usability Evaluation in 2001 and is working to create universal product designs that are user-friendly for everyone. Usability Evaluation differs from usual monitoring surveys in that it solicits evaluations from a range of users during the design and development stages. Based on the analysis of these evaluations, users' opinions are reflected in new product design. Customer opinions that rarely reach consultation facilities, such as those that are not clearly recognized by customers, complaints that a product just seems difficult to use, and comments that "something just doesn't seem right" are gathered together and meticulously processed in an attempt to increase customer satisfaction. Fujifilm and Fuji Xerox also participated in the 2nd International Conference for Universal Design in KYOTO 2006 held by the International Association for Universal Design in October 2006. Fujifilm's and Fuji Xerox's exhibits highlighting universal design initiatives were based on the theme of "Kind to people, easy to use" for Fujifilm and "You can do it alone, everyone can do it" for Fuji Xerox with both exhibits being highly regarded by attendees. In future, we will continue to increase opportunities for hearing from cus-

tomers and actively incorporate Usability Evaluation into the product development process to reflect their opinions in our products.

Fujifilm products

based on the concept of "Kind to people, easy to use"



Aerendus: a system enabling conversations in sign language using a TV in the home

Transnasal endoscope



Fuji Xerox
A large color operating panel in use

Provision of Environmental Information on Products

▼ EcoMark and ECO LEAF Environmental Label

Fujifilm and its affiliates aim for higher environmental quality in all their products. To inform customers correctly about the environmental qualities of our products, Fujifilm has obtained certification to use the EcoMark in Japan and ECO LEAF Environmental Label in Japan on *QuickSnap*, digital cameras, etc. and we also provide detailed data on our Website.



EcoMark



ECO LEAF Environmental Label



<http://www.fujifilm.co.jp/corporate/environment/products/> (Available in Japanese only)

Biomass Mark*2

Reusable biological organic resources from plants and animals (not including fossil fuels such as oil) are called biomass. The carbon in biomass fixes CO₂ originally in the air through photosynthesis performed by plants, so the CO₂ generated in its combustion does not add to the actual amount of CO₂ in the atmosphere, making it carbon-neutral. The Biomass Mark is a logo used to certify and promote products containing biomass, and Fujifilm has obtained certification for affixing the Biomass Mark to film products (such as FUJITAC Film and Wide View Film) used in the manufacturing of LCDs, which has become a major growth business in recent years. We are making every effort to promote products with the Biomass Mark.



Biomass Mark

Provision of Product Safety Information (MSDS/AIS)

▼MSDS (Material Safety Data Sheets)*3

To enable customers to buy and use our products with confidence, we strive to provide timely information on product safety. MSDS is a tool to prevent accidents arising from chemical substances and to ensure safety (for human health and the ecological system) in the handling of chemical content. We have provided MSDS information on our website since 1997, and each of our operating divisions offers this information to its customers in printed form or on CD-ROMs. MSDS are prepared in accordance with Japanese Industrial Standards (JIS) specifications and guidelines issued by the Japan Chemical Industry Association, and state whether chemical substances stipulated by the PRTR Law or the Industrial Safety and Health Law are used in the product in question. As of March 2007, the number of MSDS prepared by the company exceeded 1,500. Furthermore, product labels and MSDS were updated for products containing substances that must be labeled in accordance with the revised Industrial Safety and Health Law (effective since December 2006) incorporating GHS*4. In future, we will continue MSDS preparation for products that are covered due to changes in thresholds.

▼AIS (Article Product Environmental Safety Information Sheet)*5

Unlike MSDS, safety information (in the form of AIS) on such materials as photographic film and paper, pre-sensitized aluminum plate, and flat-panel display material is not legally required to be disclosed. However, under Fujifilm's internal rules established in April 2003, AISs are prepared voluntarily and made public on our website and provided directly to users. These AISs are prepared according to Fujifilm's own program and they are managed and operated jointly with Fujifilm's overseas affiliates. As of March 2007, 170 AISs had been prepared and made available in Japanese, English, and other European languages (French, German, etc.).

▼Compliance with the RoHS Directive (MSDSplus, AISplus)

In response to requirements for the provision of information on specified chemical content under RoHS and other regulations, Fujifilm prepares MSDSplus and AISplus information sheets other than MSDS and AIS under its internal rules based on the guidelines of the Japan Chemical Industry Association. In future, we will consider disclosing these on our website and intend to change them to the format being considered in JAMP (P.57).

Product Safety Management (P/L:Japanese law)

The most important responsibility for a manufacturer is to ensure the safety of the products that it provides to society. Fujifilm works consistently to promote and improve the safety of its products at all stages from design through manufacture and sales, and then to final disposal through in-depth safety management practices. A companywide policy on product safety management has been established, and priority targets have been identified to ensure consistent operation throughout Fujifilm and its affiliates. Moreover, in response to the enforcement of the revised Consumer Products Safety Law in Japan in May 2007, we reviewed our internal organization in an effort to speed up the communication of product liability information. When serious product liability incidents require companywide action, they are discussed in the Total Risk Management Committee. Other PL incidents are discussed in reg-

ular meetings of the PL Committee in an attempt to make sustained improvements. PL incidents concerning products made and sold not only in Japan, but also overseas will be addressed in a similar way by Fujifilm Group and Fujifilm. The system for product safety has three components: product safety assurance, the processing of information related to product liability, and internal product safety monitoring. Internal audits are conducted periodically, and training on product safety is provided to increase employees' awareness of product safety.

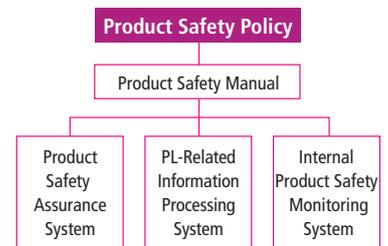
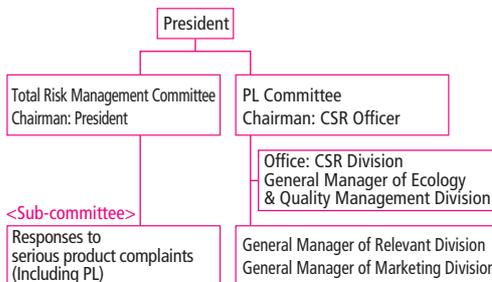
R Regulation

Priority Targets Concerning Product Safety Management

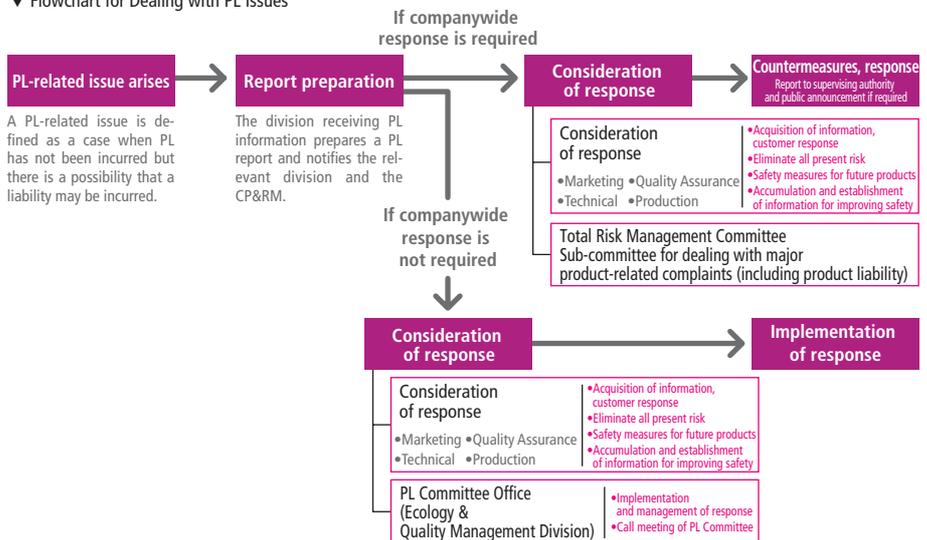
1. Legal compliance
2. Promotion of product safety measures
3. Maintaining the emergency response system for product accidents
4. Notifying customers of product safety information
5. Providing employee education and training on product safety

▼ Systems Related to Product Safety Management

▼ Product Safety Management System



▼ Flowchart for Dealing with PL Issues



*1 Declaration of Conformity: While ISO 9001 and ISO 14001 are standards for which certification is obtained through third-party examining authorities, ISO 10002 is a guideline standard in which a company builds systems to conform with the standard and evaluates these systems based on their operation and internal audits before taking responsibility to declare its own conformity to the standard (7 major companies have made a declaration as of March 2007).

*2 Biomass Mark: A logo that communicates the concept of clover growing from the earth. This mark is based on a decision of the Japanese Cabinet in December 2002 to approve the Comprehensive Strategy for Biomass Nippon. To promote the use of biomass, the Japan Organics Recycling Association operates a system for certifying and using this mark and the system has been in full operation since August 2006. For more detailed information, please access <http://www.jora.jp/eng/index.html>.

*3 MSDS: MSDS is the abbreviation for Material Safety Data Sheets. The MSDS provides the information needed for the safe handling of chemicals and is intended to prevent any accidents related to chemicals before they occur. It is distributed from the supplier to the handler together with the product.

*4 GHS (Globally Harmonized System of Classification and Labeling of Chemicals): A series of global uniform rules for displaying labels and classifying the harmful effects of chemical substances.

*5 AIS: AIS is the abbreviation for Article Information Sheet. Developers are classified as "non-article" products, while photographic film is classified as an "article" product. The AIS provides the information necessary for handling article products and is intended to prevent possible accidents before they occur. It provides an explanation from the supplier to the handler of the product in accordance with the guidelines issued by the photography industry in 1996.

*6 MSDSplus: "Information sheet on designated chemical substances" proposed by the Japan Chemical Industry Association

Social Activities

Communication with Shareholders and Investors

As stated in the Fujifilm Group Charter for Corporate Behavior, Fujifilm "will communicate with customers, local communities, shareholders and other members of society, conduct appropriate and fair disclosure of corporate information." and efforts are being made to communicate with shareholders and investors based on this.

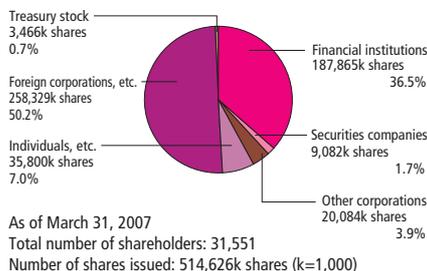
Basic Approach

Based on its IR Information Disclosure Policy, the IR Office issues information relating to management strategy, financial performance, and other corporate matters while emphasizing timely disclosure, fairness, accuracy, and continuity. In disclosing corporate information, we go beyond merely issuing financial data. We aim to increase shareholders' and investors' understanding of the financial situation of the Fujifilm Group. We are also fostering trust and supporting accurate evaluation of the Fujifilm Group by collaborating with relevant departments to proactively offer information on a broader range of topics, including the principal issues covered in our Medium-Term Management Plan and progress made on those issues.

Looking ahead, while strengthening ties of communication with foreign investors, who now own more than half of our shares, we want to provide more in-depth information to individual investors as the number of individual investors in Japan in the stock market increases, we want to promote a better understanding of the business activities of the Fujifilm Group.

Shareholder Composition

Compared with March 31, 2006, the percentage of shares held by foreign corporate investors was 0.9 points lower as of March 31, 2007 and accounted for more than half of our shares outstanding.



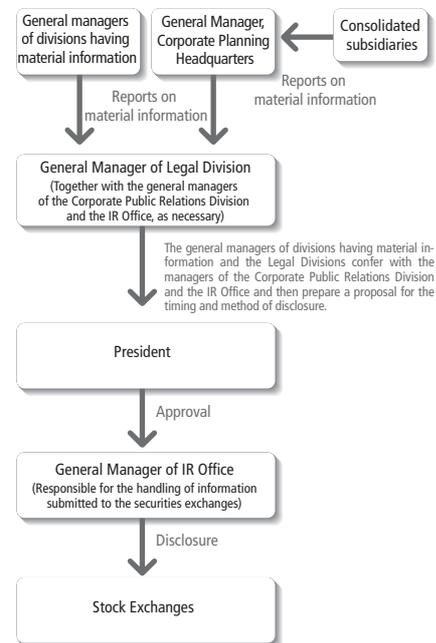
IR Information Disclosure Policy

Based on the Fujifilm Group Charter for Corporate Behavior, we have prepared our IR Information Disclosure Policy. This policy statement states publicly Fujifilm's basic stance and standards for information disclosure. The information can be found on the Website below.

 http://www.fujifilmholdings.com/en/investors/information_disclosure_policy/

Internal Systems for Timely Disclosure

The Fujifilm Group has introduced the following disclosure process flow to provide information on a timely basis:



(As of July 2007)

IR Activities

The IR Office aims to gain understanding, confidence and support from shareholders and investors with regard to mid to long term efforts to improve the business, financial standing and corporate value of FUJIFILM Holdings, and is actively increasing opportunities and tools for providing information. As a rule, all documents are released in Japanese and English at the same time, in an effort to perform disclosure inside and outside Japan without any time lag.

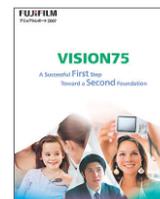
Since January 2007, we have not only published documentation for results briefings on the Company Website, but also endeavored to distribute audio (Japanese and English) of results briefings and medium term business plan announcements. This has made it possible to fairly transmit information to individual investors and foreign investors.

We have also increased opportunities for visiting overseas investors and have increased communication such as explanations regarding results and medium term business plans.

Moreover, we started the "Meet Fujifilm" website in 2006 to further improve IR for individual investors. We will provide information on many aspects of our business such as the dramatic changes to our business structure occurring as a result of digitalization and our social contribution activities.



Magazine for Shareholders (Fujifilm NEWS)



Annual Report



Shareholder and Investor Information Site



"Meet Fujifilm" for Individual Investors



Audio Distribution Website

 <http://www.fujifilmholdings.com/en/investors/>

 "Meet Fujifilm" (Available in Japanese only)
<http://www.fujifilmholdings.com/ja/investors/individual/>

Social Activities

Relationships with Our Suppliers

Based on the Fujifilm Group Charter for Corporate Behavior, the Fujifilm Group conducts its procurement activities according to the principle of acting "through fair competition and trade based on an open, fair and clear corporate culture." With the cooperation of our suppliers, we are working to conduct environmentally friendly procurement based on the basic stance of protecting nature and conserving the environment.

 http://www.fujifilm.com/about/global_procurement/ (Fujifilm)

 <http://www.fujixerox.co.jp/company/sr/stakeholder/customer/supply.html> (Available in Japanese only) (Fuji Xerox)

Overview of Activities in the Fiscal Year 2006

With the transition to a holding company structure in October 2006, we will work to encourage collaboration between Fujifilm and Fuji Xerox as a priority issue for the future. Specifically, we are considering a common procurement policy for the Fujifilm Group based on a CSR perspective and will endeavor to share information throughout operating companies and affiliates.

In the fiscal year 2006, we established a Pulp Procurement Standard for procuring pulp and pulp raw materials handled in Fujifilm factories. We also added a new CSR item to the inspections for checking the environmental friendliness of the business environment conducted on our suppliers in an attempt to promote greater understanding among suppliers and raise awareness of the importance of social responsibility and corporate ethics.

Fujifilm has also published its Basic Purchasing Policy and Purchasing Policy on its Website in an effort to promote fair and open purchasing from all suppliers. (Japanese only)

Procurement of Materials

▼ Basic Purchasing Policy and Purchasing Policy

As a member of the international community, Fujifilm is always seeking to contribute to the development of society by offering its customers better products and services. For this reason, we are conducting purchasing activities for goods and services in accordance with the following policy.

R Regulation

Basic Purchasing Policy

- Rational selection standards**
We will select vendors based upon rational and clear standards, such as quality, price, delivery assurance and operating stability, so as to purchase superior goods and services from the most competitive suppliers. Decisions on purchasing are made by the Purchasing Division, which is independent from other divisions.
- Openness and fairness**
We will impartially provide all Japanese and overseas vendors with opportunities to sell us their products and services. In addition, we will vigorously strive to purchase not only from vendors with past transactions, but from newcomers as well.
- Observance of laws, conservation of natural resources and protection of the environment**
In conducting our purchasing activities, we will seek to fulfill our role as a good corporate citizen by observing all related laws and regulations and by taking into consideration such factors as conservation of natural resources and the protection of the environment.
We hope your understanding of our purchasing policies, and procedures, as elaborated here, will contribute to establishing and furthering a beneficial partnership based on mutual trust.

Purchasing Policy

- Our criteria for initiating business with a newcomer or to conduct a specific transaction will be based on how well rational and clear standards are met in terms of product quality, price, reliability, and the capability to provide stable supply.
- As a rule, we will compare offers from several vendors simultaneously to promote a healthy, competitive environment and engage in the fair selection of our suppliers.
- We will strive to purchase from as wide a variety of sources as possible, in order to avoid excessive reliance on a single vendor for procurements, while also preventing a single vendor from becoming excessively dependent on us for their business.
- We will actively seek to create opportunities for newcomers by periodically reviewing vendors with whom we transact on a continual basis.
- We will request offers to be made only from prospective vendors. In the event that a competitive bidding takes place or we select a vendor after comparing requested offers, those vendors not qualifying will have the opportunity to seek our justification, which we will provide within limits.
- As a rule, we will conduct our purchasing activities in accordance with the written terms of a contract. Continual transactions will be based by mutually agreeing to the terms set in a basic contract.
- We will not transact with vendors that aim to sell our products and/or services directly.
- We will preserve confidentiality of any information related to a particular vendor obtained in the course of transacting with the firm.
- We will not engage in any transactions that lead to the violation of a third party's intellectual property rights.
- Our purchasing officers will not maintain any relationships based on personal interests with existing or prospective vendors.

▼ Main Items Purchased

The main items purchased by Fujifilm can be divided into four categories. Transactions of indirect materials such as equipment and machinery utilize the electronic SPIRITS purchasing system to increase speed and reduce costs through the centralization of purchasing.



▼Green Procurement and Green Purchasing

Concern for the environment from the perspective of the procurement of parts, materials, and other items is one of the items for consideration in the Design for Environment (P.70) that Fujifilm is implementing. Fujifilm sets green standards for its suppliers and the products that it procures, and works to make improvements in both standards and products. These standards are available on Fujifilm's Website.

In the fiscal year 2003, Fujifilm attained its goal of using 100% green procurement when purchasing for 5 types of office products*1. We are making every effort to expand the adoption of green procurement. The suppliers are required to obtain ISO14001 or to meet 9 of the 12 requirements for Green standards. In the fiscal year 2006, an item for "CSR initiatives" based on the Nippon Keidanren Charter for Good Corporate Behavior was incorporated into the inspections of the level of environmental friendliness of the business environment being conducted on suppliers, and efforts were made to promote understanding among suppliers. Furthermore, the systems (inspection methods, briefings and audits) and know-how established with suppliers in green procurement are being utilized in the management of chemical substances (RoHS compliance) (P.57) by further developing green procurement.

Regulation

Green Procurement Standards for Suppliers

1. Hold ISO 14001 certification or expect to obtain it within three years, or, hold EcoStage², EcoAction 21³, or KES⁴, or are scheduled to obtain one of these certifications within one year.
2. For suppliers that do not meet standard 1. above: Must be compliant with environmental-related regulations; do not handle any of the chemical substances specified by Fujifilm; and satisfy 70% or more of the 12 items⁵ Fujifilm has specified related to environmental preservation and chemical content.

Green Procurement Standards for Products

1. Do not contain chemical substances specified in *Prohibited Chemical Content*⁶.
2. Measure and manage *Chemical Content Subject to Reduction*⁷ and *Chemical Content that Must Be Measured*⁸.
3. Provide accurate information on the management of the receipt of raw materials and parts, processes, and shipments, in line with the *Guidelines for Management of Chemical Content*.

*1 5 types of office supplies: (1) office automation paper, (2) copiers, printers, and fax machines, (3) PCs, (4) writing and other office supplies, and (5) general-purpose goods.

*2 EcoStage: An environment evaluation and support system to assist small and medium-sized companies in creating and operating environmental management systems that are less burdensome than the ISO systems but still ensure transparency.

*3 EcoAction 21: This system enables users to implement, operate, and maintain environmental initiatives effectively and efficiently, set objectives related to the environment, take action, summarize the results, evaluate them, and prepare reports on these activities. This system was created as a certification and registration framework based on the EcoAction Guidelines established by the Ministry of the Environment and offers an environmental system that is easy for small and medium-sized companies, schools, and others to use.

*4 KES: An environmental management system recommended by The Miyako Agenda 21 Forum.

*5 12 items: (1) corporate philosophy and policy relating to environmental preservation, (2) goals for environmental preservation, (3) implementation plan, (4) organization for promoting environmental preservation, (5) conduct reviews of compliance with legal regulations, (6) prevent atmospheric pollution, (7) prevent water pollution, (8) system for management of chemical content, (9) reduce waste, (10) conserve energy, (11) crisis management systems, and (12) related education and training programs.

*6 Prohibited Chemical Content: Chemical substances for which manufacture, use, import, and other actions are prohibited.

*7 Chemical Content Subject to Reduction: Chemical content that will be reduced as a result of trends in legal regulations and Fujifilm policies.

*8 Chemical Content that Must Be Measured: Chemical content that must be measured as provided for in Fujifilm's Basic Regulations for Design for Environment.

Fujifilm and its affiliates have an ongoing program to train professionals who can conduct purchasing activities fairly and properly.

When first appointed, purchasing staff attend the Training Seminar for New Buyers, which covers purchasing guidelines, legal matters, and practical purchasing procedures, in addition to learning about their role as a check against purchasers such as factories.

As Fujifilm executes over 300,000 agreements every year, we are continually providing education to ensure that procurement is conducted professionally and that staff are not caught up in the day-to-day routine.

Since 2005, we have been conducting an e-learning course on importing operations and encouraging relevant employees in Fujifilm and its affiliates to take the course.

Topic

Fujifilm Establishment of Pulp Procurement Policy

From the perspective of forest conservation and environmental management, the Fujifilm Procurement Division established a Pulp Procurement Standard in March 2007. This standard stipulates provisions concerning pulp and pulp raw materials processed into products in Fujifilm's factories and laboratories, advocating sustainable forest management and stipulating that procurement should be conducted from suppliers that take the environment, health and safety seriously.

Topic

Fuji Xerox Sustainable Paper Procurement

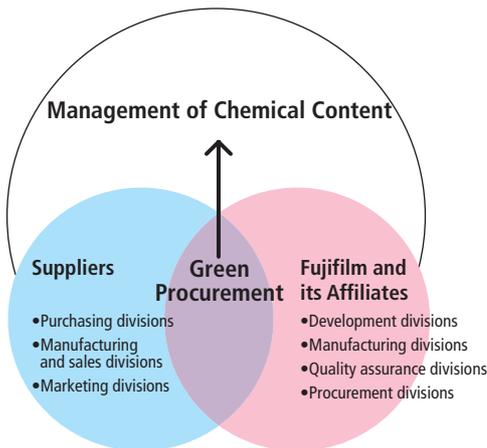
In December 2004, Fuji Xerox established the Paper Procurement Rules Concerning the Environment, Health and Safety with regard to paper procured inside and outside Japan by Fuji Xerox and its affiliates. In addition to compliance with laws and regulations, these rules require that pulp used as raw material is provided from sustainably managed forests and that the source of paper used for recycled pulp is clearly stated. Negotiations with suppliers began in 2005, and it was confirmed that all domestic paper companies conform to the rules. There were some overseas suppliers that did not conform to the rules, but alternative suppliers were investigated and the procurement system was almost completely in line with the rules by the end of 2005. We will continue to conduct investigations yearly and request the submission of written oaths in an effort to maintain conformance with the rules.

<http://www.fujixerox.co.jp/eng/sr/environment/product/>

From Green Procurement to Management of Chemical Content

▼ Background for Initiatives

Each electronic and electrical product, for example a medium-sized one, manufactured and provided by Fujifilm and its affiliates is made of 1,000 to 20,000 parts. In cases where parts contain harmful chemicals, it is necessary to dispose of the products appropriately after use so as not to cause environmental pollution and damage to health. Accordingly, there is a worldwide movement to take preventative action such as limiting the use of these harmful substances contained in products by regulation, such as the RoHS Directive and REACH Regulation. At Fujifilm, we believe it is necessary to employ management of chemical content, as the next phase concept of green procurement throughout the entire supply chain to ensure thorough compliance with the world's laws and ordinances aimed at protecting the environment.



▼ Seminars for Suppliers

In 2005, Fujifilm established Basic Regulations for Management of Chemical Content and Guidelines for Management of Chemical Content. Subsequently, we have created related internal systems, conducted in-house seminars, and taken other measures to raise the awareness of these matters within the Group. Beginning in August 2005, we held 9 seminars for 985 employees of 680 of our suppliers that handle chemicals covered by RoHS, with the aim of making our suppliers fully aware of related issues. In January 2007, we started seminars covered by the second survey, and 226 employees of 180 of our suppliers had participated by March. From the second survey, to gain the understanding of people that could not participate in seminars, and overseas suppliers, we created e-learning materials with voice commentary in three languages (Japanese, English and Chinese), which are currently being used.



e-Learning (Japanese)



e-Learning (English)

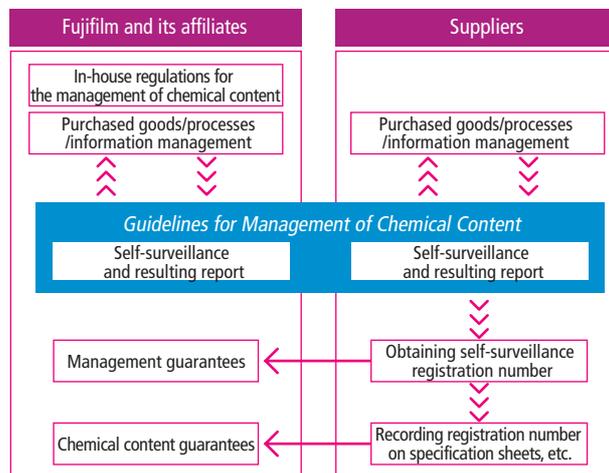


e-Learning (Chinese)

▼ Self-Surveillance System

There are several thousand suppliers directly providing parts and other goods to Fujifilm. In view of the number of items to be surveyed and minimizing trouble with suppliers, we have introduced electronic surveillance. Under this system, we rely on suppliers to conduct self-surveillance and then register information on the management of chemical content via the Internet. Electronic surveillance includes the "chemical content self-surveillance" and the inspections of the level of environmental friendliness of the business environment used to assess the status of ISO 14001 acquisition etc. In the second survey conducted from March 2007, items concerning CSR were added to the self-check of the level of environmental friendliness of the business environment to promote CSR initia-

▼ Self-Surveillance for Management of Chemical Content



tives that are growing in importance and for use as reference for Fujifilm's own initiatives. All information on management of chemical content can be found on the Fujifilm website in Japanese, English and Chinese.

After examining the surveillance results, Fujifilm makes inquiries and conducts on-site inspections, when appropriate, to confirm actual workplace conditions in order to provide guidance and support. The basic stance of Fujifilm is to work with our suppliers for improvement. In future, we will work together with all suppliers inside and outside Japan and also promote self-surveillance within Fujifilm and its affiliates to ensure proper management of chemical content in Fujifilm and its affiliates.



Participation in and Contribution to JAMP

JAMP (Japan Article Management Promotion-consortium) is an organization made up of companies from the chemical, electric and auto industries that was launched to comply with REACH (P.71) that came into force in August 2007. JAMP recognizes the need for appropriate and smooth communication of information on the chemical content of products throughout the supply chain, and it promotes activities such as the creation of practical mechanisms to reduce the burden of investigating information on the chemical content of products, providing support for dissemination among companies and the preparation of infrastructure for providing information. Fujifilm has actively participated in JAMP as one of founding companies and aims to make the Japanese industry more competitive on the global stage and to contribute to the world.



JAMP Website

<http://www.jamp-info.com/>
(Available in Japanese only)

Social Activities

Communication with Our Employees

The Fujifilm Group Charter for Corporate Behavior states the following principle regarding personnel: "We strive to develop the skills of all employees, to provide safe and comfortable workplaces, and to respect diversity, individuality and differences." Based on this principle, we work to create bonds of trust with employees and with society.

Overview of Activities in the Fiscal Year 2006

To make employees' work and the workplace contribute to the affluence of their lifestyles and offer them valuable experience, we are undertaking initiatives on a number of fronts. These include providing a suitable workplace environment, helping them to maintain and improve their health and offering support for raising their families as they work. Looking to attain the goals of our Medium-Term Management Plan "VISION75," the fiscal year 2006 saw us implementing structural reforms in the Imaging Solutions Business, effectively and efficiently reassigning personnel to existing growth businesses and new businesses, while promoting Fujifilm Way activities (FW activities) throughout the company to transform the corporate structure and striving to strengthen working-level capabilities in the workplace.

FW activities are aimed at the creation of "strong individuals, strong organizations" able to adapt to changes in the environment. The ideal image of employees and the basics of working methods are summed up in the FW Guidebook, a booklet distributed to employees. In the latter half of the fiscal year 2006, an "Organization Diagnosis Survey" was conducted for all employ-

ees, and the survey results were used to identify issues in each workplace, and efforts are now being made to transform these workplaces.

In the fiscal year 2006, we also launched a project team (mainly made up of women) for examining career advancement for women and support for successful balancing of work and home life, and worked to build a new personnel information system (online in January 2007) to promote the effective utilization of personnel.

The transition to a holding company structure in October 2006 has led to the strengthening of consolidated management, and in future, we will promote interaction between personnel in different groups, work appropriately and effectively utilize personnel, and provide the necessary support in educational aspects. Please see the website below for details on the activities of Fuji Xerox.



<http://www.fujixerox.co.jp/company/sr/stakeholder/employee/index.html>
(Available in Japanese only)

Status of the Workforce

Due to the broad spectrum of businesses engaged in by the Fujifilm Group and the extent of its global business operations, steps have been taken to improve the working environment and welfare aspects in accordance with diverse cultural and social conditions with an emphasis based on the communities and values in each country and region. We are also working to promote interaction between personnel among group companies and to improve the utilization of personnel throughout the entire Fujifilm Group.

In January 2007, we introduced a new personnel information system to promote more effective utilization of personnel. In recruitment, we are working from the perspective of securing the next generation of leaders and a diverse range of personnel. Following on from last year, company information meetings were conducted by the Fujifilm Group including Fujifilm and Fuji Xerox in January 2007, assisting the recruiting activities of the companies in the group. We have also increased the number of opportunities in joint recruitment seminars for communicating the direct opinions of



Employment information Website

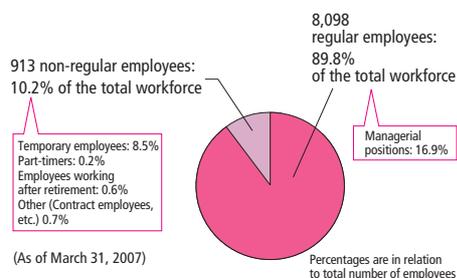


<http://www.fujifilm.co.jp/corporate/jobs/>
(Available in Japanese only)

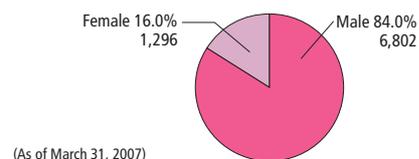
employees about our business operations and their work. We have also continued the internship program and we are working to promote an understanding of Fujifilm among students.

Persons newly employed in the fiscal year 2007 included 36 university graduates for office positions (8 of whom were women) and 157 university graduates for technical positions (23 of whom were women). To employ mid-career personnel from outside the Group who already have significant professional experience, Fujifilm has an ongoing recruitment program. In the fiscal year 2006, 37 mid-career personnel (including 6 women) with bachelor degrees were employed. Further information on employment at the Fujifilm Group is available on the Fujifilm Website.

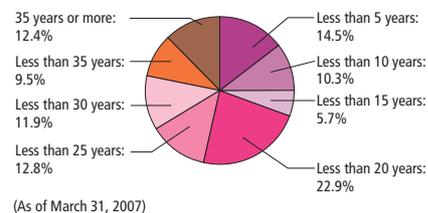
Composition of the Fujifilm Workforce (Non-consolidated Figures for Fujifilm)



Numbers of regular employees (Non-consolidated Figures for Fujifilm)



Composition of Workforce by Years of Service (Non-consolidated Figures for Fujifilm)



Average Age, Average Years of Service, Average Number of Dependents, Utilization of Paid Leave (Non-consolidated Figures for Fujifilm)

Average Age	Average Years of Service	Average Number of Dependents	Utilization of Paid Leave
42.10	20.64	1.5	73%

As of March 31, 2007. Utilization of paid leave is for the period from October 16, 2005 until September 30, 2006.

Responding to Diversity

▼ Support for the Performance of Women

The Second Foundation of Fujifilm signifies our entry into new businesses and the transformation of how we work, and these changes require even greater effort from employees than in the past, and they must perform to their maximum potential in their respective workplaces. For the Company to create a stronger corporate culture, it is necessary to ensure that a diverse range of personnel can perform well regardless of factors such as gender or age, and we would particularly like to strengthen initiatives to create a corporate culture in which women can succeed.

At present, Fujifilm still has few women in managerial or leadership positions, but we are addressing this challenge. In recent years, there has been an increase of female candidates for managerial positions, and we are taking steps to foster their opportunities more systematically. As of March 31, 2007, there were 10 women in managerial positions in Fujifilm (non-consolidated), which was 3 more than the previous year. In March 2007, we launched the F-POWER Project Promotion Team made up primarily of women for the purpose of further promoting the achievements of women in the Company, in an effort to create a corporate culture conducive to the success of women.

▼ Balancing Work and Life

In July 2007, the following systems were implemented in Fujifilm based partially on opinions from the F-POWER Project Promotion Team and incorporating the perspectives of "establishing an environment enabling performing to potential and concentration on work without any concerns even in maternity and child-rearing," "making a companywide response to the declining birthrate per household and the demographic aging of population in Japan" and "supporting self-development initiatives of employees."

- **Implementation of reduced working hours**
Working hours may be reduced by up to 2 hours per day for parents of children up to the 3rd year of elementary school.
- **Improved nursing leave system**
In addition to permitting nursing leave in half-day units, the age of children covered has been raised from "before elementary school" to "up to the 3rd year of elementary school" and the number of days of leave that can be taken has been raised from five to six.
- **Provision of lump-sum payments for birth of children**
First child: 50,000 yen Second child: 100,000 yen
Third child and onwards: 1,000,000 yen per child
- **Support for fertility treatment**
Stock leave*1 may be used for fertility treatment and a leave of absence of up to one year may be taken (financial support from the benefit society has also been introduced).
- **Support for self-development**
Stock leave may be used for self-development.

Other systems including maternity leave for seven weeks before giving birth and eight weeks afterwards, which is one week longer than the statutory amount of leave, and up to two years of leave for child-rearing may be taken before the child turns three years old. There have also been cases in which male employees have taken leave of absence for child-rearing or long-term "stock leave" for child-

rearing, clearly signifying that use of the system has become more widespread.

Three male employees utilized child-rearing leave in the fiscal year 2006. In accordance with the Law Concerning Measures for Fostering Next-Generation Workers, we have established a "General Employer's Action Plan," and in addition to implementing initiatives, we have also applied for "certification" as a company utilizing these initiatives.

Data Number of Employees Taking Leave of Absence to Care for the Elderly or for Child Rearing (Non-consolidated Figures for Fujifilm)

	Fiscal 2004	Fiscal 2005	Fiscal 2006
Care for the elderly	10	2	1
Child rearing	45	39	32

Reference

Systems for Supporting Compatibility of Work and Family Life
All of these systems provide for more generous leave than is required by law.

1. Child Rearing
 - (1) Systems catering for pre and post-birth requirements
 - (2) Leave of absence for child rearing
 - (3) Use of stock leave for child rearing
 - (4) Systems for employment while child rearing
 - (5) Leave of absence for taking care of sick children
 - (6) Shortened working hours
 - (7) Use of stock leave for fertility treatment
 - (8) Leave of absence for fertility treatment
2. Caring for family members
 - (1) Leave of absence for caring for the elderly
 - (2) Use of stock leave for caring for the elderly
 - (3) Systems for employment while caring for the elderly
- 3 Other
 - (1) Leave of absence for volunteer work
 - (2) Use of stock leave for volunteer work
 - (3) Use of stock leave for self-development

*1: Stock Leave: A system enabling employees to accumulate unused leave time up to 60 days. Accumulated leave days may be used for the treatment of personal health problems, rehabilitation, caring for elderly persons, and volunteer activities.

▼ Responding to the Aging Society

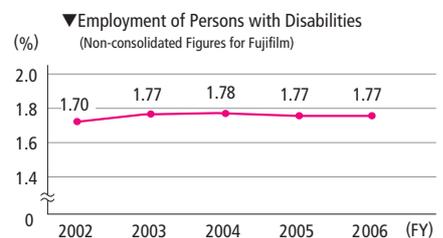
Fujifilm is addressing directly the issues of the declining birthrate per household and the demographic aging of population. In July 2005, Fujifilm introduced its Employment System for Workers with High-Level Skills and its Work Management and Surveillance System, with the goal of improving its methods for transmitting sophisticated skills and know-how from senior to younger workers. Fujifilm is implementing these systems effectively as one approach to dealing with Japan's demographic aging of the workforce. Following the revision of Japan's Law Concerning Stability of Employment for Senior Workers in April 2006, Fujifilm has taken steps to revise standards for the selection of those to be re-employed, employment renewal conditions, and salary standards, and has reviewed and revised the system for re-employment based on labor agreements. In the fiscal year 2006, about 40 employees were re-employed.

The mandatory retirement system in which managerial personnel must retire from their position at a certain age was abolished in October 2006 as we

employed a framework in which employees can perform according to their own intentions and skills regardless of age.

▼ Promotion of Employment of Persons with Disabilities

To provide persons with disabilities with more equal employment opportunities, employers with a workforce above a specified level are required by law to employ at least 1.8% of persons with disabilities. Fujifilm considers the aptitude of each individual and is working to offer a safe working environment where they can make full use of their abilities, also employing people with mental disabilities in the fiscal year 2006. At the end of the fiscal year 2006, the number of these persons employed at Fujifilm (non-consolidated) was 1.77%, but efforts are underway to raise this figure to more than 1.8%.



Topic

Launch of the F-POWER Project Promotion Team

In March 2007, Fujifilm launched the "F-POWER Project Promotion Team," which promptly began its activities. F-POWER is an abbreviation of "FUJIFILM POSITIVE WOMEN ENCOURAGING RENOVATION" and is based upon the desire to create a truly strong Fujifilm in which every woman can perform to her full potential and succeed through her achievements. The team is primarily made up of women and considers issues that should be addressed in the future from the perspective of "enabling female employees to perform to their full potential and continue to work in Fujifilm." Specifically, this involves raising awareness around individuals such as "improving awareness guidance and support capabilities of the workplace and supervisors," "improving support for the compatibility of work and child rearing" and "increasing the individual's motivation to work," in addition to considering specific proposals both for systems underpinning these efforts and for support. Through these activities, we would like to achieve the Company's goal of creating "strong individuals and strong organizations."



A meeting of the F-POWER Project Promotion Team

Creating a Secure Workplace

▼ Collaboration between Labor and Management

We at Fujifilm respect the vision of the labor union and endeavor to maintain cooperative relationships for the sake of happiness of employees and growth of the Company. To this end, we arrange for frequent opportunities for communication with the labor union. The Central Labor and Management Committee holds regular meetings to offer an opportunity for the exchange of views between the Company and the representatives of labor, and labor and management committees at each workplace also hold regular meetings. Employee awareness surveys are conducted by the labor union once every four years. The results of the survey held in November and December 2006 show that responses regarding whether it is "worthwhile working at Fujifilm" are generally better than in other companies, however, awareness of "feeling the significance of and having dreams about the Company and its business" is on the decline. Analysis by the labor union suggests that the reason for this is that "Each individual is unable to substantiate management policies in the tasks they face." We would like to improve dialogue to provide opportunities for "each employee to substantiate their own tasks" and elicit positive feelings from union members, while linking these efforts to the creation of strong individuals.

▼ Key Revisions to Systems Conducted According to Agreements between the Labor Union and the Company (Fujifilm non-consolidated)

Fiscal Year	Item
Fiscal 2004	<ul style="list-style-type: none"> • Implementation of F-PRO (discretionary work system) • Revisions to housing systems • Provisions for external assignment to domestic affiliates
Fiscal 2005	<ul style="list-style-type: none"> • Implementation of system for supervising workers with high-level skills • Improvement of child rearing and elderly care systems • Revisions to employee rental housing systems
Fiscal 2006	<ul style="list-style-type: none"> • Revisions to re-employment systems • Clarification of transfer and external assignment regulations • Revisions to travel expense regulations

▼ Union Members, Proportion, Average Age (Non-consolidated Figures for Fujifilm)



Topic

Meetings between Fujifilm and Fuji Xerox Held by the Labor Union

Young employees from both companies actively exchanged opinions in a relaxed atmosphere in the meetings. Participants from Fujifilm voiced the opinion that they felt a strong sense of camaraderie as fellow members of consolidated companies, and participants from Fuji Xerox said that they could feel the strong awareness for reform among Fujifilm employees.

The labor union aims to create better workplaces and we would like to provide opportunities to monitor the opinions of employees in operating companies and share the information obtained with the Company.



Meeting between Fujifilm and Fuji Xerox Held by the Labor Union

▼ Respect for Human Rights and Elimination of Discrimination

The Fujifilm Group respects basic human rights and does not improperly violate the human rights of its employees. In addition, we do not discriminate on the basis of gender, age, nationality, ethnic origin, beliefs, religion, social position, physical condition, or other characteristics and respect the privacy of our employees.

To prevent sexual harassment and power harassment, we have prepared and distributed guidelines to all employees, including those of Fujifilm and its affiliates. In addition, we have provided a telephone consultation service (the sexual harassment hotline). Moreover, arrangements have been made for outside specialized counselors to receive requests for consultation from employees, and while respecting the privacy of individuals receiving consultation, we work toward the resolution of these issues. The card that we prepared and distributed in 2005 that provides the contact information for the sexual harassment hotline has made employees better aware of this service and made it easier to use. Other related activities include periodic training sessions for personnel in managerial positions in Fujifilm and its affiliates on the subjects of respect for human rights and the elimination of discrimination.

▼ Creating Healthy Minds and Strong Bodies

Fujifilm conducts questionnaire surveys and provides interviews with a company-employed physician based on the amount of hours of work. In addition, we have introduced a labor management system that allows for the monitoring of labor conditions of full-time and other employees and implements other focused initiatives to check on the health of employees. In 2005, we expanded the coverage of our system that provides for interviews with a company-employed physician, which are conducted upon the request of employees and with the consent of their supervisors, thus establishing a system for health care that involves teamwork among medical care personnel, employees' supervisors, and employees themselves.

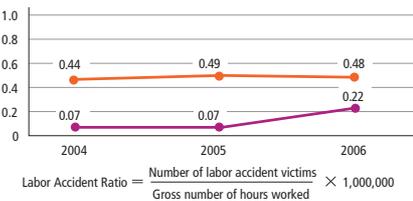
Fujifilm has already adopted a number of these measures, but beginning in 2002, these activities have been stepped-up, principally through the formation of a Companywide Physical and Mental Health Promotion Committee including industrial medical care professionals. In the fiscal year 2007, we plan to introduce a self-check system for mental health and work to improve awareness about self-care. We will also improve systems for preventing mental illness in advance through measures such as interviews conducted by industrial health staff and medical care professionals. Also, when persons who have taken leaves of absence to recover from illness return to work, special periods can be set aside, as necessary, to provide for an easier transition back to a regular work routine, and the three parties just previously mentioned — specialists, employee supervisors, and labor departments — make arrangements for proper work design and follow-up care. We have prepared and distributed guides for these activities for the reference of managerial personnel and hold Mental Health Training sessions to help supervisors of employees increase their awareness of mental health care. These sessions include information to deepen the understanding of managerial personnel, including the introduction of checklist items for the early detection of illnesses, potential dangers, and other matters. In addition, along with the demographic aging of the workforce, the Fujifilm Health Insurance Society has held regular annual Health Improvement Seminars for those employees of Fujifilm and its affiliates who are insured by the health insurance union since 1995. These seminars, which are held at off-site locations, with participants spending the night at the seminar house, cover ways to improve eating habits and establish a proper life routine. Employees are free to invite their wives or husbands to attend these seminars with them, and, each time, the number of applicants exceeds the number of places available. To date, more than 1,300 persons have attended these seminars.

▼ Health and Safety in the Workplace

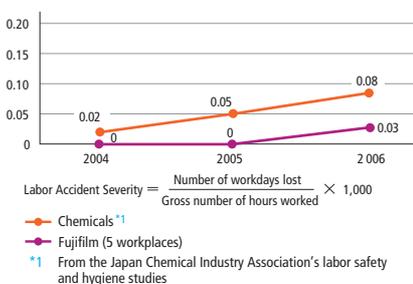
Fujifilm believes "The health and safety of labor is a fundamental precondition for production activities." We therefore place strong emphasis on safety on a daily basis and work to secure labor safety, in full compliance on a companywide basis with safety and hygiene laws and regulations. For example, activities that we conduct on an "as needed" basis include safety patrols by members of labor and management, improvement of workplace inspections with the participation of specialists, thorough measures to prevent disasters and the implementation of these measures in all workplaces, and training for employees.

In response to increased legislation addressing asbestos problems, we have conducted surveys of asbestos in company buildings, facilities and equipment. These surveys have covered all factories, offices, employee dormitories, and athletic facilities, including buildings not currently in use. As a result, we have completed work on all building materials, exposed asbestos or where asbestos might enter the atmosphere. We plan to continue to enhance our management of this issue and have made arrangements for health consultation and other measures as needed.

▼ Labor Accident Ratio (Non-consolidated Figures for Fujifilm)



▼ Labor Accident Severity (Non-consolidated Figures for Fujifilm)



Career Paths to Promote Employee Development

Fujifilm emphasizes "nurturing self-motivated human resources" and work to strengthen employees' self-reliance. This is because we believe that the growth and development of each and every employee contributes to the strength of the company and gives it the vitality to grow and because a group of people rich in individuality makes for a strong corporate organization and culture. Employees who are self-motivated identify issues on their own initiative and achieve results as they work through specific processes to address the issues they confront and undertake self-reforms.

Specifically, we are working to strengthen three areas: "improving personnel development in the workplace," "improving the training curricula," and "improving ways of motivating personnel."

▼Nurturing Self-motivated Human Resources



▼ Improving Personnel Development in the Workplace

Strengthening personnel development capabilities in the workplace through the preparation of self-development plans and employee development interviews

To keep the momentum of the self-development cycle going, employees and their supervisors meet once a year and prepare a self-development plan that clarifies the growth objectives and issues of individual employees.

Supervisors and individual employees think together about what issues should be addressed and the types of work to perform, as well as about what techniques and skills the employees will need to address issues and perform his or her work.

We began this employee development interview system in the fiscal year 2005, and we will implement it annually, making changes in the framework when necessary.

▼ Improving the Training Curricula

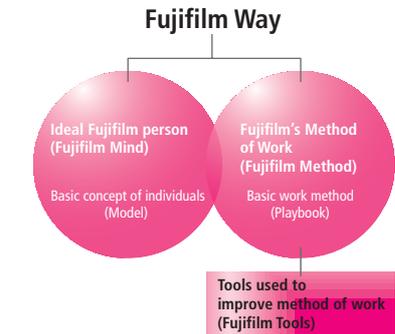
Expanding elective training programs and promoting Fujifilm Way activities

To provide support for employee development, we have introduced "layered training," which helps employees to become reacquainted with what is expected of them in developing their capabilities in accordance with the roles they play and clarify the points employees should strengthen, "selected training," that is designed to nurture future core personnel, and "training by job function," which responds to specific needs in various workplaces, as well as "elective attendance training" that employees can undertake at the appropriate time to meet individual educational needs and attain specific growth objectives.

The elective training programs that began in July 2005 are under constant review and new programs are being introduced in an effort to respond to opinions from the workplace through steps such as the implementation of an e-Learning course in December 2005. The programs are popular with employees because they are able to select training that suits their own individual growth plans.

Fujifilm is also promoting Fujifilm Way activities throughout the entire company to attain "strong working-level capabilities." This stipulates and provides the ideal image of what employees should strive to become (Fujifilm Mind), the basics of how to conduct work (Fujifilm Method) and the tools used to improve work methods (Fujifilm Tools). The Fujifilm Way Guidebook has been dis-

tributed to all employees to spread and establish the content of this concept in all workplaces, and Fujifilm Way Basic Training will begin in the fiscal year 2007 to provide employee training mainly for younger employees.



▼ Improving Ways of Motivating Personnel

Continuing the company's in-house staff recruiting program

The in-house staff recruiting program was launched in the fiscal year 2004 to encourage active career development and nurture a culture of facing new challenges. When starting up new businesses, focusing on strategic areas, and beginning new projects, the related divisions make requests for personnel. The requests that are selected from those submitted are made public on the in-house intranet and by other means to recruit suitable personnel broadly from within the company.

All personnel (including those holding the position of section chief) with three or more years of experience in the company are eligible to apply for positions, and their applications are treated confidentially. After the screening of related documents, applicants are interviewed by the division seeking to recruit personnel and the Personnel Division. Based on the results of the application process and interviews, employees may take up the position for which they have applied.

According to the monitoring of these activities thus far, those employees who have received the opportunity to make use of their accumulated technical capabilities, knowledge in special fields, abilities, and other qualifications are motivated and have strong expectations about their new positions; this has a positive influence on other employees around them. We plan to continue to monitor the positive influence and effects of this reassignment to new positions and continue to make improvements in the in-house staff recruiting program.

Data Results of In-House Staff Recruiting System (non-consolidated figures for Fujifilm)

	Date	Number of Staff Requested	Number of Applicants	Number that Qualified
First Round	August 2004	32	40	20
Second Round	February 2005	37	27	13
Third Round	August 2005	39	39	17
Fourth Round	January 2006	19	44	22
Fifth Round	August 2006	28	60	17

Social Activities

Contributing to Society

What can we do as a “good corporate citizen?” Ever conscious of the issues posed by this question, we continually engage in proactive initiatives to contribute to society and offer broad support for activities such as environmental education for future generations and preserving the culture of photography .

For more information on the social contributions of Fujifilm and Fuji Xerox, please refer to the websites below.

Web <http://www.fujifilm.co.jp/corporate/environment/socialcontribution/>
(Available in Japanese only) (Fujifilm)

Web <http://www.fujixerox.com/eng/social>
(Fuji Xerox)

Basic Concepts

As good corporate citizens, we strive to correctly understand and respect local cultures and customs and to actively engage in public interest activities, especially those that contribute to local community development. Based on this concept, the Fujifilm Group engages in environmental conservation activities, environmental education for future generations, community beautification programs and ongoing inter-community exchange, and continues to create social contributions through its business activities and products. Fujifilm Group is aiming to realize the objectives of its Medium-term Management Plan VISION 75 and is simultaneously carrying out bold structural reforms, proactive research and development investment and M&A, as well as large-scale investments in growth areas. We have continued to move ahead with the fortification of our corporate culture and the creation and cultivation of new businesses. The construction of second and third production facilities at our flat panel display material manufacturer FUJIFILM Kyushu has been decided in order to meet rising demand for LCDs. Furthermore, in Kaisei-town in Kanagawa Prefecture, we have opened the Fujifilm Advanced Research Laboratories with the objective of realizing concrete results that will contribute to the society of the future. All of these projects are carried out with the understanding and cooperation of the local people in each community. In the future, Fujifilm Group will continue to deepen exchange-based communication with local communities, assist in the revitalization of these communities and contribute to the creation of abundant local societies. Moreover, by drawing on the unique qualities and areas of expertise that Fujifilm Group has at its disposal, a wide range of activities is being realized, such as educational programs that can convey our photography and related technologies to future generations, and Fuji Xerox’s practical implementation of its IT support for physically challenged persons and its Joho-Juku (“Information School”). Expanding beyond these activities, Fujifilm Group is also engaging in aggressive initiatives to encourage the spirit of volunteer work among employees, which is one of the important tasks of our time. The Group’s main categories and initiated examples of social contribution activities are listed below.

● Introduced on pages 63 and 64 ● Introduced in Features

Education and Training	○ Fujifilm Co-Sponsorship of Kaiyo Academy
	● Fuji Xerox Setsutaro Kobayashi Memorial Fund
	○ Fuji Xerox Funding for Education and Training Support by Affiliates in Asia
	○ Fuji Xerox Hasu Club’s International Support Activities for the Children of Asia
	○ Fuji Xerox Operation of the Aspen Institute Japan
○ Fuji Xerox Support for Junior Achievement	
Environmental Education for Future Generations	● Fujifilm Support of Mirai (Future) Green Map
	○ Fujifilm Support of the Green Lanes Environmental Diaries
	● Fujifilm Support of Foxfire in Japan
	● Fujifilm Educational Support for Actualizing Inverse Manufacturing of QuickSnap
	○ Fuji Xerox Support of Kids’ ISO Program
Environmental Conservation and Biodiversity	● Fujifilm Fujifilm Green Fund
	● Fujifilm Labor Union China Tree-planting Volunteer Program
	○ Fujifilm Labor Union ECO Club
	● Fuji Xerox Narita Satoyama Conservation Group
	○ Fuji Xerox Training Course for nature conservation educators
Social Contribution through Core Businesses	○ Fujifilm Photography Experiment Classes
	○ Fujifilm Support of Photographers and Photography Exhibitions / Charity Photography Exhibitions
	● Fujifilm Support of Asahi Ecoart Series
	● Fujifilm Establishment of Endowed Chair in “Integrated Image Informatics” at The University of Tokyo Hospital
	● Fujifilm Establishment of Endowed Chair in “Biorecognition Molecular Engineering” at The University of Tokyo
	● Fuji Xerox Joho-Juku
	○ Fuji Xerox Support for Preparing Large Font Textbooks
○ Fuji Xerox Art by Xerox	
Local Community Cooperation	○ Fujifilm Maintenance of “Haruki Michi” Walkway
	○ Fujifilm Mt. Fuji Cleanup
	● Fuji Xerox Save the Wooded Area of Tsukahara Committee
	○ Suzuka Fuji Xerox Acorn Square
Social Welfare and Donation Activities	○ Fujifilm Support for Disaster Relief Volunteer Promotion Committee
	○ Fujifilm Labor Union Donations to Atomic Bomb Survivors Hospitals in Hiroshima and Nagasaki
	○ Fuji Xerox Nonprofit Corporation “e-Nakama”
	● Fuji Xerox Support for Special Olympics
	○ Fuji Xerox Sale of “Palette Confectionery” Products within Company

Aid for Disaster Victims of Noto Peninsula Earthquake

We would like to convey our heartfelt sympathy to all the victims of the earthquake that occurred in the sea near the Noto peninsula on March 25, 2007.

Fujifilm has provided the disaster victims with special free-of-charge repairs for Fujifilm digital cameras and film cameras damaged as a result of the earthquake. We send our prayers for speedy restoration and for the health and safety of all those affected.

▼ Fujifilm Green Fund

In 1983, Fuji Photo Film, the predecessor of FUJIFILM Holdings, placed one billion yen in a public trust and established the "Fujifilm Green Fund" to provide support for preservation of the natural environment. This was the first nature preservation trust ever established by a private-sector enterprise in Japan. The fund has provided support and assistance for many activities related to the preservation and nurturing of the natural environment, including (1) the planting of forest areas for future use, (2) projects that are supportive of "greening" activities, (3) assistance for activities that encourage contact with nature, and (4) support for research related to the preservation and use of greenery. Since its establishment, the fund has provided a total of approximately 690 million yen in aid for nature preservation projects.



Scene of awareness-raising activity using a picture-story show by the nonprofit organization Koajiro Outdoor Activity Coordination Conference, one of the recipients of aid in fiscal 2006

▼ Fuji Xerox Setsutarō Kobayashi Memorial Fund

This memorial fund was established in 1977 in commemoration of the achievements of the first president of Fuji Xerox, the late Setsutarō Kobayashi, and was created with the goal of deepening friendship and mutual understanding through academic exchange between Japan and the countries and regions of Asia and the Pacific. In the Foreign Student Research Assistance program, which began accepting applications in 1984, participants come to Japan from countries throughout the Asia-pacific region. Research assistance is provided to young foreign researchers specializing in humanities or social studies at the doctoral level in Japan. There is also a research grant for Japanese citizens, the Kobayashi Fellowship, which has been held since 1996. In the fiscal year 2006, the fund provided support to students from 9 countries and regions, including 41 students under the Foreign Student Research Assistance program and 11 students under the Kobayashi Fellowship program.



Setsutarō Kobayashi Memorial Fund social gathering

▼ Fuji Xerox's Narita Satoyama Conservation Group

The "Narita Satoyama Conservation Group"^{*1} was formed by Fuji Xerox and its affiliates for the purpose of raising awareness with regard to environmental concerns. The "Satoyama Ordinance" was formed with the government of Chiba Prefecture, and with the cooperation of local landowners, activities commenced in March 2004. Working cooperatively with the Green Promotion Division of Chiba Prefecture government and the landowners, Fuji Xerox Chiba Co., Ltd. employees and their families visit Narita each month and experience the satoyama firsthand with the motto "Make it fun and yummy." They can try out various kinds of forest work, such as tree-planting and cutting away underbrush, and a wide range of farm work, including the planting of shiitake spores, and the planting and harvesting of potatoes, sweet potatoes and rice. The participants and their children can experience together the joy of growing and harvesting crops with their own hands.



"Make it fun and yummy"

^{*1} The official name for the ordinance on which the Group for Improving Narita Satoyama is founded is the "Ordinance for Promoting the Protection, Promotion and Use of the Satoyama in Chiba Prefecture." The first of its kind in Japan, it came into effect in May 2003. A satoyama is an area of land in which a balance between nature, cultivated land and human settlements is maintained.

▼ Fujifilm Support of Asahi Ecoart Series

Asahi Beer's "Asahi Ecoart Series" is a fusion of "Eco (environmental conservation activities)" with "Art (art and cultural activities)" and is a program that brings together artists with local residents, and develops creative ideas for the future by focusing on people, objects, nature and all the resources of the locality.

Fujifilm was a co-sponsor of the "Things, People, Artificial Objects and Nature in the Kisogawa River" project in 2006.

Using *QuickSnap* local residents took photographs of the Kisogawa River. These are now available for viewing on the website below.



Participants of Asahi Ecoart Series 2006 (Photo: Jun Mizoguchi)

"Things, People, Artificial Objects and Nature in the Kisogawa River"

<http://www.asahibeer.co.jp/csr/philanthropy/art-cul/ecoart/>
(Available in Japanese only)



▼ Fuji Xerox Save the Wooded Area of Tsukahara Committee

In November 2002, Fuji Xerox started restoring the wooded land on the grounds of its Tsukahara Training Center (a forest roughly 36,000 square meters in area in Minami-Ashigara City, Kanagawa Prefecture), and launched the volunteer group Save the Wooded Area of Tsukahara Committee in order to nurture the broadleaf satoyama forest. Participants in this group include both current and former employees of Fuji Xerox and its affiliates and the local residents of Minami-Ashigara City.

On March 23, 2003, 1,100 seedlings were planted by around 70 volunteers, including local residents, in the 3,000 square meter site that was the first stage of the project. The seedlings planted were mainly deciduous broadleaf trees such as kunugi (*Quercus acutissima*) and konara (*Quercus serrata*), with an assortment of shrubs such as murasaki shikibu (*Callicarpa japonica*) and komayumi (*Euonymus alatus*) as well. Currently, underbrush trimming and branch removal are being carried out on a monthly basis.



Celebrating the 4th anniversary of the tree-planting

▼ Fuji Xerox Support for the Special Olympics

Fuji Xerox has been supporting the Special Olympics, a gala sports event for people with intellectual disabilities, since 1996. At the 4th Special Olympics Nippon National Summer Games, Kumamoto held in November 2006, Fuji Xerox took part with a wide range of activities. Concurrently in the fiscal year 2006, Fuji Xerox and its affiliates throughout Japan carried out support of activities in a variety of ways in each community, whether through donation and co-sponsorship projects, or by providing training venues, meeting rooms and services for flier production and copying. Many employees give their support by participating in these events as volunteer coaches, referees and event management staff. Fuji Xerox is continuing to approach these activities in such a way that even more employees will become deeply involved with the Special Olympics program, which is standardized and can be held anywhere in Japan.



Participating in the 2006 Special Olympics National Summer Games in Kumamoto

▼ Fujifilm Establishment of an Endowed Chair at the University of Tokyo

An endowed chair position entitled "Biorecognition Molecular Engineering (Fujifilm)" was established for a new course within the bio-engineering department at the University of Tokyo Graduate School of Engineering. The term of this endowment is a three-year period that started on October 16, 2006. Fujifilm has taken part in the planning of the University of Tokyo's Center for NanoBio Integration (CNBI), and this is the first instance of academic-industrial collaboration at CNBI.

We have also participated in the "22nd Century Medical Center Project" at the University of Tokyo Hospital. Through this collaboration, a course entitled "Integrated Image Informatics (Fujifilm)" has been set up at 22nd Century Medical Center, as a new course in the Radiology Department at University of Tokyo Graduate School of Medicine. The term of this endowment is a five-year period that started on July 1, 2006.

▼ Fujifilm Labor Union 10th Anniversary of the China Tree-Planting Volunteer Program

Fujifilm Labor Union has organized volunteer tree-planting activities in China every year since 1998. This year was the 10th tree-planting, which was carried out from April 28 to May 5, 2007 in the Horqin Desert in the Inner Mongolia Autonomous Region. Joining from Japan were a total of nine employees of Fujifilm and Fujifilm Group, and from China, seven employees of FUJIFILM (China) Investment Co., Ltd. (FFCN) attended. For the second year in a row, the participants from FFCN were from the FFCN bases in Beijing, Shanghai, Guangzhou and Chengdu.

The employees all sweated in the hot desert together and planted 1,100 pine trees, completing a 1,350 square-meter area of grass checkerboarding (a buried lattice of grasses to suppress sand flow) and performing a large amount of pruning work. Participants made comments such as "I felt that I had to take the Horqin Desert as a lesson, and try to think about my life now," "I used to think that environmental problems didn't have anything to do with me, but this brought it all home," and "There was so much surprise, joy and discovery; it was a very fruitful experience." In the future, by having participants experience overseas nonprofit organization activities firsthand, we will



Tree-planting program participants

continue carrying out our treeplanting activities, hoping that participants use their experience in NGOs activities overseas widen their perspectives than before and use that experience to their advantage in the future.

▼ Fujifilm Support of Foxfire in Japan

The Foxfire in Japan project receives sponsorship from the Forestry Agency, the Ministry of Education, Culture, Sports, Science and Technology, the National Land Afforestation Promotion Organization, and the Network for Forest Conservation and Sustainable Use, a non-profit organization. In this project, 100 high-school students selected from throughout Japan carry out listening-and-writing information-gathering sessions with "Experts and Masters of the Forest" (people who have many years of deep experience working in woodlands), such as lumberjacks, traditional hunters and barrel craftsmen, and these recorded accounts are brought together into a one-volume report. Fujifilm provides support to Foxfire in Japan as a part of its social contribution activities. The purpose of this program is to give consideration to the relationships between humans and forests and the richness of symbiotic interaction, and to thereby nurture healthy young people, unearth and perpetuate traditional crafts and skills, and promote an understanding of forest creation.

In August 2006, the advance training workshop for the 5th Foxfire in Japan program was held. In this workshop, employees from Fujifilm's CSR Division became speakers and were interviewed by the high-school students. Through the act of listening, which forms the basis of the students' listening-and-writing sessions with the Masters of the Forest, this was a basic training for learning how to make archives of the complete lifestyle methods that have been passed down unceasingly in the forests, together with the life-supporting knowledge, skills and wisdom and the correct way of the spirit of the people who live there. Some students were unfamiliar with operating the tape recorders and were on the verge of tears when they realized the interview had not been recorded, therefore making it impossible to transcribe.



High-school students taking on the challenge of interviewing Fujifilm employees

 Foxfire in Japan website
<http://www.foxfire-japan.com/>
(Available in Japanese only)

Meanwhile Mr. Yonematsu Shiono, the lecturer, writer and listening-and-writing pioneer, had to leave many red-marked corrections on the students' papers. Many students were aghast at how their writing was so different after the corrections. However, at the beginning of the next year, a wonderful 5,000 character listening-and-writing piece was completed. On March 25, 2007, in the midst of all the transportation mayhem caused by the Noto Peninsula Earthquake, high-school students came from all over Japan to attend the ceremony at the lecture hall in Edo-Tokyo Museum.

At the sixth Foxfire in Japan in 2007, photography instruction will be given to the high-school students as part of the summer advance training workshop, and the taking of photograph portraits of the Masters of the Forest at the listening-and-writing information-gathering sessions is planned. As a result of photography serving as an excellent tool for archiving and communication, this project is being held in response to requests from the executive office and from 500 past participants of Foxfire in Japan.

▼ Fujifilm Educational Support for Actualizing Inverse Manufacturing of QuickSnap

Fujifilm has been an active contributor to the Super Science High School project undertaken by the Ministry of Education, Culture, Sports, Science and Technology since it started. In this program, with the purpose of nurturing excellent human resources in science and technology fields, lecturers are dispatched to over 99 high schools that place particular educational emphasis on technology, science and mathematics. For the fifth program in May 2007, Fujifilm employees were dispatched as special lecturers to Takasaki High School in Gunma Prefecture, and lessons on the *QuickSnap* inverse manufacturing system were conducted. This project has received positive evaluations from Takasaki High School for the ideal use of the subject of the *QuickSnap* inverse manufacturing system in the first-year Super Science High School student curriculum, and is popular among the students as well. Fujifilm will continue the dispatching of lecturers in the future.



Lesson about the *QuickSnap* Inverse Manufacturing System