





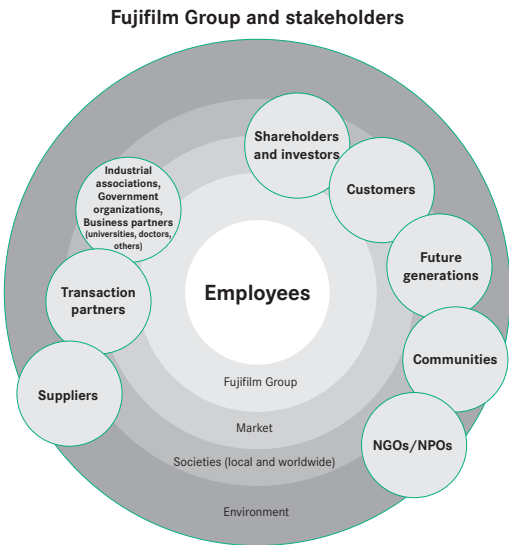
# Editorial Policy

FUJIFILM Holdings issues a sustainability report every year to inform stakeholders about the corporate social responsibility (CSR) activities of the Fujifilm Group. In *FUJIFILM Holdings Corporation Sustainability Report 2008*, the style of disclosure was changed from a stakeholder approach to a CSR-issues approach. Primarily, it documents the Group's efforts in fiscal 2007 with focuses on matters of interest and concern to stakeholders and CSR issues in the Medium-term CSR Plan of the Fujifilm Group.

And since the Fujifilm Group operates 13 businesses in 26 countries around the world, the report includes more detailed information about efforts by overseas companies and Fuji Xerox in addition to actions taken by Fujifilm.

**Related page**

➤ **Page 28: Steps for Promoting CSR Activities and Progress Evaluation**



**Related page** ➤ **Page 79: Communication with stakeholders**

### Utilization of the AA1000 Framework

Since fiscal 2003, the Fujifilm Group has conducted CSR activities and disclosed information referring to the approach of the AA1000 Series. We utilize this framework to properly align CSR activities with the preparation of this report. The content of this report as well as the CSR efforts of the Fujifilm Group have been evaluated by a third-party organization before being provided to stakeholders. Starting with this report, FUJIFILM Holdings requested a review by the BSI Management Systems Japan K.K. in accordance with the AA1000 Assurance Standard to ensure a proper evaluation of the Group's CSR activities against stakeholder expectations and requests and to make certain that these activities are appropriately reflected in this report.

**Related page**

➤ **Page 92: Evaluation Results Based on AA1000 Assurance Standards**

#### Period covered by the report

Fiscal year 2007 (April 1, 2007–March 31, 2008) is covered in the performance data. With regards to the contents of activities, wherever possible, we have conveyed the most recent trends, including activities in fiscal 2008.

#### Organizations covered by the report

The Fujifilm Group (FUJIFILM Holdings, Fujifilm and its affiliates, Fuji Xerox and its affiliates)

- Major consolidated companies are shown on page 95.
- Quantitative information about personnel and labor affairs is non-consolidated data for Fujifilm and Fuji Xerox.
- The scope of Labor Environment and Social Benefit Accounting is shown on page 79. The scope of Environmental Accounting is shown on page 85.

#### Referenced guidelines

- Ministry of the Environment: Environmental Reporting Guidelines–Towards a Sustainable Society (Fiscal Year 2007 Version)
- GRI: Sustainable Reporting Guidelines 2006
- Ministry of the Environment: Environmental Accounting Guidelines (Fiscal Year 2005 Version)

#### Supplemental information regarding reported matters

- Different subjects for the Fujifilm Group, Fujifilm and its affiliates, and Fuji Xerox and its affiliates are used in this report for the sake of accuracy. For the scope of these subjects, please refer to page 95.
- The term “employee” refers to all employees, including managers, general employees, and part-time staff. The term, “company employees,” indicates full-time staff. To further ensure the accuracy of the report, the terms “regular employees” and “non-regular employees” (temporary staff, part-time staff, others) have been used separately as required.
- The operating company, Fuji Xerox, issues a separate sustainability report. Please refer to that report for details on the activities of Fuji Xerox.

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**We thrive on change.  
To meet the challenges of changing times,  
we adapt and innovate.  
Responding to the expectations of  
society and creating connections to  
the future are the fundamental principles  
of our corporate management.**

Shigetaka Komori  
President and Chief Executive Officer, FUJIFILM Holdings Corporation  
and Chairman, Group CSR Committee

**We thrive on change**

In last year's sustainability report, I reported that the entire Fujifilm Group was working in concert to realize a robust corporate constitution and to create a new business structure toward our Second Foundation. These efforts, that is, the fundamental reform of the Fujifilm Group, are still underway. It is the responsibility of top management to complete this project as quickly as possible.

On the other hand, reform itself is a never-ending process. To address the changing times and meet the demands and expectations of society to create new value, we must firmly determine the course we should take and constantly reform ourselves as well as the overall enterprise with a spirited enthusiasm for new challenges.

Metabolism is a function that enables all living things to live and grow. Sometimes living things must even change their morphology and functions to survive in the face of new environmental challenges. Just like living things, a company, its organizations, functions, and individual employees cannot remain stationary. We must continue to evolve with courage and conviction.

**To meet the challenges of changing times,  
we adapt and innovate**

The Fujifilm Group achieved its highest ever sales (¥2,846.8 billion) and operating income (¥207.3 billion) in fiscal 2007. However, we must never forget our commitment to constantly tackle difficulties and carry through with firm determination; we can never simply rest on our laurels or bask in the approval of society. In fiscal 2007, we completed large-scale structural reforms for the Imaging Solutions Business that had been our core operation. At the same time, we selected and concentrated management resources into priority business domains, through such efforts as aggressive capital investment in high-functional materials such as FPD (flat panel display) materials and our entrance into the pharmaceutical business with the acquisition of Toyama Chemical Co., Ltd. To overcome change, it is vital to have the courage to face great pain and hardship and the composure to see the situation through along with drawing up effective strategies and tactics.

I believe the following four conditions are necessary to proceed with these reforms. The first is direction. It is particularly important to clearly declare where we are heading. Second, we must steadfastly undertake challenges and carry through without giving up. Third, employees as strong individuals. All our employees should be professionals capable of demonstrating their competence in any setting. Finally, an efficient organization that is slim and muscular. With these conditions combined, we can overcome any difficulties and create new value.

**Human resources connect the past, present  
and future**

In my New Year's message for 2008, I declared, "Fujifilm will become a company that produces great people before producing great products." Every society, nation, and company consists of people, and these individuals hold the key to their ebb and flow. Therefore, fostering personnel is critical for connecting the past, present, and future, that is, to be sustainable.

Various jobs are intricately interwoven in a company, and each one offers an opportunity for learning and growth. Every person works in accordance with his or her duties and responsibilities, demonstrating all their capabilities, including sensitivity, critical thinking, enthusiasm, fortitude, the ability to act, cooperation, sincerity, dignity, and so on. This repeated cycle shapes personal growth and transformation. Regardless of age, experience, gender, and nationality, human resources represent the trunk of a massive tree, the company. I am convinced the pathway to the future lies in human resources with corporate culture conducive for nurturing them, appropriate systems and mechanisms, and proper training and guidance.

**Change and diversity are the nourishment  
of the future**

A company has no significance if it does not benefit society. Therefore, people and organizations that can respond to changes in the times and circumstances and meet the expectations of society are absolutely necessary. These people and entities are required not only to respond to changes but to embrace them as opportunities. Furthermore, diversity, encompassing a wide variety of knowledge and experience, multifaceted viewpoints and ways of thinking, and various roles and values, supports an ever-changing world. The world has been sustained through changes brought about by this diversity, and it indicates affluence and facilitates generational change. This is also the essence of biodiversity, which is being increasingly recognized, along with climate change.

I believe the significance of variety, the essential concept of diversity, is the key for CSR management. There is no sustainability without change, and this sustainability is jeopardized without diversity. We are steadfastly focused on addressing change and diversity because these will nourish the future.

**Fujifilm Group Corporate Philosophy**

We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.

**Fujifilm Group Vision**

Anchored by an open, fair and clear corporate culture and with leading-edge, proprietary technologies, Fujifilm is determined to remain a leading company by boldly taking up the challenge of developing new products and creating new value.

**Fujifilm Group Charter for Corporate Behavior**

In addition to pursuing profit through fair competition, corporations must make a contribution to society at large. To this end, the FUJIFILM Group, in its corporate activities in Japan and abroad, respects human rights, observes both the spirit and the letter of all laws and regulations and international rules, and, acting in a socially responsible manner, works independently toward the sustainable development of society and the FUJIFILM Group companies, in accordance with the following five principles.

**1. A Trusted Company**

We 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.

**2. Social Responsibility**

We communicate with customers, local communities, shareholders and other members of society, conduct appropriate and fair disclosure of corporate information, comply with laws, regulations, and other rules, and uphold public order and morals. 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.

**3. Respect for Human Rights**

We respect and protect fundamental human and labor rights set out in international declarations. We reject the use of forced labor or child labor in any form.

**4. Global Environmental Conservation**

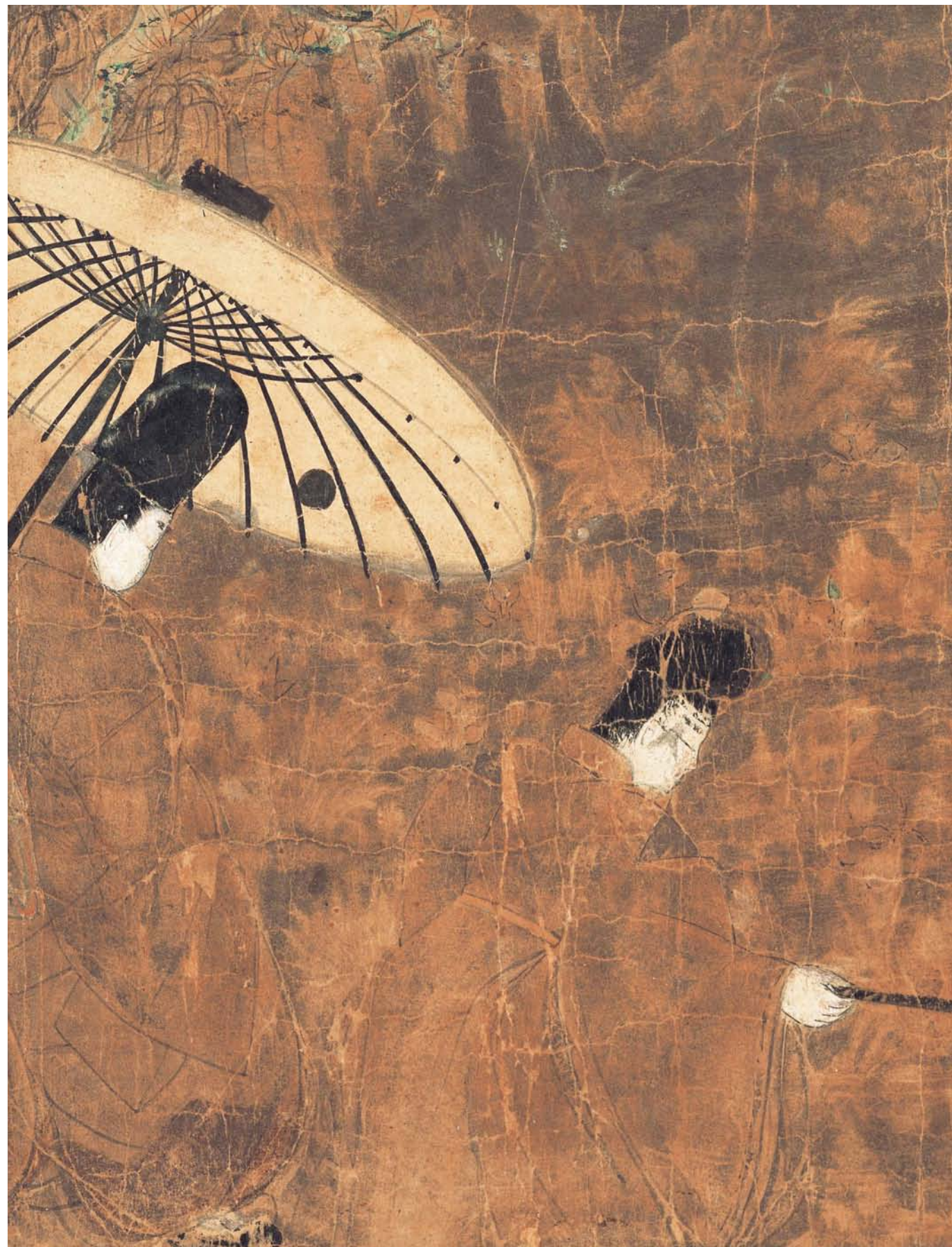
Recognizing that positive involvement in the resolution of environmental issues is an essential part of a corporation's social role and activities, we act voluntarily and proactively to help preserve the global environment.

**5. Vibrant Workplaces**

We strive to develop the skills of all employees, to provide safe and comfortable workplaces, and to respect diversity, individuality and differences.

Recognizing top management's responsibility to embody the spirit of this Charter, Fujifilm Group executives shall lead by example and promote sound understanding of the Charter both within Group companies and among business partners. They shall strive to continually take account of views within and outside the Group, establish efficient corporate systems, and foster high ethical standards. In the event of situations that contravene this Charter, top management shall clearly indicate both within and outside the Group its approach to resolving the situation and work to identify its causes and prevent any recurrence. Top management shall take accountability, promptly and appropriately disclose information, and take strict disciplinary action when appropriate, including in regard to itself.





# Feature: Enhancing Quality of Life

In addition to Fujifilm Group’s products and technologies, this feature highlights two priority areas of VISION75, our medium-term management plan, under the theme, “Enhancing Quality of Life,” as upheld in the corporate philosophy. “Response to Climate Change” and “CSR Activities in China” are also detailed as part of our Medium-term CSR Plan.

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Picture Scroll of The Tale of GENJI, “Yomogiu” (Quire 15), Treasures from The Tokugawa Art Museum  
While Genji fled to Akashi, in Suma, those women under his care faced severe financial difficulties. The residence of Suetsumuhana, in particular, who truly believed Genji would return and waited single-mindedly for him, lived in extreme poverty with her residence in ruins. On a moonlit night after an early summer shower, Genji was attracted by wisteria flowers hanging over a large pine tree and dropped by the dilapidated residence, with Koremitsu brushing away the night dew in front of him. There stood Suetsumuhana’s ramshackle home. Moved by Suetsumuhana’s sincerity, Genji vowed to take care of her the rest of her life.



Creation of new value by integrating diverse technologies

# Fujifilm Group Technologies and R&D

Our aggressive advances in R&D are generating new value and enhancing quality of life by integrating and deepening various fundamental and core technologies.

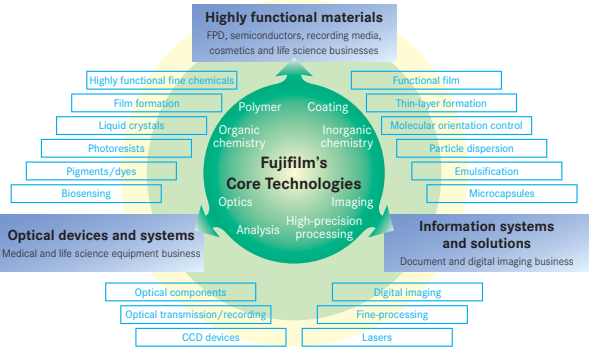
## Fujifilm Group's fundamental technologies and applications

In addition to highly versatile fundamental technologies, including organic and inorganic materials, analysis, thin-layer formation and processing, imaging, software and optics, which have been cultivated in the field of photosensitized materials and xerography, the Fujifilm Group possesses core technologies that lead to differentiation in terms of performance and cost. Operating in 13 business fields, the Group takes advantage of its product design technologies that follow from the integration of these basic and core technologies. We apply these technologies to further advance and fuse R&D into the areas of highly functional materials, medical and life sciences, graphic arts, documents and optical devices to ultimately create new value. The sustainable growth of the Fujifilm Group requires the ongoing creation of new businesses, as outlined in VISION75, our medium-term management plan, which calls for the in-depth development and expansion of fundamental and core technologies. To this end, young, mid-level and expert researchers must act in concert to address the challenges of technological revolution by capitalizing on their respective strengths. Fully deploying existing systems, we will aggressively develop innovative technologies and products that lead to new ventures, while aiming to create new areas of focus and evoking within ourselves the passion to generate new ideas.

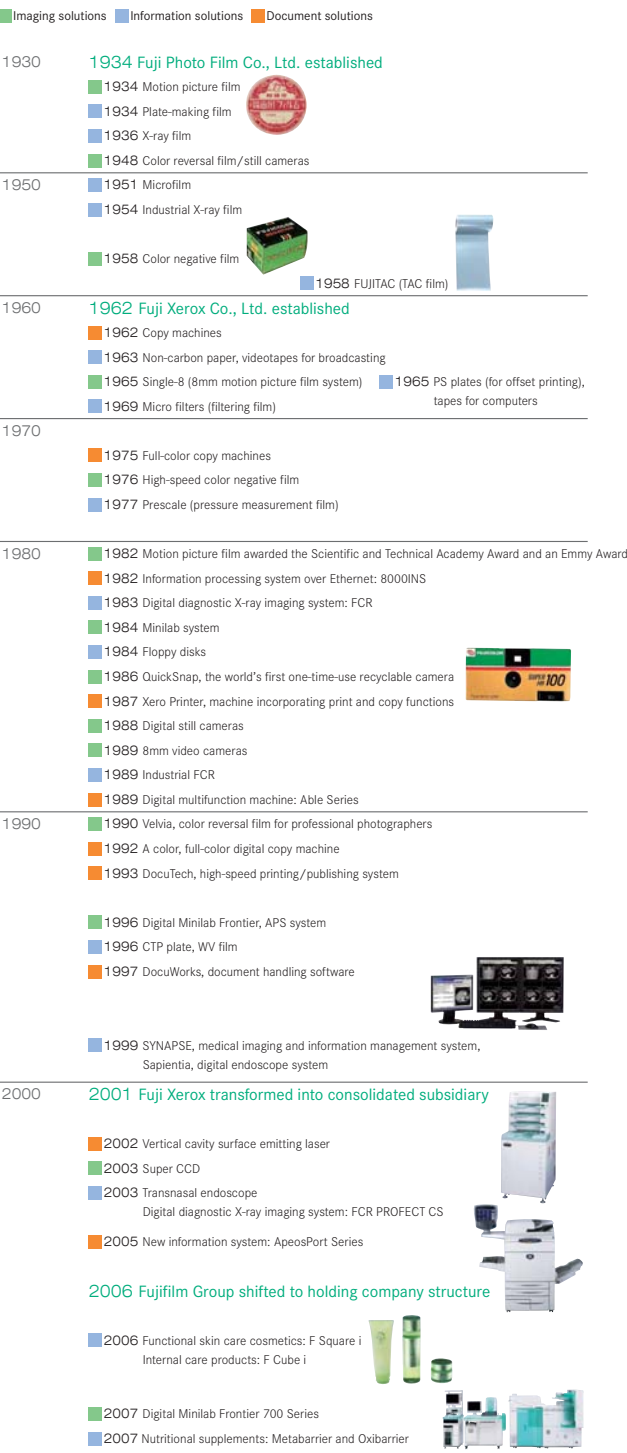


**Shinpei Ikenoue**  
Director, Senior Vice President,  
General Manager of the Research &  
Development Management Headquarters,  
FUJIFILM Corporation

## Core technology development at the Fujifilm Group



## The technological presence of the Fujifilm Group



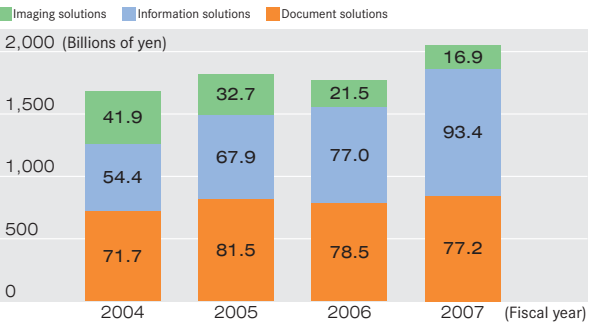
## The Fujifilm Group's new research system

In April 2006, Fujifilm established its FUJIFILM Advanced Research Laboratories in Kaisei-town, Kanagawa Prefecture, to consolidate four previously separate laboratories. The new laboratories are playing an important role as a company-wide center for unifying the development of pioneering basic and core technologies. We will strive to quickly create new businesses and products, led by the Advanced Research Laboratories, to open future opportunities by conducting R&D investments on more focused areas. Fuji Xerox will launch a new urban R&D base, nicknamed, "CITY: Collaborative Innovation Tower in Yokohama," in Minato Mirai 21, Kanagawa Prefecture (scheduled completion: March 2010). With this new site, the company's R&D operations will be consolidated into the existing location in Ebina and the new site in Yokohama. Fuji Xerox will take on the challenge of generating and delivering innovative value to customers by restructuring its R&D system with these two bases as the hub.



FUJIFILM Advanced Research Laboratories in Kaisei-town, Kanagawa Prefecture (left)  
Fuji Xerox R&D base, CITY (artist's rendering), under construction in Minato Mirai 21 (right)

## R&D expenses by operating segment



## FOCUS: Research results in 2007

### Fujifilm nutritional supplements, MetabARRIER and Oxibarrier

#### Core technologies gained in the field of film lead the way to distinctive new products

In October 2007, Fujifilm launched MetabARRIER and Oxibarrier multi-supplements for human health. Both supplements benefited from cutting-edge technologies for delivering beneficial ingredient to desired part of body based on Fujifilm's unique concept of FTD technology. MetabARRIER contains salacia, a plant that has long been used in India and Sri Lanka. Salacia is now attracting attention for its influences on sugar and fat properties as well as its ability to improve the body's internal function by bringing nutrients to beneficial bacteria in the intestines. Fujifilm successfully formulated highly concentrated salacia with stable quality. Astaxanthin contained in Oxibarrier is a natural ingredient, a type of carotenoid that is 1,000 times more effective than coenzyme Q10 in its antioxidant activities (according to Fujifilm research). Our original nano-emulsification technology enabled the formulation of astaxanthin, along with its protective membrane into a water-soluble powder that is readily absorbed into the body.

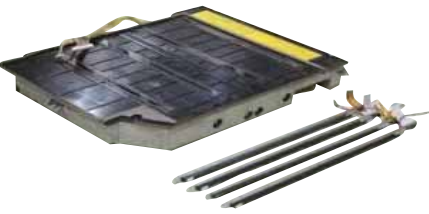


MetabARRIER featuring highly concentrated salacia with stable quality (left) and Oxibarrier that delivers astaxanthin to desired part of body (right)

### Fuji Xerox LED printhead technology

#### Smaller, lighter products offer high image quality with little or no noise or vibration

An exposure system in xerographic printers and copy machines uses either a laser ROS (raster output scanner) or a printhead that utilizes LEDs (light-emitting diodes) as a light source. While the LED printhead system provides the advantages of significantly smaller size and noise-free operation, there remains an issue of image streaking compared to a laser ROS system. Fuji Xerox successfully produced a compact LED printhead with high image quality by developing a unique technology to maintain uniform light exposure and 1,200 dpi self-scanning LEDs that reduce the amount of wiring. As a result, Fuji Xerox reduced the space required for one paper tray and developed copy machines that also incorporate a finisher without changing the overall size. The development of this LED printhead opened the way for office machines that adopt both digital screen technology (MACS) to deliver the tone reproduction of high-end machines and an image processing technology (IE/EE) to reproduce smooth, high-resolution letters and lines, for high image quality equivalent to or better than laser ROS systems.



Size of laser system (upper left) compared to LED printhead system (lower right) (artist's rendering)



Contributing to society by applying advanced technologies to medical care

# Initiatives in the Medical Field

We are improving the quality and efficiency of medical care worldwide through cutting-edge diagnostic system solutions, which fully integrate our proprietary, high-quality medical imaging technology with advanced networking capabilities.

## Constructing an extensive medical infrastructure that broadly contributes to society

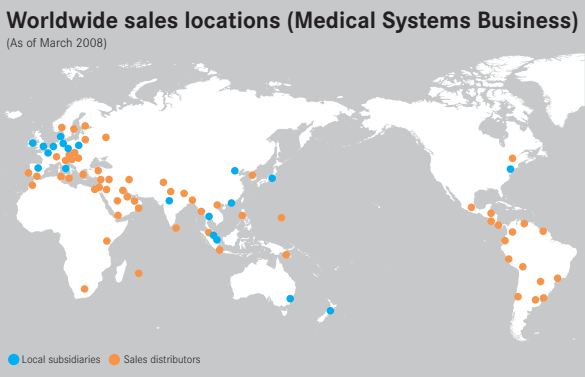
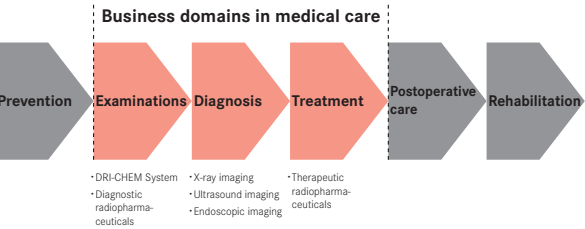


**Toshiaki Suzuki**  
Corporate Vice President,  
General Manager of  
Medical Systems Business Division,  
FUJIFILM Corporation

Since first launching X-ray film in 1936, the Fujifilm Group has been engaged in the medical business for more than seven decades. Current annual sales from our Medical Systems Business, including the Life Science Business, has grown to ¥290 billion (fiscal 2007), nearly 10% of total Group sales.

Under VISION75, our medium-term management plan, we intend for this business to achieve ¥300 billion or more in sales in fiscal 2008. To this

end, we are committed to focusing Group resources in this area as a core business. We are developing the division into three primary areas: examinations (using FUJI DRI-CHEM systems or diagnostic radiopharmaceuticals); diagnosis (medical imaging involving X-rays, ultrasonographs or endoscopes); and treatment (with therapeutic radiopharmaceuticals). Drawing on the strength of our global sales locations, we will deliver value to customers and contribute to the establishment of a far-reaching medical infrastructure.

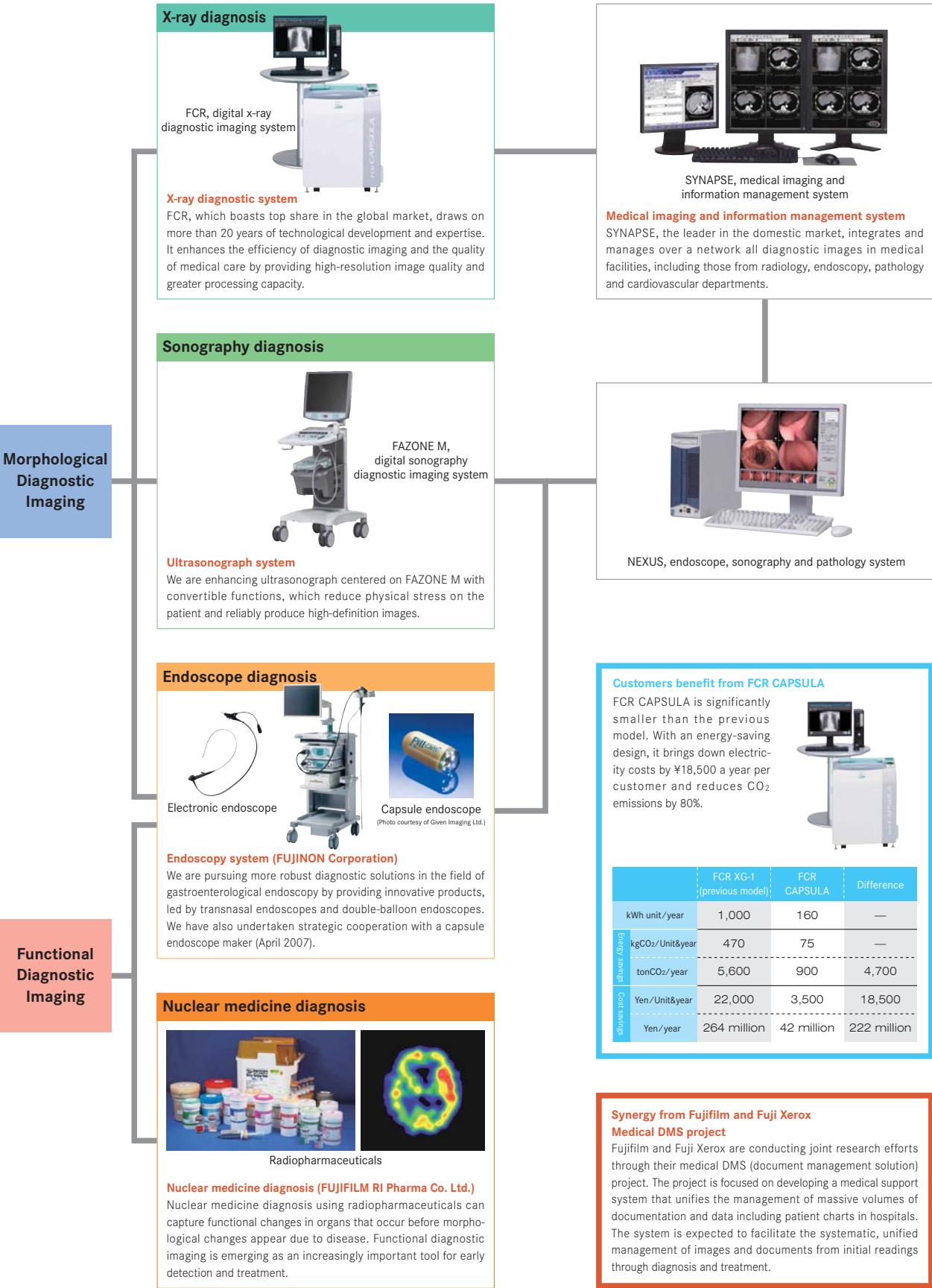


## Supporting telemedicine and improving efficiency in examinations and diagnosis with superior imaging technology

Japan, recognized as a country with advanced medical care, is experiencing a surging awareness of health issues across the general population as well as rising social strains in the wake of such problems as an overall shortage and uneven distribution of doctors, a falling birthrate and an aging population. Medical care in this environment must support the early detection and treatment of disease, and diagnostic imaging is a tool for meeting these needs. On the other hand, higher performance diagnostic imaging systems as well as the widespread application of new examination tools such as CT, PET, MRI and electronic endoscopes are generating burgeoning volumes of patient data. Consequently, the health care environment in Japan is increasingly drawing upon database technologies for sharing diagnostic imaging data and leveraging network capabilities to enhance telemedicine services.

As a provider of comprehensive diagnostic imaging solutions, Fujifilm is aggressively supplying systems and equipment to the front line of medical care. SYNAPSE, our medical imaging and information management system, which commands the top share of the domestic market, and C@Rna, a medical network service, play key roles. Beyond their function as comprehensive diagnostic systems that archive, integrate and network medical images, they also improve the efficiency of medical facilities operations. Furthermore, our telemedicine network service enhances the quality of local health care and supports new medical options, such as simplifying the process for gaining second opinions. By taking advantage of the proprietary technical capabilities it has built up over the years, including image processing and precision optical technologies, Fujifilm has actively released various medical systems and equipment. These new products cause much less physical discomfort for the patient and are more environmentally friendly. In addition to the worldwide market-leading FCR (Fuji Computed Radiography) digital X-ray diagnostic imaging system and our electronic endoscope system, we have recently been working to further expand the field of diagnostic imaging with a fully digital ultrasonograph system and diagnostic radiopharmaceuticals. Linking these with SYNAPSE will provide powerful solutions for improving the efficiency and speed of examinations and diagnosis with even greater precision. Fujifilm intends for these advances to further the quality of medical care around the globe as well as in Japan.

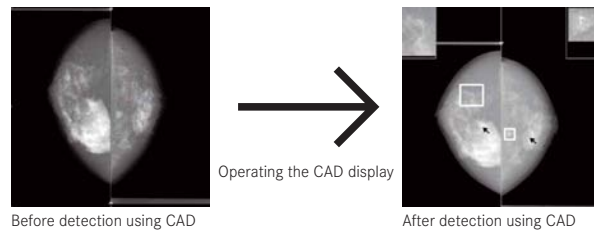
## Fujifilm Group's Medical Systems Business



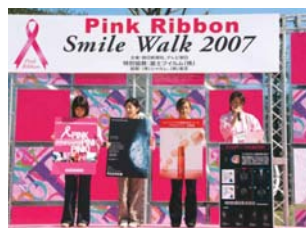


### Improved breast cancer detection through FCR Digital Mammography CAD

Fujifilm started early on doing research into image processing to support breast cancer diagnosis. The company has helped to raise the efficiency and quality of diagnostic imaging by developing an FCR-based digital mammography system combining high-definition reading technology suitable for breast cancer screening with our own cutting-edge image processing technologies. The number of those undergoing breast cancer screening has been rising, requiring massive diagnostic work by physicians. Fujifilm developed and introduced FCR Digital Mammography CAD, a computer-assisted breast cancer detection support system, in February 2008. Fujifilm became the first domestic manufacturer in Japan to obtain approval for a CAD system under the Pharmaceutical Affairs Law from the Ministry of Health, Labor and Welfare. Fujifilm has also developed a proprietary detection algorithm for this system based on a wealth of cases from within Japan and has been able to achieve a high rate of detection for areas showing characteristics of breast cancer, including microcalcifications and masses. A high detection rate supports physicians in their readings of images. Today, an estimated one out of every 20 to 30 Japanese women develops breast cancer, the incidence of which is rising every year around the world. However, in addition to self-examinations, regular mammography screening can detect breast cancer at an early stage, when 90% of cases can be cured. Fujifilm will continue to strengthen its efforts to improve the early detection of breast cancer and provide greater accuracy in diagnosis.



### Saving more lives from breast cancer with the Pink Ribbon Campaign



Pink Ribbon Festival

Fujifilm and FUJIFILM Medical Co., Ltd. actively participated in Pink Ribbon Festivals held on October 7, 13 and 28, 2007, in



Since 2003, the Fujifilm Group has been a steadfast supporter of the Pink Ribbon Campaign, which raises public awareness of the importance of early detection, diagnosis and treatment of breast cancer.



"Pink, Pink, Pink!" photo exhibition (left), Employees attending Breast Cancer Screening Seminar (right)

Tokyo, Sendai, and Kobe, respectively. In Tokyo and Kobe, the companies served as special sponsors for the Pink Ribbon Smile Walk 2007, the festival's main event, and both companies cooperated in the Sendai event.

Around the same time, we held "Pink, Pink, Pink!," a photo exhibition of 12 leading photographers, at FUJIFILM SQUARE, the complex showroom in the Tokyo Midtown. The exhibition attracted a large number of visitors and heightened their awareness of breast cancer and the Pink Ribbon Campaign.

We also held a seminar for Fujifilm employees to promote awareness of breast cancer in the Tokyo area on September 11, 2007, featuring Ms. Tomoko Nakanishi of the Asahi Shimbun Company, who has encouraged the participation of many major organizations in the Pink Ribbon Campaign, and Dr. Hideko Hiramatsu, Hiramatsu Lady's Clinic. Over 200 men and women attended the seminar.

### Pink Ribbon Campaign overseas



Pink Ribbon Campaign display tent at the Longs Drugs LPGA Tournament (above), Website calling for one million women in the U.S. to schedule breast cancer examinations (right)

In fiscal 2007, the Pink Ribbon Campaign was also actively conducted overseas. FUJIFILM U.S.A., Inc. and FUJIFILM Medical Systems U.S.A., Inc., in collaboration with Longs Drugs, promoted breast cancer awareness at the annual Longs Drugs LPGA Tournament as well as through sales campaigns for QuickSnap Pink that carried the "Images of Health" message throughout October in more than 470 Longs Drugs stores in California, Hawaii and Nevada. FUJIFILM U.S.A. donated 10% of sales (US\$2,000) to the National Breast Cancer Foundation. The companies have been continuing to raise public awareness of the life-saving importance of mammography to detect breast cancer

through a website that is designed to motivate over one million women to get a mammogram.

URL **Pink Ribbon Campaign**

[http://fms.fujifilm.co.jp/fms/mam/html/smile\\_walk2007.html](http://fms.fujifilm.co.jp/fms/mam/html/smile_walk2007.html) (in Japanese)

URL **"Images of Health"** <http://www.imagesofhealth.com>

Related page **Page 21: Pink Ribbon Campaign and technical support for mammography screening in China**

### Aiding in the early detection of lesions, transnasal endoscopes support diagnosis using FICE

The development of our transnasal endoscope was made possible by fully leveraging FUJINON's lens and precision optical technologies and Fujifilm's Super CCD technology. The endoscope tip, with a diameter of 5.9 mm, can be inserted through the nose. Patients examined with this device experience much less discomfort, such as nausea during insertion, compared with conventional endoscopes that are inserted through the mouth, and are able to continue communicating with physicians during the examination. Consequently, these units have become very popular with both physicians and patients and have already been introduced into a large number of medical facilities worldwide.

Because its thin scope facilitates observation of target areas from many different angles, the transnasal endoscope is suitable for diagnostic examinations of narrow organs, such as the esophagus, in addition to the stomach. Recently, our transnasal endoscopes have also been used for the early detection of lesions in areas ranging from the mouth to the stomach including cancers of the throat and the esophagus as

well as reflux esophagitis.

FICE (FUJI Intelligent Chromo Endoscopy: Imaging diagnosis based on spectral estimation technology) improves the accuracy of diagnostic endoscopy. Through optical image processing, FICE facilitates ready identification of subtle lesions that are difficult to detect through ordinary endoscopic exams, including the condition of tissue and appearance of blood vessels under mucosa. Fujifilm is currently working on joint research efforts with physicians to verify the benefits of this technology in clinical settings and establishes best practices in diagnostic methods.

By developing products that combine these advanced optical, image sensor and image processing technologies, FUJINON and Fujifilm are providing vital support to the diagnostic work of physicians, reducing the physical discomfort for patients, and facilitating the early detection and treatment of lesions. In addition, the companies will continue to contribute to the advance of diagnostic science utilizing image processing in cooperation with leading-edge medical institutions in Japan and overseas.

### Comparison of FICE image and standard image

Utilization of FICE highlights area surrounding the inflamed tissues and blood vessels of the esophagus, allowing precise observation and diagnosis.



Standard image

Image processed with FICE

## TOPIC

### Corporate TV commercial expresses our commitment to contribute to society through technology—"You can change the world one by one."

URL <http://and-fujifilm.jp> (in Japanese)



### "Mammography"

The features of mammography are explained in an easy-to-understand manner using small ladybugs as a metaphor for microcalcifications that might be early-stage breast cancer lesions which cannot be detected by touch.

### "Endoscope"

This version illustrates the flexible and smooth operability of FUJINON's transnasal endoscope with a tip diameter of 5.9 mm.



# Advanced technologies to reduce the environmental burden Initiatives in the Printing Field

Fully leveraging advanced technologies to reduce environmental burdens associated with expansion of the production, while meeting growing demand for “Computer-to-Plate (CTP)” plates by reinforcing our production system to ensure a stable supply of products.

## Reinforcing our operating bases with an eye on the future



**Nobuaki Inoue**  
Director, Corporate Vice President,  
General Manager of  
Graphic Systems Business Division,  
FUJIFILM Corporation

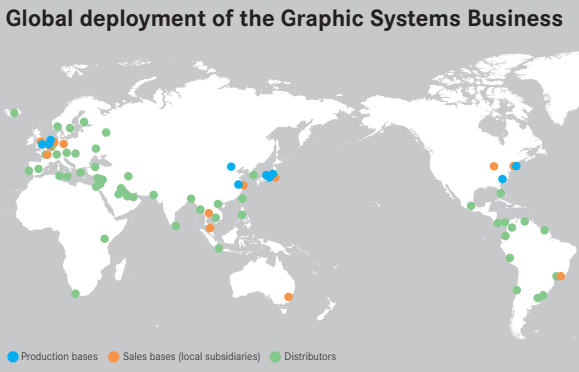
Beyond its support for communications such as publishing and newspapers, the printing industry is also vital for economic and day-to-day activities in modern life including areas such as packaging, financing and electronics. Thus, printing is an essential industry for enhancing quality of life, a fundamental commitment of our corporate philosophy.

Fujifilm has positioned its Graphic Systems Business as a priority venture that provides printing equipment, materials, and software for the printing industry. To satisfy the needs of customers for producing a wide variety of printed materials, we are aggressively investing in R&D and production equipment in addition to engaging in M&As. For example, worldwide demand is rising for CTP plates, which are core materials for offset printing. Fujifilm has established four global bases for the production of offset printing plates anchored in Japan, the U.S., Europe and China, and is implementing global service operations to ensure the stable and efficient supply of high-quality products.

We intend to achieve a 40% share of the world market through an additional investment of approximately ¥15 billion to expand our manufacturing line in Europe, where a new one will begin operating in 2010, and by aggressively increasing supply to the rapidly growing markets in the “BRICs” and “NEXT11,” emerging economies. And to keep pace with anticipated growth in the digital printing market, we acquired the Sericol Group, which commands the top share of the market for UV ink for industrial ink jet printers, and Dimatix, the leading manufacturer of industrial inkjet printer heads. We also bolstered our R&D related to cutting-edge ink jet technologies by establishing the Advanced Marking Research Laboratories. We intend to further expand our digital printing business in cooperation with Fuji Xerox.

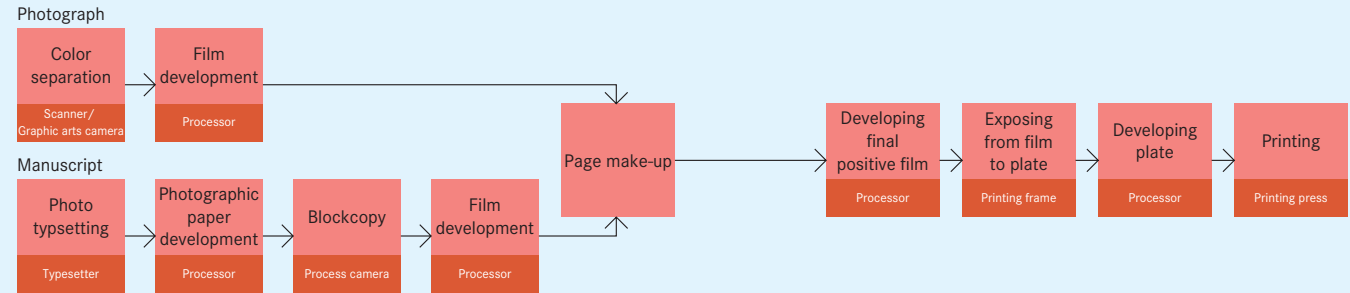
### Examples of printed materials and applications of printing technology

Books, newspapers, magazines, pamphlets, securities/bonds, cards, business forms (records), wrapping paper, printed products for construction (wall paper), metal printing (beverage cans), POP displays, printed-circuit boards, etc.

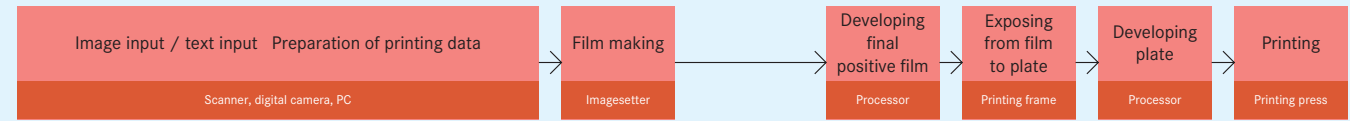


## Progress of plate making over a quarter century and reduced environmental burden (CO<sub>2</sub>)

### Workflow prior to DTP



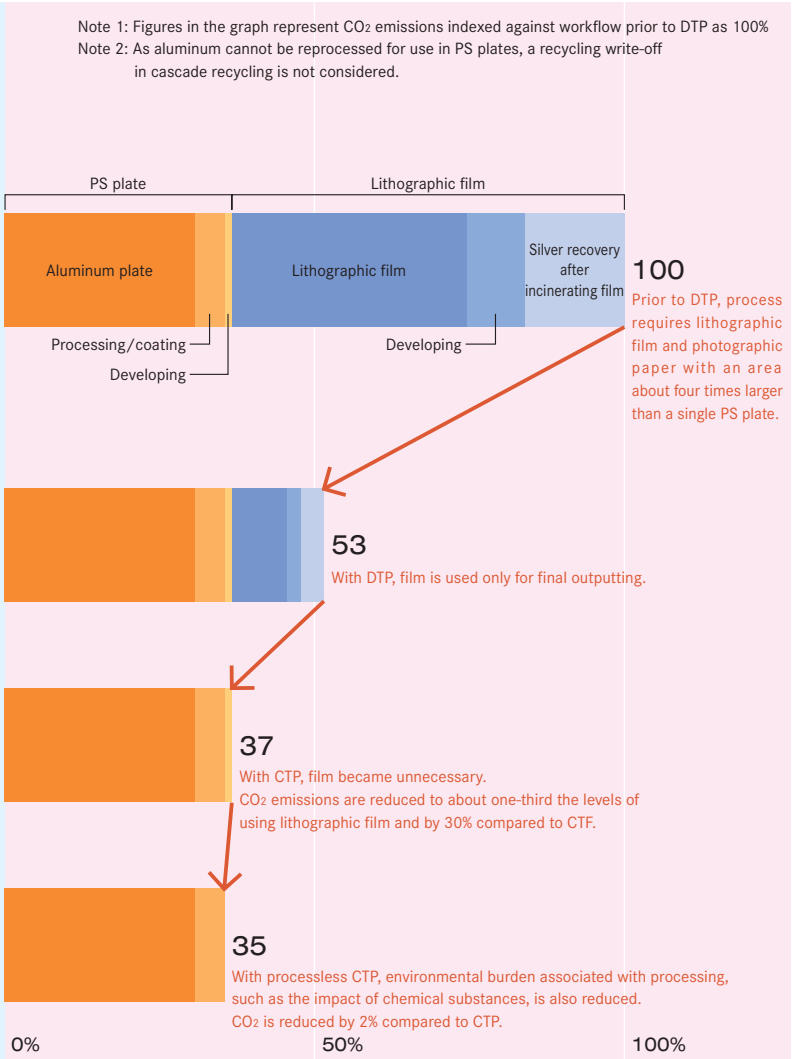
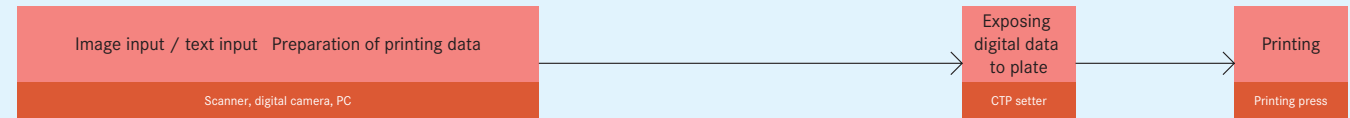
### Workflow (CTF) after DTP



### Workflow of current CTP



### Workflow of processless CTP



## Evolution of CTP (Computer-to-Plate)

### Reducing environmental burden through technological innovation

Fujifilm has been involved for many years in the development, manufacture and sales of a broad array of printing materials and equipment, including graphic arts film, PS and CTP plates for offset printing, plate setters, and various prepress software. We are particularly reinforcing our production and sales system to meet rising demand for CTP plates toward boosting our worldwide market share to 40%.

Vast quantities of lithographic film had previously been consumed in the prepress process for offset printing. The advent of the DTP system enabled the processing of digitized text and images on the computer to produce the completed data. With this system, efficiency was improved, and the only film we needed to develop was the final film. This procedure is called Computer-to-Film (CTF). More recently, the development of CTF technology, which facilitates the direct output of digital data to prepress film, has opened the way for the common application of Computer-to-Plate

(CTP) methods for directly outputting data to a printing plate without requiring lithographic film at all. This technological advance reduced CO<sub>2</sub> emissions by about two-thirds from a quarter century ago when massive quantities of films and photographic papers were used (refer to diagram below).

Fujifilm took the next step in filmless CTP with the creation of a CTP plate that does not require development processing at all, eliminating the developer effluent and CO<sub>2</sub> emissions associated with this stage of the printing process. Looking ahead, we will focus on improving the quality of processless CTP and encourage its widespread application as part of our efforts to address environmental concerns and reduce the risks and workload associated with handling chemicals. In addition, we will continue to pursue further technological innovation in the field of printing to contribute to society by reducing the associated environmental burdens.

This report itself was produced using the state-of-the-art processless CTP systems.

Related page ▶ Page 57: Stakeholder Dialogue



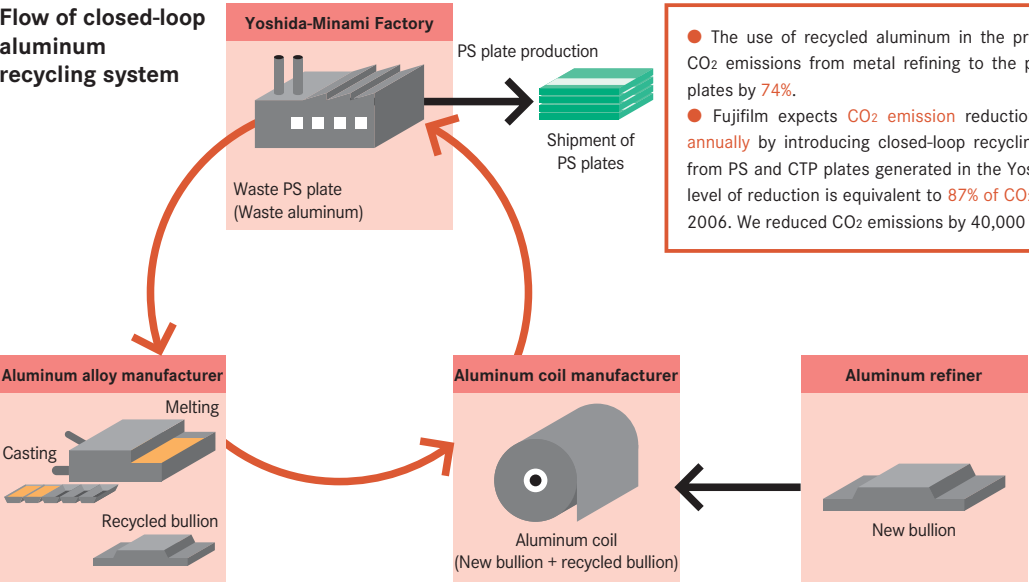
Significantly reducing CO<sub>2</sub>  
Closed-loop recycling system for  
waste aluminum from PS and CTP plates

Aluminum recycling is generally believed to have reached an advanced stage. However, the substrata of PS and CTP plates for offset printing require high-purity aluminum for sophisticated printability, and as a result recycled aluminum cannot be used. Therefore, the Fujifilm Yoshida-Minami Factory had implemented “cascade recycling” in which several hundred tons of waste aluminum generated every month were used for applications that did not require high purity. However aluminum refining consumes massive amounts of electricity. Fujifilm, believing the cyclical use of aluminum—long considered to be impossible—could lead to substantial reductions in CO<sub>2</sub> emissions, conducted years of research into closed-loop recycling technologies, in which waste aluminum is recycled into a level of purity suitable for producing

high-quality PS and CTP plates. The technology reached commercial viability in October 2007. The challenge is that once aluminum has been mixed with trace metals into a low-purity alloy, it cannot be restored to high-purity by removing the trace metals. Consequently, continued cascade recycling ultimately leads to a flood of low-purity aluminum that cannot be re-used. At the same time, aluminum, like other metals, is also becoming the focus of a battle for resources in the wake of rising demand in emerging countries. Therefore, this business is even more important as a means to conserve the limited supply of high-purity aluminum resources for the sustainable development of the printing industry as a vital component of everyday life. Fujifilm will continue to seize the initiative by taking the next steps for protecting the environment and safeguarding the sustainable development of society.

Related page ▶ Page 57: Stakeholder Dialogue

Flow of closed-loop  
aluminum  
recycling system



- The use of recycled aluminum in the production process reduces CO<sub>2</sub> emissions from metal refining to the production of PS and CTP plates by **74%**.
- Fujifilm expects **CO<sub>2</sub> emission** reductions of up to **65,000 tons annually** by introducing closed-loop recycling for all waste aluminum from PS and CTP plates generated in the Yoshida-Minami Factory. This level of reduction is equivalent to **87% of CO<sub>2</sub>** emitted from the plant in 2006. We reduced CO<sub>2</sub> emissions by 40,000 tons in 2007.

COMMENTS

Establishing basic technologies to realize 99.5% purity—Demonstrating  
a “We Can!” attitude for overcoming every obstacle

It took about four years to successfully find partner companies to manufacture recycled bullion, including the preparation time in such areas as technology building. Manufacturing PS and CTP plates involves 13 types of 99.5% pure aluminum that vary slightly in their composition with trace metals. However, toward the goal of obtaining 99.5% high-purity recycled aluminum, an extremely exacting level of control, we had already established our own basic technology, which had transcended the conventional approaches of aluminum manufacturers. This was a great advantage for us as it enabled us to demonstrate the genuine potential for success with this project. Through ongoing discussions, we addressed concerns over quality assurance and prepared a system for overcoming barriers such as ensuring the profitability of alloy manufacturers. Furthermore, coil

(Center front) Yoshio Ogishi, (back from left) Masakazu Osada, Naoki Yoshikawa, Tooru Yamazaki (Engineering Manager), Production Division, Fujifilm Yoshida-Minami Factory



manufacturers involved in the production process following the manufacture of the alloy generally exhibited a profound distrust in the quality of recycled bullion. To resolve this distrust, we presented objective data verifying the actual successes of the project. We also repeatedly emphasized the importance of this recycling project for the future to protect the environment and as something that we simply had to do as partners using aluminum, a nonrenewable resource. Despite the repeated process of trial and error, we now feel more strongly than ever that we have accomplished meaningful results.

FOCUS: Stakeholder Dialogue

“What Fujifilm can do to encourage eco-printing”



On March 6, 2008, we held a stakeholder dialogue under the theme of encouraging the widespread use of eco-printing. Participants included two external experts (Mr. Jun Okuyama, Executive Director of Eco-Insatsu-Kenkyu-kai, and Mr. Katsumi Kitanou, Chairman of Japan Printing News Co., Ltd.) and six employees of the Fujifilm Group (Fujifilm, FUJIFILM Graphic Systems and FUJIFILM Presentec). Participants discussed eco-printing from their respective positions as those who had actually placed and received printing orders; those who developed, produced and sold prepress materials and processing equipment and software; and those who produced printed materials.

Summary

Two recommendations were made to FUJIFILM Holdings as a result of this dialogue:

1. Develop a set standard for eco-printing that serves as a model for society
2. Do not just provide environmentally friendly products to printing companies; seek to make a difference in the printing industry and society by broadening the use of eco-printing

Based on these two recommendations, FUJIFILM Holdings has been formulating eco-printing standards for placing printing orders.

Participant comments

● External participant ● Internal participant

- Customers cannot request eco-printing since there is no clear criteria for what eco-printing is.
- The reality is that since customers demand cost, speed and quality, eco-printing does not always meet their requirements, and it is difficult for printing companies to recommend eco-printing.
- There is a need to establish a business model for broadening the use of eco-printing in the market.
- Because the printing industry is based on orders received, it is more effective to encourage customers to choose eco-printing rather than expecting too much from the vendors. Therefore, Eco-Insatsu-Kenkyu-kai promotes the concept of eco-printing to customers.
- It is important to have environmentally friendly production processes as well as paper and ink. Ideally, eco-printing should be understood from four points of view: environmentally friendly materials, production processes with low environmental burden, the 3Rs (Reduce, Reuse, Recycle), and energy savings.
- The major challenge in the printing process is taking action in regard to reducing emissions of volatile organic compounds (VOCs). This requires collaboration among various printing material manufacturers, including ink makers, in addition to efforts by printing companies.
- It is important to clearly display recycling information on printed materials at the point they are about to be discarded. There would be no point for eco-printing if it did not lead to reusing resources.
- It would be difficult to spread processless CTP plates simply based on explaining the products and their environmental performance. There is a need for improving workflows for easier use as well as for recommendations that include establishing a worksite environment in which it is easy and efficient to introduce them.
- Fujifilm Group has extensive capabilities for developing, manufacturing and selling total systems, from prepress materials and chemicals to software for printing equipment. I expect the Group to demonstrate and deliver the value of eco-printing to the market from a broad perspective.
- It is important to start in-house before trying to raise public awareness. We ourselves should promote eco-printing in the Group with clear standards for in-house printing and placing orders outside the Group.

TOPIC

Print server development project based on  
the synergy between Fujifilm and Fuji Xerox

The PX5000 Print Server, launched in February 2007, is highly regarded in the printing industry. This print server controls digital on-demand printing, from color management to output process. Fujifilm and Fuji Xerox had previously independently offered different print servers with distinctive features. The PX5000 Print Server was born by fusing these features from both sides. The PX5000 Print Server realizes the advantages of Group synergy in that the integration of technologies delivers high performance to customers while curbing development costs. In addition, the server is sold by both companies.



Members of the development project

DocuColor 5000 Digital Press from Fuji Xerox, incorporating the PX5000 Print Server





Group strategies for promoting the prevention of global warming

Response to Climate Change

In addition to shifting to alternative energy sources and improving production efficiency, the Fujifilm Group pursues strategies to conserve energy in offices and laboratories and reduce CO2 emissions related to distribution activities and product use.

Addressing climate change through the implementation of all possible measures

The first commitment period of the Kyoto Protocol began in 2008 and the Fujifilm Group, with operations worldwide, is proactively addressing the issues of climate change. As we significantly revise the content of our business, we are promoting activities to prevent global warming from a medium- to long-term perspective based on national and international laws and regulations as well as related industry regulations. We were among the first to make capital investments and pursue alternative energies. Focused on domestic facilities where emissions are concentrated, we have achieved significant CO2 reductions. Looking ahead, we will continue to reduce CO2 emissions, setting clear targets and ultimately cut energy intensity by 30% from levels in fiscal 1990 and lower CO2 emissions intensity by 40% in fiscal 2012 for our six major domestic chemical factories\*1. In particular, we will draw upon our experience in implementing a variety of measures to help prevent global warming in light of the rise in CO2 emissions as a result of increased production volumes in new businesses, including flat panel display materials, as well as overseas business development and expansion through M&As. In this feature, we will highlight measures we have carried out in every aspect of our corporate activities and their impact on addressing climate change.

Activities at production sites

CO2 emissions from our six major domestic chemical factories\*1 account for 57% of the emissions from the entire Fujifilm Group (on a consolidated basis) and 78% of the emissions from its domestic operations. These factories took steps to introduce natural gas and equipment for cogeneration and energy conservation as well as process improvements, leading to an overall savings of approximately ¥4.6 billion in the two years ending in fiscal 2007. They are currently expected to substantially exceed their initial targets for fiscal 2010, which call for more than a 15% lowering of energy intensity and decreases of over 25% in CO2 emissions intensity from 1990 levels.

In addition to this forecast, we have concluded that we must aim for even greater improvements, particularly given our plans to increase production along with future business expansion. And much more must be done to combat global warming. Consequently, we significantly raised our targets for cutting energy intensity by 30% and CO2 emissions intensity by 40% by fiscal 2012 against 1990 levels, starting in fiscal 2007.

\*1 Six major chemical factories: Fujifilm Kanagawa Factories (Ashigara and Odawara sites), Fujifilm Fujinomiya Factory, Fujifilm Yoshida-Minami Factory, FUJIFILM Opto Materials Co., Ltd. and FUJIFILM Kyushu Co., Ltd.

Global Warming Prevention Committee to ensure we meet our goals

We have set up the Global Warming Prevention Committee as our top-level decision-making body for preventing global warming. The committee consists of executive officers who are in charge of division operations, including production, production technology, distribution and general administration. Led by our six major domestic chemical factories\*1 in Japan, other organizational units, such as production sites, the distribution division, Head Offices and the research division, also set up targets and energy-saving groups, issue reports and discuss their activities at Global Warming Prevention Committee meetings.

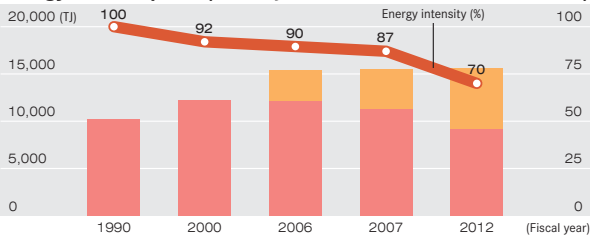


Global Warming Prevention Committee

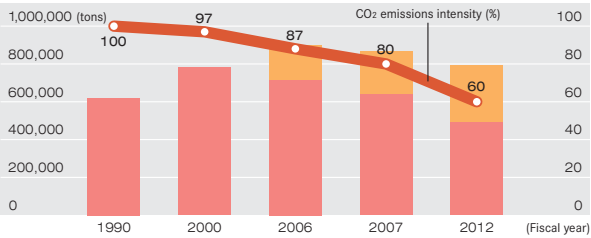
Complete visualization of energy consumption in energy-saving activities

In addition to ongoing efforts, including the introduction of energy-saving equipment, process improvements and the thermal analysis of processes using energy flow diagrams, we have established a system for obtaining and visually summarizing detailed energy consumption data for each building and process. These activities contribute to facilitating a more thorough analysis toward rolling out more effective energy-saving measures.

Energy consumption (six major domestic chemical factories)



CO2 emissions (six major domestic chemical factories)



Legend: ■ Fujifilm Kanagawa Factories (Ashigara and Odawara sites), Fujifilm Fujinomiya Factory and Fujifilm Yoshida-Minami Factory; ■ FUJIFILM Opto Materials and FUJIFILM Kyushu (main factories for new business)

Related page ▶ Page 87: Environmental Aspects

Current status and future opportunities

In fiscal 2007, our production levels increased by 1.8 times, energy consumption by 1.6 times and CO2 emissions by 1.5 times (against levels in fiscal 1990), primarily due to the expansion of our new flat panel display material business (■ color area in the graphs on page 16). We intend to reduce energy consumption by introducing energy-saving equipment and procedures while systematically curbing CO2 emissions in convert-

ing to natural gas. CO2 emissions from the six major chemical factories\*1 peaked in fiscal 2006 and then began to decline. Of these factories, four (■) are expected to reduce CO2 emissions in fiscal 2008 below fiscal 1990 levels. Overseas sites will work to reduce dependence on fossil fuels by utilizing biomass energy and alternative sources. We intend to continue reducing CO2 emissions at home and abroad as our contribution to bringing down the release of greenhouse gases across the globe.

TOPIC

Representative efforts at production sites FUJIFILM Manufacturing U.S.A., Inc. Efforts to reduce greenhouse gases

FUJIFILM Manufacturing U.S.A., Inc. in Greenwood, South Carolina, USA, is implementing a broad range of efforts to reduce greenhouse gases. Its factories are expected to cut CO2 emissions by 15,000 tons/year as a direct result of efforts, including Project (A) outlined below. This represents approximately 13% of all factory CO2 emissions; the CO2 price is approximately €330,000/year\*.

\* Calculated based on the EU-ETS price as of March 20, 2008: €21.9/CO2 (tons)

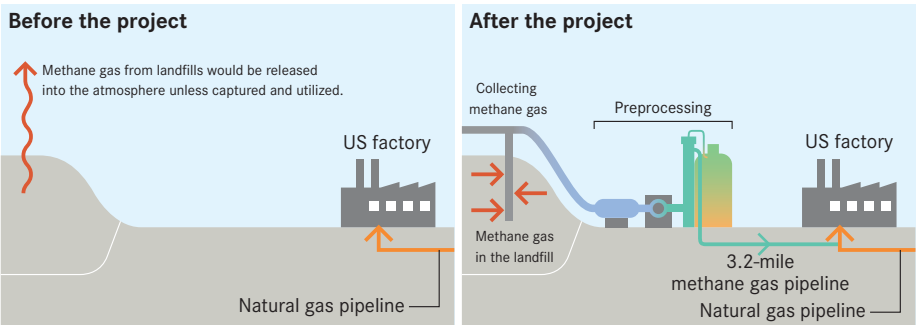


Dual-Burner System (methane + natural gas)

Case Study: Project (A), using methane gas from landfills more efficiently

Approximately 30% of natural gas will be replaced by methane (to be completed by April 2009). This project affords three major advantages:

1. Reducing the bad odor associated with landfill emissions
2. Reducing the volume of smog generated in the region and alleviating the impact on climate change associated with methane gas (the impact of methane on global warming is 21 times greater than CO2)
3. Reducing the use of natural gas (more efficient use of methane gas released from a landfill.)



	Project (A): Project to use landfill methane gas efficiently	Project (B): Project to improve boiler energy usage through such steps as changing control systems	Total of (A) + (B)
CO2 reductions	About 10,000 tons/year (Total GHG that would otherwise be released into the atmosphere: about 90,000 tons/year of CO2)	About 5,000 tons/year	About 15,000 tons/year
Investment	About US\$280,000	About US\$340,000	About US\$620,000
Cost efficiency of CO2 reduction	About €220,000/year	About €110,000/year	About €330,000/year

\* Calculated based on the EU-ETS price as of March 20, 2008: €21.9/CO2 (tons)

TOPIC

Representative efforts at production sites Fujinomiya Factory, FUJIFILM Corporation Introduction of natural gas cogeneration equipment



Natural gas cogeneration equipment

Capital investment	¥2.5 billion
Annual CO2 reduction	47,000 tons
CO2 price (estimated *)	¥160 million
Annual fuel cost reduction	¥900 million

\* Calculated based on the EU-ETS price as of March 20, 2008: €21.9/CO2 (tons)

Fujinomiya Factory introduced natural gas cogeneration equipment\* (industrial power plant with generating capacity of 17,250kWh) that facilitates more efficient energy use, with operation starting in June 2007. Electricity generated by this equipment accounts for about one-third of the total energy used in the factory. Along with the natural gas equipment the factory had already been operating, this additional capacity increased the ratio of natural gas to 50%, thereby reducing CO2 emissions by 13% compared to fiscal 2006. At the same time, the improved efficiency of power generation led to reduced fuel costs.

\* High-efficiency system for energy conservation that provides steam and electricity used in the factory in balanced way with natural gas as a fuel.



Activities at laboratories



Photovoltaic electricity generation and rooftop gardens (Advanced Research Laboratories)

FUJIFILM Advanced Research Laboratories (Kaisei-town, Kanagawa Prefecture), which opened in April 2006, has invested more than ¥1.6 billion through fiscal 2007 in the following 12 energy-saving investments, achieving substantial CO<sub>2</sub> reductions\*.

\*CO<sub>2</sub> reduction impact is estimated in comparison with conventional methods.

	CO <sub>2</sub> reduction	Cost benefits of CO <sub>2</sub> reduction*
Fiscal 2006	3,600 tons	¥12.35 million
Fiscal 2007	4,000 tons	¥13.70 million

\*Calculated based on the EU-ETS price as of March 20, 2008: €21.9/CO<sub>2</sub> (tons)

12 capital investments to achieve energy savings (Advanced Research Laboratories)

1	Effective use of nighttime power by introducing water thermal storage system
2	Introduction and optimal control operations of high-efficiency turbo refrigeration equipment
3	Use of nighttime power by introducing NAS batteries
4	Introduction of photovoltaic electricity generation (70kWh)
5	Across-the-board introduction of city gas
6	Improvement of thermal insulation properties by installing rooftop gardens
7	Introduction of reflective glass and insulating film
8	Lighting control (introduction of people sensors and high-frequency fluorescent lamps)
9	Introduction of ultra-high-efficiency transformers
10	Introduction of high-temperature-chilled water system
11	Energy management through central monitoring
12	Substantial water conservation by introducing circulation system of cooling water used for experiments

Activities at offices

The Fujifilm Group joined *Team Minus 6%* and is developing a variety of activities to increase awareness (Cool Biz, Black Illumination and others). These efforts include turning off lights

during lunch breaks and powering off PCs when leaving desks. In terms of facilities, the Head Office at Tokyo Midtown is striving to avoid using any more electricity than necessary through such measures as introducing automatic lights-out during lunch breaks and motion sensors. And, the Head Office at Nishiazabu reduced CO<sub>2</sub> emissions by 128 tons annually (valued at ¥440,000\*) by adopting inverter controls for cooling water pumps and heat exchangers, controlling the number of cooling fans, and introducing water-saving toilets, energy-saving elevators and a Building Energy Management System (BEMS).

\*Calculated based on the EU-ETS price as of March 20, 2008: €21.9/CO<sub>2</sub> (tons)

Activities within distribution

FUJIFILM Holdings implemented the following four cross-sectional initiatives associated with distribution across the entire Group, producing outstanding results in such areas as cost-cutting as well as reducing CO<sub>2</sub> emissions to alleviate environmental burdens.

Fujifilm and its affiliates reduced CO<sub>2</sub> by 848 tons in fiscal 2007 (a 2.7% improvement over the previous year). On the other hand, Fuji Xerox faced a significant traffic volume challenge, since the company delivers copy machines and supplies to customers in all parts of the country. In fiscal 2007, however, the company worked aggressively to lower CO<sub>2</sub> emissions, leading to a reduction of 2,799 tons for the year (a 8.6% improvement from the previous year). Fuji Xerox will further integrate its hub warehouses and joint delivery from its hubs and engage in collaborative distribution in air transportation, while implementing a variety of actions across the globe, such as shifting from air transportation to marine transportation and improving the carrying efficiency of the latter. Distribution initiatives implemented by the Fujifilm Group in fiscal 2007 are summarized below.

Distribution initiatives

Content	Effects	CO <sub>2</sub> reduction
● Integrating export warehouses	• Reduced warehouse area • Consolidated delivery	2,368.17 tons
● Eco Drive	• Control of CO <sub>2</sub> emission during driving and waiting	561.36 tons
● Improved carrying efficiency	• Improved truck loading ratio	117.73 tons
● Changing transportation mode (modal shift, etc.) and improving distribution efficiency	• Reduction in number of trucks	693.42 tons

● Voluntary reduction projects ● Compliance with revised Energy Saving Law

Introducing economic instruments

Contribution to carbon funds

Since 2005, Fujifilm has been a member of the World Bank's Community Development Carbon Fund (CDCF); Fujifilm plans to contribute a total of US\$9 million. The fund applies the Kyoto Mechanism established under the Kyoto Protocol to implement a large number of small-to-medium scale CO<sub>2</sub> reduction projects, mainly in developing countries in Asia, Africa and South America.

Operation of the fund for these activities is based on the philosophy of simultaneously contributing to the environment and society with due consideration to local benefits in each region by developing infrastructures and ensuring employment opportunities.

Fujifilm's contributions were made in support of the philosophy of CDCF. Nine governmental institutions (primarily in Europe) and 16 private enterprises (including 5 Japanese companies) have contributed to the fund and the operational policy of the fund is determined through mutual consultation between these members. Fujifilm is expected to obtain emissions credits through this fund of about 0.5 million tons by 2012 and is planning to obtain additional credits beyond 2012. Fujifilm may exercise its rights to use these credits to complement self-sustaining efforts for voluntary CO<sub>2</sub> reduction targets in Japan. Fuji Xerox joined to the Japan GHG Reduction Fund (JGRF) since 2004 and plans to invest a total of US\$0.5 million. JGRF is the first full-fledged carbon fund in Japan with contributions from 33 domestic organizations (31 private enterprises and 2 public sector financial institutions). The fund has already started to obtain emission credits from a wind power generation project in Argentina.



Water power generation in Honduras (above) and photovoltaic electricity generation in Bangladesh (left)

Activities related to our products

Reduction of environmental burden associated with digital color multifunction devices and printers (energy-saving designs)

Fuji Xerox had been operating its business with the goal of decreasing average power consumption per unit by half in 2005 against 1997 levels. The efforts for reducing power consumption are still ongoing following the end of the targeted fiscal year, and Fuji Xerox began applying in 1999 for the Energy Conservation Prize sponsored by the Japanese Ministry of Economy, Trade and Industry (initially sponsored by the Energy Conservation Center, Japan). Since receiving the Agency for Natural Resources and Energy Director-General's Award in 1999, Fuji Xerox has received awards for nine consecutive years, an unprecedented achievement in the industry.

In fiscal 2007, color copy machines and digital color multifunction devices, ApeosPort-III C3300/C2200 and Docu Centre-III C3300/C2200, and the DocuPrint C2250 color printer were awarded the Minister's Prize from the Ministry of Economy, Trade and Industry, under the 4th Eco Products Awards. In particular, ApeosPort-III C3300 achieves impressive energy savings of more than 70%\*<sup>1</sup> compared to its predecessor, the ApeosPort-II C3300. The dramatic improvement in energy conservation was made possible through such efforts as the development of a standby controller to reduce power consumption in sleep mode under 2W even when connected to a network. Moreover, the use of biomass plastic, more than 30% of which is comprised of plant-derived constituents, for the resin components reduces CO<sub>2</sub> emissions by approximately 16% compared to conventional plastics (ABS resin).

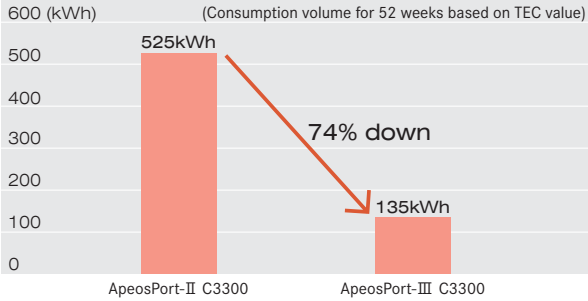
Related pages  
➤Page 57: Stakeholder Dialogue  
➤Page 59: Developing Biomass Plastics

\*<sup>1</sup> Comparison based on TEC value, simulated value of one week of standard electricity consumption as applied in the International Energy Star Program.  
ApeosPort-III C3300: 2.6kW/week  
ApeosPort-II C3300: 10.1kW/week



ApeosPort-III C3300 series model, recipient of the Eco Products Award

Power consumption compared to previous model



	Power consumption/year	Electricity cost/year*
ApeosPort-II C3300	525kWh	¥10,500
ApeosPort-III C3300	135kWh	¥2,700

\*Calculated as ¥20/kWh



Strong global commitment to social responsibilities

# CSR Activities in China

The 31 Chinese subsidiaries of the Fujifilm Group are building their businesses while promoting environmental activities and contributing to society.

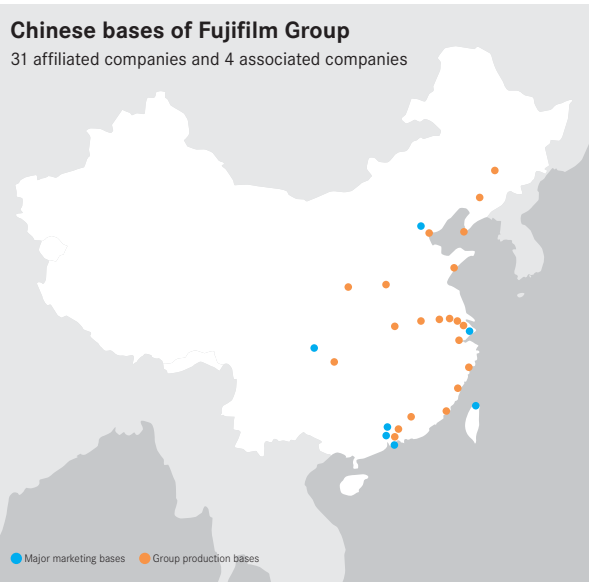
## Fujifilm Group operations in China

The Fujifilm Group has identified China as one of its key markets. In the 1980s, Fujifilm and Fuji Xerox opened offices in Beijing and Shanghai, respectively, and have since been building up their business in China. The Fujifilm Group so far has invested more than US\$900 million for business development in China. Today, our total sales in China\* have reached approximately ¥450 billion and our 31 affiliates have created more than 20,000 jobs.

In the course of conducting business in China, it is only natural for the Fujifilm Group to demonstrate as deep a commitment to its corporate social responsibilities as it does in Japan. We are actively working on protecting the environment (for example, energy and resource conservation in local manufacturing factories, compliance with regulations governing the chemical content of products and establishing recycling systems), and contributing to society (including the Pink Ribbon Campaign and a voluntary tree planting program) in addition to actively pursuing personnel development, providing training, improving the working environment and ensuring worksite safety and health.

Furthermore, FUJIFILM Holdings started publishing its *Sustainability Report* in Chinese in fiscal 2006 to also disclose information on CSR activities of the Fujifilm Group in China.

\*Consolidated net sales by region (fiscal 2007)



## Examples of Fujifilm Group products and components assembled or produced at Chinese bases

### Digital cameras



### Copy machines/printers



### Lenses/optics



### PS plates



## Pink Ribbon Campaign and technical support for mammography screening in China



The Fujifilm Group is also actively involved in the Pink Ribbon Campaign for raising awareness of the importance of breast cancer screening and provides technical support to improve the accuracy of mammography diagnosis in China. Every October, which is the internationally designated month for emphasizing the diagnosis and treatment of breast cancer, we conduct a Pink Ribbon Campaign in six major Chinese cities (Shanghai, Beijing, Shenyang, Hangzhou, Jinan and Tianjin). As a part of the campaign, FUJIFILM Hong Kong Limited sponsored a Breast Cancer Seminar organized by the Radiology Department, Hong Kong Polytechnic University (held in November 2007 with approximately 150 in attendance), and emphasized the importance of breast cancer screening. In fiscal 2007, Fujifilm, FUJIFILM Medical and FUJIFILM Medical Systems (Shanghai) Co., Ltd. jointly launched a project to promote breast cancer screening and improve the accuracy of diagnosis in China. The project began with representatives of four Chinese academies related to breast cancer screening and the Fujifilm Group announcing the effort (April 2007, Jinan City, Shandong) and then moving the project into full swing. The Group subsequently cooperated in a Japan-China mammography workshop (May and July 2007 in Japan) jointly hosted by the four Chinese academies related to breast cancer screening and a Japanese NPO, the Central Committee on Quality Control of Mammographic Screening, targeting Chinese physicians and radiologists, followed by the first training session on mammographic photographing (December 2007 in China). The Group provided technical support for these events, including the loan of mammography equipment along with lectures and training related to diagnosis. The Group is also helping five facilities that serve as the central bases for mammography diagnosis in China to become model hospitals by lending Fujifilm FCR Mammography systems.

Related page ▶ Page 10: Pink Ribbon Campaign

## Visitors from six major Chinese media organizations tour our head office and factories

In order to give people in China a clear understanding of the Fujifilm Group's commitment to environmental and CSR activities in the midst of developing businesses across a wide range of fields, we invited nine members from six major Chinese media outlets (*People's Daily Netcenter*, *Nanfang Media Group*, *China Business*, *Guangming Daily*, *Xinhua News Agency* and *China Business News*) to visit Japan from November 28 to December 2, 2007. The invitation was jointly planned by FUJIFILM (China) Investment Co., Ltd. and FUJIFILM Holdings. In addition to a "talkfest" with the management of FUJIFILM Holdings, managers from Fujifilm and its affiliates explained the business of the Fujifilm Group and shared CSR case studies from Japan and China. Guests from the major Chinese media firms engaged in a lively Q&A session.

### Places visited

- FUJIFILM Holdings Corporation Head Office
- FUJIFILM SQUARE (Tokyo Midtown) Showroom
- FUJIFILM Advanced Research Laboratories (Kaisei-town, Kanagawa Prefecture)
- FUJIFILM Kyushu (Kikuyo-town, Kumamoto Prefecture): Production sites for films used in flat panel displays



President & CEO Komori talking with guests from the Chinese media visiting Japan (left) and presentation at the FUJIFILM Advanced Research Laboratories (right)

## COMMENTS

### From a Chinese media representative

Mr. Luo Hua  
Director, Vice-president,  
People's Daily Netcenter



The presentations and visits helped me to better understand the business of the Fujifilm Group. The Fujifilm Group is upholding the corporate philosophy: enhancing the quality of life of people. The Group has concretely expressed this corporate philosophy through the provision of products and services as well as in its communications and participation in local communities. I thought that reporting on CSR activities I learned from the Fujifilm Group will help Chinese enterprises to better promote their own CSR actions.



Report on CSR activities at Chinese sites

In March 2006, Fujifilm analyzed the status of CSR activities\* in the 37 Group companies in Japan and overseas based on a CSR self-check sheet and identified CSR issues that should be addressed according to specific regional characteristics and business structures. In the two years since the Group shifted to a holding company structure in October 2006, the business structure of the Fujifilm Group has undergone a significant change due to the promotion of structural reforms and other efforts. Group companies in China have particularly experienced a dramatic expansion in organizational scale and number of personnel along with the greater economic development of China. Against this background, FUJIFILM Holdings conducted a survey in May 2008 to determine the progress of CSR efforts in major Group companies operating in China. Based on this survey, we report the CSR efforts of individual companies along with their corporate profiles and messages from their top executives.

\*CSR activities in eight fields: governance and compliance; personnel, employment and nurturing the next generation; occupational health and safety and disaster prevention; risk management; resource procurement; response to customers; environmental preservation; and social contribution.

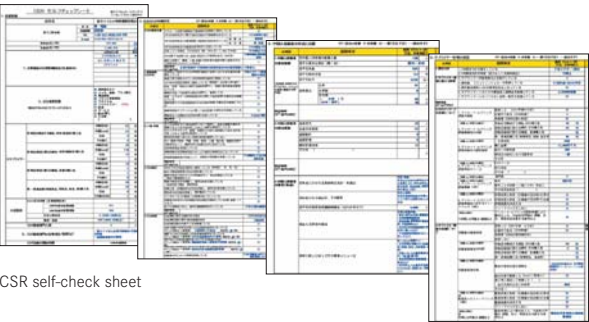


Step 1 Information gathering

The CSR self-check sheet was distributed and an outline of CSR activities determined based on the responses. The CSR Self Check—created based on the Supplier Self-Assessment Questionnaire (created by EICC)\*<sup>1</sup>, Supply-Chain CSR Deployment Guidebook (created by JEITA)\*<sup>2</sup> and others—consists of six fields: environmental management, occupational health and safety, employment and human rights, procurement, personnel training and social contribution.

\*1 URL [http://www.eicc.info/downloads/ICT\\_Self-AssessmentQuestionnaire.pdf](http://www.eicc.info/downloads/ICT_Self-AssessmentQuestionnaire.pdf)

\*2 URL [http://home.jeita.or.jp/ecb/csr/sc-csr\\_checksheet200608j.pdf](http://home.jeita.or.jp/ecb/csr/sc-csr_checksheet200608j.pdf) (in Japanese)



CSR self-check sheet

Step 2 Field survey

Based on the responses to the CSR Self Check, we conducted top-level interviews, interviewed personnel at the worksite, reviewed documents and visited sites (environment-related facilities, fuel/chemical substance management/storage facilities, work areas, and health and recreation facilities).

Step 3 Exploration of CSR promotion measures

We will consider CSR promotion measures based on Steps 1 and 2 in the latter half of fiscal 2008.

After completing the field survey

**Toyohiko Hishida**  
Operations Manager

**Akiko Gosho**  
Operations Manager

CSR Group, Corporate Support Division,  
FUJIFILM Holdings Corporation

Environmental management and occupational health and safety management are conducted at a level equivalent to that of factories in Japan. Therefore, no corrective actions are urgently required at this time. In response to the Labor Contract Law that went into effect in China in January 2008, all companies are working to revise company regulations and provide manager training to manage working hours and so on. The level of effort in regard to social contribution and supplier management vary depending on the company, while common challenges among these companies are personnel development and lowering the turnover rate. There are some cases, however, in which the turnover rate has been effectively reduced by enhancing training opportunities and utilizing volunteer activities to increase employees' sense of belonging. FUJIFILM Holdings will encourage application of these best practices. Furthermore, while gaining first hand understanding of their current CSR activities, FUJIFILM Holdings will support companies with operations in China to promote CSR initiatives through active communications both inside and outside the Group.



Field survey in progress in May 2008



REPORT

FUJIFILM (China) Investment Co., Ltd.



**Koji Yokota**  
President  
(Corporate Vice President,  
FUJIFILM Holdings Corporation)

The trend toward emphasizing CSR has also been more apparent in China. Public concern over environmental issues is high and the scope of governmental efforts and regulations is expanding. On another front, the people of China are extremely conscious of social contributions right from the start. It may be no exaggeration to say that the general public constantly scrutinizes corporate social contribution as well as personal contributions. Sound and transparent corporate activities are basic principles of our company. We actively support education for the underprivileged, greening campaigns, and so forth on an ongoing basis beyond our social contributions through business operations. We are also encouraging social contribution by individual employees. We intend to implement and develop corporate activities based on CSR in China.



Vice President Xu Rui Fu promoting CSR



**Established:** April 2001  
**Capital:** US\$213.4 million  
**Location:** Shanghai Head Office:  
No. 76 Pu Jian Road, Pudong New Area  
Other locations: Beijing, Guangzhou, Chengdu  
**Affiliated companies:** 7  
**Business outline:** Supervision of Fujifilm's business in China, investment, sales etc. The company serves as the Chinese regional headquarters of a multinational company as authorized by the government of Shanghai.

Comment from the field survey supervisor

The company emphasizes and is actively disclosing information and communicating with stakeholders. At the same time, it is promoting CSR activities of the Fujifilm Group in China by simultaneously conducting CSR training for seven companies under its umbrella and implementing social contribution events (including the greening of Mongolia and the Pink Ribbon Campaign). This year, the company is scheduled to implement compliance training for the Labor Contract Law and the Anti-Monopoly Law.

REPORT

FUJIFILM Imaging Systems (Suzhou) Co., Ltd.



**Hiroshi Tanaka**  
President

We are working our way through many twists and turns with the conflict between the Japanese way (Fujifilm Way) and a variety of Chinese ways. I want to value the basic concept of contributing to society while appreciating each other's merits. The Chinese government is eager to introduce international standards leading to change in various locations. For example, the Labor Law was substantially amended. Accordingly, we also completed an overall revision of company contracts and rules. In doing this, I realized the importance of adhering to the basics of CSR, that is, social contribution, as one of the things we can depend on.



**Established:** October 1995  
**Capital:** US\$89.5 million  
**Location:** Chang Jiang Road, New District, Suzhou  
**Business outline:** Production and sales of optical equipment, digital equipment, etc.

Comment from the field survey supervisor

The strong will of company president Tanaka, who arrived at his post two years ago to create a technology company, significantly changed the assembly processes at this company.



The president and related workers analyzed the process through repeated discussion and significantly reduced the number of man-hours and improved work efficiency. Furthermore, each man-hour is "visualized" so that anyone on the site can review man-hour performance. This makes it easy to grasp the impact individual work improvements may have on the entire process, leading to changes in worker awareness. While reinforcing PDCA management to ensure compliance and risk management, which are priority issues for CSR management, the company is committed to training Chinese engineers and managers who will lead the site.

REPORT

FUJIFILM Printing Plate (Suzhou) Co., Ltd.



Nakao Ooi  
President

Our company is a new factory that started producing printing materials in Suzhou, China, in March 2007. Under the principles of vigor, accuracy, improvement and growth, we are aiming to have employees and the company grow together. Because we handle chemicals, solvents and heavy loads, we are doing everything possible to ensure the safety and health of our employees while taking action to maintain and improve the environment of the community. We focus our work every day to realize a user-oriented, best performance factory here in Suzhou, based on these CSR activities.



**Established:** January 2005 (started production in March 2007)  
**Capital:** US\$39 million  
**Location:** Longtan Road, Suzhou Industrial Park, Suzhou  
**Business outline:** Production and sales of PS and CTP plates for offset printing

Comment from the field survey supervisor

Because hydrochloric acid is used in the production line for PS plates for offset printing, anti-corrosion measures and the handling of drainage and exhaust significantly impact operating rates



and the environment. Therefore, the Environmental Protection & Security Division and the Equipment Division are working together in checking, maintenance, repair and improvement of related facilities. They are striving to prevent equipment failure that leads to an interruption of operations and have achieved zero environmental accidents. One year has passed since the start of operations, and new issues are appearing, such as improving employee retention. The company is in the process of acquiring certification in international standards for environment, quality and occupational health and safety management. In terms of suppliers, the company plans to assess its supplies based on cost, quality, delivery time and service, which will later be expanded into CSR procurement.

REPORT

FUJINON TIANJIN OPTICAL CO., LTD.



Kiyoshi Nishimaki  
Director, General Manager

Since the company was founded, the importance of its role as a main factory for the FUJINON head office has dramatically increased. Now, our top priority is to secure QCD (Quality, Cost, Delivery) that is superior to our competitors. In the future, we will pursue efforts to earn recognition by the local community through activities such as further improving the working environment of the company and actively involving the company and its employees in activities that can contribute to the community.



**Established:** November 1994  
**Capital:** US\$17.25 million  
**Location:** Dongting Lu Factory: 24 Dongting Road, Hexi District, Tianjin  
**Xiqing Factory:** 2 Hongyuan Street, Xiqing Economic Development Area, Tianjin  
**Business outline:** Processing/assembly of lens units for camera-equipped mobile phones, digital cameras and liquid crystal projectors

Comment from the field survey supervisor

With the number of employees skyrocketing from 28 in 1995 when operations started to over 7,000, the company has expanded to run two factories at full capacity. The Director and General Manager of the company says that cultivating existing human resources is the greatest challenge for meeting severe cost/delivery time demands from customers. While thoroughly managing the individual operations of local staff, the company has worked to enhance their capabilities through such efforts as skill presentations. These activities bore fruit and the delegation of authority has advanced, allowing the resident Japanese staff to be reduced to three while lowering the turnover rate below the average of Tianjin. In fiscal 2008, the company plans to conduct company trips and recreational activities and improve lodging and the corporate cafeteria to further strengthen the overall benefit package.



Skill presentations

REPORT

Fuji Xerox of Shenzhen Ltd.



Masaaki Inagaki  
Chairman and President

In order to establish a champion manufacturing company that is trusted by customers worldwide, the company started its third structural reform and formulated a three-year plan in 2008. Inheriting the DNA of Fuji Xerox, the company is strengthening the management of CSR activities as a priority initiative to create a sound company that expands the three characteristics of “strong, kind, and interesting” in a well-balanced manner. In addition to expanding deployment of the existing CSR activities, we will put forward additional activities, including continued efforts for environmental improvement and initiatives that raise environmental awareness in cooperation with the State Environmental Protection Administration of China (SEPA) and Shenzhen Municipal Government, strengthening activities concerning occupational health in partnership with local NPOs, and further expanding the wave of CSR procurement that began last year.



**Established:** June 1995 (started production in May 1996)  
**Capital:** US\$38 million  
**Address:** Guanlan Dahe Village, Changqing Industrial Area, Bao An Shenzhen  
**Business outline:** Development, production and sales of printers, copiers, multifunction devices, CRU and related parts

Comment from the field survey supervisor

The company has grown rapidly as a production base for Fuji Xerox with production volume increasing more than 10 times and the number of employees more than 4 times compared to



fiscal 2000. As a result, the training of young workers (aged 16 to 20) has become a major issue. The company is working to motivate employees by implementing a wide range of measures, including introducing an employee support system (for example, continuing education, mental health hotline, resident industrial doctor), planning and implementing volunteer activities and amplifying benefits in addition to providing skills training. Furthermore, emphasizing communication, the company thoroughly “visualized” its top message, job descriptions and targets of individual departments, workflow and examples, and raised employee awareness. In regard to procurement, the company launched a CSR procurement initiative entitled, “Supplier Engagement,” and is completing the initial steps, starting from briefing sessions with business partners and communicating improvement requests based on self-assessments to the stage of onsite audits.

REPORT

Fuji Xerox Eco-Manufacturing (Suzhou) Co., Ltd.



Yuuji Otake  
Director and President

Our goal is to construct a “Zero Landfill System” in China so that we can contribute to the realization of a sustainable society as well as preserve the environment and guard against environmental risks in China. In order to exemplify the commitment to social responsibilities that a company should fulfill as a member of Chinese society, the entire company will work together, under the keywords of communication, teamwork and speed, to implement and promote the recycling of resources and function as a model for new recycling projects in China.

[Related page](#) [Page 57: Stakeholder Dialogue](#)



**Established:** December 2006 (started operations in February 2008)  
**Capital:** ¥609 million  
**Location:** Wangjiang Road, Suzhou Industrial Park, Suzhou  
**Business outline:** Recycling and reuse of used copy machines and supplies for printing, collected voluntarily from across China

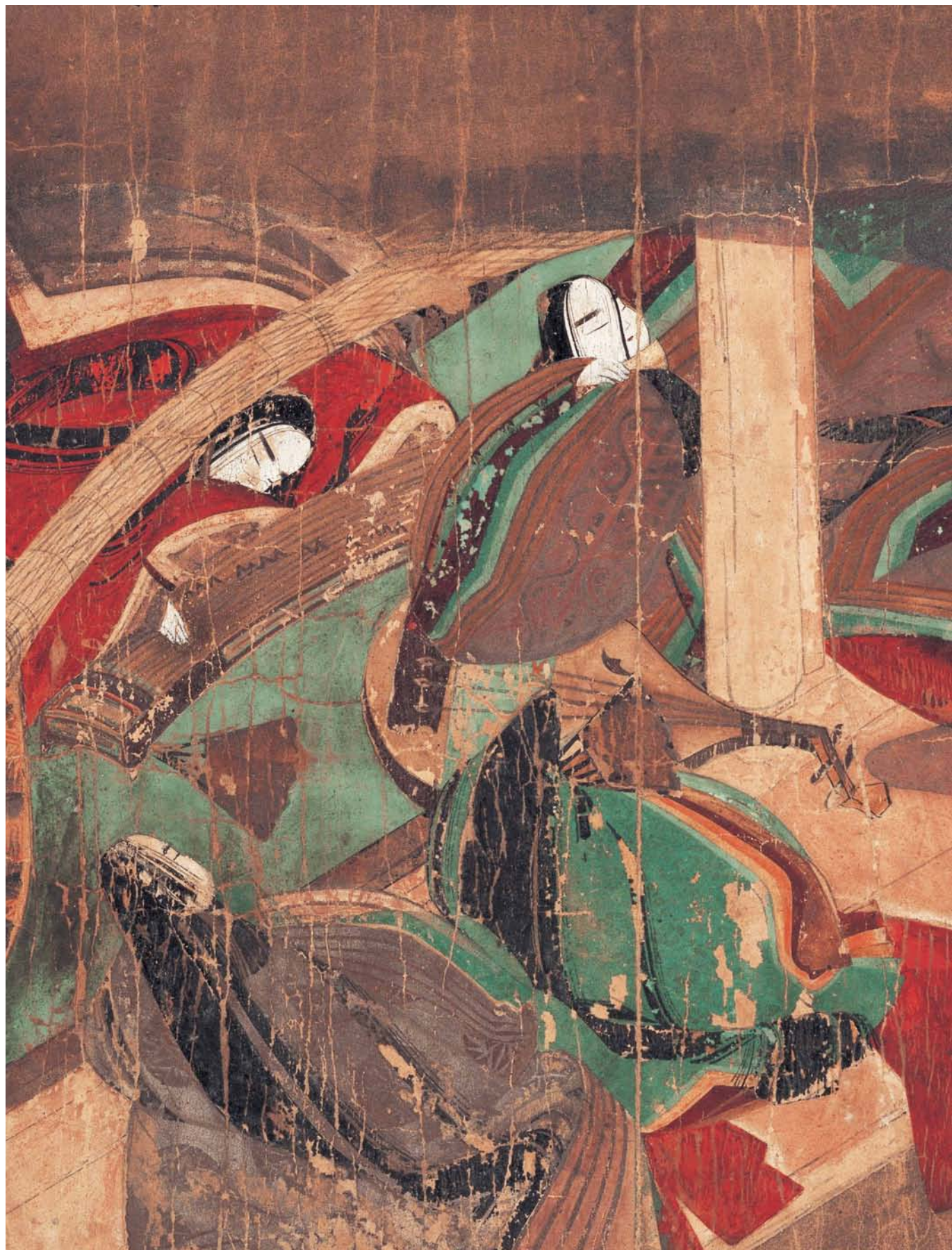
Comment from the field survey supervisor

In January 2008, the Integrated Recycling System of Fuji Xerox also began operations in China following similar launches in Japan and Thailand. With the operation of this factory, a system was established to carry out the recycling and reuse of used products based on a unified standard across all regions in which Fuji Xerox operates. Because the success of this project depends on a stable collection of used products, the company is striving to raise awareness and cooperate with Fuji Xerox (China) Ltd., which sells products in China, as well as logistics companies, while improving the collection rate of used products from customers.



On the other front, the site is building a system for acquiring certification of international standards (ISO 14001/ISO 9000s) within fiscal 2008. In addition, the company is also working to improve its work environment by assessing its chemical substance management with the assistance of specialists invited from Japan.





Picture Scroll of The Tale of GENJI, "Yadorigi III" (Quire 45), Treasures from The Tokugawa Art Museum  
Hachinomiya (the eighth son of the emperor), Genji's half-brother by a different mother, had grown weary of the world and retired with his two daughters to a mountain villa in Uji, where he dedicated his life to the teachings of Buddha. Kaoru, Genji's son, became acquainted with Hachinomiya and deepened his friendship with him as a teacher of Buddhism. Kaoru had occasionally visited the villa over three years, and one late autumn, he visited the villa while Hachinomiya was away. He glimpsed the beautiful sisters playing the koto and biwa under the moon at dawn.

# Medium-term CSR Plan Highlights

Medium-term CSR Plan Highlights report on the progress of activities in four challenges that are priority areas for the Fujifilm Group's CSR, including the formulation of policies, planning, the creation of a framework, and issues focused on in fiscal 2007.

Steps for Promoting CSR Activities and Progress Evaluation .....	28
Strengthening Governance .....	30
▶ Enhancing stakeholder dialogues	
▶ Stakeholder Dialogues 2008	
▶ Group Company's Stakeholder Dialogue (Logistics)	
Response to New Trends .....	34
▶ Stakeholder Dialogue (Human diversity)	
Strengthened Information Disclosure .....	36
Compliance with Environmental Laws and Regulations .....	38



# Steps for Promoting CSR Activities and Progress Evaluation

In promoting CSR activities, the Fujifilm Group reviews initiatives from the perspectives of both the company and its stakeholders and seeks improvement by setting priorities and taking concrete action.

### Steps for promoting CSR activities

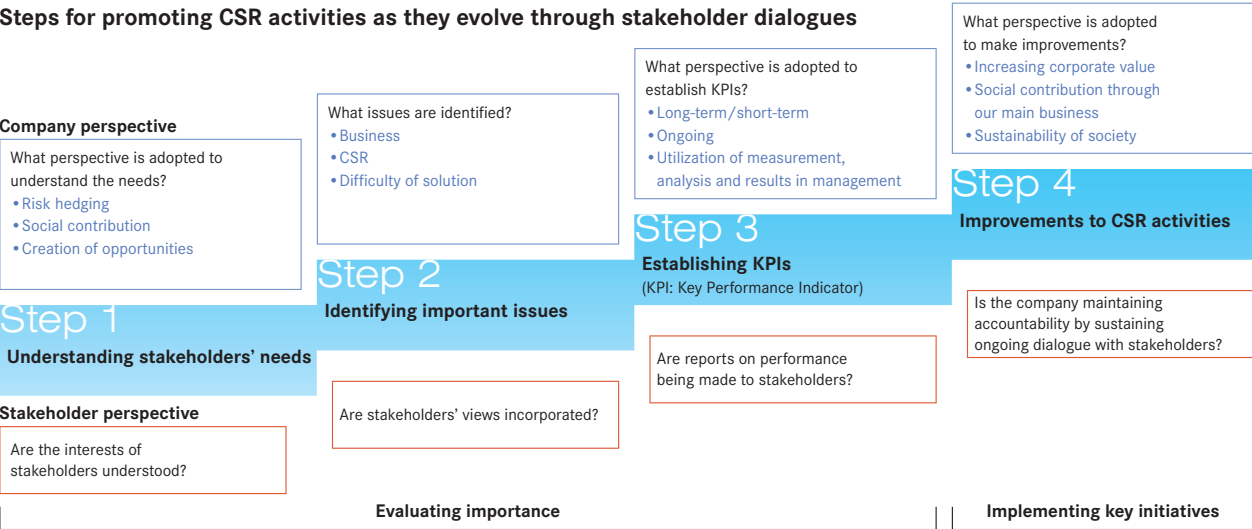
In fiscal 2007, we reviewed the Fujifilm Group’s CSR efforts to date and reevaluated the relative importance of areas for society and for the Group to more sharply focus our activities going forward. In identifying the materiality of CSR issues, we defined medium-term challenges to be addressed taking into consideration the following viewpoints.

- Demand and expectations of society (including the outcome of stakeholder dialogues)
- Fujifilm Group’s approach to CSR
- Case analysis of the Fujifilm Group’s CSR activities
- Results of analysis of Group companies’ CSR activities based on CSR self-check sheet (conducted in 2005)
- Result of recommended improvements from third parties regarding the *FUJIFILM Group Sustainability Report 2006*

We are promoting and enhancing our CSR activities by evaluating materiality and implementing key initiatives.

**Related page**  
➤ [Page 32: Enhancing stakeholder dialogues; Stakeholder Dialogues 2008](#)

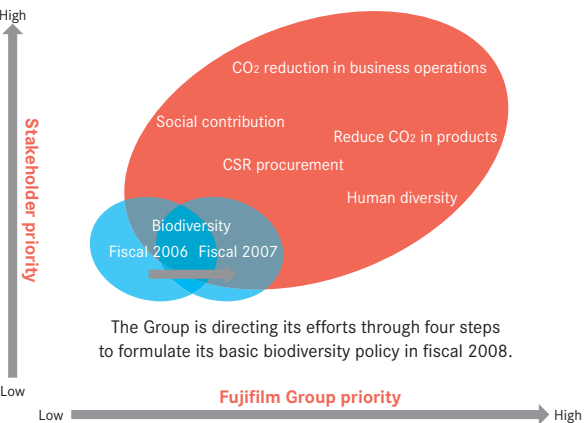
### Steps for promoting CSR activities as they evolve through stakeholder dialogues



### Identifying materiality and appropriate responses

CSR challenges identified through the above processes have been extremely significant for both the Fujifilm Group and its stakeholders. Key CSR issues identified to date include environmental conservation—particularly greenhouse gas emissions—human diversity, biodiversity, CSR procurement and social contribution. In fiscal 2007, we focused on reviewing our approach to biodiversity conservation to determine future actions.

**Related page** ➤ [Page 67: Biodiversity Conservation](#)



### Progress evaluation of the Medium-term CSR Plan (fiscal 2007)

Fujifilm Group’s CSR priority areas and key issues in the medium-term can be seen in the table below. In fiscal 2007, we disseminated the Fujifilm Group Charter for Corporate Behavior, the Code of Conduct, and the Fujifilm Group’s Approach to CSR, to establish a common foundation for the Group’s CSR and to strengthen governance in domestic and overseas Group companies. To ensure the success of our medium-term management plan, VISION75 (2007), we stead-

fastly worked to comply with environmental laws and regulations, strengthen measures to prevent global warming (climate change) and respond to new trends such as biodiversity as well as improving information disclosure.

**Related pages**  
➤ [Page 16: Response to Climate Change](#)  
➤ [Page 30: Strengthening Governance](#)  
➤ [Page 34: Response to New Trends](#)  
➤ [Page 36: Strengthened Information Disclosure](#)  
➤ [Page 38: Compliance with Environmental Laws and Regulations](#)

Self-evaluation rankings: ★ Further effort needed. ★★ Close to achieving results. ★★★ Results achieved.

	Priority area	Key issue	Self-evaluation in fiscal 2007
Medium-term CSR Plan	Stronger Governance ▶ Pages 30-33	(1) Dissemination of the Fujifilm Group's Approach to CSR throughout the group inside and outside Japan	★★★
		(2) Strengthening of PDCA management to ensure compliance and thorough risk management	★★★
		(3) Strengthening of checks on progress of CSR activities in operating companies	★★
		(4) Improved stakeholder dialogue and application of 3rd-party evaluation to group companies (Especially overseas and domestic sales subsidiaries)	★★★
	Response to New Trends ▶ Pages 34-35	(1) Strengthened efforts as a global corporation regarding diversity and work safety	★★
		(2) Creation and implementation of a framework for CSR procurement	★★
		(3) Conservation of biodiversity and stipulation of a basic policy on social contributions	★★
	Improved Information Disclosure ▶ Pages 36-37	(1) Improvement of Sustainability Report and active PR on CSR activities	★★★
		(2) Effective internal use and disclosure of qualitative and quantitative CSR information in business results	★★
		(3) Promotion of internal systems for rapidly collecting information on product liability, accidents and exporting issues	★★★
	Compliance with Environmental Laws and Regulations ▶ Pages 38-39	(1) Compliance with REACH Regulation	★★★
		(2) Enhancement of an integrated system for chemical substance management	★★
	Stronger Measures to Prevent Global Warming ▶ Pages 16-19	(1) Revision and strengthening of global warming targets	★★★



# Priority Area

## Strengthening Governance

The progress and achievements of initiatives related to strengthening governance, a priority area in our Medium-term CSR Plan, are detailed in the following pages.

### Corporate governance perspectives

FUJIFILM Holdings continually enforces and improves its corporate governance to earn the trust of all its stakeholders. And as a holding company, we also support the management of Group strategy and the optimal allocation of resources.

FUJIFILM Holdings has positioned its board of directors, including one outside director, as the decision-making body for the basic policies and strategies of the Group as well as for vital issues impacting business operations. It also controls the overall execution of business functions. FUJIFILM Holdings has also adopted an executive officer system with clear responsibilities and authority to ensure the efficient and timely execution of business operations.

To ensure that corporate management is conducted in a way that is transparent, sound and in full compliance, corporate auditors review every aspect of business activities by attending meetings of the board of directors, management councils and other key meetings.

Furthermore, an internal auditing unit that operates independently from business executive units, conducts audits to evaluate and confirm the appropriateness of individual division operations. Specific divisions oversee environmental and export control audits. Corporate auditors and the internal auditing unit jointly conduct audits and regularly confirm the status of internal controls for major Group companies.

In addition, FUJIFILM Holdings quickly and effectively releases corporate information to maintain full accountability with its stakeholders.

### CSR perspectives

FUJIFILM Holdings upholds the Fujifilm Corporate Philosophy and clarifies the Fujifilm Group's approach to CSR as a means for fulfilling the social responsibilities of the company that are fundamental to this philosophy.

#### The Fujifilm Group's Approach to CSR

The Fujifilm Group's Approach to CSR is to contribute to the sustainable development of society by putting into practice the Fujifilm Group's Corporate Philosophy, and realizing its Vision through sincere and fair business activities.

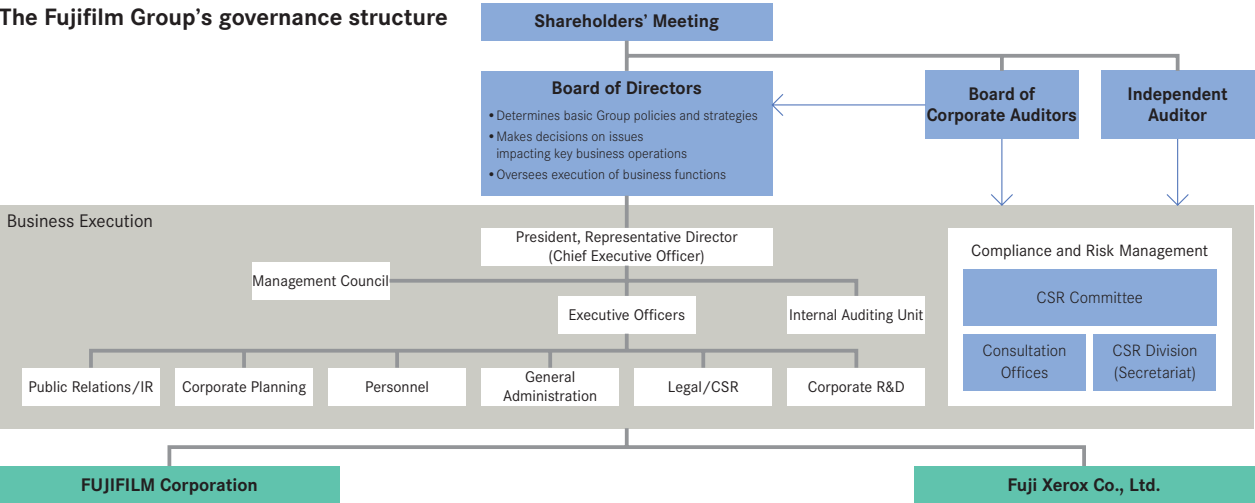
We will:

1. fulfill our economic and legal responsibilities, and respond to society's demands by contributing as a corporate citizen to the development of culture and technology in society and environmental preservation.
2. constantly reassess whether our CSR activities are responding adequately to the demands and expectations of society and whether those activities are conducted properly through dialogue with our stakeholders including customers, shareholders, investors, employees, local communities, and business partners.
3. enhance corporate transparency by actively disclosing information to fulfill our accountability for our business activities.

Related page

➤ Page 42: Compliance training for overseas companies

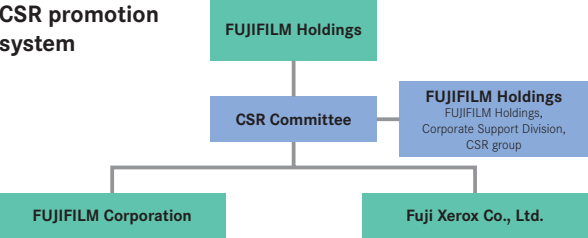
### The Fujifilm Group's governance structure



### CSR promotion system

The CSR Committee of FUJIFILM Holdings oversees the Fujifilm Group's system for implementing CSR. The CSR Committee is a decision-making body chaired by the president of FUJIFILM Holdings to promote CSR activities across the entire Fujifilm Group. The CSR division of FUJIFILM Holdings, which serves as the CSR Committee secretariat, supports the CSR activities of FUJIFILM Corporation and Fuji Xerox Co., Ltd. through five major functions. Each company formulates and implements a CSR activity plan in accordance with its operations, ensures thorough compliance, conducts risk management, promotes communication with stakeholders, and reports on CSR activities to the FUJIFILM Holdings CSR Committee.

#### CSR promotion system



#### CSR Committee functions

For CSR-related items of the Fujifilm Group

1. Deliberate and decide basic policies
2. Deliberate and decide priority issues and initiatives

#### CSR Committee Secretariat

(CSR division of FUJIFILM Holdings) functions

1. Apply policies and strategic objectives determined by the CSR Committee across the entire Fujifilm Group
2. Implement and manage progress of priority issues and initiatives as determined by the CSR Committee across the Fujifilm Group
3. Support the Fujifilm Group's CSR activities (collect information and conduct analysis and evaluation)
4. Promote public information disclosure and dialogues with stakeholders
5. Audit the Fujifilm Group's CSR activities

Related pages

- Page 22: Report on CSR activities at chinese sites
- Page 32: Enhancing stakeholder dialogues
- Page 42: Compliance
- Page 45: Risk Management

### Reinforcing CSR management—Introduction of IMS\*

As business operations become more globalized with a growing proportion of BtoB transactions, the Fujifilm Group must fulfill its corporate social responsibilities, which constitute the foundation of its corporate philosophy, while strengthening its business structure and implementing structural reforms. Therefore, the Fujifilm Group is phasing in the introduction of IMS, starting

### COMMENTS

#### Takaatsu Honda

Senior Engineering Manager  
CSR Div., Ecology &  
Quality Management Division,  
FUJIFILM Corporation



IMS improves overall operational effectiveness by unifying the required multiple management systems for business operations. In addition, IMS leads to strengthening worksite risk management to provide customer satisfaction and meet stakeholder expectations. Internal IMS audits directly lead to greater effectiveness of business structures and systems.

with Fujifilm and the head offices and the marketing and sales division of its affiliates. IMS unifies business operations—from incorporating management goals into operations to achieving results—and CSR activities. Evaluations from the perspective of stakeholders related to business operations reinforces continuous improvement by raising the quality of business operations and alleviating environmental impacts as well as stimulating socially beneficial initiatives.

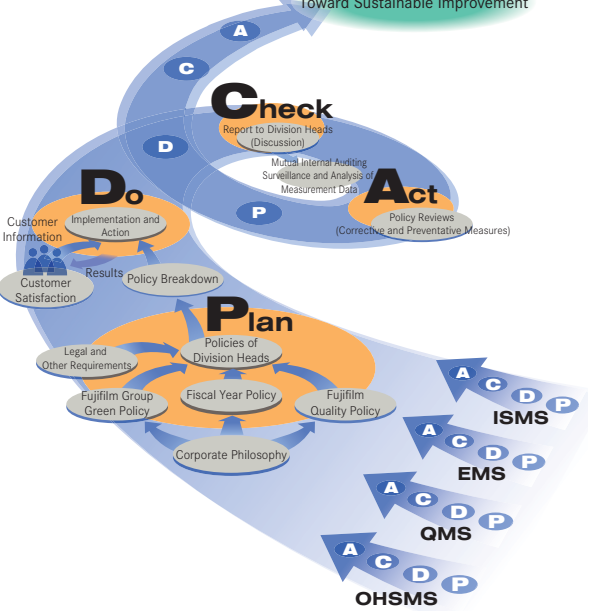
Looking ahead, we will deploy best practices in IMS, which unites the three standards of environmental management, quality management, and health and safety management, at FUJIFILM Kyushu and FUJIFILM Electronic Materials and then expand to other production factories.

\*IMS: Integrated Management System encompassing several management systems, such as EMS (Environmental Management System), QMS (Quality Management System), OHSMS (Occupational Health & Safety Management System), and ISMS (Information Security Management System).

Related page

➤ Page 78: IMS certified sites

### The PDCA Cycle in IMS



Enhancing stakeholder dialogues

Stakeholder dialogues provide an opportunity for the employees themselves to review the Fujifilm Group’s CSR and to identify and share related issues in conversations with stakeholders. Stakeholder dialogues, which have been continuously conducted since 2004, are utilized to advance the Fujifilm Group’s CSR activities.

In 2008, dialogues were held under the three themes of reducing the environmental burden of products (including the expansion of eco-printing), human diversity, and biodiversity. The progress of these three themes were as follows:

<div>Dialogue positioning</div> <div>Theme of dialogue</div>	Step 1	Step 2	Step 3	Step 4	Step 5
	Organizing concepts	Identifying and sharing issues	Exploring issues	Finding solutions	Objectively verifying of solutions
Reducing the environmental burden of products (including expansion of eco-printing)	2005200620072008				
Human diversity	2005200620082007				
Biodiversity	20052007	2008			

(Fiscal year)

Stakeholder Dialogues 2008

Stakeholder dialogues held so far in 2008 have focused on key issues (eco-printing, reducing the environmental burden of products, bio-diversity and human diversity) and were organized into six sessions. The details of each dialogue session are introduced in this report.



Spreading eco-printing  
March 6, 2008  
▶ Page 15



Reducing the environmental burden of products (Environmental Forum)  
March 13, 2008  
▶ Page 90



Biodiversity (Dialogue with the future generations)  
March 28, 2008  
▶ Page 68



Human diversity  
April 24, 2008  
▶ Page 34



Reducing the environmental burden of products  
May 15, 2008  
▶ Page 57



Biodiversity (Dialogue with experts)  
May 15, 2008  
▶ Page 69

COMMENTS

Following through on Stakeholder Dialogues 2008

Expecting progress toward engagement

Mr. Hideto Kawakita  
CEO, IIHOE (International Institute for Human, Organization, and the Earth)



Reducing the environmental burden accompanying the growth of business, CSR procurement, the environmental burden of products, human diversity and biodiversity, all these themes discussed at Fujifilm Group’s stakeholder dialogues—for which I have been involved in planning and implementation for four years—are important and challenging. I deeply appreciate Fujifilm’s willingness to lead the way in providing opportunities to discuss these issues with people outside the company. I also appreciate the actions that have come out of these dialogues. However, the dialogues have not yet reached the point of becoming a way for every employee who is directly responsible for these issues at their own worksite to exercise initiative in talking with outsiders and actively learn. In order to advance from dialogue (conversation) to engagement (involving counterparts to gain from their strength), I expect employees to remember that they need to aggressively learn from diverse specialties, and this is especially important for difficult challenges.

Comment from the Secretariat

A total of six stakeholder dialogues have been held in 2008 under the three themes of reducing environmental burdens, protecting biodiversity and promoting human diversity. Compared with the “learn and study” approach of dialogues over the past four years, these dialogues adopted a verification style in which we objectively assessed what had actually been done in business operations. The secretariat felt that this represented stepping up to a higher level of dialogue. We now expect that outsiders will express higher expectations. So we reaffirm our commitment to planning and conducting future dialogues.

After participating in stakeholder dialogues

Ms. Mariko Kawaguchi  
Senior Analyst,  
Management Strategy Research Department,  
Daiwa Institute of Research Ltd.



I have participated in FUJIFILM Holdings’ dialogues for three consecutive years, 2006 through 2008. I was most impressed by the company’s stance to strategically utilize these dialogues as a means for encouraging CSR activities across the Group. Personnel from the worksites of both Fujifilm and Fuji Xerox have participated, particularly since 2007 and the transition to a holding company structure. The dialogues seem to be very successful as a group communications channel for exchanging business information and reinforcing a corporate culture. However, some variance in the level of progress was noticeable, depending on the specific area, between activities that were exhibiting progress intended by the secretariat, the organizer of the dialogues and those activities that were not showing much progress. For example, environmental activities seemed to have broadened in content and perspective with addition of outsider points of view. People are ultimately the prime movers in corporate activities. Actions focused on people exponentially accelerate the pace of CSR activities. In this sense, the management of human resources as a global company must be a focal point for raising the standard of actions in the future.

TOPIC: Group Company’s Stakeholder Dialogue

FUJIFILM Logistics organizes a dialogue with 18 corporate partners

On December 6, 2007, FUJIFILM Logistics Co., Ltd, which is responsible for the logistics of the Fujifilm Group, held a second CSR dialogue. The main purposes of the dialogue are to improve the quality of safety measures and to strengthen a sense of mutual trust with stakeholders. A total of 29 people from 18 corporate partners related to logistics in the Kanto area participated. Representing Fujifilm Logistics were six employees, primarily from the CSR division. Two representatives from Fujifilm’s CSR division also attended.

In addition to Fujifilm Logistics’ report on CSR efforts, the environment and safety, each company presented their efforts in social contribution and environmental preservation as well as improvement case studies. Another report used images captured by a drive recorder prior to an accident. Examples shared by other companies help to clarify and strengthen Fujifilm Logistics’ own findings, while at the same time illuminating the future directions for improvement in the other companies. In this sense, these dialogues have become a valuable means for exchanging information and so we will continue to hold them in the future.



Content of reports from corporate partners

- Odawara Soko Unyu  
Clean-ups and other social contribution and introduction of the balance score card
- NIPPON EXPRESS CO., LTD.  
Environmental preservation efforts based on CSR reports
- Tamaunsou Co., Ltd.  
Strengthening safety controls by introducing a drive recorder
- TL LOGICOM CO., LTD.  
Promoting improvements in safety, the environment, and quality across the Group



## Priority Area Response to New Trends

In this section, we report on the progress and achievements of initiatives related to the theme, Response to New Trends, a priority area in our Medium-term CSR Plan.

### Strengthening individual capabilities and encouraging outstanding performances from a diverse workforce as a global corporation

The Fujifilm Group is now in its “Second Foundation,” and we are doing everything possible to strengthen our business structure and reorganize the entire Group, while also laying out new strategies for growth. We are also vigorously promoting the sustainable expansion of proven growth businesses and creating new growth ventures.

For a Group that is continually changing and growing, two areas of focus have become more important than ever before: strengthening the capabilities of each individual employee and establishing an environment that elicits outstanding performances from a diverse workforce. The Fujifilm Group is implementing multiple personnel development initiatives for enhancing the capabilities of every employee.

At the same time, the Group is aggressively pursuing

efforts, including initiatives to promote the achievement of women among others, and establishing a safe and healthy environment that supports a diverse workforce in order to operate at peak performance over the long term, regardless of gender, nationality, or age. Strengthening these activities will pave the way for further advancing personnel development across the globe and a sound work-life balance. Pages 46 to 51 in this report highlight the efforts of Fujifilm, Fuji Xerox, and overseas Group companies to promote the achievement of women and a healthy work-life balance as well as consideration for workplace safety and the well-being of every employee.

#### Related pages

- ▶ [Page 46: Facilitating Personnel Development and Achievement at Fujifilm](#)
- ▶ [Page 48: Facilitating Personnel Development and Achievement at Fuji Xerox](#)
- ▶ [Page 50: Creating a Safe and Healthy Workplace for All Employees](#)
- ▶ [Page 81: Personnel and Labor \(Fujifilm\)](#)
- ▶ [Page 82: Personnel and Labor \(Fuji Xerox\)](#)

## FOCUS: Stakeholder Dialogue

### Future development of human diversity

On April 24, 2008, FUJIFILM Holdings held a dialogue on the theme of human diversity. Previous dialogues had included recurring discussions on actively promoting roles for women and work-life balance. In this fourth dialogue, we advanced the conversation by offering stakeholder feedback on the results and achievements of Fujifilm and Fuji Xerox in fiscal 2007. As a result, we reconfirmed our key challenges, including the formulation of basic concepts, setting goals, creating a positive workplace culture and changing mindsets to address human diversity as a group.



#### Fujifilm Group's challenges related to human diversity

- Organize and present basic concepts (What is a sound work-life balance? What is diversity? What is expected when more women are able to take on important roles? What becomes possible by strengthening individual capabilities?)
- Set goals (As a global corporation, broaden the scope of information gathering and clarify our focus as a group.)
- Gather and analyze information to grasp the actual situation and actively disclose information, internally and externally (Demonstrated progress over the years will further promote our operations)
- Create a corporate and workplace culture and change mindsets (establish an environment that encourages the effective utilization of our systems and frameworks)
- Reinforce a style of management that draws out the best from each employee

#### Facilitator:

Mr. Hideto Kawakita, CEO of IIHOE  
(International Institute for Human, Organization and the Earth)

#### External participants (3):

Ms. Takako Hagiwara, General Manager, Diversity Development Dept., Corporate Human Resources, Sony Corporation  
Ms. Mariko Kawaguchi, Senior Analyst, Management Strategy Research Dept., Daiwa Institute of Research Ltd.  
Mr. Mitsuyo Hanada, Professor, Faculty of Policy Management, Keio University

#### Participants from the Fujifilm Group (10):

FUJIFILM Holdings: 2; Fujifilm: 2; Fujifilm Labor Union: 1; Fuji Xerox: 4; Fuji Xerox Labor Union: 1

### Establishing a framework for CSR procurement and development of environmentally friendly purchasing

Fujifilm started pursuing environmentally friendly green procurement (green procured materials and green suppliers) in 2000. Since then, we have developed our green procurement system and have responded to laws and regulations, including RoHS\*<sup>1</sup> and REACH\*<sup>2</sup>, drawing on the expertise we have gained as a chemical manufacturer. Specifically, we have implemented chemical content controls and surveyed the corporate environment through Web-based self-audits (electronic audits) since 2005.

In 2006, Fujifilm incorporated a perspective of CSR procurement in this corporate environment survey and added items related to social concerns, such as employment and discrimination. With these efforts, as well as by advancing fair and open purchasing and procurement, we established standards for sustainable resource procurement and implemented other efforts to respond to requests from business partners and inquiries from stakeholders in line with the recent expansion of BtoB.

We are currently further upgrading CSR procurement in collaboration with related divisions encompassing CSR, the environment, and materials. As a part of our efforts, we are now setting up contact desks to respond to inquiries from suppliers. And to enhance synergies with Fuji Xerox in October 2007, the purchase of indirect materials\*<sup>3</sup> for Fujifilm and Fuji Xerox was integrated into FUJIFILM Business Expert Corporation\*<sup>4</sup>, a FUJIFILM Holdings' affiliate. This leads to reducing costs for Fujifilm and Fuji Xerox Group through such actions as the joint purchase of computers based on the advantage of scale.

\*<sup>1</sup> RoHS Directive (Restriction of the use of certain Hazardous Substances in electrical and electronic equipment): Restrictions governing the use of certain harmful substances in electrical and electronic devices in Europe, and restricting the use of cadmium, mercury, lead, hexavalent chromium, and brominated fire retardants (PBB, PBDE) in electronics as of July 1, 2006.

\*<sup>2</sup> REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): More stringent control system targeting existing chemical substances and articles in Europe. As implied by the title, the regulation is intended to control chemical substances through registration, evaluation, authorization, and restriction.

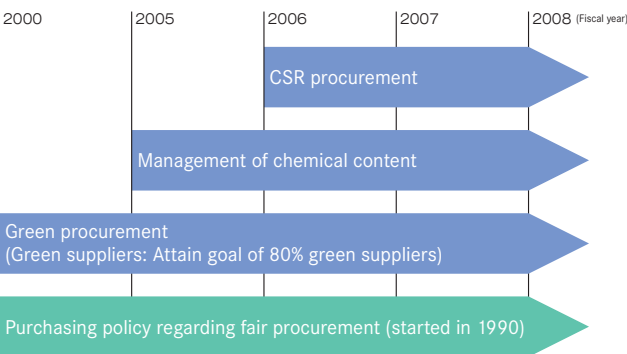
\*<sup>3</sup> Indirect materials: facilities, equipment, construction, and expendable supplies for office and operation.

\*<sup>4</sup> FUJIFILM Business Expert Corporation: a shared-service company that supports indirect operations that are common within Fujifilm Group companies.

#### Related pages

- ▶ [Page 62: Chemical Content Management](#)
- ▶ [Page 83: Material Procurement](#)
- ▶ [Page 84: Paper and paper material procurement](#)

### Toward CSR procurement (Fujifilm)



Fuji Xerox considers its partner companies as business associates who understand and share Fuji Xerox's management policies and perspectives on the environment and society in cultivating healthy and sound business collaborations.



CSR procurement briefings with clients

Starting in fiscal 2007, after two years of preparations, Fuji Xerox introduced its CSR procurement activities. CSR procurement asks for the cooperation of partner companies in considering human rights, labor, and corporate ethics in addition to improving quality and cost, and environmental efforts, all of which have been previously requested. Starting in August 2007, the company conducted a total of five briefings with related client companies including two briefings in Japan, one in Incheon, South Korea, and one each in Shanghai and Shenzhen, China. To assist in conducting a self-analysis process that client companies could easily do on their own, Fuji Xerox developed and distributed management guidelines and a self-check list that described the items requested by the company as well as background information for the request and case studies. Having analyzed the responses from each company and provided feedback, Fuji Xerox is currently visiting client companies one by one to exchange information on challenges encountered at the worksite and to request improvements.

By pursuing these activities in partnership with client companies, Fuji Xerox is exercising its social responsibilities across the entire supply chain. At the same time, it believes these activities do much more than simply avert risks; they also lead to better QCD (quality, cost and delivery) and the sustainable development of companies and society as a whole.

### Clarifying basic policies on biodiversity

Anticipating the formulation of its Guidelines for Biodiversity in fiscal 2008, Fujifilm is focusing on the following four steps: developing our own awareness of the issues, confirming how others view these issues, recognizing and developing a common understanding of the problems, and clarifying the Fujifilm Group's stance and strategies.

Related page ▶ [Page 67: Biodiversity Conservation](#)

### Clarifying basic policies on social contribution

On April 2, 2007, CSR Committee of FUJIFILM Holdings adopted the Fujifilm Group Social Contribution Policy, which laid out its basic policies in this area.

#### Related pages

- ▶ [Page 70: Contributing to Society](#)
- ▶ [Page 73: Working Together with Local Communities](#)
- ▶ [Page 84: Classification of social contribution activities](#)

Priority Area

# Strengthened Information Disclosure

This section summarizes our efforts to continually improve information disclosure, another priority in our Medium-term CSR Plan.

### Steadily improving our sustainability report and proactively releasing CSR information

FUJIFILM Holdings publishes its *Sustainability Report* every year to share information on the Fujifilm Group's CSR activities with all our stakeholders. We further enriched the content in this year's report by featuring specific case studies centered on priority areas in our Medium-term CSR Plan. We also strengthened CSR communications, including actively providing information on the scope and content of stakeholder dialogues and Environmental Dialogue Meetings.

Related page ▶ [Page 79: Communication with Stakeholders](#)

### Effective internal utilization and disclosure of qualitative and quantitative CSR information

In this report, we present examples of our CSR activities with as much quantitative information as possible, which serves to further promote CSR activities within the Fujifilm Group while encouraging the effective utilization of this information as reference points for improvement.

Related pages

- ▶ [Page 8: Initiatives in the Medical Field](#)
- ▶ [Page 12: Initiatives in the Printing Field](#)
- ▶ [Page 16: Response to Climate Change](#)
- ▶ [Page 66: Sustainable Use of Water](#)

### Thorough product liability (PL) and accurate information disclosure

The Fujifilm Group not only ensures the thorough, safe management of its products but also maintains a system for quickly responding and disclosing information in the event of incidents involving its products. Since Fujifilm and Fuji Xerox handle different product lines, we have established separate safety management systems based on the risks related to each specific business operation and market.

Product safety management at Fujifilm, including its affiliates, is implemented rigorously and consistently based on its Product Safety Policy and Product Safety Manual. The responsible organizational entities report directly to the president, so that any necessary actions, even those that require companywide execution, can be taken swiftly, firmly, and with close cooperation across the organization. In response to the revised Consumer Product Safety Law, which went into force in May 2007, Fujifilm took action to collect and speed up communications by organizing PL reports into a database. The company began establishing a similar information gathering system for overseas PL information in 2008. Serious PL

incidents that require companywide action are discussed by the Total Risk Management Committee or sub-committee, and quickly and decisively handled in collaboration with related business divisions. Other less urgent PL incidents are discussed in regular meetings of the PL Committee for continuous quality improvement. Fujifilm posts customer alerts on its website whenever customer notification is necessary. In fiscal 2007, Fujifilm reported to NITE (the National Institute of Technology and Evaluation) two incidents of product defects based on customer complaints received through consumer affairs centers. Neither incident, however, involved risk to the safety of customers. Looking ahead, Fujifilm will continue to thoroughly manage product safety and ensure the complete and accurate disclosure of information.

Fuji Xerox has positioned the Fuji Xerox Product Safety Key Principles as a top priority in its corporate standards. To prevent the occurrence of PL incidents in Japan or overseas, Fuji Xerox has implemented product safety reform across the entire product life cycle, from planning to recycling. At the same time, the company fosters employee awareness by conducting training based on responsibility level. The basic stance for any PL incident is to respond and disclose information sincerely, fairly, and quickly. Incidents are initially reported to the escalation center through the PL Web and other channels. Potential risks to customer safety and other potential risks are analyzed at special meetings, and countermeasures are determined in line with the level of risk and urgency under the specific escalation system. A full response to each incident must be completed within one month, and the product safety division provides individual divisions with detailed information on PL incidents so that they can be utilized to prevent any recurrence right from the product development stage. No incidents were reported from Fuji Xerox to NITE in fiscal 2007.

Related page ▶ [Page 78: Product Safety Management System](#)  
URL ▶ [Important information for our customers \(Fujifilm\)](#)  
<http://fujifilm.jp/important/index.html> (in Japanese)  
[National Institute of Technology and Evaluation](#)  
<http://www.nite.go.jp/index-e.html>  
[Important information for our customers \(Fuji Xerox\)](#)  
<http://www.fujixerox.co.jp/news/notice.html> (in Japanese)

**Fujifilm Product Safety Policy**

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

**Fuji Xerox Product Safety Key Principles**

1. Compliance
2. Establishment of Fuji Xerox's Action Plan
3. Quality Control for Ensuring Product Safety
4. Information Collection, Disclosure and Report of Product Safety Incidents
5. Product Recall
6. Preventive Measures of Product Safety Incidents and Employee Training

### Strengthening response to risk in the event of disasters and providing information on product supply

The Fujifilm Group operates in a diversified range of business fields. Fujifilm products play vital roles in society, in particular, they represent critical elements of information infrastructures, such as medical products including: endoscopes and X-ray diagnostic imaging systems, graphic systems for printing, recording media, highly functional materials, like flat panel display materials and electronic materials, and copy machines. These products are essential for the recovery and restoration of disaster-stricken areas where the health needs of victims must be addressed and information networks reconstructed.

Therefore, the Fujifilm Group must fulfill its responsibility to supply products that are vital to public well-being and disclose related information during disasters in addition to securing the safety of its own employees, determining the impact on business operations, and taking prompt action to resume operations.

When a disaster occurs, Fujifilm sets up a disaster headquarters and convenes a risk response team comprised of ten sub-teams (listed below) and quickly and effectively implements countermeasures across a wide range of areas from confirming the safety of employees to resuming manufacturing. The company also ensures the uninterrupted provision of socially critical Fujifilm products centered on medical care and information infrastructures. Fuji Xerox maintains a similar system. FUJIFILM Holdings releases complete and fully integrated public reports on the status of the Fujifilm Group in time of disaster, including the resumption of production activities and the provision of socially critical products.

In the future, personnel from FUJIFILM Holdings, Fujifilm, and Fuji Xerox will regularly gather to review emergency preparation and response manuals to further reinforce systems for promptly and effectively managing risks if disaster strikes and improving the information disclosure.

Related page ▶ [Page 45: Risk Management](#)

**Risk response team at disaster headquarters (Fujifilm)**

1. Human safety
2. IT
3. PR
4. Information collection
5. Funds
6. Materials procurement
7. Logistics
8. Supply resumption
9. Affiliate companies
10. Customer support(Japan and abroad)

T O P I C

### Response after the Niigata Chuetsu-oki Earthquake

Following the Niigata Chuetsu-oki Earthquake, Niigata Fuji Xerox Manufacturing cleared and reinforced buildings that had sustained such damage as collapsed ceilings and walls. At the same time, Niigata Fuji Xerox confirmed the inventory of parts on hand and resumed production three days after the earthquake, starting with compact printers. The production operations of seriously damaged facilities were shifted to other corporate factories and partners to quickly restore normal levels of operation. The Fujifilm Group donated a total of ¥30 million in relief aid to Kashiwazaki City, Niigata Prefecture and other affected locations. The Group also repaired and serviced Fuji Xerox products at no charge.



Earthquake occurred at 10:13 a.m., July 16, 2007  
Collapsed partition and ceiling (left)  
July 19, 2007, manufacturing resumed and the first printer rolled off the line one day after electricity was restored (right)

T O P I C

### Earthquake Disaster Aid for Sichuan Province, China

FUJIFILM Holdings donated relief aid totaling RMB 3.75 million (approx. ¥56 million) to the Red Cross Society of China and the Chinese government for the victims of the earthquake in Sichuan. The donation included medical X-ray films valued at RMB 1.75 million and the combined contributions with four other group companies, two in Japan (Fujifilm, Fuji Xerox) and two in China (FUJIFILM (China) Investment, Fuji Xerox (China)).

T O P I C

### Formulating an essential action plan against a pandemic influenza\* and distributing leaflets to employees

FUJIFILM Holdings formulated basic measures to prepare for a possible pandemic influenza. In addition to establishing a risk management system to ensure the continuity of business operations, we established prevention and stockpiling guidelines. The Group also set up standards of behavior at the occurrence of an outbreak for deterring the spread of infection and distributed leaflets to employees. In this way, we prepare all possible crisis management measures in the event of a pandemic.

\*Basic measures against a pandemic influenza: Pandemic measures against new strains of influenza associated with avian flu.



Priority Area

Compliance with Environmental Laws and Regulations

In this section, we report on the progress and achievements in efforts to comply with environmental laws and regulations, a priority area in the Fujifilm Group's Medium-term CSR Plan.

Strengthening controls at global and local levels

Sharing information through International Environment Meetings

Controls and collaboration, undertaken at both the global and local levels, are essential for the company in promoting environmental activities and addressing related laws and regulations worldwide. At the Fujifilm Group, we implement group-wide efforts that include overseas subsidiaries to advance key initiatives under the Fujifilm Group Green Policy, our medium-term environmental policy.

Specifically, we have been holding Fujifilm Group International Environment Meetings since 1991 to share information on environmental policy initiatives and responses to regulations in each country. The planning and promotion of global environmental initiatives are also an important part of the meeting.

The 12th meeting was held over four days from November 5 to 8, 2007, with 18 environmental representatives from 15 overseas subsidiaries and a total of 70 environmental representatives from FUJIFILM Corporation and Fujifilm Group companies in Japan participating. At this year's meeting, participants discussed a number of environmental issues, such as improvements in eco-efficiency, the REACH\*1 Regulation, which was enforced in Europe in June 2007, and the GHS\*2 system, which is increasingly being adopted in many countries around the world. Regarding REACH, in particular, participants shared the most recent details about the regulation and specific areas requiring clarification, such as the definition of "articles" (products). They also reviewed the type and status of surveys underway in Europe and Japan.

We will continue to enforce our governance over environmental initiatives by sharing information and strengthening mutual communication, both globally and locally, and promote environmental activities across the entire Group.

Complying with REACH Regulation

In June 2007, the REACH Regulation went into force in the European market. The regulation strictly requires enterprises to conduct risk management activities and register the use of chemicals, including approximately 100,000 existing chemicals as well as those present in manufactured products, which had not previously been subject to oversight. As a company responsible for the manufacture of chemical substances and a wide variety of products, ranging from the mixing of chemicals to the formation of final products, Fujifilm established in-house facilities in 1975 for assessing the safety of chemical substances and has been making every effort to thoroughly control chemicals by investing our long-term know-how as a chemical manufacturer.

In light of its achieving full compliance with the REACH Regulation, Fujifilm set up project teams in Europe and Japan to oversee the six-month pre-registration period starting June 2008. We are proceeding with this effort while exchanging information with suppliers and discussing each item to be registered. We are currently registering regulated substances according to volume by the deadlines indicated in the chart below. In addition, we are obligated to notify customers regarding information on the registration and safe use of articles containing substances of very high concern (SVHC) as specified in REACH. We have started the first examination of articles manufactured from chemical materials, including PS plates and photographic film, based on JAMP MSDSplus, and equipment and parts are being investigated by tracking upstream to parts manufacturers.

A shared, integrated management system for chemical substances within the Group

In response to strengthened regulations governing the management of chemical substances and chemical content represented by REACH, RoHS\*3, and GHS, Fujifilm and its affiliates are restructuring existing systems and databases and revising their global operations guidelines. Our integrated management system for chemical substances, which is currently being developed, will integrate information and systems that had been separately managed toward unifying the control of substances, ranging from chemical substances to the chemical content of articles. We will begin with the reconstruction of our control system for chemical substances in 2008. We intend to strengthen governance across the entire Group and continually improve the effectiveness and efficiency of controls by sharing information on chemical substances with the individual companies of the Fujifilm Group.

Responding to GHS Regulation

We have completed revising our labeling and MSDS (Material Safety Data Sheets) for products, including those maintained in inventories, that contain regulated substances in accordance with the revised Industrial Safety and Health Law (enforced in December 2006), which incorporated GHS. In addition, for products that are newly covered due to the revised threshold values, we have improved our MSDS database system and updated the data sheets for products including targeted substances in July 2008. In regard to the labeling of products that contain targeted substances, we plan to completely comply by the end of November 2008.

Disclosing chemical content through MSDS, JAMP MSDSplus, and JAMP AIS



Product safety data sheet website (Top page)



Product safety data sheet website (AIS)

Fujifilm has long been aggressively moving to thoroughly control chemical substances and disclose information. In addition to releasing MSDS for chemical products, we have taken the initiative to create our own Article Information Sheets (AIS) for material products including photographic film and papers, PS plates and flat panel display parts, and released them on our website.

JAMP (Joint Article Management Promotion-consortium) is a cross-industry organization established to unify data exchange methods for chemical content of articles in response to requirements governing the management of chemical content and the provision of information under the REACH Regulation enforced in Europe. As a founding member, Fujifilm has actively participated in JAMP since its establishment. We also led in the adoption of JAMP MSDSplus\*4, formulated as a common chemical substance information format for chemical products, and began making it available on our website in March 2008. We are also preparing our response to JAMP AIS, a format for providing information on the chemical content of articles, which was set up in June.

Note: Regarding information provision on specific chemical substances in products, though Fujifilm has been heretofore adhering to MSDSplus and AISplus in conformity with the guidelines of Japan Chemical Industry Association, we will adopt the JAMP format toward ensuring commonality across the entire industry.

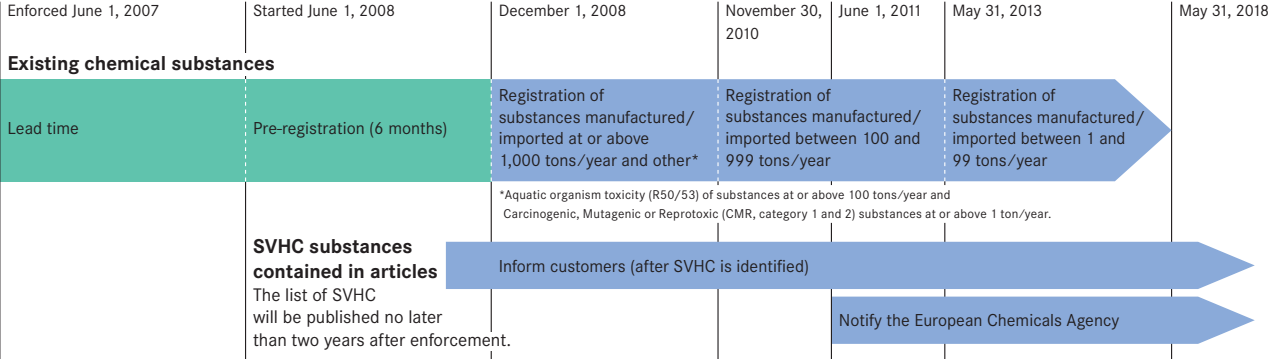
URL ▶ "For safe handling of chemical products"  
<http://www.fujifilm.co.jp/msds/> (in Japanese)

- Related pages
- ▶ Page 44: Stricter governance of environmental laws and regulations
  - ▶ Page 58: Design for Environment
  - ▶ Page 60: Chemical Substance Management for Safety and the Environment
  - ▶ Page 62: Chemical Content Management
  - ▶ Page 86: Environmental Aspects
  - ▶ Page 90: Environmental-related complaints, examples of legal violations and responses in fiscal 2007



Cardboard carton reflecting compliance with GHS (left) and bottle label (right)

Registration schedule for complying with the REACH Regulation



\*1 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): More stringent control system targeting existing chemical substances and articles in Europe. As implied by the title, the regulation is intended to control chemical substances through registration, evaluation, authorization, and restriction.  
\*2 GHS (Globally Harmonized System of Classification and Labeling of Chemicals): A globally unified system for classifying and labeling chemical substances. The GHS system is applied as a global guideline for classifying hazardous and toxic substances in chemical products and labeling and extends to safety labels for chemicals and the distribution of safety data sheets as well as the display on the products.  
\*3 RoHS Directive (Restriction of the use of certain Hazardous Substances in electrical and electronic equipment): Restrictions governing the use of certain harmful substances in electrical and electronic devices in Europe, and restricting the use of cadmium, mercury, lead, hexavalent chromium, and brominated fire retardants (PBB, PBDE) in electronics as of July 1, 2006.  
\*4 JAMP MSDSplus: Information sheet for chemical content proposed by JAMP, which complements MSDS in response to the REACH Regulation.



# CSR Activities Report

The CSR Activities Report features the Fujifilm Group's extensive CSR efforts organized by theme. Activities that the Fujifilm Group regards as important are discussed as well as stakeholder interests.

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Picture Scroll of The Tale of GENJI, "Azumaya I" (Quire 49), Treasures from The Tokugawa Art Museum

One autumn evening, after a long absence, Nioumiya visited Nakanokimi, who was expecting a child. In an effort to console her, Nioumiya sat near the opening to the garden and played the biwa. Nakanokimi listened attentively for a while to his performance, as if to forget her resentment, but she wept yet again. She composed a poem expressing her feelings saying, "I can see you are tired of me by your attitude."



# Compliance

For the Fujifilm Group, compliance includes the appropriate actions of both individuals and companies in accordance with high ethical principles and common sense, as well as strict observance of laws and regulations.

### Compliance in the Fujifilm Group

The general interpretation of compliance as simply adherence to regulations can frequently lead to the pitfall that everything is fine as long as we simply follow the letter of the law. The Fujifilm Group interprets compliance as the appropriate action of individuals and companies in accordance with ethical principles and common sense, in addition to observing the laws. We believe that we achieve compliance by flexibly responding with a keen sensibility to the needs of society.

We steadfastly advance compliance activities across the Group, with our two operating companies, Fujifilm and Fuji Xerox, overseeing their respective affiliates in Japan and overseas.

### Raising compliance awareness Fujifilm and its affiliates

Fujifilm and its affiliates conduct annual compliance awareness surveys involving all employees. The result of the fifth survey conducted in fiscal 2007 revealed that employee compliance awareness had improved for all questions compared with survey from the previous year. Up to last year, surveys revealed a relatively low number of affirmative responses to the questions: “Would you report to the company if you discovered improprieties on the part of your colleagues, superiors or subordi-

### Results of compliance awareness survey (Fujifilm and its affiliates)

Questions	2006	2007
Do you keep the <i>Fujifilm Group Charter for Corporate Behavior</i> and <i>Code of Conduct</i> booklets in a place where you can immediately refer to them at anytime?	78%	95%
Do you understand the content of <i>Fujifilm Group Charter for Corporate Behavior</i> and <i>Code of Conduct</i> booklets and have you signed the proclamation?	—	84%
Have managers at your workplace conducted a compliance information meeting?	—	90%
Are you working with a clear understanding of laws and rules that are applicable to your job responsibility?	77%	88%
Do your colleagues, superiors and subordinates work with a clear understanding of laws and rules that are applicable to their job responsibilities?	68%	82%
Do your superiors place emphasis on compliance?	76%	87%
Has the awareness that compliance is important spread throughout workplace?	67%	83%
Do you believe there are no compliance problems at your workplace?	64%	87%
Would you report to the company if you discovered improprieties on the part of your colleagues, superiors or subordinates?	63%	87%
Would you contact the Compliance Consulting Facility if you face problems with laws, rules or ethics in everyday operations that you cannot resolve with managers?	58%	88%

Survey subjects: Executive officers and employees (including agency contract employees) of FUJIFILM Holdings, FUJIFILM Business Expert, and Fujifilm and its domestic affiliates (a total of 23,195) Of this group, 20,268 persons responded.

nates?” and “Would you contact the Compliance Consulting Facility if you face problems with laws, rules or ethics in everyday operations?” Given these results, Fujifilm strengthened its focus on explaining the risk reporting system and the purpose of the compliance consultation services through compliance information meetings and other events. As a result, responses to these questions in fiscal 2007 showed improvement.

### Fuji Xerox and its affiliates

Fuji Xerox released *Compliance Guidelines* that provide outlines of various laws and ordinances in the context of the business operations of Fuji Xerox, such as staffing on an outsourcing basis and exports and imports. At the same time, basic training on laws and ordinances and programs for preventing illegal practices was provided in addition to education based on the Employee Code of Conduct to more thoroughly instill the awareness of compliance among the employees of Fuji Xerox and its affiliates. As a result, nearly 100% of employees and executive officers of Fuji Xerox and its affiliates agreed to sign a written proclamation distributed in 2007 declaring that their actions complied with the content of the ALL-FX Code of Conduct. This attests to the high compliance awareness of people at Fuji Xerox.



Proclamation (left), ALL-FX Code of Conduct Guidebook (center), ALL-FX Code of Conduct (right)

### Compliance training for overseas companies

In April 2007, FUJIFILM Holdings established its Code of Conduct, which applies to the entire Fujifilm Group. The Group subsequently released it to all members of the Group at the compliance information meeting held at the beginning of each fiscal year. Then in October 2007, we distributed the *Code of Conduct Guidebook*, which explains the Code of Conduct, related laws and regulations, corporate rules and case studies, to deepen understanding of the Code of Conduct.

We focused on instilling the Code of Conduct throughout overseas affiliates in fiscal 2007. We held a compliance information meeting for Japanese staff (managerial level etc.) at 27 overseas affiliates in November 2007 and discussed measures for disseminating the Code of Conduct. As a joint effort with Fujifilm, each overseas affiliate will proceed with the compliance promotion plan for each overseas affiliate. The Code of Conduct and

the *Code of Conduct Guidebook* were also distributed to all of the employees in the overseas affiliates of Fuji Xerox and steps are being taken to ensure the guidelines are understood and followed. In addition, we will translate materials such as the *Code of Conduct Guidebook*, notifications of punitive actions, and case studies into English and steadily distribute them to overseas affiliates. As part of our compliance activities in Japan, we held seminars on compliance in November 2007 for executive officers of Fujifilm and Fuji Xerox, and in August 2007 for executive officers of company affiliates, with guest lecturer Professor Iwao Taka from the Reitaku University graduate school.

### Overseas compliance training (Fiscal 2007)

	Area	No. of sites (No. of participants)
Overseas affiliates of Fujifilm	North America	10 (40)
	Europe	10 (60)
	East Asia	3 (20)
	China	4 (58)



Compliance information meeting for overseas Group companies (left), and seminar on compliance for executive officers of the Group companies (right)

### Disclosure of punitive actions

To prevent the recurrence of actions that have led to punitive responses, the Fujifilm Group discloses the details of the actions and the content of punishment throughout the company via the Intranet. Major cases of punitive actions included violations of traffic laws and regulations, incidents that may have resulted in the leakage of confidential information, and inappropriate management of corporate assets.

### Compliance with the competition (antitrust) law and the Subcontract Act

The Fujifilm Group has long been working to ensure compliance with the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act). In response to the government’s recent strengthened enforcement as well as the necessity to create a competition (antitrust) law compliance structure as a part of internal control systems, the Group conducted an overall review of the Group’s existing compliance system and began introducing and implementing the new compliance program in Group companies in Japan, the United States and Europe in October 2007.

Specifically, we updated in-house rules governing compliance with the applicable competition (antitrust) laws. We also established a compliance system under the competition (antitrust) law compliance officer (competition (antitrust) law CPO), creat-

ing a structure in which every company and every division conducts periodic self-monitoring.

In addition, based on recent trends, such as changes in the business environment and the revision of the Act, we fully revised the *Competition (Antitrust) Law Compliance Manual*, which outlines the code of conduct for compliance in daily operations. We also conducted seminars and training sessions at Group companies in Japan and overseas to deepen employees understanding of the competition (antitrust) law, and thoroughly instill the compliance program. Fujifilm held competition (antitrust) law seminars (a total of 50 sessions involving 1,743 participants) for sales representatives, including domestic affiliates across Japan, from October through December 2007.

Fuji Xerox published the *Compliance Guideline for the Competition (Antitrust) Law* and the company conducted a training program for its employees and those of domestic affiliates and sales companies. Fuji Xerox plans to adopt the compliance program for its overseas affiliates in Asia and Oceania.

With regard to compliance with the Subcontract Act, Fujifilm reviews the status of compliance on the occasion when the Japan Fair Trade Commission or Small and Medium Enterprise Agency conduct annual inspections of the company. We also take appropriate measures to disseminate the provisions of the Subcontract Act. For example, we published a manual reflecting the amendments to the Subcontract Act in 2004 and conducted seminars for personnel in charge of procurement in factories and business divisions. Fuji Xerox also conducts periodic reviews of compliance with the Act in addition to publishing the guidelines.



Competition (Antitrust) Law Compliance Manual

### Strengthening export controls

In Japan, exporters are required to demonstrate responsibility and exercise judgment under the security export control system in the management of their export operations. Fujifilm designed its compliance program with the guidance of the Ministry of Economy, Trade and Industry. The company’s export controls cover all types of commodities as well as provisions for technologies. Each division has designated a person in charge of export controls.

The basic components of export control include screening buyers and verifying that the exporting of commodities or technologies meets regulations. Even when commodities are intended for commercial purposes, the end users and applications must be reviewed to prevent them from being diverted into military use. In recent years, we have conducted exports under the U.S. Export Administration Regulations as well as the Japanese Foreign Exchange and Foreign Trade Control Law. We will continually improve our internal systems to ensure secure and efficient export controls by proactively disseminating information related to this issue.

Stricter governance of environmental laws and regulations

Fujifilm, including production and sales companies, endeavors to comply with environmental laws and regulations and is systematically phasing in independent control standards to manage wastes, wastewater, emissions, and soil (see table below). For instance, in regard to wastewater management, we convened a meeting in fiscal 2006 to cross-check the wastewater management system at each factory and laboratory. By incorporating into their operations the feedback and recommendations presented at the meeting, each of our workplaces is striving to prevent or reduce emissions of water pollutants. In addition, independent control standards for the emissions of legally regulated water pollutants are being established at each workplace to strengthen emissions monitoring.



Wastewater processing facility at Fujifilm Kanagawa Factory

Progress of strengthening environmental governance

	(Overall management) Fujifilm Ecology & Quality Management Division		
	Fujifilm sites	Production companies	Sales companies
Waste management	From fiscal 2004	From fiscal 2007	From fiscal 2007
Wastewater management	From fiscal 2006	From fiscal 2008 (planned)	
Atmospheric emissions management	From fiscal 2007	From fiscal 2008 (planned)	
Soil management	(as required)	(as required)	

- Related pages
- Page 64: Effective Waste Management and Recycling
  - Page 89: Volume of atmospheric emissions (Consolidated); Amount of water pollutant emissions (Consolidated); Surveying and remediation soil and underground water pollution conditions
  - Page 90: Environmental monitoring; Legal compliance and reports on complaints; Installing plumbing and tanks above ground

Response to Air Pollution Prevention Law

Fujifilm conducts reviews of compliance with the Air Pollution Prevention Law to strengthen these efforts and to conduct more strict control (soot, NOx and SOx). As part of these activities, maintenance inspections of the 10 boilers for power generation and air conditioning were conducted in fiscal 2007, led by staff in the Head Office with the participation of operators from each site as well as in-house advisors. Participants evaluated the current system, primarily from the perspective of compliance, incorporating lessons learned from previous violations of the Air Pollution Prevention Law related to soot emissions reported by other companies in Japan. Examples involve incidents of continuing to operate facilities that are releasing volumes of soot in excess of regulatory standards, and falsifying monitoring data. We will continue to comply with the law and utilize the improvements identified by the reviews by applying them into daily operations.



Maintenance inspection for boilers for power generation and air conditioning

Dealing with asbestos

Fujifilm has conducted surveys of asbestos contained in its products (including medical equipment and graphic systems' equipment) as well as asbestos used in buildings, facilities and equipment at the production divisions of every Fujifilm site since 2005. Fujifilm has no current issues related to asbestos. The company will implement any necessary actions in accordance with the rules and guidelines set forth by the government.

1. Products

Fujifilm completed a survey of all products currently on sale. None of these contains asbestos. We disclose information on any products containing asbestos on the Fujifilm website.

2. Health issues and consultation

Fujifilm has confirmed that no current or former employees experience health problems related to their work. We received health consultation requests from several current and former employees. The staff in the personnel and labor division of each respective site interviewed these employees and arranged health consultations and check-ups; no health issues were found. The Personnel and Labor division or Health Management Center of each site will promptly respond as necessary to any request for consultation or examination related to asbestos.

3. Buildings (factories, offices employee dormitories, athletic facilities, and buildings not currently in use)

Fujifilm thoroughly reviewed the design drawings for company buildings and conducted on-site inspections of areas where asbestos might enter the atmosphere. Eleven buildings were found to contain a total of 23 areas of potential exposure. Required work for all buildings was completed in fiscal 2005. We are currently responding to the amended legal standards (content: from 1% to 0.1%, additional types of asbestos brought under regulation).

4. Production facilities

Production facilities use components that contain asbestos for heat insulation or sealing material. We believe there were no asbestos emissions from these components and, therefore, no impact on health.

Replacement of facility components are done in accordance with the provisions of the work safety guidelines. We completed testing of new components to replace the existing asbestos-containing components, and starting in fiscal 2007, only asbestos-free components are purchased.

5. Experimental facilities (laboratories, and the technical and quality assurance sections)

As in the inspections of our production facilities, we confirmed that none of these facilities present health risks to workers. Every division conducted an asbestos survey of their facilities in May 2006, and equipment is replaced or disposed of in accordance with required procedures.

- Related pages
- Pages 76-77: Compliance and Risk Management

Risk Management

We have designed a secure and reliable risk management system to safeguard against any actual or potential breach of compliance.

Risk management at the Fujifilm Group

Lack of awareness of compliance often leads to increased risk. Consequently, compliance and risk management represent two sides of the same coin. A dedicated department in each operating company of the Fujifilm Group manages risks in a comprehensive and integrated manner, recognizing that promoting compliance and managing risks associated with business operations is a single continuum. In conducting risk management activities, both of the operating companies, Fujifilm and Fuji Xerox, receive reports on risk prevention and incidents from their respective affiliates.

Risk preventive activities

Fujifilm and its domestic affiliates have been focusing their efforts on the early detection and forecasting of risks. Fujifilm appoints risk managers (general manager level or higher) for each division and each domestic affiliate to evaluate the probabilities of various risks and the level of impact on business operations, and then to identify critical risk issues. Based on this information, a concrete action plan is formulated and implemented within the context of actual job operations. In fiscal 2007, 42 divisions of Fujifilm and 26 domestic affiliates implemented action plans. Fuji Xerox and its domestic affiliates identify areas such as product quality assurance, information security and disaster preparation as key risk issues. Specifically, the company established an Earthquake Response Committee in fiscal 1992 and implemented measures such as introducing a system to confirm employee safety and for maintaining a stock of emergency supplies in the event of a major earthquake. In fiscal 2007, Fuji Xerox renovated the system for confirming employee safety to ensure a more immediate response. Business continuity plans (BCPs) were formulated at major production sites of consumables to facilitate rapid response at the very earliest stages of disaster.

Response and system for handling the occurrence of risks

Fujifilm and its domestic and overseas affiliates promote activities to prevent or avert the emergence and spread of risk. Whenever a risk or potential risk arises, Fujifilm implements unified control and response under its risk reporting system. In fiscal 2007, 55 incidents were reported from Fujifilm and 50 incidents were reported from its affiliates to the office. Three of

these were dealt with by the Total Risk Management Committee or appropriate subcommittee\*1. The remaining incidents were handled within the division in which the risk arose under instructions from the office. At Fuji Xerox, 23 risks were reported in fiscal 2007. Five of these were discussed and appropriately handled at the Risks and Ethics Conference, the top organization under the company's risk management system. The remaining incidents were handled by the respective supervisory department, sales company, or affiliate in which the incident occurred.

\*1 Subcommittee: A subcommittee consisting of staff from specific divisions is set up for each risk area, such as products, the environment, overseas safety, exports, information leakage, corporate attack, and disasters. The appropriate subcommittee immediately reviews necessary matters, including concrete actions, and oversees responses to risks as they arise.

Information security and protecting personal information

Fujifilm and its affiliates issue the *Compendium of Information Security Case Studies*, primarily based on actual information security incidents, and distributes it to employees. In fiscal 2007, we thoroughly provided usage guidelines and considerations for the use of USB flash drives, in particular, based on past incidents. Fujifilm also conducted a study session for responsible administrators on personal information management to reinforce the management of personal information handled by subcontractors using a case method. At the same time, we surveyed the management of personal information by subcontractors and confirmed the existence of subcontract agreements and the security status of electronic data handled by subcontractors. Fuji Xerox and its domestic affiliates conducted an e-learning-based education program based on past incidents to prevent future information security incidents. As part of a security campaign conducted in October 2007, Fuji Xerox also reviewed the implementation of security measures for notebook PCs and USB flash drives to ensure rules had been applied thoroughly. In providing products and services to our customers, we always place the highest priority on protecting their information assets. For serious risk incidents, we have developed and implemented a high-level safety management measure enabling us to effectively prevent accidental leakage of information and theft by employees.

- Related pages
- Pages 76-77: Compliance and Risk Management



# Facilitating Personnel Development and Achievement at Fujifilm

Fujifilm develops human resources, the driving force of our Second Foundation, and provides ample opportunities for people to demonstrate their full capabilities.

## Strengthening individual capabilities and eliciting outstanding performances from a diverse workforce

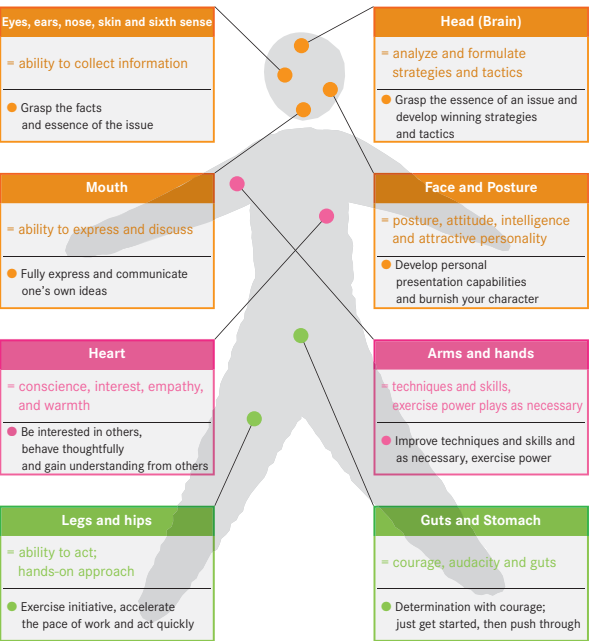
The Fujifilm Group has positioned the current period as its Second Foundation, during which we are focusing on creating and developing growth businesses. Achieving this Second Foundation requires us to strengthen human resources and create a working environment in which diverse human resources perform to their maximum potential.

**Related page**  
➤ [Page 81: Personnel and Labor \(Fujifilm\)](#)

## The ideal human resources at Fujifilm

To achieve its Second Foundation, Fujifilm expects each employee to become a genuine professional. To this end, every employee must combine and strengthen all their capabilities. The required human resources realize a positive spiral, in which they grow through their work experience and then direct enhanced capabilities to perform work with even greater value.

## The ideal human resources at Fujifilm



## Training programs that support human resource development

We strategically develop personnel to maximize the capabilities of each individual employee. In these efforts, we place special priority on strengthening the mind (will) and processes (tactics). To strengthen the mind, we conduct seminars in which we repeatedly emphasize the importance of instilling a spirit of challenge in young employees with less than three years experience at the company. We also encourage employees in mid-level and managerial positions to pursue self-improvement and complete tasks while involving those around them. To strengthen the processes, we train young employees to acquire basic techniques required for maximum achievement while training those in mid-level and higher positions to enhance their strategic and critical thinking as well as management capabilities for mobilizing others. In addition, while utilizing these training sessions, we develop operational capabilities mainly through recurring on-the-job training.

## To elicit outstanding performances from a diverse workforce

With the goal of securing outstanding human resources as a Group, Fujifilm Group Joint Company Seminars for new graduates were held with Fujifilm, Fuji Xerox, FUJINON and other Group affiliates in Tokyo and Osaka in fiscal 2007 with many new graduates attending. In addition, we acquire a wealth of talent by employing mature workers with significant experience in a various fields and current non-regular employees as regular employees, as well as by re-employing retired employees. We are also implementing a number of initiatives to develop the individual capabilities of diverse human resources for outstanding long-term performance. In concrete terms, we set up the F-POWER Project Promotion Team in collaboration with labor and management and expanded initiatives for promoting the achievements of female employees. This program is helping to create a corporate culture in which every employee can make most of his or her abilities. We will continue to raise awareness in our offices and review each employee's work style and operational efficiency, ultimately leading to an effective work-life balance.



Since fiscal 2005, Fujifilm has been continuously enhancing its childcare support system under the Law for Measures to Support the Development of the Next Generation. In September 2007, the company acquired the "Kurumin," Next-generation Accreditation mark as company that supports employees while they are raising children.

## Major achievements of the F-POWER Project

### 1. Changing mindsets related to the work styles of female employees

**Announcing project content and recommendations within the company**  
We held 27 briefings at six workplaces in Japan on proposals from the F-POWER Project Promotion Team, including changing mindsets related to the work styles of female employees, backing up systematic development and growth, improving systems for balancing work and life while raising children, and strengthening career guidance and support. (June and July 2007)  
**Expanding provision of information for women employees**  
We opened a special website for the F-POWER Project and disseminated information on the project as well as the childcare support system. (July 2007)

### 2. Backing up the systematic development and growth of female employees

**Promotion team**  
We established an organizational entity to take responsibility for actualizing the content of recommendations at each workplace and Personnel Division. (September 2007)  
**Career design seminars**  
We held career design seminars inviting the same lecturer to six workplaces in Japan. About 1,500 people including male employees attended. (December 2007 to February 2008)  
**New education programs**  
We conducted career design seminars for general employees, a coaching program for supervisors, and a managerial seminar to guide managers in promoting the advancement of female employees. (2007 to 2008)  
**Growth targets and a foundation for taking up challenge**  
We enhanced our management-by-objective system to clarify growth targets, reinforce connections to higher-level goals, improve the supervisory approval process and strengthen the involvement of supervisors.

### 3. Enhancing the system for supporting work-life balance while raising children

**System for supporting work-life balance after giving birth and while raising children**  
We established a system including such components as reduced working hours, the provision of lump-sum payments for the birth of children, leaves and the use of stock leave for fertility treatment. Other actions include an improved nursing care leave system and an expansion in the range of employees eligible for exemption from extended working hours and holiday work. (July 2007 and April 2008)

## Expanded support during maternity and childcare leaves

We created a system allowing female employees to attend seminars during maternity or childcare leaves. We also send to their homes documents that are distributed internally as well as providing access to the F-POWER Project website. (January 2008)

## Improved support for female employees who return to the workplace after leaves for maternity and raising children

We hold a three-party meeting with every female employee upon return to the workplace. In addition, we established a system for easing the return to work by ensuring that procedures are clearer and begin earlier, such as conducting a preparatory interview four months prior to the employee's return. (January 2008)

### 4. Enhancing career guidance and a psychological support system

#### Consultation and support system for female employees

We opened a consulting service for female employees and started providing consultation on balancing a career and family life, career direction and other issues. (September 2007)

## COMMENTS

### Message from a member of the F-POWER Project

**Takako Negishi**

Leader, F-POWER Project Promotion Team  
Operations Manager,  
Personnel Division, FUJIFILM Corporation



Two years have passed since we launched the F-POWER Project for establishing a corporate culture in which female employees could take on more important roles. F-POWER stands for "Fujifilm Positive Women Encouraging Renovation," and embodies our desire to create a genuinely strong corporate structure at Fujifilm in which every woman can perform to her full potential and take on greater responsibilities. The team, which is primarily made up of women, has considered issues that must be addressed and have been making steady results. We will continue to firmly establish each current initiative and consider new initiatives while taking into account employee feedback and encouraging employee involvement.

## TOPIC

### Offering flexible work styles, with evaluation based on social contribution as well as business performance

FUJIFILM U.S.A., Inc. offers a variety of work style options for employees with due consideration for different lifestyles under the philosophy that employees are one of the most valuable assets of the company. To deal with personal circumstances such as raising children, caring for the elderly, acquiring academic degrees or avoiding traffic congestion, approximately 40% of our employees participate in one of the following options: flexible, part-time, summer hours, job sharing or telecommuting. The company has adopted its own personnel evaluation program, in which employees are evaluated for their achievements in volunteer and other social contribution activities as well as for factors directly related to their business performance, such as productivity and efficiency and level of trust with colleagues and customers. For the local community, the company encourages volunteer activities that provide business knowledge to students who are getting ready to join the workforce. The company currently sponsors 10 mentors. Students visit our office at least three times during a 15-week course term. They consult with mentors on future career paths and receive guidance from mentors. In addition, the company invites 30 students every year to the office to learn about our business operations.



From left: Ms. Janet Schiavone, Mentor, National Recruitment and Selection Manager, FUJIFILM U.S.A., Inc.; Ms. Huesne Daglioglu, Westchester (New York) Community College student from Germany; Ms. Maria Del Monte, Mentor, HR & Diversity Manager, FUJIFILM U.S.A., Inc.

# Facilitating Personnel Development and Achievement at Fuji Xerox

Fuji Xerox values each of our employees and strives to draw out their full capabilities by establishing an environment in which diverse employees can demonstrate their abilities.

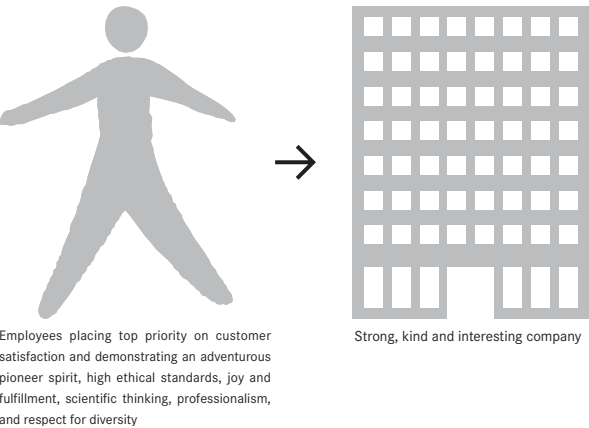
### Valuing each employee and utilizing their maximum potential

Fuji Xerox values every employee and has been developing a working environment to draw out their maximum abilities by gradually introducing a variety of systems since the late 1980s, including childcare leave, reduced working hours for childcare, and flextime. On the basis of the Second Foundation that Fujifilm Group is pursuing, Fuji Xerox implemented aggressive efforts in fiscal 2007 to cultivate human resources as the main engine for the growth of Fuji Xerox. Fuji Xerox will continue to provide opportunities for employees with different personalities and backgrounds to develop abilities in an independent and self-reliant manner.

Related page ▶ [Page 82: Personnel and Labor \(Fuji Xerox\)](#)

### The ideal human resources at Fuji Xerox

Fuji Xerox aims to become a “strong,” “kind” and “interesting” company. The company is strong in terms of delivering excellent products and services that satisfy customers and also reward its shareholders. The company is kind in its contributions to local and global communities, environmental conservation, ethics and corporate citizenship. As an interesting company, it provides an environment in which employees are able to demonstrate their creativity with a sense of personal growth. For a company to achieve these goals, it must have people who are able to think and act on their own initiative and see tasks through to completion. Concretely, as stated in “Shared Values,” our corporate philosophy, we expect our employees to always place top priority on customer satisfaction while demonstrating an adventurous pioneer spirit, high ethical standards, joy and fulfillment, scientific thinking, and professionalism.



### Training that supports personnel development

Personnel development at Fuji Xerox is categorized by employee function and area of specialization, and is centered on basic training, management training and specialized training. Basic training is provided in stages to employees from the point they enter the company up to their mid-30s, and focuses on aspects that are vital for performing their job responsibilities, such as scientific thinking, finance and globalization. Management training offers techniques for personnel evaluation, labor management, policy management and other areas. Specialized training transfers specific knowledge and methods required for each organization, such as sales and technology. A part of these training programs currently cover employees at Fuji Xerox as well as its affiliates. The company is planning to expand the scope of these programs while continually improving our training and educational facilities.

### The enhanced performance of a diverse and flexible workforce

Fuji Xerox strives to create an office environment and corporate culture in which every employee is able to perform to their maximum potential. A universal design will be applied for facilities at the research and development site, scheduled for completion in March 2010 in the Minato Mirai area of Yokohama, to establish an environment in which every employee can work comfortably. We have also introduced the Second Life Program to advance the deployment of human resources with outstanding abilities and enthusiasm or support their job transfers. In addition to the reemployment of retired employees, this program serves as a go-between to facilitate their reemployment with and dispatch to affiliates and companies outside the Group. Furthermore, we are establishing an environment in which more female employees are able to aggressively pursue their careers. In April 2008, we improved and updated our existing childcare support system (e.g., improving the reemployment system for former employees who had left the company to raise children and extending the period for reduced working hours for childcare.) Looking ahead, Fuji Xerox will continue to reform its worksite culture and promote a healthy work-life balance to allow talented employees to fully demonstrate their abilities.

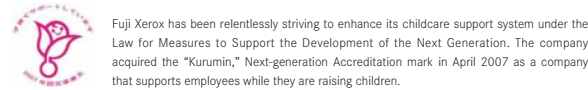
### Promotion of work-life balance

#### Purpose of promoting work-life balance

Fuji Xerox regards a healthy work-life balance as an innovative change in work styles. Advancing a healthy work-life balance will boost productivity across the entire organization by raising the morale of a diverse workforce as well as facilitating the demonstration of each and every employee’s full potential. It also makes possible a more time-efficient work style that meets the specific life needs of all employees. Furthermore, instilling the philosophy and value of diversity and work-life balance corresponds with Fuji Xerox’s personnel policy centered on balancing individual abilities, jobs, and compensation with his or her role at the core. Therefore, we recognize this as an extremely important effort.

#### Fuji Xerox initiatives

The origins of Fuji Xerox’s approach to work-life balance date back to its NWW (New Work Way) campaign launched in 1988. NWW was a corporate innovation for establishing a new vision of the company and employee work styles for the 21st century. This formed the basis for Fuji Xerox’s current efforts related to diversity and work-life balance. Given this background, the goal of Fuji Xerox is to create a system that affords practical advantages. For example, the company’s childcare system is now widely used to enable employees to continue working after the birth of a child as a result of ongoing improvements in its operation. The company was publicly recognized for its efforts by receiving the Family Friendly Corporation Award in 2002 and the acquisition of the “Kurumin,” Next-generation Accreditation mark based on the Law for Measures to Support the Development of the Next Generation.



### Taking on new initiatives

For Fuji Xerox to continue existing as a corporation customers choose to support, the company must create an environment for fostering the engagement and enthusiasm of a diverse workforce, one which drives the company’s business processes and exhibits its own capabilities. In this sense, our greatest challenge for the future is to make our systems fully practical not only from the perspectives of supporting a healthy balance between work and family but also reinforcing the company’s competitiveness and revitalizing its human resources. Society, individuals and corporations are undergoing rapid change, and therefore employees are shifting their focus from the deployment level of various corporate systems to developing their own careers and a sense of personal fulfillment. They are now asking questions such as, “Am I performing to my maximum potential?” and “Although the personnel system in principle treats men and women the same, does discrimination continue to appear in actual promotions to managerial positions and opportunities to take on greater challenges?” Given this situation, it is increasingly important to actively cultivate diversity and a healthy work-life balance within the framework of the overall personnel system. Recognizing the need for management to clarify anew the basic policy to create a company in which employees work with enthusiasm and exercise their abilities without restraint due to gender, nationality, age and/or life stage, we released the basic principles on the practice of work-life balance in March 2007. This principle explicitly laid out Fuji Xerox’s determination to review work processes apply work rules based on various work-life balance options, and conscientiously recruit and deploy workers based on various personnel qualifications. It also clearly stated management’s perspective on the need for reforming the corporate culture through the increased awareness and action of management as well as the initiatives of individual employees. In April 2008, we enhanced our childcare support system in line with this perspective. We will actively create a system to drive the review of existing work styles at our work sites and revitalize young and mid-level employees through a personnel rotation system as well as upgrading working rules to provide flexibility in working hours and locations.

## TOPIC

### Presenting Flexible Working Styles— The Introduction of Flextime and Time Credit Systems

FUJIFILM Hunt Chemicals Europe NV and FUJIFILM Europe NV in Belgium have introduced flextime and time credit systems to offer greater flexibility for individual work styles.

#### Flextime working hours

This system provides staff a relative level of autonomy in selecting the start and finish times for their work day with the consent of their colleagues; a longer lunch break can also be chosen. Flextime has a short-term impact and was introduced in collaboration with the unions.

#### Time credit

This system was established by law and is intended to more effectively control the mid- to long-term work-life balance. People are allowed within certain limitations (for example, specific criteria may not be exceeded, such as age, years of service, maximum number of participants within a department) to work less (varying from 80% to 50%) or to completely suspend their employment to give higher priority to family life over career development. We are flexibly applying this option, which is popularly referred to as a time credit system.

#### ● Comment from flextime user



Marino Waem

FUJIFILM Hunt Chemicals Europe NV

Under this system, I have the opportunity to take my kids to school in the morning and can also go to a hospital without taking the day off. It is also useful for avoiding traffic congestion, since I have flexibility in deciding my working hours and the time I go to the office. I really hope this valuable system will continue.

#### ● Comment from time credit user



Odette Cappart

FUJIFILM Hunt Chemicals Europe NV

I take Wednesdays off and work four days a week. I now have time for house work and for myself as well as more time to spend with my family. I have been working at the company for 36 years and I am 50 years old. So reducing working hours helps me a lot in terms of my physical health, and my job does not feel as great a burden as before. I think this is a really excellent system.



# Creating a Safe, Healthy Workplace for All Employees

Workplace safety is our highest priority; we strive to create settings in which every employee can maintain sound physical and mental health, with due consideration to specific operations at each workplace.

## Promotion of occupational health and safety

Fujifilm Group believes the health and safety of labor is a fundamental precondition for production activities. We, therefore, place strong emphasis on safety and strive to secure workplace safety in full compliance with laws and regulations governing safety and hygiene. We implement measures based on the safety policy designated for each operation site, including safety patrols by labor and management; workplace inspections and improvement through invited external experts; safety screening of equipment for design, installation, and operation; and disaster prevention. We also offer related employee training programs as needed. As a result of these efforts, we have maintained the number of labor accidents below the industry average.

## Sharing information through Safety Meetings

On October 23, 2007 we held a Safety Meeting in the Fujifilm Kanagawa Factory with the participation of approximately 600 persons, including the employees of the factory as well as of our affiliates and onsite subcontractors. The meeting was mainly organized by the Safety Meeting Special Committee set up in fiscal 2007. Representative efforts at each workplace and disaster case studies were shared at the meeting along with a lecture on improving mental health by Dr. Yumiko Maki of the Kanto Central Hospital. Mr. Hideaki Horie, General Manager of the factory also spoke, "I hope all participants will further enhance their awareness of safety and take concrete actions."

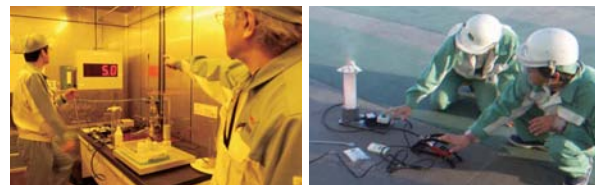


Safety Meeting in the Fujifilm Kanagawa Factory

## Complete training for new recruits and transferred employees, and explosion prevention training

Human resources are increasingly fluid and employment patterns are diversifying in line with our structural reforms centered on the photosensitized material business. Under these circumstances, a common training manual for film material divisions was created at the Fujifilm Fujinomiya Factory to keep everyone current on workplace safety and health. Since April 2007, we have conducted a four-phased training program for new recruits and transferred employees during the first three months of their deployment.

The consumption of organic solvents is rising due to the launch of color filter manufacturing, requiring comprehensive action to prevent explosions. In October 2007, the Special Committee on Preventing Explosions was established. A facility for explosion prevention training was subsequently set up and the program was launched. Starting in January 2008, semi-annual training on the three factors affecting explosions (flammable gas/vapor, ignition source, and oxygen) is provided to employees who deal with organic solvents.



Explosion prevention training at the Fujifilm Fujinomiya Factory

## Onsite inspection and explosion prevention training by outside experts

In the Fujifilm Yoshida-Minami Factory, we have continued to raise awareness of explosion prevention through the training program for new recruits and lectures by experts. In fiscal 2007, a site inspection by external experts was implemented as a new endeavor to reinforce measures to prevent explosions at worksites where hazardous materials including organic solvents are used.

Two outside experts, including Mr. Shonosuke Kamachi of the Technology Institution of Industrial Safety, inspected a site, in which hazardous materials are used, to check for the risk of electrostatic discharge, offering advice to the operator and administrator onsite. We reviewed results following the inspection and shared issues that required action.



Explosion prevention training at the Fujifilm Yoshida-Minami Factory

## Improvement of workplace morale by reducing risks

At FUJIFILM Hunt Chemicals Singapore Pte. Ltd., which mainly manufactures chemicals for processing photos, we participate in an occupational health and safety campaign promoted by the Singapore Ministry of Labor and internally audit risk identification and provide risk education.

In 2007, the company invested US\$35,882 (approximately ¥26.8 million) in automating an operation that was previously done manually. Through this effort, the company improved the worksite operations, in this case by reducing such risks as back pain, and thereby boosting employee morale.



Before improvement

After improvement



Before improvement

After improvement

Example of factory mechanization (Top: production line; Bottom: material warehouse). In both cases, plastic tanks and bags containing raw material weighing more than 20 kg were previously carried by hand. The introduction of equipment such as hand lifts reduced the burden on employees.

## Workplace checkups and training as a united effort of labor and management

FUJIFILM Canada Inc. (three facilities, 310 employees), our local sales company, set up a Joint Health and Safety Committees (JHSC), represented by both management and non-management employees, to comply with provincial laws and to secure employees' safety. In addition to monthly worksite checkups, the committee conducts educational activities on issues such as emergency response. In addition, third-party audits of employee health and safety compliance are conducted for all worksites every two years.



Certificate on workplace health and safety compliance issued by third-party auditor

## Initiatives to prevent chemical substance-related accidents and mishaps

The Fuji Xerox Takematsu site, which undertakes R&D and the manufacture of toners and drums for photocopy machines, handles a large volume of chemical substances including powder dusts and organic solvents. We implement a variety of measures to prevent accidents or disasters associated with these chemicals, such as acquiring OHSAS 18001 certification, which is a labor health and safety management system, in factories; assessing risk for all divisions; screening for environmental safety risk and explosion pre-

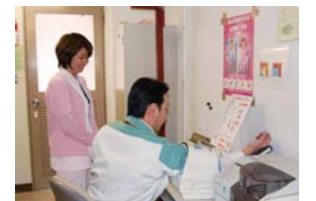


Health and safety training for engineering workers at the Fuji Xerox Takematsu site

vention when installing new equipment; and providing health and safety training to engineering workers who work at the factory sites. Regarding health and safety management for powder dusts, large volumes of which are used for manufacturing toners, stringent control is exercised through our own, stricter concentration standards along with meticulous monitoring of worker exposure. By these actions, the company is maintaining a more comfortable working environment.

## Response to lifestyle-related diseases

In response to the introduction of diagnostic criteria for metabolic syndrome in Japan in 2005, Fujifilm added the measurement of abdominal circumference to regular medical examinations. Based on the results, doctors, health workers and nurses provide guidance on lifestyles, centered on nutrition, with the goals of reducing calories, fats and salt and establishing a more balanced menu. In addition, each of our workplaces exercises initiative in promoting the prevention of lifestyle-related diseases by aggressively pursuing activities such as sponsoring lectures to raise awareness and providing low-calorie menus at canteens.



## Shortened working hours and offering opportunities for exercise

At FUJIFILM Hunt Chemicals Singapore Pte. Ltd., each Friday has been designated as "ACTIVE Day." The workday is reduced by one hour and specially qualified instructors are invited to encourage employees to exercise through activities like kick boxing and aerobics. The ACTIVE Day program was started in September 2003, and about half of all employees currently participate.



ACTIVE Day

## Support for mental health

In 2002, Fujifilm set up the Companywide Physical and Mental Health Promotion Committee involving industrial physicians and counselors to improve employees' mental health. The committee specifically provides a health survey in accordance with employee working hours and interviews with industrial physicians. An e-mental health examination system is being developed so that employees can review their mental health status on their own. We also conduct mental health management seminars for all managers and provide in-house counseling services by expert doctors and counselors.

## Related pages

➤ Page 81: Personnel and Labor (Fujifilm)

➤ Page 82: Personnel and Labor (Fuji Xerox)

# Toward Enhancing Customer Satisfaction

We value communication with customers and reflect their voices in the development and improvement of our products and services.

### Our basic stance for responding to customers

The Fujifilm Group considers customer satisfaction (CS) as the cornerstone of management and strives to deliver the quality that customers expect at any given time by sincerely listening to their opinions and incorporating their feedback into the development and improvement of our products and services. Fujifilm and Fuji Xerox, which handle different product lines, respond differently to customers depending on the specific product area.

### How Fujifilm responds to customers

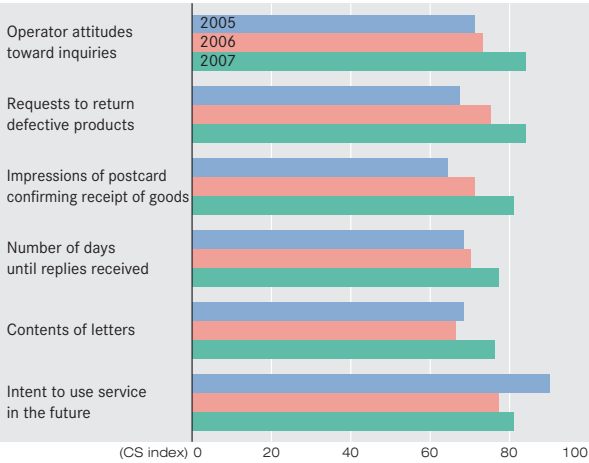
Fujifilm and its affiliates strive to both expand and ground their management system for responding to customer complaints in compliance with ISO 10002, thereby further enhancing CS and the quality of response.

**Related page**  
➤ **Page 80: System for responding to customers**  
(Fujifilm and its domestic affiliates)

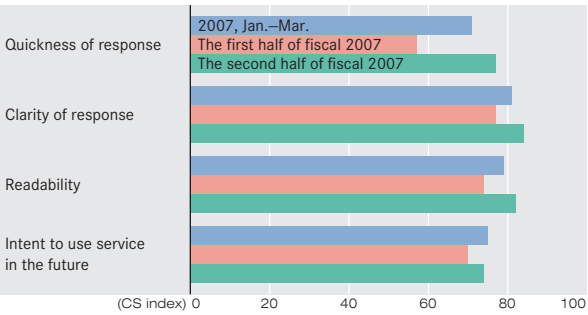
### Customer Satisfaction surveys

Fujifilm conducts CS surveys targeting those who have made inquiries to the Customers Communication Center (CCC). In fiscal 2007, the CS index increased from the previous survey, particularly in regard to response to e-mails. This appears to reflect a positive assessment of the quick, courteous and accurate replies resulting from efforts such as the 48-hour rule, which requires that staff reply to e-mail messages within 48 hours. We intend to continue making improvements in response to issues raised in these surveys.

### Customer satisfaction for responses by telephone and post



### Customer satisfaction for our responses by e-mail



### Target groups for customer satisfaction survey

**Questionnaire on response by telephone and post**  
Customers who received their response by post from the Customers Communication Center between July 1 and September 30, 2007 (Number of letters received: 169/Response rate: 52%)  
**Questionnaire on response by e-mail**  
Customers who made inquiries by e-mail via the Fujifilm website between January 1, 2007 and March 31, 2008 (Number of e-mails received: 341/Response rate: 6.4%)




### Formula for calculating CS index

$$CS = \frac{(\text{good: } +2) + (\text{rather good: } +1) + (\text{rather poor: } -1) + (\text{poor: } -2)}{(\text{Number of responses}) \times 2} \times 100$$

### Effectively utilizing customer feedback

Customers' opinions received at the Customers Communication Center are distributed to related divisions and affiliates as feedback for improving our products and services. For example, the improved packaging for Kassai inkjet papers in fiscal 2007 was based on customer comments.

### An example of improvement: Kassai inkjet printer papers



Before (above, enlarged view of the improved description)

**Customer comments**

- Although displayed as "postcard size," it cannot be used as a postcard.
- Difficult to understand thickness specifications.

**Resulting improvements**

- Increased size and visibility of notification that product cannot be used as a postcard.
- Improved display on paper for determining front and back sides.
- Converted thickness specification from μm to standard mm.

### Showroom utilization

FUJIFILM SQUARE, a showroom complex in Tokyo Midtown, welcomes between 1,500 and 2,000 customers every day as the public face of Fujifilm. It showcases photo-related products and health-care products and hosts photo exhibits. Senior concierges (former Fujifilm employees) provide detailed information to customers including general advice on taking photographs. In addition, given the large numbers of foreign visitors, several English-speaking employees are on hand to provide sight-seeing information for the surrounding area. Representative customer comments include, "Despite the extensive lineup of exhibitions, the service is free, so we can just casually drop by, which is nice." We will maintain the user-friendly style of the showroom, and we have entered visitor feedback onto a database so this information can be quickly shared with related divisions and affiliates to improve products and services and to enhance the showroom as well as staff interactions with customers.



FUJIFILM SQUARE

### FUJIFILM SQUARE

Address: Floors 1 & 2 Tokyo Midtown,  
7-3 Akasaka 9-chome, Minato-ku, Tokyo  
Telephone: 03 (6271)3350  
Open hours: 11 a.m. to 8 p.m. Daily (except New Year's break)  
Entrance fee: Free of charge

URL ➤ <http://fujifilmsquare.jp/english/index.html>

### How Fuji Xerox responds to customers

As stated in Shared Value, Fuji Xerox and its affiliates have identified customer satisfaction as a top priority. Since its establishment, Fuji Xerox has been helping to advance customer business activities through the products and services it provides. Based on this philosophy, we developed, from our foundation, a leasing business in which we lend copy machines to customers instead of selling them, guided by the belief that customers needed the functionality of the equipment. In this context, the ongoing establishment and maintenance of relationships through effective communication is vital for recognizing what customers really need and for solving their business problems. This is the starting point for our CS activities. To this end, Fuji Xerox and its affiliates have precisely identified genuine needs of customers, and continuously reflect this information in our business operations for ongoing improvement.

### CS Guidelines of Fuji Xerox

1. Listening to the 'Customer's Voice' is the beginning of our job.
2. Thinking of the 'Customer's Viewpoint' is the basis of our job.
3. Meeting the 'Customer's Expectation' is the responsibility of our job.
4. Earning the 'Customer's Deep Trust' is the joy of our job.
5. Receiving the 'Customer's Evaluation' is the measurement of our job.

### CS surveys

The overall comprehensibility of our instruction manuals had received poor marks in questionnaires on products and services and a CS survey conducted by external research agencies. Therefore, Fuji Xerox improved the manuals by adding a simplified version of the instructions, focusing on the most frequently used functions and illustrating how to use these functions in an easy-to-understand manner.



Simplified manuals (From left: copy machine, fax and scanner)

### Diverse strategies for improving CS

With our fiscal 2007 goal of delivering CS that is No.1 in the industry, we concentrated on improving our products and services based on approximately 600,000 customer comments received through "Voice of Customers (VOC)\*."

\* Voice of Customers (VOC): A system that allows internal entities to share information on customer feedback entered into a database by sales representatives, service engineers and administrative personnel nationwide in Japan.

### An example of improvement:

#### Color digital multifunction devices

Reflecting customer feedback on our color digital multifunction devices, we intend to develop products under the concept of being more friendly to the environment and to people.

#### Customer feedback

- The machine is noisy and became a nuisance when it was placed next to my desk. Please make it quieter.

#### Resulting improvement

- Cutting down motor noise by optimizing the control of cooling fans, we reduced the noise level to that of black-and-white machines.

#### Related page

➤ **Page 80: System for responding to customers**  
(Fuji Xerox and its domestic affiliates)



# Fujifilm Group Green Policy

The entire Fujifilm Group strives for the highest environmental quality based on its Medium-term Environmental Policy, the Fujifilm Group Green Policy.

### Aiming for high environmental quality as a Group

The Fujifilm Group Green Policy was issued in April 2002, and it has been applied across the entire Group as the Group's Medium-term Environmental Policy in a three-stage structure—Basic Policy, Action Guidelines, and Nine Priority Targets. From fiscal 2008 onward, we will continue to pursue even higher environmental quality based on the Fujifilm Group Green Policy as a united effort.

## Fujifilm Group Green Policy



### Basic Policy

“Sustainable development” is the most important issue for our planet, the human race, and all business entities in the 21st century.

The Fujifilm Group companies around the world aim to stay at the forefront of efforts to attain this goal in terms of environmental, economic, and social aspects. We will strive for customer satisfaction as well as our contribution to “sustainable development” by achieving high “environmental quality” in products, services, and corporate activities.

### Action Guidelines

1. We will promote environmental burden reduction and product safety assurance with the following three items in mind:
  - (1) Our efforts are pursued throughout all corporate activities.
  - (2) Our efforts are pursued throughout the entire product life cycle.
  - (3) We give overall consideration to economic and social implications.
2. We will improve our management of chemical substances and the chemical content of products to reduce environmental risks.
3. We will comply with legal regulations as well as Fujifilm Group regulations, standards, and requirements that are individually agreed on.
4. We will strengthen partnerships with our business partners, collaborate in government and industrial activities, and actively participate in community activities.
5. We will actively give full disclosure of the information regarding our involvement in and accomplishment of various environmental activities to all associated individuals, including local communities, governments, and Fujifilm Group company employees, to facilitate open communication.
6. We will heighten the environmental awareness of every Fujifilm Group employee through employee education, so that we can fortify our infrastructure to face the challenges posed by environmental issues in the future.

## Nine Priority Targets (as of March 2008)

Related pages Pages 86-90: Environmental Aspects

### 1. Improvement in Eco-Efficiency

By the fiscal year 2010, the Fujifilm Group aims to improve its eco-efficiency with regard to six of all the environmental burdens, from A through to F (refer to graphs below), by twice as much as the fiscal year 2000 level.

$$\text{Eco-Efficiency} = \frac{\text{Revenues}}{\text{Value for Environmental Burden}}$$

### 2. Design for Environment

Fujifilm will design all new and remodeled products according to the “Basic Regulations for Design that Takes the Environment into Consideration.” At the same time, measures will be taken to promote the sharing among all the Fujifilm Group companies of environmental quality data on products and other items created in line with those regulations, including manufacturing equipment and packaging materials. The scope of this program will progressively be expanded to encompass the entire Fujifilm Group.

### 3. Reduction of Environmental Burden and Contamination Control

#### 3-1. Reduction of Greenhouse Gas Emissions

By the fiscal year 2012, specified manufacturing facilities\*<sup>1</sup> domestic Fujifilm Group companies with large emission volumes will reduce their energy intensity\*<sup>2</sup> by 30% from those of the fiscal year 1990 and will reduce CO<sub>2</sub> emissions intensity\*<sup>3</sup> by 40% from those of the fiscal year 1990. Fujifilm Group companies, other than the companies above, set separate goals individually.

#### 3-2. Conducting Environmental Monitoring

Domestic Fujifilm Group companies' manufacturing facilities that use regulated chemicals will periodically monitor soil, underground water, and wastewater conditions as well as VOC emission volume.

#### 3-3. Leakage Measures for Pipes, Pits, and Tanks

Domestic Fujifilm Group manufacturing companies will continue implementing and augmenting their chemical leakage countermeasures. These include measures such as those to move pipes and other underground items above the ground and equip items with double walls, as well as measures to enable quick leakage detection of underground items.

\*1 Specified manufacturing facilities: Fujifilm's Kanagawa Factories (Ashigara and Odawara), Fujinomiya Factory, Yoshida-Minami Factory, FUJIFILM Opto Materials, and FUJIFILM Kyushu

\*2 Energy intensity: Energy consumption per converted unit of production volume

\*3 CO<sub>2</sub> emissions intensity: CO<sub>2</sub> emission volume per converted unit of production volume

### 4. Upgrading Waste Management

#### 4-1. Continuation and Improvement of Zero Emission Activities

Each domestic Fujifilm Group company will maintain the current zero emission standard. They will, furthermore, pursue qualitative improvement with regard to resource recycling. Each overseas Group company will establish separate targets in line with the situation in its respective country.

#### 4-2. Strengthening Waste Governance

Each domestic Fujifilm Group company will work to augment waste-related education programs and take thorough measures to achieve appropriate waste management.

### 5. Strengthening Chemical Substance Management

To comply with chemical substance regulations around the world, Fujifilm will maintain and strengthen its systems for reliably collecting relevant compliance information and for ensuring the legal compliance of product development and marketing operations. At the same time, we will strengthen our systems for responding to movements to increase the strictness of chemical management standards, including the new REACH chemical management regulations in force in Europe. Fujifilm will maintain dependable management operations based on the Fujifilm Chemical Substance Management System and will also work to upgrade these operations by introducing new safety testing and compliance testing technologies.

### 6. Management of Chemical Content in Products (Raw Materials, Parts, Packing Materials, and Services)

To manufacture environmentally-friendly products, Fujifilm will continue to strengthen its supply chain management systems and survey its suppliers and procured supplies and services. Regarding suppliers, we will survey our management system for chemicals contained in products and work to upgrade that system. In addition, Fujifilm will start the surveys of suppliers' CSR management. Regarding procured supplies, Fujifilm will undertake surveys and, at the same time, work to arrange contracts stipulating the absence of prohibited substances, clarify product specifications, and fortify inspection systems.

### 7. Construction and Improvement of Management Systems

Each Fujifilm Group company will work to create environmental and quality management systems and to continually improve those systems by integrating them into daily operation.

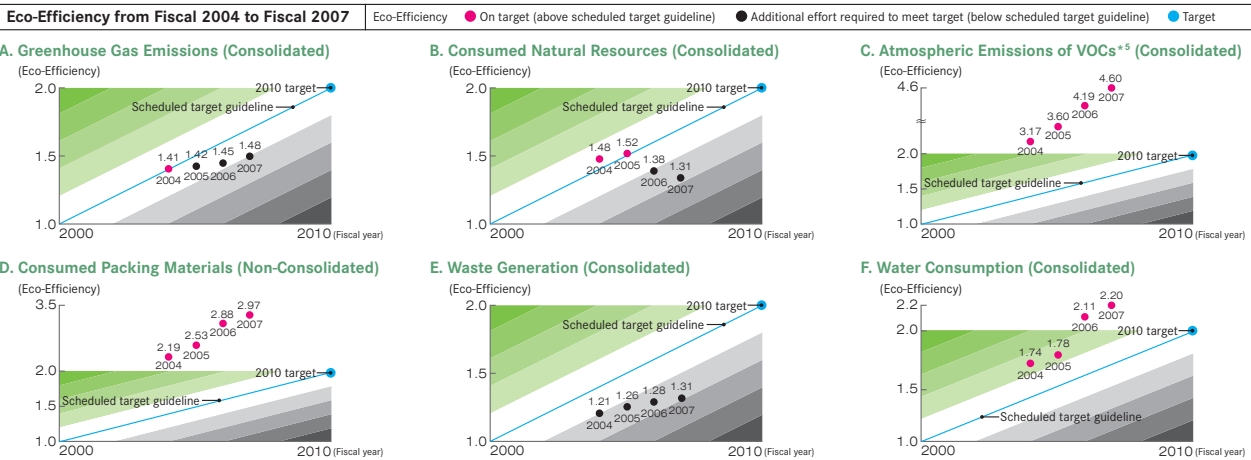
### 8. Information Disclosure, Information Provision, and Communication

Fujifilm will attempt to improve information disclosure/provision and communication through sustainability reports issued by each Fujifilm Group company. Regarding products, the Group will work to promote the provision of the Material Safety Data Sheets (MSDS) as well as other safety-level information that responds to the Globally Harmonized Systems\*<sup>4</sup> (GHSs). The Group will also seek to expand the scope of its product-related environmental information disclosure. Furthermore, the Fujifilm Group will strive to improve communication with all associated entities inside and outside of the organization.

\*4 GHS (Globally Harmonized System): Uniform (harmonized) international system for classifying and labeling chemical substances

### 9. Employee Education

Fujifilm will conduct education and training pertaining to the environment and quality for employees at domestic and international Fujifilm Group companies. Fujifilm will also continue to improve various aspects of their education and training procedures, including the content of education, appropriate training measures, and textbook updating as needed.



Eco-efficiencies of Atmospheric Emissions of VOCs (C), Consumed Packing Materials (D), and Water Consumption (F) were significantly better than their target lines and have already achieved the goals for the fiscal year 2010. However, eco-efficiencies of Greenhouse Gas Emissions (A), Consumed Natural Resources (B) and Waste Generation (E) were below their target lines for the following reasons:

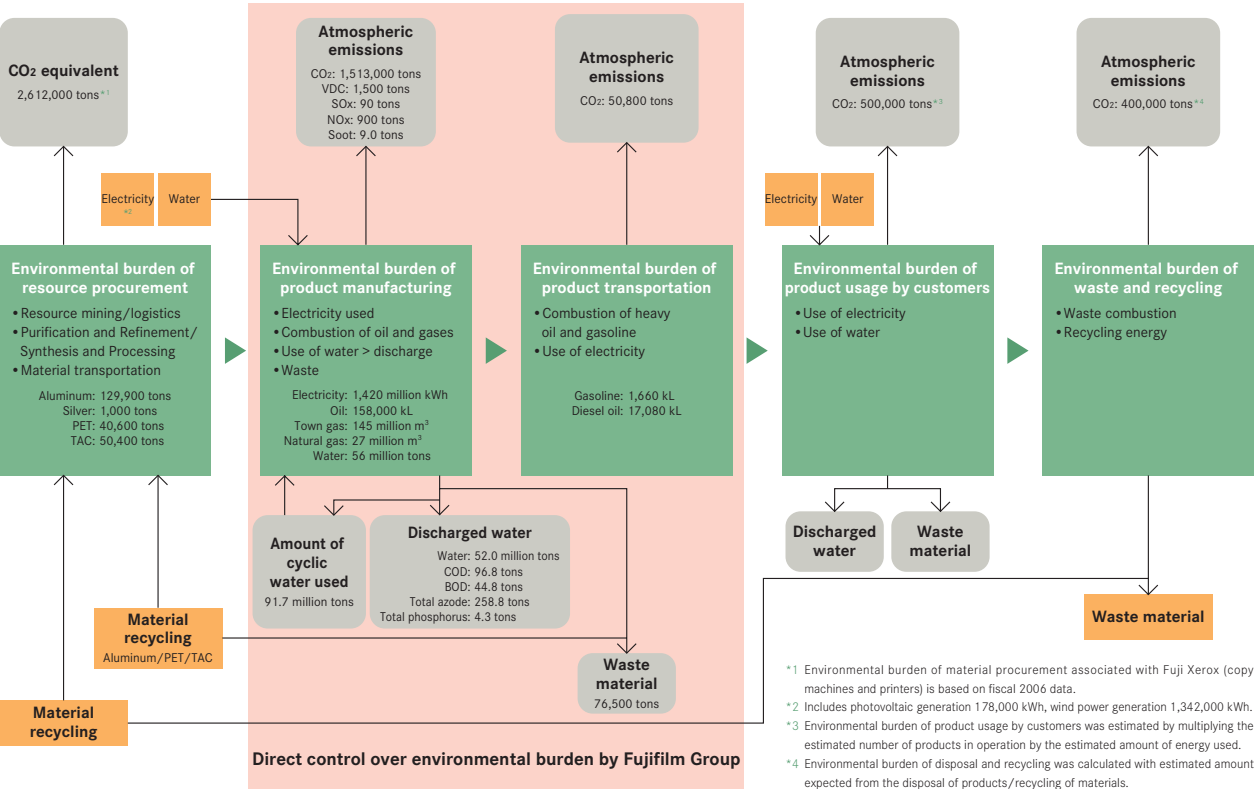
- With regard to Greenhouse Gas Emissions, the operations of new factories and the increased level of emissions from Group companies as a result of acquisitions were the primary driving forces. However, thanks to the reduction at Fujifilm domestic factories, the overall level improved over the previous year.
- With regard to Consumed Natural Resources, the value declined due to the increased use of aluminum, the basic material of TAC films for flat panel displays and PS plates for offset printing.
- Regarding Waste Generation, the amount generated is increasing in America and China. However, these increased amounts were more than offset by the reduction of waste in Fujifilm domestic factories, and therefore, the overall value represents an improvement for the entire Group over the previous year.

\*5 VOCs: Volatile Organic Compounds

# Environmental Burdens of the Fujifilm Group

This material flow system summarizes resource inputs and emissions associated with R&D, development, and product distribution across the entire Fujifilm Group.

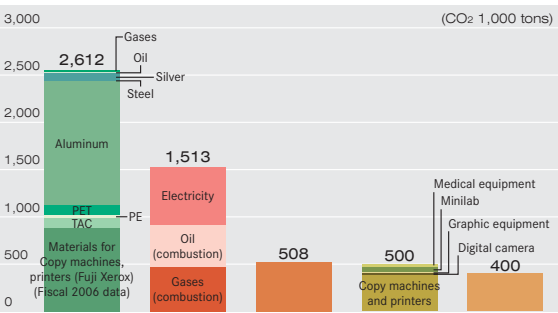
## Environmental burdens of the Fujifilm Group (Fiscal 2007)



## COMMENTS

### Analyzing environmental burden for the entire Fujifilm Group by LCA (Life Cycle Assessment)

#### CO2 emissions for the Fujifilm Group\* (Fiscal 2007)



\*To calculate the equivalent amount of CO2 emissions, the basic unit of CO2 emissions was based on an inter-industry relations table, which is a statistical matrix of inter-industry transactions of goods and services conducted over a given period (typically one year) in the domestic economy of Japan, as compiled by Ministry of Internal Affairs and Communications.

Ken Kawada (left)  
Senior staff

Takahito Miyoshi (right)  
Technical Manager  
Ecology & Quality Management Division  
FUJIFILM Corporation



We calculated overall environmental burdens, from resource procurement to production, usage in the market and disposal, of all products offered by the Fujifilm Group to identify the equivalent amount of CO2 (chart on the left). This indicates the largest environmental burden is from material procurement. In addition to our previous efforts to pursue resource saving, energy conservation and recycling of our products, we reconfirmed the importance of further limiting consumed resources and reutilizing resources through recycling and reuse.

#### Related pages

- ▶ Pages 8-11: Initiatives in the Medical Field
- ▶ Pages 12-15: Initiatives in the Printing Field
- ▶ Pages 16-19: Response to Climate Change

## FOCUS: Stakeholder Dialogue

### Dialogue with Experts, What We Have Done So Far to Reduce Environmental Burdens



The Fujifilm Group has conducted dialogues focused on reducing the environmental burden of products since 2005. For the dialogue in 2008 (held May 15, 2008), we discussed what the Fujifilm Group has done and should do to reduce environmental burdens. Participants included three external experts, including Mr. Norihiro Itsubo, Associate Professor, Faculty of Environmental and Information Studies, Musashi Institute of Technology; Ms. Mariko Kawaguchi, Senior Analyst, Management Strategy Research Department, Daiwa Institute of Research, Ltd; Mr. Toshihiko Fujii, Consulting Fellow, Research Institute of Economy, Trade and Industry (RIETI), and seven employees from FUJIFILM Holdings, Fujifilm, and Fuji Xerox. Mr. Hideto Kawakita, CEO of IIHOE (International Institute for Human, Organization, and the Earth), served as the facilitator.

#### What we have done

- Established technology for the closed-loop recycling of waste aluminum in the PS and CTP plates production process at Fujifilm (page 14)
- Implemented Integrated Recycling System at Fuji Xerox (page 25)
- Fujifilm's efforts for eco-printing (page 13)
- Fuji Xerox's efforts to reduce power consumption of products during use (page 19)

#### Participant comments

- Since refining aluminum as the raw material for PS plates requires significant energy, Fujifilm's technology for the closed-loop recycling of waste aluminum is worthy of praise. This will also boost the company's competitiveness.
- The progress in reducing environmental burden associated with hardware, including copy machines, is wonderful.

#### What we should do

- Environmental efforts for BtoB (Business to Business) products should be communicated to end-users as well.
- Results of environmental efforts for input resources should be presented in a clear and concrete manner.
- Actual CO2 reductions should be indicated by product, not as one total amount.
- Actively introduce energy saving mode in accordance with individual usage and mechanisms to reduce misprinting. Also further improve "soft" aspects such as recommending specific ways in which users could reduce environmental burdens and how much the reduction would be.
- Disseminating environmentally friendly products requires the concept of "investment" in addition to "cost."
- Companies need to be more actively involved in creating a system for securing advantages for pioneers to contribute to eco-friendliness.
- Cultivate human resources to undertake the required negotiations and coordinate strategies.

#### Conclusion

We have reaffirmed the significance of more actively communicating to society about activities that the Fujifilm Group has been implementing to reduce the environmental burden of its products. We have strengthened cooperation between individual divisions and the CSR division to promote environmentally friendly products from the perspective of management and presented the results to the general public as well as customers.

## COMMENTS

### After the stakeholder dialogue

#### What advances efforts to the reduce environmental burden of products

##### Mr. Toshihiko Fujii

Consulting Fellow, Research Institute of Economy, Trade and Industry



As efforts to reduce the environmental burden of products move toward full implementation, it is often the case that the problem cannot be solved by just one company. The recycling of aluminum at Fujifilm seems to be one such example. The objective has been achieved in cooperation with alloy manufacturers. The significant efforts in which personnel literally went around everywhere were the key to success. This is always true. However, more efficient progress would be possible with the support of an institutional framework or policy for promoting environmental cooperation beyond the boundaries of companies. Achieving a society with a small environmental burden will signify changing the rules of the game.

### After attending the dialogue

##### Mr. Norihiro Itsubo

Associate Professor, Faculty of Environmental and Information Studies, Musashi Institute of Technology



What sets Fujifilm and Fuji Xerox apart is not just the progressive content of their efforts but also their approach to product development and improvement in environmental burden based on product life cycles. I think this is related to basic CSR philosophy. To reduce environmental burden, it is vital to establish consensus with all related parties along with technical improvements. To promote the recycling of aluminum, Fujifilm took the first step to reprocess aluminum on its own and by assuring quality, the company was able to systemize recycling procedures. This is noteworthy.



# Design for Environment

Fujifilm Group not only complies with international environmental regulations but also provides customers with products that reflect genuine concern for the environment during every stage of their life cycles.

## Fujifilm's approach to design for the environment

Since April 2003, Fujifilm and its affiliates have designed all new products and improved existing products based on its “Basic Regulations for Design that Takes the Environment into Consideration” and have undertaken initiatives for reducing environmental burdens. In fiscal 2007, the Group focused on compliance with REACH, which went into force in June 2007, as a top priority for adopting environmentally friendly design. Fujifilm and its affiliates approach design for environment from the standpoint of fully incorporating such factors as the 3Rs (Reduce, Reuse and Recycle), chemical content, resource use, LCA (life

cycle assessment), power conservation and safety. Product designs that have not undergone the specified examination and approval process for environmental quality cannot be manufactured and sold. Design for environment is based on the LCA implementation rules, which were established in 2002. We apply LCA to quantitatively and objectively analyze and evaluate environmental burdens across the complete product life cycle, from planning and R&D, to material procurement, production and processing, sales, distribution, usage, and final disposal or recycling. Compliance with RoHS, REACH and other international environmental regulations are also incorporated into our framework of design for environment.

## TOPIC

Synergy between Fujifilm and Fuji Xerox  
**Developing biomass plastic with  
more than 30% plant-derived constituent**

In recent years, the utilization of biomass (recyclable organic resources derived from animal and plant materials other than fossil resources) is drawing major attention as an environmentally friendly alternative. The Fujifilm Group has also recognized biomass material as a key technology for the future and has been engaged in its development from an early stage. In July 2007, Fuji Xerox and Fujifilm jointly developed a biomass plastic with more than 30% plant-derived constituent (corn) by weight. This biomass plastic, which can be used for mechanical parts that require improved flame-resistance and impact resilience as well as high endurance, is a first in the industry. Substituting this new biomass plastic for conventional plastics that are primarily made from ABS resin can reduce CO<sub>2</sub> emissions by approximately 16%. We intend to develop even higher quality biomass plastics.



ApeosPort-III C3300, a full color digital multifunction device that uses biomass plastic parts for mechanical components (lever inside the cover).

## Biomass Plastics Mark

The Biomass Plastics Mark certifies that a product contains more than 25% plant-derived constituent by weight. ApeosPort-III C3300 is the first product in the industry to gain this mark.

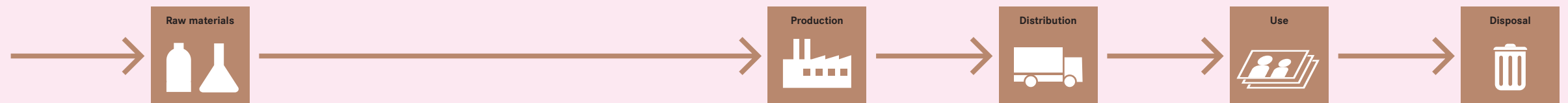
**Related page** ➤ **Page 19: Activities related to our products**

## Design for environment framework

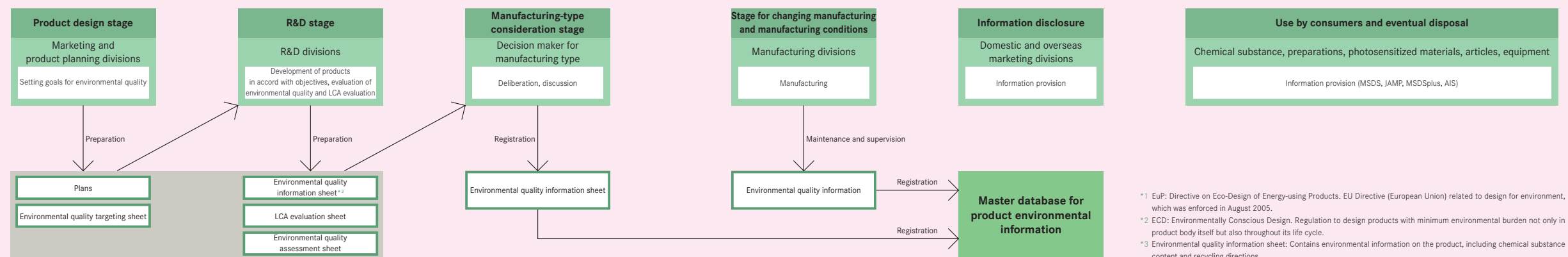
<b>Safety</b>	<ul style="list-style-type: none"> <li>● Reduced consumption of chemical substances that adversely impact the environment</li> </ul>	<ul style="list-style-type: none"> <li>● Safe disposal of used product</li> <li>● Safe disposal of waste</li> </ul>
<b>Management of chemical content (Green Procurement)</b>	<ul style="list-style-type: none"> <li>● Conforming to the green procurement standard (guarantee of environmental quality in raw materials/parts)</li> </ul>	<ul style="list-style-type: none"> <li>● Management in compliance with basic regulations for chemical contents</li> </ul>
<b>3Rs</b>	<ul style="list-style-type: none"> <li>● Utilizing recycled resources</li> </ul>	<ul style="list-style-type: none"> <li>● Reduced consumption of natural resources and energy in producing and using our products</li> <li>● Long-term use, repair and replacement of parts</li> </ul>
<b>Disclosure of environmental information to customers</b>		<ul style="list-style-type: none"> <li>● Environmental labeling, indications, and nomenclature of raw materials</li> <li>● Information on recycling and disposal of raw materials</li> </ul>
<b>Distribution/Packing</b>	<ul style="list-style-type: none"> <li>● Reduction of packing materials; Preventing the use of hazardous materials</li> </ul>	<ul style="list-style-type: none"> <li>● Ease of collection/transportation/retrieval, efficiency of distribution, repeated use of package wrapping, bales and cargo packs</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>● Compliance with domestic environment-related laws (Chemical Substances Control Law, Industrial Safety and Health Law)</li> </ul>	<ul style="list-style-type: none"> <li>● Compliance with international environment-related laws (EuP<sup>*1</sup>, RoHS, REACH) and industry agreement (ECD<sup>*2</sup>)</li> </ul>
<b>LCA implementation rules</b>	<ul style="list-style-type: none"> <li>● Assessment of the amount of CO<sub>2</sub>, chemical substances that adversely impact the environment, and waste materials</li> </ul>	across the complete life cycle of a product

## Elements of design for environment

The Basic Regulations for Design that Takes the Environment into Consideration were prepared taking into account these factors.



## Product development and information disclosure flowchart



\*1 EuP: Directive on Eco-Design of Energy-using Products. EU Directive (European Union) related to design for environment, which was enforced in August 2005.

\*2 ECD: Environmentally Conscious Design. Regulation to design products with minimum environmental burden not only in product body itself but also throughout its life cycle.

\*3 Environmental quality information sheet: Contains environmental information on the product, including chemical substance content and recycling directions.

# Chemical Substance Management for Safety and the Environment

To control the variety of risks associated with its specific businesses, the Fujifilm Group ensures appropriate chemical substance management at each stage of planning, development, commercialization, manufacturing, and sales.

## Chemical substance management at the Fujifilm Group

The Fujifilm Group strictly manages chemical substances, with full consideration for safety and the environment. We proactively respond to laws and regulations related to chemical substances and utilize our extensive expertise as a chemical manufacturer to actively support and demonstrate leadership for external projects, organizations and the industry as a whole. Since the businesses of Fujifilm and Fuji Xerox differ in nature, the risks and precautions they face related to chemical substances are also unique. Each operating company has established its own system for managing chemicals according to their respective businesses and risks.

## Safety evaluation at Fujifilm and its affiliates

The Fujifilm Safety Evaluation Center (formerly, Fujifilm Material Safety Test Center) is responsible for comprehensively assessing the safety of chemical substances and materials developed or used at Fujifilm. The Center conducts extensive, high-level safety evaluations related to health and environment in each stage, from initial product development to commercialization. Regarding legally mandated testing<sup>\*1</sup>, the Center conducts highly reliable tests that conform with international standards as a facility that complies with Good Laboratory Practice (GLP)<sup>\*2</sup>.

## Major items evaluated at the Fujifilm Safety Evaluation Center

Purpose	Item
Development of safe chemical substances	Toxicity screening (cell toxicity test and gene expression analysis); Quantitative structure-activity relationship; toxic mechanism analysis based on the evaluation of chemical disposition (absorption, distribution, metabolism, and excretion)
Management of industrial safety and health	Ames test; chromosome aberration test; acute oral and percutaneous toxicity study; skin irritation test; skin sensitization test; explosibility test
Safety management for products	Acute oral toxicity test; skin irritation test; eye irritation test; skin sensitization test
Tests required to comply with legal mandates (GLP)	Degradation test; enrichment test; partition coefficient test; Ames test; chromosome aberration test; repeated dose toxicity study; ecotoxicity test (algal growth inhibition test, daphnia acute immobilization test, and fish acute toxicity test)

<sup>\*1</sup> Chemical Substances Control Law (Law Concerning the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.) and Japan's Industrial Safety and Health Law.

<sup>\*2</sup> The standard that states the requirements for testing facilities, including organizational structure, facilities, and manuals for ensuring the reliability of safety tests results. The Safety Evaluation Center is certified by the Ministry of Economy, Trade and Industry, the Ministry of Health, Labour and Welfare, and Ministry of the Environment.

<sup>\*3</sup> JaCVAM: Japanese Center for the Validation of Alternative Methods.

## Expanded functions of the Fujifilm Safety Evaluation Center

The functions of the Safety Evaluation Center are being expanded to address Fujifilm's broadening scope of business into the fields of functional materials and life sciences. Concretely, we strengthened technologies such as those for evaluating cell toxicity and gene expression, analyzing toxic mechanism based on the evaluation of chemical disposition, and forecasting based on quantitative structure-activity relationship. We also enhanced our safety database to make it easier for material developers to use. Based on these steps, we are able to develop safe, high-performance materials and products by evaluating and analyzing safety-related factors from the earliest stages of development.

## Control of animal testing at Fujifilm and its affiliates

Under the Regulations for Ethical Animal Testing, which apply to Fujifilm and its affiliates, rules for animal testing have been formulated at each animal testing facility to comply with the Law for the Humane Treatment and Management of Animals. In addition, an animal test committee was established to oversee appropriate animal testing. We also actively promote the 3R principles (Replacement, Reduction and Refinement) for animal testing. The Center is participating in an initiative of the Japanese Society for Alternatives to Animal Experiments (co-organizer JaCVAM<sup>\*3</sup>) to consider alternative testing methods for existing skin irritation and skin sensitization tests.

## Contribution to LRI

The International Council of Chemical Associations (ICCA) has been pursuing a Long-range Research Initiative (LRI) on the impact of chemical substances on the environment and human health. Fujifilm supports this initiative through investments in the LRI and by participating as a committee member.

## Related page

➤ [Page 86: The scope of applicable chemical substances \(Fujifilm\); Classification of chemical substances and standards for classification \(Fujifilm\)](#)

## Comprehensive chemical substance management system (Fujifilm)

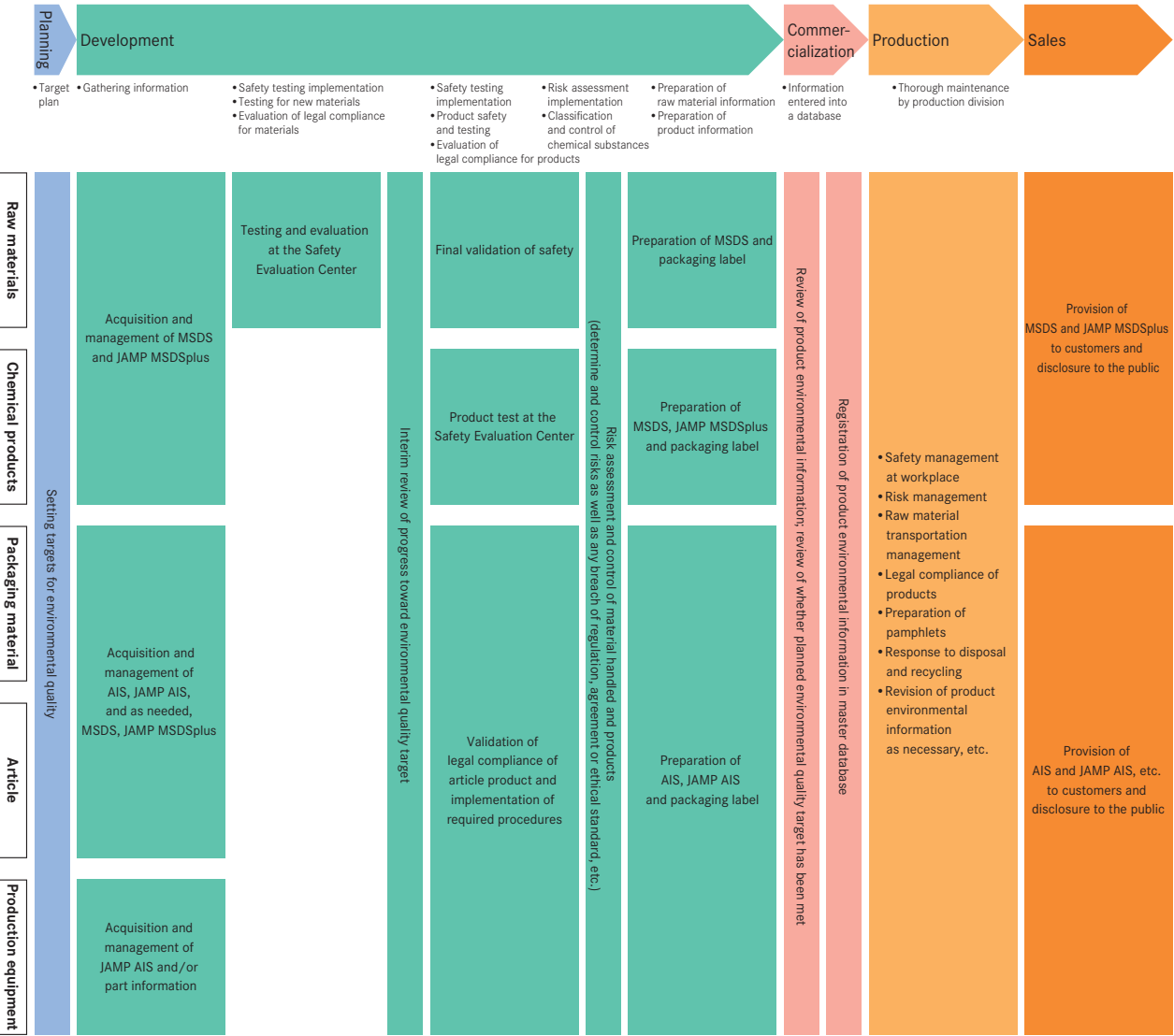
### Fujifilm standards and regulations

Standards for Chemical Substance Management (Basic Regulations for Management of Chemical Substance Environmental Safety Management; Basic Regulations on Chemical Content)

Management Standards for Worksite Environment, Safety Management, and Site Operation (Guideline for Chemical Substance Risk Assessment and Chemical Substance Management; Environmental Controlled Substance Testing Standard; and Chemical Content Management)

Product Management Standard (Basic Regulations on Design for Environment)

Regulations on PL Management



## Chemical substance management at production facilities of Fuji Xerox and its affiliates

Fuji Xerox and its affiliates formulated Chemical Management Regulations and have classified and clarified the chemical substances used at their production facilities according to a safety classification table for chemical substances.

For new chemical substances that come into use in production processes, an application form for registering a new chemical substance is screened based on information from legal research and MSDS (Material Safety Data Sheets) to determine safety classifications. Furthermore, reviews on environmental

and safety risks are carried out whenever production processes involving the use of new chemical substances are introduced or changed, to secure the safety and health of workers as well as to reduce the risk of environmental pollution. In addition, audits of chemical substances are periodically conducted to confirm usage according to the Chemical Management Regulations and, if not, any necessary corrective steps are taken. Through these efforts, Fuji Xerox continuously strives to reduce the risks related to the use of chemicals.

## Related page

➤ [Page 86: Safety classification of chemical substances \(Fuji Xerox\)](#)



# Chemical Content Management

The Fujifilm Group stays one step ahead of public expectations by strictly controlling the chemical content of its products globally and by sharing that information with partners and customers.

### A global trend toward control of chemical contents

Legal environmental mandates have become increasingly strict across the world over recent years, and the right to participate in economic markets can depend on compliance with regulations on chemical substances. Therefore, companies must take immediate action to remain going concerns.

The direction of chemical substance management for the 21st century was first presented at the Earth Summit held in Rio de Janeiro in 1992, and the concrete goal of minimizing the use of hazardous chemical substances by 2020 was adopted at the Johannesburg Summit in 2002. In response to this worldwide trend, the RoHS Directive\*<sup>1</sup> was announced in Europe in 2003 (enforced, July 2006) followed by the REACH Regulation\*<sup>2</sup> in 2006 (enforced, June 2007). These laws and regulations demand stronger control (collection and disclosure of information) over chemical substances in products (as chemical content) and require companies to take concrete actions.

In its commitment to respond proactively to these social demands and operate in full compliance with global standards, the Fujifilm Group has been systematically implementing group-wide efforts to exert a high level of control over chemical content, by creating frameworks, developing operational guidelines, constructing systems and others.

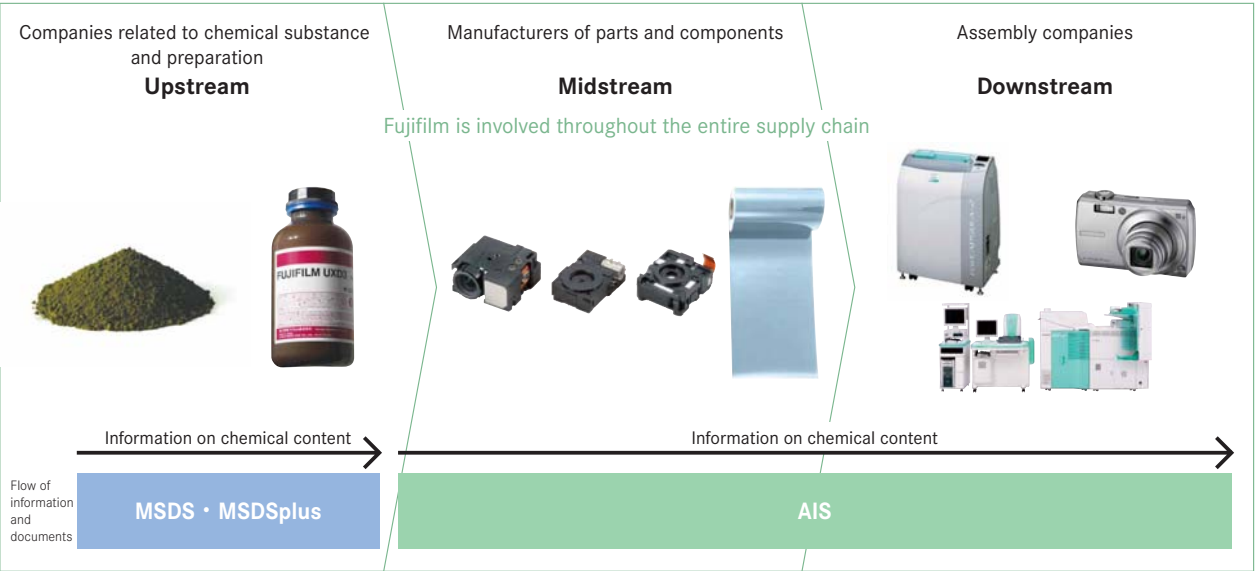
### Management of information for the entire supply chain

Addressing the level of chemical content control required by RoHS and REACH as quickly, accurately and efficiently as possible requires sharing information among supply chains and creating a system to facilitate this information exchange.

Since Fujifilm is involved in all segments of the supply chain, from raw materials to articles and finished products, we must deal with an extremely wide range of items. Consequently, we are collecting and disclosing the necessary information in collaboration with business partners throughout the supply chain, from upstream chemical manufacturers to mid-stream articles (parts and constituent components) manufacturers and downstream assembly companies.

Since Fujifilm's approach to controlling chemical substances based on its business domain is similar to JAMP\*<sup>3</sup>, which also takes into consideration the entire supply chain, we started disclosing information by broadly moving into JAMP MSDSplus\*<sup>4</sup> and JAMP AIS\*<sup>5</sup> based on JAMP formats from AIS that are in compliance with photographic industry standards.

### Information flow for chemical content throughout the supply chain



### Global implementation of chemical content controls

The Fujifilm Group, which operates in global markets from locations around the world, has been developing systems to comply with internationally enforced laws and regulations.

Following the enforcement of the RoHS Directive in Europe in 2006, similar regulations were enforced in Japan, the United States and China. We maintain close communication with overseas Group affiliates to exchange information and ensure compliance with each nation's disclosure requirements.

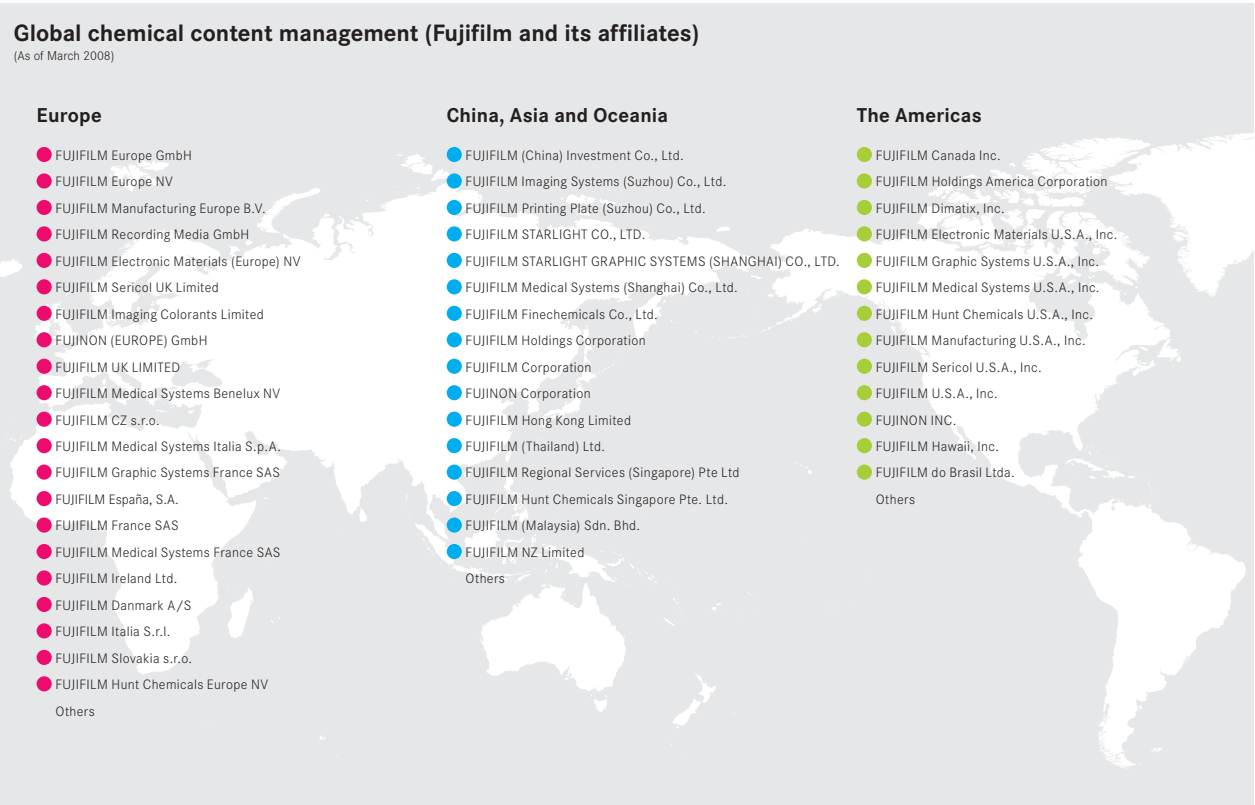
For instance, in such areas as Europe and the United States, which share a common regulatory framework, we are bolstering compliance capabilities and reducing costs by sharing information on legal regulations and responses to comply with legal mandates. We are also enhancing the monitoring of regulations in Japan and abroad in collaboration with overseas subsidiaries.

### Chemical content management at Fuji Xerox

Fuji Xerox provides products to Xerox Corporation as well as its major markets in Asia and Oceania. As a result, our controls over the chemical content of products must comply with legal mandates across the world.

Regarding REACH Regulation, we have been setting up working groups since the latter half of 2006 under three themes: system formation, response to preparations, and response to parts. Regarding the preparations such as toners, we determined how we would handle pre-registering all business partners for materials subject to regulations and have been implementing the necessary preparations for registration. In terms of the requirements for parts, we intend to base our response on JAMP.

Regarding the RoHS Directive, we focused on completely eliminating the use of lead. In 2007, we became the first in the industry to begin using lead-free shafts for photocopy machines.



### Related pages

- ▶ Page 38: Compliance with Environmental Laws and Regulations
- ▶ Page 58: Design for Environment
- ▶ Page 60: Chemical Substance Management for Safety and the Environment
- ▶ Page 83: Material Procurement

\*<sup>1</sup> RoHS Directive (Restriction of the use of certain Hazardous Substances in electrical and electronic equipment): Restrictions governing the use of certain harmful substances in electrical and electronic devices in Europe, and restricting the usage of cadmium, mercury, lead, hexavalent chrome, and bromine fire retardants (PBB, PBDE) in electronics as of July 1, 2006.

\*<sup>2</sup> REACH Regulation (The Registration, Evaluation, Authorisation and Restriction of Chemicals): More stringent restrictions for managing chemical substances that address traditionally used chemicals and chemicals contained inside certain articles. The REACH Regulation aims to establish a management system for registering, evaluating, approving and restricting chemical substances.

\*<sup>3</sup> JAMP (Joint Article Management Promotion-consortium): Cross industry organization established in September 2006 with the objectives to promote the activities such as creation and dissemination of mechanisms for proper management of information on the chemical content of products as well as appropriate and smooth communication of information throughout the supply chain.

\*<sup>4</sup> JAMP MSDSplus: Information sheet for chemicals and chemical products proposed by JAMP in response to RoHS Directive and REACH Regulations.

\*<sup>5</sup> JAMP AIS: Information sheet for chemical content of articles proposed by JAMP in response to RoHS Directive and REACH Regulations.

# Effective Waste Management and Recycling

To fulfill its social responsibilities, Fujifilm continuously improves its management of industrial waste by surveying and evaluating the waste treatment of our contractors.

## Survey and evaluation system for industrial waste treatment by subcontractors

### Actions at Fujifilm

Fujifilm established a company-wide system in fiscal 2004 for surveying and evaluating the industrial waste treatment subcontractors it works with, and has been conducting a rigorous and fair analysis and evaluation with the cooperation of approximately 100 companies. Fujifilm also uses this system to conduct on-the-spot inspections of industrial waste treatment companies, as mandated by local ordinances, since fiscal 2006. This system is reviewed and improved as necessary on an ongoing basis.

In addition, improvements on surveyed items were introduced in fiscal 2007 as well as the survey and evaluation qualification program to certify the competence of examiners. Approximately 20 employees are currently certified to conduct surveys and evaluations for Fujifilm.



Survey of industrial waste treatment subcontractors

### Actions at Fujifilm affiliates

Survey and evaluation for industrial waste treatment subcontractors is carried out in all Fujifilm sales and production companies. All subcontractor evaluations are compiled in the Industrial Waste Treatment Subcontractor Survey and Evaluation Database. This waste management information is shared across the entire Group and used to strengthen the governance of waste management.

#### ▼ Fujifilm sales companies (8 companies)

In fiscal 2007, eight companies adopted and began applying this survey and evaluation system. Survey and evaluation personnel are trained to ensure the uniformity of evaluations in the operation of this system. These companies are carrying out periodic evaluations and listing waste management subcontractors in the database for efficiently sharing information and supporting efficient operations. Approximately 80 employees are certified to survey and evaluate subcontractors.

#### ▼ Fujifilm production companies (8 companies)

Eight companies who had separately conducted surveys and evaluations began adopting a common system in fiscal 2008 after 34 employees in charge of surveying and evaluation had participated in seminars and on-the-job training at Fujifilm.

## Status of the survey and evaluation system for industrial waste treatment subcontractors

Fiscal year	2004		2005		2006		2007		2008	
Classification	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half
Fujifilm (9 facilities)	1st year									
Sales companies (8 companies)							1st year		2nd year	
Production companies (8 companies)									1st year	

## Companies that have adopted the survey and evaluation system for industrial waste treatment subcontractors

Fujifilm (including some affiliates)	Sales Companies	Production Companies
Kanagawa Factory (Ashigara site and Odawara site)	FUJIFILM Medical Co., Ltd.	FUJINON CORPORATION
Fujinomiya Factory	FUJIFILM Graphic Systems Co., Ltd.	FUJIFILM TECHNO PRODUCTS CO., LTD.
Yoshida-Minami Factory	FUJIFILM IMAGING Co., Ltd.	FUJIFILM Finechemicals Co., Ltd.
Asaka Office Electronic Imaging Products Div.	FUJIFILM BUSINESS SUPPLY CO., LTD.	FUJIFILM RI Pharma Co., Ltd.
Sendai Office Electronic Imaging Products Div.	FUJIFILM Business Expert Corporation	Fuji Technics Co., Ltd.
R&D at Kaisei	FUJIFILM LOGISTICS CO., LTD.	FUJIFILM Electronic Materials Co., Ltd.
Tokyo Head Office	FUJIFILM Computer System Co., Ltd.	FUJIFILM Techno Service Co., Ltd.
FUJIFILM Opto Materials Co., Ltd.	FUJIFILM Software Co., Ltd.	FUJIFILM MEDIA CREST CO., LTD.
FUJIFILM Kyushu Co., Ltd.		

## Training for operators in charge of industrial waste

An IMS internal auditing determined that operator capabilities needed to be improved. In fiscal 2007, training sessions were held for 150 waste operators from Fujifilm affiliates at six locations across the country.



Training for waste operators

## Registration for waste and recycling governance

Fujifilm received Gold Class certification for the Head Office and three main factories in Yoshida-Minami, Fujinomiya, and Kanagawa in fiscal 2007 as part of the registration project for corporate Waste Recycling Governance (WRG)\* supported by the Japan Environmental Management Association for Industry, which is based on guidelines from

the Ministry of Economy, Trade and Industry (Industrial Structure Advisory Council). Takematsu site of Fuji Xerox also received Gold Class certification.



\* The Program to Register and Support Waste Recycling Governance is a public works project of the Japan Environmental Management Association for Industry and includes the development and release of a compatibility check sheet for businesses in accordance with WRG Guidelines set forth by the Ministry of Economy, Trade and Industry. This project also registers self-declarations of companies with verified compatibility and helps other businesses establish WRG.

## Achieving and sustaining zero emissions (Belgium)

In 2000, FUJIFILM Hunt Chemicals Europe NV achieved zero emissions and has been maintaining this level. The company is currently enhancing the quality of recycling and is emphasizing inventory management to avoid generating chemical waste. The basic idea is to prevent waste and not generate any expired chemicals through effective inventory management. Slow moving chemicals are processed under appropriate conditions before expiration.

### Recycling Details

- Shrink foils, paper, cardboard, wood, and metal scraps are recycled.
- All plastics, 60-liter drums, and IBC containers are sent to a recycling company and then put on the market for re-use.
- Chemicals (developers and fixers) are used for supplemental energy in the production of cement or used as raw materials for producing Renoxal (trade name), a reducing agent for NOx emissions during the incineration process.
- Components, including contaminated used bags for wrapping, are used to circulate energy as incineration fuel.

## All laboratories obtain ISO 14001 certification (France)

Laboratories FUJIFILM SAS handles film development and photo printing, among other services. In February 2008, all seven laboratories in France obtained ISO 14001 certification, and the company is striving to improve its recycling rate.

### Recycling Details

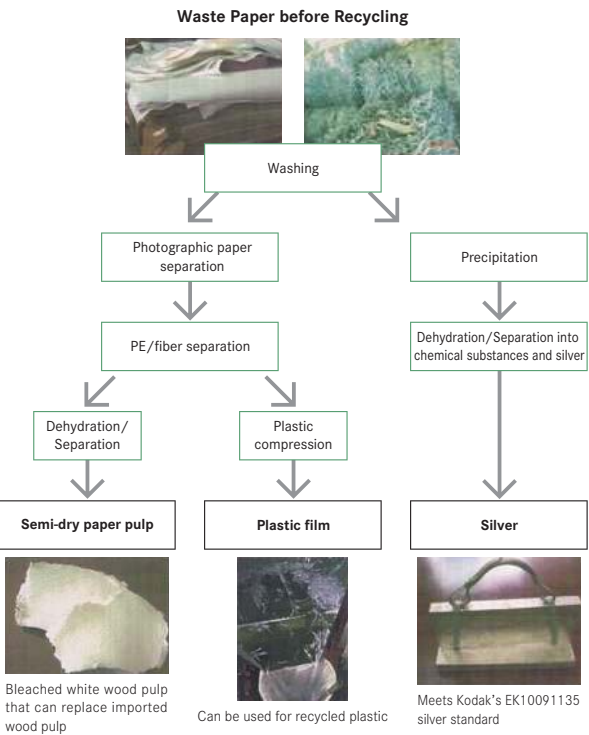
- Chemicals (color paper developer): 65% recycled
- Chemicals (bleach-fix): 86% recycled
- Silver: on average, 85.47% recycled (In 2007, 3,156 kg of silver were collected and sold. The target for 2008 is a 90% recycling rate.)
- Drums: Disposal volume in 2007 decreased by 22% compared to 2006.
- QuickSnap: In 2007, 197 tons of QuickSnap were collected and recycled.

## Waste reduction project (Belgium)

FUJIFILM Electronic Materials (Europe) N.V. systematically implemented a waste reduction project in fiscal 2007. The company took such actions as increasing the delivery of raw materials in returnable wrapping, abolishing excessive wrapping, and cutting packing waste through bulk deliveries. The total waste was reduced from 3,465 tons in 2001 to 1,750 tons in 2006.

## Recycling project for photographic paper (China)

In 2005, FUJIFILM Hong Kong Limited launched a project to recycle scrap photographic and inkjet paper manufactured by Fujifilm's Fujinomiya Factory. Since these papers are coated with chemicals, a special recycling process must be applied. The company searched for processing factories and established a recycling technology. Photographic and inkjet paper are separated into raw paper, plastic film, paper pulp, silver, and recycled into materials that can be reused. Starting in June 2006, waste paper was sent from Japan to a recycling facility in Xiamen, China, and full-scale recycling commenced in 2008. Approximately 300 tons of scrap paper are expected to be recycled annually.



### Related page

➡ Page 88: Zero emission; Volume of waste generation (consolidated); Main recycling method for waste products



# Sustainable Use of Water

While maintaining harmony with local communities, the Fujifilm Group is striving to efficiently use limited water resources by adopting water-saving facilities and efforts.

## Searching for sustainable water resources, equivalent to annual cost savings of ¥1.1274 billion\*

Since there is an abundant source of water, there are many paper mills in Fujinomiya, Shizuoka Prefecture, where the Fujifilm Fujinomiya Factory is located. In the event of water shortages due to a decline in rainfall or drop in the level of underground waters, the municipal government gives priority to local agriculture and orders factories and other facilities to stop taking in water. Consequently, both surface and underground water are subject to restrictions, requiring the Fujinomiya Factory to cut water usage to maintain operations. Actions taken by the factory included installing water-saving production facilities from 1990 to 1992. However, production continues to expand every year, and the issue of water resources has become urgent. From 2002, the Fujinomiya Factory launched an initiative under the Utility Supply Section, which has yielded major results. The section meticulously analyzed production processes and calculated the standard figures for minimal water usage required by each workplace. It also advanced activities to raise awareness of these figures at each workplace. At the same time, the Utility Supply Section conducted ongoing monitoring to maintain proper water volumes and provided instruction to work sites. The plant also reviewed production processes that used well water and shifted to recycled water. Recognizing that water conservation is a daily concern not just during the summer, when shortages occur, the plant implements efforts throughout the entire year. In addition, the Fujinomiya Factory

deployed a variety of approaches. For example, the Utility Supply Section forecasted water shortages and enhanced a sense of urgency throughout the factory by using simulations it had independently developed based on changes in the underground water level, which occurs once every 10 years. As a result, the factory reduced water consumption by 13% in 2005 and by 22% in 2006 compared to 2002. This effort not only reduced costs but also realized the sustainable usage of water resources, for which there are no alternatives, and fulfilled the key mission of maintaining plant operations.

### Capital investment for saving water and results (Fujinomiya Factory)

Capital investment (water saving management equipment)	¥30 million
Current annual amount of water saved	5.637 million tons
Value of water savings (estimate*)	¥1.1274 billion

\*Calculated based on ¥200 per ton, as used in environmental accounting



The Shimizu River. This source of water for the community runs through the grounds of the Fujinomiya Factory (left), and Shimizu River cleaning activities. Residents and volunteers from the factory clean the river every year (right)

## TOPIC

### Supporting Conservation Activities for the Saluda-Reedy Watershed



Fujifilm Manufacturing U.S.A., Inc. with Lake Greenwood in the background

FUJIFILM Manufacturing U.S.A., Inc. produces color paper, PS plates, QuickSnaps and screen materials for large-size displays. The company has donated \$500,000 (approximately ¥50 million) to the Saluda-Reedy Watershed Consortium (SRWC) over five years, from 2003 to 2008. The main sponsors of the SRWC are FUJIFILM Manufacturing U.S.A., Inc. and the V. Kann Rasmussen Foundation. SRWC manages water quality and volume as well as conservation activities for the Saluda-Reedy Watershed and other rivers and lakes, including Lake Greenwood. In addition, SRWC engages in outreach programs to educate local residents of the importance of protecting the watershed. For details of SRWC activities, please visit the following website.

URL <http://www.salutareedy.org/>

Related page [Page 87: Water input \(Consolidated\)](#)

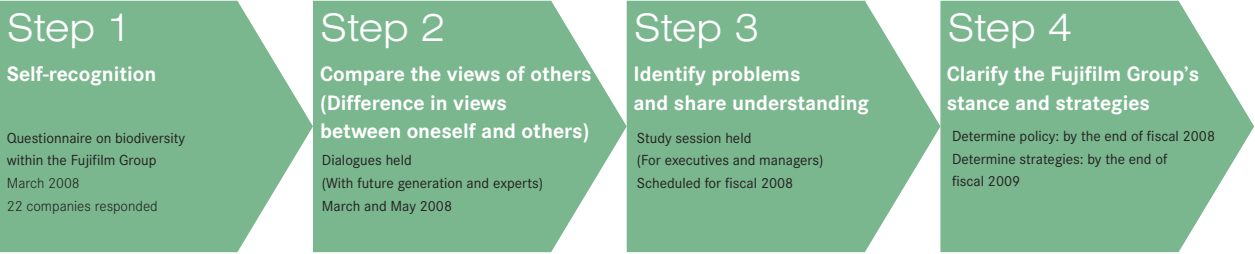
# Biodiversity Conservation

Recognizing that, along with climate change, biodiversity is another important CSR issue for the Fujifilm Group, we are developing a specific action plan incorporating views from within and outside the Group.

## Clarifying our policy and developing concrete measures

Conserving biodiversity is a priority issue for the Fujifilm Group's medium-term CSR Plan. Fujifilm has designated it as a focus point for stakeholder dialogues since 2005 and has maintained ongoing discussions. As a result, we have reconfirmed the responsibility of the Fujifilm Group to seriously address the issue of conserving biodiversity since we draw upon so many natural resources in our products and services. To turn this belief into action, we will start from a self-recognition of the profound interconnections between biodiversity and our own business operations. We will then advance to do what we can, step by step, based on sincerely heeding the opinions of stakeholders and clearly grasping the needs of society.

Related pages [Page 29: Progress evaluation of the Medium-term CSR Plan](#) [Page 35: Clarifying basic policies on biodiversity](#)



### Step 1 Questionnaire

A questionnaire on biodiversity conservation was conducted to grasp recognition, involvement, influence, and cooperation with society. The questionnaire was sent to 25 business entities, including business units and affiliates of Fujifilm and Fuji Xerox, with 22 responding. Based on the responses, we found approximately half of these entities recognize the term, "biodiversity," although 90% answered that they did not know about the ecosystems surrounding them. They understood the relationship between biodiversity and business activities, particularly at the point of purchasing raw materials. Actions taken thus far had mainly been in-house volunteer activities; there was no cooperation with NPOs or NGOs that directly addressed biodiversity. We intend to draw upon this data to develop future efforts.

### Step 2 Stakeholder dialogue

The stakeholder dialogues for 2008 focused on conserving biodiversity and consisted of two parts, a Dialogue with the Future Generation and a Dialogue with Experts. The Dialogue with the Future Generation was a first for the Fujifilm Group. Since the issue of biodiversity conservation reaches across generations, cooperation between adults and future generations is vital. The goal of this dialogue was to seek clues and explore methods for effective inter-generational discussions to encourage a level of cooperation in which all generations stand on an equal footing. We will continue to hold these conversations with the future generation and experts.

### Looking to the future

It is important to recognize the meaning and significance of biodiversity conservation. We intend to promote in-house education about biodiversity conservation and clearly present the stance and policy of the Group to move this dialogue toward concrete activities and measures across the Fujifilm Group.

## COMMENTS

### After the Biodiversity Stakeholder Dialogues

Mr. Masayuki Aoki

Facilitator, Aoki Masayuki Facilitator Office



If I were to share my honest impression of the Dialogue with the Future Generation (junior high and high school students), what comes to mind is the saying, we must not underestimate young people. Statements and questions by the future generation were frank and got to the point. At the same time, I felt, from what they said, that young people also learned a great deal from the attitudes of employees, who sincerely listened as adults to the opinions of the future generation. In addition, I sensed at the dialogue in May the Fujifilm Group's firm determination to do its best despite not yet being completely familiar with biodiversity. I would like to continue supporting the Group's efforts.

FOCUS: Stakeholder Dialogue

A Dialogue with the Future Generation:  
“Learn the value of living things;  
protect and preserve them  
—What can we do and what should we do?”

On March 28, 2008, a dialogue was held with the future generation focused on biodiversity conservation as a new effort. Representing the future generation were seven junior high and high school students who had been awarded the Grand Prize and Prize for Excellence in the 24th Forest Road Viewing Contest. Also participating as adult generations were three experts from outside the company and three Fujifilm Group employees.

Part 1 Status of creatures—sharing information  
on present conditions

For the question, “How urgent do you think the situation is regarding living things?” participants discussed the present conditions. After exchanging ideas, they came to a common understanding that the situation is indeed serious across the globe due to abnormal changes in ecosystems, environmental destruction, and unabated global warming.

Part 2 “What I don’t know and what I do know”

The participants were posed the questions of what they knew and didn’t know about issues related to biodiversity and explored their answers while listening to comments from experts.

“What I don’t know.” (Excerpts)

- How many species of living things are there?
- How can we eliminate introduced species and naturalized plants? How can we stop them from spreading?
- Who is ultimately responsible for nature?
- Is it possible to restore nature that has been destroyed?
- To what extent must developed countries lower their standards of living?
- Can nature be protected by laws?
- I don’t know what nature was like 20 years ago.
- Can the Earth really be restored by halting the destruction of nature taking place right now?

Outside participants

- Facilitator: Mr. Masayuki Aoki
- Facilitation graphics: Mr. Soshi Shiga

Future generation: Grand Prize and Prize for Excellence winners for the 24th Forest Road Viewing Contest

- Ms. Sayaka Sugawara, Teine Junior High School
- Ms. Chika Inoue, Hakuryo Junior High School
- Mr. Takahiro Murayama, Junshin-gakuin Junior High School
- Mr. Kazuki Motoda, Tokyo University of Agriculture Daiichi High School
- Ms. Tomomi Kitano, Chuo University High School
- Mr. Ryota Senou, University of Hyogo High School
- Mr. Yusuke Nakanishi, University of Hyogo High School

Adult generation

- Mr. Mitsuyuki Okamoto, Director, Office of Communication with Nature, Policy and Coordination Division, Nature Conservation Bureau, Ministry of the Environment
- Mr. Masatsugu Taniguchi, Journalist covering resources and the environment
- Mr. Toshiyuki Okura, Director, Science Communication and Education Conservation Division, WWF Japan



Part 3 What can we do? What should we do?

In order to learn the value of living things and to protect and conserve them, participants explored the challenges together and presented their ideas for what we can do and what we should do.

Three things we can do, from the discussion:

1. Increase opportunities to commune with, feel close to, and experience nature.
2. Become a consumer who is satisfied with just enough. Select environmentally friendly products in daily life as a “green consumer.”
3. Act with an eye on the future. Act on things we can do. Never give up and keep your hopes alive.

Proposals for things we should do:

1. What should we do to convey and spread awareness and environmental conservation activities, such as being a “green consumer,” with those around us?
  - Live by example. Start off with something near by.
  - Show specific achievements.
  - Work on this for the long-term, beyond generations, in places such as schools.
  - Create an “eco is so cool” fad, such as eco-bags and others.

2. Who should we get involved to commune with and feel close to nature more?
  - Friends and family.
  - Small children, by developing themes like bugs that are interesting for them.

3. What would you like the Fujifilm Group to do?
  - Lend field scopes and microscopes.
  - Support biology clubs across the country.
  - Hold photo contests with nature as the theme.
  - Hold eco-tours along with lectures on how to use digital cameras.
  - At digital photo printing at convenience stores, discount print charges for photos taken with observing nature as a theme.
  - Use closed schools and other buildings to hold workshops for protecting culture and traditions as well as for experiencing nature.
  - Have employees bring their own chopsticks and stop using disposable chopsticks.

FOCUS: Stakeholder Dialogue

A Dialogue with Experts:  
The Fujifilm Group’s relationship with biodiversity

Following the Dialogue with the Future Generation on March 28, 2008, a Dialogue with Experts was held on May 15, 2008. Participants included eight experts from outside the company who have been pursuing activities at the forefront of biodiversity and four employees from the Fujifilm Group.

FUJIFILM Holdings explained the Group’s perspective on biodiversity and the overall outline of the action plan. Following a report on the results of the biodiversity questionnaire, which had been conducted inside the Group, and a summary of the Dialogue with the Future Generation, participants started their own discussion on the main theme.



Opinions

- Biodiversity is generic term referring to all forms of life on the earth, as well as all species, eco-systems and ecologic processes that provide people with economic value, ecological services, and insight into the value of existence. A key issue for every company is how to tackle biodiversity conservation in its main business as well as those activities that are not directly related to business operations.
- Decreasing biodiversity creates risks for sustainable corporate growth. Future plans will become clearer by grasping our impact on eco-systems and the ecological services we benefit from across the entire supply chain as well as by analyzing and examining future business risks.
- Expectations are rising for a low carbon, recycling-oriented society that co-exists with nature. Even in the course of supporting biodiversity as a social contribution, companies should be aware that these efforts are part of their core business. Every company depends on biodiversity.
- A long-term time frame is necessary. Since companies are used to analyzing and evaluating business results in the context of a half-year or quarter, their perspective might not include reflection on their situation 20 years in the past or estimating risks 20 years in the future. The time span of biodiversity is fundamentally different from the time span of regular business activities.
- In business operations, simplification leads to tremendous risks. It is necessary to have many options and to restore diverse perspectives. The era in which a company can thrive as a business with only one area of strength is over.

Outside participants

- Facilitator: Mr. Hideto Kawakita, CEO of IIHOE (International Institute for Human, Organization, and the Earth)

Outside experts

- Mr. Masayuki Aoki, Facilitator, Aoki Masayuki Facilitator Office
- Mr. Naoki Adachi, CEO, Response Ability, Inc.
- Ms. Mikako Awano, Director, Head of Business Partnership Marketing Group, Fundraising & Marketing Communications, WWF Japan
- Mr. Norihiro Itsubo, Associate Professor, Faculty of Environmental and Information Studies, Musashi Institute of Technology
- Mr. Mistuyuki Okamoto, Director, Office of Communication with Nature, Policy and Coordination Division, Nature Conservation Bureau, Ministry of the Environment
- Ms. Mariko Kawaguchi, Senior Analyst, Management Strategy Research Department, Daiwa Institute of Research Ltd.
- Mr. Yasushi Hibi, Director, Japan Program Conservation International
- Mr. Toshihiko Fujii, Consulting Fellow, Research Institute of Economy, Trade and Industry, IAA

- What will make a difference is whether a company can recognize unforeseen risks in 10 or 20 years as risks to the present.
- Companies should work on R&D on how to use resources longer and wiser. Companies that consider alternative energy sources as well as the use of crude oil will have an overwhelming advantage. The risk is immense for any company making a product that depends on diminishing resources; on the other hand, a company making a product that depends on bio-resources will gain a competitive edge.
- Fujifilm has profited from products that use bio-resources, such as triacetate and cellulose for photographic film and LCD film products; however, there has been no concept of a bio-resource benefit. I want to think about this.
- Since the risk to biodiversity is hard to envision, a company lacks a sense of crisis and may prefer to move slowly. However, the risk can manifest itself in an instant and can be extremely dangerous once it has occurred. This is the situation that we now must face. We had better start right now, even though we are not fully prepared. We will not, however, gain multifaceted value if we don’t think in a way that reflects a variety of options, like a radar chart that isn’t bound to a single value. There is no one easy pathway to biodiversity.
- There is the concept of PES (Payment for Ecological Services). This concept evaluates things that represent a benefit from nature. If an analysis using a specific index were available, the company could easily take action.
- Like forests are not just for lumber but also prevent water-related disasters by retaining water, we must grasp the multiple functions of natural resources.
- Especially in the case of Japan, it is necessary to develop a philosophy for why we must do this. Without this foundational philosophy, efforts will not last against the influence of business conditions and will completely dissipate eventually.

Conclusion

These dialogues on biodiversity in 2008 represented a departure from the existing seminar styles and are one step closer to a more practical discussion. Both dialogues, with the future generation and with experts, started from the perspective of how this issue can be incorporated into the Fujifilm Group’s businesses. This approach provided the opportunity for lively discussions and an opportunity for all participants to learn as well as providing many suggestions for the Fujifilm Group’s efforts. We will continue these dialogues and sincerely listen to the ideas expressed in them.



# Contributing to Society

The Fujifilm Group, as a global enterprise, has been implementing activities that contribute to the sustainable growth of local communities around the world.

### Basic concepts

As an upstanding corporate citizen, the Fujifilm Group accepts its fundamental responsibilities to live in harmony with local communities and contribute to their sustainable development as well as to faithfully meet the needs and expectations of society. Based on this concept, Fujifilm has formulated an action plan and actively engages in various efforts worldwide.

#### Fujifilm Group Social Contribution Policy

The Fujifilm Group will work together with local communities as a good corporate citizen and contribute to society by responding sincerely to the demands and expectations of those communities. The Group has established the following action plan for implementing this policy.

##### 1. Main activities

The Fujifilm Group will primarily focus on the fields of: research and education; culture, the arts and sports; health; and environmental conservation.

##### 2. Importance of these activities

(1) Undertake these activities through cooperation and collaboration  
In implementing these activities, the Fujifilm Group places importance on communication and partnerships with NPO/NGOs, local communities and others.

(2) Active support for volunteer activities

The Fujifilm Group values living in harmony with local communities and contributing to society through the voluntary participation of employees and fully supports these activities.

Related page ➤ [Page 84: Classifications of social contribution activities](#)

### 25-year support for preserving and fostering the natural environment:

#### The Fujifilm Green Fund

In 1983, Fujifilm placed ¥1 billion in a public trust, the Fujifilm Green Fund (FGF), to provide support for preserving and fostering the natural environment. This was the first nature preservation trust ever established by a private-sector enterprise in Japan and is widely recognized as a pioneering effort in this field.

FGF supports activities in the following four categories: (1) the planting of forest areas for future use, (2) projects that support “greening” activities, (3) assistance for activities that encourage contact with nature, and (4) support for research related to the preservation and use of greenery. In the 25 years since its establishment, FGF has provided a total of approximately ¥690 million to 95 projects to aid and subsidize research and activities involving preserving and nurturing the natural environment, and these

efforts have borne fruit. While many other funds subsidize research, few support the activities themselves. This is the outstanding feature of FGF.

#### Activities supported by the Fujifilm Green Fund

FGF grants subsidies by inviting proposals for financial assistance from the public. A total of 86 applications were received in fiscal 2007, including 41 for activities and 45 for research. After rigorous review, the following four were selected to receive funding.

##### ● Nationwide Survey of Red Dragonflies (Executive Committee of the National Citizen’s Summit on Dragonflies)

It has become increasingly urgent to investigate the causes and conditions leading to the declining numbers of red dragonflies, a symbol of Japanese landscapes. A nationwide survey of red dragonflies supports conservation of watershed habitats (lakes, rivers, ponds) by encouraging a nationwide count of red dragonflies and posting the data on a website.



##### ● Effects of “Dobi-nagashi,” Pond Draining and Sludge Removal—a traditional water circulation system that protects the Japanese Rose Bitterling (Takayasu Study Group of Japanese Rose Bitterling)

A research group is applying a scientific approach to spotlight the effects of traditional pond draining and sludge removal. The research is being conducted at a pond (a protected habitat for the Japanese rosy bitterling) on the campus of Osaka University of Economics and Law. The group analyzes soil, water, and sludge before and after draining the pond, and posts their activities, data, and research papers on a website.



##### ● Research and Conservation of Eco-systems of Oyster Reefs in Japan (Mr. Hiroyoshi Yamashita, Director, Malacological Diversity Research Institute)

This institute is conducting a nationwide survey of the distribution of Paleozoic and current oyster reefs. It is also investigating water purity, depth, year established, salt density, and other living organisms in reefs that are spread throughout river mouths in inner bays and mudflats to produce a report on oyster reef distribution nationwide, including a database, photos, and information.



##### ● Study on the Cause of Native Species Pushed Out by Introduced Species in Urban Environments (Mr. Takashi Matsumoto, The Graduate School of Human and Environmental Sciences, Kyoto University)

This group is clarifying the causes behind the decline in a native species of dandelion in cities while Western dandelions increase with the objective of tackling issues related to introduced species. It will test the hypothesis that the decrease in fruition rates is caused by the adherence of pollen from Western dandelions on the stigma of Kansai dandelions.



### Copy machines and DocuWorks utilization:

#### Fuji Xerox supports the preparation of large-font textbooks

Approximately 300,000 people in Japan are visually impaired. Of this total, 60-70% are said to have amblyopia, a condition that makes it difficult for children to study. For this reason, volunteer groups have been preparing large-font textbooks by hand. This process requires several people and more than two months to make one textbook, cutting and pasting enlarged color copies of illustrations, photographs, maps, graphs, and other elements. Therefore, Fuji Xerox has offered the use of color copy machines at sales offices and sales companies, free of charge, to volunteer groups and legal guardians of children and students with amblyopia since 1989. In addition, employees of these offices and companies assist in making copies and providing services to alleviate the time-consuming, labor-intensive burden of making large-font textbooks.

This support service started in one area of Kanagawa Prefecture. Once the effort went nationwide in 1994, it became widely recognized and is now indispensable for making large-font textbooks. In fiscal 2007, 82 volunteer groups and legal guardians of children and students with amblyopia made use of this service, producing a total of 790,000 large-font color copies, a 4.8% increase from the previous year, and provided free of charge at 48 sales offices nationwide. In recent years, Fuji Xerox has enthusiastically supported the preparation of textbooks by electronically cutting and pasting using DocuWorks software. Fuji Xerox will continue this effort as a social contribution that makes optimal use of its core business.



Large-font textbook

### Activities by overseas business sites

#### Donations to charities in concert with Wal-Mart Canada

FUJIFILM Canada Inc. has been making ongoing donations to the NPO Children’s Miracles Network in partnership with Wal-Mart Canada. The donated money is distributed to hospitals across North America. In the past two years, this support has amounted to total of C\$400,000.

In addition, Fujifilm Canada actively supports the Canadian Breast Cancer Foundation (CBCF) utilizing marketing initiatives for products such as QuickSnap. In exchange for placing the CBCF logo on the body of QuickSnap, the company donated C\$50,000 (approximately ¥4.9 million) in 2007.

### Fundraising and donations for medical fields

FUJIFILM Australia Pty Ltd runs a number of fundraising programs each year for medical-related fields, including the Cancer Council, the National Breast Cancer Foundation, the Leukaemia Foundation, research activities associated with Sudden Infant Death Syndrome (SIDS), among others. Employees volunteer to raise funds at event venues and the company supports staff by making a donation to event sponsors.

#### Donations

Event	Date	Fundraiser	Volunteer activities
World’s Greatest Shave	March 16, 2007	Leukaemia Foundation	Staff participated as volunteers and raised money (support from the company). Amount raised: A\$1,311
Big Morning Tea	May 24, 2007	Cancer Council	Staff participated as volunteers and raised money (support from the company). Amount raised: A\$500
Jeans for Genes Day	August 3, 2007	In support of research activities associated with Sudden Infant Death Syndrome	Staff purchased products offered by sponsors (support from the company). Amount raised: A\$1,000
Pink Ribbon Day	October 22, 2007	National Breast Cancer Foundation	Staff participated as volunteers and raised money (support from the company). Amount raised: A\$570

### Tree planting and donations to the Cancer Association by employees and the company

FUJIFILM Europe NV and FUJIFILM Hunt Chemicals Europe NV in Belgium supported local tree-planting activities started by the Flemish League against Cancer in December 2007. Support for this activity has the dual objectives of contributing to the crusade against cancer through buying trees and contributing to the protection of the environment by planting the trees. The company encouraged employees to purchase trees by making a matching purchase for every tree bought by employees (at €7 per tree). The number of trees ultimately bought was 250, exceeding the initial target of 220 trees, which represented at least one tree for every Fujifilm employee in Belgium. The trees were planted on March 16, 2008, and a small Fujifilm forest was born. Office paper-saving activities were also launched to commemorate this day. A delegation of employees attended the tree-planting ceremony and the mayor of Sint-Nicklaas expressed thanks to all Fujifilm employees. A total of 5,200 trees were sold and planted in this Flemish League activity, a strong show of citizen support.



Tree-planting ceremony (left), and poster at registration tent for the tree-planting ceremony (right)

Sustainability program to support destitute children

FUJIFILM do Brasil Ltda. has been continuously helping needy children and adolescents achieve a better life and a brighter future. Food, toys and other goods are donated to charitable institutions and organizations according to their specific needs. The company is placing special emphasis on this social activity as part of its support for charitable organizations through sustainability programs for one year. Organizations are selected to receive support after confirming that certain requirements are met, including the demonstration of sound management and operations and a rejection of anti-social activities.



Giving out Christmas presents to children at São Tiago Home

Donations

	Recipient Organization	Donation Period	Donated Items	Comments
São Paulo Office	Evaldo Foz Hospital	August 8, 2007	Blood for hospital patients	A blood donation tent was set up at the office. Employees donated blood in an organized fashion to maintain regular company operations.
	São Tiago Home	September 2007	900 kg of milk, rice, beans, oil, sugar, salt, and other goods	The amount donated was equivalent to two months used by the Home. The Home is dedicated to educating and sheltering destitute children.
		December 2007	Money to buy Christmas presents for needy children	This was a Christmas campaign to purchase park apparatus.
		January 2008	Used office equipment such as table and chairs	Old furniture, which was unlikely to be used in the office, having no commercial value, was donated.
Manaus Plant	Vhida Home and SOS Aldeias	October 2007	Employees donated more than 600 toys	Vhida Home shelters children with SIDA. SOS Aldeias provides shelter and education to needy children.
	Antonio Aleixo Hospital	December 2007	1,800 kg of rice, beans, oil, milk, and other goods	Food assistance is given to Antonio Aleixo Hospital and entities that provide treatment for Hansen's disease (leprosy).

Company supports Volunteer Day

FUJIFILM Manufacturing Europe B.V. (The Netherlands) sponsors an annual volunteer day that encourages employees to take part in a local activity, such as community beautification or cleaning houses for the elderly. In 2007, 250 employees participated in the program. Employees were divided into 25 teams of 10 employees each, with each team working on a different day to minimize impact on company operations. Employees used a half day of paid holiday with the company granting the rest of the day off.

PEI volunteer group

A PEI (Preferred Employee Initiative) volunteer group, consisting of employees of FUJIFILM Dimatix, Inc. (USA), holds fundraising activities and gives the donations to charitable organizations, cancer research, and other causes.



Members of the PEI volunteer group

Fundraising details

Recipient Organization	Donated Items	Donation Period
Listen Center Fuel Assistance Program (Fuel program by a group that provides family support and economic independence)	\$500 raised in a Valentine raffle	February 2007
The Haven (Group that offers simple accommodations, meals, clothing, and employment training support)	\$331 and approximately 110 kg of food	April 2007
CHaD (Children's Hospital at Dartmouth)	\$5,000 raised in silent auction	August 2007
United Way (A coalition of charitable organizations in the United States)	\$500 donation \$16,000 raised through a golf tournament	August 2007 September 2007
Norwich Catholic Church	Books to be sent to Nigeria	October 2007
The Haven	\$522 raised by Turkey Raffle	November 2007
The Haven	Clothing Funds to purchase items raised by a raffle	December 2007

Building awareness of environmental conservation by supporting the Rainforest Alliance's photo contest

Three Fujifilm affiliates\*<sup>1</sup> in the United States jointly sponsored the first Rainforest Alliance (RA)\*<sup>2</sup> "Picture Sustainability" Photo Contest, held in 2007. (The companies will continue their support in 2008.) Any U.S. citizen or employee of Fujifilm affiliated companies is invited to participate in this photo contest. Prize winners were awarded a Fujifilm FinePix S100FS digital camera and the grand-prize winner received a trip to the Galapagos Islands and a trip to New York City (courtesy of Fujifilm).

The grand-prize and first-prize winning photographs in the photo contest were auctioned off at an annual gala, and the proceeds donated to the RA. In addition, Fujifilm initiated a nationwide radio promotion during February and March 2007 as part of its overall support. Local stations ran promotional spots during peak listening hours. The photo contest was announced during programs and listeners were encouraged to submit entries. Participating stations were located in major cities throughout the United States, including New York, Los Angeles, Chicago and Boston.

\*1 The three Fujifilm affiliates are: FUJIFILM Holdings America Corporation, FUJIFILM U.S.A., Inc., and FUJIFILM Hunt Chemicals U.S.A., Inc.  
\*2 The Rainforest Alliance is an international non-profit conservation organization established in 1981 to protect rain forests and maintain biodiversity.

URL <http://www.raphotocontest.org/>



Rainforest Alliance "Picture Sustainability" Photo Contest 2008 website

Working Together with Local Communities

Fujifilm Group sites in Japan and overseas communicate with local communities and residents to carry out various activities.

Environmental Dialogue Meetings

In October 2007, an "Environmental Dialogue Meeting in Odawa 2007" was held at the Odawara site of Fujifilm's Kanagawa Factory. The goal was to explain and discuss activities for environmental preservation and disaster prevention with community residents. Approximately 150 people participated. The meeting consisted of two parts, with the first part a factory tour and the second focusing on a presentation of Fujifilm's environmental activities, followed by a discussion. Participants asked many questions about such concerns as substances discharged from the factory.



Environmental Dialogue Meeting at the Kanagawa Factory

In addition, the Third Environmental Dialogue Meeting was also held at Fujifilm's Fujinomiya Factory in February 2008, with the participation of 30 residents and officials from the local government of Onakazato in Fujinomiya City, where the plant is located. A lively discussion was held. The Q&A included a number of questions about the white, smoke-like steam emitted from the smoke stacks of power generation facilities, and participants encouraged the continuation of efforts to reduce environmental burdens. The Fujifilm person in charge sincerely answered each question in detail. Fujifilm intends to further strengthen communications with residents by looking into more effective ways to hold these meetings.



Environmental Dialogue Meeting at the Fujinomiya Factory

Conducting continuous environmental education for young people in local communities

The Manaus Plant, a production base for FUJIFILM do Brasil Ltda. has been developing its Environmental Awareness Program since 2004 to offer information on the importance of environmental conservation to the community surrounding the plant. Between 2004 and 2007, 17 programs were launched with the participation of 581 young people in the community. Commonly experienced challenges were explained, including the basic concepts of recycling, waste reduction, water conservation and the rationalization of energy consumption as well as environmental pollution. The goal of this activity is to have young people recognize

that the global environment can be improved if Fujifilm and local residents do their part and work together.



Children who participated in the environmental program

Funding street cars and a promenade through a national park

A national park has been under construction since 2006 in the neighborhood around FUJIFILM Manufacturing Europe B.V. (The Netherlands) and is scheduled for completion in 2010. The company has been offering financial support of €50,000 (approximately ¥7.8 million) over three years. Several kilometers of a pleasant promenade will be constructed in the park with this support. In addition, to mark the company's 25th anniversary, it provided another €50,000 (approximately ¥7.8 million), enough for five of the 25 street cars that are planned to be introduced in the city of Tilburg. A campaign to increase the number of street cars started two years ago in this town, and FUJIFILM Manufacturing Europe has been supporting this effort.

Dayton Factory sponsors a field trip for local elementary school

The Dayton Factory of FUJIFILM Hunt Chemicals U.S.A., Inc. sponsors a class trip to the state capitol for fifth grade school students of Graysville Elementary School every year and also provides T-shirts and QuickSnap. Employees at the plant sponsor and judge a photo contest with photographs that children took during the field trip. In 2007, children were invited to the factory on May 10 for a tour and prize winners for the photo contest were announced. The three top entries were awarded Wal-Mart gift certificates of \$50, \$25 and \$15, and received framed prints of their prize winning photographs.



A photo contest and plant tour for local fifth graders



# Data and Information

This section contains basic information about CSR activities and quantitative information regarding environmental aspects, personnel and labor affairs.

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Picture Scroll of The Tale of GENJI; “Hashihime” (Quire 50), Treasures from The Tokugawa Art Museum  
Returning from the Imperial Palace, Niounomiya high-handedly wooed Ukifune, not knowing she was the half-sister of Nakanokimi, his wife. In an effort to comfort Ukifune, who had narrowly escaped from a crisis, Nakanokimi talked to her gently, had her attendants pull out a picture scroll and had Ukon, a lady-in-waiting, read passages that accompanied the pictures. The appearance of Ukifune gazing at the scroll reminded Nakanokimi of her late sister Onokimi as well as her late father Hachinomiya, and brought her to tears.

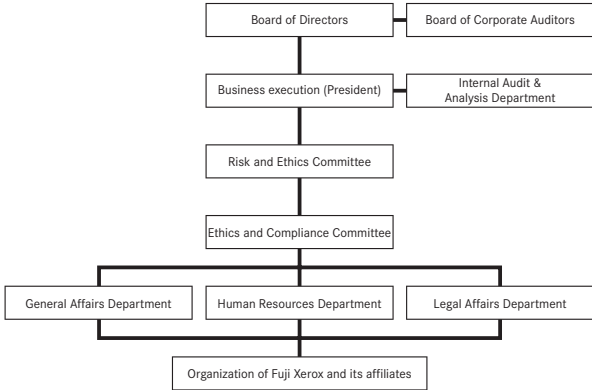


- »»Compliance and risk management promotional organization (Fujifilm and its affiliates)
- »»Corporate ethics and compliance promotion system (Fuji Xerox and its affiliates)
- »»Compliance and risk management promotional milestones

Compliance and risk management promotional organization (Fujifilm and its affiliates)



Corporate ethics and compliance promotion system (Fuji Xerox and its affiliates)



Compliance and risk management promotional milestones

	Establishment of organization and system	Provision of charter, code and regulations	Increase in employees' awareness and monitoring
1997	<ul style="list-style-type: none"><li>Establishment of the Code of Conduct Committee</li><li>Establishment of Ethics Consultation Desk and Sexual Harassment Hotline</li></ul>	<ul style="list-style-type: none"><li>Establishment of the Employee Code of Conduct</li></ul>	<ul style="list-style-type: none"><li>Release of <i>Case Book Employee Code of Conduct</i></li></ul>
1998	<ul style="list-style-type: none"><li>Pledges submitted by all executive officers and division heads</li></ul>		
1999	<ul style="list-style-type: none"><li>Establishment of Corporate Ethics Committee</li><li>Establishment of a dedicated contact point for the Corporate Ethics Committee</li></ul>	<ul style="list-style-type: none"><li>Establishment of the Fujifilm Group Charter for Corporate Behavior</li><li>Establishment of the Employee Code of Conduct</li><li>Revision of the Employee Code of Conduct</li></ul>	<ul style="list-style-type: none"><li>Seminar on the Employee Code of Conduct</li><li>Start of corporate ethics training for executive officers and managers</li></ul>
2000	<ul style="list-style-type: none"><li>Pledges submitted by all managerial personnel</li><li>Pledges submitted by new managerial personnel</li><li>Start of risk reporting system</li></ul>		
2001			<ul style="list-style-type: none"><li>First implementation of compliance awareness survey</li><li>Survey conducted to confirm compliance with the Employee Code of Conduct by each division in Fujifilm and domestic affiliates (Implemented annually since then)</li></ul>
2002	<ul style="list-style-type: none"><li>Rename to Compliance Committee</li><li>Establishment of Compliance Office in the Legal Division</li></ul>	<ul style="list-style-type: none"><li>Revision of the Employee Code of Conduct</li></ul>	<ul style="list-style-type: none"><li>Start of education of ethics and information security</li></ul>
2003	<ul style="list-style-type: none"><li>Establishment of Compliance Consulting facility</li><li>Start of identification and management of key risk issues</li><li>Establishment of the Ethics and Compliance Committee</li><li>Establishment of the Corporate Ethics Helpline</li></ul>	<ul style="list-style-type: none"><li>Revision of the Employee Code of Conduct</li><li>Establishment of the Ethics and Compliance Management Regulations</li></ul>	<ul style="list-style-type: none"><li>Start of compliance information meeting (Implemented annually since then)</li><li>Start of compliance awareness survey (Implemented annually since then)</li><li>Start of release of compliance guidelines according to legal subjects</li></ul>
2004	<ul style="list-style-type: none"><li>Establishment of the Compliance and Risk Management Division (Reorganized Compliance Office in the Legal Division)</li><li>Expansion of coverage of Compliance Consulting to domestic affiliates</li></ul>	<ul style="list-style-type: none"><li>Revision of the Fujifilm Group Charter for Corporate Behavior</li></ul>	<ul style="list-style-type: none"><li>Distribution of <i>Compendium of Compliance Case Studies</i> for managerial personnel</li><li>Start of case method training for managerial personnel (Implemented every two years since then)</li><li>Start of basic training on laws</li><li>Start of education of the protection of personal information</li><li>Revision of <i>Compendium of Compliance Case Studies</i></li><li>Start of study sessions for Compendium of Case Studies at each workplace (Implemented annually since then)</li><li>Distribution of CDs for education of the protection of personal information</li><li>Start of compliance activities at overseas bases</li><li>Expansion of compliance awareness survey to domestic affiliates</li><li>Implementation of seminars for managerial personnel by external instructors</li><li>Implementation of case method training managerial personnel at domestic affiliates by external instructors</li><li>Expansion of compliance information meeting to domestic affiliates</li><li>Introduction of programs for preventing illegal practices</li></ul>
2005	<ul style="list-style-type: none"><li>Establishment of external consulting facility</li></ul>		
2006	<ul style="list-style-type: none"><li>Establishment of the FUJIFILM Holdings CSR Committee</li></ul>	<ul style="list-style-type: none"><li>Revision of Corporate Philosophy and establishment of Vision</li></ul>	
2007	<ul style="list-style-type: none"><li>Proclamation signed by all employees</li><li>Identification and management of key risk issues expanded to domestic affiliates</li></ul>	<ul style="list-style-type: none"><li>Revision of the Fujifilm Group Charter for Corporate Behavior</li><li>Establishment of the Fujifilm Group Code of Conduct</li><li>Establishment of the ALL-FX Code of Conduct (Total revision of Employee Code of Conduct)</li></ul>	<ul style="list-style-type: none"><li>Distribution of <i>Compendium of Information Security Case Studies</i></li><li>Distribution of <i>Antimonopoly Act Compliance Manual</i></li><li>Introduction of web response method for Compliance Awareness Survey</li><li>Distribution of the <i>Fujifilm Group Charter for Corporate Behavior</i> and the <i>Fujifilm Group Code of Conduct</i></li><li>Distribution of English version of the <i>Fujifilm Group Charter for Corporate Behavior</i> and the <i>Fujifilm Group Code of Conduct</i></li><li>Distribution of <i>The Fujifilm Group Code of Conduct Guidebook</i></li><li>Implementation of education on the Fujifilm Group Charter and Code of Conduct for managerial personnel at overseas subsidiaries</li><li>Start of ALL-FX Code of Conduct education</li></ul>

■ FUJIFILM Corporation ■ Fuji Xerox Co., Ltd. ■ FUJIFILM Holdings Corporation

- »»Compliance education (Fujifilm in Japan)
- »»Compliance education (Fuji Xerox in Japan)
- »»Acquisition of P-Mark and ISMS
- »»System to collect information on risk (Fujifilm)
- »»Risk management system (Fuji Xerox)

Compliance education (Fujifilm in Japan)

Intended audience	Frequency	Details
Top Management (Fujifilm)	As appropriate	Overall compliance (by external instructors)
Executive officers of Fujifilm affiliates	Once a year	Overall compliance (by external instructors)
Managerial personnel (Fujifilm and its affiliates)	Once every two years (Case method training) Once a year (Compliance information meeting)	Business ethics, customer-orientation, confidential information management, etc. (by external instructors and CP & RM*) Examples of corporate misconduct, punitive actions, consulting facility, risk reporting system, etc. (by CP & RM*)
New managerial personnel (Fujifilm)	Once a year	Overall compliance (by corporate executive officers in charge of CSR)
All employees (Fujifilm and its affiliates, including agency contract employees)	Once a year	Discussions based on compliance case studies (by managerial personnel)
New employees (Fujifilm)	Once a year	Basic knowledge of compliance, employee code of conduct, corporate rule, consulting facility, etc. (by CP & RM*)

\* CP & RM: Compliance & Risk Management Division of FUJIFILM Corporation

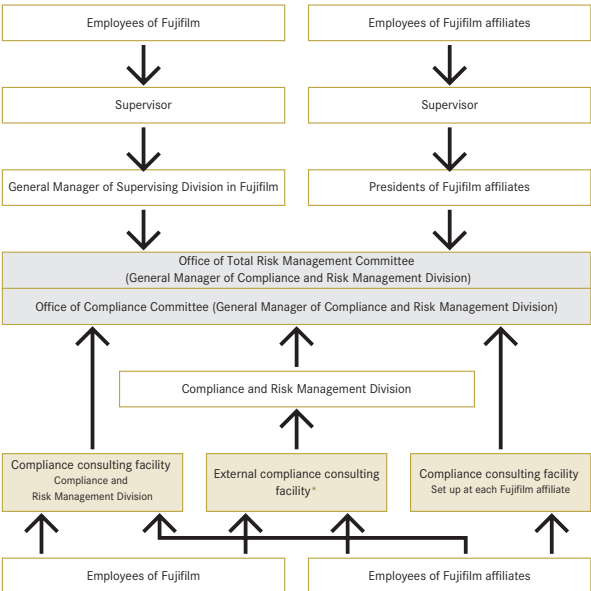
Compliance education (Fuji Xerox in Japan)

Training names	Intended audience (Fuji Xerox and its affiliates)						Content of education
	Executive officers	Managers	General employees/Contract employees	Other employees	Personnel in charge of promotion		
Education on the ALL-FX Code of conduct	■	■	■	■	■	■	Training to explain details of each code of conduct using specific cases (individual and group education)
New executive officer training	■						Group training on corporate law and corporate governance, etc.
New administrator training		■					Training on overall risk management related to management
Basic training on laws WBT (Web-based Training)	■	■	■				Training on basic legal knowledge (4 areas) utilizing the Internet
Training for personnel in charge of promotion						■	Training for key person to deliver new system and training in divisions and affiliates
Training on information security WBT	■	■	■	■	■	■	Basic training related to information security utilizing the Internet
Training on personal information protection WBT	■	■	■	■	■	■	Training utilizing the Internet on issues to be aware of regarding Personal Information Protection Law

Acquisition of P-Mark and ISMS

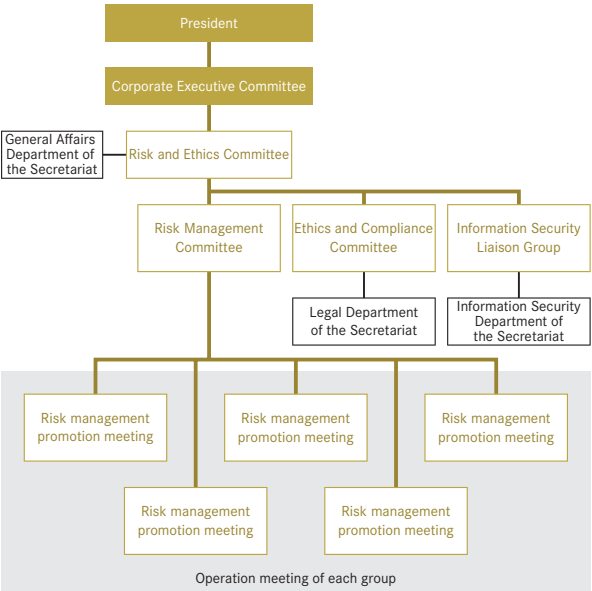
Certification	Certified affiliates	
P-Mark <sup>*1</sup>	FUJIFILM Medical Co., Ltd./FUJIFILM IMAGING Co., Ltd./FUJIFILM LOGISTICS CO., LTD./FUJIFILM Techno Service Co., Ltd./ Fuji Xerox Career Net Co. Ltd./Fuji Xerox System Service Co., Ltd./Fuji Xerox Learning Institute Inc.	*1 Privacy Mark (P-Mark): A mark granted by the Japan Information Processing Development Corporation (JIPDEC) to companies in which personal information is handled appropriately.
ISMS <sup>*2</sup>	FUJIFILM Graphic Systems Co., Ltd./FUJIFILM Software Co., Ltd./ Fuji Xerox Office Services Business Group/ Fuji Xerox Business & Supply Chain Innovation Unit/Fuji Xerox Sales & Marketing, Broadband Business Development Unit/ Fuji Xerox domestic sales representative and sales companies /Fuji Xerox System Service Co., Ltd./Xworks Co., Ltd./ Fuji Xerox Interfield Co., Ltd./Fuji Xerox Prefectural Dealers 11 companies (12 offices)/Fuji Xerox of Shanghai Limited/Fuji Xerox Korea Company Limited	*2 ISMS: Certification regarding the overall management framework for information including personal information (Information Security Management System).

System to collect information on risk (Fujifilm)



\* External compliance consulting facility is set up for employees in cases where, for whatever the reason, they feel they cannot directly report to company or supervisor, even if they find risk-related information. The Group implements follow up inspections once every six months.

Risk management system (Fuji Xerox)





Data and Information

Product Safety Management System/  
IMS<sup>\*</sup> Certified Sites

>>> **Product safety management system (Fujifilm)**

>>> **Product safety management system (Fuji Xerox)**

>>> **IMS certified sites (Fujifilm and its affiliates)**

<sup>\*</sup> IMS: Integrated Management System which incorporates several management systems such as EMS (Environmental Management System), QMS (Quality Management System), OHSMS (Occupational Health & Safety Management System), ISMS (Information Security Management System) and so on.

Product safety management system (Fujifilm)

PL-related issue arises

A PL-related issue is defined as a case when PL has not been incurred but there is a possibility that a liability may be incurred.

↓

Report preparation

The division receiving PL information prepares a PL report and notifies the relevant division and the CP & RM.

↓

Consideration of response

If companywide response is required

Total Risk Management Committee

Sub-committee for dealing with major product-related complaints (including product liability)

Responsible Divisions

Marketing/Quality Assurance/Technical/Production

● Acquisition of information, customer response

● Eliminate all present risk

● Safety measures for future products

● Accumulation and establishment of information for improving safety

If companywide response is not required

PL Committee

● Acquisition and analysis of PL information

● Implementation and management of response

● Internal audit for product safety

Responsible Divisions

Marketing/Quality Assurance/Technical/Production

● Acquisition of information, customer response

● Eliminate all present risk

● Safety measures for future products

● Accumulation and establishment of information for improving safety

↓

Countermeasures, response

Report to supervising authority and public announcement if required

Implementation of response

Product safety management system (Fuji Xerox)

PL-related issue arises

A PL-related issue is defined as a case when PL has not been incurred but there is a possibility that a liability may be incurred.

↓

Report to PL Web

Contact SOEC (Safety & Quality Escalation Center), open 24 hours a day, 7 days a week, 365 days a year through the PL Web.

↓

Consideration of response

If companywide response is required

Accident Task Team → Risk and Ethics Committee

Serious product accidents and compliance related issues

Responsible Division

Division responsible for product supply/ Environment & product safety/Quality control/Head office

● Collecting accident information and quick response to customers (24 hours a day, 365 days a year system)

● Identifying cause of accidents

● Assessment of maximum risk

● Determination of response

● Determination of preventive measures for occurrence and recurrence

If companywide response is not required

Cross-functional team meeting/ emergency area meeting

Accidents other than serious product accidents and compliance related issue

Responsible Division

Division responsible for product supply/ Environment & product safety/Quality control/ Production/Technology/Customer service

● Collecting accident information and quick response to customers (24 hours a day, 365 days a year system)

● Identifying cause of accidents

● Assessment of maximum risk

● According to the result of assessment, incident is escalated from CFT meeting to emergency area meeting

● Determination of response

● Determination of preventive measures for occurrence and recurrence

↓

Countermeasures, response

Report to supervising authority and public announcement if required

Implementation of response

IMS certified sites (Fujifilm and its affiliates: 6,600 people)

Company	Certified year					
	2003	2004	2005	2006	2007	2008
FUJIFILM Holdings Corporation	—	—	—	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM Corporation	EMS	Continued →	EMS+QMS	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM Computer System Co., Ltd.	EMS	Continued →	EMS+QMS	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM Healthcare Laboratory Co., Ltd.	—	—	—	—	IMS <sup>*1</sup>	Continued →
FUJIFILM IMAGING Co., Ltd.	EMS	Continued →	EMS+QMS	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM Medical Co., Ltd.	EMS	Continued →	Continued →	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM Graphic Systems Co., Ltd.	EMS	Continued →	Continued →	Continued →	IMS <sup>*1</sup>	Continued →
FUJIFILM Techno Service Co., Ltd.	EMS	Continued →	Continued →	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM BUSINESS SUPPLY CO., LTD.	EMS	Continued →	Continued →	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM Opto Materials Co., Ltd.	—	EMS+QMS	Continued →	IMS <sup>*1</sup>	Continued →	Continued →
FUJIFILM Kyushu Co., Ltd.	—	—	—	—	IMS <sup>*2</sup>	Continued →
FUJIFILM Electronic Materials Co., Ltd.	(EMS+QMS) Continued →	Continued →	Continued →	Continued →	Continued →	IMS <sup>*2</sup>

<sup>\*1</sup> IMS: Integrated Management System unifying EMS (Environmental Management System) and QMS (Quality Management System)  
<sup>\*2</sup> IMS: Integrated Management System unifying EMS (Environmental Management System), QMS (Quality Management System) and OHSMS (Occupational Health & Safety Management System)

URL  
➤ **Fujifilm and its affiliate sites that have acquired EMS**  
<http://www.fujifilm.co.jp/corporate/environment/activities/iso/index.html> (in Japanese)  
➤ **Fujifilm and its affiliate sites that have acquired QMS**  
<http://www.fujifilm.co.jp/corporate/environment/activities/iso/iso9001.html> (in Japanese)  
➤ **Fuji Xerox and its affiliate sites that have acquired EMS**  
<http://www.fujixerox.com/eng/company/ecology/internal/iso14001/index.html>

Data and Information

Labor Environment and Social Benefit  
Accounting/Communication with Stakeholders

>>> **Labor environment and social benefit accounting**

>>> **Volunteer activities in on-the-job hours**

>>> **Communication with stakeholders**

Labor environment and social benefit accounting

The expenses required for activities to improve the labor environment and the amount spent for social contributions are calculated and classified by stakeholder group. For employees, the Group emphasized providing training and developing a workplace in which they can work comfortably by focusing on safety, benefits packages and other factors. Expenses for promoting culture and the arts in society include the expense of FUJIFILM SQUARE, a facility for preserving and disseminating the culture of photography. Contributions to international society included joint sponsoring the Tokyo International Film Festival and making a donation to the International Chemistry Olympiad.

**Period covered**  
Fiscal year 2007 (April 1, 2007 to March 31, 2008)  
**Range of information sources<sup>\*</sup>**  
The 61 domestic companies in the Fujifilm Group<sup>\*</sup> (FUJIFILM Holdings, Fujifilm and 19 affiliates, and Fuji Xerox and 39 affiliates)  
<sup>\*</sup>One company was newly added in fiscal 2007.

**Basic items**  
**Objectives of labor environment and social benefit accounting**  
These accounts are prepared to allow the Fujifilm Group to keep up with its activities for improving the working environment of its employees and the amounts spent for social contributions by preparing data on these activities from an economic perspective.  
**Accounting method**  
The expenditures (including investments) for the year have been added up to arrive at the figures shown. These figures do not include depreciation. Figures for personnel training and social contributions may overlap with figures in the Environmental Account as well.

Breakdown of labor environment and social benefit accounting

Stakeholder	Goal	Cost totals	
		Fiscal 2006	Fiscal 2007
Employees	Health and safety	1,149	1,462
	Personnel training	1,901	2,237
	Protect diversity	157	180
	Develop a workplace in which employees can work comfortably	1,764	2,012
Customers	Ensure appropriate customer response and safety	780	652
Future generations	Education for future generations	85	10
Communities (local society and government)	Harmony with the local community	183	157
	Promote culture and the arts in society (in Japan)	807	1,276
International community	Consideration for the international community and international cultures	38	51
NGOs and NPOs	Cooperation with NGOs and NPOs	52	10
Suppliers	Consideration for products	44	33
Total		6,960	8,080

Volunteer activities in on-the-job hours

	Fiscal 2006	Fiscal 2007
Hours spent on volunteer activities	4,143 hours	3,814 hours
Volunteer cost <sup>*</sup>	11	12

<sup>\*</sup> Calculated based on the hours spent on volunteer activities, such as area clean-up, in on-the-job hours, the salary equivalent to that of those hours, and cost of the activities.

Communication with stakeholders

**Employees**  
Employees play a central role in the promotion of Fujifilm's CSR activities.  
**Methods for sustaining dialogue:** Consulting centers of the Personnel Department and personnel interviews; Compliance advisory functions; Sexual Harassment Hotline; Labor union and regular company meetings; Stakeholder Dialogue; Awareness surveys related to making work more satisfying  
**Suppliers**  
Our suppliers are important partners who assist us in continuing to offer products that reflect proper regard for safety and the natural environment.  
**Methods for sustaining dialogue:** Procurement Division (For responding to inquiries); FUJIFILM Business Expert (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  
**Community (Regional societies)**  
We believe that symbiosis with the community and the preservation of the natural environment are key elements of our CSR as a corporation, especially at those places of business for production operation. We, therefore, promote communication with the community.  
**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.  
**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**  
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 divisions (For responding to inquiries); Periodic discussions with our transaction partners; Seeking advice in the creation of new products and materials and participating in joint development activities; Participation in exhibitions, events, and academic meetings  
**NGOs, NPOs**  
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.  
**Methods for sustaining dialogue:** Customers Communication Center (For responding to inquiries); FUJIFILM SQUARE (Showroom); 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 and seminars

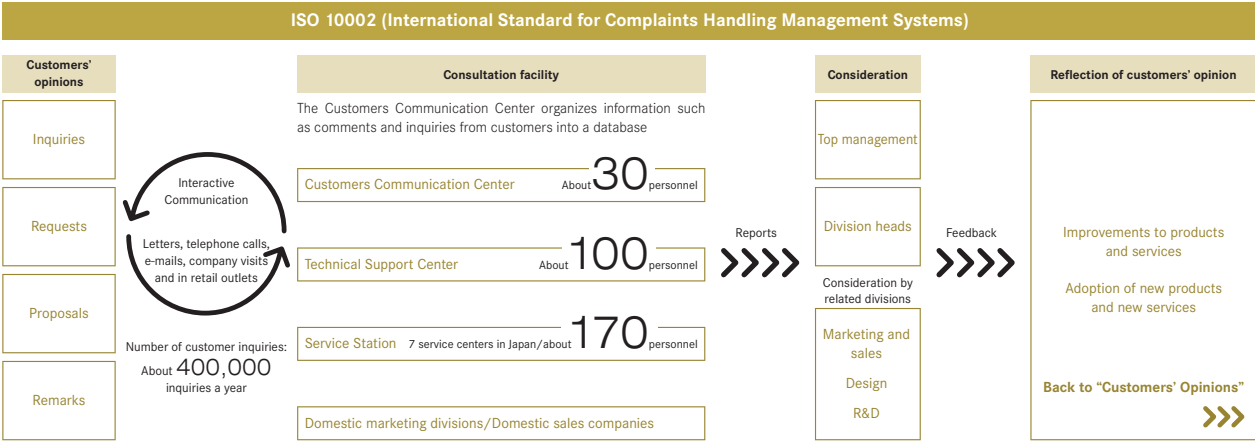
**Future generations**  
We believe that one of our most vital social responsibilities is to conduct educational activities for future generations who will be responsible for the future. We, therefore, are placing special emphasis on educational support activities.  
**Methods for sustaining dialogue:** Providing instructors to conduct school courses and participating in events held in schools; Sponsoring factory visits as part of extracurricular and other activities; Working with NGOs in environmental education activities  
**Industrial associations, government organizations and business partners**  
We are actively communicating and cooperating with industry groups to respond to laws and ordinances such as the RoHS Directive and REACH Regulation.  
**Methods for sustaining dialogue:** Participation in the creation of industry guidelines; Statement of public comments through industrial associations; Pink Ribbon Campaign, joint research with hospitals and universities, and establishment of sponsored lectures

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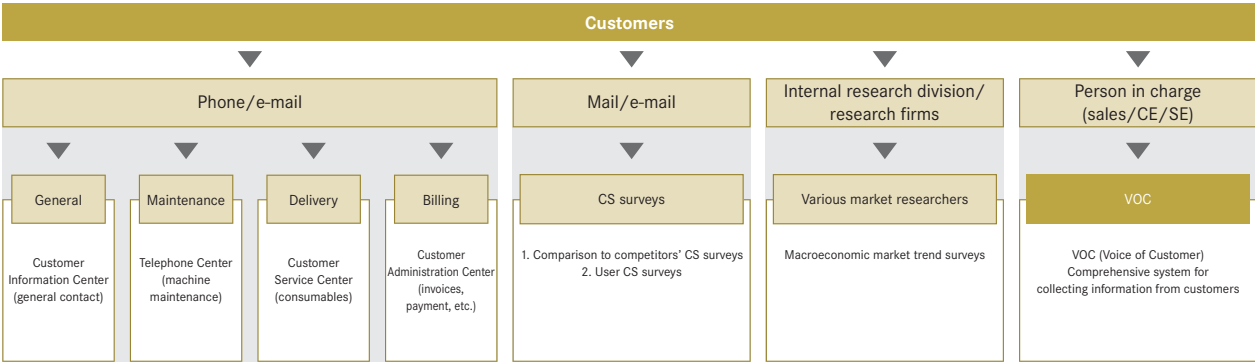
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- System for responding to customers
- Universal design
- ECO LEAF Environmental Label

System for responding to customers (Fujifilm and its domestic affiliates)



System for responding to customers (Fuji Xerox and its domestic affiliates)



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. In the future, we will continue to increase opportunities for hearing from customers and actively incorporate Usability Evaluation into the product development process to reflect their opinions in our products.

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 ECO LEAF Environmental Label\* 1 in Japan on QuickSnap, digital cameras, etc. and we also provide detailed data on our website.

\* 1 Environmental Labeling: Environmental labeling activities are intended to communicate accurate information on the environmentally friendly aspects of products through the labeling of products and packaging, provision of technical reports, and sponsorship of advertisements. Under ISO (International Standard Organization for Standardization) provisions, environmental labeling is divided into the following three types:  
Type 1: Certification by third parties (ISO 14024); Type 2: Self-declared environmental claims (ISO 14021); and Type 3: Environmental labeling program.

ECO LEAF Environmental Label

URL

- Products that acquired ECO LEAF Environmental Label (Fujifilm)  
<http://www.fujifilm.co.jp/corporate/environment/products/selection003> (in Japanese)
- Products that acquired ECO LEAF Environmental Label (Fuji Xerox)  
<http://www.fujixerox.co.jp/eco/label> (in Japanese)

- Composition of the Fujifilm workforce
- Status of regular employees
- Recruitment
- Employment
- Number of employees taking leaves of absence
- Labor accident ratio and labor accident severity

- Composition of labor union membership
- Revisions to systems conducted according to agreements between the labor union and the company
- Respect for human rights and elimination of discrimination
- Systems for work-life balance

Composition of the Fujifilm workforce

As of March 31, 2008

Regular employees	8,084	Breakdown General employees: 6,515 (Male: 5,223, Female: 1,292) Managerial personnel: 1,569 (Male: 1,557, Female: 12)
Non-regular employees	842	Breakdown Temporary employees: 664, Part-timers: 26 Employees re-employed after retirement: 76 Other (Contract employees, etc.): 76

Status of regular employees

As of March 31, 2008

Average age	Average length of employment (Years)	Average number of dependents	Utilization of paid leave*	Turnover rate*
42.16	Male: 18.8 Female: 20.1	1.4	72%	4.1%

\* Data on utilization of paid leave is calculated based on data for the period between October 16, 2006 and September 30, 2007.

\* Turnover rate: Numerator: Attrition + Retirement + Transfer + New Start for Senior Employees program (excluding voluntary retirement due to structural reform)  
Denominator: Annual average number of employees at Fujifilm (non-consolidated)

Recruitment

New graduate recruitment (Fiscal 2008)*	193	Technical positions: Male 123, Female 18 Administrative positions: Male 35, Female 8
Mid-career recruitment*	93	Male: 72, Female: 21

\* As the number of new graduates recruited for the fiscal year is confirmed at the beginning of April, the number in the chart above represents new graduate recruitment at the beginning of April 2008.

\* Number of mid-career recruitments represents those from April 2007 to March 2008.

Employment

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Employment of persons with disabilities	1.77%	1.77%	1.89%
Reemployment	37	41	38

Number of employees taking leaves of absence\*

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Leave of absence for nursing care	2	1	0
Leave of absence for childcare	39	32	44
Leave of absence for volunteer work	0	0	0

\* The number of employees who began a leave of absence during the relevant fiscal year.

Labor accident ratio and labor accident severity

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Labor Accident Ratio* 1	0.07	0.22	0.09
Labor Accident Severity* 2	0.00	0.03	0.02

\* 1 Labor Accident Ratio =  $\frac{\text{Number of labor accident victims}}{\text{Gross number of hours worked}} \times 1,000,000$

\* 2 Labor Accident Severity =  $\frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1,000$

Composition of labor union membership

As of March 31, 2008

Union members	Proportion of union membership	Average age of union members
6,348	78.5%*	40.8

\* Ratio to the number of regular employees (8,084)

Revisions to systems conducted according to agreements between the labor union and the company

As of March 31, 2008

Fiscal year	Item
Fiscal 2005	• Implementation of system for supervising workers with high-level skills • Improvement of systems for childcare and nursing care • Revisions to employee rental housing system
Fiscal 2006	• Revisions to re-employment systems • Clarification of transfer and external assignment regulations • Revisions to travel expense regulations
Fiscal 2007	• Revisions to the support system for encouraging lifestyles conducive to both work and family life • Revisions to policy on providing condolence money

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. 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, we have continuously implemented activities to raise awareness and disseminate information within the company, including the revision and distribution of sexual harassment prevention guidelines based on the revised Equal Employment Opportunity Law, that took effect in 2007, to all employees of Fujifilm and its affiliates. We also defined the prohibition of power harassment in our company regulations.

In addition, we have provided a telephone consultation service (the sexual harassment hotline) where arrangements have been made for external specialized counselors to receive requests for consultation from employees. While respecting the privacy of individuals receiving consultation, we work toward the resolution of these issues. 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.

Systems for work-life balance

- All of these systems provide for more generous leave than is required by law.
- Stock Leave is 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, childcare, nursing care and volunteer activities.

Giving birth, Childcare	1. Systems catering for pre- and post-birth requirements 2. Leave of absence for childcare 3. Use of stock leave for childcare 4. Systems for employment while raising children 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 9. Exemption from extended working hours and working on holidays
Nursing care	1. Leave of absence for caring for a family member 2. Use of stock leave for caring for a family member 3. Systems for employment while caring for a family member
Other	1. Leave of absence for volunteer work/Use of stock leave for volunteer work 2. Use of stock leave for self-development 3. Use of long-service holidays



### Composition of the Fuji Xerox workforce

As of March 31, 2008		
Regular employees	11,364	<b>Breakdown</b> General employees: 8,514 (Male: 7,207, Female: 1,307) Managerial personnel: 2,607 (Male: 2,569, Female: 38) Executive officers, contract employees, secondment employees: 243
Non-regular employees	538	<b>Breakdown</b> Temporary employees: 231, Part-timers: 47, Employees reemployed after retirement: 246, Other (Contract employees, etc.): 14

### Status of regular employees

As of March 31, 2008				
Average age	Average length of employment (Years)	Average number of dependents	Utilization of paid leave*	Turnover rate*
44.1	Male: 20.04 Female: 14.48	1.4	62%	4.31%

\* Data on utilization of paid leave is calculated based on data for the period between April 1, 2007 and March 31, 2008.  
\* Turnover rate: Numerator: Attrition + Fixed-age retirement + Transfer + New Start for Senior Employees program (excluding employees transferred to sales companies based on new sales strategies in October 2007). Denominator: Annual average number of employees at Fuji Xerox (non-consolidated) + Average number of seconded employees.

### Recruitment

New graduate recruitment (Fiscal 2008)*	229	Technical positions: Male 130, Female 22 Administrative positions: Male 42, Female 26
Mid-career recruitment	40	Male: 39, Female: 1

\* As the number of new graduate recruited for the fiscal year is confirmed at the beginning of April, the number in the chart above represents new graduate recruitment at the beginning of April 2008. Also the total includes 9 employees (6 males, 3 females) who are graduates of high-school, college of technology or specialized training college.

### Employment

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Employment of persons with disabilities	1.80%	1.76%	1.96%
Reemployment	26	75	143

\* The reemployment represents the number of employees who were reemployed in each year out of a total of 244 reemployments as of March 31, 2008.

### Number of employees taking leave of absence

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Leave of absence for nursing care	6	2	5
Leave of absence for childcare	57	49	49*
Leave of absence for volunteer work	2	0	1

\* Female: 44, Male: 5.

### Labor accident ratio and labor accident severity

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Labor Accident Ratio* <sup>1</sup>	0.35	0.49	0.18
Labor Accident Severity* <sup>2</sup>	0.00	0.00	0.00

\*<sup>1</sup> Labor Accident Ratio =  $\frac{\text{Number of labor accident victims}}{\text{Gross number of hours worked}} \times 1,000,000$

\*<sup>2</sup> Labor Accident Severity =  $\frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1,000$

### Composition of labor union membership

Union members	Proportion of union membership	Average age of union members
8,453	74.30%*	41.9

\* Ratio compared to the number of regular employees (11,364)

### Revisions to systems conducted according to agreements between the labor union and the company

Fiscal year	Item
Fiscal 2004	<ul style="list-style-type: none"><li>Revisions to regulation on overseas assignments</li><li>Revisions to severance benefit and pension system</li></ul>
Fiscal 2005	<ul style="list-style-type: none"><li>Implementation of transfer system</li><li>Revision to secondment system</li></ul>
Fiscal 2006	<ul style="list-style-type: none"><li>Revisions to human resource systems</li><li>Implementation of SLP*</li></ul>
Fiscal 2007	<ul style="list-style-type: none"><li>Implementation of comprehensive secondment system</li></ul>

\* Second Life Program

### Respect for human rights and elimination of discrimination

Fuji Xerox is a member of The Industrial Federation for Human Rights, Tokyo (Federation in which 120 companies with head offices in Tokyo participate). Fuji Xerox served as chair of the organization in 2004 and has been working on enlightenment activities, such as inviting submissions for a human rights slogan, distribution of an in-house journal, group education for new recruits with the objective of respect for human rights in companies, prohibition of discrimination and harassment, while exchanging information and knowledge with other member companies.

### Systems for work-life balance

- All of these systems provide for more generous leave than is required by law.
- Accumulated paid leave is a system enabling employees to accumulate unused leave up to 60 days. Accumulated leave may be used for health care, childcare, nursing care and for volunteer activities.

Giving birth, Childcare	<ol style="list-style-type: none"><li>Leave of absence for childcare</li><li>Reemployment system for employees who left company for childcare</li><li>Accumulated unused paid leave for family health care (Accumulated paid leave)</li><li>Shortened working hours for childcare (until third grade of elementary school)</li><li>Exemption from overtime work (in principle) (until sixth grade of elementary school)</li><li>Limited late-night work (until sixth grade of elementary school)</li></ol>
	<ol style="list-style-type: none"><li>Leave of absence for caring for a family member</li><li>Shortened working hours for caring for a family member</li><li>One-day nursing care leave</li><li>Accumulated unused paid leave for caring for a family member</li></ol>
	<ol style="list-style-type: none"><li>Flextime working hours</li><li>Refresh holidays</li><li>Social Service system</li><li>Accumulated unused paid leave for volunteer activities</li><li>Leave of absence for education</li><li>Senior theme leave</li><li>Flexible work schedules</li><li>Double job program</li></ol>

### Basic Purchasing Policy

#### 1. 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.

#### 2. 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.

#### 3. Observance of laws, conservation of natural resources and protection of the environment

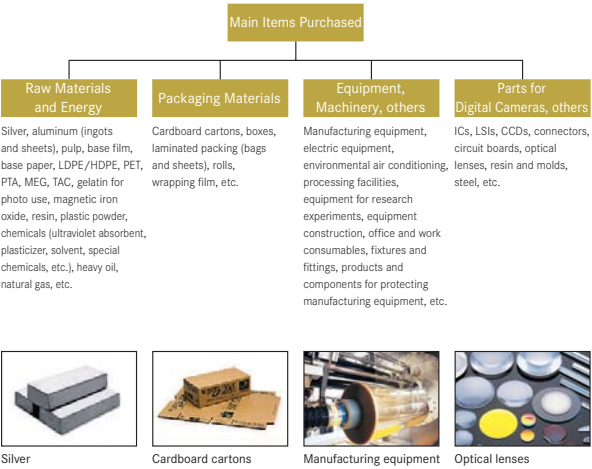
In conducting our purchasing activities, we will seek to fulfill our role as a good corporate citizen by observing all related laws and regulations and by taking into consideration such factors as conservation of natural resources and the protection of the environment.

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



### Green Procurement Standards for Suppliers

- Hold ISO 14001 certification or expect to obtain it within three years, or, hold EcoStage\*<sup>1</sup>, EcoAction 21\*<sup>2</sup>, or KES\*<sup>3</sup>, or are scheduled to obtain one of these certifications within one year.
- 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 items\*<sup>4</sup> Fujifilm has specified related to environmental preservation and chemical content.

### Green Procurement Standards for Products

- Do not contain chemical substances specified in Prohibited Chemical Content\*<sup>5</sup>.
- Measure and manage Chemical Content Subject to Reduction\*<sup>6</sup> and Chemical Content that Must Be Measured\*<sup>7</sup>.
- 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.

\*<sup>1</sup> 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.

\*<sup>2</sup> 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.

\*<sup>3</sup> KES: An environmental management system recommended by The Miyako Agenda 21 Forum.

\*<sup>4</sup> 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.

\*<sup>5</sup> Prohibited Chemical Content: Chemical substances for which manufacture, use, import, and other actions are prohibited.

\*<sup>6</sup> Chemical Content Subject to Reduction: Chemical content that will be reduced as a result of trends in legal regulations and Fujifilm policies.

\*<sup>7</sup> Chemical Content that Must Be Measured: Chemical content that must be measured as provided for in Fujifilm's Basic Regulations for Design for Environment.

- »»Paper and paper material procurement
- »»Classifications of social contribution activities

Paper and paper material procurement

From the perspectives of forest conservation and environmental management, Fujifilm 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, while also advocating sustainable forest management and stipulating that procurement should be conducted from suppliers that take the environment, health and safety seriously. Our procurement policy is to make purchases after confirming Forest Certification in addition to quality and cost. In regard to the forests and lands that are in the

process of acquiring certification, we also conduct progress management as necessary. 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.

Classifications of social contribution activities

- URL
- »Fujifilm: [http://www.fujifilm.com/about/profile/overview/social\\_contribution](http://www.fujifilm.com/about/profile/overview/social_contribution)
- »Fuji Xerox: <http://www.fujixerox.co.jp/eng/sr/stakeholder/community/index.html>

Company, organization	Co-sponsorship, support, donation, etc.	Education and training	Culture, arts and sports/health	Preservation of natural environment	Social contribution through core businesses	Communication partnership with NPO, NGP and local communities	Social welfare and donation activities	Employees voluntary activities
Fujifilm	Co-sponsorship of Kaiyo Academy	■					■	
Fujifilm	Support of Mirai (Future) Green Map	■		■	■	■	■	
Fujifilm	Support of the Green Lanes Environmental Diaries	■		■			■	
Fujifilm	Support of Foxfire in Japan	■		■		■	■	
Fujifilm	Fujifilm Green Fund	■		■			■	
Fujifilm	Photography experiment classes	■			■			
Fujifilm	Support of photographers and photography exhibitions/charity photography exhibitions		■		■		■	
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	■			■			
Fujifilm	Maintenance of "Haruki Michi" Walkway			■		■		■
Fujifilm/Fuji Xerox	Support for Disaster Relief Volunteer Promotion Committee						■	
Fujifilm Labor Union	China tree-planting volunteer program			■		■		■
Fujifilm Labor Union	ECO Club			■				■
Fujifilm Labor Union	Donations to Atomic Bomb Survivors Hospitals in Hiroshima and Nagasaki						■	
Fuji Xerox	Setsutaro Kobayashi Memorial Fund	■						
Fuji Xerox	Funding for education and training support by affiliates in Asia	■	■				■	
Fuji Xerox	Hasu Club	■	■	■		■	■	■
Fuji Xerox	Operation of the Aspen Institute Japan	■	■					
Fuji Xerox	Support for Junior Achievement	■				■		■
Fuji Xerox	Support of Kids' ISO Program	■		■		■		
Fuji Xerox	Narita Satoyama Conservation Group			■		■		■
Fuji Xerox	Training course for nature conservation educators	■		■		■		■
Fuji Xerox	Joho-Juku	■			■			
Fuji Xerox	Support for preparing Large Font Textbooks	■			■		■	
Fuji Xerox	Art by Xerox	■	■		■	■		■
Fuji Xerox	Save the Wooded Area of Tsukahara Committee			■		■		■
Fuji Xerox	Nonprofit Corporation "e-Nakama"			■	■	■	■	■
Fuji Xerox	Support for Special Olympics		■		■	■	■	■
Fuji Xerox	Sale of "Palette Confectionery" Products within Company					■	■	
Fuji Xerox	Campaigns for social contribution and environmental preservation			■	■	■		■
Fuji Xerox	Print Collection	■	■		■			
FUJIFILM Kyushu	Support for Minami-Aso Ehon-No-Kuni Picture Book Project	■	■	■	■	■	■	■
Suzuka Fuji Xerox	Acorn Square	■		■				

- »»Overview of fiscal 2007
- »»Environmental accounting for fiscal 2007
- »»Customer benefits

- Related page
- »Page 13: Reducing environmental burden through technological innovation
- »Page 16: Response to Climate Change

Overview of fiscal 2007

For fiscal 2007, due to energy conservation efforts, we were able to decrease CO2 emissions and limit energy consumption to a slight increase. Along with this result, there was a positive economic impact outside the company in terms of global environmental conservation. In addition, as a result of proceeding with the shift to natural gas, we were able to substantially cut SOx emissions. As production of QuickSnap fell, the effect of recovering these products from the market declined. Growth in customer benefits contributed significantly to a substantial increase in the economic impact outside the company compared to fiscal 2006.

- Period of coverage
- April 1, 2007 to March 31, 2008
- Scope of accounting for environmental accounting
- 65 domestic companies in the Fujifilm Group (FUJIFILM Holdings, Fujifilm and 21 affiliates, Fuji Xerox and 41 affiliates)

Customer benefits

(¥ million)

Product	Amount	
	Fiscal 2006	Fiscal 2007
1. High-density magnetic memory materials	3,054	2,676
2. Pre-sensitized aluminum plates not using plate-making film	13,579	36,082
3. Film for LCDs	18,159	28,800
4. Office printers	2,860	14,933
Total	37,652	82,491

Amounts were calculated comparing the usage of old products to new products purchased by customers. Customer benefits rose with the substantial increase in sales volume of PS plates that do not require plate-making film and film for LCDs.

Environmental accounting for fiscal 2007

Environmental Conservation Costs					Environmental Conservation Effectiveness								
	Capital investment		Expenses		Economic impact inside the Group			Economic impact outside the Group					
(Fiscal Year)	2006	2007	2006	2007	(Fiscal Year)	2006	2007		2006	2007			
1. Expenses incurred within the business site	8,239	8,298	16,672	15,497									
(1) Environmental damage prevention	5,625	5,215	6,129	6,722	Reduction of pollution levy	-2	-2	Reduction in SOx emissions*1	1	11			
								Reduction in volume of SOx emissions	28 tons	273 tons			
								Reduction in volume of NOx emissions	-219 tons	-121 tons			
								Reduction in VOC emissions*2	56	2			
(2) Global environmental protection	2,408	2,751	5,276	4,768				Reduction in volume of VOC emissions	159 tons	5 tons			
								Reduction in CO2 emissions	-147	134			
								Reduction in volume of CO2 emissions*3	-54,000 tons	39,000 tons			
(3) Resource recycling	206	332	5,267	4,007	Reduction of raw materials and resources used	17,740	13,139	Reduction of waste materials through reuse and recycling*4	9,590	9,993			
					Water resource consumption reduction*5	522	561						
					Recovery and recycling								
					Silver	3,243	3,351						
					Polymeric materials	944	1,481				Reduced volume	95,900 tons	99,900 tons
					Aluminum materials	1,857	2,168				Reuse of aluminum materials	—	137
2. Upstream/downstream costs	344	37	12,009	10,876	Other recycling	2,852	339	Reduction in volume of CO2 emissions*3	—	40,000 tons			
					QuickSnap recovery	1,711	89						
3. Cost of management activities	310	167	11,320	11,040	Recovery of parts from used equipment	10,733	10,369						
4. Research and development costs	1,333	1,787	20,057	20,442				Customer benefits are shown in the table above	37,652	82,491			
5. Costs for social programs	0	63	236	147	Film for LCDs								
6. Costs for handling environmental damage/Pollution levies	11	0	97	72									
Total	10,237	10,352	60,391	58,074		37,489	31,433		47,152	92,768			

- \*1 SOx reductions: ¥38,522/ton  
Bidding price of SO2 emissions credits offered by the United States Environmental Protection Agency in March 2008 (US\$380.01/ton).
- \*2 VOC reductions: ¥350,000/ton  
From the "Economics Evaluation Report on Countermeasures for Harmful Atmospheric Pollutants" issued by Japan Environmental Management Association for Industry, February 2004.
- \*3 CO2 reductions: ¥3,431/ton  
Trading price of EU emissions credit 2008 futures (€22.91/ton) at the end of March 2008.
- \*4 Landfill costs for the waste product (¥100/kg).
- \*5 Water resource consumption reduction: ¥200/ton for clean water supply, ¥200/ton for sewage water times the reductions amount.

- Basic items
- Objectives of environmental accounting
1. To provide accurate quantitative information on volumes and economic effects to interested parties inside and outside the Group
2. To provide numerical environment-related information useful for decision making by management and supervisors at the working level
- Accounting method
- Based on the "Environmental Accounting Guidelines (2005 edition)" published by the Ministry of Environment in Japan.
1. Depreciation is calculated in principle according to the straight-line method over a three-year period.
2. When costs include expenditures for both environmental and non-environmental purposes, the portion relating to non-environmental purposes has been excluded.
3. Economic impact within the Group: The difference in value terms from the previous year in fines for polluting and usage of energy, raw materials, water, and other resources is accounted for, as well as the real impact of recovery, recycling, and other measures in value terms for the year in question.
4. Economic impact outside the Group: The difference in value terms from the previous year has been shown for SOx, VOCs, and CO2. For recycling, the anticipated benefit in value terms has been shown for the year in question. To compute the benefit for customers, the economic benefit for the year in question has been calculated assuming that customers are using the new, environmentally friendly product.



- >>>The scope of applicable chemical substances (Fujifilm)
- >>>Classification of chemical substances and standards for classification (Fujifilm)
- >>>Safety classification of chemical substances (Fuji Xerox)

The scope of applicable chemical substances (Fujifilm)

Chemical substances and mixtures (About 7,500 kinds of chemical substances)	1. The raw chemical materials sold and offered by Fujifilm Group companies as Fujifilm products 2. Chemical products 3. Solvent and raw material intermediates used for the production method developed by Fujifilm Group companies 4. Chemical substances used for the running, operation, and maintenance of the production facilities (for processing and testing a product, for treating wastewater and exhaust gas, and for ion-exchange water) 5. Chemical substances for research and development and inspection
Green procurement standard	A. Chemical substances included in machinery, equipment, and their parts B. Chemical substances included in packing, crating materials, and functional materials  Chemical materials in A and B shall receive special management, such as reduction or discontinuation of the usage of lead, mercury, cadmium, hexavalent chromium, brominated flame retardants (BFRs) like polybrominated biphenyl (PBB) and polybrominated diphenyl ether (PBDE), and polyvinyl chloride (PVC)

Classification of chemical substances and standards for classification (Fujifilm)

Classification	Standards for classification	Management agenda				
		Prohibition	Planning and execution for discontinuation or reduction of the use or emission of chemical substances	Closed system or use limitation	Management based on risk assessment	General control (in accordance with legal regulations and FMSDS)
C0	1. Chemical substances prohibited by law 2. Chemical substances that Fujifilm does not handle based on its policies (e.g., mercury compounds, cadmium compounds, etc.)	●	—	—	—	—
C1	1. Chemical substances of which we have discontinued use or reduced emissions based on Fujifilm policies (e.g., hexavalent chromium, formaldehyde, dichloromethane, etc.)	—	●	●	●	●
C2	1. Chemical substances for which law requires notification to the appropriate authorities or for which approval for use from the authorities is required by law 2. Chemical substances that are extremely hazardous or harmful to the human body (e.g., carcinogens, explosives, etc.) 3. Chemical substances that we handle restrictively because of our policy (e.g., lead compounds, methyl cellosolve, etc.)	—	—	●	●	●
C3	1. Chemical substances that come under certain legal restrictions 2. Chemical substances that possess a certain hazard	—	—	—	●	●
C4	Chemical substances classified in categories other than C0 to C3 above	—	—	—	—	●
S	Specially controlled substance	Commencement of research pertaining to discovering alternatives and reducing use, emission, exposure, etc., as well as protective measures, such as wearing protective gear				

Safety classification of chemical substances (Fuji Xerox)

Category	Class 0		Class 1	Class 2	Class 3	Class 4
	Prohibition	Limitations on use	●Closed system/limitations on use ●Environmental emission provision	●Risk reduction controls ●Reduced environmental emissions	●Legally restricted	●N/A for classification
Substances designated in Ordinance on Prevention of Hazards Due to Specified Chemical Substances	Prohibited to manufacture	Group 1 Substances	Group 2 Substances	Group 3 Substances	—	N/A
Substances designated in Ordinance on Prevention of Organic Solvent Poisoning	—	—	First-class organic solvents	Second-class organic solvents	Third-class organic solvents	N/A
Substances designated in Poisonous and Deleterious Substances Control Law	Specified Poisonous Substances	—	Poisonous Substances	Deleterious Substances designated in Ordinance on Prevention of Organic Solvent Poisoning	Deleterious Substances apart from those designated at left	N/A
Substances designated in Chemical Substances Control Law	Class I Specified Chemical Substances	Type I Monitoring Chemical Substances	Class II Specified Chemical Substance Type II Monitoring Chemical Substances	Type III Monitoring Chemical Substances	—	Notified chemical substances
Law Concerning the Protection of the Ozone Layer through the Control of Specified Substances and Other Measures	Substances that belong to Group ABCII	HCFCs HBFCs	Greenhouse gases	—	—	—
Carcinogens	Either of IARC: Group 1 NTP: Type a	Specified by the name of the substances	Either of IARC: Group 2A NTP: Type b	Either of IARC: Group 2B ACGIH: Type A3	Either of IARC: Group 3 ACGIH: A4	Either of IARC: Group 4 ACGIH: A5
Mutagenicity	—	—	● Mutagenicity substances designated by Japanese Ministry of Labor ● Ames test: positive Chromosome aberration test: positive	● Ames test: positive Chromosome aberration test: positive	No data related to Ames test	● Ames test: Negative
Acute oral toxicity test LD50 Test animal: rat	—	—	No more than 30mg/kg (weight)	No more than 300mg/kg (weight)	Less than 2,000mg/kg (weight)	More than 2,000mg/kg (weight)
Ecotoxicity/cumulative toxicity	—	—	● Ecotoxicity: Fish, daphnia, algae LC50 < 1mg/l and ● POW > 1,000	● Ecotoxicity: Fish, daphnia, algae LC50 < 10 mg/l and ● POW > 3.0	—	—

- >>>Breakdown of energy consumption (Consolidated)
- >>>Energy consumption (Six main domestic chemical factories)
- >>>CO2 emissions (Six main domestic chemical factories)
- >>>Breakdown of energy consumption (Consolidated)
- >>>Amount of CO2 reductions and reduction rates through transportation efficiency improvements (Domestic distribution)
- >>>NOx and PM emissions (Domestic distribution)
- >>>Reduction ratio of packing materials for export (Cumulative total)
- >>>Total CO2 emissions in domestic logistics
- >>>Natural resources input (Consolidated)
- >>>Water input (Consolidated)

Breakdown of energy consumption (Consolidated)

Total amount used*1 (Fiscal 2007)	Six main domestic chemical factories*2	Other domestic facilities	Overseas facilities
28,917 TJ (Terajoules)	54%	20%	26%

Energy consumption

(Six main domestic chemical factories)*1 Absolute values in TJ (Terajoules)					
	Fiscal 1990	Fiscal 2000	Fiscal 2006	Fiscal 2007	Fiscal 2009 (Scheduled)
FUJIFILM Opto Materials Co., Ltd.	—	—	2,821	2,767	3,155
FUJIFILM Kyushu Co., Ltd.	—	—	416	1,463	3,064
Fujifilm Kanagawa Factories (Ashigara and Odawara sites)	5,572	5,641	5,400	5,294	4,729
Fujifilm Yoshida-Minami Factory	946	968	1,361	1,182	1,278
Fujifilm Fujinomiya Factory	3,720	5,556	5,392	4,807	4,414
Total	10,238	12,166	15,391	15,514	16,640
Energy intensity (%)	100	92	90	87	78

CO2 emissions

(Six main domestic chemical factories)*1 (Thousand tons of CO2/year)					
	Fiscal 1990	Fiscal 2000	Fiscal 2006	Fiscal 2007	Fiscal 2009 (Scheduled)
FUJIFILM Opto Materials Co., Ltd.	—	—	164	162	157
FUJIFILM Kyushu Co., Ltd.	—	—	20	69	144
Fujifilm Kanagawa Factories (Ashigara and Odawara sites)	337	354	296	288	241
Fujifilm Yoshida-Minami Factory	48	48	77	59	64
Fujifilm Fujinomiya Factory	235	377	342	291	262
CO2 reductions as a result of switching from heavy oil to natural gas	—	-0.05	-80.1	-129.6	-167.8
CO2 emissions intensity (%)	100	97	87	80	67

Breakdown of energy consumption (Consolidated)

	Units	Domestic and overseas (Consolidated)		
		Fiscal 2005	Fiscal 2006	Fiscal 2007
Purchased Power (total)	Million kWh	1,330.2	1,436.5	1,419.8
Bunker oil A	1,000 kl	120.6	119.7	94.5
Bunker oil C	1,000 kl	75.7	72.7	52.0
Kerosene	1,000 kl	5.7	4.0	5.7
LGO	1,000 kl	6.01	3.62	6.21
LPG	1,000 tons	2.54	1.81	2.03
Natural gas*3	Million Nm3	141.1	143.9	172.2

Amount of CO2 reductions and reduction rates through transportation efficiency improvements\*4 (Domestic distribution)

	Units	Fiscal 2005	Fiscal 2006	Fiscal 2007
Amount of CO2 reductions	(Tons CO2/year)	439.7	715.7	3,550.1
CO2 reduction rate (%)	%	0.9	1.2	6.5

CO2 reduction rate (%) =  $\frac{\text{Amount of CO2 reductions}}{\text{Total CO2 emissions} + \text{CO2 reductions}}$

NOx and PM emissions (Domestic distribution)

	Units	Fiscal 2005	Fiscal 2006	Fiscal 2007
NOx emissions	Tons/year	384.8	471.9	396.6
PM emissions	Tons/year	29.6	36.3	30.5

Reduction ratio of packing materials for export\*5 (Cumulative total)

	Reduction ratio (%)*5		Reduction ratio (%)*5
2007 Apr.	3.6	Oct.	2.8
May	4.6	Nov.	2.7
Jun.	4.1	Dec.	2.6
Jul.	3.9	2008 Jan.	2.6
Aug.	3.3	Feb.	2.6
Sep.	2.9	Mar.	2.6

Packing material reduction ratio (%) =  $\frac{\text{Reduced weight}}{\text{Total material weight} + \text{Reduced weight}}$

Total CO2 emissions in domestic logistics\*6

	Units	Fiscal 2005	Fiscal 2006	Fiscal 2007
Total CO2 Emissions	Tons CO2/year	49,323	60,499	50,845

Natural resources input (Consolidated)

(Thousand tons/year)				
	Fiscal 2000	Fiscal 2005	Fiscal 2006	Fiscal 2007
Aluminum	79.6	102.4	124.3	129.9
TAC	13.8	41.7	45.6	50.4
PET	45.8	36.5	38.6	40.6
Gelatin	5.8	4.2	4.5	7.4
Silver	1.2	0.7	0.5	1.0
Total (Consolidated)	146.2	185.5	213.5	229.3

Water input (Consolidated)

(Millions tons/year)				
	Fiscal 2000	Fiscal 2005	Fiscal 2006	Fiscal 2007
Domestic	56.1	51.7	50.2	49.2
Overseas	4.2	13.4	7.3	7.3
Consolidated	60.3	65.1	57.5	56.5

\*1 Six main domestic chemical factories: FUJIFILM Opto Materials Co., Ltd., FUJIFILM Kyushu Co., Ltd., Fujifilm Kanagawa Factories (Ashigara and Odawara sites), Fujifilm Yoshida-Minami Factory and Fujifilm Fujinomiya Factory.

\*2 "Calculation method": Method to calculate CO2 emissions from energy usage. DOMESTIC: Calculations conducted according to Ministry of Environment Guidelines (proposed). For electricity purchases, average value from the Federation of Electric Power Companies was used until fiscal 2004, and then coefficients provided separately by independent power companies were used after fiscal 2005. INTERNATIONAL: Calculations conducted retroactively based on the GHG Protocol. For electricity purchases, the "CO2 EMISSIONS FROM FUEL COMBUSTION (2007 Edition)" by the OECD was used.

\*3 Natural gas: City gas is included in natural gas in domestic portion.

\*4 In the fiscal year 2007, we enforced our activities for CO2 reductions in collaboration with a specified co-signer. Major reduction initiatives, which proved effective, include improving carrying efficiency by double stacking during transport and enhancing gasoline mileage by eco-driving.

\*5 Total weight of Packing Materials handled by FUJIFILM Logistics Co., Ltd. in fiscal 2007 are for Export 4,467 tons. Total reduction weight and reduction rate are 120 tons and 2.6% respectively.

\*6 Total CO2 emissions are the calculated amount of all of Fujifilm Group companies that FUJIFILM Logistics Co., Ltd. had business. Since fiscal 2006, we shifted calculation method to the method based on revised Energy Conservation Law (travel distance of empty cars is not included in calculations, etc.)

Data and Information	Environmental Aspects
»»Consumption of packaging and wrapping material (Fujifilm non-consolidated)	»»Reductions in VOCs atmospheric emissions (Fujifilm non-consolidated)
»»Zero emissions	»»Atmospheric emissions of VOCs (Consolidated)
»»Volume of waste generation (Consolidated)	»»Response to PRTR Law (Domestic consolidated)
»»Main recycling methods for waste products	»»Storage and management of devices/equipment containing PCBs (Consolidated)

Consumption of packaging and wrapping material (Fujifilm non-consolidated)

	Fiscal 2000	Fiscal 2005	Fiscal 2006	Fiscal 2007
Cardboard	11.0	10.1	7.6	7.8
Paper materials	8.0	6.7	6.8	5.9
Paper containers	6.0	3.6	3.2	3.9
Metal materials	3.6	2.0	2.6	2.5
Extruded plastic materials	6.2	4.1	4.2	3.8
Plastic film sheets	0.7	0.5	0.4	0.7
Total	35.5	27.1	24.8	24.6

• Excluding PS-Plates  
• In fiscal 2007, data regarding container packaging for a selection of items used for commercial purposes has also been reviewed and the data edited back until the fiscal year 2000.

Zero emissions

Fujifilm achieved its zero emissions targets in fiscal 2003, yet is constantly striving to take waste management to the next level. The next task that lies before us is to extend our zero emissions goals to Fujifilm affiliates such as overseas production facilities, paying special attention to those with high volumes of waste products. While the definition of ‘zero emissions’ differs at Fujifilm and Fuji Xerox due to inherent differences in our respective lines of business, zero emission activities can be defined as “efforts to recycle all waste material from business operations, and to ensure no waste is processed by simple incineration or landfill.”

Volume of waste generation (Consolidated)

	Fiscal 2000	Fiscal 2005	Fiscal 2006	Fiscal 2007
Domestic consolidated	36.2	44.0	46.8	43.4
Overseas consolidated	12.7	30.9	30.2	33.1
Total	48.9	74.9	77.0*	76.5

• Data was reviewed and modified this year.

Main recycling methods for waste products

Waste product	Recycling method
Plastics (sorted)	Pallets, pipes, clothing, heat insulation materials
Plastics (mixed)	Blast furnace fuel
Magnetic tape	Blast furnace fuel, tatami mat material, heat insulation materials
Filters	Blast furnace fuel
Aluminum hydroxide	Alumina
Inorganic sludge, polishing agent	Cement, roadway material, construction materials
Organic solvent	Paint thinner
Acids and alkalines	Neutralizer
Mixed flammable waste products	Solid fuels, electricity and hot water production
Fluorescent lamp	Glass wool, mercury
Batteries	Zinc, smelt iron
Left over food, raw garbage, organic sludge	Fertilizer, animal feed
Documents, empty boxes	Recycled paper
Metals such as iron, aluminum and copper	Smelt metal

Reductions in VOCs atmospheric emissions\* (Fujifilm non-consolidated)

Category	Name of substance	Reduction (tons)	Reduction rate in comparison to fiscal 2000 (%)
Substances requiring reporting under the PRTR Law	Dichloromethane	215	60
	Methyl alcohol	1,219	69
	Ethyl acetate	325	80
Substances voluntarily controlled by the company	Methyl ethyl ketone	162	79
	Acetone	59	46

\*Reduction in volumes in fiscal 2007 compared with actual levels in fiscal 2000.

Atmospheric emissions of VOCs (Consolidated)

	Fiscal 2000	Fiscal 2005	Fiscal 2006	Fiscal 2007
Domestic consolidated	3.1	1.4	1.3	1.3
Overseas consolidated	0.2	0.4	0.3	0.2
Total	3.3	1.8	1.6	1.5

Response to the PRTR Law (Domestic consolidated)

In addition to those substances that must be reported under the PRTR Law (Pollutant Release and Transfer Register Law), Fujifilm controls another 10 items on a voluntary basis, primarily substances specified by the Japan Chemical Industry Association as requiring autonomous monitoring, and has been endeavoring to reduce those emission on consolidated basis. Data (usage volume, atmospheric emissions volume, volume going into sewage water, volume moved outside of facilities, and volume recycled) on substances used in amounts of one ton or more per year by Fujifilm and its domestic affiliates may be found on the following Fujifilm website.

URL

➤<http://www.fujifilm.co.jp/corporate/environment/activities/chemical/> (in Japanese)

Storage and management of devices/equipment containing PCBs\* (Consolidated)

Types of equipment containing PCBs	Unit	Storing and managing amount	
		Domestic consolidated	Domestic and overseas consolidated
High voltage transformers	Quantity	3	17
High voltage condensers	Quantity	365	455
PCB oil waste etc.	Kg	201.11	201.11
Sludge, etc.	m³	10,400.1	10,400.1
Fluorescent lamp stabilizers	Quantity	15,258	16,758
Low voltage condenser excluding fluorescent lamps	Quantity	117,165	117,165
Low voltage transformer	Quantity	3	18
Rags	Kg	927	927
Other devices	Quantity	12	12

\*Not including items with trace levels of PCBs

Data and Information	Environmental Aspects
»»Volume of atmospheric emissions (Consolidated)	
»»Amount of water pollutant emissions (Consolidated)	
»»Surveying and remediation soil and underground water pollution conditions	

Volume of atmospheric emissions (Consolidated)

		Fiscal 2005	Fiscal 2006	Fiscal 2007
SOx Emissions	Domestic	385	357	84
	Overseas	9	5	6
	Domestic and overseas	394	362	90
NOx Emissions	Domestic	1,193	907	786
	Overseas	171	96	111
	Domestic and overseas	1,364	1,003	897
Soot Particle Emissions	Domestic	24.7	14.7	8.8
	Overseas	3.7	0.2	0.2
	Domestic and overseas	28.4	14.8	9.0
Atmospheric Emissions of Specified CFCs	CFC-11	0.56	0.85	1.51
	CFC-12	0.12	0.02	0.01

Surveying and remediation soil and underground water pollution conditions

The Fujifilm Group autonomously conducts environmental surveys on soil and underground water pollution. Regarding substances that are used at manufacturing facilities and that are subject to environmental limits set by regulations, the Group rigorously manages the usage and storage of such substances and monitors the concentrations of such substances in underground water. We are prepared to deal with any unforeseen pollution incidents in a timely fashion (please refer to the table below).

(Domestic consolidated)						
Name of worksite		Survey completion date	Pollution condition	Substance type	Method of remediation	Remediation status
FUJIFILM Corporation	Kanagawa Factory (Ashigara)	2001/11	Yes (soil)	Heavy metals	Replaced soil	Completed March 2002
	Kanagawa Factory (Odawara)	2001/6	Yes (soil)	Heavy metals	Replaced soil	Completed January 2002
	Fujinomiya Factory	2001/3	No			
	Yoshida-Minami Factory	2001/3	No			
	Miyanodai District	2001/3	No			
	Asaka Area	2001/12	No			
	Tokyo District (Minami Azabu)	2004/10	Yes (soil)	Heavy metals	Pending	Covered with asphalt
	Sendai District	2001/10	No			
Fuji Xerox Co., Ltd.	Ebina Center	1998/5	No			
	Iwatsuki Center	1996/3	Yes (soil/underground water)	VOC	(Monitoring)	Policy to be decided by 2010
	Takematsu Center	2000/7	Yes (soil)	Heavy metals	Replaced soil	Completed by 2009
	Nakai Research Center	1998/8	No			
	Group company workplaces (three locations)	2002/3	No			
FUJINON CORPORATION	Head office (Saitama City)	2001/4	Yes (underground water)	VOC	Pumped water	Being remediated
	FUJINON Sano Corporation	1997/11	No			
	FUJINON Mito Corporation	1999/9	No			
FUJIFILM TECHNO PRODUCTS CO., LTD.	Takematsu Factory	2002/4	No			
	Hanamaki Factory	2001/6	No			
	Akita Factory	2001/3	No			
FUJIFILM Electronic Materials Co., Ltd.	Shizuoka Factory	2001/11	No			
FUJIFILM PHOTONIX CO., LTD. (Kurokawa-gun, Miyagi)		2001/10	No			
Fuji Technics Co., Ltd. (Ayase City)		2002/3	No			
FUJIFILM IMAGING Co., Ltd.	Osaka Office	2001/11	Yes (soil)	Heavy metals	Replaced soil	Completed April 2003
	Other offices (nine locations)	2001/6	No			
FUJIFILM Finechemicals Co., Ltd.	Hiratsuka Factory	2005/11	(soil) Yes (underground water)	VOC	Pending Pumped water	Covered with asphalt Being remediated
	Hirono Factory	2005/11	No			



- >>>Environmental monitoring
- >>>Installing plumbing and tanks above ground
- >>>Legal compliance and reports on complaints
- >>>Environmental-related complaints and legal violations in fiscal 2007
- >>>Environmental-related complaints, examples of legal violations and responses in fiscal 2007
- >>>Continuously holding Environmental Forums to promote education and information sharing

### Environmental monitoring

To decrease chemical substance emissions, the Fujifilm Group has adopted air and water quality standards that are stricter than legal requirements and undertakes stringent autonomous chemical substance controls. Regarding substances covered by the PRTR Law, the Group regularly conducts surveys around factories that use such substances to monitor concentrations of such substances in the air.

### Installing plumbing and tanks above ground

As a proactive measure to prevent pollution problems from arising, the Fujifilm Group is now installing all new plumbing and tanks above ground to facilitate inspections and the location of leaks. We are also steadily proceeding with plans to relocate existing underground plumbing and tanks to above-ground locations as well as to install backup plumbing for emergencies.

### Legal compliance and reports on complaints

In the fiscal year 2007, there were six violations of Environmental-related regulations and six cases of environmental-related complaints. Primarily, these complaints concerned noise and vibration issues, all of which were addressed immediately with appropriate measures that were thoroughly explained to the satisfaction of the local residents. Every effort is being made to raise management levels and prevent recurrence.

### Environmental-related complaints and legal violations in fiscal 2007

	Domestic	Overseas	Total
Number of Complaints (number of cases solved)	6 (6)	0	6 (6)
Number of Legal Violations (number of cases solved)	0	6 (5)	6 (5)

### Environmental-related complaints, examples of legal violations and responses in fiscal 2007

Fujifilm Asaka Area	Complaint: noise (1 case)
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Issue: Complaints from area residents regarding noise around the borders with neighboring companies late at night (outside operational hours).  
Response: Neighboring companies were contacted and the parties agreed to take action after confirming the situation.

FUJINON	Complaint: noise (1 case)
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Issue: Complaints from area residents regarding exhaust ventilation noise.  
Response: The operating time of the exhaust fan after business hours was shortened and the shape of exhaust ports modified to reduce noise.

Fuji Xerox Imaging Materials	Complaint: noise (1 case)
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Issue: Complaints from area residents about noise generated from discharge valve.  
Response: Valves were tightened and work procedures were subsequently revised, with the person in charge of handling bulbs receiving the related training.

FUJIFILM MEDIA CREST	Complaint: electromagnetic interference (1 case)
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Issue: Complaints were received from area residents about TV pictures going out when the power was cut in company buildings in response to lightening striking a cubicle (electric switchboard equipment).  
Response: Corrective actions were taken regarding the power supply for local boosters during power interruptions inside the company. Notices were posted that power will be supplied to two boosters.

FUJIFILM Sericol U.S.A.	Legal violation: Toxic waste disposal and management methods (1 case)
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Issue: Results of an inspection by the Kansas Department of Health and Environment revealed there were six legal violations, including inadequate labeling regarding the disposal and management of toxic waste inside the laboratories.  
Response: Fine of \$6,100 paid to the Kansas Department of Health and Environment, actions taken to ensure thorough management in the laboratories.

FUJIFILM Electronic Materials (Europe) Belgium	Legal violation: Increased measurement of BOD and copper in wastewater (1 case)
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Issue: Increased measurement of BOD and copper were discovered in wastewater and this was reported to the local government. An investigation inside the plant was unable to identify the cause.  
Response: There was no penalty from the local government, but re-training and education were carried out on how to operate the liquid waste system; the investigation into the cause continues.



Panel discussion



Poster session

#### Keynote address

Takejiro Sueyoshi, Special Advisor to the UNEP (United Nations Environment Programme) Finance Initiative, who possesses in-depth knowledge of environmental problems and CSR, delivered the keynote address.

#### Presentations

Fujifilm Group employees gave four presentations about efforts for stopping global warming and other initiatives.

#### Panel discussion

Five members from the Fujifilm Group participated in a panel discussion on reducing the environmental burden of our products.

### GRI Guideline Comparison Tables

Item	Indicators	Pages in this Report
<b>1. Strategy and Profile</b>		
1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	2-3
1.2	Description of key impacts, risks, and opportunities.	28-29
<b>2. Organizational Profile</b>		
2.1	Name of the organization.	Editorial Policy, 94
2.2	Primary brands, products, and/or services.	94
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	95
2.4	Location of organization's headquarters.	95
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	95
2.6	Nature of ownership and legal form.	95
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	94
2.8	Scale of the reporting organization, including: •Number of employees •Net sales (for private sector organizations) or net revenues (for public sector organizations) •Total capitalization broken down in terms of debt and equity (for private sector organizations); and •Quantity of products or services provided.	81-82, 94-95
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: •The location of, or changes in operations, including facility openings, closings, and expansions; and •Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	Editorial Policy, 28
2.10	Awards received in the reporting period.	96
<b>3. Report Parameters</b>		
<b>Report Profile</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Editorial Policy
3.2	Date of most recent previous report (if any).	None
3.3	Reporting cycle (annual, biennial, etc.).	Editorial Policy
3.4	Contact point for questions regarding the report or its contents.	Back cover
<b>Report Scope and Boundary</b>		
3.5	Process for defining report content, including: •Determining materiality; •Prioritizing topics within the report; and •Identifying stakeholders the organization expects to use the report.	Editorial Policy, 28-29
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Editorial Policy, 94
3.7	State any specific limitations on the scope or boundary of the report.	Editorial Policy
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	None
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Editorial Policy
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A
<b>GRI Content Index</b>		
3.12	Table identifying the location of the Standard Disclosures in the report.	91
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	Editorial Policy
<b>4. Governance, Commitments, and Engagement</b>		
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or operational strategy.	30
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	30
4.3	For organizations with a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	None
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	None
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	None
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	None
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	31
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	2-3
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	31
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	30
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	30-31, 36-39, 42-45, 60-61
4.12	Internally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	38-39, 60-61
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: •Has positions in governance bodies; •Participates in projects or committees; •Provides substantive funding beyond routine membership dues; or •Views membership as strategic.	38-39, 60-61
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organization.	79
4.15	Basis for identification and selection of stakeholders with whom to engage.	79
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	15, 28-29, 32-33, 79
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	57, 67-69, 79

Item	Performance Indicators (O Core/C Add)	Pages in this Report
<b>Economic</b>		
Disclosure on Management Approach	Goals and Performance	2-3, 29, 94
	Policy	2-3, 32-33
	Organizational Responsibility	31, 54-55
	Training and Awareness	57, 67-69, 90
Economic Performance Indicators	Monitoring and Follow-up	30
	Additional Contextual Information	28-29, 54-55
OE1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	94
OE2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	16-19, 84
OE3	Coverage of the organization's defined benefit plan obligations.	None
OE4	Significant financial assistance received from government.	None
<b>Market Presence</b>		
OE5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	None
OE6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	None
OE7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	None
<b>Indirect Economic Impacts</b>		
OE8	Development and impact of infrastructure investments and services provided primarily for public benefit through commerce, in-kind, or pro-bono engagement.	36-37
OE9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	None
<b>Environmental</b>		
Disclosure on Management Approach	Goals and Performance	2-3, 29, 54-55
	Policy	2-3, 29, 54-55
	Organizational Responsibility	31, 54-55
	Training and Awareness	57, 67-69, 90
Materials	Monitoring and Follow-up	30
	Additional Contextual Information	28-29, 54-55
EN1	Materials used by weight or volume.	56
EN2	Percentage of materials used that are recycled input materials.	12-13, 15
<b>Energy</b>		
EN3	Direct energy consumption by primary energy source.	56, 86-90
EN4	Indirect energy consumption by primary source.	56, 86-90
EN5	Energy saved due to conservation and efficiency improvements.	16-19, 86-90
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	16-19, 86-90
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	None
<b>Water</b>		
EN8	Total water withdrawal by source.	86-90
EN9	Water sources significantly affected by withdrawal of water.	86
EN10	Percentage and total volume of water recycled and reused.	56
<b>Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	None
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	None
EN13	Habitats protected or restored.	None

EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	28, 67-69
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	None
<b>Emissions, Effluents, and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight.	86-90
EN17	Other relevant indirect greenhouse gas emissions by weight.	86-90
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	16-19
EN19	Emissions of ozone-depleting substances by weight.	86-90
EN20	NOx, SOx, and other significant air emissions by type and weight.	86-90
EN21	Total water discharge by quality and destination.	86-90
EN22	Total weight of waste by type and disposal method.	86-90
EN23	Total number and volume of significant spills.	N/A
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VII, and percentage of transported waste shipped internationally.	N/A
EN25	Identify, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	N/A
<b>Products and Services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	12-13, 58-59, 62-63
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	None
<b>Compliance</b>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	86-90
<b>Transport</b>		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	86-90
<b>Overall</b>		
EN30	Total environmental protection expenditures and investments by type.	79, 85
<b>Labor Practices and Decent Work</b>		
Disclosure on Management Approach	Goals and Performance	2-3, 29, 81-82
	Policy	46-49
	Organizational Responsibility	28-29
	Training and Awareness	46-49
	Monitoring and Follow-up	34, 46-49
Employment	Additional Contextual Information	34, 46-49
OL1	Total workforce by employment type, employment contract, and region.	94
OL2	Total number and rate of employee turnover by age group, gender, and region.	None
OL3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	None
<b>Labor/Management Relations</b>		
OL4	Percentage of employees covered by collective bargaining agreements.	None
OL5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	None
<b>Occupational Health and Safety</b>		
OL6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	None
OL7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	81-82
OL8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	51
OL9	Health and safety topics covered in formal agreements with trade unions.	None
<b>Training and Education</b>		
OL10	Average hours of training per year per employee by employee category.	None
OL11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career change.	None
OL12	Percentage of employees receiving regular performance and career development reviews.	None
<b>Diversity and Equal Opportunity</b>		
OL13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	81-82
OL14	Ratio of basic salary of men to women by employee category.	None
<b>Human Rights</b>		
Disclosure on Management Approach	Goals and Performance	2-3, 29, 81-82
	Policy	46-49
	Organizational Responsibility	28-29
	Training and Awareness	34, 46-49
	Monitoring and Follow-up	34, 46-49
Investment and Procurement Practices	Additional Contextual Information	46-49
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	None
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	None
HR3	Total human rights impacts, policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	None
<b>Non-discrimination</b>		
HR4	Total number of incidents of discrimination and actions taken.	N/A
<b>Freedom of Association and Collective Bargaining</b>		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	N/A
<b>Child Labor</b>		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	22
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	N/A
<b>Security Practices</b>		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	N/A
<b>Indigenous Rights</b>		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	N/A
<b>Society</b>		
Disclosure on Management Approach	Goals and Performance	2-3, 29
	Policy	2-3, 29
	Organizational Responsibility	30-31
	Training and Awareness	76-77
	Monitoring and Follow-up	36-37
Community	Additional Contextual Information	None
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	None
<b>Corruption</b>		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	N/A
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	82-84
SO4	Actions taken in response to incidents of corruption.	82-84
<b>Public Policy</b>		
SO5	Public policy positions and participation in public policy development and lobbying.	N/A
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	N/A
<b>Anti-Competitive Behavior</b>		
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	N/A
<b>Compliance</b>		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	90
<b>Product Responsibility</b>		
Disclosure on Management Approach	Goals and Performance	2-3, 39
	Policy	2-3, 38, 36-37
	Organizational Responsibility	78
	Training and Awareness	36-37
	Monitoring and Follow-up	36-37, 78
Customer Health and Safety	Additional Contextual Information	36-37
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	36-37
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	N/A
<b>Product and Service Labeling</b>		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such rules.	None
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	N/A
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	52-53
<b>Marketing Communications</b>		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	None
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	N/A
<b>Customer Privacy</b>		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/A
<b>Compliance</b>		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	N/A

Regarding "pages in this Report":  
None: When FUJIFILM Holdings Sustainability Report 2008 has no clear quantitative information that corresponds to the indicator despite said indicator being under Fujifilm Group's management.  
N/A: When those indicators have little relation with the Fujifilm Group's business or there is no need of management.



## Independent Assurance Statement of the FUJIFILM Holdings Corporation Sustainability Report 2008

To: All the Readers of the Report

BSI Management Systems Japan K.K. (hereafter "BSI") conducted assurance work for the Fujifilm Group (hereafter the "Group") in accordance with AA1000 Assurance Standards regarding information contained in the *Fujifilm Holdings Corporation Sustainability Report 2008* (hereafter the "Report") produced by FUJIFILM Holdings Corporation (hereafter the "Company"), the sole entity responsible for the Report. The purpose of this assurance work is to express opinions and to suggest areas of improvement regarding the Company's CSR efforts from an independent perspective based on the following principles of AA1000 Assurance Standards:

- Materiality:** Does the report provide sustainability information about the organization's management and performance that stakeholders require to be able to make informed judgements, decisions and actions?
- Completeness:** To what extent does the organization identify and understand material aspects of its sustainability performance?
- Responsiveness:** Has the organization responded appropriately to stakeholder expectations and perception? Does the organization comply with its own policies and relevant standards? Is each material issue being covered adequately?

In addition, the GRI Guidelines content index on page 91 was checked to ensure it accurately referenced the GRI Reporting Guidelines 2006 (G3).

### Scope of Assurance:

The *FUJIFILM Holdings Corporation Sustainability Report 2008*, particularly focusing on activities and systems for fiscal 2007 (April 1, 2007 to March 31, 2008).

**Exclusions:** The consolidated financial data on page 94 are based on financial data that has already been audited and published. BSI confirmed the data contained in the Report was consistently reproduced. With the exception of PRTR information, additional information provided on the Company's website was not assured.

### Assurance Level:

The assurance provided is limited, as defined by the Scope of Assurance and Assurance Procedures described in this statement.

### Independence:

This assessment was carried out in line with the BSI Fair-Trading Code of Practice (quality control code).

### Assurance Procedures:

BSI assessed qualitative and quantitative information contained in the Report, as well as systems and processes used to report these, using the following procedures:

- Interviews with top management
- Review of CSR policy and plan as well as operating conditions of the management systems
- Review of the decision making process for material issues (materiality process)

- Attending Stakeholder Dialogues 2008 (six sessions in total)
- Interviews with persons in charge of producing the Report and providing information contained in the Report as well as review of related materials
- Review of systems regarding measurements, aggregation of information, reporting process for information contained in the Report, and related materials
- Verification and confirmation of sampled data using documentation (data selection was based on assurers' assessment of the most material metrics and the risk of errors)

An assessment of systems and activities comprising consolidated data was conducted based on data obtained at sites selected by the Company (FUJIFILM Holdings Corporation, FUJIFILM Corporation head office, Fuji Xerox Co., Ltd. head office, FUJIFILM Kyushu Co., Ltd., and Fuji Xerox Co., Ltd. Suzuka site). As for the sites other than those listed above, desk review was conducted for the primary data on the system; however, site level verification was not conducted.

### Conclusion:

The Company's CSR promotion is systematically progressing under the strong leadership, which is supported by corporate governance and the CSR promotion structure, and CSR performance has improved from fiscal 2006. The Company made use of Stakeholder Dialogues to fill in the gap between stakeholder expectations and the Company's current performance. In terms of information disclosure,

information on overseas CSR activities was augmented and the scope of disclosure was expanded. We have high expectations regarding the Group's continual CSR activities in the future. Within the scope of assurance procedures in accordance with the AA1000 Principles, our findings on materiality, completeness, and responsiveness of the Company and Group are given below.

### Materiality:

- The Report covered material issues for the Company and its stakeholders.
- The Company's material issues were identified and prioritized through a systematic materiality process (based on the viewpoints of the Company and its stakeholders as well as an analysis of the CSR check sheet conducted in fiscal 2005 and Stakeholder Dialogues that have been held since 2004).
- The focus of the Report was further clarified by presenting information regarding priority issues that the Company needs to work on over the medium term as "Medium-term CSR Plan Highlights."

### Completeness:

- Responses to priority issues have been implemented throughout the Group as concrete actions based on the Medium-term CSR Plan.
- The Company is effectively managing and monitoring its material issues through the performance data reports of its management system and Eco-Web (a Web-based aggregate system). (However, aggregate data by Eco Web covers affiliated companies of over a certain size.)

### Responsiveness:

- In addition to the materiality process, the Company has deepened its understanding of stakeholder expectations and recognition and has also improved its responsiveness to material issues by continuing to hold Stakeholder Dialogues. The Dialogues under the following themes helped deepen the understanding of both Company and its stakeholders on those issues: "Reducing the environmental burden of products," "Human Diversity," and "Biodiversity."



July 2008

Mitsumasa Tokunaga, President  
BSI Management Systems Japan K.K.



### For reference

The Company's responses to material issues in its relationship with each stakeholder as identified through the materiality process and Stakeholder Dialogues were categorized into CSR management phases based on the British Standard BS 8900 Guidance for Managing Sustainable Development. Then, the implementation status of management and reporting system for the Group were assessed (see chart below).

Stakeholders (p. 79)	Priority Issues (p. 28-29)	Each Phase of CSR Management				
		Commitment	Identification of Issues	Actions	Audit and Review	Reporting
Employees	Human diversity Occupational Health and Safety					
Suppliers	CSR Procurement					
Transaction Partners	Compliance with environmental laws and regulations					
Customers	Design for the environment Chemical content					
Shareholders and investors	Strengthening governance					
Local communities	Chemical substance control Contributions to society					
NGOs/NPOs	Biodiversity					
Future generation	Reduction of CO <sub>2</sub> emissions in products					
Industry associations, government, business partners	Compliance with laws and regulations					

Require aggressive efforts going forward  
Managed and reported by individual Group company  
Managed and reported Groupwide  
Note: Numbers in the chart indicate items related to the areas of improvement mentioned on the right.

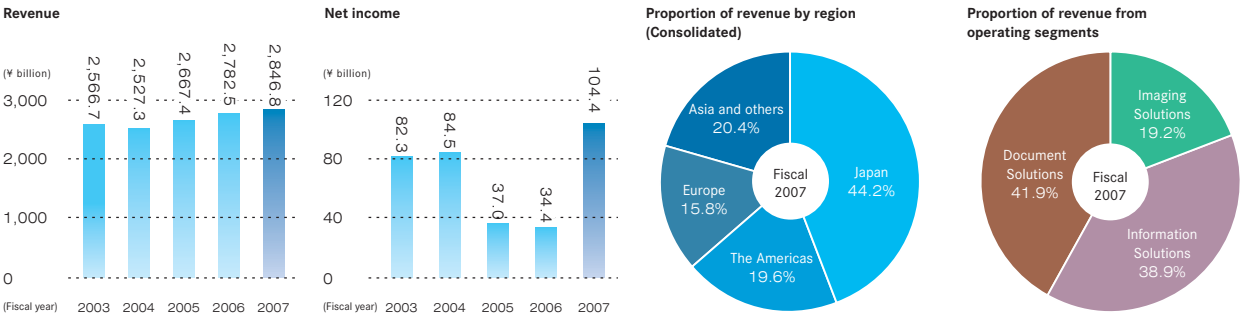
Areas of improvement to advance the performance of the Group are listed below.

1. While the Group is addressing human diversity and operational health and safety, as priority issues, it should be helpful to further clarify Group policy and strategy.
2. Since Company is aggressively carrying out business reforms and M&As, ongoing review of the aggregate scope and verification of collected information will further strengthen the Group governance on the environment. Particularly in regard to efforts for reducing CO<sub>2</sub> emissions, it is desirable to consider setting targets for the total volume of reductions across the Group.
3. As for CSR procurement and social contribution activities, it should be helpful to enhance Group efforts by horizontally applying the Best Practices of each company.



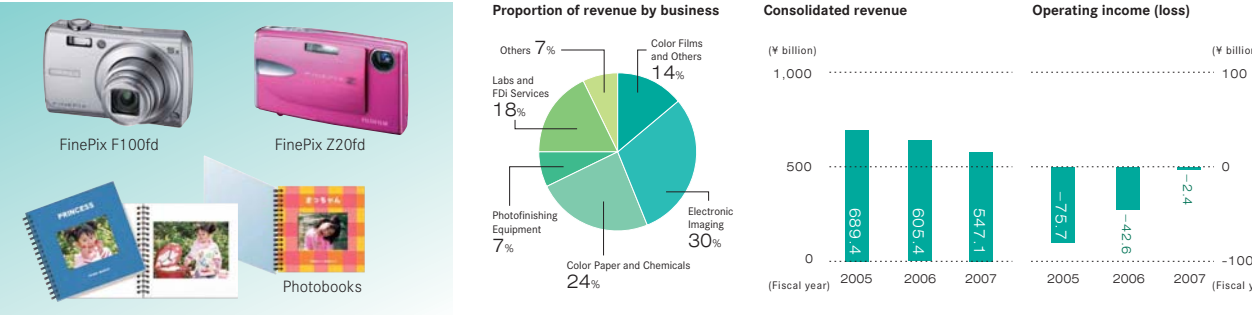
Fujifilm Group Business Overview

The Fujifilm Group aims to become a global enterprise, trusted by society and customers, by making broad contributions to the advancement of culture, science, technology and industry. In addition, we will contribute to the improvement of people's health and conserve global resources, while making further contributions to society through active business operations in the Imaging Solutions Segment, Information Solutions Segment and Document Solutions Segment.



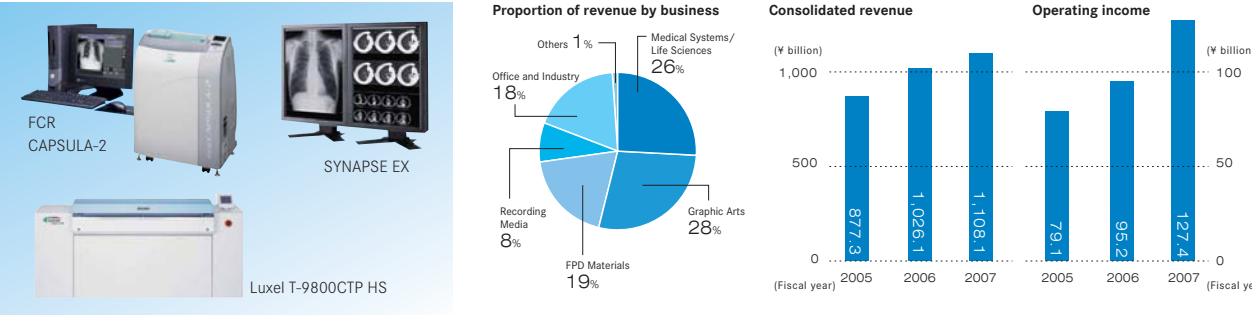
Imaging Solutions

The Imaging Solutions Segment handles color films, digital cameras, photo finishing equipment, and color paper, chemicals, services for photofinishing.



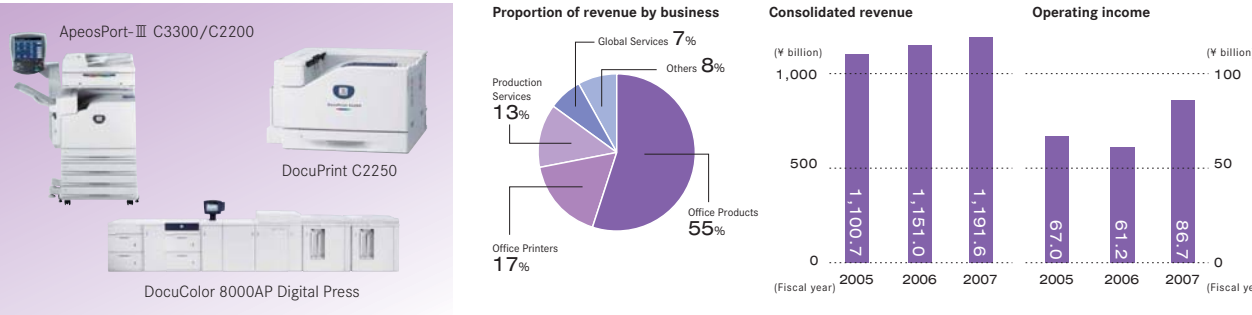
Information Solutions

The Information Solutions Segment handles medical systems and life sciences, equipment and materials for graphic arts, flat panel display (FPD) materials, recording media, optical devices, electronic materials and inkjet materials.



Document Solutions

The Document Solutions Segment handles office copy machines/multifunction devices, printers, production systems and services, paper, consumables, and global services.



The Scope of This Report

<Subject Notation in Reporting> Fujifilm Group (appropriate utilization of “consolidated” and “group”)

Holding Company

FUJIFILM Holdings Corporation

- Company Name: FUJIFILM Holdings Corporation
- Representative: Shigetaka Komori
- Head Office: 9-7-3 Akasaka, Minato-ku, Tokyo 107-0052
- Tokyo Midtown
- Date Established: January 20, 1934
- Capital: ¥40,363 million (As of March 31, 2008)
- Consolidated Employees: 78,321 (As of March 31, 2007)
- Consolidated Subsidiaries: 227 (As of March 31, 2008)

<Subject Notation in Reporting> Fujifilm and its affiliates

Operating company

FUJIFILM Corporation

Head Office: Tokyo Midtown

Bases of operation: (Manufacturing, R&D)  
Odawara, Ashigara, Fujinomiya, Yoshida-Minami, Asaka, Miyanodai, Kaisei

Fujifilm Affiliates (Consolidated companies)

[Japan]

FUJINON CORPORATION  
FUJINON Mito Corporation  
FUJINON Sano Corporation  
Fujinon Toshiba ES Systems Co., Ltd.  
FUJIFILM TECHNO PRODUCTS CO., LTD.  
FUJIFILM Electronic Materials Co., Ltd.  
Fuji Technics Co., Ltd.  
FUJIFILM PHOTONIX CO., LTD.  
FUJIFILM Media Manufacturing Co., Ltd.  
FUJIFILM PHOTO MANUFACTURING CO., LTD.  
FUJIFILM Opto Materials Co., Ltd.  
FUJIFILM TPX Co., Ltd.  
FUJIFILM Kyushu Co., Ltd.  
FUJIFILM Finechemicals Co., Ltd.  
FUJIFILM RI Pharma Co., Ltd.  
FUJIFILM Digital Techno Co., Ltd.  
FUJIFILM Medical Co., Ltd.  
FUJIFILM BUSINESS SUPPLY CO., LTD.  
FUJIFILM Graphic Systems Co., Ltd.  
FFGS Techno Service Co., Ltd.  
FUJIFILM Healthcare Laboratory Co., Ltd.  
FUJIFILM IMAGING Co., Ltd.  
FUJIFILM Imagetec Co., Ltd.  
FIC Production Center Co., Ltd.  
FUJIFILM LOGISTICS CO., LTD.  
FUJIFILM Techno Service Co., Ltd.  
FUJIFILM MEDIA CREST CO., LTD.  
FUJIFILM Software Co., Ltd.  
FUJIFILM PRESENTEC CO., LTD.  
FUJIFILM Human Resources Development Co., Ltd.  
FUJIFILM Computer System Co., Ltd.  
FUJIFILM Imaging Colorants Co., Ltd.

[Overseas]

FUJIFILM Holdings America Corporation  
FUJIFILM U.S.A., Inc.  
FUJIFILM Sericol U.S.A., Inc.  
FUJIFILM Sericol Brasil Produtos para Impressão Ltda.  
FUJIFILM Imaging Colorants, Inc.  
FUJIFILM Finance U.S.A., Inc.  
FUJIFILM Manufacturing U.S.A., Inc.  
FUJIFILM Recording Media Manufacturing U.S.A., Inc.  
FUJIFILM Dimatrix, Inc.  
FUJIFILM Medical Systems U.S.A., Inc.  
Problem Solving Concepts, Inc.  
FUJIFILM Hawaii, Inc.  
FUJIFILM Graphic Systems U.S.A., Inc.  
FUJIFILM Hunt Chemicals U.S.A., Inc.  
FUJIFILM Hunt Smart Surface, LLC  
FUJIFILM Hunt do Brasil - Produção de Químicos Ltda.  
FUJIFILM Canada Inc.  
FUJIFILM do Brasil Ltda.  
FUJIFILM da Amazonia Ltda.  
FUJIFILM Europe B.V.  
FUJIFILM HOLDINGS UK LTD.  
FUJIFILM Manufacturing Europe B.V.  
FUJIFILM Hunt Chemicals Europe NV  
FUJIFILM Europe NV  
Fuji Hunt Photographic Chemicals (France) S.A.L.  
Fuji Hunt Photographic Chemicals (Italia) Srl  
Fuji Hunt Nordic AB, Sweden  
FUJI HUNT IBERICA, S.L.  
FUJIFILM Europe GmbH  
FUJIFILM Italia S.r.l.  
FUJIFILM España, S.A.  
FUJIFILM Medical Systems Benelux NV  
FUJIFILM Medical Systems Italia S.p.A  
Photofinishing Holding International B.V.  
Fujicolor Central Europe Photofinishing Verwaltungs GmbH  
Fujicolor Central Europe Photofinishing GmbH & Co. KG  
FUJIFILM Holdings France SAS  
FUJIFILM Graphic Systems France SAS  
FUJIFILM France SAS  
LABORATORIES FUJIFILM SA  
FUJIFILM Medical Systems France SAS  
FUJIFILM UK LIMITED  
Fuji Hunt Photographic Chemicals (U.K.) Ltd.  
FUJIFILM Finance Europe B.V.  
FUJIFILM Recording Media GmbH  
FUJIFILM Electronic Imaging Europe GmbH  
FUJIFILM Electronic Materials (Europe) N.V.  
FUJIFILM Electronic Materials (Europe) Ltd.  
FUJIFILM Electronic Materials (Europe) GmbH  
FUJIFILM Electronic Materials (Europe) S.A.S.  
FUJIFILM Electronic Materials (Europe) S.r.l.  
FUJIFILM Sericol Overseas Holdings Limited  
FUJIFILM Sericol Deutschland GmbH  
Colormy AG  
FUJIFILM Sericol France S.A.S.  
FUJIFILM Sericol Austria GmbH  
FUJIFILM Sericol Broadstairs Limited  
Sericol Limited  
FUJIFILM Holdings Australia Pty Limited  
FUJIFILM Sericol Nederland BV  
Profia BV  
FUJIFILM Sericol International Limited  
FUJIFILM Sericol de Mexico SA de CV  
FUJIFILM Sericol Services Mexico SA de CV  
FUJIFILM Sericol UK Limited  
FUJIFILM Sericol Switzerland GmbH  
FUJIFILM Sericol España SL Sociedad  
FUJIFILM Sericol Polska Sp z oo  
FUJIFILM Sericol Czech Republic SRO  
FUJIFILM Sericol Hong Kong Limited  
FUJIFILM Sericol Canada Limited  
Sericol China Limited  
FUJIFILM Sericol China Limited  
Sericol Ink Limited  
FUJIFILM Imaging Colorants Limited  
FUJIFILM Imaging Colorants Pension Trustees Limited  
FUJIFILM (China) Investment Co., Ltd.  
FUJIFILM Imaging Systems (Suzhou) Co., Ltd.  
FUJIFILM Printing Plate (Suzhou) Co., Ltd.  
FUJIFILM Digital Imaging Products (SUZHOU) Co., Ltd.  
FUJIFILM Printing Plate (Suzhou) Co., Ltd.  
FUJIFILM STARLIGHT Co., Ltd.  
FUJIFILM Medical Systems (Shanghai) Co., Ltd.  
FUJIFILM (Shanghai) Trading Co., Ltd.  
FUJIFILM (Malaysia) Sdn. Bhd.  
S&M EQUIPMENT TECHNO SERVICES (MALAYSIA) SDN. BHD.  
FUJIFILM (Thailand) Ltd.  
FUJIFILM Holdings Australasia Pty Ltd  
FUJIFILM Regional Services (Singapore) Pte Ltd  
FUJIFILM Hunt Chemicals Singapore Pte. Ltd.  
FUJI HUNT ASIAN PACIFIC HOLDING PTY LTD  
DS CHEMPORT (AUSTRALIA) PTY LTD  
DS CHEMPORT (MALAYSIA) SDN BHD  
FUJIFILM Hunt Chemicals Suzhou Co.,Ltd.  
FUJIFILM(Singapore) Pte. Ltd.  
FUJINON INC.  
FUJINON (EUROPA) GmbH  
FUJINON TIANJIN OPTICAL CO., LTD.  
FUJINON SHENZHEN SCIENCE AND TECHNOLOGY CO., LTD.  
FUJIFILM Electronic Materials Taiwan Co., Ltd.

<Subject Notation in Reporting> Fuji Xerox and its affiliates

Operating company

Fuji Xerox Co., Ltd.

Head Office: Tokyo Midtown

Bases of operation: (Manufacturing, R&D)  
Ebina, Iwatsuki, Takematsu, Kawasaki, Suzuka, Toyama, Niigata (Kashiwazaki), Nakai, Shanghai, Shenzhen, Palo Alto (California, USA), Incheon (Korea), Taoyuan (Taiwan)

Distribution centers: Major cities in Japan

Fuji Xerox Affiliates (Consolidated companies)

[Japan]

Fuji Xerox Imaging Materials Co., Ltd.  
Suzuka Fuji Xerox Co., Ltd.  
Fuji Xerox Office Supply Co., Ltd.  
Fuji Xerox Information Systems Co., Ltd.  
Fuji Xerox Engineering Co., Ltd.  
Fuji Xerox System Service Co., Ltd.  
Fuji Xerox Hokkaido Co., Ltd.  
Fuji Xerox Miyagi Co., Ltd.  
Fuji Xerox Niigata Co., Ltd.  
Fuji Xerox Gunma Co., Ltd.  
Fuji Xerox Chiba Co., Ltd.  
Fuji Xerox Saitama Co., Ltd.  
Fuji Xerox Kanagawa Co., Ltd.  
Fuji Xerox Tokyo Co., Ltd.  
Fuji Xerox Tama Co., Ltd.  
Fuji Xerox Hokuriku Co., Ltd.  
Fuji Xerox Nagano Co., Ltd.  
Fuji Xerox Asia Malaysia Sdn Bhd  
Fuji Xerox Shizuoka Co., Ltd.  
Fuji Xerox Aichi Co., Ltd.  
Fuji Xerox Kyoto Co., Ltd.  
Fuji Xerox Fukushima Co., Ltd.  
Fuji Xerox Osaka Co., Ltd.  
Fuji Xerox Hyogo Co., Ltd.  
Fuji Xerox Shikoku Co., Ltd.  
Fuji Xerox Okayama Co., Ltd.  
Fuji Xerox Hiroshima Co., Ltd.  
Fuji Xerox Kita-Kyushu Co., Ltd.  
Fuji Xerox Kumamoto Co., Ltd.  
Fuji Xerox Ibaraki Co., Ltd.  
Fuji Xerox Gifu Co., Ltd.  
Fuji Xerox Iwate Co., Ltd.  
Fuji Xerox Nara Co., Ltd.  
Fuji Xerox Yamaguchi Co., Ltd.  
Fuji Xerox Tochigi Co., Ltd.  
Fuji Xerox Mie Co., Ltd.  
Fuji Xerox Nagasaki Co., Ltd.  
Fuji Xerox Fukuoka Co., Ltd.  
Fuji Xerox Kagoshima Co., Ltd.  
Xworks Co., Ltd.  
Fuji Xerox Yamanashi Co., Ltd.  
CrossForce Co., Ltd.  
Fuji Xerox Interfield Co., Ltd.  
Fuji Xerox Career Net Co., Ltd.  
Fuji Xerox Learning Institute Inc.  
Niigata Fuji Xerox Manufacturing Co., Ltd.  
FXPS Sales Co., Ltd.

[Overseas]

FX Global Inc.  
FX Global Supply Solutions, Inc.  
FX Palo Alto Laboratory Inc.  
Fuji Xerox China Investments (Bermuda) Limited  
Fuji Xerox (China) Limited  
Fuji Xerox of Shanghai Limited  
Fuji Xerox Industry Development (Shanghai) Co., Ltd.  
Fuji Xerox of Shenzhen Ltd.  
Fuji Xerox Eco-Manufacturing (Suzhou) Co., Ltd.  
Fuji Xerox Leasing (China) Ltd.  
Fuji Xerox (Singapore) Pte. Ltd.  
Thai Fuji Xerox Co., Ltd.  
Fuji Xerox Philippines, Incorporated  
Fuji Xerox Myanmar Ltd.  
Fuji Xerox Leasing (Thailand) Limited  
Fuji Xerox Asia Malaysia Sdn Bhd  
Fuji Xerox Finance Limited  
Fuji Xerox Australia Pty. Ltd.  
Fuji Xerox Australia BPO Pty Limited  
Fuji Xerox BPO Pty Limited  
Enhanced Processing Technologies Pty Ltd.  
Fuji Xerox (Sales) Pty. Limited  
Fuji Xerox New Zealand Limited  
Fuji Xerox Taiwan Corporation  
Taiwan Fuji Xerox System Service Corp.  
Fuji Xerox Korea Company Limited  
Fuji Xerox Chung Cheong Company Limited  
Fuji Xerox Korea Information System Co., Ltd.  
Seoul Fuji Xerox Service Co., Ltd.  
Fuji Xerox Honam Co., Ltd.  
Fuji Xerox Far East Ltd.  
Fuji Xerox (Hong Kong) Limited  
Fuji Xerox Eco-Manufacturing Co., Ltd.

\*Fuji Photo Film Co., Ltd. changed its name to FUJIFILM Holdings Corporation on October 1, 2006, and the operations of Fuji Photo Film Co., Ltd. have been succeeded by FUJIFILM Corporation.

\*In addition to the Group companies listed above, FUJIFILM Business Expert Corporation, a shared-service company, consolidates operating functions, such as general administration, personnel and purchasing of indirect materials, and insurance agencies within the Group. Also, Toyama Chemical Co., Ltd., handles drug discovery, production and pharmaceutical sales.

## Domestic and International Appraisals

### Ranking and status of SRI audit

FUJIFILM Holdings has received the following evaluations by external organizations as a corporate group that proactively promotes CSR actions toward sustainable development. It is included in the Socially Responsible Investment (SRI) indexes listed below. Also listed below are evaluations of FUJIFILM Holdings in domestic and international ranking surveys.



Inclusion in the Dow Jones Sustainability Indexes 2008



Inclusion in the FTSE4Good Global Index



Inclusion in the Morningstar Socially Responsible Investment Index

Survey	Evaluation for FUJIFILM Holdings
Newsweek 500 List of the World's Most Sustainable Companies 2008 ( <i>Newsweek Global</i> )	177th out 817
11th Nikkei Environmental Management Survey (sponsored by <i>Nihon Keizai Shimbun</i> )	4th out 520 manufacturers
3rd Company Quality Management Survey (sponsored by the Union of Japanese Scientists and Engineers)	4th out 215 companies (eco-brand ranking index)
Eco Brand Survey 2007 CSR evaluation ranking (Nikkei Business Publications, Inc.)	11th (deviation: 69.5)
SAM Sustainability Year Book 2008 (Sustainable Asset Management AG)	SAM Silver Class

### Appraisal and awards for FUJIFILM Holdings sites and domestic and overseas affiliates

Recipient	Name of Appraisal and Award	Awarding Entity
Fujifilm Asaka Area	Letter of appreciation for cooperating in a memorial project marking the 40th anniversary of Asaka's incorporation as a city	Asaka City
Fuji Xerox Iwatsuki Center	Award for Effort at the "Stop Global Warming - Cool it, Sai-no-Kuni" Contest	Saitama Prefecture
FUJIFILM TECHNO PRODUCTS CO., LTD. Head Office and Takematsu Factory	Grand Prize at 2007 Chairman's Awards, Kanto Electric Safety Committee	Electric Safety Kanagawa Prefecture Committee
FUJIFILM Electronic Materials Co., Ltd.	Letter of appreciation for traffic safety campaign	Yoshida Town Traffic Safety Committee
Fuji Technics Co., Ltd.	Award for Excellence in Business Operations	Kanagawa Association for Safety of Hazardous Materials
FUJIFILM RI Pharma Co. Ltd.	Award for Best Business Operations at "Safe Drivers Chiba 2007"	Chiba Prefecture Traffic Safety Promotion Committee
FUJIFILM RI Pharma Co. Ltd.	Silver Order of Merit	Japanese Red Cross Society
FUJIFILM Manufacturing U.S.A., Inc.	Adopt-A-Highway County Winner (received in April 2008 for CY2007)	South Carolina Department of Transportation
FUJIFILM Hunt Chemicals U.S.A., Inc. (Dayton)	The Governor's Award in Trade Excellence	State of Tennessee
FUJIFILM Electronic Materials U.S.A., Inc. (Rhode Island)	Perfect Compliance	Narragansett Bay Commission
FUJIFILM Sericol U.S.A., Inc.	Water Gold Award	Kansas Water Environment Association
FUJIFILM U.S.A., Inc.	2007 ISA Safety Excellence Award	ISA (International Imaging Industry Association)
FUJIFILM Graphic Systems U.S.A., Inc.	Environmental Leadership Award	Tag and Label Manufacturers Institute
COUS (New Castle)	Safety Excellence Award	International Imaging Industry Association
FUJIFILM Imaging Colorants Limited	Gold Award for Occupational Health and Safety (2007)	The Royal Society for the Prevention of Accidents (RoSPA)
FUJIFILM Printing Plate (Suzhou) Co., Ltd.	Compliance unit of clean production audit in 2006	Environmental Protection Bureau of Lan Fang city, He Bei Province, China

### Major awards for fiscal 2007

- *FUJIFILM Holdings Sustainability Report 2007* received the Award for Excellence in the sustainability report awards section of the 11th Environmental and Sustainability Report Awards, jointly sponsored by Toyo Keizai, Inc. and the Green Reporting Forum. This is the fourth consecutive year the company has received an award.
- Fuji Xerox's DocuPrint C1100, color laser printer, received the Energy Conservation Center Chairman's Prize in the 18th Energy Conservation Prize (for energy conserving equipment and systems) sponsored by the Ministry of Economics, Trade and Industry. This is the ninth consecutive year the company received the award.
- Fuji Xerox's digital color multifunction devices/printers received the METI Minister's prize from the Ministry of Economy, Trade and Industry in the Eco Products Category at the 4th Eco Products Awards, sponsored by Eco-Products Awards Steering Committee, a first in the industry.
- Fuji Xerox environmental series advertisements, with the theme of recycling resources, received the Nikkan Kogyo Shimbun Award in the 42nd Industrial Advertising Association-Japan Awards.
- Fujifilm's three products and services: Fujifilm Web Photo Museum & Shop, FinePix Z100fd, FinePix BIG JOB HD-3W, as well as the FUJIFILM Advanced Research Laboratories received Good Design Awards for 2007.
- Fujifilm's FinePix S100FS super-zoom digital camera received the Best Super Zoom Digital Camera at the TIPA Awards 2008.
- The returnable container jointly developed by Fuji Xerox and Starway Co., Ltd. and implementation of a recycling-oriented delivery system received the Technology Prize in the 24th Logistics Awards sponsored by the Japan Institute of Logistics Systems. This is the first time Fuji Xerox has received the award.
- Fuji Xerox received the Industrial Science and Technology Policy and Environment Bureau Director-General's Prize and Encouragement Prize at the Awards for 3R (Reduce, Reuse, and Recycle)-Oriented, Sustainable Technology 2007 hosted by the Clean Japan Center. (This was awarded in recognition of Fuji Xerox's implementation of the International Resource Recycling System and the company's resource recycling-oriented color multifunction devices that realize a parts reuse rate of more than 60%.)

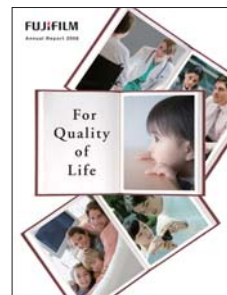
## Dissemination of Investor Relations Information/Disclosure of CSR Information

### Dissemination of investor relations information

FUJIFILM Holdings disseminates information relating to management strategy, financial information, and other corporate matters, based on its IR information disclosure policy, placing importance on timeliness, fairness, accuracy, and continuity.

In terms of disclosure, we do not merely issue financial data. We enable shareholders, investors and other stakeholders to more thoroughly understand the management status of the Fujifilm Group and to maintain a relationship of trust by proactively disseminating more substantial information about priority issues in the Medium-term Management Plan as well as their progress.

Therefore, we will continue to increase opportunities and tools to provide information. In addition, as a rule, all documents are released in Japanese and English at the same time, in an effort to release information inside and outside Japan without any time lag. And to further augment the dissemination of information to investors, we have updated our shareholder and investor information site in June 2008 to provide expanded financial data as well as additional details from various perspectives on the substantial changes in Fujifilm Group's business structure.



FUJIFILM Holdings Annual Report



Shareholder and Investor Information

URL [➤ FUJIFILM Holdings \(shareholders and investors\)](http://www.fujifilm.com/about/sustainability/report/index.html)

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

### Disclosure of CSR information

Information on CSR efforts, FUJIFILM Holdings Sustainability Report and Fuji Xerox Sustainability Report in addition to reports from operational sites can be found on the Web.



Fujifilm Holdings Sustainability Report



Fuji Xerox Sustainability Report



FUJIFILM Holdings



Fujifilm



Fuji Xerox

#### URL

➤ [FUJIFILM Holdings CSR Activities](http://www.fujifilm.com/about/sustainability/report/index.html)

<http://www.fujifilm.com/about/sustainability/report/index.html>

➤ [Fujifilm \(environment and social activities\)](http://www.fujifilm.com/about/sustainability/index.html)

<http://www.fujifilm.com/about/sustainability/index.html>

➤ [Fuji Xerox Sustainability Report](http://www.fujixerox.co.jp/eng/sr/)

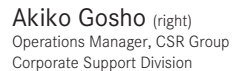
<http://www.fujixerox.co.jp/eng/sr/>

### Editorial postscript

We hope you find this report useful. The Fujifilm Group's CSR activities comprise the accumulated efforts of each employee. In assembling this report, we changed the overall style of presentation from a conventional stakeholder approach to focus on CSR priority issues, with the desire to convey the Fujifilm Group's CSR activities to readers in an easy-to-understand manner. Furthermore, we tried to cover more CSR activities from factories, workplaces, Fuji Xerox, and overseas affiliates than in the report issued last year. We are always seeking, through trial and error, for ways to make this report easier to understand and would appreciate receiving your honest comments and recommendations.



Kouichi Suematsu (left)  
Corporate Vice President,  
General Manager, CSR Group,  
Corporate Support Division



Akiko Goshou (right)  
Operations Manager, CSR Group  
Corporate Support Division

**FUJIFILM Holdings Corporation**



## About the artwork on the cover and title pages

Recording and storing cultural heritage and works of art to pass down to future generations through photography and imaging is one of the Fujifilm Group's CSR efforts through our core business. With the cooperation of The Tokugawa Art Museum, we are presenting four quires of the "Picture Scroll of The Tale of *GENJI*," a Japanese National Treasure, on the cover and gate pages of this year's report.

Note: National Treasure, "Picture Scroll of The Tale of *GENJI*," is believed to be the oldest handscroll in existence based on *The Tale of Genji*, the world's oldest full-length novel. The "Picture Scroll of The Tale of *GENJI*" is believed to have been produced in the final years of the Heian Period (in the first half of the 12th century).



Picture Scroll of  
The Tale of *GENJI*;  
"Yomogiu"  
Treasures from  
The Tokugawa Art Museum  
(Page 4)



Picture Scroll of  
The Tale of *GENJI*;  
"Yadorigi III"  
Treasures from  
The Tokugawa Art Museum  
(Page 26)



Picture Scroll of  
The Tale of *GENJI*;  
"Azumaya I"  
Treasures from  
The Tokugawa Art Museum  
(Page 40)



Picture Scroll of  
The Tale of *GENJI*;  
"Hashihime"  
Treasures from  
The Tokugawa Art Museum  
(Page 74)

### The Tokugawa Art Museum

1017 Tokugawa-cho, Higashi-ku, Nagoya, Aichi, Japan  
Tel: +81-52-935-6262



The Tokugawa Art Museum was established in 1935 and displays extensive holdings of the Owari branch of the Tokugawa family (the head of three honorable houses of the Tokugawa, the ruling shogun family) during the Edo Period (1603-1867). The Museum owns well over 10,000 items, including articles left behind by the first shogun, Ieyasu Tokugawa, as well as collections and bridal trousseaus of successive lords and their wives. Since most of the treasures of the daimyo (feudal lords) were lost in Japan after the Meiji Restoration and World War II, the holdings of The Tokugawa

Art Museum represent the only extensive repository and collection of daimyo artifacts. Therefore, this museum is the only art museum in Japan that can answer the questions, "What are the treasures of the daimyo?" and "What is a daimyo from the Early Modern Period?"

Please address inquiries on this publication to:

## FUJIFILM Holdings Corporation

CSR Group, Corporate Support Division  
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