

FUJIFILM

Sustainability Report 2011

FUJIFILM Holdings Corporation



**To continually ask ourselves what truly needs to be done.
To further our business with integrity by striving toward
extensive innovation.
To continue to create new values and a new future.
That in itself is sustainable management.**

Facing the earthquake disaster with a founder's mentality

I offer my condolences to the victims, families, and to everyone who was afflicted by The Great East Japan Earthquake and I pray that the ongoing hardships of daily life can be minimized as soon as possible without any further burden.

The Fujifilm Group has provided donations, medical equipment, and medical supplies in addition to simultaneously offering timely support for our customers' equipment, such as medical equipment, photo printers (minilabs), and copy machines. We are continuing to provide support activities utilizing the Fujifilm Group's businesses through free rentals of multifunctional machines to recover photos and albums damaged by water and mud as well as information valuable to the lives of the victims in addition to providing the appropriate information related to radiation. We will continue to do everything we can to support those who have been afflicted by this disaster in the future.

This tragedy has left the scars and challenges that stem from one of the most catastrophic earthquakes ever recorded. However, the world has recognized the harmony and order of the Japanese people allowing even Japanese to see their underlying strength and autonomy. Even at the Fujifilm Group, our employees are voluntarily and proactively fulfilling their responsibility to society by striving to support our customers and be part of the reconstruction efforts in the afflicted areas under the insurmountable challenges of a nuclear power accident and fragmented transportation network. Our devoted commitment to our partners and companies as well as society and the nation during these trying times is realized

by the philosophy at the origin of the Fujifilm Group, which has been perpetuated since our establishment.

Tackling new crisis outwardly, upwardly, and positively

Fujifilm has built a strong business structure by overcoming the reduction in demand for photography film due to the sudden increase in digital media since 2000 as well as the collapse of Lehman Brothers. This has been achieved through structural reorganization undertaken by the Fujifilm Group employees as a whole and the reformation of our business structure, reinforcing our divisional and departmental expertise, in addition to the philosophy perpetuated since our establishment. In what could be called the largest earthquake ever recorded, many challenges including the destruction of the myth related to the safety of nuclear power generation as well as electricity shortages and harmful rumors have extensively damaged the Japanese economy. The continued effect on economic activities in the future is unavoidable. Furthermore, the effect of unstable international affairs, such as the political uncertainty of the Middle East and North Africa, the financial crisis in North America, and the fluctuating exchange rates as well as cost of raw materials, cannot be predicted.

Once again, we find ourselves in the middle of troubled waters.

Even under these circumstances, we can directly confront any crisis we encounter in the future through the philosophy and strong business structure of the Fujifilm Group, and, more than anything else, our advanced and unique technological abilities that we have cultivated. We will continue to provide new value to society as the

social responsibility of a leading company, which can also be called sustainable management.

Using the combined force of the Fujifilm Group in the future, our efforts will strive for an outwardly, upwardly, and positively focused consciousness to bolster an aggressive mentality and foster a bright and positive approach in Japan eliminating any stagnation with confidence.

Contributing to resolving social problems by meeting diversifying needs

The Fujifilm Group is expanding its businesses globally while striving to create new value by further diversifying existing businesses and focusing on management resources, such as research and development, as well as human resources in vital business regions that can lead our advanced and unique technology.

For example, we strive to develop generic medicines using our unique FTD technology* by expanding the region of medical treatment in addition to existing prevention and diagnosis aiming to be a general healthcare company. We also assist in improving the quality of diagnosis by providing digital imaging diagnostic systems to medical institutions and clinics in emerging countries, not just Japan. We are working to enhance informational infrastructures by supplying environmentally-friendly and small LED printers to developing countries, even in the office equipment field.

In this way, we are using all of our strength to contribute to solving social issues by meeting diversifying needs through a focus on detailed marketing that fits the circumstances of each country around the world from now and into the future.

* FTD technology: A technological concept unique to Fujifilm for the "formulation" of a good balance between necessary medical and cosmetic components, "targeting" the necessary areas, and offering "delivery" in the necessary form.

Continuing to develop innovations to enhance a sustainable society

Being satisfied with our current ways, concepts and technology will not allow us to continue to provide new value to clearly meet the expectations and needs of an ever changing society.

To accelerate new value creation, we need to spark innovation regardless of the current trends because it is the driving force for generating new value.

The Fujifilm Group will continue to act innovatively as it has up until now, create new value beneficial to society, and deliver that innovation to the world. In this way, an approach and corporate activities that are effective at any time and under any environment are vital for a corporate social responsibility (CSR) that contributes to enhancing a sustainable society.



Shigetaka Komori

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



Editorial Policy

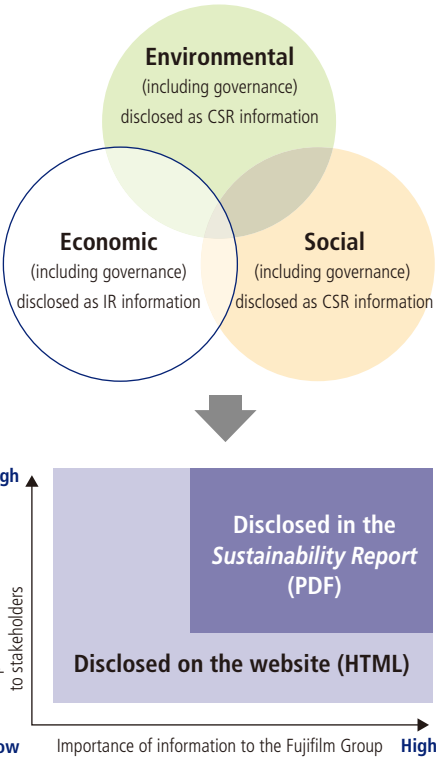
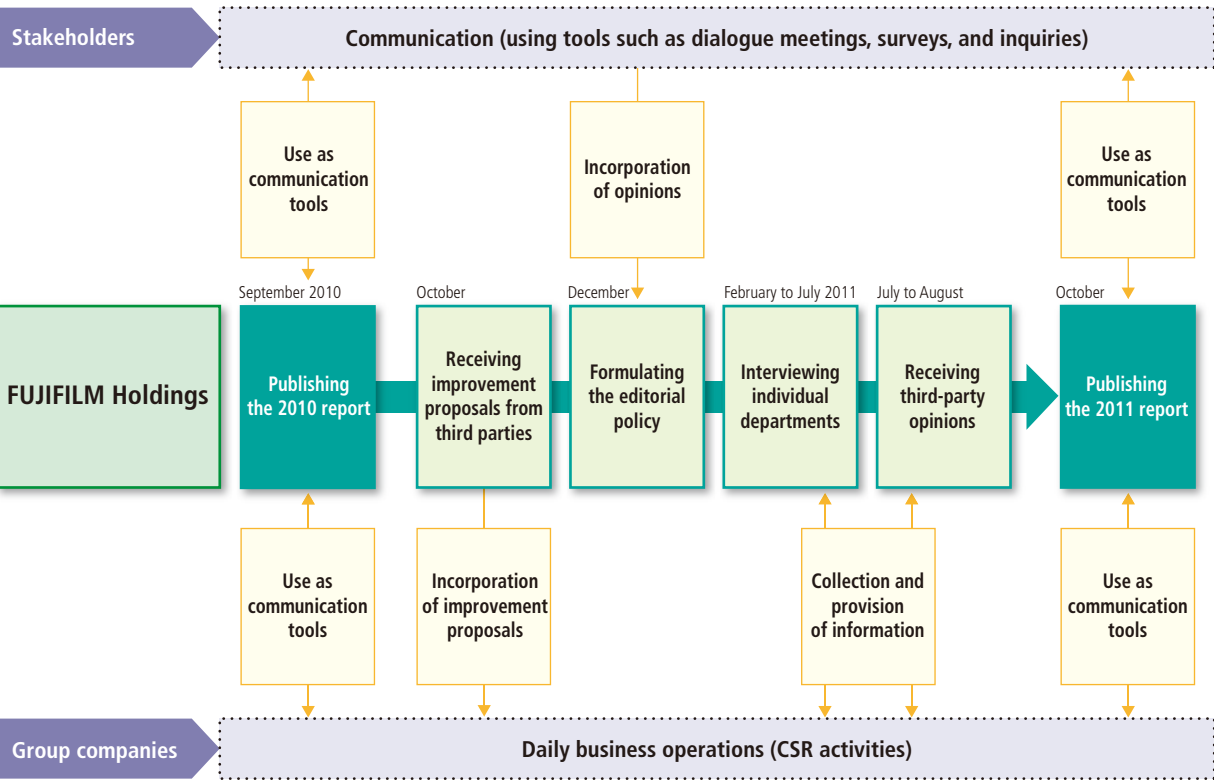
FUJIFILM Holdings Corporation Sustainability Report 2011 consists of 4 parts: “Enhancing Quality of Life,” “Recovery Efforts by the Fujifilm Group after the Great East Japan Earthquake,” “Achievements in CSR Priority Areas”, and “Data and Information”. The feature section summarizes activities that are aimed at enhancing quality of life, our corporate philosophy. The section on Achievements in CSR Priority Areas outlines the results of activities conducted based on our medium-term CSR plan.

As seen in the figure on the right, out of the three areas of corporate activities, the Sustainability Report focuses on the environmental and social aspects and provides information that is of great importance to the Fujifilm Group and its stakeholders. (For reports focusing on the economic area, please refer to investor relations information on the company’s website as well as our annual reports.) The report is publicly available online and can be found on FUJIFILM Holdings’ website in the section on CSR activities. The PDF version of this year’s Sustainability Report in booklet format can also be downloaded from the website. A conceptual diagram on the amount of information it provides is given on the right. Objective opinions received from many specialists and stakeholders on the Group’s CSR activities are also contained in the report.

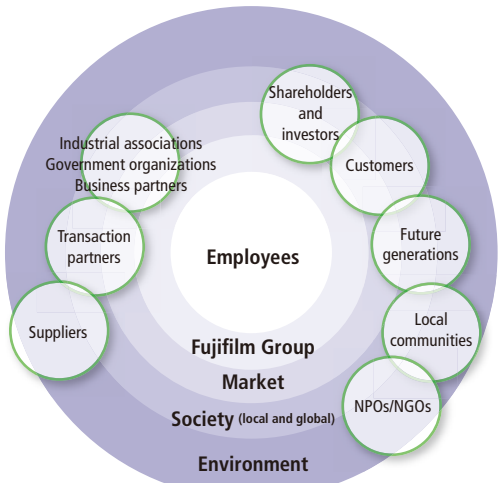
The report can be accessed on the website:

 <http://www.fujifilmholdings.com/en/sustainability/index.html>

Process of creating the report



Fujifilm Group and stakeholders



Related page p.56 Communication with Stakeholders

Period covered by the report

Fiscal year 2010 (April 1, 2010 – March 31, 2011) 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 2011.

Organizations covered by the report

The Fujifilm Group (FUJIFILM Holdings, FUJIFILM Corporation and its affiliates, Fuji Xerox and its affiliates, Toyama Chemical, and FUJIFILM Business Expert)

- Major consolidated companies are shown on p.24, p.71 and on our website.

 <http://www.fujifilmholdings.com/en/business/group/index.html>

- Quantitative information about personnel and labor affairs is non-consolidated data for FUJIFILM Corporation and Fuji Xerox.
- The scope of Labor Environment and Social Benefit Accounting is shown on p.56. The scope of Environmental Accounting is shown on p.67.

Referenced guidelines

- Japan’s Ministry of the Environment: Environmental Reporting Guidelines Towards a Sustainable Society (2007 Version)
- GRI: Sustainability Reporting Guidelines 2006
- Japan’s Ministry of the Environment: Environmental Accounting Guidelines (2005 Version)

Supplemental information regarding reported matters

- The term “employees” refers to all employees, including managers, general employees, and part-time staff. The term, “company employees” indicates regular employees (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.

GRI Guidelines (G3) Comparison Table

 <http://www.fujifilmholdings.com/en/sustainability/report/guideline/index.html>

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Corporate Philosophy

—The Unchanging Values of the Fujifilm Group—

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.

We will create new value by integrating our distinctive and leading-edge technologies as well as turning out proprietary technologies to continue providing top-quality products and services that cultivate customer trust and satisfaction.

Through these efforts we will transcend past boundaries of “Imaging and Information” to advance the development of culture, science, technology and industry across society and furthermore improve human health and protect the environment.

Our new corporate philosophy is based on the recognition that our mission, through our sustained corporate activities, is to significantly contribute to the realization of a society in which all people across the world can lead lives that are abundant in spiritual as well as material wealth with a sense of fulfillment and satisfaction.

Vision

—Fujifilm Group’s Ideals—

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.

We will create an open, fair and clear workplace culture that allows us to discern objective facts in a sincere and straightforward manner, make rational decisions, and continuously take on challenges with courage.

With this corporate culture, we will further hone our leading-edge, proprietary technologies and develop innovative products and services that gain customer trust and provide satisfaction to remain a vigorous company, consistently creating new value and exercising pioneering leadership.

Fujifilm Group

Charter for Corporate Behavior

In addition to pursuing profits 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**
2. **Social Responsibility**
3. **Respect for Human Rights**
4. **Global Environmental Conservation**
5. **Vibrant Workplaces**

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.

Fujifilm Group Code of Conduct

 <http://www.fujifilmholdings.com/en/about/philosophy/law/index.html>

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.

Feature

Enhancing Quality of Life

In this section, based on the theme of “Enhancing Quality of Life”, our corporate philosophy, we introduce examples of business in which we generated new value through Group companies’ cooperation, and describe various efforts to develop and exchange human resources that will sustain our business activities.

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Part 1 Healthcare Business

Creating New Value through Greater Cooperation within the Group

The Fujifilm Group is set to make major progress as a comprehensive healthcare company 2 years after its full entry into the pharmaceutical business. Aiming at the development of original advanced technologies, we are encouraging increased cooperation among Group companies including FUJIFILM Corporation, Toyama Chemical, FUJIFILM RI Pharma, and FUJIFILM Pharma.



2010: The year we moved forward as a comprehensive healthcare company

The Fujifilm Group fully entered the pharmaceutical business in 2008, welcoming Toyama Chemical to the Group. The year 2010 was one filled with dynamic changes focused on accelerating our activities as a comprehensive healthcare company. In June 2010, the Pharmaceutical Products Division was established to unify all of our pharmaceutical business. Also, the Drug Discovery Research Laboratories and the Life Science Research Laboratories were unified into the Pharmaceutical and Healthcare Research Laboratories. Further progress was made in creating a system for wide-ranging pharmaceutical business with, for example, the inception of FUJIFILM Pharma, which develops and sells high-value-added generic pharmaceutical products, and a capital alliance with Japan Tissue Engineering, a pioneer in regenerative medicine.

FUJIFILM Advanced Research Laboratories

Fujifilm's Pharmaceutical Products Division: Its role and systems

Toward a unique pharmaceutical business

The Pharmaceutical Products Division was established in June 2010 to make significant headway as a comprehensive healthcare company. The division has two roles, expanding Fujifilm's pharmaceutical business and unifying management of the Group companies involved in its pharmaceutical business.

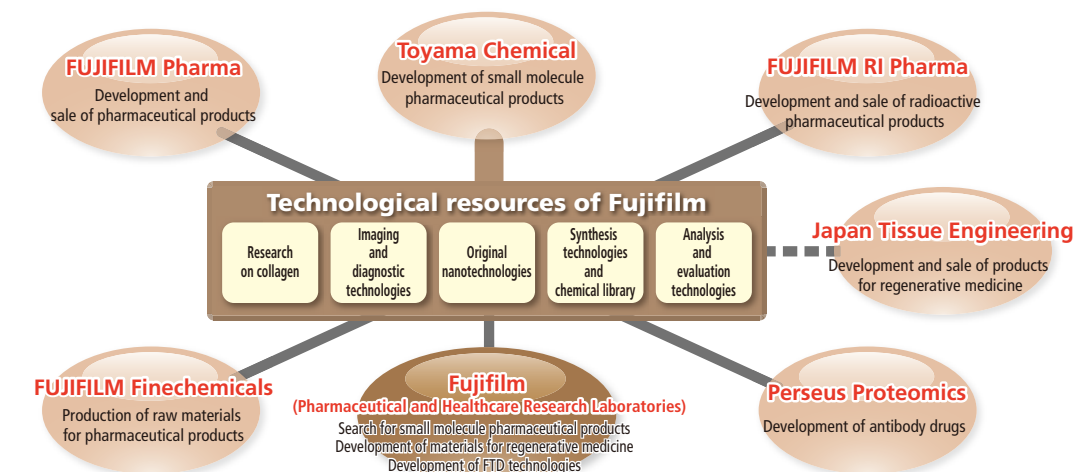
To expand the business, the division not only creates basic strategies for the Fujifilm Group's pharmaceutical business, such as promoting overseas business, creating and executing M&As and licensing strategies, and improving mechanisms for cross-group research and development, it also specifies the Group's business domain and constructs new business models.

For unified management of Group companies in

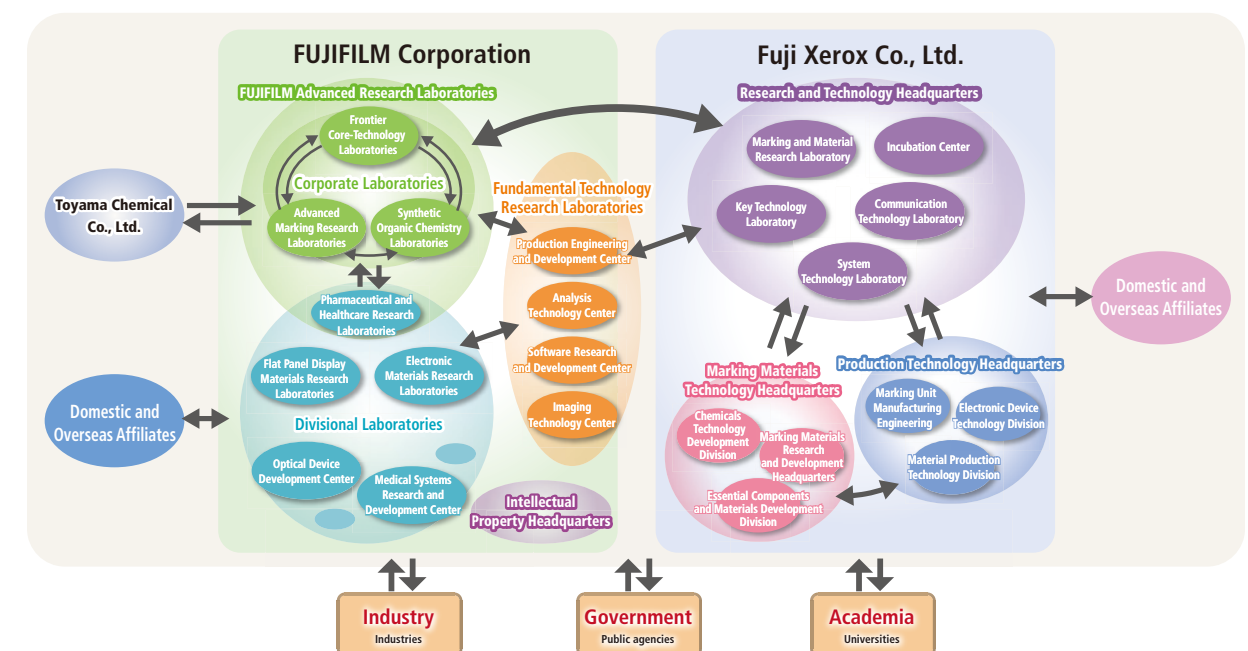
our pharmaceutical business, the division manages business planning, research, production, pharmaceutical affairs, and systems assuring product quality. The division is building a unified management system for the Group as part of its functions for company headquarters. Based on such concepts as optimization for the entire Group and creating a sense of unity in the Group, the division has set up an R&D Committee, a Production System Committee, a Licensing Committee, a Pharmaceutical Affairs Committee, and a liaison conference for Group companies in the pharmaceutical business.

The division will pursue unique pharmaceutical business by taking advantage of the technological resources of Fujifilm and the strengths of Group companies and by organizing the Group's best efforts.

Fujifilm's Pharmaceutical Products Division and Group companies



Research and development at the Fujifilm Group



Goals for the Pharmaceutical Products Division

Similarities between photographic film technology and healthcare

The successful launching of a new business hinges on three key terms: “can do”, “should do”, and “want to do”. The reason why we made a significant change in our course is because these three keywords clearly applied to our business.

The key term “can do” represents a company’s potential. Fujifilm has been involved with healthcare through its production of X-ray film since 1936, soon after the company’s inception. We have strong ties with medical practice, and we continue to maintain the largest share in the domestic market as a provider of medical imaging information systems.

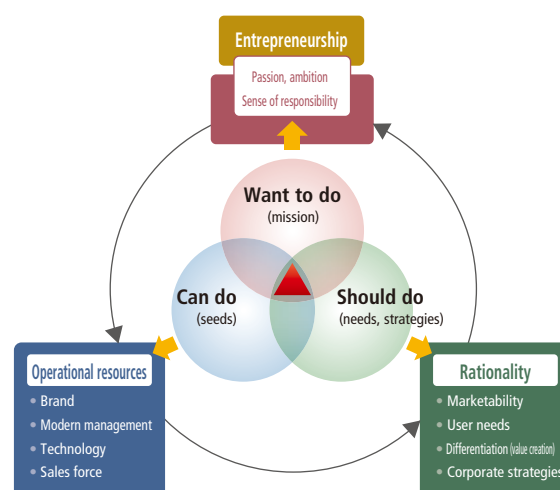
Photographic technology is similar to pharmaceutical technology in its use of fine chemicals.* We have assembled a one-of-a-kind chemical library of 200,000 compounds through our photographic film business. The library contains a number of compounds that can potentially be used in pharmaceutical products, such as



Yuzo Toda

Director
FUJIFILM Holdings
Director Senior Vice President
General Manager
Pharmaceutical Product Division
FUJIFILM Corporation

Relationships between “can do”, “should do”, and “want to do”



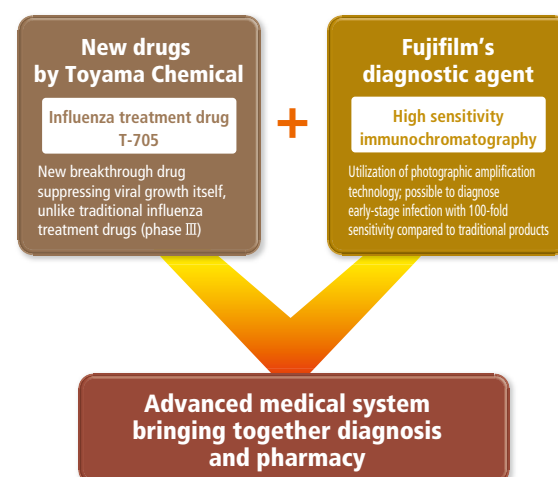
pigments with antineoplastic properties. Also, collagen, which is a main component of skin, cartilage, and ligament, is a substrate of film, and technologies for manufacturing collagen are expected to be applied in regenerative medicine. Our original nanotechnologies that make high-level emulsification and dispersion possible can be applied to FTD (formulation, targeting, and delivery) technology, which can deliver chemical compounds to targeted areas in appropriate form, quantity, and timing. As many as 100 kinds of chemical compounds are used for film approximately 18 microns thick, and it cannot function as a product without their complex interactions. The enormous number of technologies accumulated for photographic film is indeed a mountain of treasure. It is our duty to utilize these technologies in closely related medical fields and not to consider them merely as legacies of the past.

The key term “should do” represents marketability. With populations aging worldwide, increased healthcare costs have become a serious social issue, and people’s medical needs and views on health are shifting significantly. The future requires us to consider healthcare in a comprehensive framework consisting of prevention, diagnosis, and treatment, and the Fujifilm Group has technologies that can contribute to each of these aspects. As the number of new drugs developed declines year on year, we believe that companies like us with technological potential from a different industry are now in demand. This belief has been borne out by the external encouragement we have received regarding our entry into the healthcare industry.

The key term “want to do” reflects passion and a sense of responsibility. The Pharmaceutical Products Division is relishing the task of changing healthcare with our original technologies.

* Fine chemicals: Pure substances with added value which have been processed for specialized applications.

The Fujifilm Group’s solution to influenza treatment



Creating unique pharmaceutical products through interactions between first-rate personnel

With the ambitious plan of becoming a comprehensive healthcare company, we need to focus on our specialized fields and increase the efficiency and speed of our business. To realize this, the Pharmaceutical Products Division has conducted many projects involving different companies and departments, and has produced some extremely positive results.

One such example is the development of an advanced influenza treatment system. The system combines the new drug T-705 developed by Toyama Chemical for suppressing viral growth and a high-sensitivity diagnostic agent to which Fujifilm’s photographic amplification technology is applied. Also, the Pharmaceutical and Healthcare Research Laboratories and other research centers have been actively conducting research and development of not only advanced technologies for treating cancer, central nervous system diseases, and inflammatory diseases, but also generic drugs with increased functionality utilizing our FTD technology.

At the same time, we are actively establishing and maintaining overseas sites so that we can conduct clinical tests in foreign countries, which have different pharmaceutical laws, and expand our business widely in overseas markets in the future. The strong operation of the newly established Pharmaceutical Products Division

Activities at FUJIFILM Pharma

Toward new value creation

FUJIFILM Pharma started in April 2010 with the primary responsibilities of development and sales in Fujifilm’s pharmaceutical business. We started with the release of more than 170 generic pharmaceutical products and, in November, released five generic pharmaceutical products under our own brand. We now have more than 10,000 customers and recognize that the Fujifilm brand is greatly trusted in the market. Fujifilm has rigorously controlled product quality by applying its own standards, being careful not to miss a once-in-a-lifetime moment for a “great memory”. This corporate culture of achieving high product quality under self-imposed rules has influenced our pharmaceutical business too, and FUJIFILM Pharma strives to control product quality, placing emphasis on the 3 qualities of the raw materials used, the manufacturing process, and post-marketing information gathering and distribution. We chose to focus on generic pharmaceutical products because we intend to develop pharmaceutical products with high added value, using the FTD technology from among Fujifilm’s advanced technologies that can be applied to pharmaceutical products. In cooperation with FUJIFILM

can be attributed to employees actively interacting with each other across the Group’s companies. For instance, Toyama Chemical has a group of excellent researchers highly capable of identifying and judging the potential usefulness of materials for new drugs and finding the shortest path to product release, and has created numerous original new drugs. FUJIFILM Pharma is specialized in development and sales, with professionals who have detailed knowledge of the pharmaceutical industry and are more than ready to take on a challenge. Every employee is a first-rate professional with a diverse range of skills, and synergy arises from friendly competition. We are confident that we have established a strong team for unique new drug development.

We will approach research and development of pharmaceutical products from a creative perspective unrivaled by other pharmaceutical companies because we came from a different industry. We will focus on contributing to improving people’s quality of life in all that we do.



Hideki Murakami

General Manager, Strategic Product
Planning and Management Department,
FUJIFILM Pharma Co., Ltd.
(at the time of the interview)
Operations Manager, Pharmaceutical
Products Division, FUJIFILM Corporation
(from July 1, 2011)

Hearing from the research laboratories: The Pharmaceutical and Healthcare Research Laboratories



Hideyasu Fujiwara, Research Manager (left) and Takafumi Suehiro, Researcher (right)

Breakthroughs created by a network of researchers from various fields

I am a member of a project that aims to develop new anti-cancer drugs and new drugs for autoimmune diseases, and I am responsible for organic synthesis. Although the project members have been brought together from FUJIFILM Corporation and Toyama Chemical, through co-operative efforts our work is progressing rapidly because the core technology is common and because we all can employ our own methodology. Thanks to the collaboration with Toyama Chemical, I can see the path to launching new products for pharmacological evaluations of candidate substances for new drugs, tests for toxicity, and clinical tests. This motivates me to do my absolute best in my work. Before the Laboratories were established, I was sent to Toyama Chemical where I met colleagues who were knowledgeable on experiments and approval procedures. The personal connections that I made and continue to keep still help me accomplish my work now. I realize that networks of researchers lead to breakthroughs that can overcome difficult problems. Along with the Laboratories, we also have basic technology centers here, including the Analysis Technology Center, the Image Technology Center, and the Safety Evaluation Center, which makes it possible for us to acquire analytical data with the use of cutting-edge technologies. This is the strength of working as a group. We have research topics that we want to collaborate on with FUJIFILM RI Pharma, a pioneer in radioactive pharmaceutical products. I believe that we should continue with intra-group collaborations and interactions. I hope that we will soon develop promising candidates for new drugs, utilizing this advantageous environment to the full.



Hideyasu Fujiwara

Researcher Manager,
FUJIFILM Pharmaceutical and
Healthcare Research Laboratories
FUJIFILM Corporation

Fusion of speed and robust capabilities that turns ideas into reality

I came here when the Laboratories were in the process of being established and I was involved in various tasks from the purchase of instruments to the design of the Experiment Building. Since there were many new mid-career employees, we started with creating common rules. The atmosphere at Fujifilm is similar to that at Toyama Chemical because both are made up of groups of craftsman-like professionals, and this meant we could naturally create an environment in which researchers accept each other's methodology so that they can each freely turn his or her ideas into reality. A difference, if any, could be seen between our approaches to time and cost. Fujifilm rigorously maintains its approach to time management: to make time for creative activities, time used for other work is reduced by outsourcing and purchasing machines. This leads to speed. In contrast, Toyama Chemical has robust capabilities that enable the company to develop unprecedented original drugs as long as the proofs of concept are clear. I believe that unexpected results can be obtained when we utilize the positive aspects of such speed and solid capabilities. During lunch times, cross-project seminars are voluntarily held, with participants learning and eating at the same time. This reflects the fact that we have many researchers wanting to present their research results. Our researchers are greatly enthusiastic, believing that more interesting things can be accomplished in such an exciting environment.



Takafumi Suehiro

Researcher (from Toyama Chemical),
FUJIFILM Pharmaceutical and
Healthcare Research Laboratories
FUJIFILM Corporation

Activities at the Pharmaceutical and Healthcare Research Laboratories

The dynamic fusion of methods and technologies

In 2008, I was sent to Toyama Chemical for one year before the Pharmaceutical and Healthcare Research Laboratories were established. Working side-by-side with the researchers there, I realized that there were common aspects—which were significant from a qualitative standpoint—between photographic film manufacture and drugs manufacture. One example is the method for managing product quality. Since film is a product that is based on interactions between various chemical substances, reproducibility is maintained by an extremely precise workflow, and the method used is similar to a detailed testing method employed for pharmaceutical products.

For consumer products, such as film, there are many model changes after its initial release in the market, and new products are announced almost every year. In contrast, because it takes an enormous amount of time and money for pharmaceutical products to be approved, new drugs, once completed, are rarely improved afterward. I realized that there would be new possibilities in the area of generic drugs and the like if the culture of rigorously pursuing pharmaceutical safety was combined with the culture of making continuous improvements from the perspective of final users.

The Pharmaceutical and Healthcare Research Laboratories are currently running multiple projects in the areas of anticancer drugs, central nervous system diseases, inflammatory diseases, FTD technology research, and regenerative medicine. In their collaboration, researchers from Toyama Chemical and FUJIFILM Corporation are taking advantage of each other's specialties.

because an enormous number of techniques and vast know-how that must be passed on by experienced workers to younger workers had been accumulated. However, today, it is impossible for managers to understand all of the details of highly advanced research projects. Therefore, we have established a system where individual project teams are responsible for all aspects of their research, from deciding on the research methods to use to making the schedule, and each team presents its research results at a review conference held every other month. Since projects can be terminated if they do not produce certain results by the deadline set by the project team, the Laboratories becomes even more energized before a review conference, with young researchers in their twenties and thirties taking the lead. The researchers are often told that responsibility for the fate of the entire Group, which hinges on rapid development of new drugs, is imposed on them in return for not needing to attend non-essential meetings and not producing all but the most necessary reports, and that they therefore should have a sense of mission and urgency. The role of managers is not to give detailed instructions, but to motivate members, achieve consensus on targets, and have researchers realize new drugs that no other companies could develop. We have made good progress toward further cross-department collaboration and we plan to hold a conference for technological exchanges in 2011, gathering together researchers from the entire Group. Utilizing all available resources, we will continue to challenge ourselves to develop new original drugs.

Team management that stimulates motivation

Management of the Laboratories presented a challenge for us. In the photographic film business, there is a culture of frequent communication, reporting, and consulting



Takuya Yokokawa

General Manager, Pharmaceutical and
Healthcare Research Laboratories

VOICE



Creating value needed in the era of medical care

Mr. Shinsuke Muto
President, You Home Clinic,
Tetsuyu Institute Medical Corporation
Chairman, Leading Aging Society Forum

The Fujifilm Group has made its full-fledged debut into the pharmaceutical industry, and we believe that new types of

needs for pharmaceutical products will arise in the future due to structural changes to society. The Fujifilm Group brings with it three strengths based on its photographic film technologies particularly applicable to these societal needs: first, its chemical library, second, its expertise in collagen-related research, which can contribute to overall enhancing quality of life, and third, its FTD technologies, which may be used to develop effective medications or improve existing ones. We hope they will align their efforts along these strengths to blaze trails through new markets, both in Japan and overseas. Likewise, I look forward to their contributions toward the solution of societal ills through innovations in integrating imaging technologies and drug development that allow us to actually see medicinal effects.

Part 2 The Fujifilm Group's Healthcare IT

Changing regional healthcare through the integration and efficient management of healthcare information

IT has been increasingly utilized in healthcare fields in recent years. By offering IT solutions, the Fujifilm Group contributes not only to efficient medical treatment and management of hospitals, but also to telemedicine and regional healthcare services.

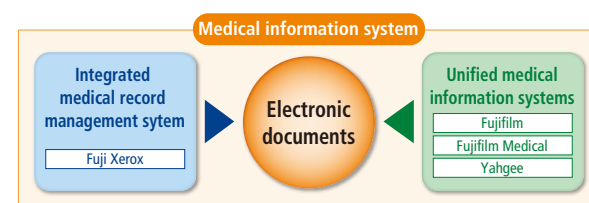


Contributing to the creation of a unified medical information network

Alongside regional central hospitals, small and medium-scale medical facilities have started to introduce healthcare IT at a rapid pace, as seen in the digitization of medical records and diagnostic images particularly. As more and more medical facilities are connected to IT networks, it becomes possible for all medical facilities in a region to share diagnostic information and for a highly efficient medical system to be created. The Fujifilm Group is actively developing solution systems to create a unified medical information network that can handle all types of information including images and documents, thereby increasing diagnostic efficiency.

Fujifilm Group

Toward comprehensive information sharing and regional medical cooperation



Fujifilm has been deeply involved in clinical diagnosis through radiography since 1936. We also currently offer digital radioscopic imaging systems, endoscopes, and blood diagnostic systems. The medical imaging information system, SYNAPSE, which enables all diagnostic images produced by these systems to be shared, is used as the platform for cooperation between medical institutions and has the largest domestic market share. We also offer C@Rna which is a network-based medical service and establishes a network between hospitals and clinics. By linking these systems and services with other medical IT systems, Fujifilm aims to create a clinical information system (CIS)

that unifies all medical information. In order to strengthen efforts in this field, in October 2009 Fujifilm established the Medical Systems Research and Development Center, which integrated development centers for various equipment and systems.

New trends in hospitals include a growing need for an electronic document system that provides unified IT-based management of various documents including paper medical records. There is also an urgent need to increase the versatility of such a system and make medical information more searchable and readable so that the network between various medical institutions can be expanded further.

Fujifilm's Medical Systems Business Division and Fuji Xerox are tackling these challenges, taking advantage of each other's strengths. Fujifilm's Group companies offer SYNAPSE (a picture archiving and communication system) and other unified medical information systems tailored to customer needs, and they have been used by Yahgee Co., Ltd. Fuji Xerox responds to needs of various healthcare providers by building a diagnostic assistance system centering on the concept of a Document Archiving and Communication System (DACS). As for

the future, efforts are being made domestically to realize a government plan, "My Hospital Anywhere", in which, with an extended network of medical institutions, medical records of patients' entire lives can be accessed from any facility.

The Fujifilm Group will continue not only to offer multiple integrative solutions to respond to various medical needs, but also to provide support to staff working on the frontiers of medicine and contribute to medical advancements.

Unified medical assistance system, Yahgee

The name, Yahgee, comes from the word for 'goat' ('Yagi' in Japanese), which eats paper and can derive nourishment from it. Yahgee is a system that digitizes a variety of medical information accumulated in hospitals, stores it in databases, and makes it accessible for various medical procedures. The system has detailed functions that enable its users to understand the whole picture by placing various information on one screen, to easily utilize data through search and extraction capabilities, to easily prepare documents with information from order forms and electronic medical records extracted and automatically filled, and to utilize data in documents to create various workflows that are not easily made with an electronic medical record system. Yahgee also excels at scanning paper documents, saving images from digital cameras, and calculating basic data statistics.

In addition, what is advocated in Yahgee is the creation of a platform that consists of common functions drawn from various hospital systems. Complexities are eliminated because various procedures are gathered in one platform. With Yahgee, users can manage multiple systems in an integrated manner under an optimal environment.

Fuji Xerox

Integrated Medical Record Management Solution through DACS concept

During the introduction of electronic medical record systems, hospitals face difficulties in shifting to a paperless system as they typically must deal with an enormous amount of paper documents, such as old paper medical records, consent forms, and referral letters. There are also many cases where network connections with information systems running on different software applications are not smooth, resulting in a long wait while searching for and reading medical information.

Therefore, Fuji Xerox developed the Integrated Medical Record Management Solution based on the concept of a Document Archiving and Communication System (DACS) advocated by the Department of Integrated Medicine, Medical Informatics at Osaka University Hospital. The solution provides unified management of various medical records, ranging from paper documents to electronic data, which are converted into electronic documents through virtual printers or scanners. Since the files are saved in general formats, such as PDF, JPEG, and DocuWorks, they can be used in the future in many situations. The solution also prevents document falsification by clearly recording who created the documents with a digital signature and time stamp, and guarantee document authenticity as specified in the guidelines issued by the Ministry of Health, Labour, and Welfare.

A cross-organization project started the development of this solution. With a goal to build an information environment where patients can receive the best healthcare anytime anywhere, the project brought together many members, and the solution was realized in cooperation with Osaka University Hospital.

VOICE



Unifying medical information by introducing medical imaging and document management systems

Mr. Tsuneo Kinukawa
Deputy Director, Social Insurance Chukyo Hospital

Our hospital began using an ordering system in 2007 and SYNAPSE, Fujifilm's medical imaging information system, in 2008. Later, we decided to manage various documents in the hospital with a digital system because we needed to organize medical information due to a lack of storage space for paper documents. Therefore, we started using a comprehensive medical imaging and document management system in March 2010. This mechanism for managing all medical information in an integrated manner was built by combining SYNAPSE (for the management of images), Yahgee (for the preparation and management of documents), and DACS (for the storage and management of original documents).

In introducing the systems, we put emphasis on their compatibility. Yahgee and DACS are systems from the Fujifilm Group, the developer of SYNAPSE which our hospital began to use earlier. Therefore, they are tightly connected, and we can quickly retrieve information on individual patients, such as images from their examinations and doctors' clinical findings. Yahgee significantly contributes to increased efficiency as it handles hundreds of formats used by insurance companies for diagnostic reports, allowing users to create and manage both internal and external documents which tend to be increasingly complicated. Also, DACS has enabled us to digitize various documents such as consent forms with patient signatures and to store important documents for long periods of time in the form of electronic certificates with time stamps. Other advantages of the comprehensive system include short response times and flexibility that comes from its customization.

We believe that the value of the system will be clearly apparent in various settings as more and more medical information is accumulated over the next 5 or 10 years.

Part 3 Energy Cost Reduction Project: for Electricity, Gas, and Fuel

Reducing CO₂ emissions from factories and offices through Group cooperation

It is an important continuing challenge in business management to reduce energy costs. Needless to say, a key measure is to reduce energy consumption through energy conservation, which directly decreases CO₂ emissions.



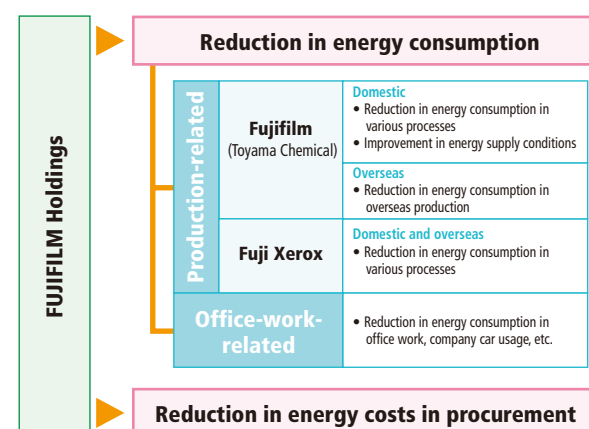
Aiming to half the projected increase in energy costs (less energy consumption per unit of output)

Based on its forecast of expanded production and rising energy costs for the period until 2012, the Fujifilm Group is expecting an increase in energy costs by 1.5 times (relative to the 2009 level). The overall goal of the project for energy cost reduction, which started in July 2010, is to curb the energy cost increase to a half of that expected. Accomplishing this significant cost reduction will lead to reductions in CO₂ emissions and is an important factor in strongly promoting the achievement of the Group's long-term target of a 30% reduction in CO₂ emissions throughout the life cycle of its products by 2020 (relative to the 2005 level).

System in place for promoting the energy cost reduction project

Executing effective measures "horizontally" using all the resources available in domestic and overseas organizations

Fujifilm Group companies have promoted activities for reducing CO₂ emissions as anti-global-warming measures. The project for energy cost reduction, which started in July 2010, administers various measures for



the domestic and overseas Group companies as a whole, in cooperation with the existing committee for promoting anti-global-warming measures and with energy-saving activities at different sites.

With executives in charge of Technology Management Division or CSR in FUJIFILM Holdings as the project owners and the director of the CSR department as the project leader, the project engages in activities to reduce energy consumption and energy-related procurement costs.

The activities for reducing energy consumption are divided into production-related and office-work-related activities. In the production-related activities, the operator companies—Fujifilm and Fuji Xerox—set their targets and work to reduce energy consumption. In the office-work-related activities, FUJIFILM Holdings sets the targets, and accordingly Fujifilm and Fuji Xerox collaborate together to reduce energy consumption.

As for the activities to reduce energy costs in procurement, the procurement group of FUJIFILM Holdings leads the efforts and cooperates with the groups in charge of materials in the operator companies.

Fujifilm's domestic production-related activities

Taking advantage of the energy-saving technologies unique to Fujifilm

Our six main domestic factories are responsible for close to 60% of the CO₂ emissions of the entire Group and since the early days have promoted activities for energy conservation with the goals to reduce the following by 2012 (relative to the 1990 level):

- energy consumption per unit of output by 30% and
- CO₂ emissions per unit of output by 40%.

Each factory has accumulated energy-saving technologies over a long period of time, and we aim to mobilize these technologies and achieve these goals.

At the new production line for a material used in flat panel displays which was constructed at the Ashigara site of the Kanagawa factory in April 2011, energy consumption per unit of area is halved due to energy-saving measures such as an increase in the width of the film produced, increased speed of the production line, and rigorous recycling of the steam generated in the production process.

We aim to reduce our energy consumption further by "horizontally" executing similar energy-saving measures at the production line for a material used in flat panel displays that is planned to start operating in December 2012, and at Production Line 8, Factory 4 of Fujifilm Kyushu.

Another energy-saving measure is cogeneration at the electricity generating stations of our six main domestic factories. A cogeneration system is a system supplying both electricity and heat, in which heat resulting from electricity generation is captured in the form of steam or hot water. The system has been in operation since the 1960s. Starting in 2003, we have made a gradual shift in the fuel used in the system from heavy fuel oil to natural gas, thereby also reducing CO₂ emissions.

Office-work-related activities

"Horizontal" execution of effective energy-saving measures

With regard to domestic office-work-related energy-saving measures, a joint team from Fujifilm and Fuji Xerox has reduced the lighting and heating costs at research facilities and office buildings as well as the amount of fuel used for company cars.

To reduce lighting and heating costs, energy-saving measures have been examined mainly for air conditioning and lighting (a large part of energy consumption in the office buildings). These are implemented as part of the environmental rules that apply to all offices in the Group.

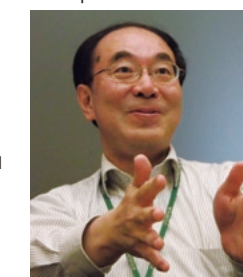
As for the air conditioning system, it has been confirmed that the temperature does not rapidly fall with the system's heaters turned off in the winter in the Roppongi headquarters building, which has a high-performance insulation system. A large amount of energy is therefore saved by turning off the air conditioners outside of business hours, and the same measure is horizontally executed in other buildings with a high-performance insulation system.

Lighting methods were also reexamined and a task-ambient lighting system with LED task lights was adopted. Starting with the Roppongi headquarters building, the system was installed in the office buildings, which led to a more than 10% reduction in electricity use.

With regard to company cars, a program for safe, environmentally friendly driving is promoted to improve fuel efficiency and reduce the number of cars. The program is being implemented in cooperation with a cross-company team of vehicle managers from different Group companies, and efforts are being made to reduce the amount of fuel used in the entire Group.

Masahiro Fukuoka

Senior Operations Manager
CSR Group, Corporate General
Administration Division
FUJIFILM Holdings
General Manager
Ecology and Quality
Management Division
FUJIFILM Corporation



VOICE



The role of a leading company in future society

Mr. Takejiro Sueyoshi
Special Advisor
United Nations Environment Program
Finance Initiative in the Asia Pacific Region

As global warming steadily continues, time is limited for solving the problem. Therefore, the key to solving it hinges on the speed at which we can change society. The first

capability required of a leading company is the ability to send clear, socially influential messages and to show its commitment to them.

The second capability required is the ability to execute and realize such commitment through its operational activities. Mobilizing all of its Group companies, the Fujifilm Group has already engaged in various activities and has produced results. With environmental issues positioned close to the core of business activities, a new model of the world—one in which the environment, the economy, and society are tightly connected—can be built. The Fujifilm Group is an industry leader that competes with other international companies on the world stage, and people will pay attention to whether it can maintain its commitment to contributing to the world.

Part 4 Activities That Create a Sense of Unity

Coexisting with the global environment Activities involving work and lifestyle

To protect the global environment, each of us takes action and we grow them into larger movements. The sense of solidarity that emerges from such activities is a necessary factor for the sustainable development of society.



Awareness of sustainability that spreads from the workplace to families

In order to truly realize sustainable development, it is important to train people so that they not only can think by themselves about what they should do for the environment, but also can take action and change the behavior of others around them. The Fujifilm Group has engaged in various activities for environmental protection from the standpoint of work and lifestyle, and environmentally conscious lifestyles are spreading from the workplace into families. The environmental activities of the Fujifilm Group are characterized by encouraging employees to participate in specific actions and events and offering opportunities to think on one's own, in addition to calling for CO₂ emission reductions and biodiversity conservation. We believe that encouraging ways of life that care about the planet leads to employees having vibrant lives and eventually to improved enhancing quality of life throughout society.

Program for safe eco-driving

Eco-driving for commuting Raising awareness through visualizing fuel economy

The Fujifilm Group has been operating an eco-driving program since 2008. In 2009, Fuji Xerox Osaka received the President's Award from the Environmental Restoration and Conservation Agency for its Eco-Driving Contest. The company developed by itself an environment in which its employees can enjoy eco-driving, as seen in a contest held within the company. As a result, the company succeeded in reducing, in 1 year, CO₂ emissions by around 180 tons, fuel costs by 20%, overall costs by approximately 11 million yen, and the number of accidents for which employees are responsible by a half. This example shows that eco-driving has positive effects on the environment, business management, and safety.

To promote such a high-quality program for eco-driving nationwide, in August 2010 the Fujifilm Group started a new program for safety and eco-driving, which covers approximately 11,000 cars owned by employees

and used for their commute, and incorporates efforts to eradicate traffic accidents.

As the new program started, the Fujifilm Group was selected by the Environmental Restoration and Conservation Agency as a model company for its investigative project on methods to reduce air pollution through the spread of eco-driving among general drivers. Because of this, the web service for supporting eco-driving, ReCoo, that had been developed as part of an energy conservation project under the Ministry of Economy, Trade, and Industry was customized for use by the Fujifilm Group. ReCoo is a service which shows a graph of fuel efficiency to the users once they enter their fueling data and driving distance from a cellular phone or a computer. This enables them to see at a glance the effect of eco-driving, which includes easy starting and early releasing of the gas pedal.



Participants eagerly learning about eco-driving at the seminars

In addition, with cooperation from employees of Fuji Xerox Osaka and ASUA Corporation, the developer of ReCoo, seminars on eco-driving were held at various locations. The employees who participated in these seminars commented that they became more motivated to improve their driving techniques because such an improvement was clearly shown to reduce fuel costs and CO₂ emissions, and that they became conscious of eco-driving not only while they were working, but also when they went out with their family.

We will continue to set concrete targets, assess the effects, improve the vehicle management system, and create an environment in which employees can maintain and enhance their motivation.

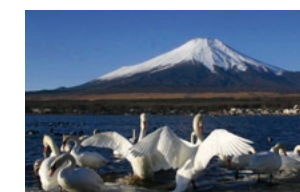
Life and nature photo contest

Thinking about biodiversity with family members through photography

In 2010, the Fujifilm Group held a life and nature photo contest as an awareness program about biodiversity conservation, in which all its employees and their family members could participate. A total of 1,093 photos were submitted and were judged by Mr. Shin Yoshino, a renowned nature photographer in Japan, and President Komori. The award ceremony was held in December 2010. All photographs were exhibited in the mini gallery and foyer of the Fujifilm Square at our headquarters in "Tokyo Midtown", Roppongi, which offered an opportunity for the general public as well as employees to think about biodiversity.

The photograph is a medium that is appropriate for capturing the moment of living things changing from

one state to another. The photo contest offered an opportunity for the photographers to observe nature and living things, which must be protected for the next generation, through direct contact with them, and to record precious moments experienced in nature and share them with others. It also provided a chance for visitors to understand the thoughts of the photographers when viewing their works. The purpose of the photo contest was to encourage employees and their families to think about biodiversity conservation through these opportunities and make their experience a starting point for further action.



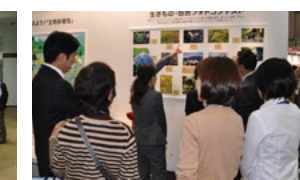
Grand prix winner: "Swans in love"

Contest participants commented that the contest provided opportunities to talk about living things and nature with family members, and that sharing the beautiful landscapes captured in the photographs with many other people and the future generations would lead to protection of this wonderful nature.

The Fujifilm Group will continue to actively engage in environmental protection activities including activities for biodiversity conservation, contribute to the development of photographic culture, and share the attractive and wonderful world of photography.



Exhibition in the mini gallery in Fujifilm Square (first floor of Tokyo Midtown in Roppongi where the Fujifilm Holdings Headquarters are located)



Eco-Products 2010 in the Fuji Xerox exhibition area

VOICE



Continue outreach efforts to protect the global environment

Mr. Jun Miyauchi
Chairman
Public Interest Incorporated Foundation
Associates of the Earth

In recent years, a declining birthrate combined with an aging population has become a social issue in Japan. How many children are there to take care of their elderly parents? How will their family's traditions as well as discussions about their various experiences continue? I believe that Japan is at a critical moment when families are in jeopardy.

The cornerstone strength of the group one belongs is focused on the individuals families, or in other words, protecting each families happiness to facilitate a healthy nation.

The reason for this is because the family is the smallest unit of the group and the happiness of the family relates to the robust activities of the group. The wisdom and knowledge that has been cultivated through experiences can be discussed, considered and the traditions continued to create dreams for tomorrow because of this type of environment.

The outreach efforts of the Fujifilm Group are excellent at turning the focus of their efforts to family, from the individual to their families, society and its Group Companies by considering each individual to provide the sense of belonging illustrated in the title. As Japan has moved from a period of growth to a period of maturity, the Fujifilm Group has recognized the necessity for higher quality rather than quantity. I would like to see Japan "rejuvenated" through these efforts considering "family happiness" as the quality of life, which cannot be assigned a monetary value, by directing their actions even more externally, rather than stopping within their own Group Companies.

Part 5 Human Resources Development and Its Exchange within Fujifilm Group

Training people to strengthen the overall ability of the Group

Various efforts centering on reforming corporate awareness and culture, and increasing personnel exchanges are being made by the Fujifilm Group to realize its management plan.

Training and communication programs for various organizational levels and departments

A variety of measures were taken in FY2010 to create synergy between Fujifilm (FF) and Fuji Xerox (FX). Understanding the businesses of both FF and FX activities such as a camp for reformist leaders and a seminar on synergy were held. Furthermore, activities for personnel training and communication were held at various organizational levels and departments that included an event for technical exchange and a research seminar on design.

Extended personnel training and communication programs

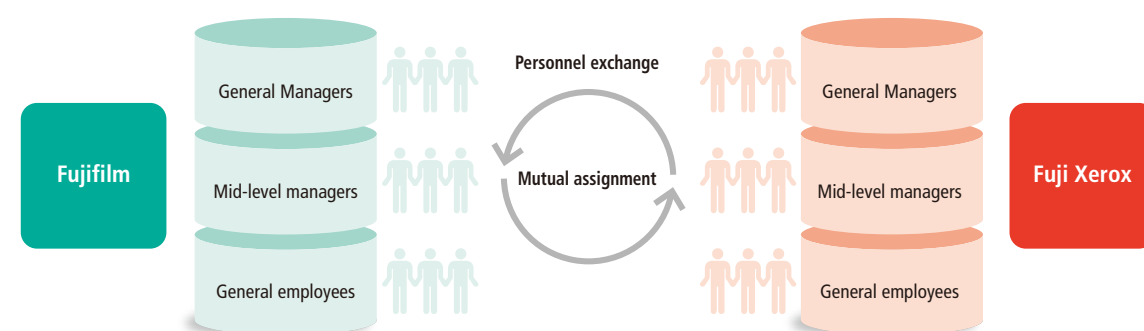
The camp for reformist leaders (part II) and the seminar on synergy (for young employees)

In 2010, the camp for reformist leaders (part II, 175 participants) was held mainly for General Manager from Fujifilm and Fuji Xerox. It was a place for the participants to have in-depth discussions on approaches to be taken in tackling importance common issues for the Fujifilm Group and on obstacles to realizing reforms. It also allowed participants to contemplate, based on the discussions, reform issues that each participant should work to resolve. A total of eight reporting sessions were held for top management.

In addition, the seminar on synergy between Fujifilm and Fuji Xerox, which was designed for mid-level

managers (leaders) and had been held throughout 2009, was expanded. Also, a new seminar was held 6 times, which was intended to give 144 young leaders around the age of 30 from both companies an opportunity to create synergy for the Fujifilm Group and to improve their mindset.

As a result of these activities, general managers, mid-level managers (leaders), and young leaders from both companies deepened their understanding of the counterpart's business. It is expected that opportunities for creating new business value and advancing technologies will arise through increased interactions between personnel.



TOPICS

Symposium on production technology and Knowledge Festa 2010

To create opportunities for vitalizing the Group and generating new ideas, Fujifilm regularly holds an event for technical exchange in which various employees participate.

At the symposium on production technology held in November 2010, a total of 1,000 people came together from various divisions of Fujifilm and Group companies

of Fuji Xerox. There were poster and technical presentations on a basic theme so that all participants and not just experts could understand. The participants could experience the technologies through the devices displayed. This event created opportunities not only to explain the various technologies comprehensively, but also to convey the presenters' concepts behind them.

In December, Knowledge Festa 2010 was held and around 1,200 employees participated. The festival was held for the fifth time, and the IH fusing technology—Fuji Xerox's original technology—and other technologies were explained in poster presentations prepared by employees about their research and development work. Participants commented that they gained many ideas through researcher-level discussions. The festival provided a good opportunity for generating synergy.



Poster display area at the symposium on production technology



Exhibition area of Fuji Xerox at Knowledge Festa 2010

Joint research seminar on design

Since 2006, the design divisions of Fujifilm and Fuji Xerox have cooperatively held the Fujifilm-Fuji Xerox Joint Research Seminar on Design for current students of art-oriented universities and graduate schools. At the research seminar, would-be designers (students) and designers (trainers) from both companies hold a 6-day camp and produce works on a given theme, thinking together about, among other things, the definition of design, important factors in producing good designs, and necessary processes. The participants greatly appreciated the research seminar as they could hear directly from designers about the mindset of professional designers, the design development processes undertaken at the companies, and the difficulties faced and sense of achievement felt by the companies' in-house designers—all topics which cannot be learned in school.

As administrative members and trainers from both divisions cooperatively plan, prepare, and administer



Research seminar on design

the research seminar, they have opportunities to mutually understand and share their organizational management guidelines, design guidelines, and design processes. This produces a synergy effect and leads to the creation of other joint project teams.

Also, newly employed designers who have participated in the joint research seminar understand the operations and members of both divisions. In this way, the research seminar contributes to generating a strong sense of cooperation among the new designers and broadens their perspective.

VOICE



Continuing to be a socially valuable company

Mr. Toshiya Banno
Director of Strategy
Booz & Company Inc.

Generally speaking, organization's activity toward its objectives forms rationality, which will create unique culture, custom, rule and values of its own. There are cases where this rigidifies—in an unnoticeable way—the process of generating new ideas, which leads to unfavorable conditions for

creating new value. It is not rare, in large companies especially, that members become parts, and that such companies become introverted and cannot provide value to society. In other words, it becomes difficult for them to become a social asset.

Against this backdrop, it seems that the Fujifilm Group has a unique business and culture, and is actively trying to create a new culture and new value with its large, vibrant Group companies inspiring one another at both the employee and organizational level. It is expected that, besides its activities at these levels, the Group will strive to resolve social issues with its new operations and thus produce results that realize its corporate principle, namely, enhancing people's quality of life.

Round table discussion on human resources exchange

New corporate culture emerging from human resources exchange



The Personnel Division of FUJIFILM Holdings held a round table discussion on human resources exchange on June 29, 2011. The Fujifilm Group promotes active personnel exchanges in order to take advantage of the operational strengths of Fujifilm (FF) and Fuji Xerox (FX) and to improve the management foundation of the group. The discussants were employees who had moved or were temporarily assigned to positions in a different Group company to help realize these goals. From FF to FX, and also from FX to FF, they candidly exchanged opinions on their impressions of FF and FX, the possibilities for greater synergy, and recommendations for expanding the personnel exchange programs.

A new corporate culture arising from the fusion of the two companies' cultures

Yoshimura (FX): Many technological divisions at FF have a top-down organization. A boss comes in and says, "Do this by this deadline." But FX has a bottom-up system: topics chosen by team members are presented to a leader, or things start at the point of actual operation and move spirally upward. Both have their own advantages though.

Hattori (FF): In terms of sales, I used to have the impression that FF was more oriented toward a top-down organization than FX. But in the area of overseas marketing, I see that FF actually uses a bottom-up system for negotiations with local distributors, so it responds to situations flexibly.



Tomoki Hattori

Iwase (FX): In developing new technologies at FX, it is possible to move things in a bottom-up fashion with a lot of freedom. If we can find a way,

Participants in the round table discussion on human resources exchange

Hidehiko Ishihara
Service Business Planning Group
Medical System Business Div.
Healthcare Business Headquarters
FUJIFILM Corporation

Daisuke Inoue
International Marketing Group
Medical Systems Business Div.
FUJIFILM Corporation

Kazuhito Iwase
Manager
Marking unit manufacturing engineering
Production Technology
Fuji Xerox Co., Ltd.

Rina Okamoto
Overseas Business Strategy Office
Corporate Planning Div.
FUJIFILM Corporation

Akira Tashiro
Manager
Marking unit manufacturing engineering
Production Technology
Fuji Xerox Co., Ltd.

Tomoki Hattori
Digital Printing Business Group
Graphic Systems Business Div.
FUJIFILM Corporation

Kosaku Yoshimura
Marking & Material Technology Group
Marking & Material Research and
Technology Dept.
Fuji Xerox Co., Ltd.

then we will propose a product or technology with practical use. Yoshimura (FX): At FF, the satisfaction I feel when I achieve a goal is tremendous. It would be perfect if we can create a system that is unique to the Fujifilm Group that incorporates the advantages of both the top-down system and bottom-up systems.

Tashiro (FX): We notice these differences in culture because of increased exchanges between the companies. We have all come to recognize that technical exchanges are beneficial to both companies. I feel that a new corporate culture is emerging for the Fujifilm Group.

Approaches to work: teams vs. individuals

Inoue (FF): I am currently in charge of overseas marketing of medical equipment and film. Activities like medium-



Kazuhito Iwase



Left: Daisuke Inoue Right: Hidehiko Ishihara

term management planning, supply and demand adjustments, decisions on export prices, and product planning, which are handled by multiple departments at FX, are assigned to those in charge of the market in each country at FF. I work hard, thinking that I can personally grow in this system. But I feel huge pressure, knowing that I am responsible for all these tasks.

Ishihara (FF): It seems that FX tends to conduct its business in teams, whereas FF tends to assign work to individuals.

Okamoto (FF): At FX, operations are mapped, appropriate mechanisms are in place for them, and the company's mission is clearly defined. In contrast, there is a wide range of issues that FF is dealing with. This is why it's necessary to take advantage of individuals' experiences. Tackling challenges at FF, I have felt great satisfaction as I have become able to do more things.

Iwase (FX): To me, FX and FF are the same in that employees become able to work deeply and broadly, rather than deeply and narrowly, by experiencing the frontiers in their specialized field and by engaging in their work with a wide perspective in a highly mapped out organization. For example, engineers can be knowledgeable in finance as well as in engineering and can think of ways to build a low-cost, efficient production line from different perspectives. I think this is very important.

Tashiro (FX): I am currently in a position at FX to direct my subordinates. I want them to become widely skilled, manager-like workers, so I assign two or three tasks to one person and ask him or her to work on them simultaneously, which is what I experienced at FF. With a will to pursue the advantages of specialization and efficiency, workers have become aware of the importance of doing things deeply and broadly, which has led to the effective development of human resources.

Possibilities beyond synergy: utilizing each other's strengths

Ishihara (FF): I think the fact that each person moves to the other company with a mission or purpose is increasing the synergy effect. I moved with the goal of significantly growing the sales of medical-equipment-related services at FF.



Rina Okamoto

Inoue (FF): The purpose of my move is to experience, in a concrete way, the overseas business of FF, whose operations extend to the entire world, and to turn the experiences into my strengths. Also, I intend to utilize the solution sales experiences I gained at FX in overseas operations at FF.

Okamoto (FF): What I would like to promote at the Overseas Business Strategy Office at FF is systematization, which is one of FX's strengths. I want to further develop operational processes for launching a local corporation and for other actions, and to have the resulting processes widely adopted. There are many opportunities to work overseas because FF is trying to increase the number of local bases in emerging countries. To have young workers accumulate their overseas experiences, there should be more open-application opportunities and more personnel exchanges.

Further sharing of know-how and base technology

Tashiro (FX): What is emphasized in manufacturing is producing high-quality products fast and at low cost. The technologies required for this create a foundation that should be shared between FF and FX. A question for the future is how each other's technologies can be used efficiently as a foundation.

Iwase (FX): At FX, I can propose many ideas for producing products at low costs which are based on the experiences I gained at FF. Now that the organization has grown large, know-how is scattered around and is not rooted in the organization. It's such a waste.

Hattori (FF): In the field of marketing, I feel that we currently need to incorporate the strengths of FX into operations at FF. I think that know-how and base technology can be further developed by continuing the personnel exchanges over a long period of time. This will result in a strong synergy effect.



Left: Kosaku Yoshimura Right: Akira Tashiro



Increased and accelerated human resource exchanges

Kouichi Suematsu
Corporate Vice President
General Manager of the Corporate
Personnel Division
FUJIFILM Holdings

The round table discussion on human resources exchange has been held since 2008. As I heard the comments of this year's discussants, I realized, once again, that the activities for personnel development aimed at strengthening the overall capability of the Group have indeed taken root. FUJIFILM Holdings has conducted the exchange of human resources, the camp for reformist leaders, and the seminar on synergy as priority human resource measures mainly intended to grow the operations of Fujifilm and Fuji Xerox. We will continue to provide and promote various effective mechanisms and opportunities to generate a new corporate culture and realize synergy for creating new business.

Consolidated Subsidiaries of FUJIFILM Holdings Corporation

The number of consolidated subsidiaries of FUJIFILM Holdings is 239 as of March 31, 2011.

FUJIFILM Corporation Group Companies



FUJIFILM Corporation and its group companies develop, produce and market products in the Imaging Solutions business (color films, digital cameras, photofinishing equipment and color paper, chemicals and services for photofinishing) and Information Solutions business (equipment and materials for medical diagnostics and life science, equipment and materials for graphic arts, flat panel display materials, recording media, optical devices, electronic materials and inkjet materials).

Fuji Xerox Group Companies



Fuji Xerox Co., Ltd. and its group companies develop, produce and market products in the Document Solutions business (office copy machines/multifunction devices, printers, production systems and services, paper, consumables and office services).

Toyama Chemical Co., Ltd.



Toyama Chemical Co., Ltd. is creating pharmaceuticals by concentrating its R&D in three areas: "anti-infective area", "central nervous system and cardiology area", and "anti-inflammatory area". Toyama Chemical owns drugs such as "Synthetic penicillin agent" or "antibacterial agent", as well as numerous drugs in the development pipeline such as "anti-influenza agent" and "treatment of alzheimer's disease".

FUJIFILM Business Expert Corporation



A shared services company of Fujifilm Group in Japan, which integrates the administrative, human resource, insurance agency, indirect material purchasing and travel agency functions for the Group companies.

 <http://www.fujifilmholdings.com/en/business/group/index.html>

Report

Recovery Efforts by the Fujifilm Group after the Great East Japan Earthquake

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Making use of the knowledge and know-how that the Fujifilm Group has cultivated through our business, we are continuing to provide various kinds of activities to support the recovery and reconstruction of areas stricken by the Great East Japan Earthquake.

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Report

Recovery Efforts by the Fujifilm Group after the Great East Japan Earthquake

Immediately after the earthquake, the entire Fujifilm Group responded to the earthquake disaster by setting up the Disaster Response Headquarters under the Total Risk Management Committee chaired by the President. Group companies' recovery efforts and support activities for disaster-stricken areas are reported in the following.

Effects of the Earthquake Disaster on Production Sites and Offices, and Their Recovery Efforts

Immediately after the earthquake we set up the Disaster Response Headquarters and, in cooperation with operational sites and Group companies, started confirming the safety of the employees of the entire Group and collecting information on the damage suffered by the Group's companies, factories, customers, and suppliers.

Fortunately, the Group's employees did not suffer injury. Although buildings and equipment were damaged at some operational sites, through the efforts of local employees and recovery activities of the entire Group, we were able to keep the impact of the earthquake on production activities to a minimum.

We also provided support to employees and their families, and made sure we continued receiving raw materials and parts and maintained working distribution systems. Although rolling blackouts were implemented in some parts of the service area of Tokyo Electric Power

Company, we continued production through production rearrangement and using generators at the Fujifilm Kanagawa Factory and Fujinomiya Factory which are located in the service area. As for the procurement of raw materials and parts, some operational sites did not receive a sufficient supply of parts and therefore temporarily stopped production, but they were able to resume production in early April. We will reexamine our response to risks associated with the procurement of parts and put appropriate measures in place.

As to the FUJIFILM Finechemicals Hirono Factory, which was in the recommended evacuation area around the Fukushima Daini Nuclear Power Plant, the workers were allowed to enter the factory after the status of the area had been changed to "area designated for emergency evacuation preparation" on April 22, and they have engaged in recovery activities since April 27.

Restarting the Production Line for the FinePix X100 Digital Camera

FinePix X100 is a high-end compact digital camera for professional photographers and photo enthusiasts which is designed to invoke the joy of taking pictures.

The digital camera has been well received by many customers. It features not only the world's first hybrid viewfinder (which captured attention when its development was first announced in September 2010), but also breathtakingly high image quality that surpasses that produced by single-lens reflex cameras, and its sophisticated design which recreates the stylistic beauty of a film camera.

The camera is produced at FUJIFILM Digital Techno located in Yamato-cho, Kurokawa-gun, Miyagi Prefecture. The production line for the camera was stopped on March 11 due to the Great East Japan Earthquake, just 6 days after the product launch.

Driven by a desire to do everything they could to deliver the products as early as possible to customers who

were waiting to purchase them, the employees gathered at the factory, voluntarily contacting each other even when utility services has not yet been recovered in their homes. They worked tirelessly to restart the production line, removing debris, picking up usable parts, and moving machines and equipment by hand. As a result, production was resumed only 10 days after the earthquake.



FUJIFILM デジタルカメラ ファインピックス X100
FINEPIX X100

Support Activities by the Fujifilm Group

As the Fujifilm Group, FUJIFILM Corporation and Fuji Xerox jointly provided 300 million yen immediately after the earthquake to support the disaster-stricken areas. In addition, we provided 530 million yen's worth of support products including 10 ultrasonic medical diagnostic imaging systems (FAZONE M), 1 million anti-dust/virus masks ("AllerCatcher"), and antibacterial agents for adults and children.

Domestic group companies provided customers with necessities such as water, rice, other foodstuffs, and blankets, as well as special repair services. We received not only messages expressing support from overseas companies and customers, but also financial contributions from overseas companies and their employees.

FUJIFILM Corporation

Photo Rescue Project

Fujifilm is supporting efforts to restore people's damaged photos through its Photo Rescue Project, which aims to restore photos and photo albums that have been damaged by water and mud from the tsunami, helping to protect people's precious memories. The project was launched in answer to an inquiry about the role of Fujifilm, a company that cherishes photographic culture.



Investigating a restoration method by soaking photos in muddy water

The cross-department project started on March 24 with the publication of a photo restoration method on the company's website, and a group of quality control specialists at the Kanagawa Factory began investigating methods to restore damaged photos. When project members visited a disaster-stricken area in Miyagi Prefecture in early April, a victim of the disaster told them, "Houses can be washed away; memories cannot. But even memories fade with time. Pictures give us the strength to stand up again." These words brought home the importance of restoring photos, and the project picked up steam.

Since the earthquake, Fujifilm has received a number of inquiries from local governments in the disaster areas, volunteer groups, and individuals about the



Activities in Minami-Sanriku-cho in the disaster area

best way to clean up photos. Thirty employees participating in the project took turns and made a total of 80 trips to disaster areas to instruct people in cleaning up damaged photos. At the same time, we prepared a photo clean-up kit consisting of a well-balanced set of tools that are effective for cleaning photos. Kits were sent to more than 40 disaster areas.

While we are supporting the photo clean-up activities in the disaster areas, other volunteer groups have also started trying to do photo clean-up work outside the disaster areas because little progress has been made in some areas due to a lack of manpower. The Photo Rescue Project has now expanded the range of its activities by, for example, providing know-how or photo clean-up kits to these volunteer groups.

We also held a photo clean-up volunteer project at the Kanagawa Factory Ashigara Site for about one month from June 25 in which employees of the Fujifilm Group and their families, as well as former employees, participated. A total of 1,500 people took part in cleaning up more than 170,000 photos from areas with a number of damaged photos, and returned the cleaned photos to them.

The project has become increasingly active to save as many photos as possible, as the damage deteriorates them day by day.



Giving instructions on cleaning photos in Yokkaichi-shi



Photo clean-up volunteer project held at the Fujifilm Kanagawa Factory Ashigara Site



Fujifilm Medical Systems Business Division,
FUJIFILM Medical

Activities to Support Clinics

The Fujifilm Medical Systems Business Division collaborated with FUJIFILM Medical, a group company, and supported medical activities in disaster-stricken areas by lending vehicles equipped with an X-ray diagnostic imaging system, biochemical testing equipment that makes blood testing simple, and the compact, portable ultrasonic diagnostic system FAZONE.

FUJIFILM Medical also secured the supply of consumables such as medical X-ray film and recovered various systems at medical facilities immediately after the earthquake.



Portable ultrasonic diagnostic imaging system FAZONE M/Brain at a clinic in a disaster-stricken area

Fujifilm Consumer Sales Division

Visiting Customers to Offer Necessities

Immediately after the earthquake, employees from the Consumer Sales Division, Tohoku Satellite surveyed damage suffered by customers such as photo studios and visited them to offer necessities including water and canned food. We have continued to build a cooperative relationship with them by providing goods to support their recovery and by asking them to become agents in our effort to restore general customers' damaged photos.



Employees from the Tohoku Satellite and necessities offered in support

FUJIFILM Logistics

Responding Promptly to Eliminate Scarcity in the Disaster-Stricken Areas

Immediately after the earthquake, recognizing that the distribution of goods would be key to recovery, FUJIFILM Logistics promptly prepared a system for sorting and transporting goods, collaborating with Group companies and subcontractors. As well as sending supporting goods, parts for equipment repair, and consumables to the disaster areas, we cooperated with FUJIFILM RI Pharma and put rigorous measures in place to prevent products from being contaminated with radioactivity.



Employees inspecting for radioactivity contamination

Toyama Chemical

Providing Pharmaceutical Products to the Japan Medical Association

To contribute to medical support for disaster victims, we provided anti-bacterial agents for adults and children to the Japan Medical Association and regional medical associations. We were able to deliver the products quickly by relevant departments collaborating and promptly arranging for shipping and transportation.



Antibacterial agents for adults and children

Fuji Xerox

Supporting Disaster Recovery
in Cooperation with NGOs

Fuji Xerox is actively supporting the recovery and reconstruction efforts taking place in the disaster areas following the Great East Japan Earthquake, working together with NGOs that promote such activities with various experience and professional knowledge.

Swift recovery and reconstruction in these areas requires support activities that are tailored to local conditions and are concretely effective. Recognizing the importance of communicating closely with the disaster areas, understanding the situation there, organizing information on things needed, and prioritizing actions to be taken, we are supporting afflicted people in cooperation with an NPO, Japan Platform.

We provide, free of charge, multifunction devices, production printers, consumables like toners and paper, and maintenance services to meet the needs for mass printing of various documents such as evacuation site operation manuals, information fliers distributed in temporary housing facilities, and printed materials for sharing information among community members.

We are also collaborating with another NPO, Civic Force, to send employees who volunteer to help drive recovery and restoration. This collaboration enables us to provide physical support that meets local needs, which makes appropriate contributions. The employees who volunteer can use the company's social service leave program and receive the financial support necessary for their activities. In July, 221 newly-hired employees for 2011 participated in a volunteer activity to support the reconstruction of Kesennuma-shi in Miyagi Prefecture.

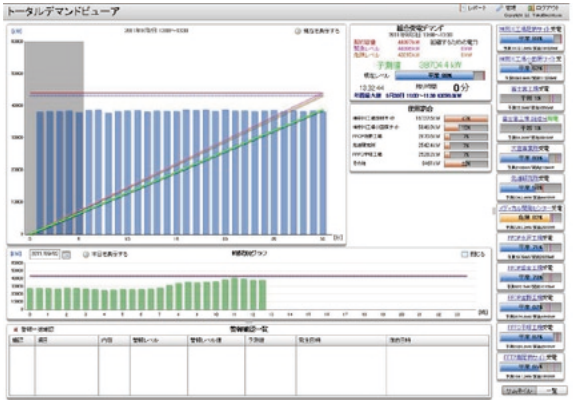
Response to Requests from Society

Group Measures for Handling Demand and Supply of Electricity in the Summer

Following the scheme for jointly limiting electricity use, which was introduced by the Ministry of Economy, Trade and Industry as an energy conservation measure for the summer period, 15 of the Fujifilm production facilities and other sites that consumed large amounts of electricity and were located in the service area of the Tokyo Electric Power Company were divided into groups, and efforts were made to reduce peak electricity demand. For example, the amount of electricity purchased from the power company was reduced by raising the utilization rate of the natural gas cogeneration system that had already been installed at the Kanagawa Factory Ashigara and Odawara Sites and the Fujinomiya Factory. Also, electricity consumption of the entire Group was leveled by utilizing the large-capacity sodium-sulfur batteries installed at the Advanced Research Laboratories and by releasing electricity stored during the nighttime according to plan.

In order to have real-time information on electricity consumption and use it for timely energy-saving actions, a system for measuring and monitoring electricity consumption was installed at 11 sites which accounted for 95% of the Group's electricity consumption. Various other energy-saving measures were taken such as turning off outdoor advertisement signs in the service area

of the power company, suspending the use of lighting and air conditioning systems at offices, production facilities, and research and development centers, and installing LED lighting stands. In addition, the theme of ICE Challenge, an anti-global-warming activity involving all employees of the Fujifilm Group and their families, was set as energy conservation and all made efforts to save energy. We also encouraged others to use less electricity through television commercials and by making energy-saving tools publicly available on our website.



Screenshot of the system for measuring and monitoring electricity consumption

Responding to Radioactivity Issues

FUJIFILM RI Pharma

Using our abundant knowledge on radioactivity for support activities

Since its establishment in 1968, FUJIFILM RI Pharma has engaged in the research and development, production, and sale of radiopharmaceuticals that are useful for diagnosing various diseases, determining treatment plans, and judging prognosis. With regard to the accident at the Fukushima Daiichi Nuclear Power Plant caused by the Great East Japan Earthquake, we have conducted tests for radioactivity contamination, clean-ups of radioactive substances, and seminars on radioactivity, responding swiftly to demands from Group companies and local governments. Going beyond what is required of a company, we are engaged in support activities tightly embedded in local communities.

In addition, responding to a request from the Ministry of Education, Culture, Sports, Science and Technology, employees from the Chiba Office analyzed data on radioactivity and sampled soil in Fukushima Prefecture.

Testing and Clean-up Together with an Entire Town

From the end of April through early June in 2011, employees from the Chiba Office went every week to the FUJIFILM Finechemicals Hirono Factory located in Hirono-machi, Futaba-gun, Fukushima Prefecture and cleaned up the factory until zero radioactivity contamination was confirmed. At the same time, together with the Ministry of Economy, Trade and Industry, the Ministry of Education, Culture, Sports, Science and Technology, and the town Hirono-machi, they collected data on contamination in the town and held information sessions on radioactivity.



Lecture for residents of Hirono-machi held at Hirono-machi Health Center (Hirono-machi, Futaba-gun, Fukushima Prefecture)

“Since the accident, we have been flooded by a variety of information on radioactivity, but it is most important to act with correct knowledge. Also, to remove radioactivity which cannot be perceived by our five senses, it is essential to act based on not only knowledge, but also actual measurements taken at the sites and judgment about the measurement environment,” says Fumio Okazaki, Corporate Vice President and General Manager of Chiba Plant. In Hirono-machi, we have analyzed data on residual radioactive substances in soil, water, weeds, vegetables, and tea leaves. Also, we discussed clean-up methods and measurement results at 4 seminars held in the town, as well as provided information on radioactive substances in Sanmu-shi, where the Chiba Office is located, and various other locations.

“It will be great if clean-up activities spread to other areas, learning from the experiences of Hirono-machi as a model case. I hope the towns will become safe for people to live in as early as possible,” says Okazaki. Utilizing its technology and knowledge, Fujifilm RI Pharma will continue to provide support for reconstruction efforts.



Sugio Kawauchi (left)
Radiation Protection Supervisor
Environment Management Group Leader
Management Dept. Chiba Plant
FUJIFILM RI Pharma Co., Ltd.

Fumio Okazaki (center)
Corporate Vice President
General Manager
Chiba Plant
FUJIFILM RI Pharma Co., Ltd.

Noboru Higuchi (right)
Director, Corporate Vice President
General Manager
Production Engineering & Development Dept.
FUJIFILM Fine Chemical Co., Ltd.

Achievements in CSR Priority Areas

In this section, we introduce highlights of the CSR activities in 2010 that the Fujifilm Group has strived at in order to help achieve our management targets. We also summarize the CSR activities of overseas Group companies.

The Fujifilm Group's Medium-Term CSR Plan... 32

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The Fujifilm Group's Medium-Term CSR Plan

Promoting CSR through Increased Cooperation within the Fujifilm Group

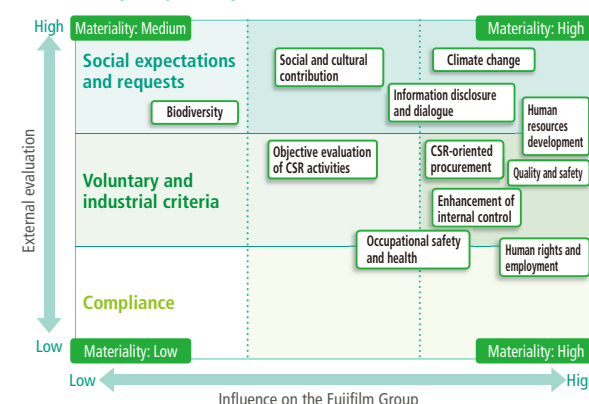
The Fujifilm Group examines issues involving CSR from the perspectives of both a corporation and stakeholders, and promotes CSR activities through specifying priority areas and deciding concrete measures.

A CSR system that supports the achievement of management goals for the Group as a whole

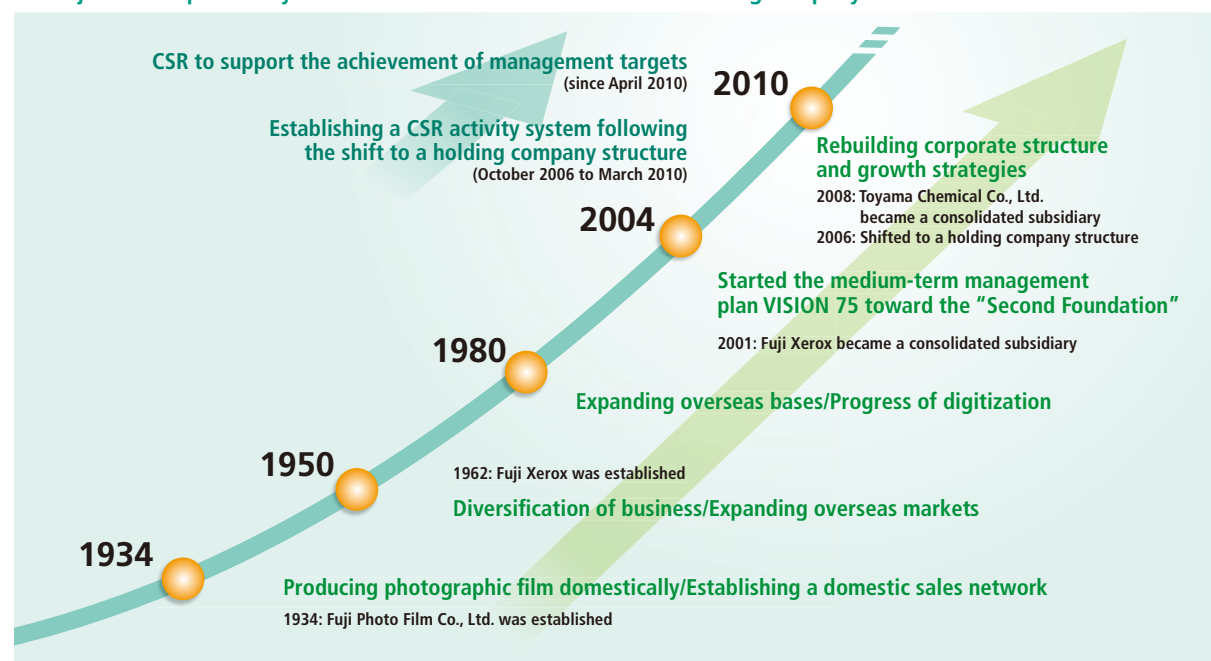
Led by the holding company FUJIFILM Holdings, the Fujifilm Group has strengthened the Group's strategic management and governance system for Group management and conducts business as a Group that makes clear social contributions. When shifting to a holding company system, we created a system for promoting CSR activities and specified various CSR policies such as our Green Policy (Environmental Policy) and Social Contribution Policy (see p. 46). These policies clarify the Group's CSR principles and values so that all employees can contribute to CSR activities. Building on the creation of the CSR system, we will tighten the link between CSR activities and our business, aiming toward achieving our management goals while fulfilling CSR and attaining sustainable growth together with society.

The Fujifilm Group's CSR issues are defined by (1) the significance of each issue to the Group and (2) the assessment of compliance with laws, regulations, social expectations and demands. These are reflected into planning by identifying priority issues as below.

Materiality of priority CSR issues



The Fujifilm Group's history and CSR activities after the shift to a holding company structure



Overview of the medium-term CSR plan

Priority Issues	Progress Made (as of 2010)
1. Promotion of anti-global warming measures	- Promotion of cross-group projects linked with energy cost reduction (efforts for energy-saving technologies at each site, horizontal deployment, etc.) - Promotion of a green lifestyle in the workplace and home, using a CO ₂ visualization tool under the awareness project entitled "ICE Project" (CO ₂ emissions reduced by approximately 800 tons)
2. Promotion of Design for Environment (DfE)	- Improvement of awareness for an environmental consciousness by revising the Goal Setting Sheet for Design for Environment (DfE) - Survey the degree of awareness for Design for Environment (DfE)
Effective use of resources	- Cross-site efforts for producing valuable products from waste oil and reducing waste disposal (7 factories*) * Kanagawa factory (Odawara and Ashigara), Fujinomiya factory, Yoshida-minami factory, FUJIFILM Opto Materials, FUJIFILM Electronic Materials, and FUJIFILM Finechemicals Hiratsuka factory
Biodiversity conservation	- Confirmation of the effect on the eco-system by investigating land usage at our domestic and overseas sites - Expansion of Design for Environment (DfE) with additional evaluation items for biodiversity conservation - Awareness program for employees and their families implemented across the Fujifilm Group
3. Improvement in chemical substances management	- Provision and disclosure of information on a product's chemical substance - Promotion and participation in activities to communicate and create mechanisms for information on chemical substances that crosses industries
4. Promotion of social contribution activities linked with main business	- Begin reviewing plans for research and human resource development - Provision of educational materials for partially-sighted children using the printing business
5. Quality improvement in compliance and risk management for the entire Group	- Promotion of the Global Code of Conduct and risk management activities including information security - Enhancement of a compliance system for the laws and regulations of foreign countries - CSR procurement in cooperation with vendors, using the Self-Check Sheet

Promote CSR that support the achievement of management issues by strengthening cooperation between the Fujifilm Group business companies.

Achieve business growth and reduce environmental impact, and aim to further improve CSR brand value.

Medium-term CSR plan for achieving sustainable development

At FUJIFILM Holdings, since 2010, we have been implementing our medium-term CSR plan of promotional policies and priorities in efforts to achieve the objectives set out in our Management Plan. The medium-term CSR plan aims at achieving both business growth and environmental impact reduction as well as increasing the brand value of our Group companies through promoting CSR. The plan is based on increased cooperation between the Group companies, and we are committed to the three promotion policies and five priorities established. Our CSR activities aimed at contributing to the achievement of our management targets have been steadily making progress. In 2010, we addressed our priority issues with actions linked to our business, for example, by promoting anti-global warming measures and the environmental advantages of our products, through efforts to develop energy-saving technologies at each site and subsequent horizontal deployment of the results.

VOICE



Develop a target based on overall CSR plans

Mr. Hiroshi Ishida
Executive Director
Caux Round Table – Japan

Efforts to achieve CSR management by developing and steadily implementing a medium-term CSR plan last year are commendable. For that reason alone, clearly outlining directions and activities in the three-year medium-term CSR plan roadmap will further increase transparency.

The Fujifilm Group will play a part that will transform social structures by being one step ahead of the curve. My hope is that Fujifilm will continue to create new values by focusing on long-term perspectives and be a company that engages the stakeholders.

Climate Change Measures

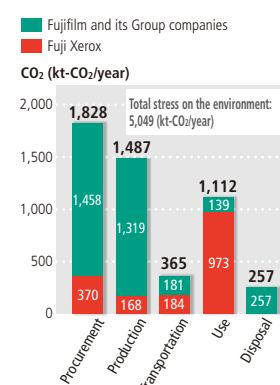
High environmental quality contributing to customer satisfaction and reduced stress on the environment

We aim to satisfy each of our customers and attain sustainable development in our companies and society by achieving high environmental quality in our products, services, and business activities.

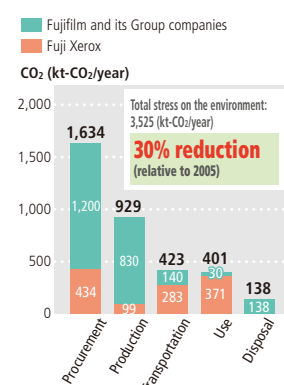
The Fujifilm Group's long-term goal for anti-global warming measures

In April 2010, the Fujifilm Group set its long-term goal to reduce CO₂ emissions by 30% by 2020 (relative to the 2005 level) for the entire life cycle of its products. Efforts to reduce CO₂ emissions from corporate activities are not limited to business operations, but are extended to the entire life cycle of the products and services (from the procurement of raw materials to the production, transportation, use, and disposal of the products). We will reduce CO₂ emissions to less than 3.525 million tons per year by 2020 from 5.049 million tons per year in 2005 (the base year).

Actual performance of the Fujifilm Group in 2005 (base year)



Goal of the Fujifilm Group for 2020 (target year)



CO₂ emissions in 2010 (for the entire life cycle of products and services)

The quantity of output produced in 2010 was larger than that in 2005 (the base year) due to corporate efforts and the recovering economy. As a result, we were not able to avoid an increase in CO₂ emissions from the procurement of raw materials and the transportation of the products, but we were able to reduce CO₂ emissions from the production of the products by promoting energy-saving measures and other factors. Also, despite increased product sales, we were successful in reducing CO₂ emissions from the use of our products as we developed hybrid machines with low power consumption.

For details on CO₂ emissions in 2010 and core measures for reducing CO₂ emissions, please see p.62.

Anti-global warming activities that employees introduce at home

Since 2008, Fujifilm has engaged in the ICE* project. The project is for the employees of Fujifilm and its Group companies and their family members, and aims to reduce CO₂ emissions both in the workplace and at home. The project encourages their participation in the Million People's Candle Night in which each participant suggests a concrete way to reduce CO₂ emissions and raises awareness. We expect individual participants in the project to become interested in issues for protecting the global environment such as global warming and increase their environmental awareness by receiving information on environmental issues daily through the project activities.

In the workplace, the project promoted CO₂ emission reductions in a wider range of activities and raised environmental awareness by extending, in 2010, the coverage of the program for safe eco-driving (see p. 18) to include not only company vehicles, but also the cars that employees use for commuting. For employees' homes, a campaign, the ICE Challenge, was held for employees and their family members for the 3-month period between July and September. The campaign encouraged employees and their family members to become strongly interested in the global environment and to make their individual lifestyles environmentally friendly. In 2010, the amount of CO₂ emissions reduced reached around 800 tons. In 2011, in response to the country's critical situation regarding the electricity supply, the activities focused on energy conservation efforts to curb households' total electricity consumption and peak electricity demand during the summer.

At Fujifilm, we believe that activities such as these carried out by each and every employee will contribute to building a sustainable society.

* ICE: Ideas for a Cool Earth

Significantly reducing CO₂ emissions with IH fusing technology

Fuji Xerox has developed its original IH (induction heating) fusing technology which dramatically decreases the time for office copiers and multifunction devices to start up or to resume from the energy-saving mode. The company replaced halogen lamps—the traditional heat source for fixing the toner onto paper—to IH. Also, a thin copper film, which can heat up easily, is used as heat generator. As a result, the start-up time of the fusing device was reduced from approximately 40 to 3 seconds, fastest in the world. The EA-Eco toner, which fixes onto paper at about 20 degrees Celsius lower, also contributes to the drastic reduction in start-up time. This rapid heating not only increases convenience, but also saves a significant amount of energy as it no longer requires preheating in the standby or energy-saving mode.

Besides the IH fusing technology, various other technologies unique to Fuji Xerox are used to reduce energy consumption, as seen in the adoption of high-luminosity white LED for the light source for image scanning. As a culmination of these technologies, 11 models of 8 product lines were released in 2010.

The reduction in power consumption realized by the printers and multifunction devices sold by Fuji Xerox in 2010 is 1.06 million tons CO₂ equivalent.* Thus, we will continue to strive in our research and development efforts to reduce CO₂ emissions in the use phase of the product life cycle.



ApeosPort-IV C5570/C4470

* The comparison is based on the amount of electricity consumed for 5 years and is made against the products of the same class sold in 2000.

Please visit the following website for details on IH fusing technology.

URL http://www.fujixerox.com/eng/company/technology/i_h_fuser/

Visualizing the CO₂ emissions of each user

As mentioned above, Fuji Xerox has been implementing measures to reduce CO₂ emissions throughout the product life cycle. We also place emphasis on the development of applications that contribute to CO₂ emission reductions at customers' offices. As a result, we have developed and released SE-BizObject Environmental Burden Monitoring System, which visualizes the amount of CO₂ emitted by printing with office printers or multifunction devices and by consuming electricity for lighting or other purposes through power outlets.

The system uses the Fuji Xerox ApeosWare Management Suite and enables users to see the amount of printing done as well as the amount of CO₂ emitted by themselves

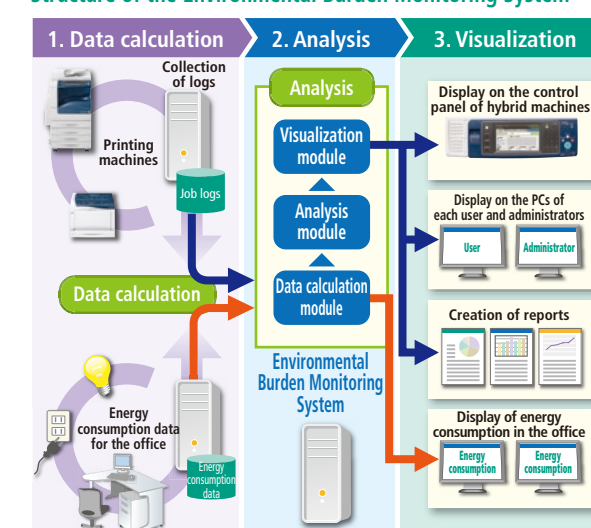
on the control panel of the device or a computer screen. Also, using information on electricity use from the power distribution board, the system can visualize the power consumption of other companies' products, lighting equipment, computers, and the office as a whole.

The system's capability to visualize CO₂ emissions raises environmental awareness and promotes reductions in printing costs and energy consumption.



Screen showing a personal eco level

Structure of the Environmental Burden Monitoring System



VOICE



Responding to social needs and expanding the boundaries

Mr. Takejiro Sueyoshi
Special Advisor
United Nations Environment Program Finance
Initiative in the Asia Pacific region

In order to tackle global-scale issues such as global warming head-on, individual companies need to extend the boundaries of their perspective from themselves and their Group companies to the whole region or society in which they operate. This is because an optimal situation for an entire company is only partially optimal from the standpoint of society or the world.

If that is the case, the environmental friendliness of products or services is realized only after they correctly reflect social needs. As people's values changed significantly in Japan, especially after the earthquake disaster, the companies that will grow in the future are ones that quickly extend such boundaries and listen to the true voices of society.

Promotion of Design for Environment (DfE)

Analyzing and Evaluating Environmental Burden throughout the Entire Product Cycle

To protect the global environment, we must not only reduce the environmental burden caused by our product production processes, but also analyze and assess this environmental burden throughout the entire product cycle, from planning to disposal.

The basic concepts of Design for Environment

When designing new products and upgrading existing ones, the Fujifilm Group strives to reduce environmental burden by following its "Basic Rules for Design for Environment (DfE)." Environmental goals that take into consideration the product's total life cycle are set at the early stages of product development, from the perspectives of the 3R (reduce, reuse, and recycle) concept, chemical substances contained, resources used, energy consumption, safety, compliance and other factors. When development is completed the degree of achievement of those goals is examined. Products that do not meet standards of environmental quality are not commercialized. In line with the "LCA Operational Procedures," we also conduct life cycle assessments of the environmental impact of our products, from the procurement, production, and distribution stages, through to the use, disposal, and recycling stages, and analyze their impact quantitatively and objectively.

Measures to conserve biodiversity by reexamining the evaluation items for Design for Environment

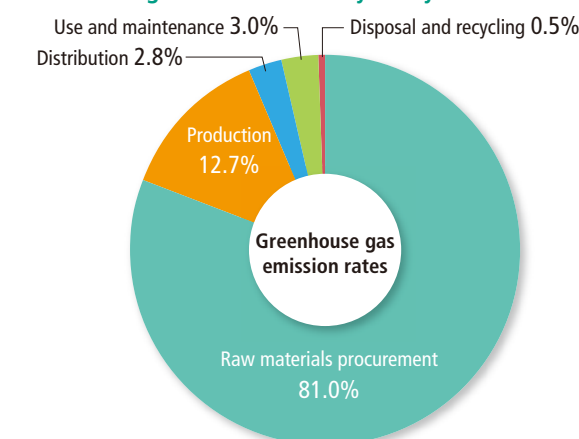
In order to raise awareness of the importance of setting environmental quality objectives and clarify the effectiveness of environmentally friendly activities, in 2010, we reexamined our evaluation items and revised the forms used during DfE. The revised content was proactively communicated to all employees by professionals from every department tasked to promote DfE. We will continue to use the revised forms to further reduce environmental impact in the future.

Early in February 2010, we incorporated items and commenced implementation of measures related to biodiversity conservation, an issue that is garnering attention worldwide, into the "Basic Rules for DfE," thus ensuring consideration for the issue from the product design stage. The Fujifilm Group conducts activities on an ongoing basis to promote awareness and understanding of biodiversity conservation among all employees.

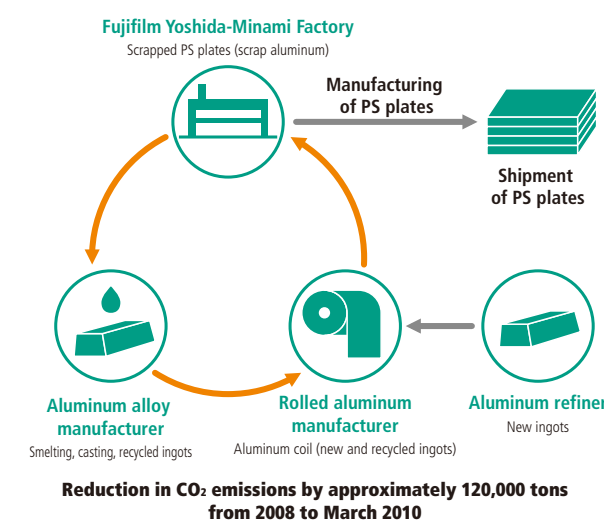
Reducing CO₂ emissions by recycling scrap aluminum

To reduce environmental burden, Fujifilm started recycling the raw material of PS and CTP plates, namely aluminum, used in planographic printing, which are main products in the company's graphic systems business. The process for refining aluminum consumes a large amount of electricity and thus emits large amounts of CO₂. Therefore, Fujifilm established a closed-loop recycling system for aluminum that results during the production process and which does not go into products, such as aluminum in samples and scrap aluminum. In the production of PS plates, the use of ingots from recycled aluminum is expected to reduce CO₂ emissions by 63%. The aluminum recycling system became fully operational in 2008 with cooperation from manufacturers of aluminum alloy and rolled aluminum. In 2010, the proportion of recycled aluminum used in PS plates reached approximately 10%. The closed-loop recycling reduced CO₂ by about 120,000 tons from 2008 through 2010. This is equivalent to two times the amount of CO₂ emissions from the Yoshida-Minami Factory where PS plates are produced.

Greenhouse gas emission rates by life cycle



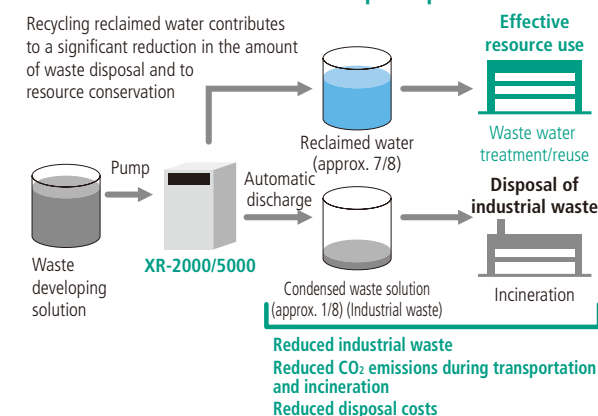
Closed-loop recycling of scrap aluminum



Introducing a system that reduces environmental burden generated by the printing process

In its development of the environmentally friendly thermal CTP system, ECONEX, Fujifilm reexamined the designs with the aim of reducing environmental burden, and based this reexamination on the concept of DfE that encompasses the entire product life cycle. With regard to the ECONEX XP Series thermal plates, raw material obtained from closed-loop recycling (in the form of ingots) is used at the raw material stage. At the use stage, the amount of developing solution required for refill has been reduced by up to 40% due to our rapid-dispersion development technology. At the disposal stage, the use of our XR-2000/5000 machines, which were developed to reduce the amount of waste developing solution produced, makes it possible to condense waste developing solution, which used to be incinerated, to one-eighth of its original volume and to make the remaining seven-eighths into reclaimed water which can be put to effective use. Our XR-2000/5000 machines are highly rated as machines that contribute to reducing the amounts of final industrial waste disposal of the newspaper printing and commercial

Scheme of the waste solution disposal process



printing industry. These machines also received the Technological Development Incentive Award from the Japan Newspaper Publishers and Editors Association. Moreover, the introduction of an LED laser into the thermal platesetters, Luxel PLATESETTER T-9900G, not only decreases CO₂ emissions at the use stage, but also increases the life of the platesetters. Throughout the life cycle of the product from raw materials to disposal, the ECONEX XP Series contributes to reducing the environmental burden of the printing industry.

Environmentally friendly compact LED printers, launched under a new marketing strategy

In November 2010, under a new marketing strategy, Fuji Xerox launched nine models of the new DocuPrint series —A4 single function/multifunction printers— including the DocuPrint CM205 b. The new series has realized class-leading levels of reduction in size/weight, and has introduced new-generation environmentally friendly features.

It boasts Fuji Xerox's renowned high-quality imaging while achieving lower cost by aiming for reduced size and weight to the limit. The number of initiatives to realize the size reduction include: 1. employed a high-resolution LED printhead that allows elimination of the optical mechanism of a laser printer such as a polygon mirror; 2. did not incorporate a main body frame while ensuring sufficient rigidity; and 3. utilized common parts so the number of parts can be reduced to an absolute minimum. Furthermore, all parts, including a photoreceptor, adopted long-life design, eliminating the need for parts replacement and space for servicing and maintenance. Equipped with the above features, this new printer series has secured a cost advantage in a competitive growth market.

Since this market requires the same level of quick response as in the IT home electronics market, manufacturing lead-time has been drastically reduced, as well as the timely and highly efficient SCM framework was established not to miss out on sales opportunities. Overall environmental impact has been reduced throughout the value chain not only by the product features such as increased energy efficiency and longer lifespan, but also by the compact size and lightweight body that contribute to lower environmental impact during distribution. Additionally, production time was reduced compared to earlier models by 44% for color printers and by 53% for black-and-white printers.



DocuPrint CM205 b, a new A4 color multifunction printer

Biodiversity Conservation

Minimizing the Negative Impacts on Biodiversity that Supports Our Life and Daily Activities

To realize a sustainable society, we must avoid or minimize negative impacts on biodiversity, which supports our life and daily activities, in the areas of food, pharmaceutical products, energy, and disaster reduction.

Biodiversity guidelines aimed at passing on the gifts of nature to future generations

Since its establishment, the Fujifilm Group has been acutely aware that all of its business has benefited from nature while at the same time impacting on it, and so has engaged in various environmental protection activities based on the belief that environmental consciousness and environmental protection are at the core of our corporate activities. As part of our efforts, in June 2009, we clarified our guidelines for cross-group efforts toward biodiversity conservation and created "The Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation" (hereafter "Guidelines for Biodiversity"). Both within and outside the company, we are engaging in initiatives for preservation and maintenance of the ecosystem, which we humans enjoy today, for future generations.

Fujifilm Group Guidelines for Biodiversity Basic concepts and action guidelines for biodiversity conservation

Basic Concepts

In order to create a sustainable society, we have a responsibility to sincerely address serious problems currently facing us to eliminate negative legacies being passed on to future generations.

Among these serious problems, including climate change issues such as global warming is biodiversity loss that is occurring at a critical speed due to destruction of ecosystems and extinction of various living species.

Biodiversity provides us with food, medicine, and energy while reducing the risk of disasters. It is the very foundation of our culture and art, supporting our life and daily activities.

As the Fujifilm Group's business activities are closely related to biodiversity, it is our responsibility to avoid or minimize negative impacts on it, by addressing its preservation and sustainable usage. In doing so, it is essential to take into consideration that we exist in a state of global interdependence and keep an international perspective when taking necessary actions.

Evaluation of the impacts of chemical substances on the ecosystem from a broad, long-term perspective

To participate in international efforts for producing and using chemical products while minimizing their risks toward people's health and the environment, the Fujifilm Group conducts its business with action guidelines that advocate risk reduction through improved management of chemical substances and the chemical content of products. The Safety Evaluation Center plays an important role in this regard.

To conserve biodiversity, it is necessary to understand the effects of chemical substances on the ecosystem. The Center received a certificate of GLP* compliance from the former Ministry of International Trade and Industry in 1986 and started tests to assess the ways in which chemical substances decomposed in the ecosystem

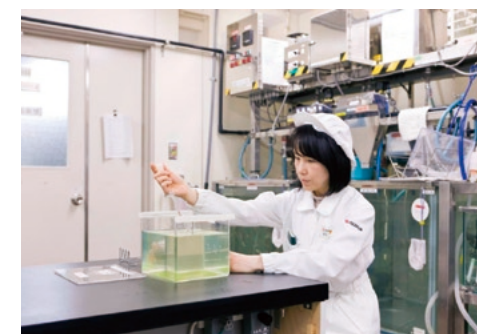
Action Guidelines

- ① To avoid destruction of biodiversity
Biodiversity is the "web of life." In business activities, the Fujifilm Group avoids or minimizes negative impacts on this web of life, and gives due consideration not to have anything to do with destruction of the web.
- ② To preserve biodiversity
In business activities, the Fujifilm Group strives to keep the natural environment healthy and diverse, considering environmental preservation that reflects the natural and social conditions of each local community.
- ③ To make best use of biodiversity
The Fujifilm Group adopts sustainable methods to use biological resources for business activities, based on a long-term point of view, in order to maintain biodiversity for future generations.
- ④ To act globally
The Fujifilm Group strives to recognize impacts on biodiversity to reduce environmental burdens in domestic and overseas value chain frameworks when performing business activities.
- ⑤ To meet social requirements
The Fujifilm Group complies with international laws and regulations regarding biodiversity, and values collaboration and harmony with public bodies, NPO/NGOs, and other companies.
- ⑥ To share information
The Fujifilm Group proactively discloses information on its activities relating to biodiversity. The Fujifilm Group also makes efforts to raise employees' awareness of biodiversity issues to improve the quality and effectiveness of the Group's activities for such issues.

or accumulated in organisms (carp). It has now accumulated a large amount of data from such tests. The Center also received a certificate of GLP compliance from the Ministry of the Environment in 2005, at which time it began testing the effects of chemicals on aquatic organisms (algae, daphnia, and fish) in the ecosystem and is currently studying various impacts on the ecosystem. Furthermore, in order to conduct assessments from a long-term perspective, we are considering introducing chronic toxicity tests that determine the propagation of aquatic organisms.

We will continue to contribute to the protection of the ecosystem and biodiversity by assessing the effects of the production and use of chemical substances on the aquatic environment and other parts of the ecosystem from a broad, long-term perspective.

* Certificate of GLP (Good Laboratory Practice):
Standards established regarding the organization, facilities and equipment, procedures, etc.
that a testing facility should have in order to ensure the reliability of test results.



A test using daphnia



We conduct a wide range of tests using aquatic organisms such as algae and fish.
(The photo is of a fish tank.)

Biodiversity-conscious land management at production sites

While Fuji Xerox was previously aware of the importance of biodiversity, its relevant activities were limited to requesting its paper suppliers to follow its rules on paper procurement, complying with laws and regulations, and preventing destructive impacts of deforestation on the ecosystem, and the voluntary participation of employees in activities to protect mountains near villages.

As the role of companies in conserving biodiversity became clear through, for example, the introduction of the Ministry of Environment's Guidelines for Private Sector Engagement in Biodiversity, we recognized the

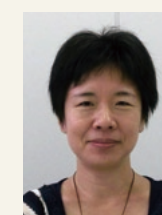
need for our active participation in this area. Judging that we needed to reexamine our efforts in this area, before fiscal 2010 we commissioned experts to make an assessment of our business from the standpoint of biodiversity conservation. The assessment revealed that we did not completely understand the land usage at our large-scale sites for production or product development. In response, we investigated the land usage at our domestic and overseas production/product development sites and checked for risks to biodiversity in fiscal 2010. Fortunately, the assessment found no operation-related risks that would disturb the ecosystem.

At the same time, it was suggested that we should contribute to the restoration of regional biodiversity by utilizing the land at our operation sites and use the assessment results to educate our employees. We are now creating guidelines for land usage so that each site can actively promote the conservation of biodiversity. Also, to avoid risks and contribute to the restoration of biodiversity from the standpoint of the entire supply chain, we are clarifying the actions to be taken toward biodiversity conservation and will aim constantly to improve them within the existing environmental management system.



Scenes from an assessment at the Suzuka site

VOICE



Seeing things in a broader perspective

Ms. Yumiko Tsuruda
"The Nature Conservation" Chief Editor
The Nature Conservation Society of Japan

Pure water is one of the most important natural resource for the Fujifilm Group. Biodiversity supports the environment in which pure water is found. In terms of environmental impacts of chemical substances, assessing the impact on aquatic organisms and maintaining a viable habitat will lead to supporting the foundation of those regions natural ecosystems.

Fujifilm will revive the regions' beautiful natural environment by breaking away from the perspective of Biodiversity as simply risk management. I hope that Fujifilm will communicate and provide this new value as part of the region's allure.

Management of Chemical Substances

Ensuring Sound Management of Chemical Substances for Environmental Protection and Safety

Considering environmental impacts and the safety of our customers and employees, we pay scrupulous attention to the management of chemical substances over the entire product life cycle, including the stages of production, use, and disposal.

Basic concepts of chemical substances management

In order to protect the environment and ensure safety, the Fujifilm Group rigorously manages chemical substances, declaring in its Green Policy (see p.66) that it ensures management of chemical substances that is one step ahead and the chemical contents of its products, and strives to reduce risks. We not only properly manage the chemical substances used at the production stage to prevent them from being carelessly released into the environment, but also reduce risks by assessing the safety of our employees at the production stage, the safety of our customers at the use stage, and environmental impacts at the disposal stage.

Taking advantage of the knowledge and experience that we have accumulated as a chemical company, we also actively contribute to society through various industry-wide efforts toward sound chemical management.

Assessing the safety of chemical substances, materials, and products at the Safety Evaluation Center

At its Safety Evaluation Center, an internationally recognized, GLP*-compliant facility, Fujifilm comprehensively evaluates the safety of various chemical substances, materials, and products that are developed or used. Established in 1975, the Center ensures the safety of products throughout their life cycle by conducting tests on a wide range of safety issues involving the global environment or people's health, at every phase from initial development to the preparation of products for market. These tests are also conducted for chemical substances used by Fujifilm and Group companies. The Center also conducts tests commissioned by external organizations such as government agencies and contributes to society by properly functioning as a GLP facility.

In recent years, as business expands into the areas of high performance materials and health care, we have improved the technologies used in safety evaluations, which involve environmental impact testing, toxicity screening, toxicity mechanism analysis, and forecasting based on quantitative structure-activity relationships for toxicity. We are taking full advantage of improvements in such technologies in the development of safe products.

* Good Laboratory Practice (GLP): Standards established regarding the organization, facilities and equipment, procedures, etc. that a testing facility should have in order to ensure the reliability of test results. For tests related to the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, the Safety Evaluation Center is certified for GLP compliance by the Ministry of Economy, Trade, and Industry, the Ministry of Health, Labour, and Welfare, and the Ministry of the Environment.

Representative tests conducted at the Safety Evaluation Center

Purpose	Evaluation items
Development of safe chemical substances	Toxicity screening (cytotoxicity test, gene expression analysis, etc.); analysis of toxicity mechanisms of chemical substances based on toxicokinetics analysis; quantitative structure-activity relationships for toxicity (QSAR)
Occupational safety	Ames test; chromosome aberration test; acute toxicity test (oral, dermal); skin irritation test; skin sensitization test; explosiveness test
Product safety	Acute toxicity test (oral); skin irritation test; eye irritation test; skin sensitization test; Ames test
Compliance with laws and regulations	Bio degradation test; bio concentration test; partition coefficient test; Ames test; chromosome aberration test; repeated dose toxicity test, ecotoxicity test (algal growth inhibition test, Daphnia acute immobilization test, fish acute toxicity test)

Disclosure and provision of information on chemical substances, participation in developing the framework

Fujifilm began offering JAMP MSDSplus and JAMP AIS, a common data format recommended by JAMP (Joint Article Management Promotion-consortium), a cross-industry organization, since 2008.

JAMP was established in 2006 to communicate information on chemical substances in products throughout the supply chain. Fujifilm has been a member since the consortium's foundation and has been actively participating in the development and dissemination of the framework for smooth communication on a global scale.



Webpage that presents the product safety data sheet



Product safety data sheet

In 2010, we started providing JAMP MSDSplus through JAMP-IT, an information system established for the purpose of communicating information on chemical substances smoothly between companies.

We also expanded information on chemical substances disclosed in our website by revising MSDS (Material Safety Data Sheets) of all our chemical products which conform to GHS (Globally Harmonized System of Classification and Labeling of Chemicals).

We will continue our efforts to ensure the highest level of safety for chemical substances by participating in development of the framework to communicate information throughout the supply chain while expanding and improving the chemical substances information we offer and disclose.

Strict chemical substances management based on unified management standards

At Fuji Xerox, we strictly manage the use and storage of chemical substances, taking into account both the work environment and the natural environment. In 2008, we

Safety classification

Classification category		Main criteria	Type of management
C0		- Class 1 designated chemical substances, substances whose production is prohibited, designated toxic substances, substances whose use is prohibited in the production process under internal standards, etc.	Use prohibited
C1	↑	- Substances subject to voluntary reduction - Class 1 monitored chemical substances, hexavalent chromium, dichloromethane, formaldehyde, etc.	Use canceled, or reduced use or emissions
C2		- Group 1 designated chemical substances, IARC group 1, internal group 1 mutagenic substances, greenhouse gases, etc.	Sealed, or limited management
C3		- Acute toxicity, internal group 2 mutagenic substances, internal-rank sensitizing substances, etc. - Substances subject to environmental safety laws and regulations (category 1 substances)	Management based on risk assessment
C4		- Substances subject to environmental safety laws and regulations (category 2 substances)	General management
S		Substances (endocrine disruptors, etc.) with potential risks in the absence of established laws, regulations, and methods for evaluating the degree of hazards	Use of substitutes; reduced use, emission, or exposure

revised our "Rules for Management of Chemical Substances" and unified the safety categorization of chemical substances so that we were able to manage them seamlessly with Fujifilm. The "Rules for Management of Chemical Substances" contain provisions on risk assessment for chemical substances, on the evaluation of environmental risks and safety risks, and on accident response and risk management. Moreover, chemical substances are managed in a uniform manner by Fuji Xerox and other Group companies, both in Japan and overseas.

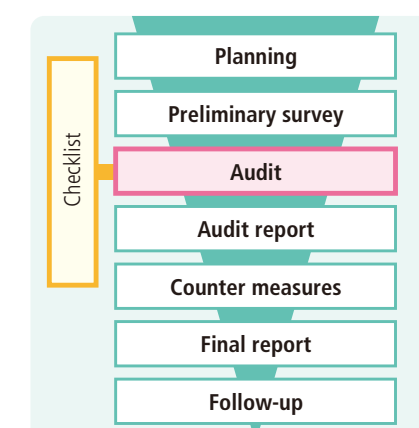
Evaluating chemical substances management to strengthen the chemical substances management system

Fuji Xerox audits chemical substances management at its domestic and overseas sites for production or product development every 3 years. In 2010, 6 domestic production sites were audited; in 2011, 6 overseas production sites are scheduled for audit.

Commissioned by the Corporate Audit Department, personnel from the Environmental Management Department as well as from each operation site conduct an inspection of chemical substances management. This joint audit system is intended to provide opportunities for mutually identifying aspects that are preferable or are to be improved.

Based on the Rules for Management of Chemical Substances, the evaluation items include whether the chemical substances management system is administered and maintained properly, whether risks are assessed and reduced, and whether pipes are set above the ground and are double-layered. The audit results are reported to the managers of the inspected site as well as the President and other relevant Board Members and are utilized to enhance safety from a systemic standpoint.

Chemical substances management process



(From the chemical substances management audit bylaws)

Social Contribution Activities: Contributing through Our Main Business

Social Contribution that Responds Sincerely to the Demands and Expectations of Society

We contribute to society through our business operations, cooperate with local communities as a responsible corporate citizen, cultivate the minds of children who will lead the next generation, and promote the sustainable development of society.

Basic principles of social contribution activities

The Fujifilm Group contributes to society through its business operations, actively gets involved in local communities, and pursues activities that contribute to the sustainable development of society.

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.

Cooperating with local residents for ground water protection

Clean water is essential to the production of various types of film and, ever since its establishment, Fujifilm has operated based on the belief that environmental consciousness and environmental protection are at the very core of corporate activities. As water and air are nonsubstitutable and limited resources, we continue actively to use water-saving equipment and take other water-saving actions at each operational site.

As one of these efforts, Fujifilm Kyushu has actively become involved in a tree-planting operation (*Hikari no Mori*) which has contributed to groundwater protection. In 2010, Fujifilm Kyushu started collaborating with local farmers in Minamiaso in activities to further protect groundwater. The amount of water seeping into the ground is increased by the farmers keeping water in their paddy fields throughout the year. This not only leads to groundwater recharge business but also leads

to contribution in terms of preserving the landscape.

We will continue to promote various efforts to protect water, a resource which is essential to Fujifilm's business operations, and to contribute to the local community.



Fujifilm Kyushu employees, their families, and farmers participated in the Paddy Field Help Team, which is part of the groundwater recharge business.

Supporting the production and stable supply of large-print textbooks

Visually impaired students in elementary schools and junior high schools in Japan are provided with large-print textbooks produced by volunteer groups and other entities. Fuji Xerox collaborates with volunteer groups to make large-print textbooks steadily available to students. This activity started with making color copying machine at some of our offices in Kanagawa Prefecture available free of charge in 1989. It was subsequently expanded to a company-wide activity as it is a social contribution activity that takes advantage of our main business and is feasible for many offices to run. In 2010, 40 sites of 21 companies (Fuji Xerox and domestic affiliates) participated in the activity. Outside Japan, a sales company in China has started supporting production of large-print textbooks in Beijing. We will continue to offer our support to building a more efficient environment, from production to distribution, with the goal of providing large-print textbooks to all visually impaired children and students.



Volunteers at work

TOPICS

Efforts towards the early detection, diagnosis, and treatment of cancer

Encouraging employees to receive cancer screening

Despite having a cancer rate that is among the highest in the world, the screening rate for cancer in Japan is low among OECD member countries. At Fujifilm, led by our Medical Business Division, we have created the Project Team for Promoting Cancer Screening to improve the cancer screening rate among our employees. We also actively engage in activities relevant to cancer screening. In 2010, we expanded the effort to cover Fujifilm and other Group companies, started an intranet project for our employees called "Go Receive Cancer Screening!" held various awareness programs, such as seminars for employees on cancer, and promotional programs, and engaged in a variety of other activities designed to improve the cancer screening rate. Our efforts toward the early detection, diagnosis, and treatment of cancer also include preparing in-house medical services that utilize a bus equipped with cancer screening tools. With regard to breast cancer in particular, since the mammography machine is one of Fujifilm's main products, we subsidize screening for women's cancer (breast cancer, cervical cancer) as part of our Cancer Awareness Program which has been running since 2003.

As a company offering advanced medical instruments and systems, not only the rate of screening, but also the accuracy of screening is important to us. For gastric cancer, we recommend endoscopic screening rather than X-ray screening for early detection, and the company covers the cost difference. For breast cancer, using double reading and other methods, we will keep seeking to improve screening accuracy.

We aim to achieve screening rates of 90% for pulmonary, gastric, bowel, and breast cancer and 50% for cervical cancer by the end of 2011. We will continue to expand our activities to other Group companies to enhance all of our employees' quality of life.



Cancer seminar

Promoting the Pink Ribbon Movement in Japan and overseas

Fujifilm promotes increased public awareness of breast cancer through the Pink Ribbon movement.

At the Fujifilm Senior Championship golf tournament held by the Professional Golfers' Association of Japan and sponsored by the Fujifilm Group, all players and staff members wore a Pink Ribbon badge during the tournament to raise cancer awareness. At the tournament site, we set up trucks equipped with screening tools for breast and gastric cancer with help from a local health care provider and provided a cancer screening service to those who wanted it. Besides such events, we continually raise awareness of cancer by distributing the "Breast Cancer Handbook" and Pink Ribbon promotional items both in and outside the company. We also actively promote the Pink Ribbon movement overseas.

As part of our activities outside Japan, we have started fund-raising activities for the National Breast Cancer Foundation in the United States, launched a Spanish website for breast cancer awareness, and sold pink digital camera sets for charity. In China, we have actively promoted the Pink Ribbon movement by holding seminars on breast cancer. As these examples show, our efforts extend well beyond our national borders.



Mammography screening truck



Educational booklet "Cancer Screening Recommendation"

Social Contribution Activities: Contributing as a Corporate Citizen

Thirteenth Annual Volunteer Work Program for afforestation in China

The Fujifilm Labor Union actively engages in social contribution activities of its own. A representative example is the volunteer work for afforestation in China undertaken each year by the Green Volunteers since 1998. In 2010, ten participants from the labor union planted or pruned trees in the Horqin Desert in Inner Mongolia in China, collaborating with FUJIFILM (China) Investment and the NPO Green Network. In response to opinions expressed at a stakeholder dialogue held in 2009, the volunteer work in 2010 was held during the summer vacation period so that employees could easily participate. The labor union is also involved in various other activities including protection of mountains and Operation Green Aid which works to realize clean local communities.



Relocation of Fuji Xerox Art Space

Fuji Xerox Art Space was relocated from the Tokyo Midtown headquarters to the Yokohama Minato-mirai office in May 2010. It exhibits to the public Fuji Xerox Print Collection as common property of society. The number of visitors following its relocation was 2,546 for 2010. We will continue to provide a place for local residents and others to enjoy world-class artwork, to promote understanding of art and culture, and contribute to society through art.



Ben Shahn "Notebooks of Malte Laurids Brigge" exhibition

Improving townscapes through greater communication with local residents

Employees of the Toyama Chemical Toyama office plant tulip bulbs and sow seeds of cosmos and other flowers in the flowerbeds next to the office's nearest tram station, Toyama Light Rail's Shimo-okui Station. Since 2006, this has been done throughout the year in cooperation with members of the Toyama City Association for Trees and Plants, school teachers, and students. The activity has led to greater communication with local residents. The flowers can be enjoyed by local residents and tram passengers.

The contributions this activity made to the revitalization of areas along the tram line were recognized with the award of a certificate of appreciation from Toyama Light Rail at its fifth-year anniversary in April 2011.

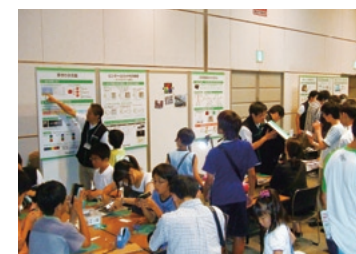


Toyama Light Rail and flowerbeds

Social Contribution Activities: Cultivating the Minds of the Next Generation

The mystery of light explained to junior high and high school students

As a cooperative participant, Fujifilm exhibited at the Kanagawa Science Fair for Junior High and High School Students held in July 2010. The event was jointly held by Kanagawa Prefecture and a local science/engineering-oriented university to encourage the students to stimulate their interest in and deepen their understanding of science and engineering fields. Under the title "Visual Wonders: Let's Explore the Mysteries of Light," Fujifilm explained phenomena associated with everyday items, such as an LCD and 3D photos, while performing some experiments.



Supporting the Fifth Minami-aso Ehon No Kuni Anniversary Festival

Fujifilm Kyushu supported the fifth anniversary festival of Minami-aso *Ehon No Kuni* (Minami-aso Land of Illustrated Books) with which it entered into a "peace treaty" in 2006 as its first partner. Cherishing an illustration-book-like world and childlike sensitivity, Minami-aso *Ehon No Kuni* aims to create culture and communities where children can safely live in the future. We set up a Photo Illustration Book Booth and helped 90 people from 25 families create original illustration books with photographs instead of drawings. We will continue to support making opportunities for communication in families and communities which surround children.



Cultivating the minds of the next generation with the Kids' ISO Program

The Kids' ISO Program run by NPO ArTech (the International Art and Technology Cooperation Organization) provides environmental education to children. Children have instincts

about their surroundings and the program aims to stimulate their awareness of various issues and teach them approaches to solving problems based on the Plan-Do-Check-Act (PDCA) cycle.

Fuji Xerox agrees with the purpose of the program, offers lessons at elementary schools in Minami-ashigara City in Kanagawa Prefecture in cooperation with local government and companies, and trains volunteers. In 2010, at elementary schools in three areas in Japan, 460 students participated in the Kids' ISO Program.

Contributing to society through American football

The American football club team of Fuji Xerox, J-STARS, which moved up to the X League Division 1 in 2010, actively engages in social contribution activities through sports. In 2010, the team participated in the Special Olympics* and track and field practice sessions for Japan, Hyogo, and Kobe program (Branch). They also participated in *Fureai Natsu Matsuri 2010* (Summer Festival for Rapport 2010) where children have the opportunity to engage with a diverse range of people in society.

* Special Olympics: an international sports organization which, throughout the year, provides sports training to people with intellectual disabilities and holds athletic competitions where they can show the results of their training.



VOICE



Supporting cultural activities around the world

Ms. Naoko Yoshino
Executive Director
NPO Kyozon no Mori Network

Working together since 2004, I feel that the Fujifilm Group has made efforts in implementing various social contribution initiatives through business activities that support their main line of business, which is culture. I hope that these medium- and long-term plans will be addressed through these activities and more advanced communication be taken with stakeholders. Our activities are expanding from Japan into parts of Asia as well. What exactly is the quality of life that can correspond to the various cultures in Asia? We can contemplate this question together and link it to the expansion of social contribution activities.

Management System

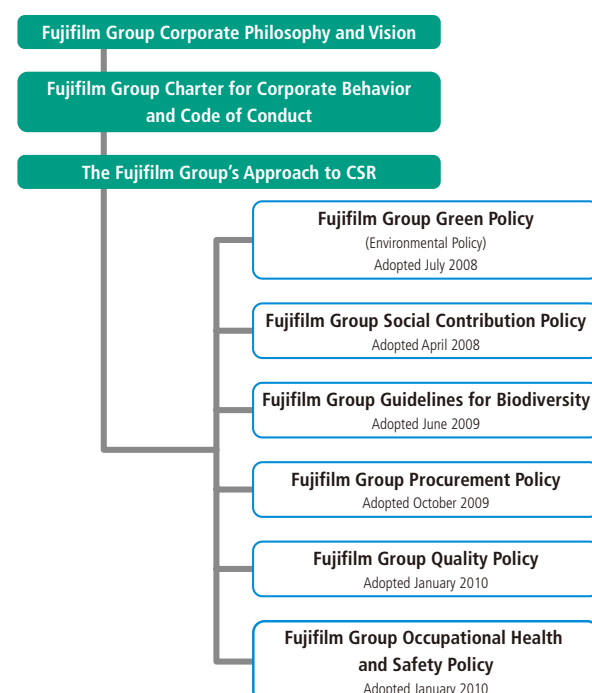
Policies and Rigorous CSR Management Based on the PDCA Cycle

Our goal is to contribute to the sustainable development of society by implementing our corporate philosophy and realizing our vision through sincere and fair business operations. To this end, we strive to improve product in all aspects of our business.

CSR Concept of the Fujifilm Group

The Fujifilm Group adopts a common corporate philosophy and a common vision, and states these concretely in the Group's "Charter for Corporate Behavior and Code of Conduct." We specify our approach to CSR (corporate social responsibility) in this way so that all employees can consider and implement CSR in their daily work. In order to concretize the belief that we should contribute to the sustainable development of society by implementing our corporate philosophy and realizing our vision through sincere and fair business operations, we set up, for each business, guidelines pertaining to the environment, contributions to society, biodiversity conservation, procurement, product quality, and occupational health and safety and we strive to follow them. We will continue to share the concept of CSR and our values within the Group and strengthen CSR governance.

Fujifilm Group Policies and Value System

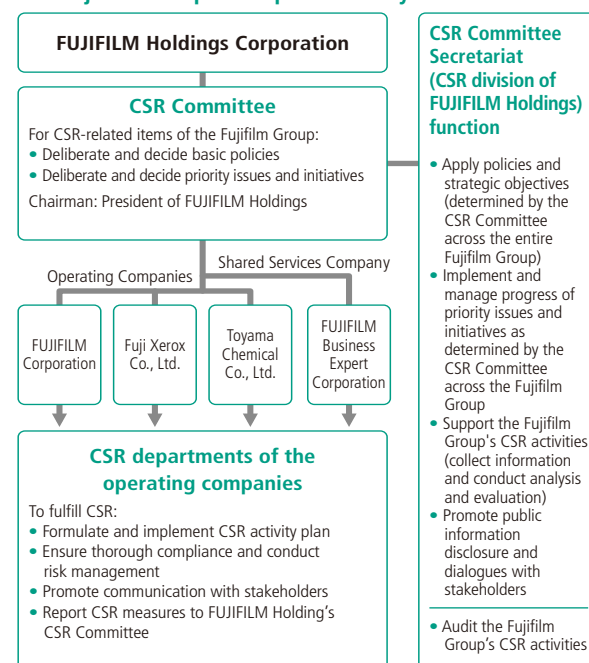


The Fujifilm Group's CSR promotion system

For the smooth operation of the entire Group's CSR activities, the Fujifilm Group established the CSR Committee chaired by the President of FUJIFILM Holdings in 2006. The Committee takes decisions to promote the CSR activities of the entire Group.

The CSR Department of FUJIFILM Holdings, which is the Secretariat of the CSR Committee, is responsible for ensuring rigorous CSR management by the Fujifilm Group. The CSR Department prepares the ground for various activities, makes relevant decisions, communicates with stakeholders, supports the CSR activities of Group companies, and audits the CSR activities of the entire Group. The CSR department in each Group company prepares and implements plans for CSR activities, strengthens governance by ensuring rigorous compliance and management of risks, communicates with stakeholders, and reports on activities to the FUJIFILM Holdings CSR Committee. The Group as a whole engages in CSR activities, following the PDCA cycle.

The Fujifilm Group's CSR promotion system



Promoting rigorous compliance at Fujifilm and its Group companies as a whole

Fujifilm and its Group companies define compliance, which forms the basis of CSR, as taking actions that follow common sense and that are ethical as well as abide by the law. Together with domestic and overseas Group companies, we promote rigorous compliance.

As a concrete measure, we have held an information session on compliance every year since 2003. Management-level employees attend an information session organized by the CSR Promotion Department. On returning to their divisions, they hold a meeting with their subordinates on compliance. In this way, all employees become aware of the importance of compliance. In addition, seminars on compliance for management-level employees have been continually held since 2004. As of 2010, approximately 130 seminars had been held with 4,000 attendees in total.

The effectiveness of such educational measures is checked through an annual survey of employees' awareness. In addition, to raise the individual employees' awareness of compliance, we have them sign the declaration of compliance found in the Fujifilm Group's "Charter for Corporate Behavior and Code of Conduct," which each employee carries. Information on compliance, sexual harassment, and help lines is also distributed in the form of a wallet-sized card so that employees can consult with someone at any time.

Fujifilm Group Compliance Statement

In all aspects of our corporate activities, we emphasize compliance and endeavor to create new value. If compliance requirements conflict with business profits or the demands of third parties, we give priority to compliance. An open, fair, and clear corporate culture is the basis for all our activities.

Using an integrated management system to improve operational processes

As business becomes ever more globalized, it is necessary to identify constant risks and improve business processes in order to keep fulfilling our social responsibilities which form the basis of our corporate philosophy. Aiming to increase the quality of all our operations, Fujifilm and its Group companies have standardized business processes and utilized an IMS* to continuously make improvements while using the PDCA cycle. With the IMS, we can improve the quality of operations, reduce negative impacts on the environment, and implement effective measures through removing inefficiency that would arise under multiple management systems, and evaluating our actions from the standpoint of stakeholders.

Since 2004, Fujifilm and Group companies have been joining the IMS step by step, and as of March 2011, almost all domestic organizations had already joined it. We intend to integrate standards further and to continue promote IMS-related activities focused on business performance.

* Integrated Management System: A management system that unifies multiple management systems used to deal with product quality, the environment, occupational health and safety, information security, and other issues.

CSR-compatible procurement to grow and make improvements with vendors

The Fujifilm Group created the Group Procurement Policy in October 2009 and evolved CSR-compatible procurement processes by adding social issue-related check points, such as corporate ethics, compliance, human rights, occupational health and safety, and social contribution activities, to the check points for corporate environmental assessment used in our green procurement procedures which were introduced in 2000.

In 2010, we asked 36 vendors to complete an online survey for self-checking CSR compatibility. It is our intention that by responding to the survey, vendors will deepen their understanding of our approach to CSR. Based on the survey results, we send an assessment report that points out each vendor's risks and issues to be improved, and request the vendors to improve certain aspects while maintaining others. In this way, we reduce CSR-related risks and raise the level of CSR management for the entire supply chain. To promote fair and open procurement for the entire supply chain, we will continue to reexamine the questions on the survey and increase the number of respondents.

Basic procurement concepts

As a responsible member of the international community, the Fujifilm Group seeks to contribute to the development of society and the enhancement of quality of life of people throughout the world by providing top-quality products and services. In order to achieve these objectives, we perform procurement activities based on the following basic concepts.

The term "procurement" in this policy refers to not only procurement of parts and materials used in products, but also procurement of indirect materials and various other transactions including the purchase of services for maintaining and managing equipment.

Please visit the following website for details on the Procurement Policy.
URL <http://www.fujifilmholdings.com/en/sustainability/vision/procure.html>

Human Resource Development at Fujifilm

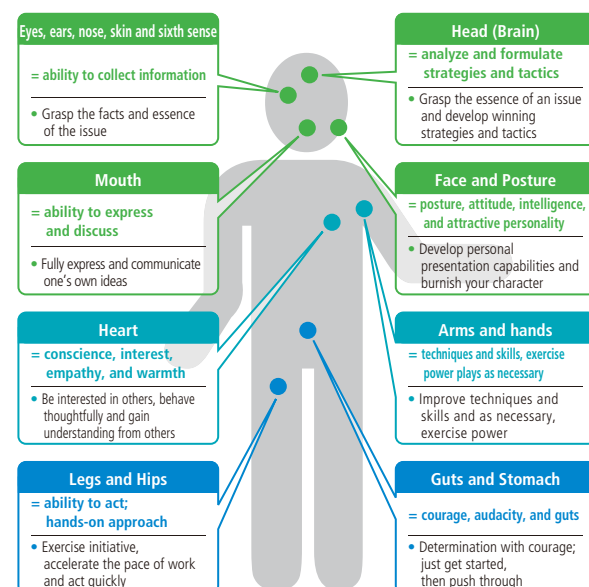
Fujifilm strives to develop human resources strategically in order to realize sustainable development of the company. The basic approach that we take in this effort is to create a virtuous circle: people grow through their work experiences; their growth brings them opportunities to work on more valuable projects; and experiences gained in such projects lead to further personal growth. To create such a virtuous circle, we class our employees according to seniority and qualification—young employees, mid-level employees, and management-level employees—and provide training to help them acquire the mental and business skills needed for their class of work. We also encourage our employees to develop their skills through work, by offering programs for different occupational types (engineering and administration) that are designed to strengthen their expertise.

In addition to such programs, in order to prepare our employees for further globalization of our business, we created in 2010 not only programs for an orientation seminar in which newly hired employees develop skills for debating in English and asserting their opinions, but also seminars for mid-level employees where they receive task formation and driving skills training. Through these seminars and programs, OJT*, and employees' self-improvement, we seek to have an ideal workforce.

In addition, we actively employ people with different experiences, of different nationalities, and retirement-age workers and offer regular employee status to non-regular employees, which contribute to our diverse workforce. Employees with different backgrounds influence one another: this also leads to improving their mind and business skills.

*On-the-job training

The ideal human resources at Fujifilm



Developing globally oriented human resources at Fujifilm

At Fujifilm, we aim to train our employees to become strong individuals who can survive in today's global society, and various efforts have already begun to achieve this goal.

Fujifilm encourages all its employees to adapt to globalization and is planning to implement two measures to improve their skills in order to accelerate global expansion of our business. First, we plan to create and improve mechanisms for promoting self-improvement and seminar programs so that each employee can gain the skills, including language skills, needed for global business. We have also strengthened a self-improvement program in which all participants aim to score 600 points or more on the TOEIC English examination, and have begun expanding or creating new seminars intended for training the skills needed for global business or training candidates for overseas work. These seminars are available to all employees who want to attend.

Besides the seminars, we are creating mechanisms to increase the number of employees with experience in overseas business, by operating "short-term theme" dispatch programs that range in duration from 1 month to 1 year, such as the International Trainee Program and the Short-term Overseas Dispatch Program. We administer these programs based on a plan which takes into account each employee's personal training plan and each department's training policy. These overseas dispatch programs are considered to increase opportunities for global interactions among employees and strengthen the capability of the Fujifilm Group as a whole.

Global business skills training

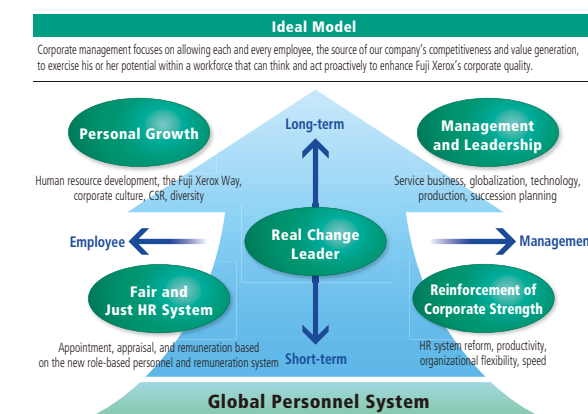
Name of seminar	Target	Content
Global communication skills training	All applicants	E-mail, report, presentation, negotiation, etc. in English
Lecture on global standards	All applicants	Approaches to global standards
Basic international business skills training	Candidates for overseas dispatch	Language skills, debating, business skills, business mindset, short-term training
International management training	Candidates for international management	Learning marketing, finance, strategy, organizational management, etc. in English
Overseas manager training	Candidates for overseas managers	Developing mindset and skills necessary for managing an overseas company (M&A, finance, liberal arts knowledge, etc.)

System for human resource development at Fuji Xerox

Fuji Xerox implements various measures for human resource development to enable individual employees to acquire greater skills independently and autonomously, and build a career from which they can recognize their own growth. Each year, employees are given an opportunity to create a "career development sheet" and think about their own career path. By developing their own multiphase growth path, they become more aware of their goals and start to efficiently acquire the skills necessary for their work.

In 2010, we revised the system for human resource development which is also in effect in other Group companies, reexamined the systems for human resource development for different occupational types, and established a system for promoting human resource development.

Human resource development pursued by Fuji Xerox



Developing globally oriented human resources at Fuji Xerox

As the Chinese market grows and our customers rapidly increase their overseas expansion, it becomes imperative that we develop the skills of our employees so they can conduct business globally. In 2010, Fuji Xerox strengthened its overseas business training program, which has been in place since 1974. We used to have only an 18-month course consisting of 6 months of language training and 1 year of work experience, but from 2011, a 30-month course for employees in sales will be introduced. This course will not only strengthen employees' cross-cultural skills, which are difficult to develop during a short-term program, but also develop the sales-related skills necessary for supporting our customers' global expansion. Also, in 2011, the number of employees sent abroad under the overseas business training program will be increased. We will continue to provide our employees with opportunities to gain overseas experience and increase the number of internationally minded personnel in the Group.

In 2011, we will also start inviting employees from Fuji Xerox (China) Limited and Fuji Xerox Korea Co., Ltd. to work with us. This initiative to work with overseas Group companies employees is intended not only to train international visiting employees, but also to improve the global business capabilities of the departments that accept them.

Priorities in developing globally oriented human resources

- Strengthening education for departments that particularly need to provide global responses

Developing a mindset necessary for conducting business (especially for (selected) core employees for global business); trial seminars for developing communication skills necessary for smooth business operation (presentation skills, business writing skills, etc.)

- Improving global business capabilities of young employees as a whole

Creating educational programs incorporating global viewpoints for the Seminar for New Employees held by Fuji Xerox and domestic Group companies as a whole and for the third-year and fifth-year seminars for common training

- Strengthening the global business capabilities of leaders of the next generation

Offering a seminar to develop the mindset and skills needed for managing teams composed of members from various nationalities and cultures and with different experiences, which is offered to (selected) managers anticipated to become future executives

- Improving management and business skills at overseas Group companies

Creating a mechanism for training multinational or multi-regional leaders of the next generation and strengthening problem-solving as well as sales management capabilities at overseas Group companies responsible for sales; creating an evaluation framework based on a program for improving management and product quality (Japan Quality Program)

VOICE



Aim in developing true globally oriented human resources

Mr. Toshiya Banno
Director of Strategy
Booz & Company Inc.

Within the Fujifilm Group's management system, I would like to give my opinion on their human resource development. Given the current situation where the Fujifilm Group has more than 50% of their sales outside Japan, the importance of communication and exchange between employees in Japan and other parts of the world is higher than ever. In the age where international human resources have now become more globalized, there is an urgent need for Japanese companies to develop human resources on a much larger scale.

CSR Activities Overseas

Fulfilling Social Responsibility in Overseas Markets and Enhancing Quality of Life through Various Businesses Activities

We will continue with our environmentally conscious business operations and social contribution activities in order to achieve sustainable development in cooperation with and through sincere communication with our stakeholders and others in various countries and regions across the world.

Streamlined Group message on the global website

Fujifilm is continually improving its website from a global perspective so that domestic and overseas stakeholders can understand about Fujifilm and Group companies fully and easily.

The websites of the Group companies in various countries used to be created and administered individually, but since 2006, we have promoted global website management and these websites have now been unified under the global website. This has led to the streamlining of the Fujifilm Group's message and has enabled us to disseminate the same information in 39 languages in 67 countries and regions. This marks an important step toward spreading the Fujifilm Group brand further. We will continue to improve not only access from the global website to websites for individual countries, but also the user interface so that users can quickly reach the information they want.



Contributing to improving diagnostic quality in clinical practice across the world

At Fujifilm, we have developed medical X-ray film since the company's establishment in 1934. We have also made significant contributions to improving health care quality and efficiency in diagnostic imaging since 1981 when we announced the world's first system that digitized X-ray images. In recent years, the needs of clinics in emerging countries to digitize diagnostic X-ray images have increased. In response to such needs, we introduced FCR PRIMA.* This reflects our commitment to excellent image quality, which is crucial for a diagnostic imaging system as it affects the life of the patient. Intended for use in clinics, this imaging system is small, inexpensive, and easy to operate. It was first released for BRICs and other emerging countries in May 2009, but it was also well received in Japan, the United States, and Europe. The number of systems currently installed is 8,000. Our target

is to sell a total of 40,000 small-sized systems during the 3-year period from 2012 through 2014.

* A compact digital diagnostic X-ray imaging system; FCR stands for Fuji Computed Radiography.



Digital diagnostic imaging system for clinics

Toward improving health care quality in Middle Eastern and African markets

Fujifilm had a booth at Arab Health (the largest general health care trade show in the Middle East and Africa) which was held in Dubai from January 24 to 27, 2011. We exhibited a wide range of our medical system-related products and services to more than 65,000 visitors and tried to expand our distribution network to potential customers in emerging countries with growing markets, such as India and Middle Eastern and African countries. Also, the day before the opening of Arab Health, we invited our distribution agents operating in the Middle Eastern and African regions to an agent meeting. Employees from local companies as well as employees visiting from the Tokyo headquarters participated in the meeting and emphasized the importance of raising the level of awareness to respond to changing customer needs while showing the company's seriousness toward emerging country markets. The meeting created a lot of team spirit among these members of the Fujifilm Group.



Scenes from the exhibition

Harnessing natural resources to reduce emissions and save company resources FUJIFILM North America Corporation, Hawaii Branch

The FUJIFILM North America Corporation office and distribution facility in Oahu, Hawaii recently completed the installation of a 1,455 module photo voltaic solar panel system. The solar installation will produce 483,391 kWh annually, which is equivalent to reducing CO₂ emissions by 1.11 million lbs per year or powering 66 households per year. It's also one of the top ten solar panel installations on the island of Oahu. The FUJIFILM North America Corporation Hawaii facility was chosen for the first installation due to the abundance of sunshine in the state, and to the fact that Hawaii has the highest electricity rates in the United States, as 90% of Hawaii's energy comes from imported petroleum.

The custom-designed system will provide virtually all the electricity needed to power the facility and will substantially reduce electricity costs. The facility will also take advantage of the utilities net energy metering program, where Fujifilm will put excess electricity generated back into the grid, resulting in retail credit. Most electricity meters accurately record electricity flow in both directions, allowing a no-cost method of effectively managing overflow electricity production.

Globally, Fujifilm has a greenhouse gas target set at 30% reduction in CO₂ emissions by FY2020, as compared to 2005. This project will reduce the greenhouse gas footprint of FUJIFILM North America Corporation by 1.85 %, and serves as a good example of activities being undertaken in North America to meet the global and local targets for CO₂ reduction.

"This project began in response to a corporate mission of energy conservation and greenhouse gas reduction, but it also will help us realize significantly reduced energy costs, and make the facility virtually energy independent," said Ray Hosoda, president and CEO, FUJIFILM North America Corporation. "With the urgency and concern about saving the environment and resources, this project is especially important to Fujifilm as we do our part in helping to preserve the lush, beautiful surroundings in which we work and live."



Inauguration ceremony with elected officials from the state of Hawaii (center: FNAC George Otsuka)

CSR Champion Program at distribution companies in Asia

At Fuji Xerox, we are strengthening the environmental and CSR activities of distribution companies in 12 countries and regions in Asia. As part of this effort, each distribution company certifies employees who understand marketing and are well informed on environmental issues as "CSR champions." CSR champions not only share brief information on the CSR activities of Fuji Xerox, but also exchange information among themselves. This raises the quality of CSR activities in each company and allows us to introduce our customers to the activities of all our companies and to build stronger customer trust. We will continue to share information on our progress in CSR activities with our CSR champions mainly through video conferences and through twice-yearly face-to-face meetings.



A workshop held in Singapore

Promoting awareness of global warming in Australia

In Australia, sustainability-related government regulations have been strengthened year on year and, in the market, customers have been increasingly emphasizing sustainability as a buying motive. Fuji Xerox Australia has not only improved its CSR education in its sales department, but has also started 2 communication campaigns targeting customers, entitled "The Paper Facts" and "Relevant, Responsible and Effective." The former provides information on the life cycle of paper, which is useful in selecting different types of paper; the latter distributes pamphlets containing guidance for keeping environmental burden low in producing a large quantity of printed output. Results and data obtained from these activities will be utilized by the CSR Division for solutions provided and campaigns will be conducted on a worldwide basis.



Promoting an internship program for securing skilled workers and providing employment opportunities in China

Fuji Xerox has offered a year-long visiting fellowship program (VFP) for graduate students, lecturers, and associate professors from major universities in China since 1998, accepting around 10 people each year. Altogether, there have been 112 fellowship recipients in computer science, mechanical engineering, and electrical engineering (19 of whom have been subsequently employed). The program started with the following objectives:

- Industry-academia collaboration with universities in China
- Promotion of mutual understanding through cross-cultural communication
- Internationalization within Fuji Xerox
- Support for the fellowship recipients' research and development work at a leading company

However, the following aspect has since become significant.

- Securing of skilled engineers

The fellowship recipients receive training in Japanese for 6 months and attend seminars on Japanese life, culture, and problem-solving methods: the program is designed to have them deepen their understanding of Japan. The program also provides an opportunity for Fuji Xerox employees to learn about cross-cultural mutual understanding through cross-cultural communications with the fellowship recipients in research and development work. We would like to explore ways to hire many capable fellowship recipients and to expand the program to include universities in other countries in the future.



A cultural tour to Enoshima as part of training

Promoting mental health care at Fuji Xerox of Shenzhen

The mental health of workers has become a significant social issue in China with its rapid global-scale economic growth. To improve the workplace environment for workers in such a social environment, since 2006, Fuji Xerox of Shenzhen has run an employee support program with help from NPOs and other organizations to eliminate cases of employees suffering from too much pressure or stress. Since newly hired employees who live in a dormitory for the first time in their life away from their family are especially prone to loneliness or pressure, we provide educational programs and mental health seminars to support them. Through these programs, we provide support for resolving their concerns by listening to their thoughts. As a result, communications with employees have improved. We plan to support each employee's wish for career development by offering, for example, a path to factory manager or procurement manager.

These efforts were introduced in a television program by CNBC (a U.S. news broadcaster) on CSR entitled "Responsible Business" in January 2011.



Seminar for staff in Shenzhen

VOICE



Strengthening product development outreach for BRICs

Mr. Hiro Motoki
Deputy Chief Executive
E-Square Inc.

It is easy to see that each business site of the Fujifilm Group is providing various activities based on the need of that particular region. While effective utilization of human resources is required for each region, I felt that careful attention and consideration were made for the employees and stakeholders that suited local circumstances.

It is my hope that Fujifilm, as a global company, will lead other Japanese companies in solving social issues, especially in the medical field, and strengthen product development outline for BRICs.

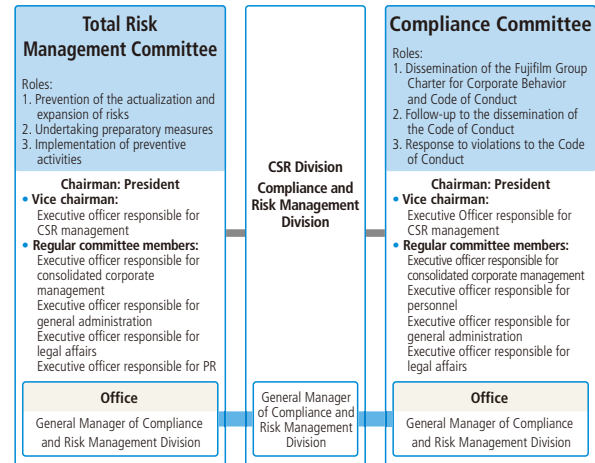
Data and Information

This section contains basic information on the Fujifilm Group's CSR activities and quantitative information on its personnel and labor affairs as well as environmental performance.

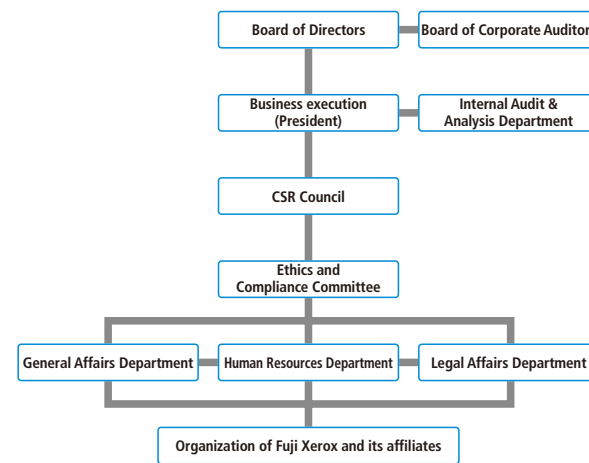
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Compliance and Risk Management

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	■ Establishment of the Code of Conduct Committee ■ Establishment of Ethics Consultation Desk and Sexual Harassment Hotline	■ Establishment of the Employee Code of Conduct	■ Release of Case Book Employee Code of Conduct
1998	■ Pledges submitted by all executive officers and division heads		
1999	■ Establishment of Corporate Ethics Committee ■ Establishment of a dedicated contact point for the Corporate Ethics Committee ■ Pledges submitted by all managerial personnel	■ Establishment of the Fujifilm Group Charter for Corporate Behavior ■ Establishment of the Employee Code of Conduct ■ Revision of the Employee Code of Conduct	■ Seminar on the Employee Code of Conduct ■ Start of corporate ethics training for executive officers and managers
2000	■ Pledges submitted by new managerial personnel ■ Start of risk reporting system		
2001			■ First implementation of compliance awareness survey ■ Survey conducted to confirm compliance with the Employee Code of Conduct by each division in Fujifilm and domestic affiliates (Implemented annually since then)
2002	■ Rename to Compliance Committee ■ Establishment of Compliance Office in the Legal Division	■ Revision of the Employee Code of Conduct	■ Start of education of ethics and information security
2003	■ Establishment of Compliance Consulting facility ■ Start of identification and management of key risk issues ■ Establishment of the Ethics and Compliance Committee ■ Establishment of the Corporate Ethics Helpline	■ Revision of the Employee Code of Conduct ■ Establishment of the Ethics and Compliance Management Regulations	■ Start of compliance information meeting (Implemented annually since then) ■ Start of compliance awareness survey (Implemented annually since then) ■ Start of release of compliance guidelines according to legal subjects
2004	■ Establishment of the Compliance and Risk Management Division (Reorganized Compliance Office in the Legal Division) ■ Expansion of coverage of Compliance Consulting to domestic affiliates	■ Revision of the Fujifilm Group Charter for Corporate Behavior ■ Establishment of Rules for Operation of Compliance Consulting Facility ■ Establishment of Rules for Operation of Corporate Ethics Helpline	■ Distribution of Compendium of Compliance Case Studies for managerial personnel ■ Start of case method training for managerial personnel (Implemented annually since then for newly-appointed managerial personnel) ■ Start of basic training on laws ■ Start of education of the protection of personal information
2005	■ Establishment of external consulting facility		■ Revision of Compendium of Compliance Case Studies ■ Start of study sessions for Compendium of Case Studies at each workplace (Implemented annually since then) ■ Distribution of CDs for education of the protection of personal information ■ Start of compliance activities at overseas bases
2006	■ Establishment of the FUJIFILM Holdings CSR Committee	■ Revision of Corporate Philosophy and establishment of Vision	■ Expansion of compliance awareness survey to domestic affiliates ■ Implementation of seminars for managerial personnel by external instructors ■ Implementation of case method training for managerial personnel at domestic affiliates by external instructors ■ Expansion of compliance information meeting to domestic affiliates ■ Introduction of programs for preventing illegal practices
2007	■ Proclamation signed by all employees ■ Identification and management of key risk issues expanded to domestic affiliates ■ Proclamation signed and submitted by all employees	■ Revision of the Fujifilm Group Charter for Corporate Behavior ■ Establishment of the Fujifilm Group Code of Conduct ■ Establishment of the ALL-FX Code of Conduct (Total revision of Employee Code of Conduct)	■ Distribution of Compendium of Information Security Case Studies ■ Distribution of Antimonopoly Act Compliance Manual ■ Introduction of web response method for Compliance Awareness Survey ■ Distribution of the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct ■ Distribution of English version of the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct ■ Distribution of the Fujifilm Group Code of Conduct Guidebook ■ Implementation of education on the Fujifilm Group Charter and Code of Conduct for managerial personnel at overseas subsidiaries ■ Start of ALL-FX Code of Conduct education ■ Distribution of ALL-FX Code of Conduct and ALL-FX Code of Conduct Guidebook
2008	■ Status confirmation and follow-up of compliance promotion education in overseas Group companies ■ Promotion of identifying and managing key risk issues in overseas Group companies ■ Establishment of Compliance and Sexual Harassment Helpline (Compliance Consulting Facility and Sexual Harassment Hotline are integrated) ■ Establishment of ALL-FX Compliance Helpline (Corporate Ethics Helpline and Sexual Harassment Hotline are integrated)	■ Establishment of Rules for Operation of ALL-FX Compliance Helpline ■ Establishment of Rules for Operation of Consulting Facility	■ Implementation of ethics and compliance awareness survey
2009			■ Release of revised Compendium of Information Security Case Studies
2010	■ Establishment of CSR Committee (Formerly Risk and Ethics Committee)		■ Introduction of e-learning regarding overall compliance issues (for newly-appointed managerial personnel)

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

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)	Business ethics, customer-orientation, confidential information management, etc. (by external instructors and CP & RM*)
	Once a year (Compliance information meeting)	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

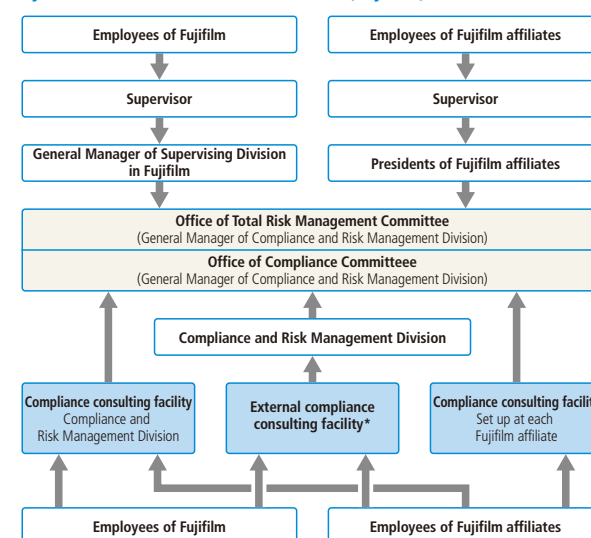
Acquisition of P-Mark and ISMS

Certification	Certified affiliates
P-Mark*1	FUJIFILM Medical Co., Ltd./ FUJIFILM IMAGING Co., Ltd./ FUJIFILM LOGISTICS CO., LTD./ FUJIFILM Techno Service Co., Ltd./ Fuji Xerox System Service Co., Ltd./ Fuji Xerox Learning Institute Inc.
ISMS*2	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./ Fuji Xerox Interfield Co., Ltd./ Fuji Xerox Prefectural Dealers 11 companies (12 offices)/Fuji Xerox of Shanghai Limited/ Fuji Xerox Korea Company Limited

*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.

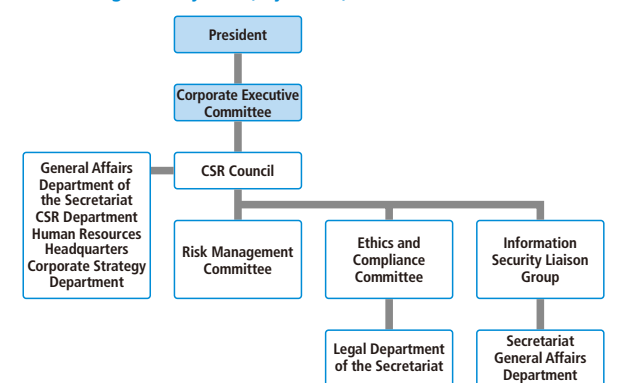
*2 ISMS: Certification regarding the overall management framework for information including personal information (Information Security Management System).

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 6 months.

Risk management system (Fuji Xerox)



Communication with Stakeholders, and the Labor Environment and Social Benefit Accounting

Communication with stakeholders

Employees

Employees play a central role in the promotion of the Fujifilm Group's CSR activities.

Methods for sustaining dialogue: Consultation Desks in the Personnel Department and personnel interviews; Compliance and Sexual Harassment Helpline; 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) and corporate environmental survey; Periodic discussion meetings with our suppliers; Operating a materials procurement website

Local communities

We believe that symbiosis with local communities and preservation of the natural environment are key elements of our CSR initiatives, especially at product manufacturing sites. We, therefore, actively promote communication with local communities.

Methods for sustaining dialogue: Consultation Desks at each of our factories and offices (for responding to inquiries); Meetings related to environmental policy; Factory visits; Volunteer activities in local communities; Lectures and information meetings for community members; Periodic discussions with local governments (municipal governments and mayors, leaders of local government organizations, and others)

Shareholders and 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 both 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

Our transaction partners are vital to our efforts to create new value, and we work closely 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; Participating in exhibitions, events, and academic meetings

NGOs and NPOs

We provide continuing support for NGOs and NPOs that engage in educational and awareness activities for environmental conservation.

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; CS survey, VOC system, Photo contests, photo exhibitions, and photography classes; Events, exhibitions, and seminars

Future generations

We believe that one of our most vital social responsibilities is to conduct educational activities for the coming generations who will be responsible for the future of our planet. Consequently, we are placing special emphasis on educational support activities.

Methods for sustaining dialogue: Providing instructors for 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: Participating in the creation of industry guidelines; Making statements to the public through industrial associations; Pink Ribbon Campaign, joint research with hospitals and universities, and sponsoring of lectures

Labor environment and social benefit accounting

Expenditures made for improving working conditions and for socially beneficial activities for different stakeholders are summarized here. Efforts are made to create a worker-friendly environment through expanding educational seminars, ensuring the safety of facilities and equipment, and supporting mental healthcare programs. The expenditures on promoting culture and the arts in society include expenses incurred by Fujifilm Square, which preserves and disseminates photographic culture, and running photo contests. Contributions to the international community include relief materials, such as clothes and tools for protection against the cold, which were provided when a major earthquake struck China's Qinghai Province in April 2010.

The survey for the last fiscal year lacks information on some Group companies because of the Great East Japan Earthquake that occurred in March 2011.

Period covered

Fiscal year 2010 (April 1, 2010 to March 31, 2011)

Range of information sources

The 69 domestic companies in the Fujifilm Group (FUJIFILM Holdings, FUJIFILM Corporation and 19 affiliates, Fuji Xerox and 46 affiliates, and Toyama Chemical)

Basic items

Objectives of labor environment and social benefit accounting

These accounts allow the Fujifilm Group to maintain its activities for improving employees' working environments 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 summed 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.

Breakdown of labor environment and social benefit accounting

(million yen)

Stakeholder	Goal	Total costs	
		Fiscal 2009	Fiscal 2010
Employees	Health and safety	1,540	1,197
	Personnel training	1,112	2,449
	Protecting diversity	1,976	339
	Creating comfortable workplaces	1,569	1,381
Customers	Appropriate customer response and safety	572	459
Future generations	Education for future generations	5	1
Local communities and government	Harmony with local communities	122	78
	Promoting culture and the arts in society (Japan)	1,221	963
International community	Considerations for the international community and international cultures	105	29
NGOs, NPOs	Cooperating with NGOs, NPOs	56	33
Suppliers	Considerations for products	51	67
Total		8,329	6,996

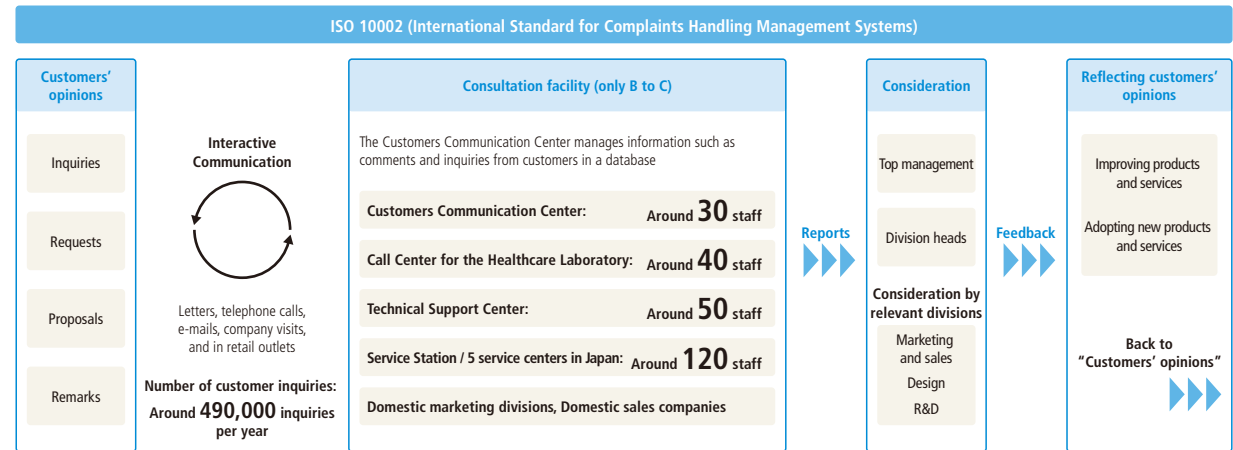
Volunteer activities during working hours

	Fiscal 2009	Fiscal 2010
Hours spent on volunteer activities	2,236 hours	1,372 hours
Volunteering costs	5 million yen	4 million yen

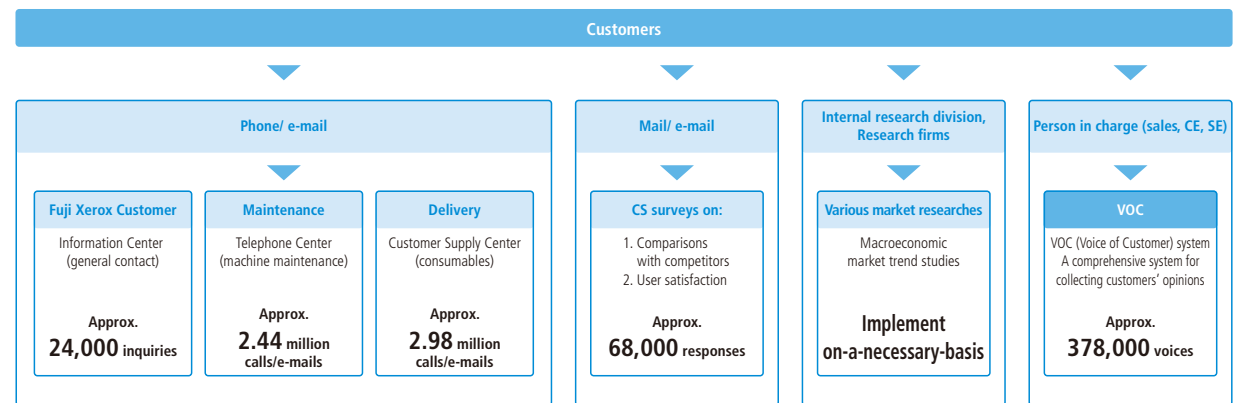
* Calculated based on the hours spent on volunteer activities (e.g. area clean-ups) during working hours, the salary equivalent to those hours, and the cost of the activities

Communication with Customers

System for responding to customers (FUJIFILM Corporation and its domestic affiliates)



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



Self-declaration of conformity to ISO 10002 (Fujifilm and its affiliates)

Created in July 2004, ISO 10002 is the international standard for the process of complaints handling. The specification is intended to be used by various organizations and provides guidance on the process of handling customer complaints against companies and other organizations.

Fujifilm and 4 of its affiliates engaged in the domestic imaging business made a self-declaration of conformity* to ISO 10002 on August 24, 2006 with the goal of gaining trust from customers and increasing their satisfaction. On September 30, 2008, Fujifilm and 2 of its affiliates in the domestic healthcare business also made the same self-declaration.

In 2010, an administrative office was created to promote ISO 10002, which led to a reexamination of the definition of top management of the relevant divisions and the items on a self-checklist for ISO conformity. Through such activities, the office encourages the relevant divisions to decide their policy on customer-centric handling of complaints, to always send necessary information to other relevant divisions, to regularly confirm their process of complaint handling, and to provide necessary educational training.

Fujifilm and its affiliates will continue to further improve the quality of customer service and the level of customer satisfaction.

* Self-declaration of conformity: ISO 10002 provides guidelines with which organizations themselves build a system conforming to the specification and declare conformity based on their own decisions and responsibilities, whereas ISO 9001 on product quality and ISO 14001 on environmental management are international standards that are certified by a third-party approval organization. It is required that organizations continually increase the level of conformity to the specification through their actual operation of the system and internal inspections.

Relevant divisions for 2010

Fujifilm

(1) Consumer Sales Division, (2) Imaging Division, (3) Electronic Imaging Products Division, (4) Recording Media Products Division, (5) Life Science Products Division, (6) Customer Communication Center

Fujifilm's affiliates

(1) FUJIFILM Techno Service, (2) FUJIFILM Healthcare Laboratory, (3) FUJIFILM Imaging Solutions, (4) FUJIFILM Imagetec, (5) Fujicolor Pro Photo Center

Personnel and Labor (FUJIFILM Corporation)

Employment

Composition of the Fujifilm workforce

As of March 31, 2011

Regular employees	8,444	Breakdown General employees: 6,672 (Male: 5,409, Female: 1,263) Managerial personnel: 1,772 (Male: 1,746, Female: 26)
Non-regular employees	781	Breakdown Temporary employees: 588, Part-timers: 24, Employees re-employed after retirement: 97, Other (Contract employees, etc.): 72

Status of regular employees

As of March 31, 2011

Average age	Average length of employment (years)	Average number of dependents	Average annual salary* ¹	Utilization of paid leave* ²	Turnover rate* ³
41.6	Male: 17.8 Female: 18.7	1.4	8.3 million yen	72.2%	2.4%

*¹ Average annual salary is calculated for the period from January 1, 2010 to December 31, 2010.*² Data on utilization of paid leave is calculated based on data for the period from October 1, 2009 to September 30, 2010.*³ 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 Corporation (non-consolidated)

Recruitment

New graduate recruitment (Fiscal 2011)	149* ¹	Technical positions Male 76, Female 19 Administrative positions Male 41, Female 9
Mid-career recruitment	51* ²	Male: 42, Female: 9

*¹ 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 2011.*² Number of mid-career recruitment represents those from April 2010 to March 2011.

Employment and re-employment of persons with disabilities

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Employment of persons with disabilities* ¹	1.77%	1.89%	1.87%	1.72%	1.77%
Re-employment* ²	37	38	40	18	24

*¹ Data up to March 31 for each fiscal year*² Re-employment refers to employees re-employed after retirement.

Number of employees taking a leave of absence*

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Leave of absence for nursing care	1	0	6	5	5
Leave of absence for childcare	32	44	32	30	55
Leave of absence for volunteer work	0	0	0	0	0

* Number of employees who began a leave of absence during the relevant fiscal year.

Work accident rate and work accident severity

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Work Accident Rate* ¹	0.22	0.09	0.00	0.05	0.31
Work Accident Severity* ²	0.03	0.02	0.00	0.00	0.01

*¹ Work Accident Rate = $\frac{\text{Number of employees involved in work accidents}}{\text{Gross number of hours worked}} \times 1,000,000$ *² Work 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, 2011

Union members	Proportion of union membership*	Average age of union members
6,530	77%	39.6

* Based on the number of regular employees (8,444)

Revisions to systems operating in accordance with agreements between the labor union and the company

As of March 31, 2011

Fiscal year	Item
2006	<ul style="list-style-type: none">Revisions to re-employment systemsClarification of transfer and external assignment regulationsRevisions to travel expense regulations
2007	<ul style="list-style-type: none">Revisions to the support system for encouraging a good work-life balanceRevisions to policy on providing condolence money
2008	<ul style="list-style-type: none">Revisions to the support system for encouraging a good work-life balanceIntroduction of work regulations adapted to the citizen judge system
2009	<ul style="list-style-type: none">Transition from approved retirement annuity system to defined-benefit corporate pension systemRevisions to retirement benefitsRevisions to some employee systems
2010	<ul style="list-style-type: none">Expansion of the childcare leave programExpansion of the child medical care leave programCreation of the family care leave programIncrease in the upper limit on the number of times half-day leave can be takenRevisions to some employee programs

Systems for a good work-life balance

- In response to the 2010 amendment to Child Care and Family Care Leave Law, programs for supporting a balance between work and childcare or family care have been improved, and programs that more than satisfy legal requirements are now in place, such as the improved child medical care leave program and the newly introduced family care leave program.
- Stock leave is a system enabling employees to accumulate unused leave time up to 60 days. Accumulated leave days may be used for treatment needed for personal health problems, rehabilitation, childcare, nursing care, and volunteer activities.

Giving birth and childcare	<ol style="list-style-type: none">Systems catering for pre- and post-birth requirementsLeave of absence for childcareUse of stock leave for childcareSystems for employment while raising childrenThree-person interview at the time of returning to work from childcare leaveChild medical care leave program (1 relevant child: 6 days per year; 2 or more children: 11 days per year)Reduced work hours program (child in the third grade or lower)Use of stock leave for fertility treatmentLeave of absence for fertility treatmentExemption from restrictions on non-scheduled hours worked and from work on holidays
Nursing care	<ol style="list-style-type: none">Leave of absence for caring for a family memberFamily care leave program (1 care recipient: 6 days per year; 2 or more care recipients: 11 days per year)Use of stock leave for caring for a family memberSystems for employment while caring for a family member
Other	<ol style="list-style-type: none">Leave of absence for volunteer work, Use of stock leave for volunteer workUse of stock leave for self-developmentUse of long-service holidaysFlextimeDiscretionary labor systemLeaving the office on time (1 day per week)

Respect for human rights and elimination of discrimination

Founded on the principles of the Fujifilm Group Charter for Corporate Behavior, FUJIFILM respects basic human rights and will not engage in any act whatsoever that unfairly infringes 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, which 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 compliance and sexual harassment helpline) where arrangements have been made for external specialized counselors in addition to in-house persons in charge 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.

Personnel and Labor (Fuji Xerox)

Employment

Composition of the Fuji Xerox workforce

As of March 31, 2011

Regular employees	10,146	Breakdown General employees: 7,641 (Male: 6,370, Female: 1,271) Managerial personnel: 2,417 (Male: 2,347, Female: 70) Executive officers, contract employees, seconded employees: 88
Non-regular employees	1,195	Breakdown Temporary employees: 480, Part-timers: 190, Employees re-employed after retirement: 524, Other (Contract employees, etc.): 1

Status of regular employees

As of March 31, 2011

Average age	Average length of employment (years)	Average number of dependents	Average annual salary* ¹	Utilization of paid leave* ²	Turnover rate* ³
43.8	Male: 19.8 Female: 15.0	1.33	— yen	61.3%	3.43%

*¹ Average annual salary is not publicly disclosed.*² Data on utilization of paid leave is calculated based on data for the period from October 1, 2009 to September 30, 2010.*³ Turnover rate:
Numerator: Attrition + Fixed-age retirement + Transfer + New Start for Senior Employees program
Denominator: Annual average number of employees at Fuji Xerox (non-consolidated) + Average number of seconded employees

Recruitment

New graduate recruitment (Fiscal 2011)	227* ¹	Technical positions Male 91, Female 13 Administrative positions Male 78, Female 36
Mid-career recruitment	59* ²	Male: 46, Female: 13

*¹ 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 2011. The total also includes employees who have graduated from high school, a college of technology, or a vocational college.*² Number of mid-career recruitment represents those from April 2010 to March 2011.

Employment and re-employment of persons with disabilities

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Employment of persons with disabilities* ¹	1.76%	1.96%	1.88%	1.89%	1.86%
Re-employment* ²	122	246	352	423	517

*¹ Data up to March 31 for each fiscal year*² Number of re-employed workers revised to real figures up to the day following the end of each fiscal year

Number of employees taking a leave of absence*¹

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Leave of absence for nursing care	2	5	5	2	1
Leave of absence for childcare	49	49	54	40	44
Leave of absence for volunteer work* ²	0	1	0	0	0

*¹ Number of employees who began a leave of absence during the relevant fiscal year.*² Number of employees who used the social service program.

Work accident rate and work accident severity

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Work Accident Rate* ¹	0.49	0.18	0.23	0.24	0.19
Work Accident Severity* ²	0.00	0.00	0.00	0.00	0.01

*¹ Work Accident Rate = $\frac{\text{Number of employees involved in work accidents}}{\text{Gross number of hours worked}} \times 1,000,000$ *² Work 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, 2011

Union members	Proportion of union membership*	Average age of union members
7,624	75.3%	41.4

* Based on the number of full-time workers excluding executive directors (10,124)

Revisions to systems operating in accordance with agreements between the labor union and the company

As of March 31, 2011

Fiscal year	Item
2006	<ul style="list-style-type: none">Revisions to the human resources systemImplementation of SLP*
2007	<ul style="list-style-type: none">Implementation of comprehensive secondment system
2008	<ul style="list-style-type: none">Revisions to travel expense regulations
2009	<ul style="list-style-type: none">Introduction of work regulations adapted to the citizen judge system
2010	<ul style="list-style-type: none">Revisions to the program for supporting childcare and family care

* Second Life Program

Systems for a good work-life balance

- All of these systems provide for generous leave beyond that required by law.

Giving birth and childcare	<ol style="list-style-type: none">Maternity leave (paid)Childcare leave programProgram for rehiring former employees who left the company for reasons such as spouse's transfer or childcareAccumulated paid leave for healthcare of employees' family*¹Shortened working hours for childcare (until third grade of elementary school)Limited off-hours work (until sixth grade of elementary school)Limited late-night work for childcare (until sixth grade of elementary school)Special leave for supporting the wife during her childbirth period (first child's birth: 2 days; second child's birth and thereafter: 5 days)
Nursing care	<ol style="list-style-type: none">Leave of absence for caring for a family member (maximum 2 years)Shortened working hours for caring for a family memberLimited off-hours work for caring for a family memberLimited late-night work for caring for a family memberOne-day nursing care leaveAccumulated unused paid leave*¹ for caring for a family member
Other	<ol style="list-style-type: none">FlextimeContinuous service award special vacation; "refresh vacation"Social service system (leave program for employees participating in socially beneficial activities)Accumulated unused paid leave*¹ for volunteer activitiesLeave of absence for educationSenior theme leave (support for senior employees' second career)Flexible work schedules (support for senior employees' second career)Double job program*² (support for senior employees' second career)

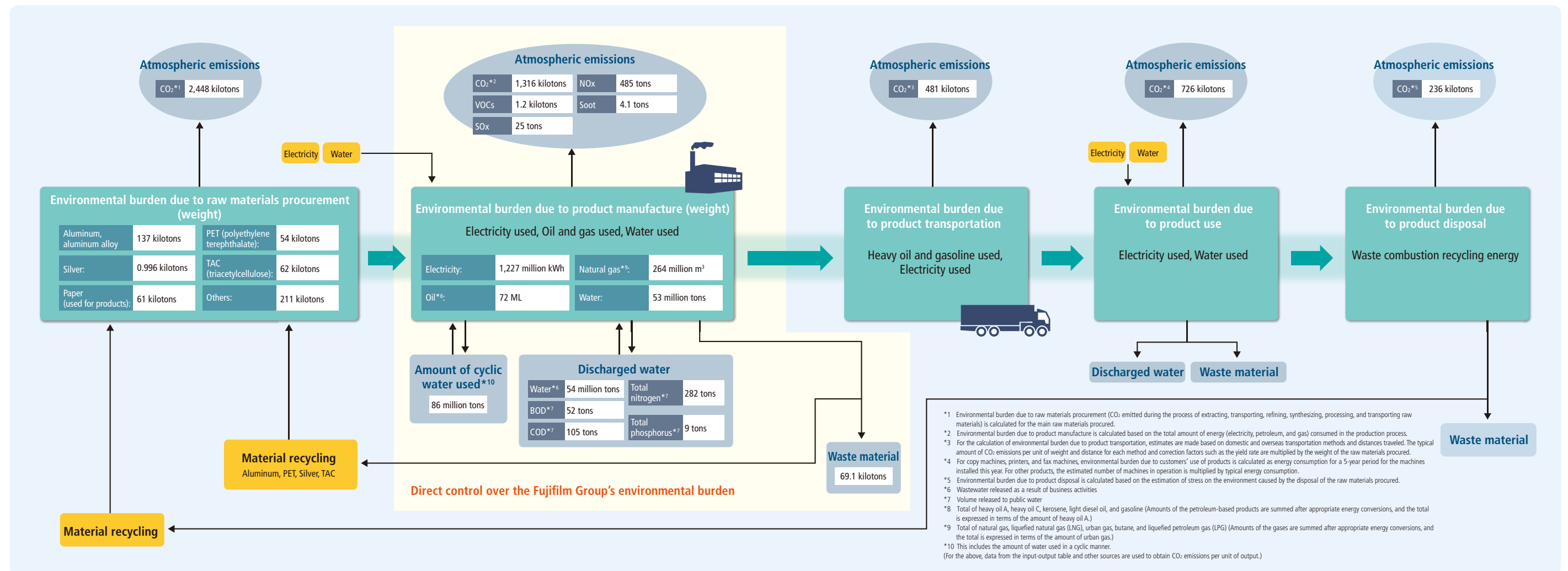
*¹ Accumulated paid leave: A system enabling employees to accumulate unused leave up to 60 days. Accumulated leave may be used for healthcare, childcare, nursing care, and volunteer activities.*² This is not double duties by order, rather it is a program designed to support senior employees who wish to go into business for themselves. Under this program, they are allowed to engage in both their current work and work in another division through a system that matches the needs of divisions wanting to utilize senior workers' skills and experience with the will of senior workers who wish to use their special skills or to take on new challenges.

Respect for human rights and elimination of discrimination

Continuing from the previous year, in fiscal 2010, we conducted training over the intranet for all Fuji Xerox (FX) employees, focusing on the prevention of discriminatory behavior, which incorporated the results of an employee awareness survey on compliance. Training sessions designed for individual employee grades were held again this year for new recruits, new managers and department heads to enhance awareness and better understanding of human rights issues, as well as to establish these values in the workplace. Fuji Xerox has been an active member of the "Industrial Federation for Human Rights, Tokyo" since 1982. We have been involved in the mutual exchange of information with other companies, as well as in educational activities designed to address issues related to human rights.

The Fujifilm Group's Environmental Burden

Environmental burdens evaluated based on life cycle assessment

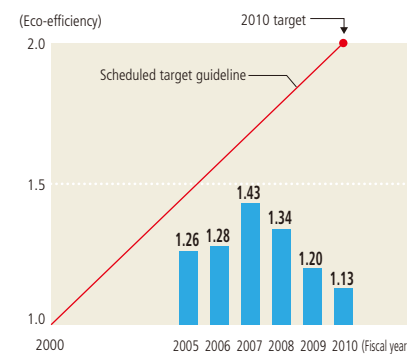


Overview of fiscal 2010

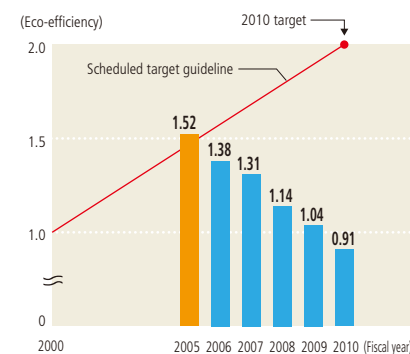
We have made concerted efforts in fiscal 2010 to improve our eco-efficiency. We established for ourselves a challenging goal to double our eco-efficiency by 2010 relative to the level in 2000, and have aimed to improve eco-efficiency (= revenues / value for environmental burden) in 5 categories. However, the goal has been met only in 2 categories because the 2010 revenue is 30% lower than expected due to effects of the "Lehman shock" in 2008.

Eco-efficiency from fiscal 2005 to fiscal 2010

A. Waste Generation

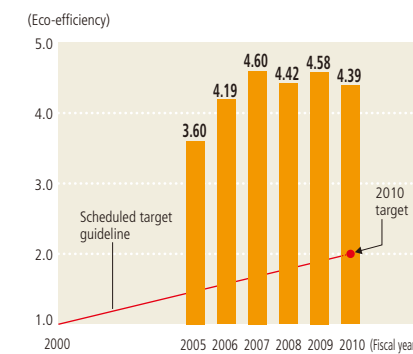


B. Natural Resources Consumed*1

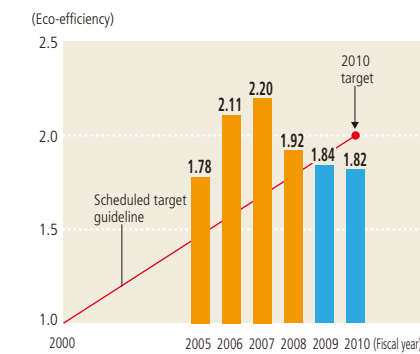


Eco-efficiency: (Eco-efficiency=Revenues / Value for environmental burden): ■ On target (above scheduled target guideline) ■ Additional effort required to meet target (below scheduled target guideline) ● Target

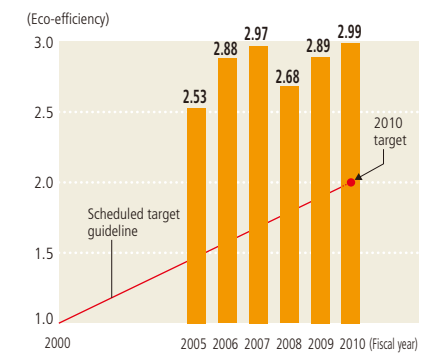
C. Atmospheric Emissions of VOCs



D. Water Consumption



E. Packing Materials Consumed*2



[Notes]

- Waste generation: Efforts were made to derive valuable materials from plastic and waste oil at domestic production factories. The amount of waste generated increased particularly at overseas sites.
- Natural resources consumed: The amount of TAC consumption has increased significantly since 2006 as the flat panel display material business expanded.
- Atmospheric emissions of VOCs: The amount has been drastically reduced especially at domestic factories in response to the implementation of the PRTR Act.
- Water consumption: Efficient use of water has been promoted with the introduction of, for example, a multi-stage cascade system.
- Packing materials consumed: Measures being promoted include reducing the size of packages, using group packaging, conserving resources, and substituting "low-burden" materials.

*1 Materials: Aluminum, TAC, PET, silver and gelatin

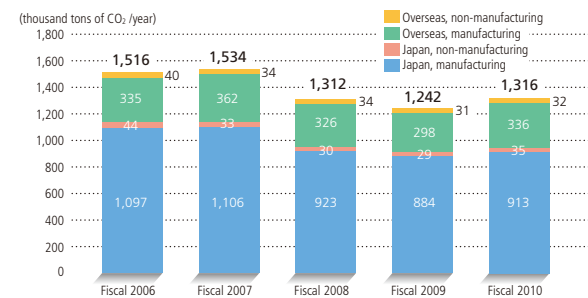
*2 Materials: Cardboard boxes, paper materials, paper containers, metals, formed plastics, plastic film and sheet and glass

Environmental Aspects

Main CO₂ reduction measures

Types of efforts	Life cycle stages	Main CO ₂ emission reduction measures
Developing and promoting widespread use of products that cause less stress on the environment	Procurement, use, disposal	<ul style="list-style-type: none">Multifunction devices (copiers, printers, and faxes) with less energy consumption (documents field)Non-processing CTP plates requiring no developing solution (graphics field)
Reducing CO ₂ emissions at factories and offices	Manufacture	<ul style="list-style-type: none">Fuel shift from heavy fuel oil to gas (Japan)Use of methane gas generated at waste disposal landfill sites as fuel (United States)Wind power generation at factory sites (the Netherlands)Developing and introducing energy-saving technologies such as waste heat collection and steam collection
Recycling	Procurement	<ul style="list-style-type: none">Developing, introducing, and expanding the use of a recycling system for scrap aluminum from the production of PS/CTP plates (graphics field)
Efficient distribution	Transportation	<ul style="list-style-type: none">Paths optimizationImproving the loading ratioPromoting modal shiftsUsing light and compact packagingPromoting eco-driving

Annual changes in CO₂ emissions*



(thousand tons of CO₂/year)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Japan, manufacturing	1,097	1,106	923	884	913
Japan, non-manufacturing	44	33	30	29	35
Overseas, manufacturing	335	362	326	298	336
Overseas, non-manufacturing	40	34	34	31	32
Group total	1,516	1,534	1,312	1,242	1,316

* Calculation method:

Japan: Calculation employing the coefficients specified in the Order for Enforcement of the Act on the Promotion of Global Warming Countermeasures. Emission coefficient by electric power utility used for purchased power.

Overseas: Retroactive calculations in compliance with the GHG protocol. Purchased electric power calculated with the coefficient found in CO₂ Emissions from Fuel Combustion (2009 Edition) published by OECD.

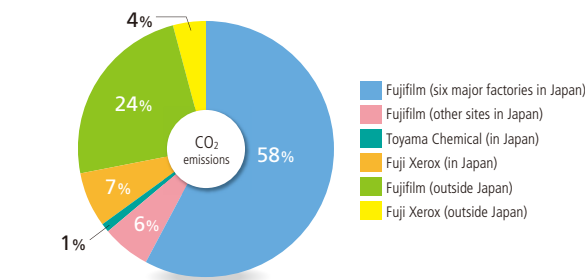
Breakdown of CO₂ emissions by region (fiscal 2010)*

(thousand tons of CO₂/year)

	CO ₂ emissions
Japan	948
Overseas	
Americas (USA, Canada, Brazil)	151
Europe (The Netherlands, Germany, Belgium, UK, France)	84
China	122
Asia (excl. China) and Oceania (Australia, South Korea, Singapore, etc.)	12
Group total	1,316

* Calculated in the same way as for "Annual changes in CO₂ emissions"

Breakdown of CO₂ emissions

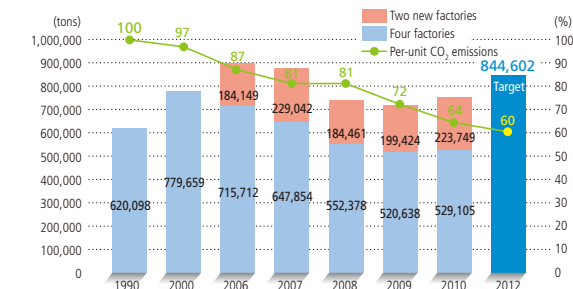


Annual changes in amount of CO₂ emissions and CO₂ emissions per unit of output at 6 main domestic factories handling chemicals*

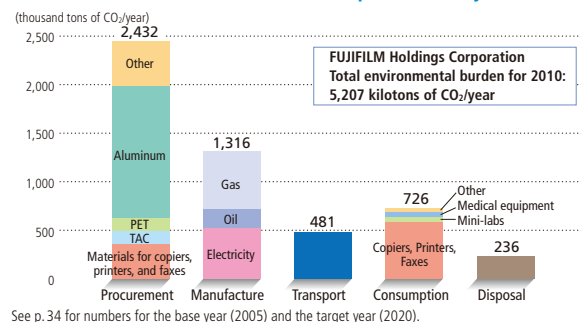
The quantity of output in 2010 was 18% higher than it was in 2009. At the same time, we could curb the increase in CO₂ emissions to 4.6%. As a result, CO₂ emissions per unit of output drastically improved from 72 to 64. A major reason for this was the development, and then implementation at each factory, of various energy-saving measures for the production process for flat panels, such as the collection of heat from a distillation tower and the collection and reuse of flash steam.

For 2012, we expect a 20% increase in the quantity of output relative to the 2010 level and aim to curb the increase in CO₂ emissions to around 12%. Compared to 1990 levels, we plan to increase the quantity of output 2.3-fold in 2012 and to keep the rise in CO₂ emissions to less than 1.4-fold. In terms of CO₂ emissions per unit of output, our goal is to reach 60.

* CO₂ emissions from the six major chemical factories in Japan (Fujifilm Kanagawa Factory's Ashigara and Odawara Sites, Fujifilm Fujinomiya and Yoshida-Minami Factories, FUJIFILM Opto Materials Co., Ltd., and FUJIFILM Kyushu Co., Ltd.) account for 58% of the total emissions from the entire Fujifilm Group (including the Fuji Xerox Group and Toyama Chemical).

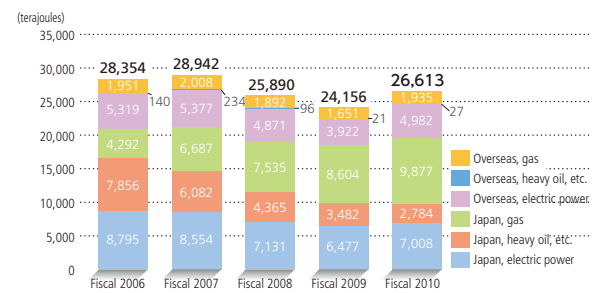


Amount of CO₂ emissions for the entire product life cycle



See p.34 for numbers for the base year (2005) and the target year (2020).

Annual changes in energy consumption*



(terajoules)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Japan, electric power	8,795	8,554	7,131	6,477	7,008
Japan, heavy oil, etc.*2	7,856	6,082	4,365	3,482	2,784
Japan, gas*3	4,292	6,687	7,535	8,604	9,877
Overseas, electric power	5,319	5,377	4,871	3,922	4,982
Overseas, heavy oil, etc.*2	140	234	96	21	27
Overseas, gas*3	1,951	2,008	1,892	1,651	1,935
Group total	28,354	28,942	25,890	24,156	26,613

Numbers for 2006 and 2007 do not include numbers for Toyama Chemical.

*1 Per unit calorific value is based on the Act on the Rational Use of Energy.

*2 Total of heavy oil A, heavy oil C, kerosene, light oil, and gasoline

*3 Total of natural gas, liquefied natural gas (LNG), city gas, butane, and liquefied petroleum gas (LPG)

Breakdown of consumption of heavy oil, etc. (fiscal 2010)*

(thousand kiloliters)

	Heavy oil	Kerosene	Light oil	Gasoline
Japan	63.4	4.5	0.1	0.0
Overseas	0.0	0.0	0.6	0.1
Group total	63.4	4.5	0.7	0.1

* Consumption in manufacturing only

Annual changes in total CO₂ emissions in domestic logistics*

(tons of CO₂/year)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Total CO ₂ emissions	60,499	54,254	49,825	41,031	40,936

* Total CO₂ emissions are calculated as the amount of CO₂ emitted by Fujifilm Logistics Co., Ltd. in its logistics activities for the Fujifilm Group companies. Since fiscal 2006, we moved to the calculation method based on the Revised Act on the Rational Use of Energy (travel distance of empty cars, etc. is not included in calculations).

Annual changes in amount of CO₂ reductions and reduction rates through transportation efficiency improvements* (domestic distribution)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Amount of CO ₂ reductions (tons of CO ₂ /year)	715.7	3,550.1	5,810.1	6,691.0	7,004.0
CO ₂ reduction rate (%)	1.2	6.1	10.4	14.0	14.8

CO₂ reduction rate (%) = Amount of CO₂ reductions / Total CO₂ emissions + CO₂ reductions

* In fiscal 2010, we enforced our activities for CO₂ reductions in collaboration with a specified consigner. Major reduction initiatives, which proved effective, included improving carrying efficiency by double stacking during transportation and improving gasoline mileage by eco-driving.

Annual changes in domestic transport volume* (million tons per kilometer)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Transportation volume	255	230	182	162	164

* Transportation volume is calculated within the range of ownership in compliance with reporting under the Revised Act on the Rational Use of Energy.

Annual changes in reduction of export packaging material weight* (Cumulative total) (%)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Packaging material reduction rate	3.1	2.6	3.5	5.9	5.7

Packaging material reduction rate (%) = Weight reduced / Total material weight + weight reduced

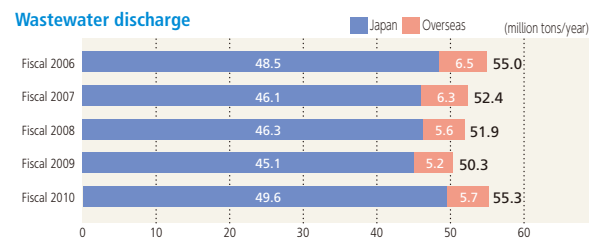
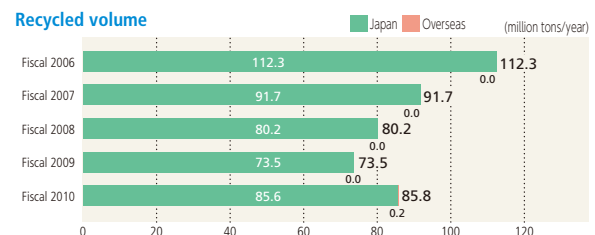
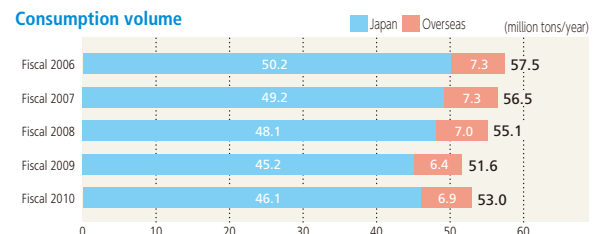
* Total weight of export packaging materials handled by FUJIFILM Logistics in fiscal 2010 was 4,122.9 tons. Weight was reduced by 235.8 tons, a 5.7% reduction for the year.

Annual changes in the amount of container and packaging materials used (FUJIFILM Corporation non-consolidated) (thousand tons/year)

	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Total consumption	24.8	24.6	23.3	19.4	19.0

* Total amount of corrugated paper boxes, paper materials, paper containers, metal materials, plastic molds, plastic film/sheet and glass used

Annual changes in water consumption, recycling, and discharge as wastewater

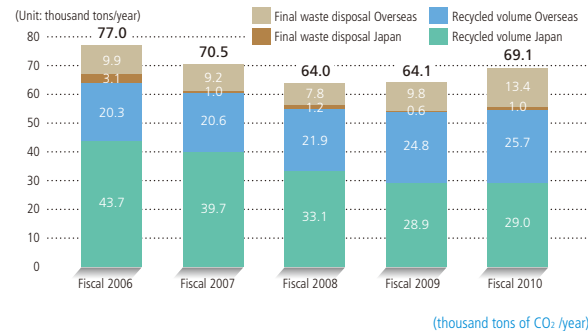


(million tons/year)

		Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Consumption volume	Japan	50.2	49.2	48.1	45.2	46.1
	Overseas	7.3	7.3	7.0	6.4	6.9
	Group total	57.5	56.5	55.1	51.6	53.0
Recycled volume*	Japan	112.3	91.7	80.2	73.5	85.6
	Overseas	0.0	0.0	0.0	0.0	0.2
	Group total	112.3	91.7	80.2	73.5	85.8
Wastewater discharge	Japan	48.5	46.1	46.3	45.1	49.6
	Overseas	6.5	6.3	5.6	5.2	5.7
	Group total	55.0	52.4	51.9	50.3	55.3

* Includes cooling water usage

Annual changes in waste generation, recycling & final disposal



		Fiscal 2000	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Waste volume*1	Japan	36.2	46.8	40.7	34.3	29.5	30.0
	Overseas	12.7	30.2	29.8	29.7	34.6	39.1
	Group total	48.9	77.0	70.5	64.0	64.1	69.1
Recycled volume	Japan	28.6	43.7	39.7	33.1	28.9	29.0
	Overseas	1.0	20.3	20.6	21.9	24.8	25.7
	Group total	29.6	64.0	60.4	55.0	53.7	54.7
Final waste disposal*2	Japan	7.6	3.1	1.0	1.2	0.6	1.0
	Overseas	11.7	9.9	9.2	7.8	9.8	13.4
	Group total	19.3	13.0	10.1	9.0	10.4	14.4

*1 Processed by external service providers

*2 Simple incineration or landfill disposal

Annual changes in valuable resources*

	Fiscal 2000	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Japan	43.0	54.9	59.7	55.4	51.9	56.8
Overseas	9.3	26.0	25.0	27.4	22.1	21.2
Group total	52.3	80.9	84.7	82.8	74.0	78.0

* Valuable resources are byproducts resulting from manufacturing that were subsequently sold.

Main recycling methods for waste products

Waste product	Recycling method
Plastics (sorted)	Pallets, pipes, clothing, heat insulation materials
Plastics (mixed)/Filters	Blast furnace fuel
Magnetic tape	Blast furnace fuel, tatami mat material, heat insulation materials
Aluminum hydroxide	Alumina
Inorganic sludge, polishing agents	Cement, roadway materials, construction materials
Organic solvents	Paint thinner
Acids and alkalines	Neutralizer
Mixed flammable waste products	Solid fuels, electricity, and hot water production
Fluorescent lamps	Glass wool, mercury
Batteries	Zinc, smelt iron
Left-over food, raw garbage, organic sludge	Fertilizers, animal feed
Documents, empty boxes	Recycled paper
Metals such as iron, aluminum, and copper	Smelt metal

Zero emissions

Fujifilm achieved zero emissions in 2003 and continues to improve the level of waste management. A future goal is to achieve zero emissions at Fujifilm's overseas affiliates (i.e., production sites) and at the companies newly affiliated with the Fujifilm Group. We will continue to instruct mainly the following affiliates in order to achieve this goal:

1. Domestic and overseas affiliates that have not achieved zero emissions with regard to waste generated from launching or closing a plant
2. Domestic and overseas affiliates that generated large amounts of waste
3. Domestic and overseas affiliates for which production is growing and which are far from achieving zero emissions

As to the definition of "zero emissions" used by Fujifilm and Fuji Xerox, there is a slight difference between the 2 companies attributable to their business characteristics, but the term generally refers to recycling all waste generated in business activities and making the amount of waste that is simply incinerated or buried at a landfill site zero.

Annual changes in atmospheric emissions of VOCs

	Fiscal 2000	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Japan	31.1	12.9	12.8	11.2	9.7	10.3
Overseas	1.7	2.9	1.9	1.9	1.6	1.7
Group total	32.8	15.8	14.7	13.1	11.3	12.0

Numbers for 2006 and 2007 do not include numbers for Toyama Chemical.

Reductions in VOCs atmospheric emissions*
(FUJIFILM Corporation (non-consolidated))

Category	Substance	Reduction (tons)	Reduction rate in comparison to fiscal 2000 (%)
Substances to be reported under the PRTR Law	Dichloromethane	243	68
	Methyl alcohol	1,410	80
Substances voluntarily controlled by the company	Ethyl acetate	319	79
	Methyl ethyl ketone	166	80
	Acetone	113	88

* Reduction in volumes in fiscal 2010 compared with actual levels in fiscal 2000.

Response to the PRTR Law (Fujifilm and its domestic affiliates)

In addition to those substances that must be reported under the Pollutant Release and Transfer Register (PRTR) Law, Fujifilm controls another 10 items on a voluntary basis, primarily substances specified by the Japan Chemical Industry Association as requiring autonomous monitoring. The company has been endeavoring to reduce the emissions on a consolidated basis. Data on the substances used (usage volume, atmospheric emissions volume, emission into public water bodies, volume entering sewage wastewater, volume moved outside of company facilities, and volume recycled) in amounts of 1 ton or more per year by Fujifilm and its domestic affiliates may be found on the Fujifilm website:

URL <http://www.fujifilm.co.jp/corporate/environment/preservation/chemicalsmanagement/production/prtr.html>

Storage and management of devices and equipment containing PCBs*

Types of equipment containing PCBs	Storage and management amounts	
	Domestic consolidated	Group total
High voltage transformers (quantity)	1	18
High voltage condensers (quantity)	360	450
PCB oil waste, etc. (kg)	201.11	201.11
Sludge, etc. (m ³)	10,400.1	10,400.1
Fluorescent lamp stabilizers (quantity)	15,175	17,975
Low voltage condensers excluding fluorescent lamps (quantity)	117,157	117,157
Low voltage transformers (quantity)	3	33
Rags (kg)	919.5	919.5
Other devices (quantity)	16	17

* Not including items with trace levels of PCBs

Annual changes in volume of atmospheric emissions

		Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
SOx emissions	Japan	357	84	66	45	18
	Overseas	5	6	3	2	6
	Group total	362	90	69	47	25
NOx emissions	Japan	907	786	612	454	445
	Overseas	96	111	84	43	41
	Group total	1,003	897	695	497	485
Soot particle emissions	Japan	14.7	8.8	6.4	3.6	2.7
	Overseas	0.2	0.2	4.1	2.1	1.3
	Group total	14.8	9.0	10.5	5.7	4.1
Atmospheric emissions of specified CFCs*	CFC-11	0.85	1.51	0.76	0.20	1.13
	CFC-12	0.02	0.01	0.01	0.00	0.04

* Group total

Annual changes in water contaminant burden and emissions*1

		Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Total amount of COD ^{*2}	Japan	91.1	76.2	85.6	76.4	84.1
	Overseas	15.4	20.3	13.5	13.7	15.3
	Group total	106.5	96.5	99.1	90.1	99.4
Total amount of BOD ^{*3}	Japan	35.1	40.0	45.5	46.7	45.5
	Overseas	4.6	4.7	3.0	5.6	5.5
	Group total	39.7	44.7	48.5	52.3	51.0
Total amount of nitrogen emissions	Japan	290.6	258.8	290.3	286.5	282.3
Total amount of phosphorous emissions	Japan	3.9	4.3	5.0	3.7	9.1

*1 Effluent release into public water bodies

*2 COD (Chemical Oxygen Demand): An indicator of water pollution. COD indicates the amount of oxygen consumed when water-borne pollutants (primarily organic contaminants) are oxidized upon the introduction of an oxidant.

*3 BOD (Biochemical Oxygen Demand): BOD is used to measure the degree of water pollution by determining the reduction in oxygen in the water as it is being used by organisms to decompose contaminants.

Surveying and remediating soil and underground water pollution
(FUJIFILM Corporation and its domestic affiliates/Fuji Xerox and its domestic affiliates)

The Fujifilm Group autonomously conducts environmental surveys on soil and underground water pollution. For substances used at manufacturing facilities that have regulated environmental limits, the Group rigorously manages their usage and storage and monitors their concentrations in underground water supplies. We are prepared to deal with any unforeseen pollution incidents in a timely fashion.

URL <http://www.fujifilm.co.jp/corporate/environment/preservation/site/leakage/>

URL <http://www.fujixerox.co.jp/company/public/sr2011/stakeholder/environment/target.html>

Legal compliance and reports on complaints

In 2010, there were six violations of environment-related laws and one customer complaint, all of which were immediately addressed. Greater efforts will be made to have exhaustive controls in place and prevent any recurrence.

	Japan	Overseas	Group total
Number of legal violations (number of cases resolved)	0 (0)	6 (6)	6 (6)
Number of complaints (number of cases resolved)	1 (1)	0 (0)	1 (1)

Responses to environment-related complaints and legal violations in fiscal 2010*

FUJIFILM Manufacturing Europe B.V. (the Netherlands)

Incident: A total of 74 kg of a VOC (volatile organic solvent) was discharged by mistake. The solvent was discharged without having been burned because the solvent burner stopped operating for 29 minutes due to equipment overheating.

Response: Since it is known that overheating can be prevented by diluting solvent steam with outside air, manual control will be used for now should the same situation occur again. Also, a dilution function was added to the software for automated control and was subsequently improved, and is now under test. The incident was reported to the relevant authorities. No penalty was imposed.

FUJIFILM Manufacturing Europe B.V. (the Netherlands)

Incident: A total of 20 liters of sulfuric acid residue was disposed of in order to repair a storage tank for sulfuric acid. However, the disposal was performed while a valve connected to a pit for collecting general wastewater was mistakenly left open. Because of this, the pH level fell below its lower limit, 6.5, for 15 minutes.

Response: The incident occurred due to human error and slow responses of the pH meter. Therefore, the operational procedure was reexamined, and the pH meter was replaced with a new one. The incident was reported to the relevant authorities. No penalty was imposed.

FUJIFILM Imaging Colorants Limited (United Kingdom)

Incident: A weekly sampling analysis revealed that organic solvent (DMSO) with a concentration exceeding the specified level flowed into a wastewater treatment facility.

Response: The reason was the existence of an unexpected carryover of the solvent at the time of setting up the plant. As a response, it has been decided to conduct a series of checks regarding the operational procedure when batches of products are produced in the future. The incident was reported to the relevant authorities. No penalty was imposed.

FUJIFILM Omiya Office

Incident: Neighborhood residents complained that the sun did not shine on their houses until 8 AM due to the shape of the roof of the PS building constructed in 1990 and they wanted the shape changed.

Response: Sunshine simulation at the winter solstice confirmed the situation. It was explained that the roof complied with the Building Standards Act and the residents understood the situation. It was also explained that the company would consult with neighborhood residents when making any changes to its buildings or use of the site.

* Relatively minor violations have been excluded.

* Organizations covered in the environmental performance data are, as a general rule, those that are shown in the consolidated financial statements, and are significant in terms of environmental burden. However, certain sales and manufacturing (assembly) subsidiaries are excluded. Those not shown specifically are included in the tabulation figures above. Moreover, figures for the Group total may not reflect the sum of each subtotal.

Fujifilm Group Green Policy

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 environmental, economic, and social terms. We will strive for customer satisfaction as well as our contributions 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 four 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.
 - (4) Biodiversity conservation
- 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.

Fujifilm FY2011 Priority Targets

Priority Targets		Strategies
1. Countermeasures against global warming 30% reduction in CO ₂ emissions throughout life cycle of products by FY2020 (vs.FY2005)		(i) Propagate energy conservation measures at production lines throughout the company (e.g. Recovery of exhaust heat, improvement in the efficiency of power generation) (ii) Promote energy conservation at non-production facilities under standardized internal rules (e.g. Settings of air conditioning, lighting) (iii) Implement measures and incorporate technological advancements that help reduce CO ₂ emissions at various life cycle stages of products including raw material procurement, distribution, use and disposal (iv) Implement activities to educate employees and their families on reducing their CO ₂ footprint (e.g. ICE Project, Safe-driving and eco-driving activities)
2. Enhancement of Design for Environment (DfE)		(i) Efficient use of resources by promoting the 3Rs : Reduce-Reuse-Recycle (products, packaging materials) (ii) Enhance efforts for biodiversity conservation (iii) Enhance DfE evaluation methodology to improve and promote the environmental attribute of products
3. Improvement of chemical substance control		(i) Improve regulatory tracking and response to regulations at various region (especially emerging countries) (ii) Ensure chemical substance information is transferred through the supply chain (iii) Promote use of a new risk assessment model (hazard - exposure table) for chemical substances
4. Enhancement of infrastructure for achieving environmental targets	(1) Environmental protection at production sites	Implement the following activities according to the FUJIFILM Responsible Care (FRC) system (i) Firmly maintain the system of compliance to meet legal requirements and voluntary control limits (ii) Improve systems and processes to ensure proper management of wastes (iii) Reduce waste generation through yield increase, reuse of manufacturing waste, conversion of waste into valuables etc. (iv) Reduce VOC emissions from the film manufacturing process (v) Reduce water use through reuse and other conservation efforts
	(2) Risk management using management systems	(i) Improve quality and efficiency of business by use of IMS and EMS (ii) Expand IMS adoption at production facilities (iii) Enhance risk management for product safety and occupational safety
	(3) Information disclosure and communication of relevant information	(i) Disclose information through various methods proactively (e.g. Sustainability Reports, websites) (ii) Verify adequacy of the current system to meet social requests through dialogue with stakeholders
	(4) Employee education	(i) Educate and train employees in the area of environment, quality, product safety and occupational safety (ii) Promote awareness for the need for biodiversity conservation

Fuji Xerox Priority Targets: Environmental Medium-Term Targets and 2011 Targets

Management Items		2011 Targets	Medium-Term Targets (2013)
Controlling Global Warming			
Facilities & factories	Development & Manufacturing	CO ₂ emissions reduction from production and development facilities to 135 kilotons of CO ₂ or less (utilize emissions trading)	Absolute CO ₂ emissions: reduce CO ₂ emissions from production and development facilities to the 2005 level by 2013
	Offices	CO ₂ emissions reduction from domestic and overseas offices by 4% relative to 2007	Absolute CO ₂ emissions: reduce CO ₂ emissions from domestic and overseas offices by 6% relative to 2007
Distribution		Curb CO ₂ emissions from product transportation: less than 270 kilotons of CO ₂	Curb CO ₂ emissions from product transportation: less than 336 kilotons of CO ₂
Products and services		CO ₂ emissions reduction at the customer level: by 1,431 kilotons of CO ₂	Formulate next plan by the end of fiscal 2012
Preservation of Natural Resources			
Products	3Rs	Curb new resource input by reusing parts: more than 1,911 t Recycling rate of recovered parts: Domestic/Asia Pacific (AP) 99.9% / China 99.8%	Curb new resource input by reusing parts: over 3,398 t
	Paper	Use more recycled paper: recycled paper content = more than 68% New sales of FSC certified paper (paper type 1)	Use more recycled paper: recycled paper content = more than 70% Increase the number of FSC-certified products: increase product items for 6 to 9 product lines
Facilities & factories	Production facilities	Reducing water use: by 25% (relative to 2005)	Reduce water use: preparing for this in the next medium-term plan
	Offices	Domestic and overseas sites: achieve zero emissions	Domestic and overseas sites: achieve zero emissions
Reduction in Environmental Risks from Chemical Substances			
Products	RoHS compliance	Ensure compliance with the second stage of the Chinese RoHS: establish a CCC-compliant process	Create strategies for chemical substances in products: substitute, beyond regulation requirements, high-risk chemical substances contained in products
	REACH compliance	Articles: start operating a temporary Article Information Sheet-compliant eGreen system, complete the design phase for the permanent system	As above
Facilities & factories	VOC emission monitoring	VOC reduction : More than 12% reduction in 20 overseas VOCs used	Create chemical substance-related strategies: voluntarily reduce high-risk chemical substances used at operational sites; reduce risks
	Biodiversity	Attempts to establish and assess biodiversity evaluation at lands used for operations	Reduce negative environmental effects, promote employees' understanding of environmental protection
	Measures for dealing with soil and groundwater pollution and PCB	Handle soil and groundwater pollution at 1 domestic site and 2 overseas sites Prepare for PCB treatment (detailed examination of costs)	Reduce pollution risks (3 sites) by FY2012 Treatment of high-density PCB (2011–2016)

Environmental Accounting

Overview of fiscal 2010

- As investment in production-related equipment in factories rose in 2010, environmental-related capital expenditure also increased.
- More specifically, there was an increase of more than 2.4 billion yen for only investment related to the protection of the global environment and to the prevention of pollution associated with the flat panel display manufacturing facilities for which renewal or expansion had been held back in 2009.
- Capital expenditure on the development of energy-saving products and on research concerning energy-saving production processes is around the same as that in 2009.
- Costs including various expenses are around the same as those in 2009.
- The value of environmental conservation benefits is lower because, compared to 2009, there was a rise in production and in the amount of energy such as electricity and natural gas used.

Period of coverage

Fiscal 2010 (April 1, 2010– March 31, 2011)

Scope of environmental accounting

61 domestic companies in the Fujifilm Group (FUJIFILM Holdings, FUJIFILM Corporation and 17 Fujifilm affiliates, Fuji Xerox and 40 Fuji Xerox affiliates, and Toyama Chemical)

Environmental accounting for fiscal 2010

Environmental Conservation Costs					Environmental Conservation Benefits					
	Capital investment		Expenses		Economic impact within the Group			Economic impact outside the Group		
	Fiscal 2009	Fiscal 2010	Fiscal 2009	Fiscal 2010		Fiscal 2009	Fiscal 2010		Fiscal 2009	Fiscal 2010
1. Costs incurred at the business site	1,487	3,502	11,832	9,542						
(1) Environmental damage prevention	850	2,201	6,073	4,911	Reduced pollution levy	2	-4	Reduced SOx emissions* ¹	0.1	0.005
								Reduced volume of SOx emissions	20 tons	28 tons
								Reduced volume of NOx emissions	158 tons	9 tons
								Reduced VOC emissions* ²	55	-70
(2) Global environmental protection	594	943	3,005	2,200	Energy conservation	545	-1,443	Reduced volume of VOC emissions	156 tons	-25 tons
										Reduced CO ₂ emissions* ³
								Reduced volume of CO ₂ emissions	47 kilotons	-38 kilotons
(3) Resource recycling	43	358	2,753	2,431	Reduced use of raw materials and resources	7,363	10,935	Reduced waste materials through reuse and recycling* ⁴	10,667	11,092
					Reduced water resource consumption* ⁵	803	-808			
					Recovery and recycling					
					Silver	1,521	1,668	Reduced volume* ⁶	106.7 kilotons	110.9 kilotons
					Polymeric materials	860	875			
					Aluminum materials	317	228			
					Other recycling	331	267			
			Reuse of aluminum materials	63	80					
			Reduced volume of CO ₂ emissions	40 kilotons	40 kilotons					
2. Upstream/downstream costs	11	26	10,584	7,660	QuickSnap recovery, Parts recovered from used equipment	10,069	5,991			
Recovery from the market										
3. Cost of management activities	45	76	9,147	8,079						
4. Research and development costs	1,125	931	17,483	19,804				Customer benefits are shown in the table above.	59,101	56,919
5. Costs for social programs	0	0	86	297						
6. Costs for handling environmental damage	1	11	329	211						
Pollution levies										
Total	2,670	4,545	49,461	45,593		21,811	17,709		69,961	67,946

Basic items

- Objectives of environmental accounting

1. To provide accurate quantitative information on volumes and economic effects to interested parties within 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 Japanese Ministry of the Environment.

1. Depreciation is calculated, in principle, according to the straight-line method over a 3-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 fiscal year is shown for SOx, VOCs, and CO₂. For recycling, the anticipated benefit in value terms is shown for the year in question.

Customer benefits

(million yen)

Product	Amount	
	Fiscal 2009	Fiscal 2010
1. High-density magnetic memory materials	4,141	-1,178
2. Pre-sensitized aluminum plate not using plate-making film	21,086	23,651
3. Film for LCDs: WV films	23,263	23,136
4. Digital color multifunction device and printers	10,611	11,310
Total	59,101	56,919

Customer benefits are expressed in monetary terms based on a comparison of environmental burden between the case in which customers use new products they purchased and the case where they use old products. Total customer benefits for 2010 are lower compared to 2009. Notably, customer benefits associated with high-density magnetic memory materials fell because cost per memory density rose. Customer benefits associated with pre-sensitized aluminum plate not using plate-making film increased due to higher product shipment.

(million yen)

*1 SOx emissions reductions: ¥167/ton

Bidding price of SOx emissions credits offered by the United States Environmental Protection Agency in March 2011 (US\$2/ton)

*2 VOC emissions 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 emissions reductions: ¥1,957/ton

Trading price of EU emissions credit 2011 futures (€ 17.27/ton) at the end of March 2011

*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

*6 Volume of recycle and valuable resources in generated industrial waste

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) index listed below. Also listed below are evaluations of FUJIFILM Holdings in domestic and international ranking surveys as of July 2011.



Survey	Evaluation for FUJIFILM Holdings
14th Nikkei Environment Management Survey (sponsored by Nikkei Inc.)	10th out 475 manufacturers
6th Company Quality Management Survey (sponsored by the Union of Japanese Scientists and Engineers)	1st out 249 companies
Eco Brand Survey 2010 CSR evaluation ranking (Nikkei Business Publications, Inc.)	60th out 560 companies (Eco brand index/deviation: 62.1)
SAM Sustainability Year Book 2011 (Sustainable Asset Management AG)	SAM Gold Class
5th Toyo Keizai CSR Ranking 2011 (Toyo Keizai, Inc.)	4th out 1,132 companies (542.4 points)

Appraisals and awards in fiscal 2010

Recipient	Name and description of the award	Awarding entity
FUJIFILM Corporation	The portable ultrasonic diagnostic imaging machine FAZONE CB received the Gold Award (Minister of Economy, Trade, and Industry Award; i.e., nominated for the Grand Award) in the 2010 Good Design Award.	Japan Industrial Design Promotion Organization
FUJIFILM Corporation	The digital cameras FinePix REAL 3D W3, FinePix F300EXR, and FinePix HS10 and the digital X-ray diagnostic imaging system FUJIFILM DR CALNEO C won the Good Design Award.	Japan Industrial Design Promotion Organization
FUJIFILM Corporation	Exhibition at nano tech 2011: the International Nanotechnology Exhibition and Conference; nano tech Grand Award (the highest award) received.	nano tech 2011: the International Nanotechnology Exhibition and Conference
FUJIFILM Corporation	Sustainability Report 2010 received a Prize for Excellence in the Sustainability Report Awards of the 14th Green Reporting Awards and Sustainability Reporting Awards.	Toyo Keizai Inc.
FUJIFILM Corporation Kanagawa Factory	Minister of Education, Culture, Sports, Science, and Technology Award. (an award given to organizations actively promoting their employees' physical fitness)	Ministry of Education, Culture, Sports, Science, and Technology
FUJIFILM Imaging Colorants, Inc.	SOCMA Silver Award for Performance Improvement Award - Product Stewardship	Society of Chemical Manufacturers and Affiliates (SOCMA)
FUJIFILM Dimatix, Inc.	New Hampshire Governor's Award for Pollution Prevention	New Hampshire Governor and New Hampshire Department of Environmental Protection Services
FUJIFILM Manufacturing U.S.A., Inc. / Env. & Reg. Compliance	Best Special JAKES Event, both National and State awards (awarded to the Neil Cost Chapter headquartered in Greenwood)	National Wild Turkey Federation (NWTf)
FUJIFILM Manufacturing U.S.A., Inc. (Rolling Meadows)	Dischargers Demonstrating Exemplary Compliance for 2008	Metropolitan Water Reclamation District of Greater Chicago
FUJIFILM Electronic Materials U.S.A., Inc.	Preferred Quality Supplier Award	Intel Corporation
FUJIFILM Canada, Inc. FUJIFILM Electronic Materials U.S.A., Inc. FUJIFILM Imaging Colorants, Inc. FUJIFILM Holdings America Corporation FUJIFILM Manufacturing U.S.A., Inc. FUJIFILM North America Corporation	2010 Safety Award: 20 facilities from the noted divisions received the 2010 Safety Awards including 3 "Best in Class" awards	International Imaging Industry Association
FUJIFILM Electronic Materials (Europe) N.V.	Preferred Quality Supplier Award	INTEL
FUJIFILM Imaging Colorants, Ltd. (Grangemouth, UK)	Gold Medal for Occupational Health & Safety	The Royal Society for the Prevention of Accidents (RoSPA)
FUJIFILM France S.A.S. (France)	Imprim'Vert Certificate ("Green printing certification")	P2i / Chambre des Metiers et de l'Artisanat des Yvelines (France)
FUJIFILM Printing Plate (Suzhou) Co., Ltd.	Company conducting tests related to a recycling-oriented economy in Suzhou City	Suzhou Municipal People's Government
FUJIFILM Printing Plate (Suzhou) Co., Ltd.	Company with clean production processes at the Suzhou City Industrial Park	Suzhou City Industrial Park Management Committee
FUJIFILM Hunt Chemicals Singapore Pte.Ltd.	Singapore Chemical Industry Council (SCIC) Responsible Care Award 2010	Singapore Chemical Industry Council (SCIC)
Fuji Xerox Co., Ltd.	Products in three categories (a full-color digital multifunction device for small and medium-sized businesses, full-color digital multifunction devices for offices, and color on-demand publishing systems for high-end professional use) received the Good Design Award.	Japan Industrial Design Promotion Organization
Fuji Xerox Co., Ltd.	A new technology, the Belt-Roll High-Speed Fusing Technology, received the 2011 Technology Prize and the Research Presentation Prize from Japanese Society of Printing Science and Technology.	Japanese Society of Printing Science and Technology
Fuji Xerox Co., Ltd.	Together with Xerox, Fuji Xerox has been placed in the Leader Quadrant of the 2010 Magic Quadrant Managed Print Services (MPS) Worldwide.	Gartner, Inc.
Fuji Xerox Co., Ltd.	Sustainability Report 2010 received the Special Award in the Sustainability Reporting Award of the 14th Green Reporting Awards, Sustainability Reporting Awards.	Toyo Keizai Inc.

Third-Party Opinion

Since its establishment as a holding company in 2006, FUJIFILM Holdings has continually engaged in structural reforms, business diversification, and the strengthening of organizational capabilities. These keywords are thoroughly reflected in the company's CSR activities. One can say that the Group's CSR activities are clearly characterized by CSR development based on management systems, confirmation of the social and environmental significance of business operations, and sharing of integrated visions and goals. Although some activities have not achieved sufficient results, I appreciate the fact that these factors are clearly shown.

In this report, these factors can be easily seen from comprehensive information and data found at the end of the report, articles on the healthcare business and healthcare IT, and features on the activities for creating a sense of organizational unity and on human resource development, inter-personnel communication, and personnel exchanges.

ISO 26000 (the international standard on an organization's social responsibility) states that it is an individual organization's responsibility to identify which issues are relevant and significant for the organization to address, through its own considerations and through dialogue with Stakeholders. As evident from the clause, identifying stakeholders and engaging with them will certainly become increasingly important. I can find the company's consideration of this observation in the columns called "VOICE" in this report.

Having said that, I hope for 2 things. First, I want the Fujifilm Group to continue and intensify its efforts to seriously examine both the positive and negative sides of the impacts of its business operations. There continue to be demands for risk assessment and reevaluation of the safety of chemical products. Also, as a growing comprehensive healthcare company, the Fujifilm Group will potentially face problems associated with side effects and medical ethics and the human rights issue of access to medicine. I hope that the company will further hone its antennae to identify various impacts of its business operations.

Second, I hope that the distance between the CSR activities and the individual employees' daily activities will be shortened. Vision-led or PDCA-dependent CSR activities carry the risk of becoming too theoretical. I hope that emphasis

continues to be placed on activities in which individual employees can experience their connection with society and gratitude expressed by society. Good examples would be activities that take advantage of the Group's technology and knowledge, such as the photo restoration project, the testing for radioactivity contamination and data analysis, and the sharing of information on radioactivity, which are described in this report as activities that support recovery from the Great East Japan Earthquake.

Lastly, my attention was drawn to the explicit statement that, as described in the Top Commitment, the Fujifilm Group continues to actively contribute to the resolution of social issues facing various parts of the world. Despite the fact that more than 50% of the group's sales come from overseas, the content of this report centers on cases of domestic activities. I sincerely hope that in the near future the report will be filled with examples from all over the world, showing the Group's contribution to the realization of a sustainable society.



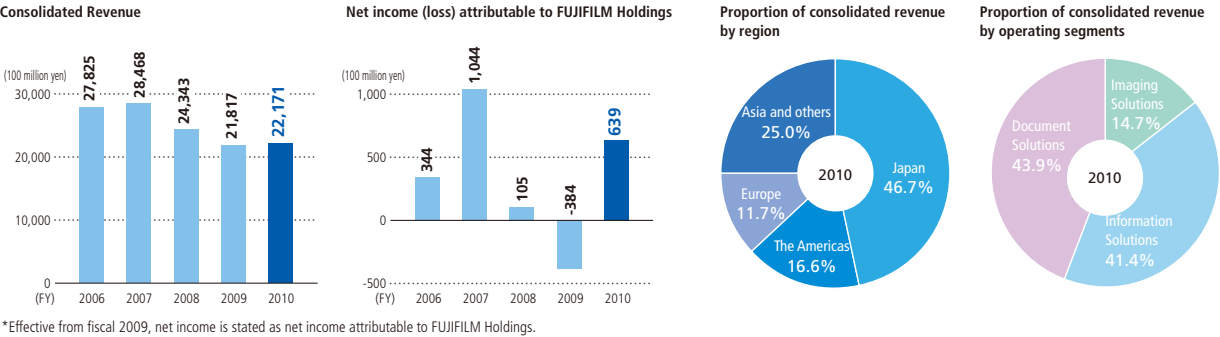
Mr. Eiichiro Adachi
Counselor, Japan Research Institute, Limited
Head of ESG Research Center

In charge of CSR-related industry research and corporate assessment mainly in the area of environmental measures. Provides corporate information to financial institutions that is used for socially responsible investment or environmentally conscious financing. (Co-) author of CSR Management and SRI (2004, Kinzai, in Japanese), Businesses That Grow with Global Warming (2007, Toyo Keizai, in Japanese), Introduction to Environmental Management (2009, Nikkei Publishing, in Japanese), Evolving Strategies of Financial Institutions for Managing Environmental Risks (2011, Kinzai, in Japanese), etc. Member of the Main Committee for Converting ISO 26000 into a JIS, Japanese Standards Association [present] (Japan expert, ISO 26000 Working Group [until May 2009]).

As a provider of corporate information used for socially responsible investment to financial institutions, I submitted this third-party opinion based on the understanding, which I gained through this report, of the social and environmental activities of the Fujifilm Group and the way it discloses information. The comment is not intended to show my judgment of whether the measurements and calculations are accurately conducted according to standards for an environmental report that are generally recognized as fair and appropriate or whether all important matters are included.

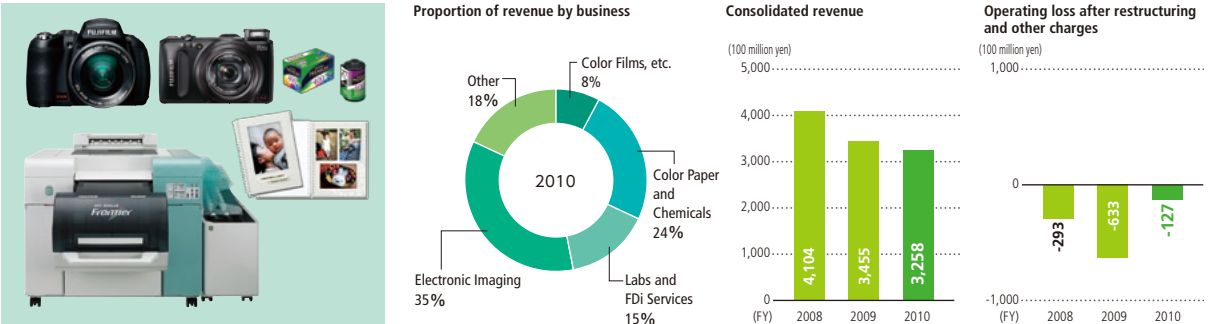
Fujifilm Group Business Overview

The Fujifilm Group aims to become a global enterprise—trusted by society and customers—that makes broad contributions to the advancement of culture, science, technology, and industry. We will also contribute to enhancing quality of life and conserving global resources, while making further contributions to society through active business operations in the Imaging Solutions Segment, Information Solutions Segment, and Document Solutions Segment.



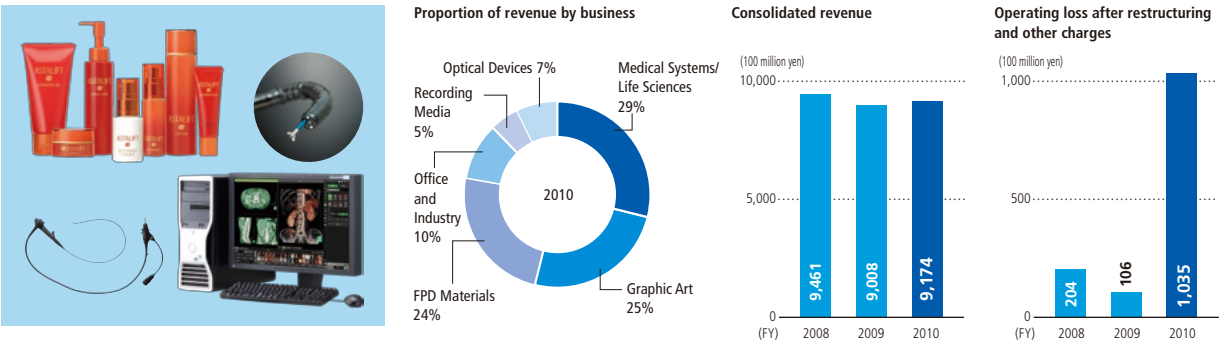
Imaging Solutions

The Imaging Solutions Segment handles color films, digital cameras, photofinishing equipment, color paper, chemicals, and services for photofinishing.



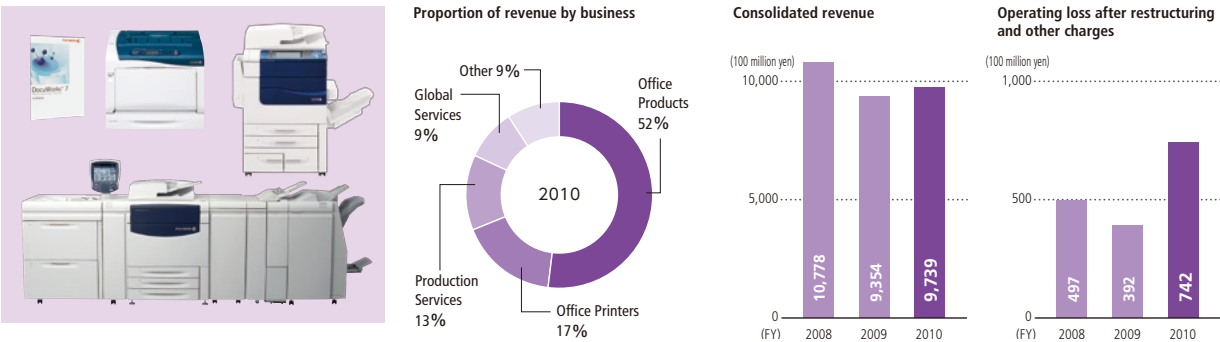
Information Solutions

The Information Solutions Segment handles equipment and materials for medical systems and life sciences, pharmaceuticals, equipment and materials for graphic art, flat panel display (FPD) materials, recording media, optical devices, electronic materials, and inkjet materials.



Document Solutions

The Document Solutions Segment handles office copy machines/MFPs, printers, production systems and services, office services, paper, and consumables.



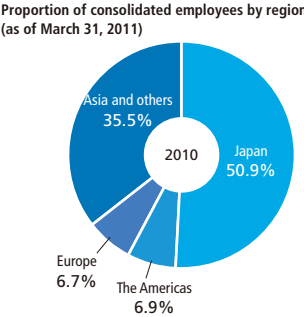
* Due to the reclassification of corporate expenses made in the first quarter of fiscal 2010, operating income for each segment for fiscal 2009 has been restated.

Fujifilm Group Organization Overview

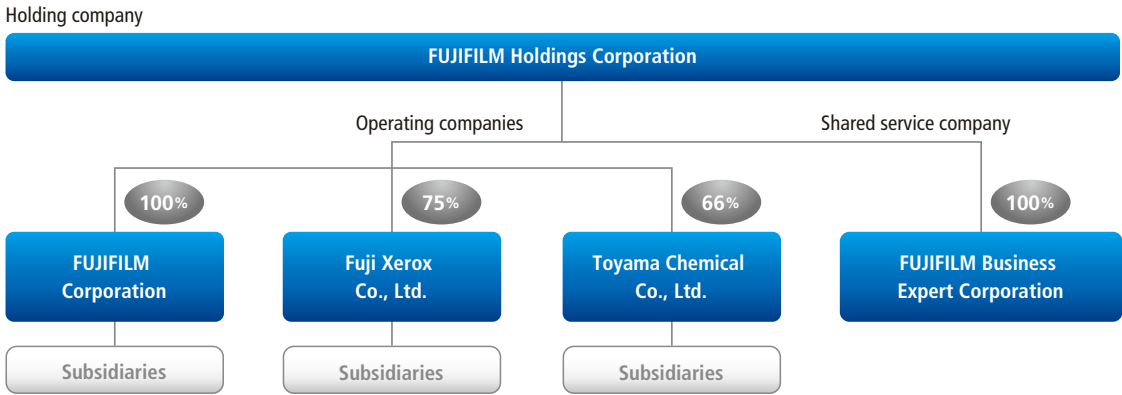
The Fujifilm Group shifted to a holding company structure in October 2006 and has been expanding its group management centered on FUJIFILM Holdings Corporation.

Holding Company: FUJIFILM Holdings Corporation

- Company name: FUJIFILM Holdings Corporation
- Representative: Shigetaka Komori
- Head office: Tokyo Midtown, 9-7-3 Akasaka, Minato-ku, Tokyo 107-0052, Japan
- Established: January 20, 1934
- Capital: ¥40,363 million (as of March 31, 2011)
- Employees: 143 (as of March 31, 2011)
- Consolidated employees: 78,862 (as of March 31, 2011)
- Consolidated subsidiaries: 239 (as of March 31, 2011)



Fujifilm Group Organization Overview (as of March 31, 2011)



For information about the consolidated subsidiaries of FUJIFILM Holdings Corporation, please see p. 24.

For more details, visit:

<http://www.fujifilmholdings.com/en/business/group/index.html>

Editorial postscripts

Thank you for taking an interest in the FUJIFILM Holdings “Sustainability Report 2011.” It has been 5 years since the Fujifilm Group started its holding company system in October 2006, with FUJIFILM Corporation, Fuji Xerox, and Toyama Chemical as subsidiaries. Since, we have striven to increase the Group’s overall capabilities, create greater synergy, and promote strategies for new growth.

This report focuses on the current state of cooperation among Group companies and cross-department collaboration, as well as how the actions of individual Group employees have influenced one another and how that has led to increased Group cohesion on the whole.

We hope to continue reporting on Group efforts to create a sustainable society and increases in cooperation between Group companies, domestic and abroad, and collaborations with customers that enhance overall capabilities.

We are grateful for the opinions from many experts and stakeholders we have received this fiscal year. We will continue to learn from these valuable comments and will incorporate them into our future activities. And as always, the candid opinions and comments from the readers of this report are ever appreciated.

About the illustration on the front cover



Cypress Tree Azuchi-Momoyama period 16th century

Cypress Tree was created by the renowned Momoyama period artist Kano Eitoku. Although the piece is now a folding screen, it was once sliding-door paintings in the Hachijonomiya residence in 1590. Whether Eitoku saw the completion of this work is unknown because of his death in September of the same year, but the design centered on a large tree and the gorgeous gold-leaf ground strongly resembles his style. *Cypress Tree* highlights the swinging limbs of the cypress that seem to dance contrasted by the limited cold colors.

Tokyo National Museum collection
Image : TNM Image Archives Source

Since its founding, the Fujifilm Group has valued air and water. The dancing limbs of the large cypress tree nurtured by water and air symbolize the strong progress of society and are used for the front cover of this report.

Please address inquiries on this publication to:

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