FUJIFILM

Sustainability Report 2012

FUJIFILM Holdings Corporation

To be satisfied with the status quo means to stop making progress. We will make untiring efforts to promote innovation and reform ourselves for the future of our company and for society at large.

Each and every employee is committed to contributing to society

The Great East Japan Earthquake, which occurred in March 2011, has continued to have a vast impact on Japan's economy and the lives of its people. Since the occurrence of the devastating earthquake and tsunami, the entire Fujifilm Group has been conducting activities to support disaster recovery efforts, specifically, by providing both the public and private sectors with a range of materials, devices, and services, in addition to striving to resume the operations of our own production and sales bases. In particular, in the "Photo Rescue Project," which we launched to clean photographs stained by seawater and mud in the tsunami for their owners, many employees voluntarily participated to "rescue" these photos, which must be invaluable to both those who took them and those who appear in them. The project has also given us an opportunity to reappraise the significance and value of printed photographs.

At the FUJIFILM Finechemicals Hirono Factory, located about 21 km from the Fukushima Daini Nuclear Power Station, drastic decontamination measures were undertaken by making use of the knowledge and technologies concerning radioactivity across the entire Fujifilm Group after the local area was removed from the list of "emergency evacuation preparation areas." As a result, the factory was able to resume operations as early as October 2011. Moreover, through the factory, we gave advice on decontamination tasks and supplied a range of essential materials and equipment to the town of Hirono as part of our efforts to conduct local recovery support activities.

These activities were conducted based on the voluntary initiatives of individual employees and demonstrate the commitment of each and every employee to contribute to society by using the knowledge and technologies possessed by the Fujifilm Group. I believe that the strong social commitment of our employees is the real source of the Fujifilm Group's strength.

We are still on the way to reform We will put the Group in the path to growth based on the strength of individual employees

While Japan remains in a stagnant state, facing the aftereffects of the devastating earthquake and tsunami, and an unstable political situation, rapid changes are taking place across the world, including the further progress of digitalization, the remarkable growth of emerging economies, corruption and confusion within old regimes—as epitomized by the "Arab Spring," and the economic crisis in Europe. Under these circumstances, we could easily be carried away by the torrent of global changes and sink if we fail to make appropriate decisions in preparation for the future.

The Fujifilm Group indeed faced a crisis due to the rapid progress of digitalization, which started around 2000. Specifically, the market for our core silver halide photography business dramatically shrank due to the digitalization of photography. To survive this major hardship, we thoroughly reviewed our technologies to search for new possibilities, bravely restructured our business into six business fields with growth potentials, and dynamically changed our corporate structure. We must, however, take further steps forward to ensure that we can successfully implement our growth strategy in this age of great confusion. To this end, all employees working in the production, sales, R&D, administrative and other non-production divisions must display their abilities to the full and work in cooperation with each other. We must formulate a growth strategy by anticipating future changes and implement the strategy based on the strong commitment of individual employees to ensure that we put our business on to the path to growth.

Achieving targets through strong will and teamwork

We formulated and have been implementing the medium-term management plan, "VISION 80," across the Group, looking towards the 80th anniversary of our foundation in January 2014, focusing on "promotion of growth strategies for priority businesses" and "speeding up global expansion of our business operations."

In the healthcare field, we have been expanding the scope of our business from "diagnosis" to include also "prevention" and "treatment," and fostering M&As and collaboration with other companies in a variety of areas, based on the unique technologies that we have accumulated in the field of films, such as nanotechnology, organic synthesis technology, and analysis/evaluation technology.

In the highly functional materials field, we will provide unique materials developed based on the Fujifilm Group's technologies, including those for flat panel displays, solar cells, and semiconductors, and contribute to the growth of the whole industry, which, of course, is also important for our own growth.

In the document solutions field, we will accelerate the shift to a solution service business to make further contributions to the creation of a better communications environment. In the Asia-Pacific markets, including China, we aim to expand both sales and our market share by promoting locally-grounded business management through collaboration with local governments and the private sector.

As for global expansion of our business operations, we are enhancing our sales networks in Asia, the Middle East, and Africa.

None of the targets described above can be attained easily, but I am sure we can achieve them with our strong will to tackle challenges, based on teamwork and extensive mutual support, and through our ability to identify and solve problems patiently—the very same qualities that we used to overcome the hardships caused by the mega-earthquake and tsunami.

We will create new value toward the sustainable development of our company and society at large

Twenty years ago, the United Nations Conference on Environment and Development (Earth Summit) was held in Rio de Janeiro, Brazil. To mark the 20th anniversary of this event, Rio also hosted the United Nations Conference on Sustainable Development (Rio+20) to enable the international community to foster cooperation and formulate measures to resolve global problems, such as environmental issues and poverty. Has the international community made progress to ensure the sustainability of the Earth during the past 20 years? Although national governments, private companies, and citizens have been making their respective efforts, there remain so many problems to be solved, including those related to climate change, depletion of energy resources, and poverty in developing countries.

We must continue making further efforts to meet these challenges and fulfill our responsibilities to future generations. We must be thoughtful and innovative to meet the needs of the present and future societies, and help create a sustainable society in which people can lead healthier and more fulfilling lives. As an on-going business, we will continue changing ourselves and providing new values for the future.

In June 2012 we launched a new management system. Under this new system, we will continue making self-reforms and innovations with great foresight, believing it to be our mission to continue providing new value for the sustainable development of our company and for society at large.

August 2012
Shigetaka Komori
Chairman and Chief Executive Officer

Editorial Policy

The *FUJIFILM Holdings Corporation Sustainability Report 2012* focuses on environmental and social aspects among Fujifilm Group's three main areas of corporate activities, which are of great importance to both the Group and its stakeholders. For a report focusing on economic aspects, please refer to the IR information on our website, and to our Annual Reports.

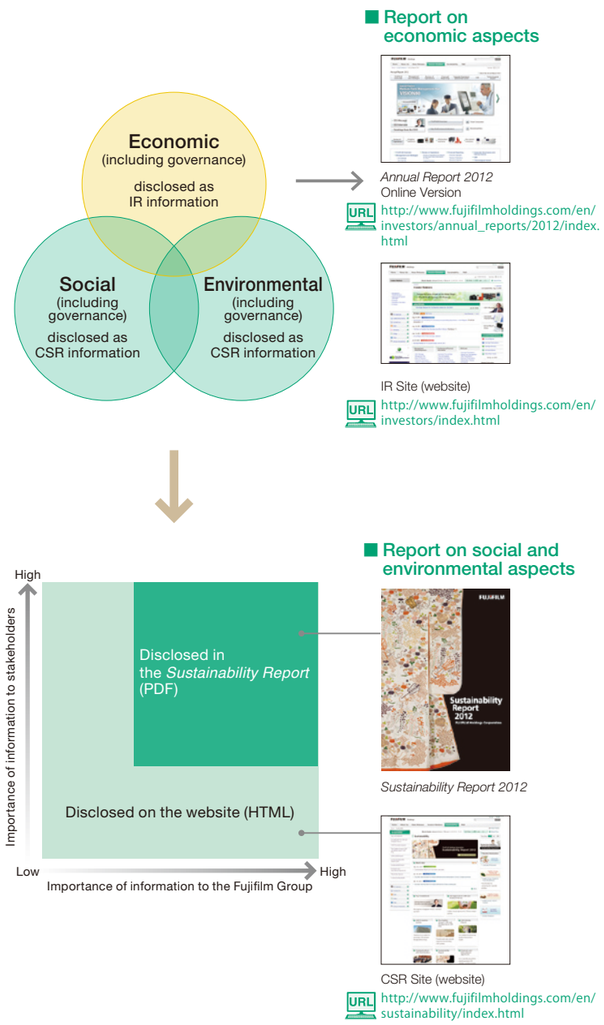
The Report has been organized into three sections: "Feature: Meeting Global Challenges with the Power of Technology"; "CSR Activity Report"; and "Data and Information." These areas are based on the keywords, *providing value through corporate activities, global, and overall capabilities*. The *Feature* spotlights topics among our activities in providing value through business operations and has kept technical terminology to a minimum for ease of understanding by all our stakeholders. The *CSR Activity Report* is an annual report on our medium-term CSR plan and on general issues concerning CSR. *Data and Information* presents quantitative data as comprehensively as possible for our stakeholders, aiming to enable an objective and concrete understanding of our CSR activities.

Additionally, we have been receiving impartial opinions from specialists and stakeholders on the Group's CSR activities communicated through the Report. These opinions are also presented in the Report and are used in ongoing reviews of our activities. We plan to listen to the opinions of the specialists and stakeholders once again this year and to present how we will apply the suggestions to our activities in the future, as well as to communicate our will to take action, through the Report.

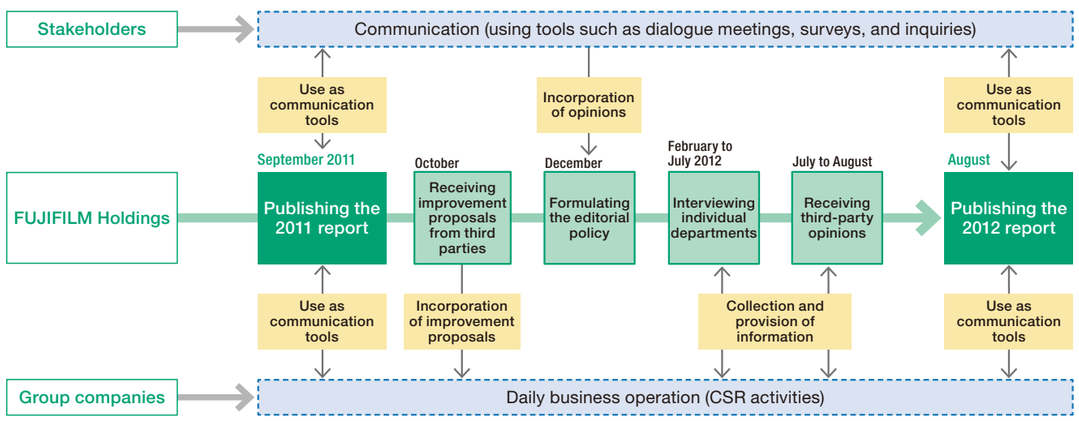
This Report can also be read on the *CSR Activities* section of our website, and a PDF version can be downloaded from there.

Please visit our website at the following address:

URL http://www.fujifilmholdings.com/en/sustainability/index.html



Process of creating the report



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● Period covered by the report

Fiscal year 2011 (April 1, 2011–March 31, 2012) 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 2012.

● 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 page 73 and on our website.

URL 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 page 68. The scope of Environmental Accounting is shown on page 68.

◎ The scope of environmental aspects is shown on page 65.

● Date of publication

August 2012 (next report: August 2013, previous report: October 2011)

● Referenced guidelines

◎ Japan's Ministry of the Environment: Environmental Reporting Guidelines (2012 Version)
◎ GRI: Sustainability Reporting Guidelines 2006
◎ Japan's Ministry of the Environment: Environmental Accounting Guidelines (2005 Version)
◎ ISO26000: Social Responsibility

● 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 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

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

The Fujifilm Group seeks to help people lead healthy and fulfilling lives and contribute to the creation of a sustainable society, through integrating our leading-edge, proprietary technologies.

Our corporate philosophy is based on the recognition that our mission 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. We are committed to fulfilling our corporate social responsibilities (CSR) by continuing to meet the requests and expectations of society through our business.

Five principles for pursuing fairness in our corporate activities

[Charter for Corporate Behavior]

1. A Trusted Company

We develop and provide socially beneficial goods and services of the highest quality using advanced and original technologies in a safe and responsible manner. Based on an open, fair and clear corporate climate, we create new value in a spirit of appropriate competition and fair dealing, continually striving to satisfy customers and other stakeholders and earn their trust.

2. Social Responsibility

We communicate with customers, local communities, shareholders and other members of society, conduct appropriate and fair disclosure of corporate information, comply with laws, regulations, and other rules, and uphold public order and morals. As good corporate citizens, we strive to correctly understand and respect local cultures and customs and to actively engage in public interest activities, especially those that contribute to local community development.

3. Respect for Human Rights

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

4. Global Environmental Conservation

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

5. Vibrant Workplaces

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

Fujifilm Group Charter for Corporate Behavior (full text)
http://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html

Fujifilm Group's Ideals

[Vision]

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

Vision—Fujifilm Group's Ideals (full text)
http://www.fujifilmholdings.com/en/about/philosophy/index.html

The Unchanging Values of the Fujifilm Group

[Corporate Philosophy]

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

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.

Implementation of our Corporate Philosophy through business operations

[Six Priority Business Fields]

Digital imaging

Imaging Solutions — FUJIFILM

Giving excitement and happy memories to people through photographs and images

- Electronic imaging (digital cameras)
- Photo imaging (photographic films, photo books, and film processing/printing services)

Healthcare

Information Solutions — FUJIFILM TOYAMA CHEMICAL CO., LTD.

Supporting people's health through prevention, diagnosis, and treatment

- Medical systems (digital X-ray diagnostic imaging systems, digital endoscopes, etc.)
- Pharmaceuticals (low-molecular pharmaceuticals and biopharmaceuticals)
- Life science (functional cosmetics and supplement products)

Highly functional materials

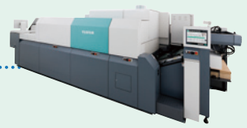
Creating high value-added products that provide more convenience and safety through advanced technologies

- Flat panel display materials (film materials for LCDs)
- Industrial materials (semiconductor processing materials and electronic materials)

Graphic arts

Printing technology responding to digitalization and environmental concerns

- Materials and equipment for graphic arts (CTP plates)
- Industrial inkjet printers and inks



Optical devices

Meeting the needs for high-quality images with various lens technologies

- Optical devices (camera phone lens units, TV camera lenses/cine lenses and security lenses)

Document solutions

Document Solutions — FUJI xerox

Building up an environment for the creation of new value by combining a range of knowledge

- Office products and office printers
- Production services (digital printing systems)
- Global services (solution proposals through company document and business process improvement)

Meeting Global Challenges with the Power of Technology

Protecting the Rich Nature of the Earth and Ensuring a Bright Future for Everyone

The Fujifilm Group has been striving to create a range of new businesses based on the Group's diverse technical capabilities.
The new products and services developed through our leading-edge proprietary technologies are bringing innovations to a range of fields and helping improve society and the lives of people across the world.
We will contribute to solving the problems faced by society one by one, while continuing to create new value.
The Fujifilm Group will make use of its technologies to protect the rich nature of the Earth and ensure a bright future for everyone.

The Fujifilm Group's technologies are contributing to the solution of social problems

The Fujifilm Group owns highly versatile fundamental technologies, including those related to organic and inorganic materials, analysis, thin-film formation and processing, image and software, optics, and mechatronics, developed in areas such as photosensitized materials and xerography. In addition, we possess core technologies that contribute to distinctive performance and cost. Based on these technologies, we are developing new businesses for the solution of social problems.

Fundamental technologies

Inorganic materials	Film formation and processing	Organic materials
Optics	Analysis	Drug discovery
Imaging	Software	Mechanics and electronics
Multilayer coating	Dispersion	Film forming

Part 1

Contributing to the Development of the Medical Field by Meeting Local Challenges in Each Country ..... p. 10

[Healthcare and medical systems]

Challenges to be met:

- Improve the medical environment in emerging economies
- Expand the possibilities of medical treatment in new fields
- Establish emergency medical care support systems

Part 2

Resolving Unmet Medical Needs by Taking Multiple Approaches ..... p. 14

[Healthcare and pharmaceutical products]

Challenges to be met:

- Create new drugs that are highly effective with few side effects
- Provide new drugs to protect children from infectious diseases

Part 3

Taking on the Challenge of Reducing CO_2 Emissions by 30% through Environmental Innovations ..... p. 16

[Documentation]

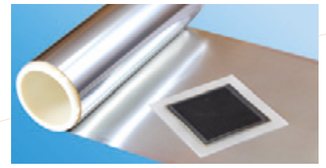
Challenges to be met:

- Reduce environmental impact across the entire office
- Develop materials with low environmental impact
- Introduce zero-waste resource recycling systems to overseas countries

Part 4

Supporting the Effective Use of Solar Energy with Film Technologies ..... p. 20

[Highly functional materials]



Challenges to be met:

- Expand the possibilities of CSP system (concentrating solar power system)
- Develop new products to expand the use of solar cells
- Easily conserve energy and electricity by blocking sunlight

Contributing to the Development of the Medical Field by Meeting Local Challenges in Each Country

Each country and region has their own social difficulties, and expected contributions are different from each other. This is true also in the medical field. For example, companies can help a lot of people improve their health by introducing advanced medicine to emerging economies. On the other hand, in accordance with changes in the times and lifestyles, some new diseases are spreading across the world. Fujifilm has been meeting the needs of those engaged in the medical area across the globe by developing a range of technologies and products in the imaging and other fields.

❶❷❸ FCR PRIMA: Developed for use at smaller medical facilities in local cities in India
❹ i-Stroke: Displays the follow-up data of a patient in chronological order, including images, doctors' comments, examination and treatment data

Case 1 Aiming to spread the use of digital X-ray systems in India

The FCR PRIMA small-sized digital X-ray system

Social challenges and backgrounds

The digitalization of X-ray systems has been fostered mainly in developed countries, and demand for the replacement of CR*1 systems with DR*2 ones has been increasing, especially among large hospitals in Japan, the United States, and Europe. Emerging economies, however, such as India, China, Latin America, the Middle East, and Eastern Europe, have yet to digitalize their X-ray systems. Some wealthy hospitals in these countries have already been shifting to DR systems directly from analog systems, but most of smaller hospitals, including clinics, are still in the process of replacing their analog systems with CR systems. For the digitalization of X-ray systems in these countries, it is essential for high-quality products to be developed and provided at affordable prices.

*1 **CR:** Digital X-ray Imaging System using imaging plate (IP)
*2 **DR:** Digital X-ray Imaging System using flat panel detector

Fujifilm began selling X-ray films for medical use just after the establishment of the company. In 1983 the company released the world's first digital X-ray system, Fuji Computed Radiography (FCR), to stabilize the quality of images through digitalization. The system also made it possible for users to transmit images via networks, thereby contributing to the improvement of the medical environment.

At present, Fujifilm is developing and releasing digital products that meet the needs of emerging economies, aiming to further expand its business in the global market. The company developed the FCR PRIMA small-sized digital X-ray system to meet the needs of the Indian market, which had been identified through local marketing activities.

In recent years, large hospitals in Japan, the United States, and Europe have begun to replace their CR systems with DR ones, while smaller hospitals and emerging economies have yet to digitalize their X-ray systems. Due to decreases in the price of digital devices and expectations for stable image quality compared with that of conventional analog films, demand for digital machines has been dramatically increasing. In response, Fujifilm sent marketing members to more than 100 clinics and hospitals across the world to indentify real local needs and discovered that the Indian market had large potential needs for digital X-ray systems. In India, X-ray systems were usually used for diagnosis at imaging centers. There are centers in which films were developed manually and the quality of the resulting images was not good. Some of these facilities began introducing CR systems and customers (patients) who wanted images with higher quality switched to these facilities. As a result, other facilities had no choice but to digitalize their X-ray systems to retain their customers. Therefore, it seemed possible for Fujifilm to expand the market of digital X-ray systems in the country if it could release a product that provided high-quality images at a reasonable price.

In order to resolve the biggest challenge of providing a digital X-ray system at a low price, Fujifilm set an ambitious cost reduction target at the start of the product development stage and launched a project involving employees engaged in product planning, development, manufacture, operations, transportation, and sales. As a result of repeated discussions among members, it was finally decided to be produced by the affiliated company in China. The design staff made a cost reduction plan, including the location of the production base and transportation means, and implemented a range of related measures. Subsequently, in the production base, communication with our Chinese partner has been enhanced to build mutual relations of trust. Also Fujifilm focused on making a high-quality system based on its advanced technologies for diagnostic imaging and by incorporating specifications to prevent the entry of foreign matters inside of the precision equipment to ensure the product could function well even under severe conditions.

As a trial, Fujifilm first released the new system in India, which would be the main market for the digital X-ray system, earlier than in other countries. The company is now striving to spread the use of the system across India by launching sales promotion measures for the local market and also conducting sales activities in local towns where small imaging centers are located.

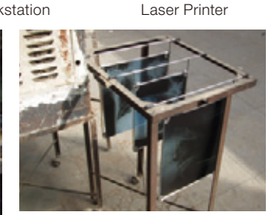
The FCR PRIMA, which was developed for emerging countries like India, has also been accepted by clinics in developed countries. Moreover, the system began to be adopted by veterinarians and chiropractors who cannot make large investments in X-ray systems, which would not be frequently used at their facilities. The product has thus been making contributions to the improvement of the medical environment across the world.

■ FCR PRIMA System Configuration


Image Reader


Workstation


Laser Printer



In India, radiographic equipment is installed in an unsecured environment by a door where dust can enter, and manual film development is still used in some facilities

Case 1 VOICE

Releasing the second and third versions of the FCR PRIMA to contribute to improving the medical diagnosis level across India

Nobuo Matsunobe
Marketing Advisor Medical Division
FUJIFILM India Private Limited (At the time of the interview)

We had been introducing products already sold in Japan and other developed countries to the Indian market and were able to promote local sales in reference to the sales results in other countries. However, we released the FCR PRIMA first in India and were not sure how to proceed, although both local staff and dealers were highly motivated to sell the product. We made preparations for a press conference to announce the release of the product, listening to local people and holding detailed discussions. As a result, all of us increased our appreciation of this product, which led to successful sales promotion. I think that the release of the FCR PRIMA helped foster the introduction of digital devices to India and improve the level of medical diagnoses in the country. We will release the second and third versions of the FCR PRIMA to continue making contributions to improving diagnosis levels across the entire country.

Press conference to announce the release of the product and implemented a sales strategy in cooperation with local staff and dealers in India

Stakeholder message

Dr. B Lal Gupta
Dr. B Lal Clinical Laboratory
(First doctor to adopt the FCR PRIMA in India)

Expanding the use of digital X-ray systems across cities in India

I operate five clinics in the state of Rajasthan. At first I was hesitant to introduce a digital X-ray system to my facilities. Although I highly evaluated the system based on the results of using it at other facilities, I was not sure whether it was worth making the investment to introduce the system to my facilities, which were not big and not located in a large city. The FCR PRIMA, however, proved very worthwhile.

It will of course help improve the diagnosis level by introducing a digital X-ray system and in India, which is much larger than Japan, there are a lot of patients who will benefit from it. I expect Fujifilm to continue making efforts for the improvement of the medical diagnosis level in local towns and cities through the sale of the FCR PRIMA. I believe Fujifilm will meet this expectation, for which I will cooperate with the company as much as possible.

Case 2 Developing an endoscope to help overcome difficulties in small-intestinal examination and treatment

Double-balloon endoscope system

Social challenges and backgrounds

The small intestine is said to be the most difficult organ to access with an endoscope. Although it is relatively easy to access the esophagus, stomach, and duodenum by an endoscope from the mouth or nose to examine and treat the organ, it is difficult for an endoscope to pass through the small intestine, which has a winding structure. Even when an endoscope is inserted into the body through the rectum, it may hurt the small intestine by the inappropriate insertion. Although the number of people suffering from small intestine cancer is not large, there were patients who were suffering from bleeding from the small intestine or ulcers and they had to undergo painful abdominal surgery for the treatment. Small intestine diseases include Crohn's disease,* which tends to be suffered by young people in their teens and twenties. The number of people suffering from this disease has also been increasing in Japan, and because there are no fundamental treatment methods for it, patients with the disease are in need of a method of coping with it without undergoing abdominal surgery.

*Crohn's disease: A type of inflammatory bowel disease that often affects the small intestine and causes diarrhea, bloody stools, and weight loss. The disease is caused by abnormal immune reactions to external antibodies (food ingredients, foreign matter, disease agents) and is thought to be connected with environmental factors and dietary habits. It is said that those who take a lot of animal proteins and fats tend to suffer the disease. In the past, North America and Europe had high incidences of the disease, but recently the number of patients has been increasing in Japan due to the westernization of people's dietary habits.

Fujifilm (Fujinon at that time) has been providing a range of products since the development of the world's first digital endoscope in 1984, including a transnasal endoscope that reduces patient discomfort, including the sensation of gagging, tools for surgery, and imaging software. In 2003, the company released a double-balloon endoscope for observation and treatment of the small intestine, which was said to be the most difficult organ to access by an endoscope.

In Japan, about 70% of endoscopes are used for observation of the stomach and esophagus, and the remaining 30% for observation of the large intestine. The small intestine is as long as six to seven meters and is like a soft, folded, flexible tube. It is difficult to insert a conventional endoscope into the organ because the tube can be stretched by the endoscope or because the endoscope could not pass through the organ because of sharp curves. Observation of the small intestine by an endoscope thus took much time and was often very painful for the patient, meaning that many patients with small intestine disorders had to undergo abdominal surgery. The market of endoscopes designed for the small intestine was therefore a very niche market. Fujifilm (Fujinon at that time), however, met the request for the joint development of an endoscope for the small intestine from Professor Hironori Yamamoto of Jichi Medical University, regarding it as a mission of an endoscope manufacturer and hoping to make a new contribution in the endoscopic field.

The double-balloon endoscope designed by Professor Yamamoto can pass smoothly through the small intestine by means of balloons temporarily fixed at the curves. This endoscope made it possible for patients suffering small intestine ulcers or bleeding from the organ to receive high-frequency currents treatment or clipping treatment instead of having abdominal surgery. When the double-balloon endoscope was released, some in the medical society said, "Unbelievable!" The effectiveness of the product for the examination and treatment of the small intestine has been highly praised.

The small intestine absorbs nutrients and is said to be the most important among the digestive tubes. This double balloon endoscope developed in Japan also attracted much attention from abroad, and now the product is used across the world, including about 300 facilities in Japan, about 500 in Europe, 200 in the United States, and 80 in China.

The two balloons make it easier to pass the endoscope through the small intestine

Case 2 VOICE

I would like to develop a thinner double-balloon endoscope for children

Masayuki Oyatsu
Operations Manager, Endoscopy Systems Div.
Medical Systems Business Div.
FUJIFILM Corporation

Crohn's disease affects the small intestine, and children who suffer this disease have to get along with it throughout their lives. Our sales staff are requesting us to develop a thinner endoscope that can be used more safely for children, and we are making efforts to meet this request by using the most advanced technologies, seeking to fulfill our duty as the manufacturer of the double-balloon endoscope.

Case 3 VOICE

We feel that we might be able to save someone's life through our job

Kiyochika Isoyama
Operations Manager, IT Solution Div.
Medical Systems Business Div.
FUJIFILM Corporation

In talking with medical doctors, I can feel that we might be able to save the lives of more patients or decrease the number of patients who suffer the aftereffects of diseases. We need to spread the use of our technologies and products in order to make further contributions to society through them. The medical business of Fujifilm has been focusing on the radiation field but we now want to expand the scope of the business to make more contributions to society.

Case 3 Supporting emergency medical care for cerebral strokes to prevent deaths and aftereffects

The i-Stroke remote image diagnosis and treatment support system

Social challenges and backgrounds

Among critically-ill patients urgently transported to medical facilities in Japan, about 30% are suffering from cerebral strokes, which are said to be the third largest cause of death in the country. For cerebral strokes, it is essential for patients to receive prompt and appropriate treatment at the hospitals to which they have been sent. In particular for cerebral infarctions, which account for about 60% of the strokes, it is critical for patients to receive appropriate treatment within several hours after the start of symptoms, including the administration of thrombolytic agents and endovascular treatment to remove blood clots, which will greatly help reduce the aftereffects of the disease. It is, however, difficult for doctors specializing in the disease to be at medical facilities for 24 hours a day and it is required to establish an emergency medical system to resolve this problem for society.

The i-Stroke remote image diagnosis and treatment support system helps hospitals make diagnoses and give treatment to patients of cerebral strokes urgently sent to them by transmitting patients' clinical examination data—including images—to the smartphones of experts in the disease who are outside the hospitals. Fujifilm developed this system jointly with the Jikei University School of Medicine as part of the university's project to save as many lives as possible, and released the system on the market in June 2011. Since then, it has been widely used at emergency medical care facilities, being appreciated as highly effective for the initial treatment of cerebral strokes.

Fujifilm participated in the joint development project, inspired by the opinion of a doctor at the Jikei University School of Medicine, who said, "Mobile systems can help save our patients." The university asked Fujifilm to participate in the project, highly valuing the company's expertise in diagnostic imaging systems, although it did not have a deep knowledge of cerebral strokes. To meet the expectations of the university, the company developed the i-Stroke system incorporating opinions of a range of people engaged in clinical medicine and capitalizing on its wealth of know-how regarding image processing. The i-Stroke system is equipped with various functions useful for emergency medicine, such as the function to display 3D images in a stress-free manner and other treatment support tools, including criteria for making judgments about the symptoms suffered by patients.

At present, the i-Stroke system is used by seven medical facilities in Japan. In June 2012, some new functions were added to support more general emergency medical treatment. Fujifilm will further expand these functions to make the system even more useful in the emergency medical treatment of diseases including cerebral strokes. The initial treatment of cerebral strokes is deemed important also outside Japan, and the company is now examining the possibilities of releasing the product overseas, first in the United States.

Doctors can check the clinical examination data of patients, including images, on their smartphones at anytime and anywhere

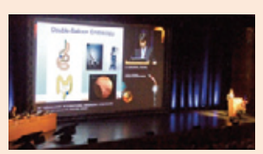
Stakeholder message

Dr. Hironori Yamamoto
Professor and Director of the Endoscopy Center
Jichi Medical University

Meeting expectations for the attainment of the essential goal of medical treatment—to protect people's health

As for the development of the double-balloon endoscope, it was difficult for me to find a manufacturer who would cooperate with me in the development activity, because the market for endoscopes for the small intestine was very small. At that time, I thought that although the market was small, there were in fact a lot of patients who were in need of endoscopic diagnosis and treatment and manufacturers should not make decisions based on past results and conventional ideas. If patients suffering from small intestine diseases became able to receive diagnosis and treatment, it would give them great benefits, and also the development of new therapies based around endoscopes might expand the size of the market. In fact the double-balloon endoscope has made it possible for doctors to do what they were unable to do in the past and it has attracted much attention from the industry. For me, it was really rewarding to see patients of small intestine diseases, who were not appropriately diagnosed in the past, being pleased to receive endoscopic diagnosis and treatment. The goal of medical treatment is to protect people's health, and all those engaged in the medical field, including doctors, manufacturers, and governmental agencies must share the mission of improving the quality of medical treatment to this end. I want manufacturers and governmental agencies engaged in the medical field to develop medical devices and to reform the medical administration, keeping in mind their essential mission instead of merely pursuing economic efficiency.

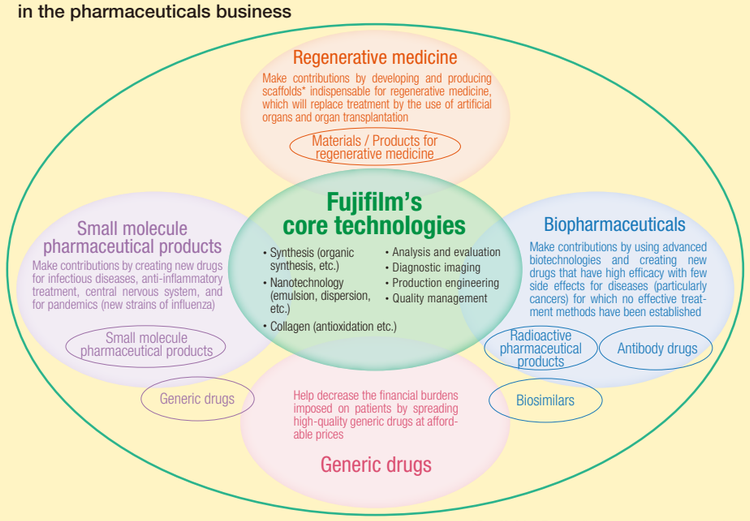
Fujifilm (Fujinon at that time) was the only manufacturer who responded to my request for the joint development. The members of the company engaged in the development in a very sincere manner. I feel this company is very reliable and trustworthy. Japan is leading the world in the field of endoscopes and I hope that Fujifilm will develop even safer and more user-friendly products and release them from Japan to the world as a leading manufacturer of endoscopes.



Promotion and training are necessary for new medical equipment. Dr. Yamamoto continues to present more than 50 lectures a year across the world on the double-balloon endoscope.

Resolving Unmet Medical Needs by Taking Multiple Approaches

The Fujifilm Group's social contributions in the pharmaceuticals business



***Scaffolds:** Extracellular materials that provide an environment for cells to adhere and proliferate

In the aging Japanese society, the need for biopharmaceuticals has been increasing in accordance with an increase in the number of patients of cancers, rheumatism and dementia which are caused by aging. On the other hand, there are still a large number of children suffering from pneumonia and middle-ear infections despite improvements to the living environment in Japan, and the development of more effective treatment drugs is being demanded. In response, the Fujifilm Group is further assuming the healthcare business, focusing on small molecule pharmaceutical products, biopharmaceuticals, and materials/products for regenerative medicine. The company is utilizing the core technologies that it has accumulated in the photographic film business to develop new drugs to resolve these unmet medical needs.

Social challenges and backgrounds

Only a limited number of companies can continuously develop new drugs in the world. Nonetheless, for cardiovascular diseases and lifestyle-related diseases, a range of new drugs has already been created in consideration of the large number of patients. There are, however, still strong needs for new drugs for diseases that cannot be treated fundamentally, such as cancers and Alzheimer's disease and for the smaller medical markets, such as the pediatric healthcare market.

The pharmaceutical industry has entered an age of great change and the development of biopharmaceuticals, which have relatively few side effects, has been fostered in a shift from small molecule pharmaceutical products. The development and manufacture of biopharmaceuticals, however, requires advanced technologies, and companies in the pharmaceutical industry need to combine various technologies in collaboration with each other to foster the creation of biopharmaceuticals.

Case 1 Entering the biopharmaceutical field with the advanced technologies accumulated in the photographic film business

Fujifilm has been fostering the pharmaceutical business as a core of its new businesses based on the idea of "prevention, diagnosis, and treatment." In particular, for biopharmaceuticals, we made MSD Biologics (UK) Limited and Diosynth RTP Inc. of the United States our consolidated subsidiaries in 2011 to develop the business in multiple ways from a unique standpoint. Also, in 2012 we established Fujifilm Kyowa Kirin Biologics as a company to manage biosimilars.*

Biopharmaceuticals, which make use of the natural biological functions of organs, are effective with few side effects for diseases that cannot be fully treated with conventional small molecule pharmaceutical products, but because they are made using biological organisms, complex production technologies need to be adopted. We have accumulated advanced technologies in the field of photographic films, which are delicate products and need to be manufactured to a high precision, including technologies for organic synthesis, emulsion, antioxidation, analysis, and evaluation. Also, for biopharmaceuticals, the manufacture of which includes many complex processes, such as the cultivation of microorganisms, we can utilize these advanced technologies together with process monitoring technology and technology to manage materials quality, thereby substantially increasing the productivity and reliability of the manufacturing.

In today's society, the focus is increasingly on aging control ("anti-aging") rather than on the treatment of diseases. In the future, medical treatment must be provided in consideration of the health conditions of individuals. Even patients suffering from the same disease need to be treated in different ways in consideration of their individual health conditions, in order to ensure the effectiveness of the treatment and reduce side effects. Medical treatment will be increasingly provided in consideration of the risks and effects for each patient in a more personalized manner (so-called tailor-made medicine). The medical world is greatly changing and the technologies and know-how of Fujifilm, which is based in an industry other than the medical society, will be much in demand for progressive medical treatment.

Yuzo Toda
Director Senior Vice President,
FUJIFILM Corporation
Director, FUJIFILM Holdings Corporation

■ History of the Fujifilm Group's pharmaceutical business

Oct. 2006	Made Daiichi Radioisotope Laboratories (present FUJIFILM RI Pharma) a 100% subsidiary **[R&D, manufacture, sale and export/import of radioactive pharmaceutical products, other pharmaceuticals, and radiolabeled compounds]**
Mar. 2008	Made Toyama Chemical a consolidated subsidiary **[R&D, manufacture and sale of small molecule pharmaceutical products]**
Dec. 2008	Made Perseus Proteomics a subsidiary **[Development of antibody drugs, etc.]**
Nov. 2009	Established FUJIFILM Pharma **[R&D, manufacture, sale and export/import of pharmaceuticals and R&D, sale of generic drugs]**
June 2010	Established the Pharmaceutical Products Division to supervise the pharmaceutical business as a whole Integrated the pharmaceutical and life science research laboratories into the Pharmaceutical and Healthcare Research Laboratories
Aug. 2010	Formed a capital alliance with Japan Tissue Engineering **[R&D, manufacture and sale of products for regenerative medicine and products to support R&D]**
Mar. 2011	Made MSD Biologics (UK) Limited (Present FUJIFLIM Diosynth Biotechnologies UK Limited) and Diosynth RTP Inc. (present FUJIFILM Diosynth Biotechnologies U.S.A., Inc.) consolidated subsidiaries **[Development and manufacture of biopharmaceuticals on commission]**
July 2011	Formed a business partnership with Dr. Reddy's Laboratories Ltd. **[Development and manufacture of generic drugs]**
Mar. 2012	Established Fujifilm Kyowa Kirin Biologics **[Development, manufacture and sale of biosimilars]**

* **Biosimilars:** Biologically similar biopharmaceuticals that are developed by other manufacturers after the patent period of the original biopharmaceutical has expired.

Case 2 Committed to the prevention of infectious diseases among children as a mission of a manufacturer of brand-name drugs

OZEX® fine granules for children (15%)

Because there are few antimicrobial agents*1 that can be used for the clinical treatment of children, the same types of antimicrobial agents tend to be used repeatedly, and this often causes the emergence of drug-resistant strains of bacteria.*2 In addition, repeated infections in group nursing facilities tend to spread resistant strains among children and infections with such strains often require hospitalization—even for the treatment of middle-ear inflammation. Despite the calls for new types of antimicrobial agents for children from the medical staffs and societies, the development of such drugs did not progress because the market is small and the development of pediatric drugs requires significant labor and costs. However, Toyama Chemical embarked on the development of a new drug, regarding it as its mission as a manufacturer of brand name drugs.

OZEX® fine granules for children (15%), which is effective for the treatment of pneumonia and middle-ear infection, is a reformulation of OZEX® tablets—sold since 1990; but to make the antimicrobial agent suitable for pediatric use, there were many difficulties to overcome. As is often said, children are not small adults: the organs are not fully functional at birth and it takes about nine months for the kidney, and two years for the liver, to function like those of an adult. It is therefore difficult to adjust the dose for children. Also, children often refuse to take any kind of medicine once they find it distasteful, and so special consideration must be paid to the taste.

New quinolones, a family of antimicrobial agents to which OZEX® belongs, are known to have toxic effects on the joints of young dogs raising concerns about the same kind of disorders in human beings. OZEX®, however, showed relatively few toxic consequences for the joints in young dogs and no joint disorders have been reported to date through post-marketing safety monitoring of OZEX® fine granules for children (15%), as well as through follow-up surveys on patients who took the drug for non-approved indication prior to its official approval. It is now two years since the drug was released in the market, but Toyama Chemical is still continuing the investigations and collecting relevant information.

OZEX® fine granules for children (15%), released in January 2010, has been highly evaluated by clinical doctors. However, its long-term use will undoubtedly cause the emergence of drug-resistant strains of bacteria. As a responsible manufacturer of brand name drugs, Toyama Chemical has been promoting the understanding of effective use of antimicrobials to reduce the generation of drug-resistant strains by various effective means, such as a "cyclic therapy."*3

Toyama Chemical is continuing to develop new antimicrobial agents for children, believing this is also one of its missions as a manufacturer of brand name drugs.

*1 **Antimicrobial agents:** Pharmaceuticals used in the treatment of bacterial infectious diseases

*2 **Drug-resistant strains of bacteria:** Strains of bacteria that are highly resistant to pharmaceuticals, meaning that the drugs are not very effective or ineffective on these strains

*3 **Cyclic therapy:** Preventing the generation of drug-resistant strains by using at least three different types of pharmaceuticals in alternation per three to seven days

OZEX® fine granules for children (15%) effective for the treatment of pneumonia and middle-ear infection

Case 2 VOICE

Protecting children is protecting the future of society

Yoshitaka Katakuse
Advisory Deputy General Manager
Development Project Group
Clinical Planning Department
Toyama Chemical Co., Ltd.

I have long been engaged in the development of pharmaceuticals. When I was in charge of developing drugs for children 14 years ago, a pediatric doctor taught me the importance of always keeping in mind the protection of the lives and health of children. We were able to develop OZEX® fine granules for children (15%) thanks to the advice and support from those working at the forefront of clinical treatment. I think pharmaceutical companies cannot effectively develop and further explore the appropriate use of new drugs without the help of the medical field, academia, and related governmental agencies.

Taking on the Challenge of Reducing CO_2 Emissions by 30% through Environmental Innovations

Fuji Xerox is accelerating its activities to achieve a very high target of reducing its annual CO_2 emissions in Japan and overseas by 30% relative to fiscal 2005 by 2020. In addition to activities to reduce the environmental impacts of its multifunction devices and printers throughout their life cycles, the company is taking on the challenge of carrying out environmental innovations by changing the office environment or the working styles of all employees.

❶❷❸ The technology to reuse parts of recovered multifunction devices supports Fuji Xerox's Integrated Recycling System. (Photos taken at Fuji Xerox Eco-Manufacturing (Suzhou).

Social challenges and backgrounds

In order to create a sustainable society, a range of problems needs to be solved, including global warming and the depletion of resources. As for global warming, the international community has set a long-term target of reducing the world's total greenhouse gas emissions by at least 50% by 2050.* Creating a recycling-based society used to be regarded as a waste issue, but now a wider range of measures are expected such as the efficient reuse of limited resources and the shift to the use of renewable resources. As a manufacturer who supplies products to customers, it is becoming increasingly important to implement measures to reduce the environmental impacts throughout the life cycles of its products, from the development of materials to design, manufacture, use by customers, recovery, and recycling.

*G8 Hokkaido Toyako Summit Leaders Declaration (July 2008)

Policy Pursuing greater contributions to reducing the environmental impacts of society

Fuji Xerox conducts activities to reduce the environmental impacts of its multifunction devices and printers throughout their life cycles; from the purchase of materials, manufacturing, sales, distribution, use by customers, the recovery of end-of-life products, to disposal. Out of the products' entire life cycle, relatively large environmental impacts are made when materials are purchased as well as when electricity is consumed as customers use the products. Based on this recognition, the company has been fostering the 3Rs (reduce, reuse, recycle) activities and the improvement of the energy conservation performance of its products.

As for the purchase of materials, Fuji Xerox is promoting the reuse of parts from recovered end-of-life products, and the development of materials so that plastic materials can be replaced with more eco-friendly ones. In particular, substantial reform of the development and manufacturing systems are needed to promote the reuse of parts, which is more difficult than using new parts, Fuji Xerox has invested both technologies and capital to meet this requirement because it is a company that continues to take innovative challenges as a leader in environmental protection. At present, the company has recycling bases in Japan, Thailand, and China to recover end-of-life products in the Asia-Pacific region. The collected parts are reused to make products with quality as good as new. Based on the belief that end-of-life products are not waste but resources, the company is recovering as many products as possible and reusing their parts to the maximum for more effective use of resources.

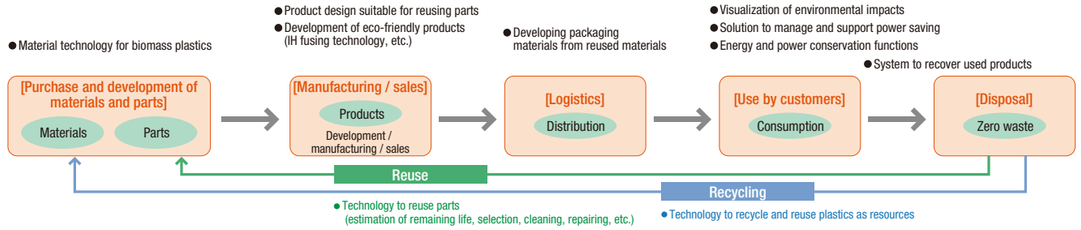
With regards to improving the energy conservation during product use at customers' sites, the company has set the target of halving the electricity consumed by all its products in the market in 1995 and achieved this target in 2006, one year later than planned. In order to attain this ambitious target, Fuji Xerox endeavored to improve the energy conservation performance of both color and monochrome devices and is still continuing its efforts. In recognition of this endeavour, the company awarded 11 consecutive years at the Energy Conservation Grand Prize organized by the Japanese Ministry of Economy, Trade and Industry (from 1999 to 2009).

Fuji Xerox is manufacturing eco-friendly products based on the "RealGreen" concept, which means to be both energy-efficient and user-friendly. Even if a product has great energy conservation performance, customers will not continue using it if they feel stress by using it. The company thinks it important to provide customers with products that are both eco-friendly and comfortable to use, in order to make contributions to reducing environmental impacts through products. The company will continue advancing its technologies to supply more energy-saving products to society, thereby helping further reduce CO_2 emissions.

Fuji Xerox is also determined to help society at large reduce CO_2 emissions by doing more than just reducing the life cycle environmental impacts of its products. Specifically, in addition to reducing the total life cycle CO_2 emissions from its products by 30% relative to the 2005 level by fiscal 2020, the company has set the target of helping customers reduce CO_2 emissions from their offices by a total of seven million tons a year. This target cannot be achieved solely by providing them with energy-efficient products. Supporting customers to make drastic changes to their offices and work styles would also be required. To this end, Fuji Xerox has just begun developing a solution to help customers visualize their use of power and paper in their business operations, thereby supporting them in improving their productivity and reducing their environmental impacts.

Aiming toward the goal set at fiscal 2020, Fuji Xerox will create new work styles and work spaces to help society at large reduce its total CO_2 emissions, in addition to proposing to customers the optimal layout of their office devices for higher productivity.

■ Fuji Xerox's LCA-based environmental technologies and services



[Improving environmental friendliness when products are used by customers] ApeosPort-IV, DocuCentre-IV

The nine models of full-color digital multifunctional devices ApeosPort-IV and DocuCentre-IV series, which were launched in December 2011, are advanced "RealGreen" products that provide a range of comfortable and eco-friendly functions.

- **Smart WelcomEyes: Motion sensor detects the access of a user and makes the machine ready for use**

To meet requests from users who think, "I want the machine to start up immediately when I want to use it," and "I don't want the machine to consume energy while not in use," the unique motion sensor Smart WelcomEyes detects a user approaching the product and automatically starts up from the sleep mode.

- **Smart Energy Management Technology: Supplying electricity only to the component parts in use**

The multifunction device is divided into four parts—the scanner, control panel, output unit and controller—and electricity is supplied only to the component parts in use, which leads to a reduction in total power consumption.

- **High-speed recovery from the sleep mode: Making the device quickly ready for use**

The software of the output unit has been improved to shorten the time required for recovery to below 3.9 seconds.* Users can make the necessary settings on the control panel even during the recovery time, and can start copying and scanning without experiencing any stress in waiting.

*With ApeosPort-IV C3375/C2275

Due to the systematic provision of aforementioned technologies, users can experience almost "zero waiting time" even for the recovery from the sleep mode.

The unique motion sensor "Smart WelcomEyes"

[Reducing the energy conservation of products] ApeosWare Log Management 1.2

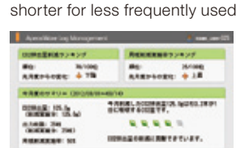
ApeosWare Log Management 1.2, which was released in December 2011, is a software for the management and operation of multifunctional devices and printers. It also helps users visualize their environmental impact and increase the efficiency of their environmental measures.

- **Encouraging each employee to reduce their environmental impact**

This application visualizes the CO_2 emitted by individual users, revealing each person's eco-friendliness. On the control panel of the multifunctional device, the CO_2 emission reduction and paper use reduction rankings are displayed together with the individuals' levels of contributions to the environment (on a one-to-five scale). This encourages employees to reduce their environmental impact.

- **Supporting managers in implementing environmental measures**

The software also helps managers monitor the use of electricity/paper and CO_2 emissions by the multifunctional devices and printers in their departments. It also collects and analyzes information about the past use of individual machines and automatically makes the machines shift to the energy-saving mode when they are not in use for a certain length of time, depending upon the use frequency of the machine. The length of time is set to be longer during frequently used hours and shorter for less frequently used hours.



Visualizes various information to encourage users to reduce their CO_2 emissions

Case 1 Making plastics using eco-friendly materials available anywhere in the world

[Procurement and development of materials and parts] Inedible wooden biomass plastic

In order to decrease dependence on oil, the introduction of biomass plastics—plastics made from plants and other renewable materials—has been promoted. For multifunction devices, plastic parts account for about 30 to 40 percent of the total weight, therefore Fuji Xerox has been proactively developing biomass plastics to reduce the life cycle environmental impacts of our products. Although the company is not a manufacturer of materials, we decided to develop the plastic on our own because no high-quality materials that could meet our criteria for flame resistance and strength were available in the market.

In 2007, Fuji Xerox adopted corn-based biomass plastic as the material for the inner cover of our products, and the ApeosPort-IV, released in December 2011, became the first product that incorporates parts made of inedible biomass plastic.*

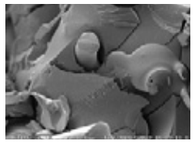
The inedible biomass plastic developed by Fuji Xerox was the first inedible material that obtained the BiomassPla logo.

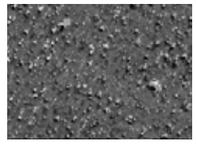
Fuji Xerox developed it through attributing importance to using materials easily available across the world, thinking it important to locally manufacture, consume, and recycle products to reduce life cycle environmental impacts. Specifically, the company chose cellulose contained in wood as the base material for the plastic. Wood is available across the world, and especially in Japan, the use of cellulose will help make more effective use of forest thinnings. Moreover, the replacement of polylactic acid conventionally used as a material for biomass plastics with cellulose will reduce the amount of energy used in manufacturing.

Cellulose, however, is flammable and difficult to mold. To overcome these problems, Fuji Xerox developed a unique alloy compatibilization technology to mix a small amount of ABS (petroleum-based plastic) into cellulose and compound them physically and chemically, thereby giving sufficient strength and flame resistance. The company is planning to apply the cellulose-based plastic to our products' outer parts, which require higher flame resistance.

To help reduce the environmental impacts of society at large, it is important to promote the use of biomass plastics in a wider range of parts and products in addition to using the plastics in Fuji Xerox's multifunction devices and printers. Fuji Xerox will further improve the performance and cost effectiveness of our own developed biomass plastics by increasing synergies with Fujifilm's material development technologies, thereby contributing to the spread of more eco-friendly plastics in society.

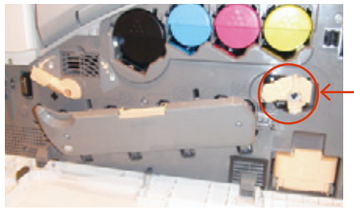
***Inedible biomass plastics:** Bio-based plastics that do not compete against food supplies.





Left: Before introducing the compatibilization technology
The petroleum-based plastic is sticking out like the tip of a rope. Other parts are composed of cellulose.

Right: After introducing the compatibilization technology
The grainy features are composed of the petroleum-based plastics and other areas are composed of cellulose. The picture shows the optimum dispersion.



Parts made using the inedible wooden biomass plastic and use of the parts in the product

Case 1 VOICE

Fuji Xerox could be remembered as a manufacture of biomass plastics

Kenji Yao
Team manager,
Marking & Materials Technology Group
Marking & Materials Research and Technology Dept.
Fuji Xerox

The team was initially established for the Design for Environment (DfE) project but subsequently began specializing in developing plastic materials. I started research into biodegradable plastics after being shocked by the sight of waste piled up on *Yumenoshima* (a disposal site in Tokyo). We developed the inedible biomass plastic for use in parts for multifunction devices, but I believe it can contribute to creating more eco-friendly society by broadening the scope of its application.

Preventing the spread of fires caused by burning plastics

Masayuki Okoshi Ph.D.
Marking & Materials Technology Group
Marking & Materials Research and Technology Dept.
Fuji Xerox

In Japan, traffic accidents account for the largest percentage of fatal accidents, followed by fires. As many as 2,000 people lose their lives due to fires on an annual basis. Heated plastics will melt and burn, causing the spread of a fire. I have long been engaged in the development of technologies to increase the flame resistance of plastics. Through such development activities, I would like to increase the flame resistance not only of office equipment but also of household goods (such as sofas and beds), thereby helping prevent the spread of fires caused by plastics.

Case 2 Achieving zero landfill across the Asia-Pacific region

[Disposal] Fuji Xerox Eco-Manufacturing (Suzhou)

As one of our core environmental activities, Fuji Xerox has been implementing the Integrated Recycling System, which focuses on the recovery of end-of-life products as well as the reuse and recycling of parts. Among the 3Rs (reduce, reuse, recycle), the company gives higher priority to reducing the use of resources and reusing the parts of recovered products than to material recycling. In 1995, Fuji Xerox was the first company in the industry to introduce products containing recycled parts to the Japanese market. In August 2000, it became the first in Japan to achieve zero landfill* from recovered used products.

Additionally, Fuji Xerox has been conducting these activities proactively also outside Japan. The company introduced the Integrated Recycling System throughout Asia Pacific establishing the recycling center in Thailand in December 2004, which recycles used products and consumables recovered from nine countries and regions, and accomplished the zero landfill in 2009. Also, in January 2008, Fuji Xerox Eco-Manufacturing (Suzhou) started operation of the Integrated Recycling System in China. It disassembles used products collected from all over China (excluding Hong Kong, Macao and Taiwan) and sorts them into 70 categories including steel, aluminum, lens, glass, and copper. The sorted parts are then cleaned and examined for material recycling. Over the period from the operation launch to April 2012, the company generated about 2,200 tons of recycled resources. Parts that cannot be recycled as materials are used as heat sources, and in fiscal 2010, it accomplished zero landfill goal.

Thus, Fuji Xerox has achieved the zero landfill goal across the Asia-Pacific region. In the future, the depletion of natural resources will become an even more serious problem and all resources must be treated as invaluable materials. The company will make more effective use of resources and foster cost reduction by increasing the recovery rate of end-of-life products in China and other Asian-Pacific regions.

*Fuji Xerox defines zero landfill as recycling rate of more than 99.5%.

Case 2 VOICE

It is more difficult to reuse and recycle than to manufacture new products.

Chen Yi Yuan
Manager, Recycling Division,
Manufacturing Department
Fuji Xerox Eco-Manufacturing (Suzhou)

While achieving remarkable economic growth, China is facing the challenge of reducing its environmental impacts by protecting and making more effective use of resources. I am proud of being engaged in the Fuji Xerox Integrated Recycling System. Through this job, I have found it is more difficult to recycle products than to make new products, which has raised my environmental awareness and commitment to making a contribution to society. I am now participating in local social contribution activities, including providing environmental education at neighboring schools. I would like to continue fulfilling my role in environmental improvement in China.

Fuji Xerox Eco-Manufacturing (Suzhou) achieved the zero landfill goal in China by making maximum use of resources.

Stakeholder message

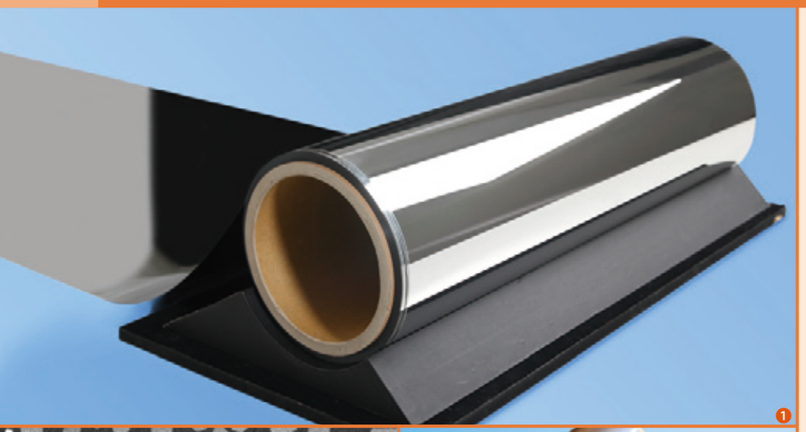
Mr. Fan Xing Hua
President,
Taicang HuaDing Plastics Co., Ltd.

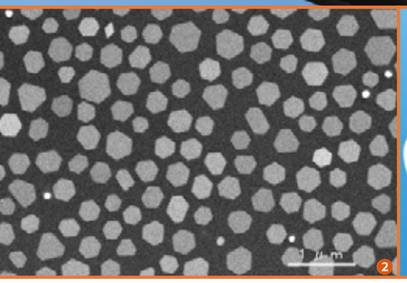
Aiming to increase the environmental awareness of Chinese society at large

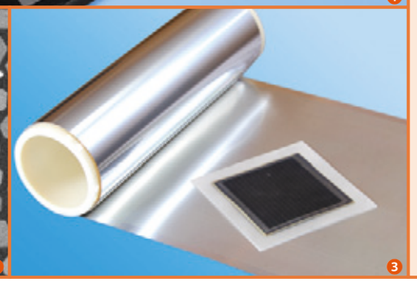
Environmental problems are attracting much attention across the world and both individuals and companies are required to protect the environment as their responsibilities. Resources on the Earth are limited and human beings need to make sustainable use of them. To do this, I think it is essential to recycle end-of-life products. China is not environmentally developed and people are not so aware of the importance of environmental protection. If, however, all Chinese citizens begin conducting recycling activities, it will make a huge contribution to the sustainable development of the world.

Our company has been continuously conducting environmental activities, including recycling, to fulfill our corporate social responsibility as a partner company of Fuji Xerox. Fuji Xerox has shown the environmental protection and resource recycling principles to be followed by Chinese companies in the future, and I hope the company will continue to take leadership in promoting resource recycling activities in China. By working with Fuji Xerox and as a model company in China, we would like to contribute to increasing the environmental awareness of the entire Chinese society and to the sustainability of the Earth.

Supporting the Effective Use of Solar Energy with Film Technologies







To curve global warming, power generation using natural energy such as solar cell and CSP system (concentrating solar power system) has been attracting ever more attention. On the other hand, demand for electricity increases in summer due to the same solar energy. Under these circumstances, Fujifilm aims to produce materials that effectively use or block solar energy and control it, based on the research results and manufacturing technologies that the company has long accumulated in the field of films. In this way, we hope to contribute to the creation of a comfortable and sustainable society.

1. Film-type mirror used for CSP system: Long film mirrors can be manufactured in vast sizes thanks to the adoption of the roll-to-roll process
2. Near-infrared light reflecting film: Silver hexagonal nano disk grains on the film surface
3. Flexible CIGS solar cell substrate: The rectangular object is a prototype of the solar cell sub-module

Social challenges and backgrounds

The Great East Japan Earthquake has made us all recognize that we need to build a more disaster-resistant society and ensure the stable supply of energy as an important social issue. The introduction of renewable energy has long been fostered to help in preventing global warming and improve the energy self-sufficiency rate, and since the occurrence of the mega-earthquake, this movement has further accelerated. According to Japan's basic energy plan, the percentage that renewable energy accounts for within primary energy supplies will increase to 10% by 2020.* To achieve this target, however, we need to overcome a range of difficulties, including stabilizing energy supplies and reducing costs, for which technological innovations are urgently required. Also, we need to regard the energy problem as a global problem and make contributions to the international community by helping it resolve the problem through the use of the excellent technologies that we have in Japan.

*Basic Energy Plan by the Ministry of Economy, Trade and Industry (June 2010)

Case 1 Flexible and high-reflectance mirror for CSP system, which is now attracting much attention

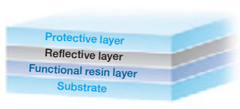
Film-type mirror for CSP system

In CSP system, sunlight is collected, with its heat used to drive the steam turbine. This method is suitable for locations with large spaces and plenty of sunshine available, such as deserts. In this power generation method, solar heat can be stored for power generation during the nighttime, and also drinking water can be produced from distilled seawater. Because of these merits, this power generation method has been attracting much attention recently.

In order to reflect and collect solar heat efficiently, high-precision reflecting mirrors are necessary. For example, at a large-scale concentrating solar power plant, many mirrors—each exceeding one square meter in size—are used. For CSP system in places like deserts, the mirrors also need to be highly durable, light, and easily transportable and installable. At present, mainly mirrors manufactured using glass as a base are used for CSP system—but glass is heavy and can be easily broken. The new film-type mirrors being developed by Fujifilm have the same reflectance as a glass mirror but are between 1/20 and 1/30 the weight of the glass type.

Fujifilm has developed this film-type mirror by using its silver-related base technologies, which the company has long accumulated through the manufacture of photographic films. Silver has the highest reflectance among all metals and is optimal for use in mirrors. Also, Fujifilm possesses recovery technologies and facilities for silver salt, so the film-type mirror is recyclable. By applying the film-forming technology to create a thin silver film evenly on the plastic film surface and using the production line for films, the company has succeeded in developing the film-type mirror as an important material for the development and spread of CSP systems. The company is now following the necessary steps toward commercialization of the product, including manufacturing the product at a pilot plant in cooperation with engineering manufacturers. Although Japan has few resources, it can help the world stabilize energy supplies and make more effective use of resources by exporting the excellent technologies being developed in the country.

■ Composition of the film-type mirror



The mirror is composed of four layers: a transparent protective layer (surface layer); a reflective layer (silver-coated layer); a functional resin layer (base layer); and a substrate (PET resin sheet) to provide high reflectance and durability.

Case 2 The new flexible substrate to expand the possibilities of solar cells

Flexible CIGS solar cell substrate with insulating layer

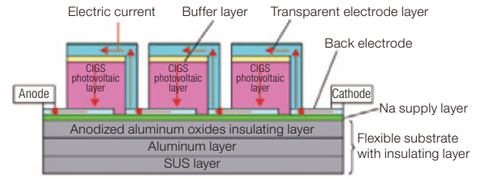
Solar cells convert sunlight to electrical energy by using semiconductors. In addition to solar cells made by using crystal silicon semiconductors, currently the mainstream products, there are also various other solar cells available in the market. In particular, CIGS solar cells* are attracting much attention because its conversion layers are as thin as several microns, and its high conversion efficiency. These cells, however, need to be manufactured at temperatures of 500°C or higher and so flexible substrates with insulator are needed to resist against this high temperature.

Fujifilm decided to develop flexible substrates with insulating layer for CIGS solar cells because there were no such substrates that could achieve high conversion efficiency. Applying the technology that have long accumulated in the field of printing materials, the company developed a substrate with insulating layer that has enough heat resistance for use in the manufacture of CIGS solar cells at temperatures exceeding 500°C.

Fujifilm will make further contributions to the spread of solar cells by commercializing and stably supplying light weighted, bendable, and low-cost substrates that will help increase the conversion efficiency of solar cells.

* **CIGS solar cells:** Thin-film solar cells made from copper, indium, gallium, and selenium (CIGS) semiconductors

■ CIGS solar cell sub-module using flexible substrate (with insulating layer)



The newly developed substrate enables the serial connection of multiple solar cells on a single substrate, leading to a 15% photovoltaic conversion efficiency. Moreover, relative to glass substrate, the unit weight has been reduced to at least a half. (Collaborative work with the National Institute of Advanced Industrial Science and Technology (AIST))

Case 1 VOICE

Makoto Yamada
Senior Research manager
Frontier Core-Technology Laboratories
Research & Development Management Headquarters
FUJIFILM Corporation

Mitsuyuki Tsurumi
Research Manager
Frontier Core-Technology Laboratories
Research & Development Management Headquarters
FUJIFILM Corporation

Developing technologies to pass down a "debtless" society to future generations

Fujifilm is experienced at developing the highly functional materials needed by society by combining a range of different technologies. In this case we have applied various technologies in combination to make high-reflectance layers and provide new value by supporting power generation with lower environmental impact, including a coating technology, technology to bond layers together to increase their durability, and the technology for stable mass production. We will continue to develop new technologies to help decrease dependence on fossil energy and pass down a "debtless" society to future generations.

Developing highly functional materials to make contributions to society

Through the development of photosensitive materials, Fujifilm has gained expertise in chemical reaction and particle formation mechanisms. By controlling these mechanisms, we have been improving the functionality of materials—this is the *modus operandi* of Fujifilm. We have developed the film-type mirror in collaboration with departments engaged in analysis and synthesis and have increased the performance of the product by conducting research into the underlying mechanism and functions. We will continue to conduct this process to develop more functional materials and make an even greater contribution to society.

Case 2 VOICE

Katsutoshi Yamane
Senior Research manager
Frontier Core-Technology Laboratories
Research & Development Management Headquarters
FUJIFILM Corporation

Diversifying our products based on our expertise in film technology

I think it is wonderful that manufacturers can contribute to society through their products. Fujifilm has been diversifying its products based in the field of photographic films. However, we always maintain the basics of manufacturing, attributing great importance to making highly reliable products. We are providing customers with high-quality products in a stable manner so that we can continue to deserve their trust. It would be marvelous if we could also inspire our customers through our products.

Case 3 Silver nanotechnology: blocking solar heat but letting the visible light through

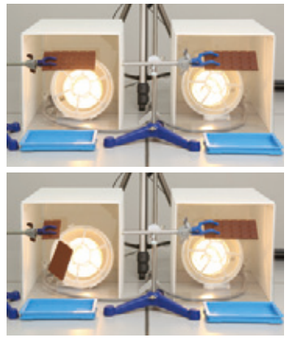
Near-infrared light reflecting film

In an experiment conducted on August 29, 2011, on which outside temperatures rose to 30.8°C, the temperature inside the window decreased by 6.5°C at maximum as a result of attaching the heat shield film using the newly developed near-infrared light reflecting film, onto the west-facing window (see "Results of temperature measurement" below). Sunlight is composed of visible rays (46%), ultraviolet rays (6%), and infrared rays (48%). The main feature of this reflective film is that it can block not only ultraviolet rays but also infrared rays, which account for about half of sunlight, with high efficiency. The film, however, allows most of the visible light rays to permeate, providing high transparency. It is therefore suitable for use on the windows of trains, buses, and other vehicles, from which passengers can enjoy watching the passing scenery, as well as on the windows of houses and offices.

The base technology used in the development of the near-infrared light reflecting film is silver nanotechnology. Photographic films are made using silver halide, which is a silver compound, and Fujifilm has long accumulated silver-related base technologies in the field of photographic films. By making use of advanced optical simulation technology, the company discovered that hexagonal nano disk grains reflect infrared rays, and by applying various base technologies, succeeded in commercializing the product in only three years. Moreover, the use of silver, which is a precious metal, was minimized, and by using our existing manufacturing facilities, an environmental conscious product has been created.

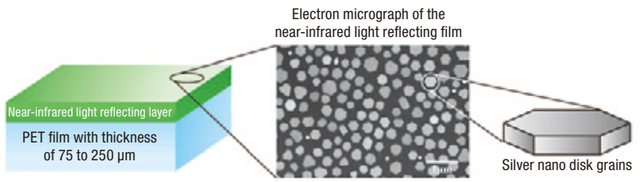
This heat shield film with the near-infrared light reflecting film, which was developed jointly with LINTEC Corporation, was released by the company nationwide in May 2012. The film can block 32% of solar heat with a shade factor of 0.68. It suppresses temperature rises simply by attaching it to a window, providing an easy method of conserving energy and power. We aim to achieve successful results with the product in Japan, which is now facing severe power shortages, and will then expand sales to overseas, thereby making contributions to more effective use of energy across the world.

■ Experiment to confirm the effectiveness of the near-infrared light reflecting film



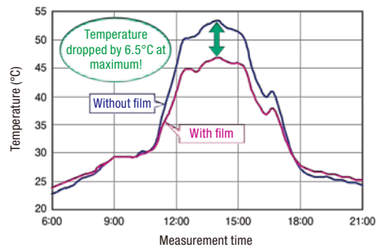
A bar of chocolate was placed in front of the glass onto which the film was attached (right) and not attached (left). Only the bar in front of the glass without the film melted and fell to the ground several minutes after the glass began to be warmed by strong sunlight. [Picture on the bottom left]

■ Layers of the near-infrared light reflecting film



On the film surface, silver hexagonal nano disk grains are evenly placed at a high density. The film allows not only visible rays but also radio waves to permeate and so cell phones and other devices can be comfortably used in the room. The technology to evenly coat tabular grains over a wide area is also one of the unique skills possessed by Fujifilm.

■ Results of temperature measurement (inside of the window)



Case 3 VOICE

We have accumulated film technologies for over 160 years

Katsuhisa Ohzeki Dr. Eng.

Research Manager
Frontier Core-Technology Laboratories
Research & Develpment Management Headquarters
FUJIFILM Corporation

We have now accumulating silver halide photographic film technologies for more than 160 years, although technologies are usually replaced with new ones in about 30 years. The near-infrared light reflecting film was created by making use of Fujifilm's nano disk grain formation technology and coating technology developed in the field of photographic films. I think these long-accumulated technologies have great strengths, and without them we could not have developed this film.

We are committed to contributing to society through the use of our optical technologies

Naoharu Kiyoto

Frontier Core-Technology Laboratories
Research & Develpment Management Headquarters
FUJIFILM Corporation

I think Fujifilm can make an excellent contribution to society by utilizing its own technologies. We have strong technologies in the field of optical materials, based on which we manufacture and supply high-quality products in a stable manner to society. We will continue developing unique products by conducting research to develop products that will become next-generation mainstream products.

CSR Activity Report

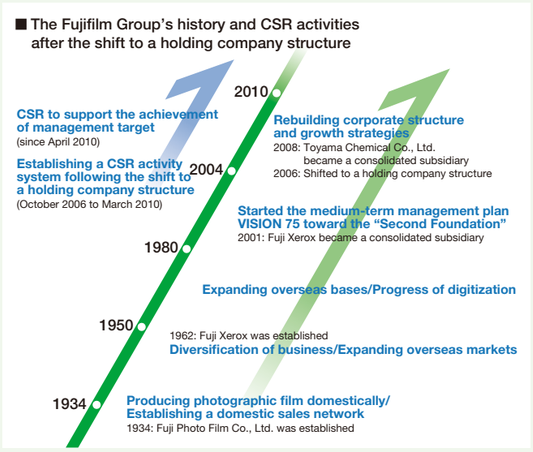
FUJIFILM Holdings Corporation Sustainability Report 2012

Our *CSR Activity Report* features the Fujifilm Group's leading activities in fiscal 2011 concerning its medium-term CSR plan and issues involving CSR. In addition to its actions on the nine priority issues, activities that the Group regards as vital are also presented.

The Fujifilm Group's Medium-Term CSR Plan

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.

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



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.

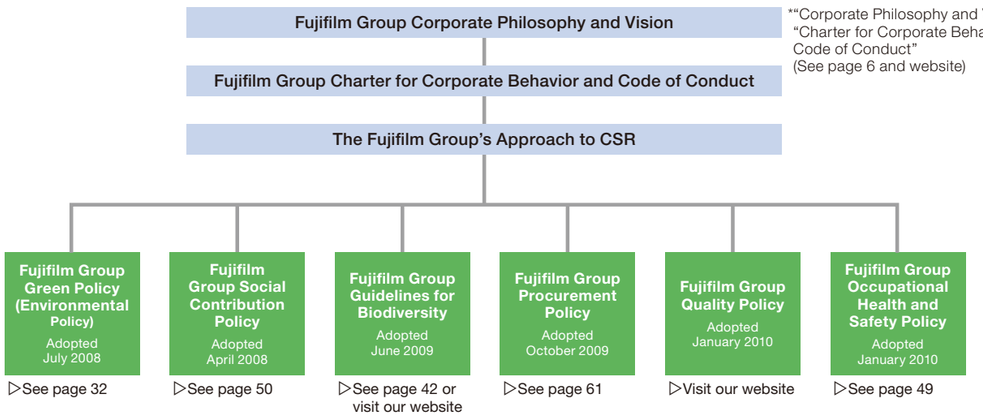
The Fujifilm Group's CSR

Following the shift to a holding company structure in 2006, the Fujifilm Group formulated its Corporate Philosophy and Vision under the theme, "Second Foundation." Incorporating these ideas, we have also set forth the Fujifilm Group Charter for Corporate Behavior and the Fujifilm Group Code of Conduct, both of which apply to all Fujifilm Group companies. In the Charter for Corporate Behavior, we uphold five principles, including "Respect for Human Rights," while in the Code of Conduct we define compliance as "more than simply not breaking the law and acting correctly in the light of common sense and ethics," and declare that all Group employees, including senior executives, will conduct themselves in line with these action guidelines.

Moreover we have made the following statement to encourage all Fujifilm Group employees to commit themselves to the fulfillment of corporate social responsibility (CSR) in their daily business operations: 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. In order to conduct specific activities by taking this approach, we announced the following six policy statements over the period from 2008 to 2010: Green Policy, Social Contribution Policy, Guidelines for Biodiversity, Procurement Policy, Quality Policy, and Occupational Health and Safety Policy.

FUJIFILM Holdings, Fujifilm, Fuji Xerox, and all other Fujifilm Group companies in and outside Japan will continue to adopt this CSR approach together, aiming to make contributions to the sustainable development of society.

■ The Fujifilm Group's Approach to CSR and Related Policies

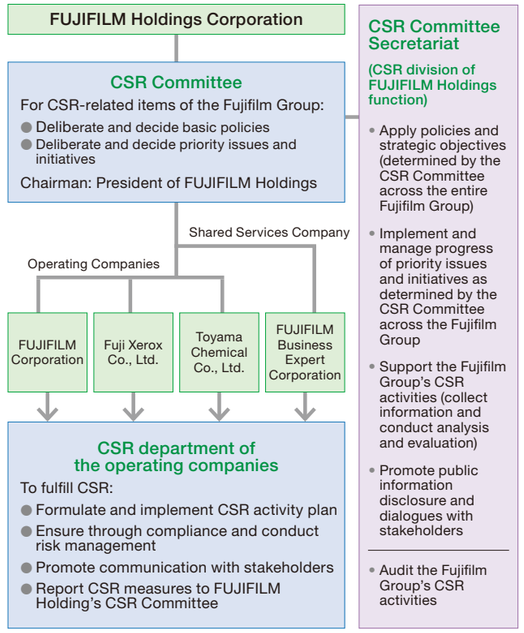


The Fujifilm Group's CSR promotion system

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 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



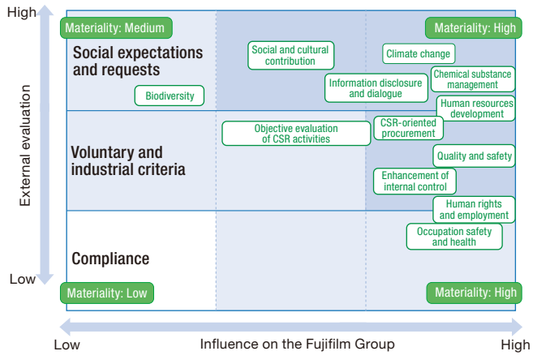
Results of activities conducted under the Medium-Term CSR Plan (fiscal 2011)

In fiscal 2011, the second year of the Medium-Term CSR Plan (Fiscal 2010 to 2012), the Great East Japan Earthquake and serious flooding in Thailand had a major impact on our business. However, we were able to achieve almost all targets in our CSR priority targets, such as the anti-global warming measures, the promotion of environmentally friendly design in new and revised products, and the effective use of resources, thanks to the efforts made by all Group companies across the world to achieve our business and CSR target.

As for communication with stakeholders, however, we felt we were unable to communicate with them sufficiently, although we disclosed information on our website, held in-house dialogue meetings, and introduced third-party opinions in the Sustainability Report. Also for biodiversity conservation activities, we have not had enough results although we have made steady progress by incorporating relevant provisions in our rules on land use surveys and on environmentally conscious design practices.

In fiscal 2012, we will implement the measures and plans for each of the priority issues and foster the achievement of our business plan through the progress of the Medium-Term CSR Plan (Fiscal 2010 to 2012). For details of the CSR activities report, please see the following pages (26 and 27), and for the major activities conducted this fiscal year, please see pages 28 to 58.

■ Materiality of priority CSR issues



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 above.

CSR Activities Conducted in Fiscal 2011

■ Aspirations

1. Foster the fulfillment of CSR to support the achievement of management target among Fujifilm Group Companies
2. Achieve business growth while reducing environmental impacts, and aim to further improve CSR brand value

Medium-Term CSR Plan (Fiscal 2010 to 2012)

Promotion Policy	Priority Issue	Medium-Term Target	Main Achievement (Progress) in FY2011
Ensuring the soundness of corporate culture to support structural reforms (enhancement of the corporate foundation)	Improvement of the quality of compliance/risk management across Group companies	(1) Make all employees aware of the Charter for Corporate Behavior and the Code of Conduct (2) Improve the risk issue management system	• Conducted information sessions on compliance targeting managers of Group companies in Japan to raise compliance awareness of all employees (Held 60 sessions for a total of 3,000 managers) • Made preparations for the introduction of the anti-corruption program (for some Group companies in North America, Germany, UK, Japan, and Southeast Asia) • Reviewed risk factors of the entire Group, including earthquakes and other natural disasters
	Enhancement of communications with stakeholders	(1) Improve the Sustainability Report (2) Make effective use of stakeholder dialogue	• Improved the Sustainability Report (inclusion of the third-party opinion and graphic data) • Continuously improved the website for shareholders and investors • Incorporated customers' opinions for the continuous improvement of products and services • Held an in-house dialogue meeting (for human exchanges) • Expanded CSR-oriented procurement through the self-check system
Utilization and development of human resources to increase the Group's comprehensive strength	Use and development of diversified human resources	(1) Develop reform leaders (2) Develop core managers (3) Focus on the allocation and accelerate the development of global human resources	• Improving synergy among the Fujifilm Group: • Held Fujifilm-Fuji Xerox joint training sessions (for reform leaders and synergy creation) at each job function • Provided future managerial leaders of Group companies with training • For the global business operations: • Dispatched more members outside Japan for the establishment of new overseas bases • Held a range of overseas training sessions (including basic training and management training) to foster human resources development • Obligated clearance of certain standard of TOEIC to improve language skills • Created framework for globalization (lectures, revising training courses)
Differentiation through environmental protection (provision of eco-friendly products and services to help improve quality of life (QOL))	Promotion of anti-global warming measures across the Group	(1) Fujifilm: Improve CO_2 emissions per unit of production by 40% at six major factories in Japan relative to FY1990 (2) Fuji Xerox: Improve CO_2 emissions per unit of actual output by 35% at five major factories in Japan relative to FY1990 (3) Encourage employees and their families to reduce their CO_2 emissions ★ Long-term target: Reduce the life cycle CO_2 emissions by 30% worldwide by FY2020	• Fujifilm: Decreased per-unit CO_2 emissions by 35% • Implemented energy conservation measures for production lines across the company (recovered waste heat and improved power generation efficiency) • Fostered energy conservation (for air conditioning and lighting equipment) based on the common rules at offices and other non-production sites • Fuji Xerox: Decreased per-unit CO_2 emissions by 40% • Visualized the use of electricity at production lines to conserve more energy • Replaced air conditioners of factories with more energy-saving units and implemented power saving measures not only in summer but throughout the year • Continued activities to encourage employees and their families to reduce their CO_2 emissions • ICE Project (record-high number of participants) • Promotion of safe and eco-friendly driving
	Development and dissemination of environmentally conscious products and services	(1) Develop and offer products and services with higher environmental performance than that of present ones for the main products (2) Continue design for environment (DfE) for all products	• Developed technologies to recover raw materials from used products for reuse for same products and a system to recover used products and began to spread them • CTP/PS closed-loop recycling • "Disc-to-Disc recycling" for CDs/DVDs • Developed new energy saving technologies to supply environmentally conscious and user-friendly power-saving multifunction devices/printers • Developed the integrated software to visualize whole environmental burden of offices • Developed plastic materials with low environmental impacts • Implemented more environmentally conscious packaging design
	Biodiversity conservation	(1) Add "biodiversity conservation" to product development criteria (2) Steadily conduct local environmental protection activities (3) Formulate guidelines on the land usage around each site	• Implemented biodiversity conservation measures based on the rule for Design for Environment (including assessment on the use of biological resources) • Continuously conducted local environmental protection measures • Now formulating guidelines on the land usage around each site
	Effective use of resources	Enhance 3Rs, including reducing the use of resources, in line with CO_2 emission reduction activities Target: Decrease the use of energy per unit of production quantity by 18% across the company (relative to 2009)	• Adopted a recyclable work uniform • Began to develop and spread the technologies to recover materials from end-of-life products for reuse and a system to recover products (CTP/PS closed-loop cycle and "Disc-to-Disc recycling" for CDs/DVDs) • Decreased per-unit energy use by 11% (relative to 2009)
	Improvement of chemical substance management	(1) Enhance the management of chemical substance safety across the supply chain (2) Adopt a new risk assessment method for chemical substances (3) Enhance global governance to ensure compliance with laws and regulations (not only in Japan, Untied States, and Europe but also in emerging economies, including China)	• Began managing information about the use of chemical substances in products based on the JAMP framework • Began using a new risk assessment method for the management of chemical substances (use of a hazard and exposure matrix table) in Fujifilm • Enhanced the Green Procurement Standards • Audited factories outside Japan on the management of chemical substances • Improved and enhanced information communication channels with subsidiaries outside Japan
Social contribution to add more value to business (Achievement of business results from the viewpoint of stakeholders)	Promotion of social contribution activities linked with core business	Continue activities based on the social contribution policy	• Continued holding the "10,000 people's photo exhibition" • Started the "album cafe" project on a full scale to provide people with opportunities to create albums • Conducted support activities through medical support organizations • Published textbook digitization manual to disseminate enlarged textbooks for children with visual difficulties • Supported the repair of ancient documents • Photo restoration activity for tornado victims in the United States • Continued desert greening activities in China • Gave support to recovery from the mega-earthquake (through Hirono-cho support, photo restoration activity and dispatch of employees to afflicted areas as volunteers)

[Self-evaluation]
○: Achieved successful results　△: Made some progress　×: More effort required

Self-Evaluation	Page in Report	Main Target for FY2012
○	Activity Report (pages 28 and 29) Data and Information (page 60)	• Information sessions on compliance for all employees in Japan (once a year, plus continuous measures) • Preparations for the introduction of anti-corruption program (to some Group companies in China and other regions) and ensure compliance at Group companies where rules already introduced • Make responses to risk issues of the entire Group • Introduce the information security rules on a global scale
△	Activity Report (pages 27, 37, 40, 43, 45,48, 53, 54-55 and 71) Data and Information (page 61)	• Proactively conduct PR activities for CSR • Improve the Sustainability Report (enhance linkage with the website), strengthen dialogues with third-party opinion • Make effective use of stakeholder dialogue • Foster CSR-oriented procurement based on the self-check system
○	Activity Report (pages 46 to 48) Data and Information (pages 62 and 63)	• Start leadership training course to develop global managers • Improve the Group's infrastructure to make better use of human resources through personnel system review and exchange human resources in the Group • Encourage human resources in the sales and production fields to display more of their abilities • Encourage and strengthen the local human resources • Develop Japanese employees with an international sense
○	Activity Report (pages 34 to 37) Data and Information (pages 64 and 65)	• Complete project to reduce fuel costs • Continue implementing energy conservation measures at production lines across the company • Foster energy conservation (air conditioning and lighting equipment) at offices and other non-production sites based on common rules • Continue encouraging employees and their families to reduce their CO_2 emissions
○	Activity Report (pages 38 to 40)	• Formulate calculation rules for demonstrating the reduction in CO_2 emissions for products and services, and adopt the rules for Design for Environment • Disclose environmental attributes of products and services actively • Develop materials and products with low environmental impacts (hardware/software)
△	Activity Report (pages 42 and 43)	• Improve safety evaluation level for ecosystem • Enhance biodiversity conservation assessment based on the rules for Design for Environment • Conduct steadily local biodiversity conservation activities (continuing) • Develop the Guidelines for Land Usage in Production Sites
○	Activity Report (page 41) Data and Information (page 66)	• Foster project to reduce fuel costs • Foster project to reduce waste • Expand CTP/PS closed-loop recycling • Promote reuse of cooling water to curb per-unit water use • Decrease per-unit VOC emissions from film-forming process
○	Activity Report (pages 44 and 45) Data and Information (page 67)	• Enhance safety management of chemical substances across the supply chain • Enhance global management of chemical substance information • Continue strengthening the regional system to monitor and ensure legal compliance in each region
○	Activity Report (pages 50 to 53, 58)	• Conduct activities based on the Social Contribution Policy

OPINION On the Medium-Term CSR Plan

Mr. Mitsuo Ogawa
President
Craig Consulting

Profile
In addition to CSR consulting, Mr. Ogawa also works on management strategy, M&A, business rehabilitation, personnel affairs consulting, and other fields. He formed a partnership with Nihon Keizai Shimbun, Inc., and has supported the Nikkei CSR Project since its startup in 2004.

Greater sophistication in CSR framework in step with business diversification

In response to suggestions from experts last year to lay out a three-year roadmap based on the Medium-Term CSR Plan, Fujifilm has this year disclosed its performance data, self-assessments, and plans for the coming year. Fujifilm Group's disclosure of its CSR targets and clear intention to apply the PDCA cycle can be evaluated highly.

However, I would like to point out two issues. One is some imbalance in the fields under the CSR promotion policy. In view of the reinforcement efforts to be directed towards health care and documentation business in the future, I propose that the company implement not only Responsible Care (RC), which is the standard for chemical manufacturers, but adopt a CSR framework that applies to a wider range of operations, such as ISO 26000, to examine whether balance is maintained across the company's activities. The other proposal is to develop KPIs by defining and disclosing quantitative targets as far as possible, especially in progress control of medium-range targets of social significance. In environmental issues, quantitative targets have been defined in many cases. However, I look forward to Fujifilm also defining and establishing targets for programs that serve as keys in business activity, such as "utilization and development of diverse human resources," to present the stance of a leading company and to serve as a model for the rest of the industry.

Response to the third-party opinion

We have worked on information disclosure that clearly states what results have been delivered by the activities of our Group under its medium-term CSR plan and what the issues still remain. We plan to pursue this method to gain understandings of how our Group engages in PDCA activities.

Also, the next year will be the time for us to develop a new medium-term CSR plan. In establishing what the priority issues are, we plan to look into the issues both in the environment and society at large, with attention to ISO 26000, etc., and develop a plan with clear assessment based on our materiality of priority CSR issues, engaging in the establishment of KPIs identified in the suggestion.
(CSR Group, General Affairs Division, FUJIFILM Holdings)

Quality Improvement in Compliance and Risk Management Activities

Each and every employee of the Fujifilm Group is endeavoring to create a corporate culture that fosters compliance and risk management toward the fulfillment of the Group's corporate social responsibilities.

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.

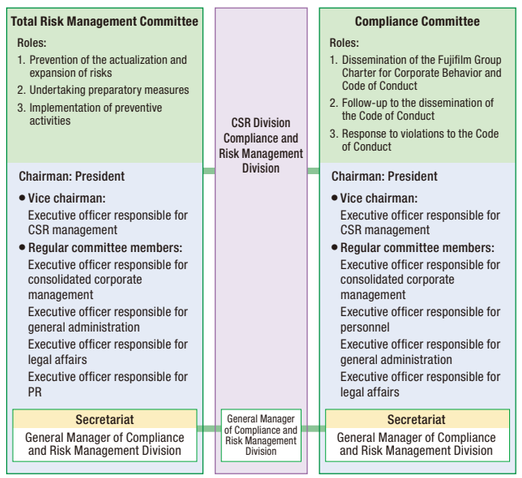
Charter for Corporate Behavior and Code of Conduct

The Fujifilm Group's approach to compliance

As a set of fundamental policies, we have formulated the Fujifilm Group Charter for Corporate Behavior. We have also established the Fujifilm Group Code of Conduct to better guide each employee to act and behave in compliance with laws, regulations and social ethics and make it clear that we give the first priority to compliance in our business activities.

Moreover we have established a division that is exclusively responsible for promoting compliance and instilling a compliance-based mindset throughout the Group within each of our principal operating companies: FUJIFILM Corporation and Fuji Xerox Co., Ltd. We also maintain offices to provide consultations and support communications regarding infringement issues related to the Code of Conduct and compliance both within and outside the operating companies. This effort is meant to facilitate the early detection of illegal or improper behavior and ensure prompt and appropriate response measures. All the communications and information are kept confidential and reported to the CSR Committee chaired by the president of FUJIFILM Holdings.

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



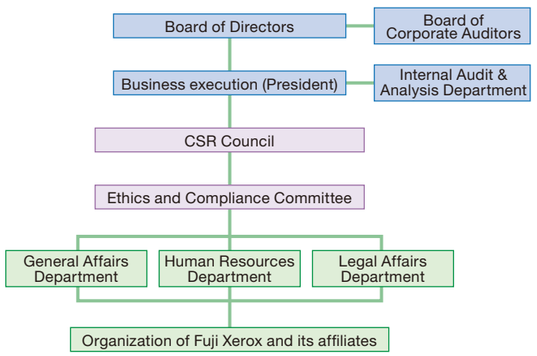
The Fujifilm Group's risk management

Each operating company establishes and maintains its own appropriate risk management systems. Following prescribed procedures, the operating companies report their risk management activities, including preventive measures and countermeasures against materialized risks to the CSR Committee secretariat. With regard to significant risks in Group operations, the CSR Committee takes a group-wide perspective in examining potential countermeasures and effecting their implementation.

As a holding company, FUJIFILM Holdings supervises business execution by subsidiaries from the standpoint of its shareholders, while also conducting operations common to the Group in a unified, efficient and appropriate manner. Meanwhile, the company provides guidance, support and supervision in the establishment of systems by its subsidiaries. Thus, it aims to ensure the appropriate conduct of business across the Group.

In particular, the Fujifilm Group Code of Conduct clearly defines the Group's stance toward antisocial forces and illegal organizations that threaten the social order and public security. The Group strictly adheres to the principle that it shall not only avoid activities which may benefit such parties but also eliminate any relationship with such parties.

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



Enhancing compliance by awareness-raising through training and introducing corruption prevention rules

Fujifilm has held an information session on compliance every year since 2003, targeting employees of the company and also those of its affiliates. Management-level employees who attend the information sessions organized by the CSR Promotion Department hold a meeting with their staff on compliance issues later at their workplaces. In this way, all employees become aware of the importance of compliance. In addition, seminars on compliance for management-level employees have been held since 2004. As of 2011, approximately 140 seminars had been held with 4,200 attendees in total. Moreover, in fiscal 2011, the company began enhancing the education of senior managers within its overseas affiliates.

The effectiveness of such educational measures is monitored through an annual survey of employees' awareness.

Also, in April 2012, anti-corruption programs were introduced into Fujifilm and some of its affiliates in Japan, North America, Europe, and Southeast Asia. Although important measures have been taken to ensure fair sales and procurement activities, prevent corruption and restriction on gift-exchanges and entertainment under the Fujifilm Group Code of Conduct, extra rules have been set out in response to the enhancement of laws on the anti-corruption programs across the world. In the future, these rules will be applied to other affiliated companies and eventually to the entire Fujifilm Group.

Fujifilm has been implementing measures to counter company-wide risks identified based on the risks being faced by each division, and in the fiscal year ended March 31, 2012, in response to the Great East Japan Earthquake, the company reviewed company-wide risks to supplement and strengthen its countermeasures.

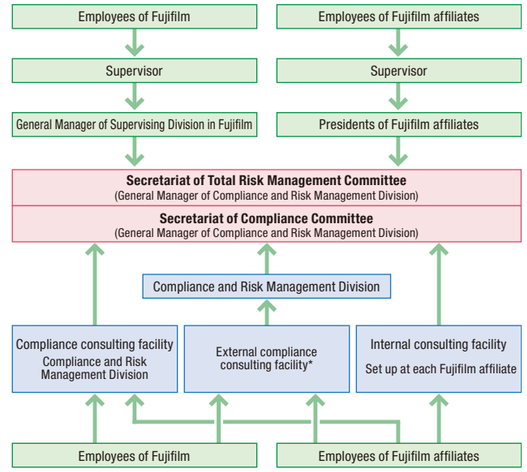
Respond to risks by visualizing potential risk

Fuji Xerox attributes importance to actively managing risks in daily business operations, such as emergencies, product accidents, information security incidents, and violations of laws and regulations, based on its ALL-FX Risk Management Rules. The company manages potential risks based on their probabilities and impact on management, sets out staff responsibilities, and defines and implements measures against such risks.

In fiscal 2011, the company conducted activities for the recovery of the areas afflicted by the Great East Japan Earthquake, and steadily achieved its business continuity targets.

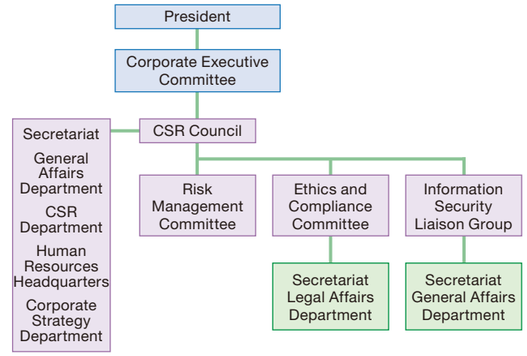
In fiscal 2012, the company will enhance measures against future major earthquakes based on the lessons learned through the experience of the Great East Japan Earthquake. Also, we will identify the risks at all affiliates, both within and outside Japan, visualize such risks, and prepare better responses across the company.

■ System to collect information on risk (Fujifilm)

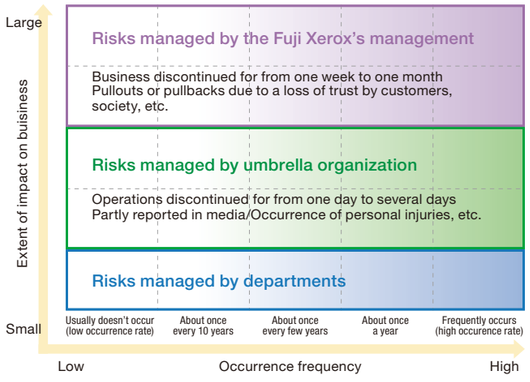


*External compliance consulting facility is set up for employees in case where, for whatever the reason, they feel they cannot directly report to company or supervisor, even if they find risk-related information. The Group implements follow-up inspections once every six months.

■ Risk management system (Fuji Xerox)



■ Risk map for managing risk (Fuji Xerox)



CSR Activity Report

Corporate Governance

We are strengthening and enhancing corporate governance in an effort to raise corporate value and constantly improve the transparency and soundness of our Group management.

Basic approach to corporate governance

We recognize that a corporation's main mission is to keep improving its corporate value. To promote the accomplishment of this mission, we implement measures to strengthen and expand its corporate governance systems and thereby aim to win the trust of all stakeholders. Such measures are what underpin our Group-Wide efforts to achieve corporate governance consistent with a holding company and maximize corporate value. The Fujifilm Group aims to constantly improve the transparency and soundness of its Group management.

Corporate governance structure

FUJIFILM Holdings has positioned the board of directors as the organization for determining basic Group management policies and strategies and other important matters relating to business execution, as well as supervising the implementation of business affairs. The company's Articles of Incorporation stipulate that the board can consist of up to 12 directors. Currently, the board has 12 directors, including one outside director. To better clarify their missions and responsibilities, the directors have a one-year term of office.

Additionally, FUJIFILM Holdings has adopted an executive officer system to facilitate speedier business execution. Executive officers carry out business affairs in accordance with the basic policies and strategies formulated by the board of directors.

Meanwhile, FUJIFILM Holdings has adopted a remuneration system under the stock option program* to make its directors and executive officers, excluding outside directors, share a mutual interest—the effect of stock price fluctuations—with its shareholders. In this way, the directors and executive officers are in actual fact encouraged to have stronger drive and morale toward achieving higher corporate value.

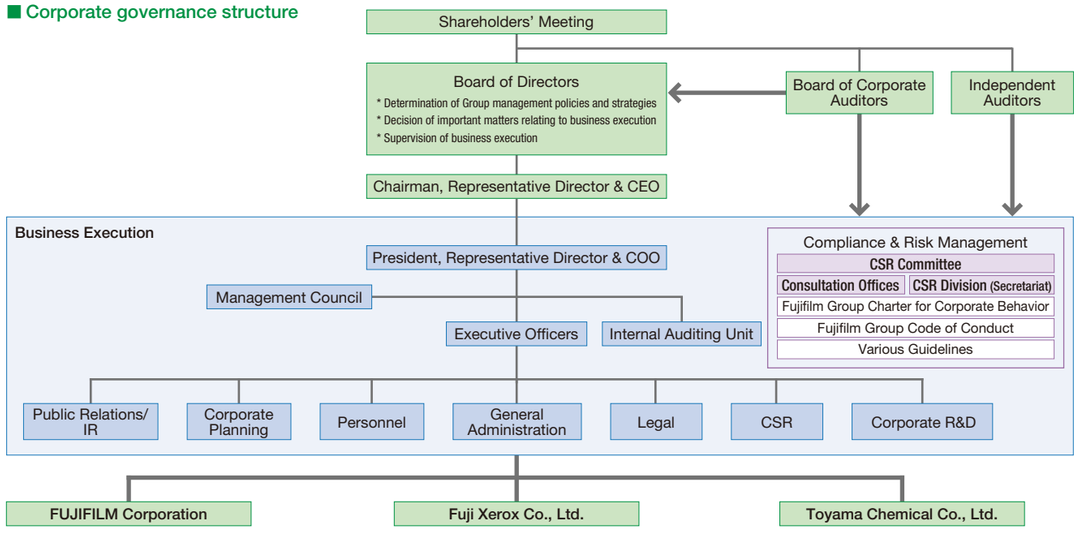
Audit

FUJIFILM Holdings has adopted a corporate auditor system with a board of corporate auditors, which currently consists of five members, including three outside corporate auditors. Each auditor attends the board of directors, while full-time corporate auditors attend all Management Council meetings in order to assess our overall business operations.

In addition, FUJIFILM Holdings has the Internal Audit Division with a staff of 14, which is independent of the business execution divisions. The division is responsible for auditing the Group companies, in cooperation with or sharing tasks with the internal audit divisions of such companies, in order to assess and verify that the execution of these processes is fair and valid.

***Stock option program:** Company's program whereby directors or employees are granted a right to purchase the company stock as a part of compensation for their work, at a price established in advance and within a designated period of time.

■ Corporate governance structure



Application of Integrated Management System (IMS)

For the "improvement of quality in all business operations," Fujifilm introduced an Integrated Management System (IMS*) that brings together various management systems to nearly all of its offices and plants in Japan, as well as Group member companies, by the end of 2011.

■ The largest Integrated Management System in Japan

With the completion of introduction at the Fujinomiya Factory and Yoshida-Minami Factory in 2011, the Group's principal manufacturing plants, including Kanagawa Factory where IMS is already in operation, have acquired consolidated certification for quality management system (ISO 9001), environmental management system (ISO 14001) and occupational health and safety management system (OHSAS). In addition, certain segments of the Group, such as the head office and sales companies, management systems in the area of information security, and customer complaint handling have also been integrated.

As a result, IMS operation for Fujifilm and the Fujifilm Group has created Japan's largest integrated management system based on the quality management system and environmental management system and covering roughly 16,500 persons at 32 companies and 163 offices and plants.

■ For the promotion of "Improvement of Quality in All Business Operations"

Amid business globalization and the expansion in business fields and segments, IMS is being utilized for greater precision in planning and security in execution, founded on full optimization, clarification of issues, and identification of the business risks and promotion factors.

Various bodies and processes that have previously been organized and executed under independent management systems have been made activities under a series of business operations and processes under IMS, enabling group-wide optimization of such operations without management segmentation. Additionally, this has achieved improvement in the quality of internal and external audits, as well as a marked improvement in efficiency and speed.

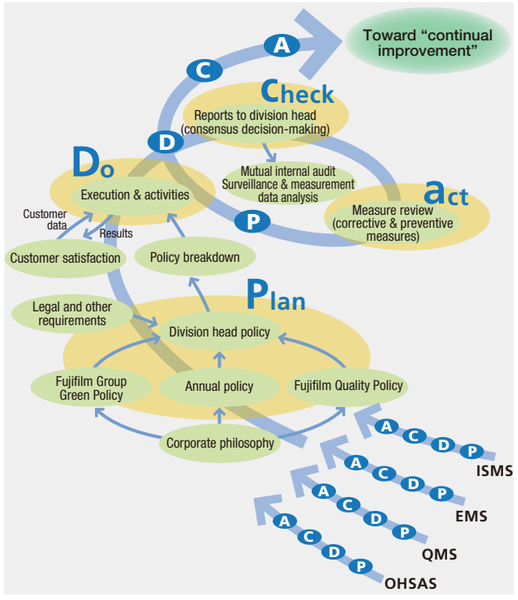
The Fujifilm Group has seven IMS activity bodies (shown in the table below), with each operating under its own specific IMS manual and striving toward "greater customer satisfaction." The ISO management system is being applied within these IMS manuals. However, there are ideas introduced to encourage activities closely rooted to each business operation, such as adapting to the characteristics of each activity body and using their own respective terms to express their ideas.

IMS introduction at nearly all Fujifilm Group companies has been completed in 2011. This has laid the standards to promote the "improvement in quality of all business operations" that Fujifilm aspires to achieve through IMS and is expected to deliver further results in the future through interactive improvement. In fact, many cases of business achievements based on IMS have already been reported and will be applied across the Group.

In the future, this movement is expected to be expanded to newly consolidated Group companies.

* **IMS (Integrated Management System):** Management system that consolidates a number of management systems, including QMS (Quality Management System), EMS (Environmental Management System), OHSAS (Occupational Health and Safety Management System), and ISMS (Information Security Management System).

■ The PDCA cycle under IMS



■ The seven IMS activity bodies at Fujifilm

Fujifilm IMS activity body	Description	Consolidated standards	IMS certification date
❶ Head office Group IMS	Activities by approx. 9,100 persons belonging to FUJIFILM Holdings, Fujifilm head office divisions & group companies	Consolidated manual for five standards, namely, QMS, EMS, OHSAS, ISMS & complaint handling (each organization administrating two to three consolidated standards)	2006
❷ Kanagawa Factory IMS	Activities by approx. 4,000 belonging to Fujifilm Kanagawa Factory, research institute & group companies at the site	Consolidated manual for three standards (QMS, EMS & OHSAS) and management of the standards	2009
❸ Fujinomiya Factory IMS	Activities by approx. 1,700 belonging to Fujifilm Fujinomiya Factory, research institute & group companies at the site	Consolidated manual for three standards (QMS, EMS & OHSAS) and management of the standards	2011
❹ Yoshida-Minami Factory IMS	Activities by approx. 1,000 belonging to Fujifilm Yoshida-Minami Factory, research institute & group companies at the site	Consolidated manual for three standards (QMS, EMS & OHSAS) and management of the standards	2011
❺ Fujifilm Kyushu IMS	Activities by approx. 300 belonging to Fujifilm Kyushu	Consolidated manual for three standards (QMS, EMS & OHSAS) and management of the standards	2008
❻ Fujifilm Opto Materials IMS	Activities by approx. 400 belonging to Fujifilm Opto Materials	Consolidated manual for two standards (QMS & EMS) and management of the standards	2004
❼ Fujifilm Electronic Materials IMS	Activities by approx. 200 belonging to Fujifilm Electronic Materials	Consolidated manual for three standards (QMS, EMS & OHSAS) and management of the standards	2008

QMS: Quality Management System
EMS: Environmental Management System
OHSAS: Occupational Health and Safety Management System
ISMS: Information Security Management System

CSR Activity Report

Overall View of the Environmental Burden of the Fujifilm Group

Activities are underway for better "environmental quality" in all corporate activities of the Group, in compliance with our environmental policy, the 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 terms of 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.

*Please see page 64 for FY2012 Priority Targets

Assessment of the total image of environmental burdens based on LCA (Life Cycle Assessment)

The Fujifilm Group is engaged in a variety of activities founded on the objective of promoting and paying due attention to reduction of environmental burden and assurance of product safety in all of its corporate activities and product life cycles.

In order to assess the overall impact on the environment, the Fujifilm Group has adopted the LCA method.* Environmental burden (greenhouse gases converted in the form of CO_2) is measured in each stage of our operations—from the "procurement" of materials used to manufacture products, through "manufacturing" and "transportation," to the "use" and "disposal" of products by users. This method enables an assessment of the level of environmental burden in each life stage, and effective engagement in programs and measures aimed at reducing such burdens.

*** LCA method:** "Life Cycle Assessment," a method for quantitative evaluation of the overall environmental burden throughout all the stages of a product's life, from "procurement" of materials to "manufacturing," "transportation," "use," and "disposal."

*1 Environmental burden due to raw materials procurement (CO_2 emitted during the process of extracting, transporting, refining, synthesizing, processing, and transporting raw materials) is calculated for the main raw materials procured.

*2 Environmental burden due to product manufacture is calculated base on the total amount of energy (electricity, petroleum, and gas) consumed in the production process.

*3 For the calculation of environmental burden due to product transportation, estimates are made based on domestic and overseas transportation methods and distances traveled. The typical amount of CO_2 emissions per unit of weight and distance for each method and correction factors such as the yield rate are multiplied by the weight of the raw materials procured.

*4 For copy machines, printers, and fax machines, environmental burden due to use of products is calculated as energy consumption for a 5-year period for the machines installed this year. For other products, the estimated number of machines in operation is multiplied by typical energy consumption.

*5 Environmental burden due to product disposal is calculated based on the estimation of stress on the environment caused by the disposal of the raw materials procured.

*6 Wastewater released as a result of business activities

*7 Volume released to public water

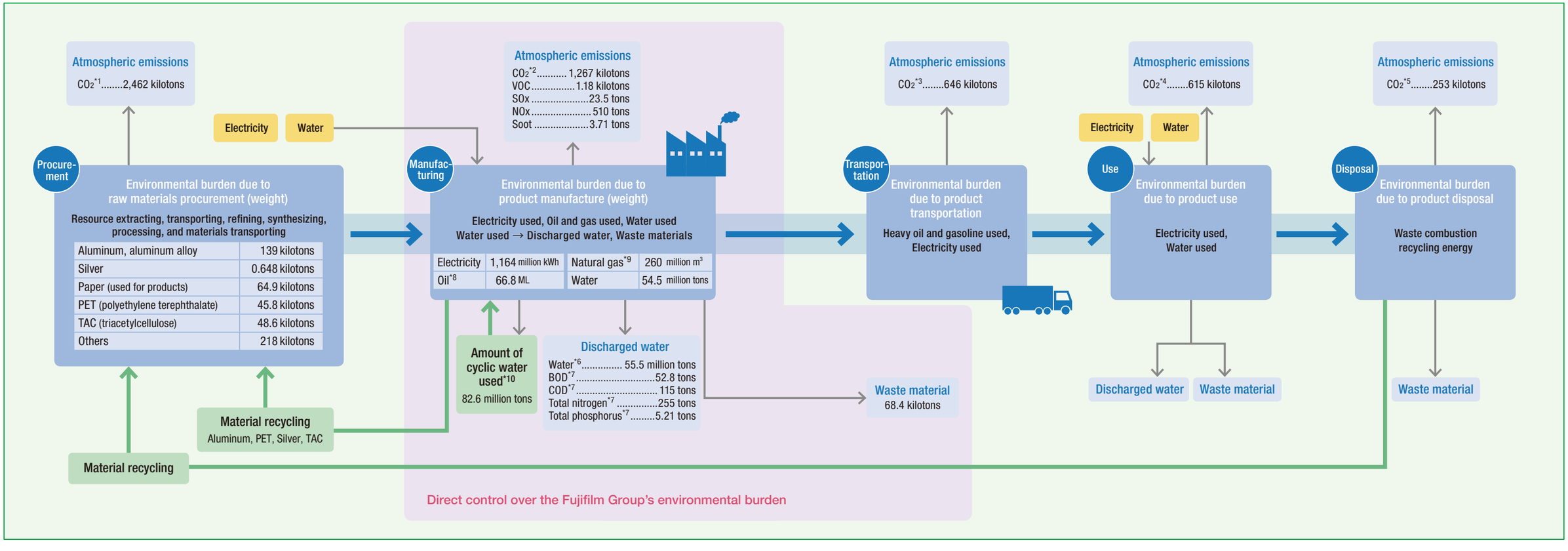
*8 Total of heavy oil A, heavy oil C, kerosene, light diesel oil, and gasoline (Amounts of the petroleum-based products are summed after appropriated energy conversions, and the total is expressed in terms of the amount of heavy oil A.)

*9 Total of natural gas, liquefied natural gas (LNG), urban gas, butane, and liquefied petroleum gas (LPG) (Amounts of the gases are summed after appropriate energy conversions, and the total is expressed in terms of the amount of urban gas.)

*10 This includes the amount of water used in a cyclic manner.

(For the above, data from the input-output table and other sources are used to obtain CO_2 emissions per unit of output.)

■ Environmental burdens evaluated based on life cycle assessment (FY2011 results for Fujifilm Group)

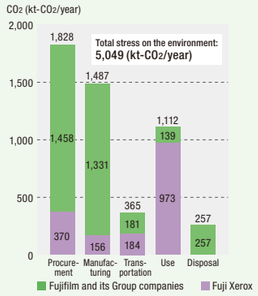


CSR Activity Report

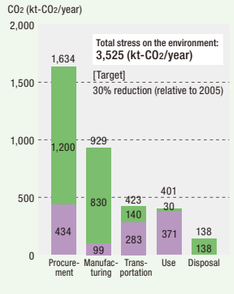
Promoting Anti-Global Warming Measures

Action to curb global warming is being executed from all perspectives to achieve the long-term goal of "reducing CO_2 emissions for the entire life cycle by 30% by fiscal 2020."

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



■ Goal of the Fujifilm Group for 2020 (target year)



Basic approach to anti-global warming

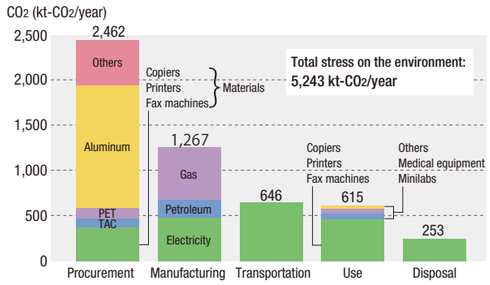
The Fujifilm Group announced its long-term goal of "reducing CO_2 emissions for the entire life cycle by 30% by fiscal 2020 (relative to fiscal 2005)" in April 2010. In addition to corporate activities in areas directly linked to CO_2 reduction, activities have been expanded across the entire life cycles of products and services ("procurement" of materials and "manufacturing," "transportation," "use," and "disposal"), executed in a wide range of fields in order to cut CO_2 emissions by 1,524,000 tons/year in absolute terms over CO_2 emissions for the standard fiscal 2005 year level of 5,049,000 tons/year, achieving 3,525,000 tons/year in fiscal 2020.

CO_2 output in fiscal 2011 (Entire life cycle of products and services)

We faced a severe economic environment in fiscal 2011; however, business efforts led to growth of sales and production output over the standard 2005 level. This has led to growth in raw material procurement volume and the resultant increase in CO_2 output in the area of "procurement." In addition, flood damages in Thailand during the summer of 2011 forced heavy dependence on air freight led to growth of CO_2 output in the area of "transportation." CO_2 output in the area of "procurement," however, will be reduced by the closed-loop recycling system for CTP/PS plates (plate materials for printing) in the future.

Notwithstanding, the use of natural energy sources, such as wind power and solar power generation, as well as many other energy saving measures implemented as shown below, succeeded in cutting down CO_2 emission from "manufacturing" of products, etc. Furthermore, the development of multifunction devices and products that have advanced in the conservation of power consumption has led to a decrease in CO_2 emission in "use" of products according to the plan.

■ FY2011 results for Fujifilm Group



■ FY2011 CO_2 emission by region* (manufacturing)

(Unit: kt-CO_2/year)

		CO_2 emission
Japan		897
Overseas	Americas (USA, Canada & Brazil)	145
	Europe (Netherlands, Germany, Belgium, UK & France)	91
	China	116
	Asia excl. China & Oceania (Australia, South Korea, Singapore, etc.)	18
Group total		1,267

* Calculation method is identical to that in "Annual Changes in CO_2 Emission" (page 65)

■ Fujifilm Group's main CO_2 reduction measures

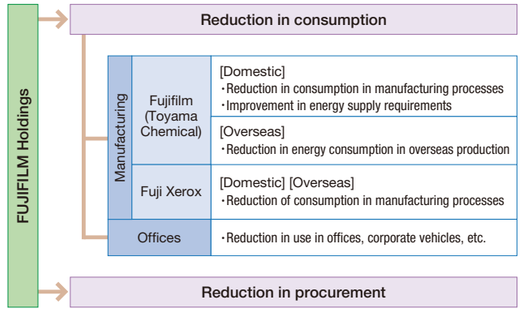
Action area	Relevant stage	Principal CO_2 reduction measures
Development and dissemination of products with less environmental impact	Procurement, use and disposal	● Multifunction devices (copiers, printers, faxes) with less energy consumption (document field) ● Non-processing CTP plates requiring no developing solution (graphics systems field)
Reducing CO_2 emissions at factories and offices	Manufacturing	● Fuel shift from heavy fuel oil to gas (Japan) ● Use of methane gas generated at waste disposal sites as fuel (United States) ● Wind power generation at factory site (Netherlands) ● Developing and introducing energy-saving technologies such as waste heat collection and steam collection (production sites in Japan, Western nations, China, etc.) ● Introducing Solar Power Generation (United States)
Recycling	Procurement	● Developing, introducing, and expanding the use of a recycling system for scrap aluminum from the production of CTP/PS plate (graphics systems field)
Efficient distribution	Transportation	● Paths optimization ● Improving loading ratio ● Promote modal shifts ● Using light and compact packaging ● Promoting eco-driving

Across-the-board engagement of the entire company in CO_2 and fuel cost reduction activities

Since July 2010, the Fujifilm Group has embarked on the Energy Cost Reduction Project for Electricity, Gas and Fuel, for which the goal is to halve the growth in energy costs for the entire Group, including overseas operations, in anticipation of an expansion in manufacturing and a sharp rise in fuel costs by fiscal 2012. By upholding cost-cutting as an organization-wide goal, the project aims at making progress more visible and at accelerating reductions in energy consumption and CO_2 emissions. The achievement of dramatic cost reduction and energy conservation requires the deployment and application of technologies and knowledge of each business center and operation and an accumulation of positive results. Targets have been set out for the production and office divisions, which are to share various energy-saving measures and information for concerted efforts toward the goal.

In fiscal 2011, we succeeded in achieving this goal through various actions, including the introduction and company-wide application of new energy conservation technologies in the flat thin panel production line, the startup of wind power generation at the Netherlands plant, and improvement of the temperature/humidity control system for the production process clean room at Fuji Xerox Suzuka Factory. This was in conjunction with the consolidation of offices, a re-examination of office lighting—such as the use of task lights, and improvements in air conditioning in the administrative office divisions. In the office divisions in particular, great success was achieved, marking a 200% reduction compared with the target for the period up to fiscal 2012. In fiscal 2012 which will be the final year of the Project, new energy reduction measures will be implemented in order to reach the targets.

■ Fuel Cost Reduction project promotion organization



New line of offset-printing materials with energy-saving technology

In response to the growing demand for CTP plates for offset printing, a new CTP plate production line employing state-of-the-art energy-saving technology has started up in January 2012 at FUJIFILM Manufacturing Europe B.V. (Netherlands).

Specifically, we introduced our own independently developed recyclable energy system, the Cogenerative Thermal Oxidizer (CTO), which has upgraded waste heat usage efficiency by integrating the waste gas combustion system and a natural gas cogeneration facility* that can be operated separately. This has enabled the effective use of waste heat in the waste gas combustion system while generating energy (electricity, steam, and hot water) necessary for the new production line. Compared to lines of the past, waste heat use has improved 11%, and CO_2 emissions have been reduced by roughly 5,500 tons a year.

***Natural gas cogeneration facility:** System that generates electricity with high-energy-efficiency engines and turbines fueled with natural gas, which at the same time collects waste heat generated in the form of steam and hot water.

Outlook of the Cogenerative Thermal Oxidizer (CTO), recyclable energy system

A steam motor for the Cogenerative Thermal Oxidizer (CTO)

Electricity supplies from wind power generation at the plant

At the plant in the Netherlands, electricity supplies from wind power generation started in September 2011. At FUJIFILM Manufacturing Europe B.V. (Netherlands), the Fujifilm Wind Farm, the first wind power generation station in the region, was opened. This project was implemented in accordance with the Green Policy of the Fujifilm Group in its drive to create a sustainable society and has been managed jointly with the Dutch energy company, ENECO. Five wind turbines have been installed at the plant. The maximum height of those is 140m (including tower and rotor). Each of the wind turbines can generate 2MW electricity. They are able to generate more than 15% of the total energy consumed at the plant.

The startup of wind power generation has made reduction of CO_2 emissions by approximately 12,000 tons per year possible. As it started from September, we reduced 7,600 tons of CO_2 in fiscal 2011.

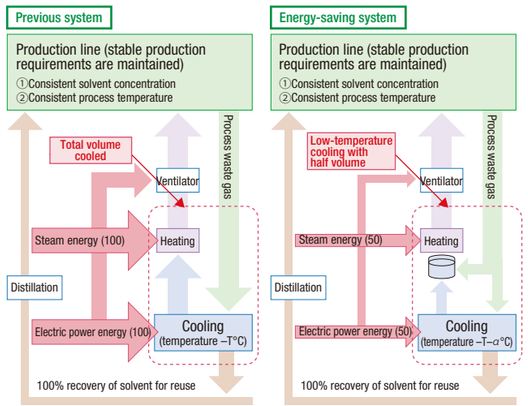
Five wind turbines have been installed at FUJIFILM Manufacturing Europe B.V. (Netherlands) and started operations to gather natural energy

Energy-saving technology for solvent recovery process applied to all FPD-manufacturing plants

Nearly 100% of the solvents used in manufacturing polarizer protection film for LCD and other flat panel display (FPD) materials are collected for reuse, curbing release of substances of environmental concern. In this process, the released solvent gas is cooled and condensed (liquefied) for efficient collection. The issue in this process, however, was how to reduce the energy being consumed. Through collaborations between the FPD manufacturing division and the Production Engineering and Development Center, process technology that reduces energy consumption by 30–60% over the conventional method has been developed. As an innovative technology realizing both reduction of environmental burden substances and energy conservation, it has been introduced in all applicable production lines in fiscal 2011.

In fiscal 2012, it was introduced for the state-of-art production line at Fujifilm Kyushu, where CO_2 emissions are expected to be reduced by 25,000 tons CO_2/year (energy conservation of 530,000 GJ) through this technology.

■ Key points in energy conservation in the solvent recovery process



Key points in energy conservation: Minimize cooling and heating energy
Systemized the amount of cooling air and recovery of solvent to minimize electric power energy (cooling) and steam energy (heating) -> Establishment of condition and deployment of technology for stable production and effective recovery of solvent

Low-carbon distribution promoted through improved freight transport and loading efficiency

The basic distribution scheme in exporting products and semi-finished goods from Fujifilm's four domestic plants to overseas destinations had been to ship out from Keihin Port via its distribution center in Yokohama City. However, Fujifilm Logistics has reduced truck transportation distances and cut down CO_2 emissions by moving shipment from Fujinomiya City, Shizuoka Prefecture, to nearby Shimizu Port. Transport volume via Shimizu Port, which represented approximately 25% in 2009 had increased to around 40% in 2011. Moreover, per-container loading for WP paper (used as base color paper for color photos) was increased by approximately 40% by applying various new ideas, contributing to drastic freight cost-cutting, together with a reduction in CO_2 emissions.

Fuji Xerox started integrated shipping (shared shipping) since 2008. For freight bound for the Hokkaido, Tohoku, Kanto, and Tokai regions, supplies are loaded at Oimachi, Kanagawa Prefecture, followed by addition of machinery and parts in Shinagawa-ku, Tokyo. For shipment to the Koshinetsu, Chugoku, Shikoku, and Kyushu regions, machinery parts are transferred from Shinagawa-ku to Osaka, where they are loaded together with machinery and supplies. Shared shipping has increased loading efficiency (freight volume on a 10-ton truck) by 10%, which translates to freight for 50 10-ton trucks per month—realizing both a reduction in CO_2 emissions and a dramatic cut in shipping costs. Since 2011, cross-docking operations started for deliveries from Suzuka, Toyama, Niigata, and Takematsu to the greater Tokyo area, with freight temporarily stored at the East Hub center in Shinagawa-ku and reloaded by destination. This scheme has reduced freight volume by an equivalent of 22 10-ton trucks per month.

In the future, dramatic CO_2 reductions are being planned through a modal shift to maritime shipping and integrated shipping for the entire Fujifilm Group.

Solar power generator introduced at printing ink plant in Kansas City (USA)

FUJIFILM North America Corporation has introduced solar power generation at its printing ink plant located in Kansas City, Missouri.

An opening ceremony was held on April 20, 2012, with Mr. Masahiro Ota, then-President of Graphics Systems Division, FUJIFILM North America Corporation, employees of the division, and local administrative officials in attendance. The solar power generation facility comprises 216 modules and is capable of generating 60,000 kWh a year. The output is equivalent to the driving energy consumed by 600 vehicles for a year.

FUJIFILM North America Corporation is active in promoting energy conservation and reduction of greenhouse gas emissions. The launch of the new system follows the introduction of a similar system at the company's Hawaii office building and distribution center. We plan to make effective use of recyclable energy and implement energy conservation measures now and into the future.

Top: Opening ceremony held on April 20, 2012
Bottom: Solar power generation facility capable of annual output of 60,000 kWh

Promoting energy conservation with a system to visualize energy consumption

In our 2020 greenhouse gas mitigation targets announced in 2009, Fuji Xerox pledged to reduce our CO_2 emissions throughout the entire product lifecycle and to provide solutions to reduce our customers' and society's CO_2 emissions by seven million tons. As a part of the efforts, the company has developed a self-analysis system to visualize energy consumption called EneEyes, with which all employees can analyze their energy consumption from various perspectives, and has been conducting the system's verification experiments system at Fuji Xerox R&D Square, the company's research and development site that was opened in Yokohama in 2010.

The power supply and demand situation dramatically changed in March 2011 after the Great East Japan Earthquake occurred. Following the scheduled blackouts in spring, the nation's power-saving edict was issued in summer. Many companies tried to reach the energy saving targets by implementing countermeasures such as introducing work shifts during holidays and staggered working hours as well as installing an in-house power generator. However, such measures imposed a heavy burden on companies.

Under such circumstances, EneEyes was utilized for the entire building of Fuji Xerox R&D Square, and staff who are in charge of saving electricity by floor and organization analyzed the power consumption of their respective areas using the system.

Based on the results, the staff could plan and implement appropriate energy conservation measures to each work environment, which the employees could accept and participate with understanding. Without implementing special measures or investments, Fuji Xerox R&D Square achieved nearly 30% in energy saving year on year. (approximately 4,200 tons in annual CO_2 emission reduction).

Fuji Xerox will continue to take new initiatives and promote activities to deliver the achievements to customers, thereby contributing to providing solutions to their and society's challenges.

For the total building energy conservation using EneEyes, Fuji Xerox R&D Square won the Judging Committee Special Award in the 2011 Green IT Award and the Fuji Sankei Group Award of the Grand Prize for Global Environment Awards.

OPINION On the Promoting Anti-Global Warming Measures

Mr. Takejiro Sueyoshi
Special Advisor, UNEP Finance Initiative

Profile
In addition to the UNEP Finance Initiative, Mr. Sueyoshi serves as member of various councils, including the Central Environment Council, and is an adviser to Kawasaki City and Kagoshima City. He is a part-time lecturer at the University of Tokyo graduate school, and serves as an outside director of several business corporations. He promotes environmental issues and corporate social responsibility through lectures, publications, newspaper articles, and television.

Bearing a new social responsibility of "developing a green business model"

Fujifilm Group's initiatives to counter global warming are very impressive. First of all, it announced the ambitious goal of "reducing CO_2 emissions by 30%." Next, the group has clearly presented its basic stance that only a manufacturer can plan to address the issue from "all possible angles" through "the entire product life cycle," including raw materials, manufacturing, and distribution. Furthermore, the Group is achieving results with concrete measures by daring to adopt new ideas, technologies, and equipment, for energy conservation in the manufacturing division, greater transportation efficiency, and power cogeneration using solar and wind power generators. I was greatly impressed by these actions focused on the company's workplace.

Twenty years have passed since the Rio Summit. The global warming issue is not heading towards a resolution; rather, the situation is worsening and is presently a race against time. In view of these circumstances, we can no longer afford delays in the transition into a "green economy." Business corporations with great social influence, like the Fujifilm Group, bear a new social responsibility of "developing a green business model." I have great expectations that the company will devote its efforts into long-term action involving consumers and society.

Response to the third-party opinion

In the group-wide drive to take on challenging goals and to realize them through day-to-day action and sharing ideas, we have been encouraged by the evaluation recognizing our achievement in "producing results by boldly embracing new ideas, technologies, and equipment" and "taking action with a focus on the workplace" and feel proud of the evaluation as members of a manufacturing business. As has been expected, we are convinced that "development of a green business model" and long-term action involving consumers and society is what we aspire to achieve and seek to move forward in this direction.
(CSR Group, General Affairs Division, FUJIFILM Holdings)

Design for Environment

Fujifilm is not only working on the reduction of environmental burdens in the manufacturing processes of its products, but also conducting environmental impact analysis and evaluation throughout the entire product life cycle, for the protection of the global environment.

PLATE to PLATE Environmental Label

Basic approach to Design for Environment

When designing new products and upgrading existing ones, the Fujifilm Group strives to reduce environmental burdens by following its "Rules for Design for Environment (DfE)." Environmental goals that take into consideration the product's entire life cycle are set at the early stages of product development, from the perspectives of the 3Rs (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 for those goals is examined. Products that do not meet approval for environmental quality are not commercialized. In Design for Environment, quantitative and objective assessment for environmental impact is conducted with LCA* contributing to the reduction of environmental burden from its products and services.

* **LCA:** Life cycle assessment

Closed-loop recycling for CTP/PS plates cutting down CO_2 by as much as 63%

When Fujifilm Group's environmental burden is examined for each product life cycle stage, aluminum on the "raw materials procurement" stage accounts for a large part of the burden. For this reason, in 2007 Fujifilm commenced its "closed-loop recycling"*1 program for scrap aluminum from CTP/PS plate manufacturing process (printing plate materials) in which aluminum is used as the principal raw material. In 2011, the expansion of operation to CTP/PS plates used by printing companies and newspaper publishers has started.

In the past, virgin aluminum had been used for CTP/PS plates in order to maintain outstanding print quality (runlength, water retention, etc.). However, as production of virgin aluminum requires a huge consumption of resources and energy, CO_2 emissions relative to its weight are extremely large, creating a large environmental burden, compared to steel. For this reason, use of virgin aluminum has been reduced with the startup of closed-loop recycling for factory scrap aluminum. For further cuts in environmental impact, the "PLATE to PLATE Recovery System" with the participation of printing companies and newspaper publishers, aluminum recovery companies, metal alloy manufacturers, metal rolling manufacturers, Fujifilm's recycling liaison company (FR Co., Ltd.), and other companies in the field of recycling of CTP/PS plates was established and closed-loop recycling for also with used CTP/PS plates from printing companies and newspaper publishers has also been started. With this scheme, CO_2 emissions from raw materials procurement to manufacturing of these plates were reduced by as much as 63%.*2 Additionally, a "PLATE to PLATE" environmental label, unique to Fujifilm, has been created to indicate participation in the system and has been served effectively in the presentation of the participating companies' efforts as environmental activity.

Closed-loop recycling has also a great advantage in the effective use of resources compared to conventional "cascade recycling"*3 used to create products of lower purity grades, because the high purity level is maintained.

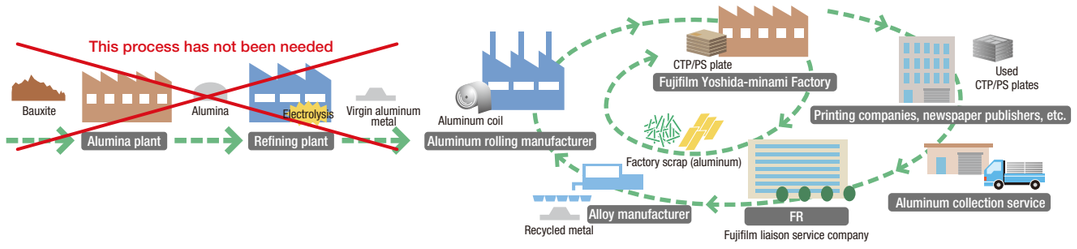
In the future, wider application of used CTP/PS plate recovery and recycling will be promoted for further CO_2 reduction and the effective use of resources in the product life cycle.

*1 **Closed-loop recycling:** Recycling for re-production of the same product that does not cause a decline in quality. Waste in natural resources can be kept to a minimum.

*2 **CO_2 emissions reduced by as much as 63%:** Comparison of use of virgin aluminum metal as raw material for CTP/PS plates and use of recycled aluminum by utilizing used CTP/PS plates. The CO_2 reduction effect is shown from refining bauxite, a raw material of aluminum, up to CTP/PS plate production.

*3 **Cascade recycling:** Recycling that does not restore the original high purity, causing purity decline.

■ PLATE to PLATE scheme



Activities on green distribution with optimized packaging design aimed at reducing environmental impact

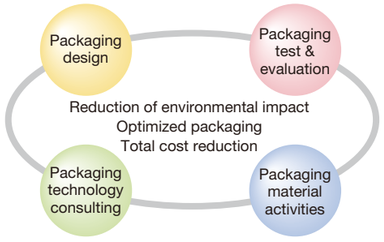
Fujifilm Logistics Co., Ltd., the distribution arm of the Fujifilm Group, is engaged in continuous effort to reduce CO_2 emissions in the product life cycle.

In packaging material design, its pool of expertise and technology is being utilized fully in the design-test-evaluation cycle in order to promote reductions in environmental impact and use optimal packaging. Based on its policy of cutting down CO_2 emissions for current products, all activities such as reduction in packaging materials and use of cardboards instead of wooden crates are managed and contribute to reduce CO_2 emissions.

For medical and other precision instruments, a scheme has been created to start packaging material design at an early stage, through cooperation with the equipment development division from the development stage, for efficient selection of environmentally conscious packaging materials and efficient package form design with attention to the needed conditions during transport. The scheme has already been implemented. For medical equipment that requires temperature control during transport, suitable, environmentally conscious packaging material design, including insulator, could be done efficiently and in a short period of time, at the same time to equipment development, resulting in the drastic cut in time until commercialization.

Furthermore, Fujifilm Logistics possesses its own test and evaluation organization and laboratory for objective and speedy evaluation of packaging material design. Various tests (test for cargo, test for packaging material, and test for cargo transport) are being conducted for overall evaluation for the product.

■ Packaging material design process



Development of materials that reduce the environmental impact of plastic use

In order to replace the plastic materials that are used for multifunction devices to more environmentally conscious materials, Fuji Xerox has been engaged in the development of new materials with less environmental impact.

■ Biomass plastic

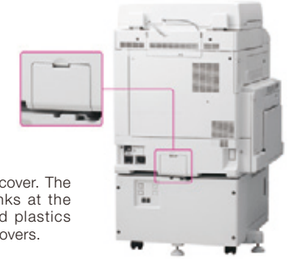
Fuji Xerox has been developing biomass plastics*1 with less environmental impact. In 2007, it developed a biomass plastic containing more than 30 weight percent plant-derived materials, and in 2011, one of more than 50 weight percent. By combining other additives in the material, the company resolved the general problems including decline of flame resistance, reduced flexibility performance and susceptibility to degradation due to moisture. Furthermore, by keeping the intensity equivalent levels to the existing materials, Fuji Xerox has applied the biomass plastic to the component in movable sections.

■ Recycled Plastics

The company developed the recycled plastic containing 63 weight percent of used plastic*2 from device covers of multifunction devices and printers collected from the market as base material, and has been incorporating it to its products from 2012. Fuji Xerox resolved the decline in flame and shock resistance caused by degradation of used plastic material. Compared to the conventional plastic introduced in 2007, which contained 20 weight percent of used plastic, this plastic contains more than three times the amount of used plastic, thus reducing CO_2 emissions by 44 percent.

*1 **Biomass plastic:** The plastic made from plants, and corn for cattle feed. It is environmentally conscious plastic developed to mitigate CO_2 emissions by minimizing the ratio of petroleum-based plastic refined from oil, which is a fast-depleting resource.

*2 **Weight percent of used plastic:** The proportion of the used plastic weight to the total weight of the recycled plastic.



Recycled plastic used for the cover. The used plastic weight ratio ranks at the highest level among recycled plastics used for multifunction device covers.

Energy-saving & Convenient IH Fusing Technology Wins Awards in 2011

Fuji Xerox received the Minister of the Environment's fiscal 2011 Commendation for the Global Warming Prevention Activity (organized by Ministry of Environment) for its induction heating (IH) fusing technology that realizes the world's fastest fusing device start up time of three seconds, as well as the achievement of energy conservation and convenience at the same time. Additionally, the IH fusing belt and the temperature-sensitive magnetic alloy won the Nippon Brand Prize at the "CHO" MONOZUKURI Innovative Parts and Components Awards (co-organized by the MONODZUKURI. Nippon.Conference and Nikkan Kogyo Shimbun Ltd.), which focuses on the components and parts materials that support Japan's manufacturing (*Monozukuri*) industries. The IH fusing technology that consists of the IH fusing belt and temperature-sensitive magnetic alloy delivers an outstanding energy-saving effect. In order to achieve Fuji Xerox's target of cutting per-device power consumption by 80% from the fiscal 2005 level by fiscal 2020, the company is continuing to develop products that offer both environmentally conscious and convenient features.

Please see page 16-19 for details on activities of Fuji Xerox.

CD/DVD Disc-to-Disc Recycling for CD/DVD manufacturing with used CD/DVDs

FUJIFILM Media Crest Co., Ltd., a Fujifilm Group company that manufactures recording media, has started CD/DVD Disc-to-Disc Recycling, in which used CDs and DVDs that have been collected from the market are processed to extract polycarbonate resin, the principal raw material of these products, for reuse in the production of CDs and DVDs.

These media products consist of polycarbonate resin to which an aluminum reflection layer and protection layer for labeling are attached. Due to the difficulty of separating these materials, they could previously be used only as low-grade recycled plastic material and not for the production of CDs and DVDs.

"High-precision clean pelletizing technology*1" which creates high-purity pellets of polycarbonate resin from the used CDs and DVDs, is the technology developed by Panac Co., Ltd., a long-standing business partner that has engaged in the sorting and recovery of silver from photographic film, etc., along with Fujifilm. The CD/DVD Disc-to-Disc recycling system was established by integrating the scheme of recovering used CDs and DVDs based on strict management of corporate customers data provided by FUJIFILM Media Crest Co., Ltd. Production of optical discs under this recycling system has made possible the reduction of CO_2 emission by as much as 45%,*2 compared to manufacturing using new polycarbonate resin only.

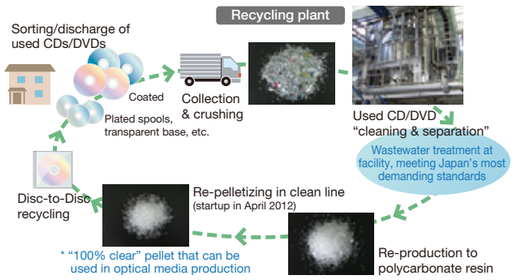
This recycling will be expanded further in the future so as to include the manufacture of all CDs and DVDs using the recycled material. In addition, "Disc-to-Disc" environmental label that indicates environmentally conscious CD/DVD has also been developed for customers to appeal as environmental activity with logo printed on CD/DVD surface.

*1 **High-precision clean pelletizing technology:** Technology for refining and creating high-purity resin pellets through the combination of chemical processing, which removes the aluminum from the resin part, and physical processing, in which shredded fragments are made to collide with each other to tear off any foreign object.

*2 **Reduction of CO_2 emission by as much as 45%:** In the case of polycarbonate resin containing 50% recycled resin.

Disc-to-Disc logo

■ Disc-to-Disc recycling scheme



OPINION On Design for Environment

Dr. Norihiro Itsubo
Associate Professor,
Faculty of Environmental and Information Studies,
Tokyo City University

Profile
At current position since April 2005, after heading the LCA Methodology Research Team at the National Institute of Advanced Science and Technology (AIST). Dr. Itsubo is conducting research to contribute to corporate EMS development and formation of a recycling society through development of LCA and other environmental impact assessment methods.

Environmental assessment of the product life cycle is a milestone in eco-innovation

FUJIFILM Holdings became the first company to create a successful closed-loop recycling system for reuse of used PS plates into new PS plates. It is a epoch-making eco-innovation in recycling for a product that requires purity of more than 99.5%. Its success was realized by an advanced environmental assessment focused on the product life cycle, and conducted on the corporate level, resulting in the recognition of the importance of closed-loop recycling of PS plates and then sharing this awareness inside FUJIFILM. I evaluate highly FUJIFILM Holdings' strategic CSR activities founded on environmental assessment as proof of its advanced technological capabilities and the enthusiasm of the emplyee involved.

Response to the third-party opinion

We are very grateful for the high recognition for our environmentally conscious activities we are engaged in throughout the product life cycle and activities organized for closed-loop recycling of used CTP/PS plates.

We intend to continue working actively for the effective use of resources through the 3Rs and reduction of CO_2 emissions in the product life cycle, as well as developing and providing environmentally conscious products and services.

(Ecology and Quality Management Division, CSR Division, FUJIFILM Corporation)

Effective Use of Resources

To protect our pool of finite resources and prevent depletion, we are engaged in a variety of programs, including water conservation and water recycling, waste recycling into resources, and reuse.

Eco-friendly uniform made of chemically-recycled polyester fiber

Basic approach to effective use of resources

The Fujifilm Group is actively working on the effective use of resources as its key program for "sustainable development" it uploads in its Green Policy (page 32), especially in the 3Rs*. We have been recycling and reusing silver, which is used in manufacturing photosensitive materials, since the start of our business operation and is the fountainhead of the 3R movement. This was followed by the cycle production of "*Utsurundesu*" disposable cameras in 1998, the closed-loop recycling system for PS plate aluminum and advanced reuse & recycling system. In recent years, environment-conscious design from the product development stage was introduced to apply the 3R perspective (of reusability/recyclability, weight reduction, use of recycled resources, etc.) in product design. Also, waste output has been curbed with production-loss reduction activities in the manufacturing process. Great effort has been made to recycle waste, achieving zero emission in Japan in 2003.

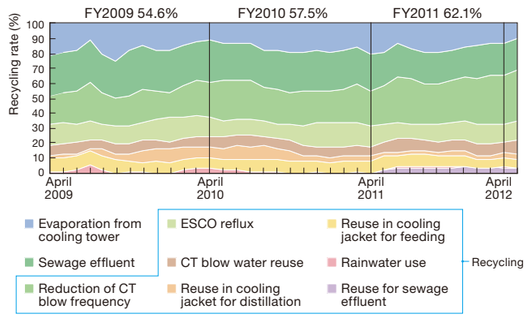
***3R:** reduce, reuse, recycle

Fujifilm Kyushu's water recycling protects underground water

Underground water is "an important resource essential to the lives of people" in Kumamoto Prefecture. It supplies roughly 80% of water for everyday consumption (compared with national average of 20%) and 40% (compared with national average of 30%) of industrial water use. In Kumamoto in particular (11 municipalities with a population of 1 million), including Kikuchi-gun, where Fujifilm Kyushu is located, nearly 100% of its water supply comes from underground water. Despite its great importance to the people of the prefecture, groundwater levels are on a long-term decline, raising great concerns.

Under these circumstances, Fujifilm Kyushu was established in 2005, where water-saving systems were implemented, including facilities for on-site rainwater collection used for equipment cooling. Also, isothermal tank*1 overflow water is being reused as facility cooling water since operation startup. These efforts have enabled us to maintain the water recycling ratio*2 at over 50%. Starting in May 2011, treated water from the membrane bioreactor*3 installed in 2009 to purify sewage effluent is being used for the cooling tower, raising the recycling rate for fiscal 2011 from 57.5 to 62.1%.

■ Fujifilm Kyushu water recycling rate



In addition to improving water conservation, we plan to continue underground water preservation through rice paddy irrigation and forestation activities, working on protection of this invaluable resource as a citizen of Kumamoto Prefecture.

*1 **Isothermal tank:** Device to preserve a constant temperature by cycling the liquid within the tank

*2 **Water recycling ratio:** (Reused water volume + Conserved water volume) / (Water volume not reused or conserved) x 100

*3 **Membrane bioreactor:** Filtration facility for removal of organic matter from wastewater using bacteria, followed by filtration with membrane with separation performance comparable to a sterilization filter (pore diameter of 0.2–0.45μm).

Approx. 50,000 sets of eco-friendly uniforms that contribute to resource recycling introduced

As part of energy-saving activities to cut down CO_2 emissions and promote power conservation, uniforms made of chemically-recycled polyester fiber have been introduced as standard work uniform for plants and laboratories of Group companies in Japan. Use began in phases from May 2012 and is scheduled to reach approx. 50,000 sets in the next 3 years. This will be the first large-scale introduction of eco-friendly uniforms made of chemically-recycled polyester fiber in Japan. Uniforms that are no longer used are collected by manufacturing trade companies for chemical recycling using a material recycling system.* Since eco-friendly uniforms can be recycled repeatedly and nearly permanently as polyester fiber, it will reduce virgin fiber use and cut down waste. Compared with the production of polyester material from petroleum, this reduces both energy consumption and CO_2 emissions; and compared to production of uniforms with virgin fiber, CO_2 emissions are reduced by some 255 tons.

* **Material recycling system:** Based on polyester chemical recycling technology developed for the first time by Teijin Fibers Limited (high-purity polyester material production system). Because products of quality identical to that manufactured from petroleum can be made by chemical breakdown on the molecular level, the quality degradation that had been an issue in recycling can be avoided.

CSR Activity Report

Biodiversity Conservation

In the drive to avoid or minimize the negative impact on biodiversity, activities are being implemented on its conservation and sustainable use into the future.

Shimizu River clean-up activities by Fujinomiya Factory employees and local residents

Basic approach to biodiversity conservation

Since its foundation, 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 a wide range of environmental protection activities for the conservation and protection of biodiversity, based upon its philosophy of "environmental consciousness and environmental protection are at the core of our corporate activities." In June 2009, we clarified our guideline for cross-group efforts to biodiversity conservation and introduced the "Fujifilm Group Basic Concepts and Action Guidelines for the Biodiversity Conservation" (hereafter, "Guidelines for Biodiversity"). Activities both inside and outside the company are being advanced to preserve the ecosystem services that benefit mankind for the future.

URL Fujifilm Group Basic Concepts and Action Guidelines for the Biodiversity Conservation.
http://www.fujifilmholdings.com/en/sustainability/vision/creature.html

Water resource conservation activities at manufacturing plants

Fujifilm has continued to engage in environmental protection activities in local communities founded on its philosophy since its establishment that "environmental consciousness and environmental protection are at the core of our corporate activities." In order to safeguard the water resources that are vital to echo system protection, the company owns 70,000 tsubo of headwater forest near its main manufacturing plant in Minami-ashigara. The forest is being cared for under a maintenance plan, including felling, thinning, and underbrush clearing. Fujifilm Kyushu has also planted 13,000 broadleaf trees on 5.24 ha of land owned by Minamiaso Town in 2007, and engages in headwater forest maintenance.

Additionally, cleaning activities are being organized at Fujinomiya Factory through which the Shimizu River runs, and at Kanagawa Factory for the nearby Sakawa, Sanno, and Kuno rivers. These activities have continued in cooperation with local citizens for the protection of the area's water resources. At Fujinomiya Factory, its guidebook for children published in 2010 is made with "Fujinokuni Forest Town Association" paper, produced from timber gathered after thinning. Its contribution to the effective use of forest resources and to forest maintenance was recognized with the "Shizuoka Future Forest Supporter Certificate," presented by the Governor of Shizuoka Prefecture. This paper is used also for Fujinomiya Factory's Sustainability Report 2011.

Activity on biodiversity conservation for the product design

In February 2010, Fujifilm adopted and enforced the "Rules for Design for Environment" conceived from the perspective of "biodiversity conservation," which is remarked globally, and has reinforced activity on biodiversity for the product design.

The specific evaluation items regarding "biodiversity conservation" in product design are: (1) Prevention or minimization impact on the ecosystems to conserve the natural environment and biodiversity (Action in manufacturing); and (2) Risk management concerning the sustainable supply of biological resources from a long-term view (Action on biological resources procurement). Action on (1) has been practiced since Fujifilm has founded. Regarding (2), action in Design for Environment is on operation certainly, such as legal assessments on the cowhide for camera-case material for a digital camera launched in March 2011 by confirming that it was a byproduct of beef production, and on the paper procured in China by confirming where it came from, etc.

Participation in community movement for groundwater and landscape protection

Minamiaso is a village located in the southern part of the Mount Aso caldera in Kumamoto Prefecture, Kyushu. Specifically, it is in Nangodani Valley, sandwiched between the five Aso peaks and the outer rim and distinguishes itself for its expansive natural environment and rich water resources. However, a decline in farming in recent years has created a significant number of fallow fields, making it difficult to recharge the groundwater that is effective in restoring the functions of nature and preserve the rice farming landscape of the mountainous region.

Rice planting with Fujifilm Kyushu employees and their families

For this reason, in 2010 Fujifilm Kyushu began participating in helping a group working chiefly in Minamiaso. In 2011, Fujifilm Kyushu employees and their families, along with representatives of administrative authorities, came to Minamiaso's rice paddies located in the upper Shirakawa River and occupying approx. 3,760 sq. m. to plant rice. About 100 people gathered for the occasion, double the number who came the previous year. Nearly half of the participants had never planted rice before and were happy in receiving instructions from local farmers and last year's participants.

In the future, Fujifilm Kyushu plans to be involved in landscape protection and water resource preservation through the groundwater recharging program at Minamiaso village.

Training local environmental volunteer group leaders through nature-watching instructor workshops

A three-day nature-watch instructor workshop* cosponsored with the Nature Conservation Society of Japan was held at Fuji Xerox's Tsukahara Training Center (Minami-ashigara City, Kanagawa Prefecture). The workshop has been held every year in cooperation with the society since 2001, attended by more than 300 employees in total. Participants gain a deeper understanding through observation of nature and learn how to protect it through lectures and outdoor training. Participating employees are expected to become environmental volunteer group leaders in the future through involvement in environmental protection in their respective communities.

The company believes that it should work on preservation of biodiversity, not only through its business activities but also from the standpoint of social contribution. One such approach is the active participation of individuals in environmental activities in local communities, and this workshop fulfills a major role in this effort.

***Nature-watch instructor workshops:** Held since 1978 by the Nature Conservation Society of Japan (NACS-J), founded on the principle of "Protection of nature starting from observation." The workshop has been held 460 times to date and the total number of participants now exceed 25,000.

In 2011, 35 of the All-Fuji Xerox empolyees take the first step as nature watch instructors.

OPINION On Biodiversity Conservation

Mr. Keisuke Takegahara
General Manager,
Environmental Initiative & Corporate Social Responsibility-Support Department,
Development Bank of Japan Inc. (DBJ)

Profile
Mr. Takegahara joined the Development Bank of Japan in 1989 and was appointed to his current post in May 2011. After serving as leading representative of the Frankfurt Office, he now serves as member of the Cabinet Office's Study Group on Evaluation and Research on Future Environmental Cities, and is a member of the Central Environment Council's Special Committee on Environment and Finance.

Role in *Education Sustainable Development* (ESD) should be mentioned

There is not a single business enterprise that does not benefit from the ecosystem. In this respect, attention to biodiversity is an environmental aspect that is equally important for all business organizations. At the same time, the impact of business activities on the ecosystem, including the supply chain, varies widely by the type and scale of operation. One problem for this issue lies in the need to separate general discussions from specific activities. The Fujifilm Group has made steady progress in both the general and the specific areas. Beginning with its biodiversity policy announced in June 2009, it implemented measures that focus on preventing disturbances by chemical substances and on the protection of water resources and their application to product design in February 2010. This report can be evaluated highly for its focus on involvement with local communities and on more specific details. In the future, I suggest also spotlighting "contribution to ESD,*" which is an area close to its principal businesses. The role fulfilled by "photography" in communicating activities in nature that we cannot experience personally holds great importance, and is comparable to real experience. This may well become a contribution to biodiversity in the broader sense.

***ESD:** Education for Sustainable Development

Response to the third-party opinion

The assessment of the efforts that the Fujifilm Group is conducting diligently and steadily, such as policy development on the preservation of biodiversity, chemical substance control, water protection, and environment conscious design, helped us confirm the direction we are to take.

This year's report focused chiefly on involvement with local communities. However, ESD contribution, such as support in youth education aimed at recognizing the importance of biodiversity through our principal business photography, has started in 2004. We plan to promote deeper understanding through such activities in the future.
(CSR Group, General Affairs Division, FUJIFILM Holdings)

Improving Chemical Substance Management

We strictly manage our usage of chemical substances in view of the entire product life cycle, paying close attention to environmental impact and the safety of customers and employees.

Our website publishes Material Safety Data Sheets

Basic approach to chemical substance management

Fujifilm Group has specified the improved management of chemical substances and the chemical content of products as one of its action guidelines based on the *Fujifilm Group Green Policy* (page 32). We constantly endeavor to reduce chemical substance risks by assessing the environmental impact of the chemicals contained in our products throughout their life cycles, the safety of customers when they use our products, and employee safety during production.

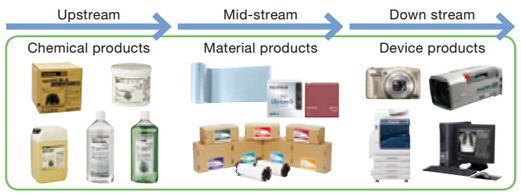
Managing chemical substances means not only safely handling the substances, but also ensuring accurate information on the chemical contents of materials, parts, and products throughout the product life cycle. To reinforce such chemical substance management, we need to improve our chemical substance management level by refining our risk assessment methods and through full compliance with management rules. We also actively share chemical substance information within the supply chain and undertake voluntary enforcement of self-regulation standards ahead of public chemical management laws.

Obtaining chemical information on procured goods for information sharing throughout the supply chain

Fujifilm produces a wide range of products, including chemical products, high performance materials, medical equipment, and optical devices. Therefore, we think it is crucial to establish a system to communicate chemical substance information concerning raw materials, parts and products themselves efficiently and accurately throughout the supply chain. This is why Fujifilm participated in the Joint Article Management Promotion-consortium (JAMP), which was founded in 2006 to promote the smooth communication of information concerning the chemical substances contained in products across the supply chain. We are helping to establish a system for efficient communications and to promote wider awareness of the issue.

In 2011, we commenced full-scale operations to obtain chemical substance information from our business partners through JAMP-IT, a chemical information distribution infrastructure built for business-to-business communications. Utilizing a system in common use across many companies helps reduce the burden of our business partners in providing information, thereby improving the overall quality of chemical substance management for our products. We will expand use of JAMP-IT among a greater number of business partners and continue to promote the JAMP framework.

■ Fujifilm's position in the supply chain



Upgrading the Green Procurement Standard to reinforce chemical substance management in the development and production processes

Fuji Xerox has set out its Green Procurement Standard that specifies prohibited or limited chemical substances contained in the material parts that we procure in order to produce safe and eco-friendly products. We have been working together with our suppliers to effectively implement this Standard.

The Green Procurement Standard has been implemented by Fuji Xerox since February 2003 as its own voluntary efforts, aiming to eliminate the use of hazardous substances, including those that require future replacement, ahead of the environmental regulations which are constantly being updated across the globe. In January 2012, the Green Procurement Standard Version 5.0 was released, which newly prohibits eight substances, including phthalate esters[*1] to adhere to the EU REACH Regulation[*2] and the revised RoHS Directive.[*3] The Green Procurement Standard is linked with Fuji Xerox's design technology standards and designers of new products and parts must check the substances to be contained in advance and include them as a part of the design specifications. This helps share chemical information among Fuji Xerox and our business partners, reinforcing relationships and aiming to build a system to reduce the environmental burden.

We also commenced operations of an information system to manage the information on chemical substances contained in the component materials we procure utilizing the JAMP[*4] framework.

[*1] **Phthalate esters:** Substances used as plasticizers in PVC etc. The amount used in toys and childcare products is strictly controlled.
[*2] **REACH Regulation:** EU regulation on Registration, Evaluation, Authorization, and Restriction of Chemicals.
[*3] **RoHS Directive:** EU directive on the Restriction of Hazardous Substances contained in electrical and electronic devices.
[*4] **JAMP:** Joint Article Management Promotion-consortium.

URL Green Procurement Standard
http://www.fujixerox.com/eng/company/ecology/green/index.html

New method to assess chemical substance risks introduced to improved accuracy

In 1995, Fujifilm formulated rules for assessing the risks from chemical substances and mixtures, using a point system to define substance toxicity and the amount of exposure, based upon our original standards. Since then, these rules have been helping us to assess the risks to health, environment, and physical circumstances. To further assessment accuracy, in April 2011 we additionally introduced and implemented the assessment method used by the Japan Industrial Safety & Health Association in production and research sites in Japan. We aim to continue to improve the working environment.

The new assessment method determines the toxicity level based on the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), and the exposure level based on the amount of chemical substances handled, working hours, and dispersibility. Health risks are then assessed in five degrees, utilizing these toxicity and exposure levels to suggest concrete countermeasures, such as ventilating the work place or sealing the substance. A newly developed automatic computation tool enables assessors to ascertain the magnitude of the health, environmental, and physical risks and determine concrete safety measures, as well as giving the risk level obtained using the conventional method, simply by inputting the necessary data. The tool also displays the status of compliance with related legal regulations, providing the means for comprehensive chemical substance management.

We will further improve chemical substance management by utilizing these highly accurate risk assessment methods.

Chemical substance management audit to reinforce the management system in overseas production sites

Based on its Chemical Substance Management Rules, Fuji Xerox conducts a chemical substance management audit once every three years across production and product development sites both within and outside Japan. In 2011, this audit was conducted in overseas production sites. This audit focused particularly on chemical substance risk management measures, including local air outlet devices and chemical exposure prevention methods.

In November 2011, an audit was undertaken in Fuji Xerox of Shenzhen and Fuji Xerox Eco-Manufacturing (Suzhou) in China, both of which handle organic solvents and micro powders. In addition to the corporate-wide chemical substance management auditors from the CSR Department, environmental officers from the Chinese production sites also participated in the auditing, mutually identifying those aspects that are working well and others to be improved.

The audit results pointed out an issue that the design standards provided by the Facility Design Department in Japan had some missing parts. This problem is currently being addressed as an urgent issue through our efficient communication system that can quickly reach the site directors and the president.

OPINION On Improving Chemical Substance Management

Dr. Masahiko Hirao
Professor,
Department of Chemical System Engineering,
School of Engineering,
University of Tokyo

Profile
Member, JAMP Academia Advisory Board; Chairman of JIS Draft Development Committee on Chemical Substances Management Systems; Chairman of Green Purchasing Network
Conducting research on environmental impact assessment of chemical substances and management methods in the industrial sector

Implementing chemical substance management extending over entire life cycles and supply chains

Chemical substance management is an issue of broad impact even concerning supply chains and stakeholders. Information sharing throughout the entire supply chain is extremely important. The company's participation in JAMP clearly shows a focus on chemical substances in its activities. It would be preferable if the company displayed its stance not as a response related to its suppliers but as a participation in this framework with the purpose of communicating its presence at the various positions within the supply chain—from upstream to downstream segments, as well as communicating information to consumers when necessary.

Also, chemical management is moving from hazard control to risk management globally. When designating prohibited substances, it is important to assess risks throughout the life cycle and make firm decisions, in addition to responding to regulations. A number of schemes are already in place. I think that credibility will be further enhanced by establishing a system in which all relevant parties, including senior management and administrative divisions, are involved on their own initiative to work on improvements, and preferably, not limited to within the organization by including third parties.

Response to the third-party opinion

We recognize active disclosure of information on chemical substances in products and information for the safe use of products as an essential requirement for sound management of chemical substances. The Fujifilm Group is engaged in the disclosure of material safety data sheets on its website, and in JAMP activities.

We have continued to work on risk management and an effective system is firmly in place. However, sharing chemical information, including risk management, is an issue that cannot be resolved by one company alone and needs the cooperation of the entire supply chain. We will continue working together with business enterprises in both upstream and downstream segments of the supply chain.
(Ecology and Quality Management Division, CSR Division, FUJIFILM Corporation)

Effective Utilization and Training of Human Resources

Various training and exchange programs are underway with themes of "Improving Mindset and Organizational Culture" and "Development of Management Human Resources and Global Human Resources."

Fujifilm Global Leadership Seminar held in 2011 in Tokyo, inviting managers from overseas companies in the U.S., Europe, China, and Asia Pacific.

Effective human resource appointment and training, and our approach to human rights

To achieve the "Second Foundation" of our business and to create and develop growth businesses, it is important to reinforce our training system to develop the human resources that will support these businesses and to create an environment where diverse staff members can exert their talents. We provide a range of training and communication opportunities to create new businesses through group synergy and utilization of our human resources—a treasure belonging to the entire Fujifilm Group.

Another focus of attention is human rights. In April 2007, we instituted the Fujifilm Group Charter of Corporate Behavior, based upon five principles. In one of the principles, *Respect for Human Rights*, we clearly state "We respect and protect the fundamental human and labor rights set out in international declarations. We reject the use of forced labor and child labor in any form."

Commencing a range of practical programs for global human resource development

Fujifilm commenced its global human resource development programs in 2011 in order to expand business within the global market. These programs are designed to provide the skills for employees to work overseas, ranging from languages, cross-cultural understanding, communication skills—the fundamental business skill of being able to communicate with staff members and other companies' engineers regardless of their nationality—to the management skills required in overseas companies. From 2011, in India, Europe, and the U.S., we also started the Management of Technology (MOT) training program to develop engineering human resources with sufficient management and technical knowledge to be able to communicate with expert engineers across the world.

At the same time, we are currently creating training programs for local employees working in our overseas companies. The Fujifilm Global Leadership Seminar is the first of these programs. A seminar was held in February and November in Tokyo, inviting managers from overseas companies and providing opportunities for the participants to exchange their ideas and opinions based on their experience and knowledge acquired in their own countries. The seminar bore fruitful discussions on the future of global human resource development.

Fujifilm continues to organize programs to enable our employees across the world to dynamically communicate and work together to further global business expansion.

More overseas training opportunities accelerate human resources with "global" capabilities

Since 1969, Fuji Xerox has offered a number of opportunities for Japanese employees to work in research institutes and universities in Japan and overseas, as well as in overseas affiliated companies, aiming to develop future leaders. In 2011, the number of opportunities to participate in a work experience program at overseas companies was increased and also made available to sales companies and some of the development/production group companies in Japan. Currently, 22 employees are involved in this training. In addition to the conventional training course that spans 18 months, a new two-and-a-half-year course was introduced in 2011 for sales staff members to reinforce their practical sales skills.

The globalization of business and management has rapidly expanded in recent years, and demand for human resources who can respond to customers' demands with a global perspective has also risen. Further, many companies are now branching out their business into overseas markets—regardless of their company size or location. In consequence, sales companies and group companies inside Japan more frequently face situations where global response capabilities are required. We are accelerating the development of business leaders with such global capabilities by increasing both the number of employees participating in overseas work experience and the number of available placements.

We intend to focus on developing human resources possessing mid-to-long term vision by closely monitoring the progress of individuals during their training.

① Short term MOT training in European and U.S. business schools. Participants gathered from across the world.
② MOT training in India. Designed to develop language skills and cross-cultural adaptation capabilities.
③ Fujifilm Global Leadership Seminar held in February 2011 in Tokyo, inviting managers from overseas companies in the U.S., Europe, and China
④ New employee training was also revised to focus on global human resource development.
⑤ Overseas business training program comprising language training and work experience. Positions were previously open to ten people per year, but this was tripled in 2011.

Respect for human rights and privacy by adhering to the Charter of Corporate Behavior

Founded on the principles of the Fujifilm Group Charter of Corporate Behavior, Fujifilm respects the basic human rights of all its employees. We do not discriminate on the basis of gender, age, nationality, race, beliefs, religion, social position, physical condition, or other characteristics, and respect the privacy of employees. We regularly hold training sessions for managers in Fujifilm and group companies focused on human rights and the elimination of discrimination to promote greater awareness of these issues.

To prevent sexual harassment, we have continuously raised awareness and disseminated information within Fujifilm and its group companies, including distribution of sexual harassment prevention guidelines. Our company regulations also stipulate the prohibition of power harassment, in order to prevent any form of harassment in our workplace.

Further, we established the Fujifilm Group Compliance and Sexual Harassment Helpline, which employees can contact for consultations. These consultations are handled by external counseling specialists and the resolution of the problem is sought while respecting employees' privacy.

Utilizing diverse human resources and flexible ways of working

In addition to standard employment practice, Fujifilm actively employs a variety of human resources, including experienced people who possess expertise in different fields, and those from abroad, as well as transferring temporary employees to permanent staff and re-employing our retired workers. We also implement a range of schemes to help our human resources to improve their skills and working lives over many years.

We believe that it is important to empower all our staff members to "work fully by exerting their abilities to the maximum" even when their working hours may be restricted for personal reasons, such as pregnancy, child caring, and family member caring. We think that this can be realized only when three factors are present: staff themselves are highly motivated in their duties and responsibilities; staff supervisors and colleagues have a good understanding of an appropriate work-life balance; and the work place includes systems and measures to support diverse ways of working.

This is why we have proactively implemented employment systems that enable flexible ways of working, such as maternity leave, over the years, and well in advance of the implementation of legal obligations. In response to amendments to the Child Care and Family Care Leave Act in 2010, our existing programs for supporting a balance between work and childcare or family care have been further improved. Our child medical care leave program and the newly introduced family care leave program now satisfy beyond the legal requirements. Further, the Employee Benefit Society started a financial program to support fees for childcare facility usage.

Raising awareness of human rights with respect to basic human rights

Under the principle of "respecting basic human rights," Fuji Xerox and its affiliates and sales companies implement the All-FX Code of Conduct, which stipulates: (1) Respect and protection of human rights, (2) Prohibition of discrimination, (3) Prohibition of harassment, (4) Protection of privacy, (5) Respect and protection of basic labor rights, (6) Prohibition of forced labor/child labor, and (7) Workplace health and safety. The code is effectively used in various training courses, from those for new employees to those for managers, to deepen understanding of human rights and establish a work place culture that respects such rights.

Fuji Xerox has been an active member of the Industrial Federation of Human Rights, Tokyo, since 1982. The organization comprises 124 corporations with head offices in Tokyo. 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. We participated in the solicitation of slogans for a human rights awareness campaign which forms part of Human Rights Week, held in December, and distribute the Federation's newsletter, *For Tomorrow*, twice a year to the directors at each of our headquarters.

Creating an environment that nurtures improvements in working styles

Fuji Xerox conducted a campaign to improve business procedures called *New Work Way* in 1988. This trendsetting campaign established a working environment that supports a good work-life balance through the introduction of the childcare leave program in 1988 and the family care leave program in 1990. Thanks to this corporate culture, employees now understand that it is their right to continue their work while making the most of such welfare programs. The average length of employment in 2011 was 19.6 years among male workers and 15.3 years among female works, and this difference is also becoming smaller.

Fuji Xerox understands that the essence of the work-life balance is "improvement in working styles," which is founded in "organizational productivity improvement through human resource reinforcement to inspire employees and maximize their potential abilities," and "realization of flexible working that supports the diverse values of individual employees." Only a corporation that can provide a working environment where diverse employees can work enthusiastically and without feeling constrained, while exerting their abilities for better productivity can become a sustainable corporation. To realize this, employees put work style improvements into practice and gain successful experience—then they can offer the best solution services* to our customers. Fuji Xerox will focus on nurturing such human resources—the "leaders of improvement."

* Fuji Xerox calls this process of improvement, "Activity to Accord Words and Actions."

F-POWER Project—achievements and future

The F-POWER Project* was established in 2007 to "realize an environment in which female staff can play core roles in the work place more than ever before, and work fully exerting their abilities to the maximum without worrying about their childcare responsibilities." In this way we hope to realize "robust individuals, robust organization, and robust Fujifilm." According to this idea, the project team makes suggestions relating to the working styles of female members, and the company and unions implement the measures based on such suggestions. Seminars to renew understanding about modes of working for female staff have been held by the company, business sites, and labor unions. Also, for the systematic development of female employees, training to enable them to work in management roles, and actual promotion to such roles has been implemented, as well as work-life balancing schemes during childcare. As a result of these efforts, a greater number of females are now working in much more varied positions.

Since 2011, the project was enhanced as the F-POWER & Work-Life Balance Promotion Team. In addition to existing efforts to empower female workers, the team has expanded its scope of attention to cover work-life balancing, including efficient and flexible ways of working and support for workers who have to care for family members.

***F-POWER Project:** Fujifilm Positive Women's Encouraging Renovation.

Fuji Xerox in Hong Kong and Shenzhen earns positive evaluation for thorough employees support

Fuji Xerox has developed a corporate culture to care for our employees by proactively promoting good relationships, not only between employees and the company, but also with their families, to ensure corporate sustainability and to fulfill our social responsibilities. In recognition of such efforts, Fuji Xerox (Hong Kong) Ltd. won the Distinguished Family-Friendly Employers Award 2011, organized by the Family Council, an advisory body to the Government of the Hong Kong Special Administrative Region of the People's Republic of China. The award is presented to companies implementing effective family-friendly working policies, and we were the only Japanese company to be honored with this award.

Fuji Xerox of Shenzhen Ltd. won the Monozukuri (Manufacturing) CSR Contribution Award in the Good Factory Awards 2011, hosted by the Japan Management Association. The Association valued the fact that, although not directly related to everyday work, our employee assistance program extends to mental health care which, in the end, helps employees to happily remain with us.

Fuji Xerox of Shenzhen won the Monozukuri (Manufacturing) CSR Contribution Award in the Good Factory Awards 2011.

OPINION On Effective Utilization and Training of Human Resources

Ms. Noriko Ikari
General Manager,
CSR Department,
Global Communications and CSR Division
Nissan Motor Co., Ltd.

Profile
After joining Nissan, Ms. Ikari worked in overseas marketing, marketing, and planning in the After Sales Business Division. Transferred to Nissan Motor for three years from 1994. From 2002, she was Technical Assistant to CEO Carlos Gohsn for 4 years. She was appointed to her current position in 2011, after also working in Human Resources Development.

Expectations on adopting a global perspective through business expansion

Last year, Fujifilm Group identified an image of the people it was seeking to nurture, expressing clearly what its employees should be like. This year, the focus narrowed down to resources capable of global action, laying down the concept clearly. Themes on "human rights" have gained ever growing importance. I also felt that the report captures the needs of society accurately in terms of practice and continuity of human rights education. In the area of diversity, I feel its action on diversity, which is not mentioned in the text, is demonstrated by approval of various working styles, represented by employee programs exceeding regulatory standards, such as in social services and carried-over leave.

As businesses expand globally, I feel that the scope of human rights education and manpower training within the entire value chain, including business partners and suppliers etc., is expanding to overseas sites. In this respect, I feel the company will be required to engage in its activities with a conscious awareness of its overseas stakeholders.

Response to the third-party opinion

Thank you very much for the recognition of our activities in the areas of human rights education and diversity. "Accelerating global business expansion" is one of the priority measures for FUJIFILM Holdings. An important key in implementing the plan is "global human resources" able to operate across borders and take charge of business activities in various countries and territories.

In the future, we will continue to train and enhance our global human resources as we expand business on the global scale and, as have been pointed out, extend into activities with conscious awareness of overseas stakeholders.

(Corporate Personnel Division, FUJIFILM Holdings)

Occupational Health and Safety

Founded on the conviction that occupational safety is the fountainhead of business activity, we are working to ensure employee protection by placing top priority on safety, and implementing exhaustive compliance with laws and regulations related to occupational health and safety.

Eco-driving workshops held at each site (Photo taken at Yoshida-Minami Factory)

Fujifilm Group Occupational Health and Safety Policy

The Fujifilm Group operates its businesses based on this policy, considering that the securing of employees' occupational health and safety is the most important basic element in its corporate activities.

1. We will consider the employees' occupational health and safety as top priority.
2. We will proactively support the maintenance and promotion of employees' health.
3. We will realize the highest standard quality of employees' occupational health and safety in response to the demands of society.
4. We will establish smooth communications between all Fujifilm-related companies and their employees the regarding occupational health and safety.
5. We will actively provide employee education and training on occupational health and safety.

Group-wide traffic safety and eco-driving movement underway to reduce traffic accidents

Starting in May 2008, the "Eco-Driving Promotion Movement" began for roughly 10,000 commercial vehicles owned by the 65 domestic Fujifilm Group companies, as part of the group-wide initiative to reduce global warming. In addition to workshops and companywide distribution of DVD training materials, stickers, etc., and communication of eco-conscious driving skills to employees, a liaison group for promoters of the movement has been set up for management of driving distance and fuel supply data, as well as progress monitoring.

In 2009, Fuji Xerox Osaka was awarded the Environmental Restoration and Conservation Agency President's Award in a nationwide eco-driving contest, demonstrating to the entire organization its success in improving fuel economy by 20% and cutting down traffic accidents by half. In view of this radical effect on safety, the scheme was renamed "Safe & Eco-Driving Movement" in 2010 to reduce traffic accidents for the safety of both employees and pedestrians. The movement has been expanded to cover all motor vehicles (11,000) within the Group. In order to boost motivation and continued interest among participants, tools for fuel economy performance visibility have been upgraded and promoted.

As a result, the number of accidents involving commercial vehicles fell by 6.1%. The discount rate for (fleet) automobile insurance improved to 5%. The first sites implementing the movement have already recorded an improvement of 45% in accidents caused by commuter vehicles. The number of serious accidents also fell. A presentation report on activities at Fujifilm was given at the National Eco-Driving Promotion Symposium organized by the Agency for Natural Resources and Energy held in March 2012. In the future, further promotions will be undertaken in view of the future publication of the ISO 39001 (Road Traffic Safety Management System).

Communication of activities on a national scale at the National Eco-Driving Promotion Symposium

Common Rules for Safe Behavior Compliance Scheme at Fujifilm Kanagawa Factory realize improved safety

Starting in 2010, Fujifilm introduced a special award program giving recognition to business and work sites making outstanding achievements in the prevention of accidents and risk reduction in occupational health and safety, in addition to the existing award program for outstanding safety performance.

One activity that won the special award was the Common Rules for Safe Behavior Compliance Scheme at Fujifilm Kanagawa Factory, which also won the 2011 Responsible Care Award from the Japan Chemical Industry Association. Under this program, various safety-related rules inside the factory have been organized and exhaustively entrenched among staff to prevent serious incidents. This began with the organization into seven of common rules that must be followed, based on an analysis of past labor accidents. In the process, several hundred work processes were found to require exception permits for not being able to follow the common rules due to limitations within existing facilities, or to prevent creating an excessive workload, etc. Therefore, risk assessments were conducted towards the implementation of practical safety measures for high-risk work. This resulted in a reduction in the work requiring exception permits. The remaining work processes were made designated work processes, implementing a scheme for upgrading work management levels through special training, by displaying signs and logos at work sites, etc. We believe that safe behavior can be taken one step further by implementing action based on "whether rules can be truly observed" and "complied with," rather than merely "feeling safe with some rules in place."

Integration of Business and Social Contributions

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

Album Cafe promotes the importance of enjoying photographs and making photo albums

Fujifilm Group Social Contribution Policy

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.

"PHOTO IS—Photos by 10,000 People" —invigorates Japan through the power of photos

The "PHOTO IS" exhibition was first held in 2006 to widely promote interest in photographs and their indispensable value, and the exhibition marked its sixth anniversary in 2011. The biggest feature of this exhibition is that anyone can submit their work and all the submitted works are displayed. The number of submissions has increased each time, and the latest event received a record-breaking 17,051 submissions, making the exhibition one of the largest Photo events in Japan. The youngest applicant was one year old while the oldest was 93. From July 22 to the end of November 2011, the exhibition was staged across 29 locations, again the highest number we have ever had, and some 430,000 visitors enjoyed the photographs.

As a new item, we organized the "Choose a 'Heart-Touching' Photo 2011." This gave the audience an opportunity to vote for their most "heart touching" photos by sending the ID number given to each photo along with comments from their mobile phones. Through this audience-participation voting system, some 400 photos were selected across Japan. Along with the "PHOTO IS" exhibition, the progress of the Photo Rescue Project (see page 58) was also reported through display monitors. This is a voluntary work to salvage photographs and albums soiled by the mud and sea water in the Great East Japan Earthquake.

One impressive fact was that the number of photos displayed in Sendai increased by 56% compared to the previous year, a much bigger increase than the average. Also, a larger number of photographs were submitted outside of Northeast Japan, requesting the work to be displayed in Sendai to encourage people that suffered in the Great East Japan Earthquake. We felt that it was very meaningful to convey these encouraging messages from all over Japan to people in the Northeast through the exhibition.

Fujifilm is continuing this exhibition across Japan in 2012 with the theme of "Photos—connecting people, connecting generations," emphasizing the power of communication and the importance of also retaining memories in a tangible photographic format.

The exhibition took place in a total of 29 locations, including Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, Fukuoka, and 22 satellite halls in smaller towns.

The Exhibition does not place any limits on the applicant's qualifications or themes and accepts work from all photo lovers. Applicants can submit their large print work along with its title and a comment/message.

The newly introduced "Choose a 'Heart-Touching' Photo 2011." The voting results were displayed on the monitors installed in the exhibition halls and the top ranking photos in each hall were announced on the official website.

Album Cafe helps mothers compile family photos across Japan

Fujifilm conducted a voluntary national survey of mothers with pre-school children and found that the percentage of mothers who give up making photo albums halfway is about 50%. Also, 100% of those who had not made photo albums responded that they were intending to make one at some time. This suggested that many mothers want to make photo albums but are too busy to do so.

To address this situation, Fujifilm launched the *Album Cafe Project* in September 2010. This is an album-making workshop for mothers with small children to create albums together in an enjoyable atmosphere. We are working towards promoting this workshop and increasing its frequency to provide opportunities for many more mothers to enjoy creating their family photo albums. We hope that the workshop promotes the importance of keeping photo albums and reawakens people to the happiness to be gained from photographs.

After the project started, we gained a number of alliance partners,* including local photo shops, department stores, hotels, cafes, kindergartens, and after-school childcare facilities, that are all supporting the workshop operations. We receive many post-workshop reports and found messages such as, "The workshop provided me with a chance to reconsider the meaning of family ties," and "It relieved the stresses of child care and gave me many smiles!" Such comments helped us to discover some new effects of photographs and making photo albums.

In response to this positive reaction, we expanded the Album Cafe operation to full scale in January 2012, further increasing our alliance partners. The Album Cafe portal site was also redesigned to offer bidirectional communications between workshop operators and participants. Workshop information and comments can now be exchanged at the renewal portal site and participants can enjoy the Album Cafe both online and during the actual workshops.

Fujifilm will support family album creation through the Album Cafe and contribute to the development of a photographic culture that builds up strong family ties.

* **Major alliance partners as of March 31, 2012:** Isetan Mitsukoshi Ltd., Fujita Kanko Inc., Akachan Honpo Co., Ltd., Oyako Café Baby Bar, Mothers' and Children's Health and Welfare Association, Childrin, photo studios & kindergartens in Japan, etc.

Approx. 3,000 workshops held in 650 locations with 50,000 participants (as of May 9, 2012, based on Fujifilm's own survey).

Supporting "Opération Sourire (*Operation Smile*)" through medicines and photographic exhibitions

"Opération Sourire (Operation Smile)" is a medical project run by Médecins du Monde (Doctors of the World).* It provides free plastic surgery for those suffering from facial and bodily deformities due to congenital conditions, or those who have sustained injuries from war, accidents, or illness, but are unable to afford operations, as part of efforts to help them live normal lives. Since its first session in Cambodia in 1989, the project has now expanded to more than 12 countries in Africa and Asia. By the end of 2011, a total of 9,202 operations had been conducted.

Fujifilm donated our anti-infection medicines including OZEX® Tablets, CEFOPERAZIN® for Injection, and TOMIRON® Fine granules for pediatric, for the "Opération Sourire" projects conducted in Madagascar and Cambodia, which were conjugated well in the medical field.

Fujifilm prepared and provided photo panels for free to demonstrate support for the "Opération Sourire" for 1,000 People campaign hosted by Médecins du Monde through the power of photographs. These campaigns aim to raise awareness of the project through photographs of the children who have undergone the "Opération Sourire" and their families, as well as sending back the photographs of people's smiles and supportive messages from Japan. In 2011, 35 events were held in shopping centers and other facilities in Japan.

* **Médecins du Monde:** A non-governmental humanitarian aid organization firstly established in Paris in 1980. The network consist of 14 offices in the world and implements over 300 projects in more than 70 countries. It dispatches medical and hygienic experts to deprived areas of the world.

Top: In 2012, the campaign took place in various locations across Japan thanks to the cooperation of facility owners. Campaign staff members were pleased with the number of people who showed interest due to the eye-catching photo panels. (Photo of Shinyokohama Prince PePe shopping plaza, Kanagawa, Japan)

Bottom: Messages gathered by the Operation Smile campaign are shown to local medical experts and children. (Photo of Centre Hospitalier Universitaire d'Antananarivo Joseph Ravoahangy Andrianavalona, Antananaeivo, Republic of Madagascar)

Desert greening in China marks 15th year anniversary

The Fujifilm Labor Union commenced its Green Volunteers program, a desert afforestation activity, when the Union celebrated the 50th anniversary of its foundation. In 2012, the 15th volunteer group worked from July 29 to August 2 in Horqin Desert in China's Inner Mongolia region. The year 2012 marks the 11th anniversary of this particular afforestation activity,* and is also the fifth anniversary since we started working with our local subsidiary in China. To mark these anniversaries, we hosted a celebratory reception at the site. The reception welcomed the NPO Green Network, which is our afforestation partner, local administration and farmers, and union chairmen from group companies, and everyone happily celebrated our afforestation progress to date and the growth of the new trees.

We would like to continue this afforestation activity for the further soundness of the local environment, to widen participants' vision, and to continue enhancing the Fujifilm Group.

***Afforestation activity:** The Green Volunteers worked in the Kubuqi Desert Inner Mongolia for the first four years, and in the Horqin Desert for consecutive 11 years.

Winning the Academy Awards® for high-performance motion-picture archival preservation technology

Fujifilm has received the 2011 Scientific and Engineering Award, given by the Academy of Motion Picture Arts and Sciences, for the development of its black and white recording film, ETERNA-RDS, designed for digital separation of motion picture films. In recent years, digital filming in motion picture production has become more common, resulting in a rapid increase in the digital preservation of film information. However, it is still not totally reliable as there are risks of being unable to reproduce the preserved image information due to the degradation of the media on which the data was saved or through the rapid changes in the hardware. This is why Fujifilm developed ETERNA-RDS, a black and white film designed specifically for digital separation, utilizing the performance of film—maintaining stable quality.

Highly recommended for superior photo performance and enduring archival period, as well as its outstanding stability in the development process, the film is already being used for the archival preservation of many Hollywood films.

ETERNA-RDS received the Scientific and Engineering Award for "the significant step it made in protecting the heritage of the motion picture industry."

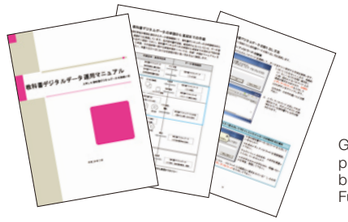
Releasing digital textbook data operation guide and user manuals

As a result of a research project requested by the Ministry of Education, Culture, Sports, Science and Technology of Japan (hereafter, MEXT), Fuji Xerox created a digital textbook data operation guide and two user manuals for producing large-font textbooks,*1 and published them on our website.

Following the implementation of the Barrier-Free Textbooks Act*2 in 2008, textbook publishers are mandated to submit PDF data of their authorized textbooks to MEXT. This has allowed volunteer groups to produce large-font textbooks by editing the data and directly printing it from PCs, without having to manually create them by making enlarged copies of regular textbooks. The guide and manuals will help such volunteer groups take full advantage of the benefit of the Act. Fuji Xerox has also been offering free use of its full-color copiers and multifunction devices to volunteers since 1994. As a social contribution as well as from a business perspective, we continue to support the spread of large-font textbooks.

*1 **Large-font textbooks:** Learning materials designed for visually-impaired children and students. Texts and graphics are enlarged to suit their individual degree of vision.

*2 **Barrier-Free Textbooks Act:** A law to promote the widespread use of government-authorized textbooks and other teaching materials for children and students with disabilities.



Guides and manuals to produce large-font textbooks available from the Fuji Xerox website

Supporting a forest conservation organization in the U.S.

FUJIFILM Holdings America Corporation has been supporting the Rainforest Alliance since 2004. The Rainforest Alliance is an international nonprofit organization dedicated to the conservation of biodiversity and the realization of a sustainable society, promoting forest protection across the world.

As a part of our partnership with the Rainforest Alliance, we sponsored the 2011 "Picture Sustainability" Photo Contest designed to raise awareness about environmental conservation through photographing the beauty of nature. Additional support ranged from donating to the annual gala, held at the American Museum of Natural History in New York, as well as contributing to their organization through our 2011 holiday season's greeting card.

Restoring historical manuscripts that hand down the customs and culture of Kyoto merchant town

Fuji Xerox Kyoto Co., Ltd. is actively involved in projects related to local communities as a part of its social contribution. One such activity is restoring historical manuscripts.

Kyoto has more than 1,200 years of history, and there are many old manuscripts that record the customs and culture of the merchant town in Kyoto. However, some are severely damaged and cannot be handled as is. To address this issue, the company has been reproducing the manuscripts by making digital copies of the original documents and then printing the digital data on *Washi*, or traditional Japanese paper, using a multifunction device. To create a copy that represents the original as closely as possible, the paper used for printing is carefully selected to replicate the original colors and the same binding method as in the source document used. So far, we have restored *Saichuoboe*, a document designated as a national important cultural property preserved by the Naraya-Sugimoto family, which records the customs of Kyoto merchant families. Another is the *Onmatsuri Shinpo Jinki Ezu (Pictorial Guide of Enshrined Divine Treasures and Items)*, a design book describing the ceremonial costumes stored by the Shimogamo Shrine.

Fuji Xerox Kyoto will continue recovering manuscripts stored away in warehouses of Kyoto's long-standing merchants and create an archive of manuscript copies that can be handled directly to contribute to the preservation and showcasing of Kyoto's culture.

Restoring family photographs after U.S. tornado

In spring 2011, a devastating tornado swept through Joplin, Missouri in the U.S. A Walmart supermarket store in the area was one of many buildings that were damaged by the tornado. During the week-long re-opening celebration events at this Walmart store, FUJIFILM North America Corporation offered 250 families the opportunity to restore photographs damaged in the disaster, and 300 families to have new family portraits taken, both free of charge.

FUJIFILM North America Corporation and its employees also donated 15,000 dollars to disaster relief through AmeriCares®, a nonprofit disaster relief and humanitarian aid organization.

Top: Photographs were printed by Dry Minilab Frontier DL600, a cutting-edge machine.

Bottom: Photographs were taken free of charge for families who suffered from the tornado.

Please see page 58 on the support for recovery from the Great East Japan Earthquake.

OPINION

On Integration of Business and Social Contributions

Mr. Norio Machii,
Manager,
CSR Strategic Planning Team,
Management Support Department,
The Nippon Foundation

Profile
Through his lectures and work at the Japan Foundation, Mr. Machii promotes CSR activities and collaborations among business corporations.
Among his various roles, he is a member of the Study Group in the Project to Promote Development of New Growth Industries in the Community, under the Ministry of Economy, Trade and Industry; and a member of the Working Group on Information Disclosure and Communication Infrastructure, under the New Public Commons Promotion Council, Cabinet Office.

Focusing on social issues close to the company's business fields in collaboration with NPOs

The philosophy of the renowned Omi merchants of the Edo period show us that the history of business in Japan is founded on close partnerships with local communities, and developed by resolving social issues through business enterprise.

In the face of many social issues emerging as major threats to humankind, Japanese business corporations stand at the threshold of a major transition in the role they have played in business history. The diverse activities of the Fujifilm Group, which interlink its core businesses with social contributions, are highly innovative in this respect. In particular, the programs aimed at disaster relief after the Great East Japan Earthquake serve as a model for other companies.

In the future, I hope that these activities will be developed further with a focus on social issues that are linked with the business fields in which Fujifilm operates, and that action toward solutions is undertaken in cooperation with NPOs and other interested parties. I believe that this will not only present opportunities for new business in the form of solving issues in society but such action will nurture empathy in local communities and contribute to sustainable development.

Response to the third-party opinion

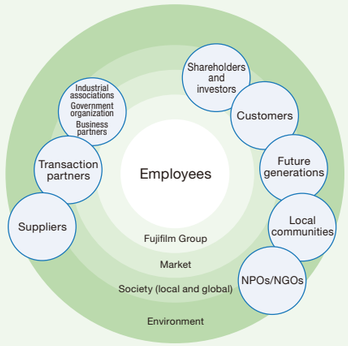
We are very encouraged by the positive feedback that we have received for our activities that interlink our business operations with social contributions, in view of the fact that we are promoting them through business enterprises. We plan to continue working in this direction in cooperation with our stakeholders.

Furthermore, we will certainly examine the approach of resolving social issues close to our business fields as a key point in creating future business opportunities and potential for further growth.
(CSR Group, General Affairs, FUJIFILM Holdings)

Improved Communications with Stakeholders

Employees of the Fujifilm Group look into the Group's social responsibilities and identify important issues through communications with various stakeholders.

Fujifilm Group and stakeholders



Basic approach to communication with stakeholders

Every business enterprise engages in its activities while interacting with a variety of stakeholders. We believe the fundamental principle underlying CSR is to perceive issues in society from the same perspective that we see our own issues and to work for a resolution of problems and foster growth while maintaining harmonious relationships with our stakeholders.

We look constantly into whether the Group's CSR activities meet the demands and expectations of society and whether these activities are being executed without fail by holding dialogues with our stakeholders.

Means of dialogue with stakeholders

Stakeholder		Means of dialogue
Employees	Employees are stakeholders that play a central role in promoting CSR	• Personnel management division liaison & interviews • Fujifilm Group Compliance & Sexual Harassment Helpline • Regular meetings between the company and labor unions • Stakeholder Dialogues • Awareness surveys on improving self-fulfillment in work • Internal newsletters
Suppliers	Suppliers are important business partners in continuing to deliver products that are safe and environmentally conscious	• Procurement divisions (liaison office for responding to inquiries) • FUJIFILM Business Expert (liaison for responding to inquiries) • Environment division (liaison office for responding to inquiries) • Presentation meetings to suppliers (Green Procurement & chemical substance control), surveys on "green level" of the corporate environment • Regular discussions with suppliers • Material procurement website
Community (local societies)	Worksites engaged in manufacturing activities in particular promote communications with local communities, recognizing the importance of coexisting with the community and environmental protection as important factors in CSR	• Liaison offices of factories and offices (liaison office for responding to inquiries) • Environmental communication meetings • Factory tours • Community volunteer activities • Lectures and presentations in the community • Regular discussions with local governments (city hall, mayor, community association presidents, etc.)
Shareholders & investors	IR information is being disclosed in Japan and other countries on a timely basis, with constant awareness of the need to obtain an accurate understanding of corporate value	• IR office (liaison office for responding to inquiries) • General shareholders meetings • Business reports • Business report presentations for investors • IR conferences • Individual meeting • IR information website • Annual reports • Shareholder communication
Transaction partners	Transaction partners are important to Fujifilm in proposing new value creation to society. We plan to engage in product development through both collaboration and support	• Sales companies and sales & marketing divisions (liaison office for responding to inquiries) • Regular discussions with partners • Consulting & joint development of products, materials, etc. • Participation in exhibitions, special events, academic societies, etc.
NGOs & NPOs	On-going support is provided to NGOs and NPOs engaged in environmental protection and education activities	• Corporate General Administration Division (liaison office for responding to inquiries) • CSR Division (liaison office for responding to inquiries) • Secretariat of Public Trust Fujifilm Green Fund • Stakeholder Dialogues
Customers	Activities aimed at reflecting customer opinions and requests concerning products, services, and corporate activities are an important issue for a manufacturing business	• Customer Center (liaison office for responding to inquiries) • FUJIFILM SQUARE (showroom) • Technical Support Center • Customer Service Stations • Usability evaluation meetings & monitor surveys • Customer satisfaction surveys • VOC • Photo contests, exhibitions & photography clinics • Special events, exhibitions & seminars • Questionnaires at products registration
Future generations	We believe that educational activities aimed at the generations who will become the leading force in future society are one of the important social missions of a business enterprise and we devote energy to supporting such activities	• Dispatch of lecturers and participation in school events • Acceptance of plant tour groups as extracurricular school programs • Environmental education activities in cooperation with NGOs
Industrial associations/ Government organization/ Business partners	We are working actively with various industry associations to comply with regulations, such as the RoHS directives and REACH regulations	• Participation in development of industry guidelines • Announcement of public comments through industry associations • Pink Ribbon movement, joint research with medical hospitals and universities and opening our sponsored university courses

Improvements in products and services through customer feedback

Customer suggestions and ideas received at the Customer Communications Center, etc., are fed back to the relevant divisions and companies, aiming to improve our products and services.

For example, customer opinions reporting that the lid of a screw bottle used in packaging supplements was difficult to open resulted in changes to the lid design, starting with a new product launched in the spring of 2012. A narrow slit window has been created on Astalift lotion and emulsion products to enable customers to see the remaining content and plan on their next purchases, and new Astalift series released in September 2012 made it easier to see the content. Boxes used for merchandise delivery have been made slimmer, following a user questionnaire survey regarding smaller packaging and acquiring user approval. Additionally, invoices for regular courier service delivery show the date of delivery and deadline for making order changes, improving customer convenience in making subsequent purchases.

We plan to continue making improvements like these based on customer feedback.

Content level checked here. Switching to bottles with a slit window since the end of 2011

Investor Relations website wins awards for ease of understanding, usability, and range of information

FUJIFILM Holdings' Investor Relations website (IR site) won acclaim from several listed companies, receiving the Grand Award in the 2011 Award for Excellence in Internet Investor Relations (sponsored by Daiwa Investor Relations) and Gomez IR Site Overall Ranking 2012 Gold Award (sponsored by Morningstar Japan K.K.).

The importance of investor relations websites is growing as a corporate research tool that is easily accessible to investors and shareholders. The website is being managed with attention to text and structure that is easy to understand from the user's standpoint, along with visual presentations, availability of online versions of annual reports, etc., for enrichment and ease of access to information.

Communication and work space supporting new work styles

Fuji Xerox Learning Institute opened and commenced management of a center for collaboration and support of business innovation and new personal work styles, named Space Alpha Sannomiya, in March 2012.

In recent years, "co-working"* venues are increasing rapidly in cities around the world with the aim of promoting work synergy among people, especially freelancers and other individuals who do not need to work at designated locations, through interaction with others in different fields. For a business corporation, providing workplaces that stimulate employee creativity and motivation is a matter of great interest.

Space Alpha Sannomiya offers not only a physical location to work in but also services such as business school courses, consulting related to business management and enterprise issues, and communications support services to improve the quality and efficiency of meetings. The center is expected to work together with customers in creating intelligent and creative work styles and communication approaches for the businesses of the future.

***Co-working:** A work concept in which business entrepreneurs and people who work on an individual basis come together not only to share a physical workspace but also to communicate among themselves in order to share information and knowledge. The term can also be applied to venues providing relevant facilities. Such centers, which are growing in number in cities around the world, are drawing attention as community spaces for people to exchange ideas and information among themselves, while working independently, resulting in a synergy from sharing an office environment.

Space Alpha Sannomiya lounge (top) and co-working area (bottom)

■ Active participation in overseas exhibitions for the advancement of global medical services

China International Medicinal Equipment Fair (CMEF)

Radiological Society of North America (RSNA)

Indian Radiological & Imaging Association (IRIA)

Fujifilm's CSR procurement scheme for stronger partnerships

Fujifilm has been promoting Green Procurement for both procurement goods and suppliers since 2000 by conducting "corporate environment green level surveys" and asking suppliers to conduct "chemical substance content management self-audits." These actions have been followed by studies into CSR procurement amid the rapid expansion of business fields, and in 2007 a number of task forces were formed by relevant parties with research into conditions at each procurement division. In October 2009 of the Fujifilm Group Procurement Policy, consisting of the Basic Procurement Concepts and Procurement Guidelines. At the same time, the "corporate environment green level survey" was revised to add items related to social issues to harmonize with the Guidelines, such as corporate ethics, compliance, human rights, occupational health and safety and social contribution. And it was introduced and implemented on a trial basis to approximately 70 leading suppliers for the materials division as the "CSR self-check."

This was conducted not only for the suppliers to provide the questionnaire but also to return to Fujifilm evaluation reports on their respective self-check results, in order to identify risks and issues for improvement. One objective of the self-check was to identify issues in systemizing the entire process whereby Fujifilm requests suppliers to implement maintenance and improvement, and then confirms the results.

Based on the trial findings, design and preparations for the introduction of such a system to be deployed at all Fujifilm companies were undertaken in 2011. In 2012, a new CSR self-check system has been established for expansion into operational divisions in the process of transition into actual management.

URL Fujifilm Group Procurement Policy
http://www.fujifilmholdings.com/en/sustainability/vision/procure.html

Fuji Xerox's CSR procurement activities expand into distribution and to overseas operations

Fuji Xerox is promoting CSR procurement on a global scale in order to build mutually beneficial relations, founded on trust, with its business suppliers and partners by learning the values and targets of CSR and minimizing risks related to the environment, human rights, labor issues, and corporate ethics.

In order to aid suppliers and business partners in engaging in independent CSR activities, presentation meetings and top management seminars are being organized. Also, management guidelines and a CSR self-check list have been made available for expert teams at Fuji Xerox to support their activities through hands-on communication and inspection of business conditions. In materials procurement, the target was set for all suppliers to realize more than 90% compliance with the most imported items (57 items) that are likely to lead to grave risks. In fiscal 2011, the compliance level increased 2.7% to 95.6%. Inspection visits by the company's expert team in Japan and China are regularly undertaken. Domestically, outstanding cases have been collected as "Decision-Making Standards and Best Practices" in a scheme to promote application across organizational boundaries.

In China, there had been a wide divide between questionnaire responses and actual conditions pertaining to "examinations of employees" and "soil contamination prevention," and we took measures for this discrepancy. Starting this year, basic checks by procurement managers who have undergone basic CSR training are to be conducted to cover all offices and production plants of suppliers.

In the area of distribution, the compliance rate target for the most important items (100 items) for the company's primary affiliates in charge of shipping and five companies responsible for export/import customs clearance has been set at more than 90%. In the exhaustive follow-up findings based on individual visits conducted in 2011, the target for business partners was achieved with a compliance rate of 98.5% (67.6% for the previous year). Furthermore, a trial scheme was introduced for the primary affiliates in trunk route shipping in Japan and primary affiliates in shipping in the Asia-Pacific. The plan for this year is to expand domestic activities into overseas operations, starting with overseas hub distribution (China-Singapore hub warehouse and China-Australia hub warehouse). Furthermore, the scope of CSR procurement will be expanded to general goods procurement in order to build a supply chain that is controlled on an advanced level, including both CSR and QCD (quality, cost, delivery).

Confirmation visits by the special CSR procurement team

Action on disputed mineral ore trade

In the Democratic Republic of Congo (DRC) and neighboring countries, violence against civilians by local armed forces, as well as non-humanitarian acts such as child labor, are reportedly taking place, causing serious violations of human rights and environmental destruction, and raising concerns as a major international issue. In particular, mineral ores that are produced in the region include gold (Au), tantalum (Ta), tungsten (W), tin (Sn), and other rare metals that are essential for the electrical machinery and electronic device industries. There are concerns that trade in these mineral ores, known as "conflict minerals," is providing financial resources, both directly and indirectly, to the local armed forces. The Fujifilm Group regulates to prevent both direct and indirect involvement in the illegal excavation of conflict minerals, use of such process minerals, and similar illegal activities.

A variety of power-saving measures implemented by the entire Group in response to the chronic power shortages following the Great East Japan Earthquake

"Ice Challenge 2011" drive against global warming on the theme of power conservation by employees and their families

The Fujifilm Group has engaged in the "Ice Challenge" drives since 2008 as part of its efforts to fight global warming. Under this initiative, individual employees practice eco-friendly living at home to reduce CO_2 emissions. Now in its fourth year, the theme of the Challenge was "power conservation" in response to the chronic power shortages caused by the Great East Japan Earthquake.

Approximately 40 thousand employees at 78 Fujifilm Group companies in Japan were offered this Challenge for three months, from the beginning of July to the end of September. 34,412 employees and their families, an all-time high in the number of participants, worked on energy conservation aiming to achieve a power consumption reduction rate of more than 15%. The power conserved per household averaged around 2,800 Wh/day, which is equivalent to 30% of daily electricity usage for typical Japanese household.

In addition, the Ice Challenge efforts were spotlighted in 2011 through TV commercials, in order to spread general awareness of this issue. On the website, tools for simulating concrete power saving effect have been made available. The "Everyone Take on the Energy-Saving Challenge" page of the website marked approximately 60,000 hits to the end of September, demonstrating support by a large number of the general public. Activities in this direction will continue to be promoted, both inside and outside the organization.

In addition to distribution of "Ice Challenge" promotion posters, Group companies urged participation of the general public through TV commercials and the website

Installation of 10,000 LED lamps with outstanding energy-saving effect to cut down power consumption at offices

In order to deal with the power shortage issue in the Tokyo Electric Power service area, an exhaustive review into lighting methods was conducted for effective energy conservation in office buildings. The proper lighting scheme was introduced, in which half of the ceiling lighting fixtures were turned off and task lighting (LED stand) used to illuminate the desktop area.

For task lighting, roughly 10,000 LED lamps with excellent energy-saving characteristics were installed at the head offices of FUJIFILM Holdings, Fujifilm, and Fuji Xerox (Tokyo Midtown head office and Fujifilm Nishiazabu Building), as well as at office buildings where Fujifilm's various worksites, R&D divisions and affiliated companies are located. This reduced power consumption at offices by roughly 10%. If the reduction in air conditioning burden caused by heat radiation from ceiling lights is taken into account, energy conservation of around 15% has been achieved.

Total power consumption reduction for all worksites through "shared use restriction scheme"

In summer of 2011, a power consumption restriction order was issued in the Tokyo Electric Power and Tohoku Electric Power service areas, requiring large power users to cut power consumption at peak hours by more than 15% compared with peak consumption in 2010. To address this issue, 15 of the 24 large power-consuming worksites of Fujifilm and affiliated companies in Japan that are located in the Tokyo Electric Power service area where the restriction order was effective, implemented total power consumption reduction for all worksites utilizing the "shared use restriction scheme."

Specifically, the actions taken in addition to exhaustive power saving at each worksite were:

(1) Increase in operation of the power generator facilities installed at the Ashigara and Odawara worksites in Kanagawa Prefecture and at the Fujinomiya Factory to cut down power purchases from power utilities.
(2) Equalization in the levels of power consumption by utilizing the sodium-sulfur batteries installed at the Fujifilm Advanced Research Laboratories, with a systematic discharge of power stored at night.

In addition to these actions, a system for "power transmission within the organization*" utilizing the utility grid was created to transmit power generated at the Fujinomiya Factory to other locations. This was to serve as a safety net if power use seemed likely to exceed the target level. These efforts resulted in a reduction of power consumption by 22% at peak hours, a reduction by 19% in overall power consumption, and a cut in CO_2 emissions by 11,400 tons (year-on-year).

***Power transmission within organization:** Transmission of electric power generated by a business enterprise to another location by employing power utility transmission lines. An agreement with the local power utility is necessary.

Fujifilm Group offers a hand in recovery from the Great East Japan Earthquake

Photo Rescue Project to conserve memories in a tangible form

In April 2011 Fujifilm launched the Photo Rescue Project to clean photographs and albums damaged with seawater and mud in disaster-affected areas. We have also been providing information about how to clean photos depending on the state of damage, as well as the tools and consumables needed by the volunteers to clean and restore them. The excess photos that the local volunteers cannot handle were transferred to Fujifilm Ashigara Site of Kanagawa Factory and a total of 1,500 volunteers recruited from among employees and their families—even retired employees—cleaned 170,000 photos over a month from June to July 2011.

The Photo Rescue Project created a ripple effect to include many more people and great progress was made in photo cleaning in disaster-affected areas. Still, the cleaning efforts continue even the volunteers are also working on returning the cleaned photos to their original owners. Fujifilm constantly offers support for the Photo Rescue Project from different aspects, such as recruiting further local volunteers to clean photos in the disaster-affected areas, supplying pocket albums and lending photo printers to volunteer groups, holding the Photo Rescue Summit on December 1, 2011, to discuss issues in the disaster-affected areas, and publicizing the necessary information through our website.

What we have learned from many of the photo owners and volunteers is the importance of also keeping photos in a paper format. Although a large number of albums and photos were recovered from the affected areas, there were hardly any pictures from the last 10 years due to the widespread use of digital cameras in recent times. Memory cards and PCs were more difficult to salvage and even when they were retrieved, often the original data could not be recovered. Memories are the most precious property in people's lives. To prevent such memories from being lost, we would like to make everyone aware—whether they experienced the disaster or not—that it is important to keep our memories in a tangible format. We believe that it is Fujifilm's mission to provide the best products and services for that purpose.

URL Photo Rescue Project website: http://fujifilm.jp/support/fukkoshien/index.html (Japanese only)

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❶ Our TV advertisement, "Photos in Disaster-Affected Areas," which explained how to clean soiled photos, received the Silver Prize in the 51st Advertisements Useful for Consumers Contest ❷ The Photo Rescue Project website established to report on the day-to-day progress of the project ❸ The photo cleaning activity by local volunteers in the disaster-affected areas still continues. Some 20,000 photos were cleaned by 160 volunteers over February 11 and 12, 2012. ❹ The Memory Reuniting Square hosted by a Sendai volunteer group from February 29 to March 25, 2012. The group displayed the photos and albums gathered in Miyagino and Wakabayashi wards in Sendai in the hope of finding their original owners.

Helping the recovery of Hirono-cho, Fukushima, utilizing our radiation expertise

Fujifilm Finechemicals Hirono Factory is located in Hirono-cho, Fukushima, only 21 km away from the Fukushima Daiichi Nuclear Power Plant. With the help of Fujifilm RI Pharma, our group company conducting research, development, manufacture, and sale of radiopharmaceuticals, the Hirono Factory cleaned its irradiated site, as well as offering help to Hirono-cho, including radiation level measuring, radiation cleanup instructions, and a donation of containers to store contaminated items. In October 2011, the Hirono Factory held a ceremony to celebrate the factory's recovery and to pray for safe operations. This was to demonstrate our determination to remain working in Hirono-cho and to sincerely wish for the recovery of the entire community. The ceremony was followed by a lecture on radiation contamination and cleaning, and a session to explain the factory's new system for ensuring that all products are free from radiation. We are working towards dispelling the damaging rumors about the area.

Fujifilm also donated 150,000 masks and 10,000 hand-cleaning gels for supporting the recovery.

Fuji Xerox dispatches employees as volunteers to Kesennuma, Miyagi

As a part of recovery and restoration measures in the areas affected by the Great East Japan Earthquake, Fuji Xerox and its domestic affiliate companies have been participating in volunteer activities to recover sightseeing spots and fisheries in Oshima, Kesennuma-shi, in Miyagi. The activities are organized by the United Nations Global Compact Japan Network, and are undertaken by the corporate members who have signed up for the Network's activities. In addition to cleaning sightseeing spots, such as beaches and the chair lift to a mountain top with a panoramic view of the island, we communicate with local people and have discussions about the next steps in further recovering local industries.

Between September 2011 and March 2012, a total of 191 employees were dispatched over 13 sessions.

Data and Information

Data and Information chiefly presents fundamental data on the Fujifilm Group's CSR activities and quantitative data in the areas of personnel and general affairs, the environment, and so forth, promoting an objective and concrete understanding of our activities.

Compliance and Risk Management

Compliance

Compliance education (Fujifilm in Japan)

Intended audience	Details	2011 results
Top management (Fujifilm)	Overall compliance (by external instructors)	None (as appropriate)
Executive officers of Fujifilm and its affiliates	Overall compliance (by external instructors)	Once, 80 participants
Managerial personnel (Fujifilm and its affiliates)	Business ethics, customer-orientation, communications, etc. (by CP & RM*)	10 times, 200 participants
	Examples of corporate misconduct, punitive actions, consulting facility, risk reporting system, etc. (by CP & RM*)	60 times, 2,700 participants
New managerial personnel (Fujifilm)	Overall compliance (by corporate executive officer in charge of CSR)	Once, 90 participants
All employees (Fujifilm and its affiliates, including agency contracted employees)	Discussions based on compliance case studies (by managerial personnel)	All divisions
New employees (Fujifilm)	Basic knowledge of compliance, employee code of conduct, corporate rule, consulting facility, etc. (by CP & RM*)	Once, 150 participants

* 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	2011 results
	Executive officers	Managers	General employees	Contract employees	Other employees		
Education on the ALL-FX Code of Conduct			○			Group training to explain details of each code of conduct using specific cases	Once, 481 participants (12 times, 110 participants for career recruitment of Fuji Xerox)
New executive officer training	○					Group training on corporate law and overall risk such as risk on general affairs, human resources, etc.	Once, 28 participants
New administrator training		○				Group training on compliance of labor management (work environment and compliance, corporate misconduct, compliance on disciplinary infraction, etc. at workplace)	Four times, 296 participants
Basic training on laws: WBT (Web-based Training)	○	○	○			Training on basic legal knowledge utilizing the Internet	Once, 23,000 participants
Training on information security: WBT	○	○	○	○	○	Basic training related to information security utilizing the Internet	Once, 30,000 participants

Risk Management

Acquisition of P-Mark and ISMS

Certification	Certified affiliates
P-Mark*1	FUJIFILM Medical Co., Ltd FUJIFILM Imaging Systems Co., Ltd. FUJIFILM Techno Service Co., Ltd. Fuji Xerox System Service Co., Ltd. Fuji Xerox Learning Institute Inc.

*1 Privacy Mark (P-Mark): A mark granted by the Japan Information Processing Development Corporation (JIPDEC) to companies in which personal information is handled appropriately.

Certification	Certified affiliates
ISMS*2	FUJIFILM Graphic Systems Co., Ltd. FUJIFILM Software Co., Ltd. Fuji Xerox Co., Ltd. (Global Service Sales) Fuji Xerox domestic sales representative and sales companies Fuji Xerox InterField Co., Ltd. Fuji Xerox System Service Co., Ltd. Fuji Xerox Information Systems Co., Ltd. Fuji Xerox Prefectural Dealers 11 companies (12 offices) Fuji Xerox of Shanghai Limited Fuji Xerox Korea Company Limited Fuji Xerox of Shenzhen Ltd.

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

Communication with Customers and Suppliers

Customers

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

ISO 10002 (International Standard for Complaints Handling Management System)

Customers' opinions
- Inquiries
- Requests
- Proposals
- Remarks
- Orders

Interactive communication

Letters, telephone calls, e-mails, company visits, and in retail outlets

Number of customer inquiries: Around 2,500,000 inquiries per year

Consultation facility (only B to C)

Each consultation facility manages information such as comments and inquiries in a database

- Customer Satisfaction Promotion Office — Around 10 staff
- Customers Communication Center — Around 10 staff
- Call Center for the Healthcare Laboratory: — Around 130 staff
- Technical Support Center (FINEPIX Support Center, FDi Support Center, FUJIFILM Mall Support Desk) — Around 50 staff
- Service Station — Five service centers in Japan: Around 70 staff
- Domestic marketing divisions, Domestic sales companies

Reports

Consideration
- Top management
- Division heads

Consideration by relevant divisions

- Marketing and sales Design R&D

Feedback

Reflecting customers' opinions
- Improving products and services
- Adopting new products and services

Back to "Customers' opinions"

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

Customers

Phone/e-mail

Fuji Xerox customer	Maintenance	Delivery
Information Center (general contact)	Telephone Center (machine maintenance)	Customer Supply Center (consumables)
25,029 inquiries	2,308,038 calls/e-mails	2,880,026 calls/e-mails

Mail/e-mail

CS surveys on:
1. Comparisons with competitors
2. User satisfaction

75,000 responses

Internal research division/ Research firms

Various market researches

Macroeconomic market trend studies

Implement on-a-necessary-basis

Person in charge (sales, CE, SE)

VOC

VOC (Voice of Customer) system
A comprehensive systems for collection customers' opinions

454,000 voices

Suppliers

Fujifilm Group Procurement Policy

In this policy, "procurement" includes not only procurement of parts and materials used for products but also various trade activities such as procurement of indirectly related materials, maintenance and management of facilities, etc.

I. Basic Procurement Concepts

As a responsible member of the international community, the Fujifilm Group seeks to contribute to the development of society and enhancement of the 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:

1. Rational selection standards

We will select suppliers based upon rational and clear standards, such as quality, price, delivery assurance and operating stability, so as to procure superior goods and services from the most competitive sources. Decisions on procurement are made by the Procurement Division, which is independent from other divisions.

2. Openness and fairness

We will impartially provide all Japanese and overseas suppliers with opportunities to supply their products and services to us. In addition, we will vigorously strive to procure these not only from suppliers involved in past transactions, but from newcomers as well.

3. Corporate social responsibility (CSR)

In conducting our procurement activities, we will seek to proactively fulfill our role as a good corporate citizen contributing to the society by taking into consideration CSR related factors such as compliance to regulations, product quality/safety, environment conservation, information security, fair trade, ethics, workers' safety/hygiene, human rights, and fair labor practices.

We will seek our suppliers' understanding of our policies and ask them to perform procurement activities by following the Procurement Guideline below to establish and further beneficial partnerships based on mutual trust.

II. Procurement Guideline

Fujifilm Group requests all suppliers related to our procurement activities to follow the ten principles below:

1. Suppliers, by the development and provision of socially beneficial goods and services in a safe and responsible manner, shall strive to earn the satisfaction and confidence of consumers and customers, while taking necessary measures to protect personal data and customer related information.
2. Suppliers shall promote fair, transparent, free competition and sound trade. They shall also ensure that their relationships and contacts with government agencies and political bodies are of a sound and proper nature.
3. Suppliers shall engage in communication with members of society at large, including active and transparent disclosure of corporate information.
4. Suppliers shall strive to respect diversity, individuality, and differences of their employees to promote safe and comfortable workplaces.
5. Suppliers shall recognize that a positive involvement in resolution of environmental issues is an essential part of their activities and existence, and shall therefore approach these issues more proactively.
6. As "good corporate citizens," suppliers shall actively engage in philanthropic activities, and other activities of social benefit.
7. Suppliers shall reject all contacts with organizations involved in violation of the law or accepted standards of responsible social behavior.
8. Suppliers shall observe laws and regulations applying to their overseas activities and respect the culture and customs of other nations and strive to manage their overseas activities in such a way as to promote and contribute to the development of local communities.
9. Senior management executives of suppliers shall assume the responsibility for implementing this guideline and for taking all necessary action in order to raise awareness in their corporation, and inform their group companies and business partners of their responsibility. Senior management executives shall also heed the voice of their stakeholders, both internally and externally, and promote the development and implementation of systems that will contribute to a greater understanding of business ethics.
10. In the case of incidents contrary to the principles of this guideline, senior management executives of suppliers must investigate the cause of the incident, develop reforms to prevent recurrence, and make information publicly available regarding their intended actions for reform. After the prompt public disclosure of information regarding the incident, authority and responsibility for the event should be clarified and disciplinary action should be taken in all areas responsible including the highest levels of management where necessary.

Personnel and Labor (FUJIFILM Corporation)

Employment

Composition of the Fujifilm workforce

As of March 31, 2012

Regular employees	7,919	<Breakdown> General employees: 6,212 (Male: 5,007, Female: 1,205) Managerial personnel: 1,707 (Male: 1,679, Female: 28)
Non-regular employees	757	<Breakdown> Temporary employees: 591, Part-timers: 24, Employees re-employed after retirement: 76, Other (Contract employees, etc.): 66

Status of regular employees

As of March 31, 2012

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: 17.6 Female: 18.7	1.4	8.5 million yen	67.3%	2.2%

*1 Average annual salary is calculated for the period from January 1, 2011 to December 31, 2011.
*2 Data on utilization of paid leave is calculated based on data for the period from October 1, 2010 to September 30, 2011.

$$\text{*3 Turnover rate} = \frac{\text{Attrition + Retirement + Transfer + New start for senior employees program (excluding voluntary retirement due to structural reform)}}{\text{Annual average number of employees at FUJIFILM Corporation (non-consolidated)}}$$

Recruitment

New graduate recruitment (Fiscal 2012)	148*1	<Technical positions> Male 80, Female 16 <Administrative positions> Male 42, Female 8
Mid-career recruitment	54*2	Male 47, Female 7

*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 high school/junior college graduate recruitment (Male 2, Female 0) at the beginning of April 2012.
*2 Number of mid-career recruitment represents those from April 2011 to March 2012.

Employment and re-employment of persons with disabilities

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Employment of persons with disabilities*1	1.89%	1.87%	1.72%	1.77%	1.81%
Re-employment*2	38	40	18	24	33

*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 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Leave of absence for nursing care	5 (Male 2, Female 3)	6 (Male 2, Female 4)	5 (Male 3, Female 2)	5 (Male 0, Female 5)	2 (Male 1, Female 1)
Leave of absence for childcare	44 (Male 0, Female 44)	32 (Male 1, Female 31)	30 (Male 1, Female 29)	55 (Male 1, Female 54)	34 (Male 2, Female 32)
Leave of absence for volunteer work	0 (Male 0, Female 0)	0 (Male 0, Female 0)	0 (Male 0, Female 0)	0 (Male 0, Female 0)	0 (Male 0, Female 0)

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

Number of employees taking a care leave and volunteer work leave*

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Nursing care leave	5 (Male 5, Female 0)	11 (Male 7, Female 4)	8 (Male 5, Female 3)	3 (Male 1, Female 2)	5 (Male 3, Female 2)
Childcare leave	5 (Male 5, Female 0)	2 (Male 2, Female 0)	1 (Male 0, Female 1)	4 (Male 2, Female 2)	2 (Male 1, Female 1)
Child medical care leave	49 (Male 7, Female 42)	92 (Male 5, Female 87)	57 (Male 6, Female 51)	63 (Male 10, Female 53)	55 (Male 5, Female 50)
Volunteer work leave	—	2 (Male 2, Female 0)	0 (Male 0, Female 0)	0 (Male 0, Female 0)	35 (Male 26, Female 9)

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

System 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	1. Systems catering for pre- and post-birth requirements 2. Leave of absence for childcare 3. Use of stock leave for childcare 4. Systems for employment while raising children 5. Three-person interview at the time of returning to work from childcare leave 6. Child medical care leave program (1 relevant child: 6 days per year; 2 or more children: 11 days per year) 7. Reduced work hour program (child in the third grade or lower) 8. Use of stock leave for fertility treatment 9. Leave of absence for fertility treatment 10. Exemption from restrictions on non-scheduled hours worked and from work on holidays
Nursing care	1. Leave of absence for nursing care program 2. Nursing care leave program (1 care recipient: 6 days per year; 2 or more care recipients: 11 days per year) 3. Use of stock leave for nursing care 4. Systems for employment while caring for a family member
Other	1. Leave of absence for volunteer work, Using of stock leave for volunteer work 2. Use of stock leave for self-development 3. Use of long-service holidays 4. Flextime 5. Discretionary labor system 6. Leaving the office on time (1 day per week)

Labor

Composition of labor union membership

As of March 31, 2012

Union members	Proportion of union membership	Average age of union members
6,069	76.6%*	39.7

* Based on the number of regular employees (7,919)

Work accident rate and work accident severity

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Work accident rate*1	0.09	0.00	0.05	0.31	0.00
Work accident severity*2	0.02	0.00	0.00	0.01	0.00

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

$$\text{*2 Work accident severity} = \frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1{,}000$$

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

As of March 31, 2012

Fiscal year	Item
2007	• Revisions to the support system for encouraging a good work-life balance • Revisions to policy on providing condolence money
2008	• Revisions to the support system for encouraging a good work-life balance • Introduction of work regulations adapted to the citizen judge system
2009	• Transaction from approved retirement annuity system to defined-benefit corporate pension system • Revisions to retirement benefits • Revisions to some employee systems
2010	• Expansion of the childcare leave program • Creation of the family care leave program • Revisions to some employee systems • Expansion of the child medical care leave program • Increase in the upper limit on the number of times half-day leave can be taken
2011	• Revision of employees systems

Personnel and Labor (Fuji Xerox)

Employment

Composition of the Fuji Xerox workforce

As of March 31, 2012

Regular employees	9,628	<Breakdown> General employees: 7,230 (Male: 5,965, Female: 1,265) Managerial personnel: 2,292 (Male: 2,216, Female: 76) Executive officers: 22 (Male: 22, Female: 0) Contract employees: 84 (Male: 57, Female: 27)
Non-regular employees	764	<Breakdown> Temporary employees: 234, Part-timers: 9, Employees re-employed after retirement: 520, Other (Contract employees, etc.): 1

Status of regular employees

As of March 31, 2012

Average age	Average length of employment (years)	Average number of dependents	Average annual salary*1	Utilization of paid leave	Turnover rate*2
43.8	Male: 19.6 Female: 15.3	1.32	— million yen	61.7%	3.6%

*1 Average annual salary is not publicly disclosed.

$$\text{*2 Turnover rate} = \frac{\text{Attrition + Retirement + Transfer + New start for senior employees program}}{\text{Annual average number of employees at Fuji Xerox (non-consolidated)}}$$

Recruitment

New graduate recruitment (Fiscal 2012)	188*1	<Technical positions> Male 79, Female 18 <Administrative positions> Male 54, Female 32
Mid-career recruitment	130*2	Male 115, Female 15

*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 high school/junior college graduate recruitment (Male 5, Female 0) at the beginning of April 2012.
*2 Number of mid-career recruitment represents those from April 2011 to March 2012.

Employment and re-employment of persons with disabilities

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Employment of persons with disabilities*1	1.96%	1.88%	1.89%	1.86%	2.19%
Re-employment*2	246	352	423	517	508

*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 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Leave of absence for nursing care	5 (Male 3, Female 2)	5 (Male 3, Female 2)	2 (Male 1, Female 1)	1 (Male 0, Female 1)	2 (Male 0, Female 2)
Leave of absence for childcare*2	49 (Male 5, Female 44)	54 (Male 6, Female 48)	40 (Male 5, Female 35)	44 (Male 5, Female 39)	62 (Male 8, Female 54)
Leave of absence for volunteer work*3	1 (Male 0, Female 1)	0 (Male 0, Female 0)	0 (Male 0, Female 0)	0 (Male 0, Female 0)	0 (Male 0, Female 0)

*1 Number of regular employees (including contracted employees) who began a leave of absence during the relevant fiscal year (April 1 to March 31).
*2 As for leave of absence for childcare of the 2011 (Male), actual number was 7 because there were male employees who took leaves for the same children during the relevant fiscal year.
*3 Number of employees who used the social service program.

Number of employees taking a care leave*1, and total number of volunteer work leave

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Nursing care leave*2	37 (Male 28, Female 9)	24 (Male 21 Female 3)	29 (Male 24, Female 5)	28 (Male 21, Female 7)	26 (Male 17, Female 9)
Childcare leave*3	482 (Male 274, Female 208)	503 (Male 296, Female 207)	326 (Male 142, Female 184)	226 (Male 89, Female 137)	237 (Male 86, Female 151)
Volunteer work leave*4 (total number of days)	54 (Male 35, Female 19) (155 days)	47 (Male 28, Female 19) (196 days)	13 (Male 9, Female 4) (30 days)	27 (Male 18, Female 9) (83 days)	118 (Male 94, Female 24) (530 days)

*1 Number of regular employees (including contracted employees) who began a leave during the relevant fiscal year (April 1 to March 31).
*2 Number of employees taking leave of nursing care leave under the "accumulated paid leave (nursing care for family members)," "nursing care for family members" and "one-day nursing care leave" programs
*3 Number of employees taking childcare leave under the "accumulated paid leave (child healthcare)" and "child medical care" programs
However, the name of the program in FY2007 and FY2008 had been "accumulated paid leave (health care for family members)," therefore, may include instances of care for family members other than a child.
As a program equivalent to childcare leave, special leave (of 5 days at most) is granted for care of the eldest child at the time of birth of the second child. In fiscal 2011, 72 male employees took leave under this program.
*4 Volunteer work leave shows the number of employees who took "accumulated paid leave (volunteer activity)" and the number days spent for such activities

System for a good work-life balance

All those systems provide for generous leave beyond that required by law.

Giving birth and childcare	1. Maternity leave (paid) 2. Leave of absence for childcare program 3. Program for rehiring former employees who left the company for reasons such as spouse's transfer or childcare 4. Accumulated paid leave for healthcare of employees' family*1 5. Shortened working hours in pregnant and for childcare (from pregnancy to third grade of elementary school) 6. Limited off-hours work for childcare (until sixth grade of elementary school) 7. Limited late-night work for childcare (until six grade of elementary school) 8. Special leave for supporting the wife during her childbirth period (first child's birth: 2 days; second child's birth and thereafter: 5 days) 9. Leave of absence for birth support (one year leave system for fertility treatment)
Nursing care	1. Leave of absence for caring for a family member (maximum 2 years) 2. Shortened working hours for caring for a family member 3. Limited off-hours work for caring for a family member 4. Limited late-night work for caring for a family member 5. One-day nursing care leave 6. Accumulated paid leave*1 for caring for a family member
Other	1. Flextime 2. Continuous service award special vacation; "refresh vacation" 3. Social service system (leave of absence program for employees participating in socially beneficial activities) 4. Accumulated paid leave*1 for volunteer activities 5. Leave of absence for education 6. Leave of absence for senior theme (support for senior employees' second career) 7. Flexible work schedules (support for senior employees' second career) 8. 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 Double job program: This is not double duties by order, rather it is program, they are allowed 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.

Labor

Composition of labor union membership

As of March 31, 2012

Union members	Proportion of union membership	Average age of union members
7,216	75.8%*	40.8

* Based on the number of full-time worker excluding executive directors (9,522)

Work accident rate and work accident severity

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Work accident rate*1	0.18	0.23	0.24	0.19	0.55
Work accident severity*2	0.00	0.00	0.00	0.01	0.01

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

$$\text{*2 Work accident severity} = \frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1{,}000$$

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

As of March 31, 2012

Fiscal year	Item
2007	• Implementation of comprehensive secondment system
2008	• Revisions to travel expense regulation
2009	• Introduction of work regulations adapted to the citizen judge system
2010	• Revision to the program for supporting childcare and family care
2011	• Revisions to work system on April 1, 2012 in accordance with agreements between the labor union and the company

Environmental Aspects

Priority Targets

FUJIFILM FY2012 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)		❶ Propagate energy conservation measures at production lines throughout the company (e.g. Recovery of exhaust heat, improvement in the efficiency of power generation) ❷ Promote energy conservation at non-production facilities under standardized internal rules (e.g. Setting of air conditioning, lighting) ❸ 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 ❹ 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. Development and dissemination of environmentally conscious products and services		❶ Efficient use of resources by promoting the 3Rs: Reduce-Reuse-Recycle (products, packaging materials) ❷ Enhance efforts for biodiversity conservation ❸ Formulate calculation rules for demonstrating the reduction in CO_2 emissions for products and services, and adopt the rules for Design for Environment ❹ Disclose environmental attributes of products and services actively
3. Improvement of chemical substance management		❶ Continue improvement of regulatory tracking and response to regulations in every region ❷ Enhance chemical safety management of products throughout the supply chain ❸ Enhance management of information on chemical substances from a global perspective ❹ Improve safety evaluation for ecosystem
4. Improvement of the infrastructure for achieving environmental targets	(1) Environmental protection at production sites	Implement the following activities according to the FUJIFILM Responsible Car (FRC) system ❶ Firmly maintain the system of compliance to meet legal requirements and voluntary control limits ❷ Improve systems and processes to ensure proper management of wastes ❸ Reduce waste generation through yield increase, reuse of manufacturing waste, conversion of waste into valuables, etc. ❹ Promote resource recovery and recycling to reduce the waste generated at production sites in Europe and North America ❺ Reduce VOC emissions from the film manufacturing process ❻ Reduce water use through reuse and other water conservation efforts
	(2) Risk management using management systems	❶ Improve quality and efficiency of business by use of IMS and EMS ❷ Enhance risk management for product safety and occupational safety ❸ Enhance Corporate Social Responsibility in procurement process
	(3) Information disclosure and communication of relevant information	❶ Enhance information disclosure through various methods (e.g. Sustainability Reports, websites) ❷ Verify adequacy of the current system to meet social requests through dialogue with stakeholders
	(4) Employee education	Educate and train employees in the area of environment, chemical substance management, product quality, product safety, occupational safety, and biodiversity

Fuji Xerox Priority Targets (Environmental Medium-Term and 2012 Targets)

Management items		FY2012 targets	Medium-term targets (2014)
Controlling global warming			
Facilities & factories	Development & manufacturing	Introduction of energy saving measures and verification	Continue reduction by 3%/year with energy-saving measures, aimed at achieving 50% energy consumption rate in 2020
	Offices	Absolute CO_2 emissions: reduce CO_2 emissions from domestic and overseas offices by more than 1%/year (relative to FY2007)	Readjust the setting for 2020 targets and promote measures
Distribution		Reduce CO_2 emissions from distribution: 314 kt-CO_2	Reduce CO_2 emissions from distribution: 336 kt-CO_2
Products & services		CO_2 emissions reduction at the customer level: by 2,178 kt-CO_2	—
Preservation of natural resources			
Products	3Rs	Reduce new resource inputs more than 2,245 t by reusing components	Reduce new resource inputs more than 2,500 t by reusing components
	Paper	Use more recycled paper: recycled paper content = more than 71%	Use more recycled paper: recycled paper content = more than 73%
Facilities & factories	Production facilities	Reduce water use: continue FY2011 results	To be determined
	Offices	Assessment of conditions at overseas sales companies and making the improvement plan Continue improvement at domestic sales companies yet to achieve zero emission	Application and execution of measures with attention to conditions in other countries Zero emission by domestic affiliates yet to achieve target
Reduction in environmental risk from chemical substances			
Products	RoHS compliance	Decide process for compliance with RoHS in China 2nd stage (continuing partly) EU: Response to RoHS revision	Response to RoHS in each country
	REACH compliance	Article*1: Startup of AIS*2-compliant, permanent eGreen System*3 and Revision for AIS Ver.4.0 compliance *1 Molded items (products/parts) *2 Article Information Sheet *3 Green Procurement System	Compliance with SVHC*4 list update and stable eGreen System operation *4 Substance of Very High Concern
Facilities & factories	Chemical Substances Management	Revision of Chemical Substances Management Guidelines	Enhance audit system under the new Management Guidelines
	Measures for soil and underground-water pollution, PCB	Measures for soil and underground-water pollution in two overseas site Preparation for PCB processing (refine costs)	Continue audit under the local regulations Continue appropriate storage (PCB)

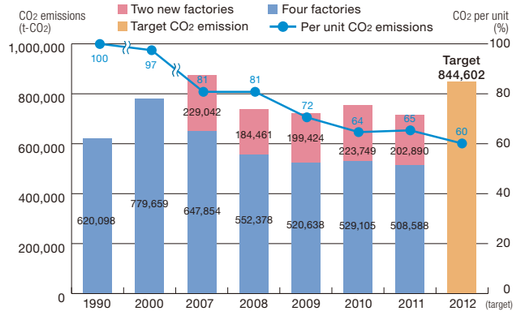
Anti-Global Warming Measures

Annual changes in amount of CO_2 emissions and CO_2 emissions per unit of output at six main domestic factories handling chemicals*

Output in 2011 reduced by 6% over 2010. On the other hand, CO_2 emissions per unit (per production volume) rose by one percent. This is believed to be due to slight drop in production output, startup of new production equipment, and increased energy consumption for new product development, despite improvement in production efficiency with energy-saving technology, etc. In 2011, waste heat collection technology and energy-saving technologies in the solvent collection process will be applied across the organization, chiefly in flat panel material manufacturing. Measures aimed at energy conservation in manufacturing processes and an improvement of cogeneration energy conversion efficiency are being planned at each worksite in 2012, projecting a 40% improvement in CO_2 emissions per unit compared with 1990 levels.

* CO_2 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 56% of the total emissions from the entire Fujifilm Group (including the Fuji Xerox Group and Toyama Chemical). (see page 65)

Annual changes in CO_2 emissions (Fujifilm: six major factories in Japan)

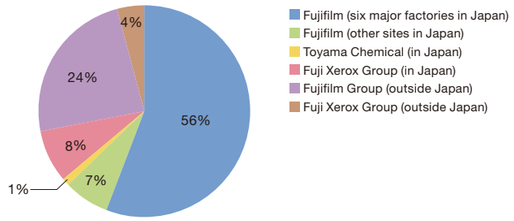


* Per-unit CO_2 emissions: Shown as indices, with CO_2 emissions per unit of production in fiscal 1990 set at 100
* CO_2 emission coefficient for electricity: For fiscal 2008 and subsequent years, the power industry's adjusted emission factor announced by the Japanese Ministry of the Environment in December 2009 is used.

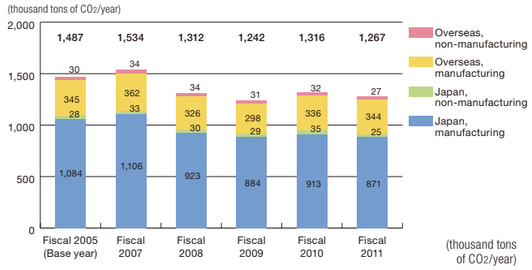
* Organizations covered in the environmental performance data are, as a general rule, those that are shown in the consolidated financial statements, and are significant in terms of environmental burden. However, certain sales and manufacturing (assembly) subsidiaries are excluded.
Those not shown specifically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

Anti-Global Warming Measures

Breakdown of CO_2 emissions (Fiscal 2011)



Annual changes in CO_2 emissions*



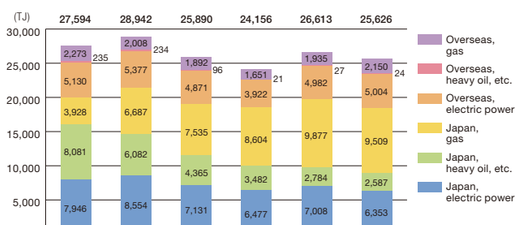
(thousand tons of CO_2/year)

	Fiscal 2005	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Japan, manufacturing	1,084	1,106	923	884	913	871
Japan, non-manufacturing	28	33	30	29	35	25
Overseas, manufacturing	345	362	326	298	336	344
Overseas, non-manufacturing	30	34	34	31	32	27
Group total	**1,487**	**1,534**	**1,312**	**1,242**	**1,316**	**1,267**

* Calculation method:
Calculation of CO_2 emission by energy usage specified in the Act on the Rational Use of Energy. Emission coefficient by electric power utility used for purchased power.

Energy-Saving Measures

Annual changes in energy consumption*1



(TJ)

	Fiscal 2005	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Japan, electric power	7,946	8,554	7,131	6,477	7,008	6,353
Japan, heavy oil, etc.*2	8,081	6,082	4,365	3,482	2,784	2,587
Japan, gas*3	3,928	6,687	7,535	8,604	9,877	9,509
Overseas, electric power	5,130	5,377	4,871	3,922	4,982	5,004
Overseas, heavy oil, etc.*2	235	234	96	21	27	24
Overseas, gas*3	2,273	2,008	1,892	1,651	1,935	2,150
Group total	**27,594**	**28,942**	**25,890**	**24,156**	**26,613**	**25,626**

* Numbers for 2007 do not include numbers for Toyama Chemical.
*1 Per unit calorific value is based on the Energy Conservation Act.
*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 2011)*

(thousand kiloliters)

	Heavy oil	Kerosene	Light oil	Gasoline
Japan	58.8	3.8	0.2	0.2
Overseas	0.0	0.0	0.5	0.1
Group total	**58.8**	**3.8**	**0.7**	**0.3**

* Consumption in manufacturing only

Environment Conscious in Logistics

Annual changes in total CO_2 emissions in domestic logistics*

(tons of CO_2/year)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Total CO_2 emissions	54,254	49,825	41,031	40,936	41,450

* Total CO_2 emissions are calculated as the amount of CO_2 emitted by FUJIFILM Logistics Co., Ltd. in its logistics activities for the Fujifilm Group companies. Since fiscal 2006, we shifted calculation method to the method based on revised Energy Conservation Law (travel distance of empty cars is not included in calculations, etc.).

Annual changes in amount of CO_2 reductions and reduction rates through transportation efficiency improvements* (Domestic distribution)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Amount of CO_2 reductions (tons of CO_2/year)	3,550.1	5,810.1	6,691.0	7,004.0	6,969.9
CO_2 reduction rate (%)	6.1	10.4	14.0	14.8	14.4

$$CO_2 \text{ reduction rate (\%)} = \frac{\text{Amount of } CO_2 \text{ reductions}}{\text{Total } CO_2 \text{ emissions} + CO_2 \text{ reductions}}$$

* In the fiscal year 2011, we enforced our activities for CO_2 reductions in collaboration with a specified consigner. Major reduction initiatives, which proved effective, include improving carrying efficiency by double stacking during transport and enhancing gasoline mileage by eco-driving.

Annual changes in domestic transport volume*

(million tons/kilometer)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Transportation volume	230	182	162	164	175

* Range of 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 in export packaging material weight* (Cumulative total)

(%)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Packaging material reduction rate	2.6	3.5	5.9	5.7	3.4

$$\text{Packaging material reduction rate (\%)} = \frac{\text{Weight reduced}}{\text{Total material weight + weight reduced}}$$

* Total weight of export packaging materials handled by FUJIFILM Logistics in fiscal 2011 was 4,098.2 tons. Weight was reduced by 138.7 tons, with yearly reduction rate of 3.4%.

Annual changes in container and packaging material* used (Fujifilm non-consolidated)

(thousand tons/year)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Total consumption	24.6	23.3	19.4	19.0	18.5

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

Conserving Resources Measures

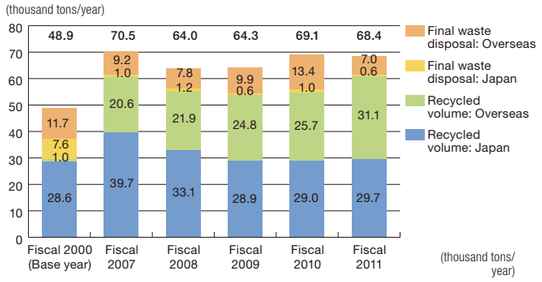
Zero emissions

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 site) 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 productions 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 two 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 waste generation, recycling & final disposal



(thousand tons/year)

		Fiscal 2000	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Waste volume*1	Japan	36.2	40.7	34.3	29.5	30.0	30.3
	Overseas	12.7	29.8	29.7	34.8	39.1	38.1
	Group total	**48.9**	**70.5**	**64.0**	**64.3**	**69.1**	**68.4**
Recycled volume	Japan	28.6	39.7	33.1	28.9	29.0	29.7
	Overseas	1.0	20.6	21.9	24.8	25.7	31.1
	Group total	**29.6**	**60.4**	**55.0**	**53.7**	**54.7**	**60.8**
Final waste disposal*2	Japan	7.6	1.0	1.2	0.6	1.0	0.6
	Overseas	11.7	9.2	7.8	9.9	13.4	7.0
	Group total	**19.3**	**10.1**	**9.0**	**10.5**	**14.4**	**7.6**

*1 Processed by external service providers
*2 Simple incineration or landfill disposal

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 agent	Cement, roadway material, construction materials
Organic solvent	Paint thinner
Acids and alkalines	Neutralizer
Mixed flammable waste products	Solid fuels, electricity and hot water production
Fluorescent lamp	Glass wool, mercury
Batteries	Zinc, smelt iron
Left over food, raw garbage, organic sludge	Fertilizer, animal feed
Documents, empty boxes	Recycled paper
Metals such as iron, aluminum, and copper	Smelt metal

Annual changes in valuable resources*

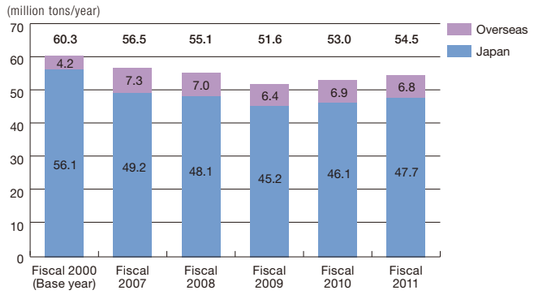
(thousand tons/year)

	Fiscal 2000	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Japan	43.0	59.7	55.4	51.9	56.8	54.6
Overseas	9.3	25.0	27.4	22.1	21.2	21.3
Group total	**52.3**	**84.7**	**82.8**	**74.0**	**78.0**	**75.9**

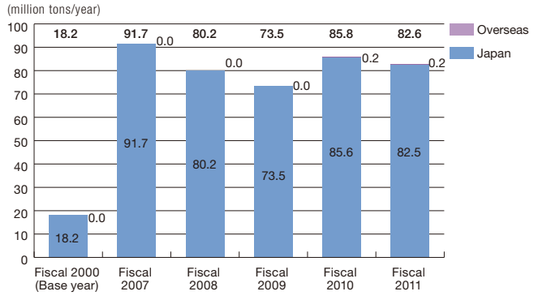
* Valuable resources are byproducts resulting from manufacturing that were subsequently sold.

Annual changes in water consumption, recycling and discharge as wastewater

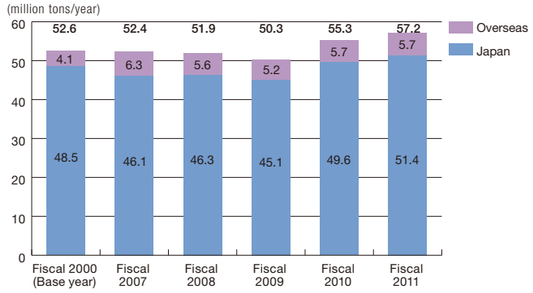
● Consumption volume



● Recycled volume*1



● Wastewater discharge*2



(million tons/year)

		Fiscal 2000	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Consumption volume	Japan	56.1	49.2	48.1	45.2	46.1	47.7
	Overseas	4.2	7.3	7.0	6.4	6.9	6.8
	Group total	**60.3**	**56.5**	**55.1**	**51.6**	**53.0**	**54.5**
Recycled volume*1	Japan	18.2	91.7	80.2	73.5	85.6	82.5
	Overseas	0.0	0.0	0.0	0.0	0.2	0.2
	Group total	**18.2**	**91.7**	**80.2**	**73.5**	**85.8**	**82.6**
Wastewater discharge*2	Japan	48.5	46.1	46.3	45.1	49.6	51.4
	Overseas	4.1	6.3	5.6	5.2	5.7	5.7
	Group total	**52.6**	**52.4**	**51.9**	**50.3**	**55.3**	**57.2**

*1 Includes cooling water usage
*2 Includes water, rainwater, etc. used in the business activities

* 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.

Reducing Chemical Substances Emissions

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

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

URL http://www.fujifilm.co.jp/corporate/environment/preservation/site/atmosphere/prtr.html

Annual changes in atmospheric emissions of VOCs

(Hundred tons/year)

	Fiscal 2000	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Japan	31.1	12.8	11.2	9.7	10.3	10.1
Overseas	1.7	1.9	1.9	1.6	1.7	1.7
Group total	**32.8**	**14.7**	**13.1**	**11.3**	**12.0**	**11.8**

* Numbers for 2007 does not include numbers for Toyama Chemical.

Pollution Prevention Measures

Annual changes in volume of atmospheric emissions

(tons/year)

		Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
SOx emissions	Japan	84	66	45	18	22
	Overseas	6	3	2	6	1
	Group total	**90**	**69**	**47**	**25**	**24**
NOx emissions	Japan	786	612	454	445	470
	Overseas	111	84	43	41	40
	Group total	**897**	**695**	**497**	**485**	**510**
Soot particle emissions	Japan	8.8	6.4	3.6	2.7	3.0
	Overseas	0.2	4.1	2.1	1.3	0.7
	Group total	**9.0**	**10.5**	**5.7**	**4.1**	**3.7**
Atmospheric emissions of specified CFCs*	CFC-11	1.51	0.76	0.20	1.13	0.10
	CFC-12	0.01	0.01	0.00	0.04	0.02

* Group total

Annual changes in water contaminant burden & emissions*1

(tons/year)

		Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011
Total amount of COD*2	Japan	76.2	85.6	76.4	84.1	93.2
	Overseas	20.3	13.5	13.7	15.3	21.7
	Group total	**96.5**	**99.1**	**90.1**	**99.4**	**115.0**
Total amount of BOD*3	Japan	40.0	45.5	46.7	45.5	46.7
	Overseas	4.7	3.0	5.6	5.5	6.2
	Group total	**44.7**	**48.5**	**52.3**	**51.0**	**52.8**
Total amount of nitrogen emissions	Japan	258.8	290.3	286.5	282.3	254.5
Total amount of phosphorous emissions	Japan	4.3	5.0	3.7	9.1	5.2

*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 a way to measure the degree of water pollution, and indicates how much oxygen in the water is being used by organisms to decompose contaminants by looking at the reduction in oxygen in the water.

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. Regarding substances that are used at manufacturing facilities and that are subject to environmental limits set by regulations, the Group rigorously manages the usage and storage of such substances and monitors the concentrations of such substances in underground water. We are prepared to deal with any unforeseen pollution incidents in a timely fashion.

Storage and management of devices/equipment containing PCBs*

Types of equipment containing PCBs	Unit	Storing and managing amount	
		Japan	Group total
High voltage transformers	Quantity	1	15
High voltage condensers	Quantity	336	426
PCB oil waste, etc.	kg	201.11	201.11
Sludge, etc.	m^3	10,394.1	10,394.1
Fluorescent lamp stabilizers	Quantity	14,071	15,571
Low voltage condenser excluding fluorescent lamps	Quantity	117,092	117,092
Low voltage transformer	Quantity	2	18
Rags	kg	919.5	919.5
Other devices	Quantity	16	16

* Not including items with trace levels of PCBs

Reductions in VOCs atmospheric emissions*

(Fujifilm non-consolidated) (Fiscal 2009)

Category	Name of substance	Reduction (tons)	Reduction rate in comparison to fiscal 2000 (%)
Substances requiring reporting under the PRTR Law	Dichloromethane	253	71
Substances voluntarily controlled by the company	Methyl alcohol	1,398	80
	Ethyl acetate	331	82
	Methyl ethyl ketone	169	82
	Acetone	113	87

* Reduction in volumes in fiscal 2011 compared with actual levels in fiscal 2000

Legal Compliance Measures

Legal compliance and reports on complaints in fiscal 2011

In 2011, there were ten violations of environment-related laws and four customer complaints—all of them addressed immediately except one complaint in overseas. Greater effort will be made to implement exhaustive controls and to prevent any recurrence.

	Japan	Overseas	Total
Number of legal violations (number of cases solved)	5 (5)	5 (4)	10 (9)
Number of complaints (number of cases solved)	4 (4)	0 (0)	4 (4)

Responses to environment-related complaints and legal violations in fiscal 2011*

Company/site name	FUJIFILM Techno Products Co., Ltd., Hanamaki Site
Description	Violation of Hanamaki City pollution control agreement on wastewater quality and the Water Pollution Control Act
Response	Increased chloride sterilization (direct chloride use) and monitoring. Preparations for installation of alternative facility (225-person tank). Report on status and future action presented to administrative authorities.
Company/site name	FUJIFILM Techno Products Co., Ltd., Hanamaki Site
Description	Violation of Hanamaki City pollution control agreement on wastewater quality
Response	Further action on adjustments in the installed purifier tank for stabilization at an early stage. Study into use of flocculants. Report on status and future action to administrative authorities.
Company/site name	FUJIFILM Finechemicals Co., Ltd., Kanagawa Factory (Ashigara)
Description	VOC problem in O-11 facility's shelf dryer
Response	1. Washing tower exhaust opening and tank both cleaned 2. Water supply flow meter updated for control at 20 L/min. 3. Work standards defined for shelf dryer VOC control measures 4. Checksheet developed for daily management
Company/site name	Fujifilm Kyushu Co., Ltd.
Description	Zinc concentration in effluent at water discharge point exceeding standard of 2 mg/L, marking 2.7 mg/L
Response	This was caused by rise in concentration of zinc melting out of the white gas pipe, due to low outflow (large retention) level. No. 1 discharge point for the facilities in operation will be joined with No. 2 discharge point, which caused the dilution problem, until the new facility starts up in full scale and diluted water (distilled wastewater) outflow becomes sufficient.
Company/site name	FUJIFILM Hunt Chemicals U.S.A., Inc., FHUS Dayton
Description	BOD/COD regulation level exceeded due to intermittent low-volume discharge
Response	Cause being investigated through increased sampling. Penalty from authorities for the excess.

* Relatively minor violations have been excluded.

Sustainability Accounting
(Labor Environment and Social Benefit Accounting, Environmental Accounting)

Labor Environment and Social Benefit Accounting

Overview of fiscal 2011

- Expenditures made for improving working conditions and for socially beneficial activities for different stakeholders are summarized.
- Efforts are made to create a worker-friendly environment through expanding educational seminars and supporting mental healthcare programs.
- For local communities, expenditure includes donation of masks and air filters for temporary housing units built after the Great East Japan Earthquake.
  In promotion of art and culture, expenditure includes Fujifilm Square as the base for preservation and communication for photographic culture, as well as photo contests.
- Volunteer activity time increased dramatically over the previous year with the Fujifilm photo cleaning project, Fuji Xerox earthquake disaster support volunteer tours, etc.

<Period of coverage>

Fiscal 2011 (April 1, 2011 to March 31, 2012)

<Scope of labor environment and social benefit accounting>

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

<Basic items>

● Objectives of labor environment and social benefit accounting

These accounts are prepared to allow the Fujifilm Group to keep up with its activities for improving the working environment of its employees and the amounts spent for social contributions by preparing data on these activities from an economic perspective.

● Accounting method

The expenditures (including investments) for the year have been added up to arrive at the figures shown. These figures do not include depreciation.

Figures for personnel training and social contributions may overlap with figures in the Environmental Account as well.

Environmental Accounting

Overview of fiscal 2011

● Environmental conservation costs

[Facility investments]

Increase by ¥500 million or 10% year-on-year. Major factors were energy conservation in flat panel display production facilities and investment in global environment protection.

[Expenditure]

Spending was equivalent on a year-on-year basis.

● Environmental conservation benefits

The economic effect grew year-on-year both internally and externally.

[Internal economic effect]

Increase by ¥4.3 billion or 24% year-on-year. Energy-saving in the manufacturing processes and in power use at offices during summer contributed to the results.

[External economic effect]

Rise in benefits for customers led to marked increase by ¥32.1 billion or 47% year-on-year.

<Period of coverage>

Fiscal 2011 (April 1, 2011 – March 31, 2012)

<Scope of environmental accounting>

64 domestic companies in the Fujifilm Group (FUJIFILM Holdings, Fujifilm and 19 Fujifilm affiliates, Fuji Xerox and 41 Fuji Xerox affiliates and Toyama Chemical)

<Basic items>

● Objectives of environmental accounting

1. To provide accurate quantitative information on volumes and economic effects to interested parties inside and outside the Group
2. To provide numerical environment-related information useful for decision making by management and supervisors at the working level

● Accounting method

Based on the "Environmental Accounting Guidelines (2005 edition)" published by the Ministry of the Environment in Japan.

1. Depreciation is calculated in principle according to the straight-line method over a three-year period.
2. When costs include expenditures for both environmental and non-environmental purposes, the portion relating to non-environmental purposes has been excluded.
3. Economic impact within the Group: The difference in value terms from the previous year in fines for polluting and usage of energy, raw materials, water, and other resources is accounted for, as well as the real impact of recovery, recycling, and other measures in value terms for the year in question.
4. Economic impact outside the Group: The difference in value terms from the previous fiscal year has been shown for SOx, VOCs, and CO_2. For recycling, the anticipated benefit in value terms has been shown for the year in question.

Customer benefits

The customer benefits were calculated in amounts through comparing the use of a new product purchased by the client with the environmental burden when the customer uses an older product.

Total customer benefits for 2011 increased markedly over the previous year by 57%, or ¥32.3 billion. Effect increased with the rise in volume of shipment of printing film-free PS plates from China. In office printers, use of the low-temperature-adhesion "EA-Eco Toner" spread, increasing power-saving effects.

(million yen)

Product	Amount	
	Fiscal 2010	Fiscal 2011
1. High-density magnetic memory materials	-1,178	8,392
2. Pre-sensitized aluminum plate not using plate-making film	23,651	39,468
3. Film for LCDs: WV films	23,136	21,694
4. Digital color multifunction device and printers	11,310	19,649
Total	**56,919**	**89,203**

Labor Environment and Social Benefit Accounting

Breakdown of labor environment and social benefit accounting

(million yen)

Stakeholder	Goal	Cost totals	
		Fiscal 2010	Fiscal 2011
Employees	Health and safety	1,197	1,523
	Personnel training	2,449	3,346
	Protect diversity	339	528
	Develop a workplace in which employees can work comfortably	1,381	1,219
Customers	Ensure appropriate customer response and safety	459	501
Future generations	Education for future generations	1	0
Communities (local society and government)	Harmony with the local community	78	189
	Promote culture and the arts in society (in Japan)	963	727
International community	Consideration for the international community and international cultures	29	50
NGOs and NPOs	Cooperation with NGOs and NPOs	33	25
Suppliers	Consideration for products	67	57
Total		**6,996**	**8,166**

Volunteer activities during working hours

	Fiscal 2010	Fiscal 2011
Hours spent on volunteer activities	1,372	10,175
Volunteering cost	4 million yen	41 million yen

*** Volunteer activities**
Calculated based on the hours spent on volunteer activities, such as area clean-up, working hours, the salary equivalent to that of those hours, and cost of the activities.

Environmental Accounting

Environmental accounting for fiscal 2011

(million yen)

Environmental conservation costs					Environmental conservation benefits					
	Capital investment		Expenses		Economic impact inside the Group			Economic impact outside the Group		
	Fiscal 2010	Fiscal 2011	Fiscal 2010	Fiscal 2011		Fiscal 2010	Fiscal 2011		Fiscal 2010	Fiscal 2011
1. Costs incurred within the business site	3,502	3,585	9,572	8,086						
(1) Environmental damage prevention	2,201	415	4,919	2,739	Reduced pollution levy	-4	6	Reduction in SOx emissions[*1]	0.005	0.000
								Reduction in volume of SOx emissions	28 tons	-4 tons
								Reduction in volume of NOx emissions	9 tons	-25 tons
								Reduction in VOC emissions[*2]	-70	9
								Reduction in volume of VOC emissions	-25 tons	25 tons
(2) Global environmental protection	943	2,773	2,211	2,737	Energy conservation	-1,443	1,893	Reduction in CO_2 emissions[*3]	-75	51
								Reduction in volume of CO_2 emissions	-38 kilotons	58 kilotons
(3) Resource recycling	358	397	2,442	2,611	Reduced raw materials and resources used	10,935	11,808			
					Reduced water resource consumption[*5]	-808	-618	Reduced waste materials through reuse and recycling[*4]	11,092	10,742
					Recovery and recycling			Reduced volume[*6]	110.9 kilotons	107.4 kilotons
					Silver	1,668	1,593			
					Polymeric materials	875	881			
					Aluminum materials	228	144	Reuse of aluminum materials Reduced volume of CO_2 emissions	80	34
					Others	267	383		40 kilotons	40 kilotons
2. Upstream/downstream costs Recovery from the market	26	9	7,660	7,386	QuickSnap recovery, Parts recovered from used equipment	5,991	5,869			
3. Cost of management activities	76	43	8,143	9,820						
4. Research and development costs	931	1,374	20,005	18,945				Customer benefits are shown in the table on page 68.	56,919	89,203
5. Costs for social programs	0	0	297	109						
6. Costs for handling environmental damage Pollution levies	11	9	211	204						
Total	**4,545**	**5,020**	**45,889**	**44,551**		**17,709**	**21,959**		**67,946**	**100,038**

*1 SOx emissions reductions: ¥45/ton
Bidding price of SOx emissions credits offered by the United States Environmental Protection Agency in March 2012 (US$0.56/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 CO_2 emissions reductions: ¥882/tons
Trading price of EU emissions credit 2012 futures (€8.14/ton) at the end of March 2012.
*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
6th Toyo Keizai CSR Ranking (2012, Toyo Keizai, Inc.)	1st among 1,117 companies (554.2 points)
15th Nikkei Environment Management Survey (sponsored by Nikkei Inc.)	9th among 449 manufacturing companies
Eco Brand Survey 2011 CSR evaluation ranking (Nikkei Business Publications, Inc.)	62nd among 560 companies (Eco brand index/deviation: 61.8)
SAM Sustainability Year Book 2012 (Sustainable Asset Management AG)	SAM Bronze Class

Dow Jones Sustainability Indexes Member 2011/12

Inclusion in the Dow Jones Sustainability Indexes 2011

FTSE4Good

Inclusion in the FTSE4Good Global Index

MS-SRI Morningstar Socially Responsible Investment Index

Inclusion in the Morningstar Socially Responsible Investment Index (as of the end of June, 2012)

Appraisals and awards in fiscal 2011

See pages 37, 39, 48, 49, 52, 55, 58

Recipient	Name and description of the award	Awarding entity
FUJIFILM Corporation	"Scientific and Engineering Award" in the Academy Award®	Academy of Motion Picture Arts and Sciences
FUJIFILM Corporation	Fujifilm Global Site ranked in 2nd place in the Corporate Global Site Usability Survey.	Nikkei BP Consulting, Inc.
FUJIFILM Corporation	10 major products such as Digital camera [FinePix X100], Digital mammography system [AMULET], etc. won the Good Design Award.	Japan Institute of Design Promotion
FUJIFILM Corporation	The i-Stroke remote image diagnosis and treatment assistance system received Nikkei Superior Products and Services 2011.	Nikkei Sangyo Shimbun
FUJIFILM RI Pharma Co., Ltd.	Safety Drivers Chiba 2011 Good Plant Award	Chiba Prefecture Safety Driving Association
FUJIFILM Kyushu Co., Ltd.	Kumamoto Labor Bureau Director Award Incentive Prize in Kumamoto Labor Bureau's Health and Safety Award	Kumamoto Labor Bureau
FUJIFILM Corporation, Fujinomiya Factory	Fujinomiya Factory received Governor of Shizuoka Prefecture Medal of Honor for Promotion of Proper Industrial Waste Treatment.	Shizuoka Prefecture
Toyama Chemical Co., Ltd., Toyama Works	Masatoshi Shimada at Environment Safety Division in Toyama Works received the Chairman's Award of Toyama City Association for Safety of Hazardous Materials.	Toyama City Association for Safety of Hazardous Materials
FUJIFILM Electronic Materials U.S.A., Inc. (Rhode Island) FUJIFILM Electronic Materials (Europe) N.V.	Preferred Quality Supplier Award	Intel Corporation
FUJIFILM Electronic Materials U.S.A., Inc. (Rhode Island) FUJIFILM North America Corporation FUJIFILM Hunt Chemicals U.S.A., Inc. FUJIFILM Imaging Colorants Inc. FUJIFILM Holdings America Corporation FUJIFILM Manufacturing U.S.A., Inc. FUJIFILM Canada Inc.	2011 Safety Award-20 facilities from the noted divisions received the 2011 Safety Awards including 3 "Best in Class" Awards	International Imaging Industry Association
FUJIFILM Manufacturing U.S.A., Inc./ Env. & Reg. Compliance	Best JAKES Event for 76-150 (participants) both National and State award awarded to Fujifilm and the Neil Cost Chapter headquartered in Greenwood.	National Wildlife Turkey Federation (NWTF)
FUJIFILM Speciality Ink Systems Limited	Britain's Best Process Plant	Cranfield University School of Management
FUJIFILM Imaging Colorants Limited	Gold Medal for Occupational Health & Safety	The Royal Society for the Prevention of Accidents (RoSPA)
FUJIFILM France SAS	Imprim'Vert Certificate ("Green printing certification")	P2i: pole d'innovation de l'imprimerie
FUJIFILM Printing Plate Co., Ltd.	The 2010 annual pollution reduction top 10 enterprise	Hebei province Sanhe government environmental protection work of the leading group
FUJIFILM Hunt Chemicals Singapore Pte. Ltd.	Singapore Chemical Industry Council Responsible Care Awards 2011	Singapore Chemical Industry Council (SCIC)
Fuji Xerox Co., Ltd.	Fuji Sankei Group Award at the 21st Grand Prize for the Global Environment Award	Fujisankei Communications Group
Fuji Xerox Co., Ltd.	Sustainability Report 2011 received the Gold Award in the Sustainability Reporting Award of the Green Reporting Awards, Sustainability Reporting Awards in 2012.	Toyo Keizai, Inc./Green Reporting Forum
Fuji Xerox Co., Ltd., Ebina Center	Certificate for Longstanding Excellence in Waste Disposal Management	Kanagawa Industrial Wastes Association
Fuji Xerox Manufacturing Co., Ltd., Suzuka Center	Two employees at Suzuka Center received the Prize for Creativity, Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology.	Ministry of Education, Culture, Sports, Science and Technology
Fuji Xerox Advanced Technology Co., Ltd./ Fuji Xerox Manufacturing Co., Ltd.	100% recycled plastic drum cartridge received the Japan Packaging Content 2011 Electric Equipment Packaging Category Award.	Japan Packaging Institute
Fuji Xerox (China) Limited	Outstanding Contribution Company to China IT Industry Green Development 2011 CSR Award/Corporate Award 2011 in China	Information World
Fuji Xerox Singapore Pte Ltd.	"Best Environmental Practices" in the HRM Awards 2012	Human Resource Magazine (HRM) Asia

Third-Party Opinion

Despite the continuing impact from the Great East Japan Earthquake throughout last year, FUJIFILM Holdings Corporation has made steady progress in following its Medium-Term Management Plan, VISION 80, looking towards fiscal 2013 by restructuring its business around new growth areas and accelerating global expansion.

Climate change, resource and energy issues, and social problems, such as poverty, are becoming ever greater concerns. Particularly, following the Great East Japan Earthquake, people seem much more interested in practicing lifestyles that can lead to a sustainable society and are searching for a principle of daily life other than simply economic growth. Society is also demanding that corporations contribute in creating new social value—and not merely pursue the enhancement of their own corporate worth. In other words, Corporate Social Responsibility (CSR) is now required at the very center of each company's business strategy.

In the opening section of this report, *Top Commitment 2012*, the Chairman clearly demonstrates the company's aim to open up the corporate and social future with the words, "untiring efforts to promote innovation and reform ourselves." Also, the section *Meeting Global Challenges with the Power of Technology* introduces the company's dynamic business approach. These articles demonstrate the company's firm determination to respond to society's demands, and we highly value this dedicated standpoint. We also appreciate the fact that this report covers a wide range of stakeholders' opinions and specifically allocates a number of pages for stakeholder communications, further demonstrating the company's willingness to communicate with society. Finally, the Photo Rescue Project undertaken by the FUJIFILM Group soon after the Great East Japan Earthquake must have been of great reassurance to those who suffered in the Earthquake. The project also provided an opportunity for FUJIFILM staff members to revisit the origins of their business—photography. People from both sides of the tragedy must have been blessed by the precious experience provided through this project.

We would like to make the following suggestions for future CSR management.

We recommend that the company establishes a mechanism to undertake more comprehensive assessments of the negative impacts of their business on society, referring to the section covering "due diligence" in ISO 26000, an international standard providing guidelines on CSR. ISO 26000 defines due diligence as a "comprehensive, proactive process" to identify the negative impacts of "an organization's decisions and activities over the entire life cycle of a project or organizational activity." This can be achieved by cooperating with parties in the upstream and downstream of the supply chain. The company should also make a clear declaration of their commitments to society. The purpose of such due diligence is to identify potential risks to human rights and other areas in advance. The FUJIFILM Group's business is diversifying and therefore it is important to raise conventional risk management to the level of corporate due diligence. We also recommend the company to involve stakeholders in the process of exercising due diligence in order to maximize its effectiveness.

Secondly, we expect the company to approach CSR as a global corporation and further enrich their CSR reporting. Many of the efforts by the company included in this report concern projects undertaken in Japan, and the stakeholders who provided opinions are mostly Japanese. Taking into consideration that more than half of the FUJIFILM Group's sales—and half of their employees—are overseas, corporate efforts and reports should have a firmly global viewpoint that equally targets overseas stakeholders. Further, the global challenges that the company acknowledges need to be extended to the area of human rights, in addition to the environment. This is, in part, related to the first suggestion mentioned above. The group is now widening its business presence overseas, and should update its understanding of human rights from a global viewpoint, assessing potential human rights conflicts in terms of types of risk, business areas, and geographical areas.

We sincerely hope that the FUJIFILM Group will make these issues a priority.

Ms. Sachiko Kishimoto
Executive Director
Center for Public Resources Development

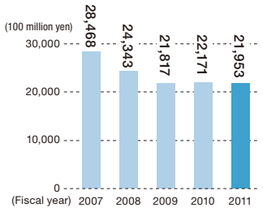
Profile

Following her work at a private think tank, Ms. Kishimoto took up her current position in 2000. Since 2001, she has been providing information to corporations to encourage them to further invest in corporate social responsibility. Her current focus is on strengthening the engagement of NGOs and consumer organizations as corporate stakeholders. Ms. Kishimoto is also involved in reinforcing the citizen sector, such as improving NGO capacity and promoting philanthropic donations. Her current roles also include: part-time lecturer at Rikkyo University's Graduate School of Social Design Studies; representative of the CSR Review Forum Japan; board member of the Japan Fundraising Association; and executive board member of the Japan Association of Charitable Organizations.

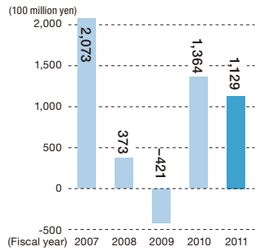
Fujifilm Group Business Overview

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.

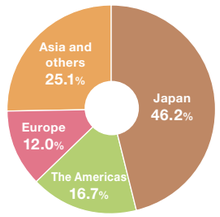
■ Consolidated revenue



■ Consolidated operating income (loss)



■ Proportion of consolidated revenue by region (Fiscal 2011)



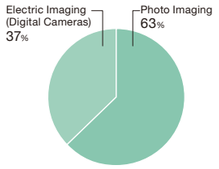
■ Proportion of consolidated revenue by operating segments (Fiscal 2011)

Imaging Solutions

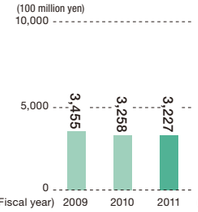
*Operating income by operating segment has been revised retroactively from fiscal 2009, with reorganization of corporate expenses.

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

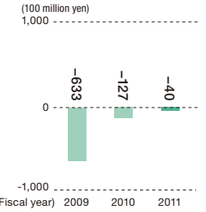
■ Proportion of revenue by business (Fiscal 2011)



■ Consolidated revenue



■ Consolidated operating loss*



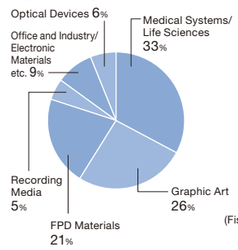
*Before elimination of corporate expenses and intersegment transaction

Information Solutions

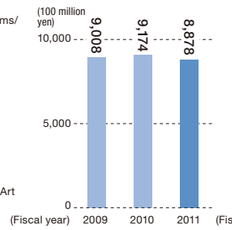
*Operating income by operating segment has been revised retroactively from fiscal 2009, with reorganization of corporate expenses.

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, optional devices and electronic materials.

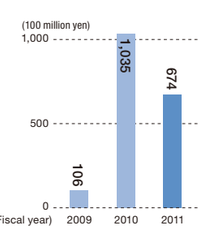
■ Proportion of revenue by business (Fiscal 2011)



■ Consolidated revenue



■ Consolidated operating income*



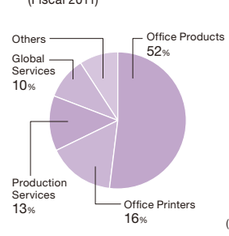
*Before elimination of corporate expenses and intersegment transaction

Document Solutions

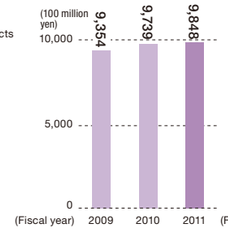
*Operating income by operating segment has been revised retroactively from fiscal 2009, with reorganization of corporate expenses.

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

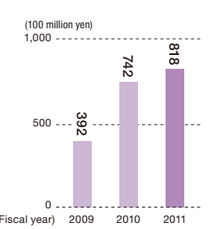
■ Proportion of revenue by business (Fiscal 2011)



■ Consolidated revenue



■ Consolidated operating income*



*Before elimination of corporate expenses and intersegment transaction

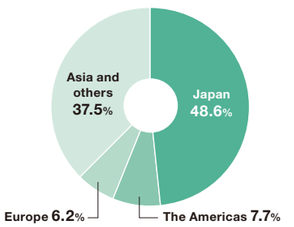
Fujifilm Group Organization Overview

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

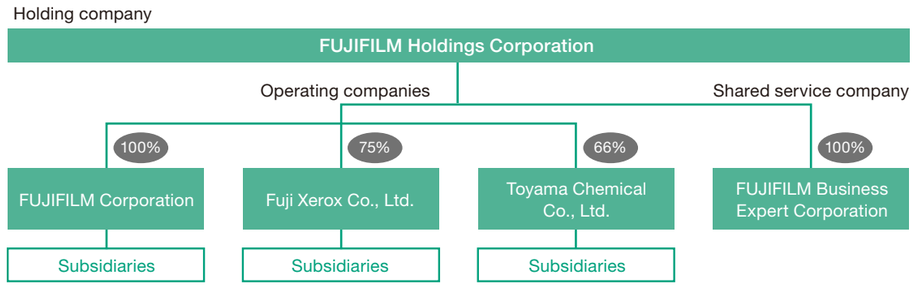
Holding Company: FUJIFILM Holdings Corporation

■ 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, 2012)
■ Employees: 144 (as of March 31, 2012)
■ Consolidated employees: 81,691 (as of March 31, 2012)
■ Consolidated subsidiaries: 268 (as of March 31, 2012)

■ Proportion of consolidated employees by region (Fiscal 2011) (as of March 31, 2012)

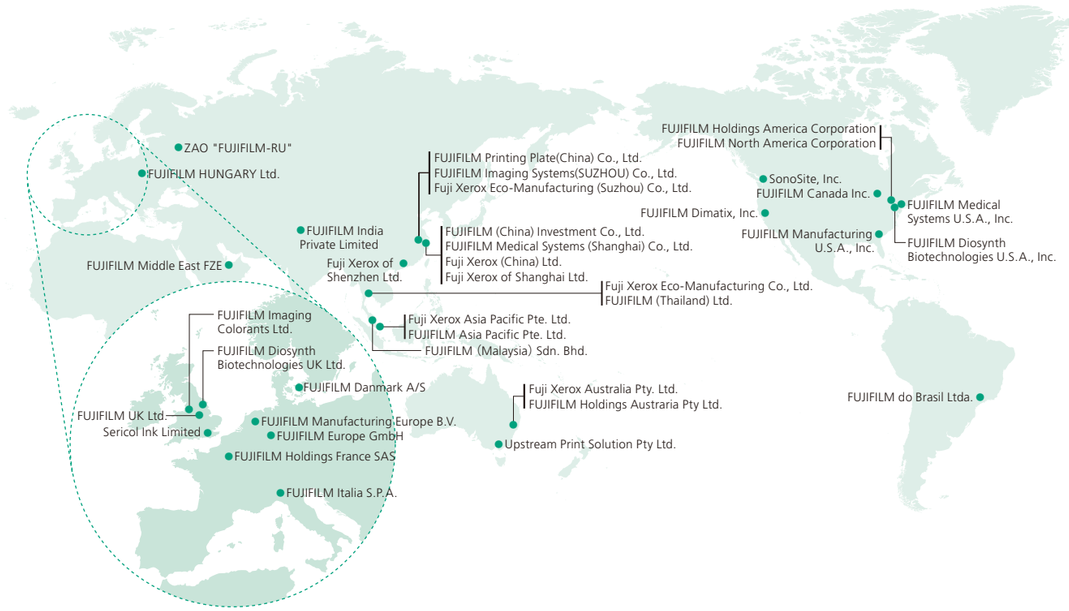


Fujifilm Group Organization Overview (as of March 31, 2012)



For information about the consolidated subsidiaries of FUJIFILM Holdings Corporation, please visit:
http://www.fujifilmholdings.com/en/business/group/index.html

Overseas



◎ About the artistic work on the front cover

The Fujifilm Group is recording and storing cultural and artistic works in the form of photos and images to pass on to future generations. We do this as part of our social contribution through our business. Thanks to cooperation from the Tokugawa Art Museum, we are presenting the works owned by the museum on the front cover of this report.

Furisode Long-Sleeved Kimono for Women, white silk satin damask with an interlocking swastika pattern and a design of fans, peony, wisteria, and chrysanthemum

Edo period, 19th C.

The Tokugawa Art Museum Collection
©The Tokugawa Art Museum Image Archive/DNPartcom

[Owned by Kanehime.]
The white silk satin damask is woven to create interlocking swastika patterns, orchids, and chrysanthemum, and is decorated with swastika patterns, fans, peony, wisteria, and chrysanthemum using embroidery and dyes. The original material belonged to Princess Teitokuin Kanehime and was tailored into this modern kimono in 1993. This was the only long-sleeved kimono belonging to Princess Kanehime.

The Tokugawa Art Museum

1017 Tokugawa-cho, Higashi-ku, Nagoya, Aichi, Japan Tel: +81-52-935-6262
URL: http://www.tokugawa-art-museum.jp/english/index.html

The Tokugawa Art Museum was established in 1935 and displays extensive holdings of the Owari branch of the Tokugawa family (the head of three honorable houses of the Tokugawa, the ruling shogun family) during the Edo Period (1603-1867). The Museum owns well over 10,000 items, including articles left behind by the first shogun, Ieyasu Tokugawa, as well as collections and bridal trousseaus of successive lords and their wives. Since most of the treasures of the daimyo (feudal lords) were lost in Japan after the Meiji Restoration and World War II, the holdings of The Tokugawa Art Museum represent the only extensive repository and collection of daimyo artifacts. Therefore, this museum is the only art museum in Japan that can answer the questions, “What are the treasures of the daimyo?” and “What is a daimyo from the Early Modern Period?”

■ Please address inquiries on this publication to:

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