In order to protect and preserve the beauty of nature and her valuable resources so that they can be passed on to future generations, Fujifilm continually intensifies its earnest involvement in the resolution of environmental issues.
Opening Remarks

Striving for the realization of a “Fujifilm that is constantly sound with regard to the environment and to safety.”

As clean water and clean air are indispensable to the manufacturing of photosensitized materials, our company has, ever since its founding in 1934, devoted itself to environmental preservation through comprehensive efforts based on the view that “Environmental preservation constitutes the foundation of our business operations.” Today, with the phrase “Sustainable Development” as its symbol, environmental preservation has taken on a perspective that is global in scale and has become a major issue for business. In this regard, our company deals with environmental measures as a fundamental operational issue that has the same importance as issues such as “creative technological development”, “marketing that gives priority to customers” and “globalization of manufacturing and marketing”.

At our company, efforts toward environmental measures are based on the following three points:

• Care for the natural environment (harmony between humans and nature)
• The assurance of safety with regard to chemical substances
• Source Reduction (not wasting resources, which are limited)

Our company’s basic stance in its efforts toward these kinds of environmental measures is grounded in the realization of Responsible Care (RC). Responsible Care is a commitment whose main point is that a business must carry out, in its own policies, goals, standards and responsibilities, the preservation of the environment and the assurance of safety in the total process, from product development, through production, distribution and use, to disposal. Of course, RC takes compliance with laws, etc. as its premise. RC is an international effort whereby the chemical industries of the world systematically strive to advance environmental preservation and the assurance of safety. In Japan, the Japan Responsible Care Council (JRCC) was organized in 1995, and, on the occasion of the establishment of the Council, our company made an RC implementation pledge to the Council and became a member. Our company’s fundamental approach is to work toward the realization of RC, an international effort, through management systems that conform to ISO 14001, which is, similarly, a worldwide standard. We began these efforts before an ISO 14001 certification system was inaugurated in Japan, and, when this system was first implemented (fiscal year 1996), all four of our factories in Japan acquired certification.

In the context of RC, communication with all stakeholders is an important issue. Environmental Reports constitute one example of efforts directed toward that issue. We began publishing annual environmental reports in 1996 and are continuing this important effort with this edition for the year 2000. As another example of such communication efforts, we can cite the commencement of operation, in November of 1998 at our Ashigara Factory, of our Automated Inverse Manufacturing Factory for the “QuickSnap”. We have opened this facility for public observation and had it put to good use for environmental education in local elementary schools. This “QuickSnap” facility has been praised as an advanced example of an inverse manufacturing factory based on reuse and recycling, and received
awards such as the “Earth Environment Committee Award for Corporate Excellence” in the 8th “Global Environment Award” sponsored by the Japan Industrial Journal and the “99 Superior Trend-Setting Factories and Offices Awards” sponsored by the Nihon Keizai Shimbun Company. As one further example of our communication efforts, we should like to also mention that since 1997 we have made publicly available on our web site the MSDS (Material Safety Data Sheets) that communicate necessary handling information concerning the environment and safety to those customers who use our company’s developing solutions.

As symbolized in the phrase, “Pack trust in a green box and sell it.”, “trust” is our company’s vital imperative. We believe that, taken also in the context of building and retaining the trust of our customers and of the community, our earnest efforts toward environmental preservation are of the utmost importance.

We, in the top levels of management, are committed to a strong leadership that enables our company to work toward the realization of a “Fujifilm that is constantly sound with regard to the environment and to safety” through each and every employee’s and every single organization’s voluntary and continual dedication to RC.

June, 2000

Minoru Ohnishi
Chairman and Representative Director
Fuji Photo Film Co., Ltd.

Masayuki Muneyuki
President and Representative Director
Fuji Photo Film Co., Ltd.
Corporate Summary

Company Name: Fuji Photo Film Co., Ltd.
Establishment: January 20, 1934
Head Office: 26-30, Nishiazabu 2-chome, Minato-ku, Tokyo 106-8620, Japan
Main Factories: Ashigara Factory and Odawara Factory (both in Kanagawa Prefecture); Fujinomiya Factory and Yoshida-minami Factory (both in Shizuoka Prefecture)
Capital: 40,363 million yen
Number of Employees (as of March 31, 1999): 10,286 (total for Fujifilm only); 37,551 (consolidated total)
Sales Volume (April 1, 1998 to March 31, 1999): 807.7 billion yen (total for Fujifilm only); 1,437.8 billion yen (consolidated total)
Current Term Net Profit (April 1, 1998 to March 31, 1999): 68.7 billion yen (total for Fujifilm only); 71.5 billion yen (consolidated total)
Subsidiaries and Affiliated Companies: Consolidated Subsidiaries: 92 Companies
Non-consolidated Subsidiaries: 53 Companies
Affiliated Companies: 53 Companies

Business Details

<table>
<thead>
<tr>
<th>Classification</th>
<th>Main Products</th>
<th>Comprised Percentage of Sales (Consolidated Base)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imaging Systems</td>
<td>Color Film, Motion Picture Film, Cameras, Digital Cameras, Videotape, etc.</td>
<td>33%</td>
</tr>
<tr>
<td>Photofinishing Systems</td>
<td>Color Printing Paper, Pictro-printing Paper, Developing Chemicals, Machinery, Developing Prints, etc.</td>
<td>26%</td>
</tr>
<tr>
<td>Information Systems</td>
<td>Plate-making Film, PS Plates, Printing Machinery, X-ray Film, Medical Imaging Machinery, Computer Tape, Electronic Display Materials, etc.</td>
<td>41%</td>
</tr>
</tbody>
</table>
Summary of Efforts and Results

Our company promotes its environmental preservation efforts in accordance with the Priority Implementation Items set forth in the “Fujifilm Responsible Care Policy”. Our main efforts and achievements are as follows.

1. The Arrangement and Strengthening of Management Systems Based on ISO 14001
   1) Expansion of Sites Acquiring Certification
      • 13 sites in Japan and 6 overseas sites have acquired certification.
   2) Management of Chemical Substances
      • We constructed an original database for environmental and safety information pertaining to chemical substances and are carrying out risk assessment.
   3) Promotion of Green Purchasing and Green Procurement
      • We arranged a companywide promotion system and have commenced with concrete efforts.
   4) Public Announcement of Environmental Accounting
      • We calculated our environmental investment expenses for the 1998 fiscal year and presented this data in this Environmental Report.

2. The Improvement of Environmental and Safety Performance
   1) Product Design and Product Development for the Reduction of Environmental Burdens
      • We implemented LCA for the “QuickSnap” and confirmed that environmental burdens can be greatly reduced through reuse and recycling.
      • We developed a Dry Printing System that does not require processing agents for developing.
      • We improved products by devoting our efforts to the development of alternative substances and the reduction of usage amounts for chemical substances that are a cause for environmental concern.
   2) Efforts Concerning the Environmental Preservation of the Quality of Air and Water
      • We are working to reduce air pollution burdens by means of soot countermeasures, a changeover to fuels that are low in sulfur, etc.
      • By means of the improvement of activated sludge treatment as well as a thorough management of water quality, we are carrying out management based on the establishment of our own standards, whose values are more stringent than the values set forth in the various regulations.
   3) Efforts toward Reducing the Amount of Organic Solvents Emitted into the Air
      • In the 1998 fiscal year we achieved a reduction of 27% compared to the 1996 fiscal year (which is taken as the standard).
   4) Efforts toward the Reduction of Waste Material, Reuse and Regeneration of Resources
      • With regard to incineration and landfill waste material amounts, in the 1998 fiscal year we achieved a reduction of 28% compared to the 1996 fiscal year (which is taken as the standard).
   5) Efforts toward Reducing Energy Cost Units
      • In the 1998 fiscal year we achieved a reduction of 2% compared to the previous fiscal year.
What Is Responsible Care (RC)?

Responsible Care is an effort to ensure “environmental preservation, safety and health” throughout the entire life cycle of a product by means of voluntary management efforts by business operators.

In more concrete terms, RC is an effort to which each country of the world is devoting itself and whose main points are: a) the making of a pledge, in one’s operational policy, to ensure environmental preservation and safety throughout the total business process, from product development, through production, distribution, and use to waste disposal; b) the implementation of countermeasures; and c) the planning of improvements. The comprehensive effort, referred to as RC, that is comprised of these main points is based on a foundation of self-determination and self-responsibility on the part of business operators.

In Japan, with the Japan Chemical Industry Association acting in the central role, the Japan Responsible Care Council (JRCC) was established in 1995. Fujifilm immediately took a JRCC Responsible Care Implementation Oath and became a member. In order to ensure the preservation of the beauty of nature and her valuable resources, we established a Responsible Care Policy and are earnestly devoting ourselves to the efforts set forth in that policy.
RC and ISO 14001: In a Mutually Supplementary Relationship

While Responsible Care is a voluntary management effort by business operators, the international standard, “ISO 14001”, is a standard pertaining to environmental management systems. It goes without saying that this sort of management places great importance on compliance with legal regulations, etc. However, at the major businesses in present-day Japan, compliance with legal regulations is considered to be a matter of course, and the response measures that merely ensure legal compliance have already been taken. This is why the voluntary efforts that constitute management systems based on ISO 14001 and that are directed toward targets and goals established in the context of one’s own business policy have come to play a crucial role that makes ISO 14001 the perfect match for Responsible Care.

In this way, Responsible Care is an “effort”, and ISO 14001 is a “structure”. It is not a matter of one taking priority over the other, or the existence of one negating the necessity of the other. By putting both into practical use, a mutual supplementation takes place, and we are able to achieve continual improvement.

Therefore, Fujifilm’s fundamental viewpoint for devoting itself to environmental problems is “to realize Responsible Care through the arrangement and operation of management systems based on ISO 14001”.

---

The Realization of a Society in Harmony with Nature

ISO 14001 Application of Management System Responsible Care Action Guidelines Priority Implementation Items
1 The Fundamental Policy

Through voluntary, continual dedication to Responsible Care, each and every employee as well as every single organization will strive to realize a “Fujifilm that is constantly sound with regard to the environment and to safety.”

2 Action Guidelines

a) We will comply with laws as well as all other requirements to which our company has agreed.
b) At every stage of the life cycle of our products we will strive to reduce environmental burdens and ensure safety.
c) We will strive to ensure that our work is carried out with no accidents and no disasters.
d) We will provide useful and appropriate information to ensure environmental preservation as well as safety at the customer level.
e) We will ensure appropriate communication with the community.

3 Priority Implementation Items

A) Arrangement and Strengthening of Management Systems based on ISO 14001

a) We will strengthen the risk assessment implementation systems for chemical substances manufactured and handled at our company.
b) We will strengthen our chemical substance management systems that correspond to the PRTR Law.
c) We will strengthen our “Green Purchasing” and “Green Procurement” systems for raw materials, machinery, equipment, supplies, etc.
d) We will establish environmental accounting systems for the purpose of assessing our efforts toward environmental preservation.
e) We will arrange systems for reducing the environmental burdens associated with containers and packaging.

B) Improvement of Environmental and Safety Performance

a) We will implement risk reduction based on reducing usage amounts of chemical substances that are a cause for concern, reducing the amounts of such chemicals released, developing alternative substances, etc.
b) By the year 2002 we will reduce by 50% (taking the 1996 fiscal year as the standard) the amount of organic solvents emitted into the air.
c) Aiming for “Zero Emission”, we will promote the reduction of waste material amounts, reuse and regeneration of resources.
   • By the year 2000 we will reduce by 50% (taking the 1996 fiscal year as the standard) the amount of waste material disposed of in incinerators and in landfills.
   • We will pursue product development aimed at eliminating the discharge of waste solutions, waste materials and waste machinery that occurs when products are used.
d) We will promote energy conservation measures and carbon dioxide emission reduction measures. We will implement, by the year 2010, measures that result in a carbon dioxide emission reduction of at least 51,000 C tons / year. (This reduction amount is the equivalent of 26% of the amount of carbon dioxide emitted in the 1998 fiscal year.)

C) The Promotion of Appropriate Communication with the Community

a) We will establish systems for appropriately providing to customers necessary environmental and safety information such as expanded information presentation in MSDS.
b) Through measures such as the expansion of environmental reports and the utilization of the Fujifilm web site, we will take the appropriate steps to communicate our company’s Responsible Care efforts to the community.
How Fujifilm Responsible Care Is Advanced

Company President's Oath

Establishment of Policy

Audit and Assessment

ACT

CHECK

PLAN

DO

Implementation

Public Announcement of Results & Dialogues with the Community

Implementation

Distribution of the Environmental Report

Public Disclosure of Performance by Each Organization & Dialogues with the Community

Public Disclosure of Information via the Internet

Establishment of Implementation Plans

Establishment of Implementation Plans by the Specified Issues Promotion Committees

Establishment of RC Implementation Plans by Each Organization

Fujifilm RC Committee

Specified Issues Promotion Committees

Environment and Safety Divisions at Business Locations (under the Jurisdiction of the Fujifilm RC Committee)

Implementation of Fujifilm RC Audits

Review of Priority Implementation Items by Fujifilm RC Committee

Implementation of Correction Measures

Creation of Reports

Creation of RC Annual Reports by Each Organization

Creation of Implementation Reports by the Specified Issues Promotion Committees

Arrangement of Systems

Establishment of Implementation Plans

Implementation of Implementation Plans by the Specified Issues Promotion Committees

Promotion of RC Implementation Plans by Each Organization
The Fujifilm Responsible Care Promotion System

Linear Organization (Organization by Vertical Order)

Company President
- Director in Charge of the Environment
- General Manager of Each Marketing Division
- General Manager of Each Factory
- General Manager of Each Business Location
- General Manager of Each Research Laboratory
- Person(s) in Charge of Environmental Affairs

Committee Organization (Organization by Horizontal Order)

Fujifilm RC Committee
- Committee Chairman: Director in Charge of the Environment (Managing Director)
- Members: Concerned Executive Officers
- Secretariat: General Manager of the Environmental Protection & Product Safety Division

Specified Issues Promotion Committees

Fujifilm RC Audit Committee
In order to promote the Priority Implementation Items set forth in the Fujifilm RC Policy, we organized, as subcommittees of the Fujifilm RC Committee, the following seven Specified Issues Promotion Committees. These Committees work on establishing, maintaining and thoroughly expanding awareness of proposals and procedures pertaining to companywide policies, rules, operational systems, etc.

<table>
<thead>
<tr>
<th>Name of Specified Issue Promotion Committee</th>
<th>Issues &amp; Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committee for the Promotion of the Environmental and Safety Management of Chemical Substances</td>
<td>This committee carries out environmental and safety risk management for chemical substances, not only within the Fujifilm company, but also throughout all stages of handling, including transportation, use and disposal. In order to promote this task even more effectively, the committee works on the establishment and thorough expansion of awareness of management procedures based on ISO 14001 systems. In addition, the committee carries out the maintenance and management of the Chemical Substance Environmental and Safety Information Database.</td>
</tr>
<tr>
<td>Committee for the Promotion of the Arrangement of an MSDS Database</td>
<td>At Fujifilm, we publish, in accordance with Japan Chemical Industry Association guidelines, MSDS for all of our chemical products and we also make these MSDS publicly available on our web site. In order to improve the contents of MSDS entries and elevate the efficiency of MSDS creation, this committee has constructed and is maintaining and managing a global database system.</td>
</tr>
<tr>
<td>Energy Conservation Promotion Committee</td>
<td>This committee carries out the establishment and promotion of goals (annual, intermediate-term and long-term) for conserving energy and reducing emissions of gases implicated in global warming.</td>
</tr>
<tr>
<td>RC Promotion Committee for Packaging</td>
<td>This committee promotes efficient responses to the Container and Packaging Recycling Law, which went into full-scale effect in April, 2000, as well as the reduction of usage amounts of container and packaging material and a changeover to materials that cause only slight environmental burdens and materials with optimum recyclability.</td>
</tr>
<tr>
<td>Green Purchasing Promotion Committee</td>
<td>In order to reduce global environmental burdens, elevate environmental preservation awareness and increase consumer trust as a business that contributes to the environment, this committee promotes Green Purchasing, which is the purchasing of general supplies and machinery that were produced and provided with care for the environment.</td>
</tr>
<tr>
<td>Committee for the Promotion of the Green Procurement of Raw Materials</td>
<td>In order to reduce global environmental burdens, elevate environmental preservation awareness and increase consumer trust as a business that contributes to the environment, this committee promotes Green Procurement, which is the purchasing of chemical raw materials, machinery parts, resins and packaging materials that were produced and provided with care for the environment.</td>
</tr>
<tr>
<td>Committee for the Promotion of the Establishment of RC Report Standards</td>
<td>At Fujifilm we have presented our efforts toward RC to the public by publishing, since 1996, the Environmental Report. This committee directs its efforts toward the qualitative improvement of the Environmental Report through methods such as report creation in accordance with the Draft of the Public Disclosure of Sustainable Reporting Guidelines of the GRI (Global Reporting Initiative).</td>
</tr>
</tbody>
</table>
At our Material Safety Test Center, which was established in 1975, various safety tests are carried out for all of the chemical substances in use at Fujifilm. When new chemical substances are produced, we append the appropriate safety test data, and the substances are examined and registered in accordance with the “Law Concerning the Examination and Regulation of Manufacture, etc. of Chemical Substances” by the Ministry of International Trade and Industry and the Ministry of Health and Welfare and in accordance with the “Labor Safety and Health Law” by the Ministry of Labor. At our overseas business locations as well, chemical substances undergo similarly defined examinations. Our Material Safety Test Center meets the GLP (Good Laboratory Practice) standards defined by the Ministry of International Trade and Industry, the Ministry of Health and Welfare and the Ministry of Labor and has acquired official acknowledgement of this achievement.

**Safety Tests**

- Ames Test
- Chromosomal Aberration Test
- Micronucleus Test
- Acute Toxicity Test
- Subacute Toxicity Test
- Skin Irritation Test
- Skin Sensitization Test
- Biodegradation Test
- Bioaccumulation Test
- Explosion Danger Test
At Fujifilm, we developed safety information, related domestic and overseas legal regulation information, etc. pertaining to more than 70,000 chemical substances into an original database. Using this database, we carried out a 5-level safety standard ranking of the more than 3,000 different chemical substances in use at our company. As the result of this ranking, we are carrying out priority risk assessment for those substances found to be highly critical. We also carry out, in accordance with the ISO 14001 concept, continual review and improvement of this risk assessment.
The Current State of Acquisition of ISO 14001 Certification

13 Sites in Japan

Sites that newly acquired certification in 1999

The dates in parentheses are the dates when certification was acquired.
6 Overseas Sites

Sites that newly acquired certification in 1999

The dates in parentheses are the dates when certification was acquired

- **Fuji Photo Film B.V. (Holland)** (December, 1997)
  - The manufacture of films and the plate-making materials (PS Plates) used in offset printing

- **Fuji Hunt Photographic Chemicals, Inc. (USA)** (September, 1997)
  - The production and marketing of photoprocessing chemicals

- **Fuji Photo Film do Brasil, Ltda. (Brasil)** (December, 1998)
  - The manufacture of photosensitized materials for photography

- **Fuji Photo Film do Amazonia, Ltda. (Brazil)** (December, 1998)
  - The manufacture of photosensitized materials for photography

- **Fuji Photo Film, Inc. (USA)** (April, 1999)
  - The manufacture of films, the plate-making materials (PS Plates) used in offset printing and videotape

- **Fuji Graphic Systems Canada, Inc. (Canada)** (December, 1998)
  - The marketing of the plate-making materials (PS Plates) used in printing

- **Fuji Photographic Chemicals, Inc. (USA)** (September, 1997)
  - The production and marketing of photoprocessing chemicals
The Publication of the Fujifilm Environmental Report
Our company has published the Fujifilm Environmental Report since 1996.

The Issuing of Yellow Cards
We issue Yellow Cards not only for the transportation of products, but also for the transportation of raw materials and intermediate materials for our factories.
By the end of the 1998 fiscal year, a total of 128 Yellow Cards had been issued.
The Publication of MSDS
(Material Safety Data Sheet: a Safety Data Sheet for Chemical Substances)

MSDS are explanatory documents that provide the necessary information for safely handling chemical products and that are distributed, for each product in question, by businesses supplying chemical products to businesses handling the products, for the purpose of preventing accidents associated with chemical products. At our company, we have, in accordance with Japan Chemical Industry Association guidelines, prepared MSDS for all products to which the guidelines apply. We have also been successively advancing the creation of MSDS for other products as well, and, by the end of the 1998 fiscal year, we had published a total of 1,019 MSDS. MSDS can also be viewed on our company’s web site (http://www.fujifilm.co.jp/msds/index.html) Information at this internet site is provided in Japanese only.

We also publish AIS (Article Information Sheets), whereby we publicly present, in the form of data sheets, environmental and safety information pertaining to Article products (that is, products that have a fixed shape) such as film, print paper, etc.

The Development of a Database System for the Efficient Creation of MSDS

In conjunction with the establishment of a law (the PRTR Law) concerning the promotion of comprehensive awareness as well as improvement of the regulation of the amounts of specified chemical substances emitted into the environment, users have greater needs for environmental and safety information pertaining to products. Responding to these needs has made MSDS even more important.

At Fujifilm, we developed a database system that enables us to efficiently and accurately create MSDS for the approximately 1,000 kinds of photographic developing and processing agents that we sell. This database has been introduced within our company as well as at our overseas subsidiaries, and, through its use, we are progressing with the improvement of the contents of MSDS entries.
Communication with Local Communities

Observation of the “QuickSnap” Inverse Manufacturing Factory

At our Ashigara Factory, the “QuickSnap” manufacturing factory, which is the world’s first “inverse manufacturing factory”, is in operation. Here, we are advancing the reuse and recycling of the parts and the raw materials that are used in the “QuickSnap”, and the factory is drawing domestic and international attention as a model factory for an inverse manufacturing that restricts the generation of waste material to the extreme minimum.

In order to enable large numbers of people to understand this manufacturing system, we welcome observers at the factory. More than 1,000 such observers have visited us every month since the factory was opened.

The Conclusion of an Environmental Preservation Compliance Agreement with the City of Minami Ashigara

At the Ashigara Factory, we had already concluded an Environmental Preservation Compliance Agreement with the city of Minami Ashigara in December of 1998. As a continuation of this Agreement, in May of 1999 four companies with whom our company has close affiliations also concluded Environmental Preservation Compliance agreements with the city.

These four companies are Fuji Xerox Co., Ltd. Takematsu Center, and Fuji Photo Equipment Co., Ltd., both of which are part of the Fujifilm Group, as well as Panac Industries, Inc. and Nankai Co., Ltd., both of which are collaborating companies. Concluding these agreements involved declaring to the public the intention to contribute, in the context of the Fujifilm Group, to the following objective: “Government and business will work in unity to promote environmental preservation efforts, and the region will strive for development that is in harmony with nature, on into the future.”
The Public Disclosure of Drainage Water Quality by Means of “Public Monitors”

At our Yoshida-minami Factory we publicly disclose to local residents information about the quality of the drainage water from the factory by means of “Public Monitors” that have been installed so as to face onto a public road. In the “Public Monitors”, pH, impurity level and COD data are displayed in real time, and observers can also see that carp are healthily swimming about in the drainage water. We publicly disclose this real time data in conjunction with our statement that “The concept of this factory is to contribute to the development of the town through continually maintaining a pure local environment.” and in order to show that our specified “Water Quality Agreement values—values that are more stringent than the legally regulated values—which we promised local residents we will observe” are actually being maintained.

Dialogues with Local Residents

At our Odawara Factory, Mr. Shioya, the General Manager of the factory, participated in the panel discussion, based on the theme, “A Partnership for the Creation of a Comfortable Environment”, that followed the opening remarks by the Vice Minister of the Environmental Agency and the Mayor of Kanagawa Prefecture at the “19th Comfortable Environment Symposium”, which was held in November of 1998.

General Manager Shioya, who participated as a representative from business along with representatives from the local populace and representatives from the government, presented our company’s and the Odawara factory’s environmental efforts for protecting “clean water and clean air”. A lively discussion about the public availability of information and how local residents can participate was also held. General Manager Shioya concluded the proceedings with his statement that “We want to make ourselves into a factory that causes local residents to say, ‘In Odawara we have the profoundly beneficial presence of Fujifilm.’”

Volunteer Cleaning Activities

At our Fujinomiya Factory, every June and October we work together with local residents to beautify the Shimizu River by cleaning up trash, cans, weeds, etc. In addition, in the annual (in June) “Environment Month”, all of our employees utilize their lunch hours for participating in cleanup and beautification efforts in and around our factory compound. We carry out these cleaning activities as one of our efforts directed toward cultivating a mutually beneficial, harmonious coexistence with the local community.
Achievements Resulting from Our Environmental and Safety Efforts

- Efforts Pertaining to Product Safety
  - The FM-DPL Dry Imager (for medical use) and the FDS 6100-X Dry System Processor (for newspapers and faxes)
    We developed a dry laser printing system that does not require processing agents for developing.
  - The NC-370D Digital Printer
    We developed a system whereby photo image quality prints can be made directly from digital cameras, etc.
    without generating waste material such as cartridges or ribbons.
  - CP-45X Processing Agent for Color Paper
    This product has resulted in the removal of triethanolamine from the solution as well as the reduction of the
    amount of alkali.
  - CR-X H3-R Processing Agent for Color Reversal Film
    We removed the phosphoric acid from the solution.
  - ECOPLUS (a biodegradable buffer material)
    At Fujifilm Logistics Co., Ltd., we commenced with the manufacturing of a product called "ECOPLUS", which is a
    biodegradable buffer material.

- Our Efforts Toward an Inverse Manufacturing System

In order to take the conventional concept of the recycling factory (i.e., “to regenerate material discarded after
being used”) one step further and to achieve an even more progressive reduction of environmental burdens,
our company aims for the formation of processes based on the concept of “inverse manufacturing”, which is
derived from the inverse factory and refers to the creation of environmental responses that integrate
manufacturing and recycling. In particular, in the case of the Fujicolor “QuickSnap”, ever since its initial release
in 1986 we have taken the improvement of performance and quality as well as the reduction of environmental
burdens as our objectives and made reuse our central concept. We have therefore constructed an “inverse
manufacturing system” that makes multiple reuse possible and developed products that can be recirculated.

At our Ashigara Factory, the “Fujicolor QuickSnap Inverse Manufacturing Factory”, which carries out the integration of manufacturing, reuse and recycling all in the same building, is in operation. At this site, we are also striving to conserve electricity and energy through the introduction of a solar generating system. We have also fully prepared a system for welcoming observation, and opened the facility to the general public.

In order to assist in the spread of inverse manufacturing systems, our company supported Eco Design ’99, which was an international symposium concerning product design based on environmental harmony.
Voluntary Management Goals for the Environmental Preservation of Air and Water Quality

The Reduction of the Amounts of VOC (Volatile Organic Compounds) Emitted into the Air

Working toward the goal of reducing the amount of organic solvents emitted into the air by 50% by the 2002 fiscal year (taking the 1996 fiscal year as the standard), we are engaged in the reduction of emission amounts of VOC (Volatile Organic Compounds). In the 2-year period up until the 1998 fiscal year we accomplished a reduction of 27% compared to the VOC emissions amount in the 1996 fiscal year.

Aiming for “Zero Emission”, the Reduction of Waste Material and the Regeneration of Resources

Aiming for the goal of reducing the amount of waste material incinerated or placed in landfills by 50% by the 2002 fiscal year (with the 1996 fiscal year as the standard), each of our factories is promoting reuse, recycling and the regeneration of resources. We are also actively working on the introduction of new technologies for developing Refuse Derived Fuels (RDF). In the 2-year period up until the 1998 fiscal year we accomplished a reduction of 28% compared to amount of waste material disposed of in incinerators and in landfills in the 1996 fiscal year.
We increased energy efficiency by means of measures such as changing gas emission treatment equipment to an accumulated heat combustion format, advancing the conservation of electricity used for pumps, fans and exhaust gas combustion equipment and increasing the speed of our coating processes. We have thus continued to reduce energy cost units by at least 1% per year since the 1993 fiscal year. In the 1998 fiscal year we achieved a reduction of 2% compared to the previous fiscal year.

With regard to carbon dioxide emission amounts, although the cost unit index has been decreasing over the last few years, in conjunction with increased production at our factories, absolute emission amounts have tended to increase. We have therefore set forth a goal of implementing measures that will result, by the year 2010, in carbon dioxide emission reductions of approximately 51 K tons C or more per year. In addition to carrying out energy conservation efforts, we are advancing countermeasures for the prevention of global warming by examining other strategies such as the introduction of energy sources that are low in carbon dioxide emissions.
Data for Air and Water Quality

We are striving to reduce the air pollution burden by actively carrying out soot countermeasures based on the installation of dust collectors in chimneys, smoke emission countermeasures, measures involving a changeover to low-sulfur fuels, etc. Furthermore, with regard to reducing the water pollution burden, we have implemented thorough water quality management for drainage by carrying out improvements to our activated sludge treatment as well as to treatment methods that respond to the properties of the chemical substances that are contained in the drainage. With regard to the drainage from our factories, we have established and are maintaining company standards that are more stringent than the values set forth in the various regulations imposed by the national and prefectural governments. In all of the categories illustrated in the above charts there has never been any sort of violation or lawsuit involving any of our business locations.

Our Efforts Concerning the Safety Management of Chemical Substances

With regard to the PRTR*, we continually participate in the voluntary management efforts of the Japan Chemical Industry Association. In the 1998 fiscal year, as well, we implemented surveys for 31 PRTR target substances that are in use at our company.

*PRTR—Pollutant Release and Transfer Register: A system whereby the amounts of hazardous chemical substances released into the environment as well as the amounts transferred within waste material are registered and publicly announced. The system was instituted as a legal regulation in July of 1999, and notification will begin to be obligatory in 2002.
Environmental Burden Reduction Results Brought about by the Reuse and Recycling of the “QuickSnap” (The amount of CO₂ emitted)

The majority of the environmental burden (the amount of CO₂ emitted) associated with the “QuickSnap” occurs in the production stage, but, by carrying out reuse and recycling, we confirmed that we can greatly reduce the environmental burden at this stage (Chart 1). In particular, we verified that reuse enables us to omit the parts production and assembly processes, and that this results in a great reduction of the environmental burden.

We also confirmed that by means of the recycling of resins we are able to reduce the environmental burden to less than half of what it is in the case of producing virgin resins.

**Environmental Investment**

We also strive for even greater improvement by applying, from an economic perspective, summation and analysis to the state of our environmental preservation efforts. Estimating the portions of our 1998 fiscal year investment that contributed to the environment resulted in a summated, overall environmental investment amount of 27.7 billion yen. We will now clarify definitions pertaining to investment results and advance a thorough examination of efficient environmental investment.

**Breakdown of the Environmental Investment Amount (27.7 Billion Yen)**

- General Expenses: 8%
- Energy Expenses: 2%
- Personnel Expenses: 35%
- Test Material Expenses: 12%
- Equipment Investment Expenses: 43%

*The scope of our survey is defined as extending from the production of raw materials to reuse, recycling and waste disposal. Environmental burdens generated overseas, such as those associated with the mining of resources, are not included.*
Activities Related to the Environment

The Fujifilm Green Fund Public Trust

In 1983 our company established the “Fujifilm Green Fund Public Trust (FGF)”, which was Japan’s first public trust with the theme of protecting nature offered by a private enterprise. As of the 1998 fiscal year, the Fund had provided assistance for 67 projects. In the 1998 fiscal year we provided assistance for 3 projects in the context of “Assistance for Activities That Bring People into Contact with Greenery” and “Assistance For Research Pertaining to the Preservation and Utilization of Greenery”.

The Global Environment Award

In the 8th “Global Environment Award”, sponsored by the Japan Industrial Journal to officially commend businesses or local governments that have contributed to global environmental preservation, we received the “Earth Environment Committee Award for Corporate Excellence”.

There were two reasons why we were honored with this award. The first was the fact that we had, in 1998, put into operation the automated inverse manufacturing factory that integrates and carries out the manufacturing, reuse and recycling of the “QuickSnap”. The second reason was the fact that our conclusion, with the city of Minami Ashigara in Kanagawa Prefecture, where one of our factories is located, of an “Environmental Preservation Compliance Agreement” aimed at mutually cooperative and sustainable development had been praised as an exemplary case for the construction of a circular society.

Superior Trend-Setting Factories and Offices Awards

We received the 17th “Superior Trend-Setting Factories and Offices Awards” sponsored by the Nihon Keizai Shimbun Company to officially commend business sites that have been highly praised for their improvements in environmental preservation (such as the reduction of waste material) and in productivity, as well as for their provision of advanced, new services. Our receipt of this award was the result of the high praise with which we have been honored for our concept of “Inverse Manufacturing” in the “QuickSnap”.  

The Community Outreach Award

We received the “Corporate Social Contribution Award” in the context of the “Social Contributions by Businesses” awards sponsored by the Asahi Shimbun Foundation to single out businesses that make widespread efforts toward social contributions. The selection of award recipients was carried out by focusing on 182 companies that responded to a questionnaire regarding 11 indexes. 7 companies were presented with awards in the following 7 categories: “Grand Prize”; “Good Relations with Employees”; “Good Working Conditions Based on Gender Equality”; “A Consumer-oriented Business”; “The Community Outreach”; “Support for the Public” and “Environmental Protection”.

There were two reasons why our company was honored with this award. The first was the fact that we make the community aware of the efforts of a business that is devoted to environmental preservation by encouraging elementary and middle school students to visit and observe our inverse manufacturing factory for the “QuickSnap”. The second reason was the fact that, in order to protect the abundant forests, our employees have formed the “Fuji Green Forest Club” and put forth efforts for several years as long-term volunteers for the Kanagawa Prefecture Forest Foundation. The “Fuji Green Forest Club” has also been praised for the way in which it presents a new mode of community effort that contributes not only to the neighborhoods around our business locations but also on a widespread scale throughout the region.

A Letter of Gratitude for Our Countermeasures in Response to Spontaneous Ground Water Outflow

1998 was a year of abnormally heavy rainfall in the area around Mt. Fuji. The original subterranean physical geography of the area around our Fujinomiya Factory is characterized by the presence of water veins and has been likened to an underground tank.

This rainfall led to an abnormal situation in which ground water levels rose, and, from the beginning of 1999, ground water was spontaneously flowing out from roads and from the areas beneath the eaves of private homes near our factory.

When this situation occurred, in response to a request for cooperation from the city of Fujinomiya, we assisted in decreasing the ground water level by putting the ground water take-up pumps in our factory into full operation. We received an official letter of gratitude for this cooperation from the Mayor of the city of Fujinomiya.
From product development, through production, distribution, use and final consumption to disposal, we ensure environmental preservation and safety throughout the entire process.