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.

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?”

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The Tokugawa Art Museum is one of the oldest museums in Japan and is home to a vast collection of Japanese art and artifacts, including paintings, sculptures, textiles, and other cultural objects. The museum is particularly renowned for its collection of Edo-period artworks, which includes paintings by famous artists such as Hokusai and Hiroshige. The museum also houses a significant collection of ceramics, porcelain, and other decorative arts, as well as a collection of Japanese prints and woodblock prints. The Tokugawa Art Museum is an important cultural institution in Japan and is a must-visit for anyone interested in Japanese art and history.
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.

Furthermore, we have not forgotten the earth life. The Great East Japan Earthquake, which occurred in March 2011, was a major disaster that caused widespread destruction. The entire Fujifilm Group has been conducting recovery support activities.

At the FUJIFILM Photochemicals Hirono Factory, located about 21 km from the Fukushima Daiichi Nuclear Power Station, decontamination measures were undertaken by making use of the knowledge and technologies concerning radioactive contamination. The factory was able to resume operations as early as October 2011.

The factory was also involved in local support activities. 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—such 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 shrunk 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 “spreading 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 nano-technology, 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.
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 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:

Process of creating the report

Stakeholders

Use as communication tools

FTIFILM Holdings

Publishing the 2011 report

September 2011

Group companies

Daily business operation (CSR activities)

Use as communication tools

Use of opinions

Incorporation of improvement proposals

Formulating the editorial policy

February to July 2011

Collection and provision of information

July to August

Receiving third-party opinions

August

Publishing the 2012 report

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Fujifilm Group/Vision—Fujifilm Group’s Ideas/
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Column 1

Reference

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.

Supplemental information regarding reported matters
Quantitative information about personnel and labor affairs is not shown in the Sustainability Report 2012. 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 (real report: August 2013, previous report: October 2011)

Column 2

Referenced guidelines
Japan’s Ministry of the Environment: Environmental Reporting Guidelines 2012 Version
GRI: Sustainability Reporting Guidelines 2012 Version
Japan’s Ministry of the Environment: Environmental Accounting Guidelines 2005 Version
ISO26000: Global Social Responsibility
GRI Guidelines (G3) Comparison Table
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

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, individually and differences.

Implementation of our Corporate Philosophy through business operations

[Six Priority Business Fields]

Imaging Solutions
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)

Information Solutions
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
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.
**Feature: Meeting Global Challenges with the Power of Technology (Part 1)**

### 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.

**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* systems with DR 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.

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 comparable with that of conventional analog films, demand for digital machines has been dramatically increasing. In response, Fujifilm 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.

FCR PRIMA, Developed for use at smaller medical facilities in local cities in India

The FCR PRIMA system is a small-sized digital X-ray system with a 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 product based on the advanced technologies of 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.

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

**Dr. B Lal Gupta**

Dr. B Lal Clinical Laboratory

(i) Digital X-ray Imaging System using imaging plate (IP)

(ii) Digital X-ray Imaging System using flat panel detector

**FCR PRIMA System Configuration**

Image Reader

Workstation

Laser Printer

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

**Stakeholder message**

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 this 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 1 VOICE

**Relating 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

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.

FCR PRIMA: Developed for use at smaller medical facilities in local cities in India

i-Stroke: Displays the follow-up data of a patient in chronological order, including images, doctors’ comments, examination and treatment data
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 from an endoscope by 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 through the rectum, it may hurt the small intestine by the inappropriate insertion. Although the number of people suffering from small intestine diseases 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 twen-

The double-balloon endoscope designed by Professor Yamamoto can pass smoothly through the small intestine by means of balloons temporarily fixed at the curvatures. This endoscope made it possible for patients suffering small intestine ulcers or bleeding from the organ to receive high-frequency current 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 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 80 in China.

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: A type of inflammatory bowel disease that 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 material, disease agents) and is thought to be connected with environmental factors and dietary habits. It is said that those who have a lot of animal proteins and fatty foods 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.

The 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.

According to Dr. Hironori Yamamoto, former director of the 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 remote image diagnosis and treatment support 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.

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

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.

The university and manufacturing companies, including Fujifilm, are making efforts to meet this request by using the most advanced technology available.

The double-balloon endoscope, on the other hand, has made it easier to pass balloons through the small intestine.

The two balloons make it easier to pass through the small intestine with the double-balloon endoscope. Fujifilm 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.

The two balloons make it easier to pass the endoscope through the small intestine.
The Fujifilm Group’s social contributions in the pharmaceuticals business

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

The Fujifilm Group 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 businesses.

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 they are made using biological organisms, complex production technologies need to be adapted. 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.

Case 2

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

Because there are few antimicrobial agents 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. 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.

OXZE® fine granules for children (15%), which is effective for the treatment of pneumonia and middle-ear infection, is a reformulation of OXZE® tablets—sold since 1990; 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.

For young children, a family of antimicrobial agents to which OXZE® belongs, are known to have toxic effects on the joints of young dogs raising concerns about the same kind of disorders in humans being born. OXZE®, however, showed relatively few toxic effects; the adverse effects were reported to date through post-marketing safety monitoring of OXZE® fine granules for children (15%), as well as through follow-up surveys of 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.

OXZE® fine granules for children (15%), released in January 2015, 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.”

*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

Protecting children is protecting the future of society

Yoshitaka Katakose
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 OXZE® fine granules for children (15%) thanks to the support from those working at the forefront of clinical treatment. I think pharmaceutical companies cannot effectively develop and further explore the appropriateness of new drugs without the help of the medical field, academic, and related governmental agencies.
Taking on the Challenge of Reducing CO2 Emissions by 30% through Environmental Innovations

**Policy**

Fujixerox conducts activities to reduce the environmental impacts of its multifunctional 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, and 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, Fujixerox 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 returns of the development and manufacturing systems are needed to promote the reuse of parts, which is more difficult than using new parts. Fujixerox 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, Fujixerox 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). Fujixerox 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 believes it is important to provide products to 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 CO2 emissions.

Fujixerox is also determined to help society at large reduce CO2 emissions by doing more than just reducing the life cycle environmental impacts of its products. Specifically, in addition to reducing the total life cycle CO2 emissions from its products by 30% relative to the 2005 level by fiscal 2030, the company has set the target of helping customers reduce CO2 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, Fujixerox 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 2030, Fujixerox will create new work styles and work spaces to help society at large reduce its total CO2 emissions, in addition to proposing to customers the optimal layout of their office devices for higher productivity.

**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 is 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.

*Fuji xerox: Toyota summit leaders declaration (July 2009)"
Making plastics using eco-friendly materials available anywhere in the world

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 material 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 edible biomass plastic.*

The edible biomass plastic developed by Fuji Xerox was the first edible 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 polyolactic 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 containing cellulose to mix a small amount of ABS (petroleum-based plastic) into cellulose and composite 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: Biodegradable plastics that do not compete against food supplies.

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 (Shanghai) 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 Asia-Pacific regions.

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

Fuji Xerox could be remembered as a manufacture of biomass plastics

Kenji Yao
Team Manager, Marking & Materials Technology Group
Fuji Xerox

The team was initially established for the Design for Environment (DFE) project to fundamentally develop plastic materials. We have successfully developed biodegradable plastics after being shocked by the sight of waste piled up on Kumanoshima (a disposal site in Tokyo). We developed the biodegradable 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
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.

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. It is also true that 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.

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 (Shanghai)

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.

Case 1

Achieving zero landfill across the Asia-Pacific region

[Dispposal] Fuji Xerox Eco-Manufacturing (Shanghai)

A company engaged in the development of technologies to increase the flame resistance of plastics.

Mr. Fan Xing Hua
President, Taibang Huaqiang Plastic Co., Ltd.

Achieving zero landfill across the Asia-Pacific region

Fujifilm Holdings Corporation Sustainability Report 2012
To curve global warming, power generation using natural energy such as solar cell and CSP system (concentrating solar power system) has been attracting even 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 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.

Supporting the Effective Use of Solar Energy with Film Technologies

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 space 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, many 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 reflective color 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-based 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 suit, so the film-type mirror is recyclable. By applying the film-forming technology to create a thin film with the excellent technologies that we have in Japan.

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 reactive layer; and an adhesive layer (PET resin sheet) to provide high reflectance and durability.

Social challenges and backgrounds

The Great East Japan Earthquake has made us 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 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.

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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 6.0°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 basic 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 to 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

- Near-infrared light reflecting film
- PET film with thickness of 75 to 250 µm
- Silver nano disk grains

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)

<table>
<thead>
<tr>
<th>Temperature (°C)</th>
<th>Measurement time</th>
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<tr>
<td>Without film</td>
<td></td>
</tr>
<tr>
<td>Temperature</td>
<td>40°C</td>
</tr>
<tr>
<td>With film</td>
<td></td>
</tr>
<tr>
<td>Temperature</td>
<td>33.5°C</td>
</tr>
</tbody>
</table>

We have accumulated film technologies for over 160 years

Katsuhisa Ohzeki Dr. Eng.
Research Manager Frontier Core Technology Laboratories Research & Development 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 & Development 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.
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.

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 CSR promotion system

For the smooth operation of the entire Group’s CSR activities, the FujiFilm Group established the CSR Committee chaired by the President of FUJIFILM Holdings in 2006. The Committee takes decisions to promote the CSR activities of the entire Group. The CSR Department of FUJIFILM Holdings, which is the Secretariat of the CSR Committee, is responsible for ensuring rigorous CSR management by the FujiFilm Group. The CSR Department prepares the ground for various activities, makes relevant decisions, communicates with stakeholders, supports the CSR activities of Group companies, and audits the CSR activities of the entire Group. The CSR department in each Group company prepares and implements plans for CSR activities, strengthens governance by ensuring rigorous management and compliance 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

Following the shift to a holding company structure in 2006, the 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 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 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.

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 Philosophy and Vision

FUJIFILM Holdings Corporation Sustainable Report 2012

FUJIFILM Corporation | 2012-06-15

The FujiFilm Group’s CSR promotion system

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FUJIFILM Holdings Corporation

CSR Activity Report

FUJIFILM Holdings Corporation Sustainability Report 2012

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 in planning by identifying priority issues, as above.

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 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.
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)

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<th>Promotion Policy</th>
<th>Priority Issue</th>
<th>Medium-Term Target</th>
<th>Main Achievement (Progress) in FY2011</th>
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<td>Transparency of corporate activities</td>
<td>Compliance with laws (general aspects)</td>
<td>Improve the sustainability of the Group’s business field</td>
<td>Make efforts to recover more raw materials from end-of-life products</td>
<td>Complete project to reduce fuel costs</td>
<td>Data and Information (pages 62 and 63)</td>
<td>activity report (page 27)</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Compliance with laws (specific aspects)</td>
<td>Improve the sustainability of the Group’s business field</td>
<td>• Increase raw material recovery rate</td>
<td>Completed project to reduce fuel costs</td>
<td>Data and Information (pages 62 and 63)</td>
<td>Activity report (page 27)</td>
<td>27</td>
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</tbody>
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O P I N I O N

On the Medium-Term CSR Plan

Mr. Mituo Ogawa, President

Executive Officer, Group Compliance

Fujifilm Holdings Corporation

The medium-term CSR Plan has established an even more specific framework for achieving the Group’s CSR goals. Under the leadership of the president, the plan has been carefully developed in line with the current business environment and the Group’s worldwide initiatives. The plan’s emphasis on specific targets and actions is helping to ensure continuous improvement and fulfilling the Group’s global mission.

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 the environment, we believe that companies should be active in areas such as ISO 26000, to examine whether balance is maintained across the company’s activities. The other proposal is to develop a list of strategies for disclosing target quantitatively. The roadmap for 2010-2012 can help in developing strategies to disclose target quantitatively and, as far as possible, in progress control of medium-range targets of significant social impact. 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.”

Response to the third-party opinion

We have been working 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 engagement in PDCA activities.

Also, the next year will be the time for us to develop a new medium-term 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 review our activities in areas where the Group needs to focus on the Medium-Term CSR Plan. We also plan to contribute to the Group’s CSR progress since the starting in 2004.
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.

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 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 in 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 promotion 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 effectuating 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 AL-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 affected 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.
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 the 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 an 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.

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-Mimami 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 and safety management system (OHSAS). In addition, certain segments of the Group, such as the head office and sales companies, manage 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 active 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 those 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.

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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.

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

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 CO2) 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.”

* Please see page 64 for FY2012 Priority Targets

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**Environmental burden due to raw materials procurement (weight)**

<table>
<thead>
<tr>
<th>Material</th>
<th>Weight (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum, aluminum alloy</td>
<td>139 t</td>
</tr>
<tr>
<td>Silver</td>
<td>0.648 t</td>
</tr>
<tr>
<td>Paper (used for products)</td>
<td>64.9 t</td>
</tr>
<tr>
<td>PET (polyethylene terephthalate)</td>
<td>45.8 t</td>
</tr>
<tr>
<td>TAC (triacetylcellulose)</td>
<td>46.6 t</td>
</tr>
<tr>
<td>Others</td>
<td>218 t</td>
</tr>
</tbody>
</table>

**Environmental burden due to product manufacture (weight)**

<table>
<thead>
<tr>
<th>Method</th>
<th>Weight (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity used, Oil and gas used, Water used</td>
<td>62.6 t</td>
</tr>
<tr>
<td>Water used → Discharged water, Waste materials</td>
<td>54.5 t</td>
</tr>
</tbody>
</table>

**Environmental burden due to product transportation**

<table>
<thead>
<tr>
<th>Method</th>
<th>Weight (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity used, Water used</td>
<td>55.5 t</td>
</tr>
<tr>
<td>Water</td>
<td>255 t</td>
</tr>
<tr>
<td>Total nitrogen</td>
<td>5.21 t</td>
</tr>
<tr>
<td>Total phosphorus</td>
<td>3.71 t</td>
</tr>
</tbody>
</table>

**Environmental burden due to product use**

<table>
<thead>
<tr>
<th>Method</th>
<th>Weight (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity used, Water used</td>
<td>255 t</td>
</tr>
<tr>
<td>Discharged water</td>
<td>55.5 t</td>
</tr>
</tbody>
</table>

**Environmental burden due to product disposal**

<table>
<thead>
<tr>
<th>Method</th>
<th>Weight (t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste combustion recycling energy</td>
<td>255 t</td>
</tr>
<tr>
<td>Waste material</td>
<td>68.4 t</td>
</tr>
</tbody>
</table>

---
Promoting Anti-Global Warming Measures

Action to curb global warming is being executed from all perspectives to achieve the long-term goal of “reducing CO2 emissions for the entire life cycle by 30% by fiscal 2020.”

Basic approach to anti-global warming
The Fujifilm Group announced its long-term goal of “reducing CO2 emissions for the entire life cycle by 30% by fiscal 2020” in April 2010. In addition to corporate activities in areas directly linked to CO2 reduction, activities have been expanded across the entire life cycle of products and services (procurement of materials and “manufacturing,” transportation,” “use,” and “disposal”), executed in a wide range of fields in order to cut CO2 emissions by 1,504,000 tons/year in absolute terms over CO2 emissions for the standard fiscal 2005 level of 5,049,000 tons/year, achieving 3,525,000 tons/year in fiscal 2023.

CO2 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 CO2 output in the area of “procurement.” In addition, flood damages in Thailand during the summer of 2011 forced heavy dependence on air freight procurement volume and the resultant increase in CO2 output in fiscal 2011.

CO2 output in fiscal 2011

1. Actual performance of the Fujifilm Group in 2005 (base year)
2. Goal of the Fujifilm Group for 2020 (target year)

FY2011 results for Fujifilm Group

<table>
<thead>
<tr>
<th>CO2 (kt-CO2/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan 2,435</td>
</tr>
<tr>
<td>Overseas 1,373</td>
</tr>
<tr>
<td>Total 3,808</td>
</tr>
</tbody>
</table>

FY2011 CO2 emission by region*
(manufacturing)

<table>
<thead>
<tr>
<th>Region</th>
<th>CO2 Emissions (kt-CO2/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>897</td>
</tr>
<tr>
<td>Americas (USA, Canada &amp; Brazil)</td>
<td>145</td>
</tr>
<tr>
<td>Europe (Netherlands, Germany, Belgium, UK &amp; France)</td>
<td>91</td>
</tr>
<tr>
<td>China</td>
<td>116</td>
</tr>
<tr>
<td>Asia excl. China &amp; Oceania (Australia, South Korea, Singapore, etc.)</td>
<td>18</td>
</tr>
<tr>
<td>Group total</td>
<td>1,267</td>
</tr>
</tbody>
</table>

*Calculation method is identical to that in “Annual Change in CO2 Emissions” (page 65)

Across-the-board engagement of the entire company in CO2 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 CO2 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 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 cleaning room at Fuji Xerox Suzuki 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). Because we introduced our own independently developed recyclable energy system, the Cogenthermical 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 CO2 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 furnaces fueled with natural gas, which at the same time collects waste heat generated in the form of steam and hot water.

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 Fuji 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, ENEO. 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 10% of the total energy consumed at the plant. The startup of wind power generation has made reduction of CO2 emissions by approximately 12,300 tons per year possible. As it started from September, we reduced 7,400 tons of CO2 in fiscal 2011.
Energy-saving technology for solvent recovery process applied to all FPD-manufacturing plants

Nearly 100% of the solvents used in manufacturing polarizer production line at Fujifilm Kyushu, where CO2 emissions are expected to be reduced by 25,000 tons CO2/year (energy conservation of $30,000 GJ) through this technology.

Key points in energy conservation in the solvent recovery process

- 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) -> 100% recovery of solvent for reuse
- Consistent solvent concentration and cool process temperature
- Consistent solvent concentration and consistent process temperature
- Consistent process temperature

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 Kohin Port via its distribution center in Yokohama City, however, Fujifilm Logistics has reduced truck transportation distances and cut down CO2 emissions by moving shipment from Fujinomiya City, Shizuoka Prefecture, to nearby Shizu Port. Transport volume via Shizu Port 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, with a reduction in CO2 emissions.

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 social 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.

Promoting energy conservation with a system to visualize energy consumption

In our 2020 greenhouse gas mitigation targets announced in 2009, Fujifilm pledged to reduce our CO2 emissions through-out the entire product lifecycle and to provide solutions to reduce our customers’ and society’s CO2 emissions by seven million tons. As a part of the efforts, the company has developed a self-analysis system to visualize energy consumption called EnelEye, with which all employees can analyze their energy consumption from various perspectives, and has been conducting the system’s verification experiments at Fujifilm 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 working 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, EnelEye was utilized for the entire building of Fujifilm 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, Fujifilm R&D Square achieved nearly 30% in energy saving year on year. (approximately 4,200 tons in annual CO2 emission reduction).

Fujifilm 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.

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 CO2 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 generation. The Group 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 in 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 proud of the evaluation as members of a manufacturing business. As it 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.

For the total building energy conservation using EnelEye, Fujifilm 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.
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 assessment and evaluation throughout the entire product life cycle, for the protection of the global environment.

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 (IDE)”. Environmental goals that need to be considered in 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 CO2 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” program for scrap aluminum from CTP/PS plate manufacturing process (printing plates) in which aluminum is used as the main 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, CO2 emissions related 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” scheme will be introduced for CTP/PS plates and PLA.

Recycled metal

In the PLATE to PLATE Environmental Label

Fujifilm is utilizing its fluctuation in production, and is introducing an opti-mum amount of recycled metal to reduce CO2 emissions. In 2007, Fujifilm commenced using recycled metal in a “PLATE to PLATE” environmental label, unique to Fujifilm, which has been creating to indicate participation in the system and has been served effectively in the presentation of the participating company’s efforts as environmental activity.

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

In the future, wider application of CTP/PS plate recovery and recycling will be promoted for further CO2 reduction and the effective use of resources in the product life cycle.

| 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. |
| CO2 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 CO2 reduction effect is shown from refining basae, a raw material of aluminum, up to CTP/PS plate production.
| Cascade recycling | Recycling that does not restore the original high purity, causing purity decline. |

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 CO2 emissions in the product life cycle.

In packaging material design, its pool of expertise and technology is being utilized fully in the design and evaluation cycle in order to promote reductions in environmental impact and use optimal packaging. Based on its policy of cutting down CO2 emissions for current products, all activities such as reduction in packaging materials and use of cardboard instead of wooden crates are managed and contribute to reduce CO2 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 packaging 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 test environment 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

Packaging design

| Packaging material design process | Reduces environmental impact through use of bio-based packaging material | Optimized packaging | Total cost reduction | Packaging test & evaluation |

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


Fujifilm 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 MONOZUKURI 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 Fujifilm 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.

Recycled Plastics

The company developed the recycled plastic containing 63 weight percent of used plastic*1 from device covers of multifunc- tion devices and printers covering about 20% of the total plastic 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 con- ventional 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 CO2 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 CO2 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.

Biomass plastic

Fujifilm 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 and 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.
integrating the scheme of recovering used CDs and DVDs based on the recovery of silver from photographic film, etc., along with Fujifilm. A long-standing business partner that has engaged in the sorting and processing of used CDs for high-purity pellets of polycarbonate resin from the used CDs and DVDs. This recycling system has made possible the reduction of CO2 emissions 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 indicating environmentally conscious CD/DVD has also been developed for customers to appeal as environmental activity with logo printed on CD/DVD surface.

*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 schemes of recovering used CDs and DVDs based on strict management of customer data provided by FUJIFILM Media Crest Co., Ltd. Production of optical discs under this recycling system has made possible the reduction of CO2 emissions by as much as 45%, compared to manufacturing using new polycarbonate resin only.

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 an 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 employee 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 CO2 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)

Environmental assessment of the product life cycle is a milestone in eco-innovation
FUJIFILM Holdings was the first company to create a successful closed-loop recycling system for reuse of used PS plates into new PS plates. It is an 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 employee involved.

*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 photographic materials, since the start of our business operation and is the foundation of the 3R movement. This was followed by the cycle production of “Utsunomusa” disposable cameras in 1998, the closed-loop recycling system for FSI 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.

In addition to improving water conservation, we plan to continue underground water protection through rice paddies 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 × 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 0.2–0.45 μm).

Approx. 50,000 sets of eco-friendly uniforms that contribute to resource recycling introduced
As part of energy-saving activities, we have made use of recovered resources in the first phase of recycling using a material recycling system. Since eco-friendly uniforms can be recycled repeatedly and nearly permanently as polyester fiber, they will reduce virgin fiber use and cut down waste. Compared with the production of polyester material from petroleum, this reduces both energy consumption and CO2 emissions; and compared to production of uniforms with virgin fiber, CO2 emissions are reduced by some 255 tons.

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

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 overflow water is being reused as facility cooling water since operation startup. These efforts have enabled us to maintain the water recycling ratio2 at over 50%.

Starting in May 2011, treated water from the membrane bioreactor3 installed in 2009 to purify sewage effluent is being used for the cooling tower, raising the recycling rate for fiscal 2011 to 57.5% to 62.1%.

Fujifilm Kyushu water recycling rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Recycling Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>54.0%</td>
</tr>
<tr>
<td>2010</td>
<td>57.5%</td>
</tr>
<tr>
<td>2011</td>
<td>62.1%</td>
</tr>
</tbody>
</table>

Reduction of CT (bleach) blow frequency

- Reduction of CT blow frequency
- Evaporation from cooling tower
- Edolo reflux
- CT blow water reuse
- Recycle in cooling jacket for feeding

Recycling

- Recycle for rewash effluent
- Rainwater use

Fujifilm Kyushu water recycling rate

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

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 guidelines 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.

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 tsus 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 Minamiassico Town in 2007, and engages in headwater forest maintenance.

Additionally, cleaning activities are being organized at Fujinomiya Factory through which the Shizu 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 used also for Fujinomiya Factory’s Sustainability Report 2011 by confirming that it was a byproduct of beef production, 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 guidelines 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.

Participation in community movement for groundwater and landscape protection

Minamiaiso 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.

For this reason, in 2010 Fujifilm Kyushu began participating in helping a group working chiefly in Minamiaiso. In 2011, Fujifilm Kyushu employees and their families, along with representatives of administrative authorities, came to Minamiaiso’s rice paddies located in the upper Shinkawa 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 Minamiaiso 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 401 times to date and the total number of participants now exceed 25,000.

Response to the third-party opinion

The assessment of the efforts that the Fujifilm Group is conducting directly or indirectly, 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.

**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 30). We constantly strive to reduce chemical substance risks by assessing the environmental impact of the chemicals contained in our products throughout their life cycle, 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 introducing 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-consultation (JAMP), which was founded in 2006 to promote the smooth communication of information concerning the chemicals 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.

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

Fujifilm Xerox has set out its Green Procurement Standard that specifies prohibited 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 Fujicolor 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 framework.

**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, water, and soil protection as well as chemical exposure prevention methods.

In November 2011, an audit was undertaken in Fujixerox of Shenzhen and Fujixerox Eco-Manufacturing (Shizouka) in China, both of which handle organic solvents and micro powders. In addition, we conducted an extensive chemical substance management audit of each production site participating in JAMP to ensure that the contents and substance management rules are defined for the chemical product inspections and assist the cooperation in the entire supply chain.

The audit results point out an issue that the design standards, adhered to by almost all companies in Japan, have 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.

**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 on our original standards. Since then, these rules have been helping us to assess the risks to health, environment, and physical circumstances. To further assess risk management accuracy, in April 2011, we added the revised RoHS Directive to improve 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 automated computer tool enables assessors to ascertain the magnitude of the health, environmental, and physical risk 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 risk management.

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

**Implementing chemical substance management audit throughout all 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 could take action as a response to its suppliers but in a participation 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 those who need it.

Also, chemical management is moving from hazard control to risk management globally. When designing 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, it 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
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 company’s 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 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 Tokyo 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 Tokyo and overseas, as well as 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 span 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.

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

Fujifilm respects the basic human rights of all its employees. We do not discriminate on the basis of gender, age, race, religion, sexual orientation, 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 the 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 “maximizing the ability 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 we are building on the implementation of these flexibilities. 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 the following principles of basic human rights, (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, and we 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 and the range of working styles offered. As a result, 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 19.3 years among female workers, 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 on “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 improvement 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 exercising 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 Planogram”

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. It is important 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 People’s Republic of China. The award is presented to companies implementing effective family-friendly working policies, the award is presented to companies implementing effective family-friendly working policies.

In this respect, I feel the company will be required to engage in its activities with a conscious awareness of not only its employees but also the community to which it belongs. The company is a part of the community and vice versa. The company is expected to contribute to the community as a good corporate citizen with the spirit of the company.

“Operations and business expansion”

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 felt its action on diversity, which is not mentioned in the text, is demonstrated by approval of various working styles, represented by employee programs extending 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 employee 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 management 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.

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

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 company-wide distribution of DVD training materials, stickies 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 (fast) 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).

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.

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 employee 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 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 company-wide distribution of DVD training materials, stickies 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.

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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 “completed with,” rather than merely “feeling safe with some rules in place.”

FUJIFILM Holdings Corporation Sustainability Report 2012
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.

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 NPOs/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 17,251 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 soared 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.

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 of being able to go back to photographs.

After the project started, we gained a number of alliance partners,* including local photo shops, department stores, hotels, cafes, kindergartens, and after-school child care 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 "I felt the stress 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 participating mothers. 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.


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

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 wars, 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 162,026 operations had been conducted.

Fujifilm donated our anti-infection medicines including GIZEK®, Tablets, CEFOPHARZ® 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 mostly established in Paris in 1980. The network consists 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 Shinbashi Prince Palace shopping place, 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, Antananarivo, Republic of Madagascar."

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

Fujifilm一会出展!"PHOTO IS"へ 大事な写真を共有し、幸福を再発見する会

Top: In 2012, the exhibition 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 Shinbashi Prince Palace shopping place, Kanagawa, Japan)

Bottom: Messages gathered by the Operation Smile campaign are shown to local medical experts and children. "Photo of Université d’Antananarivo Joseph Ravoahangy Andrianavalona, Antananarivo, Republic of Madagascar."
Wildlife conservation in China marks 15th year anniversary

The Fujifilm Labor Union commenced its Green Volunteers program, a desert afforestation activity, when the Union celebrated the 55th 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 15th 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 timing 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.

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), Fujixerox created a digital textbook data operation guide and two user manuals for producing large-font textbooks, and published them on our website.

Following the implementation of the Barrier-Free Textbooks Act⁷ 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. Fujixerox 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.

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

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.

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

Fujixerox 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. So far, we have restored Schachtscheidt’s 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 Onmitsu Shiryo Jiki Ezu (Pictorial Guide of Enshrined Divine Treasures and Items), a design book describing the ceremonial costumes stored by the Shigomago Shrine.

Fujixerox 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.

Response to the third-party opinion

We are very encouraged by the positive feedback that we have received for our activities that link 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.

The Nippon Foundation

The Nippon Foundation is a private, non-profit foundation established in 1989. Its mission is to contribute to the peace and prosperity of Japan and the world. The Foundation, which is determined to play a unique role in building a world of peace, prosperity, and equality, is active in areas such as education, culture, and the environment.

FUJIFILM Holdings Corporation CSR Activity Report 2012

FUJIFILM Holdings Corporation CSR Activity Report 2012

FUJIFILM Holdings Corporation Sustainability Report 2012
**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.

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### Means of dialogue with 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 in 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.

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**Shareholders**

- Investment-related inquiries respond to inquiries
- Correspondence concerning certificates of shares

**Customers**

- Customer satisfaction surveys
- Customer Service Stations

**Employees**

- Business report presentations for employees
- Regular discussions with partners
- Consulting & joint development of products, materials, etc.

**Suppliers**

- Commitment to the ISO 9000 series, ISO 14000 series, OHSAS 18001 series, and REACH directive
- Commitment to utilizing green products and materials

**Community (local societies)**

- Activities aimed at reflecting customer opinions and requests concerning products, services, and corporate activities as an important issue for the manufacturing business

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**Transaction partners**

- Fujifilm is preparing new value creation towards society. We plan to engage in product development through both collaboration and support.

**Means of dialogue**

- 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, auctions, academic societies, etc.

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**Means of dialogue with stakeholders**

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**Transaction partners**

- Transaction partners are important to Fujifilm in promoting new value creation towards society. We plan to engage in product development through both collaboration and support.

**Means of dialogue**

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- Regular discussions with partners
- Consulting & joint development of products, materials, etc.
- Participation in exhibitions, special events, auctions, academic societies, etc.

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**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 Sites 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 stakeholders. 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.

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

China International Medical Equipment Fair (CMEF)

Radiological Society of North America (RSNA)

Indian Radiological & Imaging Association (IRIA)
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 relationships, founded on trust, with business partners. The company has resulted in the establishment of the entire business system, whereby Fuji Xerox 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.

Fuji Xerox is 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 amidst 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 Fuji Xerox Group Procurement Policy, consisting of the Basic Procurement Concepts and Procurement Guidelines. At the same time, “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 Fuji Xerox 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 Fuji Xerox requests suppliers to implement maintenance and improvement, and then confirms the results.

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 comprehensive 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 transit 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 EOL (quality, cost, delivery).

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 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 concepts presenting gainful 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 summer of 2011, a power consumption restriction order was issued in the Tokyo Electric Power and Tohoku Electric Power service areas, which requested 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 were involved in the energy-saving project following the “Ice Challenge” project’s 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 EOL (quality, cost, delivery).

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

**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 Japan and China are major international issues. 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 has regulated to prevent both direct and indirect involvement in the illegal excavation of conflict minerals, use of such process minerals, and similar illegal activities.

**FUJIFILM Holdings Corporation Sustainability Report 2012**
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 1,550 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 a 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.

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. The Photo Rescue Project website established to report on the day-to-day progress of the project. The photo cleaning activity by local volunteers in the disaster-affected areas still continues. Some 20,000 photos were cleaned by 150 volunteers over February 11 and 12, 2012. The Memory Reuniting Square hosted by a Sendai volunteer group from February 23 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, about 21 km away from the Fukushima Daiichi Nuclear Power Plant. With the help of Fujifilm RI Pharma, our group company conducting research, development, manufacturing, 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.

Helping the recovery of Kesennuma, Miyagi, utilizing our radiation expertise

Fujifilm Finechemicals Hirono Factory is located in Hirono-cho, Fukushima, about 21 km away from the Fukushima Daiichi Nuclear Power Plant. With the help of Fujifilm RI Pharma, our group company conducting research, development, manufacturing, 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.

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Compliance and Risk Management

Compliance

<table>
<thead>
<tr>
<th>Compliance education (Fuji Xerox in Japan)</th>
<th>Details</th>
<th>2011 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training names</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education on the Fuji Xerox Code of Conduct</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New executive officer training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New administrator training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic training on basic legal knowledge utilizing the Internet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training on information security: WBT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Content of education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group training to explain details of each code of conduct using specific cases</td>
<td>On-site, 481 participants</td>
<td></td>
</tr>
<tr>
<td>Group training on corporate law and overall risk, such as risk on general affairs, human resources, etc.</td>
<td>On-site, 26 participants</td>
<td></td>
</tr>
<tr>
<td>Group training on compliance of labor management board (environment and compliance, corporate image, etc.) in workplace</td>
<td>Four times, 260 participants</td>
<td></td>
</tr>
<tr>
<td>Training on basic legal knowledge utilizing the Internet</td>
<td>On-site, 20,000 participants</td>
<td></td>
</tr>
<tr>
<td>Basic training related to information security utilizing the Internet</td>
<td>On-site, 30,000 participants</td>
<td></td>
</tr>
</tbody>
</table>

Risk Management

<table>
<thead>
<tr>
<th>Acquisition of P-Mark and ISMS</th>
<th>Certification</th>
<th>Certified Affiliates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P-Mark1</td>
<td>FLUJIFILM Medical Co., Ltd.</td>
<td>FLUJIFILM Graphic Systems Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>FLUJIFILM Imaging Systems Co., Ltd.</td>
<td>FLUJIFILM Software Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Fujifilm Co., Ltd.</td>
<td>Fujifilm Co., Ltd. (Global Sales)</td>
</tr>
<tr>
<td></td>
<td>Fujixerox System Services Co., Ltd.</td>
<td>Fujixerox Company Limited</td>
</tr>
<tr>
<td></td>
<td>Fujixerox Learning Institute Inc.</td>
<td>Fujixerox Shanghai Ltd.</td>
</tr>
<tr>
<td>ISMS2</td>
<td>FLUJIFILM Graphic Systems Co., Ltd.</td>
<td>FLUJIFILM Graphic Systems Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>FLUJIFILM Software Co., Ltd.</td>
<td>FLUJIFILM Software Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Fujixerox System Services Co., Ltd.</td>
<td>Fujixerox System Services Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Fujixerox Information Systems Co., Ltd.</td>
<td>Fujixerox Information Systems Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Fujixerox Protection Devices 11 companies (12 offices)</td>
<td>Fujixerox Shanghai Limited</td>
</tr>
<tr>
<td></td>
<td>Fujixerox Company Limited</td>
<td>Fujixerox China Co., Ltd.</td>
</tr>
<tr>
<td></td>
<td>Fujixerox Shanghai Limited</td>
<td>Fujixerox Shanghai Ltd.</td>
</tr>
</tbody>
</table>

1. Privacy Mark (P-Mark): A mark granted by the Japan Information Processing Development Corporation (JIPDEC) to companies whose personal information is handled appropriately.
2. ISMS: Certification regarding the overall management framework for information (including personal information) (Information Security Management System).

Communication with Customers and Suppliers

Customers

<table>
<thead>
<tr>
<th>Customer's opinions</th>
<th>Interactions with</th>
<th>Order Management</th>
<th>Consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interactive communication</td>
<td>Top management</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction-Promotion Office</td>
<td>Annually 10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customers Communication Center</td>
<td>Annually 10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Call Center for the Healthcare Laboratory</td>
<td>Annually 10,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Technical Support Center</td>
<td>Annually 50,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Service Station</td>
<td>Annually 70,000</td>
</tr>
</tbody>
</table>

Suppliers

<table>
<thead>
<tr>
<th>Supplier Group Procurement Policy</th>
<th>Considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Suppliers, by the development and provision of social beneficial goods and services in a safe and reasonable 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.</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>3. Suppliers shall engage in communication with exchanges of society at large, including active and transparent disclosure of corporate information.</td>
<td></td>
</tr>
<tr>
<td>4. Suppliers shall strive to respect diversity, individuality, and differences of their employees to promote safe and comfortable workplaces.</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>6. As “good corporate citizens,” suppliers shall actively engage in philanthropic activities, and other activities of social benefit.</td>
<td></td>
</tr>
<tr>
<td>7. Suppliers shall reject all contacts with organizations involved in violation of the law or accepted standards of responsible social behavior.</td>
<td></td>
</tr>
<tr>
<td>8. Suppliers shall observe laws and regulations applying to their overseas activities, and see to it that their overseas activities in such a way as to promote and contribute to the development of local communities.</td>
<td></td>
</tr>
<tr>
<td>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 have the responsibility to ensure the sound development and implementation of systems that will contribute to a greater understanding of business ethics.</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>
Personnel and Labor (FUJIFILM Corporation)

### Employment

#### Composition of the Fuji Xerox workforce

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Total employees</th>
<th>Regular employees</th>
<th>Non-regular employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>15,683</td>
<td>5,683</td>
<td>10,000</td>
</tr>
<tr>
<td>2008</td>
<td>15,683</td>
<td>5,683</td>
<td>10,000</td>
</tr>
<tr>
<td>2009</td>
<td>15,683</td>
<td>5,683</td>
<td>10,000</td>
</tr>
<tr>
<td>2010</td>
<td>15,683</td>
<td>5,683</td>
<td>10,000</td>
</tr>
</tbody>
</table>

#### Status of regular employees

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Regular employees</th>
<th>Average employee age</th>
<th>Average annual salary</th>
<th>Average working hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>5,683</td>
<td>40</td>
<td>1,800,000</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>5,683</td>
<td>40</td>
<td>1,800,000</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>5,683</td>
<td>40</td>
<td>1,800,000</td>
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</tr>
<tr>
<td>2010</td>
<td>5,683</td>
<td>40</td>
<td>1,800,000</td>
<td></td>
</tr>
</tbody>
</table>

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

- **Fiscal year 2007**
  - Revision on the support system for promoting work-life balance
  - Revision on the policy on rewarding creativity
  - Revision on the company's CSR policy

- **Fiscal year 2008**
  - Revision on the support system for promoting work-life balance
  - Revision on the policy on rewarding creativity
  - Revision on the company's CSR policy

- **Fiscal year 2009**
  - Revision on the support system for promoting work-life balance
  - Revision on the policy on rewarding creativity
  - Revision on the company's CSR policy

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### Personnel and Labor (Fuji Xerox)

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- **Fiscal year 2009**
  - Revision on the support system for promoting work-life balance
  - Revision on the policy on rewarding creativity
  - Revision on the company's CSR policy

- **Fiscal year 2010**
  - Revision on the support system for promoting work-life balance
  - Revision on the policy on rewarding creativity
  - Revision on the company's CSR policy

### Recruiment

#### System for a good work-life balance

- In response to the 2010 amendment to Child Care and Family Care Leave Laws, programs for supporting a balance between work and children or family care have been improved, and programs that more than simply legal requirements are in place, such as the improved child 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.

#### Number of employees taking a leave of absence

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Leave of absence for volunteer work</th>
<th>Leave of absence for childcare</th>
<th>Leave of absence for nursing care</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>54 (Male 6, Female 48)</td>
<td>54 (Male 6, Female 48)</td>
<td>54 (Male 6, Female 48)</td>
</tr>
<tr>
<td>2008</td>
<td>54 (Male 6, Female 48)</td>
<td>54 (Male 6, Female 48)</td>
<td>54 (Male 6, Female 48)</td>
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<tr>
<td>2009</td>
<td>54 (Male 6, Female 48)</td>
<td>54 (Male 6, Female 48)</td>
<td>54 (Male 6, Female 48)</td>
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<td>54 (Male 6, Female 48)</td>
<td>54 (Male 6, Female 48)</td>
</tr>
</tbody>
</table>

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**FUJIFILM Holdings Corporation Sustainability Report 2012**

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Environmental Aspects

Data and Information

Priority Targets

- FUJIFILM FY2012 Priority Targets

  - **Priority Targets**
    - **Fujifilm**: Energy conservation measures at all production sites and offices. Examples include: installation of new energy-conservation equipment, improvement of power generation, improvement of renewable energy, and introduction of energy-saving technologies at sites where the generation of electricity from waste is reduced, including new material processing, distribution, use and disposal.
    - **Fuji Xerox**: Improved energy efficiency is being promoted at each site.

  - **Development and dissemination of environmentally conscious products and services**
    - The development of environmentally conscious products is an important factor for the improvement of CO2 emissions. Environmental considerations are being planned at each site.

  - **Improvement of chemical substances management**
    - The environmental protection is an important objective for the improvement of CO2 emissions. Careful management is being strengthened at each site.

  - **New product development**
    - New products are being developed with consideration for environmental impacts.

  - **Sustainability Report 2012**
    - **2. Development and dissemination of environmentally conscious products and services**
      - Facilities
        - **Manufacturing**
          - Introduction of energy-saving measures and verification
        - **Distribution**
          - Reduction of CO2 emissions from distribution: 314 kt-CO2
        - **Data and Information**
          - Reduction of CO2 emissions from distribution: 336 kt-CO2

  - **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**

  - **4. Improvement of the infrastructure to achieve environment-friendly logistics**
    - **(1) Environmental protection at production sites**
      - Creation and distribution of information and leisure materials
    - **(2) Environmental management in manufacturing**
      - Introduction of energy-saving measures and verification
    - **(3) Improvement of communication and information disclosure at all manufacturing sites**
      - Implementation of CO2 reduction measures
    - **(4) Employee education**
      - Education and training in the area of environment, chemical substance management, product quality, product safety, occupational safety, and biodiversity

  - **Sustainability Report 2012**
    - **3. Controlling global warming**
      - **Fujifilm**:
        - Introduction of energy-saving measures and verification
        - Verification of CO2 reduction measures
      - **Fuji Xerox**:
        - Introduction of energy-saving measures and verification
        - Verification of CO2 reduction measures

  - **5. Sustainable promotion of energy conservation measures**
    - **Fujifilm**:
      - Introduction of energy-saving measures and verification
      - Verification of CO2 reduction measures
    - **Fuji Xerox**:
      - Introduction of energy-saving measures and verification
      - Verification of CO2 reduction measures

  - **6. Improvement of chemical substances management**
    - **Fujifilm**:
      - Introduction of energy-saving measures and verification
      - Verification of CO2 reduction measures
    - **Fuji Xerox**:
      - Introduction of energy-saving measures and verification
      - Verification of CO2 reduction measures

  - **7. Improvement of the infrastructure to achieve environment-friendly logistics**
    - **(1) Environmental protection at production sites**
      - Creation and distribution of information and leisure materials
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      - Implementation of CO2 reduction measures
    - **(4) Employee education**
      - Education and training in the area of environment, chemical substance management, product quality, product safety, occupational safety, and biodiversity

  - **Environmental Medium-Term and 2012 Targets**
    - **Management Targets**
      - **Fujifilm**:
        - Introduction of energy saving measures and verification
        - Verification of CO2 reduction measures
      - **Fuji Xerox**:
        - Introduction of energy saving measures and verification
        - Verification of CO2 reduction measures

  - **Sustainability Report 2012**
    - **4. Improvement of the infrastructure to achieve environment-friendly logistics**
      - **(1) Environmental protection at production sites**
        - Creation and distribution of information and leisure materials
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      - **(3) Improvement of communication and information disclosure at all manufacturing sites**
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      - **(4) Employee education**
        - Education and training in the area of environment, chemical substance management, product quality, product safety, occupational safety, and biodiversity

  - **Sustainability Report 2012**
    - **5. Sustainable promotion of energy conservation measures**
      - **Fujifilm**:
        - Introduction of energy-saving measures and verification
        - Verification of CO2 reduction measures
      - **Fuji Xerox**:
        - Introduction of energy-saving measures and verification
        - Verification of CO2 reduction measures

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Anti-Global Warming Measures

- **Annual changes in amount of CO2 emissions and CO2 emissions per unit of output at six main domestic factories handling chemicals**
  - **Output in 2011 reduced by 6% over 2010.**
  - The reduction is believed to be due to slight drop in production output, start-up of new production equipment, and increased production efficiency for new product development, despite improvement in production energy-saving technology, etc. In 2011, waste heat collection technology and energy-saving technologies in the sulfate collection process will be applied across the organization, chiefly in flat panel material manufacturing. Manufacturing energies aimed at energy conservation in manufacturing processes and an improvement of co-generation energy conversion efficiency are being planned at each worksite in 2012, projecting a 40% improvement in CO2 emissions per unit compared with 1990 levels.

- **Annual changes in amount of CO2 emissions**
  - **Fujifilm**:
    - **Six major factories in Japan**
      - Total CO2 emissions: 2011 vs. 2010

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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 sites) and at the companies newly afﬁliated with the Fujiﬁlm Group. We will continue to instruct mainly the following afﬁliates in order to achieve this goal.

1. Domestic and overseas afﬁliates that have not achieved zero emissions with regard to waste generated from launching or closing a plant.
2. Domestic and overseas afﬁliates that generated large amounts of waste.
3. Domestic and overseas afﬁliates for which productions are 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 the amount of waste that is simply incinerated or buried at a landfill site zero.

**Annual changes in waste generation, recycling & ﬁnal disposal**

- **Recycled volume**
  - Fiscal 2007: 76.2
  - Fiscal 2008: 78.0
  - Fiscal 2009: 75.8
  - Fiscal 2010: 68.5
  - Fiscal 2011: 68.5

- **Wastewater discharge**
  - Fiscal 2007: 28.9
  - Fiscal 2008: 28.9
  - Fiscal 2009: 28.9
  - Fiscal 2010: 29.5
  - Fiscal 2011: 29.5

**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 (level 1 and 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)

  [Website link](http://www.fujifilm.co.jp/corporate/esi/environment/complex/substance/)

- **Annual changes in atmospheric emissions of VOCs**

  - **Silica emissions**
    - Group total: 9.9
    - Japan: 8.6
    - Overseas: 1.3
  - **Silica emissions**
    - Group total: 13.4
    - Japan: 9.9
    - Overseas: 3.5

- **Annual changes in atmospheric emissions of speciﬁc VOCs**

  - **Methyl ethyl ketone**
    - Group total: 6.7
    - Japan: 5.3
    - Overseas: 1.4
  - **Acetone**
    - Group total: 6.7
    - Japan: 5.3
    - Overseas: 1.4

- **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.

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

  - **Water quality inspection reports**
    - Group total: 12
    - Japan: 4
    - Overseas: 8
  - **Legal violations of the Environment Law**
    - Group total: 3
    - Japan: 1
    - Overseas: 2
  - **Legal violations of the Water Quality Control Law**
    - Group total: 4
    - Japan: 1
    - Overseas: 3
  - **Environmental actions related to the Water Quality Control Law**
    - Group total: 1
    - Japan: 1
    - Overseas: 0
  - **Legal violations of the Ozone Layer Protection Law**
    - Group total: 0
    - Japan: 0
    - Overseas: 0
  - **Environmental actions related to the Ozone Layer Protection Law**
    - Group total: 0
    - Japan: 0
    - Overseas: 0

**Polution Prevention Measures**

- **Annual changes in water contaminant burden & emissions**

  - **Total amount of COD**
    - Group total: 57.2
    - Japan: 28.8
    - Overseas: 28.4
  - **Total amount of BOD**
    - Group total: 46.1
    - Japan: 22.9
    - Overseas: 23.2

**Storage and management of devices/equipment containing PBGS**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>Japan</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substances requiring reporting under the PRTR Law</td>
<td>Total amount (unit of measurement)</td>
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</table>
### Sustainability Accounting

#### Labor Environment and Social Benefit Accounting

**Overview of fiscal 2011**
- Expenditures made for improving working conditions and for social-benefit 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 promotion and for 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 disaster support volunteer tours, etc.

#### Environmental Accounting

**Overview of fiscal 2011**
- Expenditure on quantitative information on volumes and economic effects to
- Objectives of environmental accounting
- To provide accurate quantitative information on volumes and economic effects to interested parties inside and outside the Group.
- To provide numerical environment-related information useful for decision making by management and supervisors at the working level.
- The economic effect grew year-on-year both internally and externally.
- Increase by ¥100 million or 10% year-on-year. Major factors were energy conservation in flat panel display production facilities and investment in global environment protection.
- Spending was equivalent on a year-on-year basis.
- Increase by ¥4.3 billion or 24% year-on-year. Energy-saving in the manufacturing processes and in power use at offices during summer.
- Increase by ¥500 million or 10% year-on-year. Major factors were investment in global environment protection.
- The customer benefits were calculated in amounts through comparing the use of a new product purchased by the client with the environment burden when the customer uses an older product.
- The customer benefits were calculated in amounts through comparing the use of a new product purchased by the client with the environment burden when the customer uses an older product.
- Increase by ¥32.1 billion

#### Basic items

- **Objective 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 benefit and social contributions may overlap with figures in the Environmental Account as well.

#### Labor Environment and Social Benefit Accounting

**Breakdown of labor environment and social benefit accounting**

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Goal</th>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
<th>Capital Investment</th>
<th>Expenses</th>
<th>Economic impact inside the Group</th>
<th>Environmental impact outside the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Health and safety</td>
<td>1,182</td>
<td>1,223</td>
<td>10,649</td>
<td>8,945</td>
<td>8,806</td>
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<tr>
<td>Customers</td>
<td>Service appropriate customer response and quality</td>
<td>329</td>
<td>328</td>
<td>1,261</td>
<td>1,270</td>
<td>1,270</td>
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<tr>
<td>Impact</td>
<td>Reduce social deprivation</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Green</td>
<td>Environmental damage prevention</td>
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<tr>
<td>Safety</td>
<td>Reduce accidents</td>
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#### Environmental Accounting

**Environmental accounting for fiscal 2011**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>0.144</td>
<td>0.192</td>
</tr>
<tr>
<td>Medical waste</td>
<td>0.245</td>
<td>0.261</td>
</tr>
<tr>
<td>Other</td>
<td>0.153</td>
<td>0.135</td>
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</table>

**Environmental conservation costs**

<table>
<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td>2011</td>
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<tr>
<td>Capital Investment</td>
<td>Expenses</td>
</tr>
<tr>
<td>3,082</td>
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</table>

**Greenhouse gas emissions**

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<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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<tbody>
<tr>
<td>2,281</td>
<td>4,095</td>
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</table>

**Reduction in SOx emissions**

<table>
<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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<td>0.005</td>
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**Reduction in CO2 emissions**

<table>
<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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<tbody>
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<td>-75</td>
<td>51</td>
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</table>

**Reduction in VOC emissions**

<table>
<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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<tbody>
<tr>
<td>-70</td>
<td>9</td>
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</table>

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

<table>
<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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<tbody>
<tr>
<td>1,197</td>
<td>1,523</td>
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**Volunteer activities during working hours**

<table>
<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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</thead>
<tbody>
<tr>
<td>1,372</td>
<td>1,723</td>
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</tbody>
</table>

**Trading price of EU emissions credit 2012 futures (€8.14/ton) at the end of March 2012.**

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

<table>
<thead>
<tr>
<th>Fiscal 2010</th>
<th>Fiscal 2011</th>
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</thead>
<tbody>
<tr>
<td>118</td>
<td>127</td>
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</tbody>
</table>

*Volunteer activities during working hours* are based on the number of hours spent on volunteer activities, such as area clean-up, working hours, the labor benefits in flood victims' hours, and cost of the activities.

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**Data and Information**

*FUJIFILM Holdings Corporation Sustainability Report 2012*
DOMESTIC AND INTERNATIONAL APPRAISALS

Survey Evaluation for FUJIFILM Holdings

- 4th Top Keizai CSR Ranking (2012, Top Keizai, Inc.) 1st among 1,117 companies (384.2 points)
- 11th Nikkei Environment Management Survey (sponsored by NIKKEI BP Consulting, Inc.) 1st among 449 manufacturing companies
- Eco Brand Survey 2011 CSR evaluation ranking (Nikkei Business Publications, Inc.) 82nd among 580 companies (Nikkei brand index ranking: 61.2)
- SAM Sustainability Year Book 2012 (Sustainable Asset Management AG) SAM Bronze Class

Appraisals and awards in fiscal 2011

<table>
<thead>
<tr>
<th>Recipient</th>
<th>Name and descriptions of the award</th>
<th>Ranking and status of SRI audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUJIFILM Corporation</td>
<td>Scientific and Engineering Award in the Academy Awards</td>
<td>Inclusion in the Dow Jones Sustainability Indexes 2011</td>
</tr>
<tr>
<td>FUJIFILM Corporation</td>
<td>Fujifilm Global site ranked in 2nd place in the Corporate Global Site Sustainability Survey</td>
<td>Inclusion in the FTSE4Good Global Index</td>
</tr>
<tr>
<td>FUJIFILM Corporation</td>
<td>Terumo products such as Digital camera (FinePix X100), Digital mammography system (AMILET), etc. won the Good Design Award.</td>
<td>Inclusion in the Morningstar Socially Responsible Investment (SRI) index</td>
</tr>
<tr>
<td>FUJIFILM Corporation</td>
<td>The Climate ready image diagnosis and treatment assistance system received Nikkei Superio Products and Services 2011.</td>
<td>CSR actions toward sustainable development.</td>
</tr>
<tr>
<td>FUJIFILM NPG Pharma Co., Ltd.</td>
<td>Safety Drivers Chiba 2011 Gold Plant Award</td>
<td></td>
</tr>
<tr>
<td>FUJIFILM Kyushu Co., Ltd.</td>
<td>Kumamoto Labor Bureau Director's Award Incentive Prize in Kumamoto Labor Bureau's Health and Safety Award</td>
<td></td>
</tr>
<tr>
<td>FUJIFILM Corporation, Fujifilm tops in Nippon Exports</td>
<td>Fujifilm Europe Factory received Governor of Saitama Prefecture Medal of Honor for Promotion of Proper Industrial Waste Treatment.</td>
<td></td>
</tr>
<tr>
<td>Top Keizai Chemical Co., Ltd., Toyama Works</td>
<td>Masahiko Shinkawa's Environment Safety Essay in Toyama Works received the Chairman's Award of the Toyama City Association for Safety of Hazardous Materials.</td>
<td></td>
</tr>
<tr>
<td>FUJIFILM Electronic Materials (U.S.A., Inc.)</td>
<td>Preferred Quality Supplier Award</td>
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</tr>
<tr>
<td>FUJIFILM Electronic Materials (Europe N.V.)</td>
<td>Intel Corporation</td>
<td></td>
</tr>
<tr>
<td>FUJIFILM Manufacturing U.S.A., Inc.</td>
<td>En. &amp; Reg. Compliance</td>
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<tr>
<td>FUJIFILM North America Corporation</td>
<td>Best JAKES Event for 76-150 (participants) both National and State award awarded</td>
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<tr>
<td>FUJIFILM Imaging Colors Inc.</td>
<td>International Imaging Industry Association Awards including 3 “Best in Class” Awards</td>
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<tr>
<td>FUJIFILM Imaging U.S.A., Inc.</td>
<td>Preferred Quality Supplier Award</td>
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<tr>
<td>FUJIFILM Imaging Colors Limited</td>
<td>International Imaging Industry Association</td>
<td></td>
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<tr>
<td>FUJIFILM France SAS</td>
<td>&quot;Imprim’Vert Certificate (Green printing certification)&quot;</td>
<td></td>
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<tr>
<td>FUJIFILM Printing Plate Co., Ltd.</td>
<td>The 2010 annual pollution reduction top 1 enterprise</td>
<td></td>
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<tr>
<td>FUJIFILM Film Co., Ltd.</td>
<td>Certificate for Longstanding Excellence in Waste Disposal Management</td>
<td></td>
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<tr>
<td>Top Haro Chemicals Singapore Pte. Ltd.</td>
<td>Singapore Chemical Industry Council Responsible Care Awards 2011</td>
<td></td>
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<tr>
<td>Top Haro Co., Ltd.</td>
<td>Top 100 Society Group Award at the 25th Grand Prize for the Global Environment Awards</td>
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<tr>
<td>Top Haro Co., Ltd.</td>
<td>Sustainability Award 2011 received the Good Sustainability in the Green Reporting Awards, Sustainability Reporting Awards in 2012.</td>
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<tr>
<td>Top Haro Co., Ltd., Etobicoke Centre</td>
<td>Certificate for Longstanding Excellence in Waste Disposal Management</td>
<td></td>
</tr>
<tr>
<td>Top Haro Manufacturing Co., Ltd., Etobicoke Centre</td>
<td>Top 100 company of Etobicoke Centre recognized for Corporate Sustainability</td>
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<tr>
<td>Top Haro Manufacturing Co., Ltd., Etobicoke Centre</td>
<td>Top 100 company of Etobicoke Centre recognized for Corporate Sustainability</td>
<td></td>
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<tr>
<td>Top Haro Advanced Technology Co., Ltd./ Top Haro Manufacturing Co., Ltd.</td>
<td>Top Haro Advanced Technology Co., Ltd. received the Japan Packaging 2011 Electronic Equipment Category.</td>
<td></td>
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<tr>
<td>Top Haro (China) Limited</td>
<td>Outstanding Contribution Company to China IT Industry Green Development 2011 CSR Award/Corporate Award 2011 in China</td>
<td></td>
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<tr>
<td>Top Haro Singapore Pte Ltd.</td>
<td>&quot;Real Environmental Practices&quot; in the HVM Awards 2012</td>
<td></td>
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</tbody>
</table>

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, “uniting 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 shareholder 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 comprehensive assessments of the negative impacts of its business, 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 risk, business areas, and geographical areas.

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

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.

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

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:** 440,263 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)

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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