

FUJIFILM Sustainable Value Plan 2016

Under the corporate slogan, "Value from Innovation," established to coincide with our 80th anniversary, the Fujifilm Group has created a new Medium-Term CSR Plan covering FY2014 to FY2016, titled, "Sustainable Value Plan 2016" (SVP 2016), and commenced work on its implementation. Through SVP 2016, we are actively putting our Approach to CSR into practice: "to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities."

Social Background & Basic Approach

At present, global warming and other environmental issues are in a state of crisis. In addition, social issues such as human rights and social disparity are becoming ever more serious. This in turn drives society to expect global corporations with greater influential power to take actions towards resolving such issues. At the same time, corporations are changing their approach to CSR by taking the initiative in identifying and solving social issues as an opportunity for their renewed growth, rather than simply reacting to regulations and requests. Thus, the relationship between CSR and business activities is becoming closer than ever.

Since the Fujifilm Group's first Medium-Term CSR Plan was created in 2007, immediately after FUJIFILM Holdings was established, we have promoted CSR activities in a systematic manner. This latest plan—our third—reflects the idea of "Contributing to solving social issues through products,

services, and technologies." We enhance collaboration between our business activities and social issues under the heightened expectation for the global companies to solve the worsening environmental and social issues. By this reflection, we embody our CSR Approach, "to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities." In addition to resolving social issues through its innovative technologies, products and services in the four priority areas related to the driving forces that VISION 2016 focuses on (healthcare, highly functional materials and document solutions), the company will reinforce and expand by aggressively tackling environmental issues in its business activities and its CSR basis for activities on a worldwide scale.

The Fujifilm Group aims to be a company that contributes to "the sustainable development of society" by actively creating "new values" to resolve the various social issues that we face.

FUJIFILM Sustainable Value Plan 2016

Solving social issues through business activities

- 1. Improve accessibility to medical services
- 2. Contribute to identifying diseases at an early stage
- 3. Response unmet medical needs
- 4. Promotion of health and contribution to beauty



- 1. Contribute to creating a safe and secure society
- 2. Contribute to enriching humanity and relationships

- 1. Global warming countermeasures
- 2. Response to water problems
- 3. Response to energy issues



- 1. Promote communications that transcend the information barrier
- 2. Promote diversity



- 1. Promote global warming countermeasures
- 2. Promote resource recycling
- 3. Ensure product and chemical safety



- 1. Raise compliance awareness and ensure risk management
- 2. Develop and utilize diverse human resources
- 3. Enhance value chain management from the viewpoint of CSR

Conscious on environmental and social impact within business processes

Creating the Triple Promotion Policy

1. Clarifying the Basic Policies

The latest Medium-Term CSR Plan clarified the focus of our CSR activities by reviewing previous CSR activities and investigating trends in society and other companies' activities. In addition to continuation and reinforcement of the existing CSR activities, "Exhaustive governance and compliance and reduction of impact on environment and society" and "Keeping an extended view across the value chain, life cycle, and world-wide," we have made it clear in the Basic Policies that we will expand the scope of "Actively aim to solve social issues through our business activities," which was already in operation.

2. Extracting Social Issues Based on Business Strategy

In extracting the social and environmental issues to address, we listed approximately 130 items based on ISO 26000 (international guidelines for social responsibility of business and organizations), the GRI Guidelines (international sustainability reporting guidelines), and the primary issues faced by other companies in the same industry and corporations with advanced CSR practices.

Also, we discussed the possibility of contribution to solving social issues among all business divisions, and clarified the possible products, services, and technologies by each division.

3. Evaluation of Materiality

As it is difficult to evaluate materiality of both "measures to solve social issues through business" and "conscious on environmental and social impact" in the same manner, we took two approaches for evaluation.

1) Solving social issues through business activities

We created a matrix of social issues and our products, services, and technologies that may contribute to solving such issues. Next, the size of potential contribution as well as the size of impact on society, were assessed to identify the social issues.

2) Conscious on environmental and social impact within business processes

With the participation of E-Square Inc., a professional CSR consultancy, the social issues identified are rated on two axes; from the social point of view (how important society believes the resolution of the issue is and what society expects the Fujifilm Group to do about it) and the corporate point of view (impact on business strategy, brand and reputation) and mapped on five levels. Issues that were rated four or higher on both axes were organized and reviewed as suitable expressions and defined as priority issues.

4. Planning, Review, and Approval

We set a goal for each priority issues. The environmental and HR divisions of operating companies which promote each priority issue played a central role to quantify their goals by looking back over its activities. Priority issues and

	Medium-Term CSR Plan FY2007-2009	Medium-Term CSR Plan FY2010-2013	New Medium-Term CSR Plan FY2014-2016
● Thorough implementation of sound corporate governance and compliance	Priority issues (Legal compliance and taking responsibility as a corporate citizen)		Continue & reinforce
● Reduction of impact on environment and society		Expand the scope	Maintain & reinforce
● Across the value chain, product lifecycles, and world-wide			
● Solve social issues through business activities actively		Expand the scope	Company-wide efforts

Matrix on Social Issues and Fujifilm Group's Products, Services, and Technologies

Business fields	Social issues	Medical	Pharmaceuticals	Highly functional materials	Document solution	...
Environment	Reduce CO ₂ emissions	●●		●●●●	●●●●	
	Energy issues	●		●●	●●	
	Exhaustion of resources			●	●	
Health	Improve accessibility to medical services	●●●●			●●	
	Identify diseases at an early stage	●●●●				
	Reduce doctor's burden	●●	●●●			
Daily Life	Enrich humanity and relationships				●●	●●●●
	Create a safe and secure society			●●●	●	●
Working styles	Promote communications				●●●	
	Promote diversity				●	●

Materiality Mapping for Extracting Priority Issues



Medium-Term CSR Plan were discussed and formulated at the CSR Committee chaired by the President of FUJIFILM Holdings.

In order to assure accuracy of data on the environment and society featured in the Sustainability Report, activities in FY2014 underwent third-party verification. (See page 70.) We will now further our activities throughout the Group towards achievement of the Medium-Term CSR Plan.

FUJIFILM Sustainable Value Plan 2016

Promotion policy 1



Contribute to solving social issues concerning the environment, people's health, daily life, and working style through our products and services.



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1. Improve accessibility to medical services
2. Contribute to identifying diseases at an early stage
3. Response unmet medical needs
4. Promotion of health and contribution to beauty



page 21

1. Contribute to creating a safe and secure society
2. Contribute to enriching humanity and relationships



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1. Global warming countermeasures
2. Response to water problems
3. Response to energy issues



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1. Promote communications that transcend the information barrier
2. Promote diversity

In Sustainable Value Plan 2016, the Group plans to realize its CSR policy "to corporate social responsibility is to contribute to the sustainable development of society by putting our Corporate Philosophy into practice through sincere and fair business activities" by addressing 11 social issues through innovative technologies, products and services in the four priority areas of the Health, Daily Life, Environment and Working Style.



Priority issue 1 Improve accessibility to medical services

- Targets: (1) Improve the medical environment in emerging countries
(2) Increase medical check opportunities in disaster or emergency situations and improve diagnostic accuracy
(3) Increase the medical check opportunities and improve diagnostic accuracy by reducing the burdens on doctors

Priority issue 2 Contribute to identifying diseases at an early stage

Target: Disseminate medical diagnosis systems with improved accuracy and less physical burden on patients

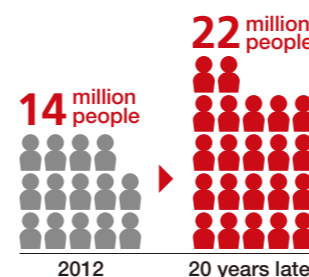
Priority issue 3 Response unmet medical needs

Target: Develop medicines for diseases without effective treatments

Priority issue 4 Promotion of health and contribution to beauty

Social Issues

Aging society, increased medical costs, regional divide in medical care, response to healthy life expectancy, unmet medical needs, etc.

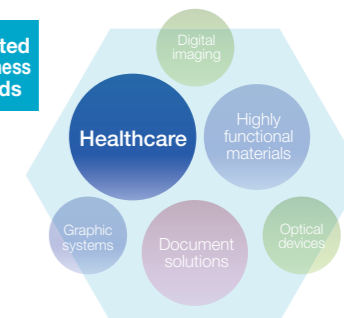


[Estimated cancer onset across the world]

Source: World Cancer Report 2014, World Health Organization (WHO)

Despite continuously advancing medical care, many illnesses still have no definitive treatment. For example, the cancer death rate is increasing across the world and the number of patients is growing ever larger, particularly in Africa, Asia, and Latin America. There is a desperate need for early diagnosis and treatment of diseases in emerging countries, in addition to finding effective treatments.

Related Business Fields



- **Medical systems** (X-ray diagnostic imaging systems, endoscopes, etc.)
- **Pharmaceuticals** (low-molecular pharmaceuticals and biopharmaceuticals)
- **Regenerative medicine** (autologous cultured epidermis/cartilage)
- **Life sciences** (functional cosmetics and supplement products)
- **Global services** (solution proposals through company document and business process improvement)

Basic Approach

Health is the most personal and important topic for people, yet there is a range of associated problems, such as disparities in medical access, shortage of doctors, increasing burden on medical workers, and surging medical costs. The Fujifilm Group started producing X-ray film in 1936, soon after the company's establishment. Since then we have been a long-term contributor in the field of medical diagnosis. Our medical business has recently expanded into the Prevention and Treatment fields, as a part of a strategic move towards the group's growth. We are continuously striving to widen our contribution to promoting people's health and welfare. In this new CSR Plan, we set out four priority issues based on the scale of our contribution to help solving the social challenges, identified through reviewing all the products, services, and technologies that we possess.

Outline of Activities in FY2014

In the drive to become a total healthcare company, the Fujifilm Group has been promoting action on organizational reinforcement in recent years, including developing high-performance medical equipment and M&A.

In the field of medical systems, we gained a solid market response especially for our **medical IT systems** and **diagnostic ultrasound system**, etc. In 2014, we also participated actively in symposia held in emerging nations, especially in Latin America, to **contribute to the advancement of clinical examination technologies in such nations**. Additionally, our own technology that realizes the early detection of influenza has been applied in the development of a diagnostic system realizing **rapid diagnosis of the Ebola virus disease** that spread not only in West Africa but also in various nations last year, chiefly among medical care workers. We are directing great energy into its further development.

In **regenerative medicine**, Japan Tissue Engineering Co., Ltd. was made a consolidated subsidiary in 2014. Also, Cellular Dynamics International, Inc., the world leading company in iPS cell development and manufacturing became a wholly-owned

subsidiary in May 2015. In the area of **pharmaceuticals**, we acquired the vaccine manufacturer, Kalon Biotherapeutics, LLC, in 2014 through its US subsidiary, expanding the scope of the contract manufacturing of biotech pharmaceutical products. In **new drug development**, we are working on the development of a strong pipeline through collaboration with the world's top-class research organizations. In the document field, we support the work efficiency in medical services and contribute to speed up clinical trial for new drug development.

Future Prospects

In medical systems and document fields, Fujifilm Group will provide assistance for more accurate and rapid diagnosis and boost efficiency in medical care through a wider expansion of its business operations in the counties including emerging nations. In the life sciences field, we will expand the lineup of functional products that utilize our technologies to separate ourselves from competing companies. In pharmaceuticals and regenerative medicine, products will be developed with increasing speed through organizational strengthening, including M&A, to promote further growth in various business fields.



Priority Issue 2

Helping to solve the world's public health problems—Research to develop a rapid diagnostic system for the Ebola virus disease

Following the outbreak of the Ebola virus disease (EVD) mainly in Western Africa in 2014, the first case of the disease outside Africa was confirmed in Europe and preventing the spread of EVD is becoming a critical issue for the international community.

Fujifilm applied its silver amplification technology, traditionally used in the development process for photographs, to the development of a diagnostic system that can detect even a very small amount of influenza virus in the initial stage of development, and announced the system in 2011.

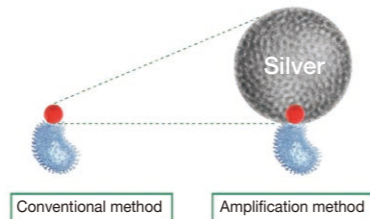
To this end, Fujifilm concluded a joint study contract for a rapid diagnostic system for EVD with BIOASTER*, which is an advanced French public research institute specializing in infectious diseases and microbiology.

do it at the place where an infection is reported, the company is working to create a simple, quick, small-sized, and portable diagnostic system.

Also, it has been announced in an interim analysis report by the French Institute of Health and Medical Research (Inserm) based on the results of clinical trials conducted in Guinea that the anti-influenza virus drug Avigan, developed by TOYAMA CHEMICAL, a group company, shows potential in treating Ebola patients.

Fujifilm will continue to cooperate with a range of related organizations that share the goal of solving the world's public health problems, making full use of the diagnostic and treatment know-how accumulated in the Fujifilm Group's health care business.

* BIOASTER is a public institute that conducts research into infectious diseases and microbiology, funded by Lyon Biopole (industrial cluster in the field of infectious diseases located in Lyon, France), the Pasteur Institute known as a world-class research institute, Inserm, and other French research institutes.



Through catalytic accumulation of silver around gold particles of only 50 nm, the conventional virus marker, Fujifilm managed to increase the marker size 100 times within one minute, enabling easier virus detection

Priority Issue 3

Accelerate the development of regenerative medicine, backed by enforcement of the Act on the Safety of Regenerative Medicine



Extracellular matrix used for cell culture in a reagent: "Cellnest recombinant peptide based on human collagen type I" (released in Dec 2014)

In 2014, two laws (Act on the Safety of Regenerative Medicine and Revised Pharmaceutical Affairs Act) were put into force as part of the measures implemented by the Japanese government to support the industry, and the clinical application of iPS cells was started, making the year an important one for the progress

Regenerative medicine represents a new medical technology to recover the functions of damaged organs by transplanting cells and tissues. It is expected to expand medical possibilities to meet medical needs that have not been met due to the lack of effective treatment methods and also to give an alternative to the transplantation of organs.

of regenerative medicine in Japan. The world is now paying attention to the country, which is moving toward implementation of regenerative medicine.

The Fujifilm Group is a top runner in the field of regenerative medicine. Japan Tissue Engineering (J-TEC), one of its consolidated subsidiaries, is the only company to market regenerative medicine products such as autologous cultured epidermis and autologous cultured cartilage in Japan.

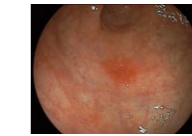
Priority Issue 2

Develop endoscopes using proprietary technologies to contribute to the early detection and treatment of diseases while minimizing the invasion on patients

Fujifilm (FUJINON at the time) became the first in the world to develop a digital endoscope in 1984 and has since been developing epoch-making endoscopes, including less painful transnasal endoscopes, double balloon endoscopes to allow the examination and treatment of the entire small intestine, for which it is very difficult to insert an endoscope.

Fujifilm's endoscope systems are divided into two types: one using xenon lamps and the other using laser light (LASEREO). In 2012, we released LASEREO as the world's first endoscope using laser as a light source. The product's biggest feature is the laser illumination technology that combines two kinds of laser light of different wavelengths: white light suitable for normal observation and laser light for short-wavelength narrowband light* observation.

Fujifilm will continue to meet the needs of doctors and patients, advancing the development of endoscopy to contribute to the early detection and treatment of a range of diseases.

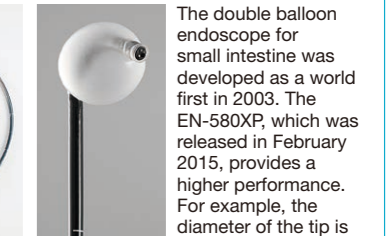


Colors important for the diagnosis of inflammation are concentrated in the red color area and are difficult to differentiate.



A slight difference in the mucosal color are emphasized on the display.

Image provided by Kawasaki Medical School



The double balloon endoscope for small intestine was developed as a world first in 2003. The EN-580XP, which was released in February 2015, provides a higher performance. For example, the diameter of the tip is 1 mm smaller than the conventional model to reduce the physical burden on patients.

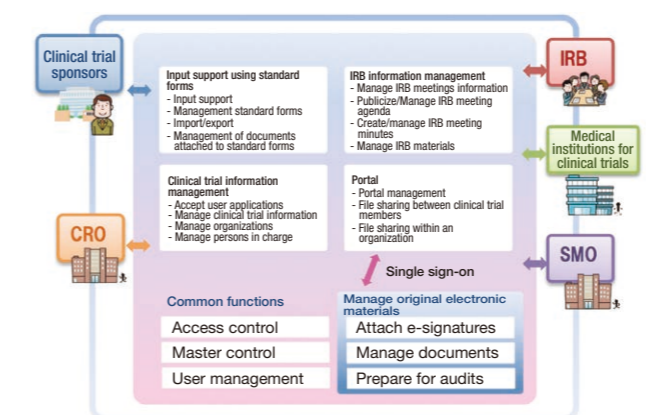
* Narrowband light (light in a narrow wavelength band) is used for image observation in LASEREO and emphasizes the contrast of microvessels on the mucosal surface.

Priority Issue 1

Supporting the networking and digitization of clinical trial operations for speedier development of new drugs

The creation of new drugs in fields that lack effective treatment is an important social challenge. Fuji Xerox helps boost the efficiency of clinical trial*1 operations by utilizing its accumulated know-how on document solutions for the management of both paper and digital documents.

Overview of the Clinical Trial Document Support System and Range of Applications of the Fuji Xerox Solution



Medical facilities conducting clinical trials are shifting their overall operations from the conventional paper-based methods to paperless in order to promote higher efficiency. However, there have been challenges to face in this shift, including the high cost of the new system introduction, changes that have to be made to the operational processes, and compliance with the regulations on the management of electronic media, which required standardization of formats and management rules between related organizations.

Fuji Xerox will continue to offer a range of healthcare solutions to contribute to the early development of drugs and to higher-quality medical services.

*1 Research study of drugs or medical equipment before they can be commercialized.

*2 Promotes the development of a platform for clinical trials in Japan as part of the Large Scale Clinical Trial Network Project, a clinical trial promotion program subsidized by the Ministry of Health, Labour and Welfare of Japan.



Priority Issue 1 TOYAMA CHEMICAL and Fujifilm cooperate in developing a double-bag kit to improve operational efficiency in medical facilities

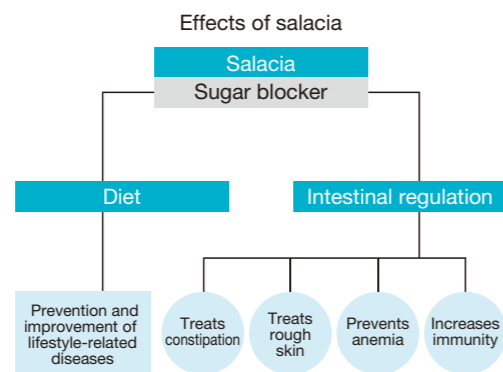
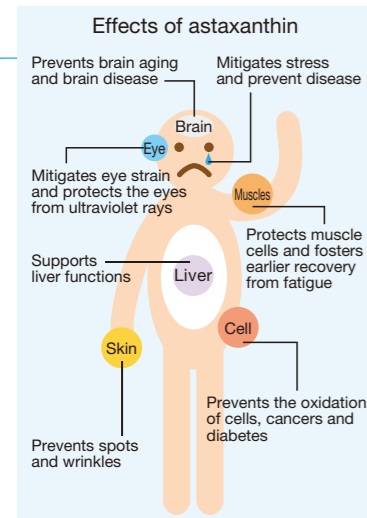
Injectable antibiotic products have been supplied mostly in glass bottles called vials and the "preparation," or dissolving the drug in saline solution for infusion, is troublesome. Accordingly, among busy medical facilities where many patients are taken care of on a daily basis, it has been strongly desired to improve the operational efficiency.

It is the "double-bag kit" that meets such needs. The drug and saline solution are sealed separately in bags, with each bag divided by a barrier, and when administered, the solution chamber is pressed to break the barrier and dissolve the drug to the solution. Compared with vials, the bags are more easily prepared (the drug dissolves in the solution quickly) and prevent contamination of bacteria or foreign materials since the preparation is completed within sealed bags. Conventional bag kits have aluminum film on a drug chamber to protect the drug from oxidation and moisture absorption, and the film has to be removed before administration. For non-film type, drying agents are packed in the drug chamber.



In February 2015, TOYAMA CHEMICAL began to manufacture the double-bag kit. The product is innovative in that it has both high resistance against oxidation and moisture without aluminum film or drying agents thanks to "transparent super high barrier film" developed by Fujifilm and convenient high visibility of the contents. We will continue developing products like this to contribute to reduce the burden on medical facilities and improve their service quality.

Priority Issue 4 Support health through astaxanthin and salacia: antioxidants developed in photo film research



years, and developed nano-astaxanthin, which is a better antioxidant and more permeating and absorbing, by using its unique nano-technology to meet the challenge.

To prolong healthy life expectancy, it is critical to implement preventive measures against diabetes, hypertension and other lifestyle-related diseases, which is also effective in preventing obesity. "Salacia" is a natural ingredient that serves as a rather effective sugar blocker, and Fujifilm focused on this substance. Salacia has long been used in India and Sri Lanka as a miracle

plant to treat diabetes and had been found to have various other effects as well, but it was difficult to manufacture pills containing the effective ingredient in high concentration. Fujifilm applied the technologies it has accumulated in photographic research to make pills containing the ingredient in high concentrations and also at high quality.

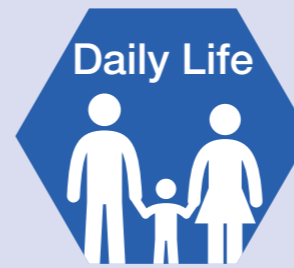
Fujifilm will continue to contribute to the health of people by developing supplements and skincare products based on its proprietary technologies developed in the field of photography.

* The World Health Organization (WHO) proposed the concept of healthy life expectancy in 2000. In Japan, the difference between the average lifespan and the healthy life expectancy is 9.13 years for men and 12.68 years for women.

In an aging society where the average lifespan is extending, people are getting more interested in methods to prolong their healthy life expectancy.* One of these methods that uses antioxidants to curb aging is attracting much attention.

Salmon and crabs look red because of the natural red pigment called "astaxanthin," which belongs to the group of carotenoids that includes beta-carotene and is about 1,000 times more powerful than coenzyme Q10 and about 550 times more powerful than vitamin E. It is widely known to be a highly effective antioxidant, but it is difficult to use because it is not water-soluble, and not absorbable or resistant to heat and light.

FUJIFILM Corporation noticed astaxanthin as a result of conducting research into antioxidants for photo film over 80



Priority issue 1 Contribute to creating a safe and secure society

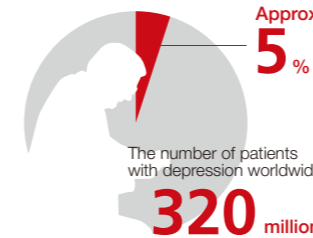
Target: Disseminate products that contribute to long-term storage of important information, crime prevention, and improve information security and social infrastructure safety

Priority issue 2 Contribute to enriching humanity and relationships

- Targets: (1) Contribute to handing down important cultures and artworks (2) Develop solutions to invigorate the community engagement (3) Disseminate photographic products that store memories in tangible forms and enrich people's lives

Social Issues

Safety & security, relationships, life fulfillment, preservation of arts and culture, etc.

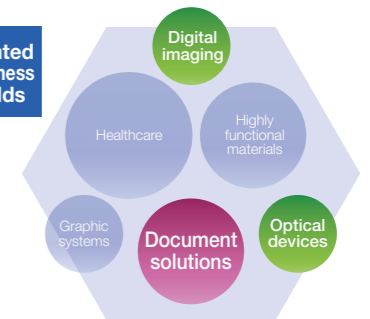


[The ratio of depression patients in global population]

Source: World Health Organization (WHO), 2012

In our modern "stressed society," people from children to senior citizens suffer from numerous stresses. Stress is believed to have a huge influence on depression and other modern ailments and in the increase in the number of suicides. In order to build a healthy and sound society, in addition to providing safety and security for everyday living, we need to reaffirm the importance of communication between people and within regions to provide psychological support.

Related Business Fields



Global services (solution proposals through company document and business process improvement)

Photo imaging (photo books and film processing/printing services)

Optical devices (TV camera lenses/cine lenses and lenses for security cameras)

Recording media

Basic Approach

Photography, the original business of the Fujifilm Group, has the power to preserve memories of events and help us to lead fulfilling lives. This belief was reinforced by the "Photo Rescue Project" organized during the 2011 Great East Japan Earthquake. With our Tono Mirai Zukuri College, conceived as part of the recovery assistance activities, we are exploring directions we can take in the future to revitalize local communities. Photos and documents can revitalize communication and preserve our cultural heritage for future generations, and our hope is that we can develop new products and services and promote their wider use in society. The safe storage of digital data is important in allowing members of society to preserve their ties with other people, thus enriching life in a society that is safe and with fewer accidents and less crime.

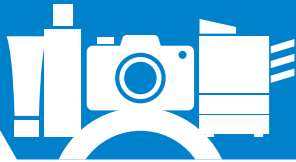
Outline of Activities in FY2014

In the imaging field, the quality of the premium digital camera, "X Series," and the replacement lenses earned acclaim and are steadily growing in sales. In the World Cup Football Tournament held in Brazil in 2014, Fujifilm Group was recognized not only for the outstanding quality of its products but also for global coordination within the group and succeeded in having FUJINON lenses chosen as the official TV lens products. Its recording media also draws attention with long-term storage of large amount of data. Its instant photo system is generating sales around the world chiefly among young people who are now very familiar with photography using digital cameras and smartphones. Also, we have proposed a wide range of value-added printing, such as the Year Album and Shuffle Print, to add color to the lives of people, and which have won a positive response. In 2014, Fujifilm's one-time-use recyclable camera, "Fuji Color QuickSnap," was selected as one of the "Essential Historical Materials for Science and Technology*" (nickname: Future Technology Heritage) by the National Museum of Nature and Science of Japan.

Future Prospects

"QuickSnap" was truly Fujifilm's pride and foremost example of "Value from Innovation" 29 years ago. Fujifilm will continue to expand the scope of attractiveness in photography and printing in the age of digital photography and smartphones, encouraged by the recognition of the company's activities and technologies. On the other hand, the new demand is expanding such as system to storage large amounts of data for long period and multilingual services corresponding to increasing the number of foreigners coming to Japan. The Fujifilm Group will provide the innovative products and solutions responding to diversified value and lifestyle.

* Essential Historical Materials for Science and Technology: Materials that are classified as "representing important historical materials that show the development of Japan's science and technology and holding important significance to be handed down to the next generation," as well as "having a remarkable impact on people's lives, the economy, society, and culture." Fujifilm has now had three of its products—its videotape and digital cameras—registered in 2010 and 2013.



Priority Issue 2

Tono Mirai Zukuri College, established to create value through government-industry-academia cooperation jointly with local communities

In its priority themes, Fuji Xerox includes solution to problems faced by local communities it comes into contact with through its business operations, and opened Tono Mirai Zukuri College in Tono City, Iwate Prefecture in April 2014 as a result of three years of activities. The city served as a logistical support base for the areas afflicted by the Great East Japan Earthquake.

The College was launched under a project that uses Fuji Xerox's communication technology to identify problems with and reach consensus over the development of Tono City, and based on the results of repeated dialogue between the city, its citizens and NPOs. Fuji Xerox is constructing and managing the College's programs in cooperation with Tono City with the aim of encouraging exchange between people in developing the city. The College is located in buildings that used to house Tsuchibuchi Junior High School and is attracting attention as an example of the effective use of a former school building.

In fiscal 2014, which was the first year for the College, activities were focused at the following aims:

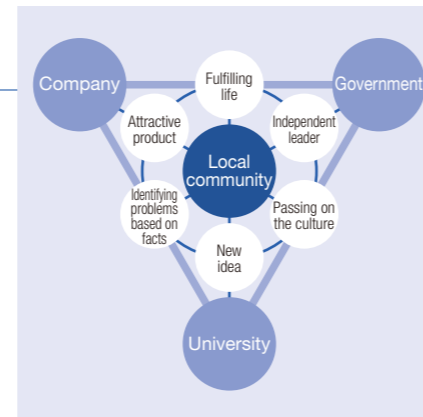
- ◆ Invite more people to the College
 - Promote exchange between people: Invite more people to the college mainly from the Tokyo metropolitan area.
 - Participation by local citizens: Inform local residents of the College programs and stimulate their interest in them.
 - ◆ Implement programs
 - Increase the number of participants by implementing programs that invite people from outside to take on challenges together with local residents.
 - Estimate the available management resources
- Examine the system and budget needed to run the College throughout the year and use the results as an indicator of activities for the next fiscal year.

Programs are implemented by about 70 organizations, and include first-rate programs provided jointly with local municipalities and research institutes. The number of participants exceeded the initial target of 2,000 to reach 3,569 (including 1,823 who stayed overnight). Implementing the programs has brought results. For example in one of the programs, local junior high school students broadened their outlook by studying with company employees and students from both Japanese and overseas universities. Some participants also stayed with local residents as part of the programs. This was well evaluated by participants. The programs have thus had good results and the number of local participants, which was initially small, increased toward the end of the term, together with an increase in local recognition for the programs.

In fiscal 2015, the number of people involved in the College will be increased to enhance the management foundation, and studies on how to build a business model based on specific examples will be carried out. To this end, Fuji Xerox aims to implement 11 programs in the three areas of exchange, lifestyle/culture, and industrial creation. The company will encourage more people to participate in the programs to achieve good results.

Through the College project, Fuji Xerox has gained the know-how to identify and solve problems by using communication technologies, and it will be able to use this in other areas.

Value to Local Community



Priority Issue 2

Develop photo-based communication by offering proposals to enjoy photography in this age of smartphones

As part of the continued efforts since its foundation to spread and develop the culture of photography, FUJIFILM Corporation is fostering a "Photo Renaissance" activity. We have been creating and communicating fundamental values of Photography; shooting, preserving, displaying and gifting since 2013, based on the concept of enriching people's life with photography.

In February 2014, we opened WONDER PHOTO SHOP in Harajuku, Tokyo as our first direct marketer based on the concept of a new photography shop in the age of smartphones. The spread of smartphones enables more people to take photos whenever they want. Photos are now used as a tool of communication and are also being increasingly used by the young as gifts. The experimental WONDER PHOTO SHOP provides customers with new value-added print services to meet the needs of the smartphone age. These include the "Shuffle Print" service to create a commemorative print composed of multiple photos, the creation of can badges and iPhone cases.

Couples and friends between their teens to 30s account for a large percent of the visitors, and sixty five percent of print orders are from stored images on their smartphones. At WONDER PHOTO SHOP, photos are increasingly printed for use as gifts. This new demand for photos is attracting much attention, not only the photo industry but the others, such as gifting goods retailers, make study visits from both inside and outside Japan.

We will spread these new ideas and possibilities for enjoying photography to photo shops and also to the other retailers globally.



WONDER PHOTO SHOP provides new experimental print services, such as the live performance of making photo goods shown at upper right, and holds a range of events. At the world's largest photo exhibition, photokina 2014, held in Germany in September 2014, a temporary WONDER PHOTO SHOP was exhibited inside the booth to publicize it to the world.



Organization of a workshop for photographers to communicate the joys of photography to participants (The photos show workshops held in Turkey and Thailand)



(Upper) University of Tokyo Innovation Summer Program
(Middle) Joint future creation program
(Bottom) Human resource development for next generation

College Programs Implemented in Fiscal 2014

Major program	Inspections/meetings	Surveys & research	Cooperation & exchange	Project implementation	Total
Exchange between people and different industries • Various events • Joint future creation program	34	2	4		40
Company training • Training in how to identify problems		1	3		4
Municipal cooperation • Research program on emergency logistical support bases • Tono forum	7	1	1		9
Research & educational facilities • University of Tokyo Innovation Summer Program • Hosei University's regional cooperation program	1		7	3	11
Green tourism • Study tour of the afflicted areas • Future of satoyama where people live with horses		2	2		4
Co-hosted with an external organization • Marunouchi Asadaigaku (project implemented by the agricultural training center)		1	1		2
Total	42	7	18	3	70

	FY2014	FY2015	FY2016
Fiscal target	Verification for full-scale operation	Enhancement of the management foundation	Creation of a specific business model
Management target	<ul style="list-style-type: none"> Public recognition of the Mirai Zukuri facilities through the College programs Trial implementation of programs to solve the problems identified Enhancement of the management resources 	<ul style="list-style-type: none"> Further promotion of the College use (inviting more companies to make exchanges through the College) Visualize the effects of the College by actually solving problems Make proactive comments based on a media strategy 	<ul style="list-style-type: none"> Offset expenses against revenues (excluding personnel expenses) Incorporate the College management organization and conclude a management agreement Press release

Priority Issue 1

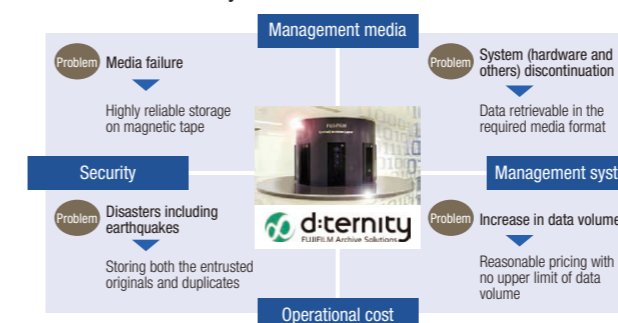
Priority Issue 2

Store a range of the world's valued data for the future—Technology to archive a large amount of data safely and efficiently for many years

The spread of digital devices has made companies and research institutes recognize the importance of creating new value for business/research by analyzing a large amount of data and archiving materials and images that have scientific and historical value. Accordingly, the need to store highly value-added data in a safe, efficient and cost-saving manner is increasing.

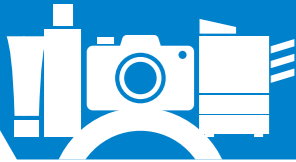
Fujifilm launched a data archive service named "d:ternity" in April 2014, in which we record and save valuable data entrusted to us by customers on magnetic tape for long periods. Magnetic tape can be stored for a long time without the need to energize the medium with an electric current during the period, and this helps minimize the electricity cost and reduce CO₂ emissions.

Problems of Data Storage for Long Periods and Relevant d:ternity Services



To meet social needs for the long-term storage of a large amount of data, Fujifilm is working on developing technology to further increase the recording capacity of magnetic tape with its unique technology using BaFe magnetic particle. In recognition of this, IMAGICA Corp. launched an archive storage service for images with Fujifilm, and also Kadokawa Corporation concluded an agreement with Fujifilm to archive digitally restored data for the movie "Rashomon," directed by Akira Kurosawa.

We obtained ISO/IEC 27001: 2013 (the international standard on information security management systems) certification for d:ternity, and this demonstrates that the service provides high security. Fujifilm will continue to provide reliable services and solutions to meet the needs for archive storage of data that is valuable for customers and society.



Priority issue 1 Global warming countermeasures

Target: Reduce CO2 emissions by 20 million tons by FY2020 (compared to 2005)

Priority issue 2 Response to water problems

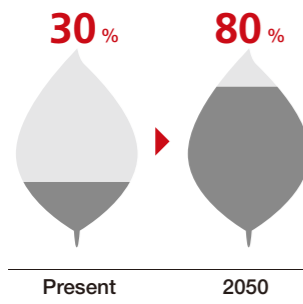
Target: Reduction and restriction of water pollution

Priority issue 3 Response to energy issues

Target: Contribute to generating energy with low environmental impact

Social Issues

Global warming, exhaustion of resources, energy issues, etc.

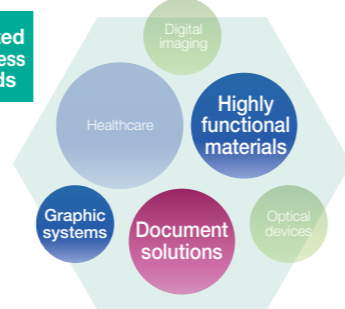


[Share of low-carbon energy in electricity supply]

Source: Working Group III Fifth Assessment Report, Intergovernmental Panel on Climate Change (IPCC)

Global warming raises atmospheric and water temperatures change, negative impact on water resources and ecosystems, and serious damages to human society. Reducing greenhouse gas emissions, one cause of global warming, is now a common challenge across the world. Energy-saving, power generation from non-carbon sources, and promotion of low-carbon energy are said that the key solutions.

Related Business Fields



- Industrial materials and electronic materials, etc (development of new materials, etc)
Materials and equipment for graphic arts (CTP plates)
Office products and office printers
Global services (solution proposals through company document and business process improvement)

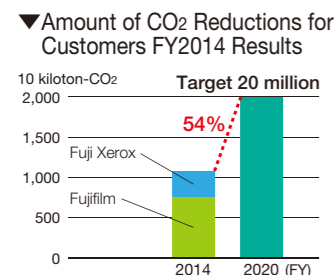
Basic Approach

According to the latest report from the United Nation Intergovernmental Panel on Climate Change (IPCC), it is likely that temperatures will increase by approximately 4°C by 2100 without additional mitigation and CO2 emissions continue to rise. Global warming is becoming ever more serious and remains as one of the most important issues to address across the world. The water risk is another serious issue in focus. The Fujifilm Group aims to help resolve these environmental challenges through changing our working styles and products towards low environmental impact, including highly functional materials and magnetic tape utilizing applied photographic film development and production technologies.

Outline of Activities in FY2014

As the leading company in high-performance films, the Fujifilm Group is now applying the technologies cultivated in photo film to development and sales in various fields in order to reduce environmental impact.

In its action against global warming, we contributed to the reduction of CO2 emissions by 10.75 million tons in FY2014 (compared to 2005) with the target of a CO2 reduction of 20 million tons by FY2020 compared to 2005. Those products with a particularly high contribution effect are data storage media LTO tapes employing the new generation of Barium-Ferrite (BaFe) magnetic particles that has been used widely by our customers since its introduction in 2012, as well as the IT solution for medical clinics, SYNAPSE. The photovoltaic backsheet launched in 2012 was recognized for cutting down environmental impact and improving the product life



of photovoltaic modules, receiving the Japan Association for Chemical Innovation's FY2014 Green & Sustainable Chemistry Award of the Minister of the Environment. Also, we highly contributed to lower environmental impact such as CO2 reduction with expanding sales of mobile and cloud solutions in document field.

Future Prospects

The ion exchange membrane and gas separation membrane are now in the final phase to adopt in commercial products after having many field tests in various regions. In particular, the ion exchange membrane won recognition in Europe and other markets as a product that addresses the problem of water shortage, which has grown into a global concern. Drawing on the Group's solid infrastructural technologies and core technologies, we plan to contribute to resolving such increasingly grave environmental issues, through the launch of innovative new products that meet market needs on a timely basis while at the same time engaging in the "co-creation" of value with our customers.

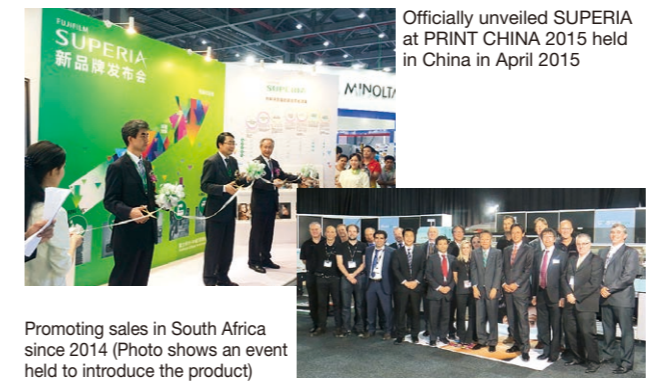
Priority Issue 1 Priority Issue 2 Helping the global printing industry reduce its environmental impact through a solution that embraces five types of resource saving

The printing industry consumes water, energy, chemical agents and solvents in large amounts and is required to implement measures to protect the environment. The industry, however, includes a lot of smaller businesses, who cannot invest in environmental protection immediately. "Green printing with high productivity" is therefore a global challenge.

Against this backdrop, FUJIFILM Corporation unveiled FUJIFILM SUPERIA, a resource saving solution for offset printing, and began promoting sales of this product across the globe. The solution provides five types of resource savings: savings on materials (paper, chemical agents, etc.), savings on man-hours (reducing the processes and time to delivery), savings on energy (reducing the use of electricity and gas), savings on emissions (waste chemical agents and VOCs), and savings on water (reducing water use), thereby providing good and stable environmental performance while helping increase profitability steadily. We will promote the sales of this product together with sales

of the Fujifilm Global Graphic System (FFGS), not only in Western countries that are making progress with environmental protection, but also in Asia and other emerging economies where people are raising their environmental awareness.

SUPERIA comprises multiple solutions, and the processless CTP system eliminates the need for alkali development, gum washing or any other form of processing. It has been highly evaluated as an extremely resource-saving solution for offset CTP and has been introduced in about 3,000 companies (450 in Japan) to date. In May 2015 we released a more advanced next-generation processless CTP plate to the Japanese market, and by request, released one for use by newspaper companies in July--Japan's first. We are thus meeting a range of resource saving needs.



Promoting sales in South Africa since 2014 (Photo shows an event held to introduce the product)

Officially unveiled SUPERIA at PRINT CHINA 2015 held in China in April 2015

Globally Expanding FFGS Sales Bases



Priority Issue 1 The on-demand publishing system Versant™ 2100 Press provides dramatically improved environmental performance

Fuji Xerox is developing and providing products and services that help minimize the greenhouse effect, upholding its target of reducing CO2 emitted by customers by 7 million tons yearly by 2020.

Fuji Xerox has been leading the print industry with its on-demand publishing systems which allow users to make prints in the necessary quantities whenever they want, thereby reducing the print inventory and wasted sheets. The new compact belt roll fuser, which was developed for the color on-demand publishing system Versant™ 2100 Press (released in May 2014), enables the

compact product to achieve print productivity of 100 pages-per-minute while downsizing by about 50% in terms of both body size and weight compared to the Company's existing product. This leads to a reduction of 3,738 kg-CO2 emissions* per unit. It will continue to promote on-demand publishing systems which contribute to reducing environmental impact as well as meeting the needs of small-lot printing of various materials in Japan and the Asia-Pacific markets.

The product received the "Minister's Prize, the Ministry of Economy, Trade and Industry of Japan" of the Eco-Products category at the 11th Eco-Products Awards, organized by the Eco-Products Awards Steering Committee. This award is the top honor of the Eco-Products category. The product also won the Good Design Awards 2014 held by the Japan Institute of Design Promotion.



Compact and lightweight on-demand publishing system with high productivity at low cost

* CO2 emissions during the manufacturing and transporting of parts while developing a product. Uses Fuji Xerox's own primary unit to calculate the CO2 emissions from the weight of a product.



- Priority issue 1 Promote communications that transcend the information barrier**
Target: Promote solution services to enhance communications inside and outside the company and widely notify details of case studies
- Priority issue 2 Promote diversity**
Target: Create and expand practical working environment solutions that enable people to work wherever and whenever to suit individual's skills and lifestyle needs

Social Issues

Working disparity, reduction in workforce, diversity etc.

Policy target 30%

[The ratio of women in leadership positions by 2020]
2003 decision by the Headquarters for the Promotion of Gender Equality

The recommendation on the Nairobi Forward-Looking Strategies for the Advancement of Women adopted by the UN Economic and Social Council in 1990 was for "the ratio of women in leadership positions to increase to at least 30% by 1995." In Japan in 2003, the Headquarters for the Promotion of Gender Equality announced that it hopes for "the ratio of women in leadership position to at least reach roughly 30% by 2020." Although the 30% ratio is an international target, the figure has not been achieved in many areas in Japan. Diversity that allows a wide variety of people to work and for women to play an active role is an important issue that must be addressed urgently.

Related Business Fields

- Healthcare
- Digital imaging
- Highly functional materials
- Graphic systems
- Document solutions
- Optical devices

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

Basic Approach The Fujifilm Group has brought evolution to communications in society through a fusion of familiar paper data with digital data and on to a seamless integration with cloud services and mobile solutions. Access to and the sharing of information in various forms with ease and without any conscious awareness of the digital divide expands the possibilities for different services and working styles in every possible place—in offices and government organizations and in education and medical care. By giving value to communication with the focus on people, Fujifilm will continue to support a wide range of working styles for the new age.

Outline of Activities in FY2014

Fuji Xerox is offering solution services aimed at creating an environment in which people are able to work in ways that suit their own individual circumstances, regardless of location or time.

In fiscal 2014, **Next Generation Managed Print Services** were introduced in Japan and part of the Asia-Pacific region, designed to go beyond simple optimization of the customer's output environment and create business process automation and workstyle reform. Solutions for **improving business efficiency and document management** are being implemented for government and municipal offices, and local governments and in the medical care and pharmaceutical product fields.

Furthermore, we have launched new solution services and multifunction printer/production printers that support mobile working. The cloud services **Working Folder** and **Scan Translation Service** have undergone reinforcement to boost coordination with Fuji Xerox's various cloud services and upgrade convenience. **DocuWorks Mobile** which

realizes seamless integration of multifunction printers or Working Folder also boosts collaborative work and projects through the smooth distribution of documents and information utilities.

Future Prospects

Through presenting the experiences in resolving our own management issues, we will identify management issues for our customers, and develop new products and solutions services to create new workstyles that utilize ICT cloud technologies.

At the same time, we will work on making changes in our own workstyles and business operations through new forms of communication that make use of various devices and systems that will offer to customers solutions based on our own accomplishments.

Priority Issue 1 **Priority Issue 2** **Work-style reforms implemented over the years to become solutions for all of society**

Fuji Xerox has engaged in research and practice focused on work-style reforms for more than 20 years and has been proposing "New Work-Styles" based on its experiences. With the advances in ICT in recent years, work that had been restricted to designated places, such as the business office, has become possible anywhere, and the workplace has gained a broader and more flexible definition. Additionally, new working styles are gaining greater social attention because many companies are now aspiring to new working styles on their office transfers, as the clue to resolving management issues regarding improved productivity, cost reduction, and a boost in sales capabilities.

A typical example of such new work-styles is the activity underway on the 6th floor of the Roppongi T-CUBE Building. Fuji Xerox consolidated its urban sales division at this location in 2004. With office renovation in 2011, reform was implemented for greater vitality and communication and we succeeded in upgrading productivity.

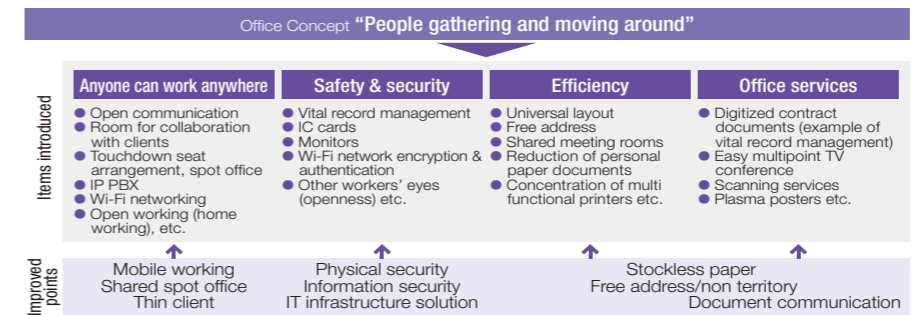
The latest example of work-style reforms is a practice at Nihonbashi office, which opened in May 2015



The results at T-CUBE have been employed in increasing assistance to customers in implementing such work-styles. We offer solutions adapted to existing issues and objectives, based on what the employees actually experience in the work environment, such as creation of an environment where employees "can work any time and anywhere" by utilizing thin clients and universal layout and stockless paper for document reduction based on specific office diagnoses.

Fuji Xerox wields strength from its extensive experience of approach to work-style reforms, both in success and failure over many years. Additionally, there is "document communication," the company's own solution for the effective management of documents through consolidation of paper and digital data in the transmission, sharing, and storage of information, which is fundamental to efficient communications. These accomplishments have led to building customer trust, with seminars being held every month and individual counseling meetings being requested. Several tens of projects in this area are underway. The expertise that Fuji Xerox has accumulated is expected to bring about positive reforms in the work-styles for all of society.

Implementations at Roppongi T-CUBE with Work-Style Reforms



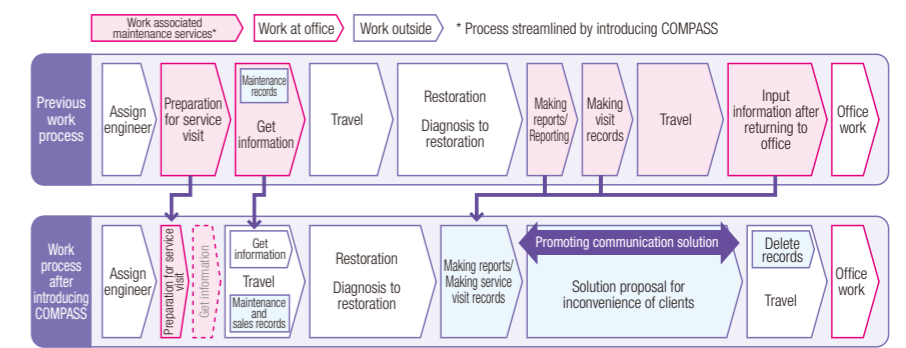
Priority Issue 1 **Priority Issue 2** **Maintenance service process reform leads to greater productivity and an upgrade in work skills**

Fuji Xerox has distributed tablets to engineers in charge of maintenance services across Japan since April 2013, and started up "COMPASS," a system enabling safe access anywhere (ie. from customer site) and use of necessary information even away from the office.

All customer information necessary during a service visit (including information from the sales department and call centers), which is automatically gathered and distributed by the database can be accessed and viewed on COMPASS. At the same time, digitalizing service reports intended for the client and data entry to the database system can be completed at once at customer site, eliminating the need to return to office to do such work. This has reduced maintenance work, by approximately 5 minutes per service visit, and generated a surplus of 100 hours per Engineer each year, dramatically improving service productivity. At the same time, applications have been developed for Engineers to study and brush up their skills and also for easy diagnosis of client problems. The extra time is now used for communications with clients, allowing Engineers to enhance

their skills as "Customer Solution Engineers," creating opportunities for following sales projects. The company has already customized COMPASS for the introduction into service divisions of companies in other industries. The new workstyle realizing both convenience and outstanding security was covered in the media as examples of "Unity of Words and Deeds"(Genko-Icchi). We will continue to utilize COMPASS so as to be "engineers who can consult everything regarding to the maintenance service."

Maintenance Service Process Reforms with COMPASS System



FUJIFILM Sustainable Value Plan 2016

Promotion policy 2

Solve environmental issues within business processes actively.



page 30

1. Promote global warming countermeasures



page 34

2. Promote resource recycling



page 36

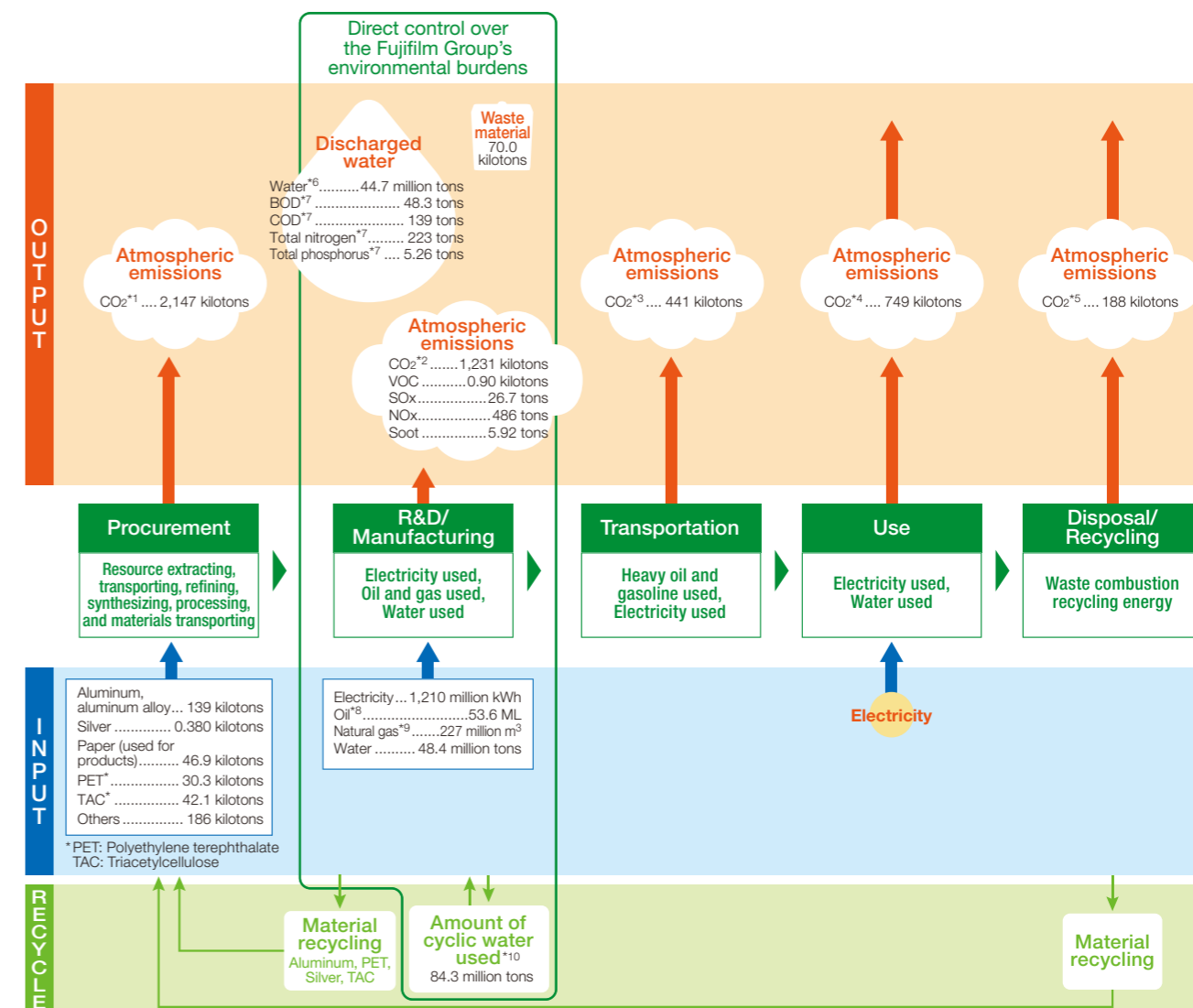
3. Ensure product and chemical safety

The Fujifilm Group has been working on reducing the environmental impact of its business processes for many years. In Sustainable Value Plan 2016, “global warming countermeasures,” “resource recycling” and “product and chemical safety”—the three themes that are particularly closely linked to the Group’s business activities and wield a major social impact—have been designated priority issues.

The Fujifilm Group is working towards recognizing the social and environmental impact through the material flow system summarized resource inputs and emission from our corporate activities in all business process—from material procurement, manufacturing, transportation, to usage and final

disposal. Understanding the entire picture of such impact caused by our activities throughout the value chain is helping us to accelerate our efforts towards realizing a sustainable society.

Fujifilm Group Green Policy (Environmental Policy) <http://www.fujifilmholdings.com/en/sustainability/vision/greenpolicy/>



^{*1} Environmental burdens due to raw materials procurement (CO₂ emitted during the process of extracting, transporting, refining, synthesizing, processing, and transporting raw materials) is calculated for the main raw materials procured.

^{*2} Environmental burdens due to product manufacture is calculated based on the total amount of energy (electricity, petroleum, and gas) consumed in the production process.

^{*3} For the calculation of environmental burdens due to product transportation, estimates are made based on domestic and overseas transportation methods and distances traveled. The typical amount of CO₂ emissions per unit of weight and distance for each method and correction factors such as the yield rate are multiplied by the weight of the raw materials procured.

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

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

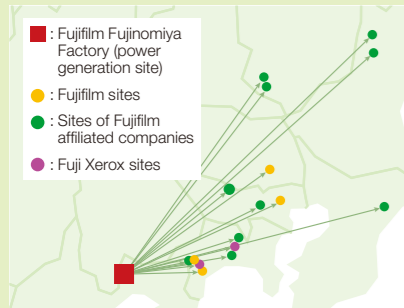
^{*6} Wastewater released as a result of business activities

^{*7} Volume released to public water

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

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

^{*10} This includes the amount of water used in a cyclic manner. (For the above, data from the input-output table and other sources are used to obtain CO₂ emissions per unit of output.)



Sites using the Fujifilm Group's wheeling of electric power with in-house co-generation system (As of March 2015)

Priority issue 1 Promote Global Warming Countermeasures

Target
Reduce CO₂ emissions from the entire product lifecycle by 30% compared to FY2005 by FY2020



Basic Approach

The Fujifilm Group has been promoting activities to reduce CO₂ emissions by setting management indicators for CO₂ emissions across the entire product and service lifecycle (from material "procurement," product "manufacturing," "transportation," "use" and "disposal"), not only within our Group. We set the target of "reducing CO₂ emissions for the entire lifecycle of products by 30% by FY2020 (relative to FY2005)" in April 2010, and we are continuing to actively reduce CO₂ emissions in our Group as a whole. Since FY2012, we also calculate CO₂ emissions based on the Scope 3 Greenhouse Gas Protocol ("Scope 3"),* and report related information as required. We also carry out development of environmentally conscious products based on "Rule for Design for Environment (DFE)," with which we review the degree of achievement in product performance to the target set in the design stage. These efforts should contribute to the further reduction of CO₂ emissions.

* Scope 3: Refers to one of the scopes that are targets for calculation and reporting on greenhouse gas emissions by companies. Scope 3 refers to indirect emissions, such as material procurement, manufacturing, transportation, use, disposal, as well as employees' commuting and business travel. Scope 3 calculation is based on the General Guidelines on Supply Chain GHG Emission Accounting released jointly by METI and MOE.

Outline of Activities in FY2014

Global Warming Countermeasures

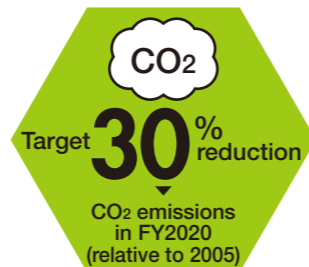
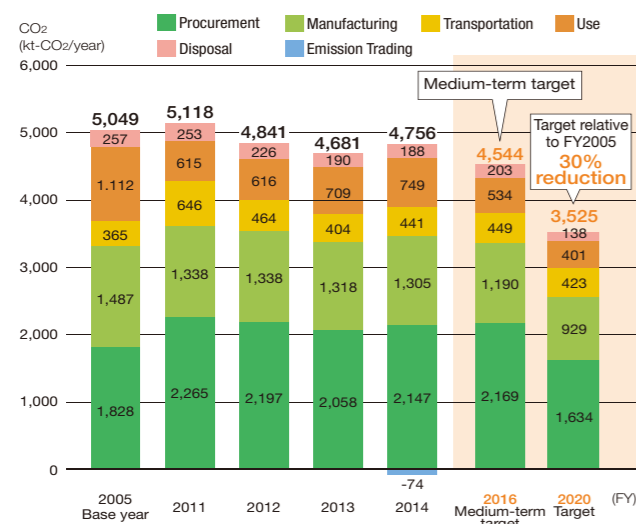
Related Data and Information Environmental Aspects Page 64

CO₂ Emissions Reduction Across the Product Lifecycle

In FY2014, despite our Group's production output exceeding that of the base year, FY2005, the Group's overall CO₂ emissions were reduced by 293,000 tons (6%) from the base year level. However, CO₂ emissions from the entire group increased by 1.6% compared to FY2013. Although we have maintained a downward transition since FY2011, there was a 4% increase in the procurement stage due to greater production of major products. Also, a further increase occurred in the transportation and use stages through an increase in sales of copiers and multifunction devices.

On the other hand, CO₂ emissions in the manufacturing

CO₂ Emissions across the Entire Product Lifecycle



stage were reduced by 1% compared to FY2013 despite the production increase. Compared to the base year of FY2005, we have reduced CO₂ emissions in the manufacturing stage by 12%, under conditions in which the CO₂ emission coefficients of the electric power utilities in Japan*¹ increased by 34% compared to FY2005. This was achieved by efforts to improve the energy usage efficiency at our facilities, through promotion of energy-saving measures across the group companies, enhanced utilization of in-house co-generation system in Japan, and utilization of renewable energy in overseas sites. We were also able to reduce emissions by 1% compared to FY2013 in the disposal stage by cutting waste and promotion of Zero Waste Emissions. Further, we have participated to the Carbon Neutral Project led by the Ministry of the Environment and offset equivalent to 1.6% of CO₂ utilizing our carbon emission credits (see page 37).

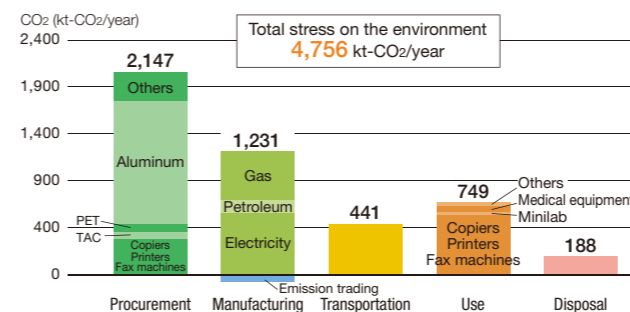
Continuous Promotion of Energy Strategy

The Fujifilm Group founded the Global Warming Prevention Committee in FY2007 to work on achieving significant improvements in production energy intensity and CO₂ emissions per unit production at six major factories in Japan. We have also conducted the Energy Cost Reduction Project,

Fujifilm Group's Main CO₂ Reduction Measures

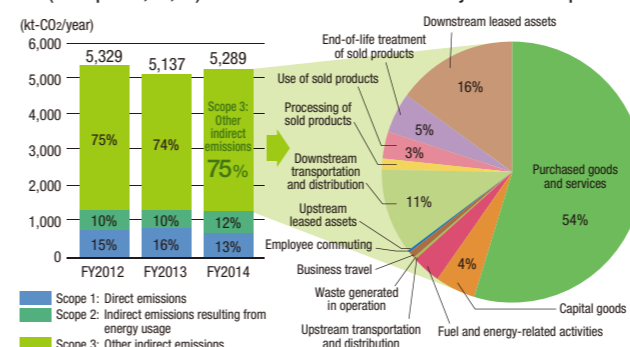
Action area	Relevant stage	Principal CO ₂ reduction measures
Development and dissemination of products with less environmental impact	Procurement, use and disposal	<ul style="list-style-type: none"> Multifunction devices (copiers, printers, faxes) with less energy consumption (document field) Energy saving medical diagnostic equipments (medical field) Non-processing CTP plates requiring no developing solution (graphics systems field)
Reducing CO ₂ emissions at factories and offices	Manufacturing	<ul style="list-style-type: none"> Fuel shift from heavy fuel oil to gas (Japan) Use of methane gas generated at waste disposal sites as fuel (United States) Wind power generation at factory site (Netherlands) Introducing Solar Power Generation (United States, Netherlands) Developing and introducing energy-saving technologies such as waste heat collection and steam collection (production sites in Japan, Western nations, China, etc.) Reducing the usage of energy that is not directly linked with production output (production sites in Japan, Western nations, China, etc.) Wheeling of electric power with in-house co-generation system for 16 sites (Japan) Usage of energy storage battery to reduce peak time electricity consumption (Japan)
Recycling	Procurement, disposal	<ul style="list-style-type: none"> Recycling for scrap aluminum from the production of PS/GTP plate and developing and expanding the use of a collecting & recycling system of used PS/CTP plate (graphics systems field)
Efficient distribution	Transportation	<ul style="list-style-type: none"> Paths optimization Improving loading ratio Promote modal shifts Using light and compact packaging Promoting eco-driving Milk Run procurement system for components (China)

FY2014 Results for Fujifilm Group

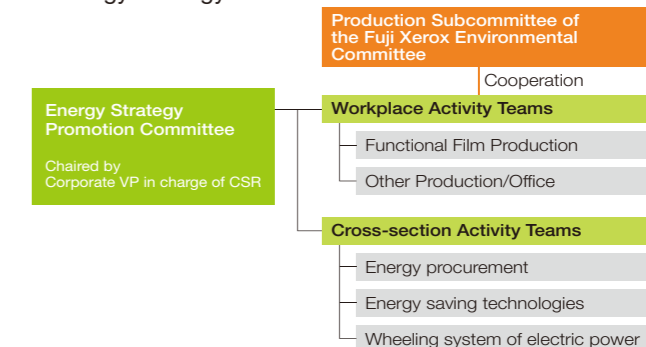


including overseas companies and factories, since FY2010 to reduce energy and CO₂ emissions through enforcing energy-saving measures (targets of both activities were achieved in FY2012). In FY2013, such energy management schemes were renewed and restarted as the Energy Strategy Promotion Committee, now giving them control over energy procurement and supply across the company. In FY2014, we continued deploying group-wide energysaving measures, such as energy reductions that is not directly linked with production output (fixed amount of energy used regardless of the production and standby energy consumed during non-production), as well as rolling out of new energy-saving measures across the group. We also actively promoted group-wide energy-saving activities in offices as well as production processes to ensure implementation of energy-saving measures. As a result of these efforts, we improved per-unit energy use by 5%, resulting an entire annual energy cost saving effect equivalent to approx. 6%. Also, we started utilizing the wheeling of electric power

CO₂ Emissions (Scope 1, 2, 3) FY2014 Result of GHG Scope 3 Emissions for Fujifilm Group



Energy Strategy Promotion Committee



with in-house co-generation system*², immediately after its enforcement in Japan in April 2014 following the revision of the Electricity Business Act, as our new energy measure in FY2014. Using this system, we supply the power generated in the Fujinomiya Factory to 16 sites among our group companies, simultaneously contributing to alleviating the peak demand to the power grid, a scheme introduced by the revised Act on the Rational Use of Energy, and to a reduction in electricity costs.

Future Prospects

In FY2015, we plan to further expand energy-saving measures across the Fujifilm Group and revise their manner of operations in order to continuously reduce energy-derived CO₂ emissions. At the same time, we will re-assess the energy-saving scenario to achieve the medium-term target set for FY2016 and the FY2020 target, as well as considering new targets after FY2020. For the Energy Strategy, we will expand our wheeling of electric power with in-house co-generation system to a greater number of business sites in FY2015, and plan and promote more utility measures ahead of the legal enforcement, including reform of the power and gas systems for a better future.

*¹ CO₂ emission coefficients: In Japan, we referred to the CO₂ emission coefficients for electric power utilities shown on the Japanese Ministry of the Environment's website for the greenhouse gas emission calculation and reporting scheme every year. For overseas, we referred to CO₂ Emissions from Fuel Combustion 2012 (IEA).

*² Wheeling of electric power with in-house co-generation system: The wheeling of electric power with in-house co-generation system enables a company to distribute electricity generated within the company to the company's closely related business sites for non-profit purposes, using the electricity networks owned by utility companies. Using this system, the Fujifilm Group distributes power generated in Fujinomiya Factory equally to the group's 16 business sites.

Outline of Activities in FY2014

Design for Environment

Fujifilm

Fujifilm has been working on reducing environmental impact for its all new and renewed products according to "Rule for Design for Environment" since 2003.

In FY2014, we started a new effort based on the policy of Contribution to Solving Social Issues through Products and Services, stated in our new Medium-Term CSR Plan. We set up the target to "reduce CO₂ emissions by 20 million tons by 2020 (compared to 2005)" and we are making progress towards this target by visualizing the results of social contribution through our environmental efforts. Visualization is attained by calculation based on internal guidelines to Calculate the Environmental Contribution for the Reduction in CO₂ Emissions*¹ over nine case studies, including our specially developed magnetic tapes for storage media. We also listed and organized about 40 candidate projects that may contribute to CO₂ emissions reductions, including those still in the stage of development in the R&D Divisions. Our environmental efforts also cover water usage, which is now a focus of the world's attention. We commenced visualization of water usage across the product lifecycle for four case studies, mainly in the Graphic System Business area, based on the internal guidelines to calculate the water footprint established in the previous fiscal year. We plan to enhance the product coverage of such water usage visualization, publically disclose the visualized data as environmental information, and utilize it to develop products with water conservation features.

In October 2013, *the Global Guidelines to Contribute in GHG Emissions Reduction**² was internationally published. In order to promote understanding of the guidelines and spread their use in Japan, the Japan Chemical Industry Association published the Global Guidelines Supplement*³ in March 2015. Fujifilm participated in the creation of this supplement as a working group member, making suggestions in creating concrete examples of applying the guidelines using simpler languages.



Future Prospects

Fujifilm will create the roadmap to achieve the FY2020 targets to contribute to CO₂ emissions reduction and continues to strive for the attainment of such targets. Also, concerning water usage, we will expand the product coverage of water usage visualization and promote the development of products to conserve water resources and provide the environmental information.

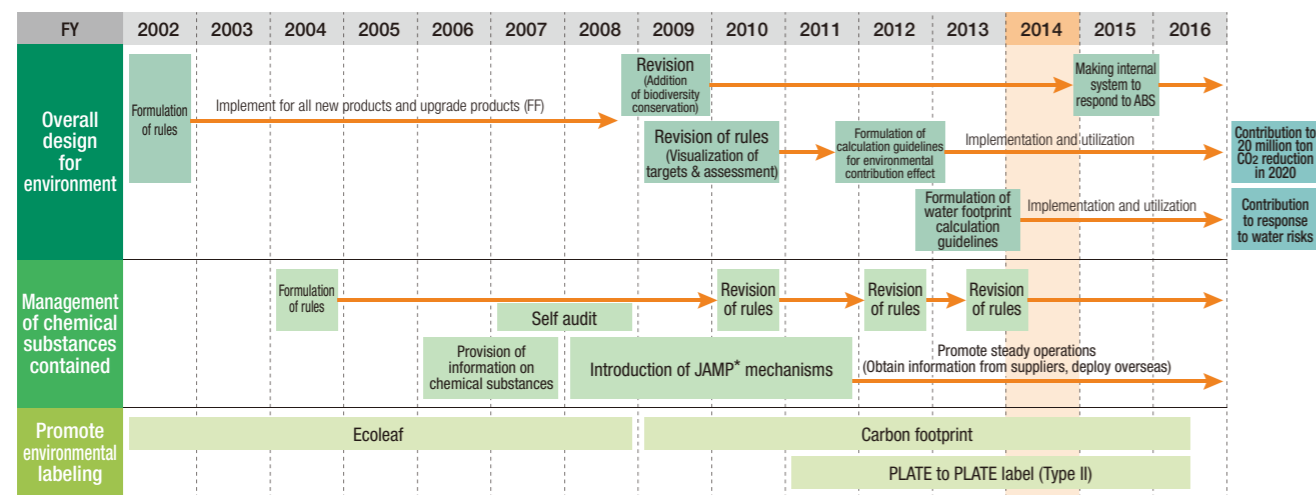
Fujifilm continues, not only to working for internal environmental activities, but also for external working groups by actively involving ourselves in disseminating an environmentally conscious approach across the whole of society.

*1 The internal guidelines to Calculate the Environmental Contribution for the Reduction in CO₂ Emissions: A compilation of approaches and methods to visualize contributions to CO₂ emissions reduction in a quantitative manner across the product lifecycle, including the stage of customer usage.

*2 Global Guidelines to Contribute to GHG Emissions Reduction: The "world's first global guidelines to calculate the contribution to GHG emissions reduction in a value chain," published in October 2013 by the International Council of Chemical Associations (ICCA) and the World Business Council for Sustainable Development (WBCSD) Chemical Sector project based on the Guidelines to Calculate Contributions to CO₂ Emissions Reduction (in Japanese) published by the Japan Chemical Industry Association.

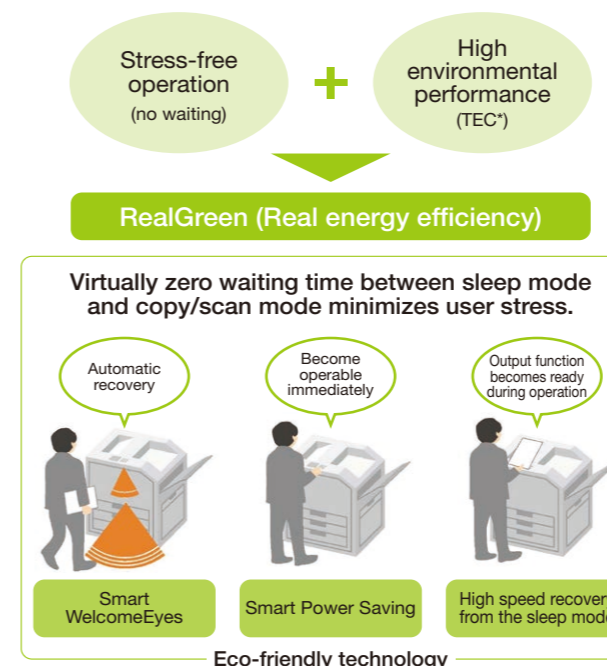
*3 Global Guidelines Supplement: A publication supplementing the above guidelines with an easy-to-understand explanation of the following aspects, together with concrete examples: definitions of chemical product level and end-use level in a value chain, scope of contribution products, definition of contribution significance, how to specify service life, how to choose data to be used, and other notes.

Progress of "Design for Environment"



*Joint Article Management Promotion Consortium

RealGreen Concept



*Typical Electricity Consumption (TEC) : The amount of power consumed by office equipment, such as printers and copiers over a conceptual week (five days of operation and repeated sleep/power-off mode, plus two days of sleep/power-off mode).

Fuji Xerox

Fuji Xerox is working on cutting its environmental impact both in terms of hardware and software, in order to minimize our products' impact on global warming. Under the concept of RealGreen, product development is proceeds with attention given to both reducing the global environmental impact through energy conservation, etc., and paradoxically, to the pursuit of the values of comfort and convenience. Eco-friendly technologies have been introduced for new models in all product lineups. By replacing older models, we are seeking to reduce power consumption when customers use our products.

In FY 2014, Versant™ 2100 Press, the color on-demand publishing system received the "Minister's Prize, the Ministry of Economy, Trade and Industry" of the Eco-Products category at the 11th Eco-Products Awards, organized by the Eco-Products Awards Steering Committee (see page 25).

Use of efficient remote servicing is being promoted for product inspection and maintenance. Specifically, customers subscribing to our Remote Service EP-BB service contract receive firmware updates remotely, in order to reduce the number of visits to customer sites. In FY 2014, these activities have picked up speed, with the introduction of a remote inspection system that forecasts the timing of parts replacements and fault prediction in order to optimize the timing for inspections. As a result, the number of visits has been cut down by roughly 45% over the previous year and this has reduced CO₂ emission generated by vehicle use.

Future Prospects

In the future, the company plans to provide its customers and society with outstanding environmental values through environmentally-friendly products and solutions services through eco-friendly technologies that the company had developed over its history.

OPINION

Third-Party Opinion on "Promoting Anti-Global Warming Measures"



Mr. Takejiro Sueyoshi

Special Advisor
UNEP Finance Initiative

Profile
In addition to being involved in UNEP FI, Mr. Sueyoshi has served in various positions, such as committee member on various types of councils on the Central Environment Council, advisor to Kawasaki City and Kagoshima City, part-time lecturer at the University of Tokyo Graduate School. He also works as an external member of the board to companies and engages in efforts to raise awareness on environmental issues and the social responsibility of companies on TV, in newspapers, published works, and lectures.

Fujifilm's Enthusiasm in Problem Solving and High Level of Awareness as a Responsible Global Corporation in the 21st Century

In this age when everyone is being urged to create and implement countermeasures against global warming, the Fujifilm Group has set itself a significant challenge of a 30% reduction in its CO₂ emissions compared to FY2005 levels by FY2020. This effort is targeted at CO₂ emissions reduction across the product lifecycle, and some results have already been seen in the manufacturing stage—despite an increase in production quantities. This is a praiseworthy achievement in today's severe business environment.

Among FY2014 activities, one notable topic is the commencement of the new Medium-Term CSR Plan, Sustainable Value Plan 2016. As a variety of global issues become evermore serious, it is highly appropriate and novel for a CSR plan to focus on Health, Daily Life, and Working Style, in addition to the Environment itself. From the Group's declaration of "taking an initiative in solving social issues through innovative technologies, products, and services," I can see their enthusiasm to challenge problem solving, as well as their high level of awareness as a responsible global corporation in the 21st century.

The year of 2015 is one of the most important years in terms of anti-global warming activities. This is because a new international framework of CO₂ emissions reduction will be adopted in the COP21 to be held in Paris in December. In such an important year, it would be truly wonderful if the strong leadership of the Fujifilm Group could help "hold the increase in global average temperature below 2°C," which is a longing common to all mankind.

Response to the third-party opinion

We sincerely appreciate your high evaluation on the Fujifilm Group's target of "reducing CO₂ emissions across the entire product lifecycle by 30% compared to FY2005 by FY2020," and on our initiative toward "solving social issues through our business" declared in the Medium-Term CSR Plan, Sustainable Value Plan 2016.

The Fujifilm Group will continue its existing CSR measures, such as energy saving activities in manufacturing; enhancing the wheeling of electric power, which we started last year; and utilization of renewable energies, including wind and solar power. We will also be enhancing anti-global warming measures through our products and services to continue our efforts as a Group to achieve more challenging CSR targets.

(CSR Group, Corporate Planning Division, FUJIFILM Holdings)



Priority issue 2 Promote Resource Recycling

Target

- (1) Reduce volume of waste generated by 8% compared to FY2012 by FY2016
- (2) Reduce material input per unit by 10% compared to FY2012 by FY2020 (Create an input control system by FY2016, such as setting indices per unit and verifying the efficacy)
- (3) Maintain water usage per sales (water input per unit) at FY2012 levels



Basic Approach

The Fujifilm Group has always been aware of the importance of effective use of natural resources, as the main raw material for photographic film, the main product at the time of our establishment, is the precious natural resource, silver, and to which lots of clean water and fresh air are essential in manufacturing. Since our establishment, we actively continue with our efforts to reduce the amount of virgin resources, such as by reducing water usage, recycling and reusing water, recovering and reusing silver, and establishing a resource recycling system for multifunction devices and copiers, etc. We are conducting efforts to use resources effectively and reduce waste through measures which take into account the total lifecycle of a product, by considering the 3Rs (reduce, reuse, recycle) in the product design, reducing loss at the manufacturing stage, collecting, reusing and recycling used products, and recycling or converting into valuables.

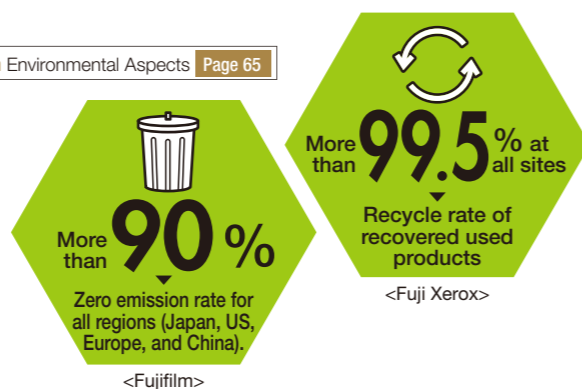
Outline of Activities in FY2014

Related Data and Information Environmental Aspects Page 65

Measures to Reduce Waste

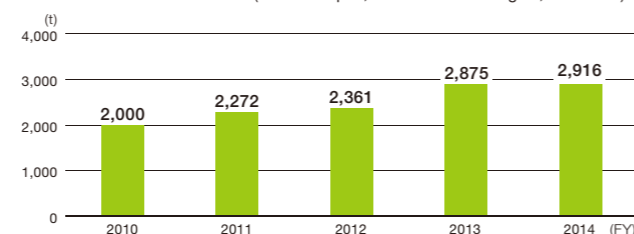
The Fujifilm Group is making comprehensive efforts to use resources effectively and reduce waste throughout the entire lifecycle of its products, from design to manufacturing and disposing. We think carefully about the most effective ways to use resources and reduce waste as much as possible, by considering reduction of resources in products and recycling after use in the design stage, and reducing losses at the manufacturing stage. Meanwhile, we are concerned about waste emitted necessarily in manufacturing too, and since FY2011 we have been involved in project as Fujifilm Group to convert waste in manufacturing into valuables and raise the value of these valuables. In addition to activities at production sites, we have expanded to wastes in office and warehouse for transportation, promoted our measure in the scope of our business activities overall.

Regarding waste in office, we have improved used paper recycling by roughly 20% in the Tokyo metropolitan and Kanto regions through consolidated management by the Group's shared company. At distribution warehouses,



plastics used for packaging have previously been disposed of as waste due to the low volume and wide variety. Starting at the end of October 2014, these plastics have been gathered by area for sorting and collecting by a contractor service. Such efforts are expected to generate value for roughly half of the plastics collected, thus cutting down waste output. With these activities, we were able to cut down waste by 9% in FY2014, achieving the Medium-Term Target of reducing volume of waste generated by 8% compared to FY2012 by FY2016 two years early. Outsourced waste disposal cost had also been reduced by 28% by end of FY2014 (compared to FY2010). Reduction of waste to be disposed of by simple

Fuji Xerox Reduction of New Resource Input through the Reuse of Parts* (Total for Japan, the Asia-Pacific Region, and China)



*CO2 emission reduction achieved through the use of recycled parts. This represents the amount of CO2 emissions that would have been generated at the production stage with the manufacture of new parts, if recycled parts had not been used.

Outline of Measurements for Waste Reduction in Fujifilm Group



incineration/landfill (zero emission) is underway on a global scale. In FY2014, the Group achieved zero emissions of over 90% for all regions (Japan, US, Europe, and China).

Future Prospects

We are progressing continual waste reduction and utilization of resources, following cost reduction through group-wide optimization. We are also considering a higher targets for waste output.

Measures to Zero Landfill from Products

At Fuji Xerox, based on the approach that "used products are not waste products but valuable resources," we have been introducing resource recycling activities aiming for Infinite Zero Landfill*1 through the maximum use of resources by collecting used products and reusing and recycling*2 them. We have achieved Zero Landfill from the collected used products in Japan by recycling them as a part of other products. We also established resource recycling systems equivalent to that in Japan in China and the Asia Pacific region based on the idea that we have same responsibility to reduce environmental impact in all the regions where we conduct business as a global corporation. As a result of such efforts, we have been maintaining more than 99.5% of resource recycling rate, which is the target rate for Zero Landfill, in all of our business areas*3 since FY2010.

As for new resource inputs, we managed to reduce these by 41 tons in FY2014 from the previous year. However, we expect that it will be more difficult to retain such a reduction rate of these inputs against the increase in the amount of products and parts due to advancements in downsizing and weight reduction in products and consumables.

Future Prospects

We are progressing with the further utilization of resources and reductions in environmental impact to enhance the "quality" of recycling, such as by improving the working environment in dismantling processing bases while maintaining Zero Landfill in all of our business operation areas.

*1 Definition of "Zero Landfill": Reduction of simple incineration or landfill to under 0.5% of total waste output.

*2 Reusing: Either parts are reused as they are, or their materials are reused. Recycling: Components that could not be reused are recycled as a resource for other purposes.

*3 Japan, China and the Asia Pacific

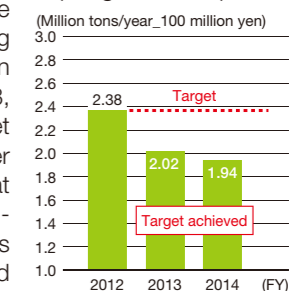
Response to Water Risks

Since our establishment, the Fujifilm Group has been working toward water usage reduction and water recycling. In FY2013, we set the medium-term target of "maintaining water usage per sales (water input per unit)* at FY2012 levels" in order to address the water risk, which is now of growing concern and achieved the target of FY2014.

We believed that our water risk was low as our production sites with high water usage are all located in Japan, where water is abundant. However, in FY2014, we identified our group sites with relatively higher water risk through visualization using a matrix with two indices: "water stress" and "impact on company business in terms of water usage."

*=Water usage/revenue

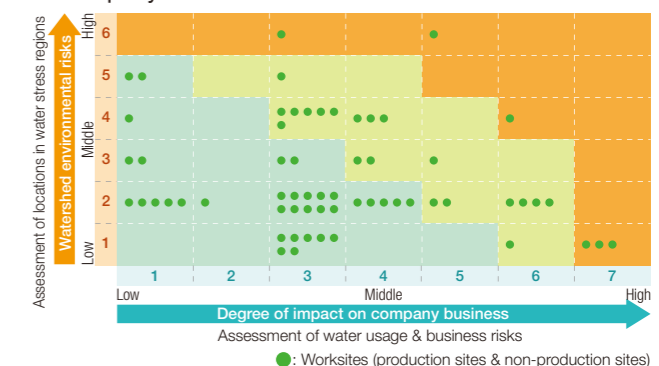
Water Usage per Unit (usage/revenue)



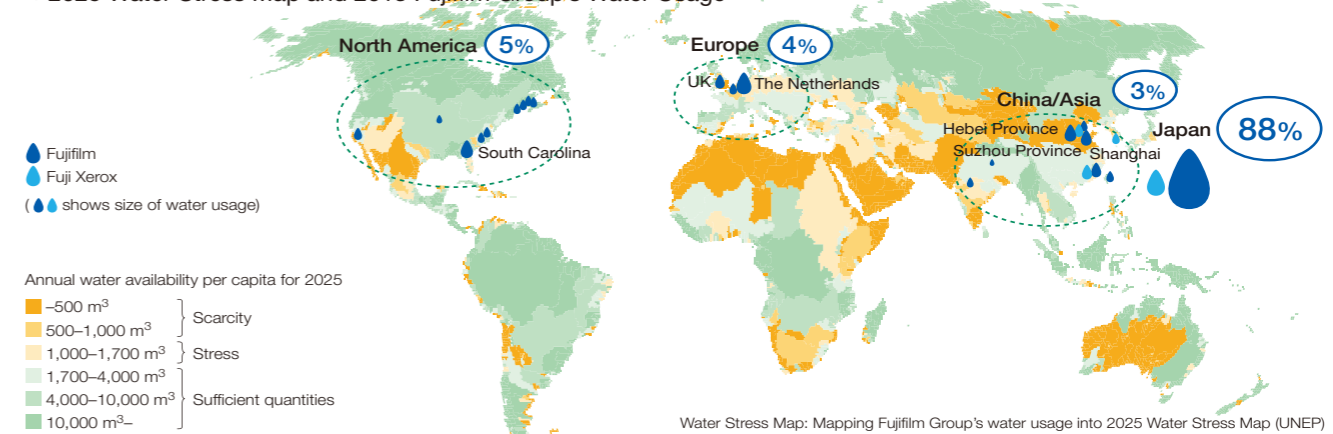
Future Prospects

We are pursuing our efforts in water usage reduction and water recycling by maintaining the level of water usage per unit set as the medium-term target and implementing water risk countermeasures in our group sites according to their water risk levels and actual business operations. We are also planning to survey and reduce water usage in our suppliers and customers.

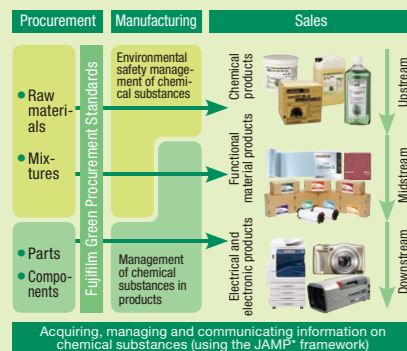
Assessment Map of the Impact of Water Resources on Company Business



2025 Water Stress Map and 2013 Fujifilm Group's Water Usage



Water Stress Map: Mapping Fujifilm Group's water usage into 2025 Water Stress Map (UNEP)



Priority issue 3 Ensure Product and Chemical Safety

Target

Contribute to “Minimization of adverse effect to environment and human health from chemical substances in production and usage by FY2020”

* Joint Article Management Promotion-consortium (JAMP): A cross industry organization established in 2006 to ensure smooth communication and management of information on chemical substances contained in products throughout the supply chain.



Basic Approach

Because the Fujifilm Group manufactures a wide range of products such as chemical products, functional materials, optical devices, office equipment, and medical equipment, etc., we have established and implement management rules according to the respective composition and manufacturing processes of our products, from the perspective of management of the handling of chemical substances and management of information on chemical substances. Since 2010, in our Medium-Term CSR Plan, we have been making efforts for the priority issues of establishing and disseminating the framework to acquire, manage, and communicate information on chemical substances contained in products along the supply chain and enhancing our system to acquire information on laws and regulations in each country and region around the world accurately, and to ensure response efficiently.

Outline of Activities in FY2014

Management of Chemical Substances

Fujifilm classifies and manages the chemical substances used in its business according to applicable laws and regulations, as well as their hazard and the company's management policies. For chemical substances identified as possessing a certain hazard level, it is mandatory to assess the risks from the substance prior to its use and according to how it is to be used. The revised Industrial Safety and Health Act will be enforced in Japan in Spring 2016, and this will make an assessment of human health risks mandatory when using substances specified by the Order for Enforcement of the Industrial Safety and Health Act (as Dangerous or Harmful Substances Subject to Labeling, etc.), which is currently only a recommended effort. With this institutional change in sight, in FY2014, we enhanced our current methods to assess risks from chemical substance use in production, and developed them into a method to quickly provide assessment results that take into account a wider scope of chemical substance usage—not only in production, but also in research and development.

Based on the chemical substance information system installed in Fujifilm in 2009, Fuji Xerox also started using the information management system that centrally tracks the chemical substance information from all affiliated companies in order to comply with increasing chemical-related laws in a definite and efficient manner. Fuji Xerox is in the process of installing the system at its domestic and overseas sites in FY2014.

Future Prospects

We will plan to utilize this new risk assessment method in FY2015 after making adjustments to ensure its consistency with details of the revised Industrial Safety and Health Act.

Management of Chemical Substances in Products

As a part of the reinforcement of our efforts to appropriately manage chemical substances in products, Fujifilm is making progress in spreading use of a system to manage chemical substances in products across its supply chain utilizing the

Classification Criteria for Chemical Substances and Management Practice Based on the Classification

(Classification criteria: Hazard, laws and regulations in Japan and overseas, and management policy)

Classification	Classification criteria	Management practice
C0	Prohibited by laws and regulations and management policy	(Prohibited)
C1	Discontinue usage, reduce amount of usage or reduce emissions based on management policy (hexavalent chromium, formalin, and dichloromethane, etc.)	Discontinue usage, or reduce amount of usage or emissions
C2	<ul style="list-style-type: none"> Notifications and/or approval is required by laws and regulations Particularly hazardous (carcinogen, explosive, etc.) Limited handling based on management policy (lead compounds, etc.) 	Enclose or restrictive management
C3	Specified laws or regulations applied, or having specified hazards	Management based on risk assessment
C4	Classification other than C0 to C3	General management (management based on SDS and laws and regulations)
S	Specially managed substances: No relevant laws, regulations or hazards data but potential risk is concerned.	Start research for replacement or reduction of usage amount, emission or exposure

information communication tools provided by the Joint Article Management Promotion-consortium (JAMP)*. In FY2014, we expanded this system from Japan to other Asian countries (see page 37).

To ensure compliance to related laws, in FY2012 Fuji Xerox revised the chemical substance audit method so that we could learn how chemical substances are managed by business partners and they could understand the problems, if any. In FY2013, this new auditing system was enforced at all Fuji Xerox business partners. In FY2014, the company started offering support and instructions to business partners that do not achieve the required standard to improve chemical management levels across the entire spectrum of business partners.

Future Prospects

Fujifilm will expand this system JAMP provided to the Group companies in Asia. In FY2015, we plan to implement the system across the supply chain through regular briefings for our business partners and offering various forms of support that take account of individual partners' actual situation, aiming to continue supplying products that boast highly-managed chemical substance usage.

Priority Issue 1 Achieving zero CO₂ emissions in four major office buildings by utilizing Carbon Neutral Certification

Fujifilm Holdings was selected as one of the businesses for the FY2014 Carbon Neutral Certification Model Project, and eventually received the Carbon Neutral Certification in its headquarters building and three other major office buildings. The company's carbon neutral* status (zero CO₂ emissions) was achieved by the Clean Development Mechanism defined in the Kyoto Protocol, offsetting the entire amount of FY2013 CO₂ emissions (13,043 tons) including those derived from fuel and electricity usage (Scope 1 and 2), as well as from paper usage, waste emissions, business travel, and employee commuting (Scope 3).

We have actively installed a number of energy-saving measures in offices, such as usage of LED desk lights along with the activities to raise environmental awareness among employees.

Acquirement of Carbon Neutral Certification offsets the remaining CO₂ emissions by utilizing Certified Emission Reductions (CER) credits gained from hydroelectric power generation in developing countries and other contributions. Such CO₂ emissions offset also helps anti-global warming measures in developing countries. We will further accelerate the global warming countermeasures to achieve the FY2020 CO₂ emissions reduction target through the united effort of all group companies.

* Carbon neutral: A scheme that can offset the entire amount of GHG emissions from the activities of a business or other organization with the amount of the organization's GHG emissions reduction made in other areas. The Carbon Offset refers to the system that can offsets a part (or all) of GHG emissions. Japan's Ministry of the Environment started the Carbon Offset Scheme in 2012 to promote and support offsetting or neutralizing GHG emissions.



Priority Issue 2 US plant promotes conversion of waste into valuable substances and recycles 169 tons of waste solvents

Fujifilm Electronic Materials USA, Inc. responsible for the manufacturing and sale of materials for semiconductor devices has made great success in the reduction of waste output and conversion of waste into valuable substances. By recycling a number of waste solvents that had been disposed of in the past, the company was able to provide them as a product used in semiconductor manufacturing processing. Waste solvents from the factory in Mesa, Arizona, were recycled and commercialized in cooperation with its client company. This process converts what was basically waste into an application that generates value. Furthermore, the company uncovered a market for mixed

solvents as another byproduct, which were previously waste solvents. At present, roughly 90% of the waste solvents are being sold as products or secondary products.

This resulted in the recycling of 169 tons of waste solvents that had undergone waste treatment and at the same time a reduction in cost of more than US\$16,000 (¥1.76 million*) in 2014.

Fujifilm consolidated all of its waste treatment contractors for its US plants in 2013 and taken other actions towards zero emission in the US, where action in this area lagged behind efforts in Japan and Europe. The company plans to engage in various other recycling activities towards the global implementation of resource recycling.

* Converted at the rate of ¥110 to the US dollar

Priority Issue 3 Management of chemical substance usage information across the supply chain started in China

Many countries are currently reinforcing their laws and regulations concerning chemical substances used in products, such as the RoHS directives and REACH. To ensure compliance with such laws and regulations, Fujifilm uses the information communication tools offered by the Joint Article Management Promotion-consortium (JAMP). Utilizing the chemical substance management system also

offered by JAMP in conjunction with the information communication tools, we share information on the chemical substances used in our products with overseas subsidiaries. We are also enlarging the scope of the system and tool usage throughout the supply chain.

This expansion was made to Asian countries in 2014. FUJIFILM Imaging Systems (Suzhou) Co., Ltd. which is our largest production site in China, held a briefing session for local business partners. With the agreement of the partners attended the meeting, we started gathering chemical substance information using the JAMP system and tools with common information sharing formats. We are now working together with our business partners to collect and publish this chemical substance information.



Briefing on the chemical substance management tool to business partners



FUJIFILM Sustainable Value Plan 2016

Promotion policy 3



Enhance the CSR framework supporting the corporate activities across the value chain.

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page 40

1. Raise compliance awareness and ensure risk management
- 

page 45

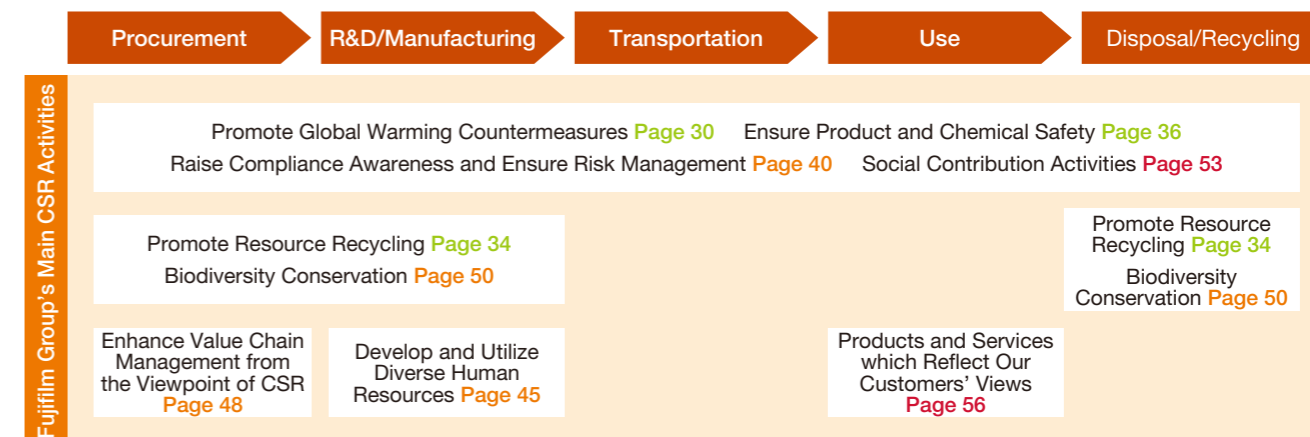
2. Develop and utilize diverse human resources
- 

page 48

3. Enhance value chain management from the viewpoint of CSR

For continuing and sustainable growth, a business corporation is required to not only fulfill its economic and legal responsibilities but also regard its responsibilities toward various stakeholders. In the Sustainable Value Plan 2016, “Compliance and Risk Management,” “Human Resources,” and “Value Chain Management” are identified as priority issues for maintaining Fujifilm Group’s sustainable corporate activities.

▼CSR Activities Promoting throughout the Value Chain



The Fujifilm Group established its Charter for Corporate Behavior, Code of Conduct, and Approach to CSR and promotes CSR through sincere and fair business activities. In order to expand and strengthen our activities, it is necessary to collaborate all processes, procurement, manufacturing, transportation, use, and disposal throughout the value chain. In March 2015, the Fujifilm Group revised the Procurement

Policy and presented the “Requests to Suppliers” in an effort to enhance value chain management. We will keep recognizing social effect through our business activities and our responsibilities, and aspire for establishing a sustainable value chain with mutual growth through understanding and implementation of these activities not only within the Group but also by our business partners.

Fujifilm Group Procurement Policy [Basic]

The Fujifilm group will conduct its procurement based on the basic concepts listed below, while building mutual trust and respect with suppliers.

- We will engage in ethical trading in compliance with laws, regulations and social norms, paying full considerations to perspectives including human rights, environment, occupational health and safety.
- We will treat all bidders with fairness and ensure that they are given the same level of information when preparing quotations. We will provide trading opportunities to all domestic and overseas suppliers, and actively consider procurement from newcomers.
- We will conduct procurement activities with reputable and reliable suppliers which are selected from comprehensive perspectives including quality, price, delivery time, technical capabilities, CSR activities and business continuity.

Note that ‘procurement’ under this policy covers not only the procurement of parts and materials for products, but also various trade activities such as procurement of indirectly related materials, maintenance and management service of facilities.

Requests to Suppliers

[Important 28 CSR items in four categories]

Respect for human rights	Respect for basic human rights, elimination of discrimination, prohibition of non-humanitarian treatment, workers' rights, prohibition of forced and child labor, restraint on extended work hours, wages, privacy, and occupational safety and health
Open, fair and clear business activities	Active communications, information disclosure, fair trade, prohibition of abuse of superior status, prohibition of corruption, offer of unfair benefits, severance of ties with antisocial forces, compliance with export/import laws and regulations, quality & product safety, protection of confidential information, intellectual property rights protection and preservation of personal information environment
Preservation and protection of the environment	Promotion of green purchasing, prevention of global warming, waste control, prevention of environmental pollution and preservation of natural resources
Development of management systems and schemes	Management system and internal/external communication

Manuals

Fujifilm Group CSR Procurement Guidelines



Charter for Corporate Behavior and Code of Conduct

Priority issue

Raise Compliance Awareness and Ensure Risk Management

Targets

- (1) Maintain 100% awareness of major risks and full-scale performance of awareness-raising schemes
- (2) Ensure offering health promotion opportunities to employees
- (3) Be aware of risk of human right issues across the Fujifilm Group



Basic Approach

The Fujifilm Group interprets compliance as “more than simply not breaking the law and acting correctly in the light of common sense and ethics.” We believe that we achieve compliance by responding flexibly with a keen sensibility to the needs of society. A lack of awareness of compliance often leads to increased risk. Consequently, compliance and risk represent two sides of the same coin. A dedicated department in each operating company of the Fujifilm Group manages risks in a comprehensive and integrated manner, recognizing that promoting compliance and managing the risks associated with business operations is a single continuum. We steadfastly advance compliance and risk-management activities across the Group, with our two operating companies, Fujifilm and Fuji Xerox, overseeing their respective affiliates in Japan and overseas.

The Fujifilm Group ensures compliance with laws and regulations, including those related to respect for basic human rights, which is the most fundamental compliance item, as well as for occupational health, the basis for all business activities.

Fujifilm Group Code of Conduct/Compliance Statement <http://www.fujifilmholdings.com/en/about/philosophy/law/>

Outline of Activities in FY2014 Compliance

Related Data and Information Compliance and Risk Management Page 60

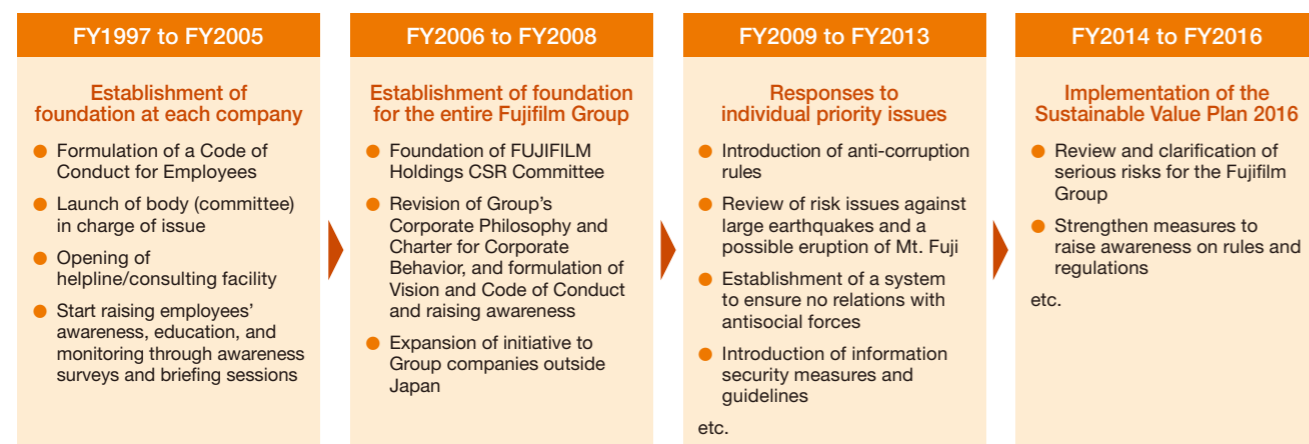
Fujifilm Group

As a set of fundamental policies, we have formulated the Fujifilm Group Charter for Corporate Behavior and Code of Conduct. We have also established the Fujifilm Group Code of Conduct to better guide each employee to act and behave in compliance with laws, regulations and social ethics and make it clear that we give the first priority to compliance in our business activities. We have established a division that is exclusively responsible for promoting compliance and instilling a compliance based mindset throughout the Group within each of our principal operating companies: FUJIFILM Corporation and Fuji Xerox Co., Ltd.

We also maintain offices to provide consultations and support communications regarding infringement issues 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.

<About the anti-corruption matters>
The Fujifilm Group has never been investigated by administrative authorities concerning any anti-corruption matters.

Measures Implemented for Compliance and Risk Management



Fujifilm

Fujifilm regards the promotion of compliance and risk management as a single activity and centrally manages and conducts related efforts through the Compliance and Risk Management Division (CP&RM), which is dedicated solely to the activity.

The company provides managers of its Group companies with compliance education concerning information security, harassment, export matters, and other items every year, and what the managers have learned is then communicated at their workplaces to raise awareness among all Group employees. Also, for its bases outside Japan, Fujifilm fosters compliance in consideration of the actual local situation.

In response to the recent enhancement of anti-corruption laws across the globe, Fujifilm introduced anti-corruption rules to its Group companies in April 2014 and has since been regularly carrying out in-house audits to ensure compliance with these rules.*

Future Prospects

Fujifilm will conduct onsite compliance audits also at its bases outside Japan and increase transparency regarding compliance. In FY2015 the company plans to conduct an opinion survey targeting all employees, with a view to checking the level of their compliance awareness and identifying the compliance-related problems faced by employees.

Fuji Xerox

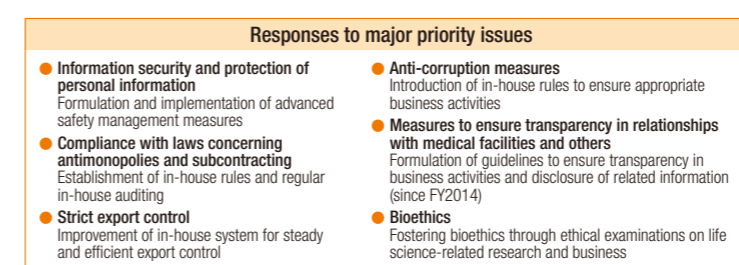
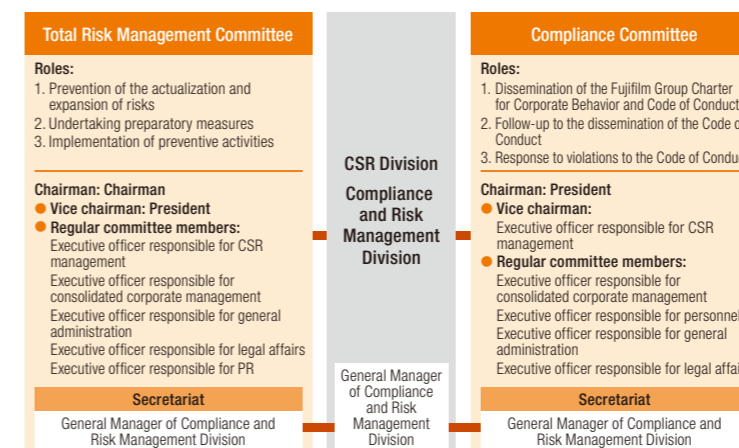
At Fuji Xerox, we have laid down our Action Guidelines relating to ethics and compliance, and we are working to enhance the system and its mechanisms in order to embed it in the actions of each and every executive officer and employee. With worldwide action to strengthen and implement laws on the prevention of corruption, the company and all domestic subsidiaries established related regulations in FY2013. In FY2014, implementation was completed for the entire Group, including overseas companies.

In compliance training, we annually conducted the web-based training aimed at the prevention of misconduct and harassment, as well as the “Legal Risk Assessment Test,” which is an educational tool concerning general legal affairs for employees, jointly developed by FUJIFILM Holdings, Fujifilm and Fuji Xerox. Rank-based compliance training is also being upgraded. In addition to group training for newly appointed managers, we have developed a web-based training program (educational video) in FY2014 for all managers.

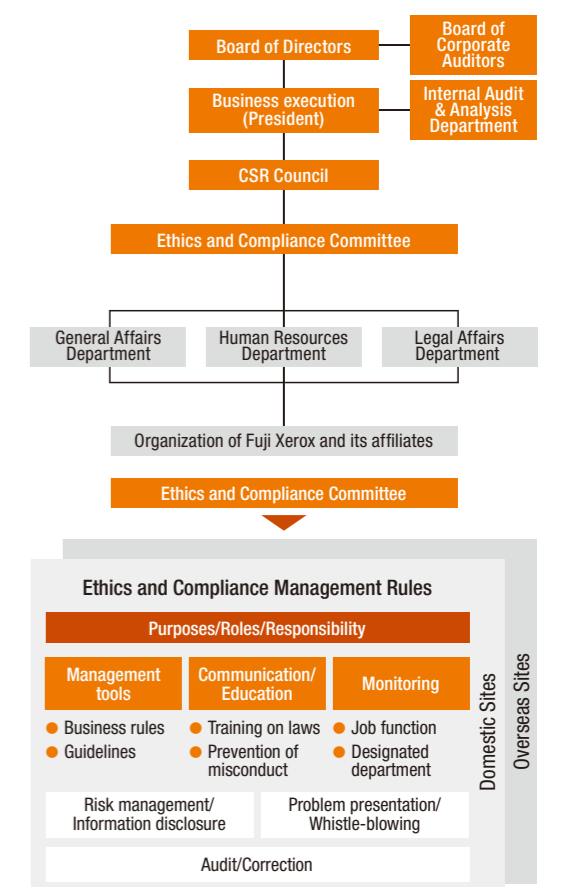
Future Prospects

For the further implementation of effective training, programs covering the laws essential for new businesses and global business activities are being upgraded to improve legal awareness and ensure a full understanding of basic legal knowledge among all employees, including those in overseas subsidiaries.

Compliance and Risk Management Promotional Organization (Fujifilm and its affiliates)



Corporate Ethics and Compliance Promotion System (Fuji Xerox and its affiliates)





Outline of Activities in FY2014

Risk Management

Related Data and Information Compliance and Risk Management Page 60

Fujifilm Group

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 appropriate countermeasures and effecting their implementation. As a holding company, FUJIFILM Holdings supervises business execution by subsidiaries from the standpoint of its shareholders, while also conducting operations common to the Group in a unified, efficient and appropriate manner.

Fujifilm

Fujifilm has been implementing countermeasures against companywide risks, which we identified based on the risks faced by each division and set as common issues. In FY2011, in response to the Great East Japan Earthquake and the disaster scenarios envisioned in the event of an eruption of Mount Fuji, an earthquake occurring directly under the Tokyo Metropolitan Area or a massive interrelated earthquake (Tokai, Tonankai and Nankai earthquakes along the Nankai trough), we reviewed its companywide risks to supplement and strengthen its countermeasures.

In FY2014, we conducted training for the risk managers in each Group organization to raise our risk management awareness and capabilities to deal with such risks. We are also enhancing the measures for employees visiting or living in developing countries on business as part of our effort to strengthen risk management for the safety of employees outside Japan (see page 51). Further, all employees were given E-learning opportunities to maintain and increase their information security levels and deepen their understanding of information security rules and guidelines on specific activities to be undertaken.

Future Prospects

Fujifilm will continue to identify priority risk issues through the PDCA cycle and formulate and implement specific action plans.

Fuji Xerox

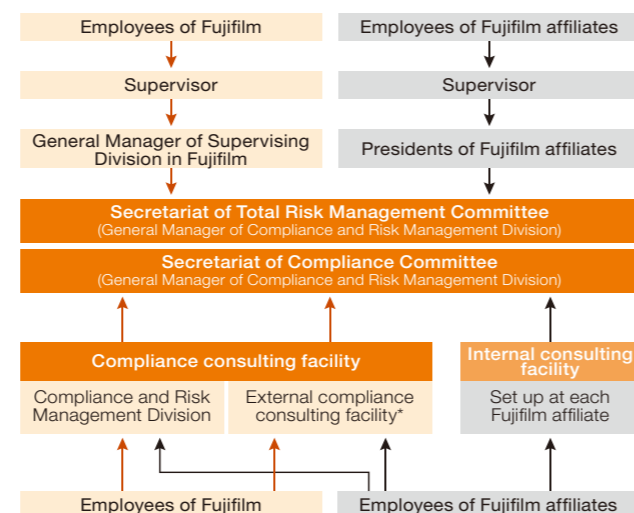
Fuji Xerox places a priority on actively managing risk, not just in emergencies, but also in its daily business operations, based on ALL-FX Risk Management Rules. Potential risks are managed based on occurrence frequency and impact on management. Responsibilities and authority, formulation and implementation of countermeasures are set out to each risk. In risk management, we select priority issues, with attention given to changes in social and business conditions, the status of our business operations, the occurrence frequency, impact on management, etc. Since the Great East Japan Earthquake, we have developed emergency response policy for major natural disasters and are continuously working on BCP reinforcement activities. As for the pandemic outbreak, the measures to the spread of contagious diseases are being implemented based on emergency response guidelines. In

information security, we will focus on measures to targeted attacks and enhancement of the security management system of our service contractors.

Future Prospects

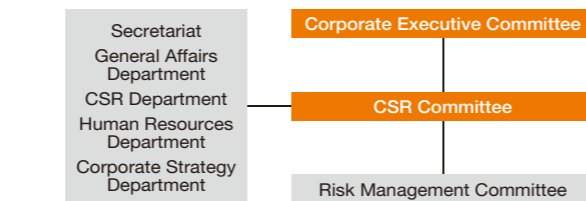
We will work on improving the initial response to prepare for the occurrence of large-scale natural disasters and will continually enhance risk response to prevent information security risk.

System of Collect Information on Risk and Compliance Consulting (Fujifilm)



*External compliance consulting facility is set up for employees in case where, for whatever the reason, they feel they cannot directly report to company or supervisor, even if they find risk-related information.

Risk Management System (Fuji Xerox)



Risk Map for Risk Management (Fuji Xerox)



Outline of Activities in FY2014

Occupational Health and Safety/Promotion of Health

Related Data and Information Sustainability Accounting Page 69

Fujifilm Group

In order to implement its vision of maintaining its position as a leading company by Creating New Value, the Fujifilm Group deems it important to ensure that employees can work with vigor and in good health both physically and mentally at their workplaces. In the Group, however, we suffered further cases of decrease labor productivity and an increase in medical costs, and in response we established a group-wide health promotion council composed of the Group companies' personnel departments, industrial doctors, and the Fujifilm Group health insurance association in July 2013. The council has since been conducting activities focusing on four areas: prevention of serious lifestyle-related diseases; quitting smoking; mental health; and prevention of overwork. KPIs were set for each area and we are fostering collaboration between the related organizations.

In FY2014, based on the results of the continued Not Smoking Campaign, we established a permanent stop-smoking assistance program in April 2015. We also added "measures against cancers" to our priority areas for health promotion and opened the Nishiazabu Medical Center (see page 51) to raise the cancer detection rate among employees as part of further enhancements to our health promotion activities.

Fujifilm

Fujifilm is working to provide employees with safe and comfortable workplaces based on the safety policies and plans set out for each business site. Specifically, the members of the Occupational Safety and Health Committee, including factory managers, make regular patrols of the facilities, assess risks to ensure the inherent safety of equipment at the design stage, conduct emergency drills against fires and earthquakes with the participation of all employees, and provide employees with education on hazard prediction (KY) and risk assessment concerning chemical substances. We also provide employees with safety education and expands the target of hands-on risk seminars to include the employees of our affiliates. In the seminars, participants have a virtual experience of what it would be like to "get caught by a machine" and "getting an electrical shock" to increase their sensitivity to risks.

From FY2015, in consideration of the fact that flammable materials are often in use, Fujifilm is now preparing a hands-on seminar on the prevention of explosions to have virtual experience of fires and explosions caused by flammable materials. Moreover, for the prevention of similar accidents at its



affiliates, we developed an initiative to centrally manage all accident-related information horizontally and gave important tips to all affiliates to help them prevent similar accidents.

Fuji Xerox

Fuji Xerox and its affiliates and sales companies are conducting activities with an aim for realization of safe and pleasant workplace, and health of employees both physically and mentally. To prevent work accidents, each factory investigated the cause of the accidents through the activity of safety and health committee, examined preventive measures of recurrence and continuously raised employee awareness. As a result, in fiscal 2014, the number of work accidents per 1,000 employees was 1.01 cases (decreased 1.64 cases compared with the previous fiscal year) for Fuji Xerox (unconsolidated) and the number of work accidents was 10 cases (decreased 15 cases) which included 0 cases of accident that required absence from work (decreased 11 cases).

As health-promoting action, we introduced ban on smoking during working hours and are improving the medical examination system which will lead to the early detection of cancer.

Future Prospects

We plan to implement the Group employees' medical and health data integration project launched in January 2014 at Fujifilm and Fuji Xerox in FY2015, and then at our affiliates and sales companies in Japan in FY2016. We expect that integrating the data managed separately by each business site, industrial doctor, and the health insurance association into one database will foster more appropriate use of the data and have a positive effect on our health promotion measures, health instructions by industrial doctors, and self-care activities by employees.

At Fujifilm, we will also deploy the group-wide measures to share important tips for accident-related information to overseas factories in FY2015. And at Fuji Xerox, to prevent serious work accidents that requires absence from work, we will continuously boost greater risk awareness and heighten sensitivity to work accidents prevention through safety and health committee of each factory.



Outline of Activities in FY2014 **Respect for Human Rights**

We believe that respect for basic human rights is a fundamental aspect of our compliance and we have clearly stated our commitment to it in the "Fujifilm Group's Charter for Corporate Behavior and Code of Conduct." Group company employees are required to sign their names on a declaration found at the end of the Code of Conduct. At the same time, to deepen their understanding of human rights, we have training programs aimed at engendering respect for human rights and eliminating discrimination.

In consideration of due diligence in human rights, FUJIFILM Holdings has been participating in the Japan CSR Consortium, managed by the Caux Round Table Japan since 2012. We are studying on human rights risks within the company, in response to deliberations at international conferences and public comments. In the workshop held in FY2012, Fujifilm identified important human rights issues in the industry with other participants, in accordance with "identifying the human rights issues and expectations relevant to business" under the Human Rights Guidance Tool created by the United Nations Environment Programme Finance Initiative (UNEP FI).

In FY2013, the important human rights issues in each business identified during the previous year were explored from the perspective of the value chain, to foster an understanding on what particular human rights issues are likely to be connected to the activities of each business division. In the third year FY2014, in response to the public comments in the previous year, we worked on the



With participants of the 2014 Conference on CSR and Risk Management

assessment of the potential connection between human rights issues and business choosing the 16 global risks that have a very close inter-relationship and highly likely to impact business, from among the 31 global risks that the World Economic Forum*1 had been identified in the Global Risk Report. Through this, greater understanding was achieved concerning the reasons for the importance of human rights issues in each business and the deep connection between social issues and environmental issues.

Furthermore, in FY2014 Fujifilm continued to participate in the Conference on CSR and Risk Management*2 for the second year to engage in discussions with various other corporate participants concerning CSR risks that business corporations must recognize in human rights due diligence. Discussions were made referring to existing management tools and based on case studies of business enterprises facing human rights risks in their supply chains.

In FY2014, Fujifilm has implemented annual self-assessment questionnaire related to business activities for all Japanese and overseas affiliates, which has included items related to human rights issue and our future activities in the Group.

Future Prospects

For a greater understanding of human rights due diligence, Fujifilm will continue to actively adopt outside opinions and joint studies with other companies, in addition to our own opinions and continue our activities to raise awareness of the importance of human rights issues within the Group.

*1 World Economic Forum: Nonprofit foundation established in 1971 in Geneva, Switzerland. It is an international organization working on the improvement of the global situation in close cooperation with all major international organizations, as an independent and impartial body not tied to any special interests.

*2 Conference on CSR and Risk Management: Organized by the Caux Round Table - Japan and the UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises. This conference was the fourth workshop that the Global Corporate Community of Practice (GCOP) held around the world. GCOP is an intercompany global platform formed to develop and share best practices in human rights due diligence and risk management. Seventeen companies participate, including a think tank and others involved in chemicals, automotives, heavy industries, trading, information communications, printing, apparel and textiles, and logistics.

▼Key Human Rights Issues in the Chemical and Pharmaceutical Sectors

Human rights issues considered important for the chemical industry	Concrete issues
Core operation/Supply chain Health and safety in the workplace	● Risks of skin injuries and cancers posed by the use of chemical materials.
Community Use of natural resources	● Progressive increase in discharge and leak of hazardous materials, water and air pollution at manufacturing sites as well as during transportation.
Community Voluntary relocation consultation and compensation	● Inadequate compensation on relocation may create tensions with local communities when developing sites, which may endanger the safety of both corporate and community members.
Key human rights issues in pharmaceutical sector	Concrete issues
Core operation/Supply chain Labor conditions	● The use of chemical compound or/and pharmaceutical products is likely to endanger the health and safety of employees. ● During the clinical development stage of pharmaceutical production, the health and safety of study participants may not be managed properly at contact research organizations.
Community Use of natural resources	● Sourcing natural compounds may possibly heighten tensions between companies and local communities.
Community Community investment	● Having positive impacts on public health such as rising awareness on diseases and ensuring access to medicine.
Society and government Relations with poor human rights record	● Support for public health in state/local community may be misused for their political purposes such as propaganda
Consumer issues Health and safety of patients	● Taking positive actions towards the fight against counterfeit medicines ● Report delay on adverse drug reactions and delay in recall may endanger health and safety of patients.



FUJIFILM Global Leadership Seminar

Priority issue 2 Develop and Utilize Diverse Human Resources

Target
Build a working environment with diversity*1 that enable all workers*2 to exert their individuality

*1: Create systems to develop human resources and utilize them to the most suitable positions
*2: Domestic and foreign workers, and female, elderly, or disabled employees



Basic Approach

The Fujifilm Group aims at realizing its corporate slogan "Value from Innovation" by challenging the dramatic changes occurring in the business environment with courage. Further, to accelerate the creation, development, and global expansion of prospective businesses listed in the Medium-Term Management Plan, VISION 2016, it is important to create an environment to develop the human resources to drive such acceleration and enable them to exert their diverse capabilities to the maximum. For these purposes, we are giving a top priority to developing global and executive talent with high level of skills in thinking and acting on their own in global society, and are actively reforming and expanding our businesses for the next generation. We are now implementing the systems to identify, develop, and promote human resources based on an international viewpoint across the Group.

Outline of Activities in FY2014

Human Resources Development

Related Data and Information Personnel and Labor Pages 61, 62
Sustainability Accounting Page 69

Fujifilm

Fujifilm is working on human resources development strategically in order to cultivate each employee's strengths and characteristics and maximize their abilities. In such training, "strengthening the mind" and "strengthening work processes" are particularly valued. For young employees in their first three years in the company, senior staff members play roles as mentors to support them to set their action targets to acquire self-reliant action skills and learning through experiences from repeatedly attaining their targets. For more experienced employees and managers, training is given to encourage their self improvement and enhance their ability to complete projects by closely involving the others. In FY2014, a variety of training was held under the themes of "reinforcing key management talent," "reinforcing careers," "reinforcing young human resources," "training for promotion candidates," "functional reinforcement (R&D, production, sales, and staff)," "career design for female workers," "diversity management," and "enhancing communication skills."

The efforts in cultivating global talent, which started full operations in FY2011, focus on scheduled training to develop global skills and mindsets, and creating opportunities for employees to work globally under the concept of "Development and use of talent regardless of nationality or gender, etc." Other training offers practical contents, including organized training for those employees appointed to overseas positions, and overseas onsite training to learn from the actual experience in local workplaces. For employees of overseas subsidiaries, we are conducting the FUJIFILM Global Leadership Seminar for management level employees and other programs to disseminate the FUJIFILM WAY. The Regional Leadership Seminars, programs for regional management level employees, were provided in China in FY2014, in addition to North America and Europe. The



FUJIFILM WAY training program was also offered in the Asia Pacific areas, and the trainings were conducted in the six countries of Germany, Netherland, the U.S., Brazil, China, and Singapore in FY2014.

Future Prospects

We continue establishing the system to identify, develop, and promote excellent talent worldwide in FY2015.

▼Fujifilm's Training for Overseas Subsidiaries

FY	2010	2011	2012	2013	2014
Training for overseas subsidiaries	Global	1st GLS	2nd GLS	3rd GLS	4th GLS → Hold once a year
	Regional			Europe and North America 1st RLS	Company-wide implementation in China/Asia Pacific region
FUJIFILM WAY			FUJIFILM WAY Training for management level in North America and China	FUJIFILM WAY Training for directors in North America and China	Start training for managers and general employees Continuous measures Start training in Asia Pacific region

*GLS: Global Leadership Seminar *RLS: Regional Leadership Seminar

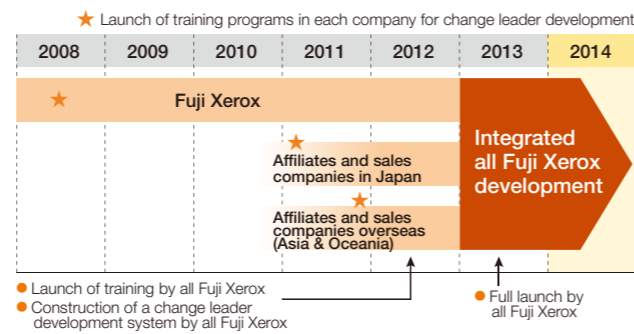


Fuji Xerox

The human resources that Fuji Xerox is seeking are those who can “think and act on their own” with the ability to adapt to changes and generate revolutions. To ensure that each employee can develop their competencies in a self-reliant, self-directed way and create careers in which they can sense their own growth, Fuji Xerox as a company implements a range of measures, including personnel training and education. Following on from the previous year, Fuji Xerox held problem solving training in FY2014 across the Company and domestic affiliated companies in order to foster a workplace climate conducive to resolving issues based on a consistently scientific approach. We also continued reform of the education systems for job type training (research, development, production, SE, CE, and sales) and rank-based training (new graduates, young workers, leaders, and managers).

Fuji Xerox is also working on acquiring and educating human resources who can lead our business globalization to accelerate business expansion in the Asia Pacific market and beyond. Concretely, we employ and utilize human resources of many different nationalities, and provide programs to reinforce the global competence of the next generation of leaders. In FY2014, overseas job training was reinforced. Such changes included increasing the number of temporary staff members in training, setting up long-term courses,

▼Development of the Global Leaders and Change Leaders



expanding the conditions for domestic affiliate company employees to apply for training programs, and accepting trainees for overseas work training.

Future Prospects

In FY2015, we are focusing on reinforcement of management skills, problem solving skills to address business challenges, and global business skills in order to continue our efforts in developing human resources who contribute to Fuji Xerox's sustainable growth.

Fuji Xerox

Fuji Xerox aims to be a company where all can deliver their full potential regardless of gender, nationality, disability, or age. To realize this, the company adopts an employment strategy that values diversity and offers a flexible working style to enable such diverse human resources to exercise their skills to the optimum.

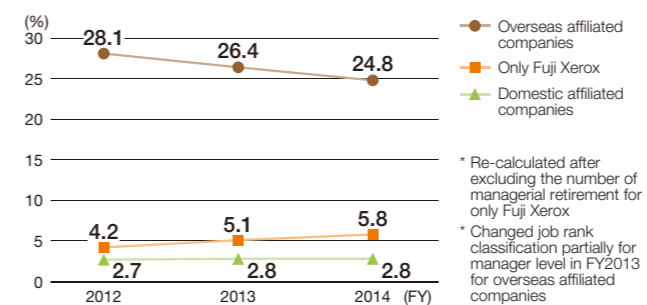
We have been including the opinions of female employees in our systems to ensure a good work-life balance, and encouraging them to come back to work after marriage or childbirth since our foundation. As a result, this has become a company standard for employees to continue their work utilizing all available support schemes. In FY2014, the job return rate of female workers who took childcare leave reached 97.5%, and difference in the lengths of service between male and female employees became smaller showing 20.3 years for male and 16.0 years for female. Further, the total number of users taking fertility-treatment leave introduced in 2012 reached nine, showing that the employees are now actively using the innovative flexible working environment available to them. As for the promotion of female job advancement, we established a plan to boost the ratio of managerial positions held by women from 5.8% in FY2014 to 14.0% and are working actively to achieve this target (see page 51). Our efforts in FY2014 included selecting female advancement promotion officers from each of the domestic affiliate companies, sales companies, and Fuji Xerox Korea, where female participation in decision making (percentage of women managers) is insufficient, to accelerate female advancement across the Fuji Xerox Group.

Fuji Xerox is also working hard on the employment of people with disabilities and the advancement of older employees.

Future Prospects

Fuji Xerox understands that the essence of achieving a good work-life balance is not only providing “support for employees to fulfill both work and family life,” but also the “work style reforms” based on “productivity improvement across the entire organization through preparing resources to improve employees’ morale and empower their ability to the maximum,” as well as the “realization of flexible working styles to support the diverse values of each employee.” Founded on this understanding, we continue to reform employees’ mindsets and encourage new actions.

▼Ratio of Women in Executive and Managerial Positions (Fuji Xerox and affiliated companies)



Outline of Activities in FY2014

Realization of Diverse Ways of Working

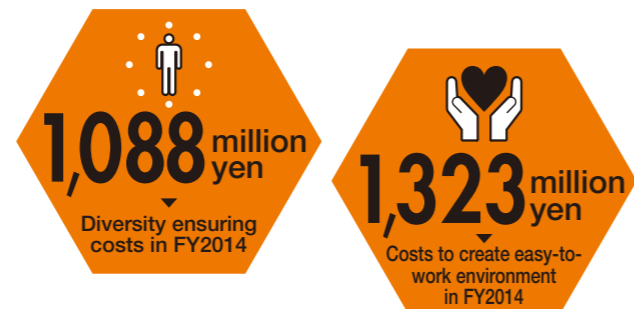
Related Data and Information Personnel and Labor Pages 61, 62
Sustainability Accounting Page 69

Fujifilm

We continue to engage in efforts to facilitate diverse ways of working. In 2007, we implemented the F-POWER Project aimed at creating an environment where female employees can demonstrate their maximum capabilities. Holding seminars and arranging a system for balancing work and childcare, we established a base to support female employees to participate actively. We enhanced the work-life balance support systems, including nursing care leave and family care leave in 2010, exceeding the legal requirements. Some measures were introduced to encourage the smooth return to the workplace for female workers who took childcare leave in 2013. One of them was the rule to ensure the principle that female workers would be able to return to their previous workplace after their childcare leave so that their career is not interrupted by their life event and continue to utilize their established experience and special skills. Other measures



Career Design Seminar held mainly for female workers as a part of the Work Style Innovation campaign



include online courses for employees on childcare leave to acquire knowledge and skills at home, and a special online program to provide the information necessary for returning to work. We also introduced a company re-entry system to enable employees with established careers and experience to return to the company after they had left the company for unavoidable circumstances.

In 2014 we promoted the Work Style Innovation campaign across the company aiming to encourage diverse employees to exert their abilities (see page 52), and held training on career design for female employees, as well as a diversity management training for the managers of female staff.

Future Prospects

We continue to offer human resources development, enhance work-life balance support systems, and foster a workplace culture where female staff can pursue long-term careers and develop themselves through their jobs, and work without worry of interruption from life events such as marriage, birth, and childcare, exerting their abilities to the maximum.

OPINION

Third-Party Opinion on “Develop and Utilize Diverse Human Resources”



Mr. Mitsu Ogawa

President
Craig Consulting

Profile
A specialist in organizational theory, Mr. Ogawa offers CSR consultations to create corporate value. His recent publications include, *CSR—Increase Your Corporate Value—* and *Changes Brought by ISO26000 to Business* (both published in Japanese by Nikkei Inc.). He is a member of the Human Resources Development Committee hosted by Ministry of Health, Labour and Welfare.

Great Expectation for Further Promotion on Work Style Innovation with Appropriate Target Setting and Acceleration on Expanding Global Measures

The Fujifilm Group lists “Effective Utilization and Training of Human Resources” as one of its priority CSR issues. In concrete terms, they are actively promoting female employees to higher positions and reorganizing their employment system to suit the aging society through the activities including Work Style Innovation.

At the same time, I would like to point out two issues to be addressed in their CSR activities. One is that the company should establish a way to track the progress of its targets for the activities by setting appropriate KPIs. Disclosing this level of activity data is very advanced. This is why I would like the Fujifilm Group to push another step to announce their commitment and publish their future plans concerning how to connect their CSR activities to its corporate value utilizing these KPIs.

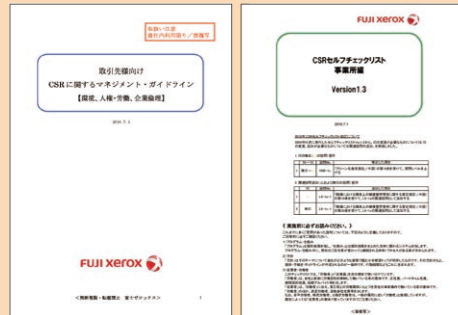
The other point is that I would like the Group to accelerate their overseas CSR activities at the same speed as the global expansion of their business. For example, the Fujifilm Group is keen on its group-wide health management. I would like the Group to expand this activity to include their overseas subsidiaries. A global-scale health management should reduce sick leaves by employees, as well as the companies’ healthcare costs. I believe that this will produce a win-win result for both the business and its employees.

Response to the third-party opinion

In order to continue to offer high value to customers in this fast-moving social environment. It is important to increase productivity by enabling our diverse employees to work happily and effectively utilizing their individual strengths. The Fujifilm Group has been reinforcing its human resource development system to empower each and every employee, and we appreciate your positive comment on our efforts.

As you pointed out, we agree that it is important to visualize the progress of our activities to gain feedback to help us proceed even more effectively. We also plan to enhance our employees’ health and business growth from the global viewpoint as a new challenge. We are keeping our focus on human resource development so that diverse employees can continue their skills development to exert their professionalism to the fullest extent, aiming to lead this towards solutions to various social issues.

(Human Resources Division, FUJIFILM Holdings)



Priority issue 3 Enhance Value Chain Management from the Viewpoint of CSR

- Targets**
- (1) Identify the CSR status of major suppliers and notify FH's expectation and improvement requirements
 - (2) Ensure compliance with legislation concerning biodiversity in procurement



Fuji Xerox's CSR Management Guidelines for Suppliers and CSR Self-Check List

Basic Approach

The Fujifilm Group is implementing the Fujifilm Group Procurement Policy to ensure procurement from the viewpoint of CSR based on a recognition of the importance of CSR and corporate ethics.

The Group aims to achieve growth along with its suppliers through business activities, and to this end deals with suppliers in a fair and appropriate manner, while helping them deepen their understanding of the importance of promoting CSR activities across the supply chain. We are thus enhancing partnerships with our suppliers' understanding to fulfill our CSR.

[Fujifilm Group Procurement Policy](http://www.fujifilmholdings.com/en/sustainability/vision/procure.html) <http://www.fujifilmholdings.com/en/sustainability/vision/procure.html>

Outline of Activities in FY2014

Enhancement of CSR Procurement Activities

Fujifilm Group

Reviewing the procurement activities conducted from viewpoint of CSR since 2000, we revised the Fujifilm Group Procurement Policy strengthening in the point of CSR to respond the increasing social demand (see page 39). In addition, we summarized the activities that we expect our suppliers to conduct from viewpoint of CSR in the "Requests to Suppliers" and disclosed the document to the public.

Fujifilm

In FY2014, self-evaluations were undertaken at 35 affiliates in Japan and 61 overseas concerning human rights and labor management (prohibition of child labor and forced labor, working hours, wages, respect for the freedom of association and the right to bargain collectively), occupational health and safety, environmental preservation, and business ethics (information security and whistle-blowing and so on). Based on the results, Fujifilm checked the progress of CSR activities conducted by the Group as a whole. We also responded to

▼Progress in Procurement from the Viewpoint of CSR

	FY2007-FY2008	FY2009-FY2010	FY2011-FY2012	FY2013-FY2014
FUJIFILM Holdings		<ul style="list-style-type: none"> ● Establishment and announcement of Fujifilm Group Procurement Policy ● Review of details of the survey on the greenness of companies 	<p>Follow-up and monitoring in line with the progress of the implementation process</p>	<ul style="list-style-type: none"> ● Revision of the Fujifilm Group Procurement Policy
Fujifilm	<ul style="list-style-type: none"> ● Survey on the situation of each procurement department, and launch of taskforce by relevant staff 	<ul style="list-style-type: none"> ● Awareness-raising about the Fujifilm Group Procurement Policy ● Implementation of first pilot survey ● Collection of replies to the survey, and tabulation, evaluation, and feedback of the results, and improvements/corrections (using PDCA) 	<ul style="list-style-type: none"> ● Implementation of second pilot survey 	<ul style="list-style-type: none"> ● Survey based on new web system and review of survey details ● Expansion of survey targets ● Establishment of internal guidelines to deal with the issue of conflict minerals
Fuji Xerox	<ul style="list-style-type: none"> ● Launch of procurement activities from the viewpoint of CSR targeting major suppliers in Japan, China, and South Korea, starting with the procurement of materials ● Start of visiting suppliers by a specialist team for procurement from the viewpoint of CSR, and expansion of survey targets to include transportation companies 	<ul style="list-style-type: none"> ● Launch of CSR seminars for senior executives of suppliers ● Establishment of PDCA cycle in the field of material procurement at domestic and overseas suppliers and for working with transportation companies in Japan 	<ul style="list-style-type: none"> ● Establishment of Paper Procurement Regulation Standards ● Start of visiting by those responsible for procurement to all supplier sites in China 	<ul style="list-style-type: none"> ● Expansion and enhancement of procurement measures from the viewpoint of CSR outside Japan (in China and transportation companies overseas) ● Launch of procurement from the viewpoint of CSR in Vietnam ● Launch of measures concerning the issue of conflict minerals

requests for CSR audits from our customers and sincerely worked on the improvements according to the customers' comments.

For suppliers, Fujifilm checked the CSR situations of 58 suppliers to our major procurement division, who had kindly responded to the request for CSR self-check at the end of FY2013, and of other 59 companies in Japan and overseas who supply parts, materials, and OEM products to the division of Fujifilm. Based on the results, we asked some of the suppliers to make improvements in their CSR activities. Fujifilm is thus enhancing management from the viewpoint of CSR across the supply chain through the communication with our Group companies, and suppliers.

Future Prospects

Fujifilm plans to introduce our Procurement Policy and other materials to our suppliers in Japan and overseas and ask them to perform CSR self-checks with new items added to encourage them to conduct CSR activities in line with the Policy.

Fuji Xerox

Fuji Xerox is working to foster procurement from the viewpoint of CSR regarding not only production materials but also paper and transportation, in consideration of the environment, human rights and corporate ethics.

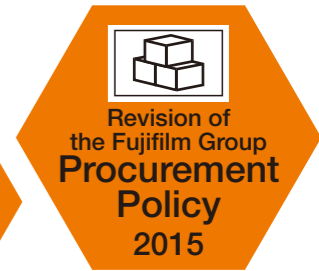
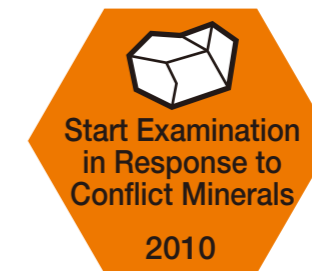
In FY2014, we continued reinforcing procurement from the viewpoint of CSR in the countries where our major production sites are based. We focused particularly on communicating with the management of our business partners, and presented the Business Partner Top Seminar in Japan, China, and Vietnam.

In the field of production materials, where we have been promoting the CSR approach since 2007, the effectiveness has been established particularly in China. At Fuji Xerox Shenzhen, assessment visits were conducted by a team of specialists, including procurement, HR management, general affairs, legal affairs, and CSR, in order to give advice on the performance level of the CSR activities of business partner in their workplaces. We have confirmed that such advice has now started to make a contribution to their stable business operations. To further this positive effect, Fuji Xerox Shenzhen has enhanced a structure of the specialist team to increase the number of visiting partners.

In the field of logistics, we strengthened instructions to overseas business partners who showed low assessment scores in their self-check of the previous fiscal year. As a result of this reinforcement, the percentage of partners who indicated 90% or more matching ratio in the priority issues in the checklist now exceeded 90%, which is our target figure. Also, in the indirect materials field, we dispatched a specialist team to service providers that operate the Fuji Xerox sites. Finally, the FY2014 CSR performance in paper procurement was assessed in the meeting attended by the paper procurement and sales managers inside and outside Japan, and confirmed 100% compliance with paper procurement rules, as was achieved in the previous year.

Future Prospects

Demand for reinforcement from the viewpoint of CSR (particularly on human right issues) by NGOs and international organizations based in the U.S. and Europe is now increasing.



Considering this global backdrop, we are reassessing the actual situation in our production sites in the aspects of environment, human rights, labor, and corporate ethics, and are amending any problems identified. We also intend to increase opportunities for our business partners to learn from our CSR activities in the labor, environmental management, and HR development areas at production sites through CSR procurement. We build a robust supply chain by reinforcing CSR procurement based on the mutual trust with our business partners. Through CSR management at production sites and the CSR procurement approach applied to business partners, we will establish stable production and procurement that is firmly rooted in each production site.

Response to Conflict Minerals

Fujifilm has declared that it will not use any minerals mined or refined by illegal practices or take any part, directly or indirectly, in supporting such illegal activities. The company also participates in the working group on Responsible Procurement of Minerals formed by JEITA*1 to help the industry to resolve the issue of conflict minerals.

Further, Fuji Xerox has clearly declared in the basic policy for procurement transactions that we are sincerely addressing the issue of conflict minerals. Although Fuji Xerox is not registered with the U.S. Securities and Exchange Commission (SEC), we participate in the working group on Responsible Procurement of Minerals organized by JEITA and conduct surveys in order to cooperate with the survey conducted by customer companies which registers SEC, as well as clarifying the absence of any involvement of armed groups in our supply chain by investigating the origins of all the minerals used. In the FY2014 survey, the response rate to the questionnaire to our primary partners increased from the previous year to 92.4% and no involvement of any armed group was identified.

Future Prospects

Also, in FY2015, based on the internal guidelines and through receiving support from suppliers, Fujifilm will continue to work on obtaining information on conflict minerals and increase the information accuracy by using the conflict mineral reporting template provided by CFSI*2 (former EICC/GeSI template), enabling us to make more precise reports on the issue to customers.

Fuji Xerox will aim to improve the response rate and accuracy of the survey in FY2015.

*1 Japan Electronics and Information Technology Industries Association (JEITA): This industry organization aims to foster the sound production, trade, and consumption of electronic devices and components, thereby contributing to economic development and cultural promotion in the country.

*2 Conflict-Free Sourcing Initiative (CFSI): This international private sector organization supports companies in addressing the issue of conflict minerals.



Outline of Activities in FY2014

Biodiversity Conservation

Since its foundation, the Fujifilm Group has engaged in a wide range of environmental protection activities for the conservation and protection of biodiversity, based upon philosophy of “environmental consciousness and environmental protection are at the core of our corporate activities,” as we have needed lots of water and clean air to produce photographic films. In 2009, we clarified our guideline for cross-group efforts to biodiversity conservation and introduced the “Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation” (hereafter, “Guidelines for Biodiversity”). Based on this policy, Fujifilm and Fuji Xerox independently work on a number of biodiversity conservation activities related to their respective businesses.

More concretely, Fujifilm included biodiversity conservation in the Rule for Design for Environment (DfE), while Fuji Xerox started surveys on land use for purpose of biodiversity conservation at production and product development sites. In 2012, we reviewed our biodiversity approach under the four key elements of factories, products, social contribution, and communication, in order to secure implementation of biodiversity conservation activities linked with our businesses. (See page 65.)

In FY2014, for the Nagoya Protocol on Access and Benefit Sharing for Genetic Resources (ABS), Fujifilm participated in the Taskforce Committee led by the Ministry of Economy, Trade, and Industry in Japan to obtain the latest information on related topics.

At Fuji Xerox, where paper is an essential commodity, the Committee for Socially Responsible Paper Procurement was held annually as it was last year, and reconfirmed the provision system for paper that customers can use with



Rice Paddy Assistance Team, the Fujifilm Kyushu's activities since FY2010

▼History of Biodiversity Conservation Measures

2005 to 2008

Confirming level of own and others' awareness and sharing perspectives on the issue

- Conducting a questionnaire within the Group
- Holding study groups and dialogue with stakeholders, etc.

2008 to 2009

Clarification of the Fujifilm Group's stance and strategy

- Formulation and enactment of the Fujifilm Group's policy on biodiversity conservation
- Activities to enlighten and raise awareness among employees

2010 to 2011

Launch of concrete measures

- Incorporation of “Biodiversity Conservation” into the Fujifilm Group's Design for Environment for all products (FF)
- Survey on land use for biodiversity conservation (FX)

2012 to 2014

Formulation of targets for the next level

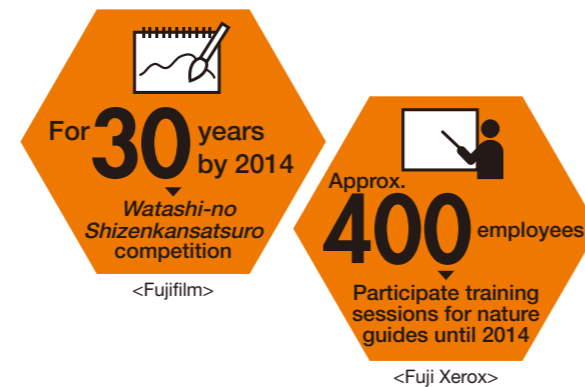
- Constructing measures to the Nagoya Protocol
- Expanded procurement criteria for its paper supplier in an aim to conserve biodiversity (FX)

FF: Fujifilm FX: Fuji Xerox

Related Data and Information Environmental Aspects Page 65

Guidelines for Biodiversity

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



peace of mind. Fuji Xerox has also started the review for its overseas paper supplier audits.

Future Prospects

We will promote the construction of reliable measures for the domestic procedures toward the enforcement of Nagoya Protocol in Japan, and strengthen the management for paper procurement to our suppliers.

Main activities for biodiversity conservation

- **Activities to conserve the water source at each factory**
- **Co-sponsoring training courses for Nature Conservation Educators**

Since FY2001, Fuji Xerox has been holding training courses jointly with the Nature Conservation Society of Japan, which have been attended by more than 400 employees in total.

- **Support to the Monitoring Site 1000**

We have been providing high sensitivity negative film for sensor cameras used in surveying mammals since 2007.

- **Rice Paddy Assistance Team**

Regional collaboration activities to preserve groundwater in Minami-Aso village. FUJIFILM Kyushu has been participating in these activities since FY2010.

- **Support to projects by NPOs and NGOs involved in education on biodiversity conservation for the next generation**

Kikigaki Koshien, Watashi-no Shizenkansatsuro Competition, Kankyo Nikki, Midorino komichi etc.

- **Support to the Biodiversity Action Award Japan**

We have been providing digital camera for the prize winners as “Fujifilm Award” through the Japan Committee for UNDB (United Nations Decade on Biodiversity) that host the Award.

Priority Issue 1

Overseas safety risk management reinforced by sharing public security information via communication networks

Along with the Fujifilm Group's global business expansion, more and more employees are making overseas business trips or be dispatched to emerging countries in Asia, South America, Middle East, and Africa. At the same time, a number of terrorist incidents targeting Japanese people have also occurred, and now we are facing the serious issue of how we can secure the safety of our employees working overseas.

In order to reinforce safety risk management for overseas employees, we have clarified the roles of the Compliance and Risk Management Division, HR Division, and local subsidiaries in cases of emergency and their related communication routes. This allows us to act flexibly according to the type of incident.

Based on public news, warnings from Ministry of Foreign Affairs and local consulates, we submit our own travel alerts for employees in advance. If any incident that may cause some risk occurs, we keep on track with local safety information and give a high priority to securing the safety of Japanese employees—who may have a relatively low sense of risk—in such areas.

Prior to appointment to overseas positions, we provide safety training to employees depending on the destination in order for them to learn the skills to “protect themselves through their own judgment,” as well as raising their safety awareness. We continue to reinforce employees' response skills to emergencies by enhancing our action manuals and providing emergency drills.

Priority Issue 1

Nishiazabu Medical Center opened for employees' health enhancement and cancer screening

The decreasing productive population and increase in the costs of social security are becoming a social issue in Japan. Thus, maintaining and enhancing employees' health are one of the most important issues for a corporation.

The Fujifilm Group opened the Nishiazabu Medical Center in the Fujifilm Nishiazabu Headquarters in July 2014. The center is equipped with the company's latest medical systems and equipment, including transnasal endoscopes, mammography equipment, and colonoscopes. Endoscopy can directly inspect the inside of the digestive system and take tissue samples if necessary. It is more accurate than an X-ray screening and is effective for the early identification of cancer in the stomach, esophagus, and colon. The transnasal endoscopes that Fujifilm has developed minimize the discomfort of examinees compared to oral endoscopy. The highest cause of death among the Japanese is cancer and it is very important to identify it in its early stage

for effective treatment. The opening of this medical center offers an easy-to-access opportunity for employees who require endoscopic examinations, contributing to increasing the cancer discovery rate and early treatment.

The center is equipped not only with endoscopic systems but also with our cutting-edge medical systems, and also functions as a show room.



Fujifilm's latest medical systems are installed, including endoscopy systems, mammography equipment, and an ultrasound diagnosis system.



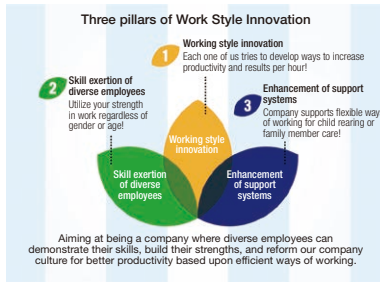
Priority Issue 2

Fuji Xerox works on several measures to promote female job advancement

Fuji Xerox established a plan to boost the ratio of managerial positions held by women from 5.8% in FY2014 to 14.0% in FY2020 and is working actively to promote female job advancement. Our promotional measures included the Diversity Forum, designed to identify obstacles to female workers achieving advances in their jobs from the viewpoint of actual female workers in the frontline. The forum identified four issues: (1) working hours, (2) flexible working styles, (3) awareness among female workers, and (4) awareness in the work place, and formulated appropriate countermeasures for each issue. In FY2013, as countermeasures for obstacles

(1) and (2), the entire company worked to implement a highly productive working method (maximizing the work results within the standard working hours), as well as home-working and remote-working systems.

In FY2014, the Female Business Leader Advancement Promotion Program, a seminar for female candidates for executive positions, was held to encourage them to advance into even higher job rank classifications and was attended by 35 managers. We have implemented the programs such as exchanges with roll models inside and outside of the company, development of mindset for senior management through mentors, and commitment of carrier planning. We will expand these programs to nominate female management candidates and offer educational programs for them.



Priority Issue 2 The Work Style Innovation campaign to become a corporation where diverse employees work to the fullest extent

It is said that the productive population in Japan will be halved due to aging, the low birth rate, and the overall population decrease.

For a Japanese company to maintain and reinforce its competitiveness against this severe backdrop, it is important to create an environment where people eager to work can exert their strength dynamically—regardless of their gender or age. To become a company that promotes each employee’s potential, Fujifilm started the company-wide Work Style Innovation campaign to create a corporate culture in which diverse employees can develop their own strengths and produce results through efficient ways of working.

Concretely, we continuously act on the following three principles: (1) Working style innovation (individual employees make their own arrangements to increase their productivity and results per hour); (2) Skill exertion of diverse employees (utilize employees’ strengths in their work regardless of gender or age); and (3) Enhancement of support systems (to enable flexible ways of

working in order to support their child care or caring other family members). We aim to create a synergy effect through fully utilizing these three principles.

- (1) Working style innovation**
 - Regularly hosted discussions and seminars for those in leading positions to reinforce their team management skills.
 - Hosted facilitation seminars to make meetings more efficient.
 - Hosted a Google Festa to promote usage of Google Apps, the company’s shared software, from the viewpoint of IT tool utilization in business.
 - For the purpose of increasing productivity and controlling long hour working, increased the no-overtime day from one day per week to two days.
- (2) Skill exertion of diverse employees**
 - Hosted lectures by experts on topics concerning working style reforms and business management involving female employees.
 - Hosted a seminar for employees in their 10th year in the company to identify their strengths and plan their future contribution areas.
 - Hosted Career Design Seminar for female workers as their fifth-year career training program. Also, hosted a Diversity Management Seminar for supervisors of such female staff.
- (3) Enhancement of support systems**
 - Conducted trials of home working system (introduced in Summer 2015)
 - Increase of nursing care consultation hotlines
 - Conducted questionnaire on nursing care

Priority Issue 3 FUJIFILM Electronic Materials (FFEM) advancing procurement from the viewpoint of CSR in electronics equipment and material industry

In recent years, a responsible supply chain management has been regarded as an important part of CSR activities. Particularly in the electronics industry, the Electronic Industry Citizenship Coalition (EICC) Code of Conduct* is becoming an international standard of supply chain management.

FUJIFILM Electronic Materials Co., Ltd. (FFEM) operates businesses related to semiconductor manufacturing processes across the world. The company has manufacturing and sales networks in Japan and other Asian countries as well as in the U.S. and Europe. This means that over the last several years the company has received an increasing number of audit requests, particularly from customers outside Japan. Such audit requests are mainly document-based and sets of self assessment questionnaires are used as tools. Some tools are not compatible with the EICC auditing tool, and there have been cases consisting of nearly 700 questions. We struggled to respond to these audits, especially in the early stage, as we could not understand the purpose of some of the questions due to the different employment practices and labor systems inherent in a Japanese corporation, which do not necessarily match with global standards. Now, however, we have gained a better understanding of such audit questionnaires after experiencing numerous audits, and this has helped us to improve the audit response procedure and reduce the burden of such auditing. In FY2014, we managed seven onsite audits (six overseas and one domestic) and 66 document audits concerning product/service quality and CSR .

FFEM is a supplier, and at the same time, the company is in a position of its supply chain management, which is an important EICC audit item. FFEM has over 120 domestic material suppliers

that are subject to auditing. In FY2014, FFEM standardized its supplier auditing tool from varied tools among different manufacturing sites, and 15 onsite audits were undertaken using the tool. The standardized auditing tool reduces the audit response burden on suppliers, and enables more efficient auditing. For example, the onsite audit of an overseas supplier can now be managed by our overseas group companies.

We plan to share the know-how and information acquired by FFEM across the Fujifilm Group in order to achieve procurement activities from the view point of CSR that take account of both suppliers and customers.

* EICC (Electronic Industry Citizenship Coalition) Code of Conduct: A set of standards to ensure that the labor environment in the global electronics supply chain is safe; workers in the chain are treated with respect and dignity; and that businesses within the chain operate with proper environmental responsibility and corporate ethics.

▼FFEM’s Global Supplier Management

