Value from Innovation

At Fujifilm, we are continuously innovating —creating new technologies, products and services that inspire and excite people everywhere.

We take an open and flexible attitude to innovation, combining our own original technology with human resources, expertise and technology from around the world. Through this powerful synergy, we rapidly and nimble develop new solutions that address the true needs of our global customers.
Building people and an organization resistant to disasters

In 2018, torrential rains and a huge earthquake caused immense floods and landslides over Hokkaido and a wide area of western Japan. We would like to take this opportunity to express our condolences to the victims of the disaster and our prayers for the earliest possible recovery of the affected areas.

Japan has a long history of natural disasters caused by earthquakes, typhoons, volcanic eruptions and other natural phenomena. However, disasters that can be placed in the category of “disasters that are hard to prevent” have occurred seven times in the past five years, including the latest catastrophe.

In addition, news of major disasters elsewhere in the world will not cease. There was a time when we could just ignore the matters elsewhere in the world. However, it is clear that the global environment has changed. It has become apparent that an action directed toward these goals. In FY2017, which is the first year of the new 10-year plan, we have already achieved 70% of the targets under VISION 2019.

During the recent torrential rains and disastrous earthquakes, we were able to swiftly assess the damage status at various Group sites, the safety of our employees and the damage our clients suffered. We have also made a contribution through FUJIFILM Corporation and Fujifilm Co., Ltd., of 30 million yen as relief money to assist in recovery from these disasters.

We plan to continue strengthening disaster preparedness and to enhance our contribution to contingencies as members of local communities.


We announced our CSR plan, Sustainable Value Plan 2030 (SVP 2030), and our Medium-Term Management Plan, VISION 2019, last year. SVP 2030 embodies the goals we aspire to achieve in the target year 2030 in accordance with the sustainable development goals (SDGs) promoted by the United Nations. VISION 2019 is a plan for implementing concrete action directed toward these goals. In FY2017, which is the first year of the two plans, sales grew in electronic imaging, medical systems, electronic materials, and other fields by 4.8% over the previous year to reach 2.4364 trillion yen. Operating profits stood at 130.7 billion yen. In operation-based figures excluding the temporary restructuring expenses at Fujifilm, profits rose 13.8% over the previous year to 203.7 billion yen. Net profits marked an all-time high of 140.7 billion yen, up 7.0% on the previous year. We were able to further bolster our business portfolio established through business restructuring that we had embarked upon strategically and to take the first steps forward toward another dramatic advancement.

However, dramatic changes take place in modern society, and the market environment can change in a flash. We must not become complacent with the status quo but strive to achieve what lies ahead in the marketplace and to actually assess the conditions surrounding our products and services in various fields of business. We need to look into what should be done, take solid action and arrive at results without fail in all conceivable business situations. We plan to achieve our targets under VISION 2019 through objective assessment of the present and the future and through action with a firm determination to achieve them.

Collaboration with a variety of organizations under SVP 2030 to accelerate action on resolving social issues

Under SVP 2030, action has started on issues to be addressed in the areas of the environment, health, daily life and work style, as well as the fields of the supply chain and governance that provide the foundation, and is moving forward steadily.

In governance, which is the foundation of our corporate activities, the lessons learned from the inappropriate accounting at a Fujifilm overseas subsidiary that occurred last year led to the renewed embodiment of the Fujifilm Group vision of an “open, fair and clear” spirit in all employees of our Group companies. The awareness survey of all employees conducted last year showed that more than 90% of our employees displayed an understanding of this spirit. We plan to continue to instill this in all our employees to enable them to practice “fair and open competition.” To upgrade corporate governance and secure diversity in the Board of Directors, we have appointed a new female outside director and established a voluntary Designated Reward Committee chaired by an independent director. We plan to pursue greater improvements in Board of Directors’ deliberations and greater transparency in management decision-making.

In the area of environment, a priority issue around the world, the total CO2 emissions over the entire product lifecycle of all the products from our Group fell 7% over the previous year in FY2017, a reduction of 15% vis-à-vis the FY2030 target over the base year (FY2013), due to group-wide energy-saving activities. In terms of our Group’s contribution to CO2 emissions reductions for society, we have achieved a reduction of 4.63 million tons with our high-capacity magnetic tapes, multifunction devices, medical IT systems, etc., making steady progress with 9% vis-à-vis the FY2030 target.

It should also be noted that our CO2 emissions reduction target has been set for FY2030, so it is essential that we continue to make greater contributions. It is through this spiral that we can contribute to resolving social issues through the leadership of the Fujifilm Group.

Never stop. Move forward.

At the beginning of my message, I mentioned our ability to handle disasters. As a global corporation, it is necessary to be able to foresee and adapt appropriately, not only to disasters, but also to political, economic, environmental and various other risks. As a member of society, we must at the same time play a major role in changing society for the better.

I believe that a business corporation must be an entity that contributes to resolving social issues through its business activities, and by developing and supplying its own technologies, products and services. Backed by the profits gained from supplying products and services that are useful to society, we are able to create products and services that can make a greater contribution. It is through this spiral that we can become a presence that is valued by society. As a company, we have overcome many crises with a spirit of fortitude, including the drastic reduction in the demand for photographic film, which had been our mainstay in the past. I firmly believe that it is only through refusing to stop and continuing to move forward that we are able to address social issues and build a better future.

Notwithstanding the numerous issues that modern society faces, I pledge never to stop but to move forward in improving the quality of life for all people and the sustainable growth of society, through the leading-edge, and proprietary technologies we have created and through the collaboration and partnerships with various organizations.

Wako Pure Chemical Industries, Ltd. (currently FUJIFILM Wako Pure Chemical Corporation), which was turned into a consolidated subsidiary, Irvine Scientific Sales Company and IS Japan possess excellent culture medium technologies in cell cultivation that are indispensable in these fields. By absorbing the technological resources of the three companies and generating synergy with our own technologies and products, we expect to be able to not only accelerate the research and development of new treatment methods but also to make major contributions in the dissemination of new medicines by providing these technologies and products to a wide range of businesses and research organizations.

The complex interrelationships between the problems involved in social issues mean they cannot be resolved by a single business corporation. Collaboration and partnerships across social sectors and national boundaries with people and organizations sharing the same aspirations are becoming increasingly important. An example in this direction is the recent announcement of the establishment of an organization that will carry out consistent research on AI technology from the fundamental technological development to social implementation in the fields of healthcare and highly functional materials, in collaboration with the RIKEN research institute. Under SVP 2030, we plan to mobilize the diverse technological resources cultivated through photographic film development, as well as AI and other new technologies, to speed up action in addressing social issues, while forming partnerships with various organizations.

Chairman and CEO
Fujifilm Group’s Activities in Building a Sustainable Society

The roots of CSR are the trust of stakeholders and consideration for the environment.

The Fujifilm Group’s business originated with photographic film, a product for which lots of clean water and fresh air are essential to the manufacturing process. It is also a product which requires customers to “buy on trust,” since they cannot try it out beforehand. Thus, for the Fujifilm Group, which requires customers to “buy on trust,” since they cannot try it out beforehand, “trust” is a foundation of our business activities.

The Fujifilm Group’s Approach to CSR

The Fujifilm Group’s approach 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.

We will not only fulfill our economic and legal responsibilities, but also:

1. endeavor to understand global as well as local environmental and social issues and create value to address these issues through our business activities;
2. continue to evaluate the environmental and social impact of our business activities and strive to improve the performance while increasing our positive impact on society;
3. constantly reassess whether our activities are responding adequately to the demands and expectations of society through proactive stakeholder engagement with our stakeholders;
4. enhance corporate transparency by actively disclosing information.

Achieve the long-term goal for FY2030, to contribute to sustainable society development

To celebrate the 80th anniversary in 2014, the Fujifilm Group founded its new corporate slogan, “Value from Innovation,” which seeks to continue creating new technologies, products and services that inspire and excite people everywhere, and ensure the potential and expand the horizons of tomorrow’s business and lifestyle.

Under this slogan, we revised the Approach to CSR in 2014 to express that we identify the social challenges and more actively seek their solutions. In the same year, we announced our Medium-Term CSR Plan, Sustainable Value Plan 2016 (SVP 2016), aimed at “solving social issues through our business operations” and our Medium-Term Management Plan, Vision 2016, to serve as the plan for concrete action in achieving the goal. We believe that creating new value through our unique and advanced technologies and solving social issues through our business activities present opportunities for our business growth and at the same time allow us to contribute to society. In the three-year period from FY2014 to FY2016, the two Medium-Term Plans were interlinked and produced results for realization of business growth alongside contribution in resolving social issues.

Based on the results and the experiences in the previous medium-term plan, we announced in August 2017 our new CSR Plan, Sustainable Value Plan 2030 (SVP 2030), and the newMedium-Term Management Plan, Vision 2019. SVP 2030 has been introduced as the CSR plan alongside the Sustainable Development Goals (SDGs) set for achievement in 2030 and therefore has set 2030 as its target year. It shows the future vision of the Fujifilm Group as its long-term goal in its contribution to create a sustainable society. Also, to achieve the goals of SVP 2030, Vision 2019 shows the Group’s concrete business strategy until FY2019. Rather than focusing only on the growth of our current business operations, the Group plans to invest our management resources into businesses that will drive the Fujifilm Group further in the future, such as healthcare to respond to the unmet medical needs now becoming a major social issue and highly functional materials that aid in resolving environmental problems, and expect this to lead to the next medium-term plan.

SVP 2030 is a plan that will lay the foundation of business management at Fujifilm Group, with a focus on achieving the goals. We will strive to become a company with long scope of perspective, capable of contributing to sustainable growth of society by creating “new values” through our business activities.

Corporate Philosophy

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

Vision

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

Code of Conduct

1. Respect for Basic Human Rights
2. Open, Fair and Clear Corporate Activities
3. Protection/Preservation of Corporate Assets and Information
4. Environmental Conservation and Protection

Charter for Corporate Behavior

1. A Trusted Company
2. Respect for Human Rights
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4. Environmental Conservation
5. Vibrant Workplace

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The Fujifilm Group’s Business and Technologies

The Fujifilm Group, with its business origins in motion picture and photographic film, today runs wide ranging businesses utilizing the technologies based on advanced silverhalide photography. We are improving our fundamental technologies that are the base of our business and exclusive core technologies that differentiate us in terms of sustainable superiority. Combining those technologies, we are able to offer a diverse range of products and services. We will continue to provide products and services that create new value for society enhancing and upgrading our technologies. This resolve is reflected in our corporate slogan: “Value from Innovation.”

The Fujifilm Group’s Business Fields

We develop and sell digital cameras, color paper for printing and printing equipment. We are further developing photography culture by offering new ideas on how to enjoy photos, including Instax and Photo Books. We offer lenses for various purposes, including surveillance camera lenses and satellite lenses.

Document Solutions

We are in the document business, including both paper documents and electronic data. With our business copiers and multifunction machines and software that helps to improve business efficiency, we offer a wide variety of solutions and services aimed at resolving environmental issues, conserving energy and resources, and implementing work style and productivity reforms.

Business Technologies CSR Management

We establish our Approach to CSR in 2006 in view of the importance of CSR in achieving sustainable growth in an age of tumultuous changes in the business environment, and of its value not only to top management but to each and every employee. Subsequently, seven policy statements (the Green Policy, Social Contribution Policy, Guidelines for Biodiversity, Procurement Policy, Quality Policy, Occupational Health and Safety Policy and Global Security Trade Control Policy) have been established. In 2018, we clearly stated the human right statement and all the employees promote CSR activities.

The Fujifilm Group established the CSR Committee chaired by the President of FUJIFILM Holdings. The Committee takes decisions on the important matters relating to the CSR activities of the entire Group. The CSR Division of FUJIFILM Holdings, which is the Secretariat of the CSR Committee, is responsible ensuring rigorous CSR management by the Fujifilm Group. The CSR Department considers the priority issues for the entire Group, discloses information outside, communicates with stakeholders, supports the CSR activities of Group companies, audits the CSR activities of the entire Group, and operation of the whistle-blowing offices.

The CSR department in each Group company prepares and implements specified plans according to the group-wide CSR plan. It reviews the annual results and reports on activities to the FUJIFILM Holdings CSR Committee. The Group as a whole moves our CSR activities forward.

Communication with Stakeholders

Companies conduct their activities while interacting and maintaining relations with a wide variety of stakeholders, and it is important to listen carefully to their various views and expectations. At the Fujifilm Group, we ensure that we make appropriate information disclosures as well as verifying, at various opportunities, whether or not our business activities are responding to the demands and expectations of all our stakeholders, and reflecting our findings in our business activities.

To ensure that our stakeholders’ views are reflected in our CSR activities, we also review them in our Sustainability Report.

In addition to opinions relating to our CSR activities as a whole, regarding priority issues such as “Environment,” “Work Style,” etc., we conduct briefings on the content of the activities to external parties, to receive their advice and evaluation. Looking back over our activities and obtaining the views of external parties in this way provides a good opportunity to reexamine our activities. We plan to continue these efforts to make them better initiatives in the future.

* See Pages 23, 41, 70, 71.
Enhancing Group Activities to Implement “Value from Innovation”

We promoted various activities to improve the power of each individual employee’s trigger innovation, in the drive to implement the Fujifilm Group’s corporate slogan, “Value from Innovation.”

The Innovation Idea Proposals Program introduced in 2016 is open to all employees across the world to submit their ideas concerning our business. This time, the third program has now been held, and the program has solicited ideas for new business that are completely free from our existing business frameworks. Proposals that passed the final selection are now on the stage of considering to start actual businesses. This year, we set up a Warm-Up Session in which Secretariat members and idea proposers discussed proposals and exchanged detailed opinions from diverse viewpoints, thereby refining and improving the quality of the proposals.

At the same time, we are actively holding a range of communication events beyond the borders between our Group companies. This is based on our belief that innovation can be created not only by R&D divisions but also through group-wide discussions between employees in different divisions, such as office staff and factory workers. A number of events were held in FY2017 with many employees participating. Our aim for such events is to provide employees with an opportunity to learn a wide range of business practices along with the new technologies and services that the Group companies now encompass in order to accelerate creative innovation by finding new problem solutions through wider opinion exchanges.

These events can also provide new insights for individual workers about how to carry out their own tasks. Beyond the normal routine and borders of their roles—whether they are administrative or technical—sharing ideas and information through communications with diverse human resources surely helps people to gain new perspectives on their day-to-day approaches to their work. The topics at these events are not limited to technical issues, but also cover work-related issues, such as Work Style Reform, which has drawn much social attention in Japan in recent years. Employees participating in events express high satisfaction with these opportunities to create new innovation with aspects of CSR.

Communicating on the Environment with Local Citizens

As a member of local communities, the Fujifilm Group creates various opportunities for dialogue on the environment with local citizens. In FY2017, four companies comprising the Fujifilm Group (Fujifilm, Fuji Xerox, Fuji Xerox Manufacturing and Fujifilm Techno Products) jointly held the “Fujifilm Group Environmental dialogue held in Kaisei-machi (on left) and environmental fair that served as a venue for edutainment on environmental protection (on right).”

Dialogue on Activities for Human Rights Due Diligence

In September 2017, Fujifilm participated in the Business and Human Rights Conference in Tokyo, hosted by Caux Round Table Japan (co-hosted by the Institute for Human Rights and Business), and held individual meetings with human rights experts from around the world. We presented our Group CSR procurement activities, including from the aspect of employees’ human rights, and sought opinions and advice from them on the Human Rights Statement that was still being developed at that time on the details of the statement. Its relationship with other policies and methods for promoting greater awareness and related measures within the organization. We received praise from experts for including the opinions that were expressed in the previous year’s dialogue in the text of the Statement.

They expressed the hope for activities to continue after the introduction of the Statement, including human rights issues that require attention in the supply chain and measures to provide remedy for suppliers, etc. Based on these valuable opinions, we are scheduled to assess the potential risks in the supply chain (see Page 45) based on the Human Rights Statement adopted in June 2018. We plan to use the information gathered for concrete action and activities in the future.
Establishing the Long-Term Goal

In recent days, international long-term targets such as Sustainable Development Goals (SDGs) and the Paris Agreement have been announced in the drive to resolve social issues. In particular, expectations are growing for the role of major companies in resolving social issues and building a sustainable society. In view of these developments, the SVP 2030 has set as its long-term goal for FY2030 to contribute to achieving the goals for resolving global social issues set by SDGs, the Paris Agreement, etc.

In the medium-term CSR plan for FY2014 to FY2016, Sustainable Value Plan 2016 (SVP 2016), Fujifilm declared its shift from passive engagement in CSR in the form of statutory compliance to a more active one, perceiving CSR as an opportunity for business growth and for addressing social issues. This stance earned great praise from outside experts. However, the major goal of solving social issues cannot produce results so easily in a span of three years. For this reason, a conversion in our approach to establishing targets was deemed necessary alongside activities to be continued into the future.

By establishing a long-range plan, targets can now be set out as follows, and taken into consideration when engaging in business activities. This stance is based on the recognition that achieving the goals of SDGs, the Paris Agreement, etc., will be the key to achieving a sustainable society.

Assessment of the 15 Priority Issues in Six Areas

In SVP 2016, priority issues were divided into “solving social issues through business activities” (opportunities) and “conscious of environmental and social impact within business processes (environment, work style, etc.).” The SVP 2030 identifies internal and external aspects of each of the areas of the environment, health, daily life and work style, in the priority order: “environment,” “work style,” and “daily life.”

In promoting global business, the plan focuses on reinforcement of the CSR foundation in the environment, ethics, human rights, etc., for the entire supply chain, as well as reinforcement of governance for greater dissemination of an “open, fair and clear” corporate culture. For these purposes, 15 priority issues in six areas were established for implementation in all corporate activities.

Especially in the area of the environment, concrete numerical targets were established for FY2030. For CO2, we will take action to reduce our Group’s CO2 emissions by 30% compared to the FY2013 level along with contributing to a reduction in the cumulative CO2 emissions in the Group’s business operation.

It must be noted that the CO2 emissions reduction target here has been recognized as a scientifically proven standard in achieving the 2°C goal of the Paris Agreement and has been certified by the international SBT initiative (see Page 16).

Achieving the Goals of 2030

The long-term goals set out in SVP 2030 were conceived in the drive to take one step forward from the previous “inside-out” perspective that focuses on existing business activities as the starting point and adopts an “outside-in” approach starting from social issues to examine what the company, its products and services should be. What products and services are necessary in the development of a sustainable society, and what technologies are needed for this purpose?

SVP 2030 reaches beyond the Fujifilm Group’s products and services (i.e., output*) to a concrete vision of its contribution to building a sustainable society (i.e., outcome*) and lays down its final goal realization of both growth for the Group and solutions to social issues.

In the years ahead, the Group plans to work on contributing further to resolving social issues and on enhancing corporate value through creation of new values from products, services and technology development that can move social reform forward to achieve the goals of SVP 2030.

* Output: Products, services, etc., created by an organization or business activities
* Outcome: Change, benefit, learning and other effects of output from an organization or business operation

Characteristics of SVP 2030

- To become a corporation that promotes social revolution through innovation involving all employees and action on social issues from a long-term perspective.
- 2030 was set as the target year for goals which is the base year for international social issues (Paris Agreement and SDGs).
- Numerical targets for FY2030 defined for global environmental issues.
- 15 priority issues established in the four areas of the environment, health, daily life, work style, and adding supply chain and governance.
- Priority areas redefined with attention both to “solving social issues through business activities” and “reducing the negative impact of our business activities.”
- With society and customers demanding that as a global corporation we enhance our management of the entire supply chain from the viewpoint of CSR, “supply chain” has been established as a priority area.
- “Governance” has been added as a priority area to further disseminate an open, fair and clear corporate culture.
Process for Identifying Materiality (Priority Issues)

**STEP 1 Clarifying the Basic Policies**

In addition to the review of CSR activities under SVP 2016, issues that should take priority in SVP 2030 were identified with attention given to global developments in response to climate change, etc. As a result of the review, the perspective adopted in SVP 2016 to make company-wide efforts to solve social issues as opportunities for business growth was upgraded to clearly specify a future vision from the long-term perspective on contributions to resolving social issues as a global company and was adopted as the basic policy.

**STEP 2 Extracting Social Issues Based on Business Strategy**

In identifying social issues, roughly 130 items listed from various indexes such as ISO 26000 and GRI Standards were combined from the standpoint of social issues to be addressed from a long-term perspective, including the goals of the Paris Agreement and the 169 targets under the SDGs. Also, the possibility of contributing to resolving social issues was discussed with all business divisions to identify relevant technologies, products and services in these divisions.

**STEP 3 Evaluation of Materiality**

Evaluation adopted the approaches both of resolving social issues through business and reducing the social impact of business activities in society.

1. Resolving social issues through business

   Fujifilm’s technologies, products and services that show the potential of making a social contribution and the social issues were organized in a matrix diagram. Based on the diagram, the possibility of contributing to solving social issues and the scale of the impact on society were evaluated, and the social issues that must be prioritized were identified.

2. Reduction of the impact of our business activities

   With the participation of the CSR specialist E Square, the social issues identified were evaluated from a social perspective (how important society perceives the issue and what it demands of the Fujifilm Group) and our company perspective (impact on business strategy, brand, and reputation) and were mapped on five levels. Issues that were rated four or higher on both sides were organized and re-examined in expressions suitable for the Group’s measures on the issues and were defined as priority issues.

**STEP 4 Planning and Review**

For each priority issue defined, relevant business divisions at operating companies that had introduced measures on the issue took the initiative in studying the indicators for promoting progress toward the long-term goal, and for environmental issues on a global scale, definitions of the numerical targets for the year 2030. Priority issues of SVP 2030 were finalized in the deliberations by the CSR Committee, headed by the President of FUJIFILM Holdings. For achievement of SVP 2030, we will re-examine our group-wide activities through PDCA every three years by planning for medium-term management reform.

*Please visit the link below for details of the process.


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**Sustainable Value Plan 2030**

Reduce our own environmental impacts and contribute to the resolution of environmental issues.

**Social Issues**

Since the Industrial Revolution, we have experienced large improvements in our lives, but at the same time, this has caused a range of environmental issues. Continuing rises in sea levels and extreme weather resulting from climate change, depletion of our land resources, destruction of our forests, water pollution and depletion of water resources and changes in our ecosystems are taking place on a global scale. The Paris Protocol calls for action by all countries to reduce greenhouse gas emissions. The international society must take action to resolve both the issues resulting from our economic activities and environmental issues to guarantee sustainable development into the future.

**Fujifilm Group’s Goals under SVP 2030**

1. Address climate change.
2. Promote recycling of resources.
3. Address energy issues toward a non-carbon society.
4. Ensure product and chemical safety.

To achieve sustainable development, the whole of the Fujifilm Group around the world is working on various environmental issues under its Green Policy so that it can also be the leading company in the environmental field. In addition to reducing the environmental impact of our production activities, we are focusing on cutting CO₂ emissions and making effective use of water and other resources across the entire product lifecycle, reaching as far as the use and disposal of our products by our customers. We are also developing products and services that offer outstanding energy-saving and resource-saving results that will contribute to reducing the environmental impact for society as a whole. In R&D we are developing new technologies to resolve environmental issues including energy issues.

**The Key Points in FY2017 Activities**

<table>
<thead>
<tr>
<th>OUTPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established of concrete targets for 2030</td>
<td>Contributing to enhancing momentum of promotional activities for the environment in society</td>
</tr>
<tr>
<td>Provided office products with outstanding energy-saving results</td>
<td>Contributing to reducing CO₂ emission in society</td>
</tr>
<tr>
<td>Selected for the A List in the CDP Global Water Report 2017 with a high evaluation for our efforts to tackle water risks</td>
<td>Leading corporate water risk countermeasures</td>
</tr>
</tbody>
</table>
Address Climate Change

The Fujifilm Group has set new targets to create a carbon neutral society aimed at by the Paris Agreement. Along with CO₂ emissions reduction across the entire product lifecycle (from material procurement, product manufacturing, transportation, use and disposal), we are continuing to actively reduce CO₂ emissions in society through providing our products and services. At the manufacturing stage, we direct our efforts at using lower carbon energy sources, including adopting and utilizing renewable energy, in addition to the promotion of energy saving and efficient energy usage.

<table>
<thead>
<tr>
<th>Target for 2030</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Reduce the Fujifilm Group's CO₂ emissions by 30% by FY2030 (compared to the FY2013 level).</td>
<td></td>
</tr>
<tr>
<td>(2) Contribute to a reduction in the CO₂ emissions generated by society by 50 million tons by FY2030.</td>
<td></td>
</tr>
</tbody>
</table>

The Fujifilm Group’s new targets for creating a carbon neutral society, which aim to achieve CO₂ emissions reduction goals set in the Paris Agreement, have been created to respond to the proposal of the Japan Climate Initiative. Along with CO₂ emissions reduction across the entire product lifecycle (from material procurement, product manufacturing, transportation, use and disposal), we are continuing to actively reduce CO₂ emissions in society through providing our products and services.

Activities in Outline of 2030

Address Climate Change

Sustainable Value Plan 2030 - and Targets

Energy-Saving Activities with Customers

Fujifilm’s Next Generation Managed Printing Service (MPS), which utilizes energy-saving reconditioned devices, won the Minister’s Prize of the Ministry of Economy, Trade and Industry, in the category of products and business. This is the highest ranking prize in that category of the Energy Conservation Grand Prize, awarded by the Ministry of Land, Infrastructure, Transport, and Tourism. The Energy Conservation Grand Prize is given for model-energy-saving efforts undertaken in business or business sites, as well as products and business models with excellent energy-saving features. This is the second time for Fuji Xerox to receive the Ministry’s Prize. The Next Generation MPS is a new business model that offers energy-saving, resource-saving and productivity improvement through the integration and evolution of reconditioned device business and comprehensive office equipment management business to offer the optimum printing environment. Special staff members analyze the volume of printing, frequency, power consumption, and other factors and provide optimal printing activity information in an office in order to visualize the working conditions of each multifunction device and printer, and then offer the optimum printing environment by reviewing the installed devices and models—as well as their layout in the office. In addition to this actual usage data, they conduct questionnaire surveys and process analyses to offer a process efficiency improvement plan that includes paper usage reduction and enhanced productivity by converting paper-based processes into digital processes. Reconditioned devices, which have been serviced to the level of brand-new products, are offered as replacements for older equipment, enhancing the overall environmental friendliness of our customers’ businesses.

Business field: Business model that enhances customers’ eco-efficiency by reducing their new resource usage through offering Fuji Xerox’s reconditioned device business (based on the principle that is disassembled, cleaned, and replaced to the level of new products).

Energy Conservation Grand Prize awarded

The GGP manages carbon offsets to make the CO₂ emissions from process-less thermal CTP plates zero by utilizing the CO₂ emissions rights obtained by Fujifilm through supporting CO₂ emissions reduction projects in developing countries. Through this scheme, printing companies that purchased and utilized process-less thermal CTP plates can convert the CO₂ emissions generated during their printing process to zero. Further, customers can then display the GGP mark, which makes an appeal as their CSR activities to stakeholders. Also, this indirectly contributes to clean energy, employment generation, and infrastructure construction in developing countries.

At the same time, FUJIFILM Global Graphic Systems Co., Ltd., which sells printing devices and materials, started the Green Graphic Project (GGP), a CO₂ emissions reduction scheme, by working together with printing companies to purchase their CTP plates.

The GGP manages carbon offsets to make the CO₂ emissions from process-less thermal CTP plates zero by utilizing the CO₂ emissions rights obtained by Fujifilm through supporting CO₂ emissions reduction projects in developing countries. Through this scheme, printing companies that purchased and utilized process-less thermal CTP plates can convert the CO₂ emissions generated during their printing process to zero. Further, customers can then display the GGP mark, which makes an appeal as their CSR activities to stakeholders. Also, this indirectly contributes to clean energy, employment generation, and infrastructure construction in developing countries.

Fujifilm has led environmental contribution activities in the printing industry, such as through the Plate to Plate System, a closed loop recycling system that recycles the aluminum from printing plates used. Through the GGP, we are further spreading usage of process-less thermal CTP plates using the carbon offset, thereby contributing to reducing environmental impact in the printing industry.

In April 2018, Fujifilm started the Carbon Offset* scheme with its process-less thermal CTP plates. Process-less thermal CTP plates are printing plates used in offset printing that can significantly reduce energy consumption by installing LED lighting and inverters.

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Reduce the Fujifilm Group’s CO₂ Emissions

In FY2017, CO₂ emissions from the entire product lifecycle in the Fujifilm Group achieved a large reduction of 7% over the previous year. Our new target set in FY2017 was “Reduce the Fujifilm Group’s CO₂ emissions by 30% by FY2030 (compared to the FY2013 level)” and our actual achievement so far against this target is 15%. We are steadily making progress in our CO₂ emissions reduction efforts, CO₂ emissions were reduced in all stages in the product lifecycle. Particularly in the manufacturing stage, energy usage increased by business expansion was compensated for by energy-saving activities propelled across the company and we attempt to realize continuous CO₂ emissions reduction.

The Energy Strategy Promotion Committee has been working group-wide to maximize efficiency in energy usage and to seek in the energy usage of the entire company. The Fujinomiya Factory of FUJIFILM Corporation’s Functional Materials Manufacturing Headquarters, introduced a small energy supply system in FY2016 to maintain efficient use energy when the demand for energy varies, to ensure that it can fulfill customers’ orders in a timely manner. In FY2017, the factory cut its CO₂ emissions by 14,000 tons by using the small energy supply system and being flexible in using the large system to match the production quantity, improving the overall energy efficiency.

FUJIFILM Hunt Chemicals U.S.A. reduced its energy consumption per unit by 18% by introducing LED lighting, contributing to a reduction in CO₂ emissions. More than ten facilities in Japan, the United States and South East Asia introduced LED lighting in FY2017.

In the future, we will continue to enhance our energy-saving efforts towards our FY2030 targets through promotion and reinforcement of renewable energy-derived procurement and introduction of renewable energy facilities.

Contribute to a Reduction in the CO₂ Emissions Generated by Society

The Fujifilm Group has been working to reduce environmental impact through our products and services, based on internal rules concerning Design for Environment. We are also making progress in the visualization and calculation of contribution to CO₂ emissions reduction through products and services, based on the internal guidelines. For our FY2030 target, “Contribute to a reduction in the CO₂ emissions generated by society by 50 million tons by FY2030 (total contribution from FY2017),” we had a amount of contribution of 4.63 million tons in FY2017 through high capacity magnetic tape storage (energy saving through the storage for archive data), multifunction devices (products and solutions), and medical IT systems. The achievement rate for the FY2030 target was 9%, which was a steady progress. The magnetic tape was awarded by the Prime Minister’s Prize under the 7th Monodzukuri nippon Grand Award in evaluation of its contribution to big data storage with lower power consumption and cost in Japan (see page 33).

We have been implementing a range of energy-saving technologies in both hardware and software across all new multifunction devices and copiers. We are promoting to reduce electricity usage in our customer by replacing the older models with new ones. In FY2017, we received an award from the Environment Minister Prize under the 16th Green and Sustainable Chemistry Award for “Development of innovative toner technology to realizing low environmental impact and high image quality,” as well as the prize of the Ministry of Economy, Trade and Industry, under the Energy Conservation Grand Prize 2017 for “a next generation managed print services” that utilizes an energy-saving reconditioned device in Japan (see page 18). Combing the integrated management service that offers the optimum printing condition for customers, and our reconditioned multifunction devices and copiers, we are contributing to realizing all of energy conservation, resource conservation, and improvement of productivity.

As one of our CO₂ emission reduction measures, carbon offsets, we have also started working on process-less CTP plates as printing materials in addition to current cosmetics (see page 18). The Fujifilm Group is thus working towards CO₂ emissions reduction with a comprehensive approach that combines a wide range of measures.

Promote Recycling of Resources

Since our establishment, the Fujifilm Group has been actively recycling resources, through reducing water usage, recycling and reusing water, recovering and reusing raw materials, etc., and establishing a 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.

With a clear set of CO₂ emissions reduction targets and the roadmap towards 2030, we will work together with our customers to contribute to the fight against climate change. As we vouch for our commitment to the environment, the Fujifilm Group is committed to contribute to the achievement of global environmental goals, including the Paris Agreement, through our business activities and initiatives.

Outline of Activities in FY2017

Future Activities and Targets

Promote steady reduction activities according to the situation in each region and site.

Conceptional Diagram of Water Usage and Contribution

* We aim at contribution in society that equals the environment impact input from our business activities by 2030.

Emissions Generated by Society

Future

Future

Future

Future
Environment

● Response to Water Risks
Since our establishment, the Fujifilm Group has been working toward water usage reduction and water recycling. Considering increasing attention toward water risk as an important international issue, we have been promoting further reductions and more efficient water usage. As a result of the continued efforts in each site, the water usage in FY2017 has been reduced by 3% compared to the previous year. Some of the companies that made significant water usage reduction included FUJIFILM Manufacturing U.S.A., Inc., which made a 6% reduction, and FUJIFILM Electronic Materials, which made a 17% reduction. This is equivalent to a decrease of 12% compared to the FY2013 level (the base year for the target for FY2030), demonstrating steady progress. We plan to expand our effective reduction measures widely across the world in order that the entire Fujifilm Group makes a further water usage reduction.

As for the expansion of water risk regions, which is drawing the world’s attention, we created a water risk assessment system in 2014, utilizing a matrix with the two indices: “water stressed regions” and “impact on company business in terms of water usage.” Since then, we have continued to assess water risks for all of our Group sites. As we continued assessment of the activities in water management and reduction at our workplaces with relatively higher water risk and so on, we confirmed that the influence on our Group is low for FY2017 too.

As a contribution with water treatment in society through our products and services, we are implementing many projects in multiple business fields, including provision of micro filters for pure water treatment in electronic material production, provision of ion exchange resin for waste water treatment, and spreading process-less CTP plates to reduce water usage at customers in the graphic field. The total contribution amount in FY2017 was 34 million tons. This figure indicates that we have already achieved 97% of our FY2030 target, almost reaching the final level. Therefore, we are planning to consider the targets to be added. This contribution is also equivalent to about 80% of the Fujifilm Group’s total water usage. We continue to contribute with our water treatment in society through products and services.

● Measures to Reduce Waste
The Fujifilm Group is proceeding more effective use for resources and reduction of waste, not only at the manufacturing stage but over the entire product lifecycle as one of the management strategies. We focus on recurrence of resources at the product design stage, reductions in the waste generated at the manufacturing stage and reuse of waste solvent.

As a result of the assessment, the improvement of waste discharge in FY2017 has reduced to the same level as the previous year due to reduction efforts, despite a decline in recycling rate of waste plastic to valuable resources due to the strengthening of Chinese plastic import restrictions. This figure also indicates a 2% increase compared to the FY2013 level (the base year of the target for FY2030). In China, FUJIFILM Printing Plate (China) has started collecting waste solvent, distilling it and reusing it, and working on promoting the utilization of waste. We will discuss our long-term waste reduction strategy and related concrete measures across the Fujifilm Group based on a reviewed understanding of the content of waste and its treatment in each site, while taking account of changes in the business operations.

We introduced a new group-wide environmental data collection and management system in FY2016. We can conduct more accurate assessment in a timely manner and contribute to the Group, including its sales offices in each area in the world.

● Improve the Efficiency of Resource Use
The Fujifilm Group develops and offers a wide range of products such as chemical products, functional materials, optical devices, office equipment, and medical equipment, etc. For the purpose of improving the Group environment, we formulated the Assessment Method of Material Input per Unit (resource material input weight per converted production volume) that utilizes the “Converted Production Volume (production volume of each product converted using the energy used during production)” which is authorized by the Energy Saving Act in Japan. We started to use this method in FY2017. The FY2017 assessment results showed a 7% improvement compared to the previous year thanks to various production efforts, such as less reduction and reuse as raw materials of the end portion that was discarded so far in the production sites, and designing resource-saving and downsized products in R&D. The achievement against the FY2030 targets (compared to FY2013) also marked a 22% improvement, demonstrating our steady progress.

For multifunction devices and copiers which is one of our main products, we collect customers’ used products and dispose of them in a systematic way, based on our principal of “treating used products as valuable resources instead of as waste.” The program aims to utilize resources as effectively as possible with “Zero Landfill” as our goal. Since FY2016, we are promoting the planning for new products that emphasize the use of reused parts.

In FY2017, the recycling and reuse rate for used products continued more than 99.5%, our Zero Landfill standard for all domestic and overseas sites, and 99.5% for sites in Japan. On the other hand, the volume of waste reused to reduce the consumption of new resources was 3,730 tons by 79 tons reduction from the previous year. This was because the volume of parts reused is declining due to product downsizing and the production volume remains the same. We continue resource usage reduction through comprehensive 3R activities.

● Outline of Measurements for Waste Reduction in Fujifilm Group

<table>
<thead>
<tr>
<th>Region</th>
<th>Water usage reduction (FY2017/FY2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>87.7%</td>
</tr>
<tr>
<td>Asia/Oceania excl. Japan &amp; China</td>
<td>3.2%</td>
</tr>
<tr>
<td>Europe</td>
<td>4.3%</td>
</tr>
<tr>
<td>Americas</td>
<td>4.8%</td>
</tr>
<tr>
<td>China</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

*1 Includes water, steam, etc. used in the business activities
*2 Recycle rate including cooling water usage

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-3.0%</td>
</tr>
<tr>
<td>2014</td>
<td>-4.3%</td>
</tr>
<tr>
<td>2015</td>
<td>-4.2%</td>
</tr>
<tr>
<td>2016</td>
<td>-4.1%</td>
</tr>
<tr>
<td>2017 (FY)</td>
<td>-4.0%</td>
</tr>
</tbody>
</table>
Address Energy Issues toward a Non-Carbon Society

Target for 2030

Contribute to the creation and widespread use of renewable energies through highly functional materials.

To build the carbon neutral society envisioned under the Paris Agreement, the Fujifilm Group will develop and make available energy-related technologies that use highly functional materials from three aspects: energy creation, energy storage and energy conservation. We continue contributing to renewable energy creation and dissemination through accelerating the introduction and widespread use of renewable energies in society by our technologies.

Outline of Activities in FY2017

- R&D for solar cell materials, next-generation batteries (lithium-ion batteries, fuel cells and all-solid-state batteries), and other developments are in progress.

Future Activities and Targets

- Continue and strengthen R&D activities in the future.

Ensure Product and Chemical Safety

Target for 2030

Minimize adverse effect on chemical substances on human health and the environment.

Because the Fujifilm Group manufactures a wide range of products including chemical products, functional materials, optical devices, office equipment, and medical equipment, we have established management rules for the different assembly and manufacturing processes of our products from two perspectives: management of the handling of chemical substances and management of information on chemical substances in our products. We have implemented global operations management across the Group and we have established a system to acquire accurate information on the laws and regulations in each country and region around the world to start a prompt preparation in an early stage. This has allowed us to maintain comprehensive and efficient management of chemical substances.

Outline of Activities in FY2017

- Completed the review of chemical substances in use, based on our voluntary management policy for specific chemical substances preceding regulation.
- Demonstrated the accuracy of evaluation system of alternative test method as a skin sensitization test. "ADRA.
- Started full-scale operation of chemSHERPA, a new system for sharing information on chemical substances in products, in Japan.

Related Data and Information: Environmental Information Page 63

Future Activities and Targets

- Make and execute a management plan for each managed chemical substance.
- Adopts "ADRA" test method in OECD (Organization for Economic Co-operation and Development) test guidelines.
- Expand use of "chemSHERPA" to our production sites in Asia region.

- Management of Chemical Substances

In addition to the current regulations, Fujifilm Group manages chemical substances using self-regulatory S classification, which places prior restrictions on the use of chemical substances that may be restricted in the future and that pose a threat to health and the environment. If these substances are found to be in use, they must be changed to safer alternatives as soon as possible and these substances are restricted their use in new products. This management system was introduced at the facilities in Japan in FY2016. In FY2017, all substances used in Europe, Americas and China have been inspected to conform with the S classification. We will formulate and execute a management plan for substances that come under S classification.

- Safety Evaluation

Fujifilm evaluates the safety of developed chemical substances and chemical substances used at each stage from the development to commercialization of products. Also, from the viewpoint of animal welfare, we are actively working to develop alternative test methods and to participate in collaborative research on skin sensitization and corrosive tests. In FY2017, we conducted a validation study on Amino Acid Reactive Reactivity Assay (ADRA), developed by Fujifilm for skin sensitization test as an alternative to animal testing method, and we confirmed that our method is more sensitive than conventional alternative test methods as a skin sensitization test for chemical substances. We will work to have our "ADRA" method adopted by the OECD test guidelines as a skin sensitivity test.

- Management of Chemical Substances in Products

Fujifilm has formulated the Fujifilm Green Procurement Standards for the chemical substances contained in its products. Founded on this standard, we manage the chemical substances in raw materials, parts and components of our products in cooperation with our suppliers, so as to deliver secure products to customers. In FY2017, we completed the introduction of our new "chemSHERPA" scheme to communicate information on chemical substance in our products among companies, and have started full-scale use. We will expand this scheme to our facilities in Asia.

- Compliance with Laws and Industry Standards

The Fujifilm Group has established the environmentally conscious product certification program, aiming to achieve the target of 30% CO2 emissions reduction by 2030 compared to the FY2013 level. In addition, we have established the environmentally conscious product certification program, aiming to achieve the target of 30% CO2 emissions reduction by 2030 compared to the FY2013 level.

- Resource Recycling

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Fujifilm Group’s Goals under SVP 2030

1. Fulfill unmet medical needs.
2. Improve accessibilities to medical services.
3. Contribute to identifying diseases at an early stage.
4. Contribute to health promotion and beauty.
5. Promote management of a healthy workplace.

Health is a theme of great importance and attracts the highest level of interest from people. However, there are many issues to be addressed—not only in terms of unmet medical needs, but also other issues that include the medical divide, the shortage of doctors, the increased burden on doctors and high medical expenses. Also protecting our employees’ health is a significant responsibility for the company because our employees are the foundation of our business activities. Fujifilm Group began with X-ray films in 1929 after the company was established. Today, the scope of our businesses have expanded into prevention, diagnosis and treatment of diseases in our drive to become a “total health company.” We will mobilize our technologies, products and services to resolving various issues and contributing to further improving the quality of medical care and better health for all.

The Key Points in FY2017 Activities

<table>
<thead>
<tr>
<th>OUTPUT</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constructed a new factory to manufacture liposome drug</td>
<td>Support in disseminating new treatment methods</td>
</tr>
<tr>
<td>Applied AI technology to medical IT</td>
<td>Improvements in the quality of medical care and a reduction in the workload on doctors</td>
</tr>
<tr>
<td>Improved cancer screening rates for employees</td>
<td>Maintaining our employees’ better health</td>
</tr>
</tbody>
</table>

The Fujifilm Group is striving forward in the development and dissemination of new therapies for unmet medical needs, where effective treatment is still to be found. Fujifilm possesses the highly functional material synthetic technologies and engineering skills that we have gained through our photographic film development and production, including advanced nano dispersion technology, analysis technology, and production engineering technologies. We are actively seeking synergetic collaborations with business partners who also possess superior technologies, in order to develop new solutions in regenerative medicine and cell therapy and improve accessibility to such advanced treatments.

**Development and Dissemination of Cell Culture Media to Contribute to Regenerative Medicine and Cell Therapies**

Cell culture media are critical technology and materials used in the research, development, and production of regenerative medicine products and biopharmaceuticals. It is said that the quality of the cell culture media determines the quality and medical efficacy of the cell culture. As social attention is increasingly drawn to biopharmaceuticals and cell therapies as new approaches to medical treatment, high quality cell culture media are also in demand. The Fujifilm Group is accelerating its R&D in the field of regenerative medicine in order to fulfill unmet medical needs.

Fujifilm Group and partners who also possess superior technologies, in order to develop new solutions in regenerative medicine and cell therapy and improve accessibility to such advanced treatments.
Sustainable Value Plan 2030

Health

Fujifilm has reached an agreement with the Saudi Arabian General Sports Authority to establish the country’s first women’s health check center.

Fujifilm signed a memorandum with the Saudi Arabian General Sports Authority to establish the country’s first women’s health check center.

TOPICS

Diffusion of Health Checks in Emerging Countries

Fujifilm has reached an agreement with the Saudi Arabian General Sports Authority concerning cooperation in maintenance of the country’s first women’s health check center and exchanged a memorandum. Saudi Arabia is currently working through its growth strategy, Saudi Vision 2030. Japan has agreed on economic cooperation with the Saudi government, and one of these cooperation fields is healthcare and medical services. Our cooperation project is being realized through efforts by governments of the two countries and Saudi Arabia’s promotion of the social advancement of its growth strategy. In Saudi Arabia, obesity among women is recently becoming a problem but in the Middle East and Africa region, there are no health check systems like those in Japan. Fujifilm is supporting Saudi Arabian women to be healthy and active, making full use of our expertise as employed in Japan’s medical services, which is one of the world’s strongest standards.

Utilizing AI and IoT in the Medical IT Field

The Fujifilm Group provides medical IT worldwide to efficiently utilize X-ray diagnostic systems, endoscopes, ultrasonic diagnostic systems, etc., to offer high-precision diagnoses. Our Picture Archiving and Communication System (PACS), SYNAPSE, boasts the largest market in Japan supporting doctors’ imaging diagnosis through our exclusive image processing and recognition technology that makes various types of lesions more visible.

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Fujifilm has reached an agreement with the Saudi Arabian General Sports Authority to establish the country’s first women’s health check center and exchanged a memorandum. Saudi Arabia is currently working through its growth strategy, Saudi Vision 2030. Japan has agreed on economic cooperation with the Saudi government, and one of these cooperation fields is healthcare and medical services. Our cooperation project is being realized through efforts by governments of the two countries and Saudi Arabia’s promotion of the social advancement of its growth strategy. In Saudi Arabia, obesity among women is recently becoming a problem but in the Middle East and Africa region, there are no health check systems like those in Japan. Fujifilm is supporting Saudi Arabian women to be healthy and active, making full use of our expertise as employed in Japan’s medical services, which is one of the world’s strongest standards.

Utilizing AI and IoT in the Medical IT Field

The Fujifilm Group provides medical IT worldwide to efficiently utilize X-ray diagnostic systems, endoscopes, ultrasonic diagnostic systems, etc., to offer high-precision diagnoses. Our Picture Archiving and Communication System (PACS), SYNAPSE, boasts the largest market in Japan supporting doctors’ imaging diagnosis through our exclusive image processing and recognition technology that makes various types of lesions more visible.

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across the world who possess superior technologies. By combining diverse AI technologies both from inside and outside our company, we will provide a wide range of services that support doctors’ diagnoses and working efficiency.

*PACS (Picture Archiving and Communication System): An image diagnosis system in which images captured by CT, MRI, DR, and the other devices are stored in a server, and doctors can display these images on a local terminal in the hospital to interpret them. The number of captured images is increasing in recent years, and it is growing in importance for doctors to efficiently interpret and diagnose such images is required.

**Efforts for Early Detection of Infectious Diseases**

Fujifilm has developed a diagnostic system to detect the influenza virus at an early stage of infection using highly sensitive identification technology, to which the unique silver amplification technology used in the photographic film development process is applied. We are working to expand this innovative technology into equipment to enable early detection of various infections across the world.

Tuberculosis (TB) is one of the three major infectious diseases in the world. As a single infectious disease, it accounts for the largest number of deaths in the world. In 2016, 10.4 million people developed tuberculosis and 1.7 million people died from it. In addition, HIV patients, more frequently found in developing countries, tend to easily develop tuberculosis due to their weakened immune systems. However, a TB screening system for HIV patients is not available in areas where the medical infrastructure is inadequate. There was therefore a strong demand for the development of POCT* kit that was sensitive, easy-to-use, fast at diagnoses, and available at a reasonable cost. In April 2016, Fujifilm started development of TB-LAM jointly with FIND using a subsidy from 2014 GHTF Fund, and completed Phase 1 development in 2017. TB-LAM is a highly sensitive kit that uses urine specimens to detect tuberculosis among HIV patients. In May 2016, we conducted a large-scale clinical evaluation in South Africa. From 2018, we plan to conduct clinical trials to acquire further evidence, which is driven by GHTF Fund’s Phase 2. These trials are aimed to be included in the WHO’s list of recommended medical device which is essential for our kit to be adopted in developing countries. In order for our kit to be adopted in countries that are suffering from TB, we will make efforts to minimize increasing medical costs and elderly care issues. At the same time, the elderly are expected to maintain our health, it is important to detect diseases at an early stage even if there are no recognized symptoms, or take countermeasures for the preventable symptoms before they have reached the level of disease. However, one in three Japanese people still do not take a regular health check regardless of the extremely wide understanding of the necessity for such proactive health checks. The Fujifilm Group contributes to the early detection and treatment of diseases through making easy-to-use self-health check systems widely available across society.

* The FY2016 National Health and Nutrition Survey by the Ministry of Health, Labour and Welfare reported that among people of ages 20 and above in Japan, 27.5% of males and 37.1% of females had not undergone a health check (general health check, health examination or complete medical examinations) within the last year.

**Contribute to Identifying Diseases at an Early Stage**

As the aging society progresses, increasing healthy life expectancy is a significant social issue in order to minimize increasing medical costs and elderly care issues. At the same time, the elderly are expected to remain an active part of society. The Fujifilm Group is contributing to realize “The older you get, the more enjoyable life is. A society with laughter regardless of age.” We do this by offering anti-aging care products with functional items which we have taken salacia and astaxanthin in and developed using our exclusive technologies.

* Healthy life expectancy: Formally, Healthy Average Life Expectancy (HALE). Average number of years that a person can expect to live in “good health” by taking into account years lived in less than full health due to illness and/or injury. The first international report was made by the World Health Organization (WHO) in 2000. In 2016, the HALE for Japan was 72.4 years for males and 74.9 years for females. The difference between the HALE and average biological life expectancy was 8.44 years for males and 12.25 years for females.

**Contribute to Health Promotion and Beauty**

As the aging society progresses, increasing healthy life expectancy is a significant social issue in order to As the aging society progresses, increasing healthy life expectancy is a significant social issue in order to minimize increasing medical costs and elderly care issues. In 2018, the elderly are expected to remain an active part of society. The Fujifilm Group is contributing to realize “The older you get, the more enjoyable life is. A society with laughter regardless of age.” We do this by offering anti-aging care products with functional items which we have taken salacia and astaxanthin in and developed using our exclusive technologies.

The FY2017 Medical Care Improvement in Emerging Countries through Public-International Promotions Projects

**Target for 2030**

Reduce the physical burden through widespread and expanded use of medical diagnostic systems.

**Priority Issue 3**

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**Future Activities and Targets**

- Promoting the blood test service, CureSign, mainly for health insurance association members’ family members who are not legally obligated to take regular health checks (FF).
- CureSign: A service in which a user collects a small sample of their own blood using a blood collection kit and sends the sample to the test center by post. Within a week or two, the blood test results will be sent back by post. Currently, available check items are stomach cancer, stomach ulcer, duodenal ulcer, and 14 items related to lifestyle diseases, including metabolic syndrome. The average number of annual users of the service as of FY2017 was 13,200.

**Target**

Launch a new lineup of ASTALIFT, our anti-aging skincare cosmetic range

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**Future Activities and Targets**

- Increase number of trial sessions of highly-functional and scientifically-proven anti-aging care products. (Aim at a total of 10 million people who have participated)
- Increase the number of people’s SNS postings on our healthcare products, such as experience reports. (Aim at a total of 100,000 postings by 2020)

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- Increase the number of people’s SNS postings on our healthcare products, such as experience reports. (Aim at a total of 100,000 postings by 2020)
Promote Management of a Healthy Workplace

As the Fujifilm Group believes it essential to ensure that employees can work with energy and remain in good health both physically and mentally at their workplaces, to maintain our position as a leading company by Creating New Value which is stated in our Vision, we have been working to promote employees’ health promotion activities focusing on the priority areas such as preventing lifestyle-related diseases, smoking, mental illness and preventing overwork.

In occupational safety and health, our effort will be directed to ensuring safety at work for our employees by making safety a priority and to implementing absolute compliance with the laws related to safety and health, founded on the belief that “occupational safety is the basis of all business activities.”


Health Awareness Promotion among Employees

As part of Fujifilm’s activities to promote employee health, lectures were given by Mr. Tadashi Shiwa, Director of the Fujifilm Health Management Center, who has worked as industrial doctor for the Company for 22 years.

General statistical data on major business corporations show that the total rate by type of disease for persons in active employment are 50% for cancer, 25% for myocardial infarction, apoplexy and arteriosclerosis, and 25% for accidents or other causes. The figures were roughly the same at Fujifilm before his appointment as director of the center. Based on these findings, Mr. Shiwa implemented detailed guidance on habits to improve health and prevent lifestyle diseases.

In particular, he offered clear guidance on smoking, excessive drinking and obesity, which are regarded as being the cause of all types of cancer.

“My goal as an industrial doctor is to reduce fatalities during active employment to as near to zero as possible. With the early detection of cancer, guidance on lifestyle habits that will prevent arteriosclerosis and mental health programs, we will be able to prevent nearly all deaths. Because they work hard and are committed to their work, however, employees find it difficult to make sure they have regular health examinations and treatment at external medical institutions. For this reason, the Center introduced every possible measure, including cancer screenings, guidance on and treatment for lifestyle related diseases, mental health programs, instructions on how to quit smoking, vaccinations and examinations of helicobacter pylori,” he said.

As a result of these efforts, the number of deaths fell from 10 or more per year 22 years ago to only 1, the result of an accident, in 2016. We succeeded in achieving zero deaths from disease among employees.

Seven Good Health Habits

1. Do not smoke. Avoid secondhand smoke whenever you can.
2. Drink moderately (time lapse of Japanese sake, one large bottle of beer or 2/3 cup of shochu liquor or less).
3. Eat a balanced diet (less processed meats and red meat).
4. Eat only moderate amounts of salty food (no more than 9 g of salt for men, 7 g for women).
5. Eat plenty of vegetables and fruit.
6. Exercise moderately (lose weight each day, 60 minutes of moderate exercise, slight perspiration each week).
8. Prevention and treatment of infections from viruses and bacteria (Helicobacter pylori & hepatitis virus)
9. Avoid secondhand smoke whenever you can.
10. Quit smoking.
11. Have a medical examination if you experience any physical problem.
12. Obtain accurate information on cancer and learn about the disease.

Future Activities and Targets

1. Reinforce health management and promotion organization and health management across the entire Fujifilm Group by various continuing measures.
2. Introduce measures that focus on breast cancer and colorectal cancer, which have a high incidence ratio, and on growth rates for cancer medical care expenses.
3. Introduce measures to promote better health by further utilizing the Health Data Bank.
4. Continue measures in the face of the 2019 revisions to the regulations on maximum working hours.

Outline of Activities in FY2017

- Target: Raise cancer screening rates to 90% or more (for men/women: stomach, lungs, large intestine)
  - Steady increase in the number of endoscopic examinations and women undergoing screenings for gynecological cancer
  - Opening of a medical clinic specializing in endoscopic examinations, organization of seminars promoting colorectal cancer examinations and other continuing efforts were promoted for employees.
  - Advancement of medical examinations with e-mails, promotional guides and other literature that caters to age group and gender

- Target: Reduction in number of workdays lost
  - Group-wide health and mental health committee set up to analyze the causes of absences, used to assess signs of mental stress and to implement measures at an early stage.
  - Research to assess the situation with incidents at work in overseas Group companies started in FY2017.
  - Establishment of common indicators related to occupational safety and management and introduction of a self-audit system

- Other major activities
  - Affiliates and subsidiaries of Fujifilm and Fuji Xerox established goals, KPIs, etc., for their respective health improvement plans
  - Announcement renderings for number of smokers at each business site and approach targeted for key sites
  - Introduction of web tools that will allow employees to check their own stress levels at any time.
  - Health management system that matches the quality of the system in Japan to be introduced for resident Affiliates and subsidiaries of Fujifilm and Fuji Xerox

In July 2013 the Fujifilm Group established a group-wide health promotion council composed of the Group companies’ HR divisions, industrial doctors and the Fujifilm Group health insurance association. Since then we have been promoting health promotion measures through this council. We established a Health Promotion Group under FUJIFILM Holdings in July 2016. In the future, this group will be responsible for health promotion measures and occupational health, following the PDCA cycle to promote health across the entire Fujifilm Group with a focus on priority measures. In addition, we will encourage the introduction of Health Data Bank for multinational consolidation of regular health check results and stress check data for all employees in our Group companies and at the same time develop a system that can be used effectively by employees, the Group companies and industrial doctors.

In a high evaluation of these activities, FUJIFILM Holdings was recognized under the 2018 Certified Health Management Center, who has worked as industrial doctor for the Company before his appointment as director of the center. Based on the findings, Mr. Shiwa offered clear guidance on smoking, excessive drinking and obesity, which are regarded as being the cause of all types of cancer.

“My goal as an industrial doctor is to reduce fatalities during active employment to as near to zero as possible. With the early detection of cancer, guidance on lifestyle habits that will prevent arteriosclerosis and mental health programs, we will be able to prevent nearly all deaths. Because they work hard and are committed to their work, however, employees find it difficult to make sure they have regular health examinations and treatment at external medical institutions. For this reason, the Center introduced every possible measure, including cancer screenings, guidance on and treatment for lifestyle related diseases, mental health programs, instructions on how to quit smoking, vaccinations and examinations of helicobacter pylori,” he said.

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Lecture held on the theme of “continue working with good health and fitness”

The 12 Articles on Cancer Prevention

1. Q1. Smoking
2. AVOID secondhand smoke when you can.
3. Drink moderately (time lapse of Japanese sake, one large bottle of beer or 2/3 cup of shochu liquor or less).
4. Eat a balanced diet (less processed meats and red meat).
5. Eat only moderate amounts of salty food (no more than 9 g of salt for men, 7 g for women).
6. Eat plenty of vegetables and fruit.
7. Exercise moderately (lose weight each day, 60 minutes of moderate exercise, slight perspiration each week).
10. Avoid secondhand smoke whenever you can.
11. Quit smoking.
12. Have a medical examination if you experience any physical problem.
13. Obtain accurate information on cancer and learn about the disease.

Seven Good Health Habits

1. Do not smoke. Avoid secondhand smoke.
2. Do not eat excessive amounts of fats, sugar and salt. Base your diet around vegetables, and avoid eating too much meat.
3. Walk for at least 30 minutes each day, and do exercise that exercises you to perspire a little for at least 30 minutes each week.
4. Stop smoking and maintain it at the optimum level.
5. Have regular health examinations, and get treatment for diabetes, hyperlipidemia and high blood pressure at an early stage.
6. Only drink moderate amounts of alcohol, or do not drink at all.
7. Avoid getting stressed, and get 7-8 hours sleep each day.
Sustainable Value Plan 2030

Daily Life

Support the tangible and intangible aspects of infrastructure in people’s lives through various products, services, and technologies.

Social Issues

As industrial and economic development proceeds, urbanization, our lives have become more convenient and comfortable. At the same time, however, stress and a sense of isolation from society have surfaced as serious issues. In particular, the breakneck speed in the spread of information has created new sources of entertainment and services, but at the same time has generated anxiety and risk as well. To build a society that is both sound and sustainable, we must build an infrastructure and environment that enable everyone to live with a feeling of security and safety and develop communication methods that provide mental support and a sense of fulfillment in life.

Fujifilm Group’s Goals under SVP 2030

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

Photography, the original business of the Fujifilm Group, has the power to preserve memories of events and help us to lead fulfilling lives. The Fujifilm Group contributes to preserving culture and history, as well as information that is vital to society, and to developing a society that is safe, with less crime and fewer accidents through infrastructure development utilizing technologies that were created from photographic film manufacturing. We have also renewed our awareness into the power of photography to enrich lives and we are developing and disseminating new products and services that lead to strengthening relationships between people and to enriching everyday life.

The Key Points in FY2017 Activities

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Support for the maintenance and management of the infrastructure</td>
<td>Contribution to creating a safe and sustainable urban life</td>
</tr>
<tr>
<td>Safe, long-term storage of big data</td>
<td>Improvement in the quality of life through diverse data applications</td>
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<tr>
<td>Create opportunities to enjoy photography around the world</td>
<td>Greater communication through photography</td>
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</table>

Priority Issue | Contribute to Creating a Safe and Secure Society

Target for 2030

1. Develop technologies for products and services and promote their greater use to contribute to the development of an ICT.
2. Contribute to enhancing the safety of infrastructure through more efficient inspections for the deterioration and malfunctioning of buildings and structures.

In modern society, the risks that can threaten people’s lives have diversified. Newly arising issues, such as Internet crime, spread along with the rapid advancement of the information society, careless digital data management, and the deterioration of infrastructure are some of these risks. The Fujifilm Group continues to develop and disseminate new technologies that address such ever-changing social risks to minimize their possible damage. In concrete, we are contributing to building a safe and secure society by keeping secure means of digital data storage over a long period of time in this big data era, improving information security, and helping to maintain the infrastructure.

Outline of Activities for FY2017

Target Aim at 100% preservation of records archived on tapes

- Received the Prime Minister’s Awards under the 7th Monodzukuri Nippon Grand Award (hosted by METI, MITI, MHLW, and MEXT) in recognition as the “large-capacity data tape with outstanding performance in total user costs, an achievement bolstering the era of big data and IoT.” (Fujifilm)

Future Activities and Targets

- Promote long-term data storage in a safe and reasonable manner by pursuing higher data storage density on magnetic tapes in the world.
- Further utilization of the technology for the recognition of unique objects, Yoctrace, into security services and quality safety management.

TOPICS

Supporting Safe and Long-Term Storage of Big Data

The large-capacity magnetic tape received the Prime Minister’s Awards under the 7th Monodzukuri Nippon Grand Award

Fujifilm received the Prime Minister’s Awards under the 7th Monodzukuri Nippon Grand Award (Product & Technology Development category) in recognition as the "large-capacity data tape with outstanding performance in total user costs, an achievement bolstering the era of big data and IoT." Our magnetic tape was the world’s first products adopting magnetic Barium Ferrite (BaFe) particles in 2011, making a technological breakthrough with regards to the capacity limitation of magnetic tapes, which was an imminent issue at that time. Since the market introduction of our BaFe-based magnetic tape, which significantly enhanced data storage density, the development of data storage systems that utilize our tape has accelerated. The award presented us this time was due to high appraisal of our precise response to the social need of storing big data, which is increasingly used in society, safely and over a long period of time at a reasonable cost, through our large-capacity magnetic tape that contributes to an overall cost reduction for data storage. It was also in recognition of our leading-edge technology that provided a chance of further capacity enhancement of magnetic tapes for the future.

We will continue to contribute to the safe and long-term storage of important data through further improvement of storage capacities.
Fujifilm has started offering a new Infrastructure Photo Analysis Cloud Service, Yoctrace (Crack Finder), which utilizes the high-resolution imaging technology we cultivated through our medical diagnostic imaging systems. Many major infrastructures in Japan, such as bridges and tunnels, are built during the high-growth period of the Japanese economy and are now experiencing signs of deterioration. Both national and local governments require regular inspections as well as tightening the details of such inspections. However, conventional inspection methods are highly manual, and are therefore time-consuming, and securing inspection experts is a growing issue. Such methods include close visual inspections for cracks and other signs of deterioration by inspecting engineers, advanced techniques, and knowhow, making records of such deterioration signs by photographs and illustrations, and converting the photographs and illustrations into digital data to create the relevant reports. In FY2017, we organized 86 photo exhibitions, including the FUJIFILM SQUARE 10th Opening Anniversary Photo Exhibition, and we have welcomed some six million visitors.

To develop photographic culture, since its foundation the Fujifilm Group has been promoting the wonderful nature of photography, including shooting, preserving, displaying, and gifting, we always aim to expand the number of participants, and the number of applications from smartphones was double that of the previous year. In 2017, it marked both the 10th anniversary of FUJIFILM SQUARE and the 10th anniversary of FUJIFILM FinePix SQ10, which offers much higher photographic definition and a function to edit the photo before printing. It adopts the square format as a popularized format among smartphones and SNSs which people can make stylish photo books easily (right).

We plan to expand this exhibition to countries beyond Malaysia— especially growing list of ordered records called blocks. To contribute to safe and efficient infrastructure maintenance, as well as work style reforms through improved working efficiency.

Yoctrace technology for the recognition of unique objects beyond the confines of objects, including advanced authenticity assessment and authentication utilizing Fuji Xerox’s technology. Fuji Xerox is considering to apply Yoctrace technology for the recognition of unique objects beyond counterfeit prevention into quality control during manufacturing processes and distribution traceability.

1. Announced in April 2016 by the Organisation for Economic Co-operation and Development (OECD).

2. Blockchain: Distributed database that is used to maintain a continuously growing list of ordered records called blocks.
Work Style

Promote social change where every person is motivated in the workplace through extending our in-house work-style reforms.

Social Issues

With the ever-increasing competition amid globalization and technological innovation, a company has to offer a work environment where individuals can exert their capabilities and creativity to the fullest extent and have greater satisfaction in their job. This is the way for a company to grow constantly—by streamlining its business and fully utilizing diverse human resources. To this end, it is indispensable for us to build a system that realizes a new way of working and delivers a communication environment free from limitations of time, location, language, gender, age, or disability. We must also promote various work styles for employees to choose to meet the needs of their lifestyle and life stage changes.

Fujifilm Group’s Goals under SVP 2030

1. Create environments that lead to motivated workplace.
2. Develop and utilize diverse human resources.

Each Fujifilm Group company has been participating in the work style reform. Fuji Xerox, a company that has led such reforms, managed to reduce its annual average total working hours per employee by 143 hours over five years since FY2013. Fuji Xerox’s teleworking system for domestic sales divisions is currently used by 7,800 employees, contributing to the work style reform at our customer offices (see Page 38). We continue developing and providing products and services that utilize ICT and cloud technologies to realize new work styles for our customers while introducing case studies through which we solved our own business issues. In this way, we are advancing the creation of an environment where everyone at their workplaces are motivated.

The Key Points in FY2017 Activities

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- A new value proposition strategy, Smart Work Innovation
  - Enhance work style reform
- Set up personal office booths at train stations
  - Support teleworking
- Improving work environment for diverse employees to exert their capabilities
  - Promote diversity

Outline of Activities in FY2017

- [Target] Efforts in work style reform in our own company
  - Overtime working hours per employee has been reduced by 25% compared to 2013.
  - Annual average total working hours per employee has been reduced by 143 hours since 2012. (FX)
  - Business process visualization by IT; process reform through Robotic Process Automation (RPA); (FF)
  - Enhance remote working system and satellite offices. (FX)

- [Target] Actions for work style reform for customers
  - Announced on a new value proposition strategy Smart Work Innovation and its services (Mar 2018).

Future Activities and Targets

- Promote further work style reform in our own companies.
- Enhance more practical solutions and services for customers’ work style reforms.
Sustainable Value Plan 2030

**Work Style**

Fuji Xerox has started a new value proposition strategy, Smart Work Innovation, which provides solutions and services to help our customers promote work style reform.

With the ever-increasing competition, amid globalization and technological innovation, improving work efficiency and competitiveness are sought while demonstrating creativity. Nevertheless, various restraints are preventing work digitalization, productivity improvement, and forcing workers to commit much of their time. The inefficiency dampens the effects of expertise necessary to carry out business and ultimately hinders overall improvements in organizational competency as well as creativity. Smart Work Innovation is a series of comprehensive solutions and services that can strengthen company’s competitiveness to liberate workers from restraints that would generate repetitive tasks, open professional expertise owned by a few specialists to everybody, provide a secure communication environment, and gather/analyze beneficial information to encourage employees to transform their workstyles to a creative one. This is achieved by utilization of Fuji Xerox’s own Document AI* technologies developed through years of research, next-generation security technology that has been strengthened through the provision of security-related products and services, and the Internet of Things (IoT) and Internet of Humans (IoH) technologies fostered as a result of implementing them at customers and internally.

In April 2018, we started offering our Form Data Capture Service, Engineering Data Extraction Service, and Data Linking Service out of a total of five planned services. These services have already been tested at our customers’ offices, showing both qualitative and quantitative effects. While providing access to large amounts of information on documents and designs in a less demanding manner, the service also enables utilization of specialized documents, as well as improving document-related processes, helping apply human resources, and mitigating labor shortages. Fuji Xerox is thereby further advancing essential work style reform by supporting office workers to enhance their productivity and demonstrate creativity through Smart Work Innovation.

**Priority Issue 2**

Develop and Utilize Diverse Human Resources

**Target for 2030**

- Create frameworks and workplaces so that the Fujifilm Group’s diverse employees may exert their capabilities and creativity to the fullest extent.

To create and develop a high-growth business and accelerate the global expansion in an ever-changing business environment, it is important for a company to develop human resources who support such business by creating an environment where diverse employees can exert their capabilities to the fullest extent. The Fujifilm Group has been creating frameworks to find, foster, and utilize human resources from a global group-wide viewpoint. Fujifilm Group also provides necessary training to develop human resources worldwide who can proactively create innovation to adjust to social changes. We are also working to develop a corporate culture in which each member of our diverse employees can exert their capabilities, embracing differences of gender, nationality, disability, and age.

**Outline of Activities in FY2017**

- [Target] Increase the rate of international employees (i.e., non-Japanese) in major positions.
  - Enhanced collaboration and discussion with HR officers in the US, Europe, China, and the Asia Pacific region to achieve optimum HR allocation and appointments globally. (FF)
  - Five overseas subsidiary employees were accepted on the On the Job Training program in Japan. (FX)

- [Target] Improve the rate of women in managerial positions.
  - Percentage of women in executive and managerial positions increased from 3.4% in 2011 to 7.5% in FY2017. (FX)

- [Target] Keep exceeding the legally stipulated rate of employment of people with disabilities.
  - The rate of employment of people with disabilities in June 2018 was 2.3% by the group-wide calculation method under FUJIFILM Holdings.

- [Target] Achieve zero retirement of employees caused by nursing care, childbirth, and childcare.
  - Number of employees permitted to work-at-home for childcare and nursing care increased by 2.7 times compared to FY2014. (FX)
  - Introduced the Paid Leave by the Hour system in Fuji Xerox in addition to Fujifilm in April 2018.
  - Held seminars for employees returning from childcare leave and their managers to raise awareness on how to make their return to work smooth. (FF)
  - Held specialist seminars to prevent employees quitting their job for nursing care; increased support offices for nursing care. (FF)

- [Other major activities]
  - Held Global Highly Specialized Engineer Meeting for the first time to invite engineers from across the world. (FF)
  - Started the Future Leaders Challenge Program for young employees in Jan 2018. (FX)
  - Fuji Xerox Tokyo received the Excellence Prize under the Minister of Health, Labour and Welfare’s awards for enterprises that promote telework (Shiny Telework Prize) in FY2017.

**Future Activities and Targets**

- Enhancement of human resources training on compliance awareness, management skills, customer-oriented problem solving skills, and globally applicable skills.
- Further dissemination and acceleration of Work Style Innovation to realize diverse work styles with high productivity. (FX)
- Work style reform focusing on thorough business streamlining, work environment to exert employees’ capabilities, and thorough labor compliance. (FX)

**Human Resource Development**

**Fujifilm**

Fujifilm offers training programs for employees—from new graduates to managers—to enhance their individual roles and to create a corporate culture where employees and managers are closely involved in their staff development. We aim to develop professionals who improve their capabilities on their own initiative and acquire highly marketable strengths, and exert their diverse potential. To this end, as well as conducting career training to develop the strengths of our employees at each stage, we are providing systematic and


**Fuji Xerox**

Fuji Xerox seeks human resources who can think and act on their own, and are able to adapt to changes and initiate innovation. We are striving to improve both individually and organizationally to ensure that every employee can develop their competency in a self-reliant and self-controlled way, empowering them to create careers in which they can feel a sense of achievement. To this end, (1) Work Style Innovation, (2) Skill exertion for diverse employees, and (3) Enhancement of support systems. Together, these activities generate synergistic effects.

In the area of work style reform in FY2017, we are advancing further working efficiency by business process visualization through utilization of IT, and process reform through Robotic Process Automation (RPA), in addition to our conventional work style reforms. The time created by such working efficiency advancement is then used for self-development, forming human networks, and enriching family life. Feeding back what the employees gained through such extra-work activities to the job, we continue a running cycle of human growth that benefits both the individual and the company. Toward enhancing our support systems, jointly with employees, we provided seminars and events for those employees who are about to face new life stages to help them experience such life changes effectively. Further, as a part of diversity enhancement, the entire Fuji Group set a medium to long-term expansion target for the employment of people with disabilities, in addition to those re-employed after retirement. We formed the employment expansion support schemes across the Group companies to generate more opportunities to match different people and to improve the job retention rate.

Fuji Xerox

Cultural Diversity is one of the value statements that compose Fuji Xerox’s Shared Values philosophy. Our activities based on this statement are highly appraised externally.

The work-at-home system for employees engaged in childcare or nursing care to support their work-life balance and productivity improvement showed a 90% satisfaction rate by those who used the system. The number of users also increased from 129 in FY2014 to 344 in FY2017 (144 men and 200 women). Particularly, the number of male users was 4.5 times the FY2014 figure. Further, the Paid Leave by the Hour System was newly established for employees in its domestic affiliated companies in April 2018 to enable more flexible time-off practices.

As for the women empowerment in FY2017, issues concerning the performance appraisals and work environment of reduced work hour program users were raised in the All Fuji Xerox Women Empowerment Promotion Meeting. In response to the discussion, we published the Managers’ Guide to Support Employees in Childcare. This guide systematically explains matters such as communications, and performance appraisals for employees who are involved with pregnancy, childbirth, and childcare at each stage. Especially for performance appraisals, the guide clearly states a series of criteria that will be set for those who use reduced work hour program. This is aimed to help employees satisfy both of work and childcare through fair appraisal.

Fuji Xerox also promotes the active employment of people with disabilities and encourages understanding.

Fuji Xerox has regularly held the All Fuji Xerox Women Empowerment Promotion Meeting since 2015, proposing wide-guage promotion in affiliated companies in Japan.

**Opinion**

Third-Party Opinion on “Work Style”

Mr. Naoki Atsumi

Member of the Cabinet Office Regional Style Reform Support Team

Profile

Atsumi Naoki was graduated from the University of Tokyo in 1982. He joined Toyota Corporate Business Department, Inc. in 1983 after working for several think tanks. Dedicated to research in the field of diversity and work-life balance PR, in 2018, he was appointed as the vice president of Mitsubishi UFJ Financial Group. He worked as a consultant to give practical support on corporate implementation of work style reform and work life balance policies. He is a member of the Ministry of Health, Labor and Welfare’s Adoption of Work-Style Reform Taskforce, a member of the World Health Organization’s Taskforce on Health Systems and Employment, and a member of the Business Group on Health in Japan, who are offering various solution services to contribute to the improvement of work style reform practices through the World Health Organization guidelines for work style reform. He is very involved with the fields of “Workstyle Reformation” and “NEW HR”. For instance, he conducted a study on the working styles of young people in the United States. The results of the study were published in the book “NEW HR”. He is engaged in research on work style reform in the fields of human resources management and work style reform. He is an active consultant to promote work style reform in various fields. He is the author of “NEW HR for the 21st Century”, “NEW HR in Asia and the World”, “NEW HR in Japan”, “NEW HR for the 21st Century in Japan”, and “NEW HR for the 21st Century in Asia and the World”.

Measures taken in Work Style Innovation

- **Work style reform (Each one of us tries to develop ways to work regardless of gender and age)**

- Utilization of IT tools (Company-wide installation of Google Apps, holding IT workshops, work reform events in all business sites, computerization of internal paper forms)

- Less paper usage promotion

- More efficient meetings (Facilitation seminars)

- Reducing long working hours (Two leave-off-on-time days per week, work hour record check, and consultations at workplaces)

- Raising awareness and reforming business processes (Training programs for selected managers and work style reform activities in each workplace)

- Lectures by experts

- **Skill exertion for diverse employees (Utilize their strength in work regardless of gender and age)**

- Career design training program for women employees (for those in their fifth year of employment)

- Diversity management training program (for managers of female workers)

- Career development training program (for employees in their 30s)

- Career life design training program (for employees in their 50s)

- Enhancement of support systems (for employees who need support for childcare, children, and work and care balance support, and increased support offices for nursing care)

- Enhanced programs (supports flexible ways of working for childcare or nursing care)

- Introduced work-at-home system and Paid Leave by the Hour system (Support for childcare, care and work and care balance support, and increased support offices for nursing care)

- **Enhancement of support system (Equally treat people regardless of gender and age)**

- Assisted in job retention rate. In FY2017, 45 affiliated companies in Japan, 32 companies satisfied the legally stipulated employment rate of people with disabilities through the year (21.8% as of the end of FY2017). Out of 45 affiliated companies in Japan, 32 companies satisfied the legally stipulated employment rate as of the end of FY2017. Fuji Xerox’s work style reform will continue to improve this rate even after becoming a part of the group-wide calculation method under FUJIFILM Holdings from FY2018.

**Hoping to provide a positive influence to the industry through the work style reform support services to clients**

The FujiFilm Group is known to be one of Japan’s leading companies in the area of diversity and work-life balance. The Group has also been one of the top ranking companies in the 1100 Best Companies Where Women Play Active Part” by Nikkei WOMAN, in which I have been involved as a committee member. Such efforts by the FujiFilm Group have been recognized by various public awards.

So it is good news for other corporations that the FujiFilm Group offers its Work Style Reform Support Program, utilizing their practical knowledge that has been tried and tested in their own companies. Work style reform has now shifted from management-led to frontline-led. Let me describe the keys for successfully changing a corporate culture. From the perspective of employees, the keys are “JRN” in Japanese. I stands for Juru (Initiative). Employees need to manage both their work and private life on their own initiative. F stands for Fukun (a long-term view). Employers should set their own long-range targets for both their office and their family life, and calculate back to today to think what they can do to achieve those targets. Finally, N stands for Natsuyu (Flexibility). Change must be performed bottom-up by the employees. Employers should support employees to achieve their goals regardless of difficulties and long-term struggles. On the other hand, from the perspective of employees, it means “CHN”. Simply put, a company that keeps Chiharu in a challenging period of change must be managed to help our diverse employees to enhance their own abilities and to work efficiently through various measures such as Work style Innovation. At the same time, we will continue offering products, services and technologies that contribute to work style reform in society, by making best use of our awareness and encouraging understanding in corporate clients.

**Response to the third-party opinion**

The present is the fifth year of implementation of work style reform within the FujiFilm Group. By utilizing the knowledge and experiences that we have gained since FY2013, we continue to implement a wide range of activity such as Social welfare schemes for employees. Moreover, we are offering various solution services to contribute to the improvement of work style reform in society, combining the leverage of Telemedicine and Work Innovation to promote work style reform so that people can fully utilize their creativity and productivity. We utilize the human “resources” for a company’s development, and that the company can truly utilize diverse employees by linking them to the workforce to the fullest extent in the sustainable environment for them. We continue to help diverse employees to enhance their own abilities and to work efficiently through various measures such as Work style Innovation. At the same time, we will continue offering products, services and technologies that contribute to work style reform in society, by making best use of our awareness and encouraging understanding in corporate clients.

(CSR Group, Corporate Planning Division, FUJIFILM Holdings)
Social Issues

In recent times, depletion of agricultural, marine and mineral resources is of great concern as consumption of resources expands rapidly to keep pace with the expansion of the global population and economic growth. In addition, environmental destruction associated with new land development and labor exploitation issues, including harsh working environments and overwork, are becoming social issues. Against this backdrop, corporations are now required to build sustainable supply chains from the viewpoint of the environment, ethics, and human rights so that they can maintain a sustainable manufacturing process to provide products and services.

Fujifilm Group’s Goals under SVP 2030

Strengthen CSR foundations across the entire supply chain.

The Fujifilm Group began as a manufacturer of photographic and motion picture film and has grown into a large corporation that encompasses 15 different businesses, including our healthcare business. Because of this change, the range of production related materials has increased and our supply chain now covers a wide range of fields. We understand the significance of corporate social responsibility and corporate ethics, and are implementing CSR activities to contribute to the sustainable development of society. However, it is impossible to achieve this through our own efforts alone, and it is important to tackle the issue across the entire supply chain. We ask our suppliers and partners related to the Group manufacturing processes to understand the importance of CSR management. With their understanding and cooperation, we will build a firm and strong CSR foundation by working together to resolve social issues.

CSR Activities Promoting throughout the Value Chain

Strengthen CSR foundations across the entire supply chain including factors of the environment, ethics, and human rights.

Outline of Activities in FY2017

- [Target] Realize sustainable procurement
  - Installed comprehensive supply chain management system in North America and procurement in 2007 and introduced a scheme for mutual evaluation (FF)
  - Achieved elimination of production line stops caused by suppliers’ CSR risks in subsequent years (FX Shenzhen for three years & FX Haiphong for two years (FX))
  - Obtained 100% response rate from suppliers for the conflict minerals survey in the document business where customer interest is high (FX)

- [Target] Ensure compliance with legislation on biodiversity
  - Concluded risk assessment of biological resource procurement from the product design stage, based on internal rules (starting in February 2015)
  - Participated in the Taskforce Committee for the Nagoya Protocol under the Ministry of Economy, Trade and Industry Japan (METI) (continuous participation since FY2014)
  - Conducted risk management for procurement of copier paper, one of our important products in internal rules and guidelines (since 2012)

Related Data and Information: Environmental Information Page 66

Future Activities and Targets

- Expand CSR procurement coverage to Europe (FF)
- Maintain 95% or more response rate from suppliers for the conflict minerals survey, and refine data accuracy in the document business where customer interest is high (FX)
- Conduct a more comprehensive impact assessment of potential human rights risks and reinforce preventative mitigating measures
- Implement ongoing efforts to comprehensively manage biodiversity risks resulting from procurement, continuing our FY2017 activities.
- Study activities in compliance with the Natural Capital Protocol*

* The Natural Capital Protocol: A standardized framework developed by the Natural Capital Coalition (NCC) for businesses to identify, measure and value their impacts and dependencies on natural capital to improve their decision making and strategies. First published in July 2016.

Enhancement of CSR Procurement Activities

Fujifilm Group believes it is important that the business partners and suppliers, especially production materials suppliers, understand the importance of CSR management and work together with us in resolving issues. Therefore, we clearly stated the group-wide procurement approach, the Fujifilm Group Procurement Policy, and Requests to Suppliers.

In particular, Fuji Xerox, which has a high rate of overseas production (around 90%) and where the customer demand has been high at an earlier age, has started focusing on CSR procurement in 2007 and introduced a scheme for mutual consensus assessment for CSR operations concerning the environment, human rights & labor, and corporate ethics with its suppliers. Under our mutual consensus assessment scheme, the results of a self-assessment by a supplier is cross-checked by Fuji Xerox, followed by discussions on discrepancies to finally reach agreement. The scheme is designed to give assessments in a manner that is more acceptable to our suppliers. This activity was started with production material suppliers, and gradually expanded to logistics and direct material suppliers. In 2008, Fujifilm also started to ask some suppliers to conduct self-assessments, and later expanded the scope of these assessments to

In SVP 2030, we have reconfirmed CSR as a priority issue, notably factors concerning the environment, ethics, and human rights. Under the Fujifilm Group’s Procurement Policy, we are strengthening our CSR foundation together with our suppliers to build a sounder supply chain that would achieve sustainable procurement.

In addition, based upon the Fujifilm Group Basic Concepts and Action Guidelines for Biodiversity Conservation (Guidelines for Biodiversity) established in June 2009, the Fujifilm Group is engaging in a wide range of environmental protection activities for the conservation and protection of biodiversity to sustain the various benefits we now receive from our ecosystem into the future.

Fujifilm Group CSR Procurement Promotion Program

1. Communication of CSR Procurement Policy

2. Assessment of Suppliers
   - Primary risk evaluation (selecting suppliers subject to self-check)
   - Self-assessment questionnaires (self-check)
   - On-site assessment
       - Self-assessment by supplier based on self-check
       - Share results of assessment with suppliers and Fujifilm Group

3. Encouraging Suppliers' Improvement
   - Request improvements to suppliers (self-check)
   - Support each supplier in improving (capacity building)
   - On-site visits and checks by expert teams

4. Improvement Activities
   - Conducting of actual improvements as resulting from linking to the next step

Achieving sustainable procurement

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<th>Key Human Rights Issues</th>
<th>In our group</th>
<th>In our supply chain</th>
<th>Cooperative partners</th>
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<td>Health and safety</td>
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Most important:□ Important:○

Human Rights Issues Important for the Fujifilm Group

1. Long working hours and forced labor risks at suppliers
2. Human rights abuses toward workers at contractors
3. Physical and financial damages risks for local community caused by inappropriate procurement of raw materials for consumables (including environmental destruction)
4. Physical and financial damages risks for local community caused by environmental destruction around factories
5. Physical and financial damages risks for employees caused by inappropriate management on chemical substances
6. Human rights abuse (physical or mental risk) caused by unexpected use of our products and services
7. Physical damage risks for local community caused by destructive actions on environment such as illegal dumping

Human Rights Due Diligence Process

1. Identify human rights issues
2. Plan and implement mitigating measures
3. Dialogue with third parties
4. Charter for Corporate Behavior

Human Rights Considered Important in the Chemical and Construction Materials Industries

1. Japan Electronics and Information Technology Industries Association (JETIA): 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 Japan.
2. Percentage of conflict-free smelters: The percentage of smelters designated in our supply chain that have obtained conflict-free certification by RBA, etc.

- Respect for Human Rights
- Recognition of the importance of respect for basic human rights, the Fujifilm Group explicitly declares its determination to implement this in the Fujifilm Group’s Charter for Corporate Behavior and the Fujifilm Group’s Code of Conduct, and organizes regular training programs to these ends.
- Since 2012, we have been participating in the Stakeholder Engagement Program (SHE) organized by the Caux Round Table. As a result of human rights issues for each industry studied in the Program, we have been working since 2015 to identify and address human rights issues in the Group.
- In the face of the expanding regulatory control on human rights issues, such as the Modern Slavery Act in the UK, California Transparency in Supply Chains Act, etc., and through dialogue with international human rights NGOs in FY2016, we have placed top priority on identifying and addressing potential human rights issues in the supply chain and with employees in the Group and have organized activities for CSR procurement collaborating with our suppliers (see Pages 43-44) and promoted CSR activities within the Group.

We have conducted our CSR procurement activities in Japan, China, and the United States and conducted internal audits for the production sites of the Group. To expand the scope of our activities to other regions, to organize preliminary studies of response measures to be taken if a problem is discovered and to further strengthen and disseminate awareness of human rights issues within the Group, we decided to establish an independent policy, in addition to...
the Fujifilm Group’s Charter for Corporate Behavior and the Fujifilm Group’s Code of Conduct, to explicitly declare our respect for human rights. As a result, we established a Human Rights Statement with the approval of the CSR Committee headed by the President in June 2018. In establishing our Human Rights Statement, we have received various comments and suggestions from Group companies in Japan and other countries and other stakeholders (see Page 10). The process served as a great opportunity not only for the CSR division but also for the personnel and other relevant divisions to renew their awareness on human rights issues.

In the Human Rights Statement, we state that respect for human rights is the basis of all our business activities and declare our basic policy in introducing activities to prevent human rights violations. We will conduct internal and external communication to disseminate the Human Rights Statement, and will raise the awareness of the importance of human rights issues within the Group. At the same time, we will cooperate with our partners and suppliers to conduct a more comprehensive assessment of the impact of potential human rights risks in each business field and to strengthen prevention and mitigation measures. Furthermore, we will continue to conduct studies with other companies and activities proactively adopting suggestions from external parties, to incorporate the trends in society’s demands within the Group and to foster greater awareness.

Employees of the Group who have any concerns on the incorporation of human rights issues stated in the Code of Conduct are able to seek remediation or correction through the Compliance Helpline and other whistle-blowing systems. For external stakeholders, we have set up an inquiries contact on CSR matters to receive opinions and suggestions regarding our entire Group activities, including human rights issues.


2 See figures; “Human Rights Due Diligence Process” and “Potential Human Rights Infringement in the Fujifilm Group.”

Main Activities for Biodiversity Conservation

- Activities to conserve the water source at each factory
- Participation in JEBF
- Fuji Xerox participates in the Japan Business Initiative for Biodiversity (JBB)
- Overseas tree planting activities
- See planting activities in the Hmong-Dai mountain of the Inner Mongolian Autonomous Region of China
- Support in the restoration of Can Gio mangrove forests in Vietnam, that are approaching extinction as a result of the death toll of 400,000 whales in 2015
- Suden-Onnake-Tai
- Regional collaborative activities to preserve grassland in Mami-Aso Village. FUJIFILM Kyushu has been participating in these activities since FY2010.
- Tokyo Greenship Action
- Greenery conservation activities organized by the Tokyo Metropolitan Government.
- World Wildlife Fund (WWF) Climate Change Action Network (CCAN), Fuji Xerox Tama has been participating in the program since 2014.
- Cooperation with NPOs, etc.
- Approved Specified Nonprofit Corporation Network for Conservation of Nature, etc.: “Kaji-backer Keshin”, Charitable Trust Fuji Film Green Fund, etc.: “Nakadai-ri
- Shizenkansatsuro Competition”
- Green Cross Japan: Harpy Eagle, “Mind-on-Komori”, etc.
- Support to the Monitoring Site 1000
- We have been supporting to develop sensor cameras used in surveying mammals.

Biodiversity Conservation

Since its foundation, the Fujifilm Group has engaged and addressed in a wide range of environmental protection activities for the biodiversity conservation. This is 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 2012, we formulated the “Fujifilm Group’s Basic Concepts and Action Guidelines for Biodiversity Conservation [Guidelines for Biodiversity].” In 2012, we reviewed our biodiversity approach for human rights violations stated in the Code of Conduct. We will conduct internal and external communication to disseminate the Human Rights Statement, and will raise the awareness of the importance of human rights issues within the Group. At the same time, we will cooperate with our partners and suppliers to conduct a more comprehensive assessment of the impact of potential human rights risks in each business field and to strengthen prevention and mitigation measures. Furthermore, we will continue to conduct studies with other companies and activities proactively adopting suggestions from external parties, to incorporate the trends in society’s demands within the Group and to foster greater awareness.

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*2 See figures; “Human Rights Due Diligence Process” and “Potential Human Rights Infringement in the Fujifilm Group.”

Fuji Xerox has been using these standards to monitor the activities through local audits and our deliberation council headed by top management, to ensure a continuous and stable supply of paper with care given to the sustainability of forest resources and harmony with local communities. We received the Excellence Prize in the 18th Green Purchasing Award organized by the Green Purchasing Network in FY2017 in recognition of our efforts to implement green purchasing involving no violations stated in the Code of Conduct in Japan and other countries. We also participate in the Vancouver Declaration for the UN SDGs and FSC Certification that pledges support for the Initiative for the sustainable management of natural forest resources. In the future, we will ensure that our actions are in compliance with the Natural Capital Protocol.

Sustainable Value Plan 2030

Disseminate an open, fair and clear corporate culture.

Social Issues

To continue to be as a valued member of society and to grow, the company must meet the expectations of its various stakeholders and to win the trust of society. To fulfill its social responsibilities and promote sustainable growth and long-term improvement in corporate value, the company must conduct its business activities in accordance with the social code of conduct, with an emphasis on transparency and fairness. It is important to improve corporate governance, which is essential for swift and bold decision-making, and implement measures that lead to corporate growth and improvement in corporate value alongside changes in the business environment.

Fujifilm Group’s Goals under SVP 2030

Improve and maintain governance structures.

Under its Corporate Philosophy and Vision, Fujifilm is committed to providing open, fair and clear corporate culture, the Fujifilm Group is determined to promote sustainable growth and improve its corporate value through sincere and fair business activities and to contribute to the sustainable development of society. To achieve this, corporate governance, which underlies all such efforts, has been confirmed once again, and we will continue to strengthen corporate governance through reinforcement of internal controls and audit systems.

Outline of Activities in FY2017

- Reviewed the structure of the Board of Directors; established a governance strengthening committee to implement projects for each specific issue.
- Consolidated the FX business management divisions including accounting and auditing with FH and strengthened the business management process.
- Introduced education and training programs aimed at improving compliance awareness among employees across the entire Group, especially in overseas subsidiaries.
- Established a system for implementing global audits and reinforced and increased the efficiency of audit capabilities with IT applications.
- Established the voluntary Designated Reward Committee shared by an independent outside director.

Target for 2030

Aim for zero cases of misconduct and major legal violations by disseminating an open, fair and clear corporate culture.

Future Activities and Targets

- Strive for consolidated management of compliance activities by operating companies FF & FX under an HH initiative and by execution of measures aimed at further improving compliance awareness among all employees.
- Enhance the role of the Board of Directors and improve transparency of management decision-making by using an independent outside director.

Fujifilm: FUMI Holdings: FF: Fuji Film: FX: Fuji Xerox
The Company discloses the number of individuals to whom remuneration is paid and the total amount of remuneration for Directors as well as Audit & Supervisory Board members. Meanwhile, we have adopted a remuneration system under the stock option program to make its directors and executive officers, excluding outside directors, share a mutual interest—the effect of stock price fluctuations— with its shareholders. In this way, the directors and executive officers are in actual fact encouraged to have stronger drive and morale toward achieving higher corporate value.

The Company has established the Designated Reward Committee as an arbitrary advisory body to the Board of Directors. It aims to secure transparency on procedures for deciding CEO succession plan and remuneration for directors.

For further details of the Corporate Governance Guidelines and the Corporate Governance, please refer to http://www.fujifilmholdings.com/en/about/governance/index.html.

Corporate Governance Structure

FUJIFILM Holdings has positioned the Board of Directors as the organization for determining basic Group management policies and strategies and other important matters relating to business execution, as well as supervising the implementation of business affairs. The Company’s Articles of Incorporation stipulate that the board can consist of up to 12 directors. Currently, the board has ten directors, including four outside directors. In June 2018, the Company appointed the first female outside director to ensure diversity on the Board of Directors. To better clarify their missions and responsibilities, the directors have a one-year term of office.

The attendance of outside auditors to the Board of Directors meetings held in FY2017 was 97% (11 meetings in total). Additionally, FUJIFILM Holdings has adopted an executive officer system to facilitate speedier business execution. The Company currently has 11 executive officers, including five officers which will make it 12 directors. Currently, the board has ten directors, including four outside directors. In June 2018, the Company appointed the first female outside director to ensure diversity on the Board of Directors. To better clarify their missions and responsibilities, the directors have a one-year term of office.

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Corporate Governance Structure

Audit

FUJIFILM Holdings has adopted a system of Audit & Supervisory Board, which currently consists of four members, including two outside members. Each Audit & Supervisory Board member attends the Board of Directors, while full-time members attend all Management Council meetings in order to assess our overall business operations. The attendance of outside auditors to the Board of Directors meetings held in FY2017 was 97% (11 meetings in total). Additionally, FUJIFILM Holdings has adopted an executive officer system to facilitate speedier business execution. The Company currently has 11 executive officers, including five currently serving as Board members. The executive officers have a one-year term of office, the same as the Company’s Directors.

Compliance

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

In response to the inappropriate accounting practices uncovered at overseas subsidiaries of Fuji Xerox, consolidated management of compliance activities by FUJIFILM Holdings, Fujifilm and Fuji Xerox has been strengthened, with training programs aimed at greater awareness of compliance throughout the Group, especially in other countries, from top management on the website, and compliance awareness surveys (see Page 50). We have already introduced a separate whistle-blowing system in each company. In addition, to ensure that the system is effective, we have also established the FUJIFILM Holdings Hotline, through which any employee in the Group is able to report directly to FUJIFILM Holdings, in the drive for early detection of violations (see Page 50).

Risk Management

At the Fuji Group, actions on risk prevention and measures for risk issues that have emerged at each business company are managed and reported to the secretariat of the CSR Committee through the designated procedure. Major risk issues are reviewed and appropriate corrective measures are implemented by the CSR Committee. In addition to management at each company and division, major risk issues for the Group are examined each year, with attention given to social and environmental changes, probability of risks projected for each business field and the impact on business management. Responses to each risk are reconsidered, and action is taken on a global scale.

In FY2017, in response to inappropriate accounting practices at overseas subsidiaries of Fuji Xerox, we have promoted further enhancement for the entire Group. Especially in the Fuji Xerox and its Group companies, risk management committees were newly set up at each company, apart from Fuji Xerox headquarters, to promote comprehensive crisis management and recurrence prevention in emergency situations and to reinforce risk management and risk control activities under normal conditions. The minutes of the risk management committee meetings held at the Group companies are reported as occasion arises to the Compliance & Risk Management Division of the CSR Committee* Secretariat at Fuji Xerox.

In regard to business continuity plan (BCP), worldwide environmental changes are increasing the risk of natural disasters. In Japan, further improvements of Fuji Group’s response to wide-area disasters, in the face of the risk of the Nankai Trough earthquakes expected to occur in the east, southeast and south of Japan, a major earthquake anticipated to occur in the Tokyo area and the possible eruption of Mount Fuji, have been marked out as issues to be tackled, and efforts are underway to add to the BCP and upgrade measures to deal with these projected disasters.

*Changed its name to Compliance & Risk Management Committee in July 2018.

SUstainable Value Plan 2030 Governance

The State of Corporate Governance

FUJIFILM Holdings is aiming to foster sustainable growth, achieve higher corporate value and contribute to the sustainable development of society through sincere and fair business activities. We regard corporate governance as the foundation for achieving these goals and a key issue in business management.

In response to the inappropriate accounting practices at overseas subsidiaries of Fuji Xerox uncovered in 2017, we implemented governance strengthening measures that include integrating part of Fuji Xerox’s headquarters and management functions into FUJIFILM Holdings, further expanding personnel exchanges within the Group including management, personnel, and rebuilding and strengthening internal control at Fuji Xerox and its subsidiaries, including the system for reporting to FUJIFILM Holdings. We will continue our efforts toward greater transparency in our business processes and enhancement of Group governance to prevent any recurrence.

Corporate Governance Structure

FUJIFILM Holdings has established a system of Audit & Supervisory Board, which currently consists of four members, including two outside members. Each Audit & Supervisory Board member attends the Board of Directors, while full-time members attend all Management Council meetings in order to assess our overall business operations.

The attendance of outside auditors to the Board of Directors meetings held in FY2017 was 97% (11 meetings in total). Additionally, FUJIFILM Holdings has adopted an executive officer system to facilitate speedier business execution. The Company currently has 11 executive officers, including five currently serving as Board members. The executive officers have a one-year term of office, the same as the Company’s Directors.

Audit

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Strengthening Governance
Thorough efforts to promote greater awareness among all employees of the importance of engaging in “open, fair and clear” business activities

In response to the inappropriate accounting practices uncovered at overseas subsidiaries of Fuji Xerox in 2017, the Fujifilm Group introduced recurrence prevention activities to strengthen governance as the main activities by the Governance Strengthening Committee (established on June 30, 2018). The principal activities are the following:

- **Compliance training and communication from top management**

  To increase awareness of compliance throughout the Group, communications stressing the importance of compliance have been sent from the president of FUJIFILM Holdings to all employees. At the same time, training was conducted to provide summary information on the matter, developments in addressing the matter, the cause and the problems involved, and to disseminate an understanding of the action policy founded on the lessons from this matter. Training and education programs were organized for leaders in late September 2017, and for other employees in December of the same year. Also, a communication from top management emphasizing compliance and “thorough efforts at promoting open, fair and clear business activities” was made publicly available on the Company website, as well as internally via in-house magazines, the intranet, etc.

- **Compliance awareness survey**

  To assess the level of dissemination of compliance awareness through compliance training and for early detection of signs of misconduct or fraud, an awareness survey was conducted on all 93,000 employees of the Group in December 2017, with responses received from virtually all employees. The result was very positive; more than 90% understood the matter of inappropriate accounting and compliance priority at the workplace, and 86% had the pride in working at the Fujifilm Group. The findings will be disclosed within the Group to further improve compliance awareness.

- **FUJIFILM Holdings Hotline**

  In addition to the whistleblowing system set up in each Group company, a new FUJIFILM Holdings Hotline was set up to enable employees of any employee in the Group to report incidents directly to FUJIFILM Holdings (FH). The reports are received by an external consultation office and sent to the FH CSR Group, and they are also reported to the CSR Committee chaired by the President. Appropriate measures are being implemented to provide counseling when reports are received, with consideration given to protecting the reporting party, so that misconduct can be detected at an early stage through the consultation office.

- **Establishment of Regulations on Advance Reporting**

  On October 1, 2017, the Regulations on Advance Reporting of Matters to Be Decided by the Board and Directors of Fujifilm and Fuji Xerox were introduced. To strengthen internal control, the relevant business division will be required to report the matters in advance to the director responsible at FUJIFILM Holdings for review by the Board of Directors of Fujifilm and Fuji Xerox.

- **Description of FUJIFILM Holdings Hotline Examples of Possible Consultations**

  The Fujifilm Group Charter for Corporate Behavior and the Corporate Code of Conduct state explicitly that cautious and detailed attention be paid to relationships with public officials, government representatives and business partners and prohibit both involvement in corrupt activities and offering or receiving gifts or entertainment that raises suspicion of unfairness. Especially in the face of the growing reinforcement of anti-corruption laws and regulations globally in recent years, we have introduced regulations in each company to prevent corruption and are organizing regular audits, including on-site audits, chiefly in the areas that are relatively vulnerable to such risks. The Fujifilm Group has never been investigated by administrative authorities concerning any anti-corruption matters.

Outline of Activities in FY2017

Committed to providing customer solutions through our imaging, healthcare & materials, and document businesses, the Fujifilm Group engages in close communications with our wide-ranging customers, which include general consumers, corporations, and hospitals, to respond to their voices in a way that takes into account the characteristics of businesses and products. Among our general consumer products are imaging products and healthcare products. Imaging products are experiencing rapid changes in their diversifying usage and maintenance methods as smartphones and mirrorless digital cameras spread. We received some 23,000 comments through our FY2017 customer satisfaction questionnaire survey, which targeted new customers registering with us after purchasing our products, as well as comments through the support desk as queries regarding various products. We carefully analyze such comments to gain a better understanding of our customers’ needs. Another of our general consumer products is our healthcare product range, which includes supplements and cosmetics. The Customer Satisfaction Improvement Program is working on product and service improvements based on our customers’ voices. One such improvement was the development of a packet-type supplement in addition to a bottle, responding to requests stating that they would like to receive the supplement delivery through their letterboxes so that they can receive it anytime of the day, rather than a courier service. After commencing such delivery of supplements into customers’ letterboxes, we also received comments that the packet-type supplements were more convenient for customers to carry with them, such as on trips.

Improvements based on our customers’ voices

- Developed a packet-type supplement that can be delivered to letterboxes regardless of the time of day, unlike the conventional courier delivery (packet type on right)
- One-off-use jelly packet without need for a spatula

Products and Services Which Reflect Our Customers’ Views

Basic Approach

As we declare in our corporate philosophy, the Fujifilm Group aims to provide the best quality products and services which are safe, appealing to customers and provide them with peace of mind, by basing our management on “Customer Satisfaction (CS).” In order to achieve customer satisfaction, it is important to obtain the views of a wide range of customers and to have a mechanism in place for effectively reflecting these in our products and services. For this purpose, we pay special attention to communicating with our customers at customer centers which are our point of contact with them. We aim to correctly grasp their views, as well as seek to respond in a speedy, kind, accurate and fair manner, and we are constructing a system to link these views to improvements in product development and our work processes.

We continue improving communications for our general consumer products to respond quickly to customers’ requests by fully utilizing the Internet, such as increasing the number of FAQ pages where customers can resolve problems by themselves.

For corporate customers, employees from the R&D, production, and technical departments of the respective business divisions visit customers together with maintenance staff members to better understand our customers’ business challenges through direct communication. This should enhance the “customer viewpoint” in our employees across customer business processes.

We also continue our regular requests for customer evaluations as a part of our Customer Satisfaction (CS) program. In the document business, we conducted 62,000 surveys through our User CS program in FY2017, and the follow-ups and improvements based on the survey results are now being made toward further strengthening our relationships with customers.

Our document business Fuj Xerox has ranked No.1 in the Large/Midsize Segment under the 2018 Color Copier Customer Satisfaction Study by J.D. Power for nine years in a row, that was for the first time in the industry.*

FUJIFILM Imaging Plaza Where Visitors Can Experience Our Imaging Products

In April 2018, Fujifilm opened a brand showroom, FUJIFILM Imaging Plaza, in Marunouchi, Tokyo, in front of the Imperial Palace, to enable visitors to directly experience our imaging products. The showroom has a ‘Touch & Try’ corner, where people can experience the latest seamless digital cameras and interchangeable lenses, and also the FUJIFILM Imaging Plaza Gallery, which exhibits works of distinguished photographers. The showroom also offers a range of events and services, including a variety of seminars to make digital cameras life more enjoyable, a rental camera and lens service, a display of different types of prints, including Photo Block, to demonstrate different ways of enjoying photographs. We provide various opportunities for visitors to experience our X series and GFX series cameras, as well as examples of high-quality printing.

A membership support service, the FUJIFILM Professional Service (FPS), is also available at the showroom for professional photographers who use X and GFX series cameras. We offer the members the same services that can meet their wide-ranging needs such as an onsite maintenance service for cameras and other equipment on the spot for the first time, and a studio where the members can experience various kinds of lighting and tethered shooting. The facility will also further strengthen our support for downstream processes in a broad scope of customers—from those just beginning to professionals.

FUJIFILM Imaging Plaza opening event held on April 28 and a view of the site

Working Together With Customers on Transforming Communications Utilizing Printing Technologies

In May 2018, Fujifilm opened a hub for open innovation “Future Edge” in the Ebina Center, Kanagawa Prefecture. Here, the company will work together with customers on transforming communications utilizing printing technologies. The hub not only functions as a showroom to display the company’s printing devices and related software, but also provides a place to transform the future of the communication business with cutting-edge technology.

People’s preferences and senses of value have become diversified by changes in the social environment and globalization. This is also true with regard to means of communications—where more diversity is also being sought. Against this backdrop, in 2016, Fujifilm announced launching an open innovation hub, “Future Edge” in the Ebina Center, Kanagawa Prefecture. Here, In May 2018, Fuji Xerox opened a hub for open innovation “Future Edge” in the Ebina Center, Kanagawa Prefecture. Here, the company will work together with customers on transforming communications utilizing printing technologies. The hub not only functions as a showroom to display the company’s printing devices and related software, but also provides a place to transform the future of the communication business with cutting-edge technology.

With approximately 7,000 square meters of space, this facility has the entire lineup of Fuji Xerox production printers, related software/services, as well as FUJIFILM Corporation’s inkjet digital press and print workflow system which contents are delivered on time to the right place in the right form. Future Edge will also devote to demonstrate enhancing productivity of print operations and the results of work style reforms. By locating inside the Ebina Center, a base for Fuji Xerox’s technology development, the facility allows not only sales personnel and systems engineers, but also development engineers and manufacturing personnel to work directly with customers to address challenges and verifications. The facility will also further accelerate collaboration with partners and innovators both in Japan and abroad, to continue introducing cutting-edge systems and expertise. We will stay close to our customers for the future reformation of the entire printing value chain.

Fuji Xerox continues to contribute to the further development of photograhic culture by widely promoting interest in our imaging products and enhancing customer satisfaction through direct communications with a broad scope of customers—from those just beginning to professionals.

* Tethered shooting: A photographing technique to take pictures using a PC connected to a camera.

FUJIFILM Kyushu’s active involvement in groundwater recharging activity for recovery from the Great East Japan Earthquake and the Fukushima nuclear disaster was highly regarded and resulted in FUJIFILM Kyushu receiving the Award Granted by the Commissioner for Cultural Affairs for the Awards 2017.

Social Contribution Activities

Basic Approach

The Fujifilm Group is committed to contributing to the sustainable development of society, working together with local communities as a good corporate citizen and responding sincerely to the demands and expectations of those communities. In 2008 we formulated the Fujifilm Group Social Contribution Policy, based on which we are conducting activities focusing on the fields of research and education, culture, arts and sports, health and environmental conservation through cooperation and collaboration with NGOs/NPOs, local communities and others in active support of volunteer activities conducted by employees.

Outline of Activities in FY2017

The Fujifilm Group contributes to society through its business operations by interacting proactively with local communities as a corporate citizen, thereby contributing to the sustainable development of society. In addition to distinctive activities utilizing the unique characteristics of the Group, such as creation of archives of cultural assets and artistic works (record storage), reproducing historical documents, providing medical devices in disaster site and emergency support service, offering learning materials in emerging nations, and offering large-print textbooks for students with low vision.

In FY2017, Fuji Xerox donated a replica of an item of original handwriting by Takamori Saigo to Satsuma-Sendai City, Kagoshima Prefecture, and a replica of Outgoing Procession in 1828 by Lord Nariaki Date, Minor Captain in the Lower Grades of the Tōsen Fourth Rank to Osaki City, Miyagi Prefecture. In recognition of its continuing contribution, Fuji Xerox received the Award Granted by the Commissioner for Cultural Affairs under the Japan Meiji Awards 2017 by the Association for Corporate Support of the Arts (see Page 55).

Also, we continuously implemented various activities in environment and other education assistance and in promoting coexistence with local communities. Photo workshops for children and the Pink Ribbon Movement are spreading all over the world. We continue our support for recovery from the Great East Japan Earthquake and the Great Kumamoto Earthquake (see Page 55).

Another example of our social contribution in foreign countries is continuing donation of learning materials for primary education in emerging countries by Fujifilm, aiming to contribute to helping resolve educational disparity among children. The project started in 2014 in the Philippines, and expanded to Myanmar and Thailand in FY2015, Vietnam and Indonesia in FY2016. In FY2017 we started activities in Malaysia, while continuing and expanding activities in five countries (see page 54). Fuji Xerox’s tree planting activity in China has now marked 20 years since its commencement. In FY2017, while maintaining those trees previously planted in China, we started mangrove planting in Vietnam (see Page 54).

We will continue to move forward with our social contribution activities that aid in the resolution of social issues, taking advantage of our mainstream business activities and paying attention to communication and partnerships with our stakeholders.

The Amount of Expense on Social Contribution (FY2017)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education for future generations</td>
<td>JPY 74,520</td>
</tr>
<tr>
<td>Health with the local community</td>
<td>JPY 10,395,700</td>
</tr>
<tr>
<td>Promotion culture and arts</td>
<td>JPY 3,656,000</td>
</tr>
<tr>
<td>Contribution for international environmental activities</td>
<td>JPY 2,500,000</td>
</tr>
<tr>
<td>Cooperation with NGOs and NPOs</td>
<td>JPY 75,300</td>
</tr>
<tr>
<td>Total</td>
<td>JPY 11,392,500</td>
</tr>
</tbody>
</table>
Japan
Conservation of diminishing cultures and information by reproducing historical documents
Since 2009, Fuji Xerox has been socially contributing to Japan’s cultural inheritance by reproducing historical documents, and has donated more than 230 replicas to date. Donations in 2017 included a replica of the Peking Opera Performance at the Kansho-ji Temple, crafted by master craftsmen, and an elaborate replica of the Outgoing Procession in 1628 by Lord Narikuni Date to Osaki City, Miyagi Prefecture. In recognition of our contribution, Fuji Xerox received the Special Prize: Director’s Prize of the Agency for Cultural Affairs under the Mécénat Awards 2017, presented by the Association for Corporate Support for the Arts. Photo shows the ceremony to donate the work to the Honorable Mayor of Satuma-Sendai City.

U.S.A.
Offering a diagnostic ultrasound system to hurricane-ravaged Puerto Rico
Two hurricanes, Hurricane Irma and Hurricane Harvey, caused devastating damage to Puerto Rico and Texas, US in August and September of 2017. FUJIFILM America Corporation organized a company-wide relief program in the US with an aim to provide medical aid and donations reaching over $10,000. In the same period, FUJIFILM Nippon Paint, Inc. (FFSS) offered a diagnostic ultrasound system, SonoSite M-Turbo, for use on the temporary medical center in Puerto Rico. This system’s excellent portability has been vital in providing emergency aid in emergency situations across the world.

U.S.A.
Supporting Events for Children’s Hospitals
The Vahalla Office of FUJIFILM Holdings America Corporation (HLH) supported Byghdalde Children’s Hospital and Maria Fareri Children’s Hospital by hosting a “Holiday Toy Drive,” a year-end toy donation activity during the holidays. Donation boxes were placed on every floor of the office. Employees participated in Byghdalde Children’s Hospital’s annual Holiday Spectacular, a special benefit concert, and even took instax pictures for the kids throughout the event.

Colombia
Supporting Children’s Wounded Hearts through Photography
FUJIFILM Colombia S.A.S. (FFCO) supported “Reporters of Peace,” a non-profit project. Through taking photographs, 20 boys and girls aged 10 and 12 years old, who were born and grew up in a town in the department of Meta in Colombia, expressed their feelings and thoughts about conflict, reconciliation, and peace in the territory where they were born and grew up. Their photographs were exhibited in a photo exhibition held in the Memory, Peace and Reconciliation Center, a place dedicated to the healing of victims of violence from all over the country. They had the opportunity to interact with the attendees including the Mayor and explain the story behind each one of them. FFCO printed their photographs for the exhibition and donated one X-A5, which will allow the children to have their own camera and keep enjoying photography.

Supporting Recovery from the Great East Japan Earthquake and 2016 Kumamoto Earthquake
Recovery support through purchasing local goods
FUJIFILM Holdings held food tasting events to promote sales of local produce from the Northeast Japan and Kumamoto areas under a labor-management cooperation project across FUJIFILM Group companies in Japan (FUJIFILM COOP). Also, local produce samples were offered in company cafeterias. Both the tasting events and sales of samples attracted many FUJIFILM employees. In addition, the event provided an accessible opportunity for employees to help in the recovery from the disaster-affected areas, as well as stimulating the office atmosphere.

Helping Kumamoto tourism through launch of limited edition Kumanon instax model in China
Jointly produced by a Chinese company, the Kumanon Instax Share model show tourist destinations and identify goods from the prefecture. The model is a Labour-Saving Kit with an original tourist guide map to encourage Chinese people to take an interest in Kumamoto and visit the area.

Kumamoto, Japan, first city to administer the FFCN’s FFCN-10 model in 2014. In October of that year, the FUJIFILM (China) Investment Co., Ltd. (FFCN) and FUJIFILM Holdings Co., Ltd. (FFCN) jointly announced FFCN-10 model would be released in China, and this limited-edition model features Kumanon, a promotional mascot created by the government of Kumamoto Prefecture and is available only in China. In October 2017, the FFCN model was developed by the FUJIFILM (China) Investment Co., Ltd. (FFCN), a company trip to Kusatsu where they witnessed the serious damage that occurred in Kumamoto due to the earthquake. This trip was organized as part of the 15th anniversary celebration of FFCN’s establishment. FFCN planned to help promote Kumamoto by combining Kumamon, who is also popular in China, with the instax camera series. FFCN has a warm relationship with the Kumamoto Prefectural government, and marketed the production of this limited model. The packaging and film for this model show tourist destinations and identify goods from the prefecture. This model was also distributed throughout China with an original tourist guide map to encourage Chinese people to take an interest in Kumamoto and visit the area.
### Stakeholders

#### The Fujifilm Group’s communications with stakeholders

<table>
<thead>
<tr>
<th>Main Stakeholders</th>
<th>Main Issues and Areas of Responsibility</th>
<th>Methods of Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Securing the safety and quality of products</td>
<td>Customer Center (liaison office for responding to inquiries)</td>
</tr>
<tr>
<td></td>
<td>Design for Environment</td>
<td>Customer satisfaction surveys</td>
</tr>
<tr>
<td></td>
<td>Provision of appropriate information on services &amp; products</td>
<td>Questionnaires at product purchase, exhibitions, etc.</td>
</tr>
<tr>
<td></td>
<td>Improvement of customer satisfaction levels</td>
<td>Holding seminars, Websites and social media</td>
</tr>
<tr>
<td></td>
<td>Customer response &amp; support</td>
<td></td>
</tr>
<tr>
<td>Shareholders &amp; investors</td>
<td>Ensuring occupational health and safety</td>
<td>Providing opportunities for dialogue with top management</td>
</tr>
<tr>
<td></td>
<td>Respect for human rights</td>
<td>Thorough implementation of fairness &amp; management</td>
</tr>
<tr>
<td></td>
<td>Utilization and training of human resources</td>
<td>Legal compliance</td>
</tr>
<tr>
<td></td>
<td>Respect for diversity</td>
<td>Participation in stakeholder dialogue</td>
</tr>
<tr>
<td>Transaction partners</td>
<td>Maintenance and expansion of corporate value</td>
<td>Environmental education activities in cooperation with NGOs &amp; NPOs</td>
</tr>
<tr>
<td></td>
<td>Thorough implementation of fairness &amp; transparency in transactions</td>
<td>CS program activities at customer contact points</td>
</tr>
<tr>
<td></td>
<td>Promotion of CSR issues in the supply chain, such as human rights and the environment</td>
<td>Strengthening of relationships with individual customers, improvement of operating processes based on remarks, opinions, and requests, etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CS improvement activities by each core group</td>
</tr>
<tr>
<td>Future generations &amp; local societies</td>
<td>Contribution activities which make use of our main business strengths</td>
<td>Improvement of operating processes based on remarks, opinions, and requests, strengthening of product planning ability, etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CS improvement activities by each core group</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government organizations &amp; industrial associations</td>
<td>Legal compliance</td>
<td>Participation in various industrial committees</td>
</tr>
<tr>
<td></td>
<td>Joint research &amp; development and cooperation in public policy aimed at the resolution of social issues</td>
<td>Participation in stakeholder dialogue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Administration committees of Public Trust Fujifilm Green Fund</td>
</tr>
<tr>
<td>NGOs &amp; NPOs</td>
<td>Dialogues, collaboration and support aimed at the resolution of social and environmental issues</td>
<td>Participation in stakeholder dialogue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environmental education activities in cooperation with NGOs &amp; NPOs</td>
</tr>
</tbody>
</table>

### Customers

#### Mechanisms for communicating with customers

<table>
<thead>
<tr>
<th>Customer</th>
<th>Daily customer communication</th>
<th>Changes in the environment surrounding customers, economic trends, etc.</th>
<th>Customer evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(complaints, claims, requests, inquiries, etc.)</td>
<td>(e.g. market surveys, consumer behavior changes, etc.)</td>
<td>(e.g. customer satisfaction surveys, customer feedback, etc.)</td>
</tr>
</tbody>
</table>

#### CS program (Improvement activities based on the CS surveys)

<table>
<thead>
<tr>
<th>CS program</th>
<th>Improvement activities based on the CS surveys</th>
</tr>
</thead>
<tbody>
<tr>
<td>Users CS Program</td>
<td>Activities linked to grasp the CS market position, enhance our strengths, and improve on our weaknesses.</td>
</tr>
<tr>
<td>Customers</td>
<td>Complementary relations based on customer evaluations and enhance relationships with individual customers.</td>
</tr>
</tbody>
</table>

#### Objectives for the Use of Survey Results

- CS improvement activities extracted from issues when compared with competitive companies
- CS improvement activities based on individual customer evaluations

#### Customer satisfaction by business solutions

<table>
<thead>
<tr>
<th>Business Solutions</th>
<th>Customer satisfaction index 2017</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willingness to recommend your products</td>
<td>76</td>
<td>76</td>
<td>77</td>
</tr>
<tr>
<td>Willingness to use Fujifilm products in the future</td>
<td>76</td>
<td>76</td>
<td>79</td>
</tr>
<tr>
<td>Ease of understanding the response</td>
<td>59</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Telephone inquiry handling</td>
<td>93</td>
<td>93</td>
<td>93</td>
</tr>
</tbody>
</table>

#### CS program evaluations

- ISO 10002: Self audits based on the Complaints Handling Management System

#### The Two CS Programs

- Competitive Benchmarking CS Program
- CS Self-Check (self-audited)
- Environmental education activities in cooperation with NGOs & NPOs
- CS program (Improvement activities based on the CS surveys)
- Activities linked to grasp the CS market position, enhance our strengths, and improve on our weaknesses.
- Complementary relations based on customer evaluations and enhance relationships with individual customers.

#### Users CS Program

- Activities linked to grasp the CS market position, enhance our strengths, and improve on our weaknesses.
- Complementary relations based on customer evaluations and enhance relationships with individual customers.
### Employment

<table>
<thead>
<tr>
<th>Composition of the Fujifilm workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As of March 31, 2018</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Executive officer</td>
</tr>
<tr>
<td>Regular employees</td>
</tr>
<tr>
<td>General employees</td>
</tr>
<tr>
<td>Managerial personnel</td>
</tr>
<tr>
<td>Senior expert</td>
</tr>
<tr>
<td>Temporary employees</td>
</tr>
<tr>
<td>Non-regular employees</td>
</tr>
<tr>
<td>Part-times</td>
</tr>
<tr>
<td>Other (Contract employees, etc.)</td>
</tr>
</tbody>
</table>

- Number of mid-career recruitment represents those from April 2017 to March 2018.
- Percentage of employees who began a leave during the relevant fiscal year.

### Employment of persons with disabilities

<table>
<thead>
<tr>
<th>FY2015</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2.01%</td>
<td>2.12%</td>
<td>2.10%</td>
<td>2.24%</td>
</tr>
</tbody>
</table>

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

### Re-employment

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>10</td>
<td>13</td>
<td>19</td>
<td>37</td>
</tr>
</tbody>
</table>

- Employees in re-employment at the end of March 2018.

### Number of employees taking a leave of absence

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

- Data on utilization of paid leave is calculated based on data for the period from October 23, 2017 to April 30, 2018.

### Retention rate after 3 years from reinstatement (nursing care)

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>97.7%</td>
<td>100%</td>
<td>97.5%</td>
<td>-</td>
</tr>
</tbody>
</table>

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

### System for a good work-life balance

- In response to the 2010 amendment to Child Care and Family Care Leave Law programs for supporting a balance between work and childcare or family care have been improved, and systems that ensure that the legal requirements are met in places such as the improved child medical care leave program and the newly introduced family care leave program.
- Stock leave is a system enabling employees to accumulate unused leave for up to 60 days. Accumulated leave may be used for treatment for injuries or illness, non-economic benefits (child care, nursing, care, and volunteer activities).
- *2 Work accident severity = Number of workdays lost × 1,000Gross number of hours worked
- *1 Work accident rate = Number of employees involved in work accidents × 1,000,000Gross number of hours worked

### Fujifilm’s human resource development

- Enhancements include the expansion of care leave programs and the newly introduced family care leave program.
- *Number of employees who began a leave during the relevant fiscal year.

### Labor

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2.79%</td>
<td>2.87%</td>
<td>2.41%</td>
<td>-</td>
</tr>
</tbody>
</table>

- Average annual salary is 8.9 million yen. (excluding mid-career recruitment)

### Fujifilm’s training to develop global human resources

- For Japanese employees:
  - FUJIFILM WAY Training
  - FUJIFILM Regional Leadership Seminar
  - Global Judy Seminar
  - Short-term onsite training system

### Capacity building

<table>
<thead>
<tr>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

- Data on utilization of paid leave is calculated based on data for the period from October 23, 2017 to April 30, 2018.

### Revisions to systems that operate based on agreements between the labor unions and the company (in the last five years)

- As of March 31, 2018

### Labor

<table>
<thead>
<tr>
<th>FY2013</th>
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<th>FY2015</th>
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<td>2.41%</td>
<td>-</td>
</tr>
</tbody>
</table>

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**Personnel and Labor (Fuji Xerox)**

### Employment

**Composition of the Fuji Xerox workforce**

<table>
<thead>
<tr>
<th>As of March 31, 2019</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>General employees</td>
<td>5,864</td>
<td>4,723</td>
<td>1,141</td>
</tr>
<tr>
<td>Management personnel</td>
<td>2,363</td>
<td>2,121</td>
<td>242</td>
</tr>
<tr>
<td>Senior expert</td>
<td>89</td>
<td>60</td>
<td>29</td>
</tr>
<tr>
<td>Temporary employees</td>
<td>245</td>
<td>154</td>
<td>91</td>
</tr>
<tr>
<td>Part timers</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>8,444</td>
<td>6,813</td>
<td>1,631</td>
</tr>
</tbody>
</table>

**Retirement rate after 3 years from reinstatement**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Rate of female manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>14% by the end of FY2020</td>
</tr>
</tbody>
</table>

**Number of employees taking a leave of absence**

<table>
<thead>
<tr>
<th>Leave for nursing care</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013</td>
<td>4</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>FY2014</td>
<td>5</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>FY2015</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>FY2016</td>
<td>6</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>FY2017</td>
<td>5</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**Number of employees taking a care leave (number of days)**

<table>
<thead>
<tr>
<th>Total number of days</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>38</td>
<td>48</td>
<td>59</td>
<td>44</td>
<td>39</td>
</tr>
<tr>
<td>0.11</td>
<td>17</td>
<td>27</td>
<td>40</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>0.17</td>
<td>10</td>
<td>17</td>
<td>19</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>0.20</td>
<td>9</td>
<td>11</td>
<td>19</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>0.21</td>
<td>20</td>
<td>26</td>
<td>27</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>0.23</td>
<td>14</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>0.25</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>0.36</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

**Employee turnover rate**

<table>
<thead>
<tr>
<th>Rate</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7%</td>
<td>3.3%</td>
<td>2.6%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

**Annual average salary**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Rate</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>9 million yen</td>
<td>49,345</td>
<td>7,301</td>
</tr>
</tbody>
</table>

**Average number of dependents**

<table>
<thead>
<tr>
<th>Rate</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.19</td>
<td>1.19</td>
<td>1.19</td>
<td>1.19</td>
</tr>
</tbody>
</table>

**Average length of employment**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Rate</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>46.0</td>
<td>46.9</td>
<td>46.9</td>
<td>46.9</td>
</tr>
</tbody>
</table>

### Fuji Xerox’s human resources development

**Training and Education of Human Resources**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>184</td>
<td>126</td>
<td>58</td>
</tr>
<tr>
<td>FY2016</td>
<td>184</td>
<td>126</td>
<td>58</td>
</tr>
<tr>
<td>FY2017</td>
<td>184</td>
<td>126</td>
<td>58</td>
</tr>
</tbody>
</table>

**Number of work fatality accidents**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY2016</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Labor

**Work accident rate and work accident severity**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>FY2016</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>FY2017</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Revisions to systems that operate based on agreements between the labor unions and the company (in the last five years)**

- **Introduction of new work and rest systems on April 1, 2020:**
  - Revision of systems for childcare and nursing care due to the change of related laws
  - Change of starting point for reckoning on yearly paid vacation according to the changes in the Hour System on April 1, 2019

### Occupational Health and Safety Committee

**Avoidance of labor accidents**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY2016</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</table>

<table>
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<tbody>
<tr>
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<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>FY2016</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Capacity building

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
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<tbody>
<tr>
<td>FY2015</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<td>FY2016</td>
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<td>0</td>
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</tr>
<tr>
<td>FY2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
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**Number of employees taking occupational health and safety training**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
</tr>
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<tbody>
<tr>
<td>FY2015</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
<td>FY2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</table>
Compliance and Risk Management

Compliance

■ Compliance education (Fujifilm in Japan)

- **Intended audience**: Executive officers, managers of divisions, presidents of domestic affiliates
- **Details**: Compliance Training based on the case at Fuji Xerox New Zealand (FXNZ)
- **FY2017 results**: 64 participants

■ Executive officers (Fujifilm and its affiliates)

- **Details**: Overall compliance
- **FY2017 results**: 64 participants

■ New executive officers

- **Details**: Overall compliance
- **FY2017 results**: 68 participants

■ New management personnel

- **Details**: Overall compliance
- **FY2017 results**: 2 times, 170 participants

■ All employees (including agency contracted employees)

- **Details**: Head of each organization explained the lessons of FXNZ business and future measures
- **FY2017 results**: 138 organizations, 20,863 persons

■ New employees

- **Details**: Basic knowledge of compliance, employee code of conduct, corporate rules, consulting office, etc.
- **FY2017 results**: Once, 228 participants

Compliance education (Fuji Xerox in Japan)

- **Intended audience**: New employees

- **Details**: Training on general knowledge (Web-based training for fraud/harassment as well as basic legal knowledge)
- **FY2017 results**: Once, 4,276 participants

- **All executive officers and employees**: Training on general legal knowledge (Web-based training for fraud/harassment as well as basic legal knowledge)
- **Details**: Once, 23,565 participants

- **All employees (including contract/temporary employees)**

- **Details**: Risk Management Training (Web-based training on risk management including information security)
- **FY2017 results**: Once, 29,994 participants

New executive officers

- **Details**: New executive officer training (Group training on general risk management for executives including directors’ management duties and responsibilities, corporate laws, and risk concerning general affairs, human resources, etc.)
- **FY2017 results**: Once, 22 participants

New management staff

- **Details**: New managerial staff training (Group training such as lectures about disciplinary action and group discussions using examples to obtain general compliance knowledge that management staff should know)
- **FY2017 results**: 5 times, 324 participants

New employees

- **Details**: New employee training (Group training for legal compliance that maintain the Basic Corporate Quality by understanding the basic CSR policies and activities)
- **FY2017 results**: Once, 409 participants

Risk Management

■ Acquisition of P-Mark and ISMS

- **As of July, 2017**

- **P-Mark**
  - FUJIFILM Medical Co., Ltd.
  - FUJIFILM Imaging Systems Co., Ltd.
  - FUJIFILM Technology Co., Ltd.
  - FUJIFILM Medical Co., Ltd.
  - Fuji Xerox Printing Institute Inc.
  - Fuji Xerox Printing Systems Co., Ltd.
  - Fuji Xerox Co., Ltd.

- **ISMS**
  - FUJIFILM Global Systems Co., Ltd.
  - FUJIFILM Imaging Systems Co., Ltd.
  - FUJIFILM Printing Systems Co., Ltd.
  - FUJIFILM Business Expert Co., Ltd.
  - Fuji Xerox Co., Ltd.
  - Fuji Xerox Co., Ltd.
  - Fuji Xerox Co., Ltd.
  - Fuji Xerox Co., Ltd.

FY2018 priority risk map for the Fujifilm Group

- **JAPAN**: Low
- **United States**: Medium
- **European countries**: High

Environmental Aspects

Priority Targets

Fujifilm FY2018 Priority Issues

<table>
<thead>
<tr>
<th>Priority Issues</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Curing global warming</td>
<td>1) Contribute to help reduce CO2 emissions from customers’ offices and factories by providing energy saving products, service and solutions 2) Reduce CO2 emissions by installing new energy-efficient equipment and improving productivity in production process at the development and production sites 3) Reduce CO2 emissions in office by reforming employees’ work style 4) Reduce CO2 emissions by improving efficiency in the product logistics</td>
</tr>
<tr>
<td>2. Preservation of natural resources</td>
<td>1) Establish next generation eco-friendly technologies 2) Reduce resource input with lightweight equipment 3) Reduce the use of new resources by recycling used parts 4) Reduce water output and promote recovery of valuable substances in production and production development sites 5) Reduce water usage in production and production development sites</td>
</tr>
<tr>
<td>3. Reduction in environmental risk from chemical substances</td>
<td>1) Reinforce measures against laws and regulations to reduce chemical substance risks from products (absorbing environmental issues (REACH), PBT, etc.) 2) Expand and strengthen risk assessment method against laws and regulations 3) Improve environmental assessment process and integrate substance comparison and site management of hazardous substance 4) Promote activities on environmental/commercial health and safety</td>
</tr>
<tr>
<td>4. Preservation of ecosystems and biodiversity</td>
<td>1) Promote sustainable paper procurement taking into consideration the forest ecosystems 2) Participate in Japan Business Initiative for Biodiversity (JBI)</td>
</tr>
<tr>
<td>5. Improvement of the infrastructure for environmental management</td>
<td>1) Establish the operation of the systems to grasp environmental performance data 2) Reinforce measures to respond proactively to environmental regulations 3) Enhance information disclosure through various methods (e.g., Corporate Reports, websites)</td>
</tr>
</tbody>
</table>

Priority Issues

<table>
<thead>
<tr>
<th>Priority Issues</th>
<th>Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Address climate change</td>
<td>1) Continuously promote CO2 emission reduction at each of the stages of product lifecycle (Procurement, manufacturing, transportation, use, disposal) 2) Promote a group-wide energy strategy and initiatives 3) Explore and seize opportunities for renewable energies, and set targets for adopting such opportunities 4) Develop and proliferate products and services that will contribute to CO2 emission reduction in society 5) Quantify, evaluate and disclose the level of CO2 emission reduction contributions made by our products and services</td>
</tr>
<tr>
<td>2. Promote recycling of resources</td>
<td>1) Promote efficient use of water resources 2) Develop and proliferate products and services that will contribute to the conservation of water resources in society 3) Evaluate and disclose the level of water resource conservation contributions made by our products and services 4) Use resources efficiently by promoting the 3Rs (Reduce-Reuse-Recycle) and improve the amount of resource use per unit of production 5) Reduce waste and promote the concept of Zero Waste Disposal</td>
</tr>
<tr>
<td>3. Address energy issues toward a non-carbon society</td>
<td>1) Develop technologies that will contribute to conserving, storing and creating energy 2) Evaluate and improve the administration of internal regulations concerning product safety and chemical management 3) Further disseminate of approaches and systems to the supply chain concerning management of chemicals in products 4) Communicate and assess product safety information thoroughly and laterally apply safety measures across all sites 5) Continuously improve the systems for ensuring product compliances 6) Contribute to chemical safety through the use of chemical library and safety evaluations</td>
</tr>
<tr>
<td>4. Ensure product and chemical safety</td>
<td>1) Maintain systems that abide by laws and regulations and adhere to voluntary management targets 2) Improve and promote industrial safety and health 3) Ensure safety management based on the risk assessment of chemicals 4) Improve the level of VOC emissions generated from the production process 5) Enhance communication and exchange of useful information on chemical safety issues</td>
</tr>
<tr>
<td>5. Shrinkage CSR foundations across the entire supply chain</td>
<td>1) Ask suppliers to engage in business activities with consideration for the environment, ethics and human rights, and carry out activities for investigating and improving their implementation status</td>
</tr>
<tr>
<td>6. Environment and safety risk management</td>
<td>1) Enhance information disclosure through various methods (e.g., Corporate Reports, websites) 2) Enhancement of the disclosure of environmental performance information</td>
</tr>
<tr>
<td>7. Information disclosure and communication of relevant information</td>
<td>1) Educate employees in the areas of product safety, occupational safety and environmental law regulation</td>
</tr>
</tbody>
</table>
**Data and Information**

**Environmental Aspects**

### Material flow

Direct control over the Fujifilm Group's environmental burdens

- **Discharged water**
  - Water contaminated with PCBs...
  - SOD...104 kilotons
  - COD...245 kilotons
  - Total phosphorus...3.86 kilotons

- **Atmospheric emissions**
  - CO2...11,181 kilotons
  - NOx...399 tons
  - VOC...0.80 kilotons
  - CO2...348 kilotons

- **Atmospheric emissions**
  - CO2...1,181 kilotons
  - NOx...399 tons
  - VOC...0.80 kilotons
  - CO2...348 kilotons

### Procurement

- **Atmospheric emissions**
  - CO2...129 kilotons
  - NOx...3.86 tons
  - VOC...0.80 kilotons

- **Transportation**
  - Energy consumed: 46,190 MWh
  - Light diesel oil...1,043 million kWh
  - Electricity...1,167 million kWh

- **Disposal/Recycling**
  - Light diesel oil...1.543 million kWh
  - Electricity...1.543 million kWh

### Measures for Climate Change

**CO2 emissions**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan / manufacturing</td>
<td>1,102</td>
<td>912</td>
<td>886</td>
<td>825</td>
<td>787</td>
</tr>
<tr>
<td>Japan / manufacturing</td>
<td>340</td>
<td>296</td>
<td>277</td>
<td>245</td>
<td>245</td>
</tr>
<tr>
<td>Overseas</td>
<td>1,460</td>
<td>1,385</td>
<td>1,340</td>
<td>1,273</td>
<td>1,211</td>
</tr>
<tr>
<td>Group total</td>
<td>1,506</td>
<td>1,383</td>
<td>1,307</td>
<td>1,242</td>
<td>1,188</td>
</tr>
</tbody>
</table>

*Calculation method: Calculation of CO2 emission by energy usage specified in the Act on the Rational Use of Energy. Emission coefficient by electric power utility used for purchased power.

### Environment Conscious in Logistics

**Annual changes in total CO2 emissions in domestic logistics**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>47,275</td>
<td>45,833</td>
<td>50,229</td>
<td>49,761</td>
<td>47,100</td>
</tr>
<tr>
<td>Total CO2 emissions</td>
<td>47,275</td>
<td>45,833</td>
<td>50,229</td>
<td>49,761</td>
<td>47,100</td>
</tr>
</tbody>
</table>

**CO2 reduction rate (%)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>11.9</td>
<td>20.9</td>
<td>20.2</td>
<td>25.4</td>
<td>21.0</td>
</tr>
</tbody>
</table>

**Use of Renewable Energy**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>101,435</td>
<td>101,812</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Energy-Saving Measures**

### Annual changes in energy consumption

<table>
<thead>
<tr>
<th>Country</th>
<th>Japan</th>
<th>Overseas</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy oil</td>
<td>35.9</td>
<td>15.5</td>
<td>39.9</td>
</tr>
<tr>
<td>Kerosene</td>
<td>1.11</td>
<td>9.1</td>
<td>1.10</td>
</tr>
<tr>
<td>Light oil</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Gasoline</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
</tbody>
</table>

**Breakdown of consumption of heavy oil, etc.**

<table>
<thead>
<tr>
<th>Country</th>
<th>Japan</th>
<th>Overseas</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy oil</td>
<td>35.9</td>
<td>15.5</td>
<td>39.9</td>
</tr>
<tr>
<td>Kerosene</td>
<td>1.11</td>
<td>9.1</td>
<td>1.10</td>
</tr>
<tr>
<td>Light oil</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Gasoline</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
</tbody>
</table>

**Packaging material reduction rate (%)**

<table>
<thead>
<tr>
<th>Country</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>16.5</td>
<td>15.2</td>
<td>14.9</td>
</tr>
</tbody>
</table>

**Packaging material reduction rate (%)**

<table>
<thead>
<tr>
<th>Country</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>16.5</td>
<td>15.2</td>
<td>14.9</td>
</tr>
</tbody>
</table>

**Total consumption**

<table>
<thead>
<tr>
<th>Country</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>101,435</td>
<td>101,812</td>
<td></td>
</tr>
</tbody>
</table>

**Total energy (kWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3,947</td>
<td>3,976</td>
<td>4,000</td>
</tr>
</tbody>
</table>

**Renewable energy (electric power) (kWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3,947</td>
<td>3,976</td>
<td>4,000</td>
</tr>
</tbody>
</table>

1. *Environmental burdens due to raw materials procurement (CO2 emitted during the process of extracting, transportation, refining, synthesizing, processing, and materials transportation)
2. *Total of heavy oil A, heavy oil C, kerosene, light oil and gasoline
3. *Total weight of export packaging materials handled by FUJIFILM Logistics in FY2017 was 60,000 tons. Packaging material reduction rate (%) = Weight reduced / Total material weight + weight reduced
4. *In the FY2017, we enforced our activities for CO2 reductions in collaboration with a specified consignor. Major reduction initiatives, which proved effective, include starting modal shifts (from transport to sea transport) in FY2017, as well as improving driving efficiency by driver training, reducing overtaking volume (by eco-driving). The amount was a summary total of each facility’s CO2 reduction measure.
5. *Total CO2 emissions + CO2 reductions
6. *For the FY2017, we enforced our activities for CO2 reductions in collaboration with a specified consignor. Major reduction initiatives, which proved effective, include starting modal shifts (from transport to sea transport) in FY2017, as well as improving driving efficiency by driver training, reducing overtaking volume (by eco-driving). The amount was a summary total of each facility’s CO2 reduction measure.
7. *CO2 emissions*.. CO2 emissions in the FY2017
8. *In the FY2017, we enforced our activities for CO2 reductions in collaboration with a specified consignor. Major reduction initiatives, which proved effective, include starting modal shifts (from transport to sea transport) in FY2017, as well as improving driving efficiency by driver training, reducing overtaking volume (by eco-driving). The amount was a summary total of each facility’s CO2 reduction measure.

FUJIFILM Holdings Corporation Sustainability Report 2018
Environmental Aspects

Conserving Resources Measures

- **Annual changes in water stress**
  - **Japan**
    - FY2013: 33.6
    - FY2014: 33.6
    - FY2015: 33.6
    - FY2016: 33.6
    - FY2017: 33.6
  - **Overseas**
    - FY2013: 33.6
    - FY2014: 33.6
    - FY2015: 33.6
    - FY2016: 33.6
    - FY2017: 33.6
  - **Group total**
    - FY2013: 33.6
    - FY2014: 33.6
    - FY2015: 33.6
    - FY2016: 33.6
    - FY2017: 33.6

Response to Water Risks

- **2025 water stress map**
  - **Fuji Xerox**
    - South Carolina
    - Texas
  - **Japan**
    - North Carolina
    - California
  - **Overseas**
    - Canada
    - Spain

Activities on Biodiversity Conservation

- **Activities on biodiversity conservation —Outline—**
  - **Factors**
    - Populations impacted by manufacturing/office products
    - Products
    - Conservation in region
    - Conservation of resources
  - **Products**
    - Energy saving products
    - Waste water treatment products
    - Energy-saving lighting products
  - **Communication**
    - Environment education program

Activities on Product Life Cycle Management

- **Main recycling methods for waste products**
  - **Waste product**
    - Recyclable waste
    - Non-recyclable waste
    - Batches
  - **Recycling method**
    - Mechanical recycling
    - Chemical recycling
    - Waste incineration

Activities on Health and Safety Management

- **Emergency plans**
  - **Number of incidents**
    - FY2013: 0
    - FY2014: 0
    - FY2015: 0
    - FY2016: 0
    - FY2017: 0

Pollution Prevention Measures

- **Emissions of FL**
  - **Japan**
    - FY2013: 33
    - FY2014: 33
    - FY2015: 33
    - FY2016: 33
    - FY2017: 33
  - **Overseas**
    - FY2013: 33
    - FY2014: 33
    - FY2015: 33
    - FY2016: 33
    - FY2017: 33
  - **Group total**
    - FY2013: 33
    - FY2014: 33
    - FY2015: 33
    - FY2016: 33
    - FY2017: 33

Legal Compliance Measures

- **Legal compliance and reports on complaints**
  - **FY2017**
    - No violations of environment-related laws and no customer complaints, and no incidents.

철수한 삼성, 재무상황이 특별히 우수한 삼성의 경우, 삼성은 이런 정보를 제공하려고 합니다. 원본 정보는 삼성공사의 공개된 보고서를 기반으로하며, 삼성의 공개된 보고서를 참조하시면 더 자세한 정보를 얻을 수 있습니다. 삼성의 공개된 보고서에 따르면, 삼성은 다음과 같은 내용을 제공하고 있습니다.

### Environmental Aspects

#### Conserving Resources Measures

**Annual changes in water stress values**

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2013</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
</tr>
<tr>
<td>Overseas</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
</tr>
<tr>
<td>Group total</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
<td>33.6</td>
</tr>
</tbody>
</table>

#### Response to Water Risks

- **2025 water stress map and 2017 Fujifilm Group’s water usage**

#### Activities on Biodiversity Conservation

- **Activities on biodiversity conservation**
  - **Minimum impact**
    - Populations impacted by manufacturing/office products
    - Products
    - Conservation in region
    - Conservation of resources
  - **Products**
    - Energy saving products
    - Waste water treatment products
    - Energy-saving lighting products
  - **Communication**
    - Environment education program

#### Activities on Product Life Cycle Management

- **Main recycling methods for waste products**
  - **Waste product**
    - Recyclable waste
    - Non-recyclable waste
    - Batches
  - **Recycling method**
    - Mechanical recycling
    - Chemical recycling
    - Waste incineration

#### Activities on Health and Safety Management

- **Emergency plans**
  - **Number of incidents**
    - FY2013: 0
    - FY2014: 0
    - FY2015: 0
    - FY2016: 0
    - FY2017: 0

#### Pollution Prevention Measures

- **Emissions of FL**
  - **Japan**
    - FY2013: 33
    - FY2014: 33
    - FY2015: 33
    - FY2016: 33
    - FY2017: 33
  - **Overseas**
    - FY2013: 33
    - FY2014: 33
    - FY2015: 33
    - FY2016: 33
    - FY2017: 33
  - **Group total**
    - FY2013: 33
    - FY2014: 33
    - FY2015: 33
    - FY2016: 33
    - FY2017: 33

#### Legal Compliance Measures

- **Legal compliance and reports on complaints**
  - **FY2017**
    - No violations of environment-related laws and no customer complaints, and no incidents.
Sustainability Accounting
(Labor Environment and Social Benefit Accounting, Environmental Accounting)

Labor Environment and Social Benefit Accounting

- Breakdown of labor environment and social benefit accounting (million yen)
  - Stakeholder: FUJIFILM Holdings Corporation, Fujifilm Holdings Corporation
  - FY2017: Employees, Other, Total
  - FY2016: Employees, Other, Total

Volunteers' activities during working hours

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Goal</th>
<th>FY2017</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Hours spent on volunteer activities</td>
<td>1,055</td>
<td>1,117</td>
<td>1,436</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Wages</td>
<td>4 million yen</td>
<td>6 million yen</td>
<td>4 million yen</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5,908</td>
<td>7,078</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Environmental Accounting

- Environmental accounting
  - Stakeholder: FUJIFILM Holdings Corporation, Fujifilm Holdings Corporation
  - FY2017: Employees, Other, Total
  - FY2016: Employees, Other, Total

- Objectives of labor and social benefit accounting
  - Breakdown of labor environment and social benefit accounting

Environmental Accounting

- Environmental accounting
  - Stakeholder: FUJIFILM Holdings Corporation, Fujifilm Holdings Corporation
  - FY2017: Employees, Other, Total
  - FY2016: Employees, Other, Total

- Objectives of labor and social benefit accounting
  - Breakdown of labor environment and social benefit accounting

Domestic and International Appraisals

- Ranking and status of SRI audit
  - FUJIFILM Holdings has received the following evaluations from external organizations as a corporate group that proactively promotes CSR actions toward sustainable development.

Appraisals and awards in FY2017

- Appraisals and awards in FY2017
  - See pages: 16, 25, 35, 41, 46 and 55

Customer benefits

- Objective of environmental accounting
  - Breakdown of labor environment and social benefit accounting

Customer benefits

<table>
<thead>
<tr>
<th>Objective</th>
<th>FY2017</th>
<th>FY2016</th>
<th>Objective terms</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. High-density magnetic orientation materials</td>
<td>5,000</td>
<td>7,196</td>
<td>7,465</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Photodynamic plate using plate-making film</td>
<td>75,594</td>
<td>61,628</td>
<td>83,526</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Digital color-multifunction devices and printers</td>
<td>26,462</td>
<td>22,807</td>
<td>24,616</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total | 112,033 | 107,591 | 119,754 |
Sustainability Report 2018 is structured to focus on the new CSR Plan, SVP 2020, and the Medium-Term Plan, VISION 2019. Symbolized by the commitment of top management that “a business corporation must be an entity that contributes to resolving social issues through its business activities developing and supplying its own technologies, products, and services,” the Company’s policy to integrate solutions to social issues into its growth strategy is clearly shown throughout the report.

Both resolving social issues and achieving growth was emphasized also in the previous plan, SVP 2016. However, SVP 2020 reorganizes the concept over a long time span, taking steps worthy of a global corporation and reining it by integrating the SDGs and adding a message to make it worthy of presentation as a new concept. In integrating the SDGs, the Company demonstrates its stance on perceiving social issues as opportunities for business growth to prevent its worsening from becoming arbitrary and unilateral. In addition, the report’s structure, which describes the SDGs using the values to be realized outside the corporate organization and the strategies to be achieved at its clients, etc., (2) development of various solutions underway in response to unmet medical needs, (3) supply of nondestructive inspection systems that contribute to improvements in the safety of the social infrastructure and (4) “Smart Work Innovation” that aids work style reform for its users, etc. At the same time, through its carefully planned structure, the report sheds light on the fact that these efforts are driven by the Company’s spirit described in its slogan “Value from Innovation,” its ability to create various functional values through combination of fundamental technologies and its core technologies that had been made possible through past business restructuring.

It is clear that the report as a whole is a narrative on the long-term sustainability of its business model, specifying the fields where the Group will exercise its strengths over the long run and presenting its technological strength to power its competitiveness in the fields. Since this is exactly the information sought by ESG investors, the report is certain to satisfy the demands of the time. Next, I would like to proceed to what is expected in the future by examining the Company’s vision and mission, and its characteristics of the report. First, I would like to see more in-depth information on the top management policy regarding upgrading its human capital and the actual state of human resources development, such as how to build a system that enables innovation and serves as the driving force for competitiveness and what corporate culture will achieve this. In relation to this, spotlighting diversity in its global corporate organization will help in communicating the Group’s strengths. As a long-term issue, I would like to see further examination of how to present the accomplishments of its activities. In the current issue, the effort to portray the key points in its activities on priority issues by extending from OUTPUT Management that “a business corporation must be an entity that contributes to resolving social issues through its business activities developing and supplying its own technologies, products, and services,” the Company’s policy to integrate solutions to social issues into its growth strategy is clearly shown throughout the report.

In terms of style, the attention paid to the readers’ standpoint is impressive, such as the chapter cover created to show each goal under SVP 2020, the corresponding social issues to be addressed and SDG targets, specific key points in activities, etc., and placement of a summary at the top with a more detailed description of each theme. For a report that must cover a wide range of information, I believe this is an effective description of each theme. For a report that must cover SDG targets, specific key points in activities, etc., and corresponding social issues to be addressed and SDG targets, etc., some images are added to enable the reader to grasp a greater degree of possibility as much. As a result, there is a certain amount of understandable information due to the difficulty in providing the reader with various business segments and organizational details. The relevant information moves people toward targeted achievement of the goals set out in SVP 2020. The SDGs and SVP 2020 are interred along with the reader's own responsibility.

Mr. Keiichi Takegahara
Executive Officer, Deputy Chief Research Officer,
Chief Manager, Sustainability Management Office,
Corporate Planning & Coordination Department
Development Bank of Japan Inc. (DBJ)

Profile
Graduated from Hitotsubashi University Faculty of Law in 1989 and joined the Development Bank of Japan in the same year. After appointments as Chief Representative for the Frankfurt Office and Manager of the Environment and CSR Division, he was appointed to his current position in 2017. He has been working for many years in the field of environmental finance planning, including the establishment of a global-based financing program. At present, he supervises the bank’s industrial research activities. He also holds many public posts, including membership of the Study Group on Long-term Investment toward Sustainable Growth of the Ministry of Economy, Trade and Industry and the Study Group on Environmental Industry Growth Strategy of the Ministry of the Environment. He co-authored the book “Renewable Energy and New Growth Strategy,” Energy Forum 2015, and others.

FUJIFILM Holdings Corporation commissioned SGS Japan Inc. to conduct an independent assurance of the environmental and social data contained in its Sustainability Report 2018. Please refer to our website for further details.

**Fujifilm Group Organization and Business Overview**

### Holding Company: FUJIFILM Holdings Corporation

- **Company name:** FUJIFILM Holdings Corporation
- **Representative:** Shigetaka Komori
- **Head office:** Tokyo Midtown, 9-7-3 Aoyama, Minato-ku, Tokyo 107-0063, Japan
- **Established:** January 20, 1934
- **Capital:** ¥40,363 million (as of March 31, 2018)
- **Employees:** 220 (as of March 31, 2018)
- **Consolidated employees:** 77,738 (as of March 31, 2018)
- **Consolidated subsidiaries:** 283 (as of March 31, 2018)

### Fujifilm Group Organization Overview

#### Consolidated revenue (FY2017)

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue (Billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1,000</td>
</tr>
<tr>
<td>Europe</td>
<td>510</td>
</tr>
<tr>
<td>Americas</td>
<td>250</td>
</tr>
<tr>
<td>Asia and Others</td>
<td>750</td>
</tr>
<tr>
<td>Total</td>
<td>2,560</td>
</tr>
</tbody>
</table>

#### Fujifilm Group Organization

- **FUJIFILM Holdings Corporation**
  - Operating companies
  - Shared service company
  - Subsidiaries
  - Subsidiaries

- **FUJIFILM Business Expert Corporation**
  - Operating companies
  - Shared service company
  - Subsidiaries
  - Subsidiaries


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**Editorial Policy**

FUJIFILM Holdings Sustainability Report 2018 was edited with the major emphasis on our CSR activities, which have high relevance to both the Fujifilm Group and its stakeholders. Out of the three aspects generally involved in a corporation’s activities, it is the areas of the environment and society that are the focus of our activities. The main article in the Report describes the progress made with Fujifilm Group’s CSR Plan, Sustainable Value Plan 2030 (SVP 2030). SVP 2030 is the Long-Term Plan announced together with the Medium-Term Management Plan VISION 2019 in August 2017. Our target year was set as 2030 to align with the Paris Agreement and the 17 Sustainable Development Goals, which both set 2030 as their benchmark year. We believe that achieving our own targets will also contribute to the goals in the Paris Agreement and the SDGs.

This year’s report describes our intention in creating SVP 2030 and its relationship with the overall management plan. It lays out our approaches to the priority issues, the goals of SVP 2030, and our major focus in FY2017, the initial year of SVP 2030. Our particular focus of this year was the environment, along with setting concrete targets, and we will have made a successful start on CO2 emissions reduction and water usage reduction. We hope that readers will take time to refer to the relevant articles. We have also improved the document layout by utilizing different colors for the six main sections, including supply chain and governance, covered by SVP 2030. We have introduced a summary table of major activities for each priority issue, and clarified the activity contents and progress by using different icons. “CSR Activities” and “Data and Information” are also covered with completeness. The content has been organized in line with ISO 26000 and GRI standards to assist searching by CSR-related issues. To ensure that our reporting is accurate, we have again sought independent verification of our environmental and social activity data, in addition to the normal third party opinions on some themes.

Each Fujifilm Group Company, including Fujifilm and Fuji Xerox, has its own CSR website for active disclosure of information on their CSR activities. For more details of the Fujifilm Group’s CSR activities, please refer to each company’s official website. Please note that Fujifilm has obtained independent assurance of the following actions.

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**Important of information to the Fujifilm Group**

- **Date of publication:** September 2018 (next report: August 2019, previous report: October 2017)
- **Editorial Policy**
  - **Period covered by the report:** FY2017 (April 1, 2017 – March 31, 2018)
  - **Scope of Independent Assurance:**
    - Greenhouse gases emissions (Scope 1, 2 & 3) (Category 1)
    - Volumes of water intake and discharge
    - Volumes of waste generation
    - Volume of VOC emissions
    - Data on Personnel and Labor (for Fujifilm and Fuji Xerox)
    - Management systems supporting the reporting process

---

**Process of creating the report**

- **Stakeholders**
  - Communication (using tools such as dialogue meetings, surveys, and inquiries)
  - FLUJIFILM Holdings
    - Publishing the 2017 report
    - Receiving proposals from stakeholders
    - Incorporating the feedback
  - Group companies
    - Publishing the 2017 report
    - Collection and provision of information

- **Daily business operation (CSR activities)**
  - Use as communication tools
  - Use as communication tools
  - Use as communication tools

---

**Disclosed in the Sustainability Report (PDF)**

- **Sustainability Report 2018**

---

**Disclosed on the website (HTML)**

- **CSR Site website**

---

**Information.**

- **September to December**
  - Receiving proposals from stakeholders
  - Incorporating the feedback
  - Publishing the 2017 report

- **October to November**
  - Publishing the 2017 report

- **February to July 2018**
  - Collection and provision of information

- **June to September**
  - Communication tools

---

**Importance of information to the Fujifilm Group**

- **Regulatory framework (including governance)**
  - **ISO 26000:** Social Responsibility
  - **Supplemental information regarding reported matters**
  - (The term “employees” refers to all employees, including managers, general employees, and part-time staff. The term “company employees” indicates employees (full-time staff). To further ensure the accuracy of the report, the term “regular employees” and “non-regular employees” (temporary staff, part-time staff, others) have been used separately as required.)
  - The opening company, Fuji Xerox, issues a separate sustainability report. Please refer to that report for details on the activities of Fuji Xerox.

- **CSR Standard Comparison Table**

---

**Important of information to the Fujifilm Group**

- **Date of publication:** September 2018 (next report: August 2019, previous report: October 2017)
- **Referenced guidelines**
  - ISO 26000: Social Responsibility
  - Supplemental information regarding reported matters
  - (The term “employees” refers to all employees, including managers, general employees, and part-time staff. The term “company employees” indicates employees (full-time staff). To further ensure the accuracy of the report, the term “regular employees” and “non-regular employees” (temporary staff, part-time staff, others) have been used separately as required.)
  - The opening company, Fuji Xerox, issues a separate sustainability report. Please refer to that report for details on the activities of Fuji Xerox.

- **CSR Standard Comparison Table**
  - (In accordance with the CIFR)
About the art works on the front cover

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

Makie Lacquered Boxes of Sword Bean Design with Gold Relief and Mother-of-Pearl Inlay
Edo period
Collection of Kyoto National Museum
Photograph courtesy of ©KYOTOMUSE (Kyoto National Museum)

Kyoto National Museum
527 Chaya-cho, Higashiyama-ku, Kyoto, 605-0931, Japan
Tel.: +81-75-525-2473 (Telephone service)
https://www.kyohaku.go.jp/eng/index.html

Kyoto National Museum, opened in 1897 at the foot of the hills in Higashiyama, has a history of more than 100 years. The museum houses art works and cultural treasures handed down to Kyoto, as well as Japanese and oriental antiquities, and archeological resources.
Guideline Comparison Tables

ISO26000 / GRI Guideline
FUJIFILM Holdings has created a comparison table to verify if the information is disclosed in accordance with the seven core subjects of "ISO26000 Guidance on Social Responsibility" published in November 2010.

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**GRI 103: Management Approach 2016**

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Environment [Priority Issue 2] Promote Recycling of Resources
Health [Priority Issue] Fulfill Unmet Medical Needs
Health [Priority Issue 2] Improve Accessibilities to Medical Services
Health [Priority Issue 3] Contribute to Identifying Diseases at an Early Stage
Health [Priority Issue 4] Contribute to Health Promotion and Beauty
Health [Priority Issue 5] Promote Management of a Healthy Workplace
Daily Life [Priority Issue] Contribute to Creating a Safe and Secure Society
Daily Life [Priority Issue 2] Contribute to Enriching Humanity and Relationships between People
Work Style [Priority Issue] Create Environments That Lead to Motivated Workplace
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| 305-1 | Direct (Scope 1) GHG emissions | Environment [Priority Issue 1] Address Climate Change Environmental Aspects | P. 16-18 | P. 64-65 |
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| 403-3 | Workers with high incidence or high risk of diseases related to their occupation | N/A | N/A |
| 403-4 | Health and safety topics covered in formal agreements with trade unions | Health [Priority Issue 5] Promote Management of a Healthy Workplace | P. 30 |

## GRI 404: Training and Education 2016

| 404-1 | Average hours of training per year per employee | Personnel and Labor (FUJIFILM Corporation) Personnel and Labor (Fuji Xerox) | P. 59 | P. 61 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Work Style [Priority Issue 2] Develop and Utilize Diverse Human Resources Personnel and Labor (FUJIFILM Corporation) | P. 39-41 | P. 59 |

## GRI 405: Diversity and Equal Opportunity 2016

<p>| 405-1 | Diversity of governance bodies and employees | Governance [Priority Issue] Improve and Maintain Governance Structures Personnel and Labor (FUJIFILM Corporation) Personnel and Labor (Fuji Xerox) | P. 47-50 | P. 58, 60 |
| 405-2 | Ratio of basic salary and remuneration of women to men | N/A | N/A |</p>
<table>
<thead>
<tr>
<th>GRI Code</th>
<th>Title</th>
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<tbody>
<tr>
<td>406-1</td>
<td>Incidents of discrimination and corrective actions taken</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>Supply Chain [Priority Issue] Strengthen CSR Foundations across the Entire Supply Chain</td>
<td>P. 43-46</td>
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<tr>
<td>408-1</td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
<td>Supply Chain [Priority Issue] Strengthen CSR Foundations across the Entire Supply Chain</td>
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<tr>
<td>409-1</td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
<td>Supply Chain [Priority Issue] Strengthen CSR Foundations across the Entire Supply Chain</td>
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<tr>
<td>409-1</td>
<td>Security personnel trained in human rights policies or procedures</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>411-1</td>
<td>Incidents of violations involving rights of indigenous peoples</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>412-2</td>
<td>Employee training on human rights policies or procedures</td>
<td>Supply Chain [Priority Issue] Strengthen CSR Foundations across the Entire Supply Chain</td>
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<tr>
<td>412-3</td>
<td>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>413-1</td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>Social Contribution Activities Stakeholders</td>
<td>P. 53-55 P. 56</td>
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<td>413-2</td>
<td>Operations with significant actual and potential negative impacts on local communities</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
<td>Supply Chain [Priority Issue] Strengthen CSR Foundations across the Entire Supply Chain</td>
<td>P. 43-45</td>
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<tr>
<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>Products and Services Which Reflect Our Customers’ Views</td>
<td>P. 51-52</td>
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