



Personnel and Labor (FUJIFILM Corporation)

Employment

Composition of the Fujifilm workforce As of March 31, 2017

| | | Total | Male | Female |
|---|--|-------------------------|-------|--------|
| Executive officer* | | 10 | 10 | 0 |
| Regular employees 4,948 | General employees | 3,626 | 2,839 | 787 |
| | Managerial personnel | 1,152 | 1,114 | 38 |
| | Senior expert | 170 | 170 | 0 |
| Non-regular employees 205 | Temporary employees | 104 | | |
| | Part-timers | 16 | | |
| | Employees re-employed after retirement | 34 | | |
| | Other (Contract employees, etc.) | 51 | | |
| Rate of female manager personnel (Target) | | 6% by the end of FY2020 | | |

*Executive officer = All executive officer – Directors

Status of regular employees As of March 31, 2017

| | Total | Male | Female |
|---|-----------------|------|--------|
| Average age | 42.3 | 42.6 | 40.7 |
| Average length of employment (years) | 17.8 | 17.7 | 18.2 |
| Average number of dependents | 1.09 | — | — |
| Average annual salary*1 | 8.8 million yen | — | — |
| Utilization of paid leave*2 | 71.4% | — | — |
| Turnover rate*3 | 2.2% | 2.3% | 1.8% |
| Returning rate from childcare leave*4 | 98.0% | 100% | 97.8% |
| Retention rate after 3 years from reinstatement*5 | 78.6% | 0% | 80.5% |

*1 Average annual salary is calculated for the period from January 1, 2016 to December 31, 2016.

*2 Data on utilization of paid leave is calculated based on data for the period from October 1, 2015 to September 30, 2016.

*3 Turnover rate = $\frac{\text{Attrition} + \text{Retirement} + \text{Voluntary} + \text{New start for senior employees program}}{\text{Annual average number of employees at FUJIFILM Corporation (non-consolidated)}}$

*4 Returning rate from childcare leave is calculated with the expiration date falls on April 1, 2016 to March 31, 2017.

*5 Retention rate after 3 years from reinstatement = $\frac{\text{Number of employees as of the end of FY2016 among those returning to work after childcare leave in FY2014}}{\text{Number of employees reinstated after childcare leave in FY2014}}$

Recruitment

| | Total | Male | Female | |
|----------------------------|-------|--------------------------|--------|----|
| New graduate recruitment*1 | 88 | Technical positions | 39 | 5 |
| | | Administrative positions | 31 | 11 |
| | | Factory recruitment | 0 | 2 |
| Mid-career recruitment*2 | 31 | 27 | 4 | |

*1 As the number of new graduates recruited for the fiscal year is confirmed at the beginning of April, 2017.

*2 Number of mid-career recruitment represents those from April 2016 to March 2017.

Employment of persons with disabilities

| FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | Target |
|--------|--------|--------|--------|--------|--------|
| 1.96% | 2.01% | 2.12% | 2.10% | 2.24% | 2.30% |

*Data up to April 30, 2017.

Re-employment

| FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|--------|--------|--------|--------|--------|
| 29 | 10 | 13 | 19 | 37 |

*Employees re-employed after retirement during the relevant fiscal year (April 1 to March 31).

Number of employees taking a leave of absence

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | |
|-------------------------------------|--------|--------|--------|--------|--------|----|
| Leave of absence for nursing care | Total | 2 | 5 | 3 | 2 | 4 |
| | Male | 2 | 1 | 1 | 0 | 2 |
| | Female | 0 | 4 | 2 | 2 | 2 |
| Leave of absence for childcare | Total | 52 | 42 | 43 | 53 | 49 |
| | Male | 5 | 1 | 1 | 5 | 3 |
| | Female | 47 | 41 | 42 | 48 | 46 |
| Leave of absence for volunteer work | Total | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| | Female | 0 | 0 | 0 | 0 | 0 |

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

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

* Total number of days is shown in parenthesis.

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | |
|----------------------|--------|----------|--------|--------|----------|---------------|
| Nursing care leave | Total | 13 | 16 | 13 | 15 | 26 (130.5) |
| | Male | 6 | 9 | 9 | 10 | 15 (103) |
| | Female | 7 | 7 | 4 | 5 | 11 (27.5) |
| Childcare leave | Total | 2 | 9 | 6 | 7 | 16 (161.5) |
| | Male | 0 | 6 | 4 | 5 | 8 (117.5) |
| | Female | 2 | 3 | 2 | 2 | 8 (44) |
| Child medical care | Total | 71 | 108 | 48 | 59 | 73 (262) |
| | Male | 11 | 27 | 9 | 16 | 31 (105.5) |
| | Female | 60 | 81 | 39 | 43 | 42 (156.5) |
| Volunteer work leave | Total | 1 (—) | 0 | 0 | 1 (1) | 0 |
| | Male | 1 (—) | 0 | 0 | 1 (1) | 0 |
| | Female | 0 | 0 | 0 | 0 | 0 |

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

System for a good work-life balance

- In response to the 2010 amendment to Child Care and Family Care Leave Law, programs for supporting a balance between work and childcare or family care have been improved, and programs that more than satisfy legal requirements are now in place, such as the improved child medical care leave program and the newly introduced family care leave program.
- Stock leave is a system enabling employees to accumulate unused leave time up to 60 days. Accumulated leave days may be used for treatment needed for personal health problems, rehabilitation, childcare, nursing care, and volunteer activities.

| Giving birth and childcare | Nursing care | Other |
|--|--|--|
| <ul style="list-style-type: none"> Systems catering for pre- and post-birth requirements Leave of absence for childcare Use of stock leave for childcare Systems for employment while raising children Three-person interview at the time of returning to work from childcare leave Child medical care leave program (1 relevant child: 6 days per year; 2 or more children: 11 days per year) Reduced work hour program (child in the third grade or lower) Use of stock leave for fertility treatment Leave of absence for fertility treatment Exemption from restrictions on non-scheduled hours worked and from work on holidays Reinstatement to same workplace after leave of absence for childcare | <ul style="list-style-type: none"> Leave of absence for nursing care program Nursing care leave program (1 care recipient: 12 days per year; 2 or more care recipients: 24 days per year) Use of stock leave for nursing care Systems for employment while caring for a family member Expansion of nursing care counseling office | <ul style="list-style-type: none"> Leave of absence for volunteer work, Using of stock leave for volunteer work Use of stock leave for self-development Active Life Leave Flextime Discretionary labor system Leaving the office on time (2 days per week) Re-employment Program Female Mentor Program Home Working System Paid Leave by the Hour System |

Labor

Work accident rate and work accident severity

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | Target |
|--------------------------|----------------|----------------|----------------|----------------|----------------|--------|
| Work accident rate*1 | 0.09 (0.43) | 0.11 (0.20) | 0.00 (0.40) | 0.20 (0.24) | 0.00 (0.37) | 0 |
| Work accident severity*2 | 0.01 (0.12) | 0.00 (0.01) | 0.00 (0.13) | 0.00 (0.00) | 0.00 (0.01) | 0 |

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

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

*3 Source for industry average: FY2016 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare

Number of fatal work accidents

| | FY2014 | FY2015 | FY2016 | Target |
|----------------------|--------|--------|--------|--------|
| Employees | 0 | 0 | 0 | 0 |
| Contracted employees | 0 | 0 | 0 | 0 |

Occupational Health and Safety Committee

The Occupational Health and Safety Committee convenes with same number of labor and management representatives, in compliance with laws and regulations.

Composition of labor union membership As of March 31, 2017

| Union members | Proportion of union membership* | Average age of union members |
|---------------|---------------------------------|------------------------------|
| 3,484 | 70.41% | 39.9 |

*Rate against regular employees including managerial personnels and senior experts

Revisions to systems operating in accordance with agreements between the labor union and the company (in the last five years)

As of March 31, 2017

| FY | Item |
|------|--|
| 2012 | <ul style="list-style-type: none"> Revision of travel expenses Revision of employees systems Revision of overseas working conditions Revision of re-employment after retirement |
| 2013 | <ul style="list-style-type: none"> Revision of work regulations, wage rules and other labor-related regulations |
| 2014 | <ul style="list-style-type: none"> Extension of the period of nursing care leave Flexible application for the flextime (for pregnant, childcare, and nursing care) Expansion of the domestic affiliates for secondment Revision of work regulations, wage rules and other labor-related regulations |
| 2015 | <ul style="list-style-type: none"> Revision of work regulations, wage rules, retirement allowance regulations and overseas travel regulations Wider range of job assignment destinations within the Fujifilm Group in Japan Introduction of Home Working System Introduction of Paid Leave by the Hour System |
| 2016 | <ul style="list-style-type: none"> Revision of travel expense rules and company house management regulations Revision of collective labor agreement and wage rules due to establishing a new branch Revision of collective labor agreement, written agreement and work regulations regarding childcare and nursing care |

Capacity building

As of March 31, 2017

| | Number of total hours | Number of hours per each employee | Number of total cost | Number of cost per each employee |
|-------------------------|-----------------------|-----------------------------------|----------------------|----------------------------------|
| Capacity building (HRD) | 24,728 hours | 11.3 hours | 130.57 million yen | 59,404 yen |



Personnel and Labor (Fuji Xerox)

Employment

■ Composition of the Fuji Xerox workforce As of March 31, 2017

| | | Total | Male | Female |
|---|--|--------------------------|-------|--------|
| Regular employees 8,594 | Executive officer* | 23 | 23 | 0 |
| | General employees | 6,096 | 4,943 | 1,153 |
| | Managerial personnel | 2,386 | 2,241 | 145 |
| | Senior expert | 89 | 59 | 30 |
| Non-regular employees 779 | Temporary employees | 221 | | |
| | Part-timers | 4 | | |
| | Employees re-employed after retirement | 554 | | |
| Rate of female manager personnel (Target) | | 14% by the end of FY2020 | | |

*Executive officer = All executive officer – Directors

■ Status of regular employees As of March 31, 2017

| | Total | Male | Female |
|---|---------------|-------|--------|
| Average age | 45.7 | 46.6 | 40.8 |
| Average length of employment (years) | 20.6 | 21.3 | 16.9 |
| Average number of dependents | 1.21 | — | — |
| Average annual salary*1 | 9 million yen | — | — |
| Utilization of paid leave*2 | 64.8% | — | — |
| Turnover rate*3 | 3.6% | 3.7% | 3.2% |
| Returning rate from childcare leave*4 | 95.0% | 100% | 94.2% |
| Retention rate after 3 years from reinstatement*5 | 92.3% | 90.0% | 92.7% |

*1 Average annual salary = the sum of monthly taxable salaries from January to December, 2016 (except for the ones of executive officers, contract employees, and new graduate)
 *2 Data on utilization of paid leave is calculated based on data for the period from January 1, 2016 to December 31, 2017.
 *3 Turnover rate = $\frac{\text{Attrition} + \text{Retirement} + \text{New start for senior employees program}}{\text{Number of employees in Fuji Xerox at the end of preceding fiscal year (non-consolidated)} + \text{number of assigned employees}}$
 *4 Returning rate from childcare leave is calculated with the expiration date falls on April 1, 2016 to March 31, 2017.
 *5 Retention rate after 3 years from reinstatement = $\frac{\text{Number of employees as of the end of FY2016 among those returning to work after childcare leave in FY2014}}{\text{Number of employees reinstated after childcare leave in FY2014}}$

■ Recruitment

| | Total | Male | Female |
|----------------------------|-------|--------------------------|--------|
| New graduate recruitment*1 | 104 | Technical positions | 40 |
| | | Administrative positions | 34 |
| Mid-career recruitment*2 | 48 | 37 | 11 |

*1 As the number of new graduates recruited for the fiscal year is confirmed at the beginning of April 2017.
 *2 Number of mid-career recruitment represents those from April 2016 to March 2017.

■ Employment of persons with disabilities

| FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | Target |
|--------|--------|--------|--------|--------|--------------------------------------|
| 2.08% | 2.07% | 2.06% | 2.09% | 2.22% | More than 2.0% (throughout the year) |

*Data up to March 31, 2017.

■ Re-employment

| FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|--------|--------|--------|--------|--------|
| 485 | 524 | 506 | 554 | 554 |

*As of March 31, 2017.

■ Number of employees taking a leave of absence

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | |
|-------------------------------------|--------|--------|--------|--------|--------|----|
| Leave of absence for nursing care | Total | 7 | 4 | 3 | 4 | 4 |
| | Male | 4 | 1 | 1 | 2 | 2 |
| | Female | 3 | 3 | 2 | 2 | 2 |
| Leave of absence for childcare | Total | 52 | 46 | 56 | 60 | 84 |
| | Male | 4 | 8 | 9 | 10 | 11 |
| | Female | 48 | 38 | 47 | 50 | 73 |
| Leave of absence for volunteer work | Total | 0 | 0 | 3 | 0 | 0 |
| | Male | 0 | 0 | 2 | 0 | 0 |
| | Female | 0 | 0 | 1 | 0 | 0 |

* Number of regular employees who began a leave of absence during the relevant fiscal year (from April 1, 2016 to March 31, 2017).
 * Leave of absence for volunteer work is the number of employees who used the social service program.

■ Number of employees taking a care leave (number of days)*1

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | |
|------------------------|--------|----------|---------|---------|---------|---------|
| Nursing care leave*2 | Total | 27 | 26 | 26 | 44 | 59 |
| | Male | 15 | 16 | 17 | 27 | 40 |
| | Female | 12 | 10 | 9 | 17 | 19 |
| Childcare leave*3 | Total | 197 | 284 | 298 | 314 | 373 |
| | Male | 72 | 97 | 86 | 147 | 206*5 |
| | Female | 125 | 187 | 212 | 167 | 167 |
| Volunteer work leave*4 | Total | 50 (135) | 15 (54) | 18 (47) | 20 (62) | 11 (36) |
| | Male | 38 | 11 | 12 | 16 | 8 |
| | Female | 12 | 4 | 6 | 4 | 3 |

*1 Number of regular employees who began a leave during the relevant fiscal year (from April 1, 2016 to March 31, 2017).
 *2 Number of employees taking leave of nursing care leave under the "accumulated paid leave (nursing care for family members)," "nursing care for family members" and "one-day nursing care leave" programs
 *3 Number of employees taking childcare leave under the "accumulated paid leave (child healthcare)" and "child medical care" programs
 As a program equivalent to childcare leave, special leave (of 5 days at most) is granted for care of the eldest child at the time of birth of the second child.
 *4 Volunteer work leave shows the number of employees who took "accumulated paid leave (volunteer activity)" and the number of days spent for such activities. Total number of days is shown in parenthesis.
 *5 Including 86 taking a special leave when their wives' gave birth on and after the second child

■ System for a good work-life balance

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

| Giving birth and childcare | Nursing care | Other |
|---|---|---|
| <ul style="list-style-type: none"> Maternity leave (paid) Leave of absence for childcare program (until two years old, including the housing cost support) Program for rehiring former employees who left the company for reasons such as spouse's transfer or childcare Accumulated paid leave*1 for healthcare of employees' family Shortened working hours in pregnant and for childcare (from pregnancy to third grade of elementary school) Limited off-hours work for childcare (until sixth grade of elementary school) Limited late-night work for childcare (until sixth grade of elementary school) Special leave for supporting the wife during her childbirth period (first child's birth: 2 days; second child's birth and thereafter: 5 days) Leave of absence for birth support (one year leave system for fertility treatment) | <ul style="list-style-type: none"> Leave of absence for caring for a family member (maximum 2 years) Shortened working hours for caring for a family member Limited off-hours work for caring for a family member Limited late-night work for caring for a family member One-day nursing care leave Accumulated paid leave*1 for caring for a family member | <ul style="list-style-type: none"> Flextime Homeworking system Continuous service award special vacation; "refresh vacation" Social service system (leave of absence program for employees participating in socially beneficial activities) Accumulated paid leave*1 for volunteer activities Leave of absence for education Leave of absence for senior theme (support for senior employees' second career) Flexible work schedules (support for senior employees' second career) Double job program*2 (support for senior employees' second career) A program for transfer and a leave of absence due to accompanying a spouse's transfer |

*1 Accumulated paid leave: A system enabling employees to accumulate unused leave up to 60 days. Accumulated leave may be used for healthcare, childcare, nursing care, and volunteer activities.
 *2 Double job program: This is not double duties by order, rather it is program, they are allowed engage in both their current work and work in another division through a system that matches the needs of divisions wanting to utilize senior workers' skills and experience with the will of senior workers who wish to use their special skills or to take on new challenges.

Labor

■ Work accident rate and work accident severity

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | Target |
|--------------------------|-------------|-------------|-------------|-------------|-------------|--------|
| Work accident rate*1 | 0.31 (0.25) | 0.11 (0.18) | 0.00 (0.16) | 0.20 (0.11) | 0.00 (0.18) | 0 |
| Work accident severity*2 | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0.00 (0.00) | 0 |

*1 Work accident rate = $\frac{\text{Number of employees involved in work accidents}}{\text{Gross number of hours worked}} \times 1,000,000$
 *2 Work accident severity = $\frac{\text{Number of workdays lost}}{\text{Gross number of hours worked}} \times 1,000$
 *3 Source for industry average: FY2016 Survey on Industrial Accidents, Ministry of Health, Labour and Welfare

■ Number of fatal work accidents

| | FY2014 | FY2015 | FY2016 | Target |
|----------------------|--------|--------|--------|--------|
| Employees | 0 | 0 | 0 | 0 |
| Contracted employees | 0 | 0 | 0 | 0 |

■ Occupational Health and Safety Committee

The Occupational Health and Safety Committee convenes with same number of labor and management representatives, in compliance with laws and regulations.

■ Composition of labor union membership As of March 31, 2017

| Union members | Proportion of union membership* | Average age of union members |
|---------------|---------------------------------|------------------------------|
| 6,087 | 71.8% | 42.3 |

*Rate against regular employees (8,482) excluding executive officers and senior experts

■ Revisions to systems operating in accordance with agreements between the labor union and the company (in the last five years)

| FY | Item |
|------|--|
| 2012 | <ul style="list-style-type: none"> Introduction of irregular working hours support system for developers and SEs Revision of the employment and evaluation criteria for post-retirement re-employees |
| 2013 | <ul style="list-style-type: none"> Introduction of on-site irregular working hours support system for SEs |
| 2014 | <ul style="list-style-type: none"> Introduction of new work style (co-working hour system, homeworking system, remote working system for domestic sales) |
| 2015 | <ul style="list-style-type: none"> Revision of working conditions, work support and employee welfare with consolidation of various programs at Group companies in Japan |
| 2016 | <ul style="list-style-type: none"> Agreement between labor and management regarding the terms and conditions for applying a program to transfer and a leave of absence due to accompanying a spouse's transfer Revision of systems for childcare and nursing care due to the change of the related laws Change of starting point for reckoning on yearly paid vacation according to the systems at the Group companies in Japan |

■ Number of employees taking occupational health and safety training

| |
|-------|
| 9,435 |
|-------|

■ Capacity building As of March 31, 2017

| | Number of total hours | Number of hours per each employee | Number of total cost | Number of cost per each employee |
|-------------------------|-----------------------|-----------------------------------|----------------------|----------------------------------|
| Capacity building (HRD) | 93,728 thousand hours | 10.6 hours | 322,148,642 yen | 36,430 yen |

*Including temporary employees



Compliance and Risk Management

Compliance

Compliance education (Fujifilm in Japan)

| Intended audience | Details | 2016 results |
|--|--|------------------------------|
| Executive officers (Fujifilm and its affiliates) | Overall compliance (by CP & RM*) | Once, 85 participants |
| Managerial personnel (Fujifilm and its affiliates) | Examples of corporate misconduct, punitive actions, consulting facility, risk reporting system, etc. (by CP & RM*) | 65 times, 2,900 participants |
| New managerial personnel (Fujifilm and its affiliates) | Overall compliance (by CP & RM*) | 2 times, 175 participants |
| All employees (Fujifilm and its affiliates, including agency contracted employees) | Discussions based on compliance case studies (by managerial personnel) | All divisions |
| New employees (Fujifilm) | Basic knowledge of compliance, employee code of conduct, corporate rule, consulting facility, etc. (by CP & RM*) | Once, 228 participants |

*CP & RM: Compliance & Risk Management Division of FUJIFILM Corporation

Compliance education (Fuji Xerox in Japan)

| Intended audience (Fuji Xerox and its affiliated companies) | Details | 2016 results |
|---|---|--|
| All managerial staff | Importance of Labor Management for business management (Web-based training to disseminate the importance of Labor Management that is the foundation of business management) | Once (95%) Target participants: 27,146 Participants who complete the program: 25,724 |
| All executive officers and employees | Training on general legal knowledge (Web-based training for fraud/harassment as well as basic legal knowledge) | Once, 22,521 participants |
| All employees (including contract/temporary employees) | Risk Management Training (Web-based training on risk management including information security) | Once, 29,468 participants |
| New executive officers | 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.) | Once, 20 participants |
| New managerial staff | New managerial staff training (Group training such as lectures about disciplinary action and group discussions using examples to obtain general compliance knowledge that managerial staff should know) | 5 times, 304 participants |
| New employees | New employee training (Group training for legal compliance that maintain the Basic Corporate Quality by understanding the basic CSR policies and activities) | Once, 372 participants |

Risk Management

Acquisition of P-Mark and ISMS

(As of July, 2017)

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

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

(As of May, 2017)

| Certification | Certified affiliates |
|---------------|---|
| ISMS*2 | FUJIFILM Global Graphic Systems Co., Ltd. FUJIFILM Software Co., Ltd. FUJIFILM Imaging Systems Co., Ltd. FUJIFILM Imaging Protec Co., Ltd. FUJIFILM Business Expert Corporation FUJIFILM Recording Media Products Division FUJIFILM Medical Co., Ltd. Fuji Xerox Co., Ltd. Fuji Xerox domestic sales companies (37 companies) |
| | Fuji Xerox Information Systems Co., Ltd. Fuji Xerox System Service Co., Ltd. Fuji Xerox Learning Institute Inc. Fuji Xerox Printing Systems Co., Ltd. Fuji Xerox InterField Co., Ltd. Fuji Xerox Advanced Technology Co., Ltd. Fuji Xerox Manufacturing Co., Ltd. Fuji Xerox Service Creative Co., Ltd. Fuji Xerox Service Link Co., Ltd. Fuji Xerox overseas manufacturing companies (4 companies) Fuji Xerox Asia Pacific Pte Ltd Fuji Xerox overseas sales companies (16 companies) |

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

*3 For the certified companies of Fuji Xerox Group, please visit: <http://www.fujifilmholdings.com/en/sustainability/data/compliance/index.html>

Environmental Aspects

* Organizations covered in the environmental performance data are, as a general rule, those that are shown in the consolidated financial statements, and are significant in terms of environmental burden. However, certain sales and manufacturing (assembly) subsidiaries are excluded. Those not shown specifically are included in the tabulation figures above. Moreover, figures for the Group total may not reflect the sum of each subtotal. * Figures for the environmental data have been revised after recalculating past data to take into account the change in the database in FY2016.

Priority Targets

Fujifilm FY2017 Priority Issues

| Priority Issues | Strategies |
|---|---|
| 1. Contributing to resolving environmental issues through products and services | 1) Develop and disseminate products and services that contribute to resolving environmental issues. (CO2 emission reduction, water issues, energy issues) 2) Quantifying Fujifilm's contribution to CO2 emissions reduction based on the Environmental Contribution Effectiveness Guidelines to convey our efforts to customers. 3) Quantifying the effects of Fujifilm's contribution to resolving water resource issues based on the Water Footprint Guidelines to convey our efforts to customers. 4) Develop activities for achieving the 2030 target based on the Medium-Term CSR Plan. |
| 2. Promoting measures against global warming | 1) Continually promote CO2 emission reduction at each of the stages of product lifecycle. (procurement, manufacturing, transportation, use, disposal) 2) Promote efficient energy use in business activities. 3) Explore and seize opportunities for using renewable energies. |
| 3. Promoting the efficient use of resources | 1) Use resource efficiently by promoting the 3Rs: Reduce-Reuse-Recycle. 2) Reduce waste. (by yield increase, reuse of manufacturing waste, conversion of waste into valuables etc.) 3) Promote the concept of Zero Waste Disposal at all production sites. 4) Promote the effective use of water resources. (saving water to reduce the amount of water use per unit of production) 5) Improve main products' indices per unit, and verify their validity. |
| 4. Ensuring product and chemical safety | 1) Continue dissemination of approaches and systems to the supply chain concerning management of chemicals in products. 2) Establish the enforcement of internal rules and procedures concerning product compliance. 3) Monitor, communicate, and assess product safety information thoroughly and laterally apply safety measures across all sites. 4) Implement safety management based on risk assessment of all chemical substances used. 5) Continue to improve the systems for ensuring product compliance. |
| 5. Enhance the CSR framework supporting the corporate activities across the value chain | 1) Ethical Sourcing investigation for suppliers. 2) Self check and improvement on work mechanisms in response to social request. |
| 6. Environment and safety risk management | 1) Maintain systems that abide by laws and regulations and adheres to voluntary management targets. 2) Improve and promote industrial safety and health. 3) Continue to control the level of VOC emissions generated from the production process. |
| 7. Information disclosure and communication of relevant information | 1) Enhance information disclosure through various methods. (e.g., Sustainability Reports, websites) 2) Enhancement of the disclosure of environmental performance information. |
| 8. Employee education | Educate employees in the areas of environmental preservation, product safety, occupational safety and chemicals. |

Fuji Xerox FY2017 Priority Issues

| Priority Issues | Strategies |
|---|--|
| 1. Controlling global warming *Greenhouse gas reduction target by 2020 (1) By FY2020, 30% reduction in CO2 emissions during the company's overall lifecycle stage from the level in FY2005 (2) Reduce CO2 emissions at customers by seven million tons by FY2020 | 1) Contribute to help reduce CO2 emissions from customers' office and factory by providing energy saving products & solutions 2) Reduce CO2 emissions by installing the 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 |
| 2. Preservation of natural resources | 1) Establish the next generation eco-friendly material technologies, such as bio-based plastics 2) Reduction of resource input with lighter equipment 3) Curb use of new resources by recycling used parts 4) Reduction of waste output and recovery of valuable substances at production and product development sites 5) Reduce water usage in production and product development sites |
| 3. Reduction in environmental risk from chemical substances | 1) Reinforce measures against laws and regulations to reduce chemical substance risks from products (observing RoHS, REACH, etc.) 2) Expansion for risk assessment method for chemical substances into sales and service divisions (domestic) |
| 4. Preservation of ecosystems and biodiversity | 1) Promote sustainable paper procurement concerning for forest ecosystems 2) Participate in Japan Business Initiative for Biodiversity (JBIB) |
| 5. Improvement of the infrastructure for promoting environmental targets | 1) Reinforce systems to grasp environmental performance data 2) Reinforce measures to respond proactively to environmental regulation |



Environmental Aspects

* Organizations covered in the environmental performance data are, as a general rule, those that are shown in the consolidated financial statements, and are significant in terms of environmental burden. However, certain sales and manufacturing (assembly) subsidiaries are excluded. Those not shown specifically are included in the tabulation figures above. Moreover, figures for the Group total may not reflect the sum of each subtotal. * Figures for the environmental data have been revised after recalculating past data to take into account the change in the database in FY2016.

Anti-Global Warming Measures

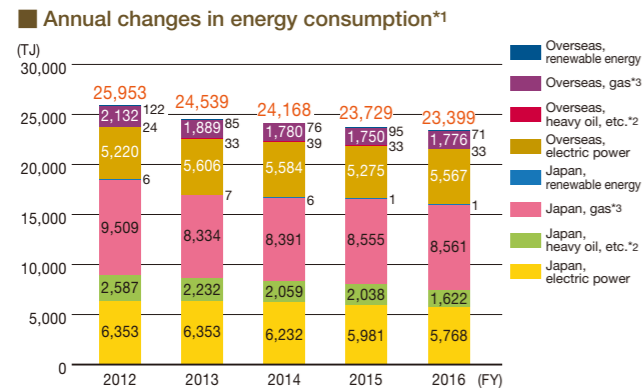
| | FY 2005 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Japan/ Manufacturing | 1,084 | 903 | 895 | 872 | 846 | 798 |
| Japan/ Non-manufacturing | 28 | 25 | 30 | 27 | 29 | 31 |
| Overseas/ Manufacturing | 345 | 384 | 350 | 347 | 313 | 285 |
| Overseas/ Non-manufacturing | 30 | 27 | 42 | 42 | 39 | 55 |
| Group total | 1,487 | 1,339 | 1,317 | 1,288 | 1,228 | 1,170 |

*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.

| | CO2 emission |
|--|--------------|
| Japan | 829 |
| Americas (USA, Canada & Brazil) | 163 |
| Europe (Netherlands, Germany, Belgium, UK & France) | 56 |
| Overseas | |
| China | 83 |
| Asia excl. China & Oceania (Australia, South Korea, Singapore, etc.) | 39 |
| Group total | 1,170 |

*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.

Energy-Saving Measures



*1 Per unit calorific value is based on the Energy Conservation Act. *2 Total of heavy oil A, heavy oil C, kerosene, light oil and gasoline. *3 Total of natural gas, liquefied natural gas (LNG), city gas, butane and liquefied petroleum gas (LPG).

| | Heavy oil | Kerosene | Light oil | Gasoline |
|--------------------|-------------|------------|------------|------------|
| Japan | 34.4 | 1.1 | 0.1 | 0.0 |
| Overseas | 0.0 | 0.0 | 0.7 | 0.2 |
| Group total | 34.4 | 1.1 | 0.8 | 0.2 |

*Consumption in manufacturing only

Environment Conscious in Logistics

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|---------------------|--------|--------|--------|--------|--------|
| Total CO2 emissions | 44,278 | 47,075 | 45,633 | 50,229 | 46,464 |

*Total CO2 emissions are calculated as the amount of CO2 emitted by FUJIFILM Logistics Co., Ltd. in its logistics activities for the Fujifilm Group companies. Since FY2006, we shifted calculation method to the method based on revised Energy Conservation Law (travel distance of empty cars not included in calculations, etc.).

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|---|--------|--------|--------|--------|--------|
| Amount of CO2 reductions (tons of CO2/year) | 7,754 | 6,354 | 11,404 | 12,692 | 15,790 |
| CO2 reduction rate (%) | 14.9 | 11.9 | 20.0 | 20.2 | 25.4 |

CO2 reduction rate (%) = $\frac{\text{Amount of CO2 reductions}}{\text{Total CO2 emissions} + \text{CO2 reductions}}$

*In the FY2016, we enforced our activities for CO2 reductions in collaboration with a specified consigner. Major reduction initiatives, which proved effective, include starting modal shifts (road transport to sea transport) in FY2016, as well as improving carrying efficiency by double stacking during transport and enhancing gasoline mileage by eco-driving. The amount was a total figure of each facility's CO2 reduction measure.

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-----------------------|--------|--------|--------|--------|--------|
| Transportation volume | 194 | 186 | 181 | 190 | 184 |

*Range of transportation volume is calculated within the range of ownership in compliance with reporting under the Revised Act on the Rational Use of Energy.

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-----------------------------------|--------|--------|--------|--------|--------|
| Packaging material reduction rate | 10.1 | 15.5 | 9.3 | 10.5 | 12.7 |

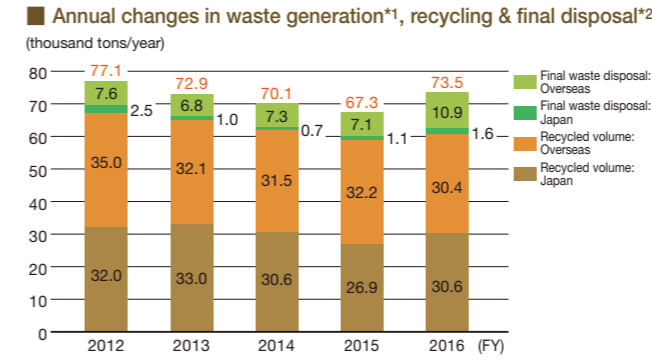
Packaging material reduction rate (%) = $\frac{\text{Weight reduced}}{\text{Total material weight} + \text{weight reduced}}$

*Total weight of export packaging materials handled by FUJIFILM Logistics in FY2016 was 1,573,041.3 tons. Weight was reduced by 227,827.1 tons, with yearly reduction rate of 12.7%.

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-------------------|--------|--------|--------|--------|--------|
| Total consumption | 18.2 | 16.3 | 15.5 | 15.2 | 15.6 |

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

Conserving Resources Measures



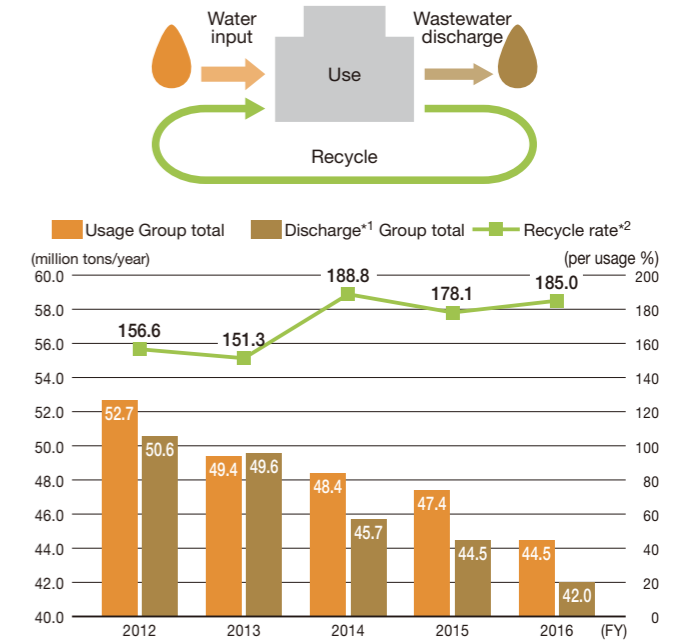
*1 Processed by external service providers. *2 Simple incineration or landfill disposal.

| | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| Japan | 38.1 | 34.0 | 34.0 | 34.1 | 29.6 |
| Overseas | 28.4 | 27.2 | 30.1 | 24.5 | 42.1 |
| Group total | 66.5 | 61.2 | 64.1 | 58.6 | 71.7 |

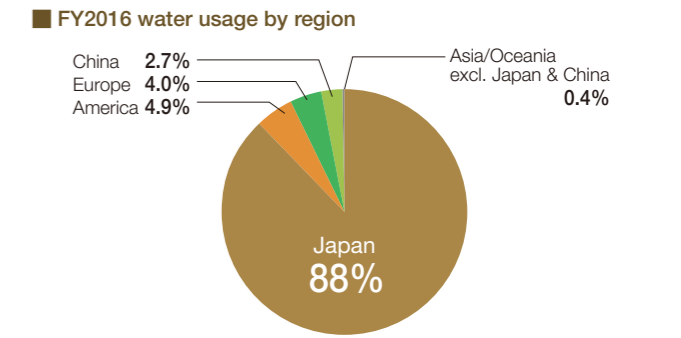
*Valuable resources sold to the third party.

| Waste product | Recycling method |
|---|--|
| Plastics (sorted) | Pallets, pipes, clothing, heat insulation materials |
| Plastics (mixed)/Filters | Blast furnace fuel |
| Magnetic tape | Blast furnace fuel, tatami mat material, heat insulation materials |
| Aluminum hydroxide | Aluminum sulfate |
| Inorganic sludge, polishing agent | Cement, roadway material, construction materials |
| Organic solvent | Paint thinner |
| Acids and alkalines | Neutralizer |
| Mixed flammable waste products | Solid fuels, electricity and hot water production |
| Fluorescent lamp | Glass wool |
| Batteries | Zinc, smelt iron |
| Left over food, raw garbage, organic sludge | Fertilizer, animal feed |
| Documents, empty boxes | Recycled paper |
| Iron, aluminum, copper, etc. | Smelt metal |

Annual trend in water input, recycling and discharge as wastewater

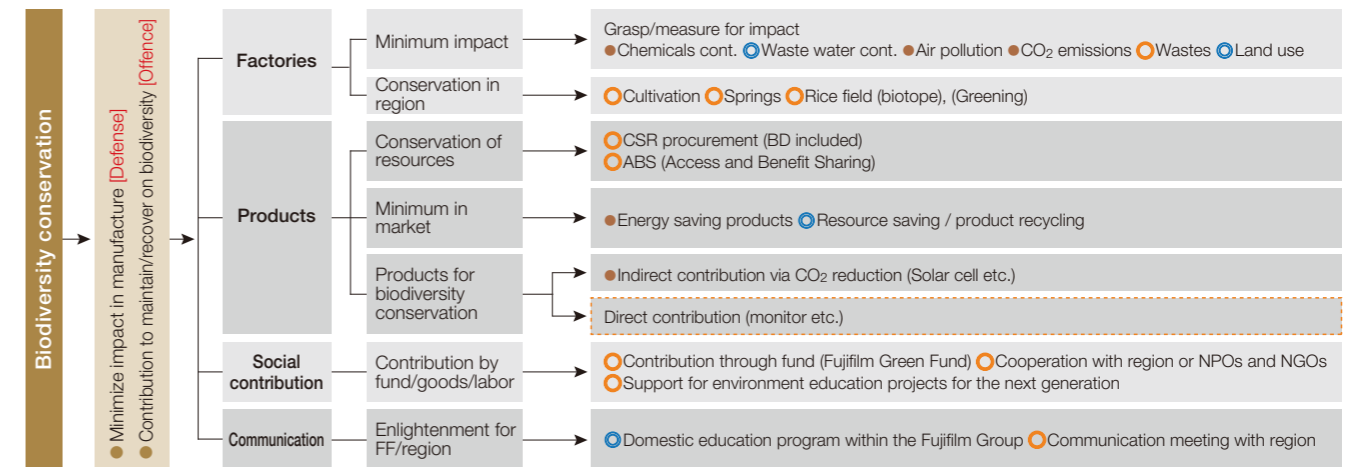


*1 Includes water, rainwater, etc. used in the business activities. *2 Recycle rate including cooling water usage.



Activities on Biodiversity Conservation

Activities on biodiversity conservation — Outline —



○: Measure related to biodiversity conservation (on going) ●: Measure related to biodiversity conservation (middle target: plan) ●: Measure indirectly related to biodiversity conservation



Environmental Aspects

Reducing Chemical Substances Emissions

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

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

<http://www.fujifilm.co.jp/corporate/environment/preservation/site/atmosphere/prtr.html>
(in Japanese only)

Annual changes in atmospheric emissions of VOCs (hundred tons/year)

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 |
|-------------|--------|--------|--------|--------|--------|
| Japan | 7.3 | 6.6 | 6.8 | 6.5 | 5.9 |
| Overseas | 1.3 | 1.4 | 1.6 | 1.8 | 1.6 |
| Group total | 8.6 | 8.0 | 8.4 | 8.3 | 7.5 |

Storage and management of devices/equipment containing PCBs* (FY2016)

| Types of equipment containing PCBs | Unit | Storing and managing amount | |
|---|----------------|-----------------------------|-------------|
| | | Japan | Group total |
| High voltage transformers | Quantity | 11 | 28 |
| High voltage condensers | Quantity | 33 | 123 |
| PCB oil waste, etc. | kg | 1,197 | 1,197 |
| Sludge, etc. | m ³ | 0.1 | 0.1 |
| Fluorescent lamp stabilizers | Quantity | 13,553 | 15,792 |
| Low voltage condenser excluding fluorescent lamps | Quantity | 116,991 | 116,991 |
| Low voltage transformer | Quantity | 0 | 0 |
| Rags | kg | 915 | 915 |
| Other devices | Quantity | 17 | 17 |

*Excludes PCB in minute quantity

<http://www.fujifilm.co.jp/corporate/environment/preservation/site/pcb.html>
(in Japanese only)

Reductions in VOCs atmospheric emissions* (Fujifilm non-consolidated)

| Category | Name of substance | Reduction (tons) | Reduction rate in comparison to previous fiscal year (%) |
|---|---------------------|------------------|--|
| Substances requiring reporting under the PRTR Law | Dichloromethane | 17 | 29 |
| | Methyl alcohol | 44 | 20 |
| Substances voluntarily controlled by the company | Ethyl acetate | -35 | -63 |
| | Methyl ethyl ketone | 0 | 0 |
| | Acetone | 8 | 29 |

*Reduction in volumes in FY2016 compared with actual levels in previous year

Legal Compliance Measures

Legal compliance and reports on complaints in FY2016

In 2016, there were one violation of environment-related laws (none in oversea) and one customer complaint (none in oversea), and three incidents (of which one was oversea).

Legal violation was related to disposal of equipment containing CFC. Action has been taken to prevent a recurrence.

| | Japan | Overseas | Group total |
|---|-------|----------|-------------|
| Number of legal violations (number of cases solved) | 1 (1) | 0 (0) | 1 (1) |
| Number of complaints (number of cases solved) | 1 (1) | 0 (0) | 1 (1) |
| Number of incidents (number of cases solved) | 2 (2) | 1 (1) | 3 (3) |

Pollution Prevention Measures

Annual changes in volume of atmospheric emissions (tons/year)

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | |
|--|-------------|--------|--------|--------|--------|------|
| SOx emissions | Japan | 20 | 21 | 22 | 9 | 19 |
| | Overseas | 1 | 4 | 6 | 10 | 8 |
| | Group total | 20 | 25 | 28 | 19 | 27 |
| NOx emissions | Japan | 376 | 416 | 394 | 424 | 369 |
| | Overseas | 66 | 74 | 61 | 78 | 96 |
| | Group total | 442 | 490 | 455 | 502 | 465 |
| Soot particle emissions | Japan | 5.5 | 4.8 | 4.2 | 3.1 | 2.3 |
| | Overseas | 0.6 | 6.9 | 1.0 | 4.2 | 4.1 |
| | Group total | 6.1 | 11.7 | 5.2 | 7.3 | 6.4 |
| Atmospheric emissions of specified CFCs* | CFC-11 | 0.20 | 0.00 | 0.21 | 0.21 | 0.00 |
| | CFC-12 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 |

*Group total, below the limit of detection = 0

Annual changes in water contaminant burden & emissions*1 (tons/year)

| | FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | |
|---------------------------------------|-------------|--------|--------|--------|--------|-------|
| Total amount of COD*2 | Japan | 85.0 | 85.2 | 82.3 | 82.1 | 90.2 |
| | Overseas | 24.4 | 31.3 | 57.0 | 67.3 | 54.9 |
| | Group total | 109.4 | 116.5 | 139.3 | 149.4 | 145.1 |
| Total amount of BOD*3 | Japan | 43.7 | 43.5 | 38.5 | 37.1 | 44.4 |
| | Overseas | 2.9 | 1.6 | 10.1 | 16.6 | 0.5 |
| | Group total | 46.6 | 45.1 | 48.6 | 53.7 | 44.9 |
| Total amount of nitrogen emissions | Japan | 259.0 | 246.5 | 223.3 | 232.3 | 170.9 |
| Total amount of phosphorous emissions | Japan | 2.5 | 3.4 | 5.3 | 4.2 | 1.4 |

*1 Effluent release into public water bodies

*2 COD (Chemical Oxygen Demand): An indicator of water pollution. COD indicates the amount of oxygen consumed when water-borne pollutants (primarily organic contaminants) are oxidized upon the introduction of an oxidant.

*3 BOD (Biochemical Oxygen Demand): BOD is a way to measure the degree of water pollution, and indicates how much oxygen in the water is being used by organisms to decompose contaminants by looking at the reduction in oxygen in the water.

Surveying and remediating soil and underground water pollution (FUJIFILM Corporation and its domestic affiliates/Fuji Xerox and its domestic affiliates)

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

<http://www.fujifilm.co.jp/corporate/environment/preservation/site/leakage/>
(in Japanese only)

<http://www.fujixerox.co.jp/company/csr/stakeholder/environment/target.html>
(in Japanese only)

Responses to environment-related complaints and legal violations in FY2016*

| Company/site name | Description | Response |
|------------------------------------|--|--|
| Fujifilm Corporation, Omiya Office | Inappropriate disposal of equipment containing CFC | Small testing instruments containing CFC disposed of as normal industrial waste and no compliance with the law on controlling CFC emissions. (However, no residual CFC seems to have been found on disposal.) Comprehensive inculcation of measures to prevent a recurrence. |
| FUJIFILM RI Pharma Co., Ltd. | Refrigerant leaking from cooling water circulation equipment | Cause believed to be wear at the welded joint of the conduit (metal fatigue). Equipment made operational by replacing the relevant parts. |
| FUJIFILM Manufacturing U.S.A. Inc. | Leakage of waste developer | Leakage of developer from a damaged conduit. Leaked developer was detoxified as an organic substance. |

*Relatively minor violations have been excluded.

Domestic and International Appraisals

Ranking and status of SRI audit

FUJIFILM Holdings has received the following evaluations by external organizations as a corporate group that proactively promotes CSR actions toward sustainable development. It is included in the Socially Responsible Investment (SRI) index listed below. Also listed right are evaluations of FUJIFILM Holdings in domestic and international ranking surveys. (As of October 2017)

| Survey | Evaluation for FUJIFILM Holdings |
|---|---|
| 11th CSR Corporate Ranking (2017, Toyo Keizai, Inc.) | 1st out of 1,408 companies (569.7 points) |
| 20th Nikkei Environmental Management Survey (sponsored by Nikkei Inc.) | 6th out of 396 manufacturers; 1st in the petrochemical field for the tenth consecutive year |
| 9th JUSE Quality Management Level Research (Union of Japanese Scientists and Engineers) | 8th out of 206 companies; 1st in the machinery and precision equipment field |
| CDP (Carbon Disclosure Project) | Climate Change A-Water A List |

RobecoSAM Sustainability Award 2017



FTSE4Good Global Index



FTSE Blossom Japan Indexes



Competitive IT Strategy Company 2017



MSCI Japan ESG Select Leaders Index



MSCI ESG Leaders Indexes



MSCI SRI Indexes



Health and Productivity 2017



See pages 32 41 56 59

Appraisals and awards in FY2016

| Recipient | Name and description of the award | Awarding entity |
|--|---|---|
| FUJIFILM Holdings Corporation | The Dow Jones Sustainability™ World Index | S&P Dow Jones Indices |
| FUJIFILM Holdings Corporation | 2017 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category)—White 500 | Ministry of Economy, Trade and Industry/Nippon Kenko Kaigi |
| FUJIFILM Holdings Corporation | The Excellence Prize, Environmental Report Section of the 20th Environmental Communication Awards | Ministry of the Environment/Global Environmental Forum |
| FUJIFILM Holdings Corporation | 2016 Internet IR Awards Grand Prize | Daiwa Investor Relations Co., Ltd. |
| FUJIFILM Corporation | Director-General's Prize from the Agency for Natural Resources of the 2016 Energy Conservation Grand Prize | Energy Conservation Center |
| FUJIFILM Corporation | Excellence in the 6th Carbon Offset Awards | Carbon Offset Network |
| FUJIFILM Corporation | Good Design Award 2016 (major 12 products such as FUJIFILM X-T2, ASTALIFT MOIST LOTION, etc. including Group companies' products) | Japan Institute of Design Promotion |
| FUJIFILM Corporation | Red Dot Design Award 2017 (major 17 products including the compact and lightweight medium-format mirrorless digital camera "FUJIFILM GFX 50S," carrying a large image sensor) | Design Zentrum Nordrhein Westfalen |
| FUJIFILM Corporation | iF design award 2017 (major 14 products including FUJIFILM GFX 50S, instax SHARE SP-2) | iF International Forum Design GmbH |
| FUJIFILM Corporation | Registered in the Essential Historical Materials for Science and Technology (Digital Lab System FRONTIER) | National Museum of Nature and Science |
| FUJIFILM Corporation | 2016 Top 100 Global Innovators—Showcasing the world's 100 most innovative organisations | Clarivate Analytics |
| FUJIFILM Kyushu Co., Ltd. | Grad Prix winner of the Kumamoto Ground Water Conservation Awards | Kumamoto Ground Water Foundation |
| FUJIFILM Logistics Co., Ltd. | Special Prize, Green Partnership | Ministry of Land, Infrastructure, Transport and Tourism/Ministry of Economy, Trade and Industry |
| FUJIFILM Global Graphic Systems Co., Ltd. | Technology Award, Research Encouragement Award, Journal Award in 2017 | Japanese Society of Printing Science and Technology |
| FUJIFILM Electronic Materials U.S.A., Inc. | Excellent Performance Award | Taiwan Semiconductor Manufacturing Company Limited |
| FUJIFILM Electronic Materials U.S.A., Inc. | Best in Value Award | Samsung Electronics Co., Ltd. |
| FUJIFILM Electronic Materials U.S.A., Inc. | Preferred Quality Supplier Award | Intel Corporation |
| FUJIFILM Ultra Pure Solutions, Inc. | Supplier Excellence Award | Texas Instruments Incorporated |
| FUJIFILM do Brasil Ltda. | Health Leaders 2016 Award | The Media Group |
| Fuji Xerox Co., Ltd. | Highest in 2016 Japan Color Copier Customer Satisfaction Index Study SM Highest in 2016 Japan Color Printer Customer Satisfaction Index Study SM | J.D. Power Asia Pacific, Inc. |
| Fuji Xerox Co., Ltd. | Encouragement Prize in the Large Enterprise Category of the 1st Awards for Enterprises and Workplaces with Pleasant Working Environments and High Productivity | Ministry of Health, Labour and Welfare |
| Fuji Xerox Co., Ltd. | Minister of Economy, Trade and Industry Award in New Diversity Management Selection 100, 2016 | Ministry of Economy, Trade and Industry |
| Fuji Xerox Co., Ltd. | Excellent Prize in the Telework in Practice category in the 17th Telework Promotion Awards | Japan Telework Association |
| Fuji Xerox Co., Ltd. | Top Hundred Telework Pioneers, 2016 | Ministry of Internal Affairs and Communications |
| Fuji Xerox Co., Ltd. | Selected in the Biodiversity Action Award 2016 | Japan Committee for UNDB |
| Fuji Xerox Co., Ltd. | Gold Prize in the 31st Japan DM Awards | Japan Post Co., Ltd. |
| Fuji Xerox Advanced Technology Co., Ltd. | Chairman's Award in recognition of the contributions to 3R promotion | 3R Promotion Council |
| Fuji Xerox Asia Pacific Pte. Ltd. | Channel News Asia Green Luminary Awards | Channel News Asia |
| Fuji Xerox Asia Pacific Pte. Ltd. | The Asia Corporate Excellence & Sustainability Awards | Green Company of the Year MORS Group |
| Fuji Xerox (Hong Kong) Limited | EcoChallenger BOCHK Corporate Environmental Leadership Awards 2015 | Federation of Hong Kong Industries, Bank of China Hong Kong (sponsor) |
| Fuji Xerox (Hong Kong) Limited | Sustainable Business Award 2016 | World Green Organisation |
| Fuji Xerox (China) Limited | Golden Bee Business Award | GoldenBee CSR Consulting, China WTO Tribune |



Sustainability Accounting

(Labor Environment and Social Benefit Accounting, Environmental Accounting)

Labor Environment and Social Benefit Accounting

Overview of FY2016

- Expenditure on improving working conditions and for socially beneficial activities for different stakeholders is summarized.
- Efforts are made to create a worker-friendly environment through expanding educational seminars and supporting mental healthcare programs.
- For local communities, expenditure includes a donation to build the Japan Photographic Preservation Center.

In the promotion of art and culture, expenditure includes Fujifilm Square as the base for preservation and communication concerning photographic culture, as well as for photo contests.

<Period of coverage>

FY2016 (April 1, 2016 to March 31, 2017)

<Scope>

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

<Basic items>

● Objectives of labor environment and social benefit accounting

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

● Accounting method

The expenditures (including investments) for the year have been added up to arrive at the figures shown. These figures do not include depreciation. Figures for personnel training and social contributions may overlap with figures in the Environmental Account as well.

Environmental Accounting

Overview of FY2016

● Environmental conservation costs

Increased by approx. 0.2% in total. The breakdown is roughly the same as last years, with approx. 7% into facility investment and roughly 93% into expenditure.

[Facility investments]

Increased 740 million yen (approx. 40%) year-on-year. This is due to investments on boiler fuel shift from heavy oil to city gas at plants and on production facilities for instant films.

[Expenditure]

Reduced 660 million yen (approx. 2%) year-on-year. This is due to drop in R&D costs.

● Environmental conservation benefits

This resulted in year-on-year reduced by 5.9 billion yen (4%), when internal and external economic effects are combined.

[Internal economic effect]

Reduced roughly by 6% year-on-year.

[External economic effect]

Reduced benefits for customers by 4% on year-on-year.

■ Customer benefits

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

The total customers benefits for FY2016 reduced by 4.4 billion yen (approx. 4%) over the previous fiscal year. The decline in effect on customers is due to decline in effect in the area of PS plates not using plate-making films.

<Period of coverage>

FY2016 (April 1, 2016 to March 31, 2017)

<Scope>

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

<Basic items>

● Objectives of environmental accounting

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

● Accounting method

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

- Depreciation is calculated in principle according to the straight-line method over a three-year period.
- When costs include expenditures for both environmental and non-environmental purposes, the portion relating to non-environmental purposes has been excluded.
- Economic impact within the Group: The difference in value terms from the previous year in fines for polluting and usage of energy, raw materials, water, and other resources is accounted for, as well as the real impact of recovery, recycling, and other measures in value terms for the year in question.
- Economic impact outside the Group: The difference in value terms from the previous fiscal year has been shown for SOx, VOCs, and CO₂. For recycling, the anticipated benefit in value terms has been shown for the year in question.

(million yen)

| Product | Amount | | |
|--|----------------|----------------|----------------|
| | FY2014 | FY2015 | FY2016 |
| 1. High-density magnetic memory materials | 7,710 | 5,086 | 7,196 |
| 2. Pre-sensitized aluminum plate not using plate-making film | 74,967 | 75,384 | 66,267 |
| 3. Film for LCDs: WV films | 9,605 | 5,081 | 5,527 |
| 4. Digital color multifunction device and printers | 27,585 | 26,482 | 28,601 |
| Total | 119,867 | 112,033 | 107,591 |

Labor Environment and Social Benefit Accounting

Breakdown of labor environment and social benefit accounting (million yen)

| Stakeholder | Goal | Cost totals | |
|--|--|--------------|--------------|
| | | FY2015 | FY2016 |
| Employees | Work health and safety | 1,903 | 1,694 |
| | Personnel training | 3,011 | 3,037 |
| | Protect diversity | 829 | 705 |
| | Develop a workplace in which employees can work comfortably | 1,194 | 1,119 |
| Customers | Ensure appropriate customer response and safety | 258 | 266 |
| Future generations | Education for future generations | 12 | 80 |
| Communities (local society and government) | Harmony with the local community | 94 | 221 |
| | Promote culture and the arts in society (in Japan) | 902 | 985 |
| International community | Consideration for the international community and international cultures | 103 | 134 |
| NGOs and NPOs | Cooperation with NGOs and NPOs | 17 | 62 |
| Suppliers | Consideration for products | 57 | 59 |
| Total | | 8,382 | 8,363 |

Volunteer activities during working hours

| | FY2014 | FY2015 | FY2016 |
|-------------------------------------|---------------|---------------|---------------|
| Hours spent on volunteer activities | 1,435 | 1,505 | 1,117 |
| Volunteering cost | 4 million yen | 4 million yen | 6 million yen |

*Volunteer activities

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

Environmental Accounting

Environmental accounting (million yen)

| | Environmental conservation costs | | | | Environmental conservation benefits | | | | | |
|--|----------------------------------|--------------|---|---------------|---|---------------|---------------|---|----------------|----------------|
| | Capital investment | | Expenses | | Economic impact inside the Group | | | Economic impact outside the Group | | |
| | FY2015 | FY2016 | FY2015 | FY2016 | | FY2015 | FY2016 | | FY2015 | FY2016 |
| 1. Costs incurred within the business site | 1,127 | 1,899 | 5,015 | 5,049 | | | | | | |
| (1) Environmental damage prevention | 352 | 291 | 1,313 | 1,438 | Reduced pollution levy | 1 | 0 | Reduction in SOx emissions*1 | 0 | 0 |
| | | | | | | | | Reduction in volume of SOx emissions | 13 tons | -11 tons |
| | | | | | | | | Reduction in volume of NOx emissions | 30 tons | 55 tons |
| (2) Global environmental protection | 723 | 1,589 | 1,983 | 1,950 | Energy conservation | 7,125 | 4,009 | Reduction in volume of VOC emissions*2 | 9 | 25 |
| | | | | | | | | Reduction in volume of VOC of VOC | 25 tons | 70 tons |
| | | | | | | | | Reduction in CO ₂ emissions*3 | 10 | 35 |
| (3) Resource recycling | 52 | 19 | 1,718 | 1,661 | Reduced raw materials and resources used | 6,025 | 5,662 | Reduced waste materials through reuse and recycling*4 | 15,340 | 15,219 |
| | | | | | Reduced water resource consumption*5 | 367 | 890 | | | |
| | | | | | Recovery and recycling | | | Reduced volume*6 | 153.4 kilotons | 152.2 kilotons |
| | | | | | Silver | 920 | 619 | | | |
| | | | | | Polymeric materials | 394 | 296 | | | |
| | | | | | Aluminum materials | 125 | 113 | Reuse of aluminum materials | 17 | 15 |
| Others | 1,189 | 1,568 | Reduced volume of CO ₂ emissions | 20 kilotons | 20 kilotons | | | | | |
| 2. Upstream/downstream costs | 37 | 0 | 7,474 | 6,567 | QuickSnap recovery, Parts recovered from used equipment | 5,630 | 7,273 | | | |
| 3. Cost of management activities | 46 | 23 | 8,150 | 11,374 | | | | | | |
| 4. Research and development costs | 629 | 657 | 13,672 | 10,539 | | | | Customer benefits are shown in the table on page 78. | 112,033 | 107,591 |
| 5. Costs for social programs | 0 | 0 | 62 | 199 | | | | | | |
| 6. Costs for handling environmental damage | 3 | 2 | 38 | 26 | | | | | | |
| | | | | | Pollution levies | | | | | |
| Total | 1,842 | 2,581 | 34,411 | 33,753 | | 21,775 | 20,430 | | 127,408 | 122,885 |

*1 SOx emissions reductions: ¥4.6/ton

Bidding price of SOx emissions credits offered by the United States Environmental Protection Agency in March 2016 (US\$0.04/ton).

*2 VOC emissions reductions: ¥350,000/ton

From the "Economics Evaluation Report on Countermeasures for Harmful Atmospheric Pollutants" issued by Japan Environmental Management Association for Industry, February 2004.

*3 CO₂ emissions reductions: ¥616.3/tons

Trading price of EU emissions credit 2016 futures (€5.1/ton) at the end of March 2016.

*4 Landfill costs for the waste product (¥100/kg).

*5 Water resource consumption reduction: ¥200/ton for clean water supply, ¥200/ton for sewage water times the reductions amount.

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