

● 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 well. In addition to the emphasis on recycling and conservation of resources at the product design stage, reductions in the waste generated at the manufacturing stage are underway in Japan, North America, Europe and China, in ways that suit each region. In Japan, from FY2011 we have been promoting group-wide optimization, including extracting valuables from waste and improving the quality of recycling, not only at our production sites but over our entire business operations including offices and warehouses. In Americas, the regional headquarters promote this effort of group-wide optimization with other sites, too.

The volume of waste generated 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 portfolio.

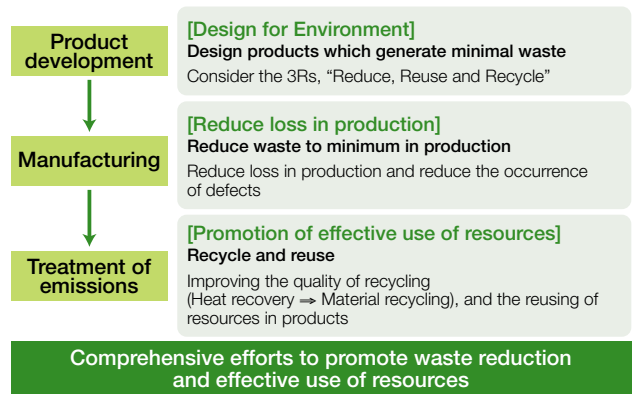
We introduced a new group-wide environmental data collection and management system in FY2016. We can conduct more accurate assessment in a timely manner and control of the waste generated by the Group, including its sales offices in each area in the world.

● Improve the Efficiency of Resource Use

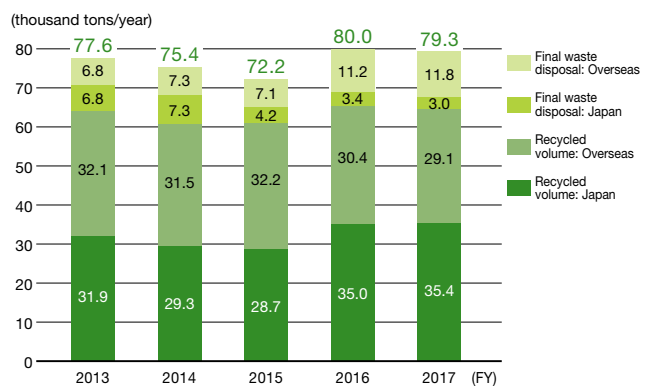
The Fujifilm Group develops and offers a wide range of products such as chemical products, functional materials, optical devices, office equipment, and medical equipment, etc. For this reason, in FY2016, we formulated the Assessment Method of Material Input per Unit (resource material input weight per 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 loss 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 reuse or recycle them, 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.

▼ Outline of Measurements for Waste Reduction in Fujifilm Group



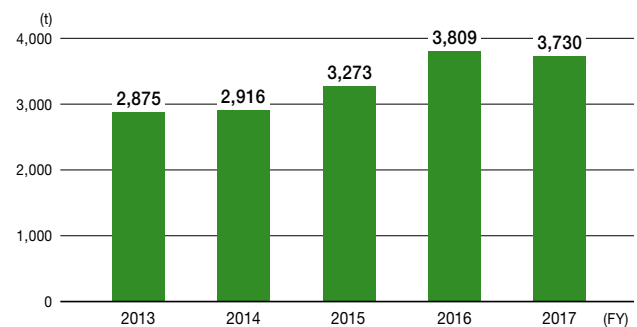
▼ Annual Changes in Waste Generation*¹, Recycling & Final Disposal*²



*1 Processed by external service providers and simple incineration or landfill disposal on sites.

*2 Simple incineration or landfill disposal by external service providers and on sites.

▼ Fuji Xerox New Resource Reduction by Using Reuse Parts* (Total for Japan, the Asia-Pacific Region, and China)



* The total amount of new resource reduction in the production stage by using reuse 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 parts 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 even if the production volume remains the same. We continue resource usage reduction through comprehensive 3R activities.