



Sustainability Accounting

(Labor Environment and Social Benefit Accounting, Environmental Accounting)

Labor Environment and Social Benefit Accounting

Overview of FY2014

- 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 and a product donation to the Nature Conservation Society of Japan. 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>

FY2014 (April 1, 2014 to March 31, 2015)

<Scope of labor environment and social benefit accounting>

70 domestic companies in the Fujifilm Group (FUJIFILM Holdings, Fujifilm and 19 Fujifilm affiliates, Fuji Xerox and 47 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 FY2014

● Environmental conservation costs

Overall costs were increased by 2%. Approximately 5% of total costs was for facility investment and 95% was expenditure. This ratio is almost the same as the previous year.

[Facility investments]

Reduced approx. 28% year-on-year. This is due to the drastic drop in investment into facilities related to plants.

[Expenditure]

Expenditure was increased by ¥1.8 billion or 4% year-on-year, through efficient measures in workplace. R&D costs occupy approx. 40% of the entire expenditure.

● Environmental conservation benefits

The economic effect grew 1% to ¥1.3 billion year-on-year internally an externally.

[Internal economic effect]

Reduced by 14% year-on-year.

[External economic effect]

Rise in benefits for customers led to a marked increase of ¥4.1 billion or 3% 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.

Total benefits to customers for FY2014 increased by ¥4.1 billion or 4% over the previous year. Greater use of energy-saving equipment, such as combination of EA-Eco Toners and IH Fusing, or high-density magnetic memory materials in office printers increased the power-saving effects.

<Period of coverage>

FY2014 (April 1, 2014 to March 31, 2015)

<Scope of environmental accounting>

72 domestic companies in the Fujifilm Group (FUJIFILM Holdings, Fujifilm and 19 Fujifilm affiliates, Fuji Xerox and 49 Fuji Xerox affiliates and TOYAMA CHEMICAL)

<Basic items>

● Objectives of environmental accounting

- (1) To provide accurate quantitative information on volumes and economic effects to interested parties inside and outside the Group
- (2) 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.

- (1) Depreciation is calculated in principle according to the straight-line method over a three-year period.
- (2) When costs include expenditures for both environmental and non-environmental purposes, the portion relating to non-environmental purposes has been excluded.
- (3) 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.
- (4) 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.

| Product | Amount (million yen) | | |
|--|----------------------|----------------|----------------|
| | FY2012 | FY2013 | FY2014 |
| 1. High-density magnetic memory materials | 5,597 | 3,987 | 7,710 |
| 2. Pre-sensitized aluminum plate not using plate-making film | 65,212 | 75,333 | 74,967 |
| 3. Film for LCDs: WV films | 14,797 | 11,769 | 9,605 |
| 4. Digital color multifunction device and printers | 22,943 | 24,656 | 27,585 |
| Total | 108,549 | 115,745 | 119,867 |

Labor Environment and Social Benefit Accounting

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

| Stakeholder | Goal | Cost totals | |
|--|--|--------------|--------------|
| | | FY2013 | FY2014 |
| Employees | Work health and safety | 1,643 | 1,567 |
| | Personnel training | 2,757 | 2,655 |
| | Protect diversity | 917 | 1,088 |
| | Develop a workplace in which employees can work comfortably | 1,210 | 1,323 |
| Customers | Ensure appropriate customer response and safety | 274 | 282 |
| Future generations | Education for future generations | 24 | 3 |
| Communities (local society and government) | Harmony with the local community | 116 | 62 |
| | Promote culture and the arts in society (in Japan) | 883 | 813 |
| International community | Consideration for the international community and international cultures | 42 | 8 |
| NGOs and NPOs | Cooperation with NGOs and NPOs | 14 | 19 |
| Suppliers | Consideration for products | 50 | 59 |
| Total | | 7,928 | 7,880 |

Volunteer activities during working hours

| | FY2012 | FY2013 | FY2014 |
|-------------------------------------|----------------|----------------|---------------|
| Hours spent on volunteer activities | 4,700 | 7,210 | 1,435 |
| Volunteering cost | 12 million yen | 19 million yen | 4 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 for FY2014 (million yen)

| | Environmental conservation costs | | | | Environmental conservation benefits | | | | | |
|--|----------------------------------|--------------|---|---------------|---|---------------|---------------|--|----------------|----------------|
| | Capital investment | | Expenses | | Economic impact inside the Group | | | Economic impact outside the Group | | |
| | FY2013 | FY2014 | FY2013 | FY2014 | | FY2013 | FY2014 | | FY2013 | FY2014 |
| 1. Costs incurred within the business site | 1,995 | 1,307 | 8,376 | 7,793 | | | | | | |
| (1) Environmental damage prevention | 327 | 237 | 2,058 | 2,034 | Reduced pollution levy | 0 | 0 | Reduction in SOx emissions ¹ | 0.000 | 0.000 |
| | | | | | | | | Reduction in volume of SOx emissions | -2 tons | -1 tons |
| | | | | | | | | Reduction in volume of NOx emissions | -21 tons | 40 tons |
| (2) Global environmental protection | 1,487 | 1,068 | 4,022 | 3,506 | Energy conservation | 1,654 | 505 | Reduction in VOC emissions ² | 18 | 2 |
| | | | | | | | | Reduction in volume of CO ₂ emissions | 53 tons | 5 tons |
| | | | | | | | | Reduction in CO ₂ emissions ³ | 52 | 9 |
| (3) Resource recycling | 181 | 1 | 2,295 | 2,254 | Reduced raw materials and resources used | 9,832 | 8,590 | Reduction in volume of CO ₂ emissions | 61 kilotons | 10 kilotons |
| | | | | | Reduced water resource consumption ⁵ | 628 | 882 | Reduced waste materials through reuse and recycling ⁴ | 16,900 | 16,900 |
| | | | | | Recovery and recycling | | | Reduced volume ⁶ | 169.0 kilotons | 169.0 kilotons |
| | | | | | Silver | 1,453 | 1,109 | | | |
| | | | | | Polymeric materials | 590 | 451 | | | |
| | | | | | Aluminum materials | 119 | 122 | Reuse of aluminum materials | 27 | 24 |
| Others | 389 | 231 | Reduced volume of CO ₂ emissions | 30 kilotons | 20 kilotons | | | | | |
| 2. Upstream/downstream costs | 0 | 0 | 7,293 | 7,348 | QuickSnap recovery, Parts recovered from used equipment | 5,630 | 5,630 | | | |
| 3. Cost of management activities | 50 | 71 | 7,894 | 9,134 | | | | | | |
| 4. Research and development costs | 617 | 592 | 15,964 | 17,464 | | | | Customer benefits are shown in the table on page 68. | 115,745 | 119,867 |
| 5. Costs for social programs | 55 | 6 | 486 | 61 | | | | | | |
| 6. Costs for handling environmental damage | 22 | 9 | 44 | 43 | | | | | | |
| Total | 2,739 | 1,985 | 40,057 | 41,845 | | 20,295 | 17,521 | | 132,742 | 136,802 |

*1 SOx emissions reductions: ¥13/ton
Bidding price of SOx emissions credits offered by the United States Environmental Protection Agency in March 2015 (US\$0.11/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: ¥907/tons
Trading price of EU emissions credit 2015 futures (€6.8/ton) at the end of March 2015.

*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