



Sustainability Accounting

(Labor Environment and Social Benefit Accounting, Environmental Accounting)

Labor Environment and Social Benefit Accounting

■ Overview of FY2015

- 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>

FY2015 (April 1, 2015 to March 31, 2016)

<Scope of labor environment and social benefit accounting>

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 FY2015

● Environmental conservation costs

Reduction by approx. 17% in total. The breakdown is roughly the same as last year's, with approx. 5% into facility investment and roughly 95% into expenditure.

[Facility investments]

Reduced 140 million yen (approx. 7%) year-on-year. This is due to drop in investments into facilities related to plants.

[Expenditure]

Reduced 7.4 billion yen (approx. 18%) year-on-year. This is due to drop in R&D costs.

● Environmental conservation benefits

This resulted in year-on-year reduced by 11 billion yen (7%), when internal and external economic effects are combined.

[Internal economic effect]

Reduced roughly by 13% year-on-year.

[External economic effect]

Reduced benefits for customers by 6% 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 FY2015 reduced by 7.8 billion yen (approx. 7%) over the previous fiscal year. The decline in effect on customers is due to decline in effect in the area of LCD display films.

<Period of coverage>

FY2015 (April 1, 2015 to March 31, 2016)

<Scope of environmental accounting>

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

- (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		
	FY2013	FY2014	FY2015
1. High-density magnetic memory materials	3,987	7,710	5,086
2. Pre-sensitized aluminum plate not using plate-making film	75,333	74,967	75,384
3. Film for LCDs: WV films	11,769	9,605	5,081
4. Digital color multifunction device and printers	24,656	27,585	26,482
Total	115,745	119,867	112,033

Labor Environment and Social Benefit Accounting

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

Stakeholder	Goal	Cost totals	
		FY2014	FY2015
Employees	Work health and safety	1,567	1,903
	Personnel training	2,655	3,011
	Protect diversity	1,088	829
	Develop a workplace in which employees can work comfortably	1,323	1,194
Customers	Ensure appropriate customer response and safety	282	258
Future generations	Education for future generations	3	12
Communities (local society and government)	Harmony with the local community	62	94
	Promote culture and the arts in society (in Japan)	813	902
International community	Consideration for the international community and international cultures	8	103
NGOs and NPOs	Cooperation with NGOs and NPOs	19	17
Suppliers	Consideration for products	59	57
Total		7,880	8,382

■ Volunteer activities during working hours

	FY2013	FY2014	FY2015
Hours spent on volunteer activities	7,210	1,435	1,505
Volunteering cost	19 million yen	4 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 FY2015

(million yen)

Environmental conservation costs					Environmental conservation benefits					
	Capital investment		Expenses		Economic impact inside the Group			Economic impact outside the Group		
	FY2014	FY2015	FY2014	FY2015		FY2014	FY2015		FY2014	FY2015
1. Costs incurred within the business site	1,307	1,127	7,793	5,015						
(1) Environmental damage prevention	237	352	2,034	1,313	Reduced pollution levy	0	1	Reduction in SOx emissions ¹ Reduction in volume of SOx emissions	0.000 -1 tons	0.000 13 tons
								Reduction in volume of NOx emissions	40 tons	30 tons
								Reduction in VOC emissions ² Reduction in volume of VOC	2 5 tons	9 25 tons
(2) Global environmental protection	1,068	723	3,506	1,983	Energy conservation	505	557	Reduction in CO2 emissions ³ Reduction in volume of CO2 emissions	9 10 kilotons	10 16 kilotons
(3) Resource recycling	1	52	2,254	1,718	Reduced raw materials and resources used	8,590	6,025	Reduced waste materials through reuse and recycling ⁴	16,210	15,340
					Reduced water resource consumption ⁵	882	367			
					Recovery and recycling					
					Silver	1,109	920	Reduced volume ⁶	162.1 kilotons	153.4 kilotons
					Polymeric materials	451	394			
					Aluminum materials	122	125	Reuse of aluminum materials	24	17
					Others	231	1,189	Reduced volume of CO2 emissions	20 kilotons	20 kilotons
2. Upstream/downstream costs Recovery from the market	0	37	7,348	7,474	QuickSnap recovery, Parts recovered from used equipment	5,630	5,630			
3. Cost of management activities	71	46	9,134	8,150						
4. Research and development costs	592	629	17,464	13,672				Customer benefits are shown in the table on page 68.	119,867	112,033
5. Costs for social programs	6	0	61	62						
6. Costs for handling environmental damage Pollution levies	9	3	43	38						
Total	1,985	1,842	41,845	34,411		17,521	15,207		136,112	127,408

*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