

Priority Issue 2

Promote Recycling of Resources

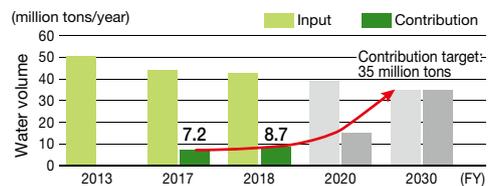
Target for 2030

- (1) Reduce the amount of water the Fujifilm Group inputs for production by 30% by FY2030 (compared to the FY2013 level).
- (2) Contribute to the treatment of 35 million tons of water per year in society by FY2030.
- (3) Reduce the amount of waste generated by the Fujifilm Group by 30% by FY2030 (compared to the FY2013 level).
- (4) Improve the efficiency of the Fujifilm Group's resource use per unit of production by 30% by FY2030 (compared to the FY2013 level).

Since our establishment, the Fujifilm Group has been actively recycling resources, through reducing water usage, recycling and reusing water, recovering and reusing resources (e.g. silver), 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.

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.



Outline of Activities in FY2018

- Water usage: 15% reduction (compared to the FY2013 level)
- Water treatment contribution in society: 8.7 million tons/year
- Resource usage per unit: 28% improvement (compared to the FY2013 level)
- Waste generation: 5% increase (compared to the FY2013 level)
- Labeled on the Fujifilm Group's water risk countermeasures at the 60th Anniversary Lecture of the Japanese Association of Groundwater Hydrology.
- Labeled on groundwater conservation by FUJIFILM Kyushu in a symposium held by the Japanese Association of Groundwater Hydrology.

▶ Related Data and Information: **Management Performance** Page 54 *Recycling of Resource*

Future Activities and Targets

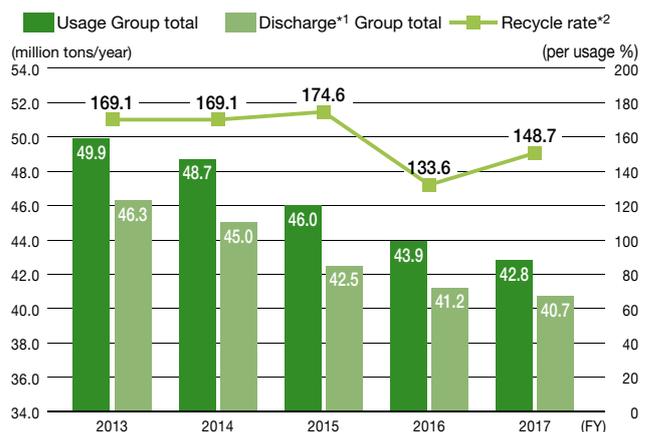
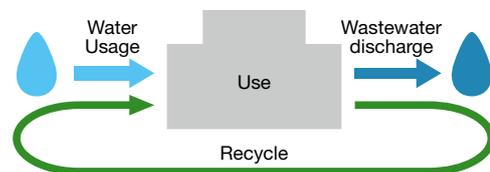
- Continue stable reduction measures suited each region and site.

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 continuous efforts at each site, the amount of water usage in FY2018 decreased by 2.5% compared to the previous year. This figure is 15% of the target of 30% reduction by FY2030 (compared to the FY2013 level), indicating successful progress.

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. In FY2018, we confirmed the status of water management and reduction efforts mainly in sites with relatively high water risks, and confirmed that the impact to the Group was low.

Annual Trend in Water Usage, Recycling and Discharge as Wastewater



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

With regard to the contribution by our products and services for water treatment in society, we are moving steadily forward with brackish water desalination and wastewater treatment by providing filtration materials, and reducing water usage at customers' sites through process-less CTP plates for printing and other technologies. The contribution in FY2018 was 8.7 million tons, a progress of 25% toward our target to contribute to the treatment of 35 million tons of water per year in society by FY2030. As we calculated the FY2018 results based on items that showed a high contribution, we have re-calculated our FY2017 results. We will expand the scope of application of our water treatment technology in society, thereby further contributing to society with our products and services.

These efforts in the area of water risk and opportunity are supported by the Fujifilm Group's commitment to improving water security under the initiative with We Mean Business, an environmental platform.

Measures to Reduce Waste

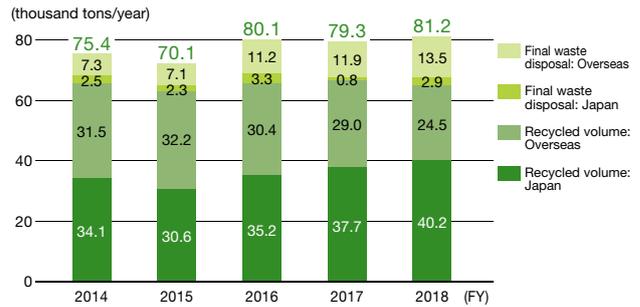
The Fujifilm Group is proceeding more effective use for resources and reduction of waste, not only at the manufacturing stage but over the entire product lifecycle as well. In addition to the emphasis on recycling and conservation of resources at the product design stage, reductions in the waste generated 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. At the Yoshida Factory of FUJIFILM Optomaterials Co., Ltd., we have changed our packaging materials so that they can be converted into valuables, making it possible to reduce waste. Over the last five years, we have used Fuji Xerox business solutions to reduce paper usage in our offices by between 5% and 10% every year.

However, the waste volume in FY2018 increased by

Outline of Measurements for Waste Reduction in Fujifilm Group



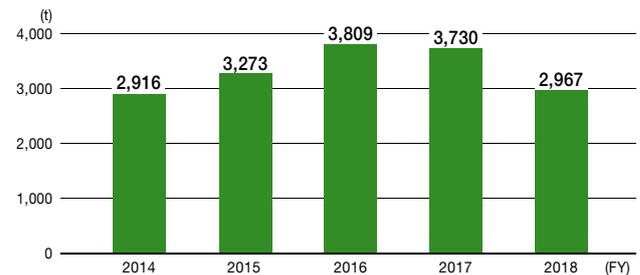
Annual Changes in Waste Generation*1, Recycling & Final Disposal*2



*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.

2% compared to the previous year due to a decrease in the recycling rate of valuable waste plastic caused by a strengthening of the plastic import regulations internationally. Even so, this still represents a 5%

TOPICS

Priority Issue
2

Reducing Environmental Impact through Factory Wastewater Pretreatment

Earning awards for industrial wastewater pretreatment program

FUJIFILM Manufacturing USA, Inc. (FA), which manufactures photosensitive materials and thermal CTP plates, received the Industrial Pretreatment Program (IPP) Gold Award and Gold Star Award for compliance with the Greenwood Metropolitan District's Industrial Pretreatment Program for five consecutive years. The awards are given to companies located in the district in recognition of activities directed to the assurance and maintenance of wastewater quality through continuous monitoring and reporting. FA was recognized for its continuing efforts. Prior to receiving the Gold Star Award, FA received the

Palmetto Award for compliance with the program for 10 consecutive years, meaning that FA has been in receipt of these awards for 15 consecutive years.

The Fujifilm Group will continue to assure optimal management of factory wastewater through continuous monitoring and pretreatment.



FA's Waste Water Treatment Associates have led the company to 15 consecutive years with no violations.



increase towards the target of a 30% reduction by FY2030 (compared to FY2013). We are now planning to reassess waste emission volumes and waste processing methods in each of our business sites. We will then discuss the long-term waste reduction strategy of the Fujifilm Group as a whole, as well as creating and implementing concrete plans.

Improve the Efficiency of Resource Use

The Fujifilm Group uses the Assessment Method of Material Input per Unit*¹, which has been exclusively formulated, in order to accurately measure our resource input reduction status. In FY2018, we continued our Design for Environment for resource saving and downsizing, as well as loss reduction and recycling of offcuts in production sites. As a result, we achieved a 4% improvement in resource input compared to the previous year, and a 28% progress against the target of 30% reduction by FY2030 (compared to the FY2013 level), which was a significant step.

For multifunction devices and copiers which are products of one of our main business areas, 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. In FY2018, the recycling and reuse rate for used products continued more than 99.5%*², our Zero Landfill standard for all domestic and overseas sites, and 99.9% for sites in Japan. On the other hand, the volume of parts reused to reduce the consumption of new resources was 2,967 tons by 76 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.

*¹ Assessment Method of Material Input per Unit: As the Fujifilm Group has a wide range of product lineups (chemicals, highly functional materials, equipment, etc.), it is necessary to have a single index to assess various resource input volumes uniformly. To achieve this, we calculated "a resource material input weight per converted production volume," which utilizes the Converted Production Volume (converted production volume of each product using the energy consumed during production), which is authorized by the Energy Saving Act in Japan. This assessment method is used to obtain an index of resource input reduction.

*² Excluding some of the overseas regions that changed their recycling sites (as the recycling rate in the region cannot be determined).

OPINION

Third-Party Opinion on "Environment"



**Mr. Takejiro
Sueyoshi**

Special Advisor
UNEP Finance Initiative

Profile

In addition to being involved in UNEP FI, Mr. Sueyoshi has served in various positions, such as committee member on various types of councils on the Central Environment Council, advisor to Kawasaki City and Kagoshima City, part-time lecturer at Waseda University and others. He also works as an external member of the board to companies and engages in efforts to raise awareness on environmental issues and the social responsibility of companies on TV, in newspapers, published works, and lectures.

Firstly I would like to express my respect for the Fujifilm Group's environmental efforts that continue to expand year by year. Their efforts cover climate change, resource recycling, and biodiversity—even human health. The Group's all-round focus is truly astonishing.

When we look at the world situation, the global issues that need to be addressed, such as successive natural disasters, are growing increasingly severe. The international community has started to demand that businesses take action that make a real difference. International trends concerning global issues are changing rapidly, as we can see, for example, by the inauguration of the Principles for Responsible Banking (PRB), led by the United Nations Environment Programme Finance Initiative (UNEP FI) in September, and teenagers and the younger generation strongly appealing to public opinion about environmental issues. Businesses are now being seriously questioned with regard to their approach to their operations.

For a corporation like the Fujifilm Group, which has already taken a number of significant environmental initiatives, reflecting international opinion into corporate activities is more important than ever. In that sense, the decision to participate in RE100 in FY2018 was exceptional.

The approach from the viewpoint of a member of international society is essential and correct for the Fujifilm Group toward resolving global issues, as well as to survive new international competition in the 21st century.

Response to the third-party opinion

We are truly grateful for your high evaluation of our continuing efforts for environment, including our activities to address climate change and promote resource recycling.

To achieve our targets concerning climate change, it is essential to develop and utilize upcoming technologies, such as introducing hydrogen fuel for our in-house cogeneration systems, as well as converting our purchased electric power to renewable electricity.

We aim to lead the realization of a decarbonized society as demanded internationally by demonstrating our approach of decarbonization through the participation of RE100. We steadily continue our environmental activities with technical progress through open innovation.

(ESG Division, FUJIFILM Holdings)