



Chapter 05

Corporate Governance

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Discussion on Governance



Aiming for an even higher level of corporate governance to carry on the corporate culture

How should we pass down our corporate culture to the next generation? The Chairman of the Board and an outside director discuss the roles that the Board of Directors should play.

Establishing a corporate governance system

— What are your views on initiatives to improve corporate governance (“Governance”)?

Sukeno: At the very least, we need to establish a solid governance system and get it to work effectively for a global company to operate globally. Taking action to contribute to creating a decarbonized society is also one of the global market participation requirements. Considering these requirements, since I became Chairman of the Board (“Chairman”), we have worked to improve the Company’s governance system and have built the present governance system. In the course of building the present governance

system, the Board of Directors has naturally played a key role. I believe that the roles of the Board of Directors are formulating basic management policies and strategies, making important decisions about business execution, and effectively supervising execution to make sure that the policies and strategies are implemented properly.

I do not believe that we can establish a governance system in the true sense of the term if the Chairman is involved in execution. We have now decided that we do not specify who shall be Chairman in the Articles of Incorporation. The Board of Directors selects the Chairman and has designated that I, as Chairman, shall not be Representative Director. In this way, we have made it clear

that the Chairman is not involved in execution. The Board of Directors now consists of 10 members, of whom five members are inside directors who engage in execution at operating companies. Four members are outside directors. I believe that given that as Chairman I am not involved in execution, I can monitor the executive directors and outside directors from a neutral position. As a result, we can build a stronger governance system, and the transparency of the Board of Directors will increase.

Kitamura: I realize that Chairman Sukeno has been pursuing initiatives to improve governance at the Company with a clear intention. The initiatives include a review of the skills matrix and a revision through discussions at Board meetings. In the process of reviewing the skills matrix, we did not simply choose skill items that are generally considered to be required in corporate management, such as legal affairs and accounting. We first chose business, function and region as three priority areas that will deepen discussions at Board meetings and then intensively discussed particularly important elements. Before discussions at Board of Directors meetings, the Chairman and outside officers discussed the skills matrix and deepened the understanding of each other’s views. This process enabled us to reconsider what we should primarily discuss at Board meetings and was very meaningful.

Sukeno: What is important in reviewing the skills matrix is identifying areas where each director has expertise in light of the roles of the Board of Directors. Inside directors are required to have full knowledge of the assets, including technologies and human resources, that have supported the growth of the Company and to make the optimum business decisions. The main role of outside directors is, I would say, monitoring the direction of execution to determine whether it deviates from common values and common sense. Under these assumptions, the skills matrix should show how the members of the Board of Directors can contribute to deepening discussions at Board meetings.

Discussion on Governance

Passing down corporate culture

— A new skill item, “Human resources strategies and corporate culture,” has been added. Why did you add it?

Kitamura: When we discussed the skills matrix, many Board members said that it is important for us to develop genes, or characteristics, that we have inherited, which made possible a significant change in the business structure as the photographic film market rapidly contracted. To achieve the sustainable growth of the Company, we need to maintain and develop our flexibility and resilience, which is part of our corporate culture. Corporate culture is a company's values and code of conduct. It is created by employees' awareness and actions. It is therefore closely related to human resources strategies. However good our management policies are, we cannot achieve our goals if we do not have a corporate culture in which employees, who implement the policies, have a good understanding of the Company's values and have pride in what they do.

Sukeno: In addition to the transformation of the business, I would like to give attention to predecessors' efforts to overcome difficult challenges and start domestic production and commercialization of photographic film. We will be marking our 90th year in business. We need to remember our predecessors' extraordinary efforts and the

assets they left behind, including the desire to take on challenges, speed and teamwork, and pass these down to younger employees. It is these foundations laid by our predecessors that have enabled us to transform our business in the 2000s. As times change, values in society change. It is important for the Board of Directors to monitor what should not be changed and what should change.

The basic principle of corporate management is helping employees perform to the best of their ability. Investment in human resources, including investment in employee education and health and productivity management, is indispensable for ensuring the continuity of companies. Developing future management personnel is a particularly important issue. That is a theme that we should discuss more deeply at Board meetings. The addition of human resources strategies and corporate culture as a new skill item reflects this thought. The skill item is embodied in our management policy emphasizing human capital.

— What are your views on changes in the external environment surrounding human resources?

Kitamura: The decline in the nation's workforce is an important change. The turnover rate is increasing, and the lifetime employment system, which was an assumption for career plans, is ceasing to function. In this environment, recruitment and human resources development are becoming increasingly important in human resources strategies. We need to have a process for attracting excellent human resources, while paying attention to evaluation and assignments, cultivating and evaluating them, and developing human resources who will become responsible for management. The key to this process is corporate culture. The turnover rate is low among employees who align with the Company's philosophy. They perform well even in adverse circumstances and continue to be motivated to come up with innovations.

When we discuss themes related to human resources strategies

Kenji Sukeno

Chairman and
Chairman of the
Board of Directors



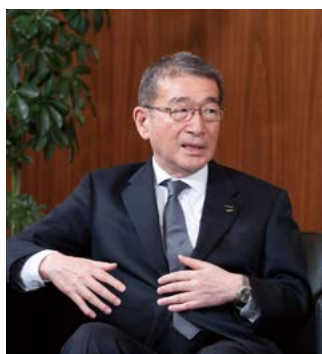
at Board meetings, I think about how executives, including top management, should communicate and explain the corporate culture to employees. Some voices of employees that we hear through the employee engagement survey and others incorporate the essence of the corporate culture, and outside directors pay attention to these voices. If there are any discrepancies between employees' voices and management's understanding, it is important to eliminate those discrepancies steadily.

Sukeno: I believe that the CEO's most important role is to make sure to explain the corporate culture to employees who join the Group through M&A. If the CEO shows the direction to the head of each business, and the head of each business educates the management of companies that join the Group, the Company's corporate culture and genes will be made known throughout the entire Group.

Improving the effectiveness of the Board of Directors

— In the evaluation of the effectiveness of the Board of Directors, a range of opinions were expressed about the members of the Board of Directors.

Sukeno: The key points of what we should do to raise the effectiveness of the Board of Directors are to share necessary and adequate information among the directors and have lively discussions. This is what the members of



Kunitaro Kitamura

Outside Director and the
Chairman of the Nomination
and Remuneration Advisory
Committee

Special Advisor, Sumitomo Mitsui
Trust Bank, Limited
Outside Director, ASAGAMI
CORPORATION
Outside Audit & Supervisory
Board Member, OHBA CO., LTD.

Discussion on Governance

the Board of Directors should do. I think that arguments about governance put a little too much emphasis on the social attributes of the directors, such as nationality and gender, and the level of independence. The genders and nationalities of directors and whether they are inside or outside directors do not matter. If the appointment of outside directors who have expertise in certain areas raises the effectiveness of the Company's Board of Directors, we should appoint them, even if outside directors account for a majority of the members as a result. It is important to think about appropriate members according to the Company's management policy instead of having superficial discussions.

Kitamura: I too have put emphasis on qualities rather than social attributes when I choose directors. I believe that we should further explain about our policy of choosing directors based on the qualities of the candidates, irrespective of whether the members of the Board of Directors meet the standards of the Corporate Governance Code. We have, of course, made steady progress in the development of non-Japanese employees. I have heard that some non-Japanese employees have come close to being promoted to management. I think Chairman Sukeno is considering the participation of non-Japanese employees in discussions at Board meetings this fiscal year. I hope that we will deepen discussions.

— Outside Officers are having more opportunities to exchange opinions with CEO Goto.

Kitamura: In addition to discussions at Board meetings, we are able to have casual discussions with CEO Goto. These discussions are very meaningful because we get to know what the CEO is paying particular attention to. Exchanging opinions freely on informal occasions will result in more lively discussions at Board meetings. We often notice something in casual conversations. I hope we will have more opportunities to speak with executives other than the CEO.

Accomplishing the management plan

— What roles will the Board of Directors play in developing the next medium-term management plan?

Sukeno: We have two points to keep in mind when we develop the next medium-term management plan. First, we need to determine what we have been able to do and what we have not been able to do in the current medium-term management plan. We also need to accurately identify risk factors that block us from achieving our targets. We might not be able to achieve results as planned in some businesses. In those cases, we need to thoroughly analyze the factors for changes in the assumptions that we made when we developed the plan and check whether solutions to the problems are included in the next medium-term management plan. I have requested the corporate executives to do these things.

The second point is return on investment. In the period of the current medium-term management plan, we have made decisions on active capital investment and M&A, particularly in growth areas, including the Healthcare and Advanced Materials segments. We will deepen discussions at Board meetings on whether the return on investment is in line with the initial plan, what the risks are and whether we will hedge the risks.

Kitamura: We have had meaningful discussions at Board of Directors meetings on evaluations in the capital markets, including our stock price. We will concentrate our management resources in growth areas while generating management resources by establishing a revenue base in other businesses. In this way, the Company will achieve growth in the medium to long term. Our story is clear. To communicate the story to the market in a way that is easy to understand, we should devise better ways of disclosing information. For example, we could present supporting data.

We have announced our policy of selling cross-shareholdings if there is no rationality in holding them. We have already made a noticeable reduction in our cross-shareholdings, and I expect us to earn high marks for that from investors.

CEO succession

— Please describe the concrete process of CEO succession in the Nomination and Remuneration Advisory Committee.

Kitamura: Since the Nomination and Remuneration Advisory Committee was established in 2018, we have been holding discussions every year about whether the CEO should stay in the position and about a list of successor candidates created in consideration of whether they have the qualities required of the CEO, listening to the opinions of the inside directors who are members of the committee. CEO Goto was appointed in 2021 based on ongoing discussions according to our succession plan. The list of successor candidates is updated each year. CEO Goto had been included in the list. We make sure to implement this procedure to facilitate succession. In this way, we ensure a process that those outside of the Company consider to be objective and transparent.

Sukeno: We revised the CEO succession plan after I became a member of the committee. Now we have two succession plans: a plan in case of a sudden replacement of the CEO due to a contingency and a plan for succession after the CEO has been in the position for a certain period. Under the latter plan, we discuss what kinds of experience we should give the candidates opportunities to gain and how we should broaden their expertise for their personal development. We have been updating the list of successor candidates. What are the important qualities that the CEO should possess? The CEO should have an overall picture of the Company, which has multiple businesses. As I said at the beginning, the CEO should also be able to pass down the corporate culture. The most important quality is that the CEO should have a deep understanding of the Company's corporate culture, enabling corporate executives to pass it down to the next generation.

Through these efforts, the Company will help employees perform to the best of their potential and continue to strive to create innovations and enhance corporate value over the medium to long term. As Chairman, I pledge to take the lead in discussions at Board meetings and pursue a higher level of governance.

Messages from Outside Directors



Makiko Eda

Chief Representative Officer of
World Economic Forum Japan
Outside Director of Tokyo
Electron Ltd.

I will actively contribute to management's discussions to help create a sustainable world.

I realize that the Company's business portfolio, which reflects its strategies, is growing strongly. Every time we make a decision about M&A activities or other issues, we discuss a range of matters. Because we internally share common long-term goals, the Company's direction does not change. In addition to the latest financial results, I am impressed by the Company's global contributions to the qualitative improvement of healthcare and society and the restoration of the environment through innovation and continued efforts to help create a sustainable world.

The Board of Directors holds open and lively discussions to enable the Company to contribute to the world through its business growth and continue to foster an organizational culture that enables the Company to invest in a range of activities and develop human resources. The COVID-19 pandemic has subsided, and there are now more opportunities to communicate with management. We are facing an unstable geopolitical situation, technology such as AI that develops at an exponential rate and environmental crises that could cause unrecoverable losses. The Company needs to make decisions to minimize risk and contribute to the creation of a more sustainable world and implement these decisions. As a director, I will continue to actively contribute to management discussions.



Tsuyoshi Nagano

Chairman (Director) of Tokio Marine
Holdings, Inc.
Outside Director of Central Japan Railway
Company

I will do my best to contribute to the establishment of sustainable management through discussions of medium- to long-term strategies, including human resources strategies.

In the past year, we faced many difficulties, including geopolitical division such as the Russia-Ukraine conflict and the confrontations between the United States and China, the disruption of supply chains and worldwide price increases. However, I strongly feel that the Company has been producing results steadily by implementing a correct growth cycle starting with highly motivated people who understand the Company's culture and the purposes of its businesses.

I think the main strength of the Company's culture is its desire to NEVER STOP working to solve social issues through business and to transform itself to that end.

In terms of health, which is one of the core businesses, for example, initiatives have been promoted leveraging the desire to improve the health of as many people as possible and enable them to have a sense of security, particularly in emerging and developing countries, such as India, through biopharmaceuticals and products and services in the Medical Systems business using medical AI technology. The Company is starting to implement mission-driven growth cycles where solutions to social issues are always being innovated and expanded for sustainable growth in all business areas, even areas outside health. These initiatives increase employee motivation and accelerate growth cycles. This is obviously reflected in the high engagement scores of the Group's employees.

I will continue to do what I can to contribute to establishing more sustainable management through frank exchanges of opinions with top management and discussions of medium- to long-term strategies, including human resources strategies, at Board meetings.



Ikuro Sugawara

Former Vice-Minister of Ministry of
Economy, Trade and Industry
Outside Director of TOYOTA MOTOR
CORPORATION
Outside Director of Hitachi, Ltd.

I argue with the corporate executives about many issues, including geopolitical issues and the advent of new technologies.

This is already my second year as an Outside Director of the Company. Looking back on the past year, I realize that the meetings of the Company's Board of Directors give outside directors exciting and challenging opportunities. We engaged in frank exchanges of views with the corporate executives about many different issues, including large investments, Group company governance, human resources strategies and technological development strategies.

To achieve sustainable growth, the Company needs to enhance the competitiveness it has been developing in its businesses, including Business Innovation and Imaging. In Healthcare and Materials, the Company needs to continue taking on bold challenges to reach the top of these industries. The increasing number of elements in the business environment, based on which we make important decisions, are becoming difficult to predict. This adds to the difficulties we face.

In addition to geopolitical issues and large natural disasters, I am particularly concerned about the rapid progress of technology beyond expectations. Up until the fall of last year, we were only talking about generative AI. Now, generative AI is considered to be a tool that could change society and business and could lead to fundamental changes in employment. The use of generative AI is increasing rapidly in certain business areas. I feel that we are entering into an age when we need to pay more attention than ever to the advent of new technologies that can be said to be game changers, beyond generative AI. They could significantly impact the Company's businesses.

Corporate Governance

The Fujifilm Group positions governance as one area of materiality and tirelessly endeavors to improve our governance structure on the basis of an open, fair and clear corporate culture.

Corporate governance structure and features

Institutional Design

- Adopted a system with an Audit & Supervisory Board
- Established the Nomination and Remuneration Advisory Committee as an arbitrary advisory body to the Board of Directors

Board of Directors

- Set the number of directors at 12 or less, of which at least one-third shall be independent outside directors (currently 10 directors, including four independent outside directors)
- Separated the roles of the Chairman of the Board of Directors and CEO and strengthened the supervision function
- Set the terms of office of directors at one year to further clarify the mission and responsibilities of directors

Audit & Supervisory Board

- Set the number of Audit & Supervisory Board members at five or less, of which at least half shall be independent outside Audit & Supervisory Board members (currently four Audit & Supervisory Board members, including two independent outside Audit & Supervisory Board members)
- Established an Audit & Supervisory Board Office (a staff department for Audit & Supervisory Board members) to enhance the audit functions of Audit & Supervisory Board members

Nomination and Remuneration Advisory Committee

- Set the composition of the committee to be three or more members appointed by resolution of the Board of Directors, with at least half being independent outside directors (currently comprising three members, including two independent outside directors, one of which is the chairman)
- The chairman shall be an independent outside director

Initiatives to strengthen governance

From FY2006

- 2006** ● Transition to a holding company structure
Appointment of an outside director
- 2007** ● Introduction of a stock option system
- 2009** ● Abolition of retirement benefit system for directors and Audit & Supervisory Board members
- 2014** ● Increased to 2 outside directors
- 2015** ● Establishment of the Corporate Governance Guidelines
Commencement of the evaluation of the effectiveness of the Board of Directors

From FY2015

- 2017** ● Increased to 3 outside directors, at least 1/3 of total directors
- 2018** ● Establishment of voluntary Nomination and Remuneration Advisory Committee
Increased to 4 outside directors
Appointment of a female director (outside)
- 2019** ● Commencement of the evaluation of the effectiveness of the Board of Directors using an external organization

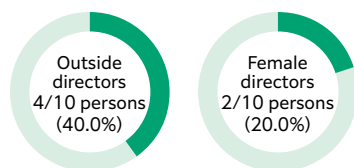
From FY2020

- 2020** ● Publication of the Skills Matrix
- 2021** ● Separation of CEO/Chairman of the Board of Directors roles
Introduction of share-based remuneration plan, including restricted stock compensation and medium-term performance-linked share-based remuneration (abolishment of the stock option system)
Commencement of the evaluation of the effectiveness of the Audit & Supervisory Board
- 2022** ● Increased the number of female directors (internal)
Addition of an ESG indicator as a KPI for medium-term performance-linked share-based remuneration
Commencement of the exchange of opinions between outside directors and Audit & Supervisory Board members
- 2023** ● Validation of the Skills Matrix

Roles and activities of major meetings and committees

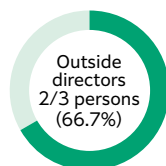
① Board of Directors

The Company has positioned the Board of Directors as the organization for determining basic Group management policies and strategies and other important matters relating to business execution as well as supervising the implementation of business affairs. The Board's regular meetings are held, in principle, once a month, with extraordinary Board meetings held on an as-required basis.



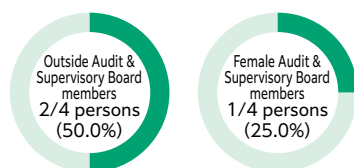
② Nomination and Remuneration Advisory Committee

As an advisory body to the Board of Directors, the Nomination and Remuneration Advisory Committee was voluntarily established for the purpose of ensuring objectivity and transparency regarding the CEO succession plan and the procedures for director remuneration plans and related matters. Please refer to p.90 for activity details.



③ Audit & Supervisory Board

We have chosen to become a company with an Audit & Supervisory Board system. Each Audit & Supervisory Board member audits the Directors' overall execution of their duties in accordance with auditing policies, auditing plans, etc., based on the auditing standards for Audit & Supervisory Board members established by the Audit & Supervisory Board. Please refer to p.94 for details.



④ Management Council

The Management Council deliberates on important matters and Group-wide topics based on the basic policies, plans and strategies decided by the Board of Directors. In addition, the Company has adopted the corporate vice president system to facilitate speedy business execution. Corporate Vice Presidents are responsible for business execution in accordance with the basic policy determined by the Board of Directors. The Company currently has 10 Corporate Vice Presidents, three of whom are concurrently serving as Board members. The Corporate Vice Presidents have a one-year term of office, the same as the Company's directors.

⑤ ESG Committee

The ESG Committee deliberates and decides on important ESG-related matters for the Fujifilm Group. The committee also conducts reviews and promotes basic policy development and appropriate measures from a Group-wide perspective with regard to important risks facing each Group company. The committee is chaired by the President and vice-chaired by the director responsible for the ESG Division.

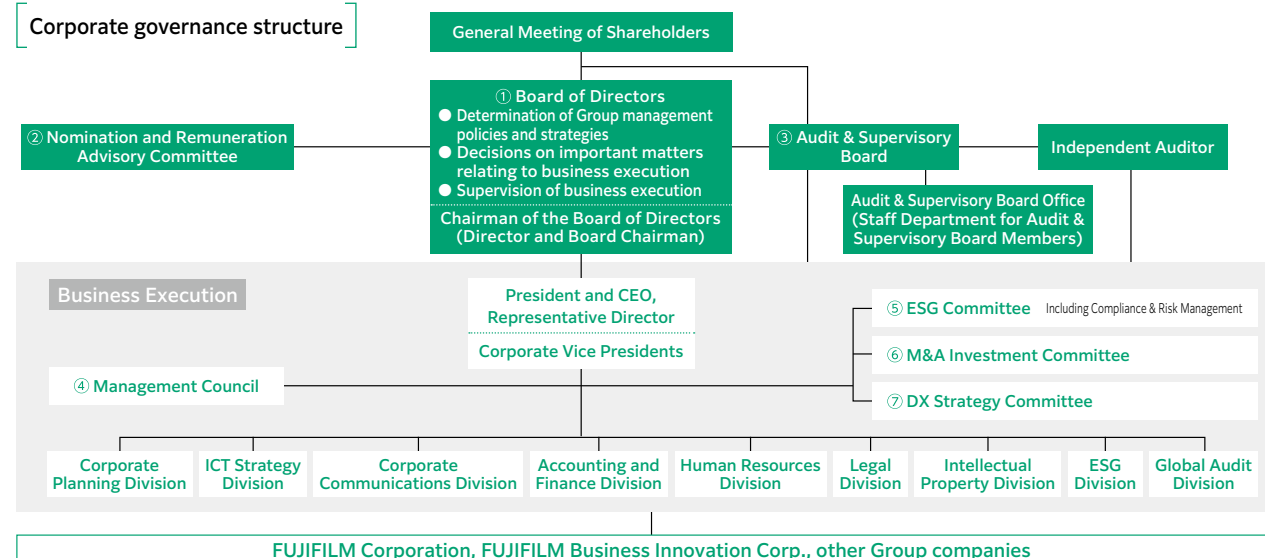
⑥ M&A Investment Committee

The M&A Investment Committee selects M&A projects that align with Group-wide management strategy and business strategy, and holds discussions to ensure M&As are conducted through the proper processes with appropriate schemes and at an appropriate price. The committee also checks on the progress of post-merger integration (PMI) after the M&A. The committee is chaired by the President and vice-chaired by the director responsible for the Corporate Planning Division.

⑦ DX Strategy Committee

The Company established the DX Strategy Committee as the highest decision-making body involved in promoting DX throughout the Fujifilm Group. The CEO serves as chairman and the CDO as vice-chairman.

Corporate governance structure



Board of Directors and Audit & Supervisory Board Skills Matrix

● Skills Matrix

Name and position		Gender	Meeting attendance in FY2022 ^{*1}		Years in office ^{*2}	Expertise and experience sought ^{*3}					
			Board of Directors' meetings			Global management	Knowledge and expertise in core businesses and related industries	Innovation/technology	Finance and accounting/capital policy	Legal affairs/risk management/governance	Sustainability
Kenji Sukeno	Chairman, Representative Director and Board Chairman	Male	13 of 14	10	●	●		●	●		●
Teiichi Goto	President, Representative Director and Chief Executive Officer	Male	14 of 14	5	●	●	●			●	●
Masayuki Higuchi	Director, Corporate Vice President and Chief Financial Officer	Male	14 of 14	2	●	●		●	●		
Naoki Hama	Director	Male	11 of 11	1	●	●	●			●	●
Chisato Yoshizawa	Director, Corporate Vice President	Female	11 of 11	1				●	●	●	●
Yoji Ito	Director	Male	— (New appointee)	—	●	●	●				
Kunitaro Kitamura	Director (Outside)	Male	14 of 14	6	●			●	●	●	●
Makiko Eda	Director (Outside)	Female	13 of 14	5	●	●			●	●	●
Tsuyoshi Nagano	Director (Outside)	Male	10 of 11	1	●			●	●	●	●
Ikuro Sugawara	Director (Outside)	Male	11 of 11	1	●				●	●	●
Nobuo Hanada	Full-time Audit & Supervisory Board Member	Male	14 of 14	3				●	●		
Motoko Kawasaki	Full-time Audit & Supervisory Board Member	Female	14 of 14	2					●	●	
Masataka Mitsuhashi	Audit & Supervisory Board Member (Outside)	Male	14 of 14	4	●			●		●	
Tatsuya Inagawa	Audit & Supervisory Board Member (Outside)	Male	14 of 14	3					●		

*1 For Mr. Naoki Hama, Ms. Chisato Yoshizawa, Mr. Tsuyoshi Nagano and Mr. Ikuro Sugawara, attendance is for Board of Directors meetings held after June 29, 2022, when they assumed office as Directors of the Company.

*2 As of elections at the 127th Ordinary General Meeting of Shareholders held June 29, 2023

*3 A maximum of five sought-after items are indicated for each individual. The table is not indicative of all the expertise and experience possessed by each individual.

● Reasons for selection of skills

Skill	Reason for selection
Global management	We aspire to accelerate business growth while resolving environmental and social issues globally in looking to attain the Company's future vision of realizing a sustainable society. To such ends, we seek experience in global corporate management and overseas business management, as well as knowledge and expertise related to the global business environment.
Knowledge and expertise in core businesses and related industries	We aspire to accelerate growth in the healthcare and advanced materials domains, which serve as growth drivers of the Company. We furthermore aspire to achieve sustainable growth and to build a more resilient business platform. To such ends, we seek experience in leading operations in business segments being pursued by the Company (Healthcare, Materials, Business Innovation and Imaging) and furthermore seek knowledge and expertise related to such businesses and related industries.
Innovation/technology	In achieving sustainable innovation, it is important that we provide the world with innovative products and solutions that contribute to resolving environmental and social issues enlisting the tangible and intangible technological assets we have created by using our base technologies cultivated through the development of new business models and photographic film, combined with our core technologies and production technologies for building sustainable competitive advantage. To such ends, we seek experience in transforming business models as well as knowledge and expertise in technology.
Finance and accounting/capital policy	We aspire to build a robust business portfolio to increase our corporate value over the medium to long term. To such ends, we seek experience in M&As; cash (flow/allocation) management achieved through operational streamlining; fundraising; dialogue with capital markets; and knowledge and expertise related to finance, accounting and capital policy.

Skill	Reason for selection
Legal affairs/risk management/governance	We aspire to create a framework for sustainable growth and medium- to long-term improvement in corporate value under an open, fair and clear corporate culture. To such ends, we seek experience in business risk management as well as knowledge and expertise related to governance, which we position as the foundation of our business activities particularly in terms of long-term CSR plans and medium-term management plans.
Sustainability	We aspire to achieve objectives particularly with respect to long-term CSR and medium-term management plans. We also aspire to assess whether our trajectory and outcomes align with social trends and the medium- to long-term value sought by society in order to improve our corporate value. To such ends, we seek experience in striking a balance between economic value and social/environmental value, as well as knowledge and expertise related to sustainability.
Human resources strategy and corporate culture	When it comes to human resources, which serve as our source of innovation, we aspire to build a robust business portfolio by speedily implementing a human resources strategy centered on securing and training human resources in new fields, utilizing diverse employees, supporting their growth and improving engagement. In addition, it is important that we perpetuate and develop the corporate culture, which has given rise to innovation in order to sustain the growth of the Company. To such ends, we seek experience in making decisions related to human resources from a management perspective as well as knowledge and expertise in human capital management.

● Skills Matrix creation philosophy and process

Approach to skills matrix preparation

- The Company aims to achieve sustainable growth and increase the corporate value of the Fujifilm Group while contributing to the sustainable development of society by conducting sincere and fair business activities, underpinned by its Corporate Philosophy*¹ and Vision*².
- We position corporate governance as an important management priority to achieve this aim. In taking on such challenges, we must ensure the effectiveness of our Board of Directors, to which end we believe it is necessary to articulate the skills we seek from individual Directors by periodically assessing the functions of the Board of Directors and the skills matrix.
- As a company with an Audit & Supervisory Board, the Company enlists its Board of Directors in making decisions on basic policies of management, strategies and key matters pertaining to business execution, and supervising business execution. We deem that the Board of Directors must assume a dual role in this regard. First, the Board of Directors must assume the role of making decisions enlisting its familiarity with technology, human resources and other assets along with its substantial knowledge regarding the respective businesses, which has facilitated the Company's business growth thus far. Second, the Board of Directors must assume the role of ensuring that the trajectory of business execution aligns with the medium- to long-term value sought by society in striking a balance between economic value and social value toward achieving a sustainable society.
- With the Board of Directors effectively assuming its dual role, we have selected categories of skills necessary for enabling the Company to achieve sustainable growth and increase corporate value over the medium to long term, in part by achieving objectives of long-term CSR plans and medium- to long-term management plans. Specifically, we are prioritizing businesses, functions and regions in terms of our internal environment from among the themes that should be addressed by the Board of Directors. When it comes to functions in particular, we identify key functions for supporting the primary functions of the manufacturing industry. In addition, we have selected categories of skills taking into account perspectives that the Company prioritizes as well as the interests of external stakeholders in order to prompt more extensive discussions among the Board of Directors while also considering the external environment. The reasons for the selection of each skill category are provided in the table on p.89.

· The skills matrix applied to Audit & Supervisory Board Members is the same as that used for Directors in order to confirm their skills in the categories of "finance and accounting/capital policy" and "legal affairs/risk management/governance," which are particularly important in terms of auditing the execution of duties assumed by the Board of Directors.

Process of skills matrix preparation

- With respect to overhauling the skill items, the Board of Directors passes resolutions in that regard upon having held discussions with outside directors and outside Audit & Supervisory Board members regarding the skills sought with respect to Directors of the Company, taking into account the roles and responsibilities of the Company's Board of Directors on the matter. In addition, when preparing the skills matrix, we identify skills that are particularly desirable with respect to candidates for Director and Audit & Supervisory Board Member*³ based on their backgrounds and other such factors. The Board of Directors then pass resolutions in that regard.

*1 Corporate Philosophy: We will use leading-edge, proprietary technologies to provide top-quality products and services that contribute to the advancement of culture, science, technology and industry, as well as improved health and environmental protection in society. Our overarching aim is to help enhance the quality of life of people worldwide.

*2 Vision: Anchored by an open, fair and clear corporate culture and with leading-edge, proprietary technologies, Fujifilm is determined to remain a leading company by boldly taking up the challenge of developing new products and creating new value.

*3 This includes Audit & Supervisory Board Members not subject to reelection.

CEO Succession Plan

The Company selects candidates for director, Audit & Supervisory Board member, CEO and Corporate Vice President at the Board of Directors in consideration of the criteria stipulated in the Company's Corporate Governance Guidelines.

In regard to selecting CEO candidates, we comprehensively consider the qualifications deliberated at the Nomination and Remuneration Advisory Committee, an advisory body for the Board of Directors. Since establishing the Nomination and Remuneration Advisory Committee in 2018, each year the Committee has deliberated on whether to maintain the current CEO, as well as updated the list of candidates for succession, which was created taking into consideration the qualities required for the CEO.

When Mr. Shigetaka Komori, the previous CEO, resigned in June 2021 and Mr. Teiichi Goto, the current CEO, was appointed as his

successor, procedures were taken in line with the above process. At the meeting held in February 2021, the Committee deliberated on the nomination of Mr. Teiichi Goto as President and CEO, Representative Director. He had been continuously on the list of candidates to succeed Mr. Shigetaka Komori, who had requested to resign from his position as President and CEO, Representative Director. The Committee then submitted a report regarding these deliberations to the Board of Directors meeting held in March 2021.

Note that the current succession plan assumes two patterns. One is when the CEO must step down suddenly due to unforeseen circumstances, and the other is when the CEO is succeeded after serving for a certain period of time.

Activities of the Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors, convenes at least once a year, in principle, to deliberate on the CEO succession plan and the basic policies and procedures for director remuneration. The committee reports on its deliberations to the Board of Directors (BoD). The committee consists of three or more members appointed by resolution of the BoD, and the chairman is selected from the independent outside directors in order to strengthen objectivity and transparency.

The committee currently has three members as follows:

Chairman	Kunitaro Kitamura (Outside Director)
Committee member	Tsuyoshi Nagano (Outside Director), Kenji Sukeno (Director)

Note: As of June 29, 2022, Mr. Kunitaro Kitamura assumed the post of chairman and Mr. Tsuyoshi Nagano assumed the post of committee member.

In fiscal 2022, the Committee met three times, in May and December 2022 and March 2023, to deliberate on the following matters related to nomination and remuneration. All committee members attended each session.

Details of deliberation and reporting

- Deliberations on maintaining the CEO
- Deliberations on the CEO succession plan
- Report on evaluation results for executive bonuses in fiscal 2021
- Report on the allocation of share-based remuneration under the share-based remuneration plan
- Deliberation on executive remuneration (evaluation method and amount) in fiscal 2022

Remuneration to directors and Audit & Supervisory Board members

● Director remuneration

① Fixed remuneration

Fixed remuneration is determined according to position and responsibilities and is paid on a regular basis.

② Short-term performance-linked remuneration

Short-term performance-linked remuneration is paid for a specific period each year as the employee portion of bonuses for directors who concurrently serve as Corporate Vice Presidents. Short-term performance-linked remuneration is paid in an amount calculated based on performance-linked indicators. Here, consolidated revenue and consolidated operating income, which are the numerical targets for the Company's short-term business management, are used as single-year performance-linked indicators, where the amount paid varies based on the achievement level of these indicators and in comparison with the previous fiscal year's performance within the range of 0% to 150% of a reference value.

These indicators were chosen under the assumption that they will serve as an incentive for achieving the short-term performance targets and that they will help improve medium-to long-term corporate value.

The target values and actual values for these indicators in fiscal 2022 are as follows.

	Evaluation index	Target value for fiscal 2022	Results for fiscal 2022
Financial indicator	Consolidated revenue	¥2,650.0 billion	¥2,859.0 billion
	Consolidated operating income	¥245.0 billion	¥273.1 billion

③ Medium-term performance-linked share-based remuneration (performance share unit)

Medium-term performance-linked share-based remuneration is paid to directors, other than outside directors (hereinafter, "Eligible Directors"), with adjustments made in a range of 0% to 150% relative to the base paid shares according to the level of achievement of indicators in the Company's medium-term management plan, such as consolidated revenue, consolidated operating income, ROIC and ESG indicators. A number of shares equivalent to 50% of the adjusted number of shares is paid as medium-term performance-linked share-based remuneration. In addition, cash equivalent to the share price times 50% of the adjusted number of shares is also paid. The number of base paid shares by position, as determined by the Board of Directors, is listed in the regulations for medium-term performance-linked share-based remuneration. This form of remuneration shall be granted after performance is finalized.

These indicators were selected under the assumption that they will help better encourage Eligible Directors to contribute to share price growth, improved corporate value and enhanced performance over the medium term. These indicators cover the period from fiscal 2021 to fiscal 2023 of the Medium-Term Management Plan "VISION2023." The target values for fiscal 2023, the final year of the plan, are as follows.

	Evaluation index	VISION2023 target values (fiscal 2023)
Financial indicator	Consolidated revenue	¥2,700.0 billion
	Consolidated operating income	¥260.0 billion
	ROIC	8.4%
ESG indicators	Reduction rate for CO ₂ emissions stemming from energy consumed by the Company (Scope 1 + 2)*	11% reduction (compared with fiscal 2019)

④ Restricted Share-Based Remuneration Plan

The Company will issue or dispose of restricted shares by granting monetary remuneration receivables to the Eligible Directors for the purpose of allotting restricted shares, in principle, every fiscal year, and have the Eligible Directors hold these shares by having them contribute all of these monetary remuneration receivables in kind. The aforementioned monetary remuneration receivables shall be paid on the condition that the Eligible Directors agree to said contribution in kind and that the Company and the Eligible Directors have concluded an allotment agreement for the transfer of restricted shares.

In this plan, to enhance the motivation of Eligible Directors toward sustainable growth in corporate value over the medium to long term and to further encourage management from the shareholders' perspective, the Company imposes share transfer restrictions from the day the allotment was received until the day on which the Eligible Director loses the position of director, Audit & Supervisory Board member, corporate vice president, fellow, etc., or employee of the Company or its consolidated subsidiary.

● Audit & Supervisory Board member remuneration

The remuneration for Audit & Supervisory Board members consists of only fixed remuneration in consideration of their role and independence, and the amount of remuneration paid to each Audit & Supervisory Board member is determined based on deliberations among Audit & Supervisory Board members.

Please refer to the Securities Report for the remuneration of individual Directors, the total amount of remuneration for each category of Directors, the total amount for each type of remuneration and the number of eligible Directors.

▶ <https://data.swcms.net/file/ir-fujifilm/dam/jcr:cd594df2-f7e4-4467-8c68-f60c3c43b8fa/S100R9YB.pdf> (Japanese only)

* Added to evaluation indices on April 1, 2022. Reduce CO₂ emissions to virtually zero (carbon zero) by fiscal 2040.

Composition of director remuneration (Excluding outside directors)

① approx. 55%	Performance-linked remuneration		④ approx. 30%
	② approx. 10%	③ approx. 5%	

The above shall be guidelines, with exact percentages determined according to the position of each director and other elements. Remuneration for outside directors consists of fixed remuneration only from the perspective of their role and independence.

Activities of the Board of Directors

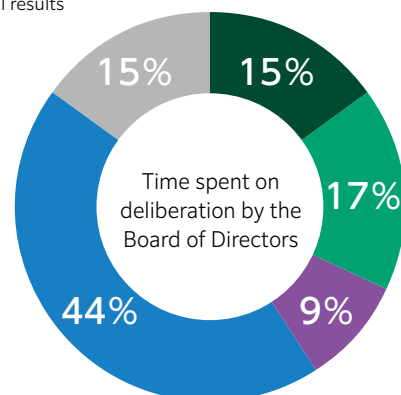
● Operation status and results of the Board of Directors

The Board of Directors makes decisions on basic management policies, strategies and important matters related to the execution of business, and supervises the execution of business. In addition, the Board of Directors formulates basic policies on sustainability initiatives.

In fiscal 2022, the Board of Directors and the Audit & Supervisory Board held multiple discussions and exchanges of opinions on items related to decision-making on business execution, such as M&As and large-scale capital expenditures projects in Healthcare and Advanced Materials, which are priority areas of the Medium-Term Management Plan "VISION2023," as well as on medium- to long-term issues such as decarbonization, DX-based strategies and economic security.

Distribution of agenda items by theme (January to December 2022)

- Medium- to long-term strategies (Company-wide policies)
- Governance and sustainability
- Internal control and risk management
- Decisions on important business operations
- Financial results



● Provision of information to outside directors and outside Audit & Supervisory Board members

The Company distributes materials and provides information in advance to outside directors and outside Audit & Supervisory Board members regarding proposals to be submitted to the Board of Directors and provides explanations in advance. Furthermore, in addition to programs that contribute to understanding of the Group, such as business briefings and tours of showrooms, factories, research laboratories, subsidiaries, etc., where technologies are introduced, we hold briefings on initiatives related to human resources development, IT strategies and ESG promotion, which are important for the Company's sustainable growth. In fiscal 2022, we held briefings on our businesses in the growth areas of Healthcare and Advanced Materials. In addition, outside officers visit several business sites, including our endoscopy factory and the Design Center, to gain a deeper understanding of the Company's management and business operations through exposure to on-site information.



Visit to Sano Factory, FUJIFILM Healthcare Manufacturing Corporation



Visit to Omiya Office, FUJIFILM Corporation

Evaluating the effectiveness of the Board of Directors

The roles and responsibilities of the Fujifilm Group's Board of Directors are to make decisions on basic management policies, strategies and key matters pertaining to business execution, as well as to ensure the effectiveness of the supervision of business execution. Each year, therefore, we conduct evaluations and hear opinions from each director and Audit & Supervisory Board member. The Board of Directors then deliberates on the analyses, evaluations and improvement measures and disclosures a summary of those deliberations.

● Evaluation Process

- For the purpose of securing the transparency and objectivity of the evaluation, we engaged a third-party organization to establish evaluation items and create questionnaire items. Based on changes in the management structure in June 2021 and subsequent initiatives to improve the BoD, the evaluation criteria and questionnaire items were given a comprehensive reexamination. In this process, the third-party organization reviewed documents such as the Board Meeting minutes, the rules related to the BoD and related items.
- The third-party organization conducted analysis of the questionnaire responses from each Director and Audit & Supervisory Board Member. Based on the analysis, the BoD Office conducted individual interviews with the Directors and Audit & Supervisory Board Members.
- The effectiveness of the BoD was evaluated based on analysis of the document reviews, questionnaire responses and interview results. Furthermore, the status of initiatives to address issues identified in the previous evaluation was clarified and future issues were identified.

Evaluation Overview

Subject of Evaluation	Board Meetings of our company held in CY2022 (all 15 that were held)
Evaluators	Our company's Directors and Audit & Supervisory Board Members (15 persons in total)
Evaluation Items	Roles that the BoD should fulfill, composition of the BoD, quality of discussions, deliberations by the Nomination and Remuneration Advisory Committee, support system for Outside Officers, constructive dialogue with stakeholders, etc.

● Evaluation results and policies for 2023

		2022		2023	
		Challenges	Initiatives	Evaluation results	Action policy
Evaluation points	Roles to be performed by the Board of Directors	Increase opportunities to exchange opinions and discuss medium- to long-term issues such as sustainability, measures to improve value in society, DX strategies and human resources strategies.	Agenda items such as decarbonization, DX strategy and economic security were presented to the Board of Directors for discussion and exchange of views.	The number of agenda items on medium- to long-term issues has increased, and discussions have been active. There are ongoing efforts to improve agenda setting.	<ul style="list-style-type: none"> ● We will further enhance the agenda (medium- to long-term strategies, governance and sustainability-related) in line with one of the Board of Directors' roles, which is to "ensure that we are in line with the medium- to long-term values demanded by society." ● We will make greater use of the knowledge and expertise of outside officers when discussing medium- to long-term themes and strategies.
	Composition of the Board of Directors			The composition is appropriate in terms of the number of members, the ratio of inside/ outside directors and the combination of knowledge, experience and expertise.	To improve the quality of discussions in the Board of Directors, the participation of foreign executives in strategically important projects will be diversified.
	Quality of the discussion	<ul style="list-style-type: none"> ● To further improve Board of Directors deliberations, we will further enhance the provision of information on the background projects of proposals and the process of internal discussions. 	<ul style="list-style-type: none"> ● When explaining proposals to outside officers in advance, explain in detail the aim of the business/project and the related background. ● In relation to investment projects, explain the risks and details of each project. ● For proposals that have undergone deliberations in the Management Council, M&A Investment Committee, or by the boards of directors of business operating subsidiaries, a summary of the deliberations will be reported to the Board of Directors of the Company. 	<ul style="list-style-type: none"> ● The Board of Directors is engaged in in-depth discussions through the management by the Chairman and the active statements by outside officers. ● The Company has established an environment in which outside officers understand the Company's business, culture, etc., and fulfill their expected roles by providing opportunities for explanation of proposals, briefing sessions, inspection of business sites and exchange of opinions with corporate executives. 	<ul style="list-style-type: none"> ● The Company regularly provides opportunities for outside officers to exchange opinions with the Chairman of the Board of Directors and CEO on the following themes. ● The Chairman's view on the positioning of the Board of Directors, future direction and expectations for outside officers. ● The CEO's medium- to long-term strategies and recognition of issues.
		<ul style="list-style-type: none"> ● For the Board of Directors to fulfill their expected roles and functions, the Company will provide opportunities for the Board of Directors and Audit & Supervisory Board members to acquire the necessary knowledge and disseminate their insights. ● Through the effective use of the online conference system, the Company will further improve and enhance the efficiency of Board of Directors operations by holding Board of Directors meetings flexibly and holding briefing sessions, as well as by providing effective explanations of proposals. 	<ul style="list-style-type: none"> ● Further enhance explanations at the time of newly appointing officers, conduct tours of the Company's Open Innovation Hub and offer business briefings and SR briefing sessions. ● Resume inspection of business sites* by outside officers, which had been suspended due to COVID-19. Help outside officers deepen their understanding of the Company's business, including by continuing to hold business briefings. ● Utilize online meetings in order to flexibly provide briefing sessions in advance to temporary Board of Directors and outside officers. 		
	Constructive dialogue with stakeholders			The system of sharing with directors the evaluations and expectations of shareholders and investors for the Company through analyst reports, etc., is in place.	<ul style="list-style-type: none"> ● Report the opinions and requests of investors in IR reports and briefings, evaluations by the stock market, etc., to the Board of Directors as appropriate. ● Select appropriate themes and create opportunities for outside directors to participate in dialogue with shareholders and investors.

Note: Sites inspected in 2022: FUJIFILM Corporation Omiya Office (Imaging Solutions business), FUJIFILM Corporation Design Center CLAY Studio, FUJIFILM Business Innovation Corp. Center Office in Toyosu, and FUJIFILM Healthcare Manufacturing Corporation Sano Factory (Endoscopy business)

Activities of the Audit & Supervisory Board Members and Audit & Supervisory Board

● Audit & Supervisory Board Members, Audit & Supervisory Board

The Company has adopted an Audit & Supervisory Board system. As an independent organization with wide-ranging investigative authority, Audit & Supervisory Board members audit the overall execution of duties by directors, including the development and operation of the internal control system. Currently, the Audit & Supervisory Board consists of four Audit & Supervisory Board members, two of whom are outside members. A full-time Audit & Supervisory Board member, Mr. Nobuo Hanada, serves as the chairman. In principle, Audit & Supervisory Board meetings are held once a month to share the details of audits. In addition, the Audit & Supervisory Board Office (Staff Department for Audit & Supervisory Board members) has been established under the direct jurisdiction of the Audit & Supervisory Board to enhance the auditing function of Audit & Supervisory Board members.

● Activities of Audit & Supervisory Board members

Activities of members ▶ Each Audit & Supervisory Board member audits the overall execution of duties by Directors in accordance with auditing policies, auditing plans and other measures in line with the auditing standards for Audit & Supervisory Board members established by the Audit & Supervisory Board, based on the recognition that it is an independent organization that plays a role in corporate governance. All Audit & Supervisory Board members attend Board of Directors' meetings, and full-time members regularly attend Management Council meetings. In addition, full-time Audit & Supervisory Board members regularly exchange opinions with representative directors and conduct meetings with directors, corporate executives, department heads and other key personnel. They also inspect important approval documents and conduct audits of Group company offices in Japan and overseas. In this way, they conduct audits of all aspects of business execution. The results of these audits are shared with outside Audit & Supervisory Board members. In fiscal 2022, in addition to web-based remote audits, full-time Audit & Supervisory Board members resumed Group company audits of subsidiaries in America, Europe and Asia.

Cooperation between the internal audit division and the independent auditor ▶ Full-time Audit & Supervisory Board members hold regular monthly meetings with the Global Audit Division, our internal audit division, to confirm internal auditing plans, the status of implementation and other matters. Regular monthly meetings are held with the ESG Division CP & RM Group, our compliance and risk management division, to confirm the occurrence and status of responses to risk cases, whistleblowing cases and other matters in the Group. In addition, the Audit & Supervisory Board members exchange opinions with KPMG AZSA LLC, an independent auditor, including on topics related to accounting audits at regular monthly meetings and cooperate with each other. The auditing plans and implementation reports of the internal audit division and independent auditor are also reported to outside Audit & Supervisory Board members at Audit & Supervisory Board meetings and opinions are exchanged.

Cooperation with Group companies' Audit & Supervisory Board members ▶ To strengthen cooperation between the domestic Group companies' Audit & Supervisory Board members, the Company holds the Domestic and Group Companies Audit & Supervisory Board Members Liaison Meeting twice a year. The Company's full-time Audit & Supervisory Board members regularly receive reports on the implementation of audits from each Group company's Audit & Supervisory Board members, and individual interviews are conducted as appropriate.

● Activities in the Audit & Supervisory Board

A total of 17 Audit & Supervisory Board meetings were held in fiscal 2022.

Attendance at Audit & Supervisory Board meetings in fiscal 2022		
Nobuo Hanada	Full-time Audit & Supervisory Board Member	17 of 17 (100%)
Motoko Kawasaki	Full-time Audit & Supervisory Board Member	17 of 17 (100%)
Masataka Mitsuhashi	Outside Audit & Supervisory Board Member	17 of 17 (100%)
Tatsuya Inagawa	Outside Audit & Supervisory Board Member	17 of 17 (100%)

Contents of reviews and reports

- The following resolutions and consultations stipulated by laws and regulations, the Company's Articles of Incorporation and the Regulations of the Audit & Supervisory Board
The Audit & Supervisory Board's audit policy, audit plan and division of duties
Preparation of audit reports
Evaluation of, appointment/dismissal of and agreement on remuneration for the independent auditor, etc.
- Reports on the implementation of audits (e.g., at Group companies), reports on the results of inspection of important requests for approval by full-time Audit and Supervisory Board members
- Reports on audits by Audit & Supervisory Board members of major subsidiaries
- Reports on Independent Auditors' audit plan, quarterly review and results of audits, and discussion on the "Key Audit Matters (KAM)"
- Reports on the audit activity plan and audit implementation by the internal audit department
- Exchange opinions with the Company's Representative Directors on medium-term management plan issues and risks, strengthening of governance and other matters
- Reports and exchanges of opinions from relevant corporate executives and the presidents of major subsidiaries according to audit themes
- Discussions on important management issues and risks of the entire Group based on audits by Audit & Supervisory Board members

● Evaluation of the effectiveness of the Audit & Supervisory Board

To further improve its roles and functions as an independent organization that plays a role in corporate governance, the Company evaluated the effectiveness of the Company's Audit & Supervisory Board in fiscal 2022 based on the answers to open-ended questions in a questionnaire by each Audit & Supervisory Board member. As a result of discussions among all Audit & Supervisory Board members, it was evaluated that the Company's Audit & Supervisory Board is effective. The evaluation results are also reported to the Board of Directors.

Summary of effectiveness evaluation results

Measures to Improve Effectiveness in Fiscal 2022

- Review of the content of Audit & Supervisory Board reviews and discussions (review of audit results reports of individual companies; meetings with representative directors, directors and corporate executives in line with audit priorities)
- Expansion of reporting to the Board of Directors
- Establishment of opportunities to exchange opinions with outside directors
- Examination of the specific flow of responses by Audit & Supervisory Board members in the event of an emergency
- Improvement and clarification of processes for appointment and dismissal of Audit & Supervisory Board members

Issues Identified in the Fiscal 2022 Effectiveness Evaluation

- Further strengthen cooperation with outside officers by exchanging opinions on management risks
- Strengthen the ability to make recommendations to management by encouraging active discussions among the Audit & Supervisory Board members on important issues and risks to the entire Group

The issues identified in fiscal 2022 will be reflected in the fiscal 2023 audit plan to further improve effectiveness.

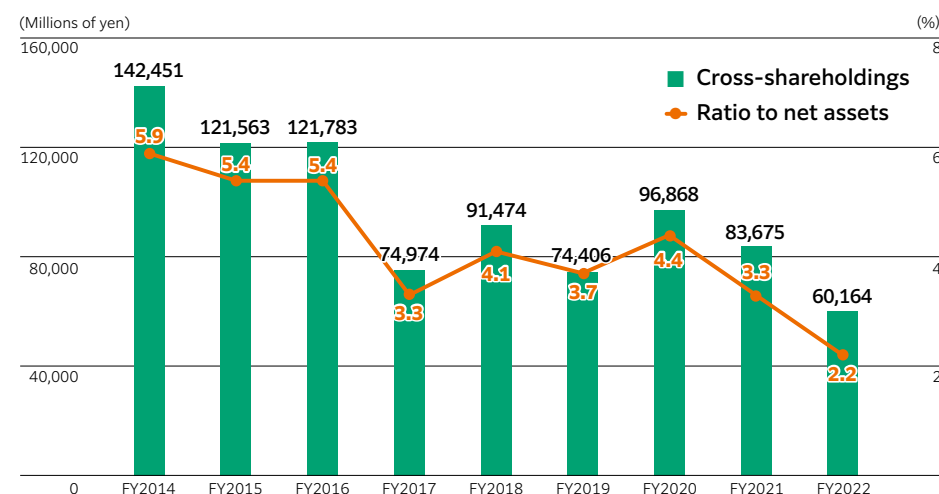
Approach to cross-shareholdings

The Fujifilm Group can hold cross-shareholdings after verifying their economic rationality and only when there is a recognized need for business purposes, such as to maintain or expand transactions, or a recognized contribution to the medium- to long-term development of the Company. Each year, the Company verifies whether cross-shareholdings have a valid purpose from a medium- to long-term perspective, and whether the benefits and risks associated with these holdings are commensurate with the cost of capital and other factors. The results of these verifications are presented to the Board of Directors. As a result of verification, we will sell any shares for which holdings are deemed unreasonable. We also reported the results of these verifications for fiscal 2022 at the Board of Directors meeting held in May 2023 in line with this policy.

[Specific voting rights execution criteria]

As for voting rights related to cross-shareholdings, we will, in principle, exercise these rights in all agenda items in the appropriate use of our shareholder authority. When exercising voting rights, we judge the pros and cons following an individual investigation into whether doing so is in agreement with the purpose of the cross-shareholding, and whether doing so will help maintain or increase the corporate value of the cross-held company and its stock value.

● Cross-shareholdings*: Balance and ratio to net assets



* Total cross-shareholdings of the Company and FUJIFILM Corporation

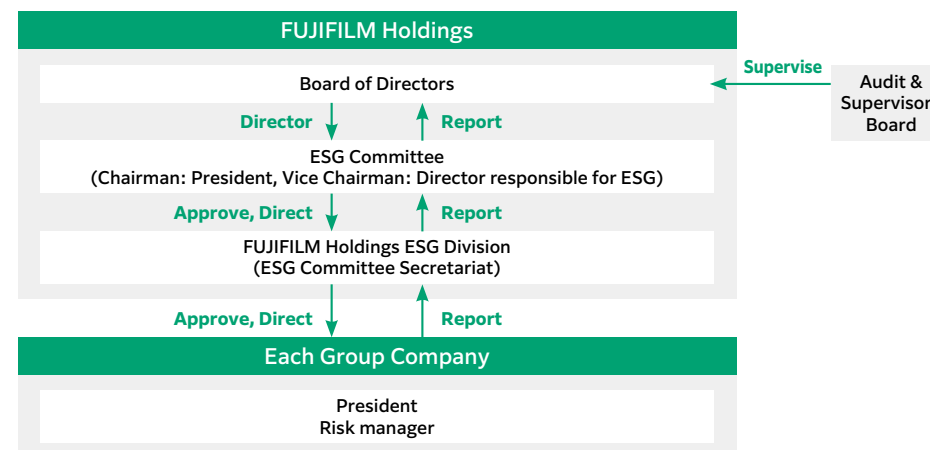
Basic approach to compliance and risk management

The Fujifilm Group defines compliance as “not only the act of not violating the law but also of acting in accordance with common sense and ethics.” Because a lack of compliance awareness among employees can lead to risks for the Company, we consider compliance and risk to be two sides of the same coin and promote compliance and risk management.

Compliance and risk management promotion system

The Company has established the ESG Committee, which is chaired by the President of FUJIFILM Holdings and vice-chaired by the executive officer in charge of ESG-related matters. The Committee deliberates and makes decisions on important matters related to risk management. ESG Committee activities are regularly reported to the Board of Directors, and the Board of Directors ensures the effectiveness of Group-wide risk management activities. Audits are also conducted by the Audit & Supervisory Board to ensure that internal controls are functioning properly. Each Fujifilm Group operating company appoints officers in charge of compliance and risk management and implements a variety of measures to instill the spirit of an “open, fair and clear” corporate culture throughout the Group.

● The Fujifilm Group Compliance and Risk Management System



Risk management

Based on the Risk Management Regulations stipulated by the Group-wide basic policy on risk management and risk management structure, the Fujifilm Group identifies issues for preventing the various risks that encompass the Group's business and implements an appropriate response in the event of a crisis.

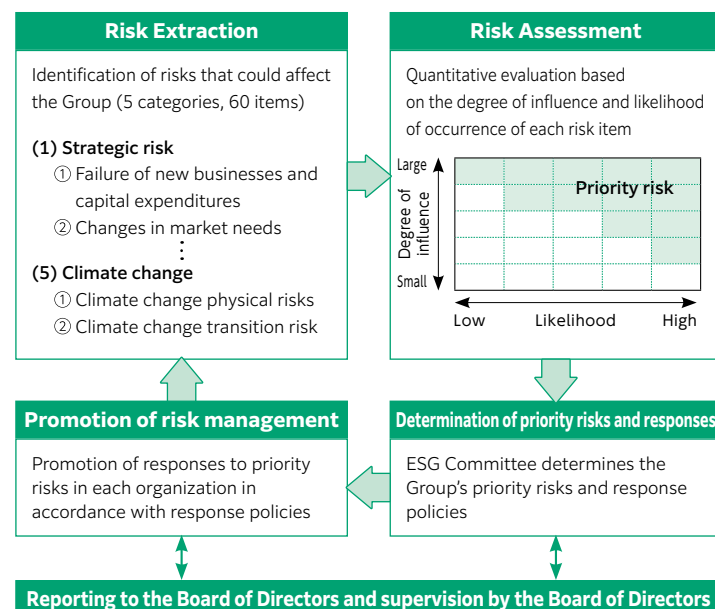
● Priority risks determination process

The Fujifilm Group has identified 60 risk items that could have a significant impact on its business operations. These risk items are classified into five categories: strategic risk, financial and tax risk, operational risk, natural disasters and infectious diseases, and climate change.

All risk items are quantitatively evaluated by multiplying the degree of influence by the likelihood of occurrence, and the "priority risks" and the measures to be taken against these risks are decided by the ESG Committee.

The priority risks determined by the ESG Committee and the status of responses to these risks are reported to the Board of Directors semiannually.

Company-wide priority risk issues surrounding our businesses are set after ESG Committee deliberation and approval annually. When these issues are reviewed, they are also checked from the perspective of human rights and economic security.



● Priority risk issues for fiscal 2023

Please refer to the 127th Annual Securities Report for details on the risk issues besides those listed below. [Business risks, etc.] (Japanese only).

Risk items	Reason for selection
Information security (cyberattacks, leakage of confidential information, leakage of personal information)	Completed the introduction of sensors to monitor the behavior of PCs and servers and the construction of a global security monitoring center, and in the process of strengthening resistance to cyberattacks.
Rising prices and shortages of raw materials and supplies	Promote the procurement of raw materials and supplies for our Growth Driver business and products from multiple regions.
Geopolitical risk	The Group's production, development, sales bases and suppliers are located throughout the world. Gather up-to-date information, and in the risk management system, decide on the safety of employees, the protection of assets and the direction of economic activities, and promptly communicate them to minimize damage.
Large-scale natural disasters	Risk assessment, monitoring and BCP formulation for each business site and supply chain.
Climate change risk	Promote low-carbon investment by reducing CO ₂ emissions in product life cycles, promoting production activities with low environmental impact and implementing internal carbon pricing system.
Strengthening of chemical substance regulations	Increased regulation might result in the unavailability of existing raw materials. Consider the PFAS regulation as a priority issue, and minimize the impact by developing and substituting alternative materials.
Corruption and bribery	Legal regulations and permits for healthcare projects are strict, and there is a high risk of corruption. Strengthen measures centered on employee education and monitoring of intermediaries using external vendors.
Pandemic of infectious diseases	To avoid the business impact of the spread of infectious diseases, formulate a BCP for each organization and take thorough measures to prevent internal infections.
Fires and accidents	Utilize knowledge and technology related to the handling of chemical substances and equipment safety, and consider and implement fire and explosion prevention measures.
Product liability and product defects	In the healthcare business, there is a risk that defects in product quality could lead to health problems for customers. Prevent accidents in product design and quality assurance.
Misconduct by officers and employees	Control fraud by appropriately developing and operating internal controls. Early detection and deterrence will be realized through monitoring activities.

Tax compliance

In accordance with the Fujifilm Group Tax Policy, the Fujifilm Group makes payment of all required taxes by all specified dates in all countries in which it operates and strives to maintain and improve governance on tax affairs. The Group does not have any serious issue concerning tax-related risks at this time. Please refer to p.30 of our Sustainability Report 2023 for details on the Fujifilm Group Tax Policy.

► <https://holdings.fujifilm.com/en/sustainability/report>

Stakeholder engagement

● Dialogue with shareholders and investors

At FUJIFILM Holdings, top management is actively involved in investor relations (IR) activities, enhancing these activities in an effort to strengthen trust relationships with investors. In addition, we are working to reduce the gap between intrinsic corporate value and market ratings by continuously expounding the Company's management policy and utilizing management to assist the capital markets in forming their opinions. Specifically, members of top management attend events such as financial results briefings and business briefings, participate in conferences including large meetings with the CEO, hold small meetings with the CEO and CFO, and hold individual meetings to strengthen communication with investors in Japan and overseas.

In addition, through ongoing dialogue with those in charge of exercising voting rights and ESG analysts, we update our management policies and governance system, receive appropriate advice on the Company's management and strive to build a relationship of mutual trust.

To benefit overseas investors, we post English-language information on our website in a timely manner, and we are working to enhance our IR activities worldwide, including through communication from IR members at our bases in North America and Europe. In fiscal 2022, we resumed our international road shows, and the CEO and CFO visited North America, Europe, Singapore and Australia to strengthen face-to-face communication with our international investors. From Japan, we also conduct many individual meetings online and via teleconferencing.

For individual investors, we consistently post easy-to-understand information about the Fujifilm Group's businesses on the IR section of our website and through shareholder newsletters issued twice a year. In fiscal 2022, we also participated in IR events for individual investors hosted by securities companies, providing an opportunity for individual investors to deepen their understanding of our management policies and business online.

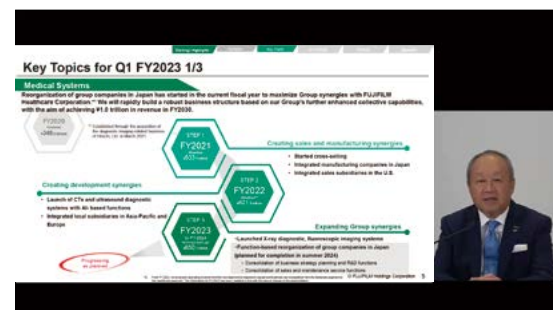
● Major IR activities (Fiscal 2022)

Activity	Number of times	Overview
Financial results briefings	4	Quarterly meetings for analysts and institutional investors
Business briefings	5	Briefings on environmental strategies (April), Electronic Materials business (June), Bio CDMO and LS Solutions businesses (December), and DX strategies (March)
Small meetings	4	Held small meetings for analysts and institutional investors with the CEO, CFO and business managers
Conferences hosted by securities companies	14	The CEO gave a speech at a healthcare conference held in North America, and the CFO and the executive officer in charge of IR held individual interviews with institutional investors at each conference
Individual meetings with institutional investors	376	Individual online and face-to-face interviews
Overseas IR	4	The CEO, CFO and executive officer in charge of IR conducted road shows in Europe (September), Singapore (October), North America (November) and Australia (February)
Company briefings for individual investors	1	Online participation in IR events for individual investors hosted by securities companies (February)

Please refer to the IR Materials page on our website for details.

▶ <https://ir.fujifilm.com/en/investors/ir-materials.html>

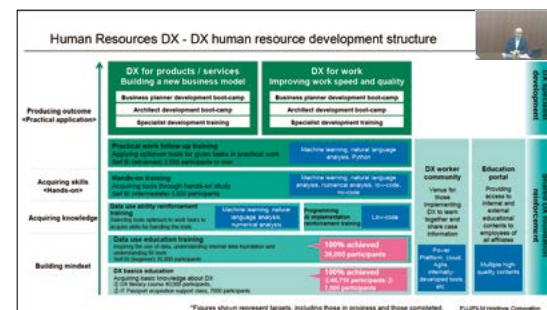
● Financial results briefings



● Shareholder newsletters (Japanese only)



● DX Strategy briefing



● IR Materials page on the Company's website



Management Structure

(As of September 29, 2023)

Directors



Kenji Sukeno

Chairman,
Director and Board
Chairman

Career Summary

1977 Joined the Company*
2002 CFO, FUJIFILM Holdings America Corporation
2012 Corporate Vice President and General Manager, Corporate Planning Division of the Company
2013 Director of the Company
2016 President and COO, Representative Director of the Company
2021 Chairman, Representative Director and Board Chairman of the Company (to present)
Chairman, Director and Board Chairman, FUJIFILM Corporation (to present)
2023 Chairman, Director and Board Chairman of the Company (to present)

Significant Concurrent Positions

Chairman, Director and Board Chairman, FUJIFILM Corporation
Director, FUJIFILM Business Innovation Corp.



Teiichi Goto

President and CEO,
Representative Director

Career Summary

1983 Joined the Company
2008 President, FUJIFILM Medical Systems (Shanghai) Co., Ltd.
2013 General Manager, Medical Systems Business Division, FUJIFILM Corporation
2014 Corporate Vice President, FUJIFILM Corporation
2016 Director, FUJIFILM Corporation
2018 Director of the Company
2021 President and CEO, Representative Director of the Company (to present)
President and CEO, Representative Director, FUJIFILM Corporation (to present)

Significant Concurrent Positions

President and CEO, Representative Director, FUJIFILM Corporation
Director, FUJIFILM Business Innovation Corp.



Masayuki Higuchi

Director, CFO

Career Summary

1987 Joined the Company
2009 CFO, FUJIFILM Holdings America Corporation
2015 President and CEO, FUJIFILM Sonosite, Inc.
2018 Corporate Vice President of the Company
Director, Corporate Vice President and General Manager of Corporate Planning Headquarters, FUJIFILM Corporation
2021 Director, Corporate Vice President, CFO and General Manager of Corporate Planning Division of the Company (to present)
Director, Senior Vice President, CFO and General Manager of Corporate Planning Division, FUJIFILM Corporation (to present)

Significant Concurrent Positions

Director, Senior Vice President, CFO and General Manager of Corporate Planning Division, FUJIFILM Corporation
Audit & Supervisory Board Member of FUJIFILM Business Innovation Corp.



Naoki Hama

Director

Career Summary

1986 Joined the Company
2017 Corporate Vice President, General Manager of Display Materials Business Division and Deputy General Manager of Highly Functional Materials Business Development Headquarters of FUJIFILM Corporation
2018 Director, Corporate Vice President and General Manager of Highly Functional Materials Business Development Headquarters of FUJIFILM Corporation
2019 Director, Corporate Vice President and General Manager of Inkjet Business Division of FUJIFILM Corporation
2021 Corporate Vice President and General Manager of Inkjet Business Division of FUJIFILM Corporation
Director, Executive Vice President of FUJIFILM Business Innovation Corp.
2022 President & Representative Director, CEO of FUJIFILM Business Innovation Corp. (to present)
Director of the Company (to present)

Significant Concurrent Positions

President & Representative Director, CEO of FUJIFILM Business Innovation Corp.
Corporate Vice President, FUJIFILM Corporation



Chisato Yoshizawa

Director

Career Summary

1986 Joined the Company
2017 Corporate Vice President, General Manager of Corporate Communication Office of Corporate Planning Division of the Company
Corporate Vice President, General Manager of Corporate Communications Division of FUJIFILM Corporation
2018 Director, Corporate Vice President and General Manager of Corporate Communications Division of FUJIFILM Corporation
2021 Corporate Vice President, General Manager of Corporate Communications Division and ESG Division of the Company (to present)
Director, Senior Vice President, General Manager of Corporate Communications Division and ESG Division of FUJIFILM Corporation (to present)
2022 Director, Corporate Vice President of the Company (to present)

Significant Concurrent Positions

Director, Senior Vice President, General Manager of Corporate Communications Division and ESG Division of FUJIFILM Corporation



Yoji Ito

Director

Career Summary

1990 Joined the Company
2012 General Manager of Flat Panel Display Materials Laboratories of R&D Management Headquarters, FUJIFILM Corporation
2017 General Manager of Display Materials Research Laboratories and General Manager of Highly Functional Materials Research Laboratories of R&D Management Headquarters, FUJIFILM Corporation
2019 Corporate Vice President of FUJIFILM Corporation
2021 Director & Corporate Vice President, General Manager of Display Materials Research Laboratories, and General Manager of Highly Functional Materials Research Laboratories, FUJIFILM Corporation
2022 Director, Corporate Vice President and General Manager of Advanced Materials Strategy Headquarters, FUJIFILM Corporation (to present)
2023 Director of the Company (to present)

Significant Concurrent Positions

Director, Corporate Vice President, FUJIFILM Corporation
General Manager of Advanced Materials Strategy Headquarters

* The Company refers to FUJIFILM Holdings Corporation and Fuji Photo Film Co., Ltd., prior to its renaming.

Directors



Kunitaro Kitamura
Director (Outside)

Career Summary

2012 Representative Director and President of Sumitomo Mitsui Trust Holdings, Inc.
Chairman (Representative Director) of Sumitomo Mitsui Trust Bank, Limited
2017 Representative Director of Sumitomo Mitsui Trust Holdings, Inc.
Chairman (Director) of Sumitomo Mitsui Trust Bank, Limited
Director of Sumitomo Mitsui Trust Holdings, Inc.
Outside Director of the Company (to present)

Significant Concurrent Positions

Outside Director of ASAGAMI Corporation
Outside Audit & Supervisory Board Member of OHBA CO., LTD.



Makiko Eda
Director (Outside)

Career Summary

2013 Representative Director and President of Intel K.K.
2018 Chief Representative Officer of World Economic Forum Japan (to present)
Outside Director of the Company (to present)

Significant Concurrent Positions

Chief Representative Officer of World Economic Forum Japan
Outside Director of Tokyo Electron Ltd.



Tsuyoshi Nagano
Director (Outside)

Career Summary

2013 President & Chief Executive Officer (Representative Director) of Tokio Marine Holdings, Inc.
President & Chief Executive Officer (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd.
2016 Chairman (Representative Director) of Tokio Marine & Nichido Fire Insurance Co., Ltd.
2019 Chairman (Director) of Tokio Marine Holdings, Inc. (to present)
2022 Outside Director of the Company (to present)

Significant Concurrent Positions

Chairman (Director) of Tokio Marine Holdings, Inc.
Outside Director of Central Japan Railway Company



Ikuro Sugawara
Director (Outside)

Career Summary

1981 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
2010 Director-General of Industrial Science and Technology Policy and Environment Bureau of Ministry of Economy, Trade and Industry
2012 Director-General of Manufacturing Industries Bureau of Ministry of Economy, Trade and Industry
2013 Director-General of Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry
2015 Vice-Minister of Ministry of Economy, Trade and Industry
2017 Special Advisor to the Cabinet
2022 Outside Director of the Company (to present)

Significant Concurrent Positions

Outside Director of TOYOTA MOTOR CORPORATION
Outside Director of Hitachi, Ltd.



Nobuo Hanada
Audit & Supervisory Board Member

Career Summary

1983 Joined the Company
2006 Senior Operations Manager of Accounting and Finance Division, FUJIFILM Corporation
2013 General Manager of Audit Division of the Company
General Manager of Audit Division, FUJIFILM Corporation
2017 General Manager of Global Audit Division of the Company
2020 Audit & Supervisory Board Member of the Company (to present)
Audit & Supervisory Board Member of FUJIFILM Corporation (to present)

Significant Concurrent Positions

Audit & Supervisory Board Member of FUJIFILM Corporation



Masataka Mitsuhashi
Audit & Supervisory Board Member (Outside)

Career Summary

1983 Registered as Certified Public Accountant
2004 Representative Director of Chuo Aoyama PwC Transaction Services Corporation (current PwC Advisory LLC)
2008 Partner of Aarata (current PricewaterhouseCoopers Aarata LLC)
2010 Representative Director and Deputy President of PricewaterhouseCoopers Co., Ltd.
2012 Representative Director and President of PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd. (current PricewaterhouseCoopers Sustainability LLC)
2018 Executive Adviser of PricewaterhouseCoopers Aarata LLC
Chairman of PricewaterhouseCoopers Sustainability LLC
2019 Outside Audit & Supervisory Board Member of the Company (to present)

Significant Concurrent Positions

Outside Director of Nippon Paint Holdings Co., Ltd.
External Director of Skymark Airlines Inc.
Outside Audit & Supervisory Board Member of Integral Corporation



Motoko Kawasaki
Audit & Supervisory Board Member

Career Summary

1983 Joined the Company
2016 General Manager of CSR Group, Corporate Planning Division of the Company
General Manager of CSR Division, FUJIFILM Corporation
2019 Corporate Vice President, General Manager of ESG Division and General Manager of Corporate General Administration Division of the Company
Corporate Vice President, General Manager of ESG Division, FUJIFILM Corporation
2021 Audit & Supervisory Board Member of the Company (to present)
Audit & Supervisory Board Member of FUJIFILM Corporation (to present)

Significant Concurrent Positions

Audit & Supervisory Board Member of FUJIFILM Corporation



Tatsuya Inagawa
Audit & Supervisory Board Member (Outside)

Career Summary

1983 Public Prosecutor of Tokyo District Public Prosecutors Office
2016 Director-General of the Public Security Department of Supreme Public Prosecutors Office
2017 Superintending Public Prosecutor of Takamatsu High Public Prosecutors Office
2018 Superintending Public Prosecutor of Hiroshima High Public Prosecutors Office
2019 Retired from Public Prosecutor
Registered as Attorney at Law
Attorney at Takahashi Sogo Law Office (to present)
2020 Outside Audit & Supervisory Board Member of the Company (to present)

Significant Concurrent Positions

Attorney at Takahashi Sogo Law Office
Outside Director of Sumitomo Osaka Cement Co., Ltd.

Corporate Vice Presidents

Teiichi Goto

President and CEO

Chief Executive Officer

Masayuki Higuchi

Corporate Vice President & CFO

Chief Financial Officer
General Manager of Corporate Planning Division
Responsible for Accounting and Finance Division,
Fujifilm Way Management Innovation, Logistics

Chisato Yoshizawa

Corporate Vice President

General Manager of Corporate Communications
Division and ESG Division
Responsible for Global Audit Division



Kazuhisa Horikiri

Corporate Vice President

General Manager of Design Strategy Office
Responsible for Brand Management



Seigo Sugimoto

Corporate Vice President & CDO

Chief Digital Officer
General Manager of ICT Strategy Division



Naoto Yanagihara

Corporate Vice President

Responsible for Intellectual Property Division



Yasushi Zama

Corporate Vice President

General Manager of Human Resources Division
Responsible for Corporate General Administration Division



Shuzo Takada

Corporate Vice President

General Manager of Government Relations Division



Atsushi Sakurai

Corporate Vice President

General Manager of Legal Division



Yasuhisa Tazawa

Corporate Vice President

General Manager of Procurement & Equipment Manufacturing Division