

The corporate governance of FUJIFILM Holdings Corporation (“Fujifilm”) is described below.

## I Basic approach to corporate governance, capital structure, corporate attributes and other basic information

### 1. Basic approach

FUJIFILM Holdings Corporation aims to achieve sustainable growth and increase corporate value of the Fujifilm Group while contributing to the sustainable development of society by conducting open, fair and clear business activities guided by the following Fujifilm Group's Purpose. The Company has positioned corporate governance as an important management priority to achieve this aim.

<Fujifilm Group's Purpose>

Giving our world more smiles

We bring diverse ideas, unique capabilities, and extraordinary people together to change the world.

Fujifilm continues to adapt to changes in business and management environment that surrounds the Group to achieve sustainable growth and improvement in corporate value, meet social demands and expectations, and contribute to the sustainable development of our society. To this end, we will continuously work on building and enhancing the corporate governance structure, which is a mechanism for implementing business execution and supervision appropriately based on swift and bold decision-making.

### **【Reason for not implementing principles set out in the Code of Corporate Governance】**

Fujifilm implements all the principles set out in the Code of Corporate Governance including the principle of disclosing specified matters.

### **【Disclosure based on principles set out in the Code of Corporate Governance】**

Fujifilm adopted, in the Board meeting held on October 28, 2015, the FUJIFILM Holdings Corporate Governance Guidelines (hereinafter “Guidelines”), summarizing our approach to corporate governance. The Guidelines are updated as appropriate upon revision of the Code of Corporate Governance and based on the status of our implementation. The Guidelines are posted on Fujifilm's website.

URL:

<https://holdings.fujifilm.com/en/about/governance>

#### **【Supplementary Principle 1-2-4 Use of an electronic voting platform】**

Fujifilm permits the exercise of voting rights by way of electromagnetic means or participation in an electronic voting platform. In view of the ratio of overseas investors, English translation of agenda shown in a convocation notice is released publicly on our website as well as the website of Tokyo Stock Exchange etc.

#### **【Principle 1-4 Cross-shareholdings】**

<Policy on cross-shareholdings and verification on permissibility of such shareholdings>

As described in Chapter 2-7 of the Guidelines (Cross-Shareholdings), the Fujifilm Group conducts cross-shareholdings after verifying economic rationale only if necessity in terms of business exists, such as maintaining / expanding trading, or if it would contribute to Fujifilm's mid- to long-term development. Each year, we examine our cross-shareholdings from mid- and long-term perspectives to determine whether they are held for appropriate purposes and whether the benefits and risks of such shareholdings match capital costs involved. Findings are presented at a Board meeting. Shares that are determined to be not held rationally are sold. In line with this policy, we reported findings of this examination to Fujifilm's Board meeting held in May.

<Specific standards in executing voting rights>

Voting rights concerning cross-shareholdings shall be exercised for all agenda items in principle to appropriately exercise shareholder rights. In exercising the voting rights, shareholders must scrutinize each case on whether they meet the purpose of cross-shareholding and whether they contribute to maintaining and improving the corporate and shareholder values of the target company.

#### **【Principle 1-7 Transactions between stakeholders】**

See Chapter 5-18 of the Guidelines (Stakeholder Transactions).

#### **【Supplementary Principle 2-4-1 Diversity assurance in recruiting core personnel etc.】**

The Fujifilm Group Code of Conduct stipulates “respect and promotion of diversity” and “prohibition of discrimination.” Working on the premise of the diversity of human resources, we prohibit discrimination and strive to respect, accept and inspire one another's personality / individuality to generating new value and become a strong organization contributing to the establishment of enriched society. We believe in equal opportunities in recruitment, promotion, remunerations and education regardless of nationality, age, gender, sexual orientation, gender identity, race, ethnicity, religion, political belief, philosophy, upbringing or disability, in building internal mechanisms and rules for administration. The same approach is taken in assuring diversity in the recruitment of core human resources including managers.

<Female appointment to managerial positions>

The Fujifilm Group aims to raise the female ratio among managers to 25% by FY2030 (17% in FY2022) to promote appointment of outstanding women to managerial positions, while reinforcing the recruitment of women who could become future manager candidates.

<Appointment of non-Japanese nationals to managerial positions>We will promote the recruitment of outstanding non-Japanese employees with the aim of raising the non-Japanese ratio in the Fujifilm Group's core posts to 35% by FY2030 (28% in FY2022).

<Appointment of mid-career recruits to managerial positions>

At Fujifilm Group companies in Japan, the ratio of mid-career recruits among employees and the ratio among managerial workers stands at 19% and 16% respectively. The ratio has been raised to a significant extent in the entire group, based on the understanding that mid-career recruitment is a general recruitment format overseas.

Fujifilm does not differentiate between mid-career recruits and new graduate recruits, and makes comprehensive evaluation of their experiences and capabilities in appointing them to positions. This is why there is no goal defined for the ratio of mid-career recruits in managerial positions.

<Generating new value from the Fujifilm Group's diversity>

Fujifilm appoints employees to titled positions fairly according to their capabilities notwithstanding their gender, nationality or recruitment type. Through past M&A, the Group has brought companies of different geographical locations, degree of global business deployment, corporate philosophy/culture and business categories into its fold, embracing diversity and synergy of human resources that transcend attributes such as gender, nationality and recruitment type to generate new value.

We are working on building a mechanism that empowers diverse employees with the aims of sustaining the level of disability recruitment above a legally-required level and eliminating workers who would leave employment due to parenting or long-term nursing care. See the Integrated Report and Sustainability Report for our HR development policy and internal workplace environment developing policy.

**【Principle 2-6 Functions as the owner of corporate pension assets】**

With regard to the Defined Benefit Pension Plan to which major Japanese Group companies subscribe, a pension finance executive committee consisting of directors in charge of human resources, accounting etc., is established for appropriate administration of the corporate pension scheme, determining the policy of managing pension assets and managing / monitoring the fund management. The pension finance executive committee is managing pension assets appropriately in line with guidelines for safe and efficient fund management. The guidelines stipulate provisions designed to ensure that fund-management organizations exercise their voting rights appropriately toward investment recipients.

**【Principle 3-1(i) Company's vision (management philosophy etc.), management strategy and management plan, and (ii) basic approach and basic policy on corporate governance】**

See Chapter 1-1 of the guidelines (Basic approach to corporate governance) on the company's vision (management philosophy etc.) and the basic approach and policy on corporate governance.

**【Principle 3-1(iii) Policy and procedures for the Board of Directors in determining remunerations for senior management and directors】**

The total amount of directors' remunerations must be within the limit resolved at the Annual General Meeting of Shareholders. The amount of remunerations paid to directors is determined by resolution of the Board of Directors, following a mechanism of the remuneration and evaluation system reviewed by the Nomination and Remuneration Committee.

Details of directors' remunerations are described in II-1 **【Incentives】** and **【Directors' remunerations】**.

**【Principle 3-1(iv) Policy and procedure for the Board of Directors in appointing / dismissing senior management and nominating candidates for director's and auditor's positions】**

The policy and procedure for appointing / nominating candidates for director's and auditor's positions are based on Chapter 5-10 of the guidelines (Selection criteria for director candidates, auditor candidates, CEO and executive officers).

Dismissal of a member of senior management including CEO and executive officers, when there is a circumstance that warrants such dismissal such as a serious violation of laws / regulations or compliance breach, is deliberated and resolved by the Board of Directors in accordance with laws, regulations and the Code of the Board of Directors.

**【Principle 3-1(v) Information provided when the Board of Directors appoints / dismisses a member of senior management or nominating a directors' / auditor's candidate】**

The Board of Directors shall disclose, in the convocation notice for the AGM, reason(s) for appointing / dismissing a director or auditor and nominating a director's / auditor's candidate.

**【Supplementary principle 3-1-2 Information in English】**

Fujifilm discloses information for overseas investors by posting medium-term management plan information, financial result information, business briefing information, integrated reports, the convocation notice for the AGM and other IR information on our English IR website.

**【Supplementary principle 3-1-3 Sustainability initiatives】**

Fujifilm drew up the long-term CSR plan "Sustainable Value Plan 2030" in August 2017, with goals set to be achieved by FY2030. It sets out 15 priority issues in six areas, consisting of four priority areas of "Environment," "Health," "Daily Life" and "Work Style" and business foundation areas of "Supply Chain" and "Governance." These are company-wide visions to be promoted through specific activities. The Environment area had numerical targets, but new numerical targets were also set for "Health" and "Work Style" in April 2021 as follows. In Health, products and services using medical AI technology of the Medical Systems business must be introduced to all 196 countries and regions worldwide by FY2030, contributing to enhancing access to healthcare. In Work Style, solutions and services that bring business innovation will be provided to deliver work styles that improve workers' productivity and support their creativity to some 50 million people. We conduct information disclosure appropriately by issuing the Sustainability Report and the Integrated Report, and posting information online about such targets and their progress. At various opportunities we examine whether our business activities are meeting the demand and expectations of stakeholders, and reflect the findings to the promotion of business activities as a whole.

<Investing in human capital and intellectual properties>

Fujifilm places particular emphasis on HR development as a form of investment in human capital, based on the belief that the growth of individual members of the company is particularly important for the growth of the company as a whole. In order to help individual employees extend their capabilities and exert their full potential in undertaking work and forming a better career, Fujifilm's HR department is partnering with HR departments of Group companies in developing global human resources and reinforcing individual and organizational strengths. See the Sustainability Report for specific HR development initiatives and investment achievements.

We are also undertaking intellectual property activities in order to identify values created in various situations of Fujifilm Group's corporate activities and ensure to connect them to Fujifilm's competitive edge. These activities extend from conventional intellectual property activities such as invention production support, patent applications and rights establishment, to a variety of operations including strategic competitor analysis and industrial standardization campaigns to build business competitiveness. Working with business divisions and R&D teams, we strive to create and utilize powerful intellectual properties, thereby contributing to business growth. Efforts are also made to reduce business risks to boost our corporate value.

<Disclosure based on TCFD or equivalent framework>

Fujifilm supports recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which encourages businesses to disclose their response to climate change. In line with the recommendations, we disclose information about the impact of climate change on the Group's business activities from the perspectives of governance, strategy and risk management. See the Integrated Report and the Sustainability Report for TCFD-based information disclosure and the results of scenario analysis.

**【Supplementary principle 4-1-1 Scope of delegation to senior management】**

See Chapter 5-1 (Organizational design) and Chapter 5-3 (Roles and responsibilities of the Board of Directors) of the guidelines.

**【Principle 4-9 Judging criteria for the autonomy of independent outside directors and their capabilities】**

See Chapter 5-13 (Judging criteria for the autonomy of outside directors) of the guidelines and the appendix (Judging criteria for the autonomy of outside directors).

**【Supplementary principle 4-10-1 Approach to autonomy of committees】**

Fujifilm has the Nomination and Remuneration Committee as an advisory body to the Board of Directors on nomination and remuneration, with the aims of enhancing the objectivity and transparency of procedures concerning CEO succession plan and directors' remuneration system, and further enhancing corporate governance. This committee meets at least once a year in principle, deliberates on basic policy / procedure on CEO's succession plan and directors' remunerations, and presents the results to the Board of Directors. The committee consists of 3 or more members appointed by resolution of the Board of Directors, and majority of them are independent outside directors. The chairman of the committee is selected from independent outside directors.

**【Supplementary principle 4-11-1 Approach to the Board of Directors' overall balance between knowledge, experiences and capabilities, its diversity and scale】**

See Chapter 5-4 (Structure and scale of the Board of Directors) and Chapter 5-10 (Selection criteria for director's candidate, auditor's candidate, CEO and executive officers) of the guidelines. The current Board of Directors consists of directors with extensive work experiences, international experiences and an advanced level of knowledge. It has ten people including four independent outside directors, with the gender distribution of 8 men and 2 women (including one internal director and one outside director). The Audit & Supervisory Board consists of four auditors including two independent outside auditors with the gender distribution of 3 men and 1 woman (internal auditor). Fujifilm has a skills matrix showing expertise and experiences we seek in directors and auditors. It is released in reference documents for AGM etc.

**【Supplementary principle 4-11-2 Concurrent directors and auditors】**

See Chapter 5-15 (Directors and Auditors concurrently serving as directors of other companies) of the guidelines. Significant concurrent positions held by our current outside directors are as follows:

Outside Director Kunitaro Kitamura concurrently serves as the Outside Director of ASAGAMI CORPORATION and Outside Audit & Supervisory Board Member of OHBA CO., LTD.

Outside Director Makiko Eda concurrently serves as the Managing Executive Officer of SUMITOMO CORPORATION and the Outside Director of Tokyo Electron Ltd.

Outside Director Tsuyoshi Nagano concurrently serves as the Chairman (Director) of Tokio Marine Holdings, Inc. and the Outside Director of Central Japan Railway Company.

Outside Director Ikuro Sugawara concurrently serves as the Outside Director of TOYOTA MOTOR CORPORATION and the Outside Director of Hitachi, Ltd.

Outside Auditor Masataka Mitsuhashi concurrently serves as the Outside Director of Nippon Paint Holdings Co., Ltd., the Outside Director of Skymark Airlines Inc. and the Outside Audit & Supervisory Board Member of Integral Corporation.

Outside Auditor Tatsuya Inagawa concurrently serves as the Attorney at Takahashi Sogo Law Office and the Outside Director of Sumitomo Osaka Cement Co., Ltd.

**【Supplementary principle 4-11-3 Analysis and evaluation of the effectiveness of the**

**Board of Directors as a whole and the overview of the results】** See Chapter 5-6 (Effectiveness evaluation of the Board of Directors) of the guidelines.

See below for the overview of the results of effectiveness evaluation on the Board of Directors, conducted in January – March 2023.

<http://www.fujifilmholdings.com/ja/about/governance/boardofdirectors/index.html>

**【Supplementary principle 4-14-2 Policy on training for directors and auditors】**

See Chapter 5-17 (Policy on training for directors and auditors) of the guidelines.

**【Principle 5-1 Policy on constructive dialogues with shareholders】**

See Chapter 2-3 (Dialogues with investors including shareholders) of the guidelines and [Status of dialogues with shareholders] below.

**【Supplementary principle 5-2-1 Basic policy and review of business portfolio】**

In drawing up the mid-term management plan "VISION2023," Fujifilm realigned its business segments into "healthcare," "materials," "business innovation" and "imaging." "Healthcare" became a standalone segment in FY2021, disclosing financial information including revenues and operating income. Throughout the period of the mid-term management plan, we are implementing appropriate strategies and redistributing Group management resources to business operations categorized into "new/Future potential," "Growth Driver," "earnings base" and "non-core." Management resources will be intensively directed to "new / potential" and "priority" businesses for next-generation operation, while investments are made in a controlled manner in "earnings base" businesses to streamline business management and maximize cashflow.

**【Establishing a management style conscious of capital costs and share prices】**【English language version available】

Under the policy described in [Supplementary principle 5-2-1] above, Fujifilm sets consolidated KPIs including revenues, operating income and ROIC/ROE targets as the indicators of return on capital. WACC (weighted average cost of capital) is defined as the capital cost indicator for evaluating and verifying the level of RoC achievement.

We engage shareholders and investors in active dialogues on share prices, while also disseminating our mid- to long-term growth strategies and further enhancing disclosure information to ensure that our growth potential is recognized by the market correctly and sufficiently. The level of progress in target values and initiatives is presented in reference materials for financial results information sessions. See below for details.

•Mid-term management plan "VISION2023"

[https://www.fujifilm.com/files-holdings/ja/about/vision/ff\\_vision2021\\_001j.pdf](https://www.fujifilm.com/files-holdings/ja/about/vision/ff_vision2021_001j.pdf)

•Earnings presentations

<https://ir.fujifilm.com/ja/investors/ir-materials/earnings-presentations.html>

•Integrated Report: Fiscal and capital strategy (CFO's message)

<https://ir.fujifilm.com/ja/investors/ir-materials/integrated-report.html>

**【Status of dialogues with shareholders】**

As described above, Fujifilm engage shareholders and investors in continuous dialogues actively. The status of such dialogues is presented in the Integrated Report. See below for details.

•Integrated Report: Stakeholder Engagement

<https://ir.fujifilm.com/ja/investors/ir-materials/integrated-report.html>

Opinions of shareholders and investors, identified in the dialogues, are passed on to Fujifilm's Board of Directors and the rest of senior management on a continuous basis.

## 2. Capital Structure

Foreign shareholding ratio	30% or more
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### 【Status of Major Shareholders】

Name	Number of shares held (shares)	Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	77,312,400	19.27
Custody Bank of Japan, Ltd. (trust account)	28,558,000	7.12
Nippon Life Insurance Company	15,016,438	3.74
Sumitomo Mitsui Banking Corporation	8,278,226	2.06
STATE STREET BANK WEST CLIENT - TREATY 505234	7,278,908	1.81
SSBTC CLIENT OMNIBUS ACCOUNT	6,584,295	1.64
Daicel Corporation	5,809,249	1.44
Sumitomo Insurance Company, Limited	5,750,300	1.43
GOVERNMENT OF NORWAY	4,938,338	1.23
JP MORGAN CHASE BANK 385781	4,731,562	1.17

Controlling shareholder (excluding the parent company)	-----
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Parent company	None
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Supplementary information

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## 3. Corporate attributes

Listed exchange and market category	Tokyo Prime
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End of a fiscal period	March
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Business type	Chemicals
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(Consolidated) workforce as of the end of the previous business year	Over 1000
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(Consolidated) revenues as of the end of the previous business year	Over 1 trillion yen
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Number of consolidated subsidiaries as of the end of the previous business year	Over 100 and less than 300
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## 4. Guidelines on the protection of minority shareholders in dealing with the controlling shareholder

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## 5. Other special circumstances that could have a significant impact on corporate governance

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## II Management structure and other corporate governance systems concerning management decision-making, execution and supervision

### 1. Matters concerning organizational structure and administration

Organizational format	Company with corporate auditors
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#### **[Directors]**

Number of directors stipulated in the Articles of Incorporation	12
Term of directors stipulated in the Articles of Incorporation	1 year
Chair of the Board of Directors	Chairperson (except when the Chair is concurrently serving as the President)
Number of directors	10
Appointment of outside directors	Yes
Number of outside directors	4
Number of outside directors who are designated as independent director	4

#### Relationship with the company (1)

Name	Attribute	Relationship with the company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Kunitaro Kitamura	From other companies								△			
Makiko Eda	From other companies								○			
Tsuyoshi Nagano	From other companies								△			
Ikuro Sugawara	Other											

#### \* Selection items regarding relationship with the company

\* “○” if the item is applicable to the person “currently / recently,” and “△” if the item was applicable to the person “in the past”

\* “●” if the item is applicable to the person’s close relations “currently / recently,” and “▲” if the item was applicable to the person’s close relations “in the past.”

- a Executive member of a listed company or its subsidiary
- b Executive member or non-executive director of a listed company’s parent company
- c Executive member of a listed company’s affiliate company
- d Party that mainly trades with a listed company or its executive member
- e Main trading partner of a listed company or its executive member
- f Consultant, accounting specialist or legal expert who receives a large sum of money and/or other assets other than director’s remunerations from a listed company
- g Main shareholder of a listed company (if the main shareholder is a corporation, an executive member of the corporation)
- h Executive member (the person himself/herself) of a trading partner of a listed company (other than those applicable to d, e and f)
- i Executive member (the person himself/herself) of a company where the outside director concurrently serves
- j Executive member (the person himself/herself) of a company to which a listed company provides donations
- k Others

Name	Independent director	Supplementary explanation to the applicable item	Reasons for selection
Kunitaro Kitamura	○	<p>A regular trading relationship exists between the Fujifilm Group and Sumitomo Mitsui Trust Holdings, Inc., where Mr. Kunitaro Kitamura served as a director until June 2021. However, the monetary amount of this trading relationship is negligible as it is less than 1% of the consolidated net sales of either Sumitomo Mitsui Trust Holdings or the Fujifilm Group. A regular banking relationship exists between the Fujifilm Group and the Sumitomo Mitsui Trust Bank, Limited, a subsidiary of Sumitomo Mitsui Trust Holdings. The Fujifilm Group has borrowed money from Sumitomo Mitsui Trust Bank but these loans are negligible, accounting for less than 1% of the total amount of liabilities on the Fujifilm Group's consolidated balance sheet. This amount of trading relationship has no effect on Mr. Kitamura's performance of his duties as outside director of the company.</p>	<p>Mr. Kunitaro Kitamura has served as representative director of a major financial institution group for many years. He has demonstrated strong leadership in his management of the group as a whole, and has ample experience and wide range of knowledge particularly in the fields of finance and capital markets. Based on such ample experience and wide range of knowledge, Mr. Kunitaro Kitamura has facilitated reasonable and adequate decision-making by the board of directors by giving useful suggestions and expressing opinions on many aspects of the Fujifilm Group's management at the board of directors meetings, while he proactively provided, from a medium- to long-term perspective, advice on the Fujifilm Group's M&amp;A and capital policy, initiatives for resolving social issues, and developing human resources. In addition, as Chairman of the Nomination and Remuneration Advisory Committee, he has been contributing efforts to enhance transparency of the processes related to a succession plan of the CEO and to remuneration for directors. The Company expects him to execute his duties as outside director, and deems that he will fulfill his duties in an appropriate and sufficient manner utilizing his ample experience and wide range of knowledge.</p> <p>Mr. Kitamura satisfies the criteria set out in the Listing Management Guideline by the Tokyo Stock Exchange and the Fujifilm Group's Criteria for Independence of Outside Directors.</p>
Makiko Eda	○	<p>A regular trading relationship exists between the Fujifilm Group and Sumitomo Corporation, where Ms. Makiko Eda serves as Management Executive Officer. However, the monetary amount of this trading relationship is negligible as it is less than 1% of the consolidated net sales of either Sumitomo Corporation or the Fujifilm Group. This amount of trading relationship has no effect on Ms. Eda's performance of her duties as outside director of the company.</p>	<p>After being responsible for marketing in the overseas market for many years in a major U.S. semiconductor manufacturer, Ms. Makiko Eda served as representative director of a Japanese-incorporated subsidiary of the said company, and with her strong leadership, has achieved creation of a new market and development of global personnel. In her role as Chief Representative Officer of the World Economic Forum Japan, she worked to bring leaders from various industries together to improve, on a global scale, wide range of issues such as regional and industrial issues. Based on such ample experience and wide range of knowledge, Ms. Makiko Eda has facilitated reasonable and adequate decision-making by the board of directors by giving useful suggestions and expressing opinions on many aspects of the Fujifilm Group's management at the board of directors meetings, while she proactively provided, from a medium- to long-term perspective, advice on the Fujifilm Group's measures concerning ESG (Environmental, social and governance). The Company expects her to execute her duties as outside director, and deems that she will fulfill her duties in an appropriate and sufficient manner utilizing her ample experience and wide range of knowledge.</p> <p>Ms. Eda satisfies the criteria set out in the Listing Management Guideline by the Tokyo Stock Exchange and the Fujifilm Group's Criteria for Independence of Outside Directors.</p>

Tsuyoshi Nagano	○	<p>A regular insurance relationship exists between the Fujifilm Group and Tokio Marine &amp; Nichido Fire Insurance Co., Ltd., a subsidiary of Tokio Marine Holdings, Inc., where Mr. Tsuyoshi Nagano serves as Director and Chairman. However, the monetary amount of this trading relationship is negligible as it is less than 1% of the consolidated current income (equivalent to consolidated net sales) of Tokio Marine &amp; Nichido Fire Insurance or the net sales of the Fujifilm Group. This amount of trading relationship has no effect on Mr. Nagano's performance of his duties as outside director of the company.</p>	<p>Mr. Tsuyoshi Nagano has been engaged in insurance sales, corporate planning, and product planning operations both in Japan and overseas for many years at a major insurance company, where he also has experience in supervising the overseas business. Moreover, he has demonstrated strong leadership in his management of the group as a whole. Based on such ample experience and wide range of knowledge, Mr. Tsuyoshi Nagano has facilitated reasonable and adequate decision-making by the board of directors by giving useful suggestions and expressing opinions on many aspects of the Fujifilm Group's management at the board of directors meetings, while he proactively provided, from a medium- to long-term perspective, advice on the measures pertaining to the risk management system, instilling corporate culture, and dialogue with stakeholders at the Fujifilm Group. In addition, as a member of the Nomination and Remuneration Advisory Committee, he has been contributing efforts to enhance transparency of the processes related to a succession plan of the CEO and to remuneration for directors. The Company expects him to execute his duties as outside director, and deems that his ample experience and wide range of knowledge will enable him to execute his expected duties in an appropriate and sufficient manner.</p> <p>Mr. Nagano satisfies the criteria set out in the Listing Management Guideline by the Tokyo Stock Exchange and the Fujifilm Group's Criteria for Independence of Outside Directors.</p>
Ikuro Sugawara	○	<p>-----</p>	<p>Mr. Ikuro Sugawara has served in a number of important posts, including Vice-Minister of Ministry of Economy, Trade and Industry. Through this and his involvement in industrial policy, trade policy, technology policy, and environmental and energy policy, he has ample experience in policy planning and organizational management. Based on such ample experience and wide range of knowledge, Mr. Ikuro Sugawara has facilitated reasonable and adequate decision-making by the board of directors by giving useful suggestions and expressing opinions on many aspects of the Fujifilm Group's management at the board of directors meetings, while he proactively provided, from a medium- to long-term perspective, advice on the measures pertaining to economic security, investment strategy, risk management, etc. at the Fujifilm Group. The Company expects him to execute his duties as outside director. Although he has never been involved in corporate management in any way other than as an outside officer, the Company deems that in addition to his ample experience, he will be able to leverage his considerable expertise and wide-ranging network to execute his expected duties in an appropriate and sufficient manner.</p> <p>Mr. Sugawara satisfies the criteria set out in the Listing Management Guideline by the Tokyo Stock Exchange and the Fujifilm Group's Criteria for Independence of Outside Directors.</p>

Existence of a committee equivalent to the Nomination Committee or the Remuneration Committee

Yes

	Name of the committee	Members (people)	Standing members (people)	Inside directors (people)	Outside directors (people)	External experts (people)	Others (people)	Chairperson
Committee equivalent to the Nomination Committee	Nomination & Remuneration Committee	3	0	1	2	0	0	Outside director
Committee equivalent to the Remuneration Committee	Nomination & Remuneration Committee	3	0	1	2	0	0	Outside director



Fujifilm has the Nomination & Remuneration Committee as an advisory body to the Board of Directors on nomination and remuneration matters, in order to reinforce objectivity and transparency of procedures concerning CEO's succession plan and directors' remuneration system, and further enhance corporate governance.

The Committee convenes at least once a year in principle to deliberate on basic policy and procedures concerning CEO's succession plan and directors' remunerations, and presents its findings to the Board of Directors. It consists of no less than three members selected by resolution of the Board of Directors, and a majority of the members must be independent outside directors. The chairperson is selected from the independent outside directors.

Current members are:

Chairperson: Kunitaro Kitamura (outside director)

Members: Tsuyoshi Nagano (outside director), Kenji Sukeno (Chairman and President)

In FY2022, the committee met 3 times to deliberate on the following matters concerning remunerations. All members attended each of the committee meetings.

- 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

### [Auditors]

Existence of the Audit & Supervisory Board	Yes
Number of auditors stipulated in the Articles of Incorporation	5
Number of auditors	4

### Collaboration between corporate auditors, accounting auditors and the Internal Audit department

From the perspective of enhancing corporate governance, Fujifilm promotes mutual collaboration between internal audit, auditors' audit and accounting audit by independent auditors (including internal control audit associated with financial reporting). The three parties exchange information and opinions at the stages of audit planning, implementation and summarization in each business year, and consult one another as required. The internal audit department and independent auditors periodically report the results of their audit to corporate auditors, and the summary of each business year to the Audit & Supervisory Board. The Board of Directors receives reports of audit results twice a year from the internal audit department to exercise its function of supervising the execution of work operations.

Appointment of outside auditors	Yes
Number of outside auditors	2
Number of outside auditors who are designated as independent director	2

### Relationship with the company (1)

Name	Attribute	Relationship with the company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Masataka Mitsuhashi	Certified public accountant													
Tatsuya Inagawa	Attorney													

\* Selection items regarding relationship with the company

\* "○" if the item is applicable to the person "currently / recently," and "△" if the item was applicable to the person "in the past"

\* "●" if the item is applicable to the person's close relations "currently / recently," and "▲" if the item was applicable to the person's close relations "in the past."

a Executive member of a listed company or its subsidiary

b Non-executive director or accounting advisor of a listed company or its subsidiary

- c Executive member or non-executive director of a listed company's parent company
- d Auditor of a listed company's parent company
- e Executive member of a listed company's affiliate company
- f Party that mainly trades with a listed company or its executive member
- g Main trading partner of a listed company or its executive member
- h Consultant, accounting specialist or legal expert who receives a large sum of money and/or other assets other than director's remunerations from a listed company
- i Main shareholder of a listed company (if the main shareholder is a corporation, an executive member of the corporation)
- j Executive member (the person himself/herself) of a trading partner of a listed company (other than those applicable to f, g and h)
- k Executive member (the person himself/herself) of a company where the outside director concurrently serves
- l Executive member (the person himself/herself) of a company to which a listed company provides donations
- m Others

Relationship with the company (2)

Name	Inde pe nde nt dire ctor	Supplementary explanation to the applicable item	Reasons for selection
Masataka Mitsuhashi	○	----	<p>Mr. Masataka Mitsuhashi has been involved in accounting audit and M&amp;A related business for many years. He has also served in positions such as representative director in consulting companies, and has ample experience and wide range of knowledge as both a certified accountant and as a corporate executive. As a representative of a professional firm that provides specialized services in the sustainability field, he has been making suggestions for creation of new corporate value from a sustainability perspective. Since his appointment as outside audit &amp; supervisory board member of the Company, he has been appropriately furnishing remarks at board of directors meetings from an objective perspective based on this ample experience and extensive knowledge. He has furthermore been seeking explanations as necessary, and appropriately conducting audits regarding the execution of the duties of the directors by adequately asking questions and expressing opinions at audit &amp; supervisory board meetings. The Company expects him to execute his duties as outside audit &amp; supervisory board member, and deems that he will execute his duties in an appropriate and sufficient manner utilizing his ample experience and wide range of knowledge. Mr. Mitsuhashi satisfies the criteria set out in the Listing Management Guideline by the Tokyo Stock Exchange and the Fujifilm Group's Criteria for Independence of Outside Directors.</p>
Tatsuya Inagawa	○	----	<p>Mr. Tatsuya Inagawa has successively held important posts such as Superintending Public Prosecutor at the Takamatsu High Public Prosecutors Office and the Hiroshima High Public Prosecutors Office. He possesses extensive experience and deep insight in the areas of judicial affairs and compliance which were cultivated over many years as a public prosecutor. Since his appointment as outside audit &amp; supervisory board member of the Company, he has been appropriately furnishing remarks at board of directors meetings from an objective perspective based on this ample experience and extensive knowledge. He has furthermore been seeking explanations as necessary, and appropriately conducting audits regarding the execution of the duties of the directors by adequately asking questions and expressing opinions at audit &amp; supervisory board meetings. The Company believes that he is able to execute his duties as an outside audit &amp; supervisory board</p>

			<p>member in an appropriate manner from an objective perspective based on this experience and insight.</p> <p>Mr. Inagawa satisfies the criteria set out in the Listing Management Guideline by the Tokyo Stock Exchange and the Fujifilm Group's Criteria for Independence of Outside Directors.</p>
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## 【Independent directors】

Number of independent directors	6
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### Other matters concerning independent directors

Fujifilm designates all qualifying outside directors as independent directors. See Chapter 5-13 (Judging criteria for the autonomy of outside directors) of the guidelines and the appendix (Judging criteria for the autonomy of outside directors) about the independence of outside directors.

## 【Incentives】

Status of incentives given to directors	Introduction of performance-based remunerations etc.
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### Supplementary explanation about applicable items

At the 125<sup>th</sup> Annual General Meeting of Shareholders held on June 29, 2021, Fujifilm adopted a new performance-share system to complete the existing stock option program with the aims of further promoting shared interest linked to stock price fluctuations with shareholders, and giving greater encouragement to our directors (excluding outside directors; "Eligible Directors" hereafter) to boost our corporate value and mid-term business performance.

The performance-share system consists of a scheme to provide Fujifilm's ordinary shares that fall within a specific transfer restriction period and meet our internal provision on free acquisition of shares ("Restricted Share-Based Remuneration Plan") and a scheme to provide Fujifilm's ordinary shares or cash in accordance with the level of mid-term achievement of numerical targets pre-defined by the Board of Directors as a way of awarding shares linked to mid-term business performance ("Performance Share Unit Program").

In the 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 transfer of restricted shares.

In this plan, in order 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 shareholder's 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.

In the Performance Share Unit Plan, the Company will deliver shares of its common stock or pay cash to Eligible Directors after the three fiscal years spanning the medium-term management plan. When making such deliveries and payments, the figures set in advance by the BoD corresponding to each Eligible Director's title, etc., shall be the base, with adjustments made in a range of 0% to 150% according to the level of achievement of indicators in the Company's medium-term management plan, such as consolidated revenue, consolidated operating income and return on invested capital (ROIC), ESG indicator, etc., and the number of the Company's shares of common stock equating to 50% of that adjusted number and the cash equivalent of the stock price of the same number of the Company's shares of common stock at time of delivery shall be delivered or paid. The initial eligible period is from April 1, 2021 to March 31, 2024, and thereafter, the Performance Share Unit Plan may be implemented for the three consecutive fiscal years beginning with the fiscal year following the final fiscal year of the preceding eligible period. The purpose of this plan is for Eligible Directors to share the benefits and risks of stock price fluctuations with shareholders, and to motivate them toward increasing our stock price, enhancing corporate value and improving business performance over the medium term.

As for short-term performance-linked remuneration, "consolidated revenue" and "consolidated operating income," which are the numerical

targets for the Company's short-term business management, are selected as performance-linked indicators in a single fiscal year, and the amount of short-term performance-linked remuneration is changed based on the achievement level of the indicators and the comparison with the previous fiscal year's results.

Stock option eligibility

Supplementary explanation about applicable items

## 【Directors' remunerations】

Disclosure status (of individual directors' remunerations)

Individually disclosed for some

Supplementary explanation about applicable items

<Total amount of consolidated remunerations for directors (FY2022) Unit: Million yen>

(Short-term performance-linked remuneration / Performance Share Unit / Fixed remuneration / Restricted Share-Based Remuneration / Remuneration total)  
 Kenji Sukeno (25/—/122/102/251)  
 Teiichi Goto (30/20/151/108/313)  
 Takashi Iwasaki (18/8/74/57/161)  
 Takatoshi Ishikawa (21/8/73/57/163)  
 Masayuki Higuchi (10/5/64/35/119)  
 Naoki Hama (12/14/76/36/142)  
 Chisato Yoshizawa (4/3/42/25/79)

(Notes)

1. This information is limited to directors (excluding directors who resigned during the applicable business year and outside directors).
2. The amounts of remunerations for the Performance Share Unit Plan and the Restricted Share-Based Remuneration Plan shown are figures presented in the Profit and Loss Statement for the corresponding portion of FY2022.
3. The above figures include wages and bonuses paid for work rendered as employees to executive officers concurrently serving as director.

Policy for determining the amount of remunerations or method for calculating remunerations

Yes

Disclosed policy for determining the amount of remunerations or method for calculating remunerations

The total amount of directors' remunerations is within the amount resolved at the Annual General Meeting of Shareholders, and the amount of each director's remunerations (including performance-linked remunerations) is determined by resolution of the Board of Directors in accordance with the remuneration & evaluation mechanism reviewed by the Nomination & Remuneration Committee.

<Method of working out the policy for determining directors' individual remunerations>

The policy for determining directors' individual remunerations (Decision Policy) is resolved by the Board of Directors following deliberations at the Nomination & Remuneration Committee, which is chaired by an outside director and has outside directors representing majority.

<Overview of the Decision Policy (as of March 31, 2023)>

Fujifilm's remuneration system is designed to serve as one of incentives, encouraging directors to fulfill expected roles and responsibilities. Remunerations for directors excluding outside directors (including employee wages and employee bonuses paid to executive officers concurrently serving as director) consist of fixed remuneration, short-term performance-linked remuneration, mid-term performance-linked share-based remuneration (Performance Share Unit) and Restricted Share-Based Remuneration. The guide distribution of fixed remuneration, performance-linked remunerations (short-term performance-linked remuneration + mid-term performance-linked share-based remuneration) and Restricted Share-Based Remuneration is 55%, 15% (10% for short-term performance-linked remuneration and 5% for mid-term performance linked share-based remuneration) and 30%, respectively. These shall be determined based on each director's position and performance evaluation. The remuneration of outside directors consists entirely of fixed remuneration due to their roles and independent nature.

<Reasons the Board of Directors has determined that directors' individual remunerations for this business year are in line with the Decision Policy>

In determining directors' individual remunerations, the Nomination & Remuneration Committee examines proposed figures in a multi-faceted approach including consistency with the Decision Policy from the perspective of ensuring objectivity and transparency of the decision process. The Board of Directors makes the final decision respecting recommendations from the Committee. Accordingly, the Board of Directors has determined that the proposed remunerations are in line with the Decision Policy.

<Total amount of remunerations by director category, total amount of remunerations by type and the number of eligible directors (FY2022). Unit: Million yen>

(Number of directors to be paid / Short-term performance-linked remuneration / Performance Share Unit / fixed remuneration / Restricted Share-Based Remuneration / Total amount of remunerations)

Directors	(9/63/22/310/200/597)
Auditors	(2/—/—/42/—/42)
Outside directors	(7/—/—/76/—/76)
Total	(18/63/22/430/200/717)

(Note)

1. The number of directors eligible for remunerations and the amount of remunerations paid exclude the number of outside directors and amounts paid to them. Similarly, the number of auditors eligible for remunerations and the amount of remunerations paid exclude the number of outside auditors and the amounts paid to them.
2. The amount of remuneration for "Performance Share Unit" and "Restricted Share-Based Remuneration" is the amount recorded in the Profit and Loss statement for the portion corresponding to the period in fiscal 2022.
3. The number of Directors who received remuneration includes two Directors who retired during fiscal 2022.
4. The above amounts include remuneration paid to directors who also hold employee posts as consideration for the fulfillment of their employee duties.

## **【Support structure for outside directors (outside auditors)】**

The Secretariat for the Board of Directors provide outside directors and outside auditors with reference materials and other information about agenda items to be presented to Board meetings and offer advance explanation. It also arranges programs for building understanding about the Fujifilm Group, e.g. business information sessions and inspection tours of showrooms, factories, research labs and subsidiaries to introduce our technologies, as well as briefings on our initiatives to develop key human resources for sustainable business growth, IT strategy and ESG promotion. In FY2022, business information sessions were organized for Healthcare and Advanced Materials, which are our high-growth categories. Outside directors also inspected business sites to come in touch with frontline information, further deepening their understanding of Fujifilm's business and management.

\* Business sites visited in 2022

- FUJIFILM Corporation's Omiya site (Imaging Solutions business)
- FUJIFILM Corporation's design center "CLAY Studio"
- FUJIFILM Business Innovation's Center Office (Toyosu)
- FUJIFILM Healthcare Manufacturing Corporation's Sano site (Endoscope business)

The Secretariat for the Audit & Supervisory Board (staff for auditors) compiles reference materials for and provides information about audit details to be shared between standing auditors and outside auditors at Audit & Supervisory Board meetings that are periodically convened.

## **2. Matters concerning functions for work execution, supervision, nomination, remuneration decision etc. (Overview of the current corporate governance structure)**

Fujifilm is a company with Audit & Supervisory Board, securing correct and appropriate business administration through supervision by the Board of Directors and the Audit & Supervisory Board, which is an independent entity with a broad-based investigation authority. The executive officer system is also adopted to secure swift and efficient decision-making and work execution.

The Board of Directors determines basic management policy and strategies, makes decisions on key operational matters, and supervises work execution. Executive officers are in charge of executing operations in line with the basic policy adopted by the Board of Directors. The Board of Directors also draws up basic policy on mechanisms surrounding sustainability. Directors and executive officers are on one-year term in order to clarify their missions and responsibilities. Currently, the Board of Directors consists of 10 members including four outside directors.

The Management Council is set up for deliberating on priority matters and Group-wide measures as executive officers execute operations in line with the basic policy, plan and strategies adopted by the Board of Directors. The Council is convened flexibly for efficient work execution. As for the execution of individual operations, the Executive Officer Operational Summary and Work Regulations clearly define the distribution of functions and responsibilities between executive officers and operational divisions. In the process of work execution, individual decisions are made in accordance with Internal Approval Regulations appropriately and efficiently.

Fujifilm's Audit & Supervisory Board currently consists of four members including two outside auditors. Auditors attend Board meetings. Standing auditors regularly attend meetings of the Management Council, and exchange opinions with the representative director periodically to oversee operational execution as a whole. There is a department of staff of auditors to enhancing auditors' auditing function.

The Nomination and Remuneration Committee, which is an advisory body to the Board of Directors, deliberates on CEO's succession plans, as well as basic policy / procedures concerning directors' remunerations.

To ensure that non-executive directors and auditors can fulfill their expected roles fully, Fujifilm's Articles of Incorporation includes a provision on liability-limiting agreements with non-executive directors and auditors. Based on this provision, Fujifilm has a liability-limiting agreement with non-executive directors (Kunitaro Kitamura, Makiko Eda, Tsuyoshi Nagano and Ikuro Sugawara) and auditors (Nobuo Hanada, Motoko Kawasaki, Masataka Mitsuhashi and Tatsuya Inagawa), stipulating that the liability is limited to the minimum liability limit defined in Article 425 Paragraph 1 of the Companies Act.

See Chapter 5 (Corporate Governance Structure) of the guidelines for details of Fujifilm's corporate governance structure.

## **3. Reasons for adopting the current corporate governance structure**

Fujifilm uses the structure described in II-2 of this report to ensure swift and efficient decision-making and operational execution, while appropriately supervising and overseeing operational execution to achieve management transparency and integrity.

### III Measures concerning shareholders and other stakeholders

#### 1. Initiatives for revitalized AGM and smooth exercise of voting rights

	Supplementary explanation
Sending the convocation notice for AGM early	The convocation notice for the AGM held on June 29, 2023 was sent on June 8. Prior to that, the information was posted early online, i.e. on Fujifilm's website on May 31 and on the Tokyo Stock Exchange website on June 1.
Exercising voting rights in electromagnetic means	Permitting the use of electromagnetic means to exercise voting rights, starting from the AGM held on June 2008.
Participating in the electronic voting platform and implementing other initiatives for improving institutional investors' environment for exercising voting rights	Participating in the institutional investor platform run by ICJ.
Providing the convocation notice (summary) in English	Preparing English translation of agenda information in the convocation notice for the AGM and posting the convocation notice on the websites of Fujifilm and Tokyo Stock Exchange.

#### 2. IR-related activities

	Supplementary explanation	Explanation by the representative
Preparing and releasing the disclosure policy	Fujifilm's IR information disclosure policy is released externally on our IR website. Efforts are also made to enhance IR with individual investors, e.g setting up an IR website for individual investors. At the same time, financial result information is released on our English-language IR website at the same time as the Japanese IR website to enhance IR with overseas investors.	
Holding information sessions periodically for individual investors	Participating in online information sessions for individual investors, organized by securities companies	No
Holding information sessions for analysts and institutional investors periodically	Holding financial result briefings attended by senior management and business information sessions for institutional investors and analysts	Yes
Holding information sessions for overseas investors periodically	Senior management members holding individual meetings at overseas business roadshows and conferences	Yes
Posting IR reference materials on the website	Earnings release, earnings presentations, Integrated Reports, securities report, quarterly reports, mid-term management plan presentations, disclosure materials, company information materials etc.	
Setting up an IR department (staff)	Setting up the Corporate Communications Division (IR department) and assigning IR staff overseas.	

#### 3. Initiatives concerning respect for stakeholders' positions

	Supplementary explanation
Stipulating respect for stakeholders' positions in internal regulations etc.	In the Fujifilm Charter for Corporate Behavior, Code of Conduct, and Chapter 2 (Relationship with shareholders) and Chapter 3 (Relationship with non-shareholder stakeholders) of the guidelines.

【Implementing CSR activities covering environmental conservation etc.】

Fujifilm's perception of CSR is to implement corporate philosophy through fair business activities in good faith, thereby contributing to the sustainable development of our society. We drew up the long-term CSR plan "Sustainable Value Plan 2030" in August 2017, with goals set to be achieved by FY2030. It sets out 15 priority issues in six areas, consisting of four priority areas of "Environment," "Health," "Daily Life" and "Work Style" and business foundation areas of "Supply Chain" and "Governance." These are company-wide visions to be promoted through specific activities.

The Environment area had numerical targets (See "1. Environmental conservation activities" below), but new numerical targets were also set for "Health" and "Work Style" in April 2021 as follows. In Health, products and services using medical AI technology of the Medical Systems business must be introduced to all 196 countries and regions worldwide by FY2030, contributing to enhancing access to healthcare. In Work Style, solutions and services that bring business innovation will be provided to deliver work styles that improve workers' productivity and support their creativity to some 50 million people.

We conduct information disclosure appropriately by issuing the Sustainability Report and the Integrated Report, and posting information online about such targets and their progress. At various opportunities we examine whether our business activities are meeting the demand and expectations of stakeholders, and reflect the findings to the promotion of business activities as a whole.

Fujifilm strives to become a company that actively works on solving social issues and contributes to building a sustainable society by generating "new value" from innovative products, services and technologies.

#### 1. Environmental conservation activities

With regard to the global issue of climate change, Fujifilm implement activities that reduce CO2 emissions throughout its product lifecycle and contribute to CO2 emission reduction to society. In December 2021, we set new CO2 emission reduction targets\* to work toward building a decarbonized society. The new targets call for fully operating on carbon-free energy and achieve net zero CO2 emissions by FY2040 (ten years ahead of the original target year of 2050), and reducing CO2 emissions across the entire product life cycle from material procurement to manufacturing, transportation, usage and disposal by 50% (compared to FY2019 levels) by FY2030 (i.e. 65% reduction from the FY2013 level, as opposed to the previous target of 45% reduction from the FY2013 level).

The above numerical targets are consistent with the "1.5 degrees Celsius target," stipulated in the Paris Agreement. In a bid to achieve the targets, we have adopted a new environmental strategy called the "Green Value Climate Strategy" to implement "Green Value Manufacturing" (production with a low environmental impact) and promote the creation and proliferation of "Green Value Products" (products and services with outstanding environmental performance). Other measures to achieve the new targets include setting CO2 emission reduction targets for each business segment in line with the new environmental strategy, and newly introducing internal carbon pricing in making investment decisions. Furthermore, the Board of Directors resolved on March 31, 2022 to reflect the rate of progress in achieving CO2 emission reduction targets as an ESG indicator to decisions on directors' remunerations (share remuneration plan), starting in April 2022, in a bid to boost the effectiveness of the new targets. We are also part of the RE100 (Renewable Energy 100%) Project and support recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) calling for businesses to disclose their response to climate change. In accordance with these recommendations, Fujifilm discloses information about the impact of climate change on Fujifilm Group's business activities from the perspectives of governance strategy and risk management.

\* (Reference) Sustainability report: <https://www.fujifilm.com/files-holdings/ja/sustainability/report/2022/sustainabilityreport2022.pdf>

#### 2. Compliance & risk management activities

The Fujifilm Group Charter for Corporate Behaviour and the Code of Conduct are adopted and enforced at all Group companies, ensuring that all employees engage in CSR activities.

The Fujifilm Group Employee Engagement Survey 2022, conducted in December 2022, confirmed that Fujifilm Group's overall strengths lies in a high level of compliance awareness and the establishment of open, fair and clear corporate culture. Efforts are made to formulate and implement measures to further reinforce our compliance and risk management, including discussions with Group companies on the results of the survey.

The ESG Committee, headed by Fujifilm's President, has compiled priority risks and their countermeasures that the Group should address in FY2023. Their details have been reported to the Board of Directors in order to secure the effectiveness of the Group's overall risk management.

Implementing environmental conservation activities and CSR activities

Formulating a policy on delivering information to stakeholders

Defined in the Fujifilm Charter for Corporate Behaviour, Code of Conduct and Chapter 4 (Information disclosure) of the guidelines.

## Others

### 【Human capital】

The Fujifilm Group links its HR strategy with management strategy, attributing the capabilities of employees to innovation. In order to achieve the long-term CSR plan (SVP2030\*1) and mid-term management plan, we define "HR development," "diversity" and "Kenko Keiei (health and productivity management)\*2" as the priority areas of HR strategy in promoting various measures. The employee engagement survey is utilized to adopt a mechanism for continuously boosting engagement in an effort to further accelerate measures in these priority areas.

\*1 The long-term CSR plan "Sustainable Value Plan 2030," announced in August 2017

\*2 Kenko Keiei is a registered trademark of the NPO Kenkokeiei.

#### <HR development>

Fujifilm is working on spreading the "See – Think – Plan – Do (STPD)\*3" cycle for reinforcing problem-solving capability, which is the core foundation of work, and deploying the "+STORY\*4," which provides the basis for employees' self-development. Furthermore, a diverse range of education programs is offered for HR development, reinforcing human resources specializing in DX.

\*3 Fujifilm's unique management cycle "S (See) – T (Think) – P (Plan) – D (Do)"

\*4 Support program to help employees acquire foundation for self-development

#### <Diversity>

Corporate innovation that generates changes stems from the work environment where each one of diverse employees can tap into their uniqueness and capabilities to the fullest extent. Numerical targets are set, such as women's ration among managerial positions and appointment of non-Japanese employees to key positions.

#### <Health management >

One of the priority tasks in business management is to promote health so that employees can engage in work filled with energy both physically and mentally. Health management measures are deployed to implement seven health actions to achieve KPIs in five priority areas, thereby boosting employees' work engagement.

See the 127<sup>th</sup> term securities report for details.

•Securities Report: Approach and initiatives for sustainability (human capital)

<https://ir.fujifilm.com/ja/investors/ir-materials/securities-reports.html>

## IV Internal Control systems

### 1. Our basic policy on internal control systems

Frameworks to ensure appropriate execution of the Group's business operations

FUJIFILM Holdings Corporation (the Company) has established the following Fujifilm Group's Purpose, which is the fundamental basis for the execution of its business operations.

<Fujifilm Group's Purpose>

Giving our world more smiles

We bring diverse ideas, unique capabilities,  
and extraordinary people together to change the world.

Under this Fujifilm Group's Purpose, as a holding company overseeing the management of the corporate group comprising the Company and its subsidiaries (the Group), the Company has established the following basic policies in accordance with Article 362 of the Companies Act to build an effective internal control system as well as a system to ensure that audits by the Company's Audit & Supervisory Board members are conducted appropriately, for the purpose of appropriate and sound execution of business operations by the Group:

1. Framework to ensure that the duties of Directors and employees of any of the Group are carried out in a manner that complies with laws, regulations and company statutes

(1) The Company shall make efforts to abide by laws, regulations and social ethics based on "Fujifilm Group Charter of Corporate Behavior" and "Fujifilm Group Code of Conduct" established as basic policies for the corporate activities of the Group.

(2) For the purpose of maintaining and further improving the Group's compliance and ethical levels in all aspects of its corporate activities, the Company shall establish the ESG Committee chaired by the President, as well as a dedicated division for promoting compliance by spreading and raising awareness about compliance issues throughout the Group.

(3) By establishing contact points (internal whistleblowing contact office) both inside and outside the Group for receiving requests, notifications, and reports of findings and concerns from all Group employees related to the "Fujifilm Group Code of Conduct" and other compliance matters, the Company and its subsidiaries shall endeavor to detect violations early, and shall handle such matters appropriately. The Company and its subsidiaries shall ensure that any person who consults or reports through the internal whistleblowing contact office shall not suffer any detrimental treatment by reason of such consultation or reporting.

(4) The Company shall ensure that the Group severs relations with any antisocial or illegal movements or groups that pose a threat to the order or safety of society. The Company shall not do acts to benefit such movements or groups.

(5) The Company and its subsidiaries shall establish necessary internal rules such as the rules and procedures for corporate decision making (Ringi), document management policies, Insider-Trading prevention policies, personal and other sensitive information management policies, antimonopoly law (competition law), anticorruption policies, and others under which all personnel are required to conduct their business activities. Furthermore, the Company and its subsidiaries shall establish relevant guidelines and manuals and provide periodic education and training to its personnel to ensure compliance with laws and regulations applicable to our business activities.

(6) The Company shall promote maintenance of internal control systems for ensuring credibility of the Group's financial reporting, as well as systems to evaluate operational effectiveness of such internal control systems.

2. Framework concerning the retention and management of information on execution of Directors' duties

(1) The Company shall establish document management policy that govern retention and management of documents (including electronic media). The Company shall record information related to the Directors' execution of business in writing such as in minutes of shareholders' meetings, minutes of meetings of the Board of Directors, Ringi forms, and others, and shall retain and manage such documents in an appropriate manner in accordance with the document management policy.

(2) All Directors and Audit & Supervisory Board members of the Company have the right to access any of the abovementioned documents at any time if necessary for the execution of their duties.

3. Rules and other related frameworks concerning management of risks of losses to the Group

(1) The Company shall establish appropriate risk management systems in the Group. Important risk issues shall be submitted to deliberations, from a viewpoint of the Group, at the ESG Committee chaired by the President to formulate basic courses of action and



consider and implement appropriate measures.

(2) With regard to specific risk domains related to the Group's businesses, such as information management, environment, health, safety and disaster prevention, the Company shall formulate risk management systems by means of establishing rules, guidelines and manuals, and assigning personnel in charge of risk management in each of the Company and its subsidiaries. In addition, risk matters arising from performance of particular business operations in the Company or its subsidiaries shall be judged and handled appropriately, and important risk information shall be reported to the office of the ESG Committee at the Company according to prescribed procedures.

(3) The Company shall periodically identify and sort out priority risk matters that should be addressed as a whole of the Group, and shall monitor and manage formulation and implementation of measures at the Company and its subsidiaries against each of such matters.

#### 4. Systems to ensure efficient execution of the duties of Group's Directors and employees

(1) The Company holds meetings of the Board of Directors periodically to decide on the basic policies and strategies for the Group management and on important matters related to business execution, and to supervise Directors' execution of the duties, pursuant to the Board of Directors rules and other relevant regulations. The term of office of Directors shall be one year, so as to keep their respective missions and responsibilities clear and to enable quick response to changes in the business environment.

(2) To enable quick business execution, the Company shall adopt the Corporate Vice President system. The roles and areas of responsibilities of each Corporate Vice President are defined in outlines for management of the Corporate Vice Presidents. The Corporate Vice Presidents are responsible for execution of their duties in line with the basic management policies decided by the Board of Directors. The term of office of Corporate Vice Presidents shall be one year, so as to keep their respective missions and responsibilities clear and to enable quick response to changes in the business environment.

(3) The Management Council has been established as an organization to deliberate important matters and the Group-wide measure topics for the Corporate Vice Presidents to execute business based on the basic management policies, plans and strategies determined by the Board of Directors. The Management Council shall be held flexibly to ensure efficient business execution and decision-making.

(4) The Company formulates the Group's medium-term and annual business plans through deliberation and resolutions by the Board of Directors. The Company and its subsidiaries shall conduct their respective business in line with these plans and shall review the progress thereof regularly.

(5) The Company and its subsidiaries shall define the functions and responsibilities of each business unit clearly in relevant office regulations, and shall make specific decisions in the course of business execution properly and efficiently in accordance with the Ringi rules and procedures.

#### 5. Other frameworks to ensure appropriate execution of the Group's business operations

(1) As a holding company, the Company shall monitor and supervise business execution of its subsidiaries from the standpoint of shareholders, and shall itself undertake the execution of businesses common among the Group in a unified, efficient, and appropriate manner, in order to maximize the corporate value of the Group.

(2) In an effort to ensure appropriate business execution, the Company shall establish and maintain frameworks that enable Audit & Supervisory Board members and audit staffs to conduct audits of the Company and its subsidiaries on a regular basis.

(3) With regard to important business execution by the Company's subsidiaries, the Company shall define matters that require approval by the Company's Board of Directors or deliberation at the Management Council, by stipulating such matters and approval procedures in the Board of Directors rules and other relevant office regulations, and shall require each subsidiary to comply with such procedures in order for the Company to manage business execution at its subsidiaries.

(4) The Company shall understand resolutions and reports of the Board of Directors of its major subsidiaries and shall require report as necessary, in order for the Company to manage and supervise important business execution in the Group.

(5) The Company shall actively advance computerization of the Group's business operations through constant efforts to improve the accuracy and efficiency of such business operations.

(6) The Company shall establish global audit systems by enhancing its auditing function by integrating all internal audit functions within the Group. The internal audit division shall organize a system for regularly auditing the Company and its subsidiaries to ensure appropriate execution of the Group's businesses.

#### 6. Matters related to employees supporting the duties of Audit & Supervisory Board members on demand

(1) The Company shall establish a division for the Audit & Supervisory Board. Employees who belong to such division shall concurrently serve as auditing staff to support the enhancement of an auditing function of the Audit & Supervisory Board members.

(2) The auditing staff shall support the duties of the Audit & Supervisory Board members by following their direction and orders. Personnel affairs of such supporting auditing staff shall require the consent of the Audit & Supervisory Board members.

#### 7. Frameworks for the Directors and employees in the Group to report to the Company's Audit & Supervisory Board members

(1) In the event that there arises in the Company or its subsidiaries any critical matters concerning a violation of laws, regulations or articles of incorporation, misconduct, or any fact that may cause a severe damage to the Group, the Director or employee of the Company or its subsidiaries who becomes aware of such fact, or personnel of the Company's compliance division or any subsidiary's Audit & Supervisory Board members who receive the report of such fact from the said Director or employee, shall promptly report such fact to the Company's Audit & Supervisory Board members.

(2) The Company's business units or subsidiaries shall submit monthly reports about their business execution to the Company's Audit & Supervisory Board members. Besides, Directors and employees of the Company and its subsidiaries shall report the necessary information about their business operations to the Company's Audit & Supervisory Board members upon their request, to the extent necessary for their audit.

(3) The Company and its subsidiaries shall ensure that any person who reports pursuant to 7(1) or (2) above shall not suffer any detrimental treatment by reason of such reporting.

#### 8. Other frameworks to ensure effective auditing by Audit & Supervisory Board members

(1) The Company's Audit & Supervisory Board members shall share audit results and other audit information among themselves in their regular meetings. In addition, Audit & Supervisory Board members (full-time members in principle) shall also attend other important meetings such as Management Councils as regular attendees, and shall exchange opinions with the representative Directors regularly.

(2) For the purpose of enhancing and strengthening the Group's auditing function, the Company's Audit & Supervisory Board members shall share audit results and other audit information and exchange opinions regularly with Audit & Supervisory Board members of the Company's major subsidiaries.

(3) Under the recognition that mutual interaction and cooperation between the internal auditing division, Audit & Supervisory Board members and independent auditors are important, the Company's Audit & Supervisory Board members shall facilitate information sharing between these three parties to enable efficient auditing.

(4) The Company's related divisions and the Company's subsidiaries (the Subsidiaries) shall consult with Audit & Supervisory Board members regarding the required auditing system at the Subsidiaries such as the number of Audit & Supervisory Board members in the Subsidiaries and the presence of full-time Audit & Supervisory Board members in the Subsidiaries to ensure effective auditing within the Group. The Subsidiaries shall discuss with the Company's Audit & Supervisory Board members prior to the selection of the candidates for Audit & Supervisory Board members of the Subsidiaries.

(5) The Company shall allocate necessary and sufficient budgets based on relevant audit plans to cover expenses that may accrue from execution of duties by the Company's Audit & Supervisory Board members and shall bear such expenses in accordance with related office regulations.

Structures for ensuring appropriate business operations were administrated as follows in FY2022.

#### 1. Structure for ensuring that Fujifilm Group's directors and employees execute work duties in compliance with laws, regulations and Articles of

### Incorporation

Fujifilm circulates “Fujifilm Group Charter of Corporate Behaviour” and “Fujifilm Group Code of Conduct” to directors and employees to ensure regulatory compliance and approach work in the open, fair and clear mentality. The company must have all Group companies develop relevant regulations and guidelines so that directors and employees execute work in full compliance with laws, regulations and Articles of Incorporation. At the same time, efforts are made to promote educational activities, and set up and operate internal reporting and consultation departments shared globally, in order to develop a workplace environment where all directors and employees can make appropriate judgment and actions. Each company processes reports and consultations appropriately. As for boosting compliance awareness among Group companies’ directors and employees, Fujifilm clearly defines organizational units and meeting systems, and have each company promote various compliance measures and aggregate / manage key compliance-related matters. Checklists are used to assess the effectiveness of internal control systems’ administration to secure reliability of Fujifilm Group’s financial reporting.

In this consolidated accounting year, the Fujifilm Group Regulations on Export Security Control and its bylaws have been revised in line with the partial amendment of ministerial ordinance on the Foreign Exchange and Foreign Trade Act in May 2022 to review the Fujifilm Group’s trade security management system. Furthermore, Fujifilm and its domestic Group companies have adopted regulations on internal reporting to coincide with the June 2022 introduction of the law that partially amend the Whistleblower Protection Act, thereby embracing a necessary structure to adequately cater to internal reporting.

### 2. Structure for storing and managing information associated with Fujifilm directors’ execution of work duties

Fujifilm compiles minutes for AGM and Board of Directors meetings in accordance with laws, regulations and Articles of Incorporation, and stores and manages their original copies. Additionally, Ringi (corporate decision-making) documents are prepared, stored and managed in line with Fujifilm regulations on Ringi and document management so that the documents are available for viewing upon request from Fujifilm directors and auditors.

### 3. Regulations and other structures on managing Fujifilm Group’s risk of losses

Fujifilm and its subsidiaries develop regulations, guidelines and manuals on various business-related risks and appoint risk managers concerning information management, safety, health, environment and disaster management. The said risk managers lead the efforts to administrate and manage regulations, etc. as the Group’s risk management mechanism. Fujifilm and its subsidiaries make appropriate judgment and response to risks that arise in the execution of individual operations, and follow pre-defined procedures in dealing with important risks to report them to Fujifilm’s ESG Committee, led by the President.

In this consolidated accounting year, the Fujifilm Group Document Management Regulations were introduced to domestic Group companies in October 2022, standardizing document management operations group-wide and enhancing management efficiency, accountability and information security. In order to prevent external cyberattacks, we have adopted a mechanism to pinpoint suspicious online behaviours on a specific terminal round the clock globally, significantly reinforcing the Group’s information security.

### 4. Structure for ensuring that Fujifilm Group’s directors and employees execute work efficiently

Fujifilm periodically convenes the Board of Directors to determine basic policy and strategy for Group management, decide on important operational matters for Fujifilm and its subsidiaries, and supervises directors’ execution of duties in line with the Board of Directors Regulations and related rules.

In this consolidated accounting year, the Board of Directors held meetings 14 times, expanding the scope of matters it reviews to further enhance the Board’s roles and functions. The company has drawn up the annual management plan and has the Board of Directors periodically examine its progress, while receiving monthly reports from main subsidiaries as a way of verifying their progress in subsidiary-specific annual management plans.

### 5. Other structures for ensuring appropriate work operations across the Fujifilm Group

As a holding company, we supervise the business operations of our subsidiaries as a shareholder, identify resolutions and reports of main subsidiaries’ Boards of Directors, and seek reports as required. In accordance with our Board of Directors regulations and other associated regulations, we ensure that subsidiaries obtain our advance approval before proceeding with important operations that require such approval. Such operational administration approach is used to manage and supervise key operations within the Group. The Fujifilm Group’s internal audit system centrally supervises Fujifilm and its subsidiaries directly and globally. In implementing the supervision, we perform trend analysis on sales / expense data, Profit & Loss statement and Balance Sheet to identify abnormal figures and numerical performance decline, periodically manage the progress of email forensics and audit at subsidiaries requiring such investigation at the auditing timing, and monitor audited companies on their progress in addressing areas for improvement identified, thereby reinforcing audit capacity and audit management with the advanced use of IT. We also conduct AI-based email forensics for efficient and effective auditing.

### 6. Matters concerning Fujifilm auditors’ assistants if the auditors request such employees

Fujifilm have employees belonging to the Audit & Supervisory Board Office act as staff for auditors. These employees assist auditors in their execution of work duties by following their direction and orders, thereby contributing to enhancing auditing functions at Fujifilm.

### 7. Reporting structure from Fujifilm Group’s directors and employees to auditors

There is a system in place for important facts that breach laws, regulations or Articles of Incorporation, malpractices or facts that could give a significant damage to Fujifilm or its subsidiaries, identified by the directors or employees of Fujifilm and its subsidiaries, to be reported to Fujifilm’s auditors without delay from the directors and employees of Fujifilm and its subsidiaries who have identified such facts or Fujifilm’s department dedicated to compliance promotion or Fujifilm subsidiaries’ auditors who are notified of such facts from them.

### 8. Other structures for ensuring that audits are performed by auditors effectively

Fujifilm’s auditors work with the internal audit department and accounting auditors to efficiently carry out auditing, and strive to enhance auditing activities through periodically exchanging opinions with Fujifilm directors and receiving periodic reports from subsidiaries’ auditors. Also, in order to ensure effectiveness of auditing by Fujifilm Group’s auditors, relevant Fujifilm departments and its subsidiaries consult Fujifilm’s auditors about building a structure required for auditing the subsidiaries, e.g. the required number of auditors at the subsidiaries and the establishment of standing auditor positions. Fujifilm’s subsidiaries, when selecting auditors, consult Fujifilm’s auditors in advance.

## 2. Basic approach to excluding anti-social forces and its progress

The Fujifilm Group Code of Conduct stipulates that the company’s basic approach is to eliminate any association with anti-social, non-legal forces and groups that threaten social order and safety, and to avoid engaging in any act that bring benefits to such forces and groups. Efforts are made to reinforce a structure for putting this under control.

## 1. Introduction of acquisition-prevention measures

Introduction of acquisition-prevention measures

None

Supplementary explanation about applicable items

• Basic policy on persons who control decisions on fiscal and business policies (Basic policy on company control) and overview of the special mechanism that contribute to fulfilling the policy

Fujifilm's Board of Directors, which is entrusted to manage the company by shareholders, believes that its mission is to secure and improve the company's corporate value and shareholders' joint interest through sustainable growth based on mid- to long-term perspectives, in determining Fujifilm Group's fiscal and business policies. Based on the approach, and under Fujifilm Group's corporate philosophy, we are extending the sources of Fujifilm's corporate value, including "advanced, unique and diverse technologies," "global network," underscoring "human resources" and "corporate culture," to improve our corporate value.

Fujifilm believes that those who control decisions on fiscal and business policies must understand the sources of Fujifilm Group's corporate value, adopt mid- to long-term perspectives to secure corporate value and shareholders' joint benefits in a continuous and sustainable manner and are capable of improving them. If presented with an acquisition offer aimed at gaining Fujifilm's control, we believe the decision on whether to accept such an offer rests on shareholders at the end of the day. Some mass share acquisition include cases that make clear attack on corporate value and collective shareholder benefit, could force shareholders to sell their shares effectively, do not provide sufficient time or information for targeted company's Board of Directors and shareholders to consider details of mass share acquisition or an alternative course of action, or do not provide the targeted company with sufficient negotiation opportunities, thereby not contributing to the targeted company's corporate value or collective shareholder benefits.

If a party attempts to make mass acquisition of Fujifilm shares, we will actively gather information and strive to disclose the information as appropriate to help shareholders make a fair judgment, and implement measures allowed within the scope of the Companies Act, Financial Instruments and Exchange Act and other relevant laws and regulations in order to secure and boost our corporate value and collective shareholder benefits.

## 2. Other matters concerning corporate governance structures

Based on our IR information disclosure policy\*, Fujifilm strives to disclose information appropriately in compliance with the Financial Instruments and Exchange Act, other laws and regulations and disclosure rules stipulated by security exchanges (Timely Disclosure Rules). In disseminating disclosure information appropriately, we are strongly conscious about its importance, just as significant as judicial disclosure. The Corporate Communications Division (IR department), responsible for information disclosure, centrally handles information disclosure in a fair and just manner.

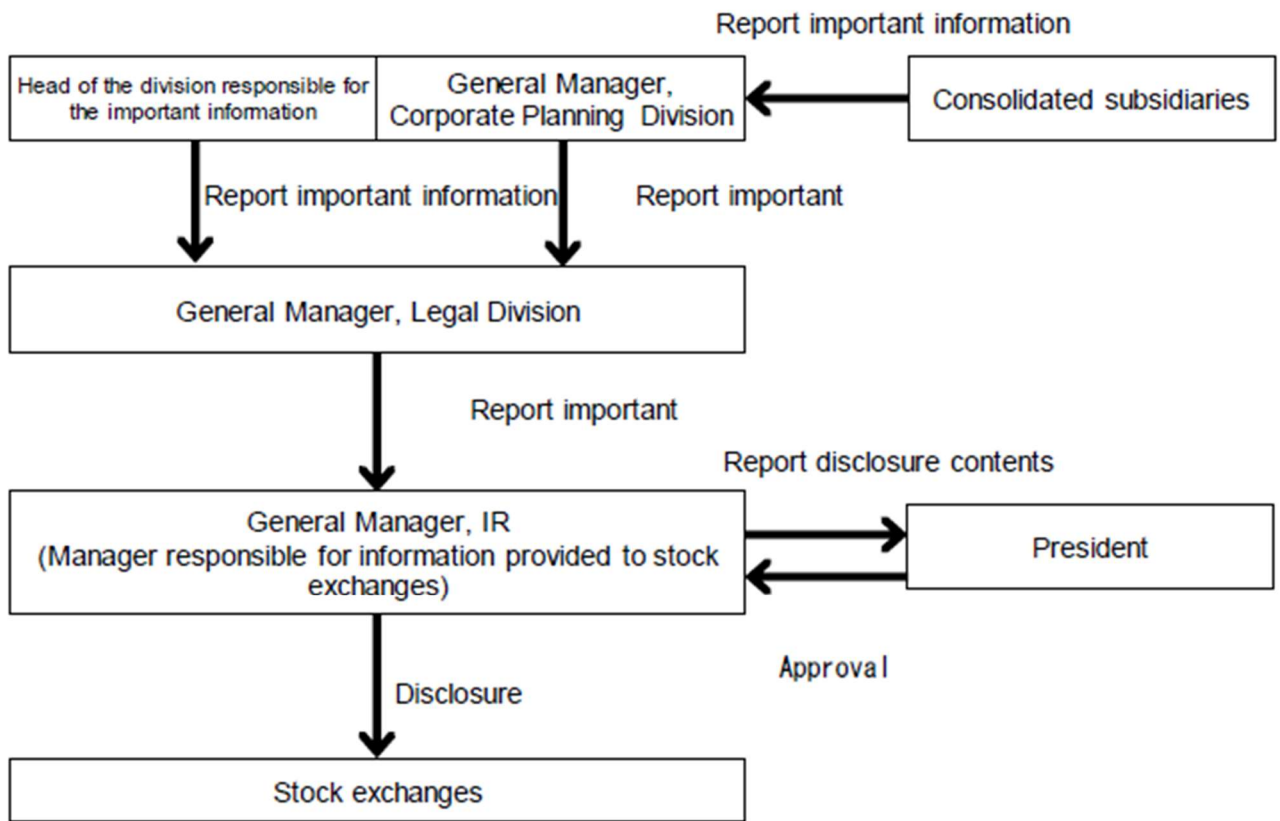
Important information arising from Fujifilm and consolidated subsidiaries is reported to the head of the legal affairs division in accordance with internal regulations (Regulations on preventing insider trading and ensuring appropriate information disclosure). The head of the legal affairs division pass the said information to the head of the IR division (responsible for information handling) swiftly, and the head of the IR division disclose the information with approval from the President. (See the "internal structure for appropriate information disclosure")

The head of the IR division issues appropriate disclosure instructions to the members of the IR division, who use the TDnet for appropriate disclosure at the Tokyo Stock Exchange. The members of the IR division handle important information prudently and proceed with disclosure procedures appropriately in compliance with miscellaneous laws, regulations and Timely Disclosure Rules and internal regulations, and in accordance with procedures stipulated within the IR division.

We also provide continuous education to the members of the head office's IR division and IR staff overseas, e.g., developing a clearly-documented operation manual on the handling and appropriate disclosure of important information.

\* IR information disclosure policy: <https://ir.fujifilm.com/ja/investors/policies-and-systems/ir-policy.html>

## Internal structure associated with timely disclosure



## Corporate Governance Structure Chart

