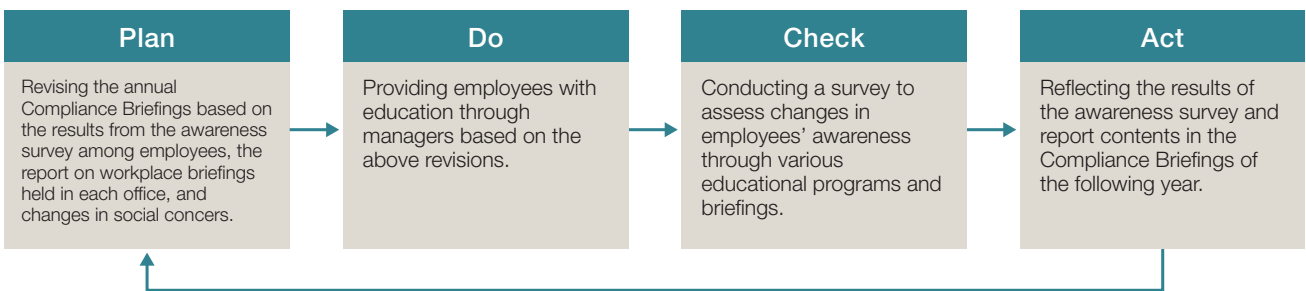


## 2.2 Compliance and Risk Management

### 2.2.1 Basic Approach

The Fujifilm Group defines “compliance” as “not only to pursue the law but to behave correctly within the framework of common sense and ethics”. Moreover, we think the compliance and the risk are two sides of the coin, as the lack of compliance awareness among employees would lead to grow the possible corporate risk. For this reason, the following four steps have been implemented in the PDCA (plan-do-check-act) cycle in the drive to increase awareness of compliance.

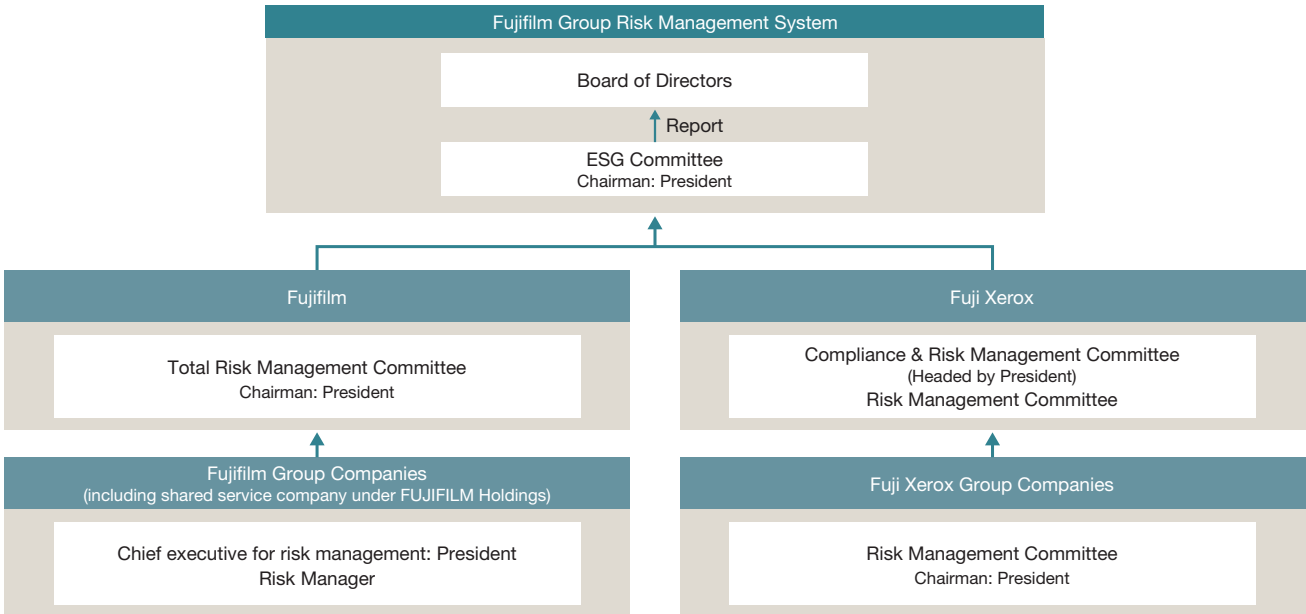


### 2.2.2 History of the Measures Implemented for Compliance and Risk Management

1995-2005	<p><b>Establishment and reinforcement of foundation at each company</b></p> <ul style="list-style-type: none"> <li>• Formulation of a Code of Conduct for employees</li> <li>• Establishment of responsible organization (committee)</li> <li>• Opening of a helpline and whistle-blowing office</li> <li>• Start raising employees’ Awareness, education, and monitoring through awareness surveys and briefings sessions</li> </ul>
2006-2008	<p><b>Establishment and reinforcement of foundation for the entire Fujifilm Group</b></p> <ul style="list-style-type: none"> <li>• Establishment of Fujifilm Holdings CSR Committee</li> <li>• Revision of Group’s Corporate Philosophy and Charter for Corporate Behavior , and formulation of Vision and code of Conduct and raising awareness</li> <li>• Expansion of initiative to Group companies outside of Japan</li> </ul>
2009-2013	<p><b>Addressing new priority issues</b></p> <ul style="list-style-type: none"> <li>• Introduction of anti-corruption regulations</li> <li>• Review of Group-wide risk issues related to natural disasters, such as large earthquake or possible eruption of Mt. Fuji</li> <li>• Establishment of a system to ensure no relations with anti-social forces</li> <li>• Introduction of information security regulations and guidelines etc.</li> </ul>
2014-2016	<p><b>Further activity promotion toward Sustainable Value Plan 2016 targets</b></p> <ul style="list-style-type: none"> <li>• Review and clarification of major risks for the Fujifilm Group</li> <li>• Strengthening measures to raise awareness on existing rules and regulations etc.</li> </ul>
2017-2019	<p><b>Strengthening Corporate Governance as the Fujifilm Group</b></p> <ul style="list-style-type: none"> <li>• Compliance education for all Employees and distribution of CEO message concerning the inappropriate accounting issue</li> <li>• Establishment of whistle-blowing system to report directly to Fujifilm Holdings</li> <li>• Revision of the Charter for Corporate Behavior and the Code of Conduct</li> <li>• Establishment of Fujifilm Holdings ESG Committee reorganized from CSR committee</li> </ul>

### 2.2.3 Compliance and Risk Management Promotion Structure

#### Fujifilm Group Risk and Compliance Management System



Following the inappropriate accounting experienced by Fuji Xerox overseas subsidiaries in FY2017, we also revised our risk management in terms of the control structure and operation in order to thoroughly implement measures for crisis control and recurrence prevention. We also strengthened our risk minimization activities for normal circumstances. The Fujifilm Group annually reviews risks identified by companies across the world under Fujifilm Holdings and creates action plans to control these risks following established procedures. In the event of an incident, each operating company controls the risk following the predetermined procedure. If the case is serious, the company reports it to the Secretariat of the Fujifilm Holdings ESG Committee in order to supervise risk management across the entire Group and ensure its effectiveness.

#### Risk Extraction and Process for Establishing Action Plan

