



Sustainable Value Plan 2030

Improve and maintain governance structures by further disseminating an open, fair and clear corporate culture.

Governance

Social Issues

To continue to be as a valued member of society and to grow, the company must meet the expectations of its various stakeholders and to win the trust of society. To fulfill its social responsibilities and promote sustainable growth and long-term improvement in corporate value, the company must conduct its business activities in accordance with the social code of conduct, with an emphasis on transparency and fairness. It is important to improve corporate governance, which is essential for swift and bold decision-making, and implement measures that lead to corporate growth and improvement in corporate value alongside changes in the business environment.

Fujifilm Group's Goals under SVP 2030

(Priority Issues)

Improve and maintain governance structures.

Under its Corporate Philosophy and Vision upholding an open, fair and clear corporate culture, the Fujifilm Group is determined to promote sustainable growth and improve its corporate value through sincere and fair business activities and to contribute to the sustainable development of society. To achieve this, corporate governance, which underlies all such efforts, has been confirmed once again as a major issue. We will develop, maintain and continue to strengthen corporate governance through reinforcement of internal controls and audit systems.

Target for 2030

Aim for zero cases of misconduct and major legal violations by disseminating an open, fair and clear corporate culture.

Outline of Activities in FY2018

[Target] Develop a governance organization for the entire Fujifilm Group and reinforce the business management process.

- Increased the number of independent outside directors to four to augment deliberations by the Board of Directors and improve transparency of management decision-making by using an independent outside director.
- Established the Nomination and Remuneration Advisory Committee chaired by an independent outside director as an arbitrary advisory body to the Board of Directors.



Training program for risk managers at overseas sites

[Target] Improve compliance awareness across the entire global Group and reinforce risk management.

- Revised the Fujifilm Group Charter for Corporate Behavior and Code of Conduct. (see Page 43)
- Follow-up investigation on the FY2017 compliance awareness survey ⇒ No major issues.
- Implemented training programs for risk managers at several overseas regional headquarters.
- Introduced the information security reporting system globally.
- Implemented disaster prevention education and training to prepare for a wide-area disaster. (see Page 43)

[Target] Maintain a fair and independent audit and improve the audit quality level.

- Established methods for analysis of financial data and work record etc. as well as an e-mail forensics mechanism; all of which have already been deployed in domestic audits and have led to improving audit completeness and objectivity.

► **Related Data and Information:**

Management Performance Page 21 *Corporate Governance*, Page 26 *Compliance and Risk Management*

Future Activities and Targets

- Strengthen consolidated management of compliance activities by operating companies FF & FX under an FH initiative and by execution of measures aimed at further improving compliance awareness among all employees.
- Enhance deliberations by the Board of Directors and improve transparency of management decision-making.

FH: FUJIFILM Holdings FF: Fujifilm FX: Fuji Xerox

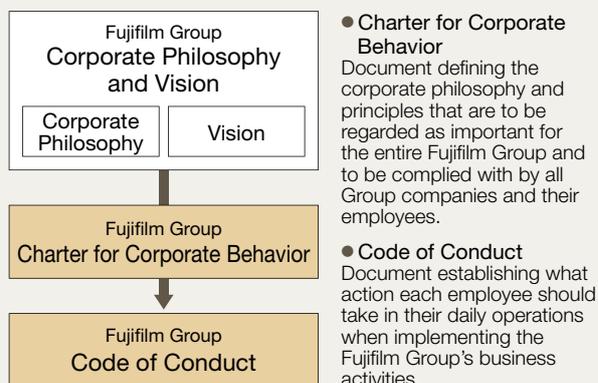
Revision of Charter for Corporate Behavior and Code of Conduct

Covering SDGs, human rights, risk management and other issues in response to changes in the global situation

The Fujifilm Group believes a business corporation as an entity that provides value to society through its business activities and earns profits as fair compensation for its efforts. At the same time, we believe we must function as a member of society to contribute to sustainable development. In view of the ever-growing influence and importance of the role companies must fulfill in society, we introduced in 2017 the Sustainable Value Plan 2030 (SVP 2030) to meet the expectations of society. Furthermore, we have taken action in face of the changing demands of society and revised our Charter for Corporate Behavior and Code of Conduct in April 2019 to clarify how each employee should behave and act in business. The key is our declaration to “make an active contribution to resolving social issues through innovation.” It urges each and every employee to take on their assigned role in the face of many social issues and tackle innovative challenges with the aim of creating the sustainable society envisioned under SVP 2030. Additionally, it communicates to all employees that business activities must be conducted with “an open, fair and clear corporate culture” and explicitly states that compliance is the key to a company continuing to be needed and trusted by society.

To promote greater understanding of the Charter for

Relationship between the Fujifilm Group Corporate Philosophy and Vision and the Charter for Corporate Behavior and Code of Conduct



Corporate Behavior and Code of Conduct, education programs will be implemented in a total of 24 languages so that they can reach all the employees in the Fujifilm Group worldwide.

Fujifilm Group Charter for Corporate Behavior (full text) <http://www.fujifilmholdings.com/en/about/philosophy/conduct/index.html>

Fujifilm Group Code of Conduct (full text) <http://www.fujifilmholdings.com/en/about/philosophy/law/index.html>

Reinforcement of Governance

Improved audit capabilities through consolidation of audit organizations and introduction of advanced IT-based audit methods

In September 2017, FUJIFILM Holdings established its Global Audit Division, consolidating the existing audit organizations in each Group company, to create a system for the direct auditing of consolidated subsidiaries. This has led to the centralization of information at each company, swift reporting of action, effective utilization of auditing human resources scattered across the Group and other benefits that led to the auditing of all 300 companies in the Group in three years.

In addition, the Audit Planning Group was established to introduce new auditing methods utilizing IT. One such method is the e-mail forensics system, which is very

often outsourced to external service providers in an emergency but not in a normal internal audit. At FUJIFILM Holdings, however, the original system was developed internally, utilizing our own AI and other internal systems. This led to analysis that combined more detailed internal data and produced greater accuracy, making it possible to detect problems and signs of wrongdoing as well as to save costs through internal development. The system has already been implemented at sites in other countries as well as in Japan, and we are going to expand its application in the future.

Disaster Prevention Training

Training conducted to raise disaster prevention awareness among all employees

Fujifilm implements various activities to raise disaster prevention awareness in each and every employee. In FY2018, the first e-learning program for disaster prevention was implemented for all employees. Each participant studies for approximately 15 minutes to solidify their knowledge of disaster prevention, including the “basic information of disaster” and “the importance of preparation at home” through their responses to a Q&A checklist. Additionally, stockpiles to prepare for an emergency are being offered for sale at corporate cooperative unions in the Group. They come in the form

of “original sets” consisting of foodstuffs, drinking water and supplies needed in an emergency. The items were selected by employees who experienced the Great East Japan Earthquake and the Kumamoto Earthquake. Each set comes with a service notifying the purchaser of the expiration date of the set six months in advance.

We will continue disaster prevention activities, based on the conviction that the safety and security of the lives of employees and their families will lead to the company's early recovery and business continuity in the event of a disaster.