

2.1 Corporate Governance

2.1.1 Basic Approach

The Fujifilm Group aims to contribute to the sustainable growth of society while improving its corporate value through sincere and fair business activities. As the foundation to achieve this, we regard corporate governance as a primary issue in our business management. We also position the Board of Directors as the organization that determines basic Group management policies and strategies and other important matters relating to business execution, as well as supervising the implementation of business affairs.

This idea is clarified in the Corporate Governance Guidelines, which are approved by the Board of Directors.

Corporate Governance Guidelines

[URL: https://www.fujifilmholdings.com/en/about/governance/pdf/ff_governance_guideline_en.pdf](https://www.fujifilmholdings.com/en/about/governance/pdf/ff_governance_guideline_en.pdf)

Report on Corporate Governance (Tokyo Stock Exchange)

[URL: https://www.fujifilmholdings.com/ja/about/governance/pdf/ff_ab_2018_001.pdf](https://www.fujifilmholdings.com/ja/about/governance/pdf/ff_ab_2018_001.pdf) (in Japanese only)

Basic approach to the internal control system and its outline

[URL: https://www.fujifilmholdings.com/en/about/governance/internal_control/index.html](https://www.fujifilmholdings.com/en/about/governance/internal_control/index.html)

Articles of Incorporation

[URL: https://www.fujifilmholdings.com/ja/investors/pdf/other/ff_irnews_20150626_001j.pdf](https://www.fujifilmholdings.com/ja/investors/pdf/other/ff_irnews_20150626_001j.pdf) (in Japanese only)

Fujifilm Tax Policy

[URL: https://www.fujifilmholdings.com/en/sustainability/steps/governance/index.html](https://www.fujifilmholdings.com/en/sustainability/steps/governance/index.html)

Yuka Shoken Houkokusho (Securities report)

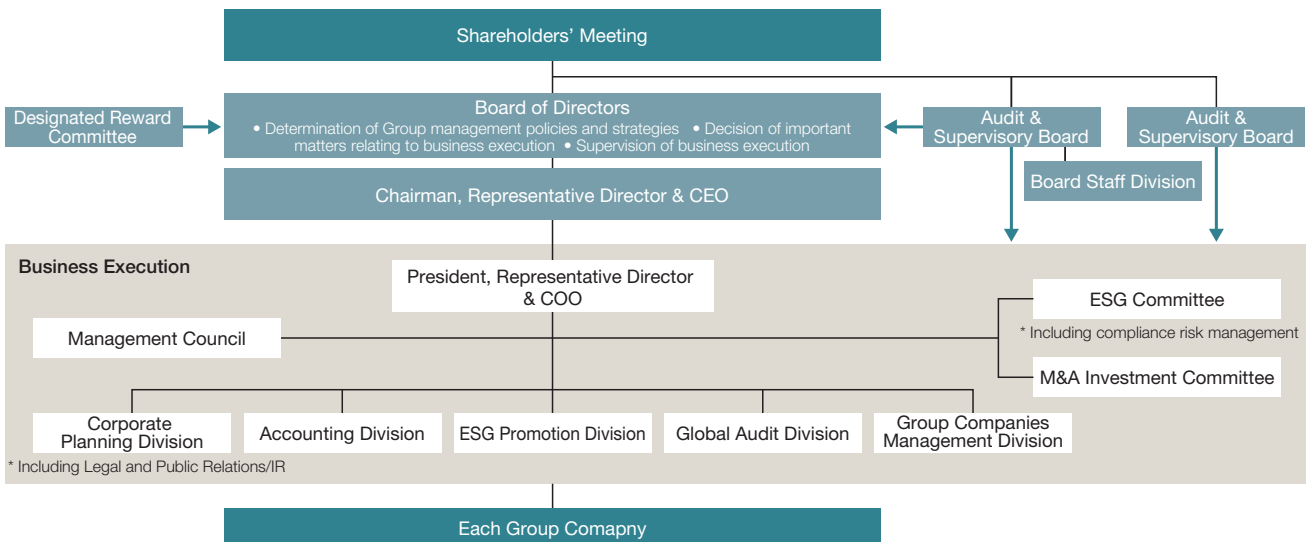
[URL: https://www.fujifilmholdings.com/ja/investors/pdf/securitiesreports/ff_sr_2018q4_allj.pdf](https://www.fujifilmholdings.com/ja/investors/pdf/securitiesreports/ff_sr_2018q4_allj.pdf) (English available in Sept.)

Integrated Report 2018

[URL: https://www.fujifilmholdings.com/en/investors/ir_library/integrated_reports/index.html](https://www.fujifilmholdings.com/en/investors/ir_library/integrated_reports/index.html)

2.1.2 Corporate Governance and Governing Structure

Corporate Governance and Governing Structure



Auditing Structure

FUJIFILM Holdings has adopted the system of appointing an Audit & Supervisory Board, which consists of four members, including two outside auditors (50% of the entire auditors) as of the end of June 2019. The current outside auditors are both qualified accountants and possess a wide range of experience and knowledge through their practice in other corporations, in addition to their accounting expertise. Each auditor attends the Board of Directors and the full-time auditors always attend the management meeting and exchange opinions with COO regularly to maintain the transparency of the entire management.

Our Global Audit Division comprises 55 members (as of the end of June 1, 2019) to support internal auditing and evaluate the internal control in our global operations with speed and transparency.

2.1.3 Independence of Outside Directors

There are 11 directors as of the end of June 2019, four of which are independent outside directors (36% of the board). Outside Directors observe the Board of Directors' decision making and its processes objectively to judge and discuss their rationality from a perspective of increasing corporate value considering the benefit of stakeholders including minority shareholders. They are playing role of contribution to ensure validity and appropriateness of Board decision making.

Outside directors and outside Audit & Supervisory Board members of FUJIFILM Holdings Corporation are deemed to be independent when none of the following conditions apply:

Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

URL: <https://www.fujifilmholdings.com/en/about/governance/officers/index.html>

2.1.4 Diversity among Directors

Directors candidates are selected giving overall consideration including diversity of the Board of Directors to their personality and acumen, wealth of professional experience, international business experience, depth of insight into the Group's business and management environment, ability to analyze and judge matters objectively and such.

Outside Director candidates are selected giving overall consideration to their having sufficient acumen and wealth of professional experience for supervising management from an independent perspective, high level of expertise in fields such as corporate management, finance and accounting, and law, knowledge and experience regarding the Company's fields of business, and such.

To diversify the Board of Directors, we appointed our first female outside director in June 2018. In selecting director candidates, we make comprehensive consideration covering the extent of the individual's work experience, international business career, insight into business environment surrounding the Fujifilm Group businesses, objective analytic skills, and sense of judgment.

2.1.5 Effectiveness of Directors

Attendance Status for the Board and Audit Committee Meeting (between April 1, 2018 and March 31, 2019)

Outside directors and auditors are indicated with *. The chair person is indicated with ◎

	Name	Board meeting (No. held: 10)	Auditing committee meeting (No. held: 12)
Directors	Shigetaka Komori	◎ (Attendance rate: 10/10, 100%)	—
Directors	Kenji Sukeno	○ (Attendance rate: 10/10, 100%)	—
Directors	Kouichi Tamai	○ (Attendance rate: 10/10, 100%)	—
Directors	Junji Okada	○ (Attendance rate: 7/7, 100%)	—
Directors	Takashi Iwasaki	○ (Attendance rate: 7/7, 100%)	—
Directors	Teiichi Goto	○ (Attendance rate: 7/7, 100%)	—
Directors*	Tatsuo Kawada	○ (Attendance rate: 8/10, 80%)	—
Directors*	Makoto Kaiami	○ (Attendance rate: 10/10, 100%)	—
Directors*	Kunitaro Kitamura	○ (Attendance rate: 9/10, 90%)	—
Directors*	Makiko Eda	○ (Attendance rate: 7/7, 100%)	—
Auditors	Kazuya Mishima	○ (Attendance rate: 10/10, 100%)	◎ (Attendance rate: 12/12, 100%)
Auditors	Naohiko Sugita	○ (Attendance rate: 7/7, 100%)	○ (Attendance rate: 9/9, 100%)
Auditors*	Hisayoshi Kobayakawa	○ (Attendance rate: 10/10, 100%)	○ (Attendance rate: 12/12, 100%)
Auditors*	Shiro Uchida	○ (Attendance rate: 8/10, 80%)	○ (Attendance rate: 9/12, 75%)

* The attendance rate is since the appointment.

* Director's duty period: One year

* Auditor duty period: Maximum four years

* Kazuya Mishima started a chair of auditing committee meeting on 28 June, 2019.