

Corporate Governance

For further details of the Corporate Governance Guidelines and the Corporate Governance, please refer to <http://www.fujifilmholdings.com/en/about/governance/index.html>

The State of Corporate Governance

FUJIFILM Holdings is aiming to foster sustainable growth, achieve higher corporate value and contribute to the sustainable development of society through sincere and fair business activities. We regard corporate governance as the foundation for achieving these goals and a key issue in business management.

Regarding matters of the inappropriate accounting at overseas subsidiaries of Fuji Xerox Co., Ltd. uncovered this year, actions have been taken responding to the report of

the Independent Investigation Committee sincerely. We are establishing a transparent business process to strengthen Group governance and prevent any recurrence by integrating part of Fuji Xerox's headquarters and management functions into FUJIFILM Holdings, further expanding personnel exchanges within the Group, including management personnel, and rebuilding and strengthening internal control at Fuji Xerox and its subsidiaries, including the system for reporting to FUJIFILM Holdings (see page 8).

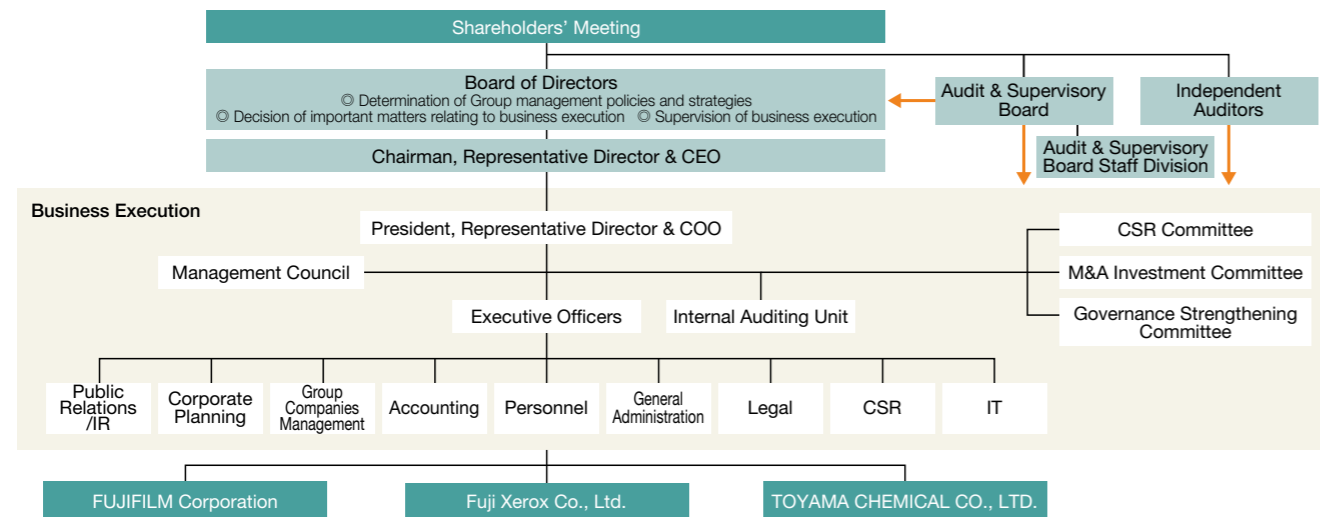
Corporate Governance Structure

FUJIFILM Holdings has positioned the board of directors as the organization for determining basic Group management policies and strategies and other important matters relating to business execution, as well as supervising the implementation of business affairs. The Company's Articles of Incorporation stipulate that the board can consist of up to 12 directors. Currently, the board has nine directors, including three outside directors (changed on June 29, 2017). To better clarify their missions and responsibilities, the directors have a one-year term of office. The attendance of outside directors to the board of directors meetings held during the term ended March 2017 was 88% (13 meetings in total).

Additionally, FUJIFILM Holdings has adopted an executive officer system to facilitate speedier business execution. The Company currently has 13 executive officers, including six concurrently serving as Board members. The executive

officers have a one-year term of office, the same as the Company's Directors. The Company discloses the number of individuals to whom remuneration is paid and the total amount of remuneration by Directors as well as Audit & Supervisory Board members. Meanwhile, we have adopted a remuneration system under the stock option program to make its directors and executive officers, excluding outside directors, share a mutual interest—the effect of stock price fluctuations—with its shareholders. In this way, the directors and executive officers are in actual fact encouraged to have stronger drive and morale toward achieving higher corporate value.

▼ Corporate Governance Structure



Audit

FUJIFILM Holdings has adopted a system of Audit & Supervisory Board, which currently consists of four members, including two outside members. Each Audit & Supervisory Board member attends the board of directors, while full-time members attend all Management Council meetings in order to assess our overall business operations.

The attendance of outside auditors to the board of directors meetings held during the term ended March 2017 was 92% (13 meetings in total). Also, the attendance of outside auditors to the Audit & Supervisory Board meetings

held during the term ended March 2017 was 96% (13 meetings in total). The restructuring of our audit system led to the establishment of the Global Audit Division in September 2017, consisting of 56 members, which will strengthen the internal audit function and introduce global auditing. The new division will assess and verify the current state of internal control and business operations throughout the Group. These improvements are supervised by FUJIFILM Holdings for greater transparency and speed of action.

CSR Management

The Fujifilm Group's CSR Promotion System and Related Policies

We established our Approach to CSR in 2006 in view of the importance of CSR in achieving sustainable growth in an age of tumultuous changes in the business environment, and of its value not only to top management but to each and every employee. Subsequently, seven policy statements (the Green Policy, Social Contribution Policy, Guidelines for Biodiversity, Procurement Policy, Quality Policy, Occupational Health and Safety Policy and Global Security Trade Control Policy) have been established and implemented.

The Fujifilm Group established the CSR Committee chaired by the Chairman of FUJIFILM Holdings. The Committee takes decisions on the important matters relating to the CSR activities of the entire Group. The CSR

Department of FUJIFILM Holdings, which is the Secretariat of the CSR Committee, is responsible ensuring rigorous CSR management by the Fujifilm Group. The CSR Department prepares the ground for various activities, discloses information outside, communicates with stakeholders, supports the CSR activities of Group companies, and audits the CSR activities of the entire Group.

The CSR department in each Group company prepares and implements specified plans according to the overall Group CSR plan. It reviews the annual results and reports on activities to the FUJIFILM Holdings CSR Committee. The Group as a whole moves our CSR activities forward with a sense of unity.

Communication with Stakeholders

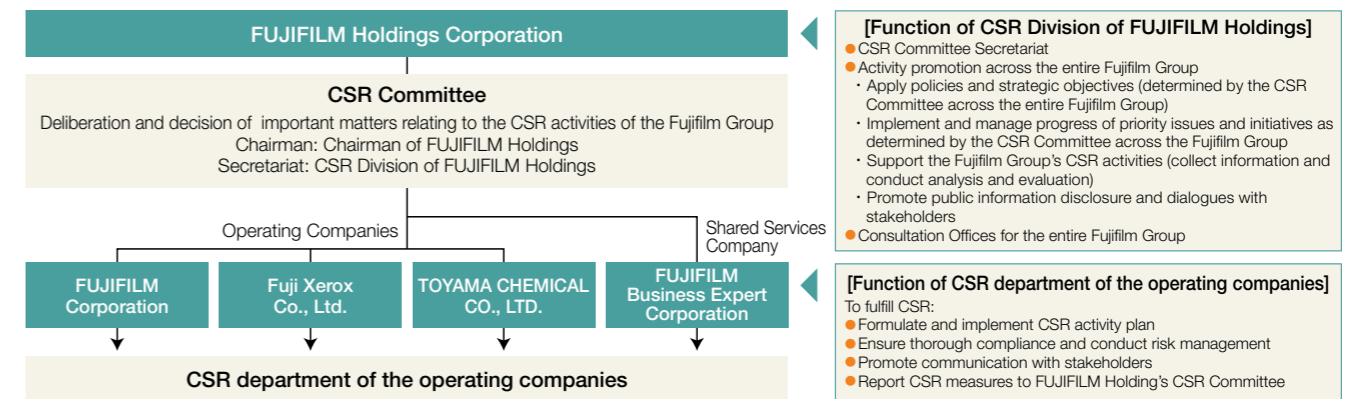
Companies conduct their activities while interacting and maintaining relations with a wide variety of stakeholders, and it is important to listen carefully to their various views and expectations. At the Fujifilm Group, we ensure that we make appropriate information disclosures as well as verifying, at various opportunities, whether or not our business activities are responding to the demands and expectations of all our stakeholders, and reflecting our findings in our business activities.

To ensure that our stakeholders' views are reflected in our CSR activities, we also review them in our Sustainability Report. In addition to opinions relating to our CSR activities

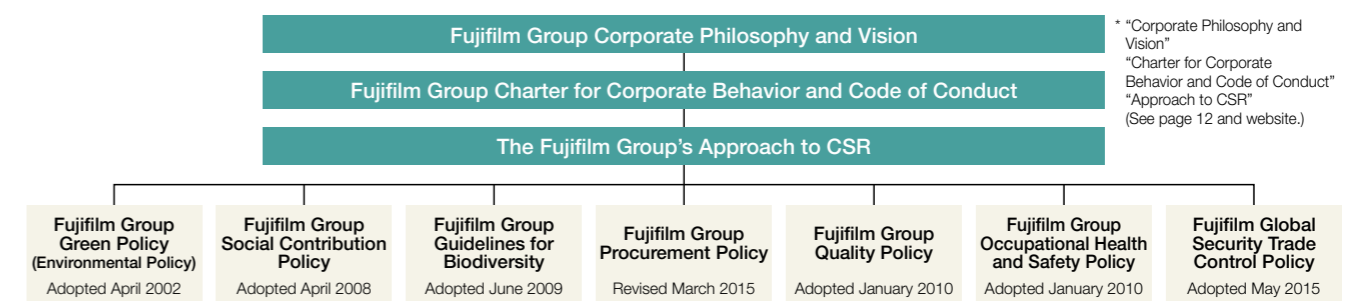
as a whole, regarding priority issues such as the promotion of anti-global warming measures, the promoting body for each issue conducts briefings on the content of the activities and presents the respective report to external parties, to receive their advice and evaluation.* Looking back over our activities and obtaining the views of external parties in this way provides a good opportunity to reexamine our activities. We plan to continue these efforts to make them better activities in the future.

* See pages 37, 51, 80, 81.

▼ The Fujifilm Group's CSR Promotion System



▼ The Fujifilm Group's Approach to CSR and Related Policies



* "Corporate Philosophy and Vision"
"Charter for Corporate Behavior and Code of Conduct"
"Approach to CSR"
(See page 12 and website.)

* Visit our website for each Policy

CSR Management

▼ The Fujifilm Group's Communications with Stakeholders

★: Further details are included in the Sustainability Report.

Main Stakeholders	Main Issues and Areas of Responsibility	Methods of Communication
Customers We have a diverse range of customers, from individuals, businesses, corporations to government offices, etc., since we have business deployed all over the world, and we offer such a wide lineup of products, ranging from digital cameras and cosmetics to office printers, medical systems, medicine, highly functional materials and equipment and materials for graphic arts.	<ul style="list-style-type: none"> Securing the safety and quality of products Design for the Environment ★page 36 Provision of appropriate information on services & products Improvement of customer satisfaction levels ★page 58 Customer response & support ★page 58 	<ul style="list-style-type: none"> Customer Center (liaison office for responding to inquiries) Usability evaluation meetings and monitor surveys Customer satisfaction surveys Questionnaires at product purchase Showrooms, exhibitions Holding seminars Websites and social media
Employees Employees working for the Fujifilm Group total approx. 80,000 people in 271 companies. They are active all over the world and their composition by country is Japan 49.0%, the U.S. 7.7%, Europe 5.7% and Asia 37.6% (as of end-March 2017).	<ul style="list-style-type: none"> Ensuring occupational health and safety ★page 46 Respect for human rights ★page 47 Utilization and training of human resources ★page 48 Respect for diversity ★page 50 	<ul style="list-style-type: none"> Providing opportunities for dialogue with top management Personnel management division liaison & interviews Compliance & Sexual Harassment Helpline Regular meetings between the company and labor unions/Health & Safety Committee Intranet; in-house magazines
Shareholders & investors FUJIFILM Holdings has 123,313 shareholders, characterized by a high proportion of overseas and institutional investors. Japanese financial institutions account for 34.1% of our shareholders, while foreign companies constitute 31.7% (as of end-March 2017).	<ul style="list-style-type: none"> Maintenance and expansion of corporate value Appropriate redistribution of profits Timely & appropriate information disclosure Measures for Socially Responsible Investment (SRI) ★Data and Information [website] 	<ul style="list-style-type: none"> General shareholders meetings/Business report briefings/Briefings for investors IR conferences/Individual meetings Annual reports/Shareholder communications IR information website Liaison office for responding to inquiries (Corporate Communication Office)
Transaction partners The Fujifilm Group conducts transactions worldwide with suppliers of raw materials and components and retailers of our products, etc.	<ul style="list-style-type: none"> Thorough implementation of fairness & transparency in transactions Promotion of CSR issues in the supply chain, such as human rights and the environment ★page 52 	<ul style="list-style-type: none"> Briefings to suppliers (on CSR procurement including green supply, management of chemical substances contained, etc.) CSR Self-Check (self-audited) Website for exclusive use of transaction partners Regular discussions with partners Liaison office for responding to inquiries (in each procurement and sales division)
Future generations & local societies The Fujifilm Group has bases in approx. 40 countries across the world and conducts its activities by treating the local culture and customs with respect, as well as putting efforts into educational support for future generations.	<ul style="list-style-type: none"> Contribution activities which make use of our main business strengths ★page 61 Respecting local culture & customs and environmental conservation ★page 61 Prevention of fires and accidents in the workplace Educational support for future generations ★page 61 	<ul style="list-style-type: none"> Environmental communication meetings/Factory tours Community volunteer activities Regular discussions with local governments (city hall, mayor, community association presidents, etc.) Liaison offices (at each factory & office) Dispatch of lecturers to the academic organization & endowed chairs Environmental education activities in cooperation with NGOs & NPOs
Government organizations & industrial associations The Fujifilm Group has businesses in countries all over the world. Each of these businesses belongs to several industrial associations and has active relations with the respective government organizations, including participating in collaborations and information exchanges, etc.	<ul style="list-style-type: none"> Legal compliance ★page 43 Joint research & development and cooperation in public policy aimed at the resolution of social issues ★page 40, 67 	<ul style="list-style-type: none"> Participation in various industrial committees Participation in the development of industry guidelines Announcement of public comments through industry associations Joint research & development of government or industry association Proposals aimed at the resolution of social issues
NGOs & NPOs We are conducting dialogues with NGOs & NPOs who are actively aiming for a sustainable society, for the resolution of social issues and environmental conservation.	<ul style="list-style-type: none"> Dialogue, collaboration and support aimed at the resolution of social and environmental issues ★page 67 	<ul style="list-style-type: none"> Obtain views on the Sustainability Report Participate in stakeholder dialogue Administration committee of Public Trust Fujifilm Green Fund Review meetings on various CSR issues Afflicted area support activities with NPO

Communication with Stakeholders

Issuance of Fujifilm Group Magazine to Reinforce the Group Partnership

As the Fujifilm Group continues to enhance its business fields, the number of Group companies is also increasing. It is important for each Group company to understand the management policy of the entire Group, and become familiar with the other businesses within the Group in order to make the best of the wide-ranging technologies and networks that the Group owns. In this way, we will be able to exert a high level of competitiveness in our business. For this reason, we started a new Group magazine targeted at all the Fujifilm Group company members in Japan in April 2016. We hope that each employee will deepen their understanding of our Group

management approach, business direction, the individual business aims, and strengths of each Group company and thereby reinforce their sense of cooperation that can lead to the creation of new value.



The magazine was named ff (fortissimo), as selected through a web vote from more than 650 applications from employees in the Group.



Meetings with human right experts from around the world

Dialogue concerning Human Right Due Diligence

In September 2016, Fujifilm participated in the 2016 Business and Human Rights Conference in Tokyo, hosted by Caux Round Table Japan (co-hosted by Institute for Human Rights and Business, etc.), and held individual meetings with human right experts from across the world. We sought opinions and advice from

these experts on our Group CSR procurement activities including the aspect of employees' human rights. We received recognition of the CSR activities focused on SDGs, and advice on identifying concrete human rights issues within the supply chain and related remedies for suppliers. Fujifilm valued these opinions and has already conducted a potential risk assessment within the supply chain (see page 47). We plan to incorporate such opinions into the human rights policies that we are currently developing.

Fuji Xerox Forms Partnership with Yokohama National University to Activate the Local Society

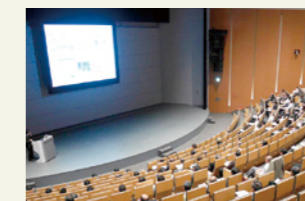
Yokohama city and its prefecture, Kanagawa, have both aspects of the city and rurality. Therefore, in addition, these areas also need human resource development for both issues. These areas have two issues to address: one is the further development of urban business activities, and the other is the revitalization of rural communities. To collaborate on the two aspects of these issues, Fuji Xerox and Yokohama National University entered into a comprehensive partnership agreement. Yokohama National University is focusing on fostering human resources who can contribute to the sustainable development of rural areas and those who can actively work in globalizing society. At the same time, Fuji Xerox is working on resolving issues in rural communities through the company's services and human resources, as well as through

their exclusive interactive communication technologies. Under this partnership, Yokohama National University and Fuji Xerox will utilize Minami-Ashigara Mirai Zukuri College, an area revitalization project that Fuji Xerox had already started under a collaboration with the municipality of Minami-Ashigara City, Kanagawa Prefecture. The aim is to revitalize the economy, promote social activity, and encourage new business centered around the city. Fuji Xerox has a track record of problem solving in rural communities through establishing close communications and partnerships with various stakeholders. In this case, by liaising with university students, researchers, and private companies, we can further activities to accelerate revitalization of this rural area and thereby foster the next generation of human resources.

Lecturing on Practical Environment Risk Assessment Techniques to Local Companies

In November 2016, an environmental conservation officer in the Fujifilm Kanagawa Factory gave a lecture on the theme of Case Study of Creating and Implementing Environmental Risk Assessment Techniques in a Pollution Control Manager Follow-up Training Program hosted by Kanagawa Environmental Conservation Association. This lecture followed a strong request from the secretariat of the association, who believed that Fujifilm's efforts should be more widely known among other companies as example which is important and can be applied to other companies. The lecture was attended by about 120 people of pollution control managers/supervisors from companies in Kanagawa Prefecture. The lecture introduced a series of small and steady actions taken in Fujifilm to prevent chemical substance leakage, and was well-received by the attendants. We also learned that many companies face exactly the same kind of problems as we do.

As a member of the local community, the Fujifilm Group discloses information about our environmental conservation activities and offers an opportunity to ask for opinions from the residents of communities in each area. We continue to seek more efficient environmental preservation methods by sharing information on our activities and maintaining close communications with residents and companies in the local community.



Lecture at a Pollution Control Manager Follow-up Training Program



Environmental communication meetings and opinion dialogue sessions held in our factories (Kaisei Town, Kanagawa)



ASTALIFT Roppongi Store offering direct communication with customers



In-house magazines for internal communication



IR information on the web



Exchange event with local residents (FUJIFILM Kyushu Cherry Blossom Festival)