

## INTERVIEW WITH EXTERNAL DIRECTOR

Fujitsu is continually striving to improve its corporate governance and raise corporate value. We asked external director Shotaro Yachi—a former Vice-Minister at Japan’s Ministry of Foreign Affairs who possesses extensive knowledge of global politics and economics—about the role and perspective of external directors, and for his views on Fujitsu’s corporate governance and efforts to raise corporate value.



### **What do you feel is expected of you in your role as an external director?**

Fujitsu has an outstanding group of executive officers that soundly execute their management duties. Nonetheless, as corporations exist by virtue of investment from shareholders, the perspective of regular shareholders is also very important to the management of a company. Having external directors and Audit & Supervisory Board members with a wide range of experience helps to ensure that the perspective of regular shareholders is reflected in a company’s management.

Including its consolidated subsidiaries, Fujitsu is a very large company with tradition and history, so it possesses a unified corporate culture. The role that is expected of external directors is to think about how Fujitsu, as a global company representing Japan, is viewed by the Japanese people and the rest of the world to ensure that its corporate culture does not diverge from commonly accepted social norms, to consider what is expected of it, and to provide candid opinions on this from an outside perspective.

As a global ICT company, the role and mission of Fujitsu is to take the lead in global economics, society, and culture. I would like to see Fujitsu continue to constantly anticipate the trends of the times. I hope that my comments and recommendations will be helpful in this respect.

### **What is your view of Fujitsu’s corporate governance and what is the focus of the Executive Nomination Committee and Compensation Committee?**

I rate Fujitsu’s system of corporate governance very highly. In participating in discussions at board meetings and meetings of both the Executive Nomination Committee and Compensation Committee, I sense there is a significant tension there due to having half of the membership made up of directors without executive duties, which makes it difficult for executive directors. I think it is extremely admirable that Fujitsu has boldly chosen this composition for its Board of Directors and that management executes its duties with self-discipline while listening to outside viewpoints.

The committees for Executive Nomination and Compensation should pay particular attention to whether corporate officers are soundly demonstrating leadership and whether compensation, or incentives, are at appropriate levels given the company’s financial performance and other metrics. Having served as Personnel Division Director and Vice-Minister at the Ministry of Foreign Affairs and accumulated experience in looking at organizations as a whole, I hope to be able to provide a range of helpful recommendations from an outside standpoint.

### **What do you feel is needed for Fujitsu to raise its corporate value?**

There are various debates on which countries will form the core of the global economy in the future and how GDP rankings will play out going forward. One scenario sees China’s GDP surpassing the US in 2030, and the combined GDP of all of Asia topping the US and Europe in 2050, while accounting for over half of the world’s population. In this view, the Asian-Pacific era is certainly going to arrive, and I think Fujitsu needs to consider how to seize this movement and leverage it in business development. This will be very important from a long-term standpoint.

For Fujitsu to raise its corporate value as a global, cutting-edge ICT company, the key will be how it leverages its accumulated technologies to bring about innovation. To achieve this, Fujitsu must not only meet the needs of the times, it must also anticipate the times and determine how to create new value. There are high expectations for Fujitsu to demonstrate this kind of leadership.

I mentioned above that the perspective of regular shareholders is important, but corporate image is also an important factor. Fujitsu is one of the companies that represents Japan. In promoting its businesses, Fujitsu needs to consider its dignity as a company too. Contributing to the world as a whole can create a virtuous cycle that further improves Japan's image.

### **What message do you have for shareholders and investors?**

As I have interacted with Fujitsu's corporate officers as an external director, I sense that they are not simply pursuing profit but also think carefully about Fujitsu's social responsibilities as a corporation. Fujitsu's vision and sincerity are indeed worthy of the trust of shareholders.

**“** *The Asian-Pacific era is certainly going to arrive, and I think Fujitsu needs to consider how to seize this movement and leverage it in business development. This will be very important from a long-term standpoint.* **”**

### **SHOTARO YACHI**

External Director (Independent Director)

#### PROFILE

Birth: January 6, 1944  
Apr. 1969 Joined Ministry of Foreign Affairs  
Jul. 1996 Consul General in Los Angeles  
Aug. 1999 Director-General, Treaties Bureau  
Jan. 2001 Director-General, Foreign Policy Bureau  
Oct. 2002 Assistant Chief Cabinet Secretary  
Jan. 2005 Vice-Minister for Foreign Affairs  
Jan. 2008 Retirement from Ministry of Foreign Affairs  
Apr. 2008 Professor, Institute of Japan-US Studies,  
Organization for Japan-US Studies,  
Waseda University (to present)  
Jun. 2012 Director, Fujitsu Limited (to present)  
Dec. 2012 Special Advisor to the Cabinet (to present)

