

## **Press Briefing on New Management Appointments**

Date: March 27, 2008  
Presenters: Hiroaki Kurokawa, President; Michiyoshi Mazuka, Corporate Senior Executive Vice President; and Kuniaki Nozoe, Corporate First Senior Vice President

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### **Hiroaki Kurokawa**

Thank you very much for taking time out of your busy schedules to attend this meeting at such short notice.

It has been my responsibility to manage Fujitsu since being appointed president in June of 2003. My focus has been on restoring the trust of our customers, re-awakening the power of Fujitsu in the actions and spirit of our employees, and increasing our operating income. I worked as a systems engineer for many years, and my experience is limited to project management. Accordingly, my style of management is that of very tight personal control. It is thanks to the efforts of our employees and the support of our customers that we were able to greatly improve profitability and set a goal up to a level of 200 billion yen in operating income. I think it is also partially attributable to the simple approach to management I have pursued.

Last year we created a three-year business plan to promote Fujitsu's growth and profitability, and the first year of that plan is now ending. The main goals of our business plan are to enhance our strengths, take a portfolio approach to managing our business, and to generate 40% of our sales outside of Japan by 2010.

When I thought about what was required to achieve this business plan, after long consideration I decided that, rather than my style of tight personal control, Fujitsu would benefit from having a new leader with a new approach to management.

As examples of the detrimental effects of my approach, managers have developed a tendency to ask my opinion first before doing anything, and input from below was being stifled. To me, these were signs that it was time for new leadership, and at today's Management Council and Board of Directors meetings we decided to bring in a new top management team starting in June.

Mr. Nozoe is a very strong leader with an exceptional ability to balance complex priorities. I worked directly with him in rebuilding our solutions business. He also rebuilt our product businesses and expanded sales. In those roles he demonstrated great agility in responding to change. Unlike me, he has experience outside of Japan. And he has exceptional execution abilities, taking a business that had been generating tens of billions of yen in losses during 2003-2004 and reducing them to a fraction of that by 2006-2007. He also has a wide network of contacts both inside and outside of the company, and therefore I feel he is the ideal choice to bring about the management changes we need.

I have known Mr. Mazuka for many years, as we used to work as a team in supporting customers, with me handling the systems engineering end and Mr. Mazuka handling the sales end. Therefore, if I had to choose one person who is always thinking about what is best for the customer, I confidently can put Mr. Mazuka at the top of my list.

In our solutions business restructuring initiative, which involved taking Fujitsu's traditionally separate organizational structures of sales and systems engineering and melding them into one organization, I believe our successful integration of these groups would not have been possible without Mr. Mazuka.

Therefore, in having Mr. Mazuka serve as chairman, he will be in a position to support Mr. Nozoe in continuing to enable Fujitsu act as a trusted and valued partner to our customers. With this new management team of Mr. Nozoe and Mr. Mazuka, I look forward to the successful execution of our three-year business plan.

### **Kuniaki Nozoe**

Thank you for coming at such short notice. Mr. Kurokawa has already explained the background of today's announcement. Since this is the first time for me to meet many of you, I would first like to introduce myself.

Up until now I have held a wide variety of positions. I spent three years in New York conducting a competitive analysis of the computer industry, including IBM and other major vendors. In 1981, I participated in the alliance negotiations with ICL, the predecessor company to Fujitsu Services. In 1982, we had an intellectual property dispute with IBM, and my job was to act as a liaison with the legal team. In 1989, concerns arose that Japan's economy had become too powerful, and trade frictions emerged. I set up representative offices in Brussels and Washington, D.C. and took on the important task of lobbying activities. I stayed for five years in Washington, D.C. In 1994, I returned to Japan, and the Ministry of International Trade and Industry and others were interested in creating a foundation for e-commerce that would be user-driven, so IT vendors got together with customers to think about the best approaches, and at that time I had an opportunity to meet with many different types of customers in a wide variety of industries. In 2001, I was put in charge of business management, where I had an opportunity to manage our alliances and partnering deals. Then in 2003, the solutions business restructuring initiative started. During this period I transferred to the software and services group, where I was in charge of business management. The solutions business restructuring initiative was completed in 2004. In 2003-2004, our solutions/systems integration business posted a large loss, and under the guidance of Mr. Kurokawa, I worked on eliminating these losses. As president of the marketing unit, I worked with Mr. Mazuka on creating a foundation for the solutions business.

I received various instructions from Mr. Kurokawa, and my job was to execute them. In moving to implement Mr. Kurokawa's instructions, I prided myself on accelerating the speed of execution by three to four times. But Mr. Kurokawa never directly praised my work or said anything to me about it, so being appointed as his successor really came at me from out of the blue.

Nevertheless, having been appointed, I intend to further emphasize the customer-centric perspective that Mr. Kurokawa has pushed since 2003, have Fujitsu provide customers with comprehensive solutions, and strive to expand our business globally. Fujitsu will promptly provide customers with products, along with software and services to go with those products, and maintenance and operational services, all in an optimal way for each customer as part of a one-stop service offering, as we work to transform Fujitsu into a global company. In addition, I would like the company to have a very dynamic work environment where employees will take great pride and hope to grow in the work they do.

Mr. Kurokawa has already shown the way ahead with detailed quantitative targets. If we work quickly, I think we can meet the targets of our medium-term plan. I would like to ask for your continuing support.

### **Michiyoshi Mazuka**

During my 40 years at Fujitsu, I was on the frontlines of sales for 35 years, and most of that time was spent handling sales while working with our systems engineering group. For two out of the remaining five years, I was in the Solutions Support Group and worked closely with Mr. Nozoe. Mr. Nozoe listens very carefully to what people say, is quick to get to the heart of the matter, and he is exceptionally sharp.

Describing someone as “sharp” can have the connotation as being cold or dispassionate, but that is not the case with Mr. Nozoe. His subordinates seek out his judgment and advice, and he listens to what they have to say and is able to implement their ideas. For three years I was the overall head of our solutions business, and in my next role as chairman, I will continue to take a customer-centric perspective. I will leave the execution of management to Mr. Nozoe, and my contribution will focus on making sure that the input of customers and others outside of Fujitsu is reflected in our management decisions. We look forward to your continuing support.