

Yotaro Kobayashi, former Chairman of the Board of Fuji Xerox Co., Ltd.

Fuji Xerox Co., Ltd. announced today that Yotaro Kobayashi, former chairman of the board, deceased in left chronic empyema on September 5 at age of 82.

Yotaro Kobayashi's Biography

Born in London on April 25, 1933, Yotaro Kobayashi graduated with a bachelor of arts in the Faculty of Economics at Keio University in 1956, and earned his master of business administration at Wharton School of Finance and Commerce, University of Pennsylvania. In 1958. In the same year, he joined Fuji Photo Film Co., Ltd. (now FUJIFILM Corporation), and moved to Fuji Xerox in 1963. After assuming a general manager of planning as well as a board director and executive general manager of sales, he was named president and chief executive officer, in 1978 at the age of 44.

In 1992, he took on the role of chairman and chief executive officer, and served as chairman of the board from 2004, followed by chief corporate advisor from 2006 and retired from that position in March 31, 2009.

From 1999 to April 2003, he was chairman of *Keizai Doyukai*, the Japan Association of Corporate Executives, and was named a life-time trustee of *Keizai Doyukai* in 2003. He also served as chairman of International University of Japan from 2003 to 2015. He was a member of the Board of Trustees at Keio University, and also served on the boards of Sony Corporation, Nippon Telegraph and Telephone Corporation (NTT) and Callaway Golf Company. He enjoyed playing golf and reading.

Yotaro Kobayashi's Achievements at Fuji Xerox

In 1970, as executive general manager of sales, he rolled out the groundbreaking "Beautiful Campaign--From Hustle to Beautiful" in Japan. This campaign urged to establish good relationship between businesses and society, and received attention as an antithesis against intense society under Japan's rapid economic growth.

As business environment was becoming increasingly harsh by competitors' entrance into the market and the oil crisis, Fuji Xerox needed to strengthen its competitiveness. Upon becoming deputy president in 1976, Kobayashi promoted companywide Total Quality Control (TQC) initiatives known as New Xerox Movement.

He was appointed president and chief executive officer in January 1978, and formulated the first Corporate Philosophy that specified the company's *raison d'être* as a basic principle of TQC.

The success of his TQC initiatives was recognized in 1980 when Fuji Xerox was awarded **The Deming Application Prize**. In 1982, Kobayashi established a corporate research center, completing the process of making Fuji Xerox, a company born in 1962 selling U.S.-manufactured Xerox copiers, into a business entity encompassing all stages of research, development, manufacturing and marketing.

He also became a director of the board, Xerox Corporation in the United States in 1987, and played a major role in the remarkable rise of Fuji Xerox's stature within the global Xerox Group.

Incorporating opinions from employees as a means to combat the growing uniformity of established TQC initiatives, Kobayashi launched an internal campaign in 1988 titled "**New Work Way,**" which emphasizes ideas generated at the individual level. Under the campaign, he worked hard to balance the interests of the company with those of the wider community and individual employees, launching Japan's first social-service leave program. He also introduced systems such as Venture Business Challenge Program as well as satellite office, and moved ahead of other Japanese companies by introducing programs for family care/parenting leave, as well as allowing married employees to continue using their original family names in the workplace.

In 1990s, Kobayashi led the company to develop digital, color multifunction printers. He also took the lead in expanding Fuji Xerox's overseas operations by acquiring business rights in four countries in the Asia-Pacific Region from Rank Xerox, and establishing a factory in China where was a business territory of Xerox Corporation in 1995.

Upon becoming chairman and chief executive officer in 1992, he formulated the "**Good Company Concept,**" which was developed based on the ideal advocated in New Work Way. Good company Concept was a corporate commitment that declares to achieve balance among "strong, kind and interesting"; strong in terms of sales and profits, kind to communities and environment, and interesting for employees to work for.

In 1999, he instituted reforms to the company's board of directors, establishing Finance Committee and Executive Nomination & Compensation Committee answering to the Board, and also introduced the corporate officer system.

In 2000, Kobayashi acquired business rights in China from Xerox Corporation. By the March 2004 account settlement period, Kobayashi had grown Fuji Xerox into a trillion-yen corporate operation.

Activities outside Fuji Xerox

Corporate and Society—Corporate Social Responsibility

Kobayashi has also been active outside Fuji Xerox. In 1986, he was appointed chairman of the Committee of Foreign-Affiliated Corporations, Japan Federation of Economic Organizations (now Japan Business Federation or Nippon Keidanren). He also served on various Japanese Government's councils, such as Economic Council, Industrial Structure Council, and Third Provisional Council for the Promotion of Administrative Reform.

Kobayashi assumed the role of chairman of *Keizai Doyukai*, the Japan Association of Corporate Executives (JACE), in April 1999, making him the first head of a foreign-affiliated enterprise to lead one of Japan's top four economic organizations. In the press conference held to announce this appointment, Kobayashi presented a manifesto titled "Beyond the 'Manifesto for a Market-Oriented Economy': Four Aspects of Governance for the Next Era." Giving voice to the idea that full realization of the capitalist market system is a key issue at that point in time rather than

an ultimate goal, this manifesto proposed initiatives across the four fields of corporate governance, social governance aimed to create a society where citizens play the leading role, global governance founded in a reassessment of the global political economy, and individual governance incorporating educational challenges.

During his term as JACE chairman, he joined “Prime Minister’s Commission on Japan’s Goals in the 21st Century” established by then Prime Minister Keizo Obuchi in 1999, and served as chairperson of Subcommittee 2 that discussed “prosperity and dynamism” of Japanese society. Kobayashi also served as co-chair at the World Economic Forum, or Davos Forum, in 2002, held in New York the year after the September 11 terrorist attacks.

In 2003, he delivered the 15th Corporate White Paper entitled “‘Market Evolution’ and CSR Management – Toward Building Trust and Creating Sustainable Stakeholder Value.” Addressing the core theme of corporate social responsibility (CSR), this white paper proposed a set of corporate assessment criteria for managers to evaluate their own companies’ initiatives and outcomes in developing corporate governance systems for practicing and sustaining CSR, as well as to set and implement objectives for the future. In April in that year, Kobayashi resigned from the post of JACE chairman and became a lifetime trustee.

World and Japan

Kobayashi expanded his activities in international business circles after his becoming chairman of the Committee of Foreign-Affiliated Corporations, Japan Federation of Economic Organizations, and developed his own thoughts on the role of Japan in the world. His thoughts were thoroughly expressed in his speech titled “Japan on the Road to “Re-Asianization” in 1999. Japan has been taking the line characterized by “de-Asianization / pro-westernization” in modern and strong commitment to the United States after World War II. However, based on the recognition that Japan’s home base is Asia, he communicated that it is time for Japan to be a bridge between the US and Asia including China.

In terms of the relationship with the United States, he took over the post of Mr. Akio Morita, then chairman of Sony, as a member of International Advisory Board of JP Morgan. This opportunity enabled him to enjoy friendship with George Schultz, the former U.S. Secretary of State, on a family basis.

He also succeeded the position of chairman of the Japan-U.S. Business Council after Mr. Morita who fell sick in 1994, and managed the Japan-U.S. Business Conference in which discussions heated over trade frictions.

In the Trilateral Commission in which he had been involved since 1980, he assumed the role of chairman of Japanese Group (now Asia Pacific Group) where he furthered exchange with world leaders. He took lead to expand Japanese Group to Asia Pacific Group, by realizing participation of members from South Korea, Australia, New Zealand, the five original ASEAN countries, People’s Republic of China and India .

As for the relations with Europe, he served as chairman of Japan-EU Business Dialogue Roundtable in 2002.

Finally in relations with China, he served as co-chairman of the New 21st Century Committee for Japan-China Friendship from December 2003 to December 2008. The committee is established based on an agreement at the top-level meeting between Japan and China.

Japan and China was in the relation called “cold political relations but hot economic relations”, and could not even hold top-level meeting for several years then—the committee, as a non-governmental position, tried to find their way to overcome the difficult situations between the two nations. The committee made proposals such as expanding youth exchange and establishing Joint History Research Project, to the both governments, and these efforts contributed in forming the concept of “Mutually Beneficial Relationship Based on Common Strategic Interests” that was set forth by Japanese Government in 2006.

Education and Human Resource Development

Emphasis on Liberal Arts

Kobayashi joined a seminar of Aspen Institute in the United States in 1977, previous year of his taking office as president of Fuji Xerox, where he saw American business persons, who seemed to be stern managers seeking to meet quarterly profit goals, were having dialogue with deep-rooted knowledge in liberal arts. Through this experience, he recognized again the importance of all-round education, especially that of liberal arts.

He was also heavily involved in the establishment of the Aspen Institute Japan and had been the Institute’s first chairman since 1998. The mission of this Institute is to contribute to the cultivation of leadership abilities: It provides a forum for participants to revisit their core ideals and values, as well as develop visions for the future so that they can keep nurturing a broad-ranging perspective on society and human existence unclouded by the inevitable pursuit of specialization.

Kobayashi was a member of various councils of the Ministry of Education, Culture, Sports, Science and Technology of Japan, such as Curriculum Council, University Council, Council for Science and Technology, as well as World Premier International Research Center Initiative. He strongly and thoroughly supported policies on education which put importance on developing “zest for living” in elementary and secondary education, and learning liberal arts in higher education.

He served as chairman of International University of Japan from 2003, and was a member of the Board of Trustees at Keio University, He was involved in and supported various initiatives and activities that aim to develop business leaders through exchanges among people from different industries.