

Brother Communication Report
2019

At your side.

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With the “At your side.” spirit in mind, the Brother Group aims to continually create value.

Place our customers first everywhere, every time, and provide them with superior value by quickly creating and delivering high-quality products and services.

At your side. represents this wish of the Brother Group.

The Brother Group aims to provide unique and original products and services at all times to help our global customers achieve new work styles and lifestyles.

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Developing “At your side.” into Shapes

The Brother Group has responded to the needs of various customers at offices, factories, and homes through manufacturing.

We will continue listening to customers’ opinions with the “At your side.” spirit in mind, always placing our customers first.

We also create new value by passing down Brother’s DNA that has confidently taken on challenges and adapted to changing times and environments.



Black-and-white Laser All-in-One



Color Laser All-in-One



Inkjet Printer



Sewing and Embroidery Machine



Mobile Printer



Labeling System



Scanner



Home Cutting Machine



Online Karaoke System



Digital Printing Equipment



Coding and Marking Equipment



Laser Marker



Reducer



Gear



Industrial Sewing Machine



Machine Tool



Garment Printer

The beginning of the Brother Group dates back to 1908, when YASUI SEWING MACHINE CO. started a business of repairing and producing parts for sewing machines. At that time, almost all the sewing machines were foreign-made. In 1928, the Yasui brothers, the founders of NIPPON SEWING MACHINE MANUFACTURING CO. (which became Brother Industries, Ltd.), developed and produced a "Chain-stitch sewing machine for the production of straw hats"* in an effort to manufacture home sewing machines in Japan. This sewing machine became popular for its durability, which was superior to that of sewing machines made in Germany. The brand name was named "Brother" as the brothers took on the challenge of producing sewing machines together.

* This product was recognized as a "product that represents a significant achievement in the history of the development of mechanical engineering in Japan" and was certified as "Mechanical Engineering Heritage No.15" by the Japan Society of Mechanical Engineers in 2007.

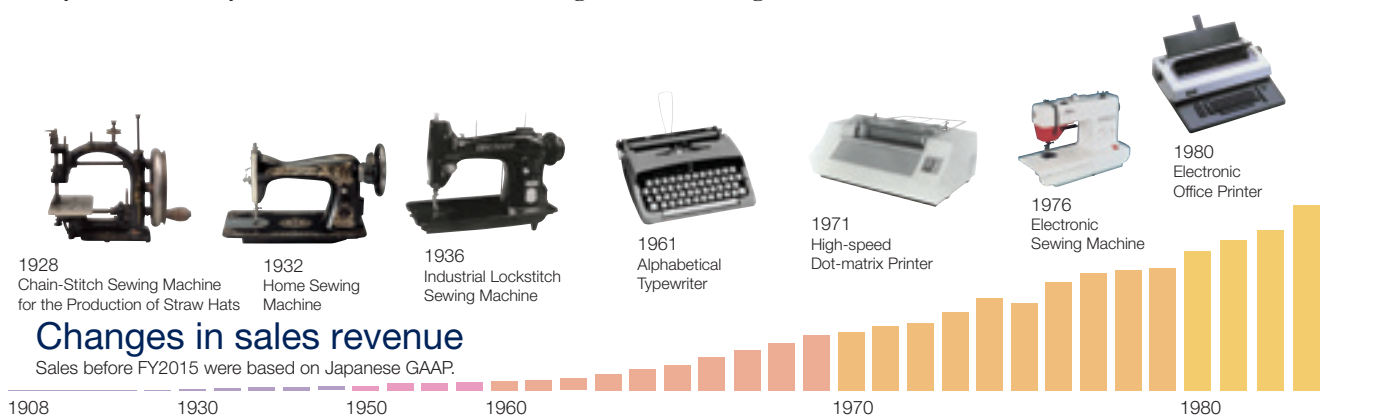


Chain-Stitch Sewing Machine for the Production of Straw Hats

History of the Brother Group

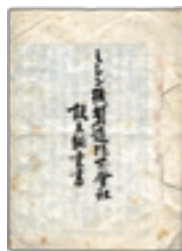
Since its foundation, Brother has been transforming its businesses to meet the needs of the time

The Brother Group started by providing repair services for sewing machines in 1908. Since then, we have been growing by focusing on development of our own technologies, promoting the diversification of our businesses through applying accumulated core technologies, and consistently continuing to cultivate new markets. Our unique and original manufacturing, always placing our customers first everywhere, every time, has been the driving force of our growth.



Foundation – 1940s Developing an Import-based Industry into an Export-based Industry

The beginning of the Brother Group dates back to 1908, when Kanekichi Yasui established a sewing machine repair business. Subsequently, Kanekichi's son, Masayoshi, took over the family business and began to develop a great ambition to manufacture sewing machines domestically within Japan to convert the import-based sewing machine industry into an export-based industry. He gained a foothold when he manufactured a chain-stitch sewing machine for the production of straw hats and successfully produced the first home sewing machine in 1932.



Prospectus of Establishment

1950s Applying Its Core Technologies to Promote Diversification

After fulfilling his long-cherished ambition of exporting made-in-Japan sewing machines in 1947, Masayoshi Yasui visited the United States to assess the sewing machine market in 1950. The trip led him to make a decision to diversify Brother's business. After that, the company developed such items as knitting machines, washing machines, vacuum cleaners and electric fans by utilizing its technologies, such as the motor development technology it had cultivated through manufacturing of sewing machines. Around the same time, Brother launched the development of a portable typewriter. By researching typeset manufacturing and applying the press technology gained through the development of sewing machines and knitting machines, Brother actualized commercialization of the typewriter.

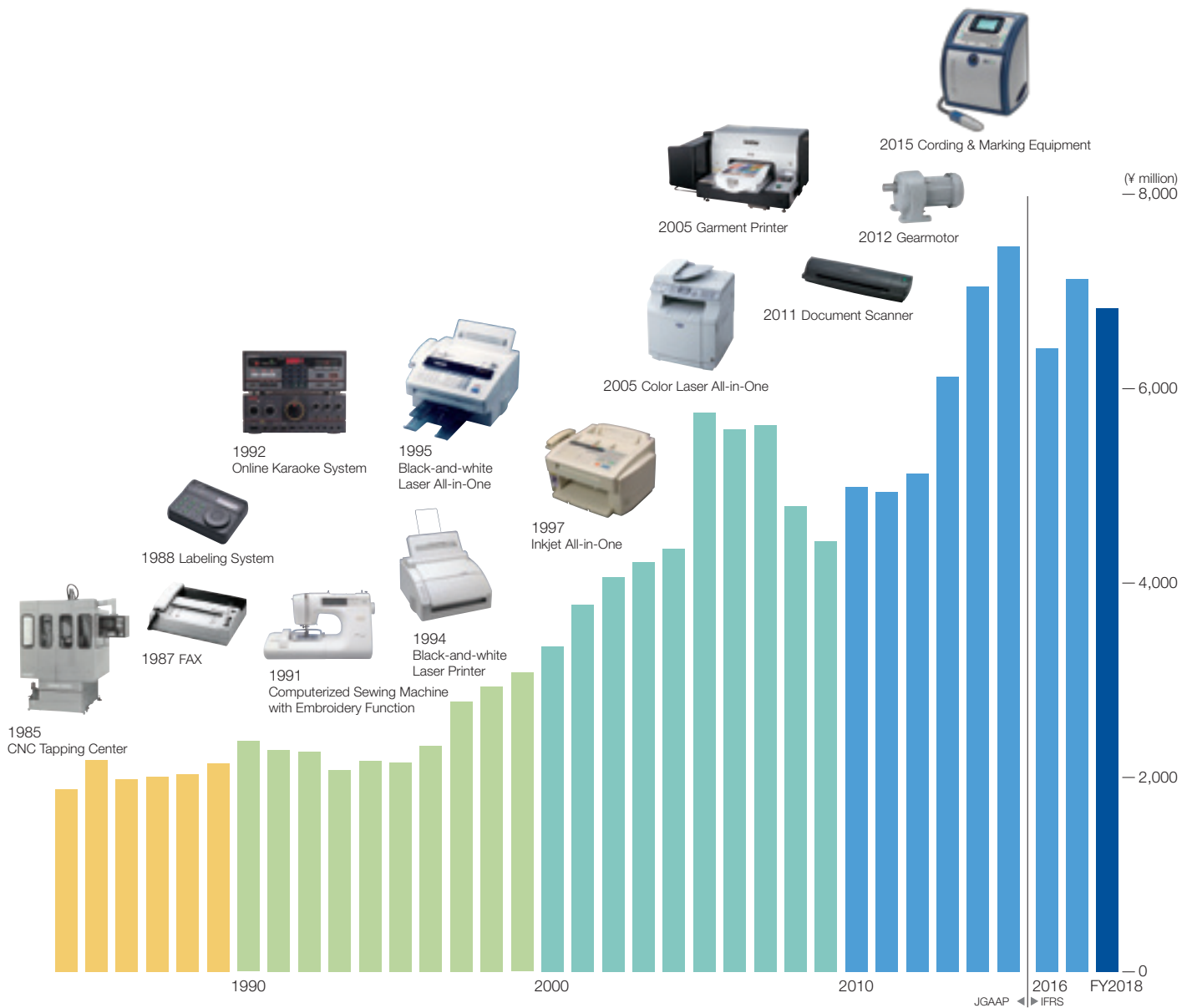
1960s Advancing into the Global Market

Brother's global business, which started with the export of sewing machines, began full-scale operations after it established overseas subsidiaries in the United States in 1954 and in Ireland in 1958. Subsequently, Brother continued to increase the number of its sales facilities around the world, mainly in Europe and the Americas, and it acquired a major sewing machine manufacturer in the United Kingdom in 1968.



1970s Developing a High-speed Dot-matrix Printer and Promoting Electronization

While popularization of personal computers accelerated computerization, Brother co-developed a high-speed dot-matrix printer for small-size computers with Centronics Data Computer Corp. in the United States in 1971. Later, Brother worked on developing its own in-house electronic control technology and print heads. These technologies were subsequently applied to fax machines and printers. In the 1970s, electronization of various industrial products progressed, and Brother also pursued incorporation of electronic technologies in its existing products, including sewing machines and typewriters.



1980s Progressing into the Information and Communications Equipment Field and Expanding the Industrial Equipment Business

In 1982, Brother developed an electronic personal printer equipped with thermal printing technology. Later, this technology was applied to label printers, the products with which Brother has high market shares today. In the late 1980s, Brother also developed thermal fax machines and laser printers, entering into the information and communications equipment field. In 1985, Brother released the CNC Tapping Center, a tapping machine equipped with a numerical control system, and advanced its industrial equipment business dramatically.

1990s Leading in the SOHO Market and Entering into the Online Karaoke Business

Brother developed a fax machine and small All-in-Ones that met the needs of a work-style called SOHO, in which an individual or a group of a few individuals runs a business by using their home, and so on, as their office, and became a pioneer in this market. In 1992, the company entered into the online karaoke business by utilizing self-developed content distribution technologies and infrastructure.



2000s Developing Business Globally and Integrating Business Management

After the late 1990s, Brother actively shifted its production to China and reconstructed its sales structure. Due to these strategies, Brother's business operation as one united group started heading in the right direction after the 2000s. Subsequently, Brother launched manufacturing operations in Vietnam and the Philippines, and established a manufacturing structure that has multiple facilities for respective businesses.



2010s Strengthening the Business Portfolio and Expanding B to B Business

After overcoming the Lehman shock, in the 2010s, Brother has been strengthening its business portfolio. In the printing business, Brother is striving to further enhance profitability to win a place in a changing business environment, and in the machinery business, it is developing new customers to establish a firm business base. In 2015, Brother acquired Domino Printing Sciences plc as a subsidiary of the Brother Group. In this way, Brother has been expanding its B to B business.

Brother at Present

Brother offers products and services that meet the needs of customers all over the world.

Since we established a sales company in the United States in 1954, the Brother Group has expanded its business operations on a global basis.

In order to optimize the respective functions of our operations, such as development, production and sales, in the most appropriate regions, we currently have manufacturing, sales and servicing facilities in more than 40 countries and regions, and our sales generated outside Japan make up more than 80% of our overall sales.

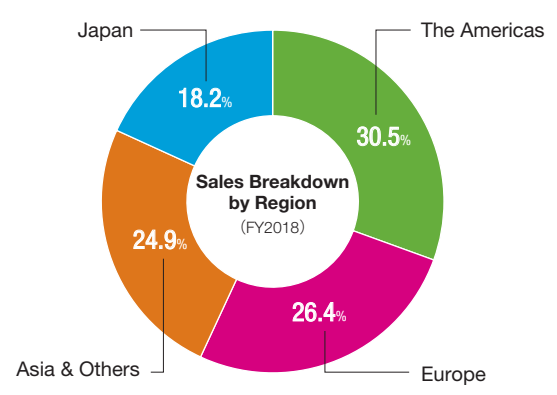
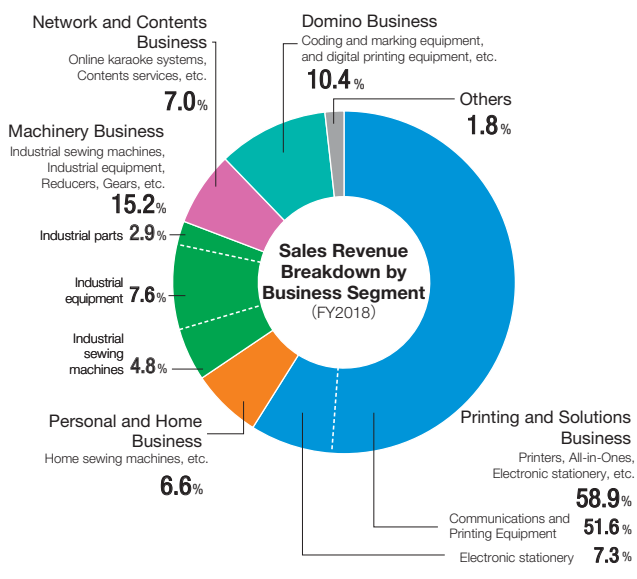
We operate our business activities that meet the needs of respective areas and regions on a global basis, and promote globalization of our management framework, such as production and development capacities and human resources, which support our business growth.

(As of March 31, 2019)

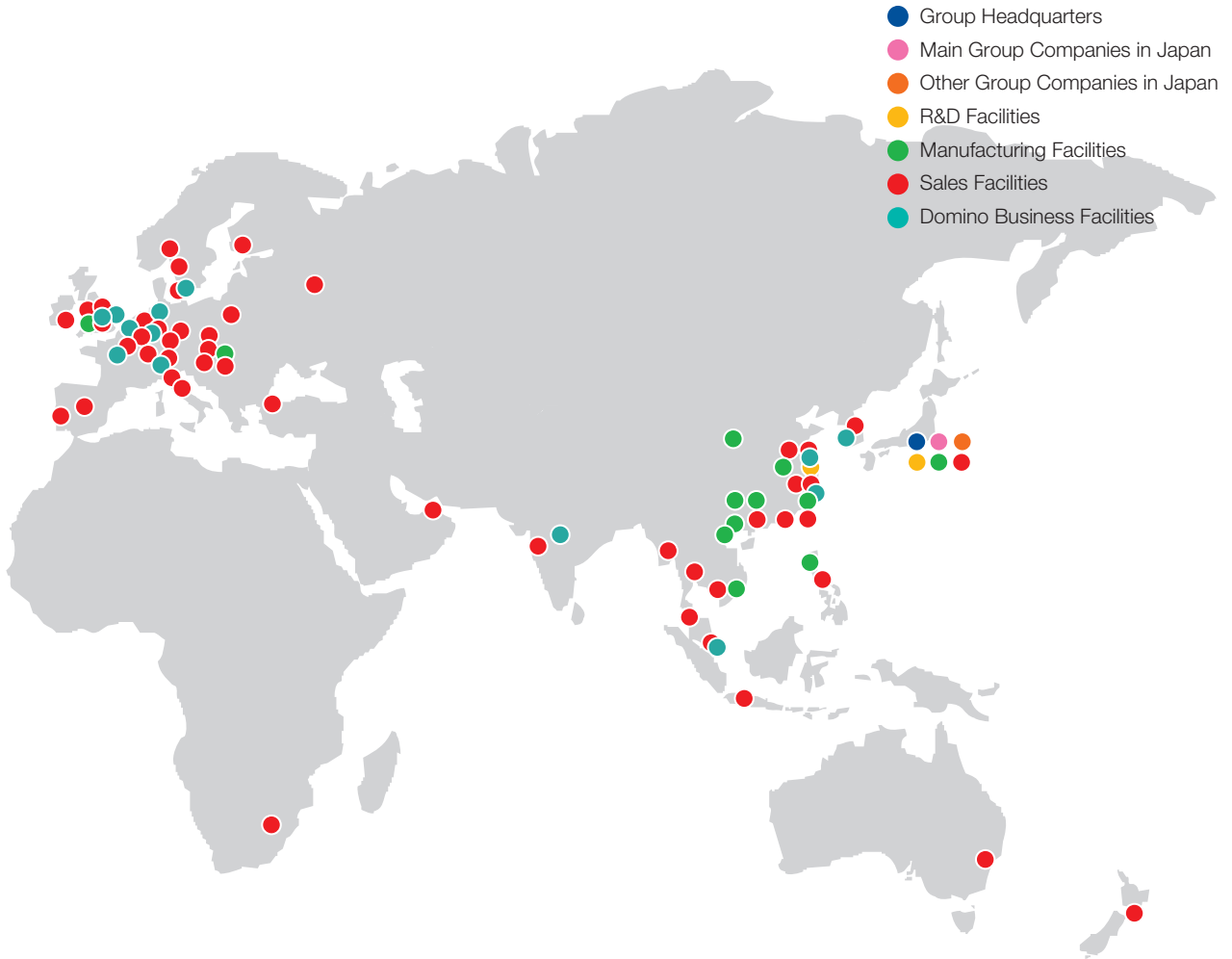


An Extensive Range of Business Segments including Printer and Industrial Equipment

Balanced Proportion of Sales Revenue by Region

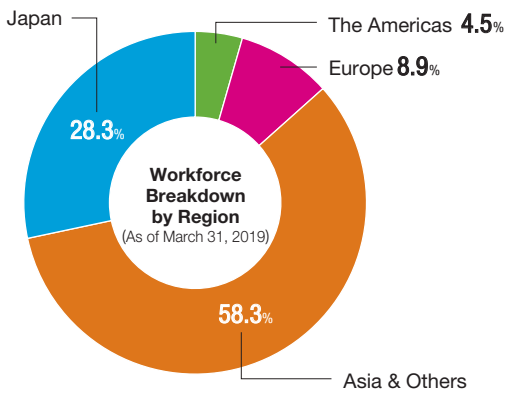


Consolidated Sales Revenue (FY2018)
684.0 billion yen



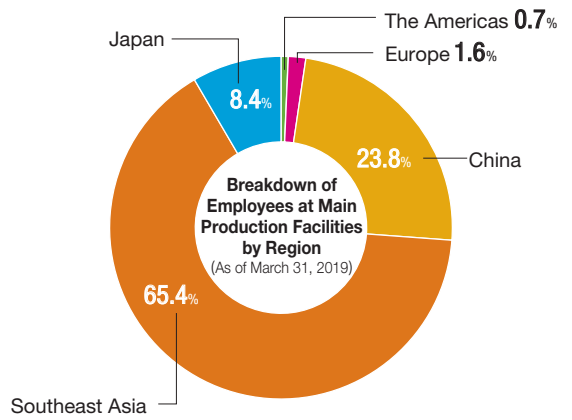
Approximately 70% of Our Employees Work outside Japan

Manufacturing facilities, more than half of which are located in Southeast Asia



Number of Group Employees
(Number of permanent employees in the Brother Group)

37,769



Number of Main Production Facilities Employees
(Number of permanent employees in the Brother Group)

21,898

Corporate Vision of the Brother Group

We Consider Changes in Customer Needs and Society’s Expectations as Opportunities for Business Growth and Work Towards a Long, Successful Future.

As stated in the Brother Group Global Charter, the basis of all our activities, we have developed long-term trust relationships with our customers and stakeholders by developing our business and fulfilling social responsibilities.

Brother will generate social value through business around the world and promote management focusing on Environmental, Social and Governance (ESG) standards, tackling the following four priorities to help achieve the 17 Sustainable Development Goals (SDGs), adopted by the United Nations.

Brother’s priorities and the SDGs involved



Through these activities, Brother will evolve its CSR management and further strengthen trusting relationships with its stakeholders to ensure a long, successful future.

In addition, we will further reinforce the Brother Group’s unique management system “Brother Value Chain Management” by creating social value through our business activities, and thus achieve our medium- to long-term vision “Global Vision 21” at a high standard.

Brother Group Global Charter—the Basis for All Operations

The Brother Group Global Charter (“Global Charter”), which consists of Basic Policies and Codes of Practice that guide and govern the decision making and actions of employees, was established in 1999 to represent the DNA of Brother passed down since its founding. With the Global Charter as the basis for all business activities, Brother has responded to changes in customer needs and society, and technological evolution, and generated or developed various businesses, to grow globally. We will move forward while continuously strengthening our technologies and leveraging each employee's ingenuity to achieve the “At your side.” manufacturing.

Brother Value Chain Management (BVCM)—the System to Create Brother's Value

The Brother Group considers customer demands and expectations top priority as our guide for all of our business operations including product planning, development, design, manufacturing, sales and service. In order to create and deliver new value, an original management system was built and named the Brother Value Chain Management (BVCM) system. BVCM is a process for delivering superior value to customers, consisting of three chains - the Demand Chain, the Concurrent Chain, and the Supply Chain. We will continue to advance this BVCM system with the “At your side.” spirit in mind and deliver better products and services.

Customer Demand

The opinions of existing customers who have already purchased Brother products and potential customers who may purchase products in the future are the starting point for all business activities.

Demand Chain (Choosing Value): Product Planning, Research and Development

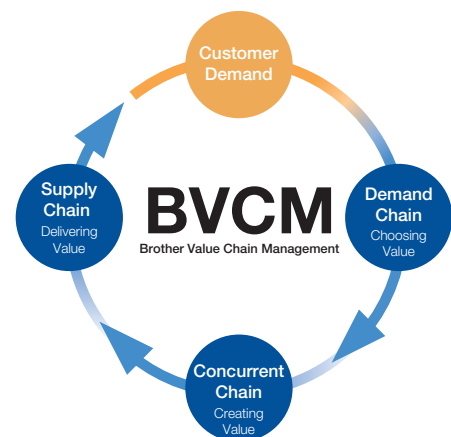
Customer expectations and demands are carefully analyzed and reflected in product development.

Concurrent Chain (Creating Value): Development Design, Production Engineering

Product concepts summarized in the Demand Chain are given a concrete shape.

Supply Chain (Delivering Value): Manufacturing, Distribution, Sales and Service

Products designed in the Concurrent Chain are manufactured, and products and services are delivered to customers the world over.



Our value creation through BVCM is supported by a variety of management resources, such as “product development,” “technical capabilities,” “talent development,” “global structure,” “flexibility,” and “cooperation with business partners.”

Global Vision 21—the Medium- to Long-Term Corporate Vision

As an organization that does business on a global scale, the Brother Group places its customers first in all activities and in many ways. Based on this idea, the Brother Group sets up three goals in its medium- to long-term corporate vision “Global Vision 21” for further growth, and effectively uses its wide variety of management resources to achieve the goals.

To become a leading global company with high profitability

While promoting globalization not only in the scale of the business, but also in our way of thinking, Brother will flexibly react to various changes, and keep evolving swiftly. We will also establish a highly profitable and solid financial strength.

To become a world-class manufacturer by developing outstanding proprietary technologies

Brother will push forward in the manufacturing of unique and original products based on the customer-first standpoint, by developing outstanding proprietary core technologies and acquiring patents.

To embody Brother's motto “At your side.” throughout our corporate culture

Brother will foster a customer-first corporate culture in all the stages of our operations, including product planning, development, design, manufacturing, sales, and services. Our goal is to ensure the customer perception that Brother is a “trustworthy brand.”

The Brother Group Medium-Term Business Strategy “CS B2021”

We will build a base for growth “TOWARDS THE NEXT LEVEL.”



Background of Formulating CS B2021

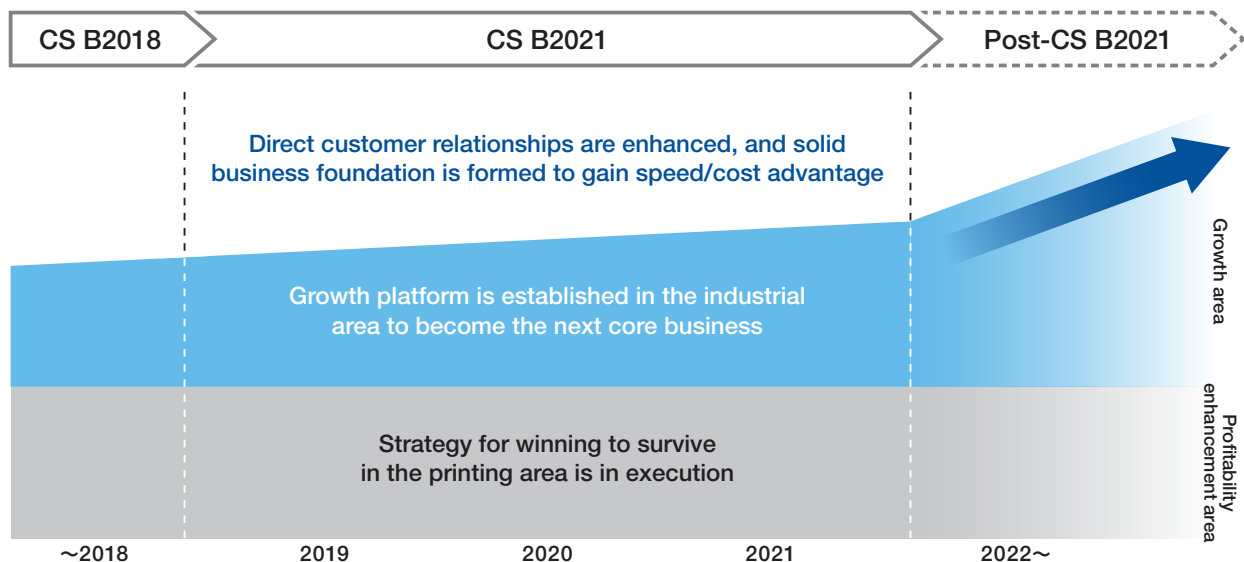
In 2016, the Brother Group started the medium-term business strategy CS B2018 and executed three transformations: business, operational and talent, with a goal to transform the group to a multi-business enterprise from the printing-centric business structure. As a result, the Brother Group has achieved significant profitability enhancement in the printing area and sales growth in the industrial area.

However, the business environment surrounding the Brother Group will change significantly and become increasingly severe. In the printing area, in addition to the printing volume decrease owing to further digitalization, service needs diversification will keep accelerating amid drastic customer behavior changes from ownership to usage. In the industrial area, growing demands for labor-saving, automation, traceability, and customization are being observed.

With these understandings, the Brother Group believes that it is essential to implement more in-depth transformation to achieve Global Vision 21, and thus, has formulated the new medium-term business strategy CS B2021.

Under CS B2021, the Brother Group will establish a firm ground “TOWARDS THE NEXT LEVEL” and implement transformation by focusing on our top management priorities and utilizing Brother’s strengths.

Positioning of CS B2021

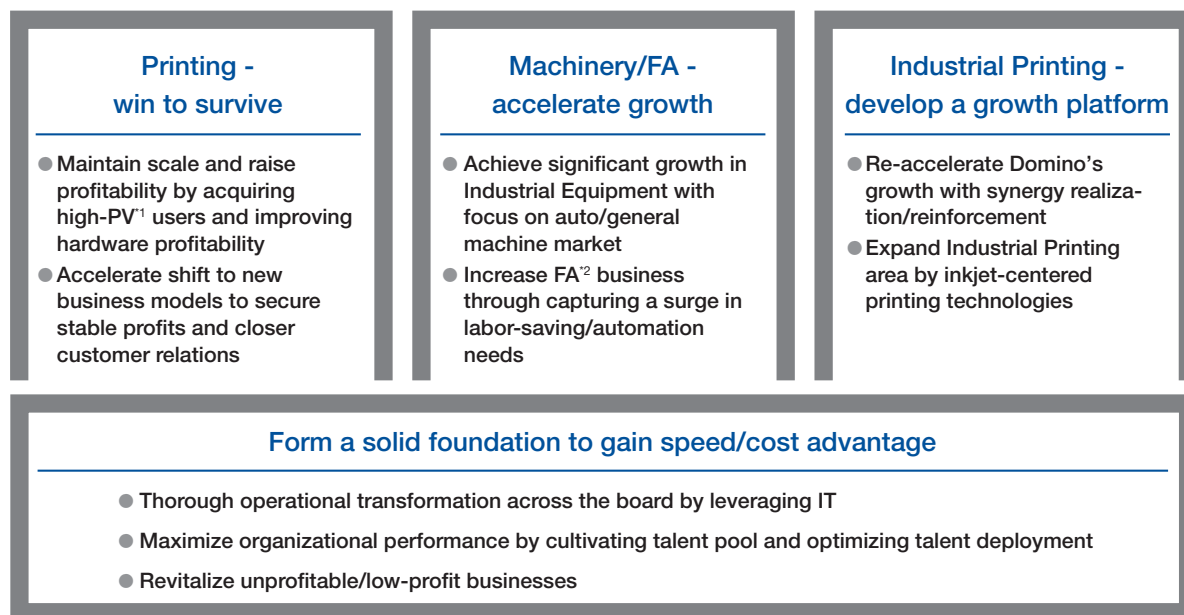


Brother’s Strengths

- Flexibility:** Spirit that has continued to address challenges courageously and flexibly respond to changing times and technological innovation
- Agility:** Ability to promptly deliver products and services that are fine-tuned to customer needs with their opinions positioned as the starting point of a series of actions
- Cost competitiveness:** Brother-style development of cost-competitive products through unique value propositions and optimized integral architecture
Efficient global network in development, manufacturing, sales, and service

CS B2021 Outline

CS B2021 “TOWARDS THE NEXT LEVEL” ~ Establish a firm foothold for the future ~



¹ Print Volume

² Factory Automation: Automation of various factory work and processes using machines and information systems

CS B 2021 Financial Targets

As the financial targets, we aim at achieving sales revenue of 750 billion yen, operating profit of 75 billion yen, and an operating profit ratio of 10.0%. Although a severe business environment is expected in the printing area, we aim to maintain the same business scale as FY2018. In the industrial area, we aim to expand sales and profit.

Targets for FY2021

Sales Revenue	750 billion yen
Operating Profit	75 billion yen
Operating Profit Ratio	10.0%
Exchange rate: 1USD=105JPY, 1EUR=125JPY	

CS B2021 Investment Policy

We will accelerate growth investment including M&A to further expand the industrial area, create/develop new businesses, and reinforce inkjet-related facilities by setting up a 50 billion yen growth investment fund.

Machinery/FA

Enter the market adjacent to machining center such as machine tools for preceding/following processes or peripheral equipment

Industrial printing

Expand the adjoining area from the existing business by leveraging Brother's printing technologies featured by inkjet

To Our Stakeholders

All Brother Group employees will work as one to quickly deliver superior value.

Aiming to fulfill the medium- to long-term vision “Global Vision 21”

The Brother Group aims to fulfill its medium- to long-term vision for further growth, Global Vision 21, under its basic policy of placing its customers first in all activities and situations.

As roadmaps to achieve this vision, the Brother Group formulates medium-term business strategies. Under the medium-term business strategy CS B2018, which covered the period from FY2016 to FY2018 and focused on the theme of “Transform for the Future,” we implemented business, operational, and talent transformations.

In the business transformation, we achieved significant profitability enhancement in the Printing and Solutions business and sales growth in the industrial equipment and Domino businesses by shifting resources to the growth businesses and rebuilding our business portfolio.

In the operational transformation, we streamlined development processes, established a functional center of excellence to provide effective support to respective business units, and initiated operational process transformation by utilizing RPA and AI.

In the talent transformation, we were able to undertake personnel-system reform, which was led by the Human Resources Innovation Committee, and the development of next-generation management personnel, and to start using new talent development methods, such as one-on-one meetings, to promote the growth of all employees.

“TOWARDS THE NEXT LEVEL”

In this way, the Brother Group has succeeded in achieving certain results under CS B2018. However, the business environment surrounding the group will change significantly and become increasingly severe. We, for example, are expected to face a printing volume decrease under further digitalization, diversification of customer service needs, including the shift from ownership to usage, and the growing demand for labor-saving, automation, and traceability.

With these understandings, the Brother Group believes that it is essential to implement more in-depth transformation, and thus, has formulated the new medium-term business strategy CS B2021 with the theme of “TOWARDS THE NEXT LEVEL” for the period from FY2019 to FY2021.

Under CS B2021, which will continue until the end of FY2021, the Brother Group will establish a firm management base towards the next level, utilize Brother’s unique strengths, and implement the following four transformations with a medium- to long-term perspective.

- Win a leading place in the printing area by maintaining our business scale, enhancing profitability, and accelerating the shift to new business models
- Accelerate growth in the machinery and FA area by focusing on the automobile and general machine market and capturing growing needs for labor-saving and automation
- Develop a growth platform in the industrial printing area by reaccelerating the growth of the Domino business and leveraging Brother’s printing technologies
- Establish a firm foundation to gain speed and cost competitiveness through operational transformation with IT, such as RPA and AI



Representative Director
& Chairman

Toshikazu Koike

Representative Director &
President

Ichiro Sasaki

Financial targets and investment strategies in CS B2021

By completing these transformations, the Brother Group aims at achieving sales revenue of 750 billion yen, operating profit of 75 billion yen, and an operating profit ratio of 10% as the financial goals* for FY2021, the final year of CS B2021. With a 50 billion yen strategic investment fund for growth, we will also accelerate investment, including M&A, to further expand the industrial area, create and develop new businesses, and reinforce inkjet-related facilities.

As for shareholder returns, we will maintain stable returns to shareholders aiming for a consolidated dividend payout ratio of 35% while securing strategic investments for growth.

We will strive to generate stable cash flow and ensure strong financial health, allocate generated cash to strategic investments and shareholder returns in a balanced manner, and basically maintain an ROE of around 12%.

*Based on International Financial Reporting Standards (IFRS)

Remaining a company trusted by stakeholders

In order to remain a company trusted by its stakeholders, the Brother Group also attaches a great deal of importance to environmental commitment, contributing to local communities and society, and practicing good corporate governance. In addition, we have identified the social issues which we will preferentially focus on. By addressing them, we will achieve social value creation through our business activities, contributing to the Sustainable Development Goals (SDGs), which were adopted by the United Nations in 2015.

To help solve global environmental issues, the Brother Group has been making efforts, such as CO₂ emissions reduction in the entire value chain, towards achieving the medium-term targets for FY2030, the milestone to achieve the

Brother Group Environmental Vision 2050, which the group formulated in April 2018.

We will also seek to provide innovative products and services that make our customers happy and conduct social contribution activities with a sense of unity within the whole Brother Group while gaining an accurate understanding of social demands and expectations through interaction with the community. To ensure the physical and mental health of employees, who are the actors of these activities, we have launched the Brother Group Health & Productivity Management Promotion Council and been taking approaches to achieve the “Healthy Brother 2025” with specific health targets based on the “Health and Productivity Management Philosophy.”

As for corporate governance, we place importance on enhancing our corporate value in the long term through optimization of managerial resources and customer value creation and establishing a long-term trusted relationship with shareholders through improvements in corporate transparency. At Brother Industries, Ltd., five independent outside directors oversee management from an objective perspective.

We would like to please our customers by quickly delivering superior value, for which all group employees work as one with the “At your side.” spirit in mind. To achieve this, each and every employee should grow in their abilities through various experiences. I will lead them so that they can further provide value to customers, and thereby both customers and employees become happier.

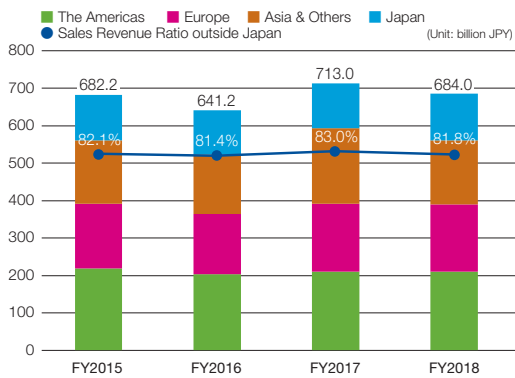
We appreciate your continuous support for all the activities of the Brother Group.

Financial and Non-financial Highlights

*The consolidated financial statements of the Brother Group have been prepared in accordance with International Financial Reporting Standards (IFRS) since FY2016. The financial figures for FY2015 provided herein are also in compliance with IFRS.

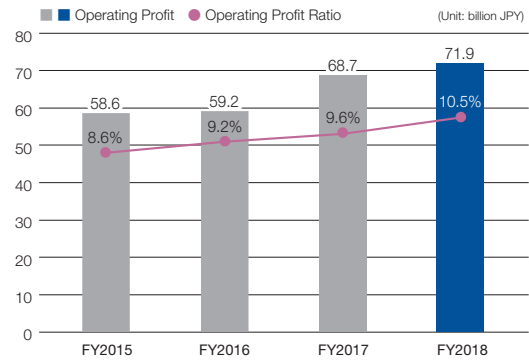
Sales Revenue by Region

Sales revenue ratio outside Japan **Approximately 80%**



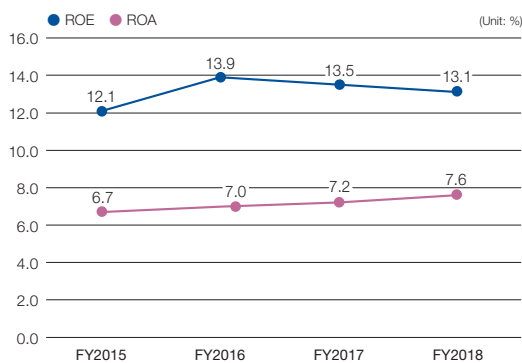
Operating Profit/Operating Profit Ratio

Operating Profit Ratio **10.5%**



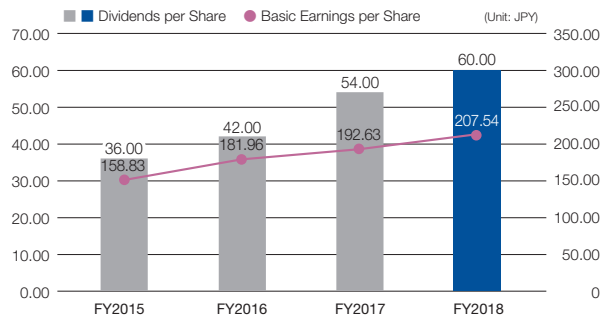
ROE/ROA

Maintaining a high level of ROE continuously



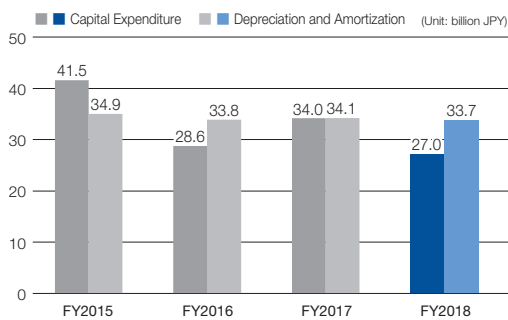
Basic Earnings per Share/Dividends per Share

Continuous increase in dividends per share



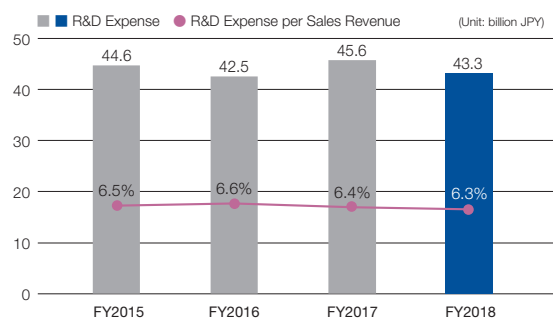
Capital Expenditure/Depreciation and Amortization

Capital expenditure focusing on growth fields



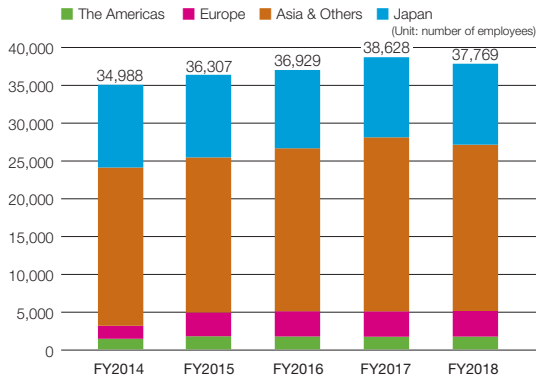
R&D Expense/R&D Expense per Sales Revenue

Focused on research and development in the growth field



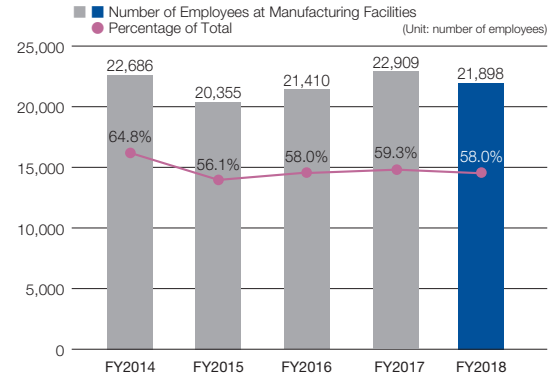
Workforce Breakdown by Region

Global human resources



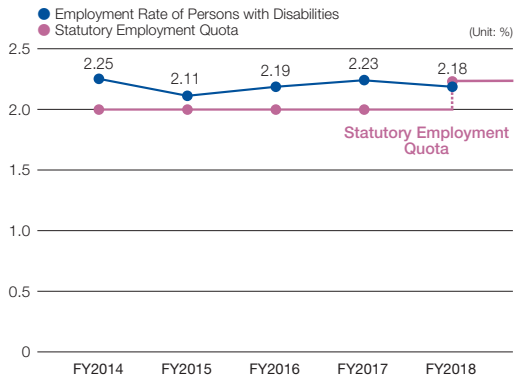
Number of Employees Working at Manufacturing Facilities

Approximately 60% of employees are involved in manufacturing



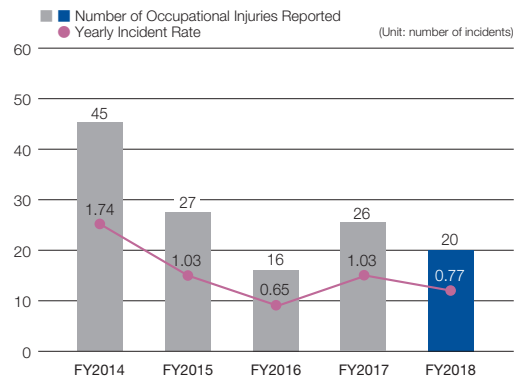
Employment Rate of Persons with Disabilities (Brother Industries, Ltd.)

Continuing to employ persons with disabilities



Number of Occupational Injuries Reported at Manufacturing Facilities

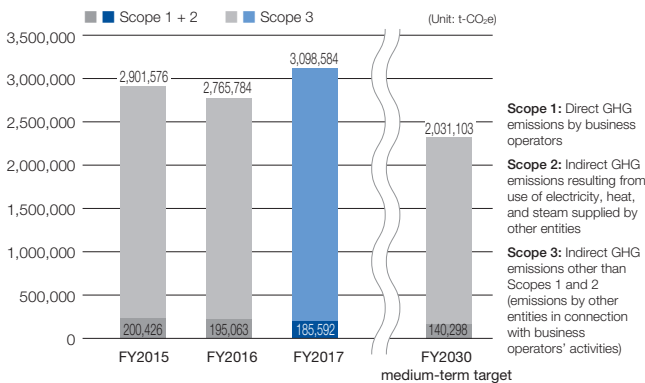
Globally promoting safety and health activities



Incident rate: (number of incident/number of employees) x 1,000

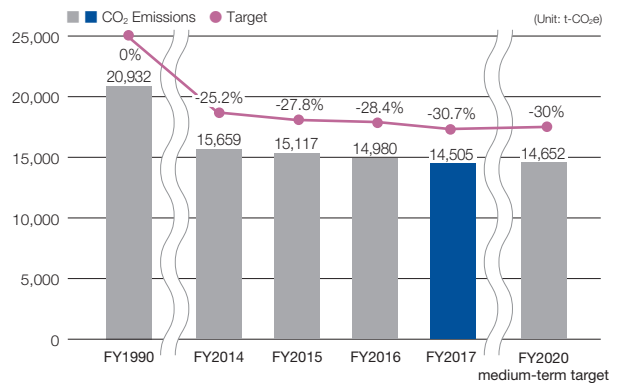
CO₂ Emissions¹ throughout the Entire Value Chain of the Brother Group²

Aim for a 30% reduction in Scopes 1, 2 and 3 from FY2015 (medium-term target for FY2030)



CO₂ Emissions¹ at Eight Business Sites in Japan

Cut total CO₂ emissions by 30% from FY1990 levels at eight business sites in Japan by FY2020 (absolute value)

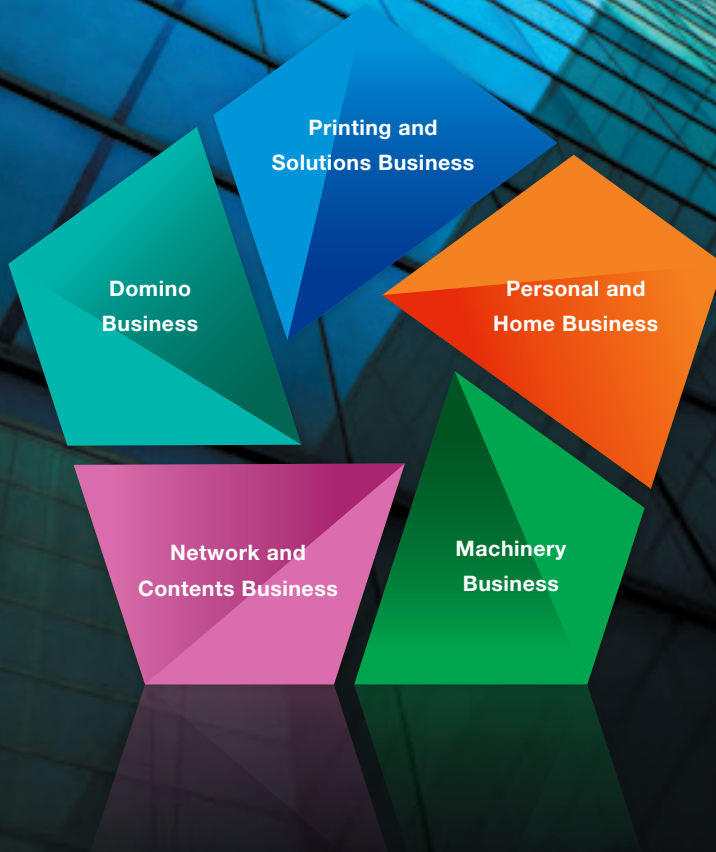


¹ CO₂ emissions are calculated in accordance with ISO14064-1 and the rules stipulated in the basic guidelines concerning calculation of greenhouse gas emissions throughout the supply chain.

² The sum of CO₂ emissions produced by business activities at the Brother Group's manufacturing and non-manufacturing facilities in and outside Japan.

All our businesses support customers' working styles and personal lifestyles by offering superior value

The Brother Group's mission is to place our customers first everywhere, every time, and provide them with superior value by quickly creating and delivering high-quality products and services. We offer products and services with our distinctive expertise in a wide range of fields, such as communications and printing equipment, electronic stationery, home sewing machines, industrial sewing machines, industrial equipment, industrial parts, online karaoke systems, coding and marking equipment, and digital printing equipment.



Brother's Five Business Segments

- Printing and Solutions Business**
Printers, All-in-Ones, Labeling Systems, Label Printers, Scanners, etc.
- Personal and Home Business**
Home Sewing Machines, Home Cutting Machines, etc.
- Machinery Business**
Industrial Sewing Machines, Garment Printers, Machine Tools, Reducers and Gears, etc.
- Network and Contents Business**
Online Karaoke Systems, Management of Karaoke Clubs, Content Services, etc.
- Domino Business**
Coding and Marking Equipment, Digital Printing Equipment, etc.

Printing and Solutions Business

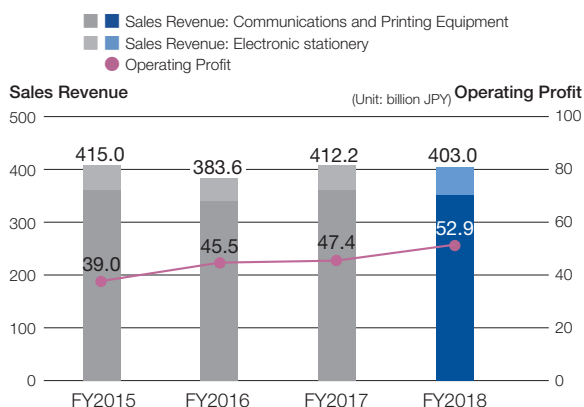


Business Objectives

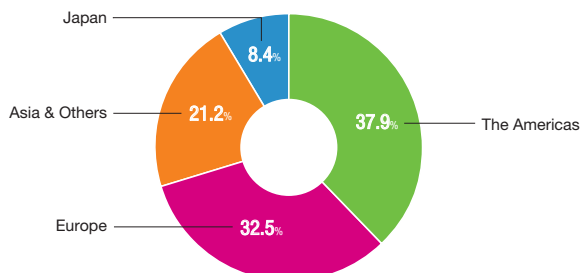
- **Communications and Printing Equipment:**
Strengthen profitability and competitiveness further as a core business supporting group-wide portfolio management
- **Electronic Stationery:**
Maintain the global No. 1 position in Home/Office business with steady profitability and expand specialty printing solutions for further growth

FY2018 Operational Highlights

Transition of Sales Revenue/Operating Profit



Sales Revenue by Region



Sales Revenue: 403.0 billion yen (-2.2% y/y)

■ Communications and Printing Equipment 353.1 billion yen (-3.2% y/y)

In addition to strong global sales of black-and-white laser products targeting the SOHO market, sales of inkjet All-in-One models with large-capacity ink tanks targeting emerging nations outpaced the original plan. However, sales revenue of communications and printing equipment decreased overall due to the application of IFRS 15 and the negative impact of exchange rates.

■ Electronic Stationery 49.9 billion yen (+5.6% y/y)

Sales revenue of electronic stationery increased overall due to strong global sales of the P-touch brand labeling systems and label printers and strong performance in the solutions field, which were mainly driven by the sales increase of mobile printers.

Business Segment Profit: 52.2 billion yen (-1.3% y/y)

Operating profit: 52.9 billion yen (+11.7% y/y)

Business segment profit remained almost the same as the previous year. Operating profit increased significantly due to the absence of last year's impairment loss related to exchange contracts.

*Sales revenue and operating profit are calculated based on International Financial Reporting Standards (IFRS). Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from sales revenue.

Business Summary

Communications and Printing Equipment

Brother's Strength

As for communications and printing equipment, in the early 1990s, Brother developed thermal transfer fax machines and small laser All-in-Ones that met the needs of a work style called SOHO (Small Office, Home Office), in which an individual or a small group of individuals use their homes, and so forth, as an office, and established its position as a pioneer in this market. Even today, our laser printers and All-in-Ones especially have high reputations in the SOHO market for their high printing speed, cost performance and durability, and are receiving good reviews from many business partners and industry magazines all around the world.

In recent years, we have been integrating compact black-and-white and color laser All-in-Ones, and business-use inkjet All-in-Ones for A3-size paper, and so forth into a scanner compatible with mobile devices and cloud networks. With this product approach, we meet customer needs consistently from input to output. Furthermore, we have increased our targeted customer base to the SMB* market and expanded our businesses and services, such as the solutions business that provides solutions to problems, a consultation service to suggest the best-suited products and the best office setups. We have also expanded our contract-type businesses, including print management and automated delivery of consumables. Through these businesses and services, we help our customers improve productivity and actualize cost optimization.

Market Trend and Brother's Business Strategies

- Maintain our position in the SOHO market
- Selectively strengthen our businesses in the SMB and solutions fields
- Grow to realize profit increase in emerging nations
- Enhance our earning capacity by thorough streamlining and prioritized investment leading to profit generation

In the SOHO market in advanced countries, Brother is maintaining and expanding its market share in many product categories, such as black-and-white laser and color laser products. In the SMB market in Europe, contract-type businesses, such as print management for customers and automated delivery of consumables, are expanding smoothly. In addition to the black-and-white laser business, the inkjet business is making a great contribution to profitability enhancement in the markets in emerging nations as sales mainly of the models with built-in refill tanks have exceeded the original target. Overall, the Printing and Solutions business is generating more profit than the target as the business for profitability enhancement as a result of various transformations, such as streamlining of the business, reduction of rework in product development, reduction of manufacturing costs and a shift to product lineups that can offer greater additional value.

* It stands for Small Medium Business. It includes small-sized offices, small- and medium-size businesses, and a business that has offices in multiple dispersed locations.

Main Product Lineup



Black-and-white Laser All-in-One



Color Laser All-in-One



Scanner



Inkjet Printer



Electronic Stationery

Brother's Strength

As for electronic stationery, Brother has been conducting the P-touch brand labeling system and label printer business for about 30 years. We have maintained the top market share in the field of business/professional use as a globally powerful brand which offers highly operable and functional products, an extensive and varied lineup of labels, and products that are equipped with software and corresponding interfaces to meet customer demand.

Market Trend and Brother's Business Strategies

- Firmly secure our position and maintain profit in the office business
- Expand specialty printing solutions

The markets for business/professional use and home use in advanced countries have been steadily growing. To provide new value to customers, Brother released labeling systems with a dedicated smartphone application for label editing and a full-color

label printer capable of printing photos and colorful original labels. Concerning consumables, we are increasing our revenue through improvements which provide further additional value, such as by releasing luxurious-looking premium tapes.

As for the business for specialty printing solutions, in the auto-ID market (barcode printers, etc.), which has high growth potential, Brother will expand its product lineup and respond to various business printing needs, and thus, deliver optimal solutions that help customers improve their productivity.

Mainly in emerging nations, the demand for business use, such as marking on distribution boards and communication cables, and labeling at manufacturing sites, is expanding. To meet these uses more effectively, we will expand the lineup of label consumables, and thus widen our range of target customers and applications.

Main Product Lineup



Labeling System



Label Printer



Mobile Printer

Brother's Value Creation

Brother's printers and All-in-Ones receive excellent reviews from external evaluation agencies around the world

Brother's printers and All-in-Ones have gained high ratings from evaluation organizations around the world. In January 2019, for example, Brother's MFC-J6947DW and MFC-J6945DW received the Winter 2019 Pick Awards from Buyers Lab (BLI), a US-based independent evaluation organization. Brother has won BLI's "Pick Award" for four years in a row since 2016 for its printers, All-in-Ones and scanners. In addition, Brother has been named as a winner

of the "Business Choice" and the "Readers' Choice" awards by PC Magazine in the United States for six consecutive years and for ten consecutive years, respectively. In Japan, Brother has earned the "Best Award" for four consecutive years in the "Page Printer" category of the BCN Awards program organized by BCN Inc.

As for awards related to design for printers, Brother has received the iF Design Award ten years in a row.



▲ For four consecutive years



▲ For four consecutive years



▲ For ten consecutive years

Personal and Home Business

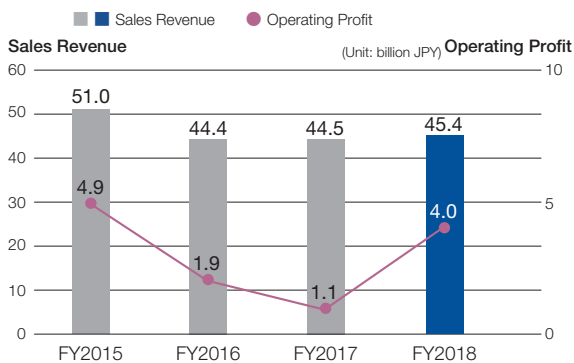
Personal
& Home

Business Objective

- Maintain the dominant global No. 1 position for the full range of high-end to low-end machines, while stepping up to a new level of “joys of creation”

FY2018 Operational Highlights

Transition of Sales Revenue/Operating Profit



Sales Revenue: 45.4 billion yen (+2.2% y/y)

Sales revenue increased driven mainly by strong growth in sales of the premium sewing and embroidery machines launched in the United States.

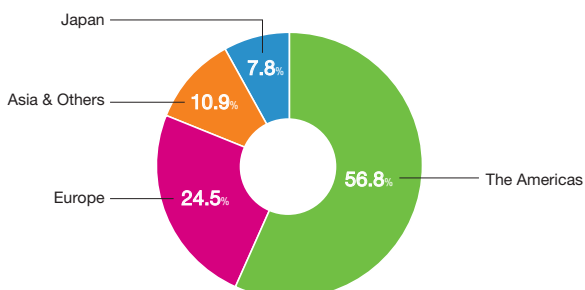
Business Segment Profit: 4.0 billion yen (+103.8% y/y)

Operating Profit: 4.0 billion yen (+283.1% y/y)

Profits were improved significantly by changes in our product mix that reflected strong sales of the premium sewing and embroidery machines.

*Sales revenue and operating profit are calculated based on International Financial Reporting Standards (IFRS). Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from sales revenue.

Sales Revenue by Region



Sewing and Embroidery Machine

Brother's Strength

Brother has leading-edge development capabilities in the home sewing machine industry, which allows it to provide highly functional products with high added value. In particular, we have been leading the market by offering our customers state-of-the-art features that are also easy to operate, utilizing our forte of electronic technologies. As for production, we manufacture a wide range of products from high-end to low-end at our facilities in Taiwan and Vietnam. As for sales, we maintain outstanding visibility in North America. We have established strong ties with powerful, major retailers and close partnerships with our prominent business partners, such as major sewing machine dealers handling high-end machines. Furthermore, our sales facilities around the world provide precise services and education along with superior products, enabling the group to maintain and further enhance the strength of the Brother brand.

Market Trend and Brother's Business Strategies

- Firmly maintain our current position in the home sewing machine market while strengthening profitability
- Firmly maintain our current position in the high-end machine market and expand our share in the mid-range sewing machine market
- Aggressively pursue growth in the craft market

In the home sewing machine market, the demand in North America appears to be stagnant. However, the demand is increasing steadily on a global basis. In such an environment, Brother will strive to expand its profit by enhancing the customer satisfaction level of its sewing and embroidery machines with high added value and mid-grade machines. The market for home cutting machines is expanding mainly in North America. We will promote the value of our scanning functions that no other manufacturers can offer and pursue development of new sales channels to actualize business expansion.

Main Product Lineup



Sewing and Embroidery Machine

Sewing Machine

Commercial Embroidery Machine

Home Cutting Machine

Brother's Value Creation

Brother offers sewing and embroidery machines and home cutting machines with significantly enhanced performance

The "Luminaire Innov-is XP1" is a sewing and embroidery machine for advanced users to make quilts and big embroidery works. This machine offers enhanced operability with a large liquid crystal touch panel that works like a tablet and makes it easier for users to create detail-oriented designs with a built-in projector that enables them to preview stitches and embroidery designs directly on their fabric before they start sewing. A generous needle to arm distance of 13.1 inches allows users to handle big projects, such as a king-sized bed cover, with ease. In addition, with the largest embroidery area that Brother has ever offered, the "Luminaire Innov-is XP1" enables users to sew a cushion or a pillowcase comfortably with ease. This product won the "iF GOLD AWARD 2019," one of the most prestigious design awards in the world.

The ScanNCut DX is a new model with dramatically upgraded product performance, and we will strive to further increase its sales. Brother's previous models require users to adjust blade depth and other fine details to suit the type and thickness of the material to be cut. Unlike them, the ScanNCut DX, equipped with an automatic blade sensor, does not require such adjustments. In addition, this new model can cut materials up to 3 mm in thickness. With this feature, this home cutting machine enables users to enjoy professional results.



Machinery Business

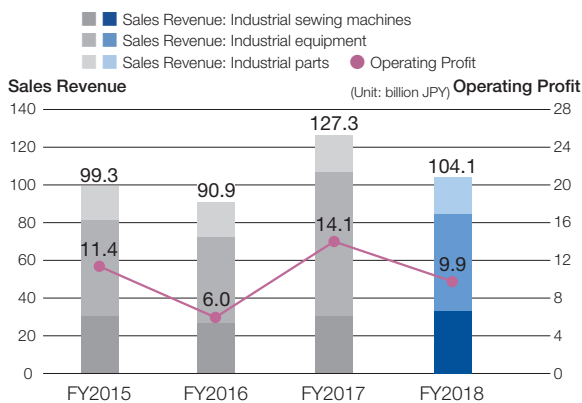
Machinery

Business Objectives

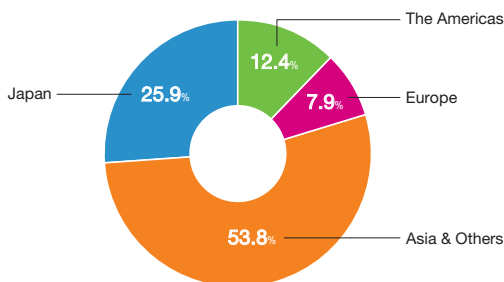
- **Industrial Sewing Machines:**
Develop new products that accommodate customer needs and expand our customer base
- **Industrial Equipment:**
Expand our customer base in the auto/general machine market by enhancing the product lineup and further reinforcing sales/service platforms
- **Industrial Parts:**
Contribute to strengthening of the industrial area by increasing revenue of the reducer and high-precision gear businesses

FY2018 Operational Highlights

Transition of Sales Revenue/Operating Profit



Sales Revenue by Region



Sales Revenue: 104.1 billion yen (-18.2% y/y)

Industrial Sewing Machines 32.6 billion yen (+4.9% y/y)

Sales revenue overall increased due to the robust demand for industrial sewing machines in China and the growing demand for garment printers mainly in Europe and the United States.

Industrial Equipment 51.8 billion yen (-31.9% y/y)

In Japan, the demand for industrial equipment for the auto/general machine-related industries remained steady in the first half of the year, but it became sluggish in the latter half. In China, orders from IT-related industries dropped. Consequently, sales revenue of industrial equipment overall declined significantly.

Industrial Parts 19.7 billion yen (-2.2% y/y)

Sales revenue of industrial parts decreased, attributed to the economic slowdown overseas.

Business Segment Profit: 9.8 billion yen (-32.4% y/y)

Operating Profit: 9.9 billion yen (-29.9% y/y)

Profits decreased due mainly to the decrease in the sales revenue of industrial equipment.

*Sales revenue and operating profit are calculated based on International Financial Reporting Standards (IFRS). Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from sales revenue.

Industrial Sewing Machines

Brother's Strength

Brother has been continuously leading the industrial sewing machine industry in fabric (cotton, linen, and so forth) sewing. In 2018, we launched the NEXIO system, which incorporates Brother's network technologies. This system has been receiving good reviews from users as a service that contributes to productivity improvement in sewing factories. The GTX, a new garment printer of Brother, achieves high printing speed and high-resolution printing quality by employing the inkjet technologies Brother has accumulated through the development of office printers.

Industrial Equipment

Brother's Strength

Brother's industrial equipment was developed through our manufacturing of machine tools needed to make key parts of sewing machines in-house. In 1985, Brother released the CNC Tapping Center. It has been well received by our customers because it is compact in size yet offers high productivity and environmental performance for processing parts needed by the automobile and IT industries. After the launch of our next-generation machine tool brand, SPEEDIO, in 2013, we have released models that can process bigger parts, models that are capable of lathe turning processing, and peripheral devices around SPEEDIO machines, such as a rotary table. In this way, we have been exploiting new markets.

Industrial Parts

Brother's Strength

In 2013, Brother acquired Nissei Corporation, which has a high market share for reducers and high-precision gears in Japan, as its consolidated subsidiary, and entered into the industrial parts business, which can give us opportunities to provide high added value for customers. As for gear motors, our core products of reducers, we offer an extensive product lineup, and have the ability to deliver products within a short period of time and handle special order items flexibly and are responding to various customer demands. As for high-precision gears, we develop and manufacture products used for robots and machine tools mainly. By executing the entire process from product designing to manufacturing consistently within the company, we create high-precision and high-quality products. Thus, our products have a high reputation in the market, especially for our cutting technology for bevel gears*.

*Cone-shaped gears that transmit motion between two intersecting axes

Market Trend and Brother's Business Strategies

- Develop automated products and strengthen proposal-making capabilities
- Expand the lineup of garment printers

Automation and labor-saving needs have been growing coupled with a rise in production cost. Brother will continuously bring new products that meet such needs to the market and strengthen its ability to make proposals, and thereby help customers improve productivity. The garment printer market has been growing steadily. We will expand our garment printer lineup to meet the needs of high-PV users.

Market Trend and Brother's Business Strategies

- Expand sales in the auto/general machine market and stabilize Brother's business foundation
- Enhance our product lineup and reinforce sales/service platforms

The machine tool market is expected to grow continuously in the medium to long term, driven mainly by the growing demand for machine tools for the manufacturing of automobiles and general machines. In such a market environment, Brother will continue to expand its product lineup, and develop products that respond to labor-saving and automation needs and machine tools that will encourage users to replace other manufacturers' machine tools which are slightly larger than ours with our products. We will also make continuous investments to strengthen our sales, marketing and maintenance services to accommodate business expansion mainly in the automobile market.

Market Trend and Brother's Business Strategies

- Enhance profitability of the core business (reducers, high-precision gears)
- Pursue synergy with other machinery businesses

In the reducer market in Japan, sales increases of low-voltage gear motors and high-precision reducers are expected in addition to the standard models of gear motors, which currently have steady sales increases. In the growing robotics industry, the demand for high-precision reducers and high-precision gears from manufacturers inside and outside Japan are expected to expand. Brother will strengthen its profitability continuously through capacity enhancement and improvement of production efficiency, expand its sales channels into the markets outside Japan, and further expand development and sales of products targeting robot manufacturers. As for creation of synergy effects with other machinery businesses, we will strive to boost the competitive edge of our products in the industrial area through efforts such as provision of high-precision reducers for industrial equipment and execution of product co-development within the group.

Main Product Lineup



Machine Tool



Industrial Sewing Machine



Garment Printer



Reducer



Gear

Brother's Value Creation

Brother's NEXIO system, with its ease of use and real-time visualization capability, helps customers boost productivity

Brother has developed the NEXIO system as a system that directly leads to productivity improvement in sewing lines. With Internet-enabled sewing machines equipped with a Wi-Fi communication module, this system allows real-time checking of production progress from anywhere and

anytime. By using data gained from the sewing machines, it also enables accurate and efficient grasping of the operating status of sewing lines. The NEXIO system is highly appreciated by users for its clear concept, simple and easy features, and ease of installation on-site.

Network and Contents Business

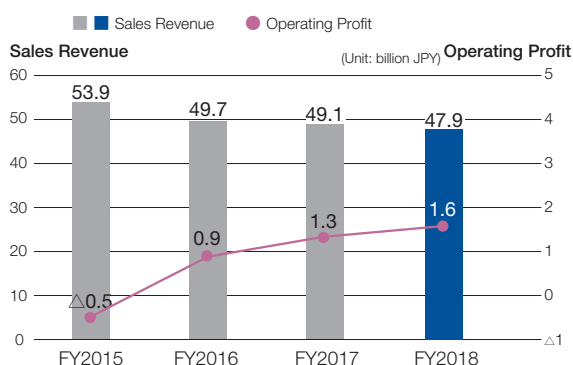


Business Objective

- Position CS B2021 as a regrowth stage and focus on business model transformation and expansion

FY2018 Operational Highlights

Transition of Sales Revenue/Operating Profit



Sales Revenue: 47.9 billion yen (-2.3% y/y)

Sales revenue declined because the demand for the JOYSOUND MAX2, a new model released in FY2017, slowed down and the ratio of rental transactions increased compared to the previous term, in which our activities were mainly centered around sales transactions.

Business Segment Profit: 1.8 billion yen (-33.2% y/y)

Operating Profit: 1.6 billion yen (+18.6% y/y)

Business segment profit decreased significantly as a result of the sales revenue decline. Operating profit increased because the impairment loss that had been reported during the previous term no longer existed.

*Sales revenue and operating profit are calculated based on International Financial Reporting Standards (IFRS). Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from sales revenue.

Business Summary

Brother's Strength

Xing Inc., a consolidated subsidiary of Brother, has a high reputation for its JOYSOUND MAX GO series and JOYSOUND HIBIKI series, the online karaoke systems for business use which offer 300,000 songs (the largest number in the industry) and are compatible with high-resolution audio^{*1}. The company is also valued for its original services linked to smartphones, such as the Utasuki^{*2}, which has more than 10 million registered members. Through collaborations with the group companies Teichiku Entertainment, Inc. and Standard Corp., Xing Inc. operates a diverse business with the ability to provide consistent services from the upstream business (content business) to the downstream business (karaoke club business) as a diversified music entertainment company.

^{*1} Voice input from a microphone is sampled at 24bit/192kHz. As for music, a material's waveform is converted from CD spec to high-resolution audio through sampling.

^{*2} A membership-only karaoke SNS operated by Xing Inc., which is linked with the online karaoke system JOYSOUND.

Market Trend and Brother's Business Strategies

- Increase profitability in core business
- Develop new revenue models

The number of karaoke users and karaoke clubs, which had been declining since the peak period, are continuing to bottom out. Thus, we are aiming at stimulating the market mainly by expanding the sales of two models, which are a flagship model with high product value and a market-specific model. We also aim to increase the sales of the JOYSOUND FESTA2, a model containing musical healing content called "Kenko Okoku," which targets the growing health care market. Furthermore, we will strive to expand the existing business to diversify into a new business area and develop and establish new revenue models by maximizing synergy among the Xing Group companies.

Main Product Lineup



JOYSOUND MAX GO

JOYSOUND HIBIKI II

JOYSOUND FESTA2

Domino Business

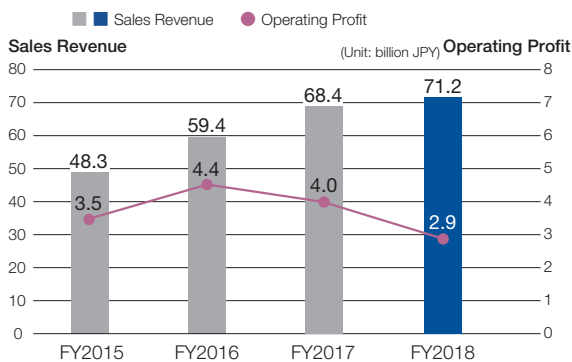


Business Objective

- Realize and reinforce synergy between Brother and Domino and achieve customer experience improvement to become Brother's next core business

FY2018 Operational Highlights

Transition of Sales Revenue/Operating Profit



Sales Revenue: 71.2 billion yen (+4.2% y/y)

Sales revenue increased due to steady global sales growth of both coding and marking ("C&M") equipment and digital printing equipment.

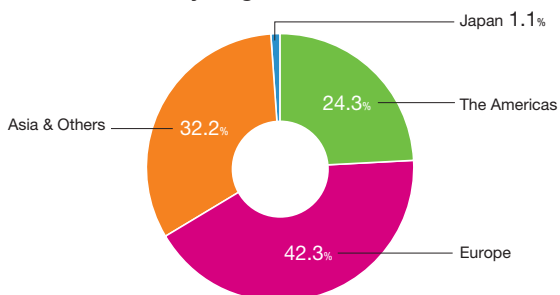
Business Segment Profit: 3.9 billion yen (-14.9% y/y)

Operating Profit: 2.9 billion yen (-28.4% y/y)

Although business segment profit decreased, it almost reached the level anticipated in our internal plan. Operating profit decreased because the loss on retirement of some development assets was reported as a result of reviews of our development projects.

*Sales revenue and operating profit are calculated based on International Financial Reporting Standards (IFRS). Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from sales revenue.

Sales Revenue by Region



Coding and Marking Equipment

Business Summary

Brother's Strength

Domino Printing Sciences plc ("Domino"), a consolidated subsidiary of Brother, has been growing its business steadily for the past 30 years as a UK-based industrial printing equipment manufacturer.

As for the coding and marking (printing expiration dates and so forth on plastic bottles and cans) business, with its world-leading sales and service network, Domino has been steadily increasing the number of operating units. Regarding the digital printing business, with its highly productive digital label printers, Domino has been providing business solutions to the challenges of label printing companies, such as small-lot production, waste reduction, and working environment improvement.

In both of these fields, the number of operating units is expected to increase, and consumption of consumables with a high genuine product ratio is anticipated.

Market Trend and Brother's Business Strategies

- Target a CAGR of 8 percent in sales in the 5 years between 2019 and 2023 as the core growth area
- Expand business by enhancing Domino Group's sales strength and collaboration with Brother's technological capacity
- Enhance our market position in the C&M field
- Expand digital printing

In the C&M business, which is expected to continue steady growth, sales have been increasing supported by Domino's strong sales network. Domino has built a strong position in the digital printing market and especially in the label market. We are continuing to invest in our sales/service activities and develop products which utilize Brother's technological abilities. Domino is aiming at becoming the next pillar of the Brother Group through continuous growth in the C&M field and business expansion in the digital printing field, which has potential for higher-rate growth.

Main Product Lineup



Coding and Marking Equipment



Digital Printing Equipment

Brother's Value Creation

Domino receives many awards in recognition of its improvement efforts, productivity, and reliability

In 2018, Domino won the "Operational Excellence" accolade at the Manufacturer MX Awards, the most prestigious awards program in the UK manufacturing calendar. It was the second year in a row that Domino won an award at the event, after earning the "Supply Chain Excellence" honor in 2017. We are proud to have won this award, which recognizes the continuous improvements Domino has been making to its operations, such as staff training and product and process development.

In addition, in 2016, Domino's Digital Printing Equipment won the "Best Label Printer" award at the European Digital Press Awards, which had a panel composed of end users, media representatives, and industry specialists and were

announced at the Labelexpo Europe 2016 in Brussels. The many awards that Domino has received, including these two, are truly the result of its continuous efforts to deliver value to customers while giving full attention and getting closer to them. Domino will continue to move forward with its customers.



Brother's unique manufacturing system and various management resources support its value creation

The business model of the Brother Group is to quickly create and deliver superior value through Brother's unique management system "Brother Value Chain Management" (BVCM) while responding to diversified customer needs and challenges and placing customers first, everywhere, every time, with the "At your side." spirit in mind.

A variety of management resources, such as "Product development," "Technical capabilities," "Talent development," "Global structure," "Flexibility," and "Cooperation with business partners," support Brother's manufacturing through its BVCM.



The Sustainable Development Goals (SDGs), the successor to the 2001 Millennium Development Goals (MDGs), are a set of international goals from 2016 to 2030 included in the 2030 Agenda for Sustainable Development, adopted by the UN Sustainable Development Summit held in September 2015.

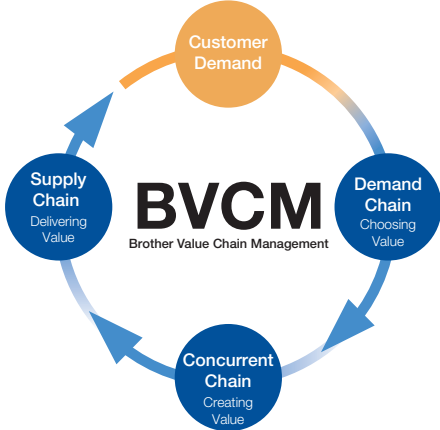
Product Development

We take customer opinions as the starting point of our business activities and deliver products and services that meet customer needs.



Brother’s unique management system for value creation

The Brother Group practices an original management system called the “Brother Value Chain Management” (BVCM) and delivers superior products and services to customers based on the “At your side.” spirit. In the Concurrent Chain of BVCM, the product concepts created in the Demand Chain are given a concrete shape. Product simulations and focus group testing by intended users are run again and again before and after prototyping. Through this process, we develop and design our products speedily while ensuring high product quality. The production engineering department designs optimal production lines to deliver our products at the right time for our customers. Respective departments concurrently work toward the commercialization of products while sharing information with each other to swiftly address customer needs with our products.



Case Example **Brother’s efforts to listen to customers’ opinions and understand their usage environments lead to products that satisfy their needs**



▲ Interview with customers



▲ An employee conducting a wearability test of the prototype when getting on and off a customer’s delivery truck

American customers of Brother’s 4-inch thermal mobile label/receipt printers mount their printer in vehicles or wear it on their belts to print invoices and shipping labels in delivery destinations, distribution warehouses, and other work sites. These customers, therefore, expect mobile printers to be easily connected to information terminals from anywhere and to have enough robustness to withstand strong shocks and loads produced when they get in or out of a truck or carry packages. To respond to these demands, product planners and mechanical and software developers at Brother exercised their ingenuity. In addition, to create further superior products, visits to such American customers were arranged to show them a prototype, which was nearly a finished product. During the visits, planning, development, and quality management staff conducted,

from their respective viewpoints, interviews and usage surveys with the customers and gained multifaceted information. In addition, the staff were able to recognize what they had not been able to find by themselves, such as real on-site users’ unique ways of operation and challenges by observing how they operate the prototype. The staff’s efforts to learn on the spot and hear the opinions of the customers until just before the end of the product development period led to generating products with new, detail-oriented values which are not shown on the catalog specifications. Such values include an operability improvement that allows users to load paper with one hand, and space created on the products to enable users to put labels for managing multiple mobile printers.

Technical Capabilities

We develop products valued and chosen by customers.



Brother's technical capabilities are used to create customer value

At the Brother Group, we consider that true technical capabilities refer to the utilization of our unique technologies to create products and services that customers demand. This is because we believe that excellent technologies can provide value to people only when they are utilized in a product. In order to offer products valued and chosen by customers, the Brother Group's engineers give full attention and listen to customer opinions sincerely. They devote themselves to value creation by constantly thinking about what technologies they can apply to satisfy customers and what kind of products will support customers.



Case Example

Laser markers that offer simplicity of use and help customers increase productivity



▲ The “easy-setting” function that can configure marking conditions based on the material selected (in the red frame)



▲ The fiber unit (right) which is removable from the laser head (left)

Laser markers are used mainly in the manufacturing industry to mark serial numbers, logo marks, and so forth on products. Many of the laser markers in the market require users not only to create text and graphic data, but also to configure advanced conditions, such as laser output and frequency, to suit the hardness and heat resistance of the material to be processed before they start marking. Brother's customers thus requested the company to develop easy-to-operate laser markers that can be used without any knowledge and experience.

In order to meet this request, Brother added a simple parameter setting function to the application software for its new laser markers. This “easy-setting” function enables users to start marking just by selecting a material and intuitively adjusting laser output and marking speed with slider bars. It leads

to a shortening of the time from the preparation to the completion of a marking job, and thus contributes to helping customers improve productivity. In addition, the laser markers can fit even in a production line with limited space by adopting a detachable fiber unit. This fiber unit can eliminate the need for laser adjustment when it is reattached to the laser head because this unit itself has a laser optical axis setting function to prevent the laser optical axis misalignment caused by the reattachment. This system makes it easier for the laser markers to adapt to changes in customer situations, such as the expansion or recombination of their production lines due to business expansion and changes.

Talent Development

We respect diversity and individuality among our employees and cultivate global human resources who can deliver superior value.



Actions based on the Global Charter, the foundation of our human resources

The Brother Group develops its human resources based on the Brother Group Global Charter (“Global Charter”). Its Basic Policies stipulate that the group respects diversity, provides a working environment that enables its associates to utilize their talents and abilities to the fullest, gives them great opportunities through challenging work assignments, and provides them with fair and attractive financial rewards. In return, the Basic Policies encourage associates to be positive members of society, share the company’s values, continually learn and improve, maximize their capabilities, strive to achieve their goals, and ultimately, contribute to the group’s success.



Case Example

Talent development based on coordinated systems and employees’ voluntary actions



▲ An employee passing on his skills as an instructor



▲ Instructors checking the work of their students

Brother Machinery Xian Co., Ltd. (“BMX”), a manufacturing facility for Brother’s machinery business, received the “Good Factory Award” from Japan Management Association. This award recognizes factories that are committed to internal renovation, such as productivity or quality improvement, in Japan and Asia.

This award was given to BMX in recognition of its talent development efforts to become a factory trusted by its customers, such as company-wide education, next generation leadership development, and voluntary study sessions at each worksite.

The company-wide education includes a program that provides skills necessary for each job position. Seventy percent of the program is taught by employees who have already acquired such skills. The employees who serve as instructors can exercise their ingenuity to teach

their students in a comprehensive way and also improve their own skills.

The next generation leadership training has been conducted since 2017 to foster a new generation of leaders who can work internationally. The participants of this training course, who are mainly composed of employees in their 30s, select their individual themes from the challenges of their workplaces and work to solve them. The participants not only pursue their goals but also learn important perspectives as leaders for the next generation while reviewing their actions that have produced good results and the ideas behind the actions.

The study sessions are organized by employees on a voluntary basis to share their know-how in respective workplaces. Including this, at BMX, employees act autonomously in a variety of ways to enhance productivity and their skills.

Global Structure

We work as a united global team in every aspect of our business activities.



The true global company the Brother Group aims to become

The true global company the Brother Group aspires to be shall:

- Anticipate customer needs in the global market to always deliver innovative products that suit them
- Have active employees working together regardless of nationality, gender or generation
- Realize an optimal balance of global business operations, such as development, production, and sales, by positioning them in the most appropriate regions, and thereby achieve long-term management stability

We believe that true globalization could be established as one of Brother's unique advantages before anyone else by establishing a more solid management base with the group's know-how accumulated at our facilities in every region and shared in depth.



Case Example

Brother's sales companies strengthen their collaboration by sharing respective public relations and exchanging their opinions



▲ A participant reporting on PR activities conducted by her company



▲ Participants exchanging their opinions

With the aim of providing valuable information to their customers, Brother's sales facilities in Europe work in collaboration to conduct public relations activities.

Brother International Europe Ltd. ("BIE"), the European regional headquarters of the Brother Group, provides respective European facilities with a variety of materials, such as images, to help them publish information about how Brother's products and services can support customers and solve their problems on social media. Each facility utilizes such materials and conducts its unique public relations in a way that fits its national culture and customs.

Public relations study meetings, called "PR academy," have been held since 2008 with the purpose of further enhancing cooperation among those facilities and the quality of their information provision.

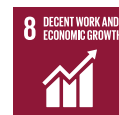
In 2018, this academy took place in the UK with the attendance of approximately 30 publicists from Brother U.K. Ltd., Brother France SAS, and the Brother Group's headquarters of Brother Industries, Ltd., and so forth. This three-day academy consisted of a debrief session in which respective facilities reported on their PR activities and a training session on how to use SNS and how to deal with the media during a crisis. It also provided an opportunity for the participants to exchange their opinions, including requests to BIE. One of the participants stated that this academy was a valuable opportunity to know and learn PR activities conducted by respective sales facilities, and the training workshop, which involved collaborative work, helped strengthen cooperation among the participating publicists.

Flexibility

We cope with various changes in the market.

Cooperation with Business Partners

We foster trust through working together.



Flexibility and cooperation developed by listening to customers

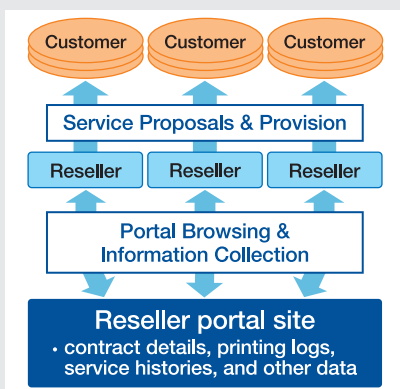
We are facing a rapidly changing business environment, such as the diversification of business tools and markets, and changes in customers' behavior. "Flexibility" and "cooperation with business partners" are indispensable for Brother to handle these situations.

We cope with such changes by listening to customers, taking advantage of the technologies, expertise, sales channels and know-how we have developed, and working in proper cooperation with partners in the fields where we lack strength or experience.

Brother aims to be able to transform itself in this way.



Case Example A newly established reseller portal realizes service improvement and operational efficiency



▲ Process of value delivery to customers



▲ Front page of the reseller portal

Brother International (NZ) Ltd. ("BINZ") works with a lot of resellers to provide corporate clients with proposals to make their office printing environments much better, and maintenance services and consumables for their printers at the right time for each of them.

BINZ has launched a portal site exclusively for its resellers to help them deliver value to their customers more efficiently. This portal aggregates information and services necessary for the resellers to offer new customers proposals for improving their printing environments and to provide existing customers with enhanced value.

The portal site can quickly create a service model and a contract suitable for the business type of each customer, and stores information about contract details, printing log data, service histories, and so forth. The portal enables the resellers to enhance their

service quality by helping them suggest improvements in the printing environments of their customers, and to increase their operational efficiency by issuing a contract quickly with no mistakes and an invoice automatically. The resellers using this portal appreciate that this tool, which can give a variety of information speedily, is very useful when providing proposals and services to their customers.

Environmental Activities



The Brother Group Positively and Continuously Considers Global Environmental Impact.

As the basic philosophy for its environmental actions, the Brother Group stipulates that it shall positively and continuously act to decrease the environmental impact of all aspects of its business operations so that society can achieve sustainable development. Based on this philosophy, the group sets its basic environmental policy: concern for the environment shall be the cornerstone of all operations; and safety and environmental impact shall be prime considerations at every stage of a product's lifecycle, from design, development, manufacturing, customer usage, and disposal, to reuse and recycling.

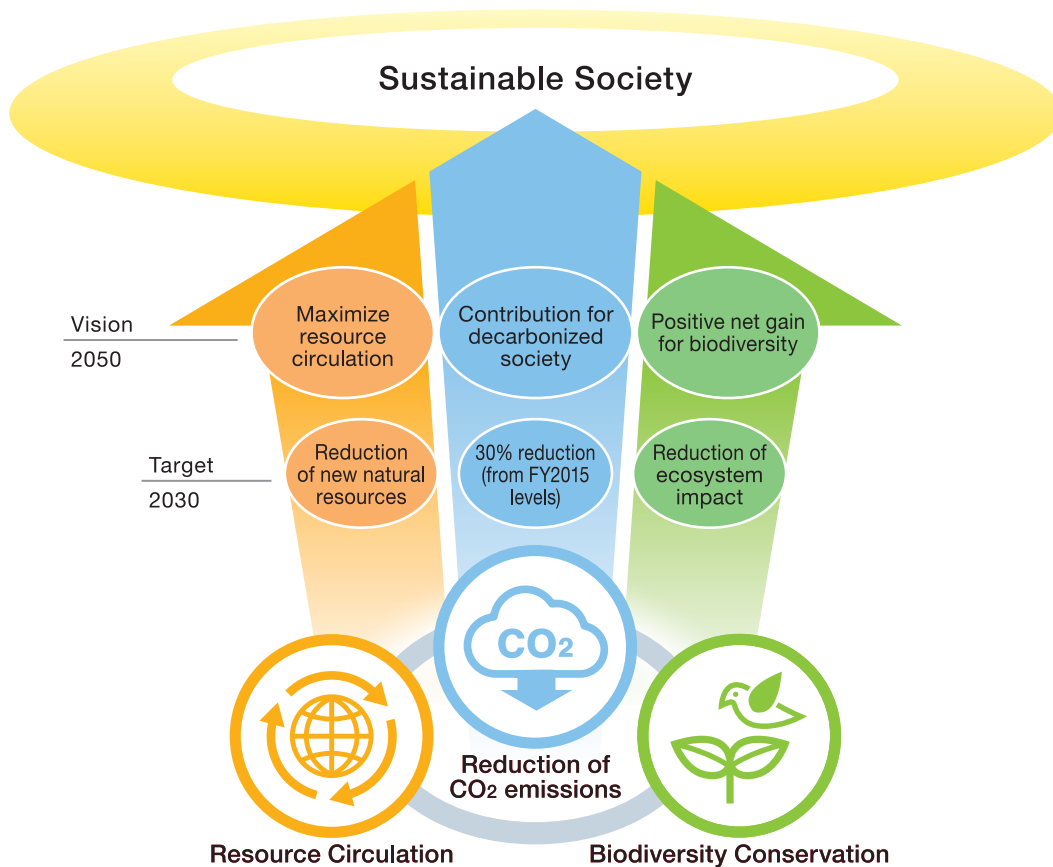


Working with you for a better environment



Brother Group Environmental Vision 2050

In April 2018, the Brother Group established the Brother Group Environmental Vision 2050 as its environmental targets and the medium-term targets for FY2030 as a milestone to fulfill the vision, aiming to contribute to resolving social environmental issues towards building a sustainable society.



Brother Group Environmental Action Plan 2021

The Brother Group has formulated this action plan with the aim of steadily reducing environmental impacts across the entire value chain towards fulfilling the Brother Group Environmental Vision 2050.

< Basic Policy >

The Brother Group shall proactively promote the following initiatives with its stakeholders to solve the priority items set in the Brother Group Environmental Vision 2050:

- Create eco-conscious products
- Reduce CO₂ emissions in the whole value chain
- Expand resource circulation in our business activities
- Reduce the business impact on the ecosystem and increase biodiversity conservation
- Respond to legal and social demands

< Environmental Targets >

As shown below, the targets are classified into the categories where we address reducing environmental impacts.

Facility	Reduce total amount of CO ₂ emissions (Scope 1, 2)	Product	Reduce total amount of CO ₂ emissions (Scope 3)
	Reduce water usage		Expand reuse and recycling activities
	Reduce waste		Create eco-conscious products
	Maintain ISO14001 and reevaluate EMS structure	Stakeholder	Respond to legal and social demands
	Respond to legal and social demands		Release information based on SDGs viewpoint
	Evaluate business impact on ecosystem		Collaborate with suppliers
Conserve biodiversity	Promote internal communication		

Scope 1: Direct GHG emissions by business operators

Scope 2: Indirect GHG emissions resulting from use of electricity, heat, and steam supplied by other entities

Scope 3: Indirect GHG emissions other than Scopes 1 and 2 (emissions by other entities in connection with business operators' activities)

Major initiatives based on the Brother Group Environmental Action Plan 2018

We fulfilled all the 18 environmental targets set in the Environmental Action Plan 2018.

< Developing Eco-Conscious Products >

In order to put greater effort into the development of eco-conscious products, the Brother Group has been promoting top-class eco-conscious design in respective product categories by actively acquiring environmental labels in respective countries and meeting new standards. Based on such eco-conscious design, the group works on the reduction of products' environmental impact throughout their life cycles and pursues cutting down their carbon footprint.

< Reducing CO₂ Emissions in the Entire Group >

In FY2013, the scope of activities to cut CO₂ emissions was expanded to include the whole Brother Group. Furthermore, we calculate and reduce CO₂ emissions not only in our business operations, but also in the entire supply chain of our products.

< Complying with Environmental Laws, Regulations and Social Trends around the World >

We ensure regulatory compliance by strengthening our framework for promptly responding to changes in laws and regulations in respective countries and regions, including those on chemical substances in products, on waste electrical and electronic equipment, on the recycling of packaging materials, on energy-saving in products, and so forth.

< Environmental Communication >

Under the environmental slogan of "Brother Earth," we collaborate and work with many stakeholders and actively conduct activities to protect the environment and contribute to local communities.

Our special environmental website "brotherearth.com" introduces the "Eco technology" in Brother's products and the "Environmental activities" which have been conducted by respective group companies, and also provides the donation project "Click for the Earth" to expand collaboration and cooperation.

< Biodiversity Conservation >

As a global company based in Nagoya, the hosting city of COP10*, we set the "Aichi Biodiversity Targets" as our priority targets and focus particularly on eight of them, including "awareness increased," "habitat loss halved or reduced," "protected areas increased and improved," and "knowledge improved, shared and applied." In line with this, respective group companies have been conducting biodiversity conservation activities tailored to their regional characteristics, such as an anti-desertification project in Inner Mongolia and a mangrove reforestation project in Thailand.

*The 10th Conference of the Parties to the Convention on Biological Diversity, which was held in Nagoya City, Aichi, Japan. The Aichi Biodiversity Targets are a set of 20 targets agreed upon at COP10 as effective and urgent targets to be achieved by 2020 to prevent the loss of biodiversity.

Social Contribution Activities



The Whole Brother Group Pursues Social Value Creation through Business Activities.

Values demanded by society are changing. Brother focuses particularly on the following priorities selected from among many social issues and creates social value through business by doing them.

- Seeking to provide innovative products and services that make our customers happy
- Continuing to make efforts to help the global environment
- Continuously promoting social contribution activities
- Enhancing collaboration with business partners on ways to address social demands quickly



Basic Policy on Employment and Compensation of Employees

Brother provides systems and environments in which diverse human resources can demonstrate their abilities

The Brother Group Global Charter, the basis of all activities of the Brother Group, stipulates that “the Brother Group respects diversity and provides a working environment that enables our associates to utilize their talents and abilities to the fullest, and also gives them great opportunities through challenging work assignments and provides them with fair, attractive financial rewards.” It also sets forth that “we must always honor individuals and diversity, and act with trust and respect.” According to these principles, the Brother Group companies aim to eliminate all forms of discrimination based on race, nationality, religion, belief, gender, educational background, age, disability, or anything else, in hiring, evaluation and promotion and also prohibit child or forced labor.



▲ Employees are working actively in various facilities

CSR Procurement Promoted with Suppliers

The Brother Group publishes its “procurement policy” and “CSR procurement standards” and honors excellent CSR activities

The Brother Group publicly discloses its “procurement policy” and “CSR procurement standards” to share its CSR procurement concept with parts and materials suppliers. The procurement policy stipulates the promotion of green procurement, the responsible procurement of minerals, and so forth. Meanwhile, the CSR procurement standards establish requirements for suppliers, such as respecting human rights, creating a comfortable working environment, and establishing a framework for information management.

The Brother Group conducted a CSR questionnaire with approximately 500 suppliers regarding safety measures and chemicals management, and based on the results, requested some suppliers to make improvements and inspected their production sites. In addition, the group commends excellent CSR activities conducted by its suppliers.



▲ Brother honors its suppliers' excellent CSR activities with awards

Community Involvement

Employees watch the children they support grow while interacting with them

Brother International Corporation (Canada) Ltd. (“BIC(Canada)”) has been supporting children in developing countries in collaboration with Plan International, an international non-governmental organization, since 2015.

In developing nations, many children cannot break the cycle of poverty and discrimination due to the lack of education, healthcare, and other systems. In order to raise money to support such children, BIC(Canada) regularly holds charity bazaars, and its employees sell handmade pancakes, knitted goods, jewelry, and so forth. The company matches the proceeds from the bazaars and donates them to the regions where the children live. These contributions are used to help improve education and healthcare. In 2018, the money raised was also donated to Plan International’s educational project to establish new schools and train new teachers in Burkina Faso, West Africa.

In addition, all employees have been exchanging letters with 45 of the children who have been supported by BIC(Canada). The company also has a plan to send a few employees to Burkina Faso, which will promote closer interaction with the children living there. “Meeting the children and seeing our donations make even a small difference in their lives will make me happy,” said one of the employees. “I will value communication with the children and continue to support them.”



▲ Employees support children in various parts of the world



▲ Letters from the children are posted in the company

Brother offers job training courses using its sewing machines as teaching materials

Brother International S.A. (PTY) Ltd. (“BI S.A.”) has been providing job training courses in cooperation with Avisa, a non-profit organization which helps people get employment, since 2017.

The areas surrounding BI S.A. have been facing the challenge of making the lives of their residents financially stable. With the aim of providing job assistance to them with Brother’s products, BI S.A., jointly with Avisa, started job training courses using Brother’s sewing machines as teaching tools.

In these courses, named the “Brother Avisa Training Center,” participants attend weekly classes held within BI S.A.’s premises for four months and learn about the repair and maintenance of sewing machines as well as sewing skills. Many of the graduates of this center succeeded in getting jobs by having a lot of practice and using their acquired skills.



▲ Clothes made by the participants in training classes

Corporate Governance



Fundamental Ideas of Brother's Corporate Governance

BIL has established the “Brother Group Global Charter” as the basis of all the Brother Group’s activities conducted worldwide, and sets the enhancement of its corporate value over the long term by optimizing management resources and creating customer value, the development of long-term trustful relationships with its shareholders by enhancing corporate transparency through active provision of corporate information to shareholders, and so forth, as the fundamental ideas of BIL’s corporate governance.



Corporate Governance Structure

Brother Industries, Ltd. (“BIL”) established the “Brother Group Basic Policies on Corporate Governance” (published on BIL’s website) in November 2015, and since then has been striving to strengthen its governance in line with these basic policies.

< Statutory Auditor System and Executive Officer System >

BIL’s board of directors consists of 11 directors (including five outside directors)*. They decide important management matters and oversee executive operations. BIL also adopts a statutory auditor system (five auditors, including three outside auditors)* as the basis of its corporate governance, and has an entrenched mechanism in which auditors audit directors’ job execution. In addition, BIL has an executive officer system as an internal organization, whereby executive operations and supervision are separated in an effort to ensure swift decision-making and strengthen governance. Executive officers are elected by the board of directors, and are responsible for overseeing the operations of businesses, departments, and group subsidiaries under their supervision.

< Independent Outside Directors >

BIL appoints independent outside directors to ensure objective and neutral oversight of management from an external point of view, and thereby strengthens its management oversight function. BIL’s independent outside directors provide management advice, decide important matters, and oversee executive operations based on their respective abundant experience, careers, and insights from perspectives independent of BIL’s management.

< Nomination Committee and Compensation Committee >

BIL has established the Nomination Committee and the Compensation Committee as arbitrary advisory committees to the board of directors, in order to enhance the independence and objectivity of the functions of the board of directors regarding the appointment or removal and remuneration of directors and executive officers. Each of the committees consists of seven directors, including five outside directors and two internal directors*, and appoints an outside director as its chairperson.

The Nomination Committee must deliberate on the agendas of the general meeting of shareholders concerning appointment or removal of directors and the agendas of the board of directors concerning appointment or removal of executive officers in a fair, transparent, and strict manner before the agendas concerned are finalized, and reports the outcome to the board of directors.

The Compensation Committee must discuss the contents of the company rules concerning the standard for calculating the remuneration for directors and executive officers, and the contents of respective remunerations of respective individuals, and reports the outcome to the board of directors.

< To Enhance the Effectiveness of the Board of Directors >

At BIL, respective directors and auditors every year evaluate the effectiveness of the board of directors and report the results to the board of directors. Based on this evaluation, the board of directors analyzes and assesses the effectiveness of the entire board of directors and discloses an overview of the results in the “Corporate Governance Report.” The board of directors will endeavor to further enhance its effectiveness based on opinions provided by respective directors and auditors.

*As of June 24, 2019

Remuneration of Officers

< Policy on Officers' Remuneration >

BIL sets up an objective and transparent remuneration structure based on the clarification of the management responsibility of its officers and follows a policy of paying an appropriate amount of remuneration with consideration of other companies' remuneration levels and employee treatment levels.

< Composition of Officers' Remuneration >

The remuneration of directors shall be calculated in accordance with BIL's prescribed rules concerning the remuneration of directors and so forth, discussed and reported by the Compensation Committee, and approved by the board of directors.

The remuneration of directors consists of three parts. They are (1) "basic remuneration," whose amount is fixed and determined by position, (2) "performance-based remuneration" reflecting directors' responsibilities for achievement in the group's year-on-year business performance, and (3) "stock options for a stock-linked compensation plan for directors" offered to increase the incentive for the long-term improvement of corporate value. (2) and (3) are given to directors who are not outside directors. The details of respective remuneration amounts and calculation methods are set forth in the company's rules concerning the remuneration of directors and so forth, and thereby BIL ensures high objectivity and transparency. As for the performance-based remuneration, the standard amounts and indicators used for calculating the amounts of remuneration are defined in the rules concerning the remuneration of directors, etc. In accordance with the assessment methods described in those rules, this remuneration is calculated by evaluating the group's actual yearly business performance, with the estimated performance values

announced at the beginning of the fiscal year set as target values. As for the stock options for a stock-linked compensation plan for directors, the number of stock options to be allotted to each individual is calculated by dividing the standard amount for each position by the fair value of the stock options. The basic remuneration and the stock options for a stock-linked compensation plan for directors are calculated and provided within the limit of the remuneration amount approved at the general meeting of shareholders.

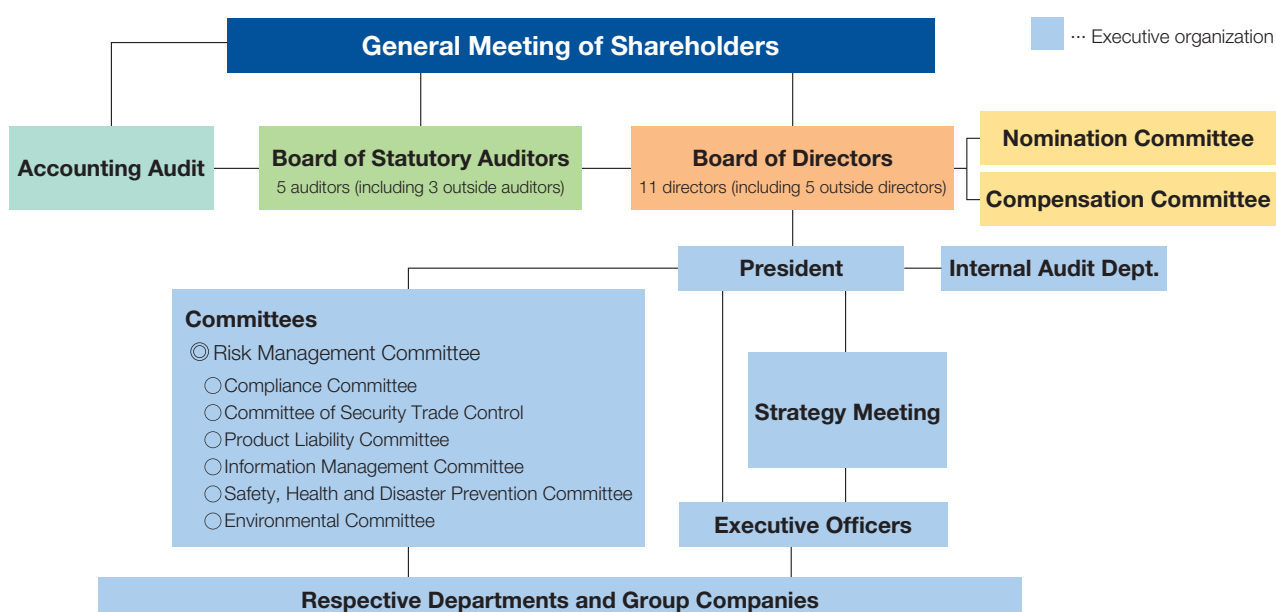
The remuneration of auditors consists of only basic remuneration provided to all auditors, which is decided by the board of statutory auditors in accordance with BIL's prescribed rules concerning the remuneration of auditors and within the limit of the remuneration amount approved at the general meeting of shareholders.

Categories	Paid Individuals	Amounts of Remuneration (million yen)	Total Amounts of Remuneration, etc., by Category		
			Basic Remuneration (million yen)	Performance-based Remuneration (million yen)	Stock options for a stock-linked compensation plan (million yen)
Directors (Outside directors included)	11 (5)	408 (54)	253 (54)	83 (-)	71 (-)
Auditors (Outside auditors included)	7 (4)	74 (25)	74 (25)	- (-)	- (-)
Total (Outside directors/ auditors included)	18 (9)	483 (79)	328 (79)	83 (-)	71 (-)

(One year from April 1, 2018 to March 31, 2019)

Note: The amount of remuneration paid to directors does not include the employee salary of the employees who also serve as directors. The paid individuals include two auditors (including one outside auditor) who retired in FY2018.

Brother Industries, Ltd. Governance Structure (As of June 24, 2019)



Risk Management System

BIL has the Risk Management Committee headed by the Representative Director & President, as an independent executive management organization, whereby the crucial risks of the whole Brother Group are identified and assessed, and proper actions for those risks are formulated. The committee promotes the upgrading of internal controls and risk management structures.

The Risk Management Committee manages the following risk subcommittees to control the critical risks of the group in a comprehensive and systematic fashion, overseeing activities of the subcommittees to respond to the respective risks. When the potential impact of a risk is assessed at the highest level, the Risk Management Committee switches into emergency response mode and gives priority to dealing with the situation.

< Compliance Committee >

The Compliance Committee makes the workforce aware of the importance of complying with laws and business ethics and prevents violations and their recurrence through education programs and activities.

< Committee of Security Trade Control >

The Committee of Security Trade Control ensures the proper management of export transactions and technological offerings based on laws and regulations. This committee is also working to maintain and improve the management level by staging meetings to discuss important matters every time laws are amended, implementing internal audits, and offering guidance and education to group companies.

< Product Liability Committee >

The Product Liability Committee is held periodically to ensure product safety in R&D, design and production, sale and use, repair and service, and disposal through coordinated efforts.

< Information Management Committee >

To cope with risks associated with information leaks, the Information Management Committee determines a suitable policy for managing information on customers and other aspects of the business retained by the company and deploys it throughout the group.

< Safety, Health, and Disaster Prevention Committee >

The Safety, Health, and Disaster Prevention Committee discusses annual plans, devises and implements measures, and conducts awareness activities for the purpose of ensuring employee safety and health, preventing disasters, and minimizing the damage from such disasters.

< Environmental Committee >

The Environmental Committee is chaired by the environmental officer and includes executive officers and above who are in charge of development, technology, production, and general affairs fields. The committee regularly discusses and determines measures for environmental issues (climate change, compliance with environmental laws and regulations on products and pollution, etc.) that must be dealt with by the whole Brother Group.

Message from an Outside Director



I consider that the role of Brother's five outside directors is to provide opinions from various perspectives based on our knowledge and expertise gained from experience in different fields, and thereby to contribute to managerial decision making that leads to smooth business operations and the far-sighted, sustainable development of the Brother Group.

I have been actively giving my views based on my experience in constructing large plant equipment in and outside Japan, managing and supervising subsidiaries and affiliates in manufacturing and other industries, and developing new businesses. I believe that Brother's governance has been maintained enough through active discussion with constructive opinions at the board of directors' meetings.

This year is the first year of the new medium-term business strategy CS B2021. The world is changing more rapidly than anyone imagined, and it is by no means easy to predict the future. Brother, however, should act proactively and pursue to enhance its value under any environment. Acknowledging this, we, as Brother's outside directors, work as one to further develop Brother's current core businesses and cultivate and expand new businesses for the next and future generations.

Outside Director **Keisuke Takeuchi**

Board of Directors, Statutory Auditors and Executive Officers

(As of June 24, 2019)

Board of Directors



Representative Director & Chairman

Toshikazu Koike



Representative Director & President

Ichiro Sasaki

Head of Domino Business Division
Head of Industrial Printing Business Division
Direct control over:
New Technology Development Dept. of Industrial Printing Business Division
Internal Audit Dept.



Representative Director & Senior Managing Executive Officer

Tadashi Ishiguro

Head of Printing & Solutions Business Division
Responsible for: SPS Business Development Dept. of Printing & Solutions Business Division
General Manager of SPS Business Development Dept.



Representative Director & Senior Managing Executive Officer

Tasuku Kawanabe

Head of Machinery Business Division
Responsible for: Business Planning Dept., Technology Dept., Production Dept., Industrial Sewing Machine Development Dept., Machine Tools Development Dept., Quality Management Dept., Industrial Sewing Machine Sales Dept., Machine Tools Sales Dept., Machine Tools CS Planning Dept. of Machinery Business Division
Director of Nissei Corporation



Director & Managing Executive Officer

Jun Kamiya

Head of Network & Contents Business Division
Responsible for: Network System Business Development Dept. of Network & Contents Business Division
Representative Director, Chairman & President of Xing Inc.



Director & Managing Executive Officer

Yuichi Tada

Responsible for: Corporate Planning Dept., Sales & Marketing Strategy Development Dept., Design Dept. of Marketing Strategy Center



Outside Director

Atsushi Nishijo

Outside Director of Skylark Holdings Co., Ltd



Outside Director

Koichi Fukaya



Outside Director

Soichi Matsuno



Outside Director

Keisuke Takeuchi

Outside Director of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
Outside Director of Japan Post Bank Co., Ltd.



Outside Director

Aya Shirai

Outside Director of Garze Limited
Outside Director of Pegasus Sewing Machine Mfg. Co., Ltd.
Outside Director of Sumitomo Precision Products Co., Ltd.
Outside Director of Sanyo Chemical Industries, Ltd.
Executive Operating Officer of the Osaka Pref. Gender Equality Promotion Foundation

Statutory Auditors



Standing Corporate Auditor

Keiichi Hino



Standing Corporate Auditor

Kazuyuki Ogawa



Outside Auditor

Akira Yamada

Representative of Three Fields L.L.C.
Outside Auditor of Denryo Corporation
Outside Auditor of Solar Frontier K.K.
Outside Director of Monitoring Board of Amifia Corporation
Outside Auditor of Kawasaki Holdings Co., Ltd.



Outside Auditor

Masaaki Kanda

Outside Director of Ogaki Kyoritsu Bank Ltd.
President of Aichi Arts Center



Outside Auditor

Kazuya Jono

Outside Auditor of Toray Industries, Inc.

Executive Officers

Managing Executive Officers

Hiroyuki Wakahara

Responsible for: Human Resource Dept., Law, Environment & General Affairs Dept., CSR & Corporate Communication Dept.

Mitsuyasu Kyuno

Head of Personal & Home Business Division
Responsible for: Business Planning Dept., Sales & Marketing Dept., Craft Business Development Dept., Development Dept., Quality Management and Customer Satisfaction Dept., Production Innovation Dept. of Personal & Home Business Division

Satoru Kuwabara

Responsible for: LE Development Dept., LC Development Dept., IDS Development Dept., Printing Application Development Dept., Labeling & Mobile Solutions Development Dept., Production Dept. of Printing & Solutions Business Division

Taizo Murakami

Responsible for: Production Strategy Planning Dept., Engineering Development Dept., Basic Engineering Technology Dept., Quality Innovation Dept., IJ Production Dept. of Production & Engineering Center

Tsuyoshi Suzuki

Responsible for: Technological Innovation Dept., Software Technology Development Dept. of Development Center
Intellectual Property Dept.

Executive Officers

Makoto Hoshi

Responsible for: Industrial equipment business of Machinery Business Division

Tetsuro Koide

Responsible for: Domino Business Office of Domino Business Division
Industrial System Sales and Marketing Dept. of Industrial Printing Business Division
General Manager of Domino Business Office

Yasuyuki Hasegawa

Responsible for: Industrial Sewing Machine Business of Machinery Business Division

Tatsuya Sato

Responsible for: Electronic Technology Development Dept., IJ Technology Development Dept., New Business Development Dept. of Development Center

Toshihiro Itou

Responsible for: Finance & Accounting Dept., MIS Dept.

Yoshiichi Sugimoto

Responsible for: Business Planning Dept., Quality Management and Customer Satisfaction Dept. of Printing & Solutions Business Division

Yumiko Iwadare

Responsible for: SOHO and Emerging Country Business Development Dept., SMB Business Development Dept. of Printing & Solutions Business Division
General Manager of SOHO and Emerging Country Business Development Dept.

Group Executive Officers

Susumu Takeda

Chairman of Brother Technology (Shenzhen) Ltd.,
Responsible for: Purchasing Dept. of Quality, Production and Engineering Center

Isao Noji

Chairman & Managing Director of Brother International Europe Ltd.

Kazufumi Ikeda

Director & President of Brother International Corporation (U.S.A.)

Tsutomu Mishima

Representative Director & President of Brother Sales, Ltd.

Corporate Information of BROTHER INDUSTRIES, LTD. (Group Headquarters) (As of March 31, 2019)

Corporate Name	BROTHER INDUSTRIES, LTD.
Head Office	15-1 Naeshiro-cho, Mizuho-ku, Nagoya, Aichi 467-8561, Japan Telephone: 81-52-824-2511
Date of Incorporation	January 15, 1934
Paid-in Capital	19,209 million yen
Number of Employees*	37,769 (consolidated) 3,865 (non-consolidated) *Number of permanent employees in the Brother Group



Head Office



Research & Development Center



Kariya Factory



Mizuho Factory



Hoshizaki Factory



Tokyo Office



Brother Museum

The Brother Group Website

Brother's website provides detailed information on the Brother Group including about products, overseas facilities, corporate information, CSR activities and investor information.

<https://global.brother/en>



Corporate Information



Brother's CSR



Environmental Activities

Special website for environmental protection "brotherearth.com"

The special website, "brotherearth.com" introduces global activities that the Brother Group promotes to protect the environment. Participatory content, "Click for the Earth" gives viewers the opportunity to select a project they want to support from a range of environmental projects being undertaken by Brother. The individual clicks activate a donation from Brother for the specific projects.

<https://www.brotherearth.com/>



brotherearth.com top page



Click for the Earth



Special Stories

Group Facilities

Japan

Group Headquarters

BROTHER INDUSTRIES, LTD.

Main group companies in Japan

NISSEI CORPORATION

BROTHER INTERNATIONAL CORPORATION

MIE BROTHER PRECISION INDUSTRIES, LTD.

BROTHER SALES, LTD.

BROTHER INDUSTRIAL PRINTING (JAPAN), LTD.

XING INC.

STANDARD CORP.

XING MUSIC ENTERTAINMENT, INC.

BMB INTERNATIONAL CORP.

TEICHIKU ENTERTAINMENT, INC.

TEICHIKU MUSIC, INC.

GRANDPRIX LEISURE SYSTEM CO., LTD.

Other group companies in Japan

BROTHER LOGITEC LTD.

BROTHER REAL ESTATE, LTD.

BROTHER LIVING SERVICE CO., LTD.

BROTHER ENTERPRISE, LTD.

BETOP STAFF, LTD.

The Americas

Manufacturing Facilities

BROTHER INDUSTRIES (U.S.A.) INC.

Sales Facilities

BROTHER INTERNATIONAL CORPORATION (U.S.A.)

BROTHER INTERNATIONAL CORPORATION (CANADA) LTD.

BROTHER INTERNATIONAL DE MEXICO, S.A. DE C.V.

BROTHER INTERNATIONAL CORPORATION DO BRASIL, LTDA.

BROTHER INTERNATIONAL DE CHILE, LTDA.

BROTHER INTERNATIONAL CORPORATION DE ARGENTINA S.R.L.

BROTHER MOBILE SOLUTIONS, INC.

BROTHER INTERNATIONAL DEL PERU S.A.C.

Domino Business Facilities

DOMINO AMJET INC.

CITRONIX

Europe

Manufacturing Facilities

BROTHER INDUSTRIES (U.K.) LTD.

BROTHER INDUSTRIES (SLOVAKIA) s.r.o.

Sales Facilities and Others

BROTHER INTERNATIONAL EUROPE LTD.

BROTHER INTERNATIONAL GmbH

BROTHER INTERNATIONAL GmbH (Austrian Branch)

BROTHER FRANCE SAS

BROTHER U.K. LTD.

BROTHER INTERNATIONAL (NEDERLAND) B.V.

BROTHER NORDIC A/S

BROTHER NORWAY, branch of BROTHER NORDIC A/S

BROTHER SWEDEN, branch of BROTHER NORDIC A/S, Denmark

BROTHER FINLAND, BROTHER NORDIC A/S Denmark, branch in Finland

BROTHER CENTRAL AND EASTERN EUROPE GmbH

BROTHER CENTRAL AND EASTERN EUROPE GmbH (Czech Branch)

BROTHER CENTRAL AND EASTERN EUROPE GmbH (Poland Branch)

BROTHER INTERNATIONAL (BELGIUM) NV/SA

BROTHER INTERNATIONALE INDUSTRIEMASCHINEN GmbH

BROTHER INTERNATIONALE INDUSTRIEMASCHINEN GmbH (Italian Branch)

BROTHER (SCHWEIZ) AG

BROTHER IRELAND DAC

BROTHER ITALIA S.p.A.

BROTHER IBERIA, S.L.U.

BROTHER IBERIA, S.L.U. (Lisbon Branch)

BROTHER LLC

BROTHER SEWING MACHINES EUROPE GmbH

BROTHER SEWING MACHINES EUROPE GmbH (U.K. Branch)

BROTHER FINANCE (U.K.) PLC

Domino Business Facilities

DOMINO PRINTING SCIENCES PLC

DOMINO U.K. LTD.

POST JET SYSTEMS LTD.

DOMINO DEUTSCHLAND GmbH

DOMINO LASER GmbH

DOMINO SAS

DOMINO AMJET BV

GRAPH TECH AG

DOMINO PRINT AND APPLY AB

Asia / Oceania

R&D Facilities

BROTHER SYSTEM TECHNOLOGY DEVELOPMENT (HANGZHOU) LTD.

Manufacturing Facilities

TAIWAN BROTHER INDUSTRIES, LTD.

ZHUHAI BROTHER INDUSTRIES, CO., LTD.

BROTHER MACHINERY XIAN CO., LTD.

BROTHER INDUSTRIES (VIETNAM) LTD.

BROTHER TECHNOLOGY (SHENZHEN) LTD.

BROTHER INDUSTRIES SAIGON, LTD.

BROTHER INDUSTRIES (PHILIPPINES), INC.

BROTHER MACHINERY VIETNAM CO., LTD.

NISSEI GEAR MOTOR MFG. (CHANGZHOU) CO., LTD.

Sales Facilities

BROTHER INTERNATIONAL SINGAPORE PTE. LTD.

BROTHER INTERNATIONAL (HK) LTD.

BROTHER COMMERCIAL (THAILAND) LTD.

BROTHER MACHINERY (ASIA) LTD.

BROTHER INTERNATIONAL (MALAYSIA) SDN. BHD.

BROTHER INTERNATIONAL PHILIPPINES CORPORATION

BROTHER (CHINA) LTD.

BROTHER INTERNATIONAL (INDIA) PRIVATE LTD.

PT. BROTHER INTERNATIONAL SALES INDONESIA

BROTHER INTERNATIONAL TAIWAN LTD.

BROTHER INTERNATIONAL (VIETNAM) CO., LTD.

BROTHER INTERNATIONAL KOREA CO., LTD.

BROTHER MACHINERY SHANGHAI LTD.

BROTHER (ASIA) MYANMAR MACHINERY SERVICE CENTER LTD.

BROTHER INTERNATIONAL (AUST.) PTY. LTD.

BROTHER INTERNATIONAL (NZ) LTD.

BMB (SHANGHAI) INTERNATIONAL CORP.

NISSEI TRADING (SHANGHAI) CO., LTD.

Domino Business Facilities

DOMINO CHINA LTD.

DOMINO PRINTING TECHNOLOGY LTD.

DOMINO KOREA PTE. LTD.

DOMINO PRINTECH INDIA LLP

DOMINO ASIA PTE. LTD.

Middle East / Africa

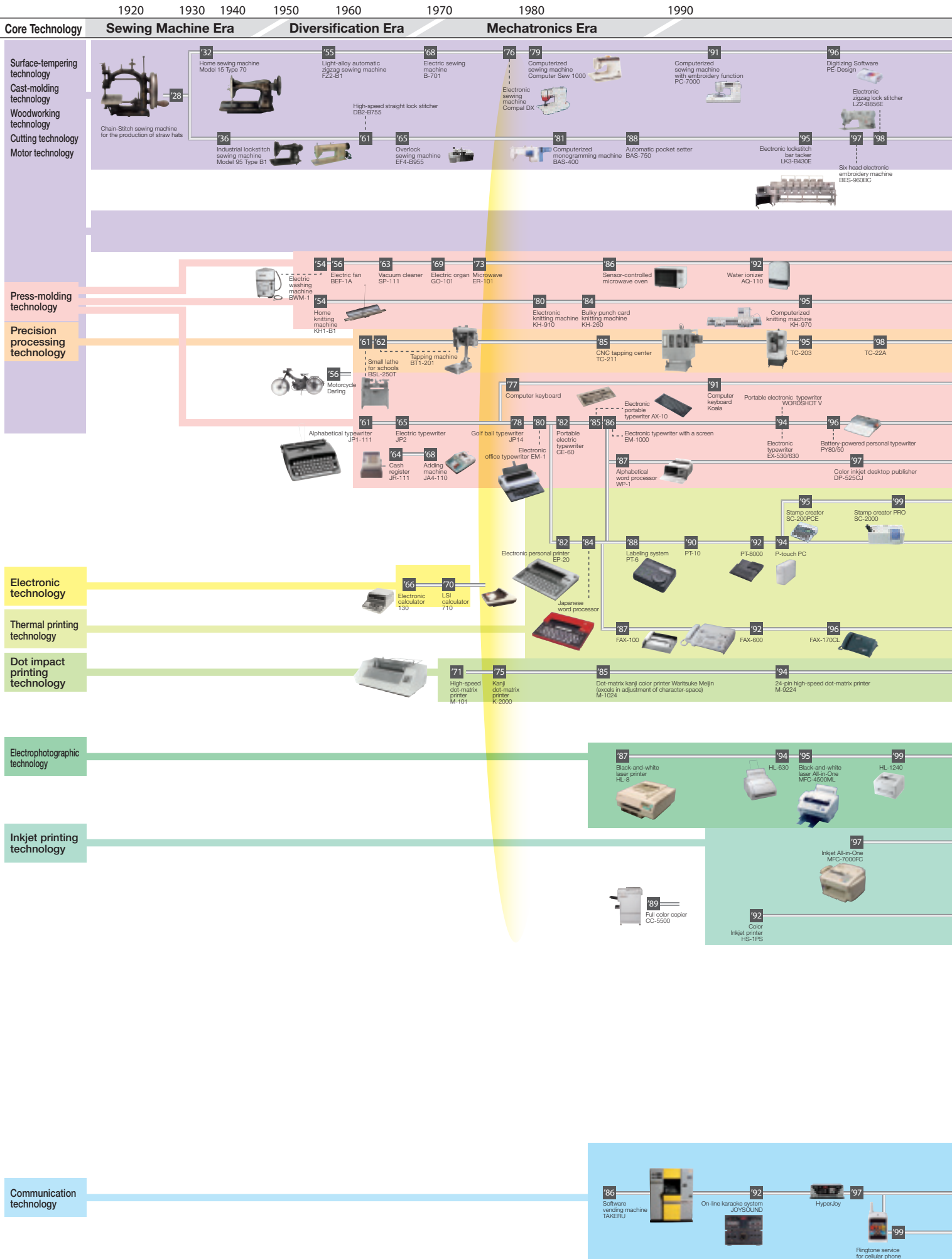
Sales Facilities

BROTHER INTERNATIONAL (GULF) FZE

BROTHER INTERNATIONAL (GULF) FZE (Turkey Branch)

BROTHER INTERNATIONAL S.A. (PTY) LTD.

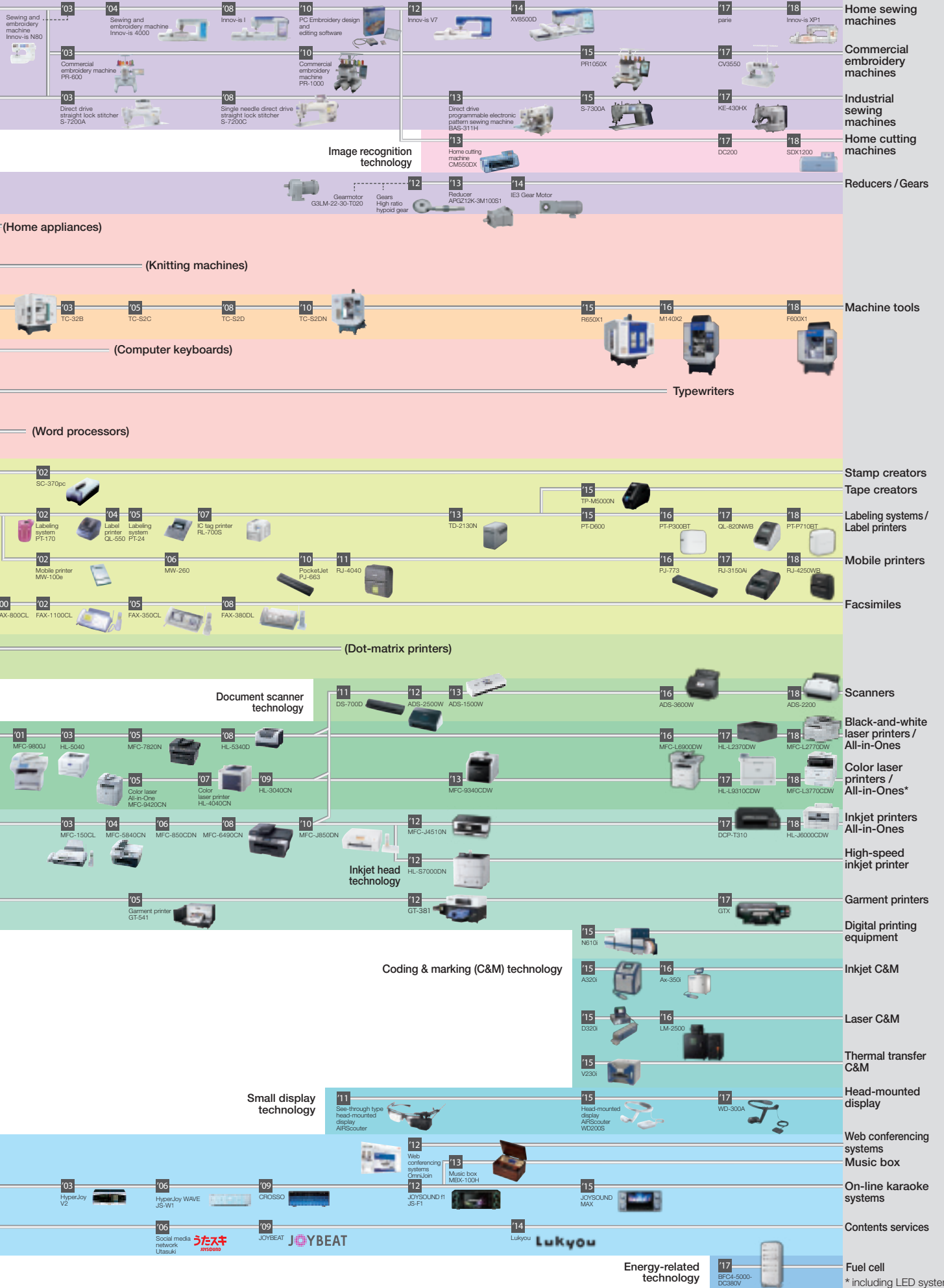
Product and Technology Timeline



* Products in parentheses are not currently manufactured.

Network / Contents Era

Product Category



Editorial Policy

“Brother Communication Report 2019” aims at reaching more stakeholders to provide them with accurate information about the sustainability of the Brother Group’s business activities.

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Published in July 2019

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