

## 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

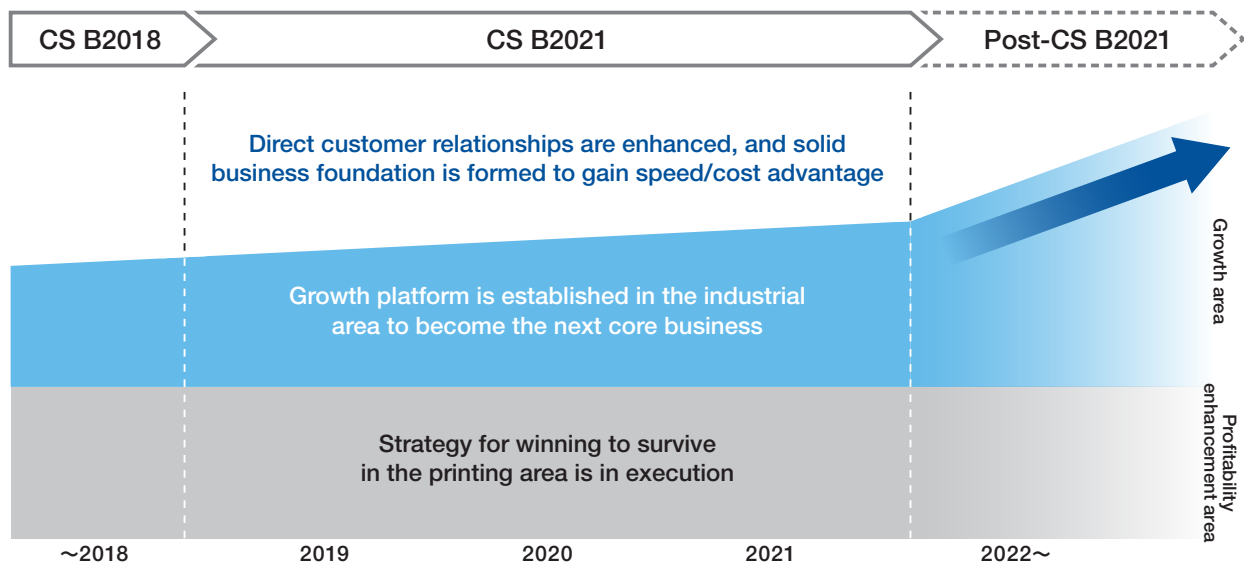
In 2016, the Brother Group started the medium-term business strategy CS B2018 and executed three transformations: business, operational and talent, with a goal to transform the group to a multi-business enterprise from the printing-centric business structure. As a result, the Brother Group has achieved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

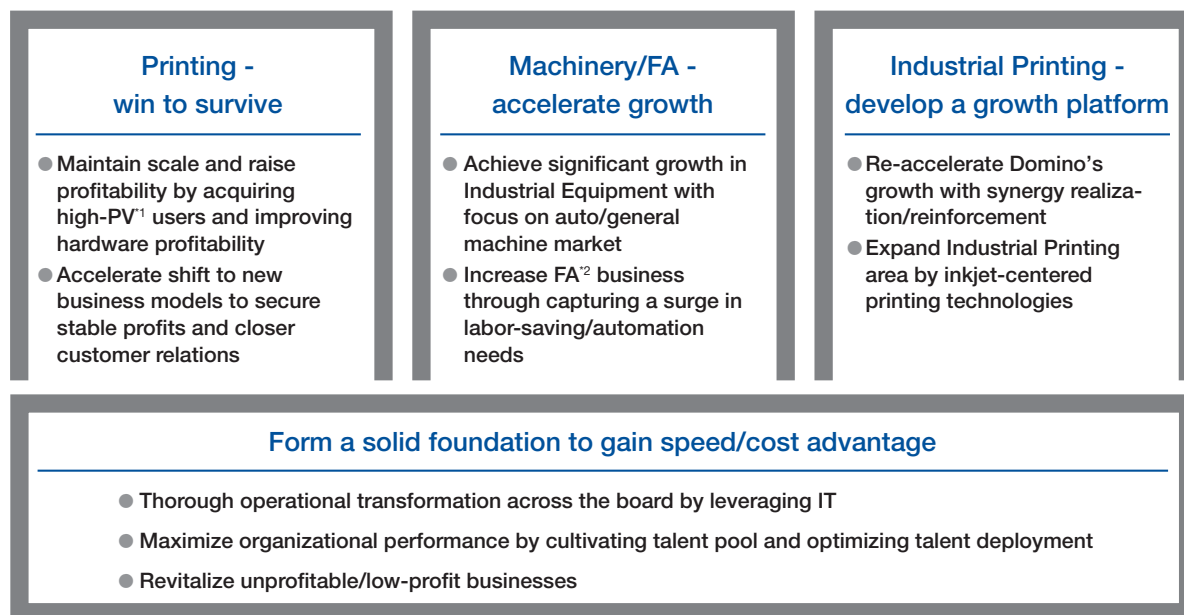


#### Brother’s Strengths

- 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 ~



<sup>1</sup> Print Volume

<sup>2</sup> 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