

Personal and Home Business

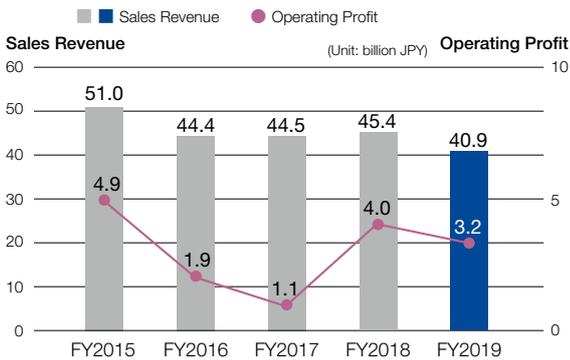
Personal
& Home

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”

FY2019 Operational Highlights

Transition of Sales Revenue/Operating Profit



Sales Revenue: 40.9 billion yen (-10.1% y/y)

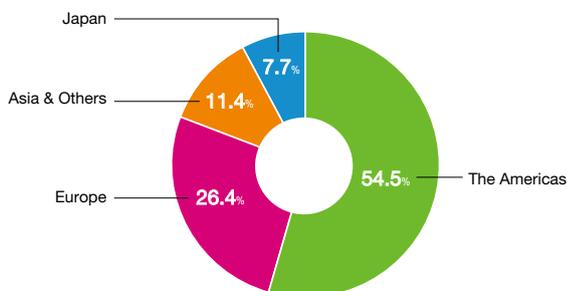
Sales revenue decreased as the new model effect wore off after last year's launch of premium sewing and embroidery machines, and demand fell in the craft market, mainly in the U.S.A. and Europe.

Business Segment Profit: 3.1 billion yen (-22.5% y/y)

Operating Profit: 3.2 billion yen (-21.2% y/y)

Profits decreased due to the decrease in revenue and the negative impact of exchange rates from an appreciating yen.

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 have a high degree of visibility in North America in particular. We have established cooperative relationships with retailers and close partnerships with our prominent business partners, including major sewing machine dealers who sell high-end machines. Furthermore, our sales facilities around the world provide meticulous service and support 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 is strong globally. 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. In addition to promoting the value of our scanning functions, we are also suggesting accessories that give additional functionality to the cutting machines, and pursuing development of new markets for cutting materials other than paper, fabrics, and leather, in order to expand this business.

Main Product Lineup



Sewing and Embroidery Machine



Sewing Machine



Commercial Embroidery Machine



Home Cutting Machine

Solving Social Issues Through Business

Contributing to improved childcare quality by reducing time spent on tasks

In childcare centers, there are many tasks that need to be done other than spending time with the children. As a result, long working hours and chronic labor shortages have become social issues for this sector.

One Brother product that helps reduce working hours for childcare workers is the ScanNCut home cutting machine, which enables users to cut paper and fabric into any desired shape. From decorations for sports days, Christmas and other events to birthday cards for children, childcare workers do a wide variety of handmade work. ScanNCut enables them to accurately and quickly cut materials automatically into even complex shapes, which can dramatically reduce the time they spend on those tasks. The machines also come programmed with useful cut designs that save time creating original designs. According to one childcare worker,

“Using ScanNCut has saved time, improved the quality of childcare, and made work more efficient! The center is also more colorful than ever before!”

As continued support for childcare centers, ScanNCut is providing social value that contributes to Goal 4 (improved quality of childcare) and Goal 8 (satisfying workplaces) of the SDGs.

