

Special Feature

New Mid-Term Business Strategy “CS B2015” Launched

The Brother Group formulated a mid- to long-term corporate vision—Global Vision 21—in which we define three objectives for the Group.

Global Vision 21

- 1 To become a leading global company with high profitability
- 2 To become a world-class manufacturer by developing outstanding proprietary technologies
- 3 To embody Brother’s motto, “At your side,” throughout our corporate culture

The Brother Group has been formulating mid-term business strategies as a roadmap for achieving Global Vision 21. In 2008, we launched a five-year mid-term strategy, “CS B2012.” In response to the impact of the rapid recession in 2008, however, we have shifted our focus to “securing profits and cash” and have been striving to strengthen our business infrastructure in preparation for the next opportunity to present itself.

Despite the rapid appreciation of the yen during this period of economic stagnation, net sales substantially increased barring the negative effect of exchange rates. Profits, while still lower compared with levels prior to the recession, also grew steadily, even under the challenging management environment, as a result of our continued efforts to strengthen the revenue base. We believe that we now have an opportunity for further growth ahead of us after pushing through efforts to establish business infrastructure in each business segment on a global basis.

New Mid-Term Business Strategy “CS B2015”

We will strive to follow our growth strategies as determined in CS B2015, which was launched in April 2011 with the new theme of “Back to Growth.” We aim to establish a leading position in the target areas of each business, and promote the expansion of business in emerging countries. We will also actively explore opportunities for M&A and alliances in each business and region to realize our growth strategies.

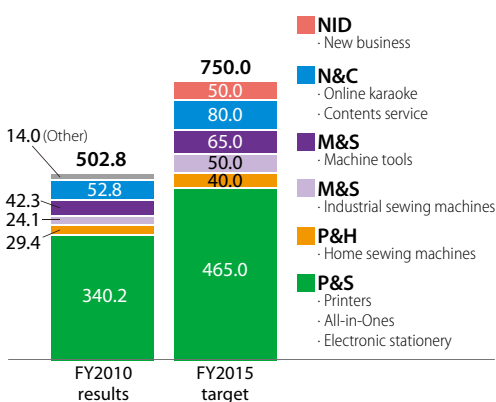
FY2015 Earnings Target

Net sales ▶ **¥750.0 billion**

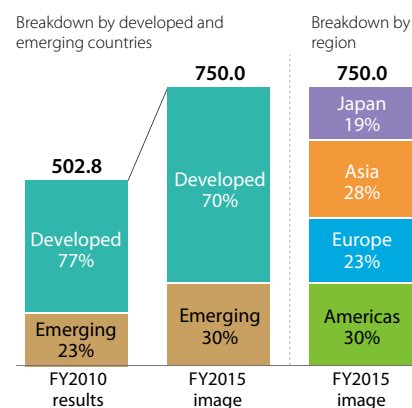
Operating income ▶ **¥ 58.0 billion**

Operating income ratio ▶ **7.7%**

■ Net sales by business segment (¥billion)

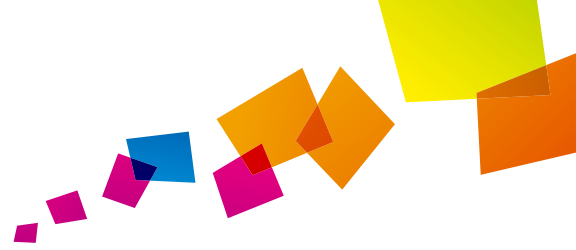


■ Net sales by region (¥billion)



*Assumed exchange rates:
1USD=¥100, 1EUR=¥100, 1RMB=¥20

*FY2010 exchange rates 1USD=¥82.52, 1EUR=¥113.56



CS B2015 Theme Back to Growth

Priority Strategy by Business Segment

1 Printing & Solutions Business (Printers, All-in-Ones, Electronic Stationery)

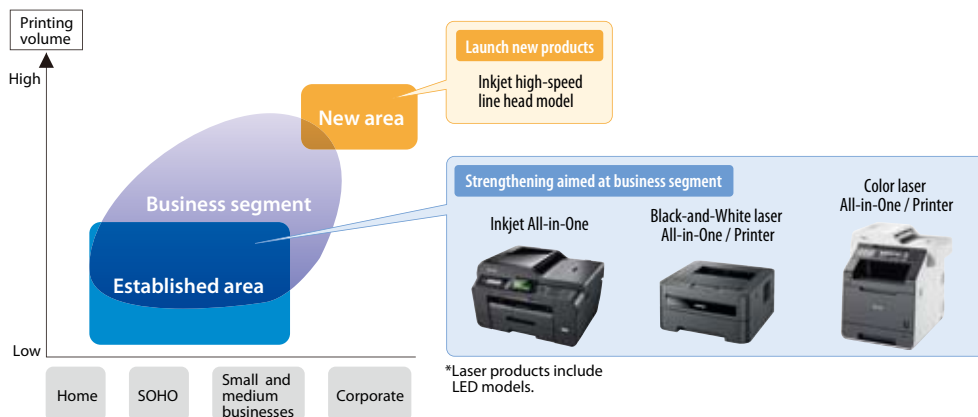
➔ **Promote growth strategies on a global basis, and establish a leading position in each target area**

Communications and Printing

We will offer highly competitive products from the color/black-and-white laser and inkjet lineup that meet the needs, in terms of function, speed and size, of the business segment that covers the high printing volume areas of the SOHO*1/SMB*2 market to the corporate market. We will also put on the market new inkjet model equipped with high-speed line head for corporate market. Through these initiatives, we will acquire customers with higher printing volumes while maintaining and enhancing our position in the SOHO market, an area of strength. Furthermore, in growing emerging markets, we will redouble efforts to strengthen our sales bases and expand sales by launching products meeting the needs of each market, centering on black-and-white laser models.

*1 SOHO: Small Office, Home Office *2 SMB: Small and Medium Business

■ Business area image



Electronic Stationery

We will further consolidate our position as No.1 in the global market for labeling systems for office use by reinforcing sales of mid- to high-end class models and by stepping up efforts to expand sales in emerging markets. We will also strengthen our solutions business for specialized applications for vertical market such as commercial labeling and mobile printing for business use.

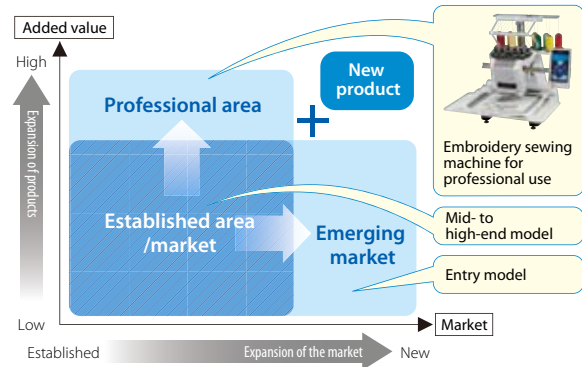
2 Personal & Home Business (Home Sewing Machines)

→ Secure stable growth and profitability

We will expand sales by launching highly competitive products and also aim to expand business in the area of embroidery sewing machines for professional use where Brother has an advantage. We will also move ahead with efforts to cultivate emerging markets with growth potential and attain the position of global leader in the home sewing machine markets.

Furthermore, we will establish a production structure to offer more competitive products by setting up a new factory for home sewing machines near Ho Chi Minh City, Vietnam, and optimizing the three production bases of the new factory and two other manufacturing facilities in Taiwan and Zhuhai, China.

■ Business area image



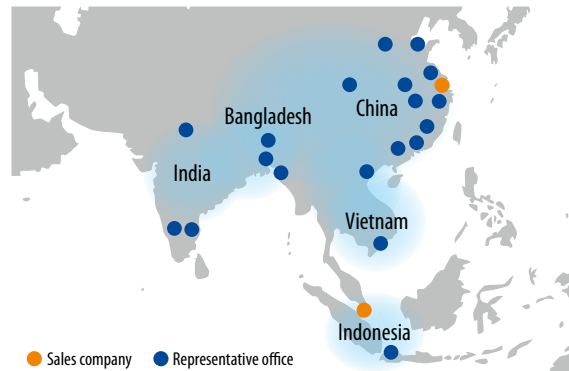
3 Machinery & Solution Business (Industrial Sewing Machines/Machine Tools)

→ Establish both growth and profits with a range of products that hold the leading position in respective categories

Industrial Sewing Machines

We will strive to broaden our customer base by putting on the market new products differentiated by enhanced stitching quality and performance. We will also further strengthen our sales and service structures in China and other Asian countries where sewing industry markets are expected to expand.

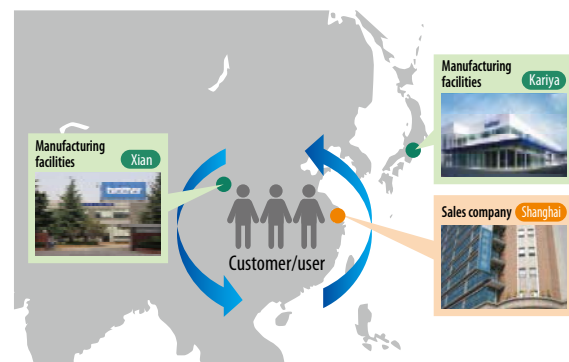
■ Areas where market expansion is expected



Machine Tools

We will strive to expand sales of products for growth markets, including markets for IT-related products and parts processing for which demand is expanding rapidly, by opening up possibilities for compact and high-performance CNC Tapping Centers to the fullest extent possible. We will also reinforce our manufacturing facilities in Xian, China, and respond to increased production associated with business expansion with our two manufacturing facilities—the Xian factory and the Kariya factory in Japan. We will seek the optimization of business by establishing the “local production for local consumption” structure for manufacturing and sales in the Chinese market.

■ “Local production for local consumption” structure in China

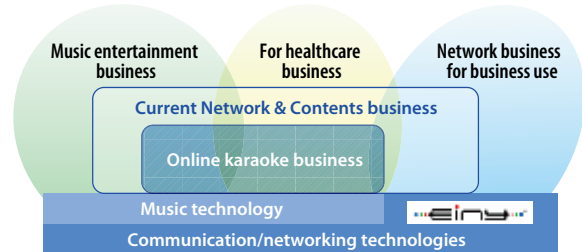


4 Network & Contents Business (Online Karaoke/Contents Service)

→ Maximize profitability in online karaoke business and nurture new business

We will seek the maximization of profit by making use of the integration effect of the online karaoke business acquired through M&A in 2010 and through the introduction of new products. In addition, we will aim to develop and expand new business with the online karaoke business at its core by offering new services that take advantage of our expanded customer base and business infrastructure achieved through M&A.

■ Image for business deployment of new businesses



5 Network Imaging Device Business (New Business)

→ Nurture and establish new business for the next generation

We will establish a new business for the next generation by focusing on the document application business and the remote collaboration business and promptly making them commercially viable through proactive M&A and alliances.

Priority Strategy for the Management Base

→ Accelerate "True Globalization"

