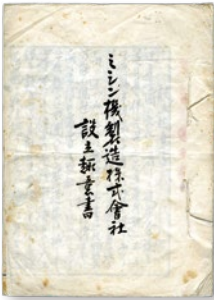


Brother's Mission

Our 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

“At your side.”—the company spirit that places our customers first everywhere, every time—is the Brother Group’s basic philosophy. With always meeting our customers’ needs from their perspective as our starting point, we have continued to create value while adapting to changes in the times or environment without fear of reform. That spirit will continue to be the starting point for the Brother Group’s value creation, and will resolve issues in society and contribute to the development of society by creating value for our customers.

1908



Spirit of Foundation

- Create work for people wishing to work
- Create factories with a pleasant atmosphere
- Develop the import-based industry into the export-based industry

Prospectus of Establishment

The Starting Point for All Creation Is “At your side.”

In 1908, the Yasui brothers, the founders of Brother who started in sewing machine repairs, decided to use the product knowledge they gained through repairs and began to develop domestically-produced machines that wouldn’t break easily. As they had no capital to buy equipment for production, they used their originality and ingenuity to improve their own factory, and in 1928, they finally completed the chain-stitch sewing machine for making straw hats that they had been longing for. The sewing machine that they sold gained a reputation for being durable was popular with customers, and even contributed to the revitalization of the domestic industry.

The predecessor of Brother Industries, NIPPON SEWING MACHINE MANUFACTURING CO., was established in 1934. The Prospectus of Establishment demonstrates the brothers’ hope to produce the sewing machines domestically, and contains their passionate feelings towards solving issues in society through enterprise. Passing on the spirit of our foundation that seeks to contribute to society through business, today, the corporate culture of “At your side.” has penetrated to all employees around the world.

The Brother Group Global Charter

Based on the “At your side.” spirit, Brother aims to create social value through business activities. The foundation of this is the building of long-lasting, trustful relationships with our stakeholders that put the customers first. This is contained in the Brother Group Global Charter (hereafter the Global Charter). The Global Charter is the cornerstone of every Brother Group activity across the world, and consists of the “Basic Policies” and “Codes of Practice” on which each Group company and employee must base their decisions.

So that our employees working in more than 40 countries and regions across the globe can understand and always keep our Global Charter in mind, we have translated it into a total of 28 languages to represent the native languages spoken by our employees. We share it with our employees all over the world and conduct activities to help it permeate.

Based on the Basic Policies in the Global Charter, we are building trustful relationships with all of our stakeholders, by growing our business and fulfilling our social responsibility.



The Brother Group Global Charter



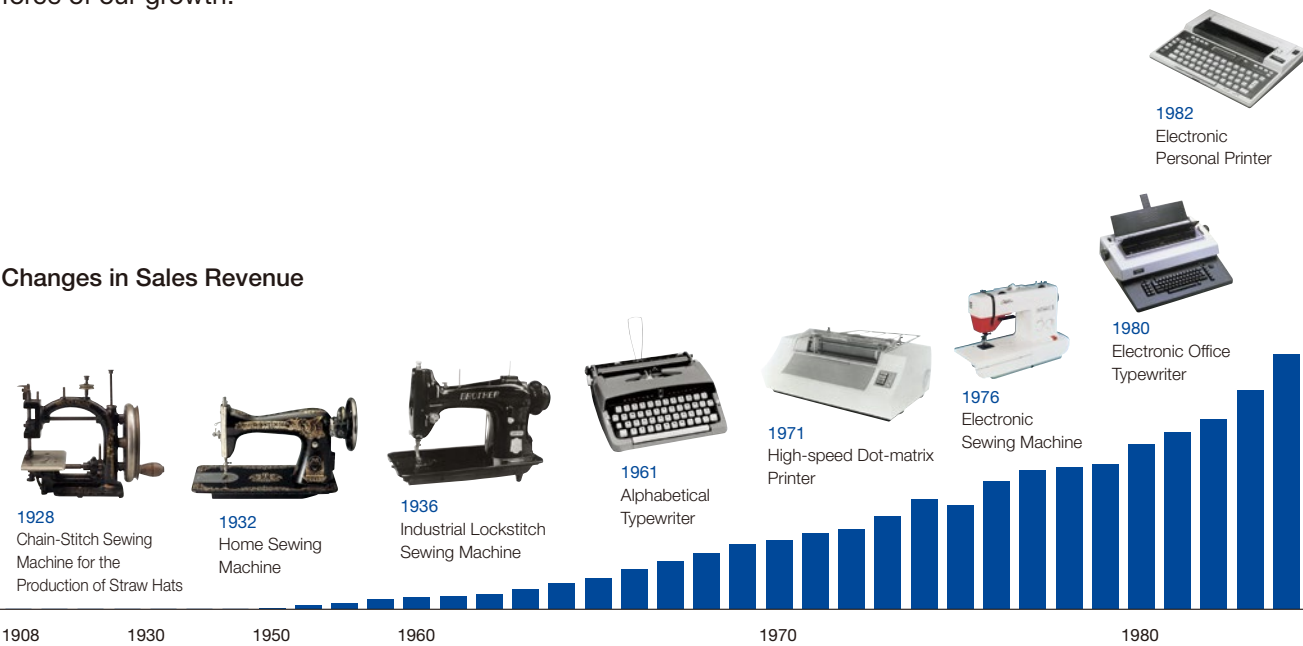
into the future
At your side.

Brother's History

The Brother Group has Followed a Trajectory of Business Transformation and Growth while Responding to Customer and Social Needs

Brother has grown by focusing on the development of unique technologies and promoting the diversification of business that exploits its accumulated core technologies while comprehending changes and always creating new markets. Unique manufacturing with originality that always places our customers first is the driving force of our growth.

Changes in Sales Revenue



Growth Turning Points and Cultivated Strengths against the Backdrop of Needs

From foundation

Diversifying through Domestic Production of Sewing Machines and Applying Core Technologies

Kanekichi Yasui, the father of the founding brothers, established a sewing machine repair business in 1908. At the time, Japan relied on imports for sewing machines, which were a precision industrial product. With no work due to the recession, the eldest son Masayoshi, who was helping in the family business, made the decision to create work for people wishing to work, begin domestic production of sewing machines, and develop the import-based industry into the export-based industry. Joining forces, the brothers developed a chain-stitch sewing machine for the production of straw hats in 1928. In 1932, they completed development of the long-awaited domestic home sewing machine. Then, in 1947, the first sewing machine exports began. In 1954, they expanded overseas with the establishment of a facility in the United States. Utilizing technologies cultivated through sewing machines, they started diversifying and developed consumer electronics such as knitting machines, washing machines and vacuum cleaners.

Cultivated strengths

- ▶ Spirit of foundation
- ▶ Press-molding technologies and precision processing technologies
- ▶ Brother's own overseas sales channels
- ▶ Utilization of core technologies

From 1960

Entering the Office Machine Field and Developing Machine Tools Refined through a Philosophy of Independence

In response to growing needs in the U.S. market, Brother began manufacturing portable typewriters in 1961. Receiving good reviews for price affordability and performance that was comparable to its competitors, they laid the foundations for Brother to become an office machine manufacturer. With the idea of making its own product-manufacturing machines, the Company launched an external sales business for the machine tools it had been developing itself since its foundation. With outstanding machining performance, its tapping machine became a long-selling product. In 1966, it developed a calculator as its first product utilizing electronics technologies, which strengthened its position in the office machine field. While developing its own facilities in Europe, it expanded its overseas business through such things as the acquisition of a major British sewing machine manufacturer in 1968.

Cultivated strengths

- ▶ Product development incorporating the needs of overseas customers
- ▶ Development capabilities and mass production systems for the office machine field
- ▶ Precision processing technologies for the machine tool field
- ▶ Expansion of overseas facilities and market development capabilities

From 1970

Entering the Information Equipment Field and Promoting Mechatronics

With the spread of compact computers (minicomputers), Brother noticed the limited choices available for printers that support those minicomputers, so it collaborated with venture company Centronics Data Computer Corp. in the United States to co-develop a high-speed dot-matrix printer in 1971. Developing this new market triggered a subsequent expansion of the information equipment business. Electronizing products one after the other, it launched the industry's first computerized home sewing machine in 1979 and an electronic office typewriter in 1980. Furthermore, it launched a numerical control machine tool into the machine tool field and pivoted to the mechatronics field, which combines mechanical and electronic technologies.

Cultivated strengths

- ▶ New business development capabilities through joint development
- ▶ Dot impact printing technologies
- ▶ Mechatronics technologies through electronization
- ▶ Computer control technologies

From 1980

Acquiring Printing Technologies and Transforming Business

In 1981, Brother rolled out a global brand strategy as an official supplier of the Los Angeles Olympics. Its unique products began to attract a lot of attention, including its launch of the world's smallest personal printer utilizing thermal printing technologies in 1982, and the industry's first popular Japanese word processor in 1984. It was then able to apply the thermal printing technologies and kana-kanji conversion technologies cultivated through this development process to launch labeling systems in 1988. It was able to develop a new market under the P-touch brand. In response to trade friction and an appreciating yen, it expanded its production overseas. Starting to focus on business concentration and selection, Brother withdrew from the consumer electronics and musical instruments business and strengthened its investment in the information and communications equipment field instead.

Cultivated strengths

- ▶ Global branding
- ▶ Thermal printing technologies
- ▶ Responsiveness to exchange rate fluctuations, and overseas production capabilities
- ▶ Information and communications technologies

From 1990

Developing Online Karaoke Systems and Expanding Information and Communications Equipment

Utilizing the content delivery technologies it cultivated through development of vending machines for computer software, Brother launched the industry's first online karaoke system in 1992. In the same year, it developed fax machines for the SOHO market that became a great hit for low prices and differentiated functions. In 1995, it launched small All-in-Ones with a fax machine, printer, copier and other functions integrated into one machine. Adding laser and inkjet technologies to its product lineup, Brother's business expanded rapidly as mass retail stores selling products to emerging business offices grew. Aiming to achieve optimal procurement and production globally, it began producing information and communications equipment in Asia as it went through a capital restructuring of its sales companies and integrated its manufacturing and sales functions.

Cultivated strengths

- ▶ Content distribution technologies
- ▶ Electrophotographic technologies and inkjet printing technologies
- ▶ Business partner collaborations
- ▶ Global procurement and production system

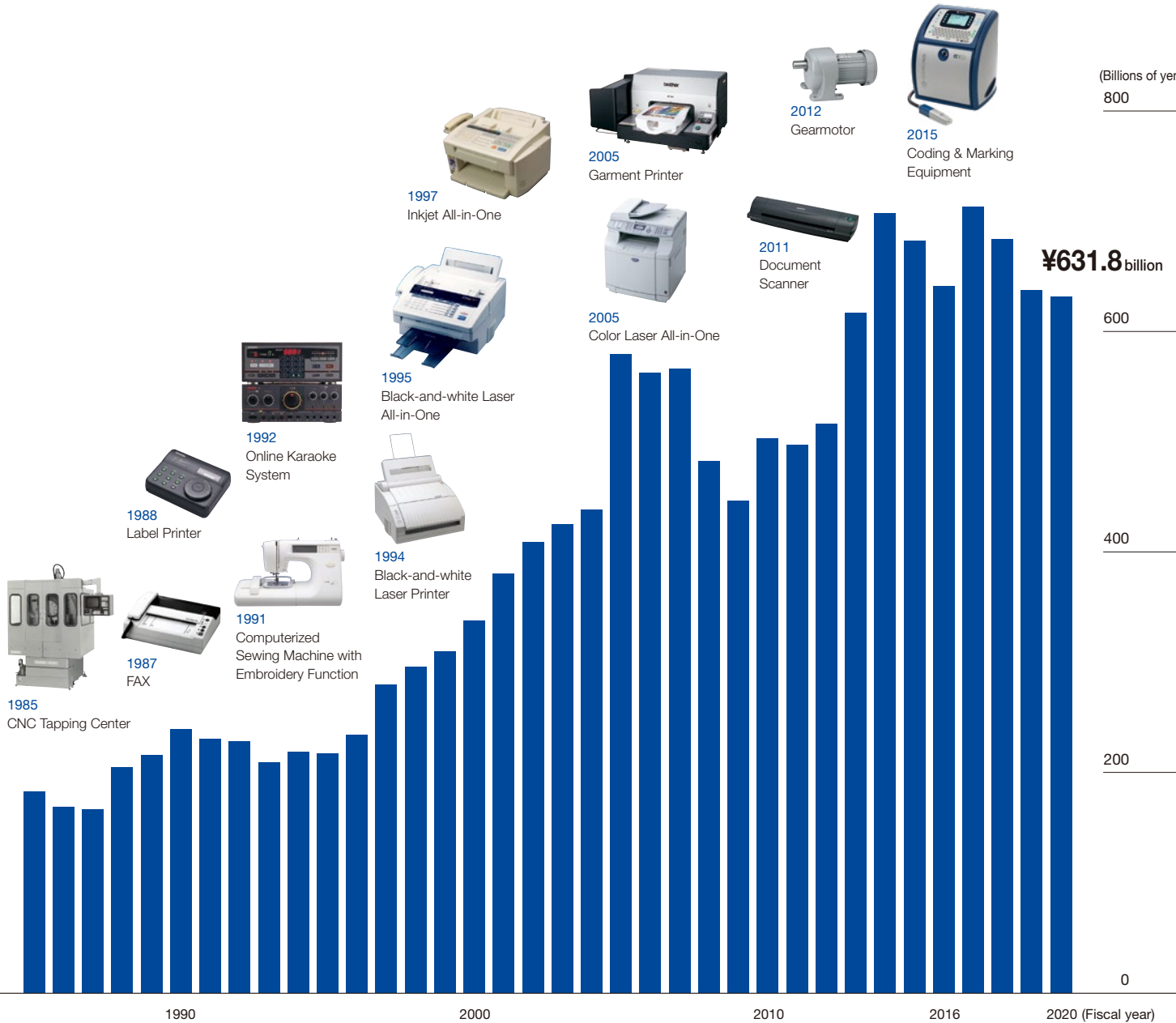
From 2000

Expanding Information and Communications Equipment and Strengthening the Business Portfolio

In addition to China, Brother started producing in Vietnam and the Philippines and established a consumables recycling facility in Europe as part of efforts to strengthen its global production base. It also expanded its sales facilities and developed its business foundation globally. It dramatically expanded its business scale as well with a focus on information and communications equipment. In 2002, the company established its Medium-to Long-Term Corporate Vision. Then in 2008, it revised the Brother Group Global Charter, a foundation for all its activities, and embodied Brother's motto, "At your side," throughout its corporate culture. Through mergers and acquisitions, Brother added mobile printers, reducers, and other technologies to its business portfolio. Then in 2015, it acquired all shares in British company Domino Printing Sciences PLC and made its entry into the industrial printing business. It is now driving business expansion in the industrial field.

Cultivated strengths

- ▶ Global business foundation
- ▶ "At your side." corporate culture
- ▶ Strengthened business portfolio through M&A
- ▶ Development and selling capabilities in the industrial printing field



*Sales results until FY2015 were based on generally accepted accounting principles in Japan (JGAAP), while sales revenue from FY2016 is based on the International Financial Reporting Standard (IFRS).

Brother's Strengths

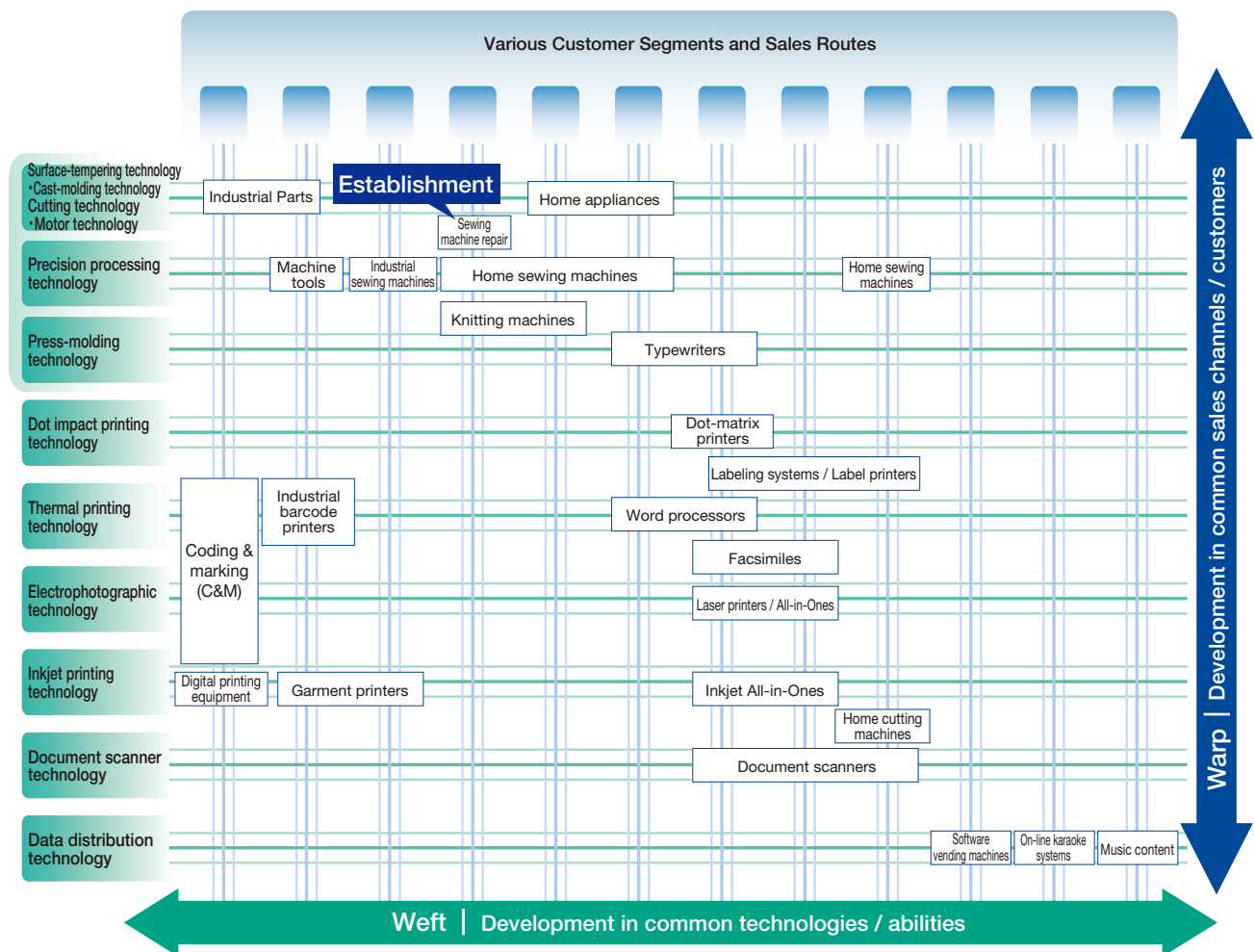
Making the Most of a Variety of Unique Technologies and Global Networks, We Will Stay Close to Customers and Help Them Improve Their Productivity and Unlock Their Creativity

Strength

1

A Variety of Unique Technologies That Generate New Value

Since its foundation, Brother has generated new businesses by utilizing commonalities between various customer segments and sales routes and technologies and capabilities in order to meet the changing needs of customers and markets. We have used this continuity as the warp and weft and broadened our business scope by weaving the threads. This breadth, along with a corporate culture enabling collaboration across business domains and new value creation through the combination of technologies, are the unique strengths of Brother.

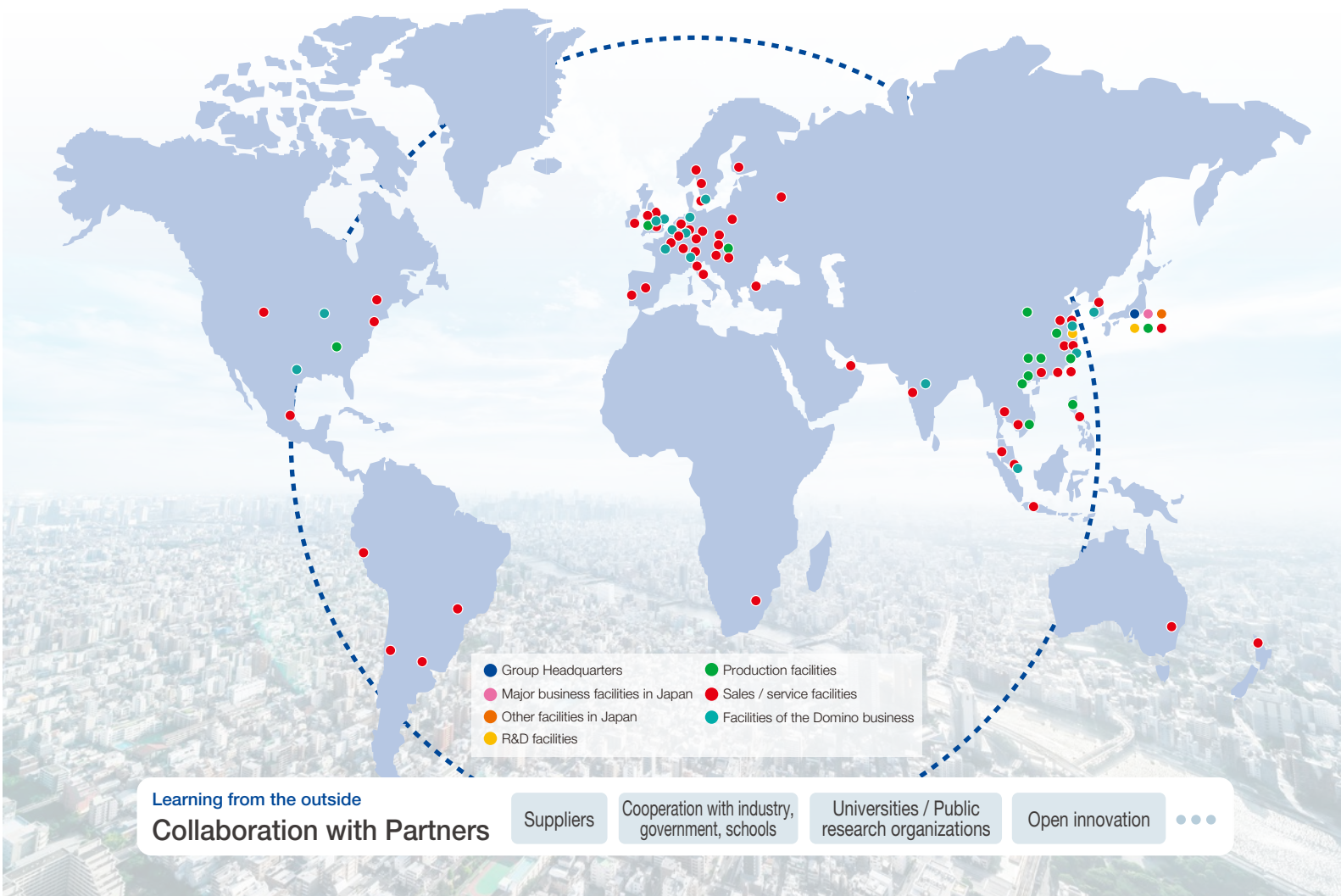


Strength

2

Global Networks That Enable Us to Meet Needs and Provide Value Promptly

To date, Brother has expanded its facilities for development, production, sales and services in more than 40 countries and regions. Utilizing these global networks, we have developed flexibility to meet customer needs, agility to provide products and services quickly, and cost competitiveness based on efficient networks. These are also part of our strengths. We will continue to leverage knowledge gained externally and collaboration with partners and provide outstanding value promptly through the collective efforts of the Brother Group companies in Japan and overseas.



Brother's Businesses

We Use the Strengths We Have Cultivated and Contribute to Improving Our Customers' Productivity and Unlocking Their Creativity through Our Businesses

In order to meet the needs of customers, the Brother Group uses the strengths it has cultivated throughout its history of innovation to grow its businesses through manufacturing. Today, through its five businesses—Printing and Solutions (P&S), Personal and Home (P&H), Machinery, Network and Contents (N&C), and Domino—it aims to expand customer value by contributing to improving their productivity and unlocking their creativity.

Consolidated Sales Revenue
¥631.8 billion (FY2020)

* Total of five core businesses and other businesses

	Brother's Businesses	The Value We Provide through Business
<div><div></div><div>60.9%</div></div> <div>Printing and Solutions Business P&S</div> <div>See pages 20-21.</div>	<p>Our printers, All-in-Ones, labeling systems, scanners, etc. make up 60% of our sales, and they are an important factor for profitability. Using our technology cultivated as a pioneer in the SOHO market, the quality and performance of our products has an excellent reputation. In many categories, we are maintaining or increasing our global share.</p>	<ul style="list-style-type: none">By suggesting the best-suited products and best setups for offices, we help our customers improve productivity and actualize cost optimization.Reduction in energy consumption with our compact, power-saving printersReduction in resource consumption with recyclable toner boxesOperational efficiency through using various awareness labels created with our label printers
<div><div></div><div>8.5%</div></div> <div>Personal and Home Business P&H</div> <div>See pages 22-23.</div>	<p>This business is centered on home sewing machines and home cutting machines. Especially for home sewing machines, by using our strengths in electronic technology and providing an easy-to-use product with state-of-the-art technology, we have led the market. We have maintained our position as outright No.1 in total sales globally, from our high-end machines to our entry-level machines, and we provide our customers with new “enjoyment of creating things”.</p>	<ul style="list-style-type: none">Providing the joy of crafts to many generations with our home sewing machines and home cutting machinesCreating a colorful lifestyle through our high-function embroidery machines and services
<div><div></div><div>12.5%</div></div> <div>Machinery Business Machinery</div> <div>See pages 24-25.</div>	<p>We provide industrial sewing machines, garment printers, machine tools, reducers, gears, etc. Through our large, varied range of reducers and gears in addition to our industrial sewing machines that perform high-quality sewing, our garment printers that produce fine, detailed printing quality, and our machine tools perfect for the processing of parts used in automobiles and motorcycles, smartphones, etc., we contribute to the improvement of customer productivity and the creation of new value.</p>	<ul style="list-style-type: none">Industrial sewing machines: Facilitating provision of value to the customer through the proposal of high productivity and automationGarment printers: Expanding presence in the DTG* market through faster speed and high print qualityIndustrial equipment: Improving productivity and reducing energy usage through our compact machine toolsIndustrial-use parts: Contributing to the various needs for automation and labor saving through our high-rigidity reducers and high-precision gears <p>* Direct to Garment (printing directly on garments with inkjet printers)</p>
<div><div></div><div>4.9%</div></div> <div>Network and Contents Business N&C</div> <div>See pages 26-27.</div>	<p>By continuing to provide services, products and content that use our broadcasting technology as a pioneer in online karaoke, such as the business-use online karaoke system JOYSOUND, etc., we pursue new customer value. We are also involved in the operation of karaoke clubs and aim to reform our business model and re-expand the business based on the new way of life created by COVID-19.</p>	<ul style="list-style-type: none">Providing the enjoyment of singing through our karaoke contentImproving the quality of life for the elderly by creating music therapy contents and promoting their health and wellbeing
<div><div></div><div>11.1%</div></div> <div>Domino Business Domino</div> <div>See pages 28-29.</div>	<p>By providing coding and marking equipment to print expiration dates or lot numbers on plastic bottles, cans or food packaging, and digital printing equipment to meet the demands of producing many types of product packaging in smaller lots and shorter delivery times, we are contributing to an improvement in productivity in factories. In the industrial printing field. We will strengthen the synergy between Brother and the UK-based group company Domino Printing Sciences, and turn it into a business that works as a pillar for the next generation.</p>	<ul style="list-style-type: none">Achieving sustainable and wasteless production for the producerProviding reassurance and safety to the consumer through adding informationProviding a comfortable workplace through the promotion of digitalization

Improving Productivity

We support an improvement in office work efficiency and a pleasant business environment with our products and services that preemptively respond to the changes in workstyles. In the area of industry, we meet the increasing needs for reduction in energy and resource consumption, as well as the promotion of automation, traceability and customization.

Unlocking Creativity

We support a colorful, fulfilling lifestyle, broadening the possibilities for hobbies and entertainment by providing the joy of singing through our karaoke contents, as well as the fun of sewing, embroidery, crafts and other handiwork.

Expansion of Customer Value

We Seek to Contribute to Society, Help Protect the Earth, and Achieve Sustainable Growth by Expanding Customer Value Centered on the Spirit of “At your side.”

Strengths

See pages 06-07.

Unique Technologies and Global Network

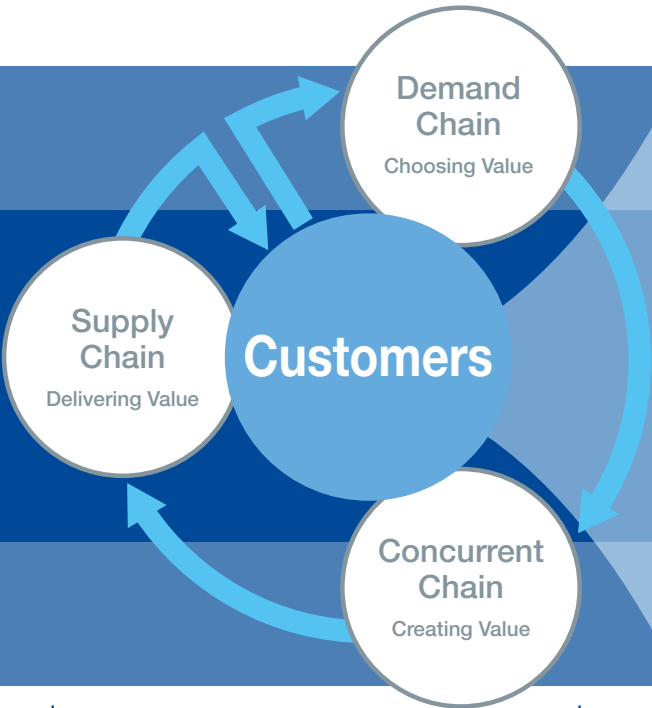
At your side.

The Brother Group Global Charter

Management Foundation

See pages 30-33.

Human Resources, Research and Development, Intellectual Property, Production, Sales, and Services



Brother Value Chain Management (BVCM)

See page 16.

The source of the Brother Group's value creation comes from the spirit of “At your side.” —the company spirit that places our customers first everywhere, every time. At the global level, based on the spirit of “At your side.” and the practice of Brother Value Chain Management (BVCM), which is Brother's unique management system centered on customers, the Brother Group is contributing toward improving productivity and unlocking creativity of our customers. Through this expansion of customer value, we strive to address various social issues, and at the same time, contribute to society, help protect the earth, and achieve sustainable growth as a company.

Improving Productivity and Unlocking Creativity

Expansion of Customer Value

Enhancing Quality of Life

Realizing a Diverse and Active Society

Pursuing a Responsible Value Chain

Reducing CO₂ Emissions

Circulating Resources

Conserving Biodiversity

Contribute to Society and Help Protect the Earth