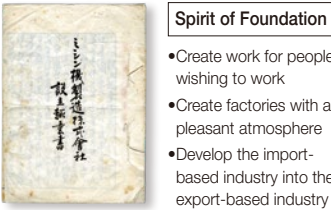


Brother's History

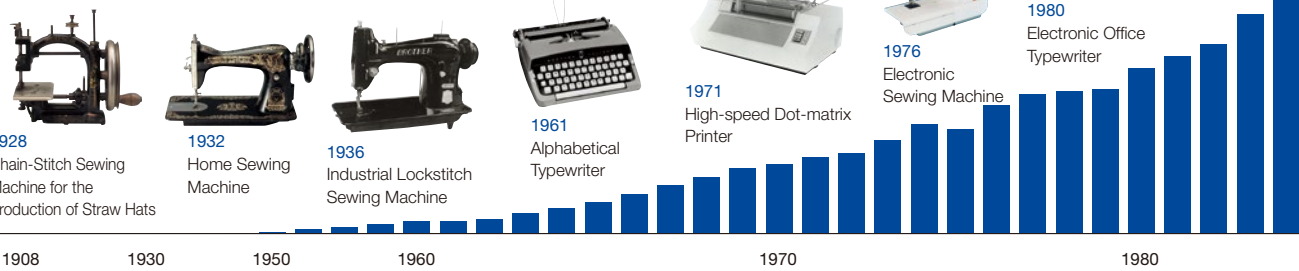
The Brother Group Has Followed a Trajectory of Business Transformation and Growth while Responding to Customer and Social Needs

In the history of more than 110 years since its establishment in 1908 as a sewing machine repair business, the Brother Group has been promoting the diversification and globalization of its business. In every generation, at the foundation of our business activities has always been the spirit of “At your side.”—the company spirit that places our customers first everywhere, every time. With our starting point being to always meet our customers’ needs from their perspective, we will continue to create and provide value by demonstrating the competitive advantage we have cultivated while adapting to changes in the times or environment without fear of reform.



Prospectus of Establishment

Changes in sales revenue



Growth turning points and cultivated competitive advantage 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 precision industrial products. 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 an 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.

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 machines 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 moves as the acquisition of a major British sewing machine manufacturer in 1968.

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.

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 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 businesses and strengthened its investment in the information and communications equipment field instead.

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 a small All-in-Ones with fax machine, printer, copier and other functions condensed 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.

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 competitive advantages

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

- ▶ 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

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

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

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

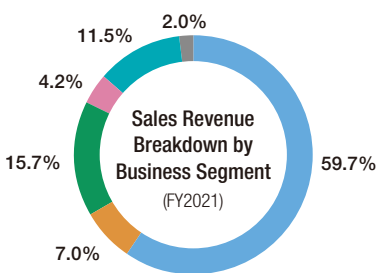
- ▶ Global business foundation
- ▶ Established corporate culture of "At your side."
- ▶ Strengthened business portfolio through M&A
- ▶ Development and selling capabilities in the industrial printing field

Brother's Businesses

We Use the Competitive Advantage 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 competitive advantage it has cultivated throughout its history of innovation to grow its businesses through manufacturing. Today, through its six businesses—Printing and Solutions (P&S), Machinery, Domino, Nissei, Personal and Home (P&H), and Network and Contents (N&C)—it aims to expand customer value by contributing to improving their productivity and unlocking their creativity.

Consolidated Sales Revenue **¥710.9 billion** (FY2021)



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, Gears, etc.

Network and Contents Business

Online Karaoke Systems for business use, Management of Karaoke Clubs, Content Services, etc.

Domino Business

Coding and Marking Equipment, Digital Printing Equipment, etc.

Others

* The segment classification of some businesses was changed in FY2022.

* The sales revenue composition ratio by business segment for FY2021 is displayed based on the previous segment classification.

Brother's Businesses

Printing and Solutions Business

P&S

We support the continuously changing business situations of our customers through our compact laser/inkjet printers and All-in-Ones for office and home use, as well as a diverse lineup of labeling systems and label printers for both home and business use.

See pages 30-31.



Machinery Business

Machinery

We contribute to improving the productivity of and creating new value for our customers through machine tools that are ideal for parts processing such as automobile and general machinery; industrial sewing machines that are easy to use, provide high-quality sewing and conserve energy; and garment printers that meet garment digital printing needs.

See pages 32-33.



Domino Business

Domino

We provide coding & marking equipment (C&M area) that prints information such as best-before dates and lot numbers on plastic bottles, cans and food packaging as well as digital printing equipment (DP area) that responds to the need for a wide variety of product packaging in smaller quantities and shorter delivery times, contributing to ensuring consumer protection, traceability* and improving productivity at factories.

See pages 34-35.



Nissei

Nissei

We respond with precision to diversifying customer needs in fields such as automation and labor saving, which are expected to grow, and contribute to customer value creation through gearmotors with a wide range of product variations, high stiffness reducers that support industrial robots and factory automation equipment, and gears with high precision and quality.

See page 36.



Personal and Home Business

P&H

We propose the joy of making things by hand with products and services that support customers showing off their creativity, such as home cutting machines, centered on home sewing machines. Our high-end sewing and embroidery machines utilize IoT to expand the new possibilities for handmade items.

See page 37.



Network and Contents Business

N&C

We pursue the creation of new customer value by proposing services, products and content using the distribution technology that we have cultivated through online karaoke systems as well as by developing and providing JOYSOUND, an online karaoke system for business use.

See page 38.



The Value We Provide through Business

Solving customer's problems with high productivity and environmental performance

Achieving security, safety, and operational efficiency by adding information to various things

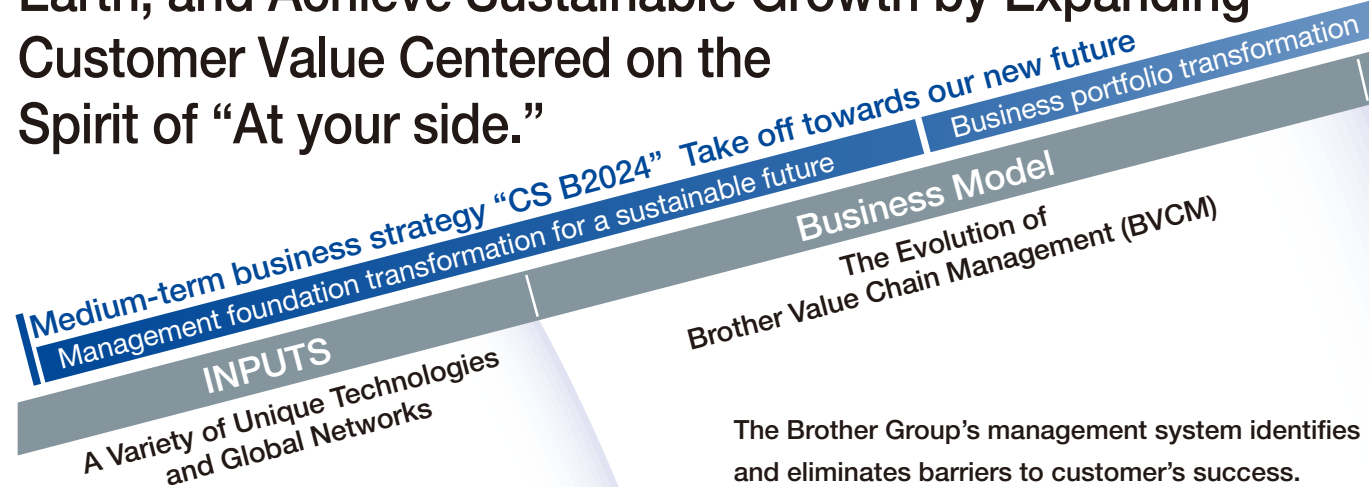
Continuing to support various work scenes by connecting with customers for years to come

Filling people's hearts through creativity and fun

Brother Group Vision
At your side
2030

Brother's Value Creation Process

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."



Social and Relationship Capital

See page 29.

- A global customer base
- Global business partners that we grow together with^{*1}
- Information obtained from relationships of trust with customers and business partners

Human Capital

See pages 26-27.

- Autonomous employees who share the spirit of "At your side." and are active around the world
- A global team that supports high-level coordination of each function
- A flat and open organizational culture

Intellectual Capital

See page 29.

- Manufacturing technology for both consumer and industrial use cultivated through business diversification since the Group's founding
- Various printing engines developed in-house
- Approximately 30,000 patents held worldwide^{*2}

Manufactured Capital

See page 29.

- Global production base
- A highly cost competitive and flexible production system

Natural Capital

See pages 42-43.

- Resource consumption (raw materials for products) 208,168 t^{*2}
- Total energy consumption (crude oil equivalent) 47,564 kL^{*2}

Financial Capital

See pages 24-25.

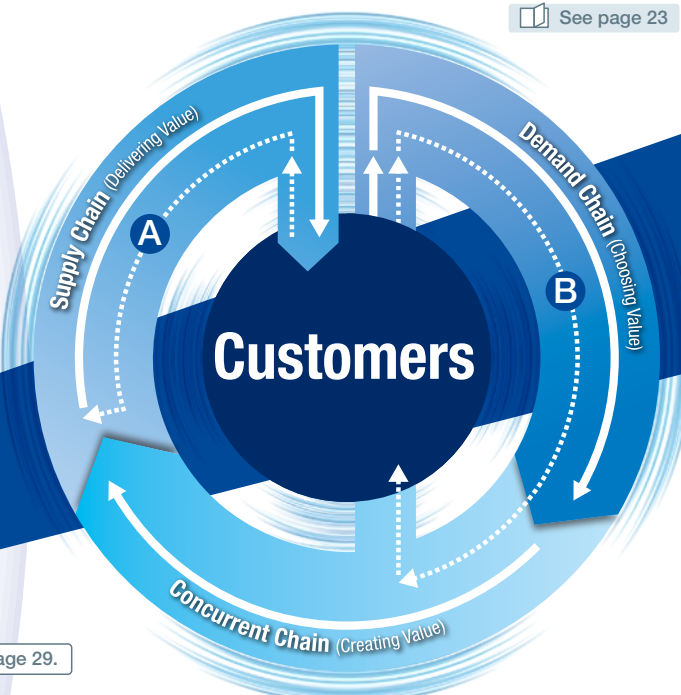
- Strong financial base
- Investment of 150 billion yen for the future^{*3}

^{*1} All business partners involved in the process of providing value to the Brother Group, such as sales channels and material suppliers.

^{*2} FY2021 results ^{*3} "CS B2024" target

The Brother Group's management system identifies and eliminates barriers to customer's success. With the customer as the starting point, Brother precisely coordinates the functions of each chain and cooperates with external partners to provide superior value by quickly creating and delivering high-quality products and services.

See page 23

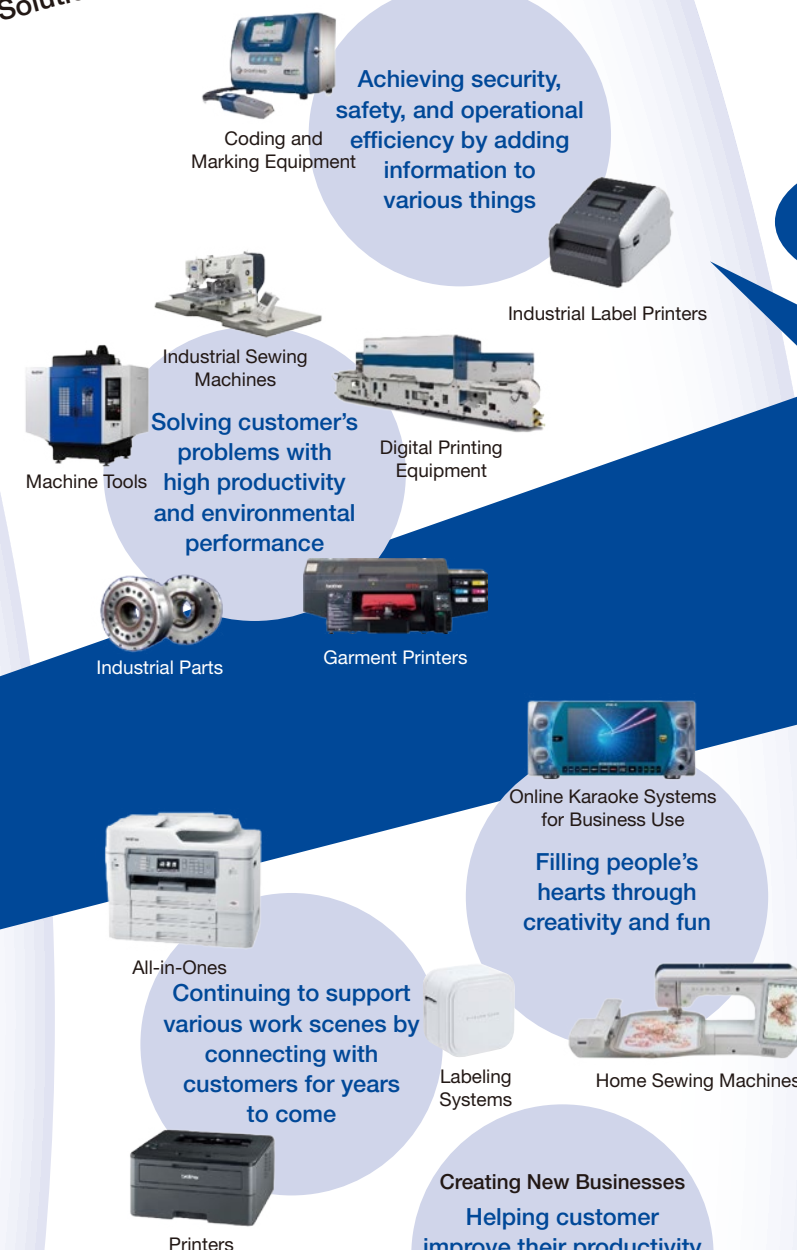


⇒ Sophistication and acceleration of basic BVCM processes

- A** Making the chain bidirectional for a circular economy
- B** Rapid product improvement based on customer feedback during the development stage with a focus on the industrial area

OUTPUTS

A Diverse Range of Products, Services, and Solutions for Consumer and Industrial Use



OUTCOMES

Materiality Solutions

Pursuing a responsible value chain

Realizing a diverse and active society

Supporting people's value creation

Brother Group Vision

At your side

2030

By being "At your side," we enable people's productivity and creativity, contribute to society, and help protect the earth.

Reducing CO₂ emissions

Circulating resources

At your side.

The Brother Group Global Charter