

# Brother's History

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

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 for production equipment, they used their originality and ingenuity to improve their own factory, and in 1928, they finally completed a chain-stitch sewing machine for the production straw hats. The sewing machine that they sold gained a reputation for being more durable than foreign-made sewing machines, 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 sewing machines domestically, and contains their passionate feelings towards solving issues in society through enterprise. Passing on the spirit of foundation that seeks to contribute to society through business, today, it has reached and impacted all employees around the world as the spirit of "At your side."

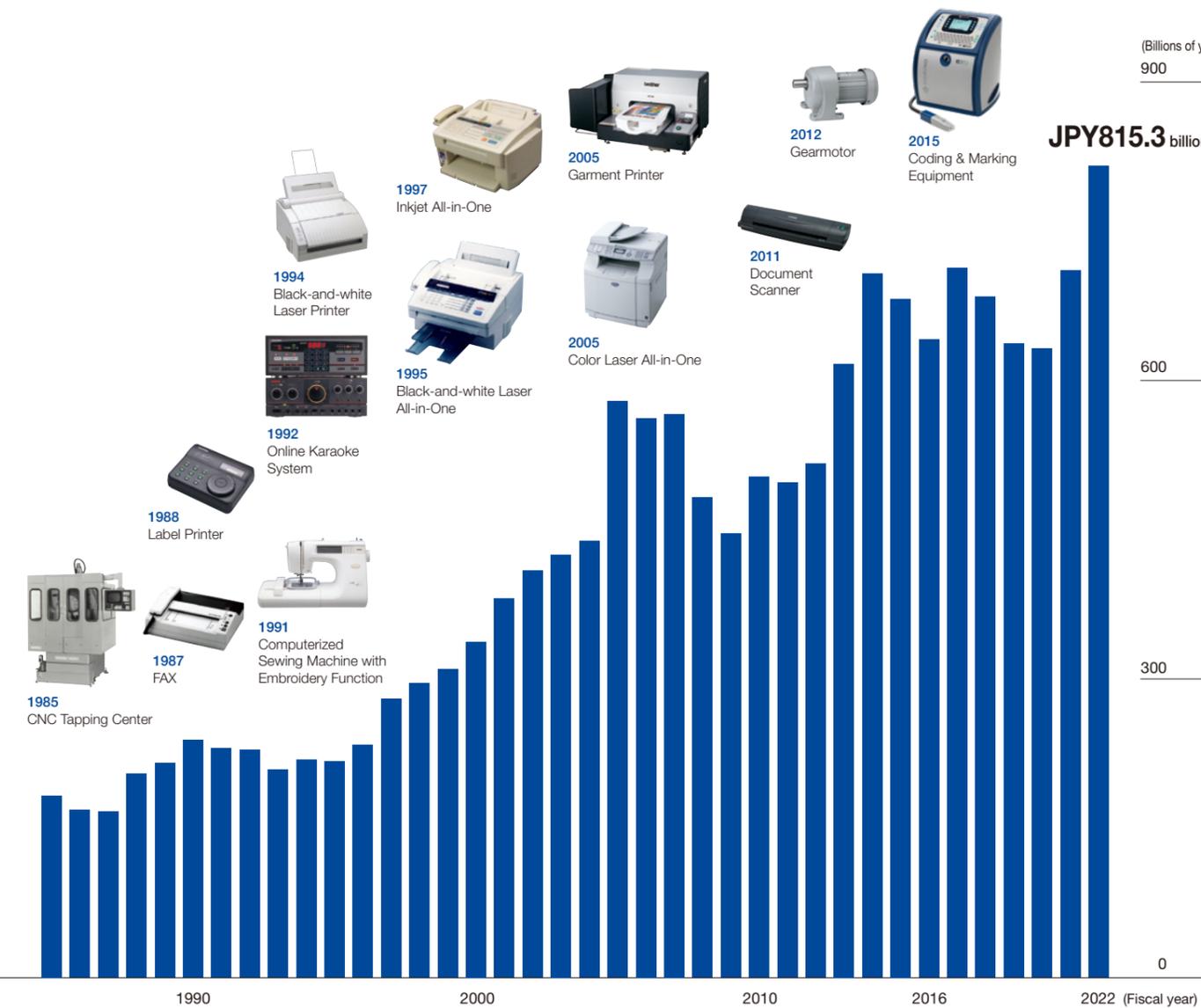
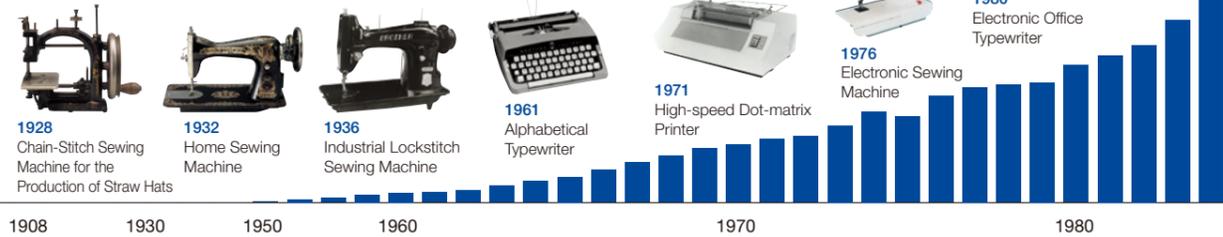


### Spirit of Foundation

- 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

### Changes in sales revenue



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

### Growth turning points and cultivated competitive advantage against the backdrop of needs

From foundation	From 1960	From 1970	From 1980	From 1990	From 2000
<b>Diversifying Through Domestic Production of Sewing Machines and Applying Core Technologies</b> 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.	<b>Entering the Office Machine Field and Developing Machine Tools Refined Through a Philosophy of Independence</b> 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.	<b>Entering the Information Equipment Field and Promoting Mechatronics</b> 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.	<b>Acquiring Printing Technologies and Transforming Business</b> 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.	<b>Developing Online Karaoke Systems and Expanding Information and Communications Equipment</b> 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-One 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.	<b>Expanding Information and Communications Equipment and Strengthening the Business Portfolio</b> 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.
<ul style="list-style-type: none"> <li>▶ Spirit of foundation</li> <li>▶ Press-molding technologies and precision processing technologies</li> <li>▶ Brother's own overseas sales channels</li> <li>▶ Utilization of core technologies</li> </ul>	<ul style="list-style-type: none"> <li>▶ Product development incorporating the needs of overseas customers</li> <li>▶ Development capabilities and mass production systems for the office machine field</li> <li>▶ Precision processing technologies for the machine tool field</li> <li>▶ Expansion of overseas facilities and market development capabilities</li> </ul>	<ul style="list-style-type: none"> <li>▶ New business development capabilities through joint development</li> <li>▶ Dot impact printing technologies</li> <li>▶ Mechatronics technologies through electronization</li> <li>▶ Computer control technologies</li> </ul>	<ul style="list-style-type: none"> <li>▶ Global branding</li> <li>▶ Thermal printing technologies</li> <li>▶ Responsiveness to exchange rate fluctuations, and local production capabilities</li> <li>▶ Information and communications technologies</li> </ul>	<ul style="list-style-type: none"> <li>▶ Content distribution technologies</li> <li>▶ Electrophotographic technologies and inkjet printing technologies</li> <li>▶ Business partner collaborations</li> <li>▶ Global procurement and production system</li> </ul>	<ul style="list-style-type: none"> <li>▶ Global business foundation</li> <li>▶ Established corporate culture of "At your side."</li> <li>▶ Strengthened business portfolio through M&amp;A</li> <li>▶ Development and selling capabilities in the industrial printing field</li> </ul>

## 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.

Business Segments	Sales Revenue Breakdown	Trend of Revenue & Business Segment Profits	Main Products									
<b>Printing and Solutions Business</b> P&S See pages 26-27.	60.9%	<table border="1"> <tr><th>Fiscal year</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (left axis)</td><td>424.2</td><td>496.7</td></tr> <tr><td>Business segment profits (right axis)</td><td>57.3</td><td>61.7</td></tr> </table>	Fiscal year	2021	2022	Revenue (left axis)	424.2	496.7	Business segment profits (right axis)	57.3	61.7	Laser All-in-One Label Printer Inkjet Printer
Fiscal year	2021	2022										
Revenue (left axis)	424.2	496.7										
Business segment profits (right axis)	57.3	61.7										
<b>Machinery Business</b> Machinery See pages 28-29.	11.8%	<table border="1"> <tr><th>Fiscal year</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (left axis)</td><td>90.5</td><td>96.4</td></tr> <tr><td>Business segment profits (right axis)</td><td>12.6</td><td>9.5</td></tr> </table>	Fiscal year	2021	2022	Revenue (left axis)	90.5	96.4	Business segment profits (right axis)	12.6	9.5	Machine Tool Industrial Sewing Machine Garment Printer
Fiscal year	2021	2022										
Revenue (left axis)	90.5	96.4										
Business segment profits (right axis)	12.6	9.5										
<b>Domino Business</b> Domino See page 30.	12.4%	<table border="1"> <tr><th>Fiscal year</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (left axis)</td><td>84.7</td><td>100.8</td></tr> <tr><td>Business segment profits (right axis)</td><td>5.2</td><td>5.6</td></tr> </table>	Fiscal year	2021	2022	Revenue (left axis)	84.7	100.8	Business segment profits (right axis)	5.2	5.6	Coding & Marking Equipment Digital Printing Equipment
Fiscal year	2021	2022										
Revenue (left axis)	84.7	100.8										
Business segment profits (right axis)	5.2	5.6										
<b>Nissei Business</b> Nissei See page 31.	2.9%	<table border="1"> <tr><th>Fiscal year</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (left axis)</td><td>20.7</td><td>23.5</td></tr> <tr><td>Business segment profits (right axis)</td><td>1.4</td><td>1.9</td></tr> </table>	Fiscal year	2021	2022	Revenue (left axis)	20.7	23.5	Business segment profits (right axis)	1.4	1.9	Gearmotor High Stiffness Reducer Gear
Fiscal year	2021	2022										
Revenue (left axis)	20.7	23.5										
Business segment profits (right axis)	1.4	1.9										
<b>Personal and Home Business</b> P&H See page 31.	6.3%	<table border="1"> <tr><th>Fiscal year</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (left axis)</td><td>50.0</td><td>51.0</td></tr> <tr><td>Business segment profits (right axis)</td><td>8.1</td><td>5.8</td></tr> </table>	Fiscal year	2021	2022	Revenue (left axis)	50.0	51.0	Business segment profits (right axis)	8.1	5.8	Sewing and Embroidery Machine Home Cutting Machine
Fiscal year	2021	2022										
Revenue (left axis)	50.0	51.0										
Business segment profits (right axis)	8.1	5.8										
<b>Network and Contents Business</b> N&C See page 31.	4.3%	<table border="1"> <tr><th>Fiscal year</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (left axis)</td><td>29.6</td><td>35.3</td></tr> <tr><td>Business segment profits (right axis)</td><td>2.7</td><td>0.5</td></tr> </table>	Fiscal year	2021	2022	Revenue (left axis)	29.6	35.3	Business segment profits (right axis)	2.7	0.5	Online Karaoke System for Business Use Entertainment Platform Video Viewing Service
Fiscal year	2021	2022										
Revenue (left axis)	29.6	35.3										
Business segment profits (right axis)	2.7	0.5										

### The Value We Provide through Business

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

Solving customer's problems with high productivity and environmental performance

Brother Group Vision  
At your side  
**2030**

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

Filling people's hearts through creativity and fun

# 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."

