

Message from the Director & Chairman

Supporting Executives Who Use Diverse Skills and Experience to Drive Transformations

Continuing to Demonstrate the “At your side.” Spirit

Over the 115 years of our history, the Brother Group has overcome a range of difficulties by responding to change and transforming our business. In any change or crisis, what is most important that we consistently demonstrate the “At your side.” spirit and quickly deliver Brother’s unique value to our customers around the world.

To contribute to society and help protect the earth, while meeting the expectations of every stakeholder, the Board of Directors is totally committed to our advisory and supervisory functions over business operations.

History of a Strengthened Governance System

To accelerate its decision-making and strengthen its corporate governance, the Brother Group adopted an executive officer system, and clarified the division of roles between execution and supervision, more than 20 years ago. Since 2008, we have also ensured that approximately half the members of our Board of Directors are Outside Directors. With regard to the nomination and compensation of Directors and Executive Officers, we have worked to safeguard the fairness and transparency of procedures. This includes consultation with a voluntary Nomination Committee and Compensation Committee, both chaired by Outside Directors with the majority of committee members also Outside Directors. More than half of the members of our Audit & Supervisory Board are also Outside Auditors.

Rich Diversity among the Board of Directors

For our Company to prosper, I believe that it is vital that diverse human resources—regardless of their gender, nationality, or specific skills—have opportunities to participate in discussions and demonstrate their potential. In a rapidly changing world, to respond to business issues that are both global and diverse in nature, it is essential that we formulate, and implement as quickly as possible, detailed strategies that are rooted in wide-ranging knowledge and voices from diverse backgrounds. We must also develop systems that enable rapid and flexible responses in the event of unexpected circumstances.

Our Outside Directors and Outside Auditors all have global business experience, rich management experience, high levels of expertise, and experience in resolving social issues. Without favoring any specific field, they bring with them the diverse skills required for corporate management. In terms of gender diversity, in addition to an Outside Director, we have appointed a new woman to the role of Outside Auditor as well. I look forward to their increased active participation in the Board of Directors and other meetings going forward, regardless of whatever position they hold.

Appropriate sharing of internal information with our Outside Directors and Outside Auditors is also essential for ensuring lively discussions in meetings of the Board of Directors. We are improving their understanding by providing advance explanations of important and complex matters. Since FY2022, we have been increasing opportunities for them to share in management information, including providing access to management meetings of the executives when necessary. I feel that such direct access to internal discussions not only ensures timely sharing of information, but provides good opportunities to see Brother Group talent in action as well.

Working Towards Eternal Prosperity

Our Board of Directors has been discussing the “CS B2024” medium-term business strategy, and monitoring its progress, since the initial stages of development. “CS B2024” seeks to accomplish business portfolio and management foundation transformation, so we also need to pursue the development of talent able to deliver this transformation. We also have no time to waste in terms of sustainability issues, including reducing CO₂ emissions, recycling resources, and building responsible value chains. That is why we are supporting management that can respond rapidly to important management issues from a medium- to long-term perspective. And talented individuals are the cornerstone of transformation. Characteristics of the Brother Group are a flat and open organizational culture, and a culture of support for taking on challenges. Passing on this culture, and enabling every person to play an active, positive, and energetic roles will lead to improved long-term corporate value for the Brother Group. To ensure that we can continue generating this virtuous circle forever, I encourage our employees in their efforts to take on new challenges.



Toshikazu Koike
Director & Chairman
Chairperson of the Board

Composition of the Board of Directors

BIL's Board of Directors is composed of diverse talented individuals with different knowledge and experiences to secure management strategies and engage in effective decision-making and supervision of operations for sustainable growth of the Brother Group's corporate value. Placing importance on both the supervisory and advisory functions of the Board of Directors, we nominate our outside directors by placing particular emphasis on people who are independent of the Company's management and who possess extensive management experience. The Nomination Committee and the Compensation Committee deliberate on skills required in achieving the "CS B2024 medium-term business strategy" and the people who are expected to proactively demonstrate these skills, and we have prepared a skill matrix to align these items. We first selected the skills related to business strategies such as Business/Strategy, Development/Manufacturing, Sales/Marketing, and IT/DX, that will contribute to the two of the four priority themes of "CS B2024", namely "Expansion in the Industrial area" and "Towards transformation in the Printing area." Subsequently, we have selected talent development as the skill required for fostering talent and reskilling to develop key players for these initiatives. The "ESG/Sustainability" skill is also included in the set of selected skills as a skill that relates mainly to "Realizing a diverse and active society" and "Reducing CO₂ emissions," the two materialities that we have identified for the achievement of our Vision. Additionally, we have listed "globalism" considering the global scale of the Group's businesses, as well as "Legal/Compliance" and "Financial/Accounting" to secure governance of the Board of Directors and legal and business audit function.

Skills Matrix (As of June 22, 2023)

Role	Name	Official title or position	Committees to which he/she belongs		Area of Expertise								Age	Independent	Attendance
			Nomination Committee	Compensation Committee	Business/Strategy	Development/Manufacturing	Sales/Marketing	IT/DX	Talent Development	Internationalism	Legal/Compliance	Financial/Accounting			
Directors	Toshikazu Koike	Director & Chairman	●	●	●	●	●	●	●	●	●	●	67	/	12/12
	Ichiro Sasaki	Representative Director & President	●	●	●	●	●	●	●	●	●	●	66	/	12/12
	Tadashi Ishiguro	Representative Director & Vice President			●	●	●	●	●	●	●	●	63	/	12/12
	Kazufumi Ikeda	Representative Director & Senior Managing Executive Officer			●	●	●	●	●	●	●	●	60	/	12/12
	Satoru Kuwabara	Representative Director & Senior Managing Executive Officer			●	●	●	●	●	●	●	●	60	/	12/12
	Taizo Murakami	Director & Managing Executive Officer			●	●	●	●	●	●	●	●	61	/	10/10
	Keisuke Takeuchi	Outside Director	●	●	●	●	●	●	●	●	●	●	75	●	11/12
	Aya Shirai	Outside Director	●	●	●	●	●	●	●	●	●	●	63	●	12/12
	Kazunari Uchida	Outside Director	●	●	●	●	●	●	●	●	●	●	71	●	12/12
	Naoki Hidaka	Outside Director	●	●	●	●	●	●	●	●	●	●	70	●	12/12
Masahiko Miyaki	Outside Director	●	●	●	●	●	●	●	●	●	●	69	●	12/12	
Auditors	Keizo Obayashi	Standing Corporate Auditor								●	●	60	/	12/12	
	Takeshi Yamada	Standing Corporate Auditor								●	●	60	/	*2	
	Akira Yamada	Outside Auditor								●	●	70	●	12/12	
	Kazuya Jono	Outside Auditor								●	●	68	●	12/12	
	Chika Matsumoto	Outside Auditor								●	●	62	●	*2	

*1 The above information does not include all of the expertise possessed by each Director and Auditor.

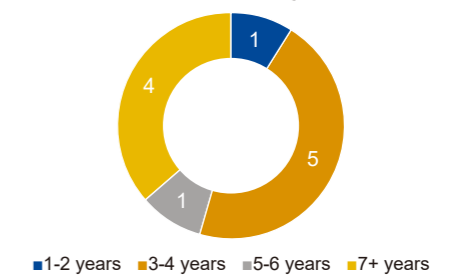
*2 Appointed in June 2023

Features of Brother's Board of Directors

Corporate Governance Structure (As of June 22, 2023)

Organizational Composition and Operation	Company with Audit & Supervisory Board
Number of Directors:	11
Number of Outside Directors included:	5
Number of female Directors included:	1
Number of independent Directors:	5
Term of Directors:	1 year

Breakdown of Directors by Years Served



Reasons for Appointment
Toshikazu Koike has produced excellent achievements and demonstrated outstanding qualities as a senior executive. With years of experience as the head of the Americas sales headquarters and President of Information & Document Company, he drove the growth of our primary printing business. As the President of the Company since 2007, he led the Group toward achieving our long-term business vision. Further since 2018, as the Chairman of the Board of the Company, he has been demonstrating his ability to promote corporate governance for the Group. It is therefore considered that his extensive insight and outstanding skills are essential to the operation of the Company.
As an engineer for product development, Ichiro Sasaki was one of the people who established the foundation of our laser printer technology. He possesses a broad range of insight based on his experience, which includes operations in the manufacturing field, such as product planning and quality assurance, and management of our sales company in the United Kingdom. He led the acquisition of the Domino Business and its subsequent integration, and after taking the position of the President of the Company in 2018, he has demonstrated excellent leadership in various business fields of the Company. It is therefore considered that his extensive insight and leadership will contribute to the growth of the Group's corporate value.
With years of experience as the head of the Americas sales headquarters, Tadashi Ishiguro has produced achievements in driving the growth of our business in the Americas. After returning to Japan, he formulated the medium-term business strategy as an executive responsible for corporate planning. Since 2017, he has greatly contributed to the performance of the Printing and Solutions Business as an executive responsible for the business division. It is therefore considered that his knowledge and experience will contribute to the growth of the Group's corporate value.
After joining the Company, Kazufumi Ikeda accumulated operational experience, including in product planning and sales departments, as well as management of a sales subsidiary in Germany. Thereafter, he formulated and demonstrated his ability to promote the medium-term business strategy as an executive responsible for the headquarters corporate planning department. Most recently, he has produced achievements in driving the development of our business in the Americas as the head of the Americas sales headquarters. It is therefore considered that his knowledge and experience will contribute to the growth of the Group's corporate value.
After joining the Company, with years of experience in development and design operations in our primary Printing and Solutions Business, Satoru Kuwabara demonstrated excellent leadership particularly in the development of laser printer products. From 2010, he served as an executive responsible for operating a manufacturing subsidiary in China as our main manufacturing facility. Since fiscal year 2021, he has driven the growth of the Printing & Solutions Business as an executive responsible for operating the business. It is therefore considered that his knowledge and experience will contribute to the growth of the Group's corporate value.
After joining the Company, Taizo Murakami has been engaged for many years in the manufacturing technology field in our main businesses, such as the sewing machine or printer businesses. He has extensive knowledge in the manufacturing and quality control fields of the Group from his work in positions including the head of the manufacturing facility in the ASEAN region. Most recently, he has been demonstrating his ability as an executive responsible for our quality and manufacturing functions in promoting the manufacturing technology strategy and manufacturing facility strategy, and in dealing with supply chain issues for business continuity. It is therefore considered that his knowledge and experience will contribute to the growth of the Group's corporate value.
Mr. Keisuke Takeuchi has been engaged in the management of JGC Corporation (currently JGC Holdings Corporation) as President and Chairman of the company. Based on his extensive experience, achievements, and insight from this background as a senior executive of a global group of companies, it is considered that he can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
Ms. Aya Shirai has been engaged in the management of various manufacturers with years of experience as an Outside Director. She has also been engaged in the top management of a local government and actively promoted the diversification of organizations. Based on her extensive experience, achievements, and insight from this background, it is considered that she can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
Mr. Kazunari Uchida has extensive knowledge on corporate management as Japan representative of Boston Consulting Group and has been engaged in the management of various companies with years of experience as an Outside Director and an Outside Auditor. Based on his extensive experience, achievements, and insight from this background, it is considered that he can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
Mr. Naoki Hidaka has been engaged in the management of a global group of companies through his experience as executive Vice President of Sumitomo Corporation and in the overseas offices of the company. Based on his extensive experience, achievements, and insight from this background, it is considered that he can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
Mr. Masahiko Miyaki has been engaged in the management of a global group of companies as Executive Vice President of DENSO CORPORATION in such fields as technology development, quality, and the environment. Based on his extensive experience, achievements, and insight from this background, it is considered that he is the most appropriate for a corporate auditor of the Company.
After joining the Company, Keizo Obayashi was engaged in operation and business management at information equipment department, corporate planning department, and European sales headquarters. He has the knowledge in accounting and tax fields through his experiences. Most recently, he has the experience in promoting the internal control of the Group as an executive responsible for the headquarters finance department. Based on his knowledge and experience, it is considered that he is the most appropriate for a Corporate Auditor of the Company.
After joining the Company, Takeshi Yamada was engaged in corporate planning and administration at major subsidiaries overseas and in Japan. Most recently, as General Manager of the Corporate Planning Department, he has experience in business management including accounting at the Company and the Group companies. He also has extensive experience in management governance of the Group companies as a Director and Corporate Auditor of sales subsidiaries in Asian countries. Based on his knowledge and experience, it is considered that he is the most appropriate for a corporate auditor of the Company.
With years of experience as a lawyer, Mr. Akira Yamada has been engaged in domestic and international corporate legal affairs. Based on his extensive experience, achievements, and insight, it is considered that he can provide auditing over the operation of the Company from a standpoint that is independent of our management executives.
Mr. Kazuya Jono has years of experience in the management of financial institutions. Based on his extensive experience, achievements, and insight, it is considered that he can provide auditing over the operation of the Company from a standpoint that is independent of our management executives.
Ms. Chika Matsumoto has background with years of experience as a certified public accountant. Based on her extensive experience, achievements, and insight in the areas of finance and accounting, it is considered that she can provide auditing over the operation of the Company from a standpoint that is independent of our management executives.

Directors, Corporate Auditors, and Executive Officers (As of June 22, 2023)

Directors



Toshikazu Koike
Director & Chairman

Apr. 1979 Joined the Company
 Aug. 1982 Brother International Corporation (U.S.A.)
 Oct. 1992 Director of Brother International Corporation (U.S.A.)
 Jan. 2000 Director & President of Brother International Corporation (U.S.A.)
 Jun. 2004 Director of the Company
 Jan. 2005 Director & Chairman of Brother International Corporation (U.S.A.)
 Apr. 2005 Director & Managing Executive Officer of the Company
 Apr. 2006 Director & Senior Managing Executive Officer of the Company
 Jun. 2006 Representative Director & Senior Managing Executive Officer of the Company
 Jun. 2007 Representative Director & President of the Company
 Jun. 2018 Representative Director & Chairman of the Company
 Jun. 2020 Outside Director of Toyo Seikan Group Holdings, Ltd. (current position)
 May 2021 Outside Director (Member of the Audit and Supervisory Committee) of YASKAWA Electric Corporation (current position)
 Jun. 2022 Director & Chairman of the Company (current position)



Ichiro Sasaki
Representative Director & President

Apr. 1983 Joined the Company
 Jan. 2005 Managing Director of Brother U.K. Ltd.
 Apr. 2008 General Manager of NID Research & Development Dept. of the Company
 Apr. 2009 Executive Officer of the Company
 Apr. 2013 Managing Executive Officer of the Company
 Jun. 2014 Director & Managing Executive Officer of the Company
 Jun. 2016 Representative Director & Managing Executive Officer of the Company
 Apr. 2017 Representative Director & Senior Managing Executive Officer of the Company
 Jun. 2018 Representative Director & President of the Company (current position)



Keisuke Takeuchi
Outside Director
Independent Director

Apr. 1970 Joined Japan Gasoline Co., Ltd. (now JGC Holdings Corporation)
 Jun. 2000 Director of JGC Corporation (now JGC Holdings Corporation)
 Jun. 2001 Managing Director of JGC Corporation
 Jun. 2002 Senior Managing Director of JGC Corporation
 Jun. 2006 Director and Vice President of JGC Corporation
 Mar. 2007 President and Representative Director of JGC Corporation
 Jun. 2009 Chairman and Representative Director of JGC Corporation
 Jun. 2014 Principal Corporate Advisor of JGC Corporation
 Jun. 2017 Outside Director of the Company (current position)
 Jun. 2019 Outside Director of Japan Post Bank Co., Ltd. (current position)



Aya Shirai
Outside Director
Independent Director

Apr. 1979 Joined All Nippon Airways Co., Ltd.
 Jun. 1993 Member of Amagasaki City Council
 Dec. 2002 Mayor of Amagasaki City
 Jun. 2011 Outside Director of Gunze Limited
 Apr. 2013 Executive Operating Officer of the Osaka Pref. Gender Equality Promotion Foundation
 Jun. 2015 Outside Director of Pegasus Sewing Machine Mfg. Co., Ltd.
 Jun. 2018 Outside Director of Sumitomo Precision Products Co., Ltd.
 Jun. 2018 Outside Director of Sanyo Chemical Industries, Ltd. (current position)
 Jun. 2019 Outside Director of the Company (current position)
 Jun. 2022 Outside Director of THE ROYAL HOTEL, LIMITED (current position)



Tadashi Ishiguro
Representative Director & Vice President
Responsible for: MIS Dept., New Business Development Dept.

Apr. 1984 Joined the Company
 May 1987 Brother International Corporation (U.S.A.)
 Jan. 2005 Director & President of Brother International Corporation (U.S.A.)
 Apr. 2011 Group Executive Officer of the Company
 Apr. 2013 Group Managing Executive Officer of the Company
 Apr. 2014 Director and Chairman of Brother International Corporation (U.S.A.)
 Jun. 2014 Director & Group Managing Executive Officer of the Company
 Jan. 2015 Director & Managing Executive Officer of the Company
 Apr. 2017 Director & Senior Managing Executive Officer of the Company
 Jun. 2017 Representative Director & Senior Managing Executive Officer of the Company
 Apr. 2021 Representative Director & Vice President of the Company (current position)



Kazufumi Ikeda
Representative Director & Senior Managing Executive Officer
Responsible for: Corporate Planning Dept., Human Resources Dept.
Responsible for: Nissei Business

Apr. 1985 Joined the Company
 Apr. 2003 Director & Executive Vice President of Brother International GmbH
 Apr. 2009 General Manager of Corporate Planning Dept. of the Company
 Apr. 2013 Director & Executive Vice President of Brother International Corporation (U.S.A.)
 Apr. 2014 Director & President of Brother International Corporation (U.S.A.)
 Apr. 2015 Group Executive Officer of the Company, Director & President of Brother International Corporation (U.S.A.)
 Apr. 2019 Director & Chairman of Brother International Corporation (U.S.A.)
 Apr. 2020 Managing Executive Officer of the Company
 Jun. 2021 Director & Managing Executive Officer of the Company
 Apr. 2023 Director & Senior Managing Executive Officer of the Company
 Jun. 2023 Representative Director & Senior Managing Executive Officer of the Company (current position)



Kazunari Uchida
Outside Director
Independent Director

Apr. 1974 Joined Japan Airlines Co., Ltd.
 Jan. 1985 Joined Boston Consulting Group
 Jun. 2000 Japan Representative of Boston Consulting Group
 Apr. 2006 Professor of Faculty of Commerce at Waseda University
 Feb. 2012 Outside Auditor of Kewpie Corporation
 Jun. 2012 Outside Director of Lifenet Insurance Company, Outside Director of Mitsui-Soko Co., Ltd. (now Mitsui-Soko Holdings Co., Ltd.)
 Aug. 2012 Outside Director of Japan ERI Co., Ltd.
 Dec. 2013 Outside Director of ERI Holdings Co., Ltd.
 Jun. 2014 Independent Advisory Committee Member of the Company
 Feb. 2015 Outside Director of Kewpie Corporation
 Mar. 2016 Outside Director of Lion Corporation (current position)
 Jun. 2020 Outside Director of the Company (current position)
 Apr. 2022 Professor Emeritus at Waseda University (current position)



Naoki Hidaka
Outside Director
Independent Director

Apr. 1976 Joined Sumitomo Corporation
 Apr. 2001 General Manager of Chicago Office, Sumitomo Corporation of America
 Apr. 2007 Executive Officer, General Manager of Metal Products for Automotive Industries Div. of Sumitomo Corporation
 Apr. 2009 Managing Executive Officer, General Manager of Chubu Regional Business Unit of Sumitomo Corporation
 Apr. 2012 Senior Managing Executive Officer, General Manager of Kansai Regional Business Unit of Sumitomo Corporation
 Jun. 2013 Representative Director, Senior Managing Executive Officer, General Manager of Transportation & Construction System Business Unit of Sumitomo Corporation
 Apr. 2015 Representative Director, Executive Vice President, General Manager of Transportation & Construction System Business Unit of Sumitomo Corporation
 Jun. 2018 Special Advisor of Sumitomo Corporation
 Jun. 2019 Advisor of Sumitomo Corporation
 Jun. 2020 Outside Director of the Company (current position)
 Mar. 2021 Outside Director of Nabtesco Corporation (current position)
 Jun. 2022 Outside Director of TOPCON CORPORATION (current position)



Satoru Kuwabara
Representative Directors & Senior Managing Executive Officers
Head of Printing & Solutions Business Division
Responsible for: P&S Business Division, LE Development Dept., LC Development Dept., IDS Development Dept., Printing Application Development Dept., Labeling & Mobile Solutions Development Dept., Production Dept., Quality Management Dept.

Apr. 1987 Joined the Company
 Oct. 2004 General Manager of Development Dept.1 of Information & Document Company
 Apr. 2008 General Manager of Development Dept.1 of the Company
 Apr. 2009 General Manager of Development Planning Dept. of the Company
 Apr. 2010 CEO of Brother Technology (Shenzhen) Ltd.
 Apr. 2014 General Manager of Development Planning Dept. of the Company
 Oct. 2014 General Manager of LE Development Dept. of the Company
 Apr. 2015 Executive Officer of the Company
 Apr. 2019 Managing Executive Officer of the Company
 Jun. 2021 Director & Managing Executive Officer of the Company
 Apr. 2023 Director & Senior Managing Executive Officer of the Company
 Jun. 2023 Representative Director & Senior Managing Executive Officer of the Company (current position)



Taizo Murakami
Director & Managing Executive Officer
Responsible for: Quality, Production & Engineering Center, Production Strategy Planning Dept., Engineering Development Dept., Basic Engineering Technology Dept., Quality Innovation Dept., IJ Production Dept., Purchasing Dept.

Apr. 1984 Joined the Company
 Apr. 2007 General Manager, Production Technology Dept. of Printing & Solutions Company
 Apr. 2008 General Manager, Production Technology Dept. of the Company
 Apr. 2009 General Manager, Parts Engineering Dept. of the Company
 Apr. 2010 Managing Director of Brother Industries Technology (Malaysia) Sdn. Bhd.
 Apr. 2013 General Manager, Prototype Engineering Dept. of the Company
 Apr. 2016 Executive Officer of the Company
 Apr. 2019 Managing Executive Officer of the Company
 Jun. 2022 Director & Managing Executive Officer of the Company (current position)



Masahiko Miyaki
Outside Director
Independent Director

Apr. 1977 Joined NIPPONDENSO CO., LTD. (now DENSO Corporation)
 Jun. 2004 Managing Officer, Fuel Injection Engineering Dept. of DENSO Corporation
 Jun. 2007 Managing Officer, Powertrain Control Systems Business Group of DENSO Corporation
 Jun. 2010 Director & Senior Executive Officer, Electric System Business Group of DENSO Corporation
 Jun. 2011 Director of Toyota Boshoku Corporation
 Jan. 2012 Director & Senior Executive Officer, Powertrain Control Systems Business Group of DENSO Corporation
 Jun. 2013 Representative Director & Vice President, Overall R&D, Engineering Research & Development Center, China Region of DENSO Corporation
 Apr. 2015 Representative Director & Vice President, Quality, Safety, & Environmental Center of DENSO Corporation
 Apr. 2017 Director of DENSO Corporation
 Jun. 2017 Advisor of DENSO Corporation
 Jun. 2021 Outside Director of the Company (current position)

Directors, Corporate Auditors, and Executive Officers

Corporate Auditors



Apr. 1986 Joined the Company
 Mar. 2004 Brother International Europe, Ltd.
 Apr. 2017 General Manager of Treasury Dept. of the Company
 Apr. 2020 General Manager of Corporate Auditors' Office of the Company
 Jun. 2020 Corporate Auditor of the Company (current position)

Keizo Obayashi
 Standing Corporate Auditor



Apr. 1987 Joined the Company
 May 1993 Brother Industries (U.K.)
 Apr. 2002 Brother Sales, Ltd.
 Jun. 2005 Brother International Corporation (U.S.A.)
 Apr. 2014 Director of Brother International Corporation (U.S.A.)
 Apr. 2017 Representative Director & President of Brother International Corporation
 Apr. 2018 General Manager, Corporate Planning Dept. of the Company
 Apr. 2023 Deputy General Manager, Corporate Auditors' Office of the Company
 Jun. 2023 Corporate Auditor of the Company (current position)

Takeshi Yamada
 Standing Corporate Auditor



Apr. 1986 Registered as an attorney (current position), Joined Miyake, Hatasawa & Yamazaki
 Jun. 1991 Registered as an attorney in New York (current position)
 Jan. 1992 Partner of Miyake & Yamazaki
 Mar. 1994 Resident Partner of Bangkok Office of Miyake & Yamazaki
 Jan. 2015 Outside Director of Amifa Co., Ltd.
 Jun. 2015 Outside Auditor of Denyo Corporation
 Dec. 2015 Representative of Three Fields L.L.C. (current position)
 Dec. 2016 Outside Director (Member of the Audit and Supervisory Committee) of Amifa Co., Ltd. (current position)
 Jun. 2018 Corporate Auditor of the Company (current position)
 Jun. 2021 Outside Director (Member of the Audit and Supervisory Committee) of Denyo Corporation (current position)

Akira Yamada
 Corporate Auditor
 Independent Auditor



Apr. 1977 Joined Mitsui Bank (now Sumitomo Mitsui Banking Corporation)
 Jun. 2005 Executive Officer of Sumitomo Mitsui Banking Corporation ("SMBC")
 Apr. 2007 Managing Executive Officer of SMBC
 Apr. 2009 Managing Executive Officer of Sumitomo Mitsui Financial Group ("SMFG"), Director and President of Sumitomo Mitsui Card & Credit, Inc.
 Apr. 2010 Director and Senior Managing Executive Officer of SMBC, Senior Managing Executive Officer of SMFG
 Jun. 2011 Director of SMFG
 Jun. 2012 Director and President, CEO of Citibank Japan Ltd.
 Jun. 2015 Outside Auditor of The Japan Steel Works Ltd.
 Jun. 2019 Outside Auditor of Toray Industries, Inc.
 Jun. 2019 Corporate Auditor of the Company (current position)

Kazuya Jono
 Corporate Auditor
 Independent Auditor



Oct. 1990 Joined Chuo Shinko Audit Corporation (now Misuzu Audit Corporation)
 Mar. 1994 Registered as a CPA (current position)
 Aug. 2007 Partner of AZUSA Audit Corporation (now KPMG AZSA, LLC) (current position)
 Jul. 2013 Board member of KPMG AZSA LLC
 Jul. 2017 Member of Management Oversight Committee, KPMG AZSA LLC
 Jul. 2020 General Manager of Nagoya Office, KPMG AZSA LLC (current position)
 Jun. 2023 Corporate Auditor of the Company (current position)
 Jun. 2023 Outside Auditor of HINO MOTORS, LTD. (current position)

Chika Matsumoto
 Corporate Auditor
 Independent Auditor

Executive Officers

Senior Managing Executive Officer

Makoto Hoshi

Head of Machinery Business Division
 Responsible for: Machinery Business Division
 ●Business Planning Dept.

Managing Executive Officers

Tsuyoshi Suzuki

Responsible for: Development Center
 ●Technological Innovation Dept.,
 ●Software Technology Development Dept.,
 ●IJ Technology Development Dept.
 Responsible for: Intellectual Property Dept.

Tetsuro Koide

Head of Domino Business Division
 Responsible for: Domino Business Division
 ●Domino Business Office,
 ●DP System Development Dept.,
 ●CM System Development Dept.

Toshihiro Ito

Responsible for:
 ●Law, Environment & General Affairs Dept.,
 ●Finance & Accounting Dept.,
 ●CSR & Corporate Communication Dept.,
 ●Environment & Climate Change Strategy Dept.

Yumiko Iwadare

Responsible for:
 Printing & Solutions Business Division
 ●Business Planning Dept.,
 ●Sales & Marketing Dept.,
 ●Product Planning Dept.,
 ●CX Development Dept.,
 ●SPS Business Development Dept.

Yasuyuki Hasegawa

Responsible for: Industrial Sewing Machine Business, Machinery Business Division
 ●Industrial Printers Business Dept.,
 ●Industrial Sewing Machine Sales Dept.,
 ●Industrial Sewing Machine Development Dept.

Executive Officers

Tatsuya Sato

Responsible for: Development Center
 ●Electronic Technology Development Dept.
 Responsible for: Design Dept.

Yoshiichi Sugimoto

Head of Network & Contents Business Division
 Responsible for:
 Network & Contents Business Division
 ●Network System Business Development Dept.
 Director of Xing Inc.

Tatsuo Terakura

Responsible for:
 Industrial Equipment Business
 Machinery Business Division,
 ●Machine Tools Sales Dept.,
 ●Machine Tools Development Dept.,
 ●Technology Dept., Production Dept.,
 ●Machine Tools CS Planning Dept.,
 ●Quality Management Dept

Masahiro Akita

Head of Personal & Home Business Division
 Responsible for:
 Personal & Home Business Division
 ●Business Planning Dept.,
 ●Sales & Marketing Dept., Development Dept.,
 ●Production Innovation Dept.,
 ●Quality Management & Customer Satisfaction Dept.
 ●General Manager of Business Planning Dept.

Group Managing Executive Officers

Isao Noji

Chairman & Managing Director of Brother International Europe Ltd.

Donald Cummins

Director & President of Brother International Corporation (U.S.A.)

Robert Pulford

Director & CEO of DOMINO PRINTING SCIENCES PLC

Group Executive Officer

Koichi Yasui

Representative Director & President of Brother Sales, Ltd.

Corporate Governance

Basic Approaches

In the Brother Group Global Charter, which provides the foundation for all Brother Group activities, BIL sets out its fundamental approaches to corporate governance. These include enhancement of corporate value over the long term by optimizing management resources and creating customer value, and development of long-term trustful relationships with shareholders by enhancing corporate transparency through active provision of corporate information to shareholders. Based on these approaches, we seek optimum corporate governance to enhance corporate value and continue to work on strengthening corporate governance.

We also strive to strengthen governance in accordance with the Brother Group Basic Policies on Corporate Governance, which set forth policies such as securing the rights and equal treatment of shareholders, appropriate cooperation with stakeholders, the responsibilities of the Board of Directors, and dialogues with shareholders.

[Brother Group Basic Policies on Corporate Governance](#)

<https://global.brother/en/sustainability/governance/corporate>

Changes in Corporate Governance

Year	Details of Reforms and Enhancements	Key Points
2000	Introduced the executive officer system	Separation of business execution and supervision
2006	Started appointing independent Outside Directors	Enhancement of supervisory function
2007	Appointed female Directors	Diversified Board structure
2008	Appointed approximately half of the Board of Directors as independent Outside Directors	Enhancement of supervisory function
2015	Established the Brother Group Basic Policies on Corporate Governance	Strengthening of governance to contribute to the enhancement of corporate value
2022	Established the Sustainability Committee	Management system emphasis on sustainability

Corporate Governance Structure

BIL positions the Board of Directors as the organization that decides on basic management policies, makes high-level management decisions, and supervises the execution of operations. We adopt the structure of a company with an Audit & Supervisory Board. In addition, to ensure high transparency and objectivity, we have continuously enhanced our corporate governance structure. In order to enhance the management system focusing on sustainability, we established the Sustainability Committee in FY2022, which is chaired by the Representative Director & President, to conduct ongoing discussions on sustainability and report regularly to the Board of Directors.

Board of Directors

The Board of Directors consists of 11 Directors (including five Outside Directors*), of which one is a female Director. In principle, meetings, which are chaired by the Representative Director & Chairman, are held once a month. In FY2022, the Board of Directors held 12 meetings. To increase medium- to long-term corporate value, the Board formulates management strategies and plans and carries out decision-making on important executive operations. At the same time, the Board supervises the Directors, Executive Officers, and other parties in their execution of operations, and strives to establish structures that ensure management soundness, such as the Group's internal control and risk management systems.

*As of June 22, 2023

<Independent Outside Directors>

BIL appoints several independent Outside Directors with extensive experience in corporate management to ensure objective and neutral oversight of management from an external point of view, and thereby strengthens its management oversight function. BIL's independent Outside Directors provide management advice, decide important matters, and oversee executive operations based on their respective abundant experience, careers, and insights from perspectives independent of BIL's management.

<Director Training and Support System for Outside Directors>

We have created a system for providing training that we consider necessary for our Directors according to the training target, and conduct training based on the system. As training for Outside Directors, we mainly provide information on our businesses, history, financial affairs, organizations, and other matters. For other Directors, we provide opportunities to acquire knowledge about Directors' duties and responsibilities. Along with such training, we give Directors opportunities for worksite inspections, such as tours of facilities in Japan and overseas, thereby actively helping Directors to deepen their understanding of our businesses.

Audit & Supervisory Board

BIL's Audit & Supervisory Board consists of five Corporate Auditors (including three Outside Auditors)*, of which one is a female Corporate Auditor. It held 12 meetings in FY2022. The Corporate Auditors have high levels of expertise in fields such as law and accounting, and follow the audit standards established by the Audit & Supervisory Board. They mainly conduct the audit activities listed below, audit the Directors' execution of duties, and conduct audits widely on the establishment and implementation of the Group's internal control system.

<Main Activities>

- Attendance at Board of Directors' meetings and voicing of opinions
- On-site audits of Group companies and listening to reports
- Interviews and opinion exchange with Directors
- Interviews and opinion exchange with executive departments
- Regular exchange of information and opinions with the Internal Auditing Department and accounting Auditors (such as three-way audit liaison conferences between the Audit & Supervisory Board, accounting Auditors, and Internal Auditing Department, and meetings for reports on financial results)

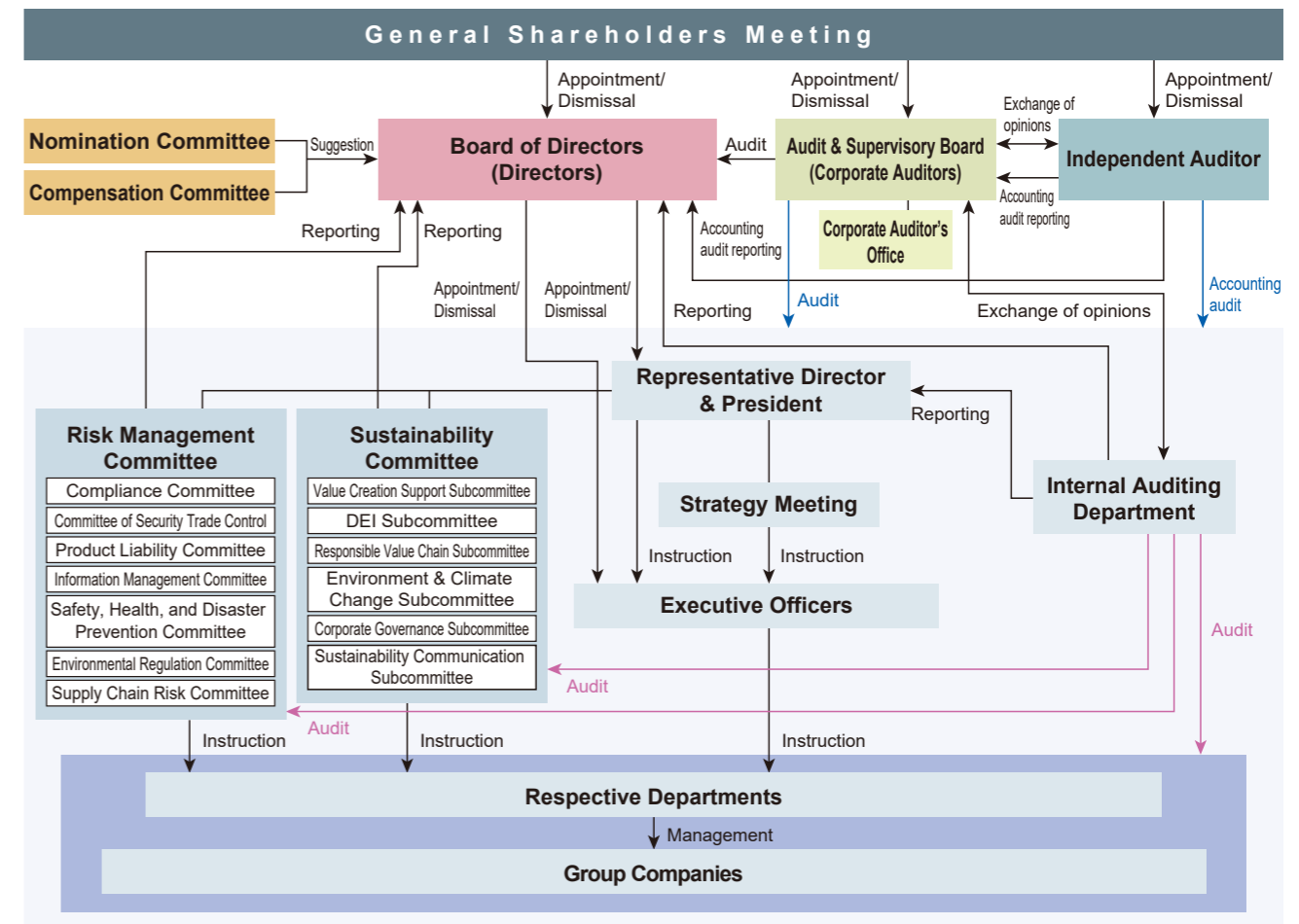
*As of June 22, 2023

Executive Officer System

BIL has introduced an executive officer system to ensure swift decision-making by separating executive operations and supervision. There are 15 Executive Officers (including one female Executive Officer) and four Group Executive Officers (including two non-Japanese nationals). Of the Executive Officers, five are concurrently Directors. Executive Officers—including Group Executive Officers—are elected by the Board of Directors and carry out decision-making and executive operations delegated by the Board of Directors in accordance with the basic management policies determined by the Board. At the same time, the Executive Officers are responsible for overseeing the operations of businesses, departments, and Group subsidiaries under their supervision.

*As of June 22, 2023

Governance Structure (As of June 22, 2023)



Nomination Committee and Compensation Committee

BIL has established the Nomination Committee and Compensation Committee as arbitrary advisory committees to the Board of Directors, in order to enhance the independence and objectivity of the functions of the Board of Directors regarding the appointment or removal and remuneration of Directors and Executive Officers. Each of the committees consists of seven Directors*, including five Outside Directors as well as the Director & Chairman and the Representative Director & President, and appoints an Outside Director as its chairperson (Nomination Committee: Keisuke Takeuchi; Compensation Committee: Kazunari Uchida).

The Nomination Committee must deliberate on the agenda of the general meeting of shareholders concerning appointment or removal of Directors and the agenda of the Board of Directors concerning appointment or removal of executive officers in a fair, transparent, and strict manner before the agendas concerned are finalized, and report the outcome to the Board of Directors. The Nomination Committee also reports on matters such as the succession planning for the CEO and other top management to the Board of Directors. The Nomination Committee primarily discusses matters related to the election of Directors, executive officers, and other senior management, and related matters. The Nomination Committee met three times in FY2022, and the attendance rate of each member was 100%.

The Compensation Committee must discuss the Company rules concerning the standard for calculating the remuneration for Directors and executive officers, and the respective remunerations of respective individuals, and report the outcome to the Board of Directors. The Compensation Committee primarily discusses matters related to compensation for Directors, executive officers, and other senior management, including the details, calculation method, individual payment amounts, and comparisons with the compensation levels of other companies. The Compensation Committee met two times in FY2022, and the attendance rate of each member was 100%.

*As of June 22, 2023

<Succession Plans for Top Management>

BIL's Nomination Committee regularly considers succession plans for the President and other top management. The Nomination Committee, which is mainly composed of Outside Directors, considers and discusses such plans from a wide variety of viewpoints, such as requirements for management personnel according to management strategies and business environments and the development and appointment of human resources. The Committee's considerations and discussions, along with management personnel evaluations made through meetings with Executive Officers and other means, are reflected in the nomination of Directors and Executive Officers for each year.

Corporate Governance

Outside Directors Independent Officer Selection Standards

The Company has established the Independence Standards for Outside Officers in the Brother Group Basic Policies on Corporate Governance as standards on independence for appointing Outside Directors and Outside Auditors. The Company's Outside Directors and Outside Auditors all satisfy the Standards, and the Company considers them sufficiently independent to perform their duties as Outside Officers from a standpoint independent of the Company's managing executives. The Company has also reported to the Tokyo Stock Exchange and Nagoya Stock Exchange all Outside Directors and Outside

Auditors are independent officers as specified by each Exchange.

[Independence Standards for Outside Directors](#)

<https://global.brother/en/sustainability/governance/corporate>

Reason for Selection of Outside Officers

In selecting Outside Directors, we place emphasis on factors such as global business experience and extensive management experience, high-level expertise, and experience in solving social issues. We strive to create a composition of officers with a variety of skills as required for corporate management, rather than skills in limited fields.

[See page 51.](#)

Major Activities by Outside Directors (FY2022)

Name (Attendance)	Exhibition of Expertise and State of Activities
Keisuke Takeuchi (11 out of 12 times)	Mr. Takeuchi appropriately fulfilled his role as an Outside Director, as he provided advice on management and supervised the execution of operations based on his extensive experience and insight acquired in the course of engaging in the management of a global group of companies by serving as President and Chairman of JGC Holdings Corporation. As the Chairperson of the Nomination Committee and a member of the Compensation Committee, Mr. Takeuchi also attended meetings of these committees. In particular, in electing candidates for President and other Directors, for example, he played a leading role in the consideration process as the Chairperson of the Nomination Committee.
Aya Shirai (12 out of 12 times)	Ms. Shirai actively presented her opinions at the Company's Board of Directors meetings based on her extensive experience and insight acquired through engaging in the top management of a local government and proactive promotion of the diversification of organizations as well as long-term service as an Outside Director for manufacturers. She appropriately fulfilled her role as an Outside Director, as she provided advice on management and supervised the execution of business. As a member of the Nomination Committee and the Compensation Committee, Ms. Shirai also attended meetings of these committees and actively presented opinions.
Kazunari Uchida (12 out of 12 times)	Mr. Uchida appropriately fulfilled his role as an Outside Director, as he provided advice on management and supervised the execution of business based on his extensive experience and insight acquired as an Outside Director and Outside Auditor of several companies, in addition to a broad range of expertise in corporate management developed through serving as Japan's Representative in the Boston Consulting Group. As the Chairperson of the Compensation Committee and a member of the Nomination Committee, he also attended meetings of these committees. In particular, as the Chairperson of the Compensation Committee, he played a leading role in the deliberation and determination processes of revisions of the compensation system for Directors.
Naoki Hidaka (12 out of 12 times)	Mr. Hidaka appropriately fulfilled his role as an Outside Director, as he provided advice on management and supervised the execution of business based on his extensive experience and insight acquired in the course of engaging in the management of a global group of companies by serving as Representative of overseas offices and Executive Vice President of Sumitomo Corporation. As a member of the Nomination Committee and the Compensation Committee, Mr. Hidaka also attended meetings of these committees and actively presented opinions.
Masahiko Miyaki (12 out of 12 times)	Mr. Miyaki appropriately fulfilled his role as an Outside Director, as he provided advice on management and supervised the execution of business based on his extensive experience, achievements, and insight acquired in the course of engaging in the management of a global group of companies by serving as Executive Vice President of DENSO CORPORATION. Additionally, as a member of the Nomination Committee and the Compensation Committee, he attended meetings of these committees and actively presented his opinions.

Column

Efforts and Promotion Structure of Sustainability

Brother Group has established the Sustainability Committee and is chaired by the Representative Director & President in April 2022. This Committee aims to progress management with an emphasis on sustainability and globally promote various activities focusing on achieving the materialities based on the Basic Policy on Sustainability.

Sustainability Committee meetings were held seven times in FY2022

Main topics	Date	Content
	April 2022	Deliberation on target-setting for each Subcommittee, internal organizations of the Sustainability Committee
	August 2022	Formulation of the Brother's Value Creation process
	February 2023	Approval of the Integrated Report disclosure process

[Basic Policy on Sustainability](#)

[Promotion of Management with an Emphasis on Sustainability](#)

<https://global.brother/en/sustainability/csr/policy>

<https://global.brother/en/sustainability/csr/management>

Effectiveness of the Board of Directors Conducting Evaluation of the Effectiveness of Directors

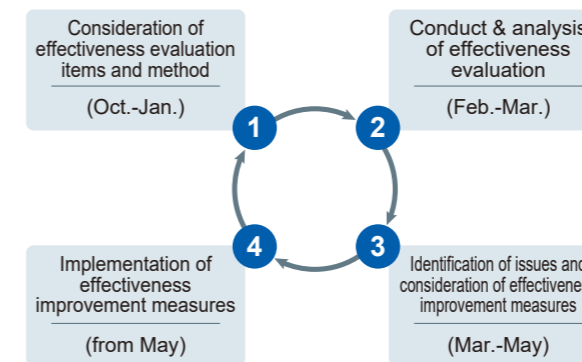
At BIL, respective directors and auditors every year evaluate the effectiveness of the Board of Directors and report the results to the Board of Directors. Based on the evaluation, the Board of Directors analyzes and assesses the effectiveness of the entire Board of Directors and discloses a summary of its results in a timely and appropriate manner.

The evaluation of the Board of Directors for FY2022 was conducted in March 2023 by having all directors and corporate auditors answer a survey developed after seeking the opinions of external consultants. The survey's main questions are given below.

- Composition and operation of the Board of Directors
- Management plans and business strategies
- Corporate ethics and risk management
- Performance monitoring and evaluation and remuneration of the management
- Dialogues with shareholders, etc. and issues from the previous year/the effects of the countermeasures

Process for Evaluation of the Effectiveness of the Board of Directors

To guarantee objective analysis, the consolidation of the survey and analysis of results are tasked to external consultants. The Board of Directors' secretariat conducts analysis using the consolidated data. A cycle is then implemented whereby analysis results, improvement measures, and other information is reported to and discussed by the Board of Directors, improvement measures are implemented, and re-evaluation is then conducted in the following year.



① Design of questions for measuring effectiveness of the Board of Directors together with external consultants taking into consideration factors such as social trends related to corporate governance.

② Evaluation regarding the effectiveness of the Board of Directors is conducted using a survey method for all Directors and Corporate Auditors. The survey's consolidation and analysis of results are tasked to external consultants. The survey response rate for FY2022 was 100%.

③ The results of the survey are analyzed together with external consultants, identifying issues and proposing improvement measures to improve the effectiveness of the Board of Directors. The analysis results, improvement measures, and other matters are reported to the Board of Directors and discussed.

④ After discussion by the Board of Directors, measures are implemented to improve the effectiveness of the Board of Directors. The effects of these efforts are confirmed by the Directors and Corporate Auditors during the following fiscal year's effectiveness evaluation survey.

Board of Directors' Effectiveness Evaluation Results and Response Policy

At the meeting of the Board of Directors held in May 2023, the evaluation results were discussed, and it was confirmed that BIL's Board of Directors functioned effectively in general. At the same time, through the evaluation of the Board of Directors, opinions were raised regarding requests and room for improvement in the following areas.

- Expand discussions on priority management themes (business portfolio transformation, talent strategy, capital cost)
- Establish an environment for bringing internal discussions to the Board of Directors
- Share deliberations of the Nomination Committee and Compensation Committee

The Board of Directors will continue to improve the Board's effectiveness taking these opinions into consideration.

State of Improvement Regarding Past Evaluation Results

The results of the previous effectiveness evaluation of the Board of Directors in February 2022 confirmed that BIL's board was functioning effectively overall. In response to the requests received through the evaluation of the Board of Directors and the comments on areas for improvement, the following measures were taken in FY2022.

- Implemented measures to stimulate discussion on business portfolio, capital cost, and DX
- Further improved the quality of board meeting materials to ensure appropriate discussion by Directors
- Provided continuous opportunities for Directors to acquire knowledge to fulfill their roles

Corporate Governance

Officer Remuneration

Policy on Officer Remuneration

BIL has established an officer remuneration system that facilitates the recruitment and retention of outstanding managerial talents from inside and outside the Company and serves the purpose of sustainably increasing corporate value. We have also adopted a policy of paying remuneration at appropriate levels according to job responsibilities and performance. Effective from FY 2022, we have revised the details of the performance-based and stock-based remuneration plans with the aim of continuously improving our corporate value.

The Company's Director remuneration is composed of the following:

Type of remuneration	Eligible individuals	Details of remuneration
Basic remuneration	All Directors	A fixed amount of remuneration paid to all Directors
Annual bonus	Full-time Directors who concurrently serve as Executive Officers	Monetary remuneration linked to business performance in the relevant fiscal year
Stock-based compensation	Directors other than Outside Directors and part-time Directors	Stock-based compensation linked to medium-term business performance and other factors (in cases where an eligible Director is a non-resident of Japan, alternative compensation is paid in the form of money)

Full-time Directors who do not concurrently serve as executive Directors (excluding Outside Directors) are paid only basic remuneration and stock-based compensation. Outside Directors and part-time Directors are paid only basic remuneration.

Objectivity and transparency regarding the amounts and calculation methods of all forms of Director remuneration are insured by specifying them in detail in the Company's Director Remuneration Rules and Share Grant Rules (collectively referred to as the "Director Remuneration Rules etc.,"). Revisions to the Director Remuneration Rules etc. require deliberation by the Compensation Committee and a resolution by the Board of Directors.

Remuneration paid to the Company's Corporate Auditors comprises only basic remuneration, which is fixed-amount remuneration, and is prescribed in the Corporate Auditor Remuneration Rules established by the Audit & Supervisory Board.

Amounts and Calculation Methods of Officer Remuneration

<Basic remuneration>


Basic remuneration paid to Directors and Corporate Auditors is a fixed amount of remuneration and is determined corresponding to their positions and job responsibilities within a remuneration limit approved by the General Meeting of Shareholders. Basic remuneration paid to Directors and Corporate Auditors is limited to 400 million yen per year and 140 million yen per year respectively.

<Annual bonuses>

Annual bonuses paid to full-time Directors who concurrently serve as Executive Officers are limited to 0.4% of the amount of consolidated profit (profit for the period attributable to owners of the parent company) for each fiscal year and paid based on reports of the Compensation Committee and resolutions of the Board of Directors.

Annual bonuses are calculated using the calculation method specified below. However, the total amount of annual bonuses paid in each fiscal year is limited to 0.4% of the amount of consolidated profit for the relevant period. If as a result of the following calculation, the total payment amount exceeds this limit, the amount is adjusted to within the limit.


Note: In this section, "revenue" refers to consolidated revenue and "profit for the period" refers to profit for the period attributable to owners of the parent company.

 Corporate Governance Structure—Officer Remuneration (Calculation methods of remuneration)

<https://global.brother/en/sustainability/governance/structure#s03>

<Stock-based compensation>

Stock-based compensation is variable remuneration linked to the degree of attainment of medium-term strategies and so on and the degree of increase in shareholder value in order to provide incentives to contribute to enhancing the Company's corporate value over the medium to long term. Stock-based compensation makes use of a share grant trust mechanism whereby shares and other securities are granted to eligible Directors (excluding Outside Directors, part-time Directors, and Directors who are non-residents of Japan) for payment using a trust to which the Company contributes funds.

 Corporate Governance Structure—Officer Remuneration (Calculation methods of stocks will receive as stock-based compensation)

<https://global.brother/en/sustainability/governance/structure#s03>

<The composition ratio of individual remuneration, etc. for each type of remuneration>

<The composition ratio of individual remuneration, etc. for each type of remuneration>

The composition ratio of remuneration for each full-time Director who concurrently serves as an Executive Officer is as follows when actual values are in agreement with the short-term performance target, which is an indicator for the annual bonus, and the medium-term performance target, which is an indicator for stock-based compensation : Basic remuneration (fixed) : Annual bonus (performance-based) : Stock-based compensation (performance-based) = generally 5 : 3 : 2

The composition ratio of remuneration for each full-time Director who does not concurrently serve as an Executive Officer is as follows when actual values are in agreement with the medium-term performance target, which is an indicator for stock-based compensation : Basic remuneration (fixed) : Stock-based compensation (performance-based) = generally 3 : 1

<Clawback and Malus clause>

With regard to annual bonuses and stock-based compensation, in the case where a Director engaged in non-conforming conduct, accounting irregularities, or the like, the Company may demand that the Director return all or part of remuneration previously paid pursuant to a recommendation by the Compensation Committee and a decision of the Board of Directors.

The Compensation Committee's activities in the course of determining the amount of officer compensation

The Compensation Committee verifies the appropriateness of remuneration, etc., by position and category of Director and the total remuneration level with reference to objective remuneration level data from external research organizations on a regular basis each year.

As part of these activities, the Compensation Committee deliberated on the agenda items indicated below in FY2022:

- **May 11, 2022**
 - Partial operational revision of performance indicators for stock-based remuneration (BIP trust)
 - Remuneration system and levels for full-time Directors who do not concurrently serve as Executive Officers
 - Annual bonus for the fiscal year
- **December 20, 2022**
 - Agenda Items Related to Directors and Corporate Auditors at the 130th Ordinary General Meeting of Shareholders - Officer Remuneration-related (Agenda Items 4 to 6)
 - Officer remuneration level assessment

The Board of Directors' activities in the course of determining the amount of officer compensation

The Board of Directors deliberated on and decided matters on officer remuneration for FY2022 as indicated below:

- **May 11, 2022**
 - Introduction of a new stock-based remuneration system
 - Remuneration system and levels for full-time Directors who do not concurrently serve as Executive Officers
- **June 20, 2022**
 - Performance-based remuneration
 - Revision of the policy for determining the remuneration, etc., of Directors and other officers (officer remuneration policy)
- **August 5, 2022**
 - Establishment of a trust for performance-linked stock-based remuneration
 - Allocation of treasury stocks through a third-party allotment to the BIP trust for officer remuneration

Amounts of officer remuneration

(For one year from April 1, 2022 to March 31, 2023)

Categories	Total amount of remuneration, etc. (Millions of yen)	Total amount by type of remuneration (Millions of yen)			Number of eligible officers
		Basic remuneration	Annual bonus	Stock-based remuneration (Basic remuneration + Performance-based remuneration)	
Director (including Outside Directors)	416 (56)	272 (56)	60 (—)	41 (—)	12 (5)
Corporate Auditor (including Outside Auditors)	77 (27)	77 (27)	— (—)	— (—)	5 (3)
Total (including Outside Directors and Outside Auditors)	494 (84)	350 (84)	60 (—)	41 (—)	17 (8)

Notes:

- The amount of remuneration paid to Directors does not include the employee salary portion for those employees who also serve as Directors..
- The number of eligible officers shown in the table above includes one Director (excluding Outside Directors) who resigned during FY2022.
- Since performance-based remuneration related to stock-based remuneration is linked to the performance targets in the current medium-term business strategy (FY2022–FY2024), performance-based remuneration for FY2022 is the base points of performance-based remuneration (same number as fixed points) converted to monetary values.

 Annual Securities Report for the 131st Term

<https://download.brother.com/pub/com/investor/annual-securities/pdf/2023/2022-asr.pdf>

Cross-shareholdings

BIL holds shares of other listed companies that it considers building good business relationships will contribute to the enhancement of its corporate value over the medium to long-term (hereafter referred to as "cross-shareholdings").

The Board of Directors examines the appropriateness of its individual cross-shareholdings on an annual basis and reduces holdings determined deficient in meaning. In November 2022, the Board of Directors decided to continue to hold each share since the rationale for cross-shareholdings was confirmed after the examination of the purpose of holding, dividend yield and market value, and other benefits and risks for each individual share.

BIL generally exercises its voting rights related to its cross-shareholdings. BIL approves an agenda after carefully examining its details, except when it may potentially harm Brother's medium to long-term economic interests and when it is obvious that the shareholder value will be damaged such as by antisocial acts by listed companies or the management of listed companies.

Institutional Investor & Outside Directors Round Table



Realizing the Brother Group Vision “At your side 2030” and Further Enhancing Corporate Value

To execute the medium-term business strategy “CS B2024,” which was formulated by backcasting from “At your side 2030,” and to realize the vision, the advice and supervision of management by Outside Directors is highly important. Aiming to deepen engagement with the capital market, Mr. Mitsuhiro Iso of Nomura Asset Management and our five Outside Directors exchanged views on how to enhance Brother’s corporate value.

Mitsuhiro Iso Iso joined Nomura Asset Management Co., Ltd. in 2003 after working for a life insurance company. As a buy-side analyst, he has been in charge of the electronics sector (electronic components, consumer electronics, precision and office equipment, etc.) for 20 years. Since 2022, he has been also serving as a department head.

Nomura Asset Management: Established in 1959, Nomura Asset Management is one of the largest asset management companies in Japan, providing asset management services to a wide range of clients from private investors in Japan to institutional investors such as public pension funds outside Japan. The company recognizes that medium- to long-term sustainability, including ESG, is one of the key management tasks that support the “virtuous cycle of investment (investment chain),” and requires its portfolio companies to manage their businesses with an emphasis on sustainability, while also promoting sustainability-oriented business management within the company.

Medium-term business strategy

Achievements and challenges in the strategic themes outlined in “CS B2024”

Iso Nomura Asset Management has established a basic policy of responsible investment in its investment management and encourages portfolio companies to achieve what we consider to be “desirable management practices.” I would like to hear your thoughts on how you are monitoring the management of the Brother Group in order to enhance its corporate value and achieve sustainable growth. First, regarding the strategic themes outlined in “CS B2024,” what kind of progress and challenges have been seen in each of the two areas: enhancement of the Industrial area and business model transformation in the Printing area?

Takeuchi I believe it is safe to say that we are making steady advancements in the three aspects of securing steady earnings in the Printing area, expanding the industrial equipment business, and expanding the Domino Business. We are also focusing on developing new businesses; however, since it takes time and tends to be smaller-scale if we stick only to our own technologies, we need to make efforts to expand the scale of our business by incorporating new external technologies as well. This issue is being actively discussed at the Board of Directors meetings.

Shirai This medium-term business strategy was formulated by backcasting to achieve our vision, and is more challenging than our previous medium-term strategies, which were mere extensions of past ideas. Although the medium-term business

strategy is at the halfway point, I feel that there are many tasks that need to be accomplished in the future. My focus is on the formulation of the HR policy and the introduction of a new HR framework. The importance of taking on challenges is emphasized, and reward programs based on results have been included. The foundation for encouraging behavioral change toward achieving our vision is being laid, so it is important to make sure that it sticks.



Uchida After all, the key is to carefully analyze the major changes in consumer behavior and the business environment that occurred due to the impact of the COVID-19 pandemic, and to make steady progress in transforming the business

portfolio and the business model of the P&S Business in order to achieve the vision. As for the business portfolio transformation, we must strengthen the expansion into the Industrial area, shifting from the P&S Business generating the majority of our earnings. Regarding the business model transformation of the P&S Business, we still have a ways to go in shifting from a business model that sells manufacturing products to one with its primary focus on software and networks. Since industrial equipment such as machine tools is inevitably affected by economic fluctuations, I would like to see a transformation to a business that generates revenue from software and services in the area of industrial printing, centered on the Domino Business.

Hidaka Our concern in formulating the vision was how to transform our business portfolio and how to grow the business by anticipating the shrinking demand for printing on paper. In industrial equipment, we have remarkable development capabilities, including the launch of a new series of “SPEEDIO” products with excellent energy-saving performance. Although we are currently facing headwinds due to the Chinese economic slowdown, in India and other growth markets, we are steadily taking steps and making steady progress toward our goals. While we are still in the trial-and-error stage of business model transformation in the P&S Business, I have advised the Company to envision what is required beyond office digitalization and consider joining forces with startups and emerging forces as needed.

Miyaki While there are trends such as the software-first approach and the shift away from manufacturing, a return to manufacturing is also beginning to take place. To create new value by absorbing a variety of information from hardware, it is of course necessary that the hardware possesses superiority. I

hope that Brother will also place importance on manufacturing that takes advantage of its advanced technologies. While demand for printing on paper is declining, garment printers and other industrial printing solutions are competitive and can be expected to grow. As for machine tools also, Brother’s compact, high-speed, and energy-saving technologies have culminated in the “SPEEDIO” series, which fits the current demand trends for high productivity and energy-saving performance. Business opportunities are expanding to manufacturing plants around the world in addition to China, and we would like to strengthen our sales there.



Iso Now that you have been in your position for two years, what have you noticed through your interactions with Brother’s technical team?

Miyaki I have visited many manufacturing sites over the past year and was impressed by their highly advanced manufacturing technology and efficiency. The sophistication of manufacturing is outstanding. The superiority of production technology and production efficiency is indeed very important, but for further advancement, I hope that more and more enthusiastic and unique engineers will emerge and create something new.

Toward Enhancement of Corporate Value

Board of Directors’ view of stock price and capital policy

Iso As both Brother’s earnings and stock price have remained mostly flat since 2018, it is difficult to say that the Company’s corporate value has improved. The ROE target indicated in the medium-term strategy is also status quo at 10% or above, and as an investor, I would like to see the Company aim for a higher level. How are the corporate value and stock price viewed by the Board of Directors?



Takeuchi We are aware of the problem that our performance is not reflected in our stock price despite our steady earnings. I believe that one of the reasons is that although we are taking on new challenges, our efforts to promote ourselves may be insufficient, perhaps due to a lack of outward communication. We need to continue our efforts to gain an understanding of investors and other stakeholders, including the results of our

Institutional Investor & Outside Directors Round Table

business portfolio transformation. We also need to increase the speed of our efforts in new businesses. As I mentioned earlier, I believe it is necessary not only to consider what we can do with our own technologies, but also to make a decision to develop a larger business plan and acquire the necessary technologies and human resources from outside the company. I believe that if the growth stories are better understood for the transformation of the P&S Business, expansion of the Industrial Equipment Business and Industrial Printing area, followed by the development of new businesses, we will be able to see a clearer picture of the improvement in our corporate value.



Hidaka I suspect that some of the uncertainty about the future of the office equipment market is reflected in the share price. I believe that investors' evaluation of the Company will change once the shift to B2B, which the Company is

working hard to achieve to get out of the situation, is reflected in the figures. In addition, I think it is necessary for the P&S Business to talk more ambitiously about such solutions it provides. Without a clear vision of what they want to achieve, they will not be able to gain the interest and appreciation of investors. Since there is a growing awareness of the need to make management decisions in accordance with business characteristics based on an understanding of the profitability of each business in relation to invested capital, I would like to have highly transparent discussions about capital costs and business returns at the Board of Directors meetings. Another key issue is the shareholder return policy. In "CS B2024," Brother has stated that it will return profits to shareholders through a combination of stable dividends and flexible share buy-backs. From the investor's point of view, how would you evaluate Brother's shareholder return policy?

Iso Since large amounts of cash are accumulated each year, we would like to see them used for growth investments, and if growth investments, including M&A, cannot be made, we would like to see them returned to shareholders. Some companies have a policy to return all cash exceeding a set amount of cash level to the shareholders. When excess capital builds up and capital efficiency declines, it also affects the value of the company.

M&A success and up-front investment in the future

Iso I would like to ask you about M&A, one of the policies of Brother's medium-term business strategy. How do you evaluate Brother's M&A in the past? Also, what kind of

investments are the "prior investments for the future" indicated in the medium-term business strategy?

Hidaka I think that the M&A of a trading company or an investment fund is different in character from that of Brother, a manufacturer. I have a background in a trading company, and I am aware that for a trading company, it is important to firmly capture returns by using indicators such as internal rate of return (IRR) and return on invested capital (ROIC) and taking other measures. For manufacturers such as Brother, it is necessary to execute M&A in line with the Group strategy and growth story. I believe that acquiring Domino^{*1} and making Nissei^{*2} a wholly owned subsidiary were vital to our expansion into the Industrial area, and although there were some challenges in executing PMI, I believe that this experience will be useful in future M&A. As for the prior investments for the future, I believe that we need to further strengthen the utilization of outside technology and human resources through M&A and venture investments to achieve further expansion in the Industrial area, transformation in the Printing area, and the creation of new businesses for the future business portfolio.

*1 Domino Printing Sciences, a British-based industrial printing company
*2 Nissei Corporation

Shirai Although we have received some evaluations saying that it took too long for the Domino Business to become profitable, I believe that the new technologies Brother has acquired and the growth of Brother's employees during the course of these hardships have become great assets. We can expect further results in the future.

Management with an emphasis on sustainability

Iso As one of the materialities identified to achieve the Vision, Brother has been working on reducing CO₂ emissions. What are the progress and challenges?

Miyaki With regard to Scope 1 and 2 through Brother's own efforts, we are making steady progress toward our CO₂ emission reduction targets. Since Scope 1 and 2 emissions account for about 10% or less of the total emissions of the three scopes, we are also focusing on reducing Scope 3 emissions, and are steadily working to reduce emissions from areas where we can reduce emissions through our voluntary efforts, such as in raw material procurement and transportation. Brother will address the reduction of CO₂ emissions from the use of its products by further improving the environmental performance of the products, especially their energy-saving performance. Since there is no doubt about the impact of GHG emissions on climate change, humanity needs to gather its wisdom and take all possible measures as soon

as possible. I hope that Brother will not limit itself to its own reduction efforts, but as a leader of the local economy, will actively communicate and work to inspire public opinion on the issue of climate change.

Iso In the materiality "Realizing a diverse and active society," your goal is to strengthen talent pipeline for healthy gender balance in management positions and establish an environment for achieving diverse ways of working. How do you assess the progress and challenges?



Shirai We are making steady progress toward our numerical targets for female representation in management positions and the percentage of male employees taking maternity leave. With the appointment of women as executive officers of Brother Industries and

presidents of Group companies, opportunities for women to participate in the decision-making process are gradually increasing. A female Outside Auditor has also been appointed, and the percentage of female officers on the Board of Directors is increasing. However, gender diversity in the decision-making process is still in its development phase, and the numerical targets remain at a level that is achievable. The ratio of female to all managers in Group companies outside Japan has reached a level of 30-40%, and I believe that there are many areas that need to be reviewed in Japan, including recruitment methods. I would like to see the Company take a bold approach with the spirit of leading the Japanese manufacturing industry in the advancement of diversity.

Governance

Development and utilization of managerial human resources and AI/DX human resources

Iso When President Sasaki took office in 2018, he stated that he would promote talent development and AI/DX, which I remember was an innovative policy at the time. How do you see the results and challenges of these initiatives?

Uchida Regarding the development of managerial human resources, Brother is making progress in terms of pooling managerial talents and conducting assessments incrementally. The system for developing talents through on-the-job training is quite solid, and I believe it would be even better if a dynamic talent development mechanism could be established based on this system, organically integrating off-the-job training and progressive talent assessments. On the other hand, I feel that acquiring external talents may be necessary, especially for

areas of AI and DX. Since the use of AI and DX is essential for the transformation of the P&S business model, one option to aid the lack of resources would be to invite external resources.

Qualities and qualifications required of top management

Iso I assume that the Nomination Committee is discussing the top management succession. What are your thoughts on the qualities and qualifications required of top management?

Takeuchi I believe that as part of management, it is of course essential to have the qualities and abilities that are commonly considered necessary, such as a sense of mission and leadership, but the most important thing is the willingness to take on new challenges. You could also refer to it as a sense of proactive management. Another is whether or not they have an eye for people. Whether building an organization or working together, the people you interact with are important and you must have a good understanding of them. Then, how can one acquire the ability to recognize the qualities and abilities of the people involved? I believe that this is something that can be cultivated through interaction with a large number of people by those who have the ability to bring many people together. With this in mind, our development program for successor candidates provides them with opportunities to interact with many people through outside seminars and residential trainings. In addition, I believe that being strong, energetic, and cheerful are also important qualities.



Iso I feel that Brother is a company that fits the phrase "At your side." perfectly. Brother achieving high profitability as a result of the efforts to stay close to its customers, identify their needs, and successfully turn them into business is the result of its excellent corporate culture, which I hope Brother will continue to value in the future. On the other hand, I believe that Brother is now in a different phase than it has been in the past. In my view, the Company has moved from the stage where it has worked hard to deepen existing businesses to a stage where it is boldly pushing forward with growth investments, including M&A, with an emphasis on financial strategies and capital policies. I believe that once such an aggressive stance is appreciated, share price valuations will change. I expect deeper discussions to be had at the Board of Directors meetings.

Risk Management

Approach to Risk Management

The Brother Group aims for sustainable growth and strives to be a company that is trusted by all its stakeholders. We have now formulated a new Group Vision "At Your Side 2030." Through recognizing that risks may hinder the creation of customer value and conducting appropriate risk management, we aim to enhance our ability to realize the Group Vision.

As the Group develops multiple businesses globally, we recognize that there is a high level of complexity and uncertainty in the global environment due to global economic effects and geopolitical factors. Furthermore, due to the acceleration of changes in the business environment arising from the global spread of COVID-19, there is a greater need than ever to appropriately recognize and respond to the risks surrounding the Group. We constantly recognize and respond to risks relating to compliance, product safety, export control, information management, environmental laws, safety and health, disaster prevention, and the supply chain. Together with strengthening business continuity in times of crisis and re-examining structures for lasting value creation, we will aim to recognize and respond to risks with an even more medium- to long-term strategic perspective than before.

Risk Management Promotion System

The Brother Group has established the Risk Management Committee chaired by the Representative Director & President. We have also formulated a comprehensive risk management system based on the Brother Group's Risk Management Regulations with the aim of reducing risks that are likely to have a serious impact on the Group's management. Each organization and subsidiary within the Group understands the risks and their probability of occurrence and makes efforts to manage risks by implementing measures for avoiding or reducing the impact of risks. Systems are in place for regularly reporting the status of such implementation to the Board of Directors.

Material Risks and Their Countermeasures

Item	Main Risks	Countermeasures
Geopolitical risks	<ul style="list-style-type: none"> US and China trade friction Situation in Russia and Ukraine 	<ul style="list-style-type: none"> Constantly gather information on trends in a wide range of international situations, including economic sanctions and tighter regulations implemented in different countries, and make decisions according to the circumstances
Contraction of printing market	<ul style="list-style-type: none"> Contraction of the printing market due to reduced printing on paper 	<ul style="list-style-type: none"> Expand business that continuously connects with customers while strengthening profitability through accelerated transformation of the business model, including expansion of contract-based services to meet the changing needs of the market Expand the Commercial & Industrial Labeling Business and Domino Business
Competition among companies	<ul style="list-style-type: none"> Increasing competition in the market due to the rise of new manufacturers in China and other countries in Asia 	<ul style="list-style-type: none"> Implement initiatives for providing products and services that realize customer value in each market Build a speedy and cost competitive business management base Promote circular economy business from a sustainability perspective
Changed global economic situation	<ul style="list-style-type: none"> Adverse impact on performance due to business fluctuations in each region caused by changes in the situation of the global economy 	<ul style="list-style-type: none"> Enhance development, production, sales and marketing, and after-sales service and maintenance

The Risk Management Committee meets regularly once every six months. However, we have created an emergency risk management system for responding swiftly to occurrence of a serious risk event in which the chairman will urgently convene an extraordinary meeting of the Risk Management Committee. In addition, we have established dedicated committees with respect to individual risks, including compliance, security trade, product liability, information management, safety, health, and disaster prevention, environmental laws and regulations, and supply chain, as subcommittees under the Risk Management Committee. With the Representative Director & President (or an executive officer designated by President) in charge, they make up a risk management system that understands and diminishes risks as well as responds when risks are apparent. In particular, for product safety, we have established Basic Product Safety Policies and voluntary product-safety action plans to provide safer products to customers.

Clarification of Evaluation and Responses

We have created systems for evaluating and responding to business risks focused on persons in charge of risk management in each department as well as each Group subsidiary. In addition, the Risk Management Committee manages evaluation and the status of response to material risks concerning the Group as a whole. Specifically, the Committee conducts reviews of risk matters in each fiscal year and gives instructions for preparing risk evaluation sheets to each Group organization and facility. By aggregating the results of the risk evaluation sheets, evaluating the risks according to the level of impact and likelihood of occurrence, and calculating the weight of each risk, the Committee identifies the Group's critical risks. It then gives instructions to each person in charge of risks for responding to and monitoring each of the risks.

	Item	Main Risks	Countermeasures
Supply chain	Supply chain interruption	<ul style="list-style-type: none"> A decline in procurement efficiency in the procurement of parts and materials or shutdown of manufacturing facilities due to geopolitical risks, etc. Supply chain interruption due to disasters Reduced operations of international logistics networks 	<ul style="list-style-type: none"> Respond by production in multiple facilities, especially of consumables Have backup production facilities and hold parts inventories Create multiple choices in parts suppliers Secure inventory storage space and multiplex ports in use Implement fire prevention and disaster prevention/reduction measures in each manufacturing facility Review inventory standards at sales locations to prevent shortages
	CSR procurement	<ul style="list-style-type: none"> Human rights issues within the supply chain Responsible procurement of minerals 	<ul style="list-style-type: none"> Revise the CSR Procurement Standards and request 1st tier suppliers to establish a process to confirm their own and their upstream suppliers' efforts to respect human rights and the status of such upstream suppliers' efforts Strengthen systems for assessing and correcting risks in the supply chain by joining the RBA and requiring suppliers to comply with the RBA Code of Conduct Establish the Policy on the Responsible Procurement of Minerals, conduct risk assessments based on the results of annual mineral procurement surveys, and request suppliers to avoid using smelters that are deemed to be a source of potential concern
	Risks related to parts and materials	<ul style="list-style-type: none"> Difficulty procuring parts and materials Parts and materials price hikes 	<ul style="list-style-type: none"> Long-term parts arrangements and securing inventory, creating multiple choices of suppliers, and considering alternatives through product redesigns Reflect raw material price hike risks in management plans Accurately monitor changes in market conditions and reduce procurement costs
	Quality, product liability	<ul style="list-style-type: none"> Market quality problems Quality control PL problems 	<ul style="list-style-type: none"> Manufacture products under strict quality control standards Take countermeasures for controlling expansion of damage when incidents occur
Laws and regulations	Compliance in general	<ul style="list-style-type: none"> Accounting fraud, misappropriation Unfair trade practices (competition law violations) Quality irregularity Bribery (anti-corruption) 	<ul style="list-style-type: none"> Establish employee conduct standards through the Codes of Practice in the Brother Group Global Charter (Global Charter) and carry out dissemination activities Establish Compliance Committee and consultation centers
	Tax systems	<ul style="list-style-type: none"> Increase in tax burden due to additional tax and international double taxation 	<ul style="list-style-type: none"> Respond through cooperation with external experts Communicate with tax authorities Use advance pricing agreements (APA)
Environment	Social demands related to the environment	<ul style="list-style-type: none"> Transition risks associated with climate change (policy and regulatory risks, market changes) 	<ul style="list-style-type: none"> Establish medium-term targets for FY2030 in relation to reduction of greenhouse gas emissions and implement emissions reduction initiatives Develop products that meet the processing needs of parts for Electric Vehicles (EVs) Set medium-term targets for FY2030 regarding the improvement of circulation of resources, and promote the effective use of resources, resource circulation, and the expansion of secondary resource use Analyze the financial impact of climate change based on TCFD recommendations and disclose appropriate information
	Environmental regulation, environmental pollution	<ul style="list-style-type: none"> Environmental regulation, environmental pollution 	<ul style="list-style-type: none"> Comply with laws and regulations on prohibited chemical substances and controlled chemical substances in accordance with the establishment of the Brother Group Green Procurement Standards Gather information on environmental laws and regulations in each country and region of the world and take measures in cooperation with product design-related departments to reflect them in products
	Security trade control	<ul style="list-style-type: none"> Adverse impact on sales of machine tools due to strengthening of legal regulations related to security trade control 	<ul style="list-style-type: none"> Maintain systems for proper compliance with laws and regulations Strengthen the security trade control system for the whole Brother Group Restructure the security trade control system for greater effectiveness
Information systems	Information security	<ul style="list-style-type: none"> External attacks on information systems, product information security 	<ul style="list-style-type: none"> Develop information security operating rules in accordance with the Information Management Regulation, enhance management systems, and conduct internal education and training Develop a basic policy on product information security and implement activities for improving product security in the whole Brother Group
	Information networks	<ul style="list-style-type: none"> Shutdown of critical systems and leakage of confidential information and personal information 	<ul style="list-style-type: none"> Create critical systems that can minimize downtime and be restored quickly in the event of an incident Implement security countermeasures based on multi-layered defense against unexpected intrusion or attacks from outside Conduct organizational training on prepared responses to occurrences of internal incidents
Human resources	Occupational injuries, casualties	<ul style="list-style-type: none"> Occupational injuries Casualties among employees due to disasters 	<ul style="list-style-type: none"> Horizontal development of information on causes of accidents that have occurred and measures for preventing recurrence Conduct safety and disaster prevention activities in each facility and check their status of implementation through factory inspections
	Securing human resources	<ul style="list-style-type: none"> Intensified competition for human resources, inability to secure necessary human resources, loss of key personnel 	<ul style="list-style-type: none"> Promote evolution of personnel systems and make continual improvements to the workplace environment Develop succession plans for key personnel Implement activities for maintaining and improving the brand image through enhancing employee awareness and corporate public relations in accordance with the Global Charter
	M&A (impairment risk)	<ul style="list-style-type: none"> Expected investment effects not obtained Delays in business integration (post-merger integration) Impairment of the Domino Business's goodwill and fixed assets 	<ul style="list-style-type: none"> Introduce new products and strengthen the customer base in the Domino Business as a priority strategy in the current medium-term business strategy "CS B2024" Check the asset value of goodwill and record an appropriate estimated value at least once a year
	Currency exchange risks	<ul style="list-style-type: none"> Sales reductions and cost increases due to currency rate fluctuations 	<ul style="list-style-type: none"> Increase the rate of linking of receipts and payments in foreign currency denominated transactions Implement forward exchange contract transactions
	Intellectual property	<ul style="list-style-type: none"> License-related disputes Infringement by third parties, production and sale of counterfeit products Employee invention disputes 	<ul style="list-style-type: none"> Use patent licenses held in business activities Take defense and settlement countermeasures in infringement lawsuits by third parties Exercise intellectual property rights against infringement by third parties Implement appropriate incentives for inventors based on invention incentive rules

Compliance

Approach to Compliance

The Brother Group considers that compliance with laws and ethics is indispensable for upholding the foundation of its management with an emphasis on sustainability and avoiding various risks. To ensure compliance on a Group basis, we have set standards for employee behavior based on one of the Codes of Practice in the "Brother Group Global Charter," Ethics and Morality; and the "Brother Group Principles of Social Responsibility," which clearly define our corporate social responsibility and guide us in fulfilling it.

Compliance Promotion Structure

Brother Industries, Ltd. (BIL) established the Compliance Committee and set up the Employee Helpline for Compliance Issues to prevent violations before they take place, take prompt action in the event of a violation, and prevent reoccurrences thereof. Helplines for compliance have also been established in Group companies in Japan and overseas. We are equipped with a system for timely notification enabling rapid response by the Compliance Committee when a compliance risk that may have a significant impact on the Brother Group's business management arises or is predicted to arise.

Furthermore, BIL has established the Internal Employee Helpline for Harassment Issues to address specifically harassment behavior, aiming to secure a work environment where employees can respect each other. BIL is also equipped with the Quality Compliance Helpline and the External Compliance Helpline, the latter providing employees with opportunities for direct reporting to partner lawyers.

Brother Group Global Policy for the Helpline for Compliance Issues

For the purpose of developing a mechanism to ensure that each Group company receives and deals with inquiries and reports internally and thereby improves the Company's ability to govern itself and mitigates reputational risks or the like (such risks may be caused by reporting outside the Company), the Brother Group has established a contact point to receive inquiries and reports related to compliance and has established and operates the Operation Standards of Helpline for Compliance as regulations of the Brother Group.

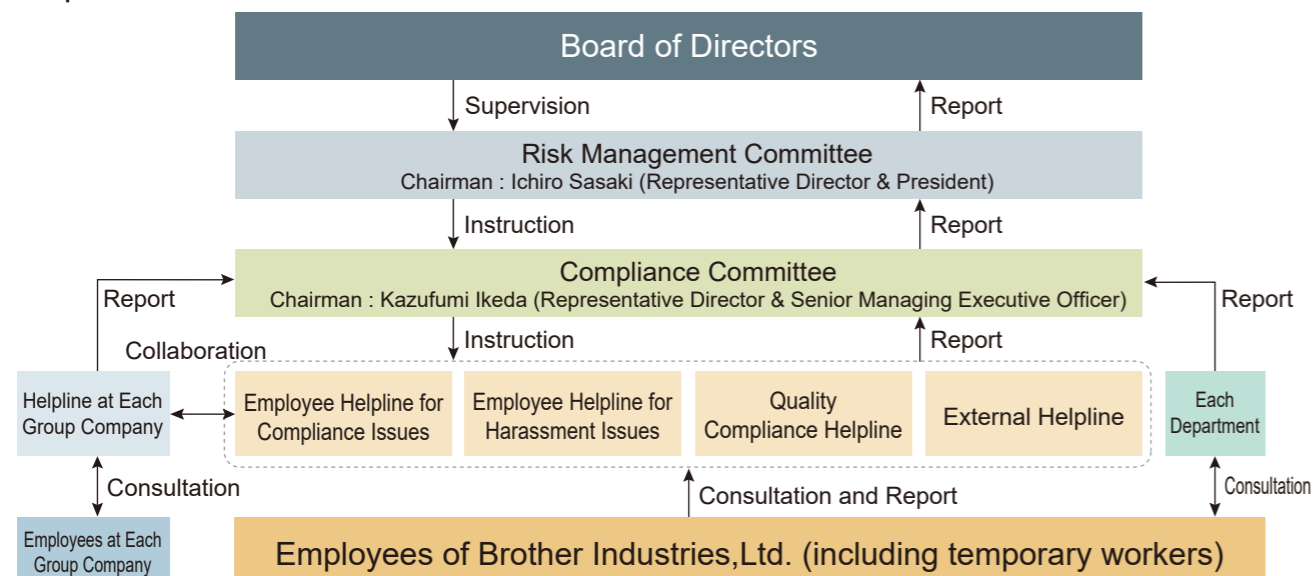
In addition, inquiries and reports received by Group companies are regularly reported to the Secretariat of the BIL Compliance Committee to centralize information and thereby implement control related to compliance across the entire Brother Group. Particularly, inquiries and reports that are likely to greatly affect the management of the Group will be reported to the Secretariat of the BIL Compliance Committee by each Group company when the primary investigation is commenced and also when the investigation is completed. BIL has formulated the "Brother Group Global Policy for Helping for Compliance Issues" to promote these approaches.

	FY2020	FY2021	FY2022
Number of cases handled by the Helpline for Compliance Issues	117	90	85
(Breakdown: BIL)	9	11	11
(Breakdown: Group companies in Japan)	61	56	47
(Breakdown: Group companies outside Japan)	47	23	27

Brother Group Global Policy for Helpline for Compliance Issues

<https://global.brother/en/sustainability/governance/compliance>

Compliance Promotion Structure



Approaches to Raising Employees' Awareness of Compliance among the Brother Group Companies Compliance Handbook and Card

With the aim of raising employees' awareness of compliance and ethics, we have issued the Compliance Handbook (handbook) and distributed it to employees of BIL and Group companies in Japan.

In addition to the compliance codes of conduct, rules that we need to conform with as a company Group, legal compliance as well as social norms and international standards, are broadly and briefly explained in this handbook for employees' ease of understanding. This handbook is provided in electronic format, making it accessible from the intranet at any time as well as flexibly updatable.

We also distribute the Compliance Card, which helps employees decide what action to take when they are unsure about what is the right thing to do in their daily life. This card also includes contact information for the Helpline for Compliance Issues.

Compliance Education

In Japan, we provide employees with Group training programs (orientation for new employees, new manager training, and a seminar for those who will be on an international assignment) and online training courses via our e-learning system. In addition, each Brother Group company outside Japan conduct compliance education to raise employees' awareness of compliance.

In accordance with recent trends in laws and regulations, we also look into laws and regulations and promote education and awareness-raising activities for respective Group companies in order to ensure compliance with each country's laws in areas such as bribery prevention and antimonopoly.

Brother Group Anti-Corruption Global Policy

The Brother Group is committed to complying with relevant laws and regulations in the countries and regions in which we operate in our Brother Group Code of Conduct.

Bribery and corruption are prohibited by the laws and regulations in most countries where we operate as acts that hinder economic and social development. In our Brother Group Principles of Social Responsibility, we promise our stakeholders that we shall not engage in any form of corruption, extortion or embezzlement. However, in recent years, laws and regulations governing bribery and corruption have become increasingly stringent, and in consideration of such circumstances, we have formulated the Brother Group Anti-Corruption Global Policy to further promote our anti-corruption efforts.

Brother Group Anti-Corruption Global Policy

<https://global.brother/en/sustainability/governance/compliance>

Anti-Corruption Measures

In the "Brother Group Principles of Social Responsibility" and the "Brother Group Anti-Corruption Global Policy," Brother Group employees are prohibited from engaging in corruption or bribery.

These policies are communicated to all Brother Group employees by posting on the external Brother Industries, Ltd. ("BIL") internet site and on the Brother Group intranet site.

In Japan, we engage in anti-corruption by distributing a compliance handbook that introduces examples of bribery and entertainment to all of Brother Group companies in Japan and provide compliance trainings for new hires and employees who are assigned overseas by BIL, as well as some of the other Brother Group subsidiaries in Japan.

Furthermore, in order to raise the awareness of compliance, BIL conducts anti-bribery training for management and staff of our Group companies.

In both FY2018 and FY2022, there were 0 (zero) employees who were fired or terminated for corrupt practices in Japan. The cost of fines or penalties related to corruption in Japan was 0 (zero) yen. In BIL, the total amount of political contributions made was also 0 (zero) yen.

In Asia, we introduced an anti-bribery checklist in FY2020 to be used by our sales facilities in the region. By utilizing the checklist, BIL works with our sales facilities in Asia to regularly check and monitor deals with third parties. Reflecting on the answers to the checklist, we added anti-bribery articles to our major contracts in FY2021. Subsequently in FY2022, some sales facilities in Asia began formulating anti-corruption policies as an effort to further reduce the bribery risk.

In the Americas, our regional headquarters conducts anti-corruption training sessions introducing case examples of situations that could constitute bribery for employees in the region. Furthermore, our regional headquarters in the Americas includes anti-corruption articles in international contracts with third parties such as new business partners outside the United States. The regional headquarters in the Americas also conducts anti-corruption screening for business partners related to purchasing and/or selling, and those who act on its behalf if located outside the United States. Business partners who are deemed to be at high risk as a result of the screening are requested to watch an anti-bribery educational movie and answer questionnaires on compliance. Furthermore, the regional headquarters in the Americas regularly monitors all business partners. When new trouble or risk is detected as a result of monitoring, measures are immediately taken against it. Specifically, the regional headquarters in the Americas will consider whether to continue business with the business partner concerned, determine whether additional due diligence is required, and introduce other measures to mitigate any negative impact on the basis of the results of the initial investigation and screening.

In Europe, mainly the regional headquarters conducts training for employees on a regular basis and it includes anti-bribery articles in major contracts with third parties to ensure that bribery is strictly prohibited.