

Integrated Report
2024

Comments on Issuance of “Integrated Report 2024”



Kazufumi Ikeda
Representative Director & President

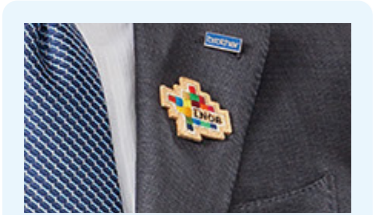
This is the “Integrated Report 2024” of the Brother Group. In this report, we have expanded upon the information we disclosed last year in the Integrated Report 2023 with more emphasis on the Brother’s identity and ease of understanding, to help our shareholders, investors, and other stakeholders deepen their understanding of the Group’s medium- to long-term value creation.

Since its foundation, the Brother Group has aimed to help customers improve their productivity and unlock their creativity. With this in mind, we have conducted our business activities in the spirit of “At your side.” In Integrated Report 2024, we clearly describe how we are enhancing our corporate value over the medium to long term by investing various resources of our Group and leveraging our strengths and business models within our value creation process and based on the spirit of “At your side.” This report provides not only the progress but also the issues and countermeasures regarding our business strategy, management foundation transformation and materiality in “CS B2024,” our medium-term business strategy formulated by backcasting from the Brother Group Vision of “At your side 2030.”

In compiling the report, each department collaborated with each other while referring to documents including the “International Integrated Reporting Framework” proposed by the IFRS Foundation and the “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation” proposed by the Ministry of Economy, Trade and Industry (METI). Furthermore, to properly fulfill our accountability to investors and other stakeholders in publishing the Integrated Report, the contents of the Integrated Report are approved in two stages—at the planning stage and prior to disclosure—by the Sustainability Committee, for which I serve as the chairperson. Our internal auditing departments also monitor the approval process at each stage of planning, production, and disclosure to ensure that it is appropriate. I hereby declare that the creation process and the content of the report are proper and fair.

The Brother Group will continue to utilize these integrated reports as tools for promoting constructive dialogue with all stakeholders, including shareholders and investors, and will endeavor to contribute to a sustainable society through business and improve our corporate value.

November 2024



The Brother Group has been providing support since 2015 to the Fukushima-based NPO Shinsei, which supports the independence of people with disabilities who were affected by the Great East Japan Earthquake. This SDG badge was designed by Shinsei in partnership with Japan Civil Society Network on SDGs, with each badge being individually handcrafted using Brother Sewing and Embroidery Machines.

Concept behind the Cover

In line with the medium-term business strategy “CS B2024” formulated by backcasting from the Brother Group Vision “At your side 2030,” the cover illustrates a door leading to the future gradually opening each year since the first year, FY2022. For FY2024, the theme colors we set for respective businesses are used to express the hope that lies beyond the door, depicting the progress of “CS B2024” and the growth of the Brother Group.



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Major feedback given on Integrated Report 2023 during institutional investor meetings and sections where the feedback was reflected in this year’s report

Major feedback	Details of improvement	Relevant pages
● I want to know the challenges you face and your solutions to them in addition to the progress of your management strategy.	● Not only progress but also challenges and solutions are described concerning each strategic theme.	▶ pp. 18–23
● I want to understand the risks and opportunities in each business and know the measures you are taking.	● In addition to the respective businesses’ strengths and challenges, the risks and opportunities they face are described in the part dedicated to each of them in the “Business Strategy” section	▶ pp. 26–31
● I want to know about your strategy for human capital, which is the source of the creation of competitive advantage and corporate value.	● Human capital policies, initiatives, and challenges are mentioned in the “Human Capital” section and the “Round Table” article.	▶ pp. 32–37
● I want you to show not only the advancement and functions of governance but also the challenges you face and the improvements you have made.	● Governance challenges and challenges related to sustainability targets are mentioned.	▶ pp. 46 and 60

Editorial Policy

The “Integrated Report 2023” is designed to explain Brother Group’s medium- to long-term value creation by integrating financial and non-financial information and to communicate a story of sustainable value creation unique to Brother to as many stakeholders as possible in an easy-to-understand manner. In editing the report, we referred to the METI’s “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation” and the IFRS Foundation’s “International Integrated Reporting Framework.”

For more detailed information about the Brother Group, please see the Brother Group Corporate Information page of the Brother website.

[Brother Corporate Information](https://global.brother/en/corporate) <https://global.brother/en/corporate>

Period Covered by the Report

The report mainly covers FY2023 (from April 1, 2023 to March 31, 2024). It also includes some information for the period from April 2024.

Companies Covered by the Report

Brother Industries, Ltd. (BIL) and its Group companies.



Brother Group Vision At your side 2030

Our Purpose

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

Our Approach

We identify and eliminate barriers to customers’ success by utilizing our unique technologies and global network.

Our Focus Areas

- Industrial - Become a trusted, invaluable solutions partner.
- Printing - Continue leading print innovation and pioneering new offerings.

“Creating the future with the “At your side.” Spirit

Since its foundation in 1908 as a sewing machine repair business, the Brother Group has pursued the diversification and globalization of business in its history of 116 years. Underlying our activities at all times is the prompt provision of superior value based on the “At your side.” spirit, which always places our customers first. We believe that being useful and bringing joy to our customers through the Brother Group’s products and services will bring us happiness. Going forward, we will continue to utilize our unique technologies and global network to create value that is distinctive to Brother. We will also contribute to society and help to protect the earth by working to solve social issues through business.

The Brother Group Global Charter

With the spirit of “At your side.”, Brother conducts management with an emphasis on sustainability to create social value through its business. The foundation of this is the Brother Group Global Charter (Global Charter), which is the cornerstone of all Brother Group activities and consists of Basic Policies and Codes of Practice for the day-to-day decision-making and implementation by Group employees. The Global Charter has been translated into 29 languages and shared so that all employees in more than 40 countries and regions can correctly understand and remain aware of it.

 The Brother Group Global Charter <https://global.brother/en/corporate/principle>




Brother Group Vision “At your side 2030”

“At your side 2030” is Brother’s Group Vision, which expresses the significance of Brother’s raison d’être and value proposition to society for FY2030. We seek to contribute to society, help to protect the earth, and achieve sustainable growth by expanding customer value based on the spirit of “At your side.”

 Brother Group Vision “At your side 2030” <https://global.brother/en/corporate/vision>

Brother Group Medium-Term Business Strategy “CS B2024”

In order to realize “At your side 2030,” the Brother Group implements the medium-term business strategy “CS B2024,” which focuses on the transformation of its business portfolio and management foundation for a sustainable future, as well as initiatives to resolve materiality at the core of the strategy. “CS B2024” promotes four strategic themes toward business portfolio transformation: 1) expansion in the Industrial area, 2) transformation in the Printing area, 3) activities toward the business portfolio of the future, and 4) management foundation transformation for a sustainable future, which aims at supporting 1) through 3) above.

 See pages 17–25.

Materiality

We have identified materialities as the key social issues to achieve “At your side 2030” and “to contribute to society and help protect the earth”. We have positioned addressing these issues as a key management issue during the “CS B2024” period.

 See the bottom of pages 18–19.