

Message from the Chairman – Brother's Future Aims –

Q What are the features of Brother's Board of Directors?

A In order to respond to wide-ranging global business issues in this rapidly changing era, it is important to formulate a detailed strategy taking into account the opinions from Outside Directors with different insights and expert backgrounds and to implement it as quickly as possible. We must also be able to respond quickly and flexibly to unexpected situations.

Approximately half of the Board of Directors of Brother Industries, Ltd. consists of Outside Directors, all of whom have diverse skills required for corporate management, including global business experience, rich management experience, high levels of expertise, and experience in resolving social issues, without being biased toward any particular field. A distinctive feature of Brother's Board of Directors is that very lively discussions take place at each of its meetings. Moreover, the Audit & Supervisory Board, which serves as a counterpart to the Board of Directors, is also comprised of a majority of Outside Auditors with diverse skills. At Board of Directors meetings, we receive proactive opinions and suggestions from all auditors, regardless of their position.

In order to deepen discussions at Board of Directors meetings, we continue to devise and improve methods for sharing internal information, including discussions held at management meetings and other events. In addition to its supervisory function, the Board of Directors also serves as a forum to obtain good advice from Outside Directors and Auditors toward achieving the Group Vision and the medium-term business strategy.

Q What will be required of the Board of Directors in the future?

A With the appointment of a new President, we have a new executive structure. I would like to support the new President and deepen discussions on how the Board of Directors should govern so that the

Brother Group can contribute to society and protect the earth. While passing on the Brother Group's flat and open organizational culture and culture of support for taking on challenges, we will consider encouraging and mechanisms to accelerate transformation and provide appropriate supervision.

We will work closely with the Corporate Governance Subcommittee of the Sustainability Committee to discuss the ideal structure of the Board of Directors and to strengthen the diversity of Directors and Executive Officers.

Q How will you contribute to enhancing our corporate value?

A To achieve the Group Vision, we will accelerate the business portfolio transformation and the strengthening of our management foundation, thereby realizing sustainable growth. The most important element in promoting this is human resources. Making the most of diversity and enabling every person to play an active, positive, and energetic role will lead to enhance 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. "Terry's* Challenge Academy," which supports young employees in taking on challenges, is now in its 11th year and has been attended by 239 employees. As the head instructor at the academy, I share the perspectives and beliefs I have gained from my over 23 years of experience outside Japan and experience as a leader, as well as the importance of making mistakes and taking on challenges. Among other things, what I always tell them is to have an overwhelming sense of ownership and be actively involved in other people's business. By conveying the importance of working together with colleagues to achieve goals while expressing themselves to each other without hesitation, I hope to be able to support the dreams and aspirations of as many employees as possible.

* "Terry" is the nickname of Chairman Toshikazu Koike

Passing on Our Corporate Culture of Taking on Challenges with an Overwhelming Sense of Ownership to the Future and Supporting the Acceleration of Transformation



Toshikazu Koike

Director & Chairman
Chairperson of the Board

Composition of the Board of Directors

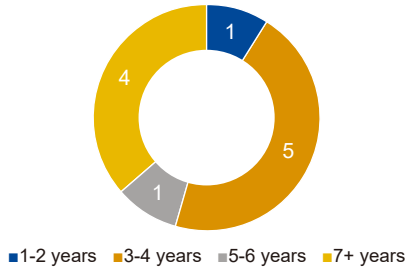
BIL's Board of Directors is composed of diverse talented individuals with different expert insights and backgrounds to ensure effective decision-making on management strategies and supervision of operations for sustainable growth of the Brother Group's corporate value. Placing importance on both the 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 Board of Directors deliberate on skills required in achieving the "CS B2024" and the people who are expected to proactively demonstrate these skills, and we have prepared a skill matrix to align these items.

Features of Brother's Board of Directors

Corporate Governance Structure (As of June 25, 2024)

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



Skills Matrix (As of June 25, 2024)

Role	Name	Official title or position	Committees to which he/she belongs		Area of Expertise									Age	Independent	Attendance at Board of Directors Meetings in FY2023
			Nomination Committee	Compensation Committee	Business/Strategy	Development/Manufacturing	Sales/Marketing	IT/DX	Talent Development	Internationalism	Legal/Compliance	Financial/Accounting	ESG/Sustainability			
Directors	Toshikazu Koike	Director & Chairman			●		●		●	●		●	●	68		11/11
	Ichiro Sasaki	Director & Deputy Chairman			●	●		●		●				67		11/11
	Kazufumi Ikeda	Representative Director & President	●	●	●				●	●		●	●	61		11/11
	Tadashi Ishiguro	Representative Director & Vice President			●		●	●		●	●			64		11/11
	Satoru Kuwabara	Representative Director & Vice President			●	●	●			●				61		11/11
	Taizo Murakami	Director & Senior Managing Executive Officer			●	●				●			●	62		11/11
	Keisuke Takeuchi	Outside Director	● Committee Chairman	●	●	●				●				76	●	11/11
	Aya Shirai	Outside Director	●	●	●				●		●		●	64	●	11/11
	Kazunari Uchida	Outside Director	●	● Committee Chairman	●			●	●	●				72	●	11/11
	Naoki Hidaka	Outside Director	●	●	●		●			●				71	●	11/11
Auditors	Masahiko Miyaki	Outside Director	●	●	●	●							●	70	●	11/11
	Keizo Obayashi	Standing Corporate Auditor								●		●		61		11/11
	Takeshi Yamada	Standing Corporate Auditor								●	●			61		11/11
	Akira Yamada	Outside Auditor								●	●			71	●	11/11
	Kazuya Jono	Outside Auditor								●		●		69	●	11/11
	Chika Matsumoto	Outside Auditor										●	●	63	●	11/11

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

Directors, Corporate Auditors, and Executive Officers (As of October 1, 2024)

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)
Jun. 2024 Outside Director of Ilden Co., Ltd. (current position)



Kazufumi Ikeda
Representative Director & President

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.)
Nov. 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
Apr. 2024 Representative Director & Vice President
Jun. 2024 Representative Director & President of the Company (current position)

Reason for Appointment

Toshikazu Koike has an excellent track record and demonstrated outstanding qualities as a senior executive. After having years of experience as the head of the Americas sales headquarters, he drove the growth of our primary business; printing as the President of Information & Document Company. As the President of the Company since 2007, he led the Company Group to steady growth towards achieving our long-term business vision. Further since 2018, he, as the Chairman of the Board of the Company, has shown his ability on promoting corporate governance for the Company Group. It is therefore considered that his extensive knowledge and skills are essential to the operation of the Company.

Reason for Appointment

After joined this Company, Kazufumi Ikeda accumulated operational experience, including in product planning and sales, as well as experience in the management of a sales subsidiary in Germany. Thereafter, he led the development of our business in the Americas as the head of the Americas sales headquarters. Most recently, as the head of corporate planning, he has been driving our medium-term business strategy, and demonstrating excellent leadership in human resource system reform aimed at enhancing employee engagement. We believe his extensive knowledge and leadership will contribute to the growth of the Company Group's corporate value.



Ichiro Sasaki
Director & Deputy Chairman

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
Jun. 2024 Director & Deputy Chairman of the Company (current position)



Tadashi Ishiguro
Representative Director & Vice President

Supervision of Domino Business Division and Industrial Printers
Business of Machinery Business Division

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)

Reason for Appointment

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 knowledge based on his experience, which includes operations in the manufacturing field (such as product planning and quality assurance) and management of our U.K. sales company. 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 been driving the transformation of the management foundation for the future growth through the implementation of the group vision "At your side 2030" and medium-term business strategy of the Company. It is therefore considered that his extensive knowledge and skills are essential to the operation of the Company.

Reason for Appointment

With years of experience as the head of the Americas sales headquarters, Tadashi Ishiguro drove 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 printing business as an executive responsible for the business. We believe his knowledge and experience will help contribute to the growth of the Company Group's corporate value.

Directors, Corporate Auditors, and Executive Officers (As of October 1, 2024)

Outside Director

**Satoru Kuwabara**
Representative Director &
Vice PresidentHead 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.
Responsible for: New Business Development Dept.

Reason for Appointment

After joined this Company, Satoru Kuwabara was engaged in development design operations in our primary business; P&S Business over several years, and he particularly demonstrated excellent leadership in the development of laser printer products. From 2010, he served as the operating officer of a manufacturing subsidiary in China as our main manufacturing facility. Since fiscal year 2021, he has driven the growth of the P&S Business as its head officer. We believe his knowledge and experience will contribute to the growth of the Company Group's corporate value.

**Taizo Murakami**
Director & Senior
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.

Reason for Appointment

Since Taizo Murakami joined this Company, he has been engaged for many years in the manufacturing technology field in the Company's main business, such as the sewing machine or printer business and served as head of the manufacturing facility in the ASEAN area, and therefore he has extensive knowledge in the manufacturing and quality control fields of the Company Group. Most recently, he has been demonstrating his abilities as the executive responsible for the Company's quality and manufacturing functions in promoting the manufacturing technology strategy and manufacturing facility strategy, and in dealing with supply chain issues for business continuity. We believe his knowledge and experience will contribute to the growth of the Company Group's corporate value.

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
Apr. 2024 Representative Director & Vice
President of the Company (current
position)

**Keisuke Takeuchi**
Outside Director

Independent Director

Reason for Appointment

Mr. Keisuke Takeuchi has been involved in the management of a global group of companies as Representative Director and President and Representative Director and Chairman of JGC Corporation. Through his extensive experience, insight, and achievements, he can provide advice regarding the Company Group's management, make important decisions and supervise the execution of business.

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)

**Kazunari Uchida**
Outside Director

Independent Director

Reason for Appointment

Besides Mr. Kazunari Uchida has deep knowledge in the business management field as Japan Representative of Boston Consulting Group, he has been engaged in the management of various companies for years through his experience as an Outside Director and Outside Auditor. Through his extensive experience, insight, and achievements, he can provide advice regarding the Company Group's management, make important decisions and supervise the execution of business.

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)

**Masahiko Miyaki**
Outside Director

Independent Director

Reason for Appointment

Mr. Masahiko Miyaki has been involved in the management of a global group of companies in fields including technical development, quality and the environment through his experience as Executive Vice President of DENSO Corporation. Based on his extensive experience, insight and achievements, he can provide advice on the Company Group's management, make important decisions and supervise the execution of business.

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)

**Aya Shirai**
Outside Director

Independent Director

Reason for Appointment

Ms. Aya Shirai has been engaged in the management of various manufacturing companies for years through her experience as an Outside Director. She has also engaged in the top management of local government and actively promoted the diversification of workplace. Through her extensive experience, insight, and achievements, she can provide advice regarding the Company Group's management, make important decisions and supervise the execution of business. Although Ms. Aya Shirai was not previously involved in corporate management other than as an Outside Director, based on the above reasons, it was determined that Ms. Aya Shirai will be able to appropriately conduct the duties of Outside 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.
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)

**Naoki Hidaka**
Outside Director

Independent Director

Reason for Appointment

Mr. Naoki Hidaka has been involved in the management of a global group of companies through his experience as Executive Vice President of Sumitomo Corporation and its overseas offices. Through his extensive experience, insight, and achievements, he can provide advice regarding the Company Group's management, make important decisions, and supervise the execution of business.

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)

Directors, Corporate Auditors, and Executive Officers (As of October 1, 2024)

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

Reason for Appointment

Keizo Obayashi has the knowledge and skills in accounting and tax fields through his experiences in business machines div., corporate planning dept., and European regional sales office. Most recently, he has the experience in promoting the internal control of the Company Group as the responsible person in finance & accounting dept. Based on his knowledge and experience, it is considered that he is the most appropriate for a Corporate Auditor of the Company.



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

Reason for Appointment

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.



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

Reason for Appointment

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.

Executive Officers

Senior Managing Executive Officers

Makoto Hoshi

Head of Machinery Business Division

Responsible for: Machinery Business Division ●Business Planning Dept.

Tsuyoshi Suzuki

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

Toshihiro Ito

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

Managing Executive Officers

Tetsuro Koide

Head of Domino Business Division

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

Yumiko Iwadare

Responsible for: Printing & Solutions Business Division
●Business Planning Dept., ●Business Development I Dept.,
●Business Development II Dept., ●CX Development Dept.,
●Labeling Solutions Business Development Dept.
General Manager of Business Planning Dept.

Yasuyuki Hasegawa

Responsible for: Industrial Sewing Machine Business and Industrial Printers
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.

Hiroaki Fujino

Responsible for: Intellectual Property Dept.
General Manager of Intellectual Property Dept.

Akira Nakashima

Responsible for: Finance & Accounting Dept.
General Manager of Finance & Accounting Dept.

Group Managing Executive Officers

Isao Noji

Chairman 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

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 pages 50-51.

Major Activities by Outside Directors (FY2023)

Name (Attendance)	Exhibition of Expertise and State of Activities
Keisuke Takeuchi (11 out of 11 times)	Mr. Takeuchi appropriately fulfilled his role as an Outside Director in providing advice on the Company's management and supervising the execution of business operations, for example, by actively speaking at meetings of the Company's Board of Directors from a standpoint and perspective independent of the Company's management, drawing on his wealth of experience and insight from his career in the group management of global companies, including serving as President and Chairman of JGC Holdings Corporation. Additionally, as the Chairperson of the Nomination Committee and as a member of the Compensation Committee, he attended meetings of these Committees and actively presented his opinions. In particular, as the Chairperson of the Nomination Committee, he played a leading role in the review process for determining candidates for President and other Directors.
Aya Shirai (11 out of 11 times)	Ms. Shirai appropriately fulfilled her role as an Outside Director in providing advice on the Company's management and supervising the execution of business operations, for example, by actively speaking at meetings of the Company's Board of Directors from a standpoint and perspective independent of the Company's management, drawing on her extensive experience and insight gained through her diverse career - including an outside director of a number of manufacturers, top management of a local government, and the promotion of diversity in organizations. Additionally, as a member of the Nomination Committee and the Compensation Committee, she attended meetings of these Committees and actively presented her opinions.
Kazunari Uchida (11 out of 11 times)	Mr. Uchida appropriately fulfilled his role as an Outside Director in providing advice on the Company's management and supervising the execution of business operations, for example, by actively speaking at meetings of the Company's Board of Directors from a standpoint and perspective independent of the Company's management, leveraging 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. Additionally, as a member of the Nomination Committee and the Compensation Committee, he attended meetings of these Committees and actively presented his opinions. In particular, as Chairperson of the Compensation Committee, he played a leading role in the process of determining, among other things, the proposed revisions to Directors' remunerations.
Naoki Hidaka (11 out of 11 times)	Mr. Hidaka appropriately fulfilled his role as an Outside Director in providing advice on the Company's management and supervising the execution of business operations, for example, by actively speaking at meetings of the Company's Board of Directors from a standpoint and perspective independent of the Company's management, drawing 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 offices outside Japan and Executive Vice President of Sumitomo Corporation. As a member of the Nomination Committee and the Compensation Committee, he also attended meetings of these Committees and actively presented his opinions.
Masahiko Miyaki (11 out of 11 times)	Mr. Miyaki appropriately fulfilled his role as an Outside Director in providing advice on the Company's management and supervising the execution of business operations, for example, by actively speaking at meetings of the Company's Board of Directors from a standpoint and perspective independent of the Company's management, drawing 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 ten times in FY2023

Main topics	Discussion on the performance reports and annual plans of the Subcommittees, which sit under the Sustainability Committee
	Deliberation and approval of proposals regarding the issuance of Integrated Report 2023 and the content of the report prior to disclosure, in accordance with the "Disclosure and Approval Process" approved by the Committee in February 2023
	* The Disclosure and Approval Process is our unique process of obtaining Committee approval for the issuance of the company's Integrated Report at the two stages of planning and final disclosure in anticipation of future third-party assurance.
	Reporting of employee engagement survey results and cases of improvement measures

 Basic Policy on Sustainability

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

 Promotion of Management with an Emphasis on Sustainability

<https://global.brother/en/sustainability/csr/management#m01>

Effectiveness of the Board of Directors

Conducting Evaluation of the Effectiveness of Directors

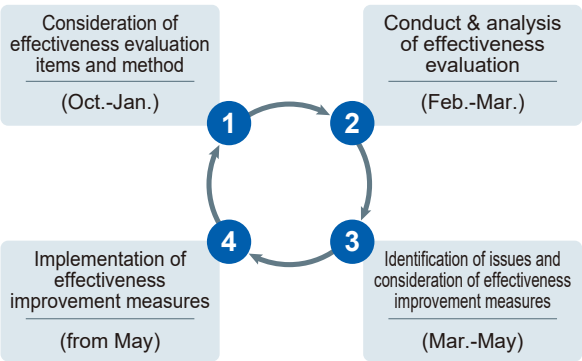
At BIL, respective directors and auditors every year evaluate the effectiveness of the Board of Directors and report the results to the Board of Directors. Based on the evaluation, the Board of Directors analyzes and assesses the effectiveness of the entire Board of Directors and discloses a summary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

The evaluation of the Board of Directors for FY2023 was conducted in February 2024 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 review of measures implemented in the previous year

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 FY2023 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 2024, the evaluation results were discussed, and it was confirmed that BIL's Board of Directors was functioning effectively in general. In consideration of opinions and requests shared through the latest survey for the evaluation of the Board of Directors, the following initiatives will be implemented in FY2024:

- Enhance discussions of the Board of Directors on key management themes and provide feedback to Executive Officers in the process of formulation of the next medium-term business strategy
 - Financial strategy
 - Human capital investment and human resources strategy
- Enhance discussions of the Board of Directors on the ideal form of BIL's corporate governance
 - Clarify the themes of proposals to be submitted to the Board of Directors
 - Reaffirm the functions and roles of the Board of Directors, Directors, and Corporate Auditors

By implementing these initiatives, the Board of Directors will continue to improve its own effectiveness.

State of Improvement Regarding Past Evaluation Results

The results of the previous effectiveness evaluation of the Board of Directors in February 2023 confirmed that BIL's Board was functioning effectively overall. In response to the requests and the comments on areas for improvement received through the evaluation of the Board of Directors, the following measures were taken in FY2023.

- Enhance discussion on key management themes
 - Business portfolio, capital cost, and human resources strategy in particular
- Establish an environment for bringing internal discussions to the Board of Directors
- Ensure that the content of discussions of the Nomination Committee and Compensation Committee is shared

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. In FY2022, we 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 Directors eligible (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 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 FY2023:

- May 17, 2023
- Annual bonuses for Directors based on FY2022 performance
- Stock issuance based on FY2022 performance
- December 22, 2023
- Officer remuneration level assessment
- February 6, 2024
- Revision of remuneration for Outside Directors

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 FY2023 as indicated below:

- June 22, 2023
- Annual bonuses and stock-based remuneration for Directors based on FY2022 performance
- February 6, 2024
- Revision of remuneration for Outside Directors

Amounts of officer remuneration

(For one year from April 1, 2023 to March 31, 2024)

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)	432 (57)	289 (57)	53 (－)	44 (－)	44 (－)	11 (5)
Corporate Auditor (including Outside Auditors)	78 (28)	78 (28)	－ (－)	－ (－)	－ (－)	7 (4)
Total (including Outside Directors and Outside Auditors)	511 (85)	368 (85)	53 (－)	44 (－)	44 (－)	18 (9)

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 two Corporate Auditors (including one Outside Auditor) who resigned during FY2023.
- 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 FY2023 is the base points of performance-based remuneration (same number as fixed points) converted to monetary values.

Annual Securities Report for the 132nd Term

https://download.brother.com/pub/com/investor/annual-securities/pdf/2024/2023-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 "crossshareholdings").

The Board of Directors examines the appropriateness of its individual cross-shareholdings on an annual basis and reduces holdings determined deficient in meaning. In December 2023, 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.

Messages from Outside Directors – Challenges and Future Expectation –



Aya Shirai

Outside Director

Q In our medium-term business strategy “CS B2024,” we have identified materialities and set sustainability goals to address them. How are you monitoring the progress of these initiatives?

A The Brother Group has identified five materialities in order to “contribute to society and help protect the earth” as “Our Purpose” in the Brother Group Vision “At your side 2030.” For example, in the P&S Business, it is strengthening its efforts to build two-way connections between customers and the Brother Group, including offering subscription services, in each region. In addition to providing customers with the necessary consumables, information, and services in a timely and easy manner, it aims to reduce CO₂ emissions by encouraging customers to use its products for a long time and, in the future, by realizing a circular economy in which products and consumables are collected and recycled. To understand the progress of these efforts, we are monitoring the number of subscribers to the two-way connections, the development of energy- and resource-saving products, and the status of factory improvements that enable the recycling of consumables.

However, there is still a large gap between the target number of connections with customers set for 2030 and the current situation. I feel that it is necessary to come up with further ideas to ensure that customers understand and agree with the benefits of connecting with the Group and its contribution to protecting the earth.

Q There is a need to create a work environment where all employees can fully demonstrate their abilities. What is your assessment of Brother's personnel system reforms aimed at resolving its human capital issues and their penetration into the organization and employees?

A Brother is currently reforming its compensation, job grading, and evaluation systems in accordance with its new Human Resource Policy of supporting employees' true autonomy and unceasing efforts and properly rewarding their achievements and contributions. It also promotes flexible and autonomous working styles by establishing a system that allows employees to temporarily suspend and resume work after the start of work and a re-employment system so that employees can continue to use their careers even if they are forced to resign due to their spouse's transfer, whether inside or outside the Company. These measures are expected to improve employee engagement. I also think it is commendable that the company operates these systems that cater to each employee in order to create a work environment where diverse talents can play an active role.

Meanwhile, looking at publicly disclosed data showing the status of women's empowerment, I feel that its efforts are still only halfway and that further measures are needed to bring about change within the Company. I hope that it will quickly create a workplace where no one is left behind, aiming to be an organization that is results-oriented yet rewards taking on challenges and hard work, regardless of age or gender.



Masahiko Miyaki

Outside Director

Q What is your assessment of Brother's technological development and manufacturing? What should we work on now to grow in 10 to 20 years, and how should we achieve this?

A I believe that the Company is at the forefront of both product development technology and manufacturing technology. This is the result of a history of grasping the needs of the times, internalizing* core technologies common to each product category, and advancing manufacturing while adhering to its own manufacturing technology. Meanwhile, looking at the “Brother Group Product and Technology Timeline,” I feel like there are very few things that are unique enough to be called a “world first.”

Product and Technology Timeline <https://global.brother/en/corporate/technology>

A good product or business must meet the following criteria: “It is an absolute good that benefits society,” “If successful, it can be expected to increase sales and employment over the long term,” “It cannot be easily imitated,” and “It is something that you can be completely passionate about.” I believe that success lies at the end of the honest path of perfecting and developing product and manufacturing technologies in which you are involved, while devoting all your time, and of grasping and combining future needs that are just beginning to emerge. It is often said that the future is not an extension of the present, however, technology is not so simple that someone with no skills can create the most advanced technology in 10 or 20 years. Although M&A is one way to achieve development, there seem to be few successful examples in terms of technology. However, as a hint from my experience, I would like to say that there is great potential in looking back at what you couldn't do in the past and what other companies have failed to do.

* In-house production. First, try it yourself and understand the principles. Repeat improvements on-site to increase competitiveness.

Q What is commendable about Brother's environmental initiatives, and what are the challenges it faces going forward?

A In its environmental initiatives, the Company has achieved the annual targets it has set in the fields of the reduction of CO₂ emissions, resource circulation, and biodiversity conservation. The Company has also received various awards and achieved positive results in activities that are valued by society. What's more, it is also great that its products are designed to be small, lightweight, and energy-saving, which helps reduce CO₂ emissions during customer use.

However, now that environmental crises, including global warming, are an increasingly urgent concern, there is a strong need for further new initiatives. It is expected that there will be limits to what can be achieved with electrification alone in the drive to carbon neutrality. Therefore, new energy sources and new technologies such as CO₂ fixation* are being actively researched. For now, the Company works to reduce CO₂ emissions at its business sites by installing solar panels and purchasing green electricity. However, I would like all employees to always be interested in and study all kinds of cutting-edge carbon-neutral technologies and have the ambition to commercialize them. I strongly believe that this will pave the way for new portfolio transformation.

* The process of converting gaseous CO₂ contained in the atmosphere and exhaust gases into carbon compounds to fix it. There are various methods, such as a physicochemical method used to separate and capture CO₂ in the exhaust gases of combustion plants, a biological fixation method including fixation by plants, and a large-scale fixation method including underground or ocean sequestration.

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. 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 reduces 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.

Material Risks and Their Countermeasures

Item	Main Risks	Countermeasures
Supply chain interruption	<ul style="list-style-type: none">● Increased difficulties in the continuous procurement of important 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● Promote the use of multiple routes and ports● Implement fire prevention and disaster prevention/reduction measures in each manufacturing facility● Review inventory standards at sales locations to prevent shortages
Information security	<ul style="list-style-type: none">● External attacks on information systems, product information security	<ul style="list-style-type: none">● Formulate an Information Security Basic Policy● Formulate information security operating rules in accordance with the Information Management Regulation, enhance management systems, and offer internal education and training based on the Information Security Basic Policy● Review the Product Information Security Basic Policy and implement activities for improving product security across the Brother Group in accordance with the Information Security Basic Policy
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) to cope with the risk of shifting to EVs in the automobile industry● 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
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

Risk Management and Internal Control

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

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 handles inquiries and reports internally, thereby improving the company’s ability to govern itself and mitigating reputational risks or the like (such risks may be caused by reporting outside the company), the Brother Group has established the Employee Helpline for Compliance Issues. In operating the helpline, the Group has established the Operation Standards of the Employee Helpline for Compliance Issues as regulations of the Brother Group.

In addition, Group companies regularly report inquiries and reports to the Secretariat of the BIL Compliance Committee to centralize information and thereby control compliance across the entire Brother Group. In particular, inquiries and reports that may have a significant impact on the management of the Group will be reported by each Group company to the Secretariat of the BIL Compliance Committee upon receipt of the report and initiation of a primary investigation, as well as upon completion of the investigation. To promote these initiatives, BIL has formulated the Brother Group Global Policy for Helpline for Compliance Issues.

	FY2021	FY2022	FY2023
Number of cases handled by the Helpline for Compliance Issues	90	85	120
(Breakdown: BIL)	11	11	22
(Breakdown: Group companies in Japan)	56	47	51
(Breakdown: Group companies outside Japan)	23	27	47

Brother Group Global Policy for Helpline for Compliance Issues

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

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

Issuance of Compliance Handbook and Card

In 2010, BIL published the Compliance Handbook to raise employee awareness of ethics. The Handbook contains codes of conduct and rules to be observed by BIL as a company, enabling employees to apply the contents to themselves and the work they are responsible for. In FY2023, the Handbook was revised to include additional topics, such as the prohibition of maternity harassment, so that it can provide up-to-date compliance information that is in line with today’s social environment. The Handbook is now provided in electronic format instead of paper, making the latest version available from the intranet at any time for the viewing of employees of Group companies in Japan.

In addition, BIL and Group companies in Japan have distributed the Compliance Card, which provides contact information for the Helpline for Compliance Issues, to their employees to ensure that they are aware of the Helpline.

Compliance Education

BIL and Group companies in Japan provide their employees with various group training, such as orientation for new employees, new manager training, and a seminar for those who will be on an international assignment, as well as compliance education through e-learning and in other formats. In addition, each Brother Group company outside Japan conducts compliance education to raise employees’ awareness of compliance. In accordance with recent trends in laws and regulations in various countries, 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 under our Codes of Practice stipulated in the Brother Group Global Charter. Bribery and corruption are prohibited by the laws and regulations in most countries and regions 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 provide or receive bribes or any excessive or inappropriate benefits. 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 in all countries and regions in which we operate. These policies are communicated to all Brother Group employees by posting on the external BIL Internet website and on the Brother Group intranet site.

Japan: Provision of a Compliance Handbook and training

For all employees of Group companies in Japan, we are working to raise their anti-corruption awareness by distributing a Handbook. To prevent the risk of corruption, we also provide training for new hires and mid-career recruits, as well as for employees before their overseas assignments at BIL and certain Group companies in Japan.

From FY2018 to FY2023 in Japan, there were no terminations for corruption, no corruption-related fines, and no penalties. In addition, BIL did not make any political contributions during that period.

Asia: Introduction of a checklist

In Asia, we introduced an anti-bribery checklist in FY2020 to be used by our sales facilities in the region, which is being used to check for red flags* that may constitute bribery in transactions with third parties. Based on the answers to the checklist, we added anti-bribery articles to our major contracts in FY2021. Some of our sales facilities began formulating their own internal anti-bribery policies in FY2022, and in FY2023 we expanded the scope of sales facilities formulating their own internal policies.

* Refers to conflicts of interest, unusual payments, improper sales rebates and discounts, and improper gifts and entertainment.

The Americas: Conducting training, sharing anti-corruption policies, conducting screening

In the Americas, our regional headquarters includes anti-corruption clauses in contracts with third parties, such as new business partners outside the United States, in view of the high risk involved in cross-border transactions. Furthermore, it conducts anti-corruption screening of business partners involved in sales 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 film and answer questionnaires on compliance. In addition, the regional headquarters monitors all screened business partners on an ongoing basis and immediately addresses any identified new issues or risks by evaluating whether to continue business with the business partner concerned and developing mitigation measures. It also provides anti-corruption training to employees.

Europe: Providing education, including an anti-bribery clause in contracts

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

Compliance Promotion Structure

