Brother Group Sustainability Website



The Brother Group will continue to provide superior value contributing to a sustainable society by practicing management with an emphasis on sustainability.

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Brother Group Sustainability Website



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Scope of report: Brother Industries, Ltd. and its global group companies (including those in Japan)
Covered period: April 1, 2024 to March 31, 2025 and topics up until September 25, 2025
Guideline used as a reference: GRI's "Sustainability Reporting Standards"

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Message from the Management

Always boldly designing Our Purpose and working to solve our issues of materiality



Representative Director & President Kazufumi Ikeda

Brother's corporate culture

Traditionally, Brother has had an open corporate culture in which the relationships between superiors and subordinates have not been so hierarchical. This open-mindedness and the spirit of "At your side," which puts customers first in every situation, are the very DNA of Brother that creates the Brother’s strengths and the driving force behind its ability to change its business in response to changing times and environments without being afraid of transformation. As the global Team Brother, we are able to grow by building trust and sharing our knowledge base with each other. In the belief that “people’s voices” inspires transformation, I value engaging in dialogues with employees and listening to their views with a neutral attitude, thereby producing new ideas while building mutual trust. To realize a sustainable world, we will further refine this DNA and strengths and create unique Brother’s value.

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The Brother Group Vision and Materiality

In the Brother Group Vision "At your side 2030 https://global.brother/en/corporate/vision " formulated for 2030, we declare Our Purpose as "By being ‘At your side,’ we enable people’s productivity and creativity, contribute to society, and help protect the earth." As a roadmap toward fulfillment of Our Purpose, we have formulated the FY2025–2027 medium-term business strategy “CS B2027” (https://global.brother/en/investor/management/csb) and reviewed the five issues of materiality we had identified as priority social issues in 2022, resulting in six issues of materiality (https://global.brother/en/sustainability/csr/materiality) redefined in 2025.

> "Supporting people’s value creation https://global.brother/en/sustainability/csr/value "
> "Realizing a diverse and active society https://global.brother/en/sustainability/social/diversified "
> "Pursuing a responsible value chain https://global.brother/en/sustainability/social/supply-chain "
> "Reducing CO_2 emissions https://global.brother/en/sustainability/eco/co2 "
> "Circulating resources https://global.brother/en/sustainability/eco/resource-circulation "
> "Supporting value creation through governance https://global.brother/en/sustainability/csr/materiality#m02 "

We believe that, to contribute to society, we can support people’s value creation by ensuring that all Group employees work together to create excellent value and promptly provide it, thereby satisfying our customers. We believe that diversity of human resources is essential for that purpose. With the increasing uncertainty in the world, the range of options becomes limited if many people share the same opinions. Assigning women and foreign nationals to key positions is certainly important, but diversity of thinking is more important than that of people’s categorical attributes. We will promote value creation by aggregating various ideas from various ways of thinking.
Social responsibility in the value chain is also an important theme. Through the "Brother Group Human Rights Global Policy https://global.brother/en/sustainability/social/human-rights " and participation in the Responsible Business Alliance (RBA) https://global.brother/en/sustainability/csr/initiative#i02 , we will respect the human rights of all workers in the entire supply chain, and ensure a safe and secure working environment.

To “Protect the earth”, we have set forth the "Brother Group Environmental Vision 2050 https://global.brother/en/sustainability/eco/policy " to address climate change, aiming to make all of our business activities carbon neutral and minimize CO_2 emissions throughout the value chain by 2050. Promoting sustainable use of resources, we will continue to improve the system for resource circulation throughout the value chain and aim to achieve sustainable use of resources and minimize the environmental impact of waste by, for example, reducing the ratio of virgin materials used in our main products to 65% or less by FY2030.

“Supporting value creation through governance” has been newly added to our issues of materiality in

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FY2025. We hope to strengthen our governance so that, when we make investments aimed at M&A, for example, we can ensure the transparency and fairness of management and encourage appropriate risk-taking toward transformation.　I believe that such an “aggressive” style of governance will enable the Brother Group to fulfill its future vision and increase its corporate value.

Toward achievement of the medium-term business strategy “CS B2027”

In the medium-term business strategy CS B2027 https://global.brother/en/investor/management/csb , with an eye to the realization of the Brother Group Vision “At your side 2030,” we commit ourselves to accelerating our business portfolio transformation and improving our profit-generating capability for the long-term enhancement of our corporate value, under the theme “Creating our Future. Boldly.”　Aiming to expand our sales in the industrial area to approximately 50% by FY2030, we will implement the strategy by stepping out of our comfort zone and overcome our psychological barriers with our own will.

To achieve this, we have set four key targets.

The first key target is to achieve 100 billion yen of operating profit, which is our top priority indicator. To achieve this target, we will clarify the role of each business and ensure that each business will execute strategies based on key indicators set for it.

The second is to expand growth investments. We will execute growth investments of approximately 200 billion yen over the three years.
We will allocate resources primarily to the industrial area and proactively promote M&A and alliances.

The third is to strengthen our technological and human resources foundations. We will work to strengthen our technological and human resources foundations that support our strategies while steadily implementing the strategies of each business and producing satisfactory results. We will therefore enhance the profit-generating capabilities of the entire Group.

The fourth is to raise our stock price with a view to increasing our corporate value.
We will also significantly enhance shareholder returns while seeking a good balance with growth investments.
We will promote management conscious of capital costs and the stock price, thereby increasing shareholder value.

My mission and action targets toward achievement of “At your side 2030.”

I will take the following four key actions to accomplish my mission.
○ Accountability
Fulfilling accountability with an extremely keen sense of ownership

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○ Authenticity

Facing the situation head-on and always having honest communication

○ Boldness

Being ambitious to always boldly design Our Purpose, that is, what we should be, instead of what we can do

○ Excellence

Always aiming for the best in execution

Of these, what Brother needs most right now is boldness. Envisioning Our Purpose and fulfilling it requires us to do something more than simply continuing with our current styles of thought and action. I hope that we will break away from the boundary that defines what Brother is now and go beyond the limit we had imposed on ourselves. I believe that this will lead us to the future we aim for.

We will continue to enhance our corporate value over the long term through dialogue with our stakeholders. We hope that you will support the future of the Brother Group.

Kazufumi Ikeda

Representative Director & President
Brother Industries, Ltd.
September 2025

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Basic Policy on Sustainability

Basic Policy on Sustainability

Brother, which started its business by providing repair services for sewing machines, commenced production of sewing machines based on the ambition to turn the import-based industry into an export-based industry to create jobs for people who want to work.
The desire to create durable sewing machines has been passed down as the “At your side.” spirit that always places customers first in the Brother Group Global Charter https://global.brother/en/corporate/principle , which provides the foundation for all Brother Group activities. The Charter states that the Brother Group enhances corporate value by expanding the value provided to customers and by returning economic performance generated through business to stakeholders and the global environment.

As in the past, the Brother Group will continue facing the issues of our customers and society, defining materiality (key social issues) to be undertaken, and solving them. By doing so, we will aim to achieve our “At your side 2030” vision and the Sustainable Development Goals (SDGs) identified by the United Nations.

Sustainability Slogan "Brother Earth"

In 2010, the Brother Group created and launched the “Brother Earth” logo and slogan, which symbolize its environmental activities, in order to convey a globally unified message about its various environmental activities. From 2025, we have expanded the scope of our activities beyond just environmental activities to cover sustainability as a whole. We are working to accelerate various sustainability-related activities and communicate their content under the unified group message of “Working with you for a sustainable future.”

Furthermore, Brother SDGs STORY https://sdgsstory.global.brother/e/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 , a special website on SDGs activities, introduces Brother Group's sustainability initiatives under this slogan.

Brother Earth

Working with you for a sustainable future.

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Promotion of Management with an Emphasis on Sustainability

Promotion Structure for Management with an Emphasis on Sustainability

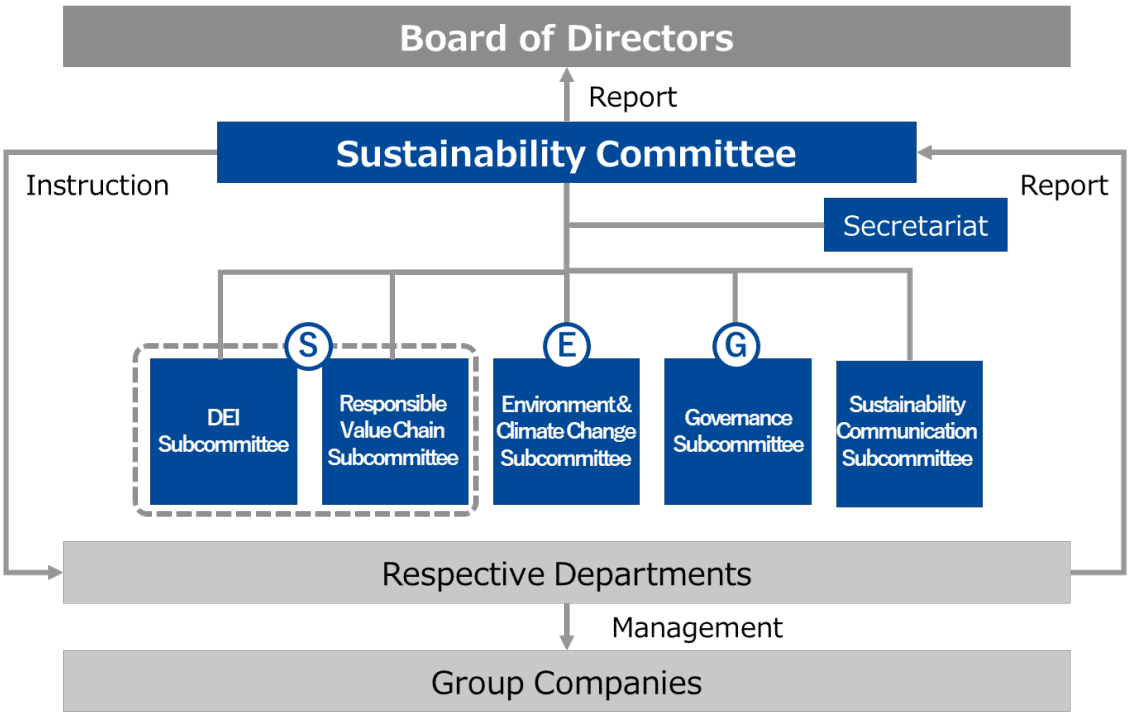
Sustainability Committee

The Brother Group has established the Sustainability Committee based on the Basic Policy on Sustainability https://global.brother/en/sustainability/csr/policy . The purpose of the Committee is to globally promote management with an emphasis on sustainability such as by resolving the materiality https://global.brother/en/sustainability/csr/materiality through various activities.

The Sustainability Committee structure

The Sustainability Committee is chaired by the Representative Director & President. The Committee holds regular meetings and extraordinary meetings convened by the chairman as necessary, and consists of those in charge of each subcommittee, Executive Officers of managing executive level or higher, business Executive Officers, and other persons designated by the Representative Director & President as needed.

Promotion structure (As of April 1, 2025)



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DEI Subcommittee	Promotes activities to realize a society where everyone can energetically play an active role and to create a workplace where the Brother Group is filled with further diversity and engagement. ・ Person in charge of the subcommittee: Eiji Okada Executive Officer and General Manager of Human Resources Dept.
Responsible Value Chain Subcommittee	Promotes activities to create a safe and secure workplace for workers in the Brother Group's value chain, where the human rights of those involved in the business are respected. ・ Person in charge of the subcommittee: Shun Kanishima General Manager of Law, Environment & General Affairs Dept.
Environment & Climate Change Subcommittee	Promotes activities to contribute to a decarbonized society, maximize resource circulation and conserve biodiversity in accordance with the Brother Group Environmental Vision 2050. ・ Person in charge of the subcommittee: Shigeyuki Ota General Manager of Environment & Climate Change Strategy Dept.
Governance Subcommittee	Promotes activities to establish governance that supports business portfolio transformation toward the realization of the Brother Group Vision "At your side 2030 https://global.brother/en/corporate/vision." ・ Person in charge of the subcommittee: Toshihiro Itou Senior Managing Executive Officer
Sustainability Communication Subcommittee	Promotes activities to build long-term, trusting relationships with stakeholders by responding to the demands of society and dispatching information in an appropriate manner. ・ Person in charge of the subcommittee: Yumie Tamaru General Manager of Corporate Communication Dept.

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Sustainability Committee activities

The Sustainability Committee conducts ongoing discussions and decision-making on sustainability issues. In addition, the Representative Director & President regularly reports to the Board of Directors on the Committee's activity plans and results.

Key discussion points at the Sustainability Committee

Year of meeting	Number of times held	Key discussion details
FY2024	19	・ Reporting of results of each subcommittee and discussion of annual plans ・ Reporting the draft content plan for the Integrated Report 2024 https://global.brother/en/sustainability/report-archive/bir , with provision of its contents prior to public disclosure ・ Reporting of employee engagement survey results ・ Redefining Materiality and discussing Materiality targets ・ Discussion on TNFD endorsement

Solving Social Issues through Business Activities

Contributing to CO_2 emissions reduction and resource recycling (Printing & Solutions Business)



Awarding of the Blue Angel certification at BROTHER INDUSTRIES (SLOVAKIA)

To realize the goal of “contributing to society and help protect the earth” set forth in the Group Vision “At your side 2030,” the P&S Business is developing and implementing environmentally friendly products and initiatives, including energy and resource conserving products/initiatives. One such example is the collection and remanufacturing of used toner cartridges from laser printers and All-in-Ones, which are returned to customers. In FY2023, the “TN-3512 RE” toner cartridge, which is recycled at our factory in Slovakia, became the first recycled cartridge in the world to receive certification by Blue Angel*. By reusing cartridges and refilling them with toner, compared to producing new cartridges, we are able to achieve both effective use of resources

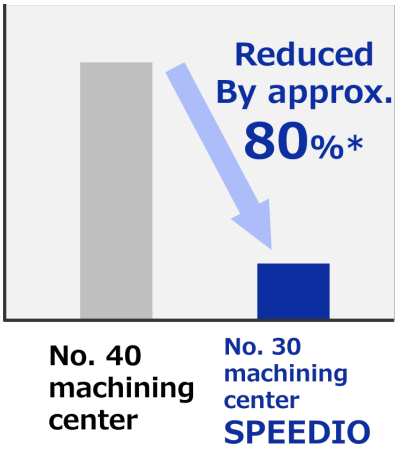
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and a reduction in CO_2 emissions. We will continue to strengthen our efforts to take the global environment into consideration.

*: A third-party eco-label issued by The German Environmental Agency (Umweltbundesamt – UBA) and the German Institute for Quality Assurance and Labeling

Contributing to CO_2 emissions reduction with compact size and energy-saving technology (Machinery Business)

The manufacturing sites where Brother products are delivered require both a reduction in environmental impact and high productivity. The SPEEDIO series of compact machining centers can machine with far less power consumption than other models from other manufacturers due to its compact design, as well as using various energy-saving technologies, such as power regeneration to convert kinetic energy into electrical energy for reuse, contributing to a significant reduction in CO_2 emissions and to achieving carbon neutrality of production sites of customers.



*: This is an example of operation with a machining program provided by BIL

Contributing to traceability* and food safety (Domino Business)



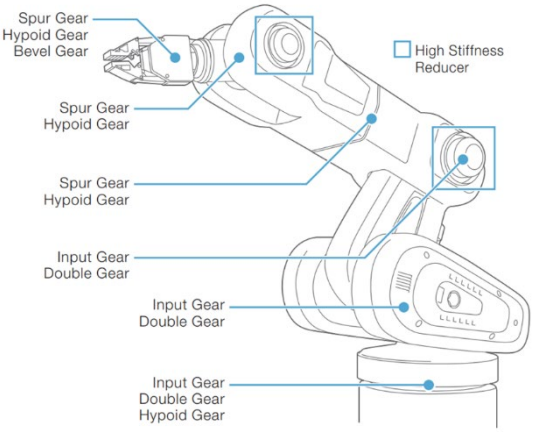
Food traceability is extremely important for demonstrating food safety. Domino's coding and marking equipment achieves high-speed printing of best-before dates, expiration dates, lot numbers, production plant identification codes, and other requirements of traceability on such products as those packaged in cans and glass, plastic, and other containers. Retort pouch foods require inks to be resistant to heat, water, and alcohol so that this printed information is not removed by high-temperature sterilization or alcohol disinfection processes. By providing a range of inks to meet the needs of customers, the Domino Business contributes to the value creation of customers who want to provide security and safety to consumers through traceability.

*: Ability to clarify and maintain records of all food processes, from cultivation and breeding through to processing, manufacturing, and distribution.

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Solving a labor shortage and improving productivity through automation and labor-saving (Nissei Business)

There is growing need for labor-saving and automation in the manufacturing, logistics, retail, and other industries. Gears and Reducers offered by the Nissei Business are installed in industrial robots, automated guided vehicles, machine tools, and other products to meet various needs of customers. Notably, the UXiMO High Stiffness Reducers* are lightweight and compact but are characterized by high stiffness. They not only solve labor shortages at production sites but also help improve productivity by contributing to miniaturization, higher accuracy, and faster operation of robots.



*: Reducers used in machines that require high stiffness and precise positioning

Promotion upcycling through Brother products(Personal & Home Business)

As we shift from the era of mass production and mass consumption to an era of sustainable manufacturing, upcycling has attracted much public attention around the world as a means of achieving the SDGs.
Upcycling is the process of transforming materials, which would otherwise be disposed of, to create new value and recycle.
Regarding upcycling using Sewing Machines and Home Cutting Machines, the P&H Business has been advancing efforts to create a sustainable society by using our products through dissemination of information inside and outside the Company and provision of opportunities for experiencing them.
As part of this initiative, we held a workshop on upcycling based on the fact that education on the SDGs is promoted in junior high schools in Japan. At this workshop, students brought shirts, handkerchiefs, and other items, which were no longer being used, and created works of upcycling. The objective is to help students become more familiar with upcycling and raise awareness about contribution to the global environment and the SDGs.
Sales facilities outside Japan also disseminate information and hold workshops about upcycling in an effort to spread the culture of upcycling as one of the methods of making effective use of limited resources.



Workshop on upcycling (at BROTHER INTERNATIONAL (GULF) FZE)

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Reducing workloads of staff at elderly care facilities (Network & Contents Business)



Music and exercise are attracting attention as ways to lead a healthy life as one ages.　XING INC., which is a subsidiary, offers Kenko Okoku, which is music therapy content that helps promote health by moving the body to music. This content is used at long-term care facilities and other facilities. This program is used in nursing care and welfare facilities.

Kenko Okoku enables care staff to spend less time planning recreation by freely combining a wealth of content such as physical activities, watching/healing, playing, and singing to create individual recreation programs suitable for facility users, providing more time for staff to spend with facility users. In addition, facility users can enjoy a wide range of content, leading to improvements in their quality of life (QOL). And furthermore, the content of individual function training is extensive, contributing to improvement of nursing care conditions. Kenko Okoku provides opportunities for facility users to take enjoyable measures for the prevention of the need for nursing care and reduces the work burdens of caregivers, enabling them to focus on support.

Internal Dissemination of the Global Charter and the Brother Group Vision

Toward the "Brother Group Global Charter," the basis of all our operations, and management with an emphasis on sustainability

The Brother Group promotes internal dissemination of its Global Charter https://global.brother/en/corporate/principle , which serves as the foundation for all Brother Group activities. This initiative aims to create superior value for customers and society globally, and to promote management with an emphasis on sustainability.

The Global Charter sets forth the fundamental principles of the Brother Group, such as "quickly and consistently providing superior value with the "At your side." spirit in mind," "confidently facing challenges with a consistently global view," and "acting with the highest integrity."
To become a trustworthy company, the Brother Group expects each of its nearly 40,000 employees to embody the Global Charter in their daily decision-making and actions and quickly create and deliver products and services that meet the needs of its stakeholders.
The Global Charter is translated into many different languages in the United States, Europe, and Asia so that all employees correctly understand and constantly keep the charter in mind. We also distributed portable handy-sized charter cards (in 27 languages) and posters (in 29 languages) to all our group facilities.

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Handy-sized cards and posters

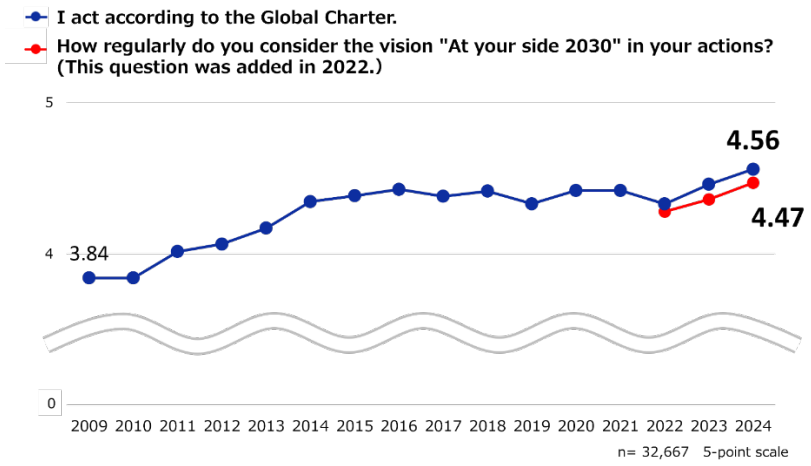
The Global Charter Survey

Since 2008, the Brother Group has been conducting an annual employee awareness survey called the "Global Charter Survey."* The results of the survey are reported at a meeting attended by all executive officers, including the President of Brother Industries, Ltd. (BIL), where feedback is given and issues are clarified for each facility.

The FY2024 survey showed that actions aligned with the Global Charter were rated 4.56 out of 5. The score has shown steady improvement since the survey began in 2009, maintaining a level of 4.25 or higher for the past 10 consecutive years. In addition, we assessed the extent to which employees' actions reflect the Brother Group Vision "At your side 2030." The FY2024 result was 4.47 out of 5. This score has also shown steady improvement year by year since FY2022, when the vision was formulated.

In addition, to address the issues identified through the survey, each of our global facilities undertakes a variety of initiatives focused on building customer trust, tackling social issues, strengthening collaboration with business partners, and fostering employee growth and cooperation.

Results of the Global Charter Survey*1 (5-point scale*2)



*1: Excluding Domino-related companies and Nissei Corporation

*2: There are five levels: "5. Always/Strongly agree," "4. Often/Agree," "3. Sometimes/Neither" "2. Rarely/Disagree," and "1. Never/Strongly disagree."

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Promoting the Global Charter and the Brother Group Vision

The Brother Group is carrying out the following global initiatives to promote each employee's action based on the Global Charter https://global.brother/en/corporate/principle and the Brother Group Vision "At your side 2030" https://global.brother/en/corporate/vision .

Formulating and communicating the Global Charter commitments from top management

Each year, the management of every Brother Group facility develops a "Commitment" that formulates how they will act in alignment with the key principles of the Global Charter. All commitments are shared on the intranet, demonstrating the leadership's own actions.

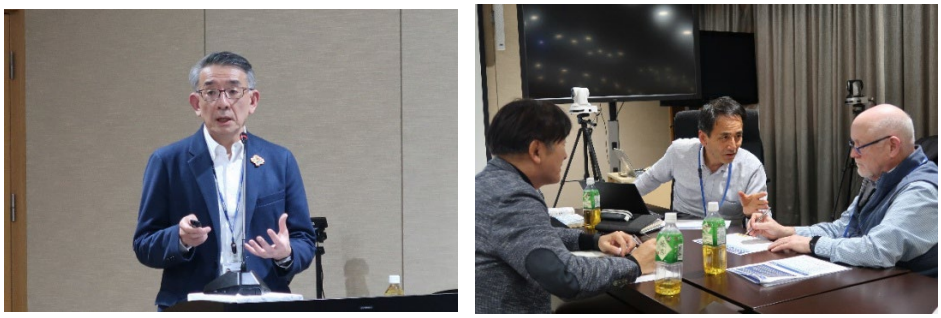
Additionally, top management engages employees by delivering their messages and creating opportunities for dialogue. In FY2024, they issued 44 messages, including video recordings, and held approximately 4,500 face-to-face talks with employees globally.

The "At your side." Top Meeting

Since FY2022, BIL has held the "At your side." top meeting, during which the President and executive officers gather to discuss the Global Charter and the spirit of "At your side.," as well as reflect on the ideal role of top management.

At the FY2024 meeting, the President discussed commitments based on the Global Charter, the challenges he has identified, and his leadership actions to address them. Following that, 18 executive officers split into four teams and held discussions on two themes: how to pursue and share best practices related to "At your side.," and how to pass on the spirit of "At your side." to the next-generation leaders.

During the discussion, the following views were expressed: "We should not only respond to customers' visible concerns, but also strive to recognize their underlying needs." "There is no final goal for "At your side."—what matters is continuing to refine and deepen our commitment." Another opinion raised was that proactive leadership by the current generation is essential for passing on a culture of pursuing "At your side." to the next generation. The discussion provided a valuable opportunity for top management to reflect on their leadership and the kind of leaders they aspire to be.



FY2024 "At your side." top meeting in session

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"Global Charter promotional leaders" and leaders' meetings

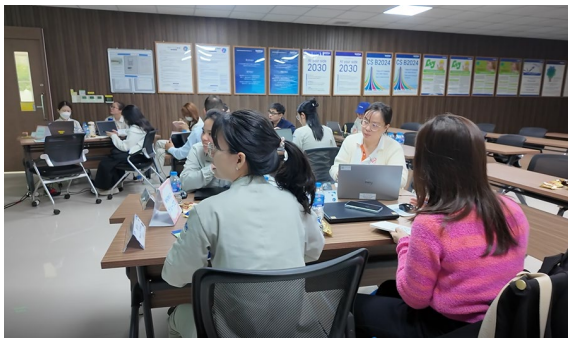
The Global Charter promotional leaders, of whom there are over 474, are appointed by the managers of each facility or department, formulate annual plans and reflect on their development results, and are engaged in promoting the charter-based behavior of each employee in a variety of ways tailored to each organization's role and challenges.

In addition, regular meetings are held in Japan, China, and Vietnam, bringing together promotional leaders from various facilities and departments within each country. These meetings allow participants to share and exchange ideas on a variety of topics, such as challenges in promotional activities at each facility or organization, examples of productivity improvements driven by employees' charter-based actions, and best practices for responding to customer needs. They also provide valuable insights that can be applied to activities at participants' own facilities, serving as a learning opportunity that transcends functional boundaries such as development, production, and sales.

As part of the promotional leaders' meetings, "Cross-Company Meetings" have been held in China since 2014 and in Vietnam since 2017. The name "Cross-Company Meeting" was chosen because, in China, seven production, sales, and development facilities, and in Vietnam, three production and sales facilities came together to exchange ideas across different functions and sites within each country. Every year at these meetings, specific details are shared on how activities aimed at fostering a culture of challenge are planned, implemented, and improved, providing opportunities to learn from best practices at each facility. In addition, "Challenger Awards" are held to recognize employees who have demonstrated challenge-oriented behavior based on the Global Charter, further nurturing a culture that embraces challenges.
In FY2024, two cross-company meetings were held in both China and Vietnam. In both countries, reviews of Global Charter-based action plans and activities were conducted, and Challenger Awards were presented. These efforts enabled the active sharing of insights and achievements across facilities. In addition, by sharing the medium-term business strategy "CS B2027" https://global.brother/en/investor/management/csb and the vision of the President of BIL, participants gained a clearer understanding of the direction they should aim for, fostering a stronger sense of unity and shared commitment toward global goal achievement. In addition, participants visited Brother Machinery Xian Co., Ltd., one of the manufacturing facilities in China, and Brother Industries (Vietnam) Ltd., one of the manufacturing facilities in Vietnam. These visits facilitated mutual learning across facilities.



The China Cross-Company Meeting



The Vietnam Cross-Company Meeting

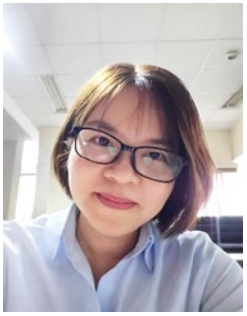
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Comments from participants in the Cross-Company Meeting (1)
— Shared Awareness and Job Satisfaction through Cross-Company Meetings —

Li, Yan
HR & General Affairs
Brother Machinery Xian Co., Ltd.

I participated in the two-day Cross-Company Meeting in China, where all seven Chinese facilities came together. In this meeting, excellent examples of Global Charter-based actions from each facility were shared. It reminded me once again that the entire Brother Group is moving toward realizing its vision with a strong sense of shared awareness. Additionally, through exchanges and discussions with other facilities, I was able to strengthen cross-company connections, reaffirm how my work aligns with the Global Charter, and rediscover the sense of fulfillment I gain from my job. I plan to actively apply the insights and experiences I have gained to our future Global Charter-based activities, and to help foster an even greater sense of unity through more effective initiatives.



Comments from participants in the Cross-Company Meeting (2)
— Learning through Interaction with Other Facilities —

Ha, Le
Administration Department
Brother Industries Saigon, Ltd. (BISG)

I participated in the two-day Vietnam Cross-Company Meeting, where three Brother Group facilities in Vietnam came together. In the meeting, we introduced our unique initiatives, including Global Charter sharing activities at BISG. In addition, activities from other facilities were shared, and through exchanging views based on outstanding examples, I was able to gain new perspectives and ideas. An overview of the medium-term business strategy “CS B2027” and a message from the President were shared, which helped deepen my understanding of the direction the Brother Group is aiming for. I hope to apply what I have learned through this experience to future initiatives at BISG and further enhance our Global Charter sharing activities.

Linking the Promoting the Global Charter and Brother Group Vision "At your side 2030"

BIL is promoting initiatives to share and deepen understanding of, and empathy for, the Brother Group Vision “At your side 2030,” which was formulated in FY2022, encouraging employees to make the vision personally meaningful.

Specifically, we have enhanced our ongoing Global Charter sharing activities by incorporating the perspective of “How does the Global Charter link to the Vision?” This approach encourages employees

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to reflect on their actions from both the Global Charter and Vision perspectives. In addition, top management has been sharing messages with Group employees via the intranet—using videos and other media—emphasizing the importance of initiatives aimed at realizing the Vision. Through these initiatives, we are linking the Global Charter and the Vision to the daily actions of each and every employee.

Promoting Our Vision in Japan

Commitments by Top Management and Managers Based on the Global Charter and the Vision

Each year, top management at Brother Group facilities formulates commitments based on the Global Charter. Since FY2022, we have changed our vision to a personal commitment in order to achieve “At your side 2030” and expanded the scope of the declaration to include management level employees. In FY2024, approximately 800 top management and management-level employees set forth their individual commitments, all of which are shared on the intranet.

The commitments focus on the two points below, allowing employees to clearly see the connection between the Vision and their work.

1. My mission for achieving "At your side 2030"
2. Action goals to "enhance my own communication" and "promote the growth of my subordinates and colleagues" in order to achieve my mission

Sharing Activities for New and Mid-Career Recruits

At the new employee training held each year, new employees are given an opportunity to learn about and reflect on the Global Charter. Since FY2022, a program has also been introduced to present the Brother Group Vision “At your side 2030” alongside the Global Charter.
In April 2025, a training program was held to encourage new employees to reflect on how they will act in the future with respect to the Global Charter and the realization of the Vision. A total of 136 new employees* participated.

Training programs that encourage reflection on the Global Charter and the Brother Group Vision “At your side 2030” are also provided for mid-career recruits. These programs are designed to help them understand and act on the Group’s shared goals and values after joining the company.



New employee training program promoting the Global Charter and Vision

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In addition, we promote activities to further deepen empathy for the Vision, including a forum held in FY2024 for sharing actions to realize the Vision with the participation of approximately 100 promotional leaders.

*: Total new employees of Brother Industries, Ltd., Brother Sales Ltd., Brother Logitec Ltd., and B.M. Industries, Ltd.

Promoting our Vision globally

The Brother Group is also expanding its efforts to discuss the Vision by relating it to their own work and linking it to their future actions globally. Brother Industries (Philippines), Inc. (BIPH), a manufacturing facility in the Philippines, undertook an initiative to formulate its own vision in line with the development of the medium-term business strategy “CS B2027.” The new vision was formulated under the leadership of the President of BIPH and local managers, and it embodies their passion and commitment to realizing the Brother Group Vision “At your side 2030.” For example, in line with the Brother Group Vision “At your side 2030,” the new vision declares a commitment to boldly taking on challenges and adapting flexibly to change in pursuit of “expansion in the industrial area.”



BIPH formulating their own vision

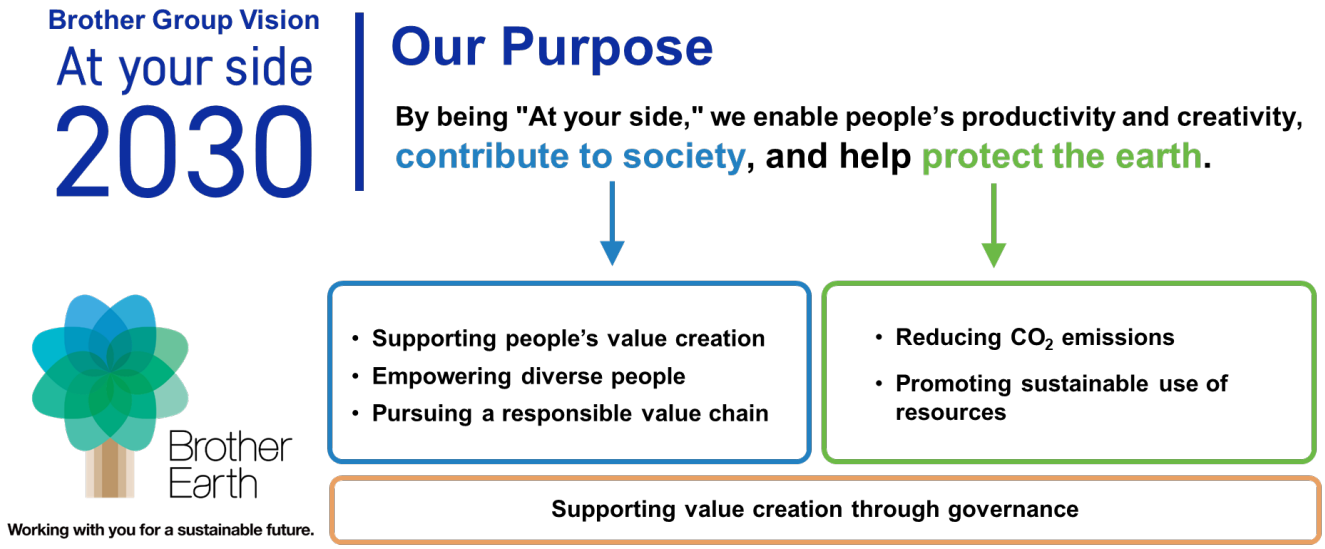
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Materiality (Priority Social Issues)

Brother Group Materiality

In the Brother Group Vision “At your side 2030,” we declare our purpose as “By being ‘At your side,’ we enable people’s productivity and creativity, contribute to society, and help protect the earth.” To contribute to society and help protect the earth, we identified five materialities as priority social issues in 2022. Subsequently, having reviewed our materialities in light of changes in the environment, we redefined them into six materialities in 2025. The Brother Group will continue to address these materialities in order to further advance its management with an emphasis on sustainability.

Materiality



Supporting people's value creation

This materiality is linked to "Our Purpose" stated in the Brother Group Vision "At your side 2030." It expresses Brother's desire to contribute to the enriched and comfortable lifestyles of people around the world through our activities and value provided by Brother's diverse products and services.

Empowering diverse people

This materiality aims to create an environment where diverse employees can play an active role in the Brother Group, and where diverse perspectives, knowledge, and values that are not based on any particular attribute are leveraged in creating innovation and decision-making of the organization.

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Pursuing a responsible value chain

We are committed to conducting assessments using appropriate methods and making continuous improvements to ensure that the human rights of all people involved in the value chain of Brother's business operations are respected and that the safety and security of all workers are protected.

Reducing CO_2 emissions

Aim to achieve carbon neutrality in business activities and minimize CO_2 emissions across the entire value chain, contributing to the formation of a decarbonized society.

Promoting sustainable use of resources

Maximize resource circulation, promote the sustainable use of resources, and minimize the environmental impact of waste.

Supporting value creation through governance

This is a new materiality that was added in FY2025 in order to implement governance reforms to support the transformation of our business portfolio. For the sustainable growth and value creation of the Brother Group, we will continuously review and implement governance that ensures transparency and fairness in management and encourages appropriate risk-taking toward transformation.

Materiality and Sustainability Targets

Materiality	CS B2027 policies and Sustainability targets
Supporting people’s value creation	・ Maximize the value provided to customers based on the social raison d’être of each business and its position within the business portfolio.
Empowering diverse people	・ Improve employee engagement on a global basis. ・ Promote the active roles of diverse talent tailored to the conditions and challenges of each facility and region. ・ Strengthen the talent portfolio in key areas.
Pursuing a responsible value chain	・ Enhance the effectiveness of human rights risk assessments across the entire value chain. ・ Continuously obtain RBA certification at key factories.

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Materiality	CS B2027 policies and Sustainability targets
Reducing CO_2 emissions	・ [Scopes 1 and 2[*1]] Reduce CO2 emissions by 56% compared to the FY2015 level. ・ [Scope 3[*1]] Reduce CO2 emission intensity* by 25.2% compared to the FY2022 level.
Promoting sustainable use of resources	・ Reduce resource intensity[*3] by 16.9% compared to the FY2022 level.
Supporting value creation through governance	・ Reform governance to support business portfolio transformation.

*1 : Scope 1, 2, 3

Categories of greenhouse gas emission sources; Scope 1 refers to direct greenhouse gas emissions by business operators, Scope 2 refers to indirect greenhouse gas emissions resulting from use of electricity, heat, and steam supplied by other entities, and Scope 3 refers to indirect greenhouse gas emissions other than Scope 1 and 2 (emissions by other entities related to the activities of business operators)

*2 : CO_2 emissions per unit of sales revenue

*3 : Virgin material usage per unit of sales revenue

Materiality and Future-financial targets

Future-financial targets

Materiality		FY2027
Supporting people's value creation Growth business Core business	Industrial Equipment	Expand customer adoption of the SPEEDIO machining center series
	Industrial Printing	Expand businesses for providing lifecycle value
	P&S (Printing & Solutions)	Maximize businesses with continuous ties to customers to enhance customer LTV
Empowering diverse people	Strengthen the talent portfolio in key areas	
Reducing CO_2 Emissions	Scope 1, 2	Reduce CO_2 emissions by 56% (compared to the FY2015 level)
	Scope 3	Reduce CO_2 emissions per unit of sales by 25.2% (compared to the FY2022 level)

In line with the formulation of the medium-term business strategy "CS B2027" https://global.brother/en/investor/management/csb, the Brother Group has set the main items

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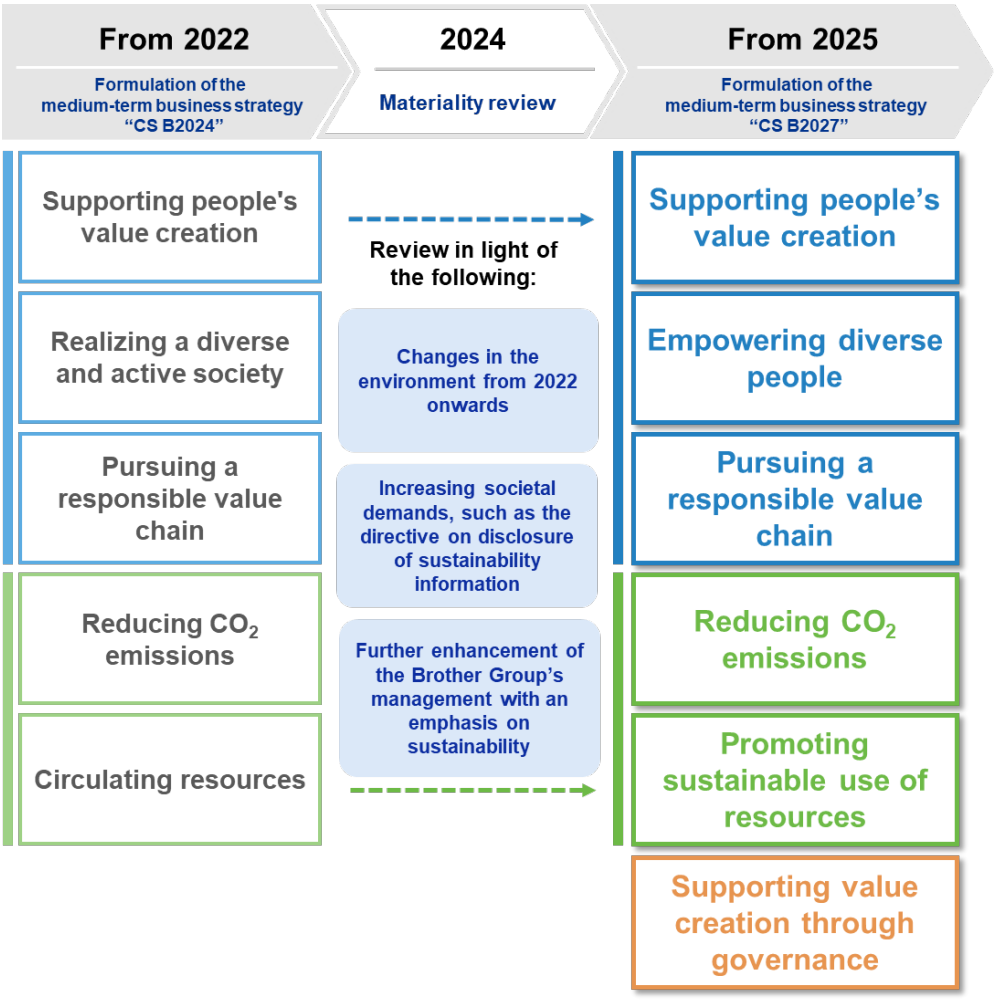
related to three of the six materialities that need to be addressed: supporting people's value creation, empowering diverse people, and reducing CO_2 emissions. The set items are regarded as future-financial targets. To emphasize that initiatives aimed at achieving these targets are expected to lead to future financial outcomes, we refer to them not as "non-financial" but as "future-financial" targets.

For the materiality "supporting people's value creation," we will promote sales expansion of machine tools in the Industrial Equipment business of the Machinery Business Division, expansion of lifecycle value-providing services in the industrial printing field of the Industrial Printing Business Division, and business expansion aimed at improving the lifetime value of customers in the P&S Business.
In terms of the materiality "empowering diverse people," we will strengthen our talent portfolio in key areas.
Meanwhile, for the materiality "reducing CO_2 emissions," we have set new targets for Scope 1, 2, and 3 and are working toward these targets. We will be proactively committed to initiatives friendly to the global environment, such as improving the energy efficiency of our products, reusing our products, using recycled materials, extending the lifespan of our products, and promoting subscription-based businesses, to create an environment in which customers can use our products for longer periods of time.

Materiality Identification Process

To achieve our purpose set out in the Brother Group Vision "At your side 2030" as "contribute to society and help protect the earth," the Brother Group identified five materialities when formulating its medium-term business strategy "CS B2024" in 2022: supporting people's value creation, realizing a diverse and active society, pursuing a responsible value chain, reducing CO_2 emissions, and circulating resources.
Subsequently, in response to changes in the environment from 2022 onwards and increasing societal demands, including the directive on disclosure of sustainability information, we reviewed our materialities in line with the formulation of our medium-term business strategy "CS B2027" https://global.brother/en/investor/management/csb (2025) and redefined them into six materialities.
In reviewing our materialities, we comprehensively identified the value chains and key stakeholders for each business to uncover relevant challenges. Based on this, we identified important sustainability challenges (materialities) from the perspective of double materiality,* verified their appropriateness while listening to the opinions of stakeholders, and finalized them.
This review newly adds materiality related to governance. While we have been working to strengthen our governance, through dialogue with stakeholders we have come to recognize the importance of continually reviewing and implementing governance that supports appropriate risk-taking to accelerate the transformation of our business portfolio as outlined in CS B2027. For this reason, after discussion at the Sustainability Committee, we have also identified "supporting value creation through governance" as a materiality and clarified its importance.

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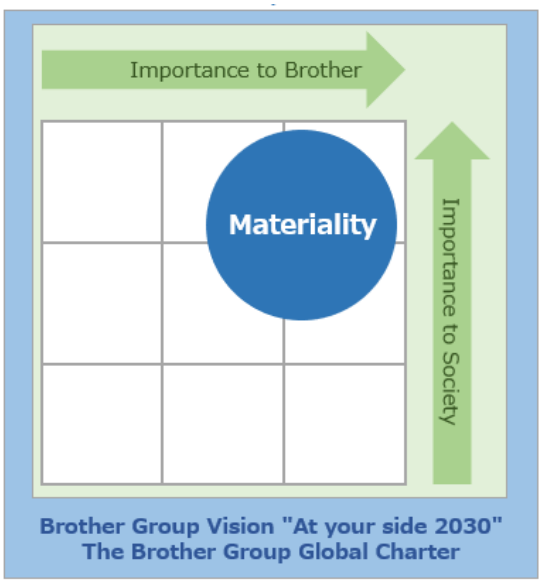


*: The concept of identifying key issues from two perspectives: the impact that corporate activities have on society and the environment (impact materiality), and the impact that society and the environment have on corporate development, business performance, and financial status (financial materiality)

Materiality identification process in formulating the medium-term business strategy "CS B2024"

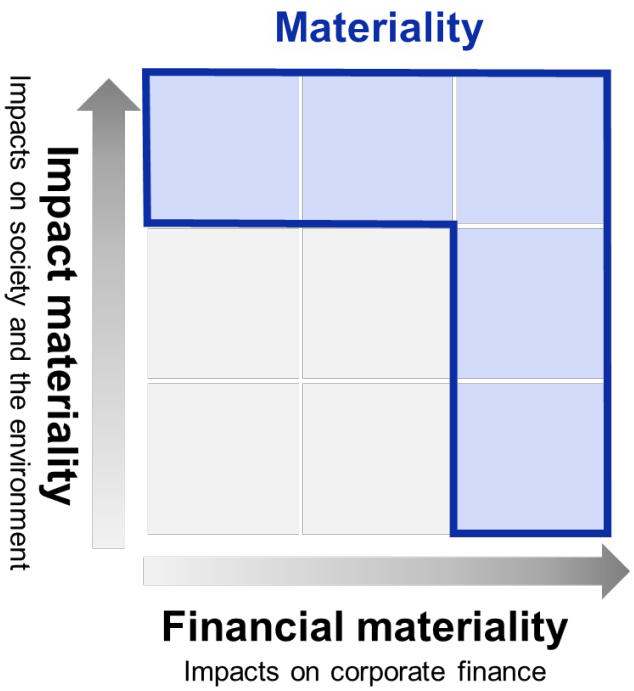
Step	Specific initiatives
1. Identify issues	・ Identify social issues based on the SDGS, Brother's focus
2. Evaluate importance	・ Evaluate the importance of the issues to both society and for Brother ・ The importance of the issues to society is evaluated based on the monetary scale and the level of interest of stakeholders ・ The importance of the issues to Brother is evaluated based on the company's own intentions and strengths

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Step	Specific initiatives
	
3. Draft materialities	・ Formulate a materiality draft, taking the significance of Brother's efforts and past activities into consideration
4. Gather external opinions	・ Gather opinions on the draft from multiple organizations and ESG investors involved in environmental protection, human rights advocacy, and other related fields
5. Make adjustments to materiality draft	・Review the consistency with the Brother Group Vision "At your side 2030" and the medium-term business strategy "CS B2024"
6. Identify materialities	・Identify the following five materialities through discussions at management meetings and among the Board of Directors: supporting people's value creation, realizing a diverse and active society, pursuing a responsible value chain, reducing CO_2 emissions, and circulating resources
7. Set targets	・Set 10 targets for the duration of CS B2024 related to the five materialities, focusing on the following aspects ・ Are they consistent with the management policies and can the importance of the targets be explained? ・ Can the targets, issues, and potential financial impact be told as a story? ・ Are management and employees committed to the targets?

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Materiality review process in formulating the medium-term business strategy “CS B2027”

Step	Specific initiatives
1. Organize value chains and stakeholders	· **Organize an overview of the upstream and downstream value chains** focusing on our own business · **Identify important stakeholders** who will be influential **from short, medium, and long-term perspectives**
2. Identify IROs*	· **Create a list of challenges** based on, for example, global guidelines for sustainability disclosure and SDGs · **Identify IROs of challenges** related to our business, **including the organized value chains**
3. Assess IROs	· **Assess impact materiality and financial materiality from the perspective of double materiality** 
4. Identify materialities	· **Identify important sustainability challenges (materialities)** based on the results of the IRO assessment in Step 3
5. Stakeholder engagement	· **Verify the appropriateness of the identified materialities** through interviews with institutional investors who have a medium- to long-term perspective, as well as with external organizations

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Step	Specific initiatives
6. Finalize materialities	・**Finalize materialities by reflecting the results of the stakeholder engagement in Step 5.** ・Set medium- to long-term Brother Group targets (sustainability targets and future-financial targets) for each identified materiality ・Discussed and approved by the Sustainability Committee chaired by the Representative Director & President

* : Impacts, risks, and opportunities

Sustainability Targets and Achievements for the Duration of CS B2024

The Brother Group has set sustainability targets for the term of “CS B2024”, the medium-term business strategy, to address the materialities identified for achieving the Brother Group Vision, “At your side 2030,” and has taken action as important management issues. The results of measures implemented in FY2024 are described below.

Materiality		Targets for FY2024	FY2024 Results
Contribute to society	Supporting people's value creation	・In the Industrial Equipment business, secure performance advantage of products that contribute towards improving customer productivity and reducing CO_2 emissions	・Launched a total of 15 new models in the SPEEDIO series, boasting high environmental performance and productivity since FY2022
		・In P&S business, build platform to connect directly with customers towards improving LTV[*1] of customers	・Continued strengthening efforts to connect interactively with customers, including subscription services in each region

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Materiality		Targets for FY2024	FY2024 Results
	Realizing a diverse and active society	・Visualize employee engagement at the global level and improve engagement survey scores	・ Expanded the scope of the employee engagement survey Group-wide, selfinitiated measures are underway at each site
		・Enhance talent development and governance for encouraging the assignment of local employees to top management positions of facilities outside Japan	・ Continued implementation of the core talent development and succession plans at major facilities outside Japan
		・Strengthen talent pipeline for healthy gender balance in management positions and establish environment for achieving diverse ways of working[*2]	・ Continued implementation of the Program to Develop Female Management Candidates[*2] ・ Conducted an awareness-raising campaign to expand opportunities for individuals with disabilities[*2]
	Pursuing a responsible value chain	・Expand the human rights risk assessment on suppliers	・ Implemented audits of 25 companies to enhance the effectiveness of human rights due diligence in the upstream supply chain and confirmed that there are no major risks ・ Conducted human rights due diligence of 48 companies outside the upstream supply chain and confirmed that there are no major risks

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Materiality		Targets for FY2024	FY2024 Results
			・ Conducted training on human rights risks for primary suppliers ・ Continued implementation of measures for ensuring responsible mineral procurement
		・Attain RBA[*3] Gold certification for three Group manufacturing facilities	・ Obtained RBA platinum certification at the Shenzhen Factory in China[*4] and the Philippine Factory[*5] in FY2023 ・ Obtained RBA platinum certification at the Hoshizaki Factory and the Vietnam Factory[*6] in FY2024
Protect the earth	Reducing CO_2 emissions	・ [Scopes 1 and 2[*7]] Achieve 47% reduction from the FY2015 level (9% reduction during the three-year period from FY2022 to FY2024) Ref.) FY2030 target: 65% reduction from the FY2015 level ・ [Scope 3[*7]] Take measures to reduce 150,000 tons through own effort Ref.) FY2030 target: 30% reduction from the FY2015 level (before March 3, 2025 revision of medium-term targets)	・ [Scopes 1 and 2] Implemented energy saving and energycreating measures including increasing the efficiency of electricity use and introducing solar power generation, achieving the FY2024 target (reducing CO_2 emissions by 47% compared to FY2015) ・ [Scope 3] Implemented measures including making products smaller and lighter and reducing energy consumption and achieved FY2024 target (implement measures to reduce CO_2 emissions by 150,000 t)

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Materiality		Targets for FY2024	FY2024 Results
	Circulating resources	·Achieve ratio of virgin materials used in products of 81% or less Ref.) FY2030 Targets: below 65%	· Improved use rates of cardboard and recycled materials by cast iron suppliers and achieved the FY2024 target (no more than 81% virgin materials used in products)

*1. Lifetime Value (LTV)
Customer lifetime value, which is the value to customers and profits generated for companies over the entire usage period of products and services

*2. Brother Industries, Ltd.

*3. Responsible Business Alliance (RBA)
International organization to promote CSR, which establishes standards to ensure that working conditions are safe, that workers are treated with respect and dignity, and that business operations are conducted environmentally responsibly and ethically in the supply chains of the manufacturing industry

*4. Brother Technology (Shenzhen) Ltd.

*5. Brother Industries (Philippines), Inc.

*6. Brother Industries (Vietnam) Ltd.

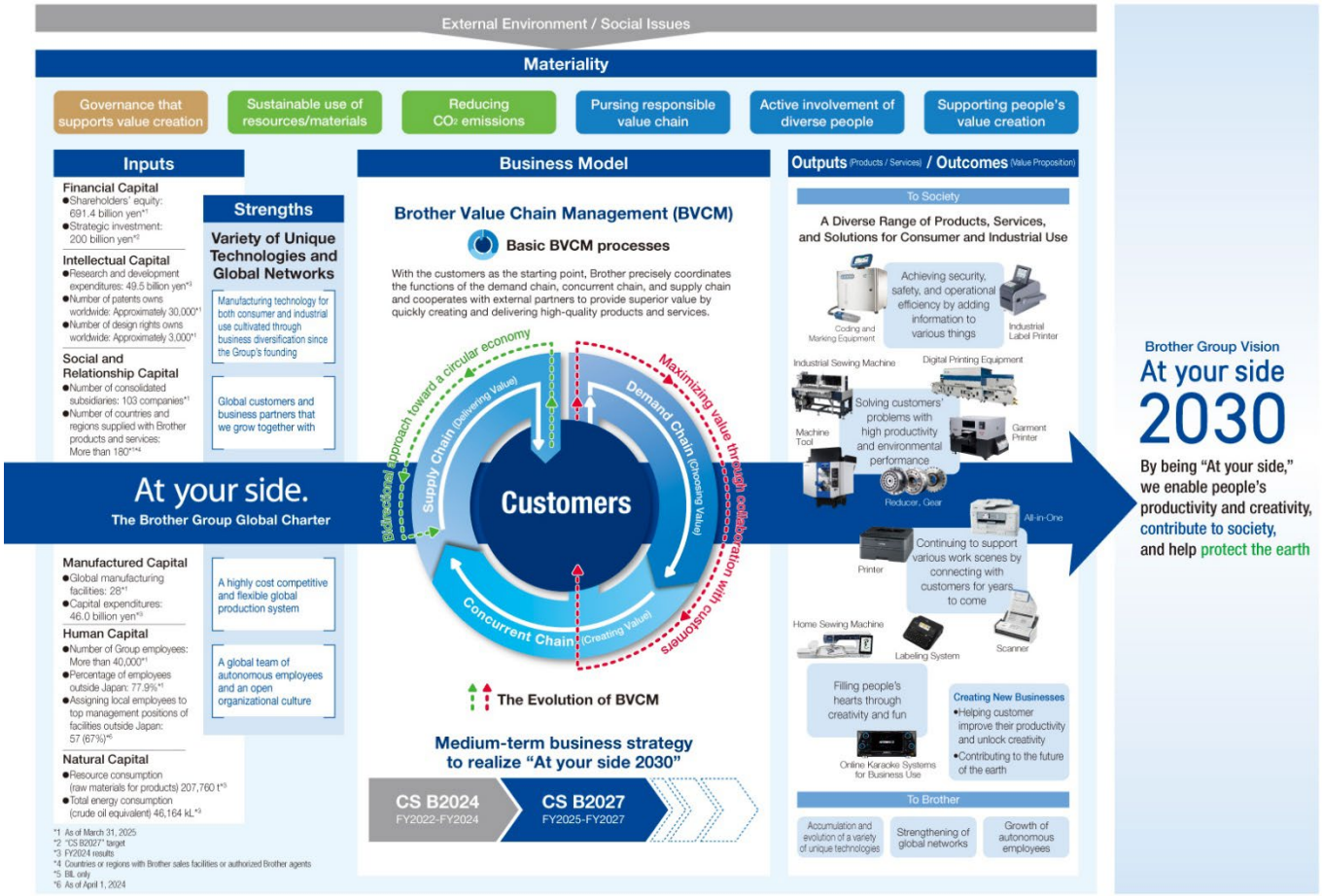
*7. Categories of greenhouse gas emission sources: Scope 1 refers to direct greenhouse gas emissions by business operators, Scope 2 refers to indirect greenhouse gas emissions resulting from use of electricity, heat, and steam supplied by other entities, and Scope 3 refers to indirect greenhouse gas emissions other than Scopes 1 and 2 (emissions by other entities related to the activities of business operators)

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Value Creation Activities

Brother's Value Creation Process

The source of the Brother Group's value creation comes from the spirit of "At your side."—the company spirit that places our customers first in every situation, every time. Under this spirit, the Brother Group companies all over the world provide a diverse range of products, services, and solutions for consumer and industrial applications by investing the six capitals https://global.brother/en/sustainability/csr/value#v04 and Brother's strengths, and by practicing Brother Value Chain Management (BVCM) https://global.brother/en/sustainability/csr/value#v03 which is Brother's unique customer-centric management system based on our medium-term business strategy. By addressing the six materialities https://global.brother/en/sustainability/csr/materiality , we support the productivity and creativity of our customers closely, contribute to society, and help protect the earth. Through this expansion of customer value, we will achieve sustainable growth as a company.



PDF The Story of Brother's Value Creation [PDF/713KB]
https://download.brother.com/pub/com/en/csr/pdf/2025/vc-process-e.pdf

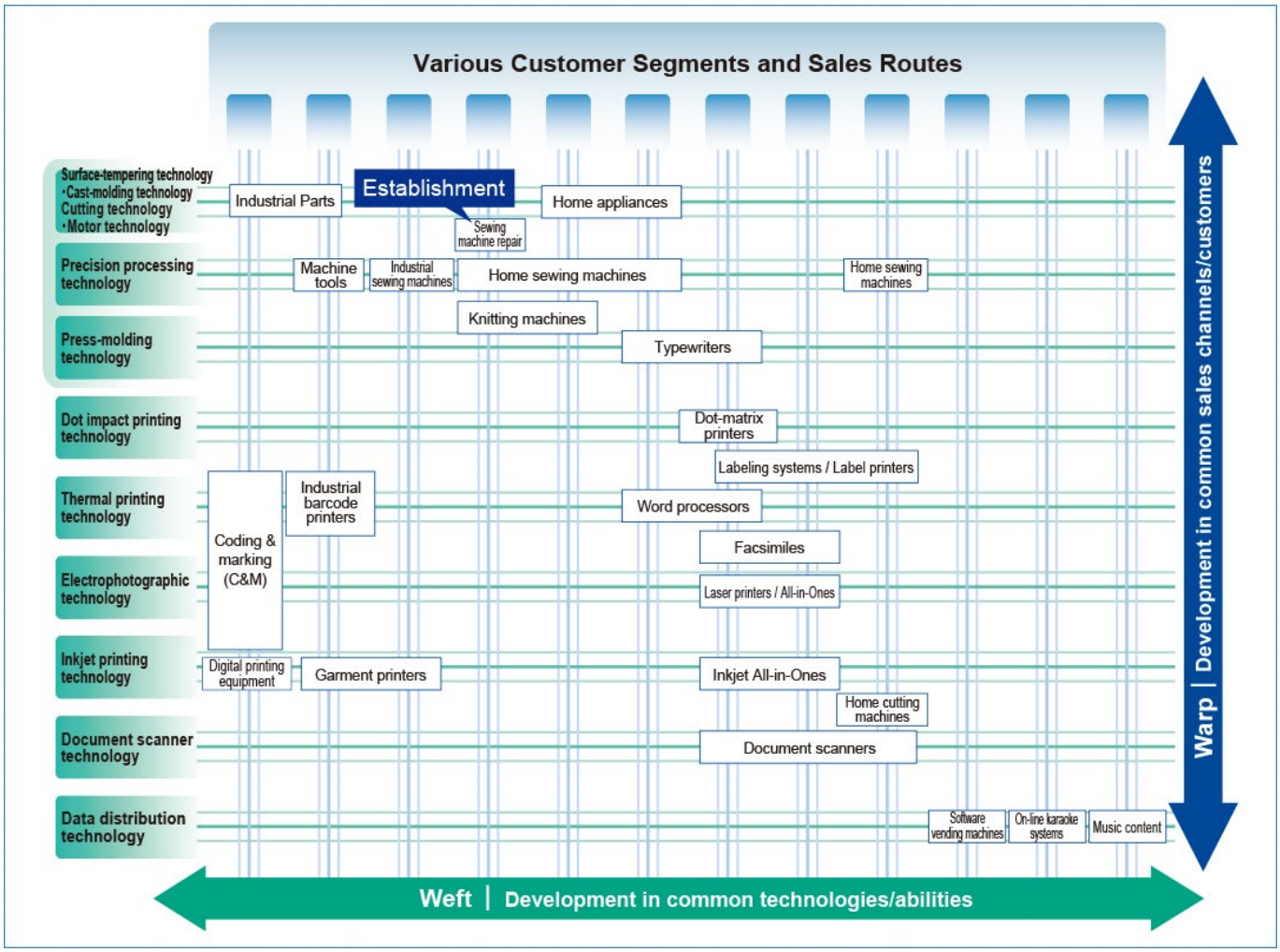
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Brother's Strengths

Brother contributes to customers' ability to improve their productivity and unlock their creativity by making the most of a variety of unique technologies cultivated over its history of business evolution, as well as its global networks.
To support all those who wish to keep progressing, we will apply our strengths as a global company with multiple businesses, and while utilizing knowledge gained externally, we will create value, in addition to manufacturing products. In this way, we will help customers to realize their goals.

A Variety of Unique Technologies That Generate New Value

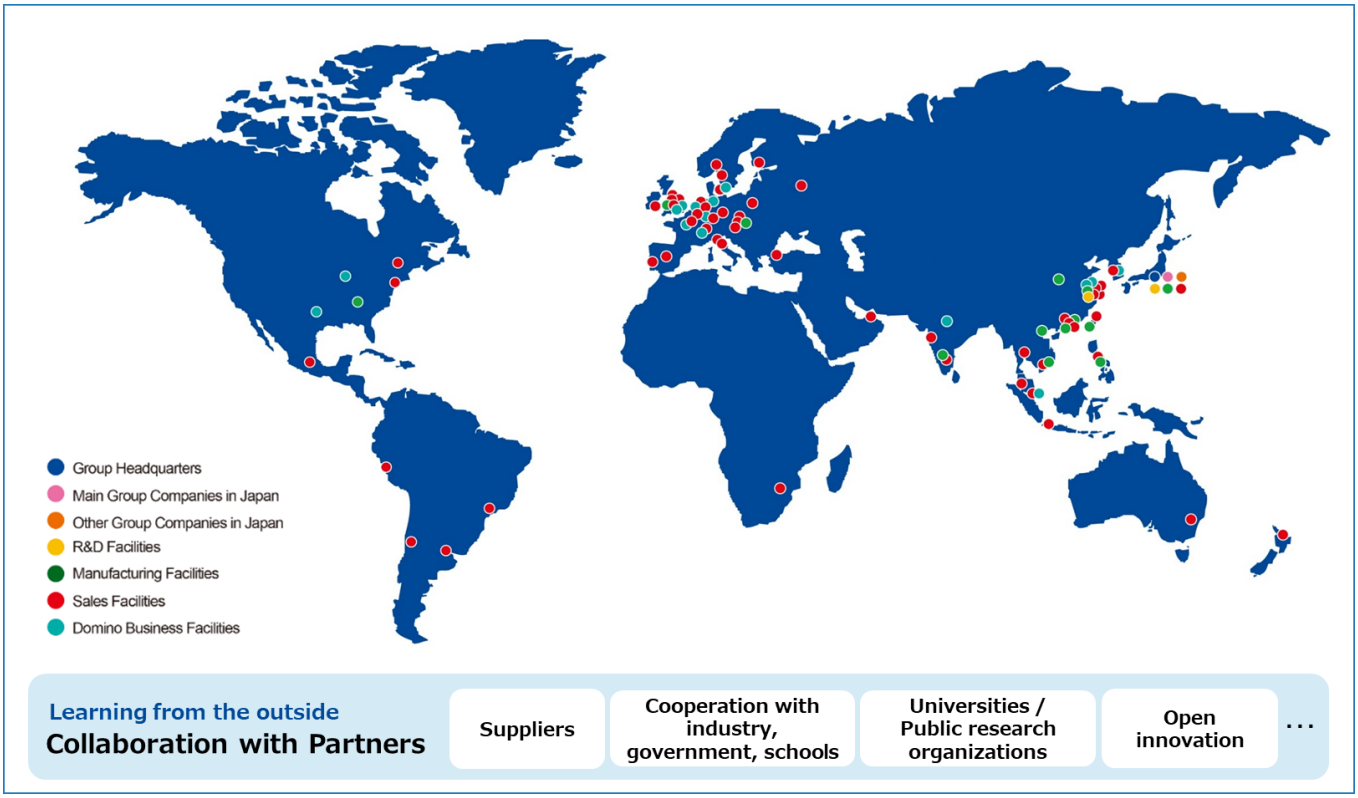
Since its foundation, Brother has generated new businesses by utilizing commonalities between various customer segments and sales routes and technologies and capabilities in order to meet the changing needs of customers and markets. We have used this continuity as the warp and weft and broadened our business scope by weaving the threads. This breadth, along with a corporate culture enabling collaboration across business domains and new value creation through the combination of technologies, are the unique strengths of Brother.



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Global Networks That Enable Us to Meet Needs and Provide Value Promptly

To date, Brother has expanded its facilities for development, production, sales, and services in more than 40 countries and regions. Utilizing these global networks, we have developed flexibility to meet customer needs, agility to provide products and services quickly, and cost competitiveness based on efficient networks. These are also part of our strengths. We will continue to leverage knowledge gained externally and collaboration with partners and provide outstanding value promptly through the collective efforts of the Brother Group companies in Japan and overseas.



Brother's Capitals

Integrated Report PDF **Integrated Report 2025** [PDF/8.6MB]
https://download.brother.com/pub/com/en/csr/pdf/2025/ful-a4-e.pdf#page=31

Intellectual Capital 32 page

■ **Capital status**

Research and development expenditures: 49.5 billion yen[*1]

Number of patents owns worldwide: Approximately 30,000[*2]

Number of design rights owns worldwide:

Social and Relationship Capital 34 page

■ **Capital status**

Number of consolidated subsidiaries: 103 companies[*1]

Number of countries and regions supplied with Brother products and services: More than 180[*1、2]

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Integrated Report PDF **Integrated Report 2025** [PDF/8.6MB]
https://download.brother.com/pub/com/en/csr/pdf/2025/ful-a4-j.pdf#page=31

Approximately 3,000*2

*1: FY2024 results

*2: As of March 31, 2025

■ **Strengths**

A variety of unique technologies

*1: As of March 31, 2025

*2: Countries or regions with Brother sales facilities or authorized Brother agents

■ **Strengths**

Global customers and business partners that we grow together with

Manufactured Capital 33 page

■ **Capital status**

Global manufacturing facilities: 28*1

Capital expenditures: 46.0 billion yen*2

*1: As of March 31, 2025

*2: FY2024 results

■ **Strengths**

Highly cost-competitive and flexible global manufacturing system

Human Capital 30-31 page

■ **Capital status**

Number of Group employees: More than 40,000*1

Percentage of employees outside Japan: 77.9%*1

Assigning local employees to top management positions of facilities outside Japan: 57 (67%)*2

*1: As of March 31, 2025

*2: As of April 1, 2024

■ **Strengths**

A global team of autonomous employees and an open organizational culture

Natural Capital 35 page

■ **Capital status**

Resource consumption (raw materials for products) 207,760 t*1

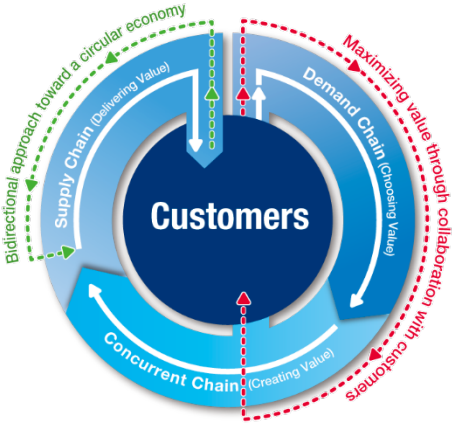
Total energy consumption (crude oil equivalent) 46,164 kL*1

*1: FY2024 results

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Brother Value Chain Management

The Brother Group considers customer demands and expectations top priority as our guide for all of our business operations including product planning, development, design, manufacturing, sales, and service, and we have established and practice our unique Brother Value Chain Management (BVCM) system in order to deliver superior value quickly. The Group aims to maximize the value it provides by continuing to evolve the BVCM.



Basic BVCM processes

Brother achieves flexible and swift value creation through the BVCM, a process for delivering superior value to customers, consisting of three chains: the Demand Chain, the Concurrent Chain, and the Supply Chain. By accelerating the circulation of this customer-oriented value chain, we are able to quickly deliver superior products, services, and solutions.



Customer

"Value" chain starting with customers

The opinions of "existing" customers who have already purchased Brother products and "potential" customers who may purchase Brother products in the future are the starting point for all our business activities.

Our call centers, which serve as our important points of contact with customers, receive various inquiries and requests from them. We register such information in our database and share it globally across the entire Brother Group.

> Specific examples related to customer feedback
https://global.brother/en/sustainability/csr/value/customer

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Demand Chain (Choosing Value)

- Understand the true needs of customers on a global basis and determine our unique value to provide
- Planning and development departments work together to determine the best way to create and deliver value

Based on opinions received by call centers around the world and information acquired through sales and service activities and marketing surveys, sales and development departments work together to analyze customer expectations and demands from various angles, such as "how product use environments will change," and "what improvements would satisfy more customers." Through these efforts, they formulate product concepts.

> Specific examples related to product planning and research and development
https://global.brother/en/sustainability/csr/value/demand

Concurrent Chain (Creating Value)

- Design departments (for machinery, electricity & electronics, software, chemicals, etc.), manufacturing departments, and suppliers work in close collaboration
- Utilize an optimal combination of internal and external technologies

Product concepts created in the demand chain are given a concrete shape. Product simulations and focus group testing by intended users are run again and again before and after prototyping. Through this process, we develop and design our products speedily while ensuring high product quality. The production engineering department designs optimal production lines to deliver our products at the right time for our customers.

> Specific examples related to development design and production engineering
https://global.brother/en/sustainability/csr/value/concurrent

Supply Chain (Delivering Value)

- Refine cost competitiveness and adaptability to changes, and manufacture the best products in the best regions
- Provide detailed sales and services based on a thorough understanding of the characteristics of customers in each country and region

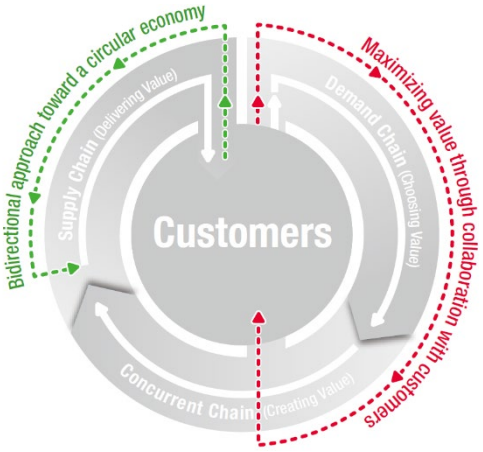
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At the Brother Group's manufacturing facilities, we are working closely with business partners, such as parts suppliers, and strengthening manufacturing processes and quality control systems, so as to produce high quality products. Products are delivered to customers through our sales facilities in countries and regions all over the world. We are also providing customers with swift, cordial support via online support over the Internet and call centers in order to make each individual satisfied.

> Specific examples related to manufacturing, distribution, sales and service
https://global.brother/en/sustainability/csr/value/supply

Evolution of BVCM

In order to realize the Brother Group Vision's goals of "promoting circular-economy-based business" and "expansion in the Industrial area," we have taken the basic BVCM process (solid white line) and added the green dotted line signifying "Bidirectional approach toward a circular economy" and the red dotted line signifying "Maximizing value through collaboration with customers." Along with the basic process, we will pursue further advancement of these approaches.



Bidirectional approach toward a circular economy (Green dotted line)

Flow to achieve resource circulation by collecting and reusing

The Brother Group is helping society achieve sustainable development by positively and continuously considering the environmental impact in all aspects of our business operations. Concern for the environment shall be the cornerstone of all operations. The green dotted line represents the realization of resource circulation based on consideration of safety and environmental impact throughout all stages of the product lifecycle, from product development and design to manufacturing, customer use, disposal, and reuse. With "the end of life" of products in mind, the Brother Group has been working to (i) increase the reusability and recyclability of products and consumables and (ii) build recycling systems.

> Printing Business Develops its Ink Cartridge Remanufacturing Capabilities
https://sdgsstory.global.brother/e/customer/691/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

> Collection, Remanufacturing and Recycling Efforts in Various Countries
https://global.brother/en/sustainability/eco/product/recycling

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Maximizing value through collaboration with customers (Red dotted line)

Flow to improve products quickly by obtaining feedback from customers

This represents the process of having customers try prototypes early in the development stage, obtaining feedback, and quickly improving the product, with the aim of realizing "expansion in the Industrial area" and creation of new businesses. For example, to contribute to even greater value creation at production sites, the Brother Group responds promptly to customer demand, as demonstrated by the machine tool SPEEDIO Deburring Center DG-1.

> Machine Tools to Improve Productivity and Reduce CO_2 Emissions
https://sdgsstory.global.brother/e/customer/398/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

> "Value" chain Starting with Customers
https://global.brother/en/sustainability/csr/value/customer

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"Value" Chain Starting with Customers



Brother Develops a Product That Meets Customer Demands to Expand the Machine Tool Market

The Brother Group places customers first, demonstrating its "At your side." spirit in its approach to manufacturing. To contribute to even greater value creation at production sites, the Brother Group is responding quickly to customer demands and changes in the world including with the SPEEDIO series of machine tools.

To respond to customer needs, sales, technical, and service staff visit customers together to directly listen to their needs and consider what new functions and solutions should be proposed. Also, the manufacturing, quality assurance, and service departments work together with the development departments to advance multiple product development projects in parallel, thereby accelerating the development and launch of new products.

Deburring Center SPEEDIO DG-1, launched in September 2024, is a machine dedicated to deburring die-cast parts. While the conventional SPEEDIO machines were designed for parts processing, Deburring Center DG-1 is focused on removing burrs on materials that occur during the process of manufacturing die-cast parts. Deburring is mostly handwork, and in recent years, labor shortages have caused difficulty in securing workers for deburring. Moreover, deburring with robots or numerically controlled (NC) machining centers needs much time devoted to creating programs and modifying processing paths, resulting in demand for an easier and quicker start of processes. Our development staff witnessed customers facing these challenges at their operational sites many times, which drove them to find solutions. Since there was no machine tool based on the same concept on the market, the development staff repeated the process of producing a prototype, having it used by customers, and producing another prototype while listening to customer feedback in order to refine the specifications and functions of the tool. As a result, they finally succeeded in creating a product that made customers say, “This is the machine tool we’ve been looking for.”

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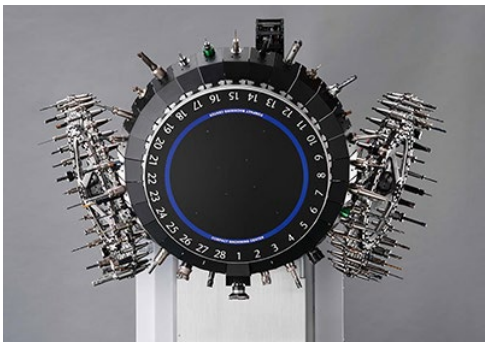


SPEEDIO Deburring Center DG-1

In addition, the SPEEDIO S700Xd2-100T and U500Xd2-100T, launched in March 2025, are the first models of compact machining centers that have a storage capacity of 100 tools. Over the period of more than 10 years before then, we had detected strong demand for high-mix, low-volume production through our visits to customers in Europe and other regions. We had since mulled over an idea for compact machine tools that could be mounted with 100 tools. The COVID-19 pandemic triggered a shift of the mainstream of parts processing, especially in the automotive industry, from mass production to high-mix, small-lot production, resulting in further growing demand for this kind of production. In mass production, the key to productivity improvement is to reduce the time needed to process each part. Meanwhile, productivity improvement in small-lot, high-mix production requires reducing the time needed to exchange jigs and tools. As a solution to this challenge, we developed a new “100-tool magazine” with a storage capacity of 100 tools. For example, it takes as short as five seconds to replace the tools in the magazine at the front of the console with those in the tool stockers on the left and right. These new models therefore feature a much more rapid exchange of tools.



SPEEDIO S700Xd2-100T



Newly developed the 100-Tool Magazine

The Brother Group will continue to develop products by listening to customer demands in order to provide optimal products that meet their needs, while leveraging its own strengths and expertise.

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Corporate commercial "The Essence of Manufacturing"

BIL has released the corporate commercial "The Essence of Manufacturing," a documentary film showing the journey of a young Brother engineer who gains hints for manufacturing through dialogue with customers.

Brother corporate commercial "The Essence of Manufacturing"



https://www.youtube.com/watch?v=AgCR5tD15uA&t=1s

*: This video is available only in Japanese

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Value Creation Activities

Product Planning, Research and Development



To Develop Products Valued and Chosen by Customers

Incorporating customers' viewpoints into every aspect of products

At the Brother Group, we consider that true technical capabilities refer to the utilization of our unique technologies to create products and services that customers demand. This is because we believe that excellent technologies can provide value to people only when they are utilized in product design.
In order to offer products valued and chosen by customers, the Brother Group's engineers give full attention and listen to customer opinions sincerely. They devote themselves to value creation by constantly thinking about what technologies they can apply to satisfy customers and what kind of products will support customers.

“Connecting” with Customers

Brother Industries, Ltd. (BIL) is promoting initiatives to connect with customers to provide even greater value to customers. “Connecting” means creating a state of direct communication with customers who use our products and services and continuing to provide superior customer experience and value.

In the Printing & Solutions Business, by having customers register the products they have purchased online, we can make various proposals based on their product usage. For example, we offer multiple subscription plans that can be selected based on factors such as the number of pages printed, helping to reduce customers’ TCO.* We also provide long-term extended product warranties and automatic delivery services for consumables, eliminating the hassle and burden of purchasing consumables and maintaining product quality through the continued use of genuine consumables. Through these initiatives, we are working to create an environment in which customers can use our products for longer periods of time with peace of mind.
In the Personal & Home Business, we offer the mobile app “Artspira,” which supports the creation of crafts. “Artspira” is a mobile app that works in conjunction with products handled by BIL’s Personal & Home Business, allowing users to easily create and edit original embroidery data and cutting data. This makes customers’ craft activities richer and more enjoyable.
By connecting directly with customers through these services, we are able to understand their product

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usage and accumulate data, enabling us to provide one-to-one marketing that proposes products and consumables tailored to customer needs at the optimal time. These initiatives not only increase customer satisfaction but also use the knowledge gained to develop next-generation products and new services.

BIL will continue to use customer needs and data obtained through direct connections with customers to evolve its business model and aim to provide products and services that meet customer expectations even more than ever before.

*: Total Cost of Ownership: Total cost from purchase to disposal

To Solve Customers' Problems Through Technology

CFC-free and energy-saving spot cooler with no hot exhaust air, achieving both heat countermeasures and environmental impact reduction

BIL is developing the PureDrive series of spot coolers, which aim to create a comfortable working environment and reduce environmental impact. In recent years, there has been an increasing demand for spot coolers as a way to combat the heat in places where it is difficult to provide air conditioning for the entire building, such as factories, logistics sites, and event and sports venues. However, conventional heat pump spot coolers have had various issues, such as a rise in ambient temperature due to the hot exhaust air,[*1] the environmental impact caused by utilizing fluorocarbon refrigerants, and the hassle of disposal.

To solve these issues, BIL has developed a unique two-stage cooling technology called "TwinAqua," which utilizes the latent heat of vaporization of water. In 2020, we launched "PureDrive," a CFC-free spot cooler with no hot exhaust air[*2] that is equipped with this technology and prevents the ambient temperature from rising by not generating hot exhaust air during operation. Moreover, by not utilizing any fluorocarbons, this product reduces greenhouse gas emissions and annual CO_2 emissions by approximately 75%,[*3] achieving both reduced environmental impact and energy savings. In 2021, the "PureDrive-FL" model for forklifts was developed. It has been made more compact while maintaining high cooling performance. It is also JIS-compliant in terms of resistance to strong shocks and vibrations during operation, ensuring safety. In addition, as it can continuously supply cool air to workers in a concentrated manner, it eliminates the need for air-conditioning throughout the building, such as a logistics warehouse, contributing to further energy savings and CO_2 reduction. In February 2025, BIL took the opportunity to fully enter the air conditioning business and launched the "PD-7100 Series,"[*4] a more compact version of our conventional stationary spot cooler model, and the "PD-3100 Series" for industrial vehicles, strengthening product development to meet diversifying needs for heat countermeasures. Moreover, with the revision of the Industrial Safety and Health Regulations in June 2025 requiring companies to take measures against heatstroke in the workplace, BIL will continue to

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strive to create a safer and more comfortable working environment with its spot cooler series, which utilizes its unique technology.



Stationary spot cooler “PD-7100”



Spot cooler for industrial vehicles “PD-3100”

*1: This refers to exhaust air whose dry-bulb temperature (air temperature measured with a normal thermometer, regardless of the amount of moisture (humidity) in the air) is higher than the outside temperature.

*2: This refers to the dry bulb temperature (air temperature measured with a normal thermometer, regardless of the amount of moisture (humidity) in the air) of the exhaust air being lower than the outside temperature.

*3: Converted from the amount of power consumed by product use using the emission coefficient for each power company based on the Act on Promotion of Global Warming Countermeasures (Global Warming Act).

*4: This product series is intended for industrial use and is not suitable for home use.

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Development Design, Production Engineering

Brother Maximizes Synergies through Joint Development with Domino

Brother incorporates its own print head with proprietary inkjet technology into the Domino brand products

The N730i digital label printer is a product jointly developed by Brother Industries, Ltd. ("BIL") and its subsidiary, Domino Printing Sciences, plc ("Domino Printing"). The N730i is equipped with BIL's own BITSTAR™ print head, which utilizes the inkjet technology that BIL has cultivated over the years. In addition to a high resolution of 1200 dpi, the combination of the industry's smallest ink droplet sizes improves print quality and achieves a print speed of 70 m/min, including white printing. Furthermore, as the main unit, print head, and ink are all developed by the Brother Group, Brother also focuses on providing prompt maintenance service from the customer's point of view.



N730i digital label printer



BITSTAR™ print head developed by Brother

Since BIL made Domino Printing its wholly-owned subsidiary in 2015, it has been striving to maximize synergies through group-wide business operations. The joint development of products between BIL and Domino Printing is a synergy that Brother has been aiming for since the acquisition of Domino Printing, and their knowledge was applied to N730i. Brother Group will continue to work as one to achieve further development in the industrial printing area.

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Brother Develops Industrial Thermal Printer to Expand Sales in Asian Markets

Brother realizes high-quality printing at any speed by utilizing its printer technologies

Thermal transfer* (thermal) printers are typically installed in food production lines because they do not use liquid ink for printing, and therefore, there is no risk of ink migration. Brother has developed the Vx150i industrial thermal printer, which is used to print expiration dates and barcodes on plastic film packaging materials, by utilizing the thermal transfer technology used in its P-touch label makers. With this product, Brother aims to expand sales in Asia, which is the most important market for Domino Printing's thermal printer business.

By enhancing product quality and reliability, Vx150i has achieved stable high-speed continuous printing even in the harsh environment of Asia, with its high temperature, high humidity, and dust, while significantly reducing the frequency of parts replacement compared to previous models. The Vx150i basic model also features the cassette loading system for ink ribbons that was previously available only on higher-end models. This system makes it easier to replace ink ribbons, reducing the workload when replacing ink ribbons and contributing to improved productivity of customers. Furthermore, in addition to the low cost achieved by combining resin and metal in its design, the use of more resin to reduce product weight also reduces CO_2 emissions during transportation. Vx150i has been highly rated in the Asian market as a basic model that offers productivity and reliability comparable to higher-end models.



High-speed continuous printing performance



Print samples

The Brother Group will remain committed to advancing its technological capabilities to provide the best products for customers.

*: A technology that creates an image by transferring heat-sensitive ink from a ribbon onto a substance such as paper

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Brother Ensures Stable Procurement of Cost-Competitive Parts

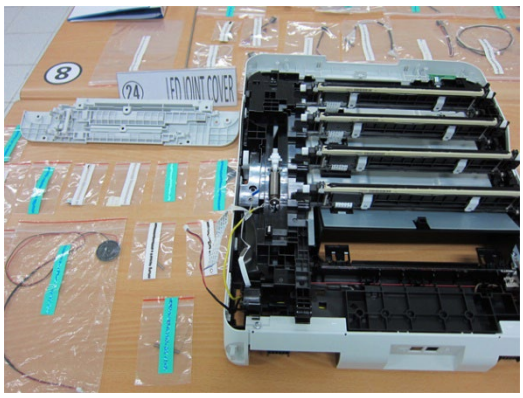
Brother enhances collaboration with its suppliers through parts exhibitions at manufacturing facilities

The Centralized Procurement Dept. of the Quality, Production & Engineering Center at Brother Industries, Ltd. has been strengthening ties with Brother's suppliers through parts exhibitions held at Brother's main facilities outside Japan to better procure parts.

The parts exhibition in FY2024 at manufacturing facilities of Printing & Solutions business in Vietnam and the Philippines had approximately 600 visitors from more than 240 partner companies and provided a productive opportunity to exchange various opinions.

In such parts exhibitions, the Centralized Procurement Dept. provides information about precautions in product assembly, key points in quality management, packaging forms, and so forth to participating suppliers while working together with the procurement, production, and quality management departments in Brother's manufacturing facilities. Subsequently, the departments solicit those suppliers' ideas and suggestions on cost reduction and the possibility of local procurement. The suppliers, meanwhile, aim to expand their business by considering how to contribute to Brother's manufacturing with their production technologies.

One of the participating suppliers commented that participation in the parts exhibitions enables him to get a deeper understanding of even the parts that his company has never supplied, and thus gives him a good opportunity to identify his company's strengths and weaknesses and reflect them in quality and cost improvement efforts for further business development.



Printer parts on display



Participating suppliers in a parts exhibition

The Brother Group will continuously strive to build strong trusting relationships with its business partners and grow and develop together to ensure stable procurement of high-quality and cost-competitive parts in dramatically changing business environments.

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Brother Strengthens Its Production System through Digitalization

Brother transforms customer needs into products and solutions with a digital production support system that ensures consistent quality

BIL's Kariya Factory has introduced and is operating the digital production support system "B-PACS" (Brother Point Analytical Control Supporting) to further advance the production of machine tools.

Machine tools, often referred to as "mother machines" because they cut materials to create various parts, play a vital role in supporting customers' high-precision parts machining and manufacturing. As such, it is particularly important to deliver machines tailored to customer specifications on schedule and with high quality.
To address this challenge, the Kariya Factory, which produces machine tools, has introduced B-PACS to achieve higher quality and more stable production. By using tablet devices to digitize production processes, the system enables real-time management of work progress and man-hours. This has made it possible to move away from managing production processes with over 100 sheets of paper, allowing work process and quality data to be input and checked instantly. In addition, data such as screw-tightening records are automatically captured and transferred, which significantly reduces operational errors, enables early detection of defects, and supports quick resolution.
The system has also been rolled out to Brother Machinery Xian Co., Ltd., our manufacturing facility in China, contributing to the strengthening of our global production structure. Furthermore, because operators can check work procedures instantly on tablets while working, the time required to learn tasks has been shortened, facilitating the early development of new operators. In terms of talent development, we are also promoting production enhancement through education, such as providing opportunities to improve skills and learn the essence of manufacturing at the Takumi Dojo https://global.brother/en/sustainability/social/training . Through these efforts, we deliver machines, on time and with high quality, that meet customer specifications.

BIL will continue to evolve its production system to quickly provide superior value to customers.

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Manufacturing, Distribution, Sales and Service



Flexibility and Cooperation Developed by Listening to Customers

Remaining a company that can transform itself to respond to changes in the business environment

We are facing a rapidly changing business environment, such as the diversification of business tools and markets, and changes in customers' behavior. "Flexibility" and "cooperation with business partners" are indispensable for Brother to handle these situations.
We cope with such changes by listening to customers, taking advantage of the technologies, expertise and know-how we have developed, and working in proper cooperation with partners in new fields such as new businesses.
Brother aims to be able to transform itself in this way.

Brother Holds the Global Service Summit to Further Improve Its Product and Service Quality

The Printing & Solutions Business (P&S Business) of Brother Industries, Ltd. (BIL) has been holding the Global Service Summit (Summit) since 2007 with the aim of further improving its product and service quality. This summit is the advanced successor of the Global Service Meeting, which was launched in 2000 to discuss quality issues.

The summit is attended by the quality and service departments of Brother's regional headquarters in the Americas, Europe, Asia, China, and Japan to share the basic service policies of the Brother Group and discuss how the whole group works together to address critical challenges towards realizing its global service strategies. Each department reports on its specific activities and data, such as customer support with IT and AI and the analysis results of customer feedback. Participants brought back their findings from the summit to their regions in order to further increase the level of services.
At the 2024 Summit, we confirmed and agreed with each global base on the direction of our customer service strategy and actions for FY2025, including identifying issues related to AI chatbots, which are a valuable point of contact with customers, and how to evolve chatbots to improve the quality of communication.

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A participant reporting on service activities (FY2019 summit)



Participants exchanging opinions (FY2019 summit)

The aspirations of P&S's Quality Management and Customer Satisfaction Department are to identify customer needs based on market information and incorporate them into future products and services, and to contribute not only to customers but also to the global environment by providing products and services that can be used for even longer periods of time. To this end, it has set forth its quality strategy to achieve zero defects in product quality through an original management system called the "Brother Value Chain Management" (BVCM) https://global.brother/en/sustainability/csr/value and to respond to the circular economy through product and quality manufacturing that reflects the needs of customers and society so that customers will continue to use Brother's products over the long term.

P&S will continue to ensure that all of its facilities share their activities and strive to effectively and promptly deliver products and services that always satisfy customers around the world.

Promotion of Logistics[*1] Operations that Improve Working Environments and Optimize Logistics

The Brother Group is promoting activities to ensure that the human rights of people involved in its business are respected and to provide a safe and secure workplace for workers as part of “pursuing a responsible value chain,” one of the five materialities https://global.brother/en/sustainability/csr/materiality identified for realizing the Group Vision “At your side 2030.”
Brother International Corporation (Japan) (BIC(J)), which oversees the Brother Group’s global logistics, works with group companies and partners on a variety of initiatives, including improving logistics efficiency and responding to work style reforms, based on the Brother Group’s Management Policy with an emphasis on sustainability.

When loading containers during transportation, directly loading cartons without utilizing pallets improves loading efficiency, but unloading and transporting the cargos to the warehouse requires significant time and effort, placing a heavy workload on the warehouse staff, leading to port congestion and a worsening working environment. Moreover, in response to many issues facing the logistics

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industry, such as a shortage of truck drivers and the need to improve working environments, government agencies and the transportation industry have recently launched the “White Logistics Movement,”[*2] aiming to build an efficient and sustainable logistics system.
BIC(J) is therefore working with partners to pursue efficient palletization,[*3] including proposing the use of sheet pallets which save space compared to traditional pallets, and improve working environments.

BIC(J) has also worked with BIL’s related departments and business partners to introduce a proprietary platform for visualizing logistics. This platform has put in place a system that allows for real-time monitoring of the transportation status and expected arrival dates of Brother products, improving the accuracy of ordering and inventory management at each sales company and optimizing manufacturing and sales across the entire Group.
Going forward, we plan to go beyond simple visualization and promote further evolution, such as building a system that will enable early detection of risks such as port congestion, disasters, and customs issues, and rapid understanding of their impact, allowing for swift decisions to be made, such as changing transportation routes and reallocating inventory.BIC(J) will continue to meet the expectations and requirements of global stakeholders , providing high-quality logistics that improves working environments and optimizes logistics.

*1 : This is an overall efficient system regarding the distribution of goods. It goes beyond the distribution of goods and includes raw material procurement, business management, and cost management.

*2 : In response to a worsening shortage of truck drivers, this is a movement that is aimed at the stable logistics operations needed for domestic life and industrial activities while also contributing to economic growth. It seeks to improve productivity in truck transportation, create greater logistical efficiency, and achieve more conducive working environments in the logistics industry.

*3 : The final stage of the production line, in which cargo such as boxes, bags, and cases are stacked on pallets.

Rapid Quality Improvement and Increased Customer Satisfaction through Collaboration between Manufacturing and Sales Facilities

The Brother Group places our customers first everywhere of its global operations, including manufacturing, logistics, sales, and service, with “At your side” Spirit. Stable product quality, in particular, is a key factor in ensuring customers can use our products with peace of mind.

Brother Industries (Philippines), Inc., the manufacturing facility in the Philippines, and Brother International Philippines Corporation, the sales facility, leverage their geographical proximity to strengthen collaboration, enabling them to respond accurately and quickly to customer feedback received through dealers. For example, when a quality issue with product printing occurred, direct communication between the manufacturing and sales facilities allowed them to quickly implement measures to address the production process that was causing the issue, leading to a swift resolution of the quality issue. Moreover, by working closely together to thoroughly improve product quality and prevent customer inconvenience, the two facilities also solved other quality issues, reducing the time

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from problem detection to resolution from an average of 16 days to four days, a quarter of the original time.
Strengthening collaboration between the manufacturing and sales facilities has also led to a reduction in the number of returned products. For example, when a product was returned due to improper customer use, such as a paper jam, both facilities worked together to create a leaflet explaining how to solve the problem and how to use the product correctly, which was then included with the product warranty. In addition, online product training sessions were held for customers, providing a forum for directly addressing any issues they may have. As a result, customers were able to understand the causes of product problems and solve them themselves, preventing recurrence of such problems, reducing the number of returned products, and improving customer satisfaction.

These collaborative efforts are also being continued for successor models of the affected products. Thus, we are always committed to our stance of “not causing any inconvenience to our customers” by quickly solving quality issues and providing direct guidance on how to use the products.
The Brother Group will continue to strive to improve customer satisfaction by providing better products and services through its flexible response capabilities, which leverage its global network, and by promoting quick problem-solving through close collaboration between facilities in each process of manufacturing, logistics, sales, and service.

Strengthening Quality Assurance Capabilities and Streamlining Business Processes through Factory “visualization”

The Brother Group has been working for many years to build and strengthen its global manufacturing system. With 28 manufacturing facilities globally, the Group has established a highly cost-competitive and flexible manufacturing system that involves multiple facilities to respond to changes in production needs. Our medium-term business strategy “CS B2027” seeks to further enhance our manufacturing capabilities, aiming to strengthen our company-wide quality assurance capabilities and streamline business processes. To this end, the Brother Group is promoting the implementation and deployment of digitization at manufacturing sites.
For example, Brother Industries (Vietnam) Ltd., a manufacturing facility in Vietnam, has created databases for various types of information on the entire factory by linking existing systems. The accumulated data is analyzed according to the needs of each department and is shared and made visible via a dashboard. This has not only facilitated the discovery of process waste and improvement activities but also promoted automation, thereby further enhancing efficiency of the manufacturing process. In addition, traceability data of products and parts have allowed for an accurate understanding of quality-related information, enabling prompt investigation of causes and swift response when a problem occur. Furthermore, by analyzing the accumulated data, it is possible to identify potential problems at an early stage that are difficult to detect visually. This enables prediction and prevention of problems, leading to further quality enhancement and increased efficiency of quality control. The use of the accumulated data also contributes to decision-making, helping to make objective and accurate

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decisions and deepen insights without relying on intuition or experience.

This initiative is being rolled out at factories around the world. Brother Industries' Hoshizaki Factory, which plays a key role in strengthening production capacity for inkjet printheads and related components, is working to improve the production efficiency of the entire factory by promoting factory visualization and data utilization through construction of an information integration platform. The Brother Group will continue to further strengthen its manufacturing capabilities, with the aim of further enhancing quality assurance and improving operational efficiency.

Thorough Support for Machine Tools to Back Manufacturing on the Frontline

With the SPEEDIO series of machine tools, BIL is enhancing its support system to help customers maximize productivity.

In recent years, labor shortages in the manufacturing industry—particularly of skilled talent—have become increasingly serious. Even at production sites using machine tools, securing staff responsible for machine maintenance is a challenge. Moreover, production stoppages caused by machine tool failures can result in significant losses for customers, making swift recovery of equipment especially critical.
To address these issues, BIL has established a wide-ranging support structure that contributes to reducing downtime and ensuring stable production operations at customer sites.
For example, by installing a remote support kit on machine tools, customers can access support via network connection. When an operator notices an abnormality at a customer site, simply pressing the switch on the kit immediately connects them to our call center. The relevant machine data is then retrieved from our database for quick analysis and identification of the cause. This eliminates the need for customers to explain abnormal conditions in detail and enables faster problem resolution. In addition, the kit analyzes machine faults and changes in machine conditions, and when signs of failure are detected, customers are notified in advance—delivering thorough services to help prevent production stoppages. We have also built a range of support channels, including a 24-hour chatbot inquiry service, video-call support, and enhanced maintenance services. As a result, we have achieved a machine recovery rate of over 90% within 48 hours of downtime.*

BIL will continue to strengthen its support system and enhance service quality so that customers can feel assured in using our products long after purchase and so that we can continue supporting manufacturing on the frontline.

*: As of March 2024

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Strengthening Service, Support, and Marketing Systems through Brother Technology Centers

The Brother Group has established Brother Technology Centers worldwide to enhance technical support, after-sales service, and marketing for our machine tools.

A Brother Technology Center is a facility where customers can experience the high productivity of Brother machine tools through exhibitions and actual machining demonstrations. We also hold various seminars to explain product applications and usage in detail, actively providing support and proposals for customers considering product adoption. In addition, we respond to a wide range of inquiries, including consultations on parts machining and requests for verification machining, helping customers solve challenges through proposals for optimal machining methods, automation, and other solutions. As of October 2025, six Centers*1 have been established in Japan and thirteen Centers*2 overseas, offering services tailored to the characteristics of each market. Each facility is staffed with specialists who not only provide technical support but also share the latest product information, thereby building trusted relationships with customers and strengthening marketing activities.

Going forward, the Brother Group will continue to strengthen its framework to respond quickly to changing markets and customer needs, supporting customers' manufacturing on the frontline.

*1: Aichi, Tokyo, Osaka, Gunma, Miyagi, Saga

*2: United States, Mexico, Germany, Thailand, India (3 locations), China (6 locations)

Data About Manufacturing and Sales Facilities

		FY2020	FY2021	FY2022	FY2023	FY2024
Manufacturing facilities and sales facilities		In more than 40 countries and regions				
Sales revenue(Consolidated)		631,812 million yen	710,938 million yen	815,269 million yen	822,930 million yen	876,558 million yen
Sales revenue by region	Japan	15.7%	14.8%	14.2%	14.2%	13.3%
	The Americas	31.8%	31.3%	33.8%	34.4%	34.6%
	Europe	28.2%	27.3%	25.7%	27.7%	27.0%
	Asia & Others	24.3%	26.6%	26.3%	23.8%	25.1%

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Intellectual Property



Manufacturing technology cultivated through business diversification since the group's founding

The Brother Group started out in the sewing machine repair business in 1908. Leveraging its product knowledge gained through sewing machine repairs, it succeeded in the mass production of domestic home sewing machines in 1932. After this, the business diversified into typewriters and home appliances, leveraging the press-molding and precision processing technologies cultivated through the development and manufacturing of sewing machines. Furthermore, by combining motor and electronic technologies, it has developed a variety of products for both consumers and industrial applications, including machine tools and communications and printing equipment. The spread of our unique technologies allows us to provide customers with unique Brother's value.

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

Decade	Base Product / Technology	Combination /Application	New Products / Businesses
1960s	Processing and casting technologies, etc. for sewing machines	⇒	Typewriters
	In-house technologies for sewing machine processing	⇒	Tapping machines (machine tool field)
1980s	Thermal printing technology for electronic personal printers and katakana-kanji conversion technology for Japanese language word processors	⇒	Label writers
	Thermal printing technology, information and communications technology, and scanning technology	⇒	Fax machines
	Content distribution technology for the PC software vending machine TAKERU	⇒	Online karaoke systems for business use

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1990s	Electrophotographic technology and inkjet printing technology for fax machines and printers	⇒	Compact All-in-Ones
2000s	Inkjet printing technology for home printers	⇒	Garment printers

System promoting intellectual property strategies

At Brother Industries, Ltd., the development departments and the intellectual property department consider intellectual property strategies from various perspectives and set goals for each business area. To ensure the implementation of our intellectual property strategies, we hold regular reporting meetings and, for matters requiring important decision-making, we report to the management, including officers in charge of each business, as needed and ask for their instructions.
Meanwhile, we have established incentive and award systems for employees to encourage the creation of inventions and designs as well as intellectual property activities. Even though in-house inventions are under control as know-how rather than applying for patents, the systems also reward employees who created inventions. Moreover, in FY2024, we received the Chubu Regional Invention Award for our invention of an air-powered tool cleaning device for machine tools. Such external invention awards have been broadly announced throughout the Company.

Measures to invest in and strengthen intellectual capital

Aiming for a business portfolio transformation to realize the group vision “At your side 2030,” the Brother Group is working on the research and development of a variety of unique technologies to create products and services desired by its customers. In FY2024, the Brother Group as a whole invested approximately 49.5 billion yen in R&D. We possess numerous patents for inkjet print head technology, which strengthens the Industrial Printing area, one of the pillars of our business portfolio transformation. In the P&S Business, we have named our new inkjet printing technology “MAXIDRIVE,” and by branding it as a technology trademark, we protect our intellectual property in both patent and trademark aspects. To support these businesses, we are strengthening our efforts to obtain and utilize intellectual property rights, including patents, utility models, designs, and trademarks, while appropriately combining them. Moreover, as part of our efforts for the business portfolio of the future, we are strengthening collaboration with external parties such as Nagoya Institute of Technology to promote the creation of new technologies and businesses.

Number of patents held and talent development

The Brother Group obtains intellectual property according to the situation of each business area. For example, in the Industrial Printing area, we support the advancement of our business by actively

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obtaining patents for inkjet–related technology, one of our fundamental technologies. In the Printing area, we continue our activities to possess a considerable number of valuable patents in order to increase profitability and maintain our competitive advantage in an industry with a high number of patents. We also conduct strategic intellectual property activities, including obtaining patent rights as a barrier to entry, by identifying promising technologies through collaboration between the development departments and the intellectual property department. In March 2025, the “Clarivate Top 100 Global Innovators 2025” title was awarded to Brother Industries, Ltd. for the eighth time by Clarivate, a U.K.-based company, as an organization at the top of the global innovation ecosystem.
We also utilize our patent rights in a variety of ways. For example, if our business is threatened by the manufacturing or sale of infringing products, we may issue warnings or enforce our rights, seeking injunctions and compensation for damage.
Meanwhile, we respect the rights of third parties and conduct diligent research to ensure that we do not infringe any intellectual property rights of others when developing new products. To strengthen these activities, we continually develop human resources involved in intellectual property. We provide designers with opportunities to deepen their knowledge of intellectual property through internal e-learning and training programs tailored to their level. We also provide intellectual property department personnel with professional education through multi-year programs.

Status of Patents

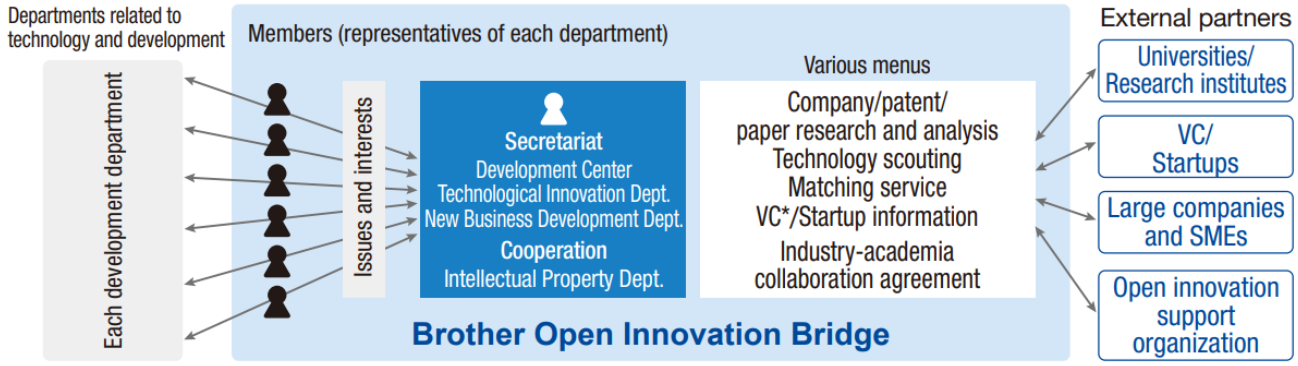
No. of published patent applications in Japan	985 (FY2024)
No. of patents granted in Japan	1,021 (FY2024)
No. of patents granted in the U.S.	585 (FY2024)
No. of patents owns worldwide:	approx. 30,000 (As of March 31, 2025)

Open innovation

In order to resolve our customers’ problems, we have built an internal platform that uses technologies and information from both inside and outside the Company and are promoting open innovation. As our internal platform, we operate the Brother Open Innovation Bridge, which compiles the technical issues and interests of each development department within the Company, identifies and introduces optimal external partners such as universities and startups, and enables the sharing of information researched

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and analyzed within the Company.



* Venture Capital company: An organization that invests in venture companies expected to have future growth

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The Brother Group Principles of Social Responsibility

The Brother Group Global Charter

"The Brother Group Global Charter," originally published in 1999, provides the foundation for all Brother Group activities in the global marketplace. All Group companies - and all our employees - must base their decisions and actions on the Charter's "Basic Policies" and "Codes of Practice."

For details, please see the site for "Corporate Information - The Brother Group Global Charter."
https://global.brother/en/corporate/principle

Introducing the Brother Group Principles of Social Responsibility

The Brother Group Global Charter (Global Charter) was established in 1999 and lays the foundation for the Brother Group's global activities. All Brother companies and employees must base their decisions and actions on the guidelines set out in Global Charter. In order to meet the requirements of Global Charter, particularly with regard to responsibilities towards stakeholders including customers, the Brother Group has implemented an active management program with an emphasis on sustainability.

As the role of corporations has become more significant in achieving a sustainable society, the demands and expectations of stakeholders towards the Brother Group have increased.

In response, The Brother Group has adopted "Principles of Social Responsibility" (the "Principles") to publically express how we fulfill our social and ethical duties.

Rigorous implementation of the Principles will ensure that the Brother Group meets its social responsibilities in the countries and regions where we operate and will enhance management with an emphasis on sustainability.
We aim to make the Brother Group an even more globally recognized and unified corporate brand which is truly trusted by our customers and stakeholders. Moreover, we hope that the Brother Group will enjoy a long and successful future in a sustainable and ethical society.

Brother Industries, Ltd.
Originally published on January 27, 2012
Revised on October 1, 2023
Revised on October 1, 2025

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The Brother Group Principles of Social Responsibility

0. Definitions

The “Brother Group” or the “Group” refers collectively to Brother Industries, Ltd. and its consolidated subsidiaries.
“Each Brother Group company” refers to each company included in the Brother Group.
“Executives and employees” and “associates” refer to directors, corporate auditors, and others in employment relationships with the Brother Group companies (including various kinds of part-timers).

1. Creating excellent value and quickly delivering it

The Brother Group’s mission is to place our customers first everywhere, every time, as embodied by the spirit of “At your side.” and to provide them with superior value by quickly creating and delivering high-quality products and services. The Group also builds strong, long-lasting relationships with customers, gaining their loyalty. The executives and employees will consistently observe the changing world’s needs, make fast decisions and take quick action, with readiness to take on new challenges and a strong sense of responsibility.

2. Coexisting with local communities in harmony

The Brother Group will respect the culture, rules and spirit of laws in all countries and regions where it operates. The Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Group operates.

3. Respecting human rights

In conformity to the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council, the Brother Group will respect the human rights of all stakeholders and will be committed actively to ensuring that human rights are fully respected. Furthermore, to ensure that its commitment permeates its entire value chain, the Group will request all parties involved in its value chain, including its business partners, to engage directly or indirectly in initiatives to foster understanding of the Guiding Principles and respect human rights.

- **Human rights due diligence and remedial measures**
  The Brother Group will appropriately assess and mitigate any adverse impacts of its business activities on human rights by having parties involved in its value chain undergo human rights due diligence and by setting up a contact point for those whose human rights are under such adverse impacts so that they can appeal for remedial measures.

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- **Respect for diversity**
  The Brother Group positions respect for diversity as a driving force behind its growth and innovation. The Group will always act toward individuals with trust and respect, foster a culture of mutual respect for and inclusion of diverse values, and maximize the individuality and capabilities of every single employee. Also, the Group will never tolerate any forms of discrimination or harassment and will work to prevent and eliminate discrimination and harassment so that all associates can demonstrate their talents with peace of mind.

- **Fair working conditions and workplace health and safety**
  The Brother Group has adopted the basic policy of putting safety first in all settings. The Group will comply with all safety and accident prevention laws and regulations and devote sustained efforts to creating safe and secure working environments where all associates can work healthily and create excellent value.

Related Documents

> Brother Group Human Rights Global Policy
https://global.brother/en/sustainability/social/human-rights#policy

> Brother Group Global Policy for Helpline for Compliance Issues
https://global.brother/en/sustainability/governance/compliance#c02

> Brother Group Human Resources Management Policy
https://global.brother/en/sustainability/social/training#policy

> Brother Group's Basic Safety and Disaster Prevention Policy
https://global.brother/en/sustainability/social/safety#s01

4. Helping protect the earth

The Brother Group helps society achieve sustainable development by positively and continuously considering the environmental impact in all aspects of our business operations.

- **CO_2 emissions reduction**
  The Brother Group will achieve carbon neutrality of all its business operations and minimize CO_2 emissions from its entire value chain, thereby contributing to creation of a carbon-free society.

- **Resource circulation**
  The Brother Group will promote activities to ensure sustainable use of precious resources and minimize the environmental impact of waste, aiming to maximize resource circulation.

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- **Conservation of biodiversity**
  The Brother Group will promote activities to minimize the environmental impact of its business operations on ecosystems and to restore and conserve the ecosystems beyond the impact.

Related Documents

> Brother Group's Environmental Policy
https://global.brother/en/sustainability/eco/policy

5. Implementing ethical and respectable business practices

The Brother Group will act with the highest integrity and ethics in all aspects of its activities.

- **Fair dealing**
  The Brother Group will comply with all applicable competition-related and anti-trust laws and regulations of the countries and regions where it operates and will never restrict or distort free and fair competition.

- **Responsible procurement**
  The Brother Group values relationships of trust with its suppliers and contractors. Therefore, it will share its procurement policies and standards with them to ensure the fairness and responsibility of its procurement activities.

- **Appropriate trade control**
  The Brother Group will comply with all applicable laws and regulations on security trade control of the countries and regions where it operates, as well as internal rules thereon, and will never be involved in export or technology transfer that can lead to the proliferation of weapons of mass destruction or the excessive accumulation of conventional weapons.

- **Proper advertising and labelling**
  The Brother Group will uphold and comply with applicable standards for proper advertising. When placing advertisements and labelling its products, the Group will provide accurate information to avoid misleading stakeholders.

- **Adequate information management**
  The Brother Group positions information as an important asset that is useful for the continuity and growth of its business. The Group will operate rigorous information management systems to safeguard and appropriately handle its information assets and to protect them from various risks. The Group will ensure that confidential information relating to the Group companies, other organizations, or their customers will never be unlawfully disclosed to third parties without consent. The Group also prohibits any unauthorized disclosures and information leakage. Moreover, the Group also prohibits acquisition of corporate information from inside and outside the Company by

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improper means, leakage of acquired information to other companies or persons, or use of that information for personal interest. This Principle also applies to former executives and employees.

- **Reporting and recording accurate corporate information**
  The Brother Group will create necessary records and reports, including financial records, promptly and accurately and retain them properly. The Group will also make accurate and timely disclosures in accordance with applicable laws and regulations so that shareholders and investors can make fully informed investment decisions. Moreover, the Group will ensure that any personal statements made by executives or employees will not be mistaken as the Brother Group's official statements.

- **Protection of personal information**
  The Brother Group respects the privacy of all its stakeholders, including customers, business partners, and employees, and will obtain personal information appropriately and handle it safely in accordance with applicable laws and regulations. In addition, for appropriate management and handling of personal information, the Group will take sufficient security measures, such as restricting access to personal information.

- **Protection of intellectual property**
  The Brother Group will endeavor to properly protect its intellectual property rights. The Group will also respect the intellectual property rights of third parties and strive to avoid infringing on those rights.

- **Political involvement**
  Before making political contributions or donations to political activities or public institutions as a corporate group, the Brother Group will fully consider the necessity and appropriateness of such contributions or donations. If it decides to contribute or donate, it will do so in accordance with applicable laws and regulations.

- **Prohibition of antisocial acts**
  The Brother Group will take a firm stance against any groups or individuals who use acts of violence or intimidation or fraudulent means to seek economic gains, as well as other antisocial forces, and will never have any relationships with them.

- **Prevention of acts in conflict of interest with the Group**
  The Brother Group ensures that executives and employees prioritize the Group's interests in their work by preventing and managing conflicts of interest. In addition, executives and employees are prohibited from using the Group's assets or information for personal or third-party gain.

- **Prohibition of insider trading**
  The Brother Group will never disclose any confidential information it has obtained about itself or other companies to anyone other than those to whom it recognizes the need to provide that

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information for business purposes, nor will it use that information to engage in any forms of insider trading, including purchasing or selling the shares or securities of the relevant companies. The Group also prohibits its executives and employees from being personally involved in insider trading.

- **Prohibition of receiving or offering unfair benefits**
  The Brother Group will not engage in any form of corruption, extortion, or embezzlement. In addition, it will never offer or accept bribes or other excessive or improper benefits.

Related Documents

> Promoting CSR Procurement
https://global.brother/en/sustainability/social/supply-chain#csr

> Procurement Policy/CSR Procurement Standards
https://global.brother/en/sustainability/social/supply-chain#procurement

> Policy on the Responsible Procurement of Minerals
https://global.brother/en/sustainability/social/supply-chain#cmpolicy

> Brother Group Competition Law Global Policy
https://global.brother/en/sustainability/governance/compliance#c06

> Brother Group Anti-Corruption Global Policy
https://global.brother/en/sustainability/governance/compliance#c05

> Corporate Governance Report
https://global.brother/en/sustainability/governance/corporate#c02

> Disclosure Policy
https://global.brother/en/investor/management/disclosure

> Integrated Report PDF Download
https://global.brother/en/sustainability/report-archive/bir

> Information Security Basic Policy
https://global.brother/en/sustainability/governance/security#information-security

> General Privacy Policy of Brother Industries, Ltd.
https://web.global.brother/aa/privacy-us-en.html

6. To ensure that these Principles are put into practice

To ensure that these Principles are put into practice, the Brother Group will engage in the following activities under the supervision of the Sustainability Committee of Brother Industries, Ltd.

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1. Each Brother Group company will formulate its own code of conduct, internal rules, etc. that satisfy the standards set by these Principles and require its associates to comply with the code, rules, etc.

2. Each Brother Group company will establish a system, including a responsible department, according to its own organizational structure to ensure proper application of these Principles and its own code of conduct. It will also review the system as needed.

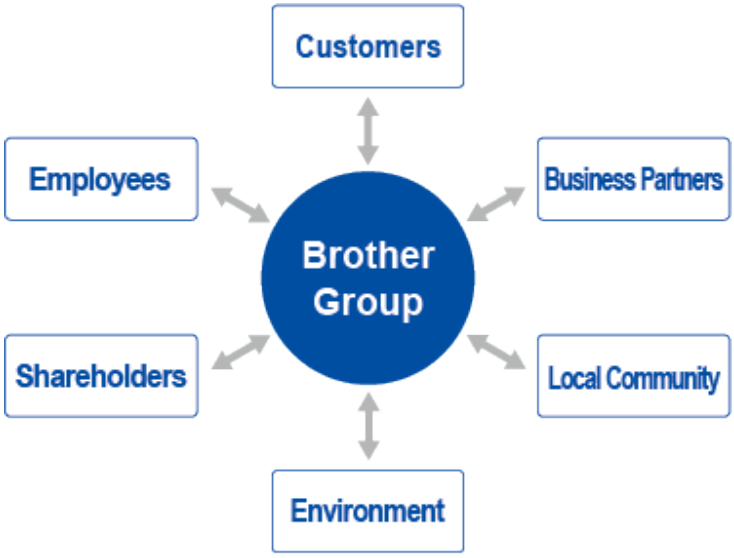
3. Each Brother Group company will endeavor to ensure the effectiveness of these Principles and its own code of conduct by educating its executives and employees, periodically checking on their compliance with the principles and code and implementing corrective measures.

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Stakeholder Engagement

Establishing Long-Term Trusting Relationships With Our Stakeholders

Based on the “At your side.” spirit, Brother aims to create social value through business activities. The foundation for this is the building of long-lasting, trustful relationships with customers, our associates (employees), business partners, shareholders, local communities, and the environment, which are defined as our stakeholders in the Brother Group Global Charter https://global.brother/en/corporate/principle . All employees of the Brother Group act with this sense of value to continue to evolve Brother’s management with an emphasis on sustainability.



PDF Multi-Stakeholder Policy [PDF/322KB]
https://download.brother.com/pub/com/en/csr/pdf/2024/multi-stakeholder-policy.pdf

Customers

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
・ “Customers” are present and potential users of Brother Group products and services ・ Place our customers first everywhere, every time, and provide them with superior value,	・ Take customer opinions as the starting point of our business activities and deliver products and services that meet customer needs ・ Establish quality standards and evaluation methods for products and create reliable products

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Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
by quickly creating and delivering high-quality products and services ・ Build strong, long-lasting relationships with customers, gaining their loyalty ・ Offer superior value, which attracts and retains customers and, ultimately, drives our growth ・ Effectively utilize our successful growth, investing significantly to acquire and retain more customers ・ Quickly respond to the demands and expectations of the global marketplace ・ Practice a customer-oriented, global strategy	・ Call the percentage of products sent back from customers for repair or return the "rate of product return and servicing," and pursue product quality improvement to reduce product defects close to zero ・ Work in proper cooperation with partners to flexibly respond to diversified business tools, markets, and changes in customers' behavior ・ Expanding business that connects with customers, including contract-based services

Please see below for details of specific initiatives

> "Value" chain Starting with Customers
https://global.brother/en/sustainability/csr/value/customer

> Product Planning, Research and Development
https://global.brother/en/sustainability/csr/value/demand

> Product Information Security and Product Safety
https://global.brother/en/sustainability/social/product-security

Employees

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
・ Our “Associates (Employees)” are all people working in the Brother Group ・ Respect diversity, provide a working environment that enables our associates to utilize their talents and abilities to the fullest,	・ Introduce a new human resources system to implement the Human Resource Policy of "true autonomy and effort" ・ Introduce new compensation and evaluation systems to implement the Human Resource Policy of "properly reward achievements and

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Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
and give them great opportunity through challenging work assignments ・ Provide our associates with fair, attractive financial rewards ・ Employees are expected to be positive members of society, share the Company's values, continually learn and improve, maximize their capabilities, strive to achieve their goals, and ultimately, contribute to our success ・ Effectively utilize our successful growth, investing significantly to reward employees, provide opportunities for human resources development, and acquire and retain more employees	contributions" ・ Establish talent development mechanisms, such as manager development training and trainee programs ・ Introduce systems and implement measures to support diverse work styles, such as homeworking and childcare/elderly care leave ・ Have been conducting "Employee Awareness Surveys" since 2008 and "Employee Engagement Surveys" since FY2022

Please see below for details of specific initiatives

> Basic Policy (Brother Group Principles of Social Responsibility)
https://global.brother/en/sustainability/social/human-rights#h01

> Talent Policy and Development
https://global.brother/en/sustainability/social/training

> Comfortable Working Environment
https://global.brother/en/sustainability/social/workplace

> Respect for Diversity
https://global.brother/en/sustainability/social/diversified

> Safety, Health and Disaster Prevention
https://global.brother/en/sustainability/social/safety

> Promotion of Health and Productivity Management
https://global.brother/en/sustainability/social/health

Improving employee engagement

In order to realize the transformation necessary to achieve the Brother Group Vision and encourage

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employees to take on challenges, the Brother Group has set improving employee engagement on a global basis as sustainability targets for FY2027 with the aim of building relationships in which employees and the company contribute to one another's growth. In addition to an employee awareness survey that has been conducted annually since FY2008, BIL conducted a new employee engagement survey in FY2022. The results of the survey revealed that about half of the employees felt "support for their growth" from the organization, with a high level of "alignment with the organization" and "sense of contribution," indicating that engagement was high overall. In addition, we conducted employee engagement surveys at more than 90% of our locations globally in FY2023 and at all sites globally in FY2024 to gain an understanding of the status of employee engagement. Alongside activities to share the Global Charter, the Brother Group plans to improve engagement across the Group by implementing initiatives to enhance the quality of each employee's target setting and to promote self-directed career development, as well as by promoting a global engagement survey.

Business Partners

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
・ "Business Partners" are all entities that work in cooperation with the Brother Group to provide value to customers ・ Act fairly with business partners and build strong, respectful working relationships for mutual growth ・ Effectively utilize our successful growth, investing significantly to strengthen our working relationships with our business partners	・ Make the Brother Group's "Procurement Policy" and "CSR Procurement Standards" publicly available to share the group's CSR procurement concept with suppliers ・ Implement CSR Procurement Level-up Program. Continue to require suppliers to understand and comply with the RBA Code of Conduct, conduct CSR surveys, and request and monitor improvements based on survey results ・ Recognize outstanding CSR efforts by suppliers ・ Proceed with audits of Brother Group sales facilities by an RBA-approved third-party auditor and receive certification from the RBA

Please see below for details of specific initiatives

> Responsible Supply Chain
https://global.brother/en/sustainability/social/supply-chain

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> Participation in External Initiatives-Responsible Business Alliance
https://global.brother/en/sustainability/csr/initiative#i02

Shareholders and Investors

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
・ "Shareholders" are investors holding stock in Brother Industries, Ltd. ・ Effectively utilize capital from shareholders to drive sustainable growth in corporate value and have regular, open communication ・ Develop long-term, trustful relationships with our shareholders ・ Effectively utilize our successful growth, investing significantly to return value to our shareholders through profit sharing, and acquire and retain more shareholders	・ Provide the latest information to shareholders and investors through general meetings of shareholders and financial results briefings ・ Conduct meetings with institutional investors and securities analysts in and outside of Japan

Dialogue with shareholders and investors

The Brother Group actively engages in fair and highly transparent information disclosure, as well as constructive dialogue with capital markets throughout the year, with the aim of sustainably improving corporate value. On our website, we disclose the latest information including the Integrated Report. We also provide information for institutional investors and securities analysts in and outside of Japan through quarterly financial results briefings, small meetings, individual interviews, and other means. In addition, we issue an interim report (in Japanese) to shareholders once a year.

Results of meetings with institutional investors and securities analysts in FY2024

Corresponding persons	Number of meetings	Main themes of dialogue
・ BIL Directors, Executive Officers, General Managers, and persons in charge of IR	・ Institutional investors / securities	・ Brother Group Vision "At your side 2030"

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Corresponding persons	Number of meetings	Main themes of dialogue
	analysts in Japan: 221 ・ Institutional investors / securities analysists outside of Japan: 62 Total: 283	・ Progress of the previous medium-term business strategy “CS B2024” and overview of the new medium-term business strategy “CS B2027” ・ Capital policy / capital allocation ・ Approach to business portfolio ・ Strategies for each business ・ ESG efforts ・ Materiality identification process and progress ・ Overview of quarterly financial results

We collect opinions received through dialogue to provide feedback at the management meeting quarterly and at the Board of Directors meeting semiannually, which is then reflected in our medium-term business strategy and used to strengthen our ESG disclosure.

The 133rd ordinary general meeting of shareholders

As for the general meeting of shareholders, BIL held the 133rd meeting at the hall of the Mizuho Factory, located in Nagoya City, on Thursday, June 25, 2025, with the attendance of 145 shareholders. In addition, a live webcast (virtual general meeting) was held so that those unable to attend could view the meeting online.

At the general meeting of shareholders, we explained mainly the following:

- Performance in FY2024 and outlook for FY2025, and shareholder return
- Overview of the medium-term business strategy “CS B2027”

All items on the agenda were approved and passed as drafted by a majority of the shareholders during the deliberation.

The meeting was followed by a social gathering between shareholders and BIL executives. With 66 shareholders in attendance, we were able to actively communicate with them through exhibits of new

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products and new businesses.



The 133rd ordinary general meeting of shareholders

> The 133rd Ordinary General Meeting of Shareholders Materials
https://global.brother/en/investor/meeting

Disclosure policy

The Brother Group has published the Brother Group Global Charter as its foundation for all Brother Group activities in the global marketplace. It proactively discloses information in a fair and highly transparent manner to build a long-lasting relationship of trust with all of its stakeholders, including customers, employees, business partners, shareholders, and local communities, and to stay environmentally responsible. The Company also strives to enhance its corporate value continuously through various communications with its stakeholders.

> Disclosure Policy
https://global.brother/en/investor/management/disclosure

Evaluation by External Entities

FTSE4Good Index Series	Included since June 2020
FTSE Blossom Japan Index	Included since June 2020
FTSE Blossom Japan Sector Relative Index	Included since March 2022

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MSCI Nihonkabu ESG Select Leaders Index	Included since June 2023
MSCI Japan Empowering Women (WIN) Select Index	Included since November 2019
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Included since 2022
S&P/JPX Carbon Efficient Index	Included since 2018
The SOMPO Sustainability Index	Selected since 2012
Health & Productivity Stock Selection Program	Recognized in 2017, 2019, 2020, 2021 and 2024
Certified Health & Productivity Management Outstanding Organization	Certified since 2017

*: For Brother's financial results, please see "Financial Information https://global.brother/en/investor/financial-info " in "Investor Relations."

Local Community

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
・ A “Local Community” is a region in which a Brother Group operation is located, and expected to satisfy social responsibilities ・ Always be a good corporate citizen, sharing our social, economic, and cultural resources in all the communities where the Brother Group operates ・ Effectively utilize our successful growth, investing significantly to contribute to local communities	・ Globally promote social contribution activities with a sense of unity, especially focusing on eco-conscious activities and activities involving "communities" and "personal development (including employees)" ・ Support recovery from large-scale disasters and pandemic response

Please see below for details of specific initiatives

> Social Contribution
https://global.brother/en/sustainability/social/contribution

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> Examples of Social Contribution Activities
https://global.brother/en/sustainability/social/contribution/local

> Empower your life.: Brother Group SDGs Special Site "Brother SDGs story"
https://sdgsstory.global.brother/e/community/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

Environment

Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
· Help society achieve sustainable development, by positively and continuously considering the environmental impact of all aspects of our business operations · Effectively utilize our successful growth, investing significantly to protect the global environment	· Create eco-conscious products · Recover and recycle consumables and products · Promote CO_2 emissions and waste reduction · Properly manage chemicals and discharged water · Implement environmental communication

Please see below for details of specific initiatives

> Environment(E)
https://global.brother/en/sustainability/eco

> Better your earth.: Brother Group SDGs Special Site "Brother SDGs story"
https://sdgsstory.global.brother/e/environment/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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Participation in External Initiatives

United Nations Global Compact

The United Nations Global Compact (UNGC) is a voluntary initiative by businesses and organizations which was proposed by then UN Secretary-General Kofi Annan at the World Economic Forum in Davos in 1999 and launched in 2000 to actualize sustainable growth.

In February 2020, Brother Industries, Ltd. (BIL) showed its support for the initiative and the president and representative director signed the agreement to participate in UNGC. Through compliance with the UNGC's 10 principles focusing on four different areas: human rights, labour, environment and anti-corruption, all the respective Brother Group employees will continue to maintain high awareness of social issues and to pursue activities to become a company that contributes to sustainable development of society further.

The 10 Principles of the UN Global Compact

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.

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Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Responsible Business Alliance

The Responsible Business Alliance (RBA) is a non-profit organization that supports the rights and well-being of workers and communities that are affected by global supply chains.
Since BIL joined the RBA in January 2019, it has been conducting audits of Brother Group facilities through third-party organizations certified by the RBA. As a result, in FY2020 and the following years, 4 Manufacturing facilities received RBA certification.

RBA Certified Facilities in the Brother Group (as of October 2024)

Facilities	Main Business	Status	Date of Acquisition
BROTHER INDUSTRIES (VIETNAM) LTD.	Manufacturing of printers and All-in-Ones	Platinum	October 29, 2024
BROTHER TECHNOLOGY (SHENZHEN) LTD.	Manufacturing of printers and All-in-Ones	Platinum	October 3, 2023
BROTHER INDUSTRIES (PHILIPPINES), INC.	Manufacturing of printers, All-In-Ones and labeling systems	Platinum	November 18, 2023
BROTHER INDUSTRIES, LTD. (Hoshizaki Factory)	Manufacturing of inkjet printheads and related components, etc.	Platinum	May 3, 2024

The RBA Code of Conducts sets out standards to ensure that working conditions are safe, that workers are treated with respect and dignity, and that business operations are conducted environmentally

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responsibly and ethically. The organization requests its members to pursue compliance with the respective standards through their management systems.
As a member of the RBA, BIL, will assess manufacturing processes of the entire group from global perspectives and propel further activities to establish sustainable supply chains to become a company trusted by all the stakeholders.

The RBA Code of Conduct Version 8.0 (2024)

A. LABOR	(1) Prohibition of Forced Labor (2) Young Workers (3) Working Hours (4) Wages and Benefits (5) Non-Discrimination/Non-Harassment/Humane Treatment (6) Freedom of Association and Collective Bargaining
B. HEALTH and SAFETY	(1) Occupational Health and Safety (2) Emergency Preparedness (3) Occupational Injury and Illness (4) Industrial Hygiene (5) Physically Demanding Work (6) Machine Safeguarding (7) Sanitation, Food, and Housing (8) Health and Safety Communication
C. ENVIRONMENT	(1) Environmental Permits and Reporting (2) Pollution Prevention and Resource Conservation (3) Hazardous Substances (4) Solid Waste (5) Air Emissions (6) Materials Restrictions (7) Water Management (8) Energy Consumption and Greenhouse Gas Emissions

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D. ETHICS	(1) Business Integrity (2) No Improper Advantage (3) Disclosure of Information (4) Intellectual Property (5) Fair Business, Advertising and Competition (6) Protection of Identity and Non-Retaliation (7) Responsible Sourcing of Minerals (8) Privacy
E. MANAGEMENT SYSTEMS	(1) Company Commitment (2) Management Accountability and Responsibility (3) Legal and Customer Requirements (4) Risk Assessment and Risk Management (5) Improvement Objectives (6) Training (7) Communication (8) Worker/Stakeholder Engagement and Access To Remedy (9) Audits and Assessments (10) Corrective Action Process (11) Documentation and Records (12) Supplier Responsibility

> Click to view about RBA (the link to the site of "RBA")
http://www.responsiblebusiness.org

> Click to view of the RBA Code of Conduct Version 8.0 (2024) (the link to the site of "RBA Code of Conduct 8.0 (2024)")
http://www.responsiblebusiness.org/code-of-conduct

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TCFD Recommendations

In February 2020, the Brother Group expressed our support for the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

In FY2021, based on the TCFD's recommendations, we analyzed the risks and opportunities that climate change brings to our business and disclosed relevant information for our Printing & Solutions Business, Machinery Business, Personal & Home Business, and new business. In the future, we will work to enhance our information disclosure and promote further measures for mitigating climate change to contribute toward creating a carbon-free society.

> Task Force on Climate-related Financial Disclosures (TCFD)
https://global.brother/en/sustainability/eco/cc

> To visit TCFD website (the link to the site of "TCFD")
https://www.fsb-tcfd.org

TNFD Recommendations

In February 2025, the Brother Group expressed its support for the framework of the Taskforce on Nature-related Financial Disclosures (TNFD), joined the TNFD Forum, and registered as a TNFD Adopter* .

Brother will begin its nature-related information disclosures in line with the TNFD Recommendations in FY2025. Moving forward, through its contributions as a member of the TNFD Forum, Brother will strive to minimize the environmental impact of its business operations and promote ecosystem restoration and conservation efforts that go beyond merely addressing that impact.

*: A company or organization that has registered its commitment on the TNFD website to disclose information in line with the TNFD Recommendations. Such entities are expected to begin such disclosures in either FY2024 or FY2025 .

> Taskforce on Nature-related Financial Disclosures (TNFD)
https://global.brother/en/sustainability/eco/tnfd

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> To visit TNFD website (the link to the site of "TNFD")
https://tnfd.global

Japan Climate Initiative

In February 2020, BIL joined the Japan Climate Initiative* in support of its declaration: "Joining the front line of the global push for decarbonization from Japan."

*: The Japan Climate Initiative is a network designed to strengthen the exchange of information and opinions among corporations, municipalities, NGOs, and others actively addressing climate change in Japan.

> Task Force on Climate-related Financial Disclosures (TCFD)
https://global.brother/en/sustainability/eco/cc

Japan Partnership for Circular Economy (J4CE)

In August 2022, BIL joined the Japan Partnership for Circular Economy (J4CE)* founded by the Japanese Ministry of the Environment, Ministry of Economy, Trade and Industry, and Keidanren (Japan Business Federation), in support of its purpose.

*: J4CE is an organization founded for the purpose of strengthening public and private partnerships, with the aim of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting initiatives in response to the accelerating global trend toward a circular economy.

> Resource Circulation and Waste Reduction
https://global.brother/en/sustainability/eco/resource-circulation

Circular Partners

In March 2024, BIL joined Circular Partners* (an industry-government-academia partnership for a circular economy) launched by the Japanese Ministry of Economy, Trade and Industry so as to promote activities to realize a circular economy.

*: Circular Partners is an alliance of organizations for a circular economy (CE) across Japan, including the national government, local governments, universities, companies, industry associations, and relevant institutions and organizations, to discuss and explore measures necessary to achieve a CE in Japan.

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Green x Digital Consortium

In October 2021, BIL participated in the Green x Digital Consortium established by the Japan Electronics and Information Technology Industries Association (JEITA). The Green x Digital Consortium promotes corporate carbon neutrality and optimization activities coordinated with the times of industry and society. BIL is demonstrating leadership within the industry by serving as a sub-leader of the Methodology Sub-Working Group , which establishes a framework for CO_2 data calculation and sharing methods.

> Green x Digital Consortium website (a link to the Green x Digital Consortium website) (in Japanese only)
https://www.gxdc.jp/activities/

30by30 Alliance for Biodiversity

In October 2023, BIL joined the 30by30 Alliance for Biodiversity[*1], a coalition of volunteers launched by the Ministry of the Environment (MOE) to actively develop initiatives for biodiversity conservation. At the same time, the MOE has recognized BIL's "Brother Forests in Gujo", which BIL has been operating since 2008 as part of its environmental protection activities, as a "Nationally Certified Sustainably Managed Natural Site"[*2] (first half of 2023) to achieve the 30by30 target. In August 2024, "Brother Forests in Gujo" was also registered in the World Database on OECMs[*3], one of the international databases managed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), as an OECM.
BIL will continue to actively deploy initiatives to conserve biodiversity and contribute to the achievement of the 30by30 target.

*1: 30by30 is a target to effectively conserve at least 30% of the land and sea in healthy ecosystems by 2030, aiming to achieve the goal of becoming "nature positive" to halt the loss of biodiversity and restore it, which was agreed at the G7 Summit in 2021.

*2: Nationally Certified Sustainably Managed Natural Sites are areas where biodiversity is being conserved through private initiatives and other means as part of actions taken in Japan to achieve the 30by30 target, and the government has begun certifying them since FY2023.

*3: OECMs stands for “Other Effective area-based Conservation Measures,” referring to areas that are not designated as national parks or similar protected areas but where biodiversity can be effectively conserved.

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> Click here for the 30by30 Alliance website (Link to 30by30 Alliance website)
https://www.env.go.jp/en/headline/2608.html

> "Brother Forest in Gujo" special site (Brother SDGs STORY)
https://sdgsstory.global.brother/e/environment/453/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

CDP

BIL has been responding to the Climate Change and Water Security Questionnaires by CDP* since 2015.

*: CDP is a British NGO that operates a global disclosure system to help investors, companies, cities, states and regions manage their environmental impacts.

> Reduction of CO_2 Emissions
https://global.brother/en/sustainability/eco/co2

> Resource Circulation and Waste Reduction
https://global.brother/en/sustainability/eco/resource-circulation

Eco-First Commitments

BIL is certified under the Eco-First Program.
The Eco-First Program is a certification program by the Minister of the Environment. Under this program, companies make voluntary promises regarding environmental conservation—such as global warming measures and measures related to waste and recycling—to the Minister of the Environment, who certifies these companies as companies conducting business activities that are advanced, unique, and industry-leading in the environmental field.

> To visit Eco-First Program website (the link to the site of the Ministry of the Environment)
https://www.env.go.jp/guide/info/eco-first/assets/pdf/eco-first_en.pdf

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Evaluation by External Entities

FTSE4Good Index Series / FTSE Blossom Japan Index / FTSE Blossom Japan Sector Relative Index

Since 2020, Brother Industries, Ltd. (BIL) has been included in the ESG investment[*1] stock indexes "FTSE4Good Index Series" and "FTSE Blossom Japan Index" established by London Stock Exchange Group company FTSE Russell.

The FTSE4Good Index Series is a globally renowned series of ESG investment indexes consisting of companies that have met standards for ESG practices. The FTSE Blossom Japan Index is an index specific to the Japanese stock market. It was adopted as an ESG index by Japan's Government Pension Investment Fund (GPIF), which manages the largest pool of funds in the world.
In March 2022, BIL was selected for inclusion in the ESG investment stock index "FTSE Blossom Japan Sector Relative Index."

FTSE Blossom Japan Sector Relative Index is an index that reflects the relative performance within sectors of Japanese companies that are excellent in their ESG measures, and is designed to be sector neutral[*2]. In addition, to encourage the transition to a low-carbon economy, specifically for companies with high greenhouse gas emissions, only those companies evaluated for their improvement initiatives based on the Management Quality score of the Transition Pathway Initiative (TPI) are included in the index. FTSE Blossom Japan Sector Relative Index was adopted by Government Pension Investment Fund (GPIF) as an ESG index on March 30, 2022.

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*1 : ESG investment is investment that prioritizes and selects companies based on environmental, social, and governance (ESG) practices

*2 : An investment method for obtaining stable income using a neutral position in the sector

> Click to view about FTSE4Good Index Series (the link to the site of "FTSE4Good Index Series")
https://www.ftserussell.com/products/indices/ftse4good

> Click to view about FTSE Blossom Japan Index (the link to the site of "FTSE Blossom Japan Index")
https://www.ftserussell.com/products/indices/blossom-japan

> Click to view about FTSE Blossom Japan Sector Relative Index (the link to the site of "FTSE Blossom Japan Sector Relative Index")
https://www.ftserussell.com/products/indices/blossom-japan

FTSE Russell confirms that Brother Industries, Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI Nihonkabu ESG Select Leaders Index

BIL has been selected for the "MSCI Nihonkabu ESG Select Leaders Index," an investment index that selects Japanese companies with superior ESG measures since 2023.

2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

The MSCI Nihonkabu ESG Select Leaders Index is one of the ESG investment indexes adopted by GPIF, the largest pension management institution in the world.

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MSCI Japan Empowering Women (WIN) Select Index

Since 2019, BIL has been included in the ESG investment stock index "MSCI Japan Empowering Women (WIN) Select Index" calculated and provided by Morgan Stanley Capital International Inc. (MSCI) of the United States.

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2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

The MSCI Japan Empowering Women (WIN) Select Index consists of leading companies that are actively promoting and advancing women in the workplace. Selection is based on corporate disclosures and on ratios of female employees and managers and other data in the Database on Promotion of Women's Participation and Advancement in the Workplace*, which is a database of gender diversity according to the Act on the Promotion of Female Participation and Career Advancement in the Workplace.
The inclusion of BIL in this index, which was adopted by Japan's Government Pension Investment Fund (GPIF), is evidence that its various initiatives to date are held in high regard. They include support for diverse work styles, formulation of the "Commitment to Promotion of the Success of Women" and the "Action Plan to Support the Success of Women," and various systems and measures for promoting women in the workplace.

> Click to view about MSCI ESG Research (the link to the site of "MSCI ESG Research")
https://www.msci.com/our-solutions/sustainable-investing

*: Click to view the Database on Promotion of Women's Participation and Advancement in the Workplace (the link to the site of Japan's Ministry of Health, Labour and Welfare)
https://positive-ryouritsu.mhlw.go.jp/positivedb/en_index.html

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Morningstar Japan ex-REIT Gender Diversity Tilt Index

BIL has been selected for the "Morningstar Japan ex-REIT Gender Diversity Tilt Index," an ESG index developed by Morningstar, Inc. in the United States.

The Morningstar Japan ex-REIT Gender Diversity Tilt Index is an index that focuses on companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. It is adopted as an ESG investment index by the GPIF.

S&P/JPX Carbon Efficient Index

BIL has been selected for inclusion in "S&P/JPX Carbon Efficient Index"—a stock index by S&P Dow

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Jones Indices LCC and Tokyo Stock Exchange Inc. focusing on the environmental aspect of ESG—since 2018.

Selecting its constituents from companies in the Tokyo Stock Price Index (TOPIX), which is a leading stock index that represents the trend of Japan's market, the S&P/JPX Carbon Efficient Index is an index that focuses on the disclosure of environmental information and level of carbon efficiency (carbon emissions per unit of revenue) when determining the ratio of its constituents. It has been adopted by the Government Pension Investment Fund (GPIF) as a global environmental stock index from among ESG indices.

The SOMPO Sustainability Index

BIL has been selected for inclusion in "Sompo Sustainability Index"—an index independently established by Sompo Asset Management Co., Ltd.—since 2012.

"Sompo Sustainability Index" was established in 2012 and selects approximately 300 companies every year that excel in ESG, and it is used in "Sompo Sustainable Investment," an investment product focusing on ESG that has been adopted by multiple pension funds and institutional investors.

Being selected since the index's establishment is seen as a result of continued recognition of BIL's ESG initiatives.

EcoVadis Sustainability Assessment

BIL has received a Bronze Medal from EcoVadis (headquartered in Paris, France), which implemented a sustainability assessment of our company in 2025. During this assessment, Domino Printing Science plc., a Brother group company, obtained a Silver Medal from EcoVadis.

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EcoVadis' sustainability assessment surveys and evaluates the SDG alignment of global supply chains. EcoVadis assesses around 150,000 companies across 185 countries and 250 industries. Companies are scored in accordance with 4 themes-Environment, Labor & Human Rights, Ethics and Sustainable Procurement-, which are based on international sustainable development standards.

Science Based Targets

The medium-term target for FY2030 under Reduction of CO_2 emissions in the Brother Group Environmental Vision 2050 has been certified by the Science Based Targets initiative (SBTi[*1]) as 1.5°C target based on scientific evidence.



*1: SBTi is an international initiative established to promote the achievement of greenhouse gas emission reduction targets.

> Brother Group Environmental Vision 2050
https://global.brother/en/sustainability/eco/vision

CDP 2024 Supplier Engagement Rating

BIL has been recognized for the first time with the highest rating as a Supplier Engagement Leader in the CDP 2024 Supplier Engagement Rating by CDP, an international NGO that conducts environmental surveys and disclosures.



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The Supplier Engagement Rating evaluates companies worldwide that respond to CDP's climate change questionnaire in five key areas: supplier engagement, Scope 3 emissions*, risk management processes, governance and business strategy, and targets. In 2024, approximately the top 6% of more than 22,700 responding companies were recognized as Supplier Engagement Leaders.

*: "Scope 3" refers to all indirect emissions produced by third parties for the purpose of a company's activities.

> Participation in External Initiatives: CDP
https://global.brother/en/sustainability/csr/initiative#i06

"Asia-Pacific Climate Leaders" Survey

In May 2023, BIL has been selected, for the second consecutive year, as one of the top companies in the "Asia-Pacific Climate Leaders" survey conducted jointly by Nikkei Asia—the English media arm of the Nihon Keizai Shimbun—and the UK's Financial Times, along with the German research firm Statista.

The survey, targeting companies headquartered in the Asia-Pacific region, investigates the changes in greenhouse gas emissions intensity* (in terms of Scopes 1 and 2 emissions) relative to a company's revenue from 2016 to 2021. The survey selects the top companies from those with the highest reduction rates.

*: Greenhouse gas emissions per unit of economic activity

Clarivate Top 100 Global Innovators

BIL was selected by Clarivate, a global information services firm in the United Kingdom, for "Clarivate Top 100 Global Innovators 2025" as one of the 100 organizations leading the world in technology research and innovation. This marks the eighth time that BIL has received this award since its first time in 2012.



Clarivate Top 100 Global Innovators is a list of the world's top 100 innovative companies and institutions, which are selected once annually based on patent data that Clarivate holds. In the selection, four factors of registered patents were used for score calculation: influence, success,

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investment, and rarity, in addition to quantity. Among these factors, Brother achieved a particularly high score for "success," which led to this award.

Energy Conservation Grand Prize

BIL has received the Energy Commissioner's Award for the second consecutive year in the Product and Business Model category of the 2024 Energy Conservation Grand Prize, organized by The Energy Conservation Center, Japan. This marks the third time that BIL has received this award since its first time in 2021. Please see the link below for details on the award titles and winning products.

> Reduction of CO_2 Emissions: External Award (Energy Conservation Grand Prize)
https://global.brother/en/sustainability/eco/co2#c05

Evaluation Related to Health and Productivity Management

Evaluation	Description of certification and reasons for award/certification
2024 Health & Productivity Stock Selection	Recognizes outstanding Tokyo Stock Exchange (TSE) - listed enterprises with outstanding health and productivity management that are strategically engaged in the health management of their employees from a management perspective, and introduce the selected enterprises as attractive investment options to investors who prioritize the improvement of corporate value from a long-term perspective. BIL has been selected for it five times since 2017. In 2021, Brother Group company NISSEI CORPORATION was also recognized as one of the enterprises in the Health & Productivity Stock Selection.
The 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program	Honors organizations which particularly excel at implementing health and productivity management based on their efforts to address regional health issues and health promotion efforts promoted by the Nippon Kenko Kaigi. BIL has been certified nine times since 2017 as a "White 500" enterprise with outstanding health and productivity management.

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Evaluation	Description of certification and reasons for award/certification
	Brother Group companies that have been certified by METI (Ministry of Economy, Trade and Industry): NISSEI CORPORATION*1, XING INC.*1, BROTHER SALES, LTD., BETOP STAFF, LTD., BROTHER LIVING SERVICE CO., LTD., BROTHER INTERNATIONAL CORPORATION*2, BROTHER LOGITEC LTD.*2, BROTHER INDUSTRIAL PRINTING (JAPAN), LTD.*2, BROTHER ENTERPRISE, LTD., BROTHER REAL ESTATE, LTD., MIE BROTHER PRECISION INDUSTRIES, LTD., SHOWA SEIKI CO., LTD., B. M. INDUSTRIES, LTD., MIZUHO SEWING MACHINE CO., LTD. * The term "health and productivity management" is a registered trademark of the Workshop for the Management of Health on Company and Employee, a non-profit organization. *1 : Certified as a "White 500" enterprise, a certification that is given only to the top 500 companies in the Large Enterprise Category. *2 : Certified as a "Next Bright 1000" enterprise, a certification that is given to companies ranked between 501st and 1,500th in the SME category.
The best award at MHLW's first awards program to recognize good use of healthcare services	Won the best award at the first award program by Japan's Ministry of Health, Labour and Welfare (MHLW) in recognition of good use of medical care in March 2020. **< Reasons for award >** • Promoting various initiatives to enable employees to work securely based on the Brother Group Health & Productivity Management Philosophy https://global.brother/en/sustainability/social/health#philosophy . • Equipping each workplace with an emergency response list for occupational injuries and

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Evaluation	Description of certification and reasons for award/certification
	sudden illnesses. • Creating an environment which allows employees to get medical attention during working time. • Supporting the balance between treatment and work based on two internal guidelines, "the balance between disease treatment and work" and "the balance between fertility treatment and work."
Physical Fitness National Conference Chair Award	An award presented by the Minister of Education, Culture, Sports, Science and Technology and the Physical Fitness National Conference Chair to local communities and workplaces that have made outstanding achievements in improving health and nutrition as well as promoting the physical fitness movement[*1]. The Brother Health Insurance Society, which consists of 20 business sites centered around BIL, won it for FY2021. **< Reasons for award >** • The Brother Health Insurance Society, together with individual Brother Group companies and the Brother Industries Labor Union, was been recognized for its efforts to strategically promote the health and fitness of employees and their families by working as one to achieve the "Healthy Brother 2025 https://global.brother/en/sustainability/social/health#data [*2]," a set of long-term targets for employee health. **< Specific initiatives >** • Providing a variety of walking events such as the "Family Walk" that families can enjoy, and the "Team DE Walk" in which employees form teams to compete in the number of steps that they take. • Holding Online health classes that help alleviate a lack of exercise caused by continued telecommuting and staying at home due to COVID-19. • Production and distribution of the Brother Group's unique "Brother Gymnastics." *1 : A movement to popularize sports and recreation *2 : In addition to BIL, 20 business sites in Japan such as BROTHER SALES, LTD., XING INC. and NISSEI CORPORATION are targeted

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Evaluation	Description of certification and reasons for award/certification
Sports Yell Company 2025	A program where the Japan Sports Agency certifies companies that actively engage in initiatives to improve the health of employees in their workplaces, where they spend most of their time of day, for those who are in the prime of their lives and tend to lack exercise due to office work, housework, and childcare. BIL has been certified as a Sports Yell Company seven times since FY2019. The Silver certification was awarded to BIL for being certified a total of seven times or more. **<Main Activities>** • Active aging https://global.brother/en/sustainability/social/health#effort To help employees develop a casual exercise routine, BIL offers short courses in muscle training, yoga, etc., and health courses. In addition, BIL has been conducting e-learning to promote understanding of active aging. • Developing an original exercise and spreading it to employees BIL has created the Brother Group's original Brother Gymnastics, which incorporate the movements of using a sewing machine and opening printer covers, etc., to express Brother's identity. A video of the gymnastics was made in Japanese, English, Chinese, and Vietnamese and distributed to each facility of the Group, including those overseas, and BIL held a contest to promote their exercise of gymnastics. • Team DE Walk (Providing walking opportunities) BIL provides employees with opportunities to walk by holding Team DE Walk, an event in which employees form teams with colleagues or family members and compete against each

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Evaluation	Description of certification and reasons for award/certification
	other and within their own teams to see who can walk the most, and by holding other walking events.
Cancer Control Partner Award (Information Provision Category)	An award to recognize companies that promote cancer control under the Action Plan for Promotion of Cancer Control*, a project commissioned by the Ministry of Health, Labour and Welfare of Japan. BIL has won it at the FY2021. **< Reasons for award >** • To increase the cancer screening rate, one of the long-term targets of "Healthy Brother 2025" for employee health, by launching the "Cancer Prevention Stamp Rally https://global.brother/en/sustainability/social/health#effort " in FY2020 to provide cancer-related information to a large number of employees. *: A project commissioned by the Ministry of Health, Labour and Welfare that promotes the importance of cancer screening in cooperation with companies, with the aim of increasing the national rate of people undergoing cancer screening to over 50%.
Gan-ally-bu Award	This award is a recognition program established in 2018 by the Gan-ally-bu* to promote workplaces and societies where cancer patients can live vibrant lives while undergoing treatment. BIL has received the "Gold" award three times since 2022. **<Key initiatives>** • Since 2020, BIL has implemented peer support activities https://global.brother/en/sustainability/social/health#effort to offer employees who need to balance treatment and work a sense of connection and reassurance by linking them with peers in similar situations. As part of this initiative, the company organizes roundtable discussions and consultation sessions and shares cancer survivors' experiences on the intranet. 

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Evaluation	Description of certification and reasons for award/certification
	• Many Brother Group facilities participate in charity activities, such as "Relay for Life https://global.brother/en/sustainability/social/contribution#c02 ," which supports cancer patients and their families, fosters community-wide engagement with cancer, and aims to conquer the disease. • The Brother Group conducts the following activities to raise awareness about cancer across the organization: • Holding information sessions for safety and health personnel of group companies to emphasize the need for strengthening cancer measures • Providing employees with information on initiatives supporting the balance between treatment and work, as well as the importance of cancer screenings, during internal activity reporting sessions * An organization that supports the creation of an environment where cancer patients can work comfortably by holding study sessions to address the issues of "cancer and employment" and events to promote understanding of working while undergoing cancer treatment

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Evaluation Regarding the Promotion of the Success of Women, Support for Child-rearing, etc.

Activity field	Description of certification Reasons for award	Certification/award logo		
Promotion of the success of women	Company that, toward promoting the success of women, in addition to declaration by top management, expansion of recruitment, expansion of job areas, development, and appointment to managerial positions, undertakes initiatives such as promoting work-life balance and creating environments that allow working while taking care of children/family	"L-boshi" certified enterprise (3 stars)*	Aichi Prefecture's "Aichi Women's Brilliance Company"	Nagoya City's "Company promoting the advancement of women"
Support for child-rearing	Company that supports child-rearing and is conducive to work by establishing working environment for after marriage and childbirth	"Platinum Kurumin" certified enterprise (Ministry of Health, Labour and Welfare)*	"Kurumin" certified enterprise (Ministry of Health, Labour and Welfare)	Nagoya City's "Company supporting child-rearing"

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Activity field	Description of certification Reasons for award	Certification/award logo	
Balance between work and childcare/family care	Company that undertakes initiatives such as having a variety of systems and creating workplace environments that allow workers to choose diverse and flexible working styles so that it is possible to balance between work and childcare/family care	Aichi family-friendly company	Working environment favorable for balancing work with long-term care (Ministry of Health, Labour and Welfare)
Balance between work and medical treatment	Company that supports balance between medical treatment and work so that workers with illnesses—such as cancer, brain or heart problems, and diabetes—or facing infertility issues can work with peace of mind while continuing with treatment	Aichi Prefecture's "Company promoting work and treatment balance"	1st award program to recognize good use of healthcare services (Ministry of Health, Labour and Welfare)

*: Brother Logitec Ltd.

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Brother Group's Environmental Policy and Environmental Vision 2050



Brother Group's Environmental Policy

The Brother Group helps society achieve sustainable development by positively and continuously considering the environmental impact in all aspects of our business operations.

The Brother Group's mission is to place our customers first everywhere, every time, and provide them with superior value, by quickly creating and delivering high-quality products and services. To fulfill the mission, it is essential to help society achieve sustainable development, by positively and continuously considering the environmental impact in all aspects of our business operations. This is the basic philosophy of the Brother Group Environmental Policy, and is set out in the Brother Group Global Charter, originally established in 1999, that provides the foundation for all Brother Group activities in the global marketplace. The charter has been translated into 28 languages and been shared with all our employees in order to create a system that is appropriate for a global company transcending differences in culture and customs.

Guidelines and Development of environmental activities

Concern for the environment shall be the cornerstone of all operations. Safety and environmental impact shall be prime considerations at all stages of the product lifecycle to build a society capable of sustainable development.
With this as the cornerstone, we seek to deploy environmental activities in accordance with the action guidelines given below.

Guidelines	Development of environmental activities
1. We will set environmental targets in all areas (manufacturing, production, and service) and continuously improve their environmental aspects.	Both manufacturing and sales facilities work to acquire ISO 14001 certification, and strive to reduce environmental impact, such as reducing CO_2 emissions.

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2. We will recognize the importance of reducing energy consumption in all areas (manufacturing, production, and service) and strive to make energy consumption efficient and reduced in the entire Value Chain.	Improve energy-saving performance in products, energy saving at business sites, promote energy consumption reduction and efficiency, including more efficient distribution.
3. We will not limit our activities to the observation of laws and regulations in all countries where we conduct business, but will also act with a strong moral responsibility to prevent pollution and reduce environmental impact.	A rigorous management framework ensures compliance with environmental laws and regulations in respective countries, prevents oversight and omissions, and enables a quick response.
4. We will always consider waste reduction by more efficient use of resources and recycling of products, and will also avoid creating contamination by hazardous substances when designing and developing both technologies and products.	In developing products, eco-consciousness is considered in various aspects (e.g. resource conservation, use of hazardous chemical substances, and ease of recycling).
5. While respecting voluntary activities by each company of the Brother Group, we will also exercise our environmental duties as a united group.	Activities are promoted based on the Brother Group Medium-term Environmental Action Plan, which is the plan for the entire group.
6. We will enhance the environmental understanding and awareness of all employees through activities such as environmental education and PR.	Various educational opportunities are offered to enhance eco-consciousness (including training programs for new employees, technical training programs for engineers, and e-learning programs for all employees).
7. We will actively disclose our environmental efforts to our customers, local communities, and other interested parties to further foster understanding.	Proactive efforts are made to publicize Brother's activities, such as touring facilities with environmental features, participating in exhibitions, offering lessons at elementary schools and other educational institutions, and planting seedlings.
8. We will endeavor to reduce our impact on the ecosystem and to conserve biodiversity in all our operations.	Biodiversity conservation activities include the procurement of biodiversity-conscious raw materials and the use of forest certified paper, etc. Projects for the restoration/conservation of forests or other natural habitats are promoted.

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Brother Group Environmental Vision 2050

Formulated on March 19, 2018

Revised on July 26, 2021

Revised on January 24, 2022

Revised on March 3, 2025

"The Brother Group Environmental Vision 2050" recognizes the key social issues of climate change, resource depletion, environmental pollution, and destruction of the ecosystem as business risks for the Brother Group and clearly states the group's continuous commitment toward solving these issues over the long term as a company that uses energy and resources to provide products using bio-based items such as paper, thread and cloth.

Three key issues undertaken by the Brother Group



Reduction of CO_2 emissions

The vision aims to support the Paris Agreement and contribute toward creating a carbon-free society with zero greenhouse gas emissions.

Medium-term target for FY2030

- [Scopes 1 and 2] Achieve 65% reduction from the FY2015 level
- [Scope 3 (Categories 1, 11, and 12)] Achieve 28.5% reduction from the FY2022 level

*: The medium-term target for FY2030 has been recognized as of May 12th 2025, as a target based on scientific evidence (1.5°C target) by the Science Based Targets initiative (SBTi), an international initiative established to help achieve greenhouse gas emission reduction targets.

2050 Vision: Contribution for decarbonized society

The Brother Group will aim to achieve carbon neutrality* in all business operations and minimize CO_2 emissions from the entire value chain by 2050 so as to contribute toward creating a carbon-free society.

*: Achieve overall zero CO_2 emissions from the Brother Group

Main efforts: Introduction of solar power generation, renewal of air conditioning facilities, renewal and adoption of energy-saving for production facilities, etc.

> Task Force on Climate-related Financial Disclosures (TCFD)
https://global.brother/en/sustainability/eco/cc
> Reduction of CO_2 Emissions
https://global.brother/en/sustainability/eco/co2

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Resource Circulation

The vision aims to ensure sustainable use of resources in business operations and minimize the environmental impact due to wastes.

Medium-term target for FY2030: Reduction in use of virgin materials

- Reduce the amount of virgin materials used in products[*1] by 25%[*2] by FY2030 compared to the FY2022 level through the expansion of circular-economy-based businesses and materials recycling.
- The group's manufacturing facilities continuously endeavor to ensure efficient use of water resources and proper treatment of wastewater.

*1: Including packaging materials
*2: Applies to the Printing and Solutions Business

2050 Vision: Maximize resource circulation

Toward 2050, the Brother Group will maximize resource circulation to ensure the sustainable use of resources and to minimize the environmental impact due to wastes.
Main efforts: Expansion of circular-economy-based businesses, reuse of products and parts, use of recycled materials, etc.

> Resource Circulation and Waste Reduction
https://global.brother/en/sustainability/eco/resource-circulation

Biodiversity conservation

The vision aims to minimize the environmental impact of business operations and promote activities to restore and conserve the ecosystem beyond the impact.

Medium-term target for FY2030: Reduction of environmental impact on the ecosystem

- The Brother Group assesses the environmental impact of its business operations on the ecosystem and the effectiveness of restoration and conservation activities, and works to avoid and reduce the environmental impact on the ecosystem.
- The manufacturing and sales facilities of the entire group work on ecosystem restoration and conservation activities on a voluntary basis depending on the situation in each region.

2050 Vision: Positive net gain for biodiversity

By 2050, the Brother Group will minimize the environmental impact of business operations on the ecosystem and promote activities to restore and conserve the ecosystem beyond the impact.

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Main efforts: Biodiversity conservation activities, partnerships with external organizations engaged in nature conservation activities, reduction of CO_2 emissions, and promotion of resource circulation

> Biodiversity Conservation
https://global.brother/en/sustainability/eco/biodiversity
> Brother Group Environmental Action Plan 2024
https://global.brother/en/sustainability/eco/policy#p05
> Brother Group Environmental Action Plan 2027
https://global.brother/en/sustainability/eco/policy#p06

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Brother Group's Biodiversity Conservation Policy

Basic Policy

To help build a sustainable society, the Brother Group will endeavor to reduce the impact of its operations on biodiversity and ensure biodiversity conservation through environmental and social contribution activities.

1. Challenges in management

   ・The Brother Group recognizes biodiversity conservation as an important challenge for corporate survival, and works on environmental management.

2. Business operations

   ・The Brother Group identifies the impact of all its operations (including procurement of raw materials) on biodiversity, and constantly endeavors to reduce the impact.

3. R&D activities

   ・The Brother Group gathers information and acquires technologies regarding conservation and sustainable use of biodiversity, and promotes technological development.

4. Social contribution activities

   ・The Brother Group works on biodiversity conservation activities in collaboration with stakeholders including government organizations, local residents, and NGOs.

5. Activities involving all employees

   ・Actions are led by top management, and measures are taken throughout the company to help all employees increase their knowledge about biodiversity and encourage them to work voluntarily on conservation activities.

6. Communication

   ・Details of activities are actively disclosed in and outside the company to raise awareness of biodiversity conservation activities.

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Brother Group's Paper Product Procurement Policy

Basic Policy

As a company that uses forest resources, the Brother Group considers it important to avoid any negative impact on the natural environment and local communities through its business activities. Accordingly, it sets forth a paper product procurement policy as follows in June 2024.

1. Conventions, international laws and regulations, social norms, and the laws and regulations at the place of production of forest resources is observed.
2. The human rights of local residents and indigenous population at the place of production of forest resources is respected. Human rights as defined by international norms is respected, occupational health and safety are maintained, and the human rights of workers are protected.
3. Appropriate land use and forest management toward "zero deforestation" is conducted.
4. Due diligence is performed at each company to clarify the absence of any serious destruction of the natural environment and human rights infringement.
5. Relevant information regarding the activities and management from manufacturing to use of paper products is disclosed, so that the traceability can be verified.

> Collaboration with Suppliers: Paper Product Procurement
https://global.brother/en/sustainability/eco/product/supplier#s03

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Brother Group Environmental Action Plan 2024

Brother Group Environmental Action Plan 2024 (2022-2024)

Basic policy

To realize the Brother Group Environmental Vision 2050, the following initiatives will be actively promoted together with stakeholders.

- Reduce CO_2 emissions in the whole value chain
- Expand sustainable business by promoting resource circulation
- Reduce the business impact on the ecosystem and increase biodiversity conservation
- Create eco conscious products
- Comply with environmental laws and regulations

1. Activities at Brother facilities

1-1 Reduction of CO_2 emissions (Scope 1 and 2)

(1) Reduce CO_2 emissions by 47% from the FY2015 level (9%* reduction over the three-year period from 2022–2024)

1-2 Reduction of water consumption

(1) Reduce quantity of water intake more than previous year at manufacturing facilities (based on sales)

1-3 Waste reduction

(1) Reduce waste volume more than previous year at manufacturing facilities (based on sales)

1-4 Biodiversity conservation

(1) Evaluate environmental load and restoration/conservation efforts of all business activities on ecosystems by using a biodiversity assessment method that meets leading international standards

(2) Expand biodiversity conservation activities for the entire group based on the international guidelines for biodiversity

*: From FY2015

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Environmental targets[*1]	Achievements in FY2024	Self-evaluation
1-1	Achieved a 49.7% reduction from FY2015. (Absolute value)	Significantly achieved
1-2	Achieved a 6.5% increase from the previous fiscal year. (Per unit of sales) However, over the three years from FY2022, waste was reduced by 4.9%.	Not achieved
1-3	Achieved a 4.5% increase from the previous fiscal year. (Per unit of sales) However, over the three years from FY2022, waste was reduced by 10.4%.	Not achieved
1-4	The Brother Group has initiated an assessment of natural capital closely related to biodiversity, such as water, land, and forests. In addition, in February 2025, the Group expressed its support for the disclosure recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in the same month. Furthermore, a partnership was formed with the World Wide Fund for Nature Japan ("WWF Japan"), and contributions were made to biodiversity conservation through donations to WWF Japan's forest conservation activities. About 18,000 participants took part in the "zero ocean waste activities[*2]" targeting all Brother Group locations in Japan and overseas. The Ministry of the Environment has recognized "Mie Brother's Saiku Kobushi-no-Mori," which BIL has been operating since 2018 as initiatives for biodiversity conservation, as a "Nationally Certified Sustainably Managed Natural Site (second half) in FY2024".	Achieved

*1 : The numbers in the chart correspond to the numbers in the "Activities at Brother facilities" section above.

*2 : To further promote the Brother Group's activities, the Group has been supporting World Oceans Day since FY2021.

> Reduction of CO_2 Emissions
https://global.brother/en/sustainability/eco/co2

> Resource Circulation and Waste Reduction
https://global.brother/en/sustainability/eco/resource-circulation

> Biodiversity Conservation
https://global.brother/en/sustainability/eco/biodiversity

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2. Activities related to products

2-1 Reduction of CO_2 emissions (Scope 3 — C1, C11, and C12)

(1) Implement measures to reduce CO_2 emissions by 150,000 tons[*1]

2-2 Circular economy (resource circulation)

(1) Achieve a ratio of virgin materials used in products of 81% or less[*2] by FY2024 (recycled resources ratio of 19% or more)

(2) Expand circular economy business

2-3 Strengthen eco conscious product development

(1) Provide eco-conscious products that meet higher environmental standards in each market region

2-4 Rebuild risk management system

(1) Rebuild foundation of activities to ensure compliance with environmental laws and regulations related to products

2-5 Contribute to reducing CO_2 emissions for society at large

(1) Establish a process to calculate the contribution toward reducing CO_2 emissions for society at large, and calculate/disclose the amount of contribution toward reducing the CO_2 emissions of the entire Brother Group.

2-6 Promote innovation

(1) Identify promising new environmental technologies and implement them in business

*1: Total amount of CO_2 emissions reduced by FY2024 through new product environmental measures compared to the business activities in FY2021.
Examples: Reduction of product size and weight, increase in the use of recycled materials, reduction of standby power consumption, etc. Applies to Printing & Solutions Business, Machinery Business, Nissei Business, Personal & Home Business.

*2: Applies to Printing & Solutions Business, Machinery Business, Personal & Home Business.

Environmental targets	Achievements in FY2024	Self-evaluation
2-1	The Brother Group expanded its CO_2 emissions reduction initiatives by promoting the sale of compact and energy-efficient products and collaborating with suppliers to reduce emissions during component manufacturing. In its Machinery business and Personal & Home business, the Group also worked to enhance product value for customers, thereby reducing CO_2 emissions per unit of sales. As a result, the Brother Group achieved a total reduction of 177,000 tons of CO_2 emissions over the three-year period.	Achieved
2-2	We implemented measures, such as expanded use of recycled materials mainly in new products and changing to recyclable cushioning materials[*1]. The ratio of virgin materials has been confirmed to be 79.3% through verification of the amounts of virgin materials used in our products by a third party. Therefore, the target for FY2024 has been achieved.	Achieved

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Environmental targets	Achievements in FY2024	Self-evaluation
2-3	The Brother Group promoted environmentally conscious product design from the early stages of product planning and development for new product lines in the communications and printing equipment segment. Through proactive management aimed at meeting environmental label standards—such as Germany's Blue Angel, Japan's Eco Mark, and the U.S. EPEAT—the Group successfully obtained the respective certifications as scheduled. To meet the societal requirements of the Blue Angel certification, the Group acquired RBA certification not only at three overseas sites producing the applicable products but also at one site in Japan. In response to the quantitative environmental information disclosure standards for carbon footprints introduced in Japan's "Green Purchasing Law" and "Eco Mark" system, the Brother Group has promoted disclosure by systematically conducting LCA calculations, including for existing products. As for EPEAT, stakeholders have finalized significant revisions to its criteria, covering climate change mitigation, sustainable use of resources, reduction of hazardous substance use, responsible supply chains, and standards for consumables for imaging equipment. In response, the Brother Group has begun examining how to develop superior environmentally conscious products that align with these new criteria and fulfill its corporate social responsibility.	Achieved
2-4	The Brother Group systemized the functions defined under its new management framework for chemical substances in products and began operating the system. For certain management tasks, trial operations were carried out, and the processes were optimized based on the results.	Achieved
2-5	Since FY2022, the Brother Group has established a calculation process for its CO_2 emissions reduction contribution, with third-party oversight, and has been continuously disclosing this information on its website. In FY2024, the high environmental performance of its SPEEDIO machining center[*2] was recognized as contributing to CO_2 emissions reduction across society, earning the "Energy Conservation Grand Prize – Director-General's Prize of the Agency for Natural Resources and Energy," awarded by the Energy Conservation Center, Japan. At the same time, the Group also received the "Aichi Environmental Award" sponsored by Aichi Prefecture. In addition, the Group's forklift spot cooler "PureDriveFL"[*3] was presented as a leading example of CO_2	Significantly achieved

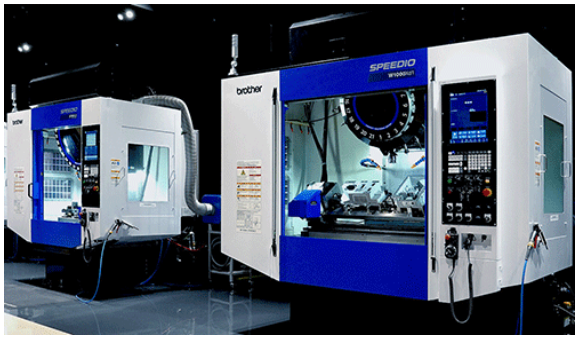
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Environmental targets	Achievements in FY2024	Self-evaluation
	emissions reduction efforts by a Japanese company at the "CO_2 Reduction Contribution Evaluation Session" held during EcoBalance 2024, an international conference organized by experts from industry, government, and academia.	
2-6	The Brother Group has been introduced to new technologies through its investments in venture capital funds and has begun exploring potential applications for implementation at its factories. On-site verification is currently underway at both domestic and overseas sites.	Achieved

*1 : From Reducing EPS to Eliminating EPS - A sustainable cushioning material born from innovation
https://sdgsstory.global.brother/e/customer/778/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

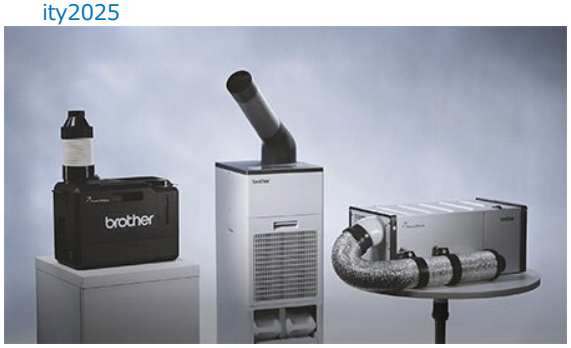


*2 : Machine Tools to Improve Productivity and Reduce CO_2 Emissions - Brother's Machining Centers Contribute to a Carbon-Free Society
https://sdgsstory.global.brother/e/customer/398/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



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*3 : Improved working environment while reducing environmental impact - A newly imagined eco-friendly spot cooler that cools with the power of water and wind
https://sdgsstory.global.brother/e/customer/776/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



> Reduction of CO_2 Emissions
https://global.brother/en/sustainability/eco/co2

> Resource Circulation and Waste Reduction
https://global.brother/en/sustainability/eco/resource-circulation

> Creating Eco-Conscious Products
https://global.brother/en/sustainability/eco/product

> Environmental Compliance of Products
https://global.brother/en/sustainability/eco/product/regulation

> Contribution to the Reduction of CO_2 in Products
https://global.brother/en/sustainability/eco/co2#c07

3. Environmental communication

3-1 Information disclosure

(1) Strengthen engagement with stakeholders through the Integrated Report and disclosure of sustainability information

(2) Promote global branding through the special SDGs website “Brother SDGs STORY”

3-2 Environmental education

(1) Maintain/increase group employees’ environmental awareness through eco point activity which is a participatory initiative

(2) Strengthen environmental education for employees for the promotion of group-wide environmental efforts

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Environmental targets	Achievements in FY2024	Self-evaluation
3-1	On the SDGs special website “Brother SDGs STORY,” the Brother Group introduced biodiversity conservation activities at its sales office in Germany[*1] and waste reduction efforts at its sales office in the United States,[*2] as well as ink cartridge remanufacturing in Europe[*3] as a sustainability initiative in its business operations.	Achieved
3-2	The Brother Eco Point Program continued to be carried out within the Brother Group. Measures to raise environmental awareness among employees were continued through the use of an internal commendation system, information dissemination via the intranet and newsletters, e-learning programs, internal seminars, and workshops.	Achieved

*1 : Creating a Sustainable Society with Honeybees - Protecting local biodiversity and cultural landscape through beekeeping
https://sdgsstory.global.brother/e/environment/741/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

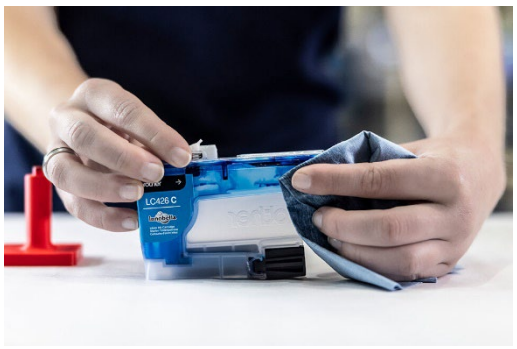


*2 : A Sustainable Future for the Earth Begins with Earth Day - Year-round Contributions to the Earth by Brother International Corporation (U.S.A)
https://sdgsstory.global.brother/e/environment/768/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



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*3 : Printing Business Develops its Ink Cartridge Remanufacturing Capabilities - Aiming to Maximize Resource Circulation
https://sdgsstory.global.brother/e/customer/691/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



> Collaboration with Suppliers
https://global.brother/en/sustainability/eco/product/supplier

> Environmental-Related Data (E)
https://global.brother/en/sustainability/data#eco

> Special Website on SDGs Activities (Brother SDGs STORY)
https://sdgsstory.global.brother/e/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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Brother Group Environmental Action Plan 2027

Brother Group Environmental Action Plan 2027 (2025-2027)

Basic policy

To realize the Brother Group Environmental Vision 2050, the following initiatives will be actively promoted together with stakeholders.

- Reduce CO_2 emissions in the whole value chain
- Expand sustainable business by promoting resource circulation
- Reduce the business impact on the ecosystem and increase biodiversity conservation
- Create eco conscious products
- Comply with environmental laws and regulations

Environmental Targets

1. Reduction of CO_2 Emissions

1-1 Reduction of CO_2 Emissions (Scope 1,2)

(1) Reduce Scope 1 and 2 emissions by 56% (from those of FY2015).

1-2 Reduction of CO_2 Emissions (Scope 3)

(1) Reduce Scope 3 (Categories 1,11 and 12) emissions based on sales[*1] by 25.2% (from those of FY2015).

(2) Effectively expand and promote CO_2 reduction activities by suppliers.

*1 : Based on sales: Scope 3 emissions/Group consolidated sales

2.Resource Circulation

2-1 Responding to Circular Economy

(1) Reduce the amount of virgin materials used in products based on sales[*2] by 16.9% (from that of FY2022) (Printing & Solutions Business)

(2) Expand circular economy businesses

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*2 : Based on sales: Volume of virgin materials used in products/sales

2-2 Reduce Water Usage

(1) Reduce quantity of water intake more than previous year at manufacturing sites (based on sales)[*3]

*3 : Based on sales: Quantity of water intake/consolidated group sales

2-3 Reduce Waste

(1) Reduce waste volume more than previous year at manufacturing sites (based on sales)[*4]

*4 : Based on sales: Waste volume/consolidated group sales

3.Biodiversity Conservation

3-1 Biodiversity Conservation

(1) In order to contribute to become Nature Positive[*5], we will expand biodiversity conservation activities across the entire Group based on the international guidelines for biodiversity.

*5 : Nature Positive: To stop the loss of biodiversity, reverse it, and put it on a path to recovery

4.Environmental Management

4-1 Provision of Eco-Conscious Products

(1) Provide products that meet higher environmental standards in each market region.

5-2 Compliance with Laws and Regulations and Response to Social Demands

(1) Effectively and efficiently manage chemical substances in products and respond promptly to laws and regulations.

6-3 Promotion of Environmental Contributions to the Entire Society

(1) Create eco-conscious products and services, and work with customers to reduce environmental impacts on the entire society.

7-4 Information Release Based on SDGs Viewpoint

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(1) Release sustainability information, including environmental information, to strengthen engagement with stakeholders.

4-5 Internal Environmental Education

(1) Maintain/promote employee’s environmental understanding by enhancing environmental education for all employees to promote environmental activities as the entire Group.

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"5R" Concept - the Key to Reducing Environmental Impact

From 1999, the Brother Group has been conducting environmental activities based on the "5Rs," which adds "Refuse" and "Reform" to the 3Rs of "Reduce," "Reuse" and "Recycle" as the basis for establishing a sound material-cycle society. "Reform" in particular is an original idea from the Brother Group for creating value by introducing novel approaches and ideas for changing the state of a waste material.

"5R" concept



- **Refuse:** Avoid purchase of environmentally burdensome materials whenever possible
- **Reduce:** Reduce waste material
- **Reuse:** Reuse waste material without processing
- **Reform:** Reuse materials in a different form
- **Recycle:** Reuse materials as resources

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Environment(E)

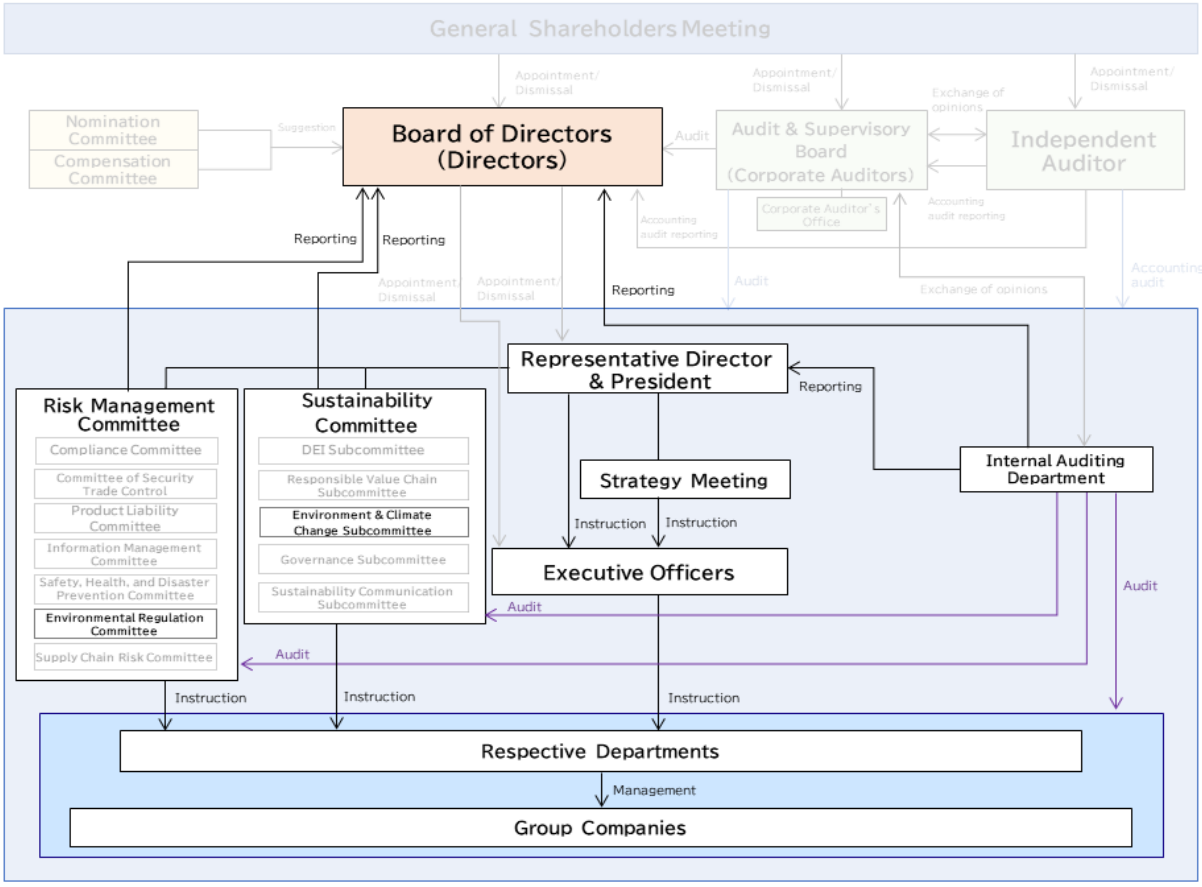
Environmental Management Framework

Environmental Management Framework

Globally managing environmental issues throughout the group

The Brother Group promotes global environmental conservation according to the Brother Group Environmental Policy. To do so, the officer in charge of environmental affairs instructs respective departments at the head office as well as divisions and function centers through the Environment & Climate Change Subcommittee (a subcommittee that promotes materiality resolution under the Sustainability Committee) and the Environmental Regulation Committee (a committee that works on environment risk reduction under the Risk Management Committee) to determine policies and implement measures.

Brother Group environmental management framework (As of June 25, 2025)



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Environment & Climate Change Subcommittee

The Environment & Climate Change Subcommittee is an organization responsible for managing progress and promoting activities related to each goal of the Brother Group Environmental Vision 2050. It is chaired by the head of environmental department, and composed of the related departments and other persons concerned. Subcommittee meetings are held three times a year, and extraordinary meetings are held as necessary. Serious environmental issues raised at the Environment & Climate Change Subcommittee are reported to the Sustainability Committee chaired by the representative director & president. In addition, top priorities are reported to the Board of Directors for instructions and supervision from management. In FY2024, the subcommittee reported on CO_2 emissions reduction and resource circulation targets, which are the top priorities related to climate change.

Environmental Regulation Committee

The Environmental Regulation Committee is an organization responsible for managing and addressing environmental risks such as environmental laws and regulations. It is chaired by the executive officer in charge of environmental affairs, and composed of the heads of related departments and other persons concerned. Committee meetings are held three times a year, and extraordinary meetings are held as necessary. Serious environmental risks related to environmental laws and regulations raised at the Environmental Regulation Committee are reported to the Risk Management Committee chaired by the representative director & president. In addition, top priorities are reported to the Board of Directors for instructions and supervision from the management.

No serious environmental accidents occurred in FY2024.

> Brother Industries, Ltd. Governance Structure
https://global.brother/en/sustainability/governance/structure#org_chart

PDF Environmental Accounting [PDF/182KB]
https://global.brother/pub/com/en/eco/pdf/2025/accounting.pdf

Environmental Communication Promotion Framework

In 2010, the Brother Group created and launched the “Brother Earth” logo and slogan, which symbolize its environmental activities, in order to convey a globally unified message about its various environmental activities.

In 2022, we formulated the Basic Policy on Sustainability. From 2025, we have expanded the scope of “Brother Earth” to include not only environmental activities but also sustainability as a whole. We are working to communicate various sustainability-related activities under the unified group message of “Working with you for a sustainable future. “

Brother Earth
Working with you for a sustainable future.

The Brother Group has made "environment" its materiality and established working on activities to

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enhance the environmental brand image as the basic policy for environmental communication. The Corporate Communication Department takes the initiative to promote environmental activities at facilities around the world.



> Click for the Earth
https://sdgsstory.global.brother/e/click-donation/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025
Brother SDGs STORY "Click for the Earth" is an environmental conservation activity that Brother conducts together with you.

PDF Brother Eco Point Program [PDF/101KB]
https://global.brother/pub/com/en/eco/pdf/2025/eco-point.pdf
PDF Internal Environmental Commendation System [PDF/180KB]
https://global.brother/pub/com/en/eco/pdf/2025/award.pdf
PDF Timeline for Environmental Milestone Achievement [PDF/180KB]
https://global.brother/pub/com/en/eco/pdf/2025/history.pdf

Environmental Management System

Under our medium-term management plan, the Brother Group creates the Brother Group Environmental Action Plan every three to five years, based on which Brother Industries, Ltd. (BIL) and manufacturing and sales facilities in respective countries set annual plans and carry out environmental activities as part of their business operations. The progress and performance (results) of plans are checked based on reports from and internal audits on each facility, and the findings are then reflected when planning for the following year.

PDCA cycle using ISO 14001

In operating the environmental management system for environmental conservation activities, compliance with laws, regulations, and standards is ensured, and the ISO 14001-based PDCA (Plan - Do - Check - Act) cycle is practiced. The Brother Group annually conducts internal audits and is also subject to examination by external certification body.

ISO 14001 certification has been obtained by the main group manufacturing facilities, with Brother Industries (U.K.) Ltd. being the first to be certified in 1996. Brother U.K. Ltd., a sales facility in the U.K., obtained certification in 2005, followed by other many sales facilities.

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PDF List of ISO 14001-Certified Facilities [PDF/178KB]
https://global.brother/pub/com/en/eco/pdf/2025/iso14001.pdf

Environmental training for employees

The Brother Group's ISO 14001-certified facilities offer environmental training programs for all employees as well as job specific training related to specific tasks and functions.

Examples include environmental training programs for all new recruits joining Brother; environmental training programs for employees such as e-learning-based materials, internal seminars and workshops; training programs for production and procurement staff at manufacturing facilities in and outside of Japan, for example, the management of chemical substances contained in products, process control guidance and auditing at suppliers. Essential environmental training is periodically provided to raise eco-awareness and facilitate operations.

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Environment(E)

Task Force on Climate-related Financial Disclosures (TCFD)



Response to Climate Change

The Brother Group, as a global company, has placed the highest priority on efforts to respond to climate change. As part of our efforts to achieve this, we have been implementing a diverse range of eco-friendly activities and environmental technology development in all manufacturing processes, including development, procurement, production, sales, and logistics. In carrying out these measures, we emphasize one of our basic policies in the “Brother Group Global Charter” formulated in 1999: “The Brother Group shall positively and continuously act to decrease the environmental impact of all aspects of our business operations so that society can achieve sustainable development.” Since formulating these policies, we as the Brother Group have set medium-term environmental goals and promoted ongoing activities to meet them. Thanks to the efforts of each Group member, we have made steady headway toward achieving these goals.

In 2018, the Brother Group formulated the Brother Group Environmental Vision 2050, which made reducing CO_2 emissions a key item. We have also set the milestone “Medium-term Target for 2030” consistent with the Paris Agreement, which is a global framework for controlling climate change (global warming). In March 2025, we revised the CO_2 emissions reduction targets in the Brother Group Environmental Vision 2050, and the revised medium-term target has been recognized by the Science Based Targets initiative (SBTi), an international initiative, as reduction targets based on scientific evidence to achieve the “1.5°C target” of the Paris Agreement. We have been carrying out CO_2 emissions reduction activities to achieve these targets. The Brother Group is working on formulating a transition plan to further promote activities to build a carbon-free society and will continue to make various efforts to contribute to solving the issue of global climate change.

History of our climate change countermeasures

1999	The Brother Group Global Charter is formulated.
2009	Brother's "Medium-term Target for FY2020," the CO_2 reduction targets to be achieved by FY2020, is established, and efforts to reduce CO_2 emissions are initiated.
2013	The scope of CO_2 emission reduction activities is expanded to the entire Group, and CO_2 emission calculations and reductions not only from Brother but also throughout the entire product supply chain are started.

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2018	The "Brother Group Environmental Vision 2050" is established, and the "Medium-term Target for 2030" is set as a milestone for this vision. CO_2 emissions reduction targets in "Medium-term Target for FY2030" under the Environmental Vision receive certification as "2.0°C Target" by "Science Based Targets initiative (SBTi)," an international initiative.
2020	Brother Industries, Ltd. supports the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). Brother analyses the risks and opportunities of climate change for key businesses based on the recommendations by the TCFD.
2021	Disclosure of relevant information based on TCFD recommendations. Targets for CO_2 emission reductions (Scopes 1 and 2) in "the Brother Group Environmental Vision 2050" are revised.
2022	The CO_2 emissions reduction targets in "Medium-term Target for 2030" under the revised Environmental Vision receive certification as "1.5°C Target" by the international initiative "Science Based Targets initiative (SBTi)." Targets for resource circulation in "the Brother Group Environmental Vision 2050" are revised.
2025	The Brother Group analyses the risks and opportunities that climate change poses to all businesses and expands disclosure of related information based on the recommendations of the TCFD. The FY2030 medium-term targets for CO_2 emissions reduction (Scope 3) and resource circulation set forth in the “Brother Group Environmental Vision 2050” are revised.

Compliance with the TCFD Recommendations and Further Promotion of Climate Change Countermeasures

The Brother Group has identified the reduction of CO_2 emissions as one of the materialities (priority social issues to be solved) in order to contribute to society and protect the earth, and has set sustainability targets. In February 2020, the Brother Group expressed our support for the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

Based on these TCFD Recommendations, the risks and opportunities of climate change with regard to our Printing & Solutions Business, Machinery Business, Personal & Home Business, and new businesses were analyzed, and relevant information was disclosed in FY2021. In FY2024, we expanded the scope of businesses subject to analysis, analyzed all of the Brother Group's businesses,* and disclosed the results of the analysis in FY2025.We will expand the scope of businesses subject to analysis and strive

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to enhance our information disclosure as well as further stepping up our climate change countermeasures in order to contribute to the formation of a decarbonized society.

*: Printing and Solutions Business, Machinery Business, Domino Business, Nissei Business, Personal and Home Business, Network and Contents Business and New Businesses

> To visit TCFD website (the link to the site of "TCFD")
https://www.fsb-tcfd.org

∨TCFD Recommendations: Strategy (scenario analysis)
https://global.brother/en/sustainability/eco/cc#c04

∨TCFD Recommendations: Metrics and Targets
https://global.brother/en/sustainability/eco/cc#c06

TCFD Recommendations: Governance

The Brother Group has established a Sustainability Committee https://global.brother/en/sustainability/csr/management , chaired by the Representative Director & President, to globally promote management with an emphasis on sustainability, including activities to address materiality issues https://global.brother/en/sustainability/csr/materiality. The Sustainability Committee has five subcommittees, including the Environment & Climate Change Subcommittee, which addresses environmental issues such as climate change and biodiversity, and the Responsible Value Chain Subcommittee, which promotes respect for human rights and creation of a safe working environment, each of which is responsible for managing progress toward its targets and promoting its activities. The person in charge of a subcommittee regularly reports the status of its activities to the Sustainability Committee, and the President as the chairman, or a person designated by the President, reports on activities to the Board of Directors at least once a year.

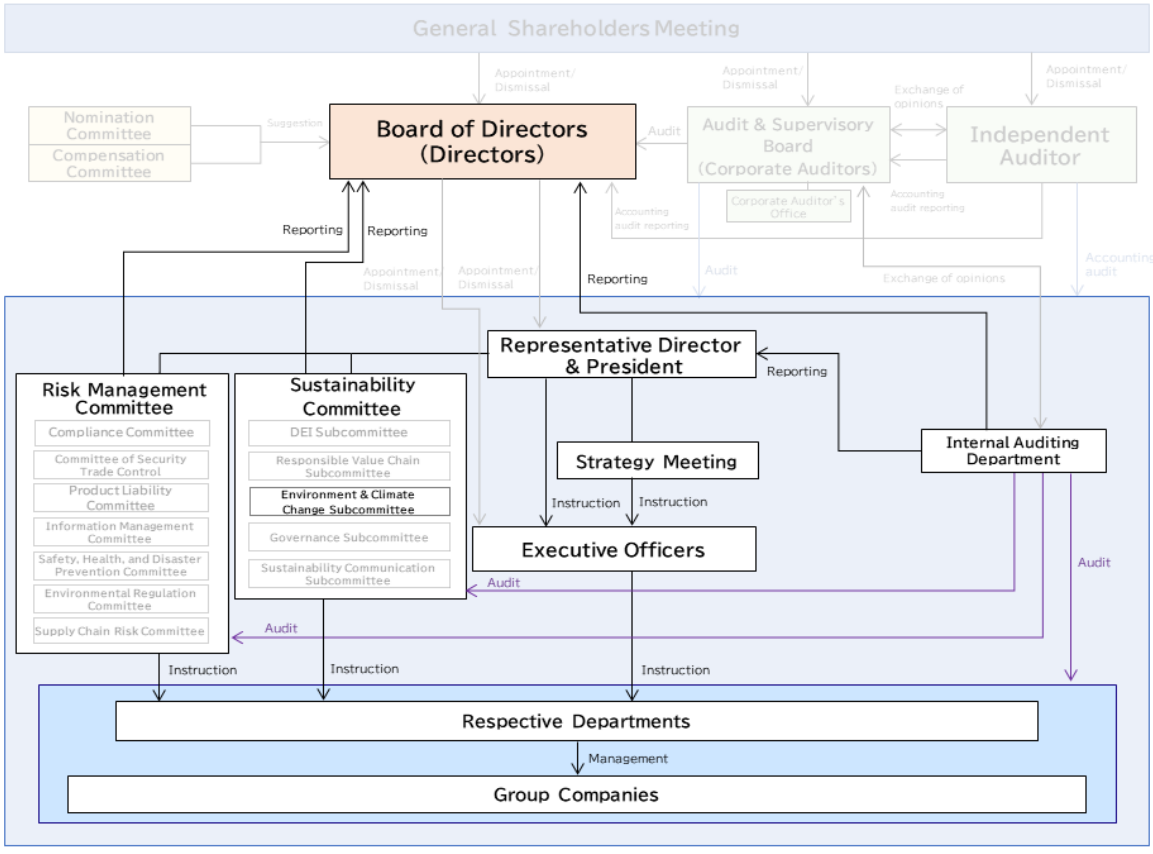
When it becomes necessary to formulate or revise important matters regarding climate-related environmental risks or environmental issues, they are examined by subcommittees as well as the Sustainability Committee, deliberated at the Strategy Meeting, and then resolved by the Board of Directors. The Board of Directors provides guidance and supervision on the content of the matters and strives to strengthen the company-wide promotion system. In addition, to increase the effectiveness of the Group’s efforts to address climate change, executive compensation is linked to the degree of achievement of key targets.

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[No. of meetings in FY2024]		
Environment & Climate Change Subcommittee	3	
Sustainability Committee	19	15 meetings related to the Environment & Climate Change Subcommittee: Reporting and deliberation on the results of the assessments of materialities, including climate change, reporting and deliberation on Scope 3 and resource circulation target revisions, reporting and deliberation on biodiversity conservation, etc.
Board of Directors	1	Reporting of the Sustainability Committee's activity plan

> Promotion of Management with an Emphasis on Sustainability
https://global.brother/en/sustainability/csr/management

Brother Industries, Ltd. Governance Structure (as of June 25, 2025)



> Environmental Management Framework
https://global.brother/en/sustainability/eco/management

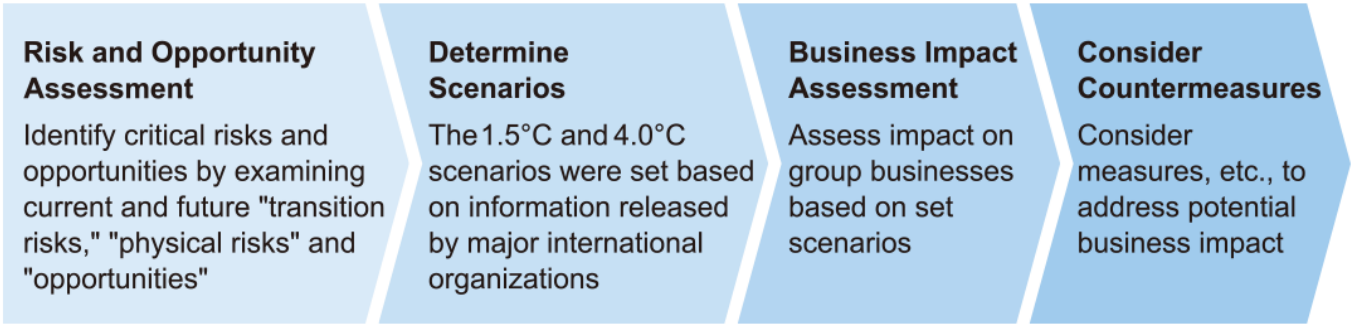
> Brother Industries, Ltd. Governance Structure
https://global.brother/en/sustainability/governance/structure

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TCFD Recommendations: Strategy (scenario analysis)

The "Brother Group Environmental Vision 2050" places the reduction of CO_2 emissions as an important matter for the Brother Group. Together with recognizing that climate change, which is becoming more serious around the globe, is an important social issue, we regard climate change as a business risk and opportunity for the Brother Group and are striving to resolve it on a long-term and continuous basis. In FY2024, the Brother Group identified six key risks and opportunities based on the “1.5°C scenario”[*1] and the “4.0°C scenario”[*2] for all of its businesses and evaluated their impact on its own operations and finances.[*3] The results of this analysis reaffirmed that efforts toward carbon neutrality[*4] remain important for the Brother Group in terms of both risks and opportunities. In order to incorporate this into our business strategies and operations, we have included a “commitment to the environment” in the management foundation strategy of our medium-term business strategy, CS B2027, have set a target for CO_2 emissions reduction, and are promoting appropriate activities, considering this as an important management issue.

*1: Scenario in which global warming countermeasures are implemented and a decarbonized society is closer to being realized.
*2: Scenario in which global warming countermeasures are not taken beyond the current level and temperatures continue to rise further.
*3: Based on IEA (International Energy Agency) WEO2023 APS (Announced Pledges Scenario) / NZE (Net Zero Emissions by 2050 Scenario), IPCC (Intergovernmental Panel on Climate Change) SSP5-8.5 scenario, Aqueduct (water risk assessment tool), etc.
*4: Achieve overall zero CO_2 emissions from the Brother Group



Scenario		IPCC AR6 SSP5-8.5	IEA WEO2023 APS[*1]	IEA WEO2023 NZE[*2]
Main prerequisites	Temperature rise by 2100	+4.4℃	+1.7℃	+1.4℃
	GHG emissions	Net zero emissions not achieved even in 2100	Net zero emissions not achieved even in 2100	Net zero emissions achieved in 2050
	Carbon price	Near zero level	Rising from 2030 onwards	Rising from 2030 onwards

*1 APS: Announced Pledges Scenario
*2 NZE: Net Zero Emissions by 2050 Scenario

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Climate-related risks

Scenario and analysis method

Regarding transition risks and opportunities, the Brother Group identified elements necessary for analysis from future forecast data in the IEA WEO2023 scenario (e.g., emission factors, carbon prices) and data published by governments and international organizations (e.g., GDP growth rate) and used that data to calculate the financial impact as a quantitative assessment. We also use the future forecast data in the scenario to better understand the global outlook in 2030/2050 and conduct a qualitative assessment.
For physical risk (acute), we assume a global outlook for 2030/2050 primarily using future forecast in the IPCC AR6 SSP5-8.5 scenario.

Transition risks (Policy and legal risk, changes in the market)

Changes in the external environment	Financial impact	Estimated time	Impact on the Brother Group	Countermeasures	
Introduction of carbon tax or increase in carbon tax rate	Large	Long-term	Procurement: Significant increase in raw material costs Manufacturing: Increase in energy costs Sales: Increase in transportation fuel costs	Mitigation	・Reduce CO_2 emissions in offices[*1] Conduct energy-saving measures at each facility and utilize renewable energy sources ・Reduce CO_2 emissions in products[*2] Make products smaller, lighter, and more energy-saving Reduce the number of parts and packaging materials Reduce CO_2 emissions from raw materials in collaboration with business partners
Strengthening of energy-saving efforts and low-carbon regulations	Low	Medium to Long-term	Manufacturing: Increase in capital investment, costs for switching to renewable energy, and costs for	Mitigation	・Research future regulatory trends Gather information on environmental regulation trends in Europe and reflect this

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Changes in the external environment	Financial impact	Estimated time	Impact on the Brother Group	Countermeasures	
			complying with sustainability-related regulations/disclosure requirements		in product development and facility planning
Growing demand for environmentally and socially conscious products	Medium	Medium to Long-term	Sales: Lower revenue if unable to respond to customers' preferences for environmentally-friendly products and ethical consumption	Mitigation	・Reduce waste and virgin materials[*3] Reuse recycled materials in products and reuse collected products Use recyclable cushioning materials for packaging materials[*4] Improve product durability and product life

Financial Impact　Low: 1 billion yen or less　Medium: 1 to 10 billion yen　Large: Over 10 billion yen -: Consider in the future Estimated Time　Short-term: 1 to 2 years based on the fiscal year / Medium-term: 3 to 4 years including the medium term management strategy / Long-term: 5 years or more including the long-term Group vision

Physical risks (Acute)

Changes in the external environment	Financial impact	Estimated time	Impact on the Brother Group	Countermeasures	
Increasing severity and frequency of extreme weather events	Large	Short to Long-term	Production could be suspended due to floods	Response	・Ensure parts inventories that can withstand temporary production halts ・Implement risk countermeasures through multi-site production for some models ・Have multiple parts suppliers

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Financial Impact Low: 1 billion yen or less Medium: 1 to 10 billion yen Large: Over 10 billion yen -: Consider in the future Estimated Time Short-term: 1 to 2 years based on the fiscal year / Medium-term: 3 to 4 years including the medium term management strategy / Long-term: 5 years or more including the long-term Group vision

Since it is globally recognized that Japan is prone to natural disasters, we assess the risk of flooding for our domestic business facilities by utilizing hazard maps published by the Ministry of Land, Infrastructure, Transport and Tourism.
For our overseas business facilities, we assess flood risk by using the Aqueduct Water Risk Atlas published by the World Resources Institute (WRI), an international environmental NGO.

Climate-related opportunities

Opportunities (Products and services)

Changes in the external environment	Financial impact	Estimated time	Impact on the Brother Group	Countermeasures
Increasing need for customers to cut CO_2 emissions	Large	Long-term	Sales: Increase in demand for and sales of energy-saving, energy-creating, and recycling-related products and services, increase in demand for electrification and fuel conversion	・Develop small machine tools for EVs and non-automotive markets[*5] Develop new products in the SPEEDIO series that boast high energy-saving performance and productivity ・Expand sales of PureDrive[*6] spot coolers and fuel cells ・Invest to collect information on future environmental technologies Invest in the Mirai Creation Fund III and WiL Ventures III
Growing demand for environmentally and socially conscious products	Medium	Long-term	Sales: Increased sales of products and services that contribute to decarbonization (environmental label certification) and increased demand for	・Increase sales of products with environmental labels, such as The Blue Angel, EPEAT, and SuMPO EPD. ・Provide durable products and ongoing services

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Changes in the external environment	Financial impact	Estimated time	Impact on the Brother Group	Countermeasures
			environmentally compatible products	・Expand circular business[*3]

Financial Impact　Low: 1 billion yen or less　Medium: 1 to 10 billion yen　Large: Over 10 billion yen -: Consider in the future
Estimated Time　Short-term: 1 to 2 years based on the fiscal year / Medium-term: 3 to 4 years including the medium term management strategy / Long-term: 5 years or more including the long-term Group vision

The SPEEDIO series of machine tools is characterized by its high productivity and energy-saving performance. The latest model reduces power consumption by approximately 80% and cycle time by approximately 50% compared to a medium-sized machining center (40-spindle) commonly used for machining large parts, achieving approximately double the productivity. In addition to these energy-saving and highly productive features, the model has been highly praised for its compact and resource-saving design as well as for accurately capturing the changing needs of the world.

On the other hand, Mirai Creation Fund was founded in 2015 with investment from investment advisory companies, automobile manufacturers, and financial institutions. In 2018, a second fund was formed and invested in five areas: intelligent technology, robotics, hydrogen society, electrification, and new materials. In 2021, the third fund, in which Brother has a stake, was launched, and carbon neutrality was added as a new investment theme. Based on its Environmental Vision 2050, the Brother Group has set a carbon neutrality goal for 2050, and through this investment, we will promote the realization of a decarbonized society and technological development.

*1 > Efforts to Reduce CO_2 Emissions in Offices
https://global.brother/en/sustainability/eco/co2#c04

*2 > Efforts to Reduce CO_2 Emissions in Products
https://global.brother/en/sustainability/eco/co2#c08

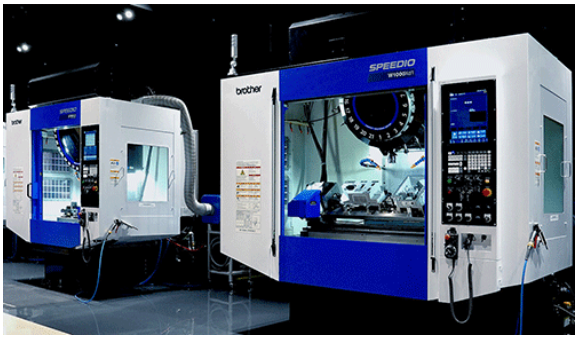
*3 > Resource Circulation and Waste Reduction Initiatives
https://global.brother/en/sustainability/eco/resource-circulation#r02

*4 > From Reducing EPS to Eliminating EPS - A sustainable cushioning material born from innovation
https://sdgsstory.global.brother/e/customer/778/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



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*5 > Machine Tools to Improve Productivity and Reduce CO_2 Emissions - Brother's Machining Centers Contribute to a Carbon-Free Society
https://sdgsstory.global.brother/e/customer/398/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



*6 > Improved working environment while reducing environmental impact - A newly imagined eco-friendly spot cooler that cools with the power of water and wind
https://sdgsstory.global.brother/e/customer/776/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



TCFD Recommendations: Risk Management

The Brother Group regards important social issues such as climate change, resource depletion, environmental pollution, and ecosystem destruction as business risks. As such, the Brother Group Environmental Vision 2050 makes it clear that we will strive to resolve these issues on a long-term, ongoing basis.

In FY2022, the Brother Group established a Sustainability Committee chaired by the president to promote sustainability and risk management, including climate change response, to identify and assess priority climate change risks and opportunities and provide appropriate response instructions. The Environment & Climate Change Subcommittee, established under the Sustainability Committee, identifies key issues such as climate change, determines and implements appropriate countermeasures. In addition, the subcommittee sets ambitious targets for climate change response and monitors progress on a regular basis.

> Risk Management
https://global.brother/en/sustainability/governance/control#c04

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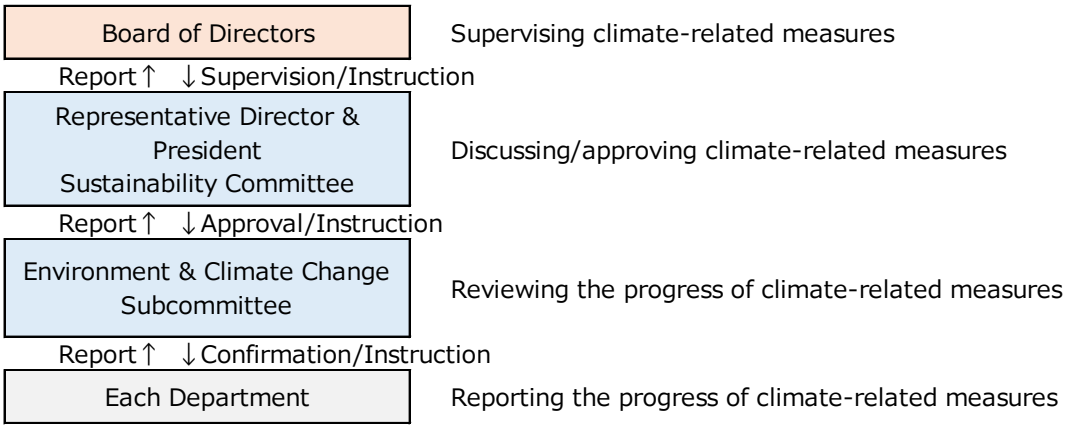
TCFD Recommendations: Metrics and Targets

Under the Brother Group Environmental Vision 2050, in the reduction of CO_2 emissions, the Brother Group will aim to achieve carbon neutrality in all business operations and minimize CO_2 emissions from the entire value chain by FY2050. In addition, we have set the medium-term target for FY2030, a milestone that is consistent with the Paris Agreement, a global framework for curbing climate change (global warming), to reduce by FY2030, CO_2 emissions from the Brother Group (Scopes 1 and 2) by 65% from the FY2015 level and from each stage of the procurement, use, and disposal of products with particularly large emissions in the value chain (categories 1, 11, and 12 of Scope 3) by 28.5% from the FY2022 level.

This medium-term target for FY2030 regarding the reduction of CO_2 emissions has been recognized by the Science Based Targets initiative (SBTi), an international initiative, as a reduction target based on scientific evidence to achieve the “1.5°C target” of the Paris Agreement.

Furthermore, short-term targets for 2027 are set in CS B2027 and the Brother Group Environmental Action Plan 2027 as milestones toward achieving the medium-term target for FY2030. They are then broken down into targets for each fiscal year, and the progress and results are reported to the Environment & Climate Change Subcommittee and the Sustainability Committee.

Progress management process for climate-related measures



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Issue	Targets for FY2030	Targets for FY2024	Progress in FY2024	Achievement
Reducing CO_2 emissions	[Scope 1,2] Achieve 65% reduction from FY2015 level	[Scope 1,2] Achieve 47% reduction from FY2015 level	Achieved 49.7% reduction (from FY2015 level)	○
	[Scope 3 (Categories 1, 11, and 12)*] Achieve 28.5% reduction from the FY2022 level	[Scope 3] Implement measures to reduce CO_2 emissions by 150,000 tons*	[Scope 3] Reduced CO_2 emissions by 177,000 tons and achieved targets for FY2024 (Achieved 25.2% reduction from the FY2022 level toward targets for FY2030)	○

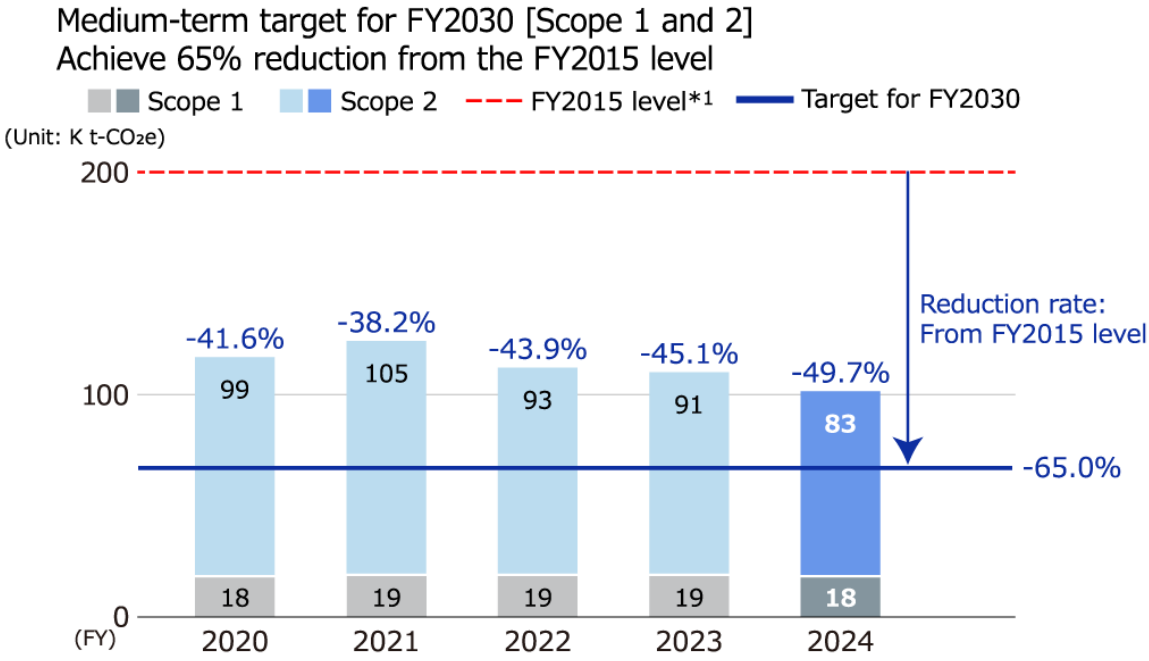
[Legend (Evaluation)] ◎: Progress above plan, ○: Progress as planned, △: Progress behind plan, ×: No progress against plan

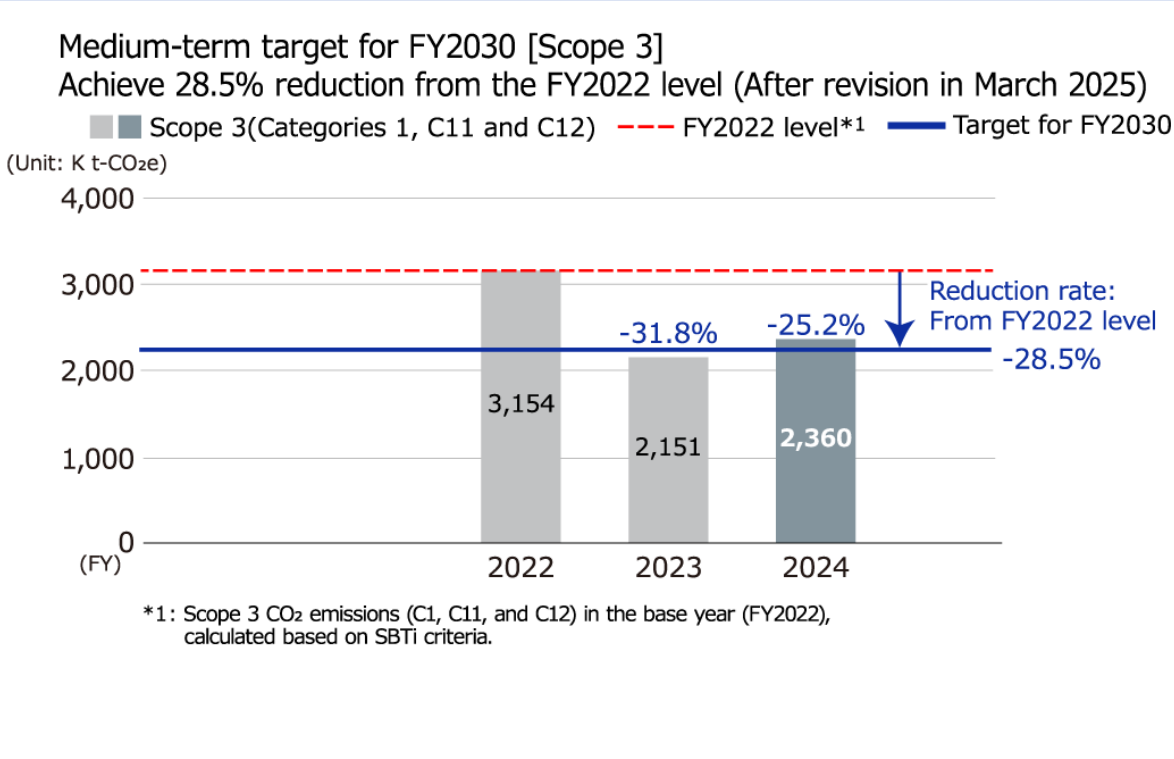
*: CO_2 emissions that are subject to reduction are those related to purchased products and services, the use of sold products, and the disposal of sold products.

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Progress in CO_2 emission reduction

Progress up to FY2024





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In order to reduce CO_2 emissions by 2030, we plan to invest several hundred million yen at our business sites in installing solar panels and expanding the use of renewable energy as well as several billion yen to make our products smaller and more energy-saving, and reduce the use of virgin materials.

Click here for a breakdown of Scopes 1, 2, and 3 emissions and the results of external assurance
https://global.brother/en/sustainability/eco/co2#c03

Internal carbon pricing: As part of our efforts to realize a sustainable society, we have introduced internal carbon pricing (ICP) from FY2024. The ICP targets domestic environmental capital expenditure and sets an internal price for greenhouse gas emissions. To be specific, we set an internal price of 12,000 yen for each ton of CO_2 emissions. Based on this price, we make investment decisions that take into account the environmental impact and promote the reduction of greenhouse gas emissions associated with our business activities.

Click here for climate-related coefficient to calculate the executive compensation
https://global.brother/en/sustainability/governance/structure#s03

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Taskforce on Nature-related Financial Disclosures (TNFD)



Environmental Policy

The Brother Group recognizes the key social issues of climate change, resource depletion, environmental pollution, and destruction of the ecosystem as business risks for the Brother Group and is solving these issues over the long term as a company that uses energy and resources to provide products using natural origin items such as paper, thread and cloth. As the basis of this philosophy, the Brother Group has established the following policies.

>Brother Group's Environmental Policy
https://global.brother/en/sustainability/eco/policy#p01
>Brother Group's Biodiversity Conservation Policy
https://global.brother/en/sustainability/eco/policy#p02
>Brother Group's Paper Product Procurement Policy
https://global.brother/en/sustainability/eco/policy#p03

Endorsement of the TNFD Recommendations

In February 2025, the Brother Group expressed its support for the framework of the Taskforce on Nature-related Financial Disclosures (TNFD), joined the TNFD Forum, and registered as a TNFD Adopter.

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General Requirements

1. Application of materialities

   In assessing nature-related impacts based on TNFD, the Group applies a double materiality approach that takes into consideration two axes: "the impact of the environment and society on our company" and "the impact of our company on the environment and society."

2. Scope of disclosure

   The assessment this time was conducted in accordance with the LEAP approach[*1] recommended by TNFD, targeting products and direct operation facilities in all Brother Group businesses.[*2] In assessing our products, we have recognized that nature-related issues arise not only in our direct operations but also in our upstream and downstream value chains. For the assessment of facilities, we decided to conduct it for a total of 17 facilities, including manufacturing facilities in Japan and overseas as well as our headquarters in Japan, that are expected to have particularly high dependency and impact on nature among direct operations. As a specific assessment approach for products, we used ENCORE[*3] to identify impact drivers on nature (impact factors) and dependence on ecosystem services, and then we qualitatively assessed their importance. For manufacturing facilities, we used GIS[*4] data to organize biomes[*5] and selected areas requiring attention (sensitive locations) in accordance with the TNFD criteria.

   *1: An integrated approach to assessing nature-related issues, including contacts with nature, dependencies on nature, impacts, risks, and opportunities, and consists of four phases: Locate, Evaluate, Assess, and Prepare.

   *2: Printing & Solutions Business, Machinery Business, Domino Business, Nissei Business, Personal & Home Business, Network & Contents Business, and new business

   *3: Exploring Natural Capital Opportunities, Risks and Exposure: An analytical tool for understanding the impact and dependence on nature

   *4: Geographic Information System: A technology that comprehensively manages and processes data containing location-related information (spatial data) using geographical location as a reference, displays it visually, and enables advanced analysis and rapid decision-making

   *5: A type of ecosystem. Defined by the types of plants that form under average rainfall and temperature

3. Areas with nature-related issues

   Assessments were conducted for a total of 17 facilities, including manufacturing facilities in Japan and overseas as well as our headquarters in Japan, based on the four criteria of “importance of biodiversity,” “integrity of ecosystems,” “importance of ecosystem services,” and “physical risks to water,” to identify sensitive locations. We plan to conduct more detailed analyses regarding these facilities in the future.

4. Integrate other sustainability-related disclosures

   In 2020, the Brother Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and analyzed and disclosed the risks and opportunities that climate

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change may present to its businesses. The Group aims to integrate the climate-related financial disclosures and the nature-related financial disclosures in the future.

5. Considered timeframe
   [Short-term] 1 to 2 years, based on the fiscal year
   [Medium-term] 3 to 4 years, including the medium-term management strategy
   [Long-term] 5 years or more, including the long-term Group vision

6. Engagement with indigenous people, local communities and affected stakeholders
   The Brother Group has formulated its Human Rights Global Policy, respects the human rights set forth in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and works towards the advancement of human rights, based on the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council. Moreover, regarding human rights due diligence, the Group requests its main business suppliers to take measures to respect human rights, with the aim of achieving responsible procurement throughout its supply chain.

>Respect for Human Rights
https://global.brother/en/sustainability/social/human-rights

TNFD Recommendations: Governance

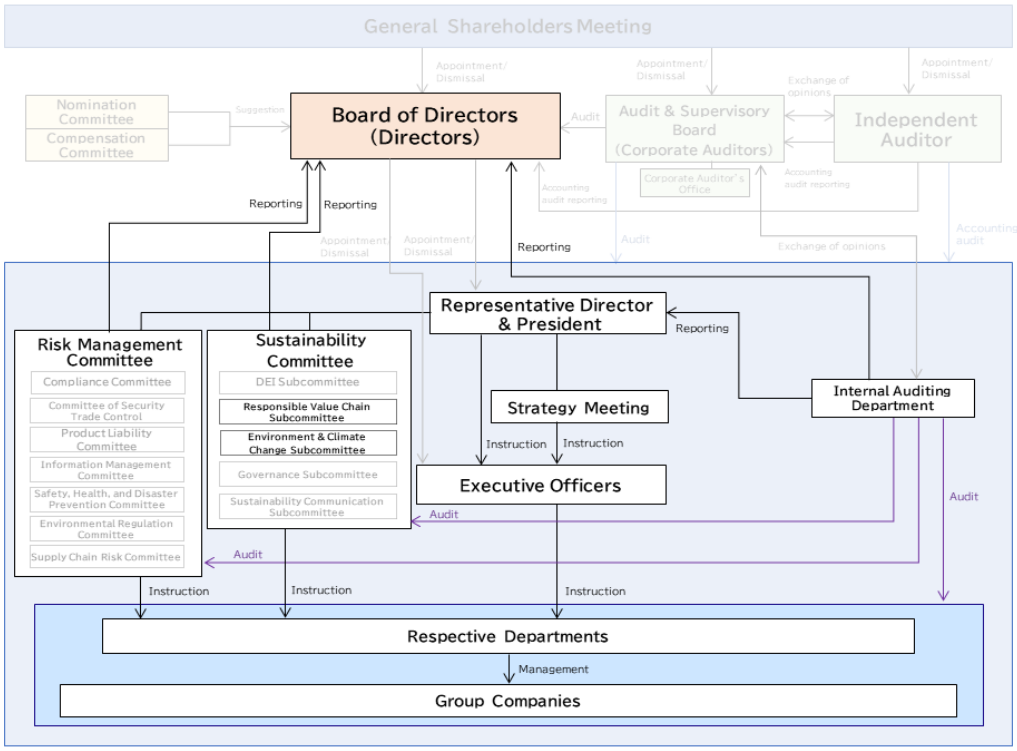
The Brother Group has established a Sustainability Committee https://global.brother/en/sustainability/csr/management , chaired by the Representative Director & President, to globally promote management with an emphasis on sustainability, including activities to address materiality issues https://global.brother/en/sustainability/csr/materiality . The Sustainability Committee has five subcommittees, including the Environment & Climate Change Subcommittee, which addresses environmental issues such as climate change and biodiversity, and the Responsible Value Chain Subcommittee, which promotes respect for human rights and creation of a safe working environment, each of which is responsible for managing progress toward its targets and promoting its activities. The person in charge of a subcommittee regularly reports the status of its activities to the Sustainability Committee, and the President as the chairman, or a person designated by the President, reports on activities to the Board of Directors at least once a year.
When it becomes necessary to formulate or revise important matters regarding climate-related environmental risks or environmental issues, they are examined by subcommittees as well as the Sustainability Committee, deliberated at the Strategy Meeting, and then resolved by the Board of Directors. The Board of Directors provides guidance and supervision on the content of the matters and strives to strengthen the company-wide promotion system. In addition, to increase the effectiveness of the Group’s efforts to address climate change, executive compensation is linked to the degree of achievement of key targets.

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[No. of meetings in FY2024]		
Environment & Climate Change Subcommittee	3	
Responsible Value Chain Subcommittee	8	
Sustainability Committee	19	15 meetings related to the Environment & Climate Change Subcommittee: Reporting and deliberation on the results of the assessments of materialities, including climate change, reporting and deliberation on Scope 3 and resource circulation target revisions, reporting and deliberation on biodiversity conservation, etc. 13 meetings related to the Responsible Value Chain Subcommittee Deliberation on activity targets for pursuing a responsible value chain, and reporting of progress and issues
Board of Directors	1	Reporting of the Sustainability Committee's activity plan

> Promotion of Management with an Emphasis on Sustainability
https://global.brother/en/sustainability/csr/management

Brother Industries, Ltd. Governance Structure (as of June 25, 2025)



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> Environmental Management Framework
https://global.brother/en/sustainability/eco/management

> Brother Industries, Ltd. Governance Structure
https://global.brother/en/sustainability/governance/structure#org_chart

TNFD Recommendations: Strategy

Business-based assessment results and issues

In this assessment, we first classified and organized our business activities into upstream, direct operations, and downstream. We then created heat maps to identify impact drivers on nature (impact factors) and dependency on ecosystem services, using ENCORE. As a result, we confirmed our dependencies and/or impacts on the following: water use in resin production and water use and land use in metal and paper production in the upstream business activities; disaster prevention functions to mitigate pollution and floods in direct operations; and pollution through waste processes, land use and water use in the production of paper used for our products in the downstream activities. Among these dependencies and impacts identified, for “paper,” which is essential for the use of printers, our company’s main products, and for “paper” and “minerals,” which are essential for the production of all our products, we plan to conduct a detailed analysis as a top priority to identify risks and opportunities and consider countermeasures.

<Heat map (dependence on nature)>

			Value Chain															
			Upstream							Direct Operation		Downstream						
			Metal	Resin	Rubber	Paper	Electronic Components and Motors	Ink-related Products (including ink cartridges and ribbons)	Hydrogen	Industrial Machinery Manufacturing	Sales	Paper	Plastic	Apparel Manufacturing	Automobile Parts Manufacturing	Semiconductor Manufacturing Equipment Manufacturing	Industrial Machinery and Parts Manufacturing	Usage at Karaoke Boxes and Other Places
Dependence on Nature	Supply Services	Underground Water	H	H	H	VH	M	H	H	M		VH	L	VH	M	M	M	M
		Surface Water	H	H	H	VH	M	H	H	M		VH	L	VH	M	M	M	H
		Fiber and Other Materials				VH						VH		M				
	Adjustment and Maintenance Services	Bioremediation		VL	L	M		VL	VL			M		L		VL		
		Mitigation of Sensory Impact		L	L			L	L	M			L		M		M	
		Water Flow Adjustment	H	L	M	M		L	L	M		M		M	M		M	
		Climate Control	H	VL	VL	VH		L	VH	VL	H	VH			VL	VL	VL	
		Flood Protection		M	M	VH		M	M	M	M	VH		M	M		M	M
		Storm Protection		M	M	VH		M	M	M	M	VH		M	M		M	M
		Stabilization/ Erosion Prevention	M	L	L	VH		L	M	VL	M	VH	L	L	VL		VL	L
		Maintenance of Soil Quality				H						H						
		Pest Control				H						H						
		Disease Control				H						H						

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<Heat map (impact on nature)>

		Value Chain														
		Upstream							Direct Operation		Downstream					
		Metal	Resin	Rubber	Paper	Electronic Components and Motors	Ink-related Products (including ink cartridges and ribbons)	Hydrogen	Industrial Machinery Manufacturing	Sales	Paper	Plastic	Apparel Manufacturing	Automobile Parts Manufacturing	Semiconductor Manufacturing Equipment Manufacturing	Industrial Machinery and Parts Manufacturing	Usage at Karaoke Boxes and Other Places
Impact on Nature	Utilization of Terrestrial	VH	H		VH		M	VH			VH	M	H				
	Utilization of Freshwater	H						H									
	Utilization of Marine Ecosystems									M							
	GHG Emissions	VH	VH	VH	VH		VH	VH	VH	VH	VH			VH	H	VH	
	Water Usage	VH	VH	H	VH		VH	VH	H		VH	VH	VH	H	H	H	
	Waste	H	H	H		M	H	H	H				M	H		H	M
	Air Pollution Other Than GHG	H	H	H	M		H	H	M	H	M	M	H	M		M	
	Soil Contamination	H	H	M	H	H	H	H	H	L	H	H	M	H	H	H	
	Water Contamination	H	H	M	H	H	H	H	H	L	H	H	H	H	H	H	
	Disturbance	H		H		M			M	H				M		M	
	Invasive Alien Species	M								H							

Facility-based assessment results and issues

This time, we conducted analyses for the 17 facilities listed below.

No.	Area	Facility Name
1	Japan	Head Office
2	Japan	Mizuho Factory
3	Japan	Hoshizaki Factory
4	Japan	Momozono Factory
5	Japan	Kariya Factory
6	Japan	NISSEI CORPORATION Headquarters and main plant
7	Europe	BROTHER INDUSTRIES (U.K.) LTD.
8	Europe	BROTHER INDUSTRIES (SLOVAKIA) s.r.o.
9	Americas	BROTHER INDUSTRIES (U.S.A.) INC.
10	Asia and Oceania	TAIWAN BROTHER INDUSTRIES, LTD.
11	Asia and Oceania	ZHUHAI BROTHER INDUSTRIES, CO., LTD.
12	Asia and Oceania	BROTHER MACHINERY XIAN CO., LTD.
13	Asia and Oceania	BROTHER INDUSTRIES (VIETNAM) LTD.
14	Asia and Oceania	BROTHER TECHNOLOGY (SHENZHEN) LTD.
15	Asia and Oceania	BROTHER INDUSTRIES SAIGON, LTD.
16	Asia and Oceania	BROTHER INDUSTRIES (PHILIPPINES), INC.
17	Asia and Oceania	NISSEI GEAR MOTOR MFG.(CHANGZHOU) CO., LTD.

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First, we organized the types of biomes of each facility, referring to IUCN Global Ecosystem Typology 2.0, which is an example provided in the TNFD framework.

No.	Facility Name	Terrestrial							Under ground	Underground to Freshwater		Undergr ound to Marine
		Tropical and Subtropical Forests	Temperate and Subarctic Forests	Scrub Forest	Savannah/Grassland	Desert/Semi-desert	Polar Alpine	Intensive Land Use System	Underground Rock System	Underground Freshwater	Anthropogenic Underground Freshwater	Underground Tidal System
1	Head Office		●	●				●				
2	Mizuho Factory		●	●				●				○
3	Hoshizaki Factory		●	●				●				○
4	Momozono Factory		●	●				●				
5	Kariya Factory		●	●				●				
6	NISSEI CORPORATION Headquarters and main plant		●	○				●				
7	BROTHER INDUSTRIES (U.K.) LTD.		●	●				●			○	
8	BROTHER INDUSTRIES (SLOVAKIA) s.r.o.		●		●		●	●				
9	BROTHER INDUSTRIES (U.S.A.) INC.		●		●			●				
10	TAIWAN BROTHER INDUSTRIES, LTD.	●	●					●				
11	ZHUHAI BROTHER INDUSTRIES, CO., LTD.	●	●					●				○
12	BROTHER MACHINERY XIAN CO., LTD.		●					●				
13	BROTHER INDUSTRIES (VIETNAM) LTD.							●				
14	BROTHER TECHNOLOGY (SHENZHEN) LTD.	●	●					●				
15	BROTHER INDUSTRIES SAIGON, LTD.	●			●			●				
16	BROTHER INDUSTRIES (PHILIPPINES), INC.	●		●				●				
17	NISSEI GEAR MOTOR MFG.(CHANGZHOU) CO., LTD.		●					●				

No.	Facility Name	Fresh water to Terre strial	Freshwater			Fresh water to Marin e	Marine				Marine to Terrestrial			Marine, Freshwater to Terrestrial
		Wetland	River/Small River	Lake	Artificial Freshwater Area	Semi-enclosed Waters	Continental Shelf	Pelagic Waters	Deep-sea Floor	Anthropogenic Marine System	Coastlines	Supratidal Zone	Anthropogenic Coastlines	Brackish Tidal System
1	Head Office	●	●	●	●							○		
2	Mizuho Factory	●	●	●	●						●	●	●	
3	Hoshizaki Factory	●	●	●	●						●	●	●	
4	Momozono Factory	●	●	●	●							○		
5	Kariya Factory	●	●	●	●						●	○		
6	NISSEI CORPORATION Headquarters and main plant	●	●	●	●									
7	BROTHER INDUSTRIES (U.K.) LTD.	●	●		●						●	●		
8	BROTHER INDUSTRIES (SLOVAKIA) s.r.o.	●	●		●									
9	BROTHER INDUSTRIES (U.S.A.) INC.	●			●									
10	TAIWAN BROTHER INDUSTRIES, LTD.		●		●						●			
11	ZHUHAI BROTHER INDUSTRIES, CO., LTD.		●		●						●	●	●	●
12	BROTHER MACHINERY XIAN CO., LTD.	●	●		●									
13	BROTHER INDUSTRIES (VIETNAM) LTD.	●	●		●						●			
14	BROTHER TECHNOLOGY (SHENZHEN) LTD.		●		●						●			
15	BROTHER INDUSTRIES SAIGON, LTD.				●						●			
16	BROTHER INDUSTRIES (PHILIPPINES), INC.		●		●						●			
17	NISSEI GEAR MOTOR MFG.(CHANGZHOU) CO., LTD.	●	●		●									●

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We then conducted assessments based on the four criteria of importance of biodiversity, integrity of ecosystem, importance of ecosystem service provision, and physical risks to water, and we identified sensitive locations. Going forward, we will conduct in-depth analyses of these facilities while broadening our scope to assess other facilities and value chains of our Group.

TNFD Recommendations: Risk and Impact Management

The Brother Group regards important social issues such as climate change, resource depletion, environmental pollution, and ecosystem destruction as business risks. As such, the Brother Group Environmental Vision 2050 makes it clear that we will strive to resolve these issues on a long-term, ongoing basis.
In FY2022, the Brother Group established a Sustainability Committee chaired by the president to promote sustainability and risk management, to identify and assess priority risks and opportunities and provide appropriate response instructions. The Environment & Climate Change Subcommittee, established under the Sustainability Committee, identifies key issues, determines and implements appropriate countermeasures, and monitors progress on a regular basis.

> Risk Management
https://global.brother/en/sustainability/governance/control#c04

TNFD Recommendations: Measurement Metrics and Targets

The Brother Group discloses the following TNFD core disclosure metrics and additional disclosure metrics. We will also continue to consider and prepare for the disclosure of core disclosure metrics that have not yet been disclosed.

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Core disclosure metrics

Indicator No.	Indicator		Reference		
-	GHG emissions		> Progress Towards CO_2 Emission Reduction Targets https://global.brother/en/sustainability/eco/co2#c01		
Indicator No.	Indicator		Results for 2024	Target for FY2030	Remarks
C2.1	Wastewater volume	Public waters	126,247 m^3	The Group continuously endeavors to ensure efficient use of water resources and proper treatment of wastewater at its manufacturing facilities. *No numerical targets	For the list of applicable sites, see page 5 of "Material balance" [PDF/240KB].
		Sewer system	375,282 m^3		
		Other	0 m^3		
C2.3	Plastic pollution	Resin usage in products	74,165.80ton	*No numerical targets	Target business: P&S Based on the EMF's 2023 Recyclability Assessment Tool, LDPE and HDPE are classified as "largely recyclable plastics." All plastics except LDPE and HDPE are classified as "technically recyclable plastics."
		➢ Percentage of virgin resin	96.54%		
		➢ Percentage of pre-consumer resin	0.20%		
		➢ Percentage of post-consumer resin	3.26%		
		Resin usage in packaging materials	5,726.08ton		
		➢ Percentage of plastic packaging that is technically recyclable	73.05%		
		➢ Percentage of plastic packaging that is actually largely recyclable	26.95%		

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Indicator No.	Indicator		Results for 2024	Target for FY2030	Remarks
C3.0	Water withdrawal from water-scarce areas	Clean water	20,520 m^3	The Group continuously endeavors to ensure efficient use of water resources and proper treatment of wastewater at its manufacturing facilities. *No numerical targets	Applicable site: BROTHER MACHINERY XIAN CO., LTD.
		Industrial water	0 m^3		
		Underground water	0 m^3		

Additional disclosure metrics

Indicator No.	Indicator		Results for 2024	Target for FY2030	Remarks
A3.0	Total water intake	Clean water	446,818 m^3	The Group continuously endeavors to ensure efficient use of water resources and proper treatment of wastewater at its manufacturing facilities. *No numerical targets	For the list of applicable sites, see page 5 of "Material balance" [PDF/240KB].
		Industrial water	0 m^3		
		Underground water	151,316 m^3		
A3.2	Percent of water recycled		16,354 m^3	The Group continuously endeavors to ensure efficient use of water resources and proper treatment of wastewater at its manufacturing facilities. *No numerical targets	For the list of applicable sites, see page 5 of "Material balance" [PDF/240KB].

PDF Material balance [PDF/240KB]
https://global.brother/pub/com/en/eco/pdf/2025/material-balance.pdf

Core disclosure metrics to be disclosed in the future

C1.0, C1.1, C2.0, C2.2, C2.4, C3.1, C4.0, C5.0, C7.0, C7.1, C7.2, C7.3, C7.4

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Environment(E)

Reduction of CO_2 Emissions





Brother Group Environmental Vision 2050

The vision aims to support the Paris Agreement and contribute toward creating a carbon-free society with zero greenhouse gas emissions.

GOAL

The Brother Group will aim to achieve carbon neutrality* in all business operations and minimize CO_2 emissions from the entire value chain by 2050 so as to contribute toward creating a carbon-free society.

*: Achieve overall zero CO_2 emissions from the Brother Group

Main efforts: Introduction of solar power generation, renewal of air conditioning facilities, renewal and adoption of energy-saving for production facilities, etc.

Progress Towards CO_2 Emission Reduction Targets

Two medium-term targets for FY2030 regarding CO_2 emission reduction are set in the Brother Group Environmental Vision 2050. To achieve these targets, we are working to reduce CO_2 emission with supplier collaboration in our manufacturing and production activities.

Medium-term target for FY2030 (Previous medium-term targets before revision on March 3, 2025. The period covered is from FY2022 to FY2024 of CS B2024.)

1. [Scopes 1 and 2] Achieve 65% reduction from the FY2015 level

2. [Scope 3] Categories 1, 11, and 12 Achieve 30% reduction from the FY2015 level

*: The medium-term target for FY2030 has been recognized as a target based on scientific evidence (1.5°C target) by the Science Based Targets initiative (SBTi), an international initiative established to help achieve greenhouse gas emission reduction targets.

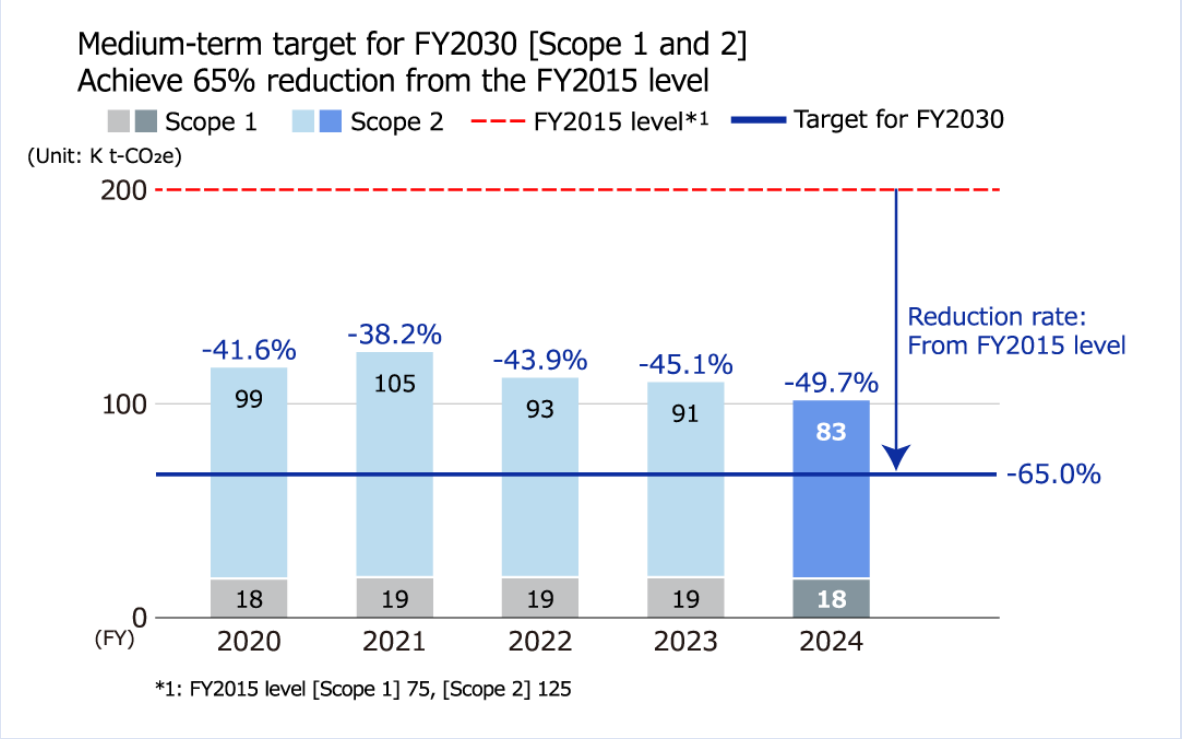
We worked to promote reduction of CO_2 emissions by 47% from the FY2015 level for Scopes 1 and 2 and implement measures to reduce CO_2 emissions by 150,000 tons for categories 1, 11, and 12 of Scope 3, which are the targets for FY2024 set in CS B2024.

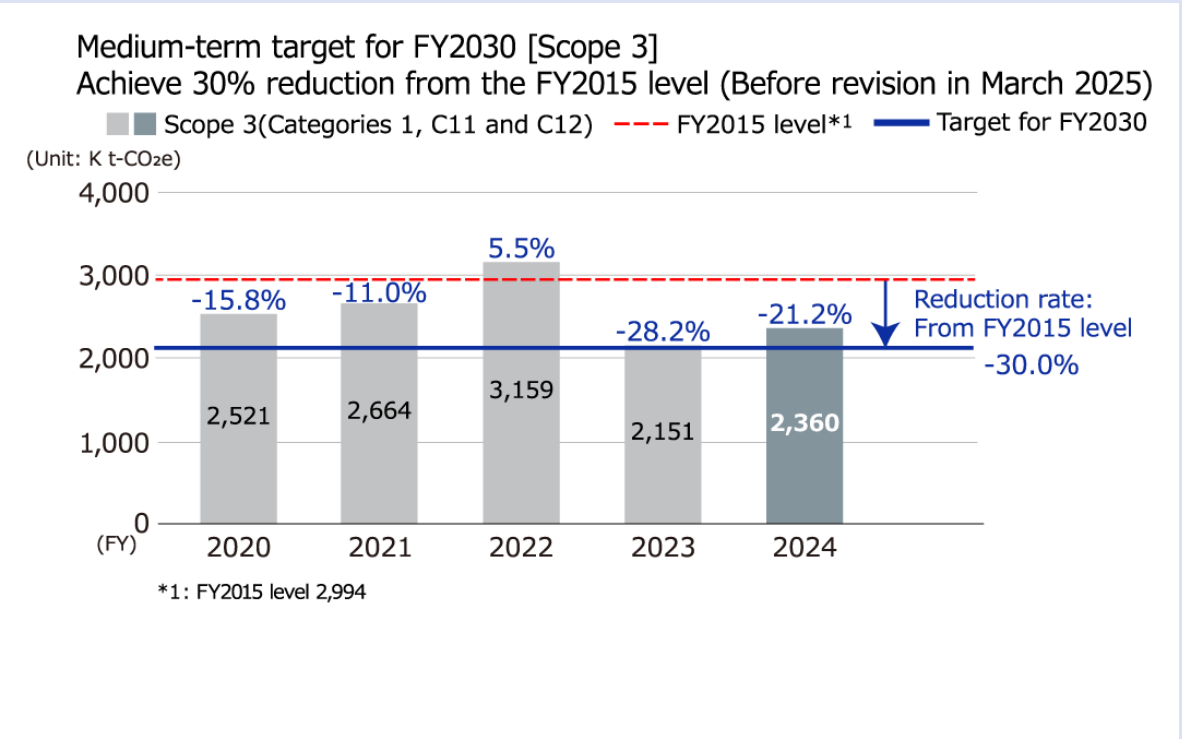
In FY2024, for Scopes 1 and 2, we achieved 49.7% reduction from the FY2015 level. Regarding Scope

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3, while expanding sales of new products, whose environmental performance is higher than that of conventional products, we reduced CO_2 emissions in the parts procurement phase by 30,000 tons in three years in collaboration with suppliers. As a result of these efforts, categories 1, 11, and 12 saw a 21.2% reduction compared to FY2015

Progress up to FY2024





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Scopes 1, 2, and 3 Greenhouse Gas (GHG) Emissions

The Brother Group calculates and reports Scope 1, 2, and 3 greenhouse gas (GHG) emissions based on the GHG Protocol and Ministry of the Environment's guidelines for calculating emissions in order to properly calculate and report its GHG emissions. Furthermore, the calculation results are verified by a third party in accordance with ISO 14064-3 standards to confirm the reliability of the results before they are made public.

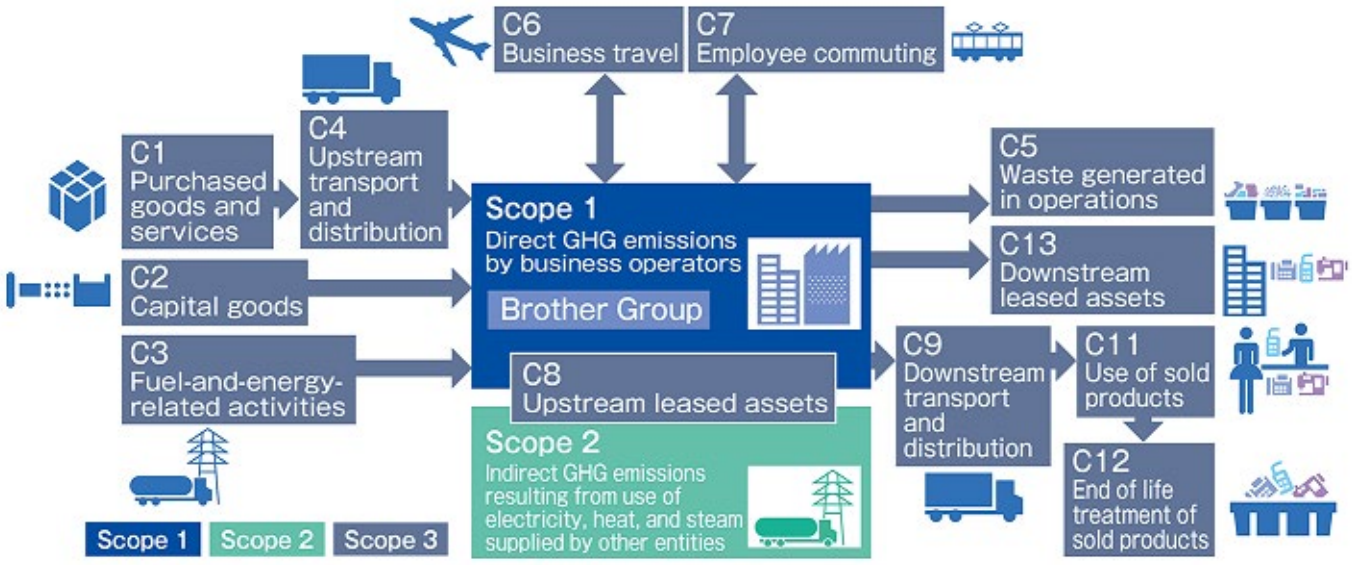
Scope 1, 2, and 3

These are components making up greenhouse gas (GHG) emissions in the supply chain. Dividing into three categories minimizes overlapping calculations and allows specific emissions to be identified.

Scope 1: Direct GHG emissions by business operators

Scope 2: Indirect GHG emissions resulting from use of electricity, heat, and steam supplied by other entities

Scope 3: Indirect GHG emissions other than Scope 1 and 2 (emissions by other entities related to the activities of business operators)



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Scope 1, 2, and 3 greenhouse gas (GHG) emissions according to ISO 14064 from FY2020 through FY2024

Category		CO_2 emissions in t-CO_2e equivalent				
		FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1: Direct emissions		18,356	18,724	19,040	18,840	17,850
Scope 2: Indirect emissions from energy use Market-based		98,685	105,099	93,409[*1]	91,228[*1]	82,897[*1]
Scope 3: Other indirect emissions		2,752,567	2,942,352	3,439,056[*2]	2,431,462[*1]	2,633,871[*1]
C1	Purchased goods and services	1,302,661	1,404,939	1,671,015[*2]	1,253,780[*1]	1,411,041[*1]
C2	Capital goods	75,897	86,955	123,562	126,268	119,606
C3	Fuel- and energy-related activities	10,987	11,838	12,062	11,899	12,130
C4	Upstream transportation and distribution	103,148	138,978	99,236	95,109	90,402
C5	Waste generated in operations	4,138	2,849	3,257	3,991	8,822
C6	Business travel	1,558	1,887	4,023	6,502	6,673
C7	Employee commuting	14,698	14,819	14,768	15,553	16,574
C8	Upstream leased assets	4,642	4,101	3,827	4,588	4,316
C9	Downstream transportation and distribution	14,671	15,366	17,825	14,762	14,269
C10	Processing of sold products	-	-	-	-	-
C11	Use of sold products	968,174	995,115	1,183,284	670,148	642,375
C12	End of life treatment of sold products	250,107	263,618	305,036	227,291	306,135
C13	Downstream leased assets	1,886	1,886	1,160	1,168	1,178
C14	Franchises	-	-	-	-	-
C15	Investments	-	-	-	402[*3]	350[*3]
Total of Scopes 1, 2, and 3 Market-based		2,869,608	3,066,176	3,551,505[*1,2]	2,541,530[*1]	2,734,618[*1]

*1: After using renewable energy electricity certificates from external sources

*2: The numerical value has been changed because the CO_2 emissions from purchased goods and services other than products and parts were added to C1 (Purchased goods and services). However, the additional CO_2 emissions in FY2022 (about 2% of the entire Scope 3) are not included in the auditing for ISO 14064.

*3:Emissions from related companies have been added since FY2023.

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Scope

PDF History of auditing for ISO 14064 [PDF/162KB]
https://global.brother/pub/com/en/eco/pdf/2025/iso14064.pdf

External Assurance

PDF BSI Independent Assurance Statement 2024 [PDF/823KB]
https://global.brother/pub/jp/eco/pdf/2025/bsi-assurance.pdf

PDF BSI Independent Assurance Statement 2023 [PDF/811KB]
https://global.brother/pub/jp/eco/pdf/2024/bsi-assurance.pdf

PDF BSI Independent Assurance Statement 2022 [PDF/724KB]
https://global.brother/pub/jp/eco/pdf/2023/bsi-assurance.pdf

PDF LRQA Independent Assurance Statement 2021 [PDF/141KB]
https://global.brother/pub/com/en/eco/pdf/2022/lrqa-assurance.pdf

PDF LR Independent Assurance Statement 2020 [PDF/570KB]
https://global.brother/pub/com/en/eco/pdf/2021/lrqa-assurance.pdf

PDF LR Independent Assurance Statement 2015 [PDF/524KB]
https://global.brother/pub/com/en/eco/pdf/2016/lrqa-assurance.pdf

Efforts to Reduce CO_2 Emissions in Business Sites

Amid rising international interest in achieving a society that balances economic development and environmental conservation, the Brother Group aims to contribute toward a sustainable society by creating and promoting a virtuous cycle of business growth and environmental harmony.

Realization of carbon neutrality

BROTHER INDUSTRIES (U.K.) LTD. and BROTHER INDUSTRIES (SLOVAKIA) s.r.o.

BROTHER INDUSTRIES (U.K.) LTD. and BROTHER INDUSTRIES (SLOVAKIA) s.r.o., which are manufacturing facilities of the Brother Group, attained carbon neutrality and completed PAS 2060:2014* verification. The two facilities received verification in 2021 and 2022, respectively, and continue to receive verification each year. They have achieved carbon neutrality by offsetting remaining emissions with carbon credits in addition to promoting energy-saving activities and fully utilizing renewable energy. The Brother Group will aim to achieve carbon neutrality in all business operations and minimize CO_2 emissions from the entire value chain by attaining carbon neutrality in accordance with the standards.

*: PAS 2060 (Publicly Available Specification 2060): International standard that certifies the achievement of carbon neutrality

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BROTHER INDUSTRIES, LTD. Kariya Factory

In October 2024, Kariya Factory, one of the manufacturing factories of the Machinery business, achieved carbon neutrality in FY2023 and completed the verification of compliance with the ISO 14068-1:2023 standard*. This is the first time that the Brother Group has achieved carbon neutrality in accordance with the ISO 14068-1:2023 standard, and is also the first case in the manufacturing industry in Japan.
To achieve its carbon neutrality, Kariya Factory is working to reduce GHG emissions under a policy to place top priority on both actively introducing renewable energy and improving energy consumption efficiency through energy conservation.



Solar panel in Kariya Factory

*ISO 14068-1:2023 standard: An international standard (issued on November 30, 2023) that provides principles, requirements, and guidance for achieving and demonstrating carbon neutrality through quantification, reduction, and offsetting carbon footprints in organizations and products

PDF Kariya Factory's Carbon Neutral Report (Executive Summary) [PDF/258KB]
https://global.brother/pub/com/en/eco/pdf/2025/kariyaCNsummary.pdf
PDF Kariya Factory's Carbon Neutrality Report [PDF/1.7MB]
https://global.brother/pub/com/en/eco/pdf/2025/kariyaCNreport.pdf
PDF Verification Opinion [PDF/543KB]
https://global.brother/pub/jp/eco/pdf/2025/verification-opinion.pdf

Promotion of energy-saving activities

The Brother Tokyo building was renovated. Specifically, double sashes were introduced to improve the thermal insulation performance, the air-conditioning equipment was replaced by high-efficiency models, and CO_2 sensors were introduced to control the ventilation volume. Solar panels were also installed on the rooftop to cover part of the power consumed in the building with renewable energy. As a result, BIL obtained ZEB Ready certification,* which is recommended by the Ministry of the Environment, for the first time.

*: ZEB is the abbreviation for “Net Zero Energy Building.” ZEB Ready certification is awarded to a building which reduces the annual standard primary energy consumption by 50% or more.



Tokyo building

To improve environmental performance while balancing the reduction of CO_2 emissions and utility costs, BROTHER INDUSTRIES (SLOVAKIA) s.r.o. (BISK) actively uses natural energy. Since December 2020, BISK has been operating an energy system that combines an air conditioning system using heat from groundwater and a solar power generation system. The air conditioning system that uses groundwater heat utilized a well that was originally within BISK's premises.
TAIWAN BROTHER INDUSTRIES, LTD. and BROTHER TECHNOLOGY (SHENZHEN) LTD. launched activities to visualize energy consumption by area, time, and purpose and to identify waste and make improvements by using data. They also introduced a centralized management system for air

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conditioning and an abnormality detection system using air flow rate sensors to increase energy efficiency.
In addition, by building and utilizing a smart energy management platform, BROTHER TECHNOLOGY (SHENZHEN) LTD. implemented 10 improvements in FY2024 and continues its energy-saving activities.

Active introduction of renewable energy

In FY2023, solar panels of over 5 MW in total were newly installed at the Hoshizaki Factory (Minami-ku, Nagoya City) and the Research & Development Center (Mizuho-ku, Nagoya City) in Japan as well as at BROTHER INDUSTRIES (PHILIPPINES), INC., BROTHER INDUSTRIES (VIETNAM) LTD., and BROTHER TECHNOLOGY (SHENZHEN) LTD. outside Japan.



New plant in the Philippines

In addition, at Minato Warehouse 1 adjacent to the Minato Factory, a combined on-site and off-site PPA* was introduced in FY2023 by using the solar power generation equipment that had been installed in FY2022. Power generated by the solar panels is consumed at Minato Warehouse 1, and the surplus power generated is transmitted to the Brother Museum https://global.brother/en/museum , which is Brother's exhibition pavilion, and the Brother Head Office building to ensure the efficient use of renewable energy. This is the first pioneering effort in the Chubu area to expand the introduction of renewable energy.



Minato Warehouse 1

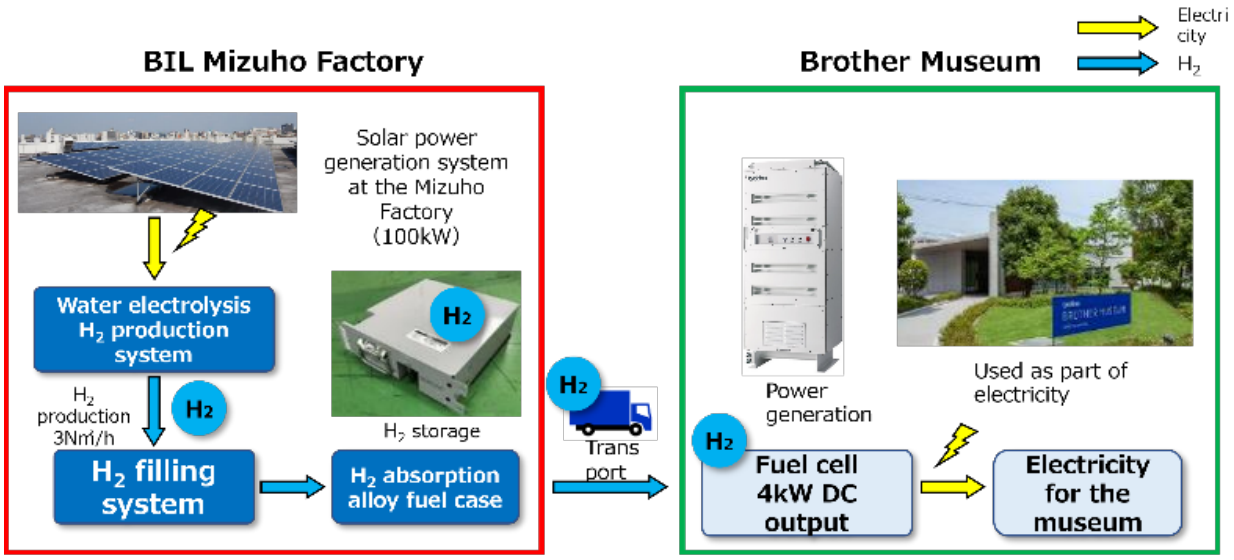
The active introduction of renewable energy was continued in FY2024 with the installation of solar panels at our Group companies, such as Nissei, and signing of a renewable energy power contract through an off-site PPA from Nagano Prefecture.

*: Abbreviation for “Power Purchase Agreement”. A system whereby a company that owns and manages solar power facilities provides electricity generated by a solar power generation system installed on the premises, roof, or other space provided by the facility owner to the electricity users of the facility for a fee

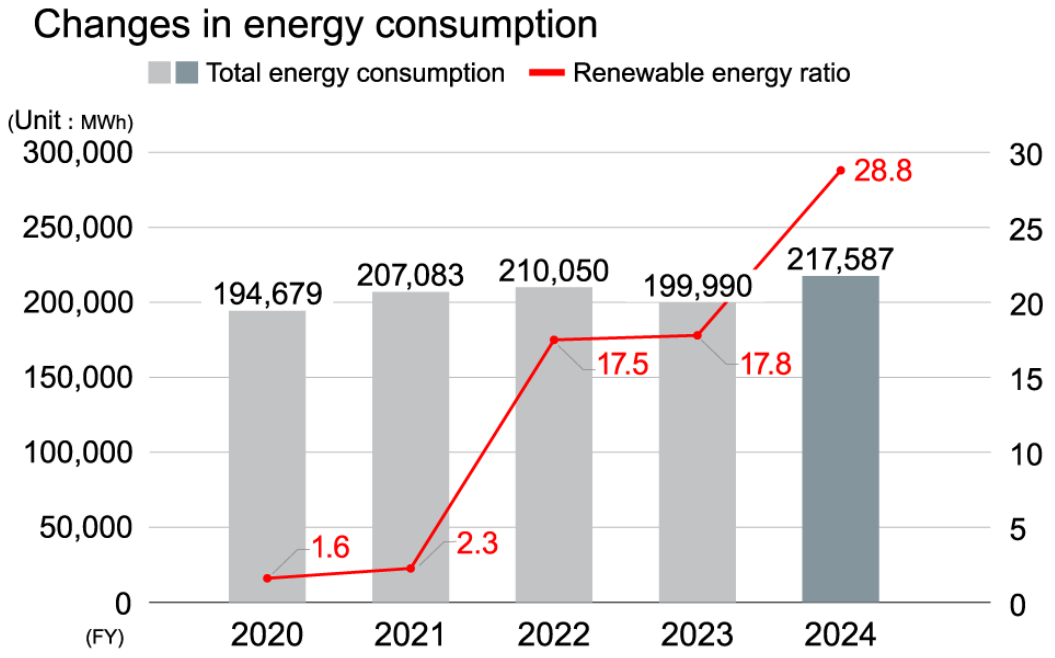
Brother also utilizes electricity generated by solar panels at the Mizuho Factory (Mizuho Ward, Nagoya City) to produce green hydrogen, using a water electrolysis hydrogen production system. The hydrogen produced is delivered to the Brother Museum and used to generate electricity with fuel cells manufactured by Brother and run on hydrogen, so there are no CO_2 emissions even during use. In FY2023, this initiative was accredited under the Chubu Region Low-carbon Hydrogen Certification System.* We will continue to promote the reduction of energy-derived CO_2 emissions by actively utilizing renewable energy.

*: A certification system for three prefectures in the Tokai area to certify hydrogen, whose CO_2 emissions are low during its production, transport, and use, as “low-carbon hydrogen” and disseminate information

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The renewable energy ratio in FY2024 was 28.8% by using renewable electricity (including renewable energy procurement using certificates) in addition to on-site generation. The Brother Group will contribute to protecting the earth by systematically switching electricity used in business operations to renewable energy.



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Energy consumption in FY2024

Total energy consumption	217,587 MWh
Renewable energy consumption	62,592 MWh
: In-house power generation consumption	13,280 MWh
: Amount of renewable energy purchased consumption (including renewable energy procurement using certificates)	49,312 MWh
Renewable energy ratio	28.77%

Efforts to Reduce CO_2 Emissions in Products

Based on the Brother Group Environmental Action Plan 2024 (2022-2024), the Brother Group has developed measures to reduce CO_2 emissions by 150,000 tons* and worked to reduce CO_2 emissions from products in the Printing & Solutions Business, Machinery Business, Nissei Business, Personal & Home Business. As a result, it could successfully cut CO_2 emissions by 177,000 tons over three years. The Brother Group contributes to the reduction of CO_2 emissions through a combination of accumulated small ingenuities and technological innovations at each stage of the product lifecycle.

*: Total amount of CO_2 emissions reduced by the environmental measures for products newly implemented by FY2024 in comparison with the operations in FY2021. Examples: smaller and lighter products, increased use of recycled materials, reduced standby power consumption, etc.

Reduction in size and weight of a color LED printer (HL-L8240CDW)

The new product has been downsized by 20% compared to the previous model (HL-L3270CDW). Reduction in size and weight has led to reduction in CO_2 emissions from raw materials by 12% and those from transport of products by 25%. The power consumption in Deep Sleep* mode has been reduced by 62%.

*: As one of the operation modes of devices, it further saves power by restricting more functions compared to Sleep mode, which suspends some of the functions when a device is not operated, etc.



HL-L8240CDW

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Consumable inks for industrial printers (GTX Pro series)

In the GTX Pro garment printer series, we have been working to reduce the amount of plastic and packaging materials included with consumable ink. By switching from the previous cartridge replacement system to a pouch replacement system and bottle supply system for consumable ink, we have been able to reduce the amount of plastic and packaging materials used for consumables, contributing to a reduction in CO_2 emissions compared to the previous system.

GT3 (previous cartridge system) (2012) **Ink refill by cartridge replacement**	**GTXpro (2017)** **Reduced cartridge waste by using replaceable ink pouches**	**GTXpro B (2020)** **Adopted bottle ink system to reduce waste generated from ink replacement**
	  Only the ink pouch is rolled up and can be replaced (no need to dispose of the cartridge)	

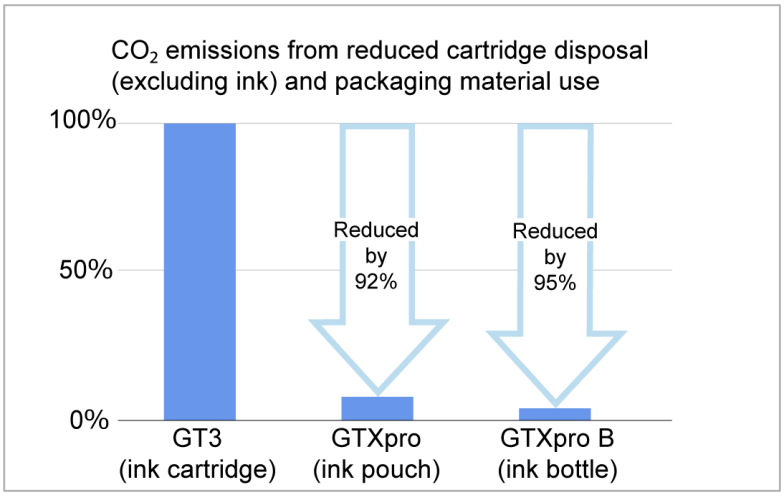
Realization of bottled ink by installing a white ink agitator

CO_2 emissions from cartridge disposal (excluding ink) and packaging material use have been reduced by 92%* for the pouch replacement system and 95%* for the bottle supply system compared to the previous system.

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Additionally, the amount of resource used for cartridges and the amount of packaging materials used were also reduced by 82%* for the pouch replacement system and 95%* for the bottle supply system compared to the previous system, leading to a reduction in resource consumption.

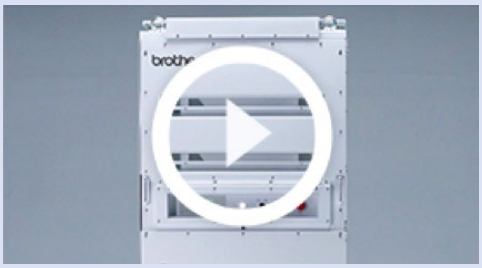
*: Reduction amount with white ink consumption when printing the test data on 2,500 T-shirts.



Thinking about the environment from the perspective of electrical energy—toward a future with widespread use of hydrogen

Toward the development of fuel cell systems, Brother has undertaken many years of fuel cell research while pursuing the potential of hydrogen.

There are still many issues in further widening the use of hydrogen. However, the development of this technology was a steady step into the future for Brother.



Collaboration with Suppliers

Scope3 Breakdown in FY2024
(Total amount about 2630Kt-CO_2e)



At the Brother Group, purchased products and services account for more than 50% of Scope 3. To achieve our environmental vision, it is essential to reduce CO_2 emissions in the phase of procuring products (parts for Brother).

The Brother Group is working with 13 main parts suppliers to reduce CO_2 emissions by using renewable energy as electricity during production of parts for Brother. In FY2024, the Group began activities to obtain primary information on CO_2 emissions at the stage of producing raw materials for parts and incorporate this information into its Scope 3 calculation system. This has made it possible to reflect the results of our suppliers' CO_2 emission reduction activities in Scope 3. As a result, a cumulative reduction of approximately 30,200 tons of CO_2 emissions was achieved during the previous medium-term business strategy, CS B2024, covering the period from FY2022 to FY2024.

The scope of this activity will be expanded in stages to involve other parts and raw materials suppliers, with the aim of reducing cumulative CO_2 emissions by 120,000 tons by FY2027, the final year of CS B2027.

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Contribution to CO_2 Reduction for Society as a Whole through Products

The Brother Group has been working to reduce CO_2 emissions in all manufacturing processes, including development, procurement, production, sales and logistics, as an activity that is directly linked to our business. In order to curb climate change (global warming) and achieve a decarbonized society, it is also necessary to work to reduce CO_2 emissions for society as a whole. For example, reducing the amount of electricity consumed by our customers (electricity consumption) through the improvement of energy-saving performance of Brother products and services, will reduce CO_2 emissions when customers use our products, which will lead to a CO_2 reduction for society as a whole. In addition, saving resources by increasing the capacity of consumables will lead to a CO_2 reduction when procuring raw materials and disposing of consumables. To measure and increase our contribution, we define and visualize avoided CO_2 emissions as the CO_2 reduced for society as a whole.
We will continue to promote the reduction of CO_2 emissions from the Brother Group by providing Brother products and services that lead to a CO_2 reduction from customers which will contribute to CO_2 reduction for society as a whole.

Performance of Avoided CO_2 Emissions

The Brother Group is working to contribute to the reduction of CO_2 emissions by improving the energy-saving performance of all products, including printing products, machine tools, industrial sewing machines, home sewing machines, and new business products, and by reducing consumption of resources, including packing materials. As an example of calculation, a graph of avoided CO_2 emissions for the SPEEDIO machine tools through the improvement of energy-saving performance is shown below.

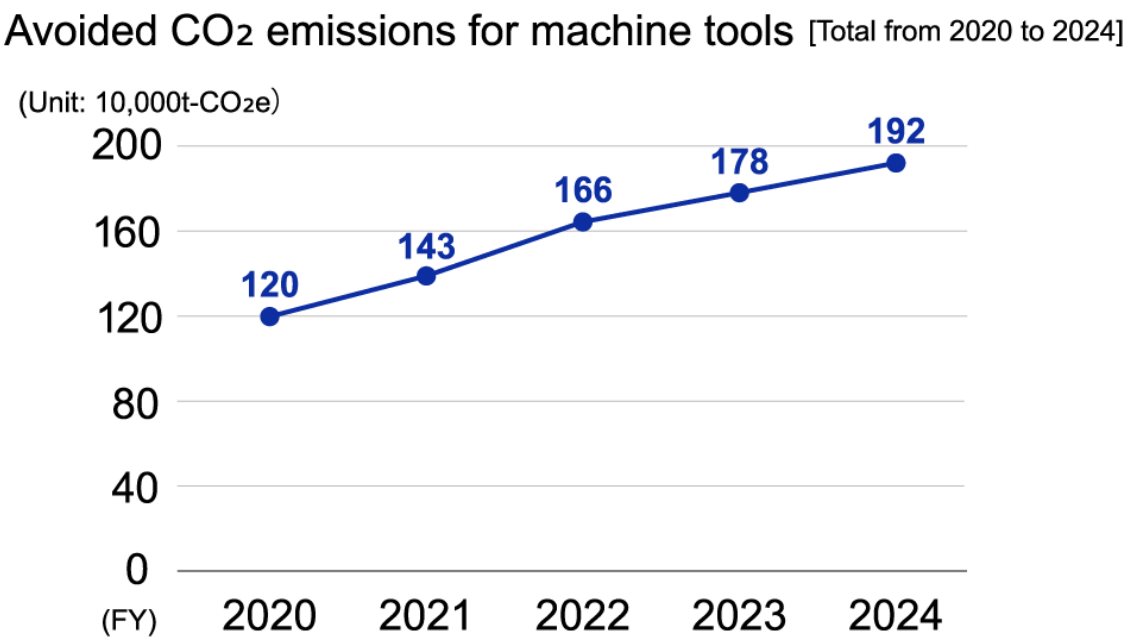


The SPEEDIO models perform optimization control to fully demonstrate machine performance based on NC control, which was developed in-house. We also focus on the concept of eliminating all waste, such as reducing consumption of electricity and air when the operation of machines is stopped and enabling efficient placement even in limited spaces through compact designs. We contribute to reducing CO_2 emissions at customers' sites by realizing high production efficiency and energy-saving performance.

Machine Tools to Improve Productivity and Reduce CO_2 Emissions - Brother's Machining Centers Contribute to a Carbon-Free Society
https://sdgsstory.global.brother/e/customer/398/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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Method of Calculation of Avoided CO_2 Emissions (based on internal research)



Compared Brother's product (SPEEDIO No. 30 spindle machine) to competitor's products (No. 30 and No. 40 spindle machines), calculated the contribution to avoided CO_2 emissions in the product use stage that could be achieved through improving energy-saving performance and other means.

*: Calculation formula (competitor product CO_2 emissions – Brother product CO_2 emissions) x number of products sold (estimated 10 years of product use)

*: CO_2 emissions from competitor products are calculated based on data obtained by running general No. 30 and No. 40 spindle machines based on Brother's scenarios with a processing program developed by Brother (No. 30 and No. 40 spindle machines refers to the size of the tool attachment area and are machine tool industry terms that represent product categories)

*: Avoided emissions are based on Brother's original scenarios and differs from the actual reduction.

*: Calculation details are supervised by a third-party expert based on the Ministry of Economy, Trade and Industry's "Guidelines for Quantifying GHG emission reductions of goods or services through Global Value Chain" (March 2018).

In addition, the avoided CO_2 emissions in FY2024 was about 20,000 tons, which was achieved by increasing the capacity of consumables to reduce the number used and packaging materials for the aforementioned color LED printers and garment printers.

External Award (Energy Conservation Grand Prize)

As a result of improving energy efficiency and reducing CO_2 emissions of various products and services, the Brother Group has received external awards, including the Energy Conservation Grand Prize

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sponsored by the Energy Conservation Center, Japan.

<Award History>

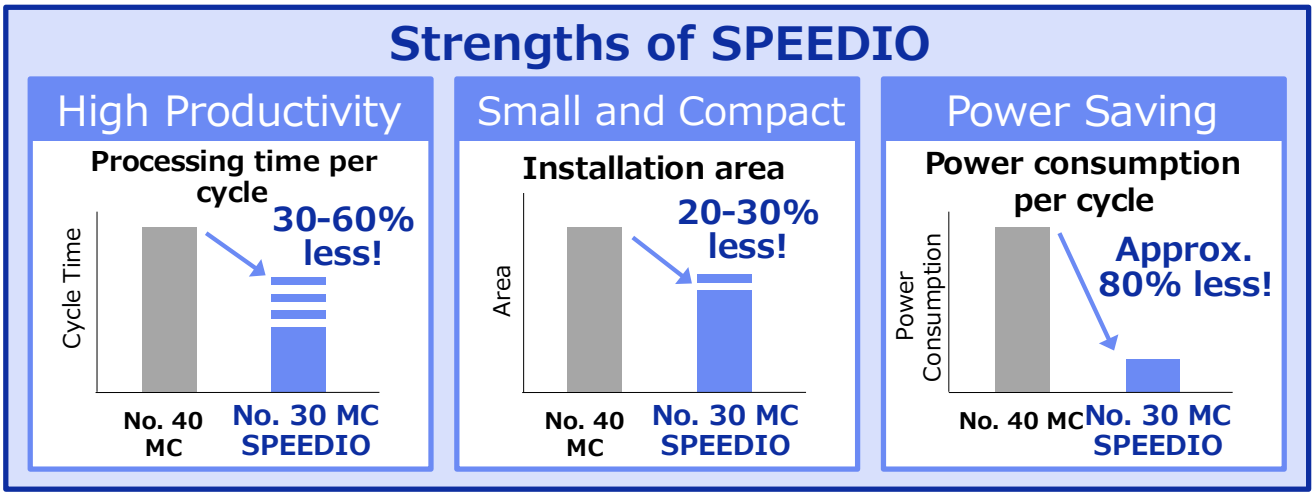
Award Name	Award-winning product/News release
FY2024 Machine tool "SPEEDIO" Energy Conservation Grand Prize, Agency for Natural Resources and Energy Commissioner's Award	 Award-Winning Products (From the left: S300Xd2/S500Xd2/S700Xd2) News release (Only in Japanese) https://www.brother.co.jp/news/2025/250129eco/index.aspx
FY2023 Personal No-Exhaust-Heat & CFC-Free Spot Cooler "PD-3100" Energy Conservation Grand Prize, Agency for Natural Resources and Energy Commissioner's Award	 Installation example　Award-winning product News release (Only in Japanese) https://www.brother.co.jp/news/2024/240201ecgrandprize2023/index.aspx
FY2021 CFC-Free Spot Cooler for Forklifts "Pure Drive-FL" Energy Conservation Grand Prize, The Energy Conservation Center, Japan Chairman's Award	 News release (Only in Japanese) https://www.brother.co.jp/news/2021/211223ecaward/index.aspx

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<Overview of Award-winning Products>

FY2024 "SPEEDIO": Achieved high productivity, compactness, and energy efficiency, contributing to reducing customers' CO_2 emissions.

Machine tool SPEEDIO is a #30 spindle machining center that combines expanded machining area and compactness with excellent energy efficiency. It contributes to energy-saving and CO_2 reduction for customers through its warm-up-free function, which reduces power consumption by approximately 10%, as well as its chip shower control according to chip volume. Furthermore, by expanding the machining area of the Y/Z axes while maintaining the external dimensions, it is now possible to machine some parts that were previously machined using medium-size machine tools of #40 to #50 machines. In recognition of these high environmental performance features, SPEEDIO received the Energy Conservation Grand Prize and Agency for Natural Resources and Energy Commissioner's Award in FY2024. SPEEDIO also received the Aichi Environmental Award sponsored by Aichi Prefecture in the same year.



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FY2023 "PD-3100": Downsizing Pure Drive-FL and improving its energy efficiency enabled heat protection even in towing vehicles and trucks.

PD-3100, a personal no-exhaust-heat and CFC-free spot cooler, has a smaller body size compared with Pure Drive-FL, a forklift spot cooler. Moreover, by incorporating the water tank into the unit, it is now possible to install it in a more space-efficient manner. Its compact product design allows it to be installed behind the seat of a forklift, enabling comfortable work while receiving cool air even when working inside a container with height restrictions. In addition to forklifts, the system can also be installed on towing vehicles used to transport goods in factories and logistics warehouses, contributing to the creation of a safe, comfortable, and easy-to-work environment for many more workers.
Recognized as an excellent product that achieves both energy conservation and improved working environment, PD-3100 won the Energy Conservation Grand Prize and Agency for Natural Resources and Energy Commissioner's Award in FY2023.





FY2021 "PureDrive-FL": Heat protection measure realized with an energy-efficient spot cooler for forklifts

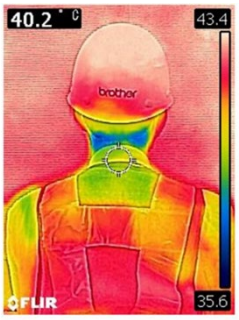
As rising temperatures due to climate change are inevitable, the Brother Group has commercialized PureDrive-FL, a CFC-free spot cooler for forklifts that pursues energy efficiency and comfort for forklift operators as one of its "adaptation" measures to minimize the impact of climate change. This product uses a unique evaporative cooling system that does not use fluorocarbon refrigerants, thereby reducing environmental impact and achieving both heat countermeasures and CO_2 emission reduction at the same time. Compared to spot coolers that use air conditioning systems, power consumption is reduced to about one-third, and by enabling individual air conditioning in logistics areas, energy consumption in conventional logistics areas has been reduced by 92%. In recognition of these achievements, PureDrive-FL received the Energy Conservation Grand Prize and the Energy Conservation Center, Japan

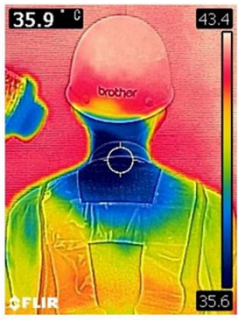
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Chairman's Award in FY2021.

In addition, in November 2024, the “PureDrive-FL” was presented as a leading example of CO_2 emissions reduction efforts by a Japanese company at the CO_2 Reduction Contribution Evaluation Session held during EcoBalance 2024, an international conference organized by experts from industry, government, and academia.







Without PureDrive-FL (left)

With PureDrive-FL (right)

2025 CDP Questionnaire

CDP (formerly the Carbon Disclosure Project) is an international non-profit environmental organization founded in 2000, whose disclosure system sets the global standard for environmental reporting in the global economy.

CDP's environmental data is used by financial markets, policy initiatives, and various other stakeholders.

Brother Industries, Ltd. (BIL) has been participating in CDP Climate Change since 2011 and in CDP Water Security since 2015, and has been responding to the questionnaires.

PDF Response to 2025 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2025/cdp2025questionnaire.pdf

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

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Environment(E)

Resource Circulation and Waste Reduction



Brother Group Environmental Vision 2050

The vision aims to ensure sustainable use of resources in business operations and minimize the environmental impact due to wastes.

GOAL

Toward 2050, the Brother Group will maximize resource circulation to ensure the sustainable use of resources and to minimize the environmental impact due to wastes.

Main efforts: Expansion of circular-economy-based businesses, reuse of products and parts, use of recycled materials, etc.

Progress Toward Resource Circulation, Waste Reduction and Water Reduction Targets

Two medium-term targets for FY2030 regarding resource circulation are set in the Brother Group Environmental Vision 2050. To achieve these targets, we are working to reduce waste and water usage by promoting resource circulation in our manufacturing and production activities.

Medium-term target for FY2030 (Previous medium-term targets before revision on March 3, 2025. The period covered is from FY2022 to FY2024 of CS B2024.)

1. Reduce the ratio of virgin materials used in products[*1] to 65% or less[*2] by FY2030 through the expansion of circular-economy-based businesses and materials recycling.

2. The group's manufacturing facilities continuously endeavor to ensure efficient use of water resources and proper treatment of wastewater.

*1: Including packaging materials
*2: Applies to the Printing and Solutions Business, Machinery Business, and Personal and Home Business

PDF Material balance [PDF/239KB]
https://global.brother/pub/com/en/eco/pdf/2025/material-balance.pdf

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We have worked to promote resource circulation to reduce the ratio of virgin materials used in products to 81% or less, which is the target for FY2024 set in CS B2024. In FY2024, the ratio of virgin materials was confirmed to be 79.3% through verification of the amounts of virgin materials used in our products by a third party. Therefore, the target for FY2024 has been achieved.

We are also working to achieve efficient use of water resources, and ensure proper treatment of wastewater.

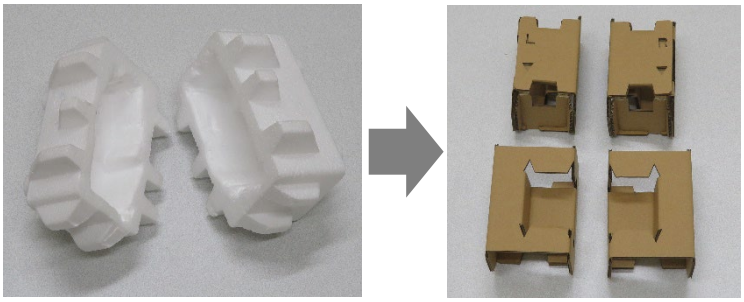
Resource Circulation and Waste Reduction Initiatives in Products

The Brother Group engages in resource circulation to address the environmental issues resulting from resource use, such as depletion of natural resources and pollution by waste, etc., as well as to reduce CO_2 emissions.
Specifically, we aim to reduce the amount of virgin materials used in products by 25% from FY2022 levels in FY2025 and beyond by increasing the proportion of recycled plastic materials used in our products, replacing plastic parts to paper-based materials, and promoting the use of reused goods.

Eco-conscious toner cartridge package

Previously, polystyrene foam was used as cushioning parts and materials for toner cartridges. However, it has been replaced by cushioning parts and materials made from corrugated fiberboard as an initiative to reduce the consumption of plastics.
The use of corrugated fiberboard, which can be easily recycled, also contributes to improving recyclability.

*: This initiative started in April 2024 for some products in Japan. The scope of applicable products will be expanded in stages.



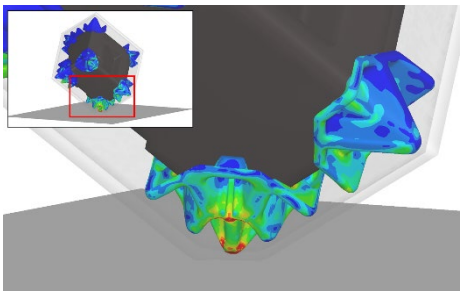
Change from polystyrene foam to corrugated fiberboard

Compact and lightweight molded pulp cushioning material

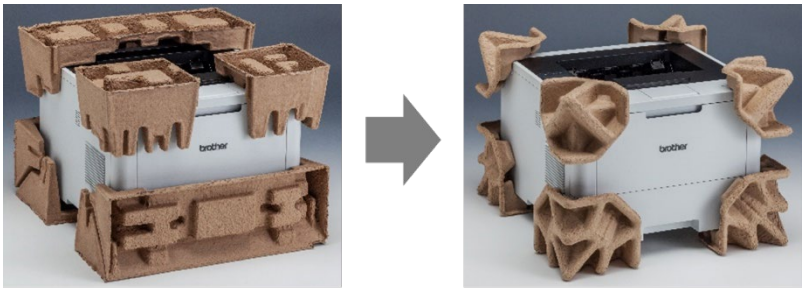
Conventional cushioning materials entirely covered products. Brother Industries' engineering capabilities have reduced their size and resource consumption, achieving a 33% reduction in CO_2 emissions from cushioning materials and a 7% reduction in the volume of product boxes. Furthermore, drop simulations were used for Brother's proprietary molded pulp cushioning material, making it possible to reduce the number of prototype iterations, significantly shorten the development period, and improve the design efficiency.

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> Winner of the Packaging Technology Award (Technical Packaging Award) of the 2024 Japan Packaging Contest
https://global.brother/en/news/2024/240828jpc
> Brother Wins WorldStar Award for Newly Designed Molded Pulp
https://global.brother/en/news/2025/250507worldstar



Drop simulation of the molded pulp cushioning material





Reduction in the size and resource consumption of cushioning materials

Exploring recycling possibilities for the sake of the future global environment



In Europe, we started a recycling program in 2004 by adopting newly developed recycling-compatible toner cartridges.
Thanks to an automated recycling system we introduced, we are able to offer the same high quality in recycled cartridges, as well.
In 2014, the Brother Group received two prestigious awards in the 2014 Responsible Business Awards given out by Business in the Community, a U.K.-based NPO. The group's contribution to communities and the environment was recognized.

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Contents of SDGs STORY

> Expanding the Circle of Remanufacturing in the Printing Business - Technologies and services for cartridge remanufacturing



https://sdgsstory.global.brother/e/customer/401/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

> Printing Business Develops its Ink Cartridge Remanufacturing Capabilities - Aiming to maximize resource circulation



https://sdgsstory.global.brother/e/customer/691/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

> From Reducing EPS to Eliminating EPS - A sustainable cushioning material born from innovation



https://sdgsstory.global.brother/e/customer/778/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

Resource Circulation and Waste Reduction Initiatives in Productions

Due to ongoing waste reduction efforts, the amount of waste per unit of sales was reduced year by year from FY2019 to FY2023. However, in FY2024, production volume and the number of employees increased at Brother Industries (Philippines), Inc., and ink waste liquid also increased at the Hoshizaki Factory, compared to the previous fiscal year. As a result, the amount of waste per unit of sales increased by approximately 4.5%. In FY2024, the total amount of plastics generated by BIL was 519 tons, which was an increase of approximately 1% compared to the FY2023 level.

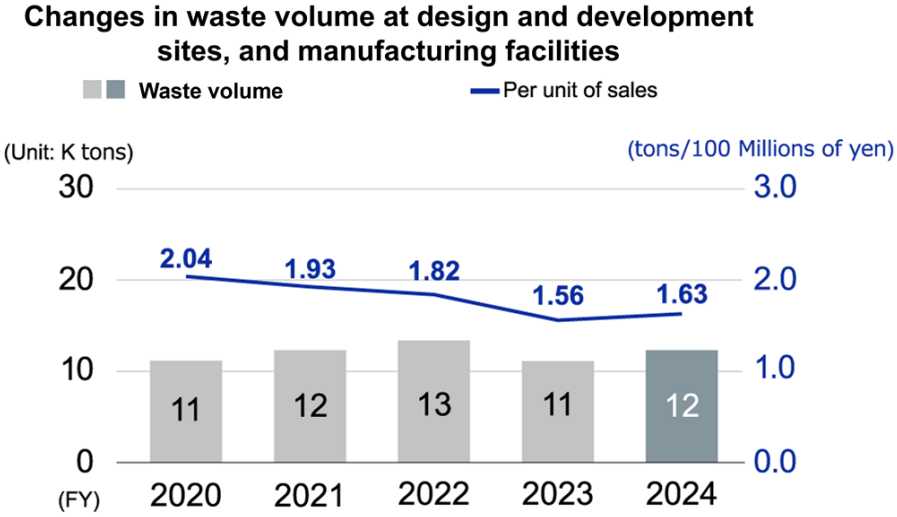
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Brother Machinery Xian Co., Ltd. introduced a vacuum distillation waste liquid treatment system equipped with a highly efficient heat circulation function, which reduced the amount of waste liquid by approximately 88%. The factory also continues to reuse waste cloth. Brother Technology (Shenzhen) Ltd. uses waste materials generated from the plastic parts molding process in the factory as the material to manufacture returnable containers and other items.



Brother Machinery Xian Co., Ltd.: Waste liquid treatment system

In FY2024, hazardous waste (specially controlled industrial waste) increased from the previous fiscal year. This was due to a temporary increase in waste generated in line with the relocation of a building of the Hoshizaki Factory. A specially controlled industrial waste management plan will be submitted to the local government to promote systematic reduction.



∨ Scope of aggregation

Changes in volume of hazardous waste generated by BIL

	FY2022	FY2023	FY2024
Volume of hazardous waste(t)	55.0	68.3	76.9

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The Brother Group's Water Usage Reduction Activities

Securing safe water resources is an important environmental challenge common across the globe. The Brother Group has been monitoring all of our sites regularly, evaluating water risks at each site every year, and working to reduce water consumption to fulfill our responsibilities as an operator of manufacturing facilities in many countries and regions. At the 13 facilities with relatively higher water consumption, we formulate water management plans and implement various initiatives.

The Brother Group's manufacturing facilities have been working to reduce the amount of water intake by improving the water recycling rate. Brother Machinery Xian Co., Ltd. uses wastewater from a water feeder to wash cleaning tools. Brother Technology (Shenzhen) Ltd. and Brother Industries Saigon, Ltd. reuse water that had been used for inspecting water leakage from containers and wastewater from air conditioning systems. Brother Industries (Vietnam) Ltd. contributes to reducing the amount of water intake by using treated wastewater from the wastewater treatment system for toilets.

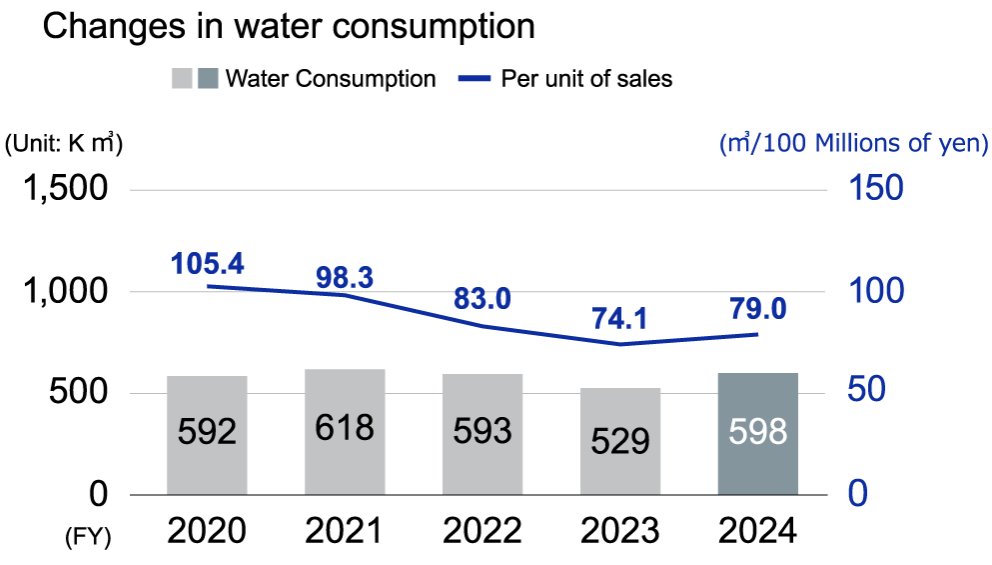
In addition to the above recycling activities, Brother Technology (Shenzhen) Ltd. improves the water spraying equipment, introduces new cleaning methods, installs automatic taps, and promotes the use of rainwater.

As a result of increased business activities in FY2024, water usage per unit of sales at major manufacturing facilities rose by approximately 6.5% compared to the previous fiscal year.

Water circulation efforts at Brother Machinery Xian Co., Ltd.

Brother Machinery Xian Co., Ltd. (BMX) is located in an area with relatively high water risk since water resources are not abundant there. In FY2018, as part of an effort to circulate water, BMX installed a rainwater collection tank inside its site and is continuing to use the collected water for maintaining greenery.





*: Revised the calculation based on the unit-of-sales ratio.

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Scope of aggregation

After FY2018

Eight business sites in Japan (head office of Brother Industries, Ltd., Mizuho Factory, Hoshizaki Factory, Minato Factory, Momozono Factory, Kariya Factory, Research & Development Center, and Logistics Center), Nissei Corporation, Nissei Gear Motor MFG. (Changzhou) Co., Ltd., Mie Brother Precision Industries, Ltd., Brother Industries (U.K.) Ltd., Brother Industries (Slovakia) s.r.o., Taiwan Brother Industries, Ltd., Zhuhai Brother Industries, Co., Ltd., Brother Machinery Xian Co., Ltd., Brother Technology (Shenzhen) Ltd., Brother Industries (Philippines), Brother Industries (Vietnam) Ltd. and Brother Industries Saigon, Ltd., Inc.

> Environmental-related Data (E)
https://global.brother/en/sustainability/data#eco

Water Intake, Wastewater Volume, Volume of Water Recycled

		FY2020	FY2021	FY2022	FY2023	FY2024
Water intake(m^3)	Clean water	504,122	506,166	470,172	408,991	446,818
	Industrial water	0	0	0	0	0
	Underground water	87,474	111,697	123,034	119,904	151,316
Wastewater volume(m^3)	Public waters	179,782	170,392	150,453	110,928	126,247
	Sewer system	338,746	372,721	369,193	333,406	375,282
	Other	1,177	150	149	36	0
Volume of water recycled(m^3)		3,759	2,978	5,385	8,717	16,354
Percent of water recycled(%)		0.7	0.5	1.0	1.9	3.2

For the list of applicable sites, see page 5 of "Material balance" [PDF/239KB].

PDF Material balance [PDF/239KB]
https://global.brother/pub/com/en/eco/pdf/2025/material-balance.pdf

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2025 CDP Questionnaire

CDP (formerly Carbon Disclosure Project) is an international non-profit environmental organization founded in 2000, whose disclosure system has become the global standard for environmental disclosure in the world economy.
CDP's environmental data is used by financial markets, policy initiatives, and various other stakeholders.
Brother Industries, Ltd. has been participating in CDP Climate Change since 2011 and CDP Water Security since 2015, and responding to the questionnaires.

PDF Response to 2025 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2025/cdp2025questionnaire.pdf

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

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Environment(E)

Biodiversity Conservation



Brother Group Environmental Vision 2050

The vision aims to minimize the environmental impact of business operations and promote activities to restore and conserve the ecosystem beyond the impact.

GOAL

By 2050, the Brother Group will minimize the environmental impact of business operations on the ecosystem and promote activities to restore and conserve the ecosystem beyond the impact.
Main efforts: Biodiversity conservation activities, partnerships with outside conservation organizations, reduction of CO_2 emissions, and promotion of resource circulation

Progress Towards Biodiversity Conservation Targets

Two medium-term targets for FY2030 regarding biodiversity conservation are set in the Brother Group Environmental Vision 2050. To achieve these targets, we are working to quantify and reduce the environmental impact of business activities on the ecosystem.

Medium-term target for FY2030

1. The Brother Group will assess the environmental impact of its business operations on the ecosystem and the effectiveness of restoration and conservation activities, and works to avoid and reduce the environmental impact on the ecosystem.

2. The manufacturing and sales facilities of the entire group will work on ecosystem restoration and conservation activities on a voluntary basis depending on the situation in each region.

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Efforts to Conserve Biodiversity

Zero ocean waste activities

For many years, the Brother Group has been conducting voluntary biodiversity conservation activities at each of its facilities, and in FY2021, in order to further revitalize the Group's activities, the zero ocean waste activities were launched for Group employees in Japan and overseas, in support of World Oceans Day. In FY2024, more than 18,000 people from 41 business sites in Japan and overseas participated in these activities. In some facilities, not only employees but also their families, suppliers, and local communities participate in these activities, helping to raise environmental awareness. The Group will continue to engage in zero ocean waste activities in FY2024.

Major facilities participating in zero ocean waste activities


Philippines


Thailand


Taiwan


China



China


China


Germany


Japan

Recognition of "Nationally Certified Sustainably Managed Natural Site"

Brother Forests in Gujo, where BIL has been working on environmental protection since 2008, have been recognized by the Ministry of the Environment as a “Nationally Certified Sustainably Managed Natural Site”[*1] for FY2023 (first half). In August 2024, it was also registered in the World Database on OECMs[*2], one of the international databases managed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), as an OECM. In 2008, BIL signed an agreement with the Gifu Prefectural Government and the City of Gujo to restore and conserve forests in three areas in total, including the former ski resort in Shirotori-cho, Gujo City, as well as Minami-cho and Hachiman-cho. In the Shirotori-cho area, mainly employees and their families work on tree planting activities twice a year (in spring and autumn).[*3] Since 2014, their activities have evolved into industry-government-academia environmental protection activities encompassing scientific aspects with support from the Graduate School of

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Environmental Studies, Nagoya University. In the Shirotori-cho area, the presence of rare species, including Japanese Luehdorfia, an endemic species, has been confirmed thanks to zoning[*4] of habitats, planting of seedlings suited for the soil, and environmental improvement of the entirety of the forests. The ecosystem of the entirety of the forests has been successfully restored. The Minami-cho and Hachiman-cho areas are covered with cypress and cedar forests. Proper thinning has been performed by managers, and the understory vegetation of indigenous species has been formed. These forests are also used by employees to experience thinning. The Minami-cho and Hachiman-cho areas offer multifaceted ecosystem services of forests, such as water source recharge,[*5] disaster prevention, and CO_2 fixation functions,[*6] through timber production.

Mie Brother Precision Industries, Ltd. (hereinafter, Mie Brother) has been promoting biodiversity conservation activities at Mie Brother's Saiku Kobushi-no-Mori on its factory site since 2016 to become a “resource circulation factory in harmony with nature.” The site has been certified as one of the “Nationally Certified Sustainably Managed Natural Sites” for the second half of 2024. Ongoing activities led by employees include planting of Kobushi Magnolia, deciduous trees whose seeds were collected from forests in the region, and Japanese Iris and similar species, which were donated from a local organization, as well as weeding and extermination of exotic species. The activities have led to the growth of indigenous species, such as Weak Ixeris and Japanese Dandelion, which are wild plants, and the confirmation of rare species, on the site.



BIL and Mie Brother also joined the 30by30 Alliance for Biodiversity, a coalition of volunteers launched by the Ministry of the Environment, to continue to actively deploy initiatives for biodiversity conservation and contribute to attaining the 30by30 target.

*1: A program in which areas where biodiversity is being conserved through private initiatives and other means are certified by the Japanese government as an action in Japan to achieve the 30by30 target. “30by30” is a target to effectively conserve at least 30% of the land and sea in healthy ecosystems by 2030, which was agreed upon at the G7 Summit in 2021, toward the goal of Nature Positive to halt and reverse biodiversity loss.

*2: OECMs stands for “Other Effective area-based Conservation Measures,” referring to areas that are not designated as national parks or similar protected areas but where biodiversity can be effectively conserved.

*3: In order to prevent the spread of COVID-19 infection, the activities were not conducted in FY2020, FY2021, and in the spring of FY2022.

*4: To establish different zones and formulate improvement plans to fully demonstrate various functions of forests

*5: It refers to the functions of forests to regulate the amount of rainwater that flows into rivers and produce tasteful water. The functions include storing water resources, mitigating floods, and purifying water.

*6: The function of forests to play an important role in preventing global warming by absorbing CO_2 through photosynthesis and fixing it as carbon

> Brother Forests in Gujo Special Site: Brother SDGs story
https://sdgsstory.global.brother/e/environment/453/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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Beginning collaboration with the World Wide Fund for Nature Japan (WWF Japan) for forests

BIL has formed a partnership with WWF Japan, an organization that promotes forest conservation activities and sustainable consumption and production around the world. Through donations to WWF Japan's forest conservation activities and the exchange of information on sustainability, BIL will further contribute to the conservation of biodiversity than ever before.



Protecting tropical rainforests around the world with Cool Earth

For over 15 years Brother International Europe Ltd. (BIE) has been working in partnership with Cool Earth, and is promoting activities to donate funds to Cool Earth together with 20 European Brother sales facilities.

Cool Earth is a UK-based charity that empowers rainforests communities - the experts best placed to fight deforestation. Since the partnership began in 2009, BIE has supported seven communities across the Amazon and New Guinea forest, protecting 32 million trees across 78,000 hectares, which store over 50 million tonnes of carbon and are crucial in combatting climate change. As a result, this has enabled communities to flourish and helped Cool Earth protect some of the world's most endangered plants and wildlife.

Starting in FY2010, "the Click for the Earth" program, a donation feature available on the Brother Group's special website on the environment (brotherearth.com; currently, the SDGs special website Brother SDGs STORY), was incorporated into donation activities for Cool Earth, expanding the scope of support. The funds donated through Click for the Earth are also being utilized for this activity. BIE plans to continue supporting this activity.



PDF Certificate of Donations issued for BIE by "Cool Earth" (July, 2025) [PDF/246KB]
https://global.brother/pub/com/en/eco/pdf/2025/cool-earth-cert.pdf

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> SDGs story Click for the Earth
https://sdgsstory.global.brother/e/click-donation/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025
SDGs story Click for the Earth is one of the environmental conservation activities that Brother provides to work with you.

> Working with Cool Earth charity to protect the rainforest
https://www.brother.co.uk/about-brother/environment-and-sustainability/cool-earth
> Preserving the Rainforest Through Partnership - Protecting Important Rainforest Species and Supporting Communities
https://sdgsstory.global.brother/e/environment/448/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



Continuous activities to stop desertification and protect people's lives

Desertification is rapidly advancing in Inner Mongolia Autonomous Region (Inner Mongolia).
In an effort to bring back the grasslands of the past, local Brother employees have joined with OISCA and local residents to plant more than 10,000 tree seedlings. They also dug wells to help water the trees, and succeeded in pumping up groundwater. Slowly but surely, new trees are putting their roots down into the desert.
This project is also suggesting new livelihoods to local residents, such as alternate livestock and sale of traditional Chinese medicines.



> Environmental-related Data (E)
https://global.brother/en/sustainability/data#eco

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Contents of SDGs STORY

> Japan - Brother's Forest Gujo, Project for restoring ecosystem and interacting with the locals
https://sdgsstory.global.brother/e/environment/453/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



> Thailand - Mangrove Reforestation Project
https://sdgsstory.global.brother/e/environment/393/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



> China - Project for Combating Desertification in Inner Mongolia
https://sdgsstory.global.brother/e/environment/392/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

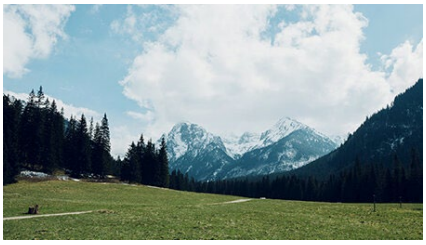


> The Americas - Environment and Education
https://sdgsstory.global.brother/e/environment/394/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



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> Slovakia - Tatras mountains the reforestation project
https://sdgsstory.global.brother/e/environment/447/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

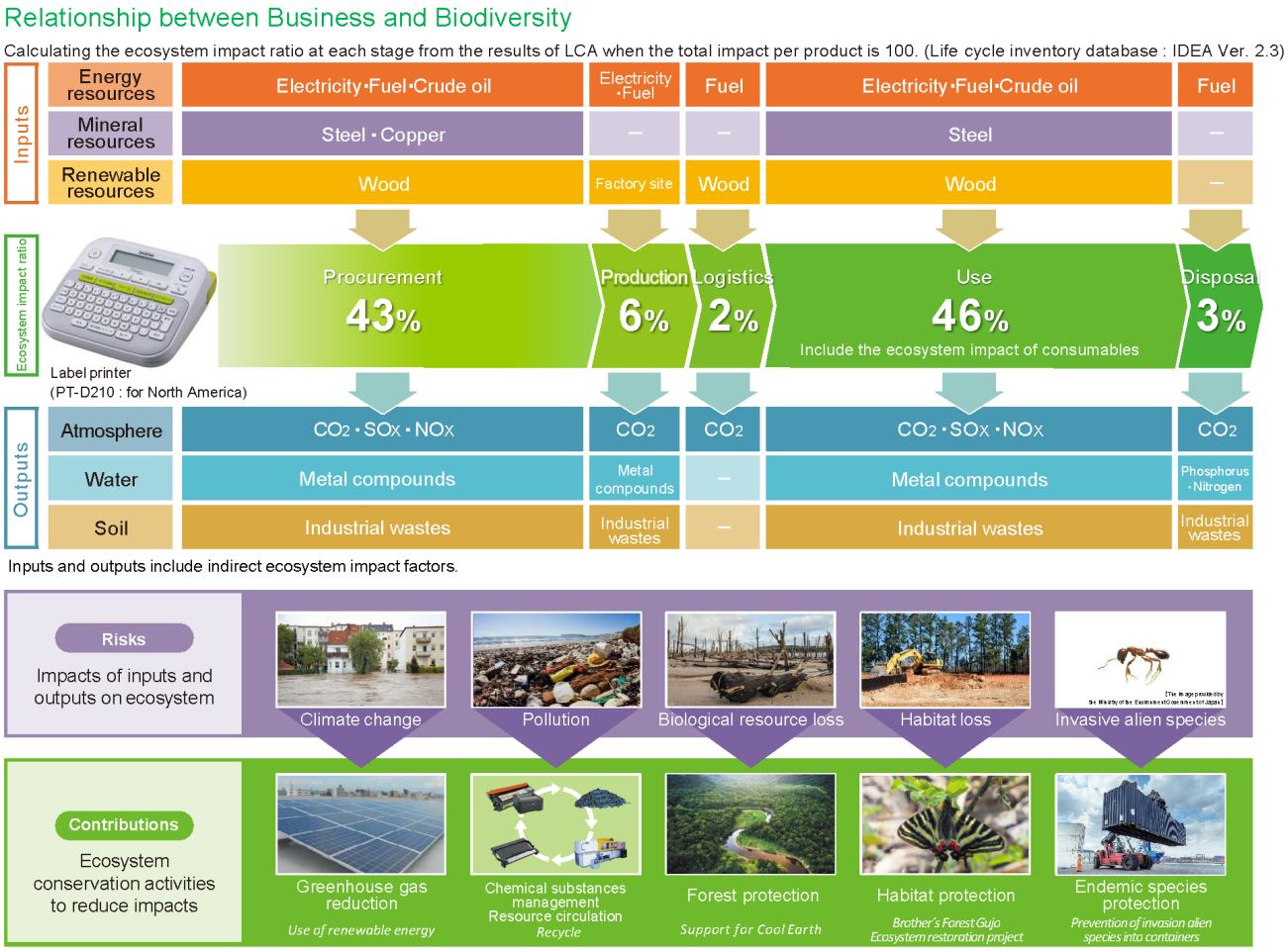


Relationship Map Between Business Activities and Biodiversity

In our business activities, a relationship map between business activities and biodiversity was developed to understand the stages in the life cycle of each unit of product where environmental impact occurs and provide customers with products having even less environmental impact. This relationship map quantifies the environmental impact caused by the input and output in individual processes of business activities and shows the rate of environmental impact in the individual processes. As a result, the Brother Group has determined that the procurement, use, and disposal stages of its products (Scope 3) have a high proportion of environmental impact and should be prioritized for improvement. The Group is working to reduce CO_2 emissions and resource circulation with the aim of reducing the environmental impact in these stages. Furthermore, the map lists the following five items as the major impacts that business activities have on the ecosystem: climate change, pollution, biological resource loss, habitat loss, and invasive alien species, and describes the group's ecosystem conservation activities designed to reduce the risk of these impacts.

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[Example] Relationship between business and biodiversity for the label printer



PDF Relationship between business and biodiversity: Label printer [PDF/222KB]
https://global.brother/-/media/global/sustainability/pdf/data/en/biodiversity-map-label.ashx

Other Biodiversity-Related Activities

PDF Recognitions as a Master Certified Aichi Biodiversity Company and a Nagoya Nature Positive Partner [PDF/172KB]
https://global.brother/pub/com/en/eco/pdf/2025/nature-positive.pdf

PDF Cooperative Project Endorsed by the Japan Committee for United Nations Decade on Biodiversity [PDF/255KB]
https://global.brother/pub/com/en/eco/pdf/2025/undb-e.pdf

PDF Registration Under the Nijyu-Maru Project [PDF/19.4MB]
https://global.brother/pub/com/en/eco/pdf/2025/nijumaru.pdf

> A webpage that introduces the cooperative projects recognized by UNDB-J
(Link to the website of UNDB-J. This website is available only in Japanese.)
https://undb.jp/authorization/4459/

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Pollution Prevention and Chemical Substance Management



Risks and Opportunities Arising from Environmental Pollution

Under "the Brother Group Environmental Policy," we are working to maintain compliance with laws and regulations and prevent environmental pollution in each country and region in which we operate, throughout the life cycle of our products (product development and design; procurement of parts and materials; production; packaging and logistics; use by customers; and collection and recycling). Furthermore, the Brother Group is committed to continuously reducing our environmental impact, recognizes the risks and opportunities of environmental pollution as follows, and is making efforts to prevent pollution through ISO 14001 activities, etc.

Risks	・Increases in environmental impact and loss of biodiversity due to air, water, and soil pollution, etc. caused by leakage and outflow of hazardous chemical substances ・Increases in management cost and capital investment due to tightening of environmental laws and regulations inside and outside Japan ・Damages stemming from environmental pollution or health damage, and costs incurred for pollution removal ・Delay in business operations due to cancellation of sales or modification of land because of discovered soil pollution, and costs incurred to clean the soil ・Stoppage or delay in operations due to pollution removal and unplanned additional measures ・Social sanctions due to improper handling of incidents of soil pollution or accidents ・Reduction in asset value due to soil pollution
Opportunities	・Conservation of biodiversity through preventing leakage or outflow of hazardous chemical substances ・Permanent pollution prevention and management cost reduction through maintaining a high level of compliance awareness ・Societal trust improvement and business opportunity expansion through consistent prevention of soil pollution and accidents ・Asset value improvement through consistent prevention of soil pollution and accidents

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Managing and Reducing Chemical Substances

Main activities at business sites in Japan

Brother Industries, Ltd. (BIL) participated in a priority review in line with the introduction of the PRTR system by KEIDANREN (Japan Business Federation) in 1998. BIL started to report the amount of chemical substances transferred and released, starting with those used at business sites in FY1997 (April 1, 1997-March 31, 1998).

PDF Brother Industries, Ltd. FY2020-FY2024 Balance of Chemical Substances Subject to PRTR [PDF/192KB]
https://global.brother/pub/com/en/eco/pdf/2025/prtr.pdf

Since 2008, BIL has properly stored and systematically commissioned disposal in accordance with "the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes." All PCB waste disposal was completed by FY2023.

Regarding fluorocarbons, air conditioning equipment has been managed using "the refrigerant management system" of the Japan Refrigerants and Environment Conservation Organization (JRECO) since 2015 after "the Act on Rational Use and Appropriate Management of Fluorocarbons" came into force (April 2015). This system enables centralized monitoring of the operating statuses of about 1,600 air conditioners at BIL in Japan. In FY2024, there was no leakage exceeding a level that requires reporting.

Main activities at manufacturing facilities outside Japan

Manufacturing facilities outside Japan have identified applicable laws and regulations in respective regions within ISO 14001 systems. Management frameworks have also been established to ensure local environmental management. The Brother Green Procurement Management System is in operation with collaboration with suppliers to carefully select parts, materials and sub-materials used in production processes to prevent contamination with harmful chemical substances.

Concept of Preventing Air, Water, and Soil Pollution

The Brother Group gives high priority to preventing environmental accidents by reviewing target facilities and processes and switching to alternatives that are less likely to cause pollution in a timely manner. When managing existing facilities, activities to prevent pollution include setting and complying with voluntary management targets through ISO 14001.

Preventing air pollution

The Brother Group is striving to prevent air pollution. For example, we have replaced fossil fuel-fired

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boilers and heaters with electric or city gas-fired boilers and heaters, thus reducing the impact of emissions on the environment. City gas has a low CO_2 emission coefficient.

BIL has abolished heavy oil-fired boilers, which contribute to air pollution, at all of our business sites, including employees' dormitories. Solar water heaters and heat pump equipment have mainly replaced the heavy-oil fired boilers used for employees' dormitories at manufacturing facilities outside Japan. The electricity supply for Brother Technology (Shenzhen) Ltd. (BTSL) in Huanan, China, which had relied on private power generation systems fueled by heavy oil, was replaced by the city's public utility service. Through these initiatives, BIL is reducing the risks of air pollution and global warming caused by CO_2 emissions, as well as soil and underground water contamination.

For the reduction of volatile organic compounds (VOC) emissions, BIL is switching to materials with lower organic solvent content and reducing their usage. Meanwhile, BTSL sets up VOC treatment system in 2015 for the emissions from the processes used to form resin products and manufacture printed wiring boards for mounting parts. At the same time, the VOC treatment facilities are working toward preventing air pollution.



Brother Technology (Shenzhen) Ltd.: VOC

Brother Machinery Xian Co., Ltd. is continuing its efforts to prevent air pollution through measures such as upgrading exhaust gas treatment system in 2021 and making improvements to connect to a VOC treatment system in FY2022 for more efficient removal of pollutants in the exhaust gases from the high-temperature treatment process.



Brother Machinery Xian Co., Ltd.: VOC treatment system

Preventing water pollution

BIL is taking the following measures to prevent water pollution:
In FY2011, BIL installed a wastewater treatment facility at the Kariya Factory to treat our wastewater

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with the latest membrane bioreactor.

Brother Industries Saigon, Ltd. in Vietnam to treat wastewater from the parts cleaning process, Brother Machinery Xian Co., Ltd. in China to treat coating pretreatment wastewater, and Taiwan Brother Industries, Ltd. established wastewater treatment facilities to treat coating pretreatment wastewater. Brother Industries (Vietnam) Ltd., which expanded its factory in 2012, upgraded the conventional wastewater treatment facility with a biofilm type facility. The increased treatment capacity has significantly lowered the environmental impact values of wastewater.

At sites without sewage infrastructure, facilities have been installed to clean sewage and treat the resulting wastewater. These facilities comply with regional standards in accordance with the ISO 14001 facility management procedure. As part of Brother's preventative measures, we periodically conduct emergency drills for hypothetical incidents such as hazardous wastewater flowing into sewage, public water sources, or permeating into soil. Other specific preventative measures include equipping wastewater treatment facilities with systems which constantly monitor chemical oxygen demand (COD) and installing oil traps for wastewater from cafeterias, to cope with an oil outflow accident. Biochemical oxygen demand (BOD) and n-hexane extracts (an index of the oil content in water, etc.) are regularly measured and monitored.

Preventing soil contamination

The Brother Group is committed to preventing soil and groundwater contamination resulting from its business activities and managing related risks appropriately.

Since initiating soil investigations in 1997 for chlorinated organic compounds and hazardous heavy metals previously used at its factories, the Group has been conducting soil surveys in accordance with relevant laws and regulations when establishing or closing business sites, or when selling land. When contamination is identified, the Group takes appropriate remedial actions, such as soil purification, containment measures, and regular monitoring. It also ensures proper disclosure of information about these matters to relevant authorities and local communities.

Preventing generation of noise, vibration, and offensive odors

BIL has been working on initiatives to prevent the generation of noise, vibration, and offensive odors so as not to cause inconvenience to local communities, including homes, schools, and pedestrians. Sources of generation are relocated or converted to achieve reduction. Proper action is taken against noise, vibration, and offensive odors that exceed the standard values. Generation of noise, vibration, and offensive odors is prevented by establishing more rigorous voluntary standards and ensuring continuous monitoring.

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Water Pollution Load

		FY2020	FY2021	FY2022	FY2023	FY2024
Water pollution load(t)	BOD	37.8	29.3	31.2	19.5	21.3
	COD	95.3	68.4	48.1	36.8	48.0
	N-hexane extracts	0.7	0.5	1.5	0.5	0.6
	SS	29.4	12.0	15.6	6.6	7.9

For the list of applicable sites, see page 8 of "Material balance" [PDF/239KB].

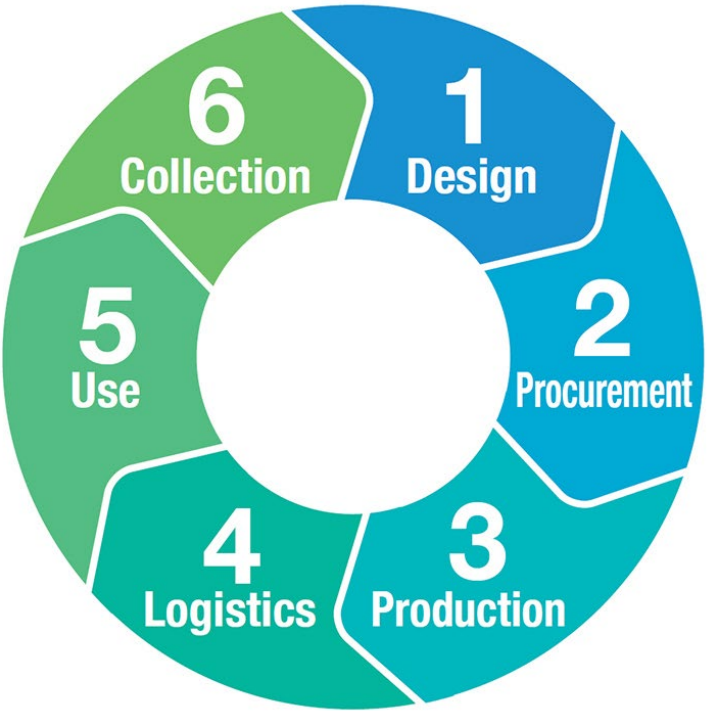
PDF Material Balance [PDF/239KB]
https://global.brother/pub/com/en/eco/pdf/2025/material-balance.pdf

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Creating Eco-Conscious Products

Setting Ever Higher Targets for Reducing Environmental Impact at Each Stage

The Brother Group is committed to reducing environmental impact at all stages of the life cycle of its products. This is the guiding principle of the group's manufacturing activities.



Since each of the stages are closely interlinked in terms of environmental impact, continuous efforts are necessary to make incremental improvements and to achieve technological innovation at all stages, without being selective to any particular stage. The Brother Group aims to make such efforts throughout its operations in order to continuously deliver eco- conscious products to customers.

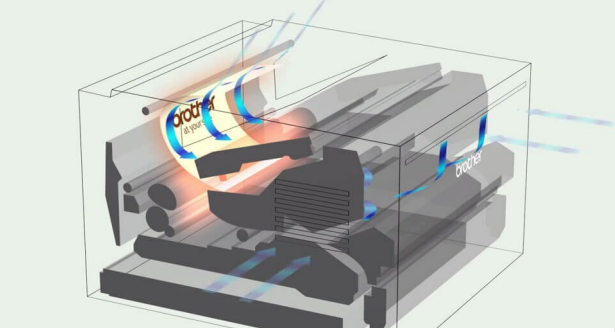
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1. Development and Design

Basic policy

Brother products are developed and designed to:

- comply with laws and regulations of the various countries and regions where sold;
- be compact and lightweight to conserve resources;
- achieve the top levels of energy conservation performance in the industry;
- meet hazardous chemical substance management standards, as specified in the Brother Group Green Procurement Standards and environmental labels;
- be easily recycled or reused at the end of life; and
- meet emission standards (for chemical substances, noise, etc.);
- meet the set CO_2 emissions reduction targets for the products.



> [Brother's activities] Environmental Performance of Printers Changed by Airflow - Printing business airflow simulation
https://sdgsstory.global.brother/e/customer/450/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

When trying to develop a product that will be eco-conscious throughout its entire life cycle, it is essential to apply these principles at the development and design stage.
For the key criteria listed in the product environmental impact assessments, target values are set at the initial stage of development and design.

Measures

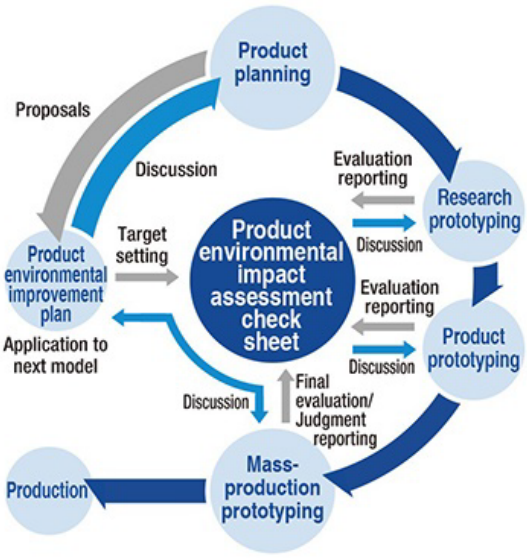
Brother Industries, Ltd. (BIL) conducts product environmental impact assessments at key stages of development and ensures eco-conscious design by addressing the product life cycle from material procurement, production, packaging, products use and through to the collection and recycling at the end of life.

Also, BIL actively acquires environmental labels in respective countries. For European customers in particular, BIL discloses product information in accordance with the Eco Declaration (ECMA-370).

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Product environmental impact assessments and Life Cycle Assessment (LCA)

BIL conducts product environmental impact assessments in order to evaluate the impact that products have on the environment through the product life cycle from material procurement, production, packaging, products use, up to collection and recycling at the end of life. For key criteria under the assessment items, reduction of environmental impact must be achieved at the product development stage.



Product environmental impact assessment flow

Key Criteria for product environmental impact assessment

- Disassembly/dismantling of products
- Material labeling of resin parts
- Reusability/recyclability of parts
- Hazards and toxicity during product production/use, hazards and toxicity in packaging materials
- Compliance with related laws and regulations
- CO_2 emissions reduction measures for products

We conduct an LCA that quantitatively provides numerical data for "the degree of impact on the environment" at each stage of a product's life cycle. Environmental load characteristics and improvement points are identified and the improvement effect is confirmed for each product. Evaluation results are released on the website managed and operated by the Sustainable Management Promotion Organization (SuMPO) under the SuMPO EPD (Environmental Product Declaration).

> SuMPO EPD
https://ecoleaf-label.jp/en/epd/search
(Link to the "SuMPO EPD" website.)

2. Procurement

Basic policy

We check parts and materials that are used to make products, to ensure:

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・ they do not contain hazardous materials ; and
・ they are made via an eco-friendly process.

In this way, we give priority to purchasing parts and materials. In June 2024, the Brother Group revised its Environmental Guidelines for Suppliers
(https://global.brother/en/sustainability/eco/product/supplier#s01), and it has been working together with suppliers that manufacture parts for Brother products to minimize their greenhouse gas emissions.

Measures

Brother works with suppliers and uses the IT-based Brother Group Green Procurement Management System to manage data on the chemical substances contained in its products and promote the use of alternative parts and materials. This is regularly updated in response to the candidate list substances of very high concern defined within the REACH Regulation.

> Responsible Supply Chain
https://global.brother/en/sustainability/social/supply-chain

3. Production

Basic policy

The Brother Group's manufacturing facilities manufacture products with due consideration given to:
・ ensuring efficient use of materials, energy, and water resources, etc.;
・ reducing pollutants released into the atmosphere and wastewater;
・ preventing the generation of waste; and
・ recycling waste generated.

Measures

・ Electrical power consumption and CO_2 emissions are reduced by ensuring all manufacturing facilities efficiently run equipment.
・ Products with consideration for resource circulation and waste are manufactured, including the conduct of Zero Waste Emission Activities to eliminate landfill waste

> Brother Group Environmental Action Plan 2027
https://global.brother/en/sustainability/eco/policy#p06
> Task Force on Climate-related Financial Disclosures (TCFD)
https://global.brother/en/sustainability/eco/cc
> Reduction of CO_2 Emissions
https://global.brother/en/sustainability/eco/co2

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> Resource Circulation and Waste reduction
https://global.brother/en/sustainability/eco/resource-circulation
> Pollution Prevention and Chemical Substance Management
https://global.brother/en/sustainability/eco/pollution

4. Packaging and Logistics

Basic policy

Brother is committed to:
・reducing product packaging and waste where possible; and
・reducing CO_2 emissions in logistics and transportation.

Measures

・We are combining product categories when arranging shipments to maximize loads.
・We continue to review distribution routes.
・We are applying smaller packaging and elimination of styrofoam. In May 2025, we have won the WorldStar Award at the WorldStar Global Packaging Awards 2025, hosted by the World Packaging Organisation (WPO).



> Brother Wins WorldStar Award for Newly Designed Molded Pulp
https://global.brother/en/news/2025/250507worldstar
> Task Force on Climate-related Financial Disclosures (TCFD)
https://global.brother/en/sustainability/eco/cc

> [Brother's activities] From Reducing EPS to Eliminating EPS - A sustainable cushioning material born from innovation
https://sdgsstory.global.brother/e/customer/778/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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5. Use

Basic policy

Brother takes the following into consideration regarding customer use of our products:
· they do not consume excessive energy; and
· our products can be used safely, conveniently and comfortably.
We also endeavor to disclose overall environmental information about products. Furthermore, by obtaining the environmental label certification, we indicate that the product complies with the environmental label standards for power consumption during product use, chemical substances, noise, and other emissions.

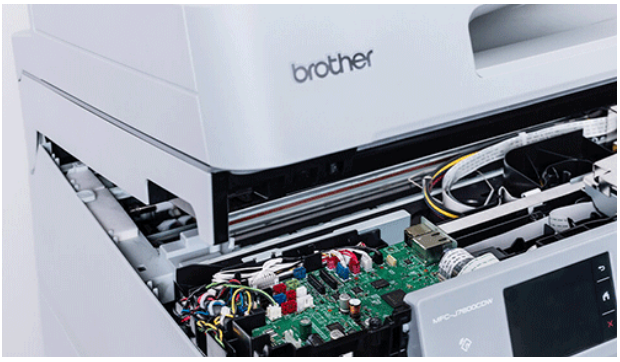
> Acquisition of Environmental Certifications
https://global.brother/en/sustainability/eco/product/label



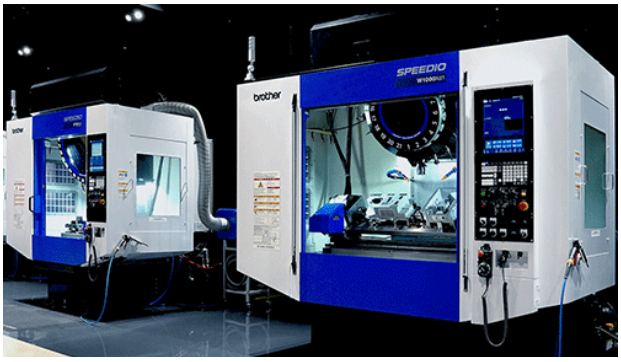
Examples of environmental labels and energy-saving standard compliance marks awarded to eco-conscious products

Measures

· We are strengthening development of eco-conscious products focusing on energy conservation.



> [Brother's activities] Breaking the Conventional Practice of Standby Power - The challenge of energy conservation in the printing business
https://sdgsstory.global.brother/e/customer/449/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025/



> [Brother's activities] Machine Tools to Improve Productivity and Reduce CO_2 Emissions - Brother's machining centers contribute to a carbon-free society
https://sdgsstory.global.brother/e/customer/398/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025/

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6. Collection and Recycling

Basic policy

Brother takes the following into consideration regarding the end of customer use of a product:
・collect and recycle products and consumables at end of life; and
・design products so that they can be easily recycled.

> Brother named a Leader in IDC MarketScape:
"Brother is currently the only hardware manufacturer to have a fully certified remanufacturing program for both its inkjet and toner consumables."
https://global.brother/en/news/2025/250618idc

Measures

・Ink cartridges consumed in Japan. The Ink Cartridge Return Project is under way in collaboration with printing product manufacturers.
・For toner cartridges, drum units, and label writer tape cassettes consumed in Japan, Brother's own collection and recycling system is in place.
・Participating in the Bellmark campaign through collection of used cartridges, and carrying out environmental conservation activities and education support.
・For toner and ink cartridges consumed outside Japan, collection and recycling systems are in place in more than 40 countries and regions. In Europe in particular, we are not only collecting and recycling[*1] cartridges, but also remanufacturing[*2] them.

*1 Recycling: Crushing used cartridges and reusing them as raw materials or energy sources
*2 Remanufacturing: Cleaning and inspecting used cartridges to create cartridges of the same quality as new cartridges

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> [Brother's activities] Printing Business Develops its Ink Cartridge Remanufacturing Capabilities - Aiming to maximize resource circulation
https://sdgsstory.global.brother/e/customer/691/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

> [Brother's activities] Expanding the Circle of Remanufacturing in the Printing Business - Technologies and services for cartridge remanufacturing
https://sdgsstory.global.brother/e/customer/401/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

・In Europe, products are collected and recycled in accordance with the WEEE Directive. In New Zealand, products are collected and recycled on a voluntary basis. Regarding corporate customers in Japan, used Brother products (fax machines, printers, and All-in-Ones) are collected and recycled in collaboration with business partners.

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[Brother's activities] Conducting eco activities through the Bellmark campaign (Japan)

Brother Sales, Ltd. joined the Bellmark campaign in order to (i) actively participate in social contribution activities via support for education and (ii) improve the collection rate of used cartridges and promote recycling.



Examples of products in the Bellmark campaign



> Recyclable packaging web site of BROTHER INTERNATIONAL EUROPE LTD.
https://www.brother.ee/about-brother/environment-and-sustainability/recyclable-packaging

> Sustainability web site of BROTHER INTERNATIONAL (AUST.) PTY. LTD.
https://www.brother.com.au/en/about/sustainability

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Environmental Compliance of Products



Environmental Compliance of Products

Complying promptly with global environmental laws and regulations

In recent years, various environmental laws and regulations have been introduced at both the national and regional levels, with the aim of not only reducing power consumption of products and preventing leakage of harmful substances to the environment, but also purposes such as encouraging repair, reuse, and recycling toward the building of a circular economy and product information disclosure to encourage consumers to choose products with low environmental impact. These regulations have been growing tighter and tighter.

As a global company with operations in more than 40 countries and regions, the Brother Group believes that compliance with environmental laws and regulations is the foundation of business operation. The Brother Group has developed activities in line with the Brother Group Environmental Action Plan 2021 (2019-2021), in order to ensure compliance with environmental laws and regulations in all the countries and regions in which we operate, build a circular economy, and reduce environmental impact with high ethical standards. Furthermore, the Brother Group is continuously strengthening our framework for quickly responding to the trends in the regulations on chemical substances and energy-saving regulations on products in countries and regions around the world, and is also striving to actively offer eco-conscious products before new regulations come into force. These steps enable the entire group to comply with environmental laws and regulations accurately and quickly, leading to enhanced sales and service activities. We are also taking steps to respond to societal demands related to the environment, in addition to environmental laws and regulations.

To deliver environmentally conscious products, environmentally conscious parts and materials must be used. When procuring parts and materials, suppliers are asked to deliver parts and materials in accordance with "the Brother Group Green Procurement Standards". Also, the Brother Group conducts audits on suppliers at least every three years to check their management systems and operations related to environmental laws and regulations. Suppliers are required to make necessary improvements and guarantee that the goods that they supply meet the standards.

> Collaboration with Suppliers
https://global.brother/en/sustainability/eco/product/supplier

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Compliance with the RoHS Directive in different countries and regions

The RoHS Directive is an EU law (effective from July 2006), banning the use of hazardous substances in electrical and electronic equipment. In response to this directive, the Brother Group worked with suppliers to build Brother's unique environmental information system, which is used to investigate, avoid, and manage chemical substances contained in products. In line with the subsequent revision, the Brother Group established a system to create technical documents and Declarations of Conformity (DoC) in 2012. Furthermore, we also completed measures to handle the banned substances added in 2019.
Meanwhile, since 2007, many countries and regions including China and South Korea have introduced laws and regulations that mimic the regulations of the RoHS Directive, a trend that is expected to continue. The Brother Group is properly ensuring compliance with the laws and regulations in these countries and regions.

Compliance with REACH and other regulations

REACH is the EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals. It came into force in June 2007 for chemical substances that are manufactured or imported. The Brother Group completed registration of chemical substances determined applicable at that time by the June 2018 deadline. Since then, we continue to check and register additional chemical substances requiring registration.
In EU countries, there are various obligations related to the SVHC (Content of Substances of Very High Concern) in products. The Brother Group improved the environmental information system to facilitate the investigation of SVHC content. In FY2009 (April 1, 2009-March 31, 2010), the Brother Group set up a system for collecting data from suppliers to improve disclosure of information on SVHC content.
In FY2010 (April 1, 2010-March 31, 2011), the Brother Group developed a system for calculating the SVHC content in products and reporting it to the appropriate agency as necessary.
Programs for the registration of chemical substances and safety data sheets (SDSs) have been introduced in many countries and regions, such as the EU and the United States. Together with carrying out the necessary registration, the Brother Group develops SDSs based on the rules of each country or region and publishes them on our website.

> Safety Data Sheets (SDS)
https://sds.brother.co.jp/sdsapp/index.html

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Compliance with energy-saving regulations in respective countries and regions

The Ecodesign Energy-related Products (ErP) Directive is an EU law setting up a framework that requires the eco-conscious design of energy-related products to suppress energy consumption and encourage repair, reuse, and recycling. Based on this directive, requirements for eco-conscious design are established for each product field.
As a result of the development of new energy-saving technologies, Brother products meet the standards set for "standby and off-mode losses (Lot 6)" and "external power supply (Lot 7)".
Furthermore, we also publish information about "standby and off-mode losses (Lot 6)" and "external power supply (Lot 7)" on the Internet as required.
Countries and regions outside the EU have increasingly introduced laws and regulations requiring eco-conscious design and set energy conservation standards in respective product areas.
The Brother Group has taken quick action to meet these laws and regulations.

Compliance with the WEEE Directive, etc.

The WEEE Directive is an EU law that requires the collection and 3Rs of (Reduce, Reuse and Recycle) of used electrical and electronic equipment. Member countries, distributors, producers, and other entities are required to fulfill the requirements in the design, sorting, collection, and recycling phases. The Brother Group complies with the WEEE Directive using collection and recycling routes in place in respective member countries.
Additionally, WEEE-based laws have been established in various countries and regions, primarily in Asia. For example, South Korea has established the Act on Resource Circulation of Electrical and Electronic Equipment and Vehicles, and India, E-Waste (Management) Rules. Our sales facilities in respective countries and regions establish collection and recycling systems in line with the requirements and strive to ensure legal compliance.
The Brother Group also joins with partners in Australia, New Zealand, and Japan to collect and recycle e-waste on a voluntary basis.

Efforts to prevent illegal logging (EU and Australia)

The EU Timber Regulation and Australia's Illegal Logging Prohibition Act prohibit placing timber products (including paper products) derived from illegally harvested timber on the market. The regulations also require investigations and assessments of suppliers to prevent mixing of illegally harvested timber. The Brother Group collects information from suppliers about inkjet and thermal paper as well as paper packaging materials including product package boxes, and confirms the legality of timber used as a raw material.

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Disclosure of Environmental Attributes



Disclosure of Environmental Attributes

Disclosure of product information in accordance with The Eco Declaration (ECMA-370)

Ecma International is an industry association founded in 1961, dedicated to the standardization of information and communication systems.

The Eco Declaration has been created by Ecma International to provide environmental information on known regulations, standards, guidelines and currently accepted practices in an industry standard format.

The Brother Group uses the Eco Declaration (ECMA-370) to disclose the environmental attributes of products designed for Europe, such as printers, All-in-Ones, and scanners.

The Eco Declaration for Europe

Please choose a product group.

> Color Laser Printers/All-in-Ones
https://global.brother/en/sustainability/eco/product/declaration#cl_laser

> Mono Laser Printers/All-in-Ones
https://global.brother/en/sustainability/eco/product/declaration#mn_laser

> Inkjet Printers/All-in-Ones
https://global.brother/en/sustainability/eco/product/declaration#inkjet

> Mobile Printers
https://global.brother/en/sustainability/eco/product/declaration#mobile

> Scanners
https://global.brother/en/sustainability/eco/product/declaration#scanner

> Label Printers
https://global.brother/en/sustainability/eco/product/declaration#label

> Tape Creator
https://global.brother/en/sustainability/eco/product/declaration#tc

> Stamp Creator
https://global.brother/en/sustainability/eco/product/declaration#stamp

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Collaboration with Suppliers



Environmental Supplier Guideline

Environmental Supplier Guideline

Toward building a society that can develop sustainably in accordance with "Brother Group Environmental Policy", the Brother Group has formulated "the Brother Group Environmental Vision 2050" to contribute toward addressing global-scale environmental issues such as climate change as well as established medium-term targets for FY2030 as milestones for the vision. Currently, activities related to reduction of CO_2 emissions, resource circulation, and biodiversity conservation are being strengthened based on this environmental vision and medium-term targets.
We believe that cooperating with business partners—such as suppliers—is essential for the Brother Group to continue to provide various products meeting the needs of customers and the changes of the times and to reduce impact on the environment. Brother Industries, Ltd. (BIL) has joined the Responsible Business Alliance (RBA)—an international industry organization that promotes corporate social responsibility through establishment of sustainable supply chains—and also undertakes efforts to strengthen cooperation with business partners.
In September 2021, "the Environmental Supplier Guideline" were established to clearly convey matters related to the environment that the Brother Group thinks should be achieved together with suppliers. The contents of this set of guidelines are consistent with Section C. Environment of the RBA Code of Conduct formulated and published by RBA. We also request that our suppliers set targets for greenhouse gas emissions reduction and actively engage in biodiversity conservation.

In June 2024, the Brother Group newly formulated a "Paper Product Procurement Policy" with the aim of preserving forest resources, and created "Paper Product Procurement Standards" based on the policy. Additionally, we revised the requirement levels, etc. for "Pollution Prevention and Resource Reduction" and "Energy Consumption and Greenhouse Gas Emissions" in the Environmental Supplier Guideline to further promote initiatives aimed at building a sustainable society throughout the entire supply chain.

PDF Environmental Supplier Guideline Japanese Rev2 [PDF/412KB]
https://global.brother/pub/jp/eco/pdf/env-sup-guide-v2-jp.pdf
PDF Environmental Supplier Guideline English Rev2 [PDF/305KB]
https://global.brother/pub/com/en/eco/pdf/env-sup-guide-v2-en.pdf

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PDF Environmental Supplier Guideline Chinese-simp Rev2 [PDF/423KB]
https://global.brother/pub/com/cn/eco/pdf/env-sup-guide-v2-cs.pdf
PDF Environmental Supplier Guideline Chinese-trad Rev2 [PDF/529KB]
https://global.brother/pub/com/cn/eco/pdf/env-sup-guide-v2-ct.pdf
PDF Environmental Supplier Guideline Vietnamese Rev2 [PDF/459KB]
https://global.brother/pub/com/vn/eco/pdf/env-sup-guide-v2-vn.pdf

(Attachment 1) Brother Group Green Procurement Standard

∨ Green Procurement
https://global.brother/en/sustainability/eco/product/supplier#s02

(Attachment 2) Requirements and Standards for Suppliers for Environmental Label Compliance

PDF Requirements and Standards for Suppliers for Environmental Label Compliance Japanese [PDF/302KB]
https://global.brother/pub/jp/eco/pdf/a2-label-req-v1-jp.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance English [PDF/238KB]
https://global.brother/pub/com/en/eco/pdf/a2-label-req-v1-en.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance Chinese-simp [PDF/358KB]
https://global.brother/pub/com/cn/eco/pdf/a2-label-req-v1-cs.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance Chinese-trad [PDF/435KB]
https://global.brother/pub/com/cn/eco/pdf/a2-label-req-v1-ct.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance Vietnamese [PDF/293KB]
https://global.brother/pub/com/vn/eco/pdf/a2-label-req-v1-vn.pdf

(Attachment 3) Brother Group Paper Product Procurement Standards

Paper Product Procurement
https://global.brother/en/sustainability/eco/product/supplier#s03

> Responsible Business Alliance
https://global.brother/en/sustainability/csr/initiative#i02

Green Procurement

Green procurement policy

At the Brother Group which operates its business globally, safety and environmental impacts are prime considerations at every stage of a product's life cycle, from design, development, manufacturing, customer usage, and disposal, to reuse and recycling, as set out in its guidelines of the Brother Group Environmental Policy. Since 2001, under "the Brother Group Global Charter", we have been

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implementing green procurement activities in order to preferentially procure eco-conscious parts and materials for use in the products we sell. In 2002, to promote manufacturing of eco-conscious products together with our suppliers, we issued the Brother Group Green Procurement Standard, which defines specific requests to our suppliers. We have been revising the standard based on the trends in laws and regulations.
The Brother Group requests its suppliers to promote activities for environmental conservation. In order to ensure their full compliance with the Brother Group's green procurement policy as well as laws and regulations, we hold individual information sessions for new prospective suppliers, as a rule.
Furthermore, in the event the Brother Group Green Procurement Standard is revised, we inform our suppliers about the revisions, ensure their understanding, and obtain their written consent. In 2018, we held worker-level seminars targeting those in charge of suppliers at each manufacturing facility (more than 30 times throughout the group) to discuss revisions to the Brother Group Green Procurement Standard and modifications to the green procurement system, and also to ensure full understanding of the environmental policy.

Brother Group Green Procurement Standard

Quick compliance with global environmental laws and regulations

The Brother Group has updated the Brother Group Green Procurement Standard as necessary to comply with various countries' environmental laws and regulations, which are constantly being extended in scope. The Brother Group Green Procurement Standard classifies substances whose use is globally restricted by laws and regulations, etc. as "prohibited chemical substances (Level A)," and we regulate their content in the goods to be delivered to the Brother Group. Additionally, outside prohibited chemical substances (Level A), the controlled substances designated by chemSHERPA, being endorsed by Japan's Ministry of Economy, Trade and Industry, are classified as "controlled chemical substances (Level B)." The content of these substances is controlled in the goods to be delivered to the Brother Group.
Meanwhile, controlled chemical substances specified in chemSHERPA, the system endorsed by the Ministry of Economy, Trade and Industry of Japan, are designated as "controlled chemical substances (Level B)," and their content in goods is managed.

PDF Green Procurement Standard Japanese (Rev.9.6) [PDF/754KB]
https://global.brother/pub/jp/eco/pdf/gpsj-rev9-6.pdf
PDF Green Procurement Standard English (Rev.9.6) [PDF/696KB]
https://global.brother/pub/com/en/eco/pdf/gpse-rev9-6.pdf
PDF Green Procurement Standard Chinese-simp (Rev.9.6) [PDF/835KB]
https://global.brother/pub/com/cn/eco/pdf/gpssc-rev9-6.pdf
PDF Green Procurement Standard Chinese-trad (Rev.9.6) [PDF/1.2MB]
https://global.brother/pub/com/cn/eco/pdf/gpstc-rev9-6.pdf
PDF Green Procurement Standard Vietnamese (Rev.9.6) [PDF/1.0MB]
https://global.brother/pub/com/vn/eco/pdf/gpsv-rev9-6.pdf

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> Compliance with the RoHS Directive in different countries and regions
https://global.brother/en/sustainability/eco/product/regulation#rohs
> Compliance with the REACH and other regulations
https://global.brother/en/sustainability/eco/product/regulation#reach

Green Procurement Management System

Using the green procurement system to strictly control the chemical substances in products

The Brother Group introduced the Green Procurement System in 2004, and requests that all suppliers cooperate through this system in investigations into the chemical substances found in products.
The Brother Group also supported the concept of chemSHERPA, a scheme for sharing information about chemical substances contained in products recommended by the Japanese Ministry of Economy, Trade and Industry. In March 2018, the system was updated to handle data in chemSHERPA format.

Paper Product Procurement

Brother Group Paper Product Procurement Standards

Procurement of paper products that contribute to achieving zero deforestation

In June 2024, the Brother Group, as a company that uses forest resources, believes it is important to avoid negative impacts on the natural environment, local communities, etc. in its business activities, and formulated the Brother Group's Paper Product Procurement Policy https://global.brother/en/sustainability/eco/policy#p03 . Based on this policy, we have created the Brother Group Paper Product Procurement Standards, and by implementing and rolling them out, we will work across the entire supply chain to procure paper products that contribute to achieving zero deforestation and that respect human rights.
In FY2024, through the Environmental Guidelines for Suppliers and supplier explanatory meetings, we disseminated and rolled out our Paper Products Procurement Policy to over 200 business partners that supply paper products across the Group. We are also confirming compliance with this policy and have already verified that more than 90% of our business partners are compliant, with the aim of finishing the process by FY2025.

(Attachment 3) Brother Group Paper Product Procurement Standards

PDF Brother Group Paper Product Procurement Standards Japanese (Rev.1) [PDF/715KB]
https://global.brother/pub/jp/eco/pdf/pppsjp-rev1.pdf
PDF Brother Group Paper Product Procurement Standards English (Rev.1) [PDF/196KB]
https://global.brother/pub/com/en/eco/pdf/pppsen-rev1.pdf
PDF Brother Group Paper Product Procurement Standards Chinese-simp (Rev.1) [PDF/220KB]

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https://global.brother/pub/com/cn/eco/pdf/pppscs-rev1.pdf

PDF Brother Group Paper Product Procurement Standards Chinese-trad (Rev.1) [PDF/345KB]

https://global.brother/pub/com/cn/eco/pdf/pppsct-rev1.pdf

PDF Brother Group Paper Product Procurement Standards Vietnamese (Rev.1) [PDF/246KB]

https://global.brother/pub/com/vn/eco/pdf/pppsvn-rev1.pdf

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Acquisition of Environmental Certifications



Acquisition of Environmental Certifications

Promoting the active acquisition of environmental labels from around the world

Environmental labels indicate that the selected product shows consideration for the environment, and provide customers helpful information when selecting eco-conscious products. Environmental labels come in three types (Ecolabels, Self-declared Environmental Claims and Environmental Product Declarations) standardized by the International Organization for Standardization (ISO) or a compliance label that indicates that the product complies with specific performance criteria.
There are various environmental labels in the countries and regions around the world in which the Brother Group operates. The respective labels (which are based on different eco-conscious requirements and standards) are considered to meet customers' environmental requirements and the basic stance of the Brother Group is to actively acquire 2the environmental labels for applicable products in the countries and regions where our products are sold.
Under this policy, the Brother Group prioritized the acquisition of specific environmental labels in various countries, including the Blue Angel, Eco Mark, EPEAT, Nordic Swan Ecolabel, and China's Ten Circle Mark, in the Brother Group Environmental Action Plan 2027 (2025 -2027), and has been making efforts to that end.

> Brother Group Environmental Action Plan 2027
https://global.brother/en/sustainability/eco/policy#p06

Below are the main environmental labels acquired by Brother products.

Ecolabels (Formerly Type I labels)

Awarded by third-party organizations based on their unique classifications and judgment criteria

The Blue Angel (Germany)

This eco-label is issued by the Federal Environmental Agency, the German Institute for Quality Assurance and Labeling, etc.
In July 2008, the MFC-6490CW and DCP-6690CW were the first inkjet All-in-Ones in the world to be certified according to the ink-jet standard of that time.

www.blauer-engel.de/uz219

*: Click the above link to visit the Blue Angel site.

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In the current standard (DE-UZ219), besides even higher environmental requirements for products, adherence to the core labor standards of the International Labour Organization (ILO) regarding due diligence in raw material procurement, support for regional initiatives regarding responsible mining, and social sustainability during production are included.
In addition, in June 2023, TN-3512 RE became the first in the world to be certified under the recycled cartridge standard (DE-UZ 177).
For the news release, visit:
https://global.brother/en/news/2023/230803blueangel
Brother actively promotes compliance with the standard.

www.blauer-engel.de/uz177

*: Click the above link to visit the Blue Angel site.

> German Environment Agency (UBA)
German Institute for Quality Assurance and Labeling (RAL gGmbH), the Blue Angel
https://www.blauer-engel.de/en
(Link to the Blue Angel website)

Nordic Swan Ecolabel (five Scandinavian countries)

This eco-label is administered primarily by the Nordic Ecolabelling Board, and is used in five Scandinavian countries (Norway, Sweden, Denmark, Finland, and Iceland).
Since Brother received this eco-label for mainly its black-and-white laser printers/All-in-Ones in 2009, we have now also received the eco-label for color laser printers/All-in-Ones and inkjet multi-function printers.

> Nordic Ecolabelling Board, the Nordic Swan
https://www.svanen.se/en/
(Link to Nordic Swan website)

EPEAT (in the U.S.)

This is an environmental rating system for electronic products that is managed and administered by a NPO, the Global Electronics Council.
Compliance evaluations* of the entire product life cycle are performed using the EPEAT criteria that are based on current environmental laws and regulations. EPEAT criteria consist of required and optional ones; products are ranked Gold, Silver, or Bronze depending on the level of conformity with the optional criteria.
Since Brother received certification for its black-and-white laser printers/All-in-Ones in 2017, we now also have received certification for products such as color laser printers, inkjet printers, and scanners.

*: Judgments are based on laws and regulations, etc. in respective countries and regions. Thus, the same product may have different ranks

> Global Electronics Council (GEC)
EPEAT (Electronic Product Environmental Assessment Tool)
https://epeat.net/
(Link to the EPEAT website)

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China Environmental Labeling plan (China)

This government-run eco-label (the Ten Circle Mark) is issued by the China Environmental United Certification Center under the jurisdiction of the State Environmental Protection Administration.
Brother has acquired this label for color laser printers/All-in-Ones, black-and-white laser printers/All-in-Ones and scanners.

PDF List of products that acquired Ten Circle Mark [PDF/198KB]
https://global.brother/pub/com/en/eco/pdf/china-environmental.pdf

Eco Mark (Japan)

This eco-label is managed by Eco Mark Office of the Japan Environment Association. It is awarded to products that minimize environmental impact and aid environmental protection across their entire life cycle (from production to disposal).

> "Eco Mark" by Eco Mark Office of the Japan Environment Association
https://www.ecomark.jp/
(Link to the "Eco Mark" website. This website is available only in Japanese.)

Note: The power consumption figures for Eco Mark certified products can be found in the following website.

> Power consumption figures based on the International ENERGY STAR Program
https://www.energystar.go.jp/
(Link to the International ENERGY STAR Program website. This website is available only in Japanese.)

Eco Choice Aotearoa (New Zealand)

This eco-label was introduced by the national government of New Zealand, and is issued by the New Zealand Ecolabelling Trust.
Brother has acquired this label for color laser printers/All-in-Ones, black-and-white laser printers/All-in-Ones, inkjet All-in-Ones, and scanner products.

Copying Machines, Printers, Scanners and Multifunctional Devices. License No. 2410083

The name and logo of Environmental Choice New Zealand were renewed to Eco Choice Aotearoa in May 2023. (Aotearoa: the Māori-language name for New Zealand)

> Eco Choice Aotearoa by the New Zealand Ecolabelling Trust
https://www.ecochoiceaotearoa.org.nz/
(Link to the Eco Choice Aotearoa website)

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Green Mark (Taiwan)

This eco-label was introduced in Taiwan by the Ministry of Environment, and is issued by the Environment and Development Foundation.
Brother has acquired this label for color laser printers/All-in-Ones, black-and-white laser printers/All-in-Ones, and consumables.

> Green Mark Program by the Environment and Development Foundation (EDF)
https://greenlifestyle.moenv.gov.tw/en_Mark
(Link to the Green Mark Program website.)

Korea Eco-label (South Korea)

This eco-label is issued by the Korea Environment Industry & Technology Institute that was established in accordance with the Development of and Support for Environmental Technology Act.
Brother has acquired this label for laser/inkjet All-in-Ones.

PDF List of products that acquired Korea Eco-label [PDF/240KB]
https://global.brother/pub/com/en/eco/pdf/korea-eco-label.pdf

Self-declared Environmental Claims (Formerly Type II labels)

Self-declared labels by businesses

Brother Green Label (Japan)

In In October 2001, Brother Industries, Ltd. (BIL) established voluntary standards in accordance with JIS Q 14021 (ISO 14021) also for products in fields where third-party certification standards* are not established. Under the Brother Green Label system, an environmental label that indicates that a product meets these standards (Brother Green Label Certification Criteria), Brother recognizes products that meet these criteria in consideration of reducing environmental impact.

*: This refers to Ecolabels established in accordance with JIS Q 14024 (ISO 14024). The criteria are defined for products and services throughout their life cycle, and the use of the label is approved after an assessment based on an application by a business provider.

PDF Brother Green Label Certification Criteria [PDF/247KB]
https://global.brother/pub/com/en/eco/pdf/bg-label-standard-e.pdf

PDF List of products that acquired Brother Green Label [PDF/110KB]
https://global.brother/pub/jp/eco/pdf/bg-label-list.pdf
(This PDF is available only in Japanese.)

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Environmental Product Declarations (Formerly Type III labels)

Awarded to products whose environmental load is shown quantitatively by LCA (Life Cycle Assessment)

SuMPO EPD (Japan) (formerly EcoLeaf[*1])

This eco-label is awarded to products that disclose quantitative information about their environmental characteristics. It is managed and issued by the Sustainable Management Promotion Organization (SuMPO) of Japan.
Having begun its efforts in 2002, BIL has received EPD System Certification[*2] for printers and All-in-Ones. BIL is currently working on acquiring the SuMPO EPD for main Brother products, and have registered and disclosed SuMPO EPDs (including former EcoLeaf labels) for over 460 products.
All-in-Ones equipped with a facsimile function were calculated as “facsimiles” until March 2024. The calculation has been standardized as “printers and All-in-Ones” since April 2024, and efforts have been made to acquire the SuMPO EPD.

*1: EcoLeaf was renamed SuMPO EPD in April 2024.
*2: Examines whether the system for calculation, verification, and disclosure/application built inside a business that wishes to acquire the label meets the requirements, and issues certification if it does.

> "SuMPO EPD" by Sustainable Management Promotion Organization
https://ecoleaf-label.jp/en/
(Link to the SuMPO EPD website)

Conformance label

International ENERGY STAR Program (the U.S., Japan, Canada and Switzerland)

This is an international energy saving program for office equipment. Its logo is awarded to products that meet the energy-saving standards.

> ENERGY STAR by the International ENERGY STAR Program (US)
https://www.energystar.gov/
(Link to the International ENERGY STAR Program website)

Energy Conservation Certification (Energy saving label) (China)

This eco-label is from China. It recognizes products for their energy-saving performance.

PDF List of products that acquired Energy Conservation Certification [PDF/252KB]
https://global.brother/pub/com/en/eco/pdf/china-es-label.pdf

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Green procurement laws

Products complying with the Act on Promoting Green Procurement (Japan)

In April 2001, the Act on Promoting Green Procurement came into effect.
This law requires that national governmental organizations and independent administrative institutions purchase green products, and that local public organizations and private businesses as well as individuals try to do the same.
By affixing our own eco-label to Brother products that meet the standard, BIL is promoting environmental activities to customers.

> Act on Promoting Green Procurement
(Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities)
https://www.env.go.jp/en/laws/policy/green/index.html
(Link to the Act on Promoting Green Procurement website)

Products compliant with the Act on Promoting Green Procurement can be found in the following website in Japanese.

> Green Purchasing Network (GPN)
https://www.gpn.jp/english/
(Link to the Green Purchasing Network website)

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Collection, Remanufacturing and Recycling Efforts in Various Countries



The Brother Group's Collection, Remanufacturing and Recycling Efforts

With "the end of life" of products in mind, the Brother Group has been working to (i) increase reusability and recyclability of products and consumables and (ii) build recycling systems in accordance with laws and regulations in respective countries.

Reducing CO_2 emissions through remanufacturing and recycling of toner and ink cartridges

Collected end-of-life toner and ink cartridges are remanufactured[*1] at the Brother Group's remanufacturing sites into toner and ink cartridges having the same quality as brand new products, and are delivered to customers again.
By recycling[*2] those cartridges that can not be remanufactured, the Brother Group is contributing to the effective utilization of natural resources through waste reduction, as well as to the reduction of CO_2 emissions.
In FY2024, the Brother Group as a whole remanufactured 2.8 million toner cartridges, contributing to a reduction of 4,400 tons of CO_2 emissions and 1,100 tons of virgin materials.

*1 Remanufacturing: Cleaning and inspecting used cartridges to create cartridges of the same quality as new cartridges
*2 Recycling: Crushing used cartridges and reusing them as raw materials or energy sources

In March 2025, Brother Industries, Ltd. (BIL) was named a leader in a report published by IDC, a U.S.-based research firm, as the only printer manufacturer that supports remanufacturing of both toner and ink cartridges. For more information, please visit: News Release.
https://global.brother/en/news/2025/250618idc . BIL is actively promoting the remanufacturing of toner and ink cartridges.

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The Brother Group's collection, remanufacturing and recycling efforts

Brother International Europe Ltd.

In Europe, the portal site for recycling consumables and products provides information about how to return used toner cartridges, drum units, ink cartridges, and products and ask for collection boxes, etc. and gives details of recycling methods available in a total of 28 countries.
Regarding collecting and recycling products, Brother utilizes the collection and recycling channels in place in respective countries, in compliance with the WEEE Directive.

> Portal site for recycling (Europe)
https://www.brother.eu/en/recycling
(Link to the website of Portal site for recycling (Europe))

Brother Industries (U.K.) Ltd., Brother Industries (Slovakia) s.r.o.

Brother Industries (U.K.) Ltd.'s Circular Technology Centre is the Brother Group's core facility that remanufactures toner cartridges and designs and develops remanufacturable toner cartridges in collaboration with facilities in the United States and Japan. A project is underway to build a system for automating the remanufacturing process. With support from the Circular Technology Centre, Brother Industries (Slovakia) s.r.o. (BISK) remanufactures and recycles Brother's toner cartridges that are sold primarily in Europe. BISK's accomplishments and development expertise are shared in Japan, the United States, and other countries to help raise the technological standards of the Brother Group. In addition, in 2024, Brother Industries (U.K.) Ltd. began remanufacturing ink cartridges, which had previously been only recycled, by leveraging its expertise in toner cartridge remanufacturing.



Clean room at the Circular Technology Centre

As a result of continuous, untiring efforts to improve remanufacturing technologies, the Brother Group as a whole remanufactured 43.1 million cartridges between the start of remanufacturing in 2004 and the end of March 2025.

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> [Brother's activities] Printing Business Develops its Ink Cartridge Remanufacturing Capabilities - Aiming to maximize resource circulation
https://sdgsstory.global.brother/e/customer/691/ ?utm_source=web&utm_medium=sustainability& utm_campaign=sustainability2025

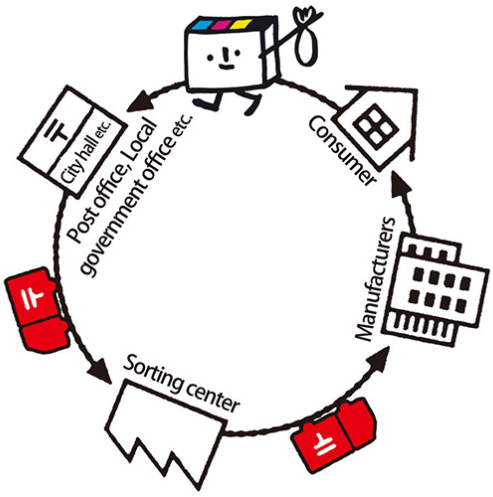
> [Brother's activities] Expanding the Circle of Remanufacturing in the Printing Business - Technologies and services for cartridge remanufacturing
https://sdgsstory.global.brother/e/customer/401/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

Brother International Corporation (U.S.A.)

In the United States, the project is undertaken by collection and recycling contractors. The system is administered in accordance with state and federal laws.
The website of Brother International Corporation (U.S.A.) explains how to return used toner cartridges, drum units, ink cartridges, and tape cassettes.
Even in Canada used toner cartridges are collected via local sales facilities.

Brother Sales, Ltd.

In Japan, printing product manufacturers and sellers have collection boxes at retail outlets to collect used ink cartridges. In order to further improve the collection rate, the Brother Group along with other printing product manufacturers and sellers launched an Ink Cartridge Return Project with post offices in January 2007.
Collection began throughout Japan in 2008. For details, see "Ink Cartridge Return Project".
http://www.inksatogaeri.jp/
(Link to the website of "Ink Cartridge Return Project." This website is available only in Japanese.)



Recycling process of Ink Cartridge Return Project

In collaboration with business partners, Brother Sales, Ltd. collects Brother products (fax machines, printers, and All-in-Ones for businesses), and Brother Industries, Ltd. recycles them.
For details, see "Recycling Used Consumables" or "Corporate Used Products".

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Mie Brother Precision Industries, Ltd.

Mie Brother Precision Industries, Ltd. started to work on remanufacturing toner cartridges for laser printers in FY2009 (April 1, 2009-March 31, 2010) based on remanufacturing expertise gained in Europe.
Collected used toner cartridges undergo sorting, disassembly, cleaning, and parts replacement for remanufacture. To further reduce environmental impact, the company shares information with remanufacturing facilities in Europe and the Americas and is continually improving the methods of remanufacturing toner cartridges.
The excess collected toner cartridges are delivered to Brother Industries (U.K.) Ltd. to be remanufactured and recycled, thereby enabling the efficient utilization of resources.



Monochrome toner cartridges

Brother International (Aust.) Pty. Ltd.

Brother International (Aust.) Pty. Ltd. is a founding member of the Cartridges 4 Planet Ark (C4PA) program to recycle printer toner cartridges. Since 2003, this program has collected and recycled a total of 57 million printer cartridges (as of May 15, 2025).
As a member of Electronic Product Stewardship Australasia (EPSA), the company is also participating in Australia's National Television and Computer Recycling Scheme to recycle printers.

Brother International (NZ) Ltd.

Brother International (NZ) Ltd. is working with an experienced recycling contractor to collect and recycle used consumables (e.g. ink and toner cartridges, drum units) and printers. In FY2024 (April 1, 2024-March 31, 2025), 93,000 consumables and printers/All-in-Ones weighing a total of 48 tons were collected.

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Respect for Human Rights

Basic Policy (Brother Group Principles of Social Responsibility)

In 2012, the Brother Group Principles of Social Responsibility was formulated to clearly define our corporate responsibility and actions toward achieving a sustainable society.
Sections on, for example, respect for human rights, human rights due diligence, and grievance mechanism were established in this set of principles, which expresses the fundamental principles of the responsibilities and actions of companies in the Brother Group. It clearly states that we will provide fair working conditions, handle everyone with faith and respect, and observe fundamental human rights, and we expect our employees to act in the same way.

> Brother Group Principles of Social Responsibility
https://global.brother/en/sustainability/csr/csr-principle

Overview of the Brother Group's commitment for respecting human rights



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Brother Group Human Rights Global Policy

Brother Group respects the human rights of all people involved in the business activities of Brother Group, and actively engages in measures to ensure that our business activities do not have a negative impact on human rights.
In order to further work towards the advancement of human rights, we hereby formulate the Brother Group Human Rights Global Policy ("Policy").

1-Scope of application

This Policy applies to all officers, employees, part-time employees, expatriate employees, temporary employees, and contract workers of Brother Group. In order to ensure that the measures described in this Policy extends to the whole of the value chain, Brother Group shall, either directly or indirectly, request that the people who are involved in our group's products and services would understand the Policy and cooperate with surveys, audits, and other measures outlined in the Policy.

2-Respecting human rights

Brother Group respects the human rights set forth in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and works towards the advancement of human rights based on the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council.
In case there is a difference between the internationally recognized standards on human rights and the laws and regulations of each country or region, Brother Group will adopt the higher standard of the two, and in case there is a conflict between those standards, Brother Group will follow the laws and regulations of each country or region, while pursuing ways to respect the internationally recognized human rights to the greatest extent possible.

*Human rights issues that are most important to Brother Group include the following:

- ・Non-discrimination and Non-harassment
- ・Fair and lawful labor practices
- ・Freedom of association
- ・Child and forced labor
- ・Health and safety at work
- ・Sanitation, food and housing

3-Human rights due diligence

Brother Group is aware of the effects that its business activities may have on human rights. For this reason, Brother Group has introduced, and will continue to implement a due diligence process to assess the negative impacts that its business activities may have on human rights.
In case where negative impacts on human rights are identified, Brother Group will suspend the business activities and transactions, strive to mitigate the negative impacts resulting from such activities, or implement other measures to correct or prevent recurrence of such negative impacts. Such measures will be monitored to ensure that they are implemented properly.

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4-Relief mechanism

Brother Group will provide a helpline where people such as victims who are negatively affected by human rights within Brother Group's value chain can seek relief. The helpline is open to everyone, including those within and outside of Brother Group. At the helpline, Brother Group will maintain anonymity and confidentiality in order to protect those who raise their concerns.

5-Information disclosure / Consultation

Brother Group makes appropriate disclosures on its website and reports regarding its human rights due diligence policy and the measures taken to identify and remedy negative human rights impacts.

Brother Group will also engage in sincere consultation with relevant stakeholders regarding the impacts its business may have on human rights.

6-Trainings

Based on the Policy, Brother Group implements various training programs to prevent negative impacts on human rights.

Promotion Structure

The Brother Group has established the Sustainability Committee chaired by the Representative Director & President. The Responsible Value Chain Subcommittee is one of the subcommittees under this Committee and promotes Group-wide global efforts to ensure respect for human rights.
The Subcommittee formulates global human rights due diligence policies and implements human rights due diligence throughout the value chain as its activities to ensure that the human rights of people involved in the Group's business are respected and to provide safe and secure workplaces for workers.

For details, please see "Management with an Emphasis on Sustainability -Promotion of Management with an Emphasis on Sustainability- Promotion Structure
https://global.brother/en/sustainability/csr/management#m01 ".

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Endorsing the "My Declaration of Human Rights" Promoted by the Ministry of Justice

BIL has endorsed the "My Declaration of Human Rights," an initiative advocated by the Ministry of Justice, and has issued its own declaration as the Brother Group.
The My Declaration of Human Rights is a program promoted by the Ministry of Justice and the National Federation of Associations of Human Rights Volunteers, encouraging companies, organizations, and individuals to declare their commitment to respecting human rights. By doing so, the initiative aims to create a society where everyone respects one another's human rights.

For more details, please visit the following website featuring the Brother Group's My Declaration of Human Rights
https://www.jinken-library.jp/my-jinken/company_detail.php?p=MDAwMDAwOTg3Nw== .



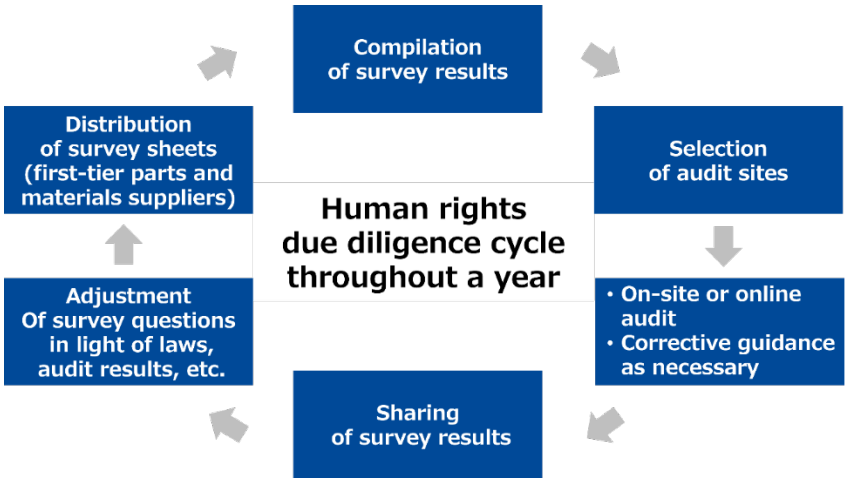
My Declaration of Human Rights

Brother Group respects the human rights set forth in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and works towards the advancement of human rights based on the Guiding Principles on Business and Human Rights endorsed by the United Nations Human Rights Council.

Brother Industries, Ltd. Representative Director & President
Kazufumi Ikeda

Human Rights Due Diligence

At Brother Group, we request first-tier suppliers[*1] of our main business divisions to implement measures for human rights. Furthermore, we aim for responsible procurement in our supply chain by requesting our first-tier suppliers to implement the same measures for their upstream suppliers.



Specifically, we conduct an annual questionnaire survey of our first-tier suppliers of our main business divisions on forced labor and child labor.[*2] In addition to confirming whether or not there is any forced labor or child labor, this questionnaire survey also includes questions on whether they have in place human rights policies, clauses on prohibition of forced labor and child labor in major contracts with their business partners, and measures to confirm legal compliance among their business partners.

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This questionnaire survey, which has been conducted since FY2021, indicates that none of our first-tier suppliers have been using forced labor or child labor over the four years up to FY2024.

Based on the survey results, we make written requests for improvements. We also conduct not only online but also onsite audits of our first-tier suppliers, selected based on the volume of transactions and other relevant factors. In FY2024, we conducted onsite audits to check the working environment, safety, and health. These audits further clarified the activities of suppliers who are making progress in their initiatives and also allowed us to deepen our understanding of the initiatives of each company.

Results of the questionnaire survey and audit of first-tier suppliers

Item	Result			
	FY2021	FY2022	FY2023	FY2024
Assessment based on survey	951 companies	1,128 companies	1,129 companies	1,196 companies
On-site or online audit	10 companies	10 companies	10 companies	25 companies
Number of companies subject to correction after audit	1 company *4	2 companies	0 company	1 company *5

PDF List of Brother Group companies conducting the questionnaire survey and audit of their first-tier suppliers [PDF/249KB]
https://download.brother.com/pub/com/en/csr/pdf/facilities-audit.pdf

The Brother Group will continue to identify human rights risks in the value chain and to promote human rights measures for customers and upstream suppliers based on those risks.

*1 : Suppliers mean companies that supply parts that are necessary for manufacturing Brother products.
*2 : Once every two years for Domino Group*3. For details, please see "Respect for Human Rights by Suppliers https://global.brother/en/sustainability/social/human-rights#suppliers ".
*3 : Domino Group means Domino Printing Sciences and its group companies that operate the Domino business.
*4 : This entity was a first-tier supplier for TAIWAN BROTHER INDUSTRIES, LTD. Correction has been confirmed.
*5 : This entity was a first-tier supplier for BROTHER MACHINERY XIAN CO., LTD. Corrective action in progress.

Grievance Mechanism

For all stakeholders: Establishment of a complaint reporting helpline

The Brother Group joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) in FY2022 and established a helpline https://jacer-bhr.org/en/application/form.html (the link to the JaCER's website) where Brother Group suppliers, customers, investors, and all other stakeholders can raise specific concerns about human rights. This helpline allows anonymous reporting so that whistleblowers can report without fear of retaliation. When a report is received, we promptly

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investigate the case. In case negative impacts on human rights or human right risks are identified, we take necessary corrective action. No grievances were reported from FY2022 to FY2023.

For Officers and employees: Establishment of consultation and whistleblowing helpline (Employee Helpline for Compliance Issues)

At the Brother Group, Brother Industries, Ltd. (BIL) and group companies within and outside Japan have compliance consultation and whistleblowing helplines to prevent violations, act quickly against them, and take preventive steps against reoccurrences.
BIL has the internal Employee Helpline for Compliance Issues for employees to consult and report when they discover or suspect compliance violations, have issues which are not resolved even after reporting to and consulting with their workplace supervisors, or when they have issues which cannot be reported to or consulted with workplace supervisors due to inevitable circumstances. BIL has also established the internal Employee Helpline for Harassment Issues that is dedicated to harassment behavior—such as sexual and power harassment—in an effort to create workplace environments where employees can work while respecting each other. A Quality Compliance Helpline is also in place to prevent compliance and other violations related to the quality of products and services of the Brother Group and to respond to and correct any violations. In addition, an external helpline for compliance issues has also been established with affiliated lawyers outside the company to allow employees to directly report violations.

For details of the consultation and whistleblowing helpline, such as number of cases handled, please see the site for "Governance (G)- Compliance and Anti-Corruption- Brother Group Global Policy for Helpline for Compliance Issues https://global.brother/en/sustainability/governance/compliance#c02 ".

Conduct of Training Related to Human Rights

The Brother Group conducts training related to human rights to prevent any negative impacts on human rights.

Human rights training for employees

BIL has been conducting an e-learning program on harassment for all employees since FY2021.

Training period	March 2025
Target	All employees of BIL (including employees temporarily transferred overseas and in Japan, and temporary employees)
Number of participants	4,236
Percentage of people trained	90%

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Topics	Explanation of the following items to prevent harassment: ・ What is harassment? (Six types) ・ Workplace harassment case studies ・ Introduction to various helplines (harassment consultation helpline, Employee Helpline for Compliance Issues, external consultation and whistleblowing helpline)

In addition, we conduct training related to human rights, such as workshops on harassment, for management and managers (employees in senior positions) and training on Understanding Basic Human Rights related to basic knowledge about human rights for new employees.

Furthermore, in FY2024, we further strengthened our awareness-raising activities regarding harassment, with the aim of nipping small instances of harassment in the bud at an early stage and creating a workplace environment where it is easier to seek advice. Specifically, in addition to the annual e-learning program, we distributed books on harassment prevention to managers and also put up harassment prevention posters in the workplace. Additionally, we expanded harassment prevention training, which had previously been conducted only for newly appointed managers, to include general employees as well, holding it as a harassment prevention lecture by an external lecturer. A total of 341 people participated in the lecture, learning about what each of us can do to prevent harassment and what kind of behavior constitutes harassment.

For details, please see the site for "Social(S)- Talent Development- Details of Education System and Training https://global.brother/en/sustainability/social/training#t02 ".

Human rights training for suppliers

In FY2024, the Brother Group conducted human rights training for procurement personnel and factory management personnel of all first-tier suppliers of its main business divisions, with the aim of promoting understanding of “business and human rights”* among first-tier suppliers in Japan and overseas.

Participants asked for advice on how to inform second-tier suppliers about measures to be taken in light of “business and human rights” and made a request to confirm whether the measures they were implementing were appropriate. The training provided an opportunity for the participants to further deepen their understanding of “business and human rights.”

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Implementation of training on measures to be taken in light of “business and human rights” (FY2024)

Training period	October 2024–February 2025
Target	Procurement personnel and factory management personnel of all first-tier suppliers of our main business divisions
Format	E-learning (For participants who did not have access to a computer, the relevant data was sent by email.)
Number of participating companies	856 companies
Attendance rate	89%
Topics	Measures to be taken in light of “business and human rights” ・ Definition of human rights ・ Introduction to the Guiding Principles on Business and Human Rights ・ Definition of a value chain ・ Human rights and business risks ・ What is required of companies regarding human rights (human rights policies, human rights due diligence, and grievance mechanism)

*: Considering the impact of corporate activities on human rights and protecting and respecting human rights

Respect for Human Rights for Suppliers

Brother Group’s measures ("Procurement Policy" and "CSR Procurement Standards")

The Brother Group makes its "Procurement Policy" and "CSR Procurement Standards" publicly available to share its CSR procurement concept with parts and materials suppliers.

The policy and standards cover a wide range of fields, including human rights and labor, the rights to organize and bargain collectively, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution. The Brother Group complies with local laws and regulations and supports workers' collective bargaining rights by conducting collective negotiations and respecting communication between management and employees on working conditions and management practices.

In the Procurement Policy, the Brother Group clearly states that we act fairly with all suppliers and take proactive approaches toward responsible procurement of minerals. In the CSR Procurement Standards, in addition to promoting understanding of the Brother Group Global Policy on Human Rights, we express

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our stance of respecting human rights in each stated item while requesting suppliers to cooperate in efforts to respect human rights in their procurement activities, as well as to establish a process to check the status of those efforts.

For details, please see the site for "Social(S)- Responsible Supply Chain https://global.brother/en/sustainability/social/supply-chain ".

Domino Group's Measures (Domino Supplier Code)

Domino Group establishes the "Domino Supplier Code"* which sets out expectations for its suppliers. The Domino Supplier Code stipulates human rights related matters such as prohibiting the use of child labor and forced labor, and is incorporated into contracts with its first-tier suppliers that are entered into upon commencing transactions. Furthermore, in order to confirm their ongoing compliance with the Code, Domino Group conducts a written survey for its first-tier suppliers once every two years.

*: A policy setting out Domino Group's expectations for its suppliers. It covers the 4 key principles of treating people fairly, providing a safe and healthy workplace, protecting the environment, and behaving ethically, and is aligned with leading international global initiatives such as the United Nations Global Compact, International Labour Organisation (ILO) Conventions and Ethical Trading Initiative (ETI) Base Code.

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Product Information Security and Product Safety

Product Information Security Basic Policy

The Brother Group's mission is to place our customers first everywhere, every time, with the "At your side." policy. In order to provide secure products from Information security point of view and ensure that customers can use the purchased products with confidence, we establish the following basic policy to firmly implement and promote this.

1. Compliance with laws, regulations and contracts related to information security

We shall understand and comply with information security related laws and regulations of each country, and contracts with customers and partner companies.

2. Company regulations and organizational structure

In order to maintain and improve the information security level of Brother products, we shall establish internal rules concerning product information security, build a company-wide organizational structure and make continuous improvements as advised by top management.

3. Response to product information incident

Regarding the use of Brother products, if an information incident, reputational damage, violation of laws and regulations occurs, or if such a risk is discovered, we will make efforts to minimize damage. This can be through investigation of the cause of incident, investigation of the scope of impact, risk assumption, implementation of necessary measures, promptly providing necessary information to customers, partner companies, and other external organizations related to security. We will also implement corrective measures to prevent recurrence.

4. Prevention of product information incident

To prevent product information incidents, we shall establish standards and implementation procedures, and implement security measures throughout the full product lifecycle of planning, research and development, manufacturing, market use, repair, and disposal.
In addition, we will continuously review the standards and implementation procedures, and reflect

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countermeasures against new threats in products.
And we will continue to send information for customers to use the product securely.

5. Implementation of education on product information security

In order to ensure that all officers and employees involved in product information security can perform their work with information security literacy, we shall thoroughly familiarize them with this basic policy and continue to implement education on product information security.

Structure and Initiatives Related to Product Information Security

Brother Industries, Ltd. (hereinafter referred to as “BIL”) has built a company-wide organizational structure to maintain and improve the Brother Group’s product information security level, and is promoting various initiatives to respond to and prevent product information incidents.

B-PSIRT

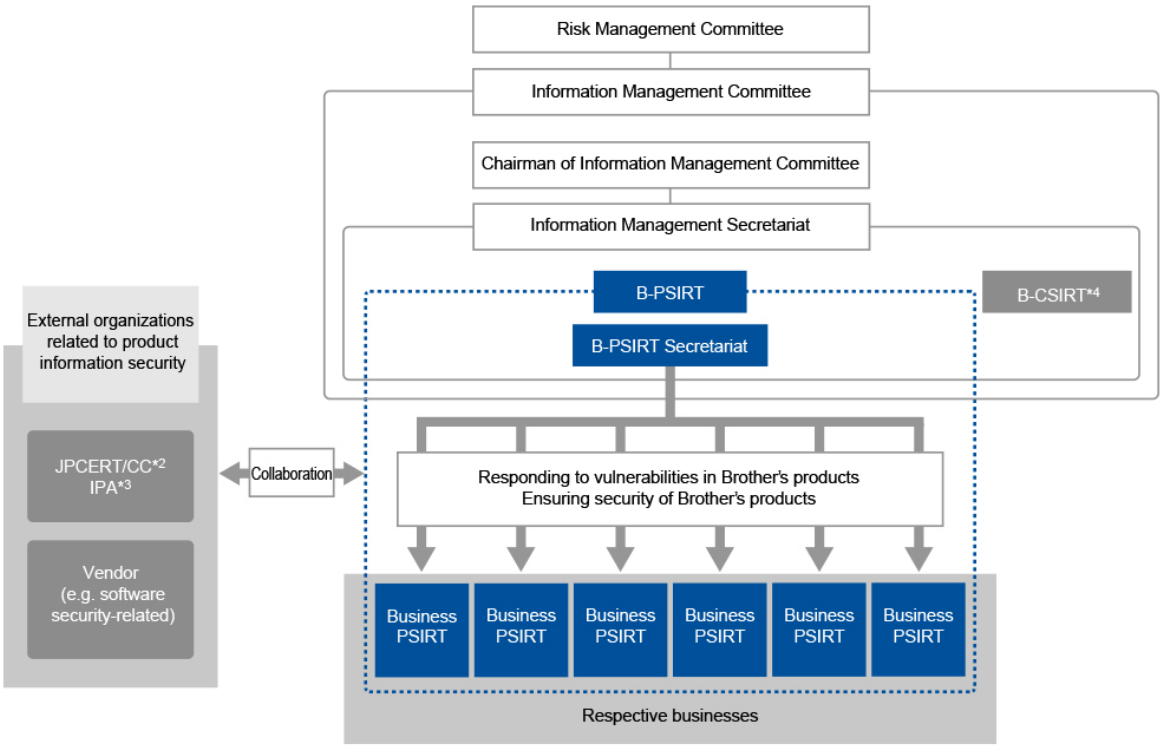
BIL has established the Brother Product Security Incident Response Team (B-PSIRT) as an organizational structure for responding to product information incidents of the Brother Group. B-PSIRT works to prevent information incidents arising from the products of the Brother Group, and in the event of an incident, strives to provide confidence and safety to customers and society through swift response and other measures.

Structure of B-PSIRT

B-PSIRT is established within the Information Management Secretariat of BIL’s Information Management Committee. It comprises the B-PSIRT Secretariat, which oversees and supports the PSIRT[*1] activities of each business, as well as the respective businesses’ PSIRTs which work with the respective businesses’ product, development, and business structures to respond to information incidents that has occurred.
B-PSIRT has an external hotline for vulnerability reports to receive information related to products of the Brother Group, such as vulnerabilities and threats, from those who discover vulnerabilities, such as external agencies related to product information security, companies, and individuals.

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Structure of B-PSIRT



*1: Abbreviation of Product Security Incident Response Team, which is an organization for responding to security incidents related to each company's products

*2: Abbreviation of Japan Computer Emergency Response Team Coordination Center

*3: Abbreviation of Information-technology Promotion Agency

*4: Abbreviation of Computer Security Incident Response Team, which is an organization established within the information department of companies and other organizations for responding to events which occur in internal systems, etc. that may lead to security problems

Initiatives of B-PSIRT

B-PSIRT initiatives such as those below for products of the Brother Group.

Type	Overview
Violation of laws, contracts, etc.	In the functions of Brother's products, or in the process of product use by customers ・ Understanding and responding to different countries' laws, regulations, and standards regarding information security ・ Responding when there are violations, such as in the contractual terms with customers (End-User License Agreement, privacy policy, etc.) and partner companies

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Type	Overview
Handling of information incidents*	Responding when there are information incidents that cause damage to customers who use Brother's products as well as other individuals and companies
Handling of vulnerabilities	・Responding to vulnerabilities in information security related to Brother's products ・Investigating and responding to impact on operational IT infrastructure based on information about threats and vulnerabilities
Prevention activities	・Conducting vulnerability investigations for Brother's products ・Implementing secure development process ・Implementing security measures for Brother's products
Awareness and education	・Raising awareness about product information security to all employees ・Conducting training for employees working in development and promoting the attainment of security qualifications

*: Undesired or unexpected problems and incidents in business operation and information security, such as unauthorized access and information leaks

Collaboration of organizations related to product information security

BIL is registered with JPCERT/CC as a product developer and undertakes responses based on the Information Security Early Warning Partnership.

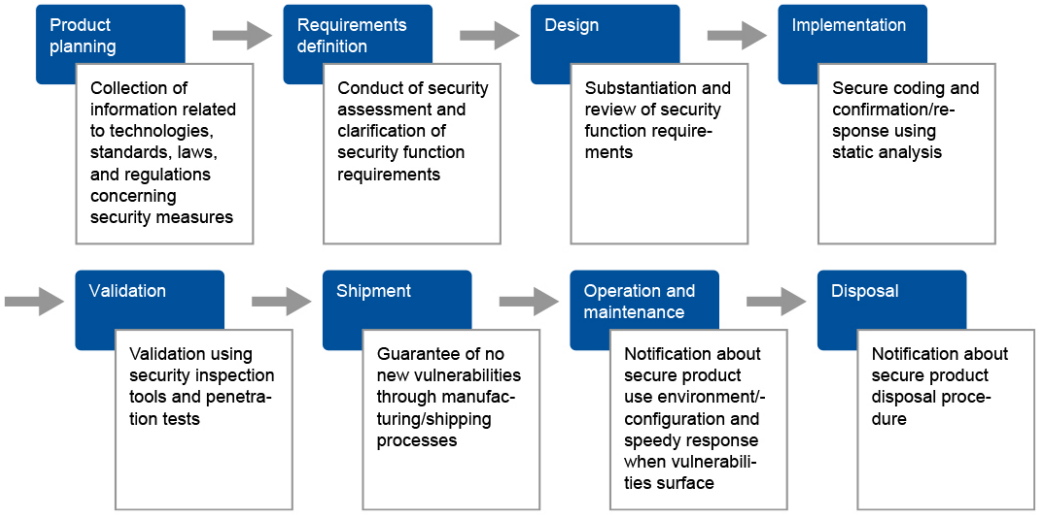
Activities to prevent product information security incidents

Secure development process

B-PSIRT promotes the secure development process, which implements security measures in the product lifecycle from planning to disposal, so that customers can use products safely and with peace of mind.

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Secure development process in product lifecycle



Response process during occurrence of product information security incident

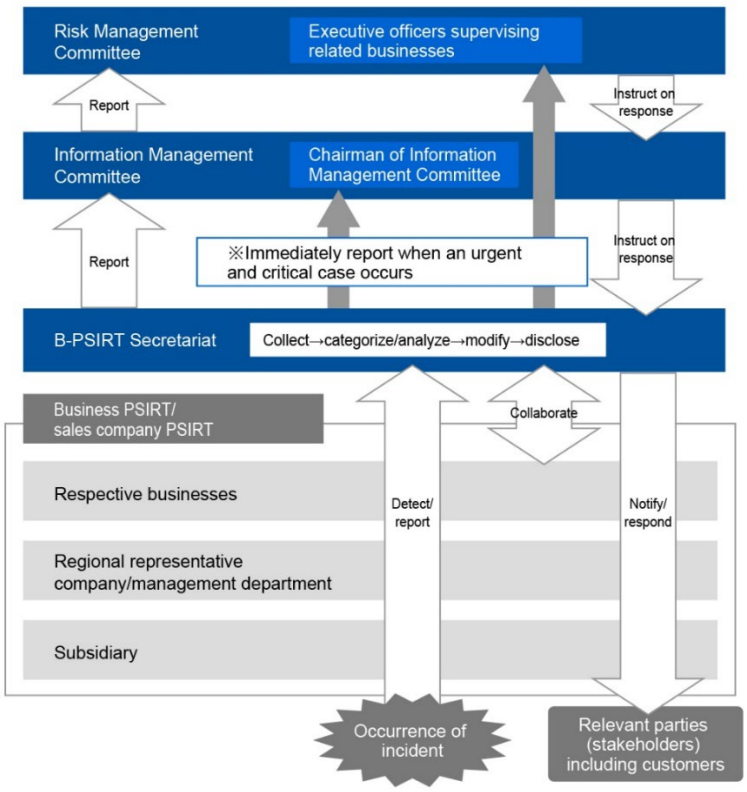
BIL has established the escalation process* when there is a product information security incident or when a suspicious event has been discovered. We strive to response appropriately to the incident and limit damage and losses to the minimum.

When a product information security incident occurs or a vulnerability is detected at a company or organization within the Group, the respective organization's PSIRT person-in-charge will grasp the situation and report to the B-PSIRT Secretariat.

The reported incident will be shared with the management and relevant organizations depending on the details and measures to prevent reoccurrence will be undertaken. Urgent and critical cases will be immediately reported to the Chairman of Information Management Committee and executive officers supervising related businesses, and we will seek to minimize damage by responses such as actions to prevent the spread of damage faced by customers and disseminating information about avoidance methods.

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Response process during occurrence of product information security incident



*: This is a procedure for reporting to the superior (organization) to undertake response at a larger scope during the occurrence of an urgent major incident

Disclosure of product information security information

Information regarding vulnerability of Brother's products as well as information about methods for solving or avoiding problems caused by vulnerabilities are disclosed on the website, translated into 22 languages, so that customers can check them.

> Security support information
https://support.brother.com/g/s/security/en/index.html

External evaluation and certification regarding product information security

With the spread of IoT devices[*1], there are increasingly more cyberattacks targeting them. In the domain of business machines such as printers and All-in-Ones which are used in a variety of environments, there is rising importance for security measures due to the rapid spread of remote work and telecommuting.
Under such circumstances, BIL has strengthened the information security of its products and obtained external evaluations and certifications.

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Passed the rigorous testing of the BLI Security Validation Program

BIL's printers have passed the Device Penetration Testing of the Buyers Lab (BLI) Security Validation Program from Keypoint Intelligence, an independent research and testing agency in the United States, and obtained the Security Verification Testing Seal.

The Security Validation Testing Seal is a certification that indicates that a product has passed the device penetration testing offered by Keypoint Intelligence and indicates that the device firmware and OS contained no serious vulnerabilities likely to be exploited by an outside hacker.



For more information, including a list of products that have passed the BLI Security Validation Program, please visit the Security Validation Program website
https://keypointintelligence.com/security-validation .

Compliance with BMSec (Business Machine Security Program)

As part of efforts to strengthen product information security measures of printers and All-in-Ones, BIL complies with the Business Machine Security Program (BMSec*2) by the Japan Business Machine and Information System Industries Association (JBMIA).

For information and details about products that comply with BMSec, please see the official website of BMSec (the link to the site of "JBMIA") https://bmsec.jbmia.or.jp/ (in Japanese).

* BMSec is a registered trademark of Japan Business Machine and Information System Industries Association.

BMSec is also introduced on Brother's product information website.

> Security responses of printers and All-in-Ones (This will link to Brother's product information (printers and All-in-Ones) website.)
https://www.brother.co.jp/product/printer/security/index.aspx (in Japanese)

*1: Devices which can pass information and orders to each other through LAN or the Internet

*2: This is a program where manufacturers and sales companies carry out self-evaluation of compliance with the Security Guidelines for Business Machines with Network Functions formulated by JBMIA and declare compliance, while JBMIA confirms and discloses compliance results

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Obtainment of ISO/IEC 27001 certification (for information security management systems)

BIL has obtained ISO/IEC 27001 certification, an international standard for information security management systems.

Scope of applicability: Brother Group's information security management
Development and operation of cloud services that connect with printers

ISO/IEC 27001 is an international standard for information security that stipulates the systems and operations required for the appropriate management and protection of information assets.
Obtaining this certification reduces the risks of information leaks and unauthorized access to data, leading to safe and secure use of products and services for customers.



For details about the certification that BIL has obtained, please see External Certification on the Information Security page https://global.brother/en/sustainability/governance/security#external-certification .

Efforts for personal information protection

In the Brother Group, personal information protection policies or privacy policies are formulated at Group companies following the Codes of Practice under the Brother Group Global Charter. For products, personal information is also handled by Group companies in accordance with the aforementioned Codes of Practice.

> BIL's General Privacy Policy
https://global.brother/en/privacy

> Information security of the Brother Group
https://global.brother/en/sustainability/governance/security

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Basic Product Safety Policies

Brother Industries, Ltd. (hereinafter referred to as "BIL") stands on the principles that offering products to meet customer needs is our way of contributing to society, that product safety is our basis for quality assurance, and that delivering safe products to customers must be our top priority. Based on the above principles, BIL has established "Basic Product Safety Policies" as described below that are to be observed at BIL and its group companies in order to ensure the safety of our products.

1. Compliance with Regulations

We will commit ourselves to comply with regulations, guidelines and other rules relevant to product safety, and to behaving with ethical standards while paying serious attention to the standards of safety culture.

2. Establishing and Practicing Voluntary Action Plans

Based on the above basic policies, we will establish, practice, and continuously upgrade voluntary product-safety action plans in order to realize product safety based on our credo that "customers" and "product safety" come first.

3. Securing Product Safety

In order to offer safe and reliable products to customers, we will establish voluntary safety criteria and continuously upgrade them in addition to observing the safety criteria stipulated in applicable laws and industry standards. In addition, we will do our best to provide safe and reliable products by giving necessary education and training to our employees to ensure product safety and prevent accidents resulting from product failures.

4. Collection and Disclosure of Information Related to Product Failures

We will actively collect information relevant to product failures from customers, and disclose such information to customers at an appropriate time and in an appropriate manner.

5. Reporting Product Failures

If a serious product failure occurs, we will immediately report the factual details about the failure to the responsible authorities as ordered by their decrees.

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6. Product Recall

If a product failure accidentally occurs, we will immediately collect facts about the failure and investigate the cause. Furthermore, if necessary, we will take every measure required to prevent the occurrence of further hazards or expansion of the existing hazard by reporting the facts to customers and recalling affected products.

7. Measures for Preventing Improper Use

We will do our best to prevent accidents resulting from improper or careless use of our products, by placing reminders in instruction manuals and on products to reinforce correct use.

Brother Industries, Ltd.
Representative Director & President

Efforts Regarding Product Safety

Safety Data Sheets (SDS)

To allow our products to be used safety, BIL creates Safety Data Sheets (SDS)—by language and product—that consolidate information such as the safe handling of chemical substances found in products.

For details, please see the download site for Safety Data Sheets (SDS)
http://sds.brother.co.jp/sdsapp/index.html



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Social(S)

Responsible Supply Chain





The Brother Group is promoting CSR procurement on a global scale and strengthening its commitment toward “Pursuing a responsible value chain“ as stated in the materiality.

Promoting CSR Procurement

The Brother Group makes its "Procurement Policy" and "CSR Procurement Standards" publicly available and shares its CSR procurement concept with parts and materials suppliers. The policy and standards cover a wide range of fields, including human rights and labor, the rights to organize and bargain collectively, safety and health, global environmental protection, fair trade and ethics, product quality and safety, raw materials, information security, and social contribution. The Brother Group complies with local laws and regulations and supports workers' collective bargaining rights by conducting collective negotiations and respecting communication between management and employees on working conditions and management practices.

In addition, the Brother Group is also implementing initiatives for the responsible procurement of minerals, such as conducting a mineral procurement survey and establishing a working group to confirm that mineral resources that are mined in conflict-affected and high-risk areas*, and may be involved in violation of human rights, violation of labor rights, environmental degradation, etc. are not used.

*: Conflict-affected and high-risk areas: areas with a high risk of armed conflict, violence, and human rights violation

Procurement Policy/CSR Procurement Standards

Procurement policy

- The Brother Group acts fairly with all suppliers.
- The Brother Group respects the rules and spirit of laws in all countries and regions where we operate, and builds strong, respectful working relationships with suppliers for mutual growth.
- The Brother Group promotes environmentally friendly "green procurement," and reduces impact on the environment through the lifecycle of its products.

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- The Brother Group places our customers first everywhere, every time, while remaining committed to delivering high quality products and services at reasonable costs.
- The Brother Group considers human rights violation, labor rights violation, environmental degradation, etc. in mining and trade of minerals as very important social issues, and will take proactive approaches toward the responsible procurement of minerals.

CSR procurement standards

The Brother Group procures products and services from business partners that adhere to the following guidelines:

Labor

- Respect for Human Rights and Prohibition of Discrimination
  Respect fundamental human rights of all people, and do not discriminate by race, nationality, gender, religion or creed. Understand the Brother Group Human Rights Global Policy, establish your own company policies of the same standard, and have your employees strictly follow them.
- Prohibition of Child Labor and Forced Labor
  Do not enforce unfair labor practices and illegal labor of children at any production stage.
  Appropriate Management of Working Conditions and Prevention of Overwork.
- Appropriately manage employees' working conditions including working hours in accordance with local labor laws and regulations, and prevent overwork with consideration for employees' health such as by providing adequate rest days.
- Guarantee of Minimum Wage
  Pay wages higher than the legal minimum in accordance with local labor laws and regulations, and do not reduce wages unfairly.
- Guarantee of Freedom of Association and Support for Collective Bargaining Rights
  Respect the rights of employees to associate freely with others and join or not join the association as a means to facilitate consultation between labor and management over working conditions, working environment, wage levels, etc. In addition, support collective bargaining rights and hold sincere consultations and discussions with employees.

Safety and Health

- Health and Safety Conscious working Environment
  Ensure the safety and health of employees and act to create a comfortable working environment.

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Environment

- Environmental Consciousness
  Take proactive measures to protect the global environment. Comply with the Environmental Supplier Guideline.

Ethics

- Legal Compliance
  Respect the rules and spirit of laws, and act fairly with the highest integrity.

- Adequate Information Management
  Have a framework for managing information in place, and keep personal information and confidential information secure.

- Responsible Procurement of Minerals
  To promote the responsible procurement of minerals, it is strongly suggested to avoid the use of minerals mined or traded in conflict-affected and high-risk areas, which may be involved in human rights violation, labor rights violation, environmental degradation, etc., as raw materials in reference to the Policy on the Responsible Procurement of Minerals.

Management System

- Provision of Superior Quality
  Work on building a framework for delivering safe, high quality products and services to customers who use our products and services.

- Continuous Improvement of Activities
  Use CSR procurement questionnaires, surveys and any other various explanatory materials provided by us to engage in continuous, PDCA-oriented improvement efforts in fulfilling societal demands.

Contribution to Sustainable Society

- Social Contribution in Consideration of Communities and the Environment
  Make efforts to become a good corporate citizen through social contribution activities while sharing our social, economic and cultural resources in communities and considering the global environment.

Request for Cooperation to Business Partners

- Request for Cooperation to Your Business Partners
  Request your business partners to cooperate with our efforts to fulfill social responsibilities from the viewpoints of legal compliance, human rights, labor, safety and health, environment, ethics, management system, etc. stated in these CSR Procurement Standards (including any policies,

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guidelines, documents, etc. cited in the Standards and/or separately provided to you; hereinafter the same shall apply in this section) at the same level as the Standards, as well as establish any process to check the status of your business partners' initiatives at the request of the Brother Group.

> Japanese version of the procurement policy and standards
https://global.brother/ja/sustainability/social/supply-chain#procurement

PDF Chinese version of the procurement policy and standards [PDF/480KB]
https://global.brother/pub/com/cn/csr/partner/policy-cn.pdf

Responsible Business Alliance

Since Brother Industries, Ltd. (BIL) joined the Responsible Business Alliance (RBA) https://global.brother/en/sustainability/csr/initiative#i02 in January 2019, we have been strengthening our supply chain risk assessment and the implementation system for corrective actions based on the assessment results in the areas of labor, health and safety, environment, ethics, and management systems as stated by the RBA in its Code of Conduct.

RBA Recognition Received

The Brother Group has been promoting audits of its sites by third-party organizations accredited by the RBA. As a result, since FY2022, four of its manufacturing facilities have obtained RBA certification. This achievement fulfills one of the sustainability targets set to address the Group's material issues under its previous medium-term business strategy, CS B2024 (FY2022–FY2024): "Attain RBA Gold certification for three Group manufacturing facilities." Moving forward, the Brother Group will continue working to further enhance its initiatives to build a sustainable supply chain, including improving workplace safety and minimizing environmental impact at its manufacturing facilities.

For details on facilities with RBA recognition, please view Responsible Business Alliance under Management with an Emphasis on Sustainability—Participation in External Initiatives https://global.brother/en/sustainability/csr/initiative#i02 .

Using a Self-Assessment Tool

Since FY2023, the Brother Group has conducted annual self-assessments using the self-assessment tool provided by the RBA. These assessments have been implemented at manufacturing facilities of the Printing & Solutions (P&S) Business, the Machinery Business, the Nissei Business, and the Personal & Home Business, as well as at Brother Industries, Ltd. headquarters. In FY2024, these self-assessments were continued[*1], and the scope was expanded to include a manufacturing facility in China for the

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Nissei Business. Through these assessments, the Group reviewed its internal policies, procedures, and implementation status in response to RBA requirements. As a result of addressing any identified gaps, the Group confirmed that none of the assessed sites presented risks equivalent to a Priority Non-Conformance (PNC) in an on-site audit. Through these efforts, the Brother Group is working to ensure compliance with the RBA Code of Conduct[*2] at its manufacturing facilities. At the same time, the Group is also committed to the “Pursuing a responsible value chain,” one of the materialities https://global.brother/en/sustainability/csr/materiality identified by the Group, by using self-assessments to detect risks and minimize their potential impacts.

*1: 16 sites assessed in FY2024

Brother Industries (Vietnam) Ltd., Brother Industries (Philippines), Inc., Brother Technology (Shenzhen) Ltd., Zhuhai Brother Industries, Co., Ltd., Brother Industries (U.K.) Ltd., Brother Industries (Slovakia) s.r.o., Brother Industries (U.S.A.) Inc., Mie Brother Precision Industries, Ltd., Brother Machinery Xian Co., Ltd., Nissei Corporation, Nissei Gear Motor Mfg. (Changzhou) Co., Ltd., Taiwan Brother Industries, Ltd., Brother Industries Saigon, Ltd., Brother Industries, Ltd. (Headquarters, Hoshizaki Factory, Kariya Factory)

*2: Contact for consultation if you become aware of a situation in the supply chain where there may be a violation of the "ethics" section of the RBA Code of Conduct

[brothersupplier.report@brother.co.jp]

For the ethics section of the RBA Code of Conduct, please see the RBA Code of Conduct https://www.responsiblebusiness.org/code-of-conduct/ .

[Notes]

- Verification of your identity may be required depending on the nature of the consultation. If we are unable to verify your identity, we may not be able to provide consultation. We appreciate your understanding.
- Please make sure that you can receive our replies from the domain "@brother.co.jp."
- Please note that we will not be able to respond to inquiries that are not related to the ethics section of the RBA Code of Conduct at this contact.

CSR Procurement Efforts

CSR Procurement Level-up Program

Developed CSR Procurement Level-up Program

In FY2020, the Brother Group developed its CSR Procurement Level-up Program to improve CSR procurement at its suppliers. This program comprises the following three steps. Repeatedly following these steps helps improve the level of CSR procurement at each supplier. The program has evolved further since FY2023 as the information to be understood for consent changed from the Brother Group's CSR Procurement Standards to the RBA Code of Conduct to promote activities toward RBA compliance.

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Step 1 Understanding and Consent

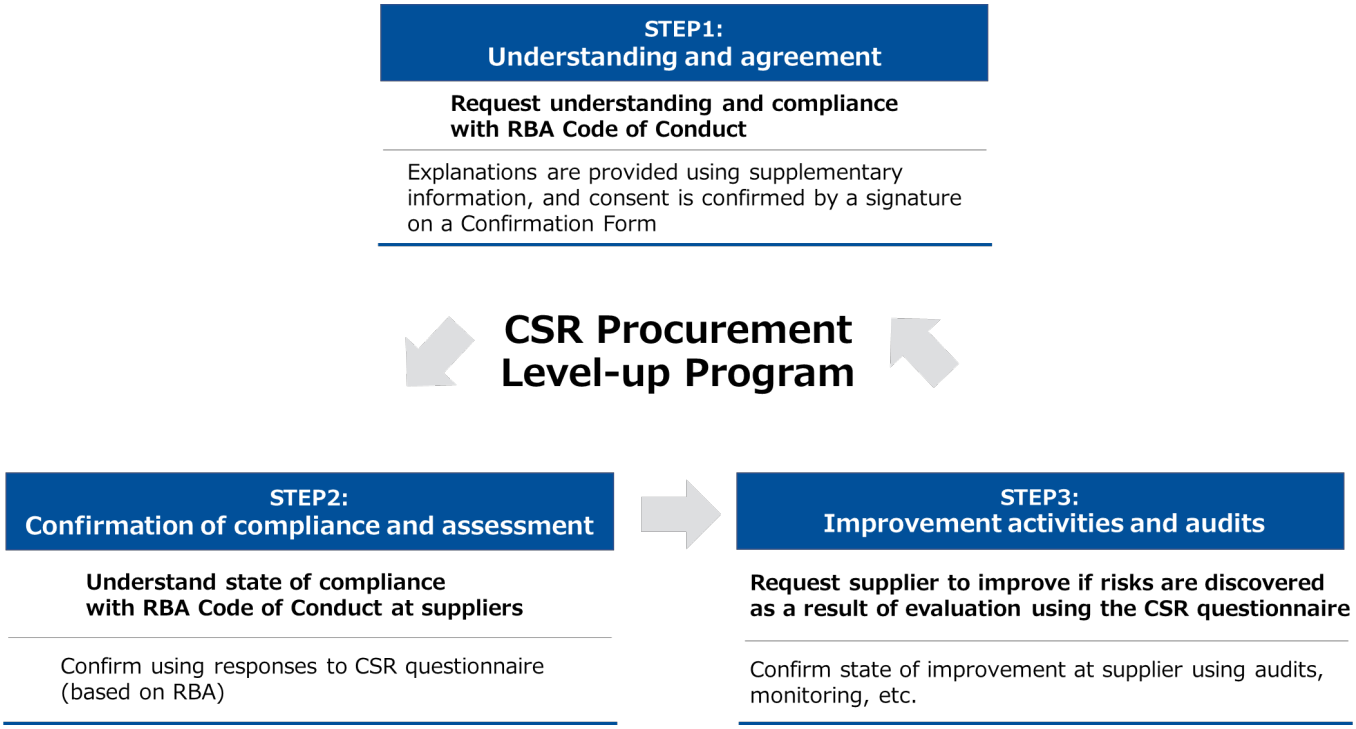
Regarding the RBA Code of Conduct, explanations are given to suppliers using supplementary information to help them understand and comply with it. Suppliers' consent to promote the activities is confirmed by signing a Confirmation Form.

Step 2 Compliance Check and Assessment

The state of compliance with the RBA Code of Conduct is checked through self-checks using the CSR questionnaire (RBA-compliant). Risk assessment of suppliers is conducted based on the responses to the CSR questionnaire.

Step 3 Improvement Activities and Audits

Suppliers that have risks discovered as a result of the assessment are requested to make improvements while ensuring meetings and other communication situations. The state of improvement is checked by combined means of audits and monitoring, and support for improvement activities is provided.



Mechanism of CSR Procurement Level-up Program

This program is being deployed not only for existing suppliers but also new ones. For existing suppliers, based on the evaluation results about the state of compliance with the RBA Code of Conduct, areas of improvement are clarified for each supplier, the results are given as feedback to the suppliers, and they are requested to make improvements. For new transactions, compliance with the RBA Code of Conduct is confirmed so that CSR procurement is carried out even more steadily in the future. Through this program, the Brother Group seeks to further improve the level of CSR procurement together with suppliers.

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Details of Activities under and Results of the CSR Procurement Level-up Program

STEP1: Understanding and Consent; Activities to promote awareness of the RBA Code of Conduct

Preparing supplementary information to the RBA Code of Conduct and signing a Confirmation Form

The Brother Group requests suppliers of its manufacturing facilities (P&S Business) to understand and comply with the RBA Code of Conduct.
To ensure understanding and compliance, the Group has prepared and is providing supplementary information to the RBA Code of Conduct, listing requests and matters it would like its suppliers to cooperate in so as to facilitate further understanding among its suppliers. The Group confirms suppliers' consent to promote the activities by obtaining their signatures on Confirmation Forms. In FY2023, the Group received consent from 649 business partners both in and outside Japan. In addition, when starting new transactions, the Group explains the RBA Code of Conduct to obtain understanding and cooperation.

Supplier Explanatory Meetings

In April 2025, we held supplier explanatory meetings at manufacturing facilities (P&S Business) in Japan, Vietnam, the Philippines, and China. On-site—and also online—explanatory meetings were held with a total of 924 participants from 504 supplier companies.
These meetings explained the "CSR procurement activity results for FY2024" and "CSR procurement activity plans for FY2025." We also informed supplier partners that, starting in FY2025, the annual CSR questionnaire survey will be conducted using an online system. These meetings served as an opportunity to deepen engagement with them.

Communication with Suppliers

Brother Group widely communicates the importance of CSR procurement to its suppliers. In FY2022, we asked our parts and materials suppliers in the P&S Business to appoint two or more CSR procurement personnel*. In FY2023 and FY2024, we worked with the appointed CSR procurement personnel at each supplier to help them formulate their own CSR Procurement Standards that specify information in the areas of labor, health and safety, the environment, and ethics. In formulating these standards, CSR procurement staff at the Brother Group’s manufacturing facilities engaged in direct dialogue with their counterparts at supplier companies, clearly explaining the outline and purpose of the CSR Procurement Standards. Through these direct conversations, they helped clarify any uncertainties and areas for improvement related to the formulation process, thereby deepening suppliers’ understanding of CSR procurement. In FY2024, materials related to CSR Procurement Standards and related activities were shared with suppliers of 19 companies to help them better understand CSR procurement. In addition, to promote awareness of the RBA Code of Conduct, Brother Industries (Philippines) Inc. provided its eight new suppliers with an e-learning course on the RBA.

*: For P&S Business manufacturing facilities

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STEP2: Confirmation of compliance and assessment; Conduct of CSR questionnaire and risk assessment of suppliers

The Brother Group implements CSR questionnaire activities on a two-year cycle for suppliers in Vietnam, the Philippines, China, and Japan, where the manufacturing facilities of the P&S Business are located. In FY2020, we revised our CSR questionnaire to check the state of compliance with the RBA Code of Conduct at our suppliers. The revised CSR questionnaire comprises questions in the five areas of labor, health and safety, the environment, ethics, and management systems. The questionnaire is configured to check the state of efforts at suppliers by means of self-checks. For example, in the area of labor, the items being checked include the absence of forced labor and child labor and compliance with local labor laws and regulations. In FY2024, we conducted a CSR questionnaire with 114 major suppliers in Vietnam, China, and Japan to conduct a risk assessment.
Together with the CSR questionnaire, we also sent questions about global environmental conservation to check the state of efforts at our suppliers regarding their activities to reduce greenhouse gas emissions. We asked suppliers to provide numerical values, such as the "greenhouse gas emissions (CO_2 equivalent)" produced by their company and "reduction of the volume of water intake." Some suppliers also set their reduction targets in these categories and report on the degree of achievement of the targets.

Evaluation criteria for CSR questionnaire

Risk rating	Score	Description
Low risk	85 pts. or higher	Meets the “CSR Procurement Standards” requested by Brother
Moderate risk	65 to 85 pts.	Some areas require improvement, but voluntary improvements can be made.
High risk	65 pts. or lower	Has areas that require improvement, and needs immediate improvement and monitoring.

STEP3: Improvement activities and audits; Conduct of CSR procurement audits

Improvement activities at suppliers

We request improvement and review the results of improvement activities from suppliers that are found to have risks in the CSR questionnaire. In FY2024, we provided feedback on the evaluation results to all suppliers that completed the CSR questionnaire, and conducted individual interviews with suppliers according to the evaluation results, requesting improvement and reviewing the results of improvement activities from suppliers that were found to have risks. For those suppliers that were found to be at risk, we requested them to make improvements and confirmed the results.

CSR Procurement audit activities

Besides requesting improvements from suppliers with risks discovered through the CSR questionnaire,

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we have also built a system where the Brother Group auditors conduct CSR procurement audits on suppliers' manufacturing facilities and get them to rectify any nonconformities that are discovered.

In FY2024, CSR procurement audits were conducted on 19 suppliers identified to be audited according to the results of CSR questionnaire assessment. Five suppliers in Vietnam, eight in the Philippines, and five in China, all of which we newly conduct business with, were audited in the areas of labor, ethics, health and safety, and management. For each nonconformity found as a result of the audit, Brother Group auditors explained the causes of the nonconformity and the measures required to become compliant, giving specific examples, and asked suppliers to take corrective actions.
Through these activities, the Brother Group seeks compliance with the Procurement Policy and CSR Procurement Standards together with our suppliers.

Promoting CSR Activities at Suppliers in Part Through Workplace Visits and the Selection of Outstanding CSR Activities

Implementing questionnaires on supplier CSR activities and visits to supplier companies at each manufacturing facility; Selected six Outstanding CSR Suppliers in China from submitted entries

Aiming to further promote the CSR activities of its suppliers, the Brother Group has been conducting questionnaire surveys about their CSR efforts, selecting and honoring excellent examples since 2015 at Machinery Business manufacturing facilities in Japan and China.

In China, a CSR questionnaire survey targeting suppliers was conducted between September and October 2024, and responses were received from 96 companies. In addition, CSR initiatives were solicited from suppliers, and among the 23 submissions received, six companies were selected and recognized with the Excellent CSR Award. One of the award-winning companies, which introduced energy-related equipment, was recognized not only for improving the working environment but also for contributing to the global environment by enhancing energy efficiency. This outstanding initiative was shared with other suppliers and Brother Group members who attended the award ceremony, providing an opportunity to learn from an excellent example.

The Brother Group continually strives to develop relations of mutual trust with its business partners and grow together with them to quickly deliver superior value to customers.

FY2024 award-winning company
BROTHER MACHINERY XIAN CO., LTD., Outstanding CSR award

- TAISEI(SHANGHAI)ELECTRONICS CO.,LTD
- NINGBO YINZHOU HANGSHAN MACHINERY MANUFACTURING CO.,LTD
- CHONGQINGZERO- ONE PRECISION MACHINERY CO., LTD
- FOUNDER MICRO MOTOR(LISHUI) CO.,LTD

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- WU XI PERUN RUBBER&PLASTIC CO.,LTD
- SUZHOU JINYI PRECISION GEAR CO., LTD

Establishment of the Centralized Procurement Dept.

Under the three-year medium-term business strategy "CS B2027 https://global.brother/en/investor/management/csb " for FY2025–FY2027, which aims to strengthen the Brother Group's management foundation by enhancing company-wide procurement management and other initiatives, the Centralized Procurement Dept. was established in April 2025 to oversee procurement operations in an integrated manner and execute them efficiently in collaboration with related departments. By formulating and implementing procurement strategies across all business segments—including the industrial domain—the department is working to strengthen the Group's overall procurement capabilities. Specifically, the new department aims to enhance supplier governance by centralizing information on management, human rights, and environmental initiatives; improve procurement stability by visualizing risk components* across all businesses and establishing a BCP framework; and reduce costs by supervising procurement processes from the upstream stages across all businesses and promoting centralized purchasing.

*: Components that may affect the quality, safety, or reliability of products

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Data Related to CSR Procurement

	FY2020	FY2021	FY2022	FY2023	FY2024
Procurement Policy and CSR Procurement Standards	Established in 2008				
> Green Procurement https://global.brother/en/sustainability/eco/product/supplier	Started in 2001				
Supplier meeting	Conducted online Participated in by 217 people from 129 companies	Conducted online Participated in by 680 people from 380 companies	Conducted online Participated in by 814 people from 478 companies	Conducted on-site and online Participated in by 842 people from 472 companies	Conducted on-site and online Participated in by 734 people from 408 companies
CSR questionnaire	Started in 2012 (conducted every three years), revised in 2020 (conducted every two years)				

Policy on the Responsible Procurement of Minerals

A part of the minerals (tantalum, tin, gold and tungsten, cobalt, mica, etc.) mined in conflict-affected and high-risk areas, such as the Democratic Republic of the Congo and adjoining countries are some sources of funds for local armed groups, and there are concerns that transactions for such minerals may promote conflicts and involve matters such as human rights violations, labor issues and environmental degradation problems.

In promoting management with an emphasis on sustainability, the Brother Group recognizes the human rights violation, labor rights violation, environmental degradation, etc. in mining and trade of those minerals as important social issues.

To implement responsible procurement of minerals, the Brother Group carries out surveys on the use of aforementioned conflict minerals and will steadily undertake efforts toward ensuring transparency of mineral procurement in the supply chain and avoiding the use of conflict minerals while cooperating with suppliers.

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Efforts in the Brother Group to Practice the Responsible Procurement of Minerals

To promote responsible procurement of minerals across the Brother Group's entire supply chain, we are undertaking the following initiatives according to a five-step framework based on the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" issued by the Organisation for Economic Co-operation and Development (OECD).

STEP1: Establish a strong company management system

For the Brother Group’s approach to the responsible procurement of minerals, we have examined systems and methods to engage in the responsible procurement of minerals since 2014 and have been carrying out conflict minerals surveys on tantalum, tin, gold, and tungsten (3TG) targeting suppliers since 2016. Starting in 2022, we have also begun conducting a mineral procurement survey for cobalt and mica.

Currently, under the Responsible Value Chain Subcommittee (https://global.brother/en/sustainability/csr/management), a working group has been established with the participation of relevant departments, including those in charge of procurement and legal affairs. In addition, a Work Standard for mineral procurement surveys has been formulated to promote responsible mineral sourcing in a comprehensive manner.In addition, training is conducted for members in the working group and staff in the procurement and quality control departments responsible for the survey on the responsible procurement of minerals to improve their understanding of our mineral procurement survey initiatives.

STEP2: Identify and assess risks in the supply chain

The Brother Group has been carrying out a mineral procurement survey once a year targeting suppliers that supply materials or parts used in the Group's products. In this survey, the Group uses the "Conflict Minerals Reporting Template (CMRT)" as well as "Extended Minerals Reporting Template (EMRT)" provided by the Responsible Minerals Initiative (RMI)[*1] to verify the content of the target minerals, identify smelters or refiners (SOR) in the supply chain of the Brother Group, and confirm the state of efforts made by each supplier toward the responsible procurement of minerals. Based on the information on SORs included in the Brother Group's supply chain identified as a result of the survey and other information, we conduct a risk assessment for each supplier.

STEP3: Design and implement a strategy to respond to identified risks

Based on the results of risk assessment, we ask suppliers that use SORs expected to be of concern to take appropriate responses, including requiring suppliers to conduct reconfirmation of SOR and avoid use of SORs with concerns.

Furthermore, the Brother Group also requests that suppliers understand the Group’s stances through means such as the CSR Procurement Standards and supplier explanatory meetings, and work on responsible procurement activities for minerals.

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STEP4: Carry out independent third-party audit of smelter/refiner's due diligence practices

As a corporate member of RBA and RMI, Brother Group supports the Responsible Minerals Assurance Process (RMAP)[*2] audits conducted by RMI, and cooperates with the industry to improve activities regarding mineral procurement surveys, and promotes responsible mineral procurement on a global basis in its supply chain.

STEP5: Report annually on supply chain due diligence

Brother Group's commitment to the responsible procurement of minerals is disclosed annually on our website.

Results of past surveys

The Brother Group carried out the annual mineral procurement survey in 2024 and obtained answers from more than 98% of the targeted suppliers. The Group will make ongoing efforts to obtain answers from all of such suppliers.

The Group also appropriately answered and dealt with inquiries from customers about the procurement of minerals survey by means such as the submission of CMRT and EMRT.

3TG survey response rate

	CY2020	CY2021	CY2022	CY2023	CY2024
Response rate	95.5%	97.4%	97.1%	98.5%	98.1%

3TG survey results

	CY2023	CY2024				
	Total	Tantalum	Tin	Tungsten	Gold	Total
Number of identified SORs	349	36	90	54	182	362
Number of CFS[*3]	229	34	72	35	99	240
Percentage of CFS[*3]	65.6%	94.4%	80.0%	64.8%	54.4%	66.3%

Cobalt survey results

	CY2023	CY2024
Number of identified SORs	84	95
Number of CFS[*3]	50	62
Percentage of CFS[*3]	59.5%	65.3%

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PDF Smelters/Refiners (SORs)_Results of Reasonable Country of Origin Inquiry (RCOI) [PDF/324KB]
https://download.brother.com/pub/com/en/csr/pdf/ list-sor-rcoi-2024.pdf

Third-party audit results

The Brother Group has had its four manufacturing facilities undergo RBA audits, which have been recognized to meet the required standards based on the RBA Code of Conduct (D. Ethics 7. Responsible Sourcing of Minerals).

For details on facilities with RBA recognition and related information, please refer to "Management with an Emphasis on Sustainability – Participation in External Initiatives https://global.brother/en/sustainability/csr/initiative#i02 ".

*1 : Responsible Minerals Initiative (RMI): An organization that promotes the responsible procurement of minerals globally in cooperation with companies.

*2 : Responsible Minerals Assurance Process (RMAP): A third-party smelter/refiner audit and certification program operated by RMI

*3 : Conflict-Free Smelters (CFS): Smelters or refiners that have been certified as not using conflict minerals through an RMAP audit, including those currently undergoing audits or committed to undergoing them

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Talent Policy and Development



Brother Group Human Resources Management Policy

Published on October 1, 2025

Since its foundation, the Brother Group has consistently maintained its commitment to valuing its people. According to the “Brother Group Global Charter”, we strive to create a workplace where each associate can demonstrate their abilities and thrive.
To further evolve human resources management within the Brother Group, we hereby establish the Brother Group Human Resources Management Policy (hereinafter referred to as “this Policy”).

1. Scope

This Policy sets forth the guidelines for human resource management at each Brother Group company and applies to all Group locations.

2. Respect for Diversity

The Brother Group positions respect for diversity as a driving force behind its growth and innovation.
In each of human resources management processes, we place importance on DEI (Diversity, Equity, and Inclusion), strive to prevent and eliminate discrimination, and aim to bring out the strengths of both individuals and organizations.

- **Diversity:** We respect the diversity of backgrounds and attributes* of all people working at the Brother Group and value the diversity of opinions and perspectives that arise from these differences.
- **Equity:** We provide equitable opportunities by considering and accommodating each individual's background and circumstances.
- **Inclusion:** We foster a culture of mutual respect for differences and inclusion of diverse values, so that everyone can fully demonstrate their individuality and abilities, thereby strengthening the organization.

* Diversity of backgrounds and attributes encompasses a wide range of differences, including race, ethnicity, nationality, religion, gender, sexual orientation, age, disability status, and more.

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3. Recruitment

The Brother Group seeks individuals who understand and support the direction and goals of the company and its organizations, who can contribute to the growth and innovation of the Group, and who understand and put into practice the Codes of Practice of the Global Charter.
We also strive to create employment opportunities where diverse talents can make use of their respective strengths and thrive.

4. Talent Development

The Brother Group supports each employee's independent learning and long-term demonstration of their talents and skills. To achieve this, we provide diverse learning and development opportunities tailored to individual motivation and capabilities, thereby supporting their career development.
We also continuously focus on developing leaders who will shape the future of the Group.

5. Evaluation and Reward

The Brother Group responds to employees' efforts and achievements toward goal attainment, as well as the contributions to the success of the organization and the company with fair evaluation and rewards.
We strive to design and operate evaluation and compensation systems that respond to both internal and external changes, with clear explanations to foster employee understanding.

6. Working Environment

The Brother Group complies with the laws and regulations of each country and develops a safe and secure working environment for everyone working in the Group.
We will never tolerate any form of discrimination or harassment and will work to prevent and eliminate discrimination and harassment, aiming to create a workplace where each individual is respected.
We support employees in leading healthy and fulfilling lives both physically and mentally by fostering a supportive working environment and promoting work-life balance.

7. Organizational Culture

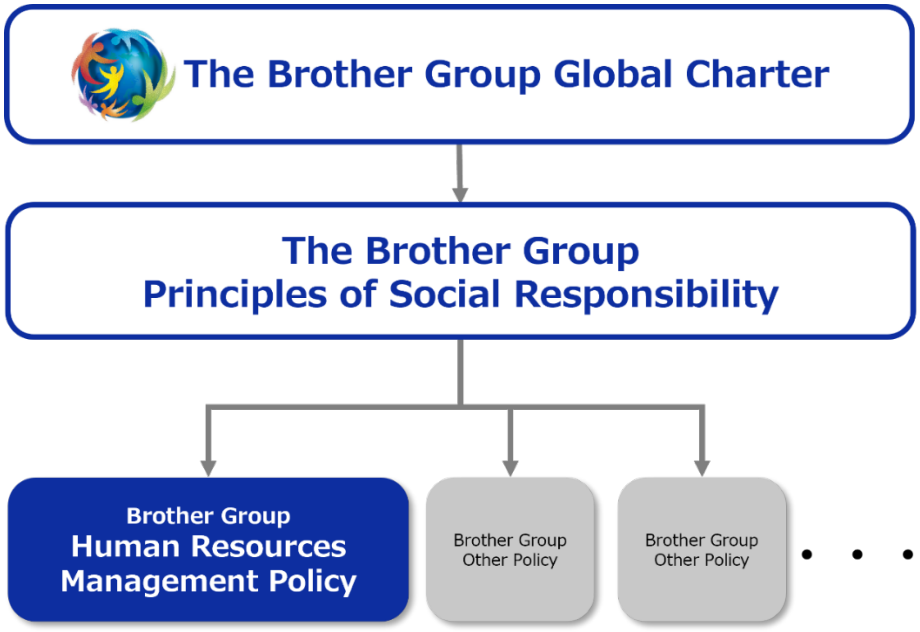
The Brother Group places the customer first, everywhere, every time, demonstrating its motto; "At your side."
To this end, we strive to foster an organizational culture that encourages open and lively dialogue, while also creating an environment where each employee can think and act autonomously, grow, and embrace a spirit of challenge and speed.

8. Effectiveness of this Policy

Each Brother Group company shall promote human resource management based on this Policy.
To ensure its effectiveness, we will monitor the status of implementation and revise or improve measures as necessary.

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Positioning of the Human Resources Management Policy



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

> The Brother Group Principles of Social Responsibility
https://global.brother/en/sustainability/csr/csr-principle

Human Resource Policy

In recent years, the environment surrounding employees and organizations has changed dramatically through not only globalization but also shifts in society's values and needs.
Under these circumstances, it is critical for the Brother Group to continue being the company chosen by customers with the spirit of "At your side." and to foster a corporate culture in which employees can work with even stronger motivation. To accomplish these goals, Brother Industries, Ltd. (BIL) formulated a "Human Resource Policy" in FY2023. Based on this Human Resource Policy, we will promote initiatives to "strengthen the talent foundation to accelerate business portfolio transformation" as set out in the Management Foundation Strategy of our Medium-Term Business Strategy "CS B2027" https://global.brother/en/investor/management/csb . The Group also aims to realize the Brother Group Vision "At your side 2030" and to achieve eternal prosperity. Furthermore, the Group is implementing talent development and various other personnel measures, including a new personnel system, to enable employees to maximize their abilities.

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Human Resource Policy	
Support "true autonomy and effort" of employees, respect diversity, and properly reward achievements and contributions	
True Autonomy	Think about the vision for growth, what one wants to do, and what needs to be done, and execute it while involving others.
True Effort	Dive into an environment where there are no policies or precedents, and where success is not guaranteed, and to think things through and act accordingly.
Respect Diversity	For the ultimate goal of "maximizing achievements and contributions," respect each person's will, career, and aspirations (Will) while making the most of each person's skills and strengths (Can), and avoiding uniformity and ageism.

Human Resource System

System reforms to realize the Human Resource Policy

Based on the Human Resource Policy, BIL believes that it is important for the organization and its people to work together to achieve eternal prosperity, with each of the diverse individuals constantly taking on challenges. To promote this sustainable growth, Brother Industries, Ltd. (BIL) takes a generational approach by classifying employees into four tiers from an employee lifecycle point of view.

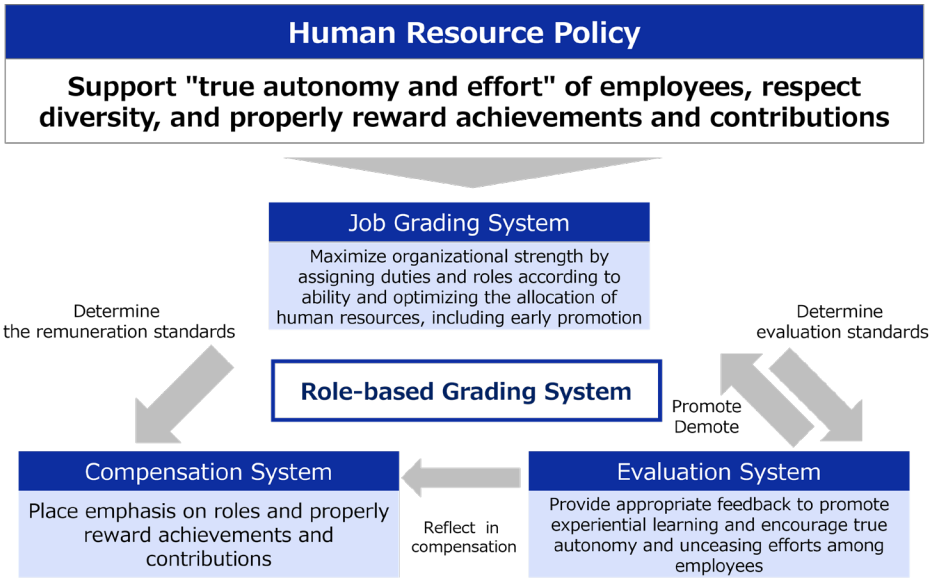
Aims for each generation

Tier	Approach	
Young	**Training/early selection**	・ Encourage the pursuit of marketable expertise ・ Promote at an early stage talent who can produce high results and contribute
Mid-level	**Securing of superior human resource**	・ Realize optimal allocation of talent and flexible compensation system to secure outstanding talent
Management	**Pipeline strengthening**	・ Further strengthen contributions to the Company / organization through advanced management skills and high level of expertise

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Tier	Approach	
Senior	**Capability strengthening**	・ Promote contributions to the Company and organization by creating results and value in new roles

As part of this reform, we have revised our human resource system in FY2023 to encourage all employees at BIL to take on new challenges in an autonomous manner. In addition, with this new human resource system, the switch was made from the previous position-based grading system*1 that placed emphasis on experience to a role-based grading system*2 that places emphasis on the role played. In addition, in line with the change to the role-based grading system, the evaluation and compensation systems have also been revised.



*1: A system that places importance on experience and grades employees based on their individual abilities and capabilities

*2: A system that assigns grades and benefits based on the weight of the role (position) an employee assumes

Role-based Grading System and Compensation System

In April 2023, BIL transitioned from a position-based grading system to a role-based grading system and changed its compensation system accordingly. In this new system, the roles that employees play are emphasized and compensation is determined according to those roles.

Under the conventional position-based grading system, compensation increased with years of service, making it difficult to reflect the great achievements of younger employees in their compensation and requiring a certain amount of experience and period of service for promotion.
Under the newly introduced role-based grading system, grades and compensation are determined according to the role that each employee assumes, regardless of length of service, age or other factors. This will reduce the seniority-based element and enable early promotion of outstanding talents, such as fast-tracking the promotion of younger employees who are bringing about great results and contributions.

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Under this system, BIL will assign roles and provide compensation according to ability so as to encourage “true autonomy and efforts,” as stated in the Human Resource Policy, and “properly reward achievements and contributions,” thereby maximizing organizational strength.

Evaluation System

BIL also reviewed its evaluation system in conjunction with the above transition to a role-based grading system. The new evaluation system reduces the number of rating levels in order to better differentiate each rating. Furthermore, to ensure that we place emphasis on results while also fairly recognizing what led to such results, including the willingness to take on challenges and the efforts made, we have changed the system to one that maintains the two evaluation pillars of "achievement / contribution evaluation" and "competency evaluation*" while ensuring that goal setting and evaluations are conducted in accordance with the role of the employee being evaluated.

In addition, based on the results of the Employee Engagement Surveys https://global.brother/en/sustainability/csr/stakeholder#s03, BIL has reaffirmed the importance of “goal setting” as a factor to increase employee engagement. Accordingly, in addition to the introduction of the new evaluation system, BIL, since FY2023, has changed to a “goal-setting” system that can further encourage employees to take on new challenges.

In addition, BIL has created and published a new Role Definition Chart for each position and role, distributed videos and e-learning programs on the approach to goal setting and personnel evaluation, and conducted training programs for evaluators and employees in order to deepen all employees’ understanding of the new evaluation system and enable them to set and evaluate goals with a common understanding.

After the evaluation is determined, feedback is provided on the evaluation results to inform employees of their strengths and challenges so that they can set their own goals for the following fiscal year. The results of the evaluation are reflected in salaries and bonuses for a highly transparent compensation system. This transparent system helps supervisors and subordinates to enhance mutual understanding and acceptance, thereby properly rewarding achievements and contributions and encouraging employees in "true autonomy and efforts."

*: A method that conducts evaluation by setting evaluation criteria and items based on the common thinking and behavioral characteristics of employees who have produced excellent results.

Extension of retirement age and choice of retirement age

Once the role-based human resource system described above becomes firmly established, BIL will shift the retirement age to 65 for employees who will turn 60 years old in FY2029. This extension of the retirement age will be incrementally implemented starting in FY2026. In conjunction with the extension of the retirement age, the Brother Reemployment System will also be revised to encourage senior employees to take on new challenges and to promote their success.

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By extending the retirement age and introducing a consistent employment and compensation system up to age 65, we believe we can more appropriately evaluate and reward the roles and achievements of senior employees who have experience, knowledge, and skills they have cultivated over many years. And, in conjunction with the transition to a retirement age of 65, BIL introduced a flexible retirement age system. For more information on the flexible retirement age system and the promotion of active engagement by senior employees at BIL, please visit the following website.

> Respect for Diversity-Promotion of Success of Senior Citizens (Brother Reemployment System)
https://global.brother/en/sustainability/social/diversified#d08

Ongoing Initiatives for Diversity and Engagement

BIL is continuously working to foster diversity and enhance engagement in order to "strengthen the talent foundation to accelerate business portfolio transformation" as set out in our Medium-Term Business Strategy "CS B2027." BIL has also introduced various systems to support diverse work styles and work-life balance to achieve “Respect for Diversity,” which is set forth in the Human Resource Policy.

For more information, please visit the following websites.

> Respect for Diversity
https://global.brother/en/sustainability/social/diversified

> Comfortable Working Environment
https://global.brother/en/sustainability/social/workplace

> Employee Engagement
https://global.brother/en/sustainability/csr/stakeholder#s03

Details of Education System and Training (Strengthen Reskilling and Recurrent Education Measures)

BIL is actively investing in talent development in order to "strengthen the talent foundation to accelerate business portfolio transformation," as set out in our Medium-Term Business Strategy "CS B2027." Furthermore, to support the "true autonomy and efforts" stated in the Human Resource Policy, we provide growth opportunities so that employees can autonomously chart their own career paths and constantly take on challenges to establish and improve their individual expertise.

Key educational activities

BIL supports each employee to grow in his or her own way and build an autonomous career while utilizing his or her own skills and strengths. Examples include a career ownership program for

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employees at milestone ages to review their experiences and to visualize their future visions; extension training that accepts employees who wish to participate to learn various skills; and an overseas dispatch training program designed for young employees to gain experience overseas early on in their careers. BIL also provides e-learning options as an opportunity for self-development and subsidizes full or half tuition costs upon completion of a specified course.

In addition, BIL offers more than 20 training programs for new managers, including those on harassment, human rights, and compliance programs, in addition to management training. Besides these programs, we started one-on-one meetings between supervisors and subordinates in FY2017, to encourage the growth of employees, and the meetings are currently being conducted for 80% of the employees.

Self-development programs (BIL)

Category	Number of Courses
Languages	Approx. 120 courses
Business skills/knowledge	Approx. 110 courses
IT/Computer skills	Approx. 30 courses
Qualifications	Approx. 30 courses
Technical skills/knowledge	Approx. 10 courses

For details, please see the educational system diagram below.

PDF Education system (Brother Industries, Ltd.) [PDF/294KB]
https://download.brother.com/pub/com/en/csr/pdf/education-system.pdf

Career development support

Career ownership

The Brother Group is strengthening support for employees' career development based on the concept of "career ownership." "Career ownership" refers to employees taking control of their own careers and growing autonomously. We believe that enabling self-directed career development will allow employees to face work with a more positive and energetic attitude, which will in turn lead to improved employee engagement and greater results, ultimately resulting in greater value for our customers.

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In FY2024, we held a “career ownership information session” for all employees. The information session included specific explanations about "career ownership" and lectures on careers by an external lecturer and was attended by approximately 1,000 BIL employees. In addition, we are promoting initiatives to help with self-directed career development, such as publishing the "Brother Career Conversations Guidebook" on our intranet, which provides an overview of and ideas about career ownership.

Career counseling

In order to support self-directed career development, BIL has offered a career counseling system since 2022, which allows employees to meet with internal or external consultants to speak about career-related matters. During the meeting, employees can reflect on their work experience to date, consider their strengths and values, and consider their future careers from multiple perspectives. By having such meetings at milestone ages, employees are able to broaden their perspectives regarding their careers.

Investing in the development of leader talent

Terry's Challenge Academy

Since FY2014, BIL has been running "Terry*'s Challenge Academy," where the Chairman of the Board supports employees in taking on challenges. The Chairman himself serves as the instructor in this Academy, conveying to employees the perspectives and beliefs he has acquired from his more than 23 years of experience working overseas and as a leader, as well as the importance of experiencing failures and taking on challenges. Through the Chairman's lecture, participating employees will formulate a "challenge story" that clarifies what they want to achieve and the image they aspire to be. They will then refine their challenge story through multiple interviews with the Chairman and external lecturers and ultimately present their proposal to management.

A total of 238 employees have participated in the Academy since its launch in 2014 through FY2024, acquiring problem-solving approaches and strategic thinking skills. In addition, new products and

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services have been created based on suggestions from graduates, such as the deburring machine "Deburring Center DG-1 https://machinetool.global.brother/en-us/all-products/deburring-center-dg-1 ," the spot cooler "PureDrive https://www.brother.co.jp/product/air/index.aspx (This website is available only in Japanese.)," and the handwritten note-taking app "BuddyBoard https://buddyboard.com/ (This website is available only in Japanese.)," which is team-friendly.

*: "Terry" is the nickname of Chairman Toshikazu Koike, who came up with it himself while he was stationed in the United States, based on the initial "T" of his first name "Toshikazu." Brother has a culture of using honorifics (san) rather than titles, so he is referred to as "Terry-san" rather than "Chairman Koike."

External training program

BIL implements an external training program with the aim of strengthening the leadership skills of management candidates. In this program, management candidates participate in external training to learn the skills and mindset required of leaders and also interact and have discussions with employees from other companies with the aim of broadening their horizons and enhancing their perspectives. A total of 224 employees have participated in the program from 2017, its beginning, through 2024.

Female leadership development training

In FY2022, BIL launched the female leadership development training program for potential female managers.

This training program is designed to help female employees envision their unique leadership styles, identify challenges such as balancing work and family life, recognize factors that hinder their motivation and limitations they unconsciously impose on themselves, think of solutions to these challenges, and thereby broaden their career possibilities and perspectives.

From FY2022 to June 2024, the training was conducted five times, with a total of 101 female employees participating. Participant comments have included the following: “The program was very skill-enhancing and boosted my confidence” and “I gained new insights from the comments and feedback from other participants.”

Training programs for new managers

In addition, BIL offers more than 20 training programs for new managers, including those on harassment, human rights, and compliance, in addition to management training.

Details of new manager training (BIL)

Purposes	・ To help new managers recognize their role from a management perspective ・ To help new managers understand and acquire the attitude, knowledge, and skills necessary for their positions

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Goals	· To enable new managers to constantly strive to improve themselves as organizational or expert leaders · To enable new managers to acquire the necessary knowledge to fulfill their role · To enable new managers to deeply understand how to coach their subordinates and prepare for applying the understanding in practice
Programs	· 22 courses in total
Duration	· Approx. 42 hours / 11 days in total

Major training programs for new managers (BIL)

Training name	Aim	Description
Management training	· Understanding the fundamentals of being a manager and management techniques · Understanding the role as a manager	· Basic training · Talent and organizational development training etc.
Harassment training	· Acquire basic knowledge on harassment as a manager	· Explanation of an overview of harassment · Explanation of what to watch out for as a manager · Introduction to specific real-life examples of harassment · Introduction of practical techniques that are effective in preventing harassment (e.g., effective communication based on specific examples)
Compliance training	· Consider compliance from a management perspective	· Explanation of an overview of compliance · Explanation of measures to prevent noncompliance in the workplace · Guidance on internal helplines, and examples of consultation and reporting

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Training name	Aim	Description
One-on-one subordinate development training	・Review one's attitude and involvement in subordinate development to enhance organizational performance, and build an effective attitude and coaching skills to develop subordinates	・Explanation of how to conduct one-on-one meetings to understand the values and motivational sources of subordinates and to enhance their strengths ・Explanation of how to build trust
Human rights training	・Learn about human rights and the understanding that comes from learning about human rights	・What are human rights?: ・Understanding basic human rights and discrimination ・Business and human rights: ・What to consider about human rights when continuing business
Face-to-face meeting with the president/chairman	・Understand the succession of Brother's DNA and reinforce one's awareness of it ・Deepen understanding about importance of management, Group strategy, and leadership through direct dialogue	・New managers talk about what they want to discuss, what they want to ask, etc., and the president gives feedback comments ・Explanation from the chairman about the qualities required of a global leader

Brother develops talent who can tackle global business challenges

Employees develop a broad perspective and high expertise through various experiences

Since FY2008, the Brother Group has conducted the "trainee program," a training program that sends trainees from BIL to the group companies outside Japan and vice versa, aiming to foster talent who have a broad vision, high expertise, and the ability to respond to global business challenges.

This training is designed for young employees selected based on Brother's talent development plan to receive on-the-job training ranging from three months to one year in line with the training plans formulated beforehand by both their dispatchers and receivers. The initial focus of this program was to

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provide trainees with training associated with their area of expertise. However, in FY2015, it started offering training to help trainees gain new knowledge through experience outside their specialty. Such training, for example, includes giving an opportunity for developers to visit customers with salespersons to directly listen to the needs and usage conditions of the customers.

Also, in FY2018, the short-term external training program was started for engineers in their twenties to learn at manufacturing or repair sites outside Japan for one month. This short-term external training program has been providing an opportunity for developers to broaden their perspectives by learning about operations that differ from their usual scope of responsibilities to strengthen collaboration with overseas manufacturing facilities and by directly visiting customers to pinpoint their barriers that they face.

In FY2024, the trainee program and the overseas short-term external training program dispatched a total of 32 employees from BIL to Group companies in Germany, Taiwan, and other countries and received a total of 19 employees dispatched to BIL from Group companies in the Philippines, China, etc. The Brother Group will remain committed to fostering globally minded talent who can deliver superior value.



Comment from an employee who used the trainee system (1)
Brother Industries, Ltd. (Japan) → Brother Industries (U.K.) Ltd. (hereinafter "BIUK")
—Automation and efficiency achieved through on-site visits—

Takahiro Ohwaki
Production Dept.
Printing & Solutions Business Division
Brother Industries, Ltd.

I was dispatched as a trainee to BIUK, a manufacturing facility in the UK. BIUK has been collecting and remanufacturing toner cartridges for printers and all-in-one devices for over 20 years since 2004, and from 2024 it has started collecting and remanufacturing ink cartridges https://sdgsstory.global.brother/e/customer/691/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 in addition to toner cartridges. During this dispatch, I was able to identify issues with the remanufacturing line through on-site inspections and process analysis and worked to resolve them. Specifically, to further streamline and automate the remanufacturing process, we introduced to our ink cartridge remanufacturing line a robot called "COBOT*" that can work in collaboration with humans, reducing the workload by full-time equivalent per day. I also conducted a process analysis of the toner cartridge remanufacturing line, and through an actual site visit, I felt there was potential for further efficiency improvements and automation. In the future, I would like to take advantage of my experience at BIUK and take the initiative in further promoting automation.

*: Abbreviation for "Collaborative Robot." Robots designed to work alongside humans.

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Comment from an employee who used the trainee system (2)
Taiwan Brother Industries, Ltd. (hereinafter "BITW") → Brother Industries, Ltd. (Japan) (BIL)
—Learning about Japan's approach to and initiatives regarding quality control—

Lin, Shao Fang
Quality Management Dept.
BITW

I am in charge of product evaluation of home sewing machines and was dispatched to BIL from BITW, a manufacturing facility in Taiwan, with the aim of further improving and enhancing our evaluation work. In this training, I disassembled a sewing machine to gain a deeper understanding of its structure and learned about its structure and parts, which are important for product evaluation. In addition, I learned about all aspects of product evaluation from BIL's quality control department, which gave me an understanding of the overall quality management system. Furthermore, through on-site observations of quality control and quality assurance activities in Japan, I realized that in order to achieve a higher level of quality evaluation, it is important to create a procedure manual that clearly defines the evaluation flow and procedures, implement that manual, and make improvements as necessary. In the future, I would like to actively implement what I learned from Japanese quality control activities in this training, including creating procedure manuals, at BITW, and I aim to further improve my quality evaluation techniques.

Development related to manufacturing

Takumi Dojo

BIL's Machinery Business has been conducting a Meister program called "Takumi Dojo" since 2006 with the aim of handing down the craftsmanship of skilled workers to the next generation. In this program, young employees meet twice a week for a year to learn skills and work attitudes from experienced workers. If participants are unable to complete a task, they are asked to repeat the year and try again until they have mastered the skill, with the aim of ensuring thorough skill transfer to ensure product quality. By FY2024, more than 80 employees, including employees of Group companies, graduated from the Dojo.
Through these efforts, we are further raising the level of our manufacturing and building a system that allows us to continue to provide high-quality products in a stable manner.

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Onboarding training (development for mid-career recruits)

BIL implements the Brother Onboarding Program for mid-career recruits, aiming to enable them to quickly become successful and produce results.

This training provides participants with the knowledge they need to work at BIL, as well as sessions based on the Brother Group Global Charter, which serves as the foundation for all Brother Group activities, providing an opportunity to learn about the Brother Group's values. This program also serves as an opportunity to build networks among mid-career recruits, and as part of this, it holds "follow-up training," where employees who joined the Company at the same time meet to have face-to-face discussions, and "Talks with the President," where employees can speak with the President in small groups. During "Talks with the President," the President directly speaks about his expectations for mid-career recruits and the direction the Brother Group is aiming for, providing an opportunity for participants to understand the thoughts and feelings of top management and reaffirm their own roles. Mid-career recruits also ask frank questions and offer their opinions, creating two-way communication that fosters understanding of the Company and a sense of belonging.

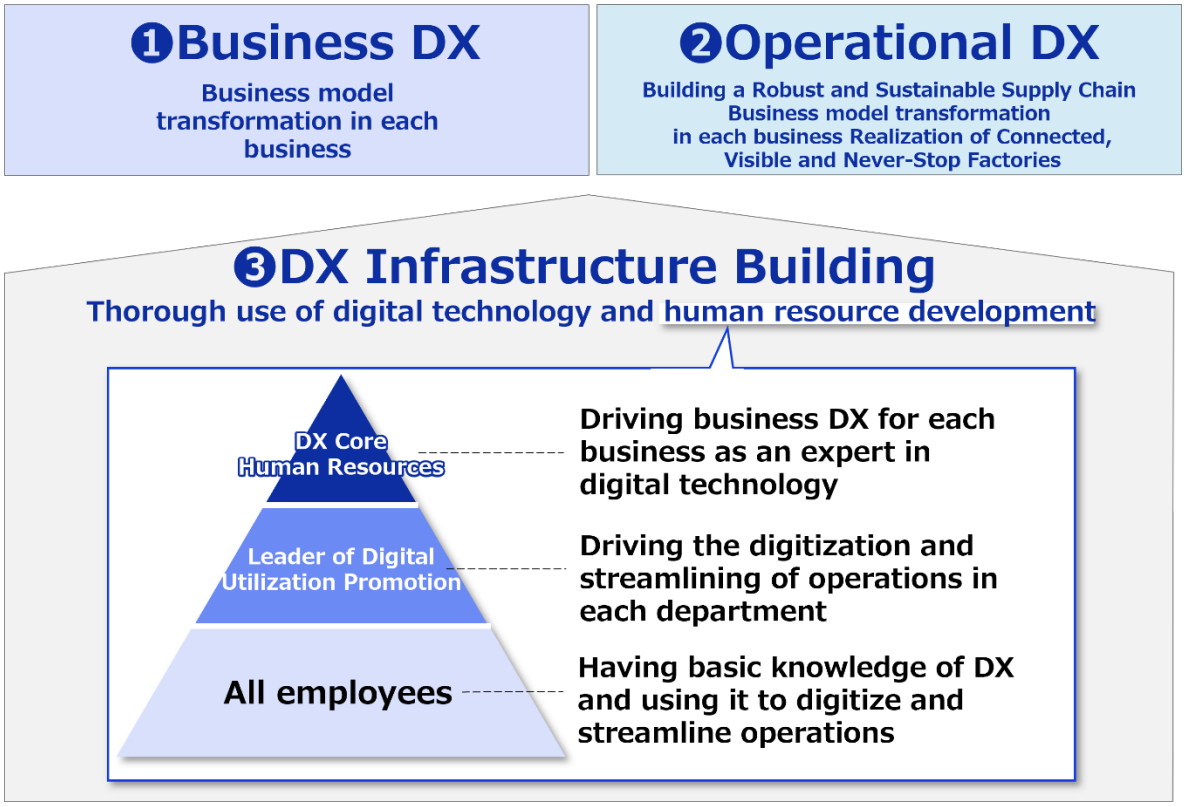
Development of DX Talent

The Brother Group is developing human resources capable of DX* in order to raise the level of digital skills across the Company and develop talent who can lead business process reforms.

The Brother Group's DX strategy consists of three pillars: 1) Business DX (business model transformation in each business), 2) Operational DX (building a robust and sustainable supply chain), and 3) Building DX infrastructure (thorough use of digital technology and talent development). To build the foundation, we are promoting the continuous development of DX talents throughout the Group. The development of DX talent is divided into three levels: "Core DX talents," "Leaders of Digital Utilization Promotions," and "All employees."

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Three Pillars of DX Strategy and DX Talent Development



*: Abbreviation for digital transformation. Transformation of business and life through information technology (IT) such as high-speed Internet, cloud services, and artificial intelligence (AI).

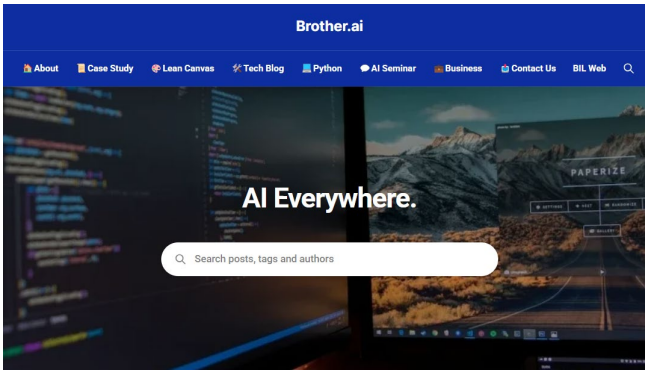
	Description	Training record
Core DX talents	・ Train “core DX talents” who will lead DX in their respective businesses as experts in digital technology	・ FY2022: 147 people ・ FY2023: 84 people ・ FY2024: 82 people (currently enrolled) ・ Between FY2022 and FY2024, a total of 67 people obtained official qualifications such as the DX Certification and Data Scientist Certification.
Leaders of Digital Utilization Promotions	・ Select and train one “Leader of Digital Utilization Promotion” from each division to drive the streamlining and digitalization of operations.	・ By FY2023, 54 people (from all departments) had participated in the training.

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	Description	Training record
All employees	・ Promote "Digital Utilization Talent Development" as the foundation for DX talent development. ・ Collaborate with external educational organizations to support more employees in becoming talents who can utilize digital technology to create value.	・ FY2022: e-learning implemented, attended by approximately 3,000 people. ・ FY2023: A basic DX training program conducted for new graduate employees and mid-career recruits, attended by 158 people. ・ FY2024: A training session held on the theme of data utilization, attended by 25 people.

AI utilization project to foster AI-led talents development

BIL launched operational efficiency projects in 2018. They are aimed at groupwide promotion of automation and greater efficiency in routine tasks by utilizing RPA* and artificial intelligence (AI). One such example is the AI utilization project led by a software development department under the slogan "AI Everywhere." to enable AI application voluntarily by each employee. In this project, we are conducting AI training using an original curriculum that we have created ourselves. We also share the latest AI technology and examples of in-house AI use through a dedicated intranet site. Furthermore, we are also working to support the use of AI to solve on-site problems.



Top page of the dedicated intra-site

The internal AI training program aims to assign at least one AI talent to each business division and, to this end, offers programming courses for beginners to encourage employee participation regardless of level of basic knowledge or affiliation as well as AI development project experiential training where participants can learn about operational precautions and points to consider when running an AI program . The program has been received very favorably among the participants, who said that, "It was a great opportunity to learn how to make use of AI, which I knew nothing about" and "Actually experiencing programming in the workshop gave me a clearer picture of what I will be doing." In fact,

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AI application by employees who have completed the course is growing steadily at various work sites.

Examples of AI application in manufacturing are unmanned operation and improved inspection accuracy for the shape of inkjet printer head nozzles and automation of pre-shipment inspection of industrial sewing machines. Working in cooperation with inspection personnel from each department, project members worked to clarify the issues, collect a huge amount of data needed to utilize the AI system, train the system, and conduct trial operations of the system. This enabled inspection personnel to deepen their knowledge of AI, leading to the application of AI at manufacturing sites.

*: Acronym for Robotic Process Automation, referring to automation of business operations with the robots (replacement of people with robots for multiple routine application operations).

Training and education record

Details of employee development training and education (BIL)

	FY2020	FY2021	FY2022	FY2023	FY2024
Total hours[*1]	104,758 hours	104,450 hours	166,698 hours	118,610 hours	116,061 hours
Training types	position-based education, new manager training, extension training, trainee program[*2], etc.				
Average amount of money per employee	70,746yen	78,837yen	106,025yen	125,241yen	190,761yen
Average number of days per employee[*3]	1.15 days	1.13 days	1.79 days	1.27 days	1.24 days
Average amount of time per employee	27.55 hours	27.01 hours	42.85 hours	30.59 hours	29.74 hours

*1 : Covers only company-wide training programs conducted by the Human Resources Dept. and the Production Strategy Planning Dept. (OFFJT)

*2 : The trainee programs were suspended between FY2020 and FY2021 due to the impact of the COVID-19 pandemic, but gradually resumed from FY2022.

*3 : Includes training and education programs provided by each department in addition to training programs conducted by the Human Resources Dept. and the Production Strategy Planning Dept.

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Comfortable Working Environment



Basic Policy on Employment and Compensation

Building systems and environments in which diverse human resources can demonstrate their abilities

The Brother Group delivers products and services to customers all over the world with manufacturing and sales facilities in more than 40 countries and regions, and all employees are active as members of the Brother global team on the world stage, where business environments differ by ethnicity, language, culture, custom, and other factors.

The foundation for achieving this is laid out in the Basic Policies of the Brother Group Global Charter https://global.brother/en/corporate/principle (hereinafter referred to as the "Global Charter "), which stipulate that "the Brother Group respects diversity and provides a working environment that enables our associates to utilize their talents and abilities to the fullest. All Brother Group companies, based on the Principles, clearly state that they will not tolerate any discrimination or harassment in recruitment, evaluation, promotion, and other aspects of employment on the grounds of ethnicity, nationality, religion, ideology, gender, educational background, age, or disability, and are committed to preventing and eliminating such practices. Furthermore, the “Procurement Policy” and “CSR Procurement Standards https://global.brother/en/sustainability/social/supply-chain#procurement ” prohibit child labor and forced labor. As for employment, the Brother Group guarantees pay higher than local minimum wages. In addition, the group respects employees' rights to form and join, or not join, a union (the rights to organize) as a means to conduct negotiations between labor and management about working conditions and environments, pay levels, and so forth. It also upholds employees' collective bargaining rights and engages in sincere negotiations and dialogues with them. In addition to the signing of labor agreements between labor and management with Brother Industries Labor Union, regular information exchange is also carried out—such as through labor-management gatherings and the Working Environment Improvement Committee—to build good labor-management relations. The management and employees of the Brother Group will continue to make constant concerted efforts to comply with related regulations and rules, respect different cultures and customs, evolve the group's personnel system in line with the Global Charter and the Principles, and continue to create a better working environment, thereby improving employee engagement*.

*: Relationships in which employees and management are equal to each other and provide value to each other

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Introducing a Target Management System to Provide Fair Evaluation and Compensation

The Brother Group has a system that fairly and impartially evaluates employees based on their abilities and achievements and reflects the evaluation results in their compensation. BIL, for example, assesses its employees in a way that highly satisfies them, using a target management system with clear criteria. Each employee receives the results of the evaluation of his/her performance and is subsequently informed of the reasons in a meeting with the supervisor. This approach, which helps employees review their own performance and raise their motivation to advance toward new challenges, has been contributing to talent development.
In FY2024, to help employees set appropriate targets and deliver results aligned with their roles, a workshop on target setting was held for those being evaluated, with approximately 2,100 employees participating.

For more information on the evaluation system of BIL, please visit the following website.

> Talent Policy and Development - Human Resource System
https://global.brother/en/sustainability/social/training#system

Promoting Autonomous Work Styles

BIL believes that by enabling a diverse group of talent to thrive in a rewarding environment where they can work autonomously, BIL can continue to provide new value to its customers and contribute to the development of a sustainable society.

BIL has introduced the following systems:

- **Autonomous work styles tailored to work duties and lifestyle**
  - Flextime
  - Homeworking
  - Internal job postings
  - Internal concurrent job
  - Side jobs and concurrent work
  - Reemployment of employees accompanying spouses on assignment

- **Supporting work-life balance**
  - Childcare leave and reduced working hours
  - Nursing leave
  - Child-rearing support leave
  - Babysitter service support

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- Infertility treatment leave, vacation, and reduced working hours
- Family care leave, vacation, and reduced working hours

For details of each system, please see the following.

Autonomous work styles tailored to work duties and lifestyle

Flextime system

BIL introduced a flextime system in 1995, and since then it has been striving to create an environment that lays the foundation for diverse work styles. In FY2023, to further promote autonomous work styles, the system was enhanced by abolishing the mandatory “core time*” and allowing temporary interruptions and resumptions of work after starting the day. This allows employees to adjust their working hours according to individual circumstances, such as caregiving, childcare, medical appointments, and personal events, making it easier to achieve more flexible work styles. Furthermore, this system can be combined with remote working, which BIL believes will further promote employees’ autonomy in how they work.

*: A time period during which all employees must work

Homeworking

BIL introduced a homeworking system in FY2015 for employees who are raising children or providing nursing care for family members. Subsequently, in response to the impact of COVID-19, BIL expanded the number of eligible employees, and homeworking became more established. Even after the relaxation of restrictions from COVID-19 in FY2023, this system has been continued, allowing employees to work more flexibly by combining remote and in-office work.

Internal job posting system

Since 2004, BIL has operated an internal job posting system that allows employees to voluntarily apply for transfers to different departments. The purpose of this system is to promote the optimal allocation of talent to each department’s priority tasks while providing employees with opportunities to autonomously choose and develop their careers.

Internal concurrent job system

In FY2023, BIL introduced an internal concurrent job system. This system allows employees to work in other departments for a set period, using up to approximately 20% of their working hours, while continuing their duties in their current department. By FY2024, about 30 employees had used this system.

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Various departments have invited applications for key initiatives such as formulating strategies for further business growth and promoting DX by leveraging manufacturing data. As a result, Many employees have applied for concurrent job opportunities and are now making valuable contributions in a variety of departments. Departments that accepted employees with concurrent jobs have reported, for example, that “we were able to gain insights not present within our own department, which accelerated our work” and that “the employee’s motivation and our department’s needs were very well matched.” In addition, many users of the system have shared positive feedback, such as “I was able to think from a perspective different from my usual work, which broadened my horizons” and “I was able to discover new skills and values.” Going forward, through this system, BIL will continue to promote the growth of both individuals and organizations by embracing diversity in experiences, perspectives, and values.



Voice of an employee who used the internal concurrent job system
– Planning a student internship program from the perspective of a software engineer –

Hiroki Sumi
SC Development Dept.—and concurrently Human Resources Dept. during his use of the system—
Printing & Solutions Business Division
Brother Industries, Ltd.

I was involved for six months in planning and implementing a student internship program for prospective software engineers. I leveraged the knowledge and experience I had as an engineer to create a program that would gratify students’ desire for particular bodies of knowledge.
I incorporated operations in my charge into internship events and had internal engineers participate in them to give the interns a more vivid picture of the work of engineers. At the moment when one of the intern students said to me, “Sumi-san, the story you had told us made me decide to work here,” I strongly felt that my efforts had been rewarded very much. I also recognize that the students’ achievements and proposals provided employees with fresh insights, giving them great inspiration. In addition, I learned much from recruiters in the department in which I concurrently worked during my use of the system about effective ways of communication and information sharing with job seekers in recruitment activities, which made me keenly aware of the importance of collaboration across departments. Going forward, I hope to utilize my experience of using this system in order to expand the scope of my capabilities while making most of my perspective as an engineer.

Side jobs and concurrent work

In response to the recent diversification of work styles, BIL has permitted side jobs and concurrent work under certain conditions since FY2021. By expanding work style options, the company enables employees to acquire skills and experience beyond the company framework through new challenges outside the company.

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Reemployment system for accompanying spouses

Since FY2012, BIL has implemented the “Reemployment System for Employees Accompanying Spouses.” This system allows employees who are compelled to resign due to their spouses being assigned to overseas posts or domestic transfers to make use of their careers and return to work. In FY2023, the system was revised to allow for the reemployment of not only employees who accompanied their spouses employed by BIL but also those who accompanied their spouses employed by other companies on overseas assignments. Under this system, BIL provides an environment where employees can continue to be active in the company over the long term.

Supporting work-life balance

BIL has established various systems to provide a work environment where employees can perform to the best of their abilities while balancing work with their lives, including childcare, nursing care, and medical treatment.

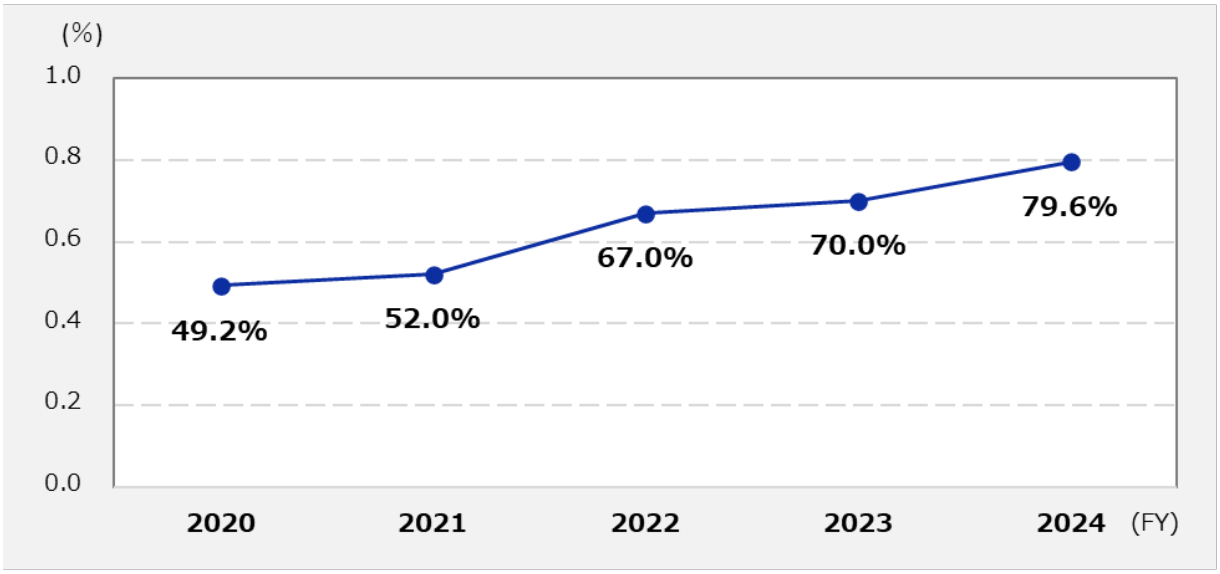
Efforts to encourage male employees to take childcare leave

BIL has set a goal of increasing the percentage of male employees taking two or more weeks of childcare leave to at least 60% and the percentage of male employees taking a total of four or more weeks of childcare leave to at least 30% by FY2025. To achieve this goal, BIL organized "career communities" between FY2018 to FY2021, for roundtable discussions with male employees on the subject of balancing work and childcare with those who have experience taking childcare leave, in which a total of 61 employees participated.

In FY2022, BIL implemented an e-learning program for all employees to inform them about revisions to the Child Care and Family Care Leave Law. In FY2024, BIL conducted a survey of male employees who had taken childcare leave to understand their experiences, and the results were shared internally. Feedback from respondents included many positive comments, such as “I was able to spend more time with my child,” “I was able to reduce my partner’s burden after childbirth,” and “Taking childcare leave provided an opportunity to optimize or automate my work tasks.”

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Changes in the percentage of male employees taking childcare leave (Brother Industries, Ltd.)





Voice of an employee who utilized the childcare leave system
- Valuable time with family provided by childcare leave -

Yasuo Ono
IDS Development Dept.
Printing & Solutions Business Division
Brother Industries, Ltd.

After the birth of my first child, I took childcare leave in three installments, totaling about three months. Before taking the leave, I was concerned about ongoing projects, but my supervisor told me: "Your child's early years are fleeting. Don't worry about work. Take this unique time to bond with your child." Thanks to my supervisor's encouragement and proactive support from my colleagues, my anxieties about taking childcare leave were alleviated. In addition, through the process of handing over my responsibilities for childcare leave, we were able to improve work efficiency by visualizing tasks and identifying waste.
The childcare leave period allowed me to closely observe my child's daily growth, such as their smiles and movements, making it an incredibly valuable time. Additionally, by taking the leave in installments, I was able to flexibly adjust the timing of the leave to accommodate both family needs and work circumstances.
In the future, I would like to actively share my experience of childcare leave with my colleagues and provide support to those who are considering taking it so that more people at my workplace will take childcare leave.

Babysitter support system

In FY2023, BIL introduced a babysitter support system* to support employees in balancing work and childcare. This system provides discount coupons for babysitting services to employees with childcare

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responsibilities. Employees can receive discounts when using babysitters for work purposes, and in FY2024, 97 discount coupons were used by both male and female employees.

*: Utilizing the Children and Families Agency's corporate-led babysitter dispatch program

Infertility treatment leave system

BIL has established various systems to ensure that employees can continue to actively work even when facing challenges in their life stages. As part of these systems, the company introduced the Infertility Treatment Leave System in FY2024. Under this system, employees undergoing infertility treatment, both male and female, are eligible for up to 10 days of paid leave per year and up to 18 months of unpaid leave.

Caregiving understanding promotion program

Since FY2011, BIL has been conducting caregiving seminars to support employees in balancing work and caregiving responsibilities. These seminars aim to deepen employees' understanding of caregiving and introduce the company’s internal support systems and the state-run nursing-care insurance system so that they can continue working without having to resign even when faced with caregiving responsibilities. In addition, to create a work environment that supports employees with caregiving responsibilities, since FY2016, the company has been holding seminars for management staff on how to foster a workplace that enables balancing work and caregiving. In FY2024, a total of 183 management staff and general employees participated in the seminars.

Data on users of various systems to support work-life balance (Brother Industries, Ltd.)

For detailed information, including the number of users of the systems listed above, please refer to the following:

> ESG Data-Social-Related Data (S)-Diversity/Supporting work-life balance
https://global.brother/en/sustainability/data

Reduction of Long Working Hours

Under its policy of reducing long working hours, BIL has put systems in place and promoted operational efficiency.

Revision of systems

Overtime application system

In July 2016, BIL introduced an overtime application system, which requires overtime work after 20:00 to be approved in advance, and basically prohibited overtime work after 22:00. In this way and by

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improving operational efficiency, the company has been striving to reduce long working hours.

Gradual lowering of the upper limit of non-statutory working hours in non-product sections

Based on an agreement with the Brother Industries Labor Union, BIL gradually reduced the non-statutory working hours by FY2020, and they have been maintained.

	FY2020	FY2021	FY2022	FY2023	FY2024
Monthly target	65 hours				
Annual target	450 hours				

Operational efficiency

BIL is promoting operational efficiency improvements, such as launching operational efficiency projects in 2018, reviewing its operational processes, and utilizing digital tools.

Review of operational processes and utilization of digital tools

BIL shares with all employees on the intranet the challenges associated with various tasks, such as internal meeting management, preparation of meeting materials, and handling of e-mails, as well as examples of concrete measures and initiatives taken by each department to address them. In addition, BIL promotes company-wide automation and efficiency improvements in routine work through the use of IT.
As for in-house training on AI, in addition to common training programs for all employees, BIL offers tailored AI curricula for specific roles and needs, including new employees, software developers, and management. By FY2024, a total of 700 employees had completed the in-house AI training, and AI-related e-learning programs are also being provided.
For more details on AI talent development, please see the following:

> Talent Policy and Development - Details of Education System and Training (Strengthen Reskilling and Recurrent Education Measures)
https://global.brother/en/sustainability/social/training#t02

Promotion of BPMN and RPA utilization

BIL is promoting the use of BPMN (Business Process Model and Notation), an international standard notation for business process diagrams. BPMN provides a clear way to represent business processes, including how work is initiated, role assignments, the responsibilities of each person, and interactions among stakeholders. By visualizing business processes according to BPMN and reviewing them collectively with all stakeholders, it becomes possible to efficiently understand the current situation and identify issues, which promotes process improvements.

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To promote process improvements, BIL is developing talent capable of utilizing BPMN, providing e-learning, instructional videos, and hands-on guidance in creating BPMN diagrams. By acquiring BPMN skills, employees in various job categories, such as sales and development, can examine their business processes from multiple perspectives, leading to greater efficiency. The use of BPMN is also spreading globally. In December 2023, all 143 employees of Brother Machinery Shanghai Ltd., a sales company for the machinery business in China, acquired BPMN comprehension skills. Furthermore, in FY2023, reviewing business processes using BPMN revealed redundancies and inefficiencies, resulting in 15 process reforms and a total reduction of 1,873 hours. BIL continued these BPMN initiatives in FY2024 and will further promote process improvements on a global scale.

In addition, BIL provides an extensive environment for learning Robotic Process Automation (RPA), which automates and streamlines routine tasks using AI-powered software robots. The company conducts many in-house training programs on RPA, and sometimes employees who have completed the training voluntarily serve as instructors for subsequent sessions. Furthermore, a Q&A forum on RPA technology has been established within the chat tool, where employees can actively exchange knowledge and ideas. This has not only made it easier to ask and answer questions but also provided opportunities for interaction across departments, helping to further expand the use of RPA.

Reduction of work hours through the use of a daily business report tool

A daily business report tool developed by an employee has a significant impact on reducing work hours. The daily business report tool allows employees to easily send work reports to a chat tool at the press of a button and report to relevant parties, things such as "I will start work," "I will finish work," and "I did XXX today," which were previously done via e-mail. As opportunities for work reporting increased with the spread of remote work, the introduction of this tool enabled the company to reduce a total of approximately 12,000 hours in FY2021, its first year of use. The number of users has continued to grow each year, and today, more than 1,500 employees make use of the tool on a daily basis.

Utilization of the in-house ChatGPT

BIL established an in-house ChatGPT system, "LangAccel," in July 2023 to improve operational efficiency and promote operational reform.

LangAccel is primarily used for text-related tasks, such as summarizing documents and creating templates, thereby reducing the time required for both producing and understanding text. The name “LangAccel” reflects its ability to accelerate a variety of language-related tasks, with “Lang” representing language and “Accel” representing acceleration.
Since LangAccel is an in-house ChatGPT system, measures are in place to prevent information leaks and other similar risks. In addition, explanations on the intranet inform employees about the possibility of incorrect information being provided, thereby ensuring a safe environment for employees to use the system. LangAccel is undergoing regular updates, including transitioning from a Q&A format to a chat-based interface, integration with internal information systems such as the intranet, and improvements in response speed, to enhance its usability and promote further utilization within the company.

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In FY2024, BIL developed two new tools derived from LangAccel: “TransAccel” and “PrepAccel.” TransAccel is a tool that enables translation while preserving layouts and file formats. Unlike LangAccel, which required users to copy and paste the text to be translated, TransAccel allows entire files to be translated directly, thereby further reducing the time required for translation. PrepAccel is a tool that enables batch processing of specific columns in an Excel file. By using this tool, tasks that were traditionally done manually, such as organizing, translating, summarizing, and classifying survey responses, can now be automated, thereby significantly reducing the workload of preprocessing text for use as data.

Going forward, BIL will continue to implement updates and develop new tools in line with advancements in AI technology, thereby improving operational efficiency and promoting business process reform.

Work Efficiency Tool Contest held

Since FY2020, the Brother Group has been holding the “Work Efficiency Tool Contest” online as an initiative to promote operational efficiency. This contest provides employees with an opportunity to present automation tools they have created using RPA and other technologies, along with the results achieved. Winners for first through third place are selected based on the number of “likes” received from employees for each presentation. In addition, various awards are presented, such as the President’s Award, selected personally by the company president, and the Newcomer Award, designed for employees who have just begun learning RPA or programming. In FY2024, 53 teams participated in the contest, including those from overseas facilities. The contest continues to evolve year by year, featuring tools created using LangAccel, as well as low-code/no-code tools.[*2]
In parallel with the contest, related seminars and events are also held. In FY2024, engineers and virtual YouTubers (VTubers) were invited as external instructors to give seminars explaining the utilization and importance of data. In addition, events showcasing successful examples of operational efficiency improvements were conducted, with approximately 1,000 employees participating in the contest and 334 employees taking part in the voting.

The employees who made presentations at the contest commented that they would like to continue creating work efficiency tools that can be useful to others. Participants made such comments as "I want to improve efficiency by automating my tasks" and "I felt that achieving automation would lead to my growth." The event provided a meaningful opportunity for all members of the Brother Group to improve their awareness of work efficiency and skills.

*1 : Time saved by using the business report tool
Formula: Number of reports x 40 seconds (assuming 40 seconds of time saved per business report) / 3,600

*2 : They refer to technologies that allow applications and systems to be developed with little or no writing of source code, the set of instructions normally used in programming.

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Respect for Diversity

Brother Group Human Resources Management Policy

Please visit the following website.

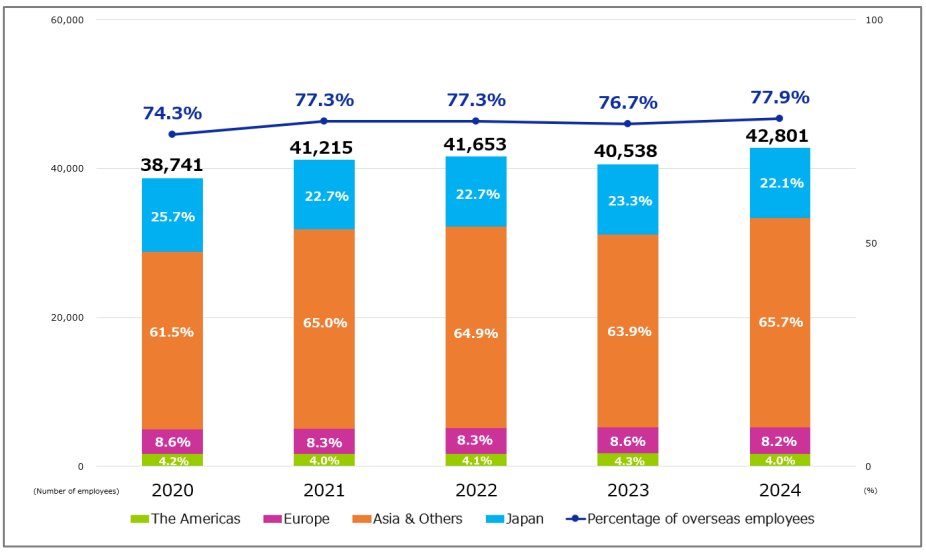
> Talent Policy and Development - Brother Group Human Resources Management Policy
https://global.brother/en/sustainability/social/training#policy

Promotion of Creating Local Employment Opportunities and Assigning Local Employees to Top Management Positions of Facilities Outside Japan

Promoting the success of diverse talent and local employment

The Brother Group has manufacturing, development, and sales facilities in more than 40 countries and regions, employing over 40,000 people groupwide. More than 70% of them work outside Japan, reflecting the active role of diverse talent on a global scale.

Number of employees by region and ratio of overseas employees (consolidated)



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Furthermore, the Brother Group contributes to the revitalization of local communities and economies by creating employment opportunities through the establishment and expansion of manufacturing facilities. For example, the manufacturing facility established in the Philippines in 2012 employs over 7,000 local people, and the two manufacturing facilities in Vietnam together employ over 11,000 local people.

Promoting the assignment of local employees to top management positions at facilities outside Japan

The Brother Group aims for its global facilities to autonomously manage operations tailored to local market conditions by promoting local talent to top management positions. As a result of actively advancing local staff to management positions, including presidents at major sales facilities in the United States, China, and other countries, the proportion of local employees in top management positions of the Brother Group's facilities outside Japan increased from 62% in 2019 to 67%[*1] in 2024.

For the period of the medium-term business strategy "CS B2024" (FY2022–FY2024), the Brother Group set a sustainability target of "enhancing talent development and governance to encourage the assignment of local employees to top management positions at facilities outside Japan." Under the DEI Subcommittee https://global.brother/en/sustainability/csr/management#m01 , established under the Sustainability Committee, the Group worked to build a framework that enables each facility to autonomously manage operations suited to the culture and environment of its respective region. In FY2024, the Group conducted a survey of initiatives at each facility aimed at systematically developing successors and other talent, as well as ensuring that the right people are placed in top management positions. The results showed that subsidiaries in the Americas have held the "Americas Leadership Summit" annually since 2015, bringing together leaders from each facility in the region. This has facilitated information sharing and enhanced collaboration among facilities in the Americas, including the rollout of common HR initiatives across the region. In Europe and Asia, sales facilities—together with regional headquarters and sales companies under their supervision—have been holding regular HR-related meetings to share activities that contribute to effective leadership development and the enhancement of employee engagement. In Japan, a workshop was held in FY2024 attended by leaders of domestic Group company facilities, reaffirming the importance of efforts to enhance employee engagement.
In addition, the Group conducted a survey of overseas Group facilities aimed at establishing governance frameworks for autonomous facility management and confirmed progress in developing and implementing succession plans for leadership candidates.
Going forward, the Brother Group will continue to promote the creation of workplace environments in which diverse talent can thrive, tailored to the roles, characteristics, and challenges of each facility and region.

*1 : As of the end of March 2024

*2 : Including Domino-related companies

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Promotion of Female Management Appointments

The proportion of female managers among all managers differs between the Brother Group companies because the history of women's social advancement and their lifestyles and main occupations vary depending on countries and regions. However, women are active in many group facilities.

Numbers and percentages of female managers in the Brother Group[*1]

Company [Country]	FY2020		FY2021		FY2022		FY2023		FY2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan] [*2,3]	38	4.5%	43	5.3%	46	5.9%	48	6.3%	52	6.8%
Brother Sales, Ltd. [Japan]	4	5.4%	4	4.7%	4	4.7%	3	3.9%	4	4.7%
Brother Technology (Shenzhen) Ltd. [China]	42	33.9%	41	33.6%	40	33.3%	44	34.9%	44	34.9%
Zhuhai Brother Industries, Co., Ltd. [China]	20	55.6%	19	54.3%	15	48.4%	14	48.3%	15	48.4%
Brother Machinery Xian Co., Ltd. [China]	7	20.6%	7	28.0%	9	34.6%	9	34.6%	10	38.5%
Brother International Corporation (U.S.A.) [U.S.A.]	93	42.5%	84	41.8%	92	40.5%	106	44.0%	111	43.7%
Brother International	9	17.3%	12	21.8%	16	26.7%	16	25.4%	17	25.4%

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Company [Country]	FY2020		FY2021		FY2022		FY2023		FY2024	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Europe Ltd. [U.K.] *4										
Brother U.K. Ltd. [U.K.]	14	35.0%	16	43.2%	15	42.9%	17	47.2%	14	45.2%
Brother (China) Ltd. [China]	8	25.8%	9	27.3%	10	30.0%	10	29.0%	9	26.5%
Brother International GmbH [Germany]	9	28.1%	9	30.0%	8	30.8%	7	26.9%	8	33.3%
Brother France SAS [France]	11	35.0%	13	45.0%	12	40.0%	12	38.7%	12	38.7%
Brother Industries (Vietnam) Ltd. [Vietnam]	53	38.7%	52	37.4%	53	35.1%	55	32.9%	61	32.8%
Brother Industries Saigon, Ltd. [Vietnam]	7	38.9%	6	35.3%	7	36.8%	7	36.8%	7	38.9%
Brother Industries (Philippines), Inc. [Philippines]	4	11.8%	6	15.0%	9	20.9%	10	25.0%	11	25.6%

*1 : As of March 31 of each FY

*2 : Includes temporary employees and seconded employees. Doesn't include Directors, Corporate Auditors, and Executive Officers

*3 : Recalculated and updated based on the standards of *2

*4 : Updated to the figures with revised calculation methods for the number of persons and ratios from March 2020 to March 2022 for Brother International Europe Ltd.

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Activities to Support the Success of Women

From the perspective of diversity and work-life balance, Brother Industries, Ltd. (hereinafter referred to as "BIL") continuously strives to create a comfortable working environment for all employees, regardless of gender, thereby realizing diverse working styles.

Implementing measures to promote the advancement of women as one of the challenges in diversity-focused management

BIL has been proactively supporting women's careers through initiatives such as the "Commitment to Promotion of the Success of Women" and the "General Employers Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace." BIL has been providing career counseling for female employees, career training attended by supervisors and subordinates, and opportunities for selected female employees to attend training outside the company.

Female leadership development training

In FY2022, BIL launched the "Female Leadership Development Training" program for potential female managers.
For details, please see Talent Policy and Development
https://global.brother/en/sustainability/social/training .

Plans and Goals

Action Plan and Goals Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Women in managerial positions	
Goal 1[*1]	1. Increase the number of women in managerial positions (positions equivalent to managers as well as specialists with equal compensation) to at least 60 by the end of FY2025.
	2. Increase the number of female candidates for managerial positions in the five years after FY2026 to over 100 by the end of FY2025.
Result	FY2024: Number of women in managerial positions: 60

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Men taking childcare leave	
Goal 1[*1,2]	1. Increase the percentage of male employees taking two or more weeks of childcare leave to at least 60% by FY2025.
	2. Increase the percentage of male employees taking a total of four or more weeks of childcare leave to at least 30% by FY2025.
Result	FY2024 results Childcare leave acquisition rate: Approx. 79.6% Two weeks or more childcare leave acquisition rate: Approx. 76.9% Four weeks or more childcare leave acquisition rate: Approx. 59.3%

Action Plan and Goals Based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Goal 1[*1]	Support men to participate in childcare by carrying out activities to further encourage male employees to take childcare leave.
Goal 2[*1]	Support different work styles by expanding work style options and promoting more diverse and autonomous ways of working.
Result	> Comfortable Working Environment https://global.brother/en/sustainability/social/workplace

PDF Brother Industries, Ltd.'s General Employers Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace [PDF/448KB]
https://download.brother.com/pub/com/en/csr/pdf/diversified_plan.pdf

PDF Brother Industries, Ltd.'s Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children [PDF/177KB]
https://download.brother.com/pub/com/en/csr/pdf/diversified_plan2.pdf

*1 : Five years from April 1, 2021, to March 31, 2026

*2 : Definition: Percentage of male employees taking childcare leave: the number of male employees taking childcare leave for two weeks/four weeks or more in FY2024 ÷ number of male employees whose spouses gave birth in FY2024

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Main measures

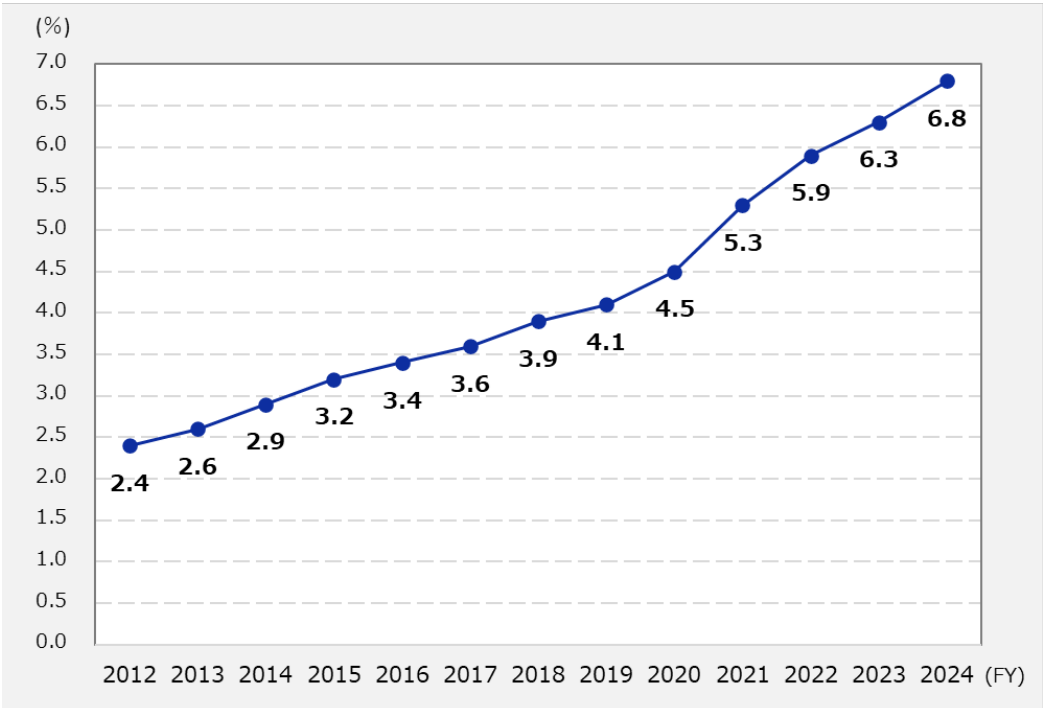
FY 2020	・Lecture by a female Outside Director of BIL and a talk session with a female Executive of BIL ・Roundtable meeting between a female Outside Director of BIL and female employees ・Held the "Career Cafe: 4 Colors," a networking event for female employees of four neighboring companies ・Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees ・Held the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work ・Provided career counseling by an external specialist for female employees ・Developed General Employers Action Plan for the next five years	 Discussion session with Outside Director Aya Shirai and female officers (online streaming venue)
FY 2021	・Held the "Career Community," a series of theme-based round-table talks by BIL's senior employees ・Held the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work	 Career Community
FY 2022	・Female leadership development training for potential managers ・Held the "Childcare Leave Cafe" with the aim of helping employees on childcare leave return to work ・e-Learning on diversity	 e-Learning on diversity

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FY2023	・ Female leadership development training for potential female managers ・ Talk event between a female Executive Officer of BIL and a female executive from another company ・ Introduction of infertility treatment leave system ・ Started providing support for employees to use babysitters ・ Career development training for female employees held jointly with four neighboring companies	 Female leadership development training
FY2024	・ Female leadership development training for potential female managers ・ Began providing sanitary products in major women's restrooms and multipurpose restrooms within the company ・ Published the results of the 2024 Male Parental Leave Survey internally	 Provision of sanitary products

Achievements

Changes in the percentage of female managers (Brother Industries, Ltd.)*1,2,3



*1： As of March 31 of each FY

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*2 : Includes temporary employees and seconded employees. Doesn't include Directors, Corporate Auditors, and Executive Officers
*3 : Recalculated and updated based on the standards of *2

Gender wage gap*1, 2

Scope	FY2023	FY2024
All employees	76.0%	76.0%
Regular employees	73.6%	74.3%
Part-time and fixed-term employees	86.9%	80.1%

*1 : *Calculated in accordance with the provisions of the Act on the Promotion of Women's Participation and Advancement in the Workplace
*2 : The gender wage gap is not due to any differences in wage structures or systems based on gender, but rather to differences in the composition of employees by grade and job category

Please see the following for detailed data regarding supporting the success of women, such as the percentage of female employees in BIL.

> ESG Data-Social-Related Data (S)-Diversity/Supporting work-life balance
https://global.brother/en/sustainability/data

Evaluation by External Entities

In recognition of its efforts, BIL has been certified by Japan's Ministry of Health, Labour and Welfare, and the Aichi prefectural and the Nagoya city governments as an enterprise responding to diverse ways of working by promoting the success of women and providing support for child-rearing and so forth.

For details, please see the site for "Management with an Emphasis on Sustainability-Evaluation by External Entities- Evaluation Regarding the Promotion of the Success of Women, Support for Child-rearing, etc. https://global.brother/en/sustainability/csr/evaluation#e07 "

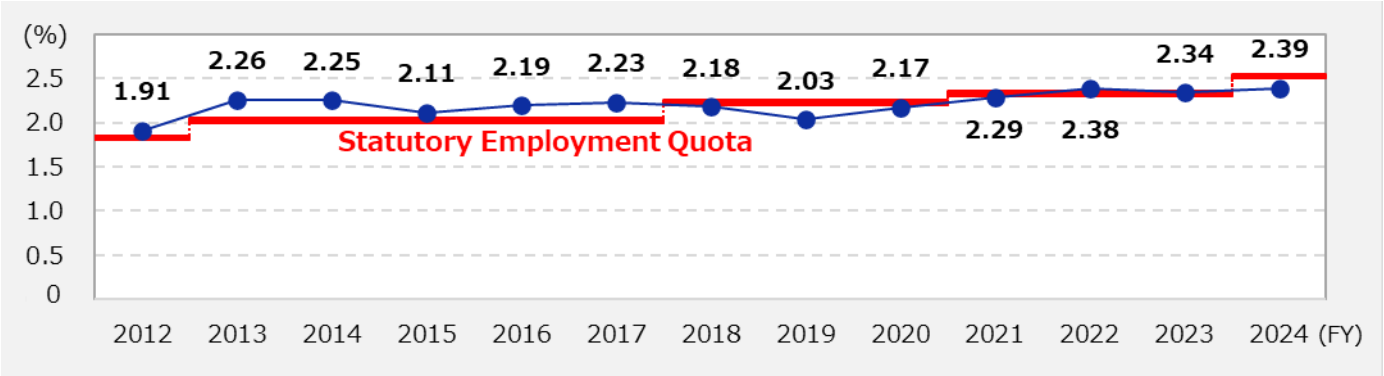
Promoting Employment and Support for Persons with Disabilities

At BIL, employees with disabilities are working actively in the occupations and workplaces that suit their aptitudes and abilities.

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In Japan, companies beyond a certain scale are required by law to ensure a certain percentage of their total workforce is comprised of persons with disabilities. BIL's employment rate in FY2024 was 2.39%, which falls short of the revised statutory employment rate of 2.5%[*1] effective in FY2024. BIL takes this result seriously, and will further strengthen its efforts in both recruiting and supporting employees with disabilities to create a workplace environment where they can work with confidence and security, aiming to meet the statutory employment rate going forward.

Changes in the employment rate of persons with disabilities[*2] (Brother Industries, Ltd.)



BIL is continuously committed to building a workplace environment where all employees, with or without disabilities, can deepen mutual understanding, strengthen collaboration among themselves, and maximize their abilities based on "Trust and Respect" as stipulated in the Codes of Practice of the Global Charter.

Based on this policy, BIL conducts lectures by external experts to promote understanding of disabilities within the company, as well as practical manufacturing site training for students from special support schools aimed at expanding work opportunities for persons with disabilities. Additionally, job coaches[*3] within the Brother Group provide advance explanations to departments where employees with disabilities are assigned regarding necessary considerations and accommodations, thereby fostering a workplace environment where everyone can work with peace of mind.

*1 : The statutory employment rate was raised from 2.3% to 2.5% in FY2024

*2 : Including direct employees (including contract and temporary employees) and those seconded to locations in and out of Japan (excluding employees seconded from other companies)

*3 : Job coaches are specialists who support persons with disabilities and their employers to ensure smooth workplace adaptation

Lectures on employment of people with disabilities and related topics

Since FY2023, BIL has been holding lectures on the employment of people with disabilities to expand their employment opportunities and to promote understanding of disabilities within the company.

Aiming to promote the employment of people with disabilities beyond legal requirements, the FY2023 lecture—attended by approximately 140 executives and managers—covered the general state of such

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employment and what companies need to do to support it. Feedback from participants included comments such as, “I realized that understanding each individual is essential for enabling people with disabilities to work with psychological safety,” and, “I felt that I might have been providing assistance to a wheelchair-using subordinate that they did not actually want. I learned that it is important to confirm the person’s wishes rather than acting on my own assumptions.”

In FY2024, with the aim of learning how to interact with people from different backgrounds, BIL held a “Universal Manners”* seminar. The seminar was conducted three times in total at the Mizuho, Hoshizaki, and Kariya factories, with approximately 500 employees participating in person or online. The session covered topics such as recognizing differences between oneself and others and learning effective ways to interact with people from different backgrounds, including people with disabilities, the elderly, and foreigners. According to a post-seminar survey, over 80% of participants reported a change in awareness compared to before the seminar.

*: Universal Manners" refers to the mindset and behavior for engaging with people from diverse backgrounds, including those with disabilities, the elderly, and foreigners.

Support for LGBT Members of Staff

As part of its diversity promotion efforts, BIL is working to deepen understanding of LGBT issues and create environments in which employees can work as themselves.
In 2019, BIL implemented an e-learning program on LGBT issues for managers and general employees. Since FY2019, LGBT topics have been included in training programs on human rights and labor issues for new employees, and since FY2020, for newly appointed managers. In FY2024, a lecture for all employees was held as part of continued efforts to promote understanding among staff.
In addition, BIL is making various other efforts to respect diversity, such as giving consideration to health checkups and removing the gender field from its annual employee awareness survey.

Lecture on LGBT issues

In FY2024, aiming to create a workplace where everyone can maximize their abilities, BIL held an online lecture on LGBT issues. About 300 employees participated in the lecture, which covered basic knowledge about sexuality and examples of inappropriate remarks and behavior. Feedback from participants included comments such as, “Since there may be people who have not disclosed their sexuality, I realized that I should communicate and behave on the assumption that such individuals may be present.” In the post-event survey, 96% of employees responded that their understanding of LGBT issues had deepened.

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Promotion of Success of Senior Citizens (Brother Reemployment System)

Shift to mandatory retirement age of 65 (from FY2026)

BIL has introduced a reemployment system that allows employees who wish to remain employed after the retirement age of 60 to continue working until the age of 65, providing them with opportunities to leverage the experience they have accumulated over the years and to demonstrate their skills and know-how.

In FY2024, more than 80% of employees requested reemployment under the system, and all applicants were rehired.

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of rehired senior staff	88	121	136	97	82
Rehiring rate[*1]	88.0%	90.3%	91.3%	85.8%	85.4%

In addition, BIL will set the "retirement age at 65" for employees who will reach 60 years of age in FY2029 and thereafter. As a transitional period until then, the retirement age will be gradually extended starting from FY2026.

In preparation for the transition to a retirement age of 65, BIL revised the “Brother Reemployment System” in FY2023 to promote the continued active participation of senior employees. This revision more clearly defines the standards and levels of senior employees' roles and establishes a new evaluation and compensation system based on them. BIL believes this will allow the company to appropriately evaluate and fairly reward senior employees who deliver high performance and contributions. Also, BIL is expanding employment opportunities within the company for individuals who can continue to demonstrate such performance and contributions even after reaching the age of 65.

Furthermore, in conjunction with the transition to a retirement age of 65, BIL has newly introduced a flexible retirement age system. This system allows eligible employees to choose their own retirement age between 60 and 64. In this way, BIL has established a system that enables employees to select their working style according to their life plans, motivation, and preferences.

*1 : (Number of rehired staff / Number of retirees[*2]) x 100

*2 : Number of retirees includes those who do not wish to be rehired

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Safety, Health and Disaster Prevention



Establishing the "Basic Safety and Disaster Prevention Policy" and Its Promotion Structure

Brother Group's Basic Safety and Disaster Prevention Policy

The Brother Group has formulated the "Basic Safety and Disaster Prevention Policy" and is continuously committed to preventing disasters, injuries, and illnesses among employees and to creating a comfortable workplace by ensuring its activities comply with the OSHMS.[*1]

Brother Group's Basic Safety and Disaster Prevention Policy

Safety first' shall be the cornerstone of all operations. We shall try to create a comfortable working environment that allows all our associates to feel safe and work in good health. Safety culture shall be established at the same time.

Regulations of System and Control for Disaster Prevention of the Brother Group

In December 2017, the Brother Group established the "Regulations of System and Control for Disaster Prevention of the Brother Group" to ensure the safety of employees and workplaces when a fire breaks out.
These regulations are composed of three sections: (1) "fire prevention management" to take precautions against fires; (2) "firefighting management" to minimize damage from fires; and (3) "personal safety management" to ensure the safety of employees. In April 2021, we added the "clause on precautions regarding high fire risk equipment, work, etc. regarding firefighting equipment etc."

The Brother Group has applied these regulations to its main facilities in and outside Japan.[*2]

*1 : The OSHMS, the initialism for the Occupational Safety and Health Management System, is a safety and health management system established by the Ministry of Health, Labour and Welfare with the aim of improving the safety and health standards of workplaces.

*2 : Scope of Application
Japan: BROTHER INDUSTRIES, LTD., NISSEI CORPORATION, MIE BROTHER PRECISION INDUSTRIES, LTD., BROTHER

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Overseas: BROTHER TECHNOLOGY (SHENZHEN) LTD., ZHUHAI BROTHER INDUSTRIES, CO.,LTD., BROTHER INDUSTRIES (VIETNAM) LTD., BROTHER INDUSTRIES (PHILIPPINES), INC., BROTHER MACHINERY XIAN CO., LTD., TAIWAN BROTHER INDUSTRIES, LTD., BROTHER INDUSTRIES SAIGON, LTD., BROTHER MACHINERY INDIA PRIVATE LTD.

Safety and disaster prevention promotion structure

Establishment of the Central Safety, Health and Disaster Prevention Committee

Brother Industries, Ltd. (BIL) has established the Central Safety, Health, and Disaster Prevention Committee composed of the Officers of the group facilities in Japan. The Committee is chaired by the Safety, Health, and Disaster Prevention Officer of BIL.

Conducting regular audits

At the Brother Group's main manufacturing facilities outside Japan, the Workplace Safety and Disaster Prevention Group of BIL's Human Resources Department, which acts as the secretariat of the Central Safety, Health, and Disaster Prevention Committee, conducts regular audits to increase the level of safety, health, and disaster prevention and develop local staff.

ISO45001 certification status

Some manufacturing facilities, including Brother Industries (Vietnam) Ltd. and Brother Industries (Philippines), Inc., have been externally certified under ISO 45001. About 8% of the Brother Group facilities had obtained this certification as of March 31, 2025.

Data Related to Safety and Disaster Prevention

Targets/Achievements

Serious accidents at Brother Group facilities[*1]

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Targets	0	(Three-year target)			(Three-year target)		
Achievements	0	0	1[*2]	0	0	-	-

*1: Fatal accidents, accidents resulting in hospitalization of 30 days or more, and accidents resulting in permanent injuries

*2: Please refer to the following link for details on the recurrence prevention measures implemented in response to the serious accident that occurred, as part of Domestic efforts to prevent accidents https://global.brother/en/sustainability/social/safety#effort

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Data Related to Safety and Disaster Prevention

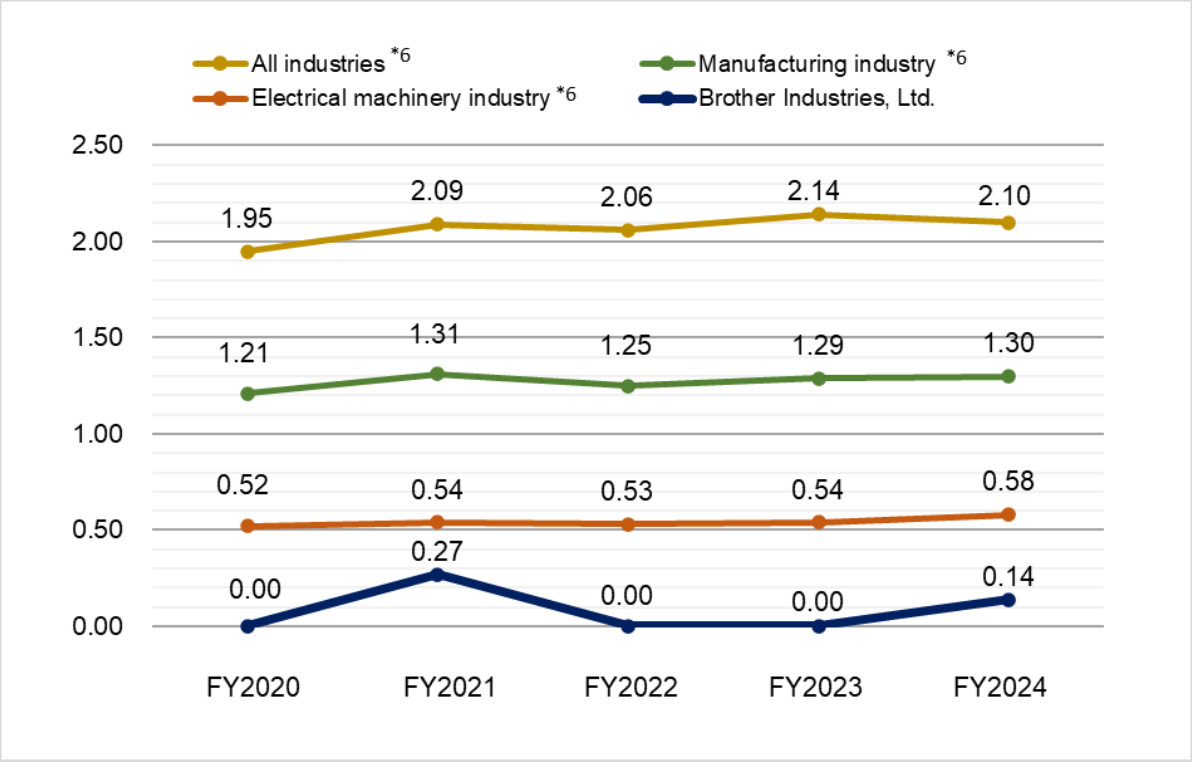
	FY2020	FY2021	FY2022	FY2023	FY2024
Number of fatal occupational injuries*3	0	0	0	0	0
Frequency rate of lost-time occupational injuries*4,5	0	0.27	0	0	0.14
Frequency rate of lost-time occupational illnesses*3,5	0	0	0	0	0
Number of lost-time occupational injuries (one day or more) *3	0	2	0	0	1

*3: Brother Industries, Ltd.

*4: Number of lost-time deaths and injuries from work-related accidents/Total number of working hours x 1,000,000

*5: Number of lost-time illnesses from work-related accidents/Total number of working hours x 1,000,000

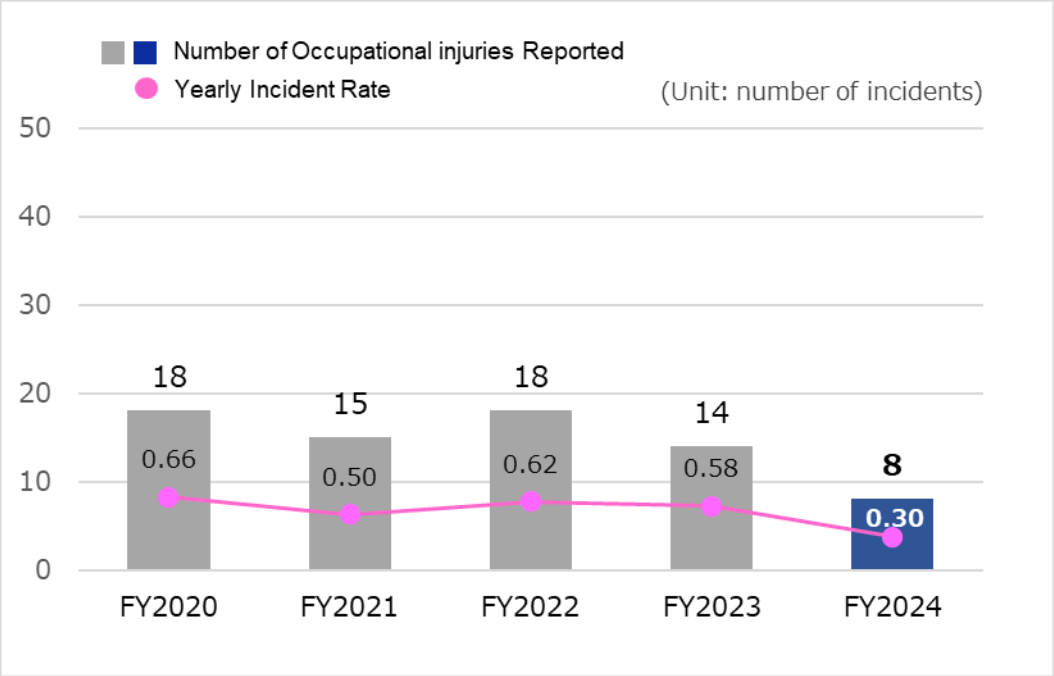
Frequency rate of lost-time injuries in Japan



*6: Source: Survey on industrial accidents provided by the Ministry of Health, Labour and Welfare of Japan

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Number of occupational injuries reported and yearly incident rate at main manufacturing facilities outside Japan (lost-time injuries and non-lost time injuries)[*7]



*7: Yearly incident rate: (number of incidents/number of employees) × 1,000

Results related to safety and disaster prevention at major manufacturing facilities including overseas[*8]

	FY2020	FY2021	FY2022	FY2023	FY2024
Frequency of worker injuries (number of injuries per hour worked)[*9]	0.33	0.36	0.34	0.33	0.16
Occupational accident rate (number of injuries per worker)[*10]	0.0007	0.0007	0.0007	0.0007	0.0004

*8: Main manufacturing facilities including overseas
BROTHER INDUSTRIES, LTD., BROTHER TECHNOLOGY (SHENZHEN) LTD., ZHUHAI BROTHER INDUSTRIES, CO., LTD., BROTHER INDUSTRIES (VIETNAM) LTD., BROTHER INDUSTRIES (PHILIPPINES), INC., BROTHER INDUSTRIES (U.S.A.) INC., BROTHER INDUSTRIES (U.K.) LTD., BROTHER INDUSTRIES (SLOVAKIA) s.r.o., BROTHER MACHINERY XIAN CO., LTD., TAIWAN BROTHER INDUSTRIES, LTD., BROTHER INDUSTRIES SAIGON, LTD.

*9: Frequency of worker injuries (number of injuries per working hour): Number of injuries due to occupational accidents/Total number of actual working hours X 1,000,000

*10: Occupational accident rate (number of injuries per worker): Total number of injuries due to occupational accidents/Total number of workers

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Main Efforts for Safety, Health, and Disaster Prevention

Domestic efforts to prevent accidents

To reduce potential occupational injuries, BIL is striving to improve the work environment so as to prevent accidents by taking the following measures:

Potential occupational injuries	Measures
Fall from a height	・ Install fall prevention barriers.
Machinery-related caught-in or -between accidents	・ Install covers to prevent being caught in machinery.
Forklift collision accident	・ Establish safety rules to prevent unsafe behavior in areas where forklifts and other machinery are in operation. ・ Provide internal education to ensure compliance with safety rules.
Chemical burns	・ Provide regular safety training to ensure proper handling of chemical substances. ・ Establish management procedures and a structure to comply with the "New Regulations for Preventing Occupational Injuries Caused by Chemical Substances," which came into effect in the period from 2023 to 2024.

Recurrence prevention of serious accidents

BIL conducts risk assessments during machine operation and work activities, as well as hazard prediction training, to improve workplace safety and raise employee safety awareness. In addition, BIL implements various initiatives to prevent the recurrence of serious accidents.

In FY2022, a serious accident occurred at a Brother Group manufacturing facility when a production worker, attempting to fix a malfunctioning machine, inserted their hand into the running machine and suffered fingertip amputation. As a recurrence prevention measure for this accident, the movable cover on the moving part of the relevant machine and of similar machines was replaced with a fixed one to prevent hands from entering while the machine is operating. In addition, production workers were re-educated to stop machine operation and notify management when a machine malfunctions and to wait for the malfunction to be resolved before resuming work.

Recurrence prevention of occupational accidents

BIL is committed to preventing occupational accidents and to promoting recurrence prevention measures in response to work-related injuries.

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In FY2023, an accident occurred during a chemical filtration task when chemicals splashed and entered a worker's eye. As a recurrence prevention measure, the equipment involved in the accident was replaced, and workers received additional training on safety procedures, particularly strict adherence to personal protective equipment (PPE) requirements. Furthermore, to prevent similar incidents, this case was introduced in an e-learning program in FY2024, and other examples of tasks that require PPE use were shared, in addition to filtration work. In FY2024, another accident occurred in which a worker lost balance on a staircase landing and fractured their ankle. In addition, in response to multiple slip-and-fall accidents during commuting in recent years, safety alerts were issued to employees through each site's Safety and Health Committee. Furthermore, a physical training workshop was held with an external instructor to help employees build strength and prevent slip-and-fall accidents.

Promoting Safety, Health, and Disaster Prevention Activities Globally

Checking workplace safety, health and disaster prevention situation

At each of our major manufacturing facilities, both in Japan and overseas, the Safety, Health, and Disaster Prevention Committee members regularly patrol the facilities. If any problems are found, they are quickly resolved. In addition, for facilities where the work environment has changed significantly, such as major changes to production lines, the situation of workplace safety, health, and disaster prevention is checked through patrols by the Chairperson of the Central Safety, Health, and Disaster Prevention Committee.

Global dissemination and sharing of information about past disasters and safety and disaster prevention activities

The Brother Group shares information about occupational accidents occurring at its main manufacturing facilities in and outside Japan and countermeasures against them on its intranet and other devices to make such information available at all group facilities. Each facility applies these countermeasures to its workplaces in order to prevent the same or similar accidents from occurring.

At the Brother Safety and Prevention Convention held annually, manufacturing facilities that have engaged in excellent safety and disaster prevention activities are awarded, and case studies of the awarded manufacturing facilities are presented to share information among other facilities. In FY2024, the convention was held in Japan, bringing together relevant parties from facilities around the world to share best practices in safety and disaster prevention activities.

Conducting risk management for operations and equipment

At the Brother Group, it is required to perform an assessment of the risks associated with operations and equipment when installing equipment to take on a new project, when a change has been made to the work location or raw materials, or when there are changes to work methods, such as changes to

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the tools used or the assembly sequence. This risk assessment identifies potential hazard sources,[*1] such as those resulting in falls, being caught in or between objects, electric shocks, explosions, and fires, striving not to overlook any important hazard sources. Moreover, the assessment identifies other sources that might exist in each work process and evaluates their risk levels to enable appropriate measures to be taken for each level. In addition, the degree of such hazards of equipment is visualized if it is judged to have residual hazards above a certain level even after safety measures based on a risk assessment are taken.

After a certain period of time[*2] has passed since conducting a risk assessment, we will recheck to see if there have been any changes to operations, risks, or the like. In the event of any changes, we conduct a risk assessment again.

*1: The causes of risks and the root causes of accidents

*2: 3 years, as a guide

Safety, Health and Disaster Prevention Training

Safety and Health Education

To ensure safety and health, BIL annually provides risk prediction training, safety and health education, and so forth for each facility based on the plans formulated at the Safety, Health, and Disaster Prevention Committee. As for the education, BIL offers e-learning training for all BIL employees. In FY2024, 4,251 employees, which represented 94.8% of the intended participants, took the training. BIL also conducts an educational session for new employees every April. In FY2025, this session was held with 108 new employees, the full participation of the intended participants. For mid-career recruits or newly-hired temporary employees, BIL holds educational sessions every month. The sessions held in FY2024 had 110 employees, involving all of the intended participants.
In addition, BIL also provides training tailored to the specific needs of each operation. For example, employees engaged in specialized work involving the handling of chemical substances are provided training tailored to their tasks. Employees who drive company vehicles are required to take traffic safety courses under a permit system. For the facilities outside Japan, training is provided for new and mid-career recruits at each location.

Safety and Disaster Prevention Training

Regarding preparation for disasters, BIL has been making efforts to minimize damage caused by possible disasters at its respective facilities. Such efforts include the consolidation of disaster prevention organizations, evacuation drills, initial firefighting training, and lifesaving training using an AED (automatic external defibrillator), and the legal inspection of fire protection equipment.
In 2007, BIL concluded a memorandum of understanding on support and collaboration in the event of a

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large-scale disaster with its local community through the mediation of a local administrative body. In addition, since 2014, BIL has been conducting evacuation drills jointly with a neighboring nursery school with which BIL signed a memorandum.
Since 2016, BIL has been conducting training for setting up a disaster headquarters at its head office.

Raising disaster prevention awareness

In response to the Nankai Trough Earthquake Extra Information (Advisory) issued on August 8, 2024, BIL conducted an emergency e-learning session to raise employees' disaster preparedness awareness and enhance their ability to respond in the event of an earthquake.
The session covered the company's response policy, appropriate actions employees should take in response to a major earthquake, and the company's earthquake preparedness measures. A total of 4,025 employees, accounting for 92.7% of those targeted, received the training.

Data Related to Safety, Health and Disaster Prevention Training

Details of safety, health and disaster prevention training (BIL*1)

<table>
<tr><th></th><th>FY2020</th><th>FY2021</th><th>FY2022</th><th>FY2023</th><th>FY2024</th></tr>
<tr><td>Number of participants in safety training (e-learning) based on BIL's internal regulation on safety and health education procedures</td><td rowspan="2">3,802*2</td><td rowspan="2">3,959*2</td><td rowspan="2">4,052*2</td><td>4,183</td><td>4,251</td></tr>
<tr><td>Number of participants in disaster prevention training (e-learning) based on BIL's internal regulation on safety and health education procedures</td><td>4,250</td><td>4,025</td></tr>
<tr><td>Number of participants in other safety and disaster prevention training (e-learning) based on BIL's internal regulation on safety and health education procedures*3</td><td>2,723</td><td>3,253</td><td>3,843</td><td>4,415</td><td>4,502</td></tr>
</table>

*1: Including incoming seconded employees, temporary employees, and fixed-term employees

*2: Safety education and disaster prevention training have been provided together

*3: Since FY2019, the number of participants has included those in mental health-related education

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Social(S)

Promotion of Health and Productivity Management



Formulation of Brother Group Health & Productivity Management Philosophy and the Promotion Structure

Brother Group Health & Productivity Management Philosophy

The Brother Group aims to create superior value through manufacturing and deliver products and services to customers around the world. With this purpose in mind, all group employees are working every day on a global stage.

As stipulated in the Brother Group Global Charter https://global.brother/en/corporate/principle , the basis of such activities, the Brother Group values taking care of the health of every employee so that they can strive to achieve their goals, and ultimately, contribute to the group's success.

In September 2016, Brother Industries, Ltd. (BIL) formulated the Brother Group Health & Productivity Management Philosophy. Under this philosophy and the leadership of the Chief Health Officer (CHO), the Brother Group has been strategically undertaking various activities.

After formulating the philosophy, the experience of the global pandemic of COVID-19 reminded BIL of the importance of being able to work in good health, leading to a revision of the Health & Productivity Management Philosophy in FY2024.

Brother Group Global Health & Productivity Management Philosophy

The Brother Group will strategically pursue health management that places emphasis on well-being, which is a state of being in good health both physically and mentally and filled with joy and fulfillment in work.

The well-being of each employee is a vital management asset, and we believe that when employees vigorously work while fully utilizing their diverse abilities, it leads to the growth and transformation of the entire group.

The Brother Group will continue to pursue health management with the spirit of "At your side." and strive to contribute to customers, local communities, and the sustainable development of society from a global perspective.

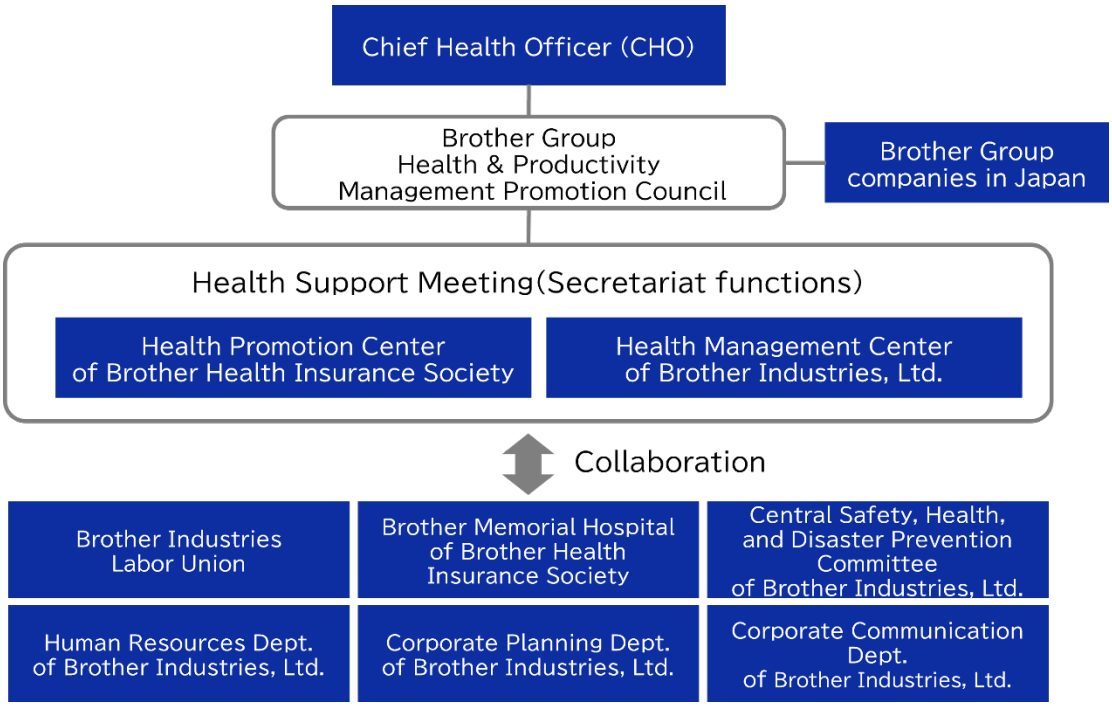
Kazufumi Ikeda
Representative Director & President
Chief Health Officer
Brother Industries, Ltd.

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Health & productivity management promotion structure

BIL has established the Health Management Center to manage the health of Brother Group employees, develop mental health measures, and promote good health. The center offers effective and efficient approaches to maintaining and promoting employee health by implementing the PDCA cycle and collaborating with the Health Promotion Center of Brother Health Insurance Society. Meanwhile, the Brother Group's manufacturing facilities outside Japan have been employing doctors or partnering with medical institutions to maintain and improve the physical and mental health of employees.

Brother Group health & productivity management promotion structure (as of April 1, 2025)



Brother Group Health & Productivity Management Promotion Council

Health and safety managers at BIL and the Group companies in Japan meet once a year* to identify issues about employee health and decide on action policies and targets for the next fiscal year and beyond. In addition, the Brother Health Insurance Society and Group companies that have developed excellent activities present case examples of their activities and share information on effective and efficient initiatives.

Since FY2018, the Council has performed a comprehensive evaluation of efforts in health and productivity management and honor companies that have achieved excellence in such efforts as " healthy companies" with the CHO awards.

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FY2024 Health and Productivity Management Promotion Council

*: In FY2020 and FY2021, except for certain participants, the meetings were held online to prevent the spread of COVID-19. Since FY2022, the meeting has been conducted in person.

Health support meeting

The Health Support Meeting is jointly organized by BIL's Health Management Center and the Health Promotion Center of the Brother Health Insurance Society. It decides specific activities to achieve targets, discusses implementation methods, and evaluates the results based on the policies set by the Brother Group Health & Productivity Management Promotion Council, and also organizes collaborative events with the Brother Industries Labor Union. The participants of this meeting include the Director of the Health Management Center, an industrial physician, a public nurse, the Secretary General of the Brother Health Insurance Society, and the Director of the Health Promotion Center.

Data Related to Health

"Healthy Brother 2025" -a set of long-term targets for employee health

The Brother Group Health & Productivity Management Promotion Council formulated the "Healthy Brother 2025," a set of long-term targets to be achieved by FY2025, based on the Health & Productivity Management Philosophy.

To achieve the "Healthy Brother 2025," the Brother Group is promoting activities in compliance with safety and health laws and regulations, focused on enabling employees to live every day positively, pleasantly and powerfully, to engage in self-directed health promotion, and to balance work and health.

PDF Targets in the "Healthy Brother 2025" and results (Brother Industries, Ltd.) [PDF/249KB]
https://download.brother.com/pub/com/en/csr/pdf/health-2025.pdf

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Employee health management data

PDF Employee health management and status (Brother Industries, Ltd.) [PDF/312KB]
https://download.brother.com/pub/com/en/csr/pdf/employee-health.pdf

Main Efforts

Creation of the health & productivity management strategy map

BIL has created a strategy map to visualize continuous flow including issues to be solved through health & productivity management and efforts to solve them.

PDF Health & productivity management strategy map (Brother Industries, Ltd.) [PDF/239KB]
https://download.brother.com/pub/com/en/csr/pdf/strategy-map.pdf

Approaches for maintaining and improving health

Improvement of mental health

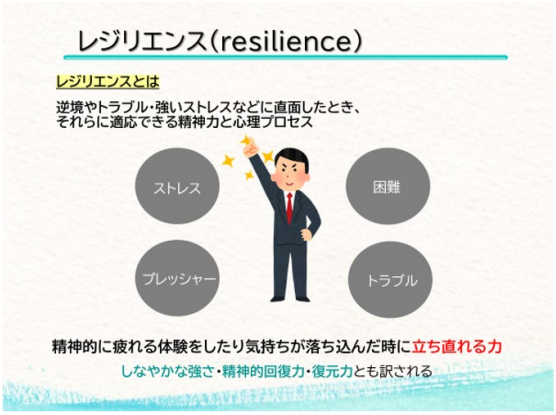
BIL has been continuously providing mental health education to its employees since 2007 with the aim of helping them become aware of their own stress and take appropriate measures against it (primary prevention), and helping supervisors identify and support their subordinates suffering from incipient mental disorders (secondary prevention). The company also helps employees who have developed mental disorders continue to work in their own ways, assisting such employees to return to work (tertiary prevention) in collaboration with their workplaces.

Regarding mental health education, we provide self-care training for all employees every five years and line-care education for those in managerial positions every three years. The self-care training which started in FY2022 introduces how to enhance resilience[*1] as a self-care method to prevent illness.

In addition, as part of workplace improvement activities after stress checks, we have held workshops for department managers since FY2022. In these workshops, we give lectures and case examples on positive mental health[*2] and action plans are formulated to understand the strengths of their own departments and make use of them in management. One of the department managers who participated said, "I was able to gain new insights through the exchange of opinions between department managers."
Moreover, in FY2024, we launched the CREW program[*3]. The CREW Program was developed in the U.S. in 2005. The program aims to foster a more lively and comfortable working environment by encouraging employees to understand each other through repeated dialogue in small groups. BIL's six

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departments and Brother Enterprise, Ltd., BIL's subsidiary, participated in this program, setting up opportunities for dialogue in each workplace. The dialogue promoted mutual understanding and building of trust among the participants through discussions about each other's values and strengths and the theme "What is a comfortable workplace?" The results of a stress check conducted after the dialogue showed improvement in the category of "shared awareness in a workplace," which measures whether there is mutual understanding in the workplace and whether employees are able to work with trust in their colleagues.



Self-Care Workshop



Department Manager Workshop

*1 : A psychological term meaning mental "fortitude" "elasticity," and "flexibility." It refers to the ability to overcome and recover from mentally exhausting experiences, depression, and other challenges.

*2 : A concept that aims to improve the mental and physical health of working people and lead to improved productivity. Whereas conventional "mental health" focuses on how to prevent illness and how to handle people who are sick, "positive mental health" emphasizes personal growth and happiness.

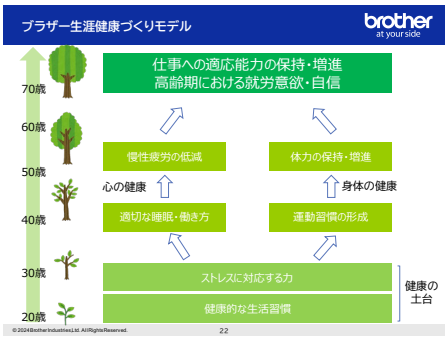
*3 : Abbreviation for Civility, Respect, and Engagement in the Workplace

Promotion of age management

BIL promotes age management measures so that its employees can continue to work with vigor and enthusiasm regardless of their age. Age management involves taking measures to address issues related to aging and health that are tailored to the characteristics of each generation. In FY2022, we created the Brother Lifelong Health Promotion Model, which outlines the goals each generation should aspire to. By continuing activities based on this model, we aim to make our employees healthier through work.

In recent years, we have focused on increasing the physical activity of our employees, and in FY2023, we implemented the Continued Exercise Program, which aimed to address the lack of exercise among busy people in their 30s and 40s. In FY2024, we carried out activities under the catchphrase of "Get a body that never gets tired" to get employees interested in physical activity, with 1,483 employees participating in health courses for all employees and 370 employees participating in the Continued Exercise Program.

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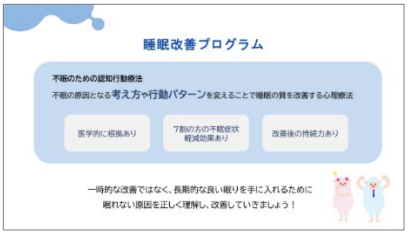
Brother Lifelong Health Promotion Model



Continued Exercise Program poster

Sleep Hygiene

BIL has been conducting sleep hygiene education since FY2018 with the aim of improving mental health, preventing accidents, occupational injuries, and lifestyle diseases, and improving labor productivity.
A survey on sleep hygiene among employees revealed that different age groups have different sleep issues. Therefore, in FY2024, we implemented a sleep improvement program focusing on sleep issues specific to people in their 50s. A total of 62 employees participated in this program, with 82% experiencing improvements in their insomnia symptoms.
In addition, to address sleep issues facing employees of all generations, we distributed a Good Sleep Tips Collection, which explains how to spend time before falling asleep, to anyone who wanted it. We also provided a menu of meals in our employee cafeteria that would help employees sleep well.



Sleep Improvement Program for people in their 50s



Good Sleep Tips Collection



Good Sleep Menu created in collaboration with the employee cafeteria

Health Management for Women

BIL is strategically working to support women’s health with the desire to help women’s further advancement in the workplace through health-related measures as part of our efforts to respect diversity. BIL is strategically working on women's health management with the desire to support

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women's further advancement in the workplace through health-related measures as part of our efforts to respect diversity. For example, we hold a “Women’s Seminar” every year with the goal of improving knowledge about diseases specific to women. In FY2024, we held a Breast Cancer Seminar and an Infertility Treatment Seminar, with a total of 512 participants, including male employees. We also have a health consultation service exclusively for women.



PR Poster for Breast Cancer Seminar



Infertility Treatment Seminar

Support for Balancing Medical Treatment and Work

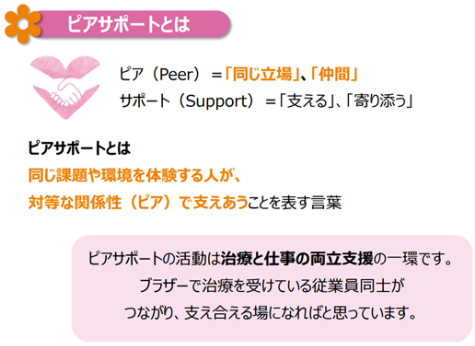
Since 2006, when the Health Management Center was first established, BIL has been supporting the balance between medical treatment and work, and by working with the employees, their families, workplaces, the personnel department, doctors, etc., we are creating a working environment that can balance the two. In 2017, we created the “Support for Balancing Medical Treatment and Work Guideline ” and shared it on the intranet. Starting in FY2022, as part of our activities to support balancing medical treatment with work, we have implemented "in-house peer support activities*." In these activities, we hold roundtable discussions and other events to help Brother Group employees who need to balance medical treatment and work to connect with others in similar positions, be at ease, and work with peace of mind. Through these activities, we aim to create a place within the company where people in the same situation can support each other, make people aware of others in the company who are balancing medical treatment and work, enable people to continue working even if they become ill, and create a supportive work environment where people can gain understanding and help from their supervisors and colleagues regarding balancing medical treatment and work.

As of May, 2025, approximately 41 employees within the Brother Group who were undergoing or had undergone medical treatment participated. In addition, 19 employees who have undergone training and have been certified as supporters are engaged in support activities such as sharing their own experiences.

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Support for Balancing Medical Treatment and Work Guideline



Peer Support Explanatory Material

*: People who share the same goals support and help each other by sharing their own experiences, actions, and thoughts, and by talking to each other.

Quit-smoking Support

BIL proactively supports its employees in quitting smoking to reduce health hazards.
From April 2023, we completely banned smoking on the company's premises in order to encourage smokers to quit and to reduce the negative health effects of passive smoking on non-smokers.

In addition, the Brother Health Insurance Society runs a program to support employees who want to try to quit smoking. In this program, employees can choose a quit-smoking course tailored to their individual smoking habits, and a public health nurse provides support in continuing to refrain from smoking through regular interviews and emails.

Other health related efforts

To support the wellbeing of our employees, we are also implementing a variety of other efforts.

FY2024 Efforts	Details
Cancer measures	Held a briefing session on cancer prevention activity policy for group companies, with nine companies participating in the Action Plan for Promotion of Cancer Control [*1]
Preventive measures against diabetes becoming severe	Individual guidance using a continuous glucose monitor for 24 hours (for employees with HbA1c[*2] 7.5 or higher)
Measures to prevent lifestyle diseases	Three-month group weight-loss program (Implemented two courses: one for employees with a BMI of 30 or higher and one for employees with a BMI of 25 or higher who are considered obese [*3])

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FY2024 Efforts	Details
Improving of health literacy	Spread information and introduced applications with the aim of practicing "Breslow's seven health habits*4"
Various studies	Implemented employee satisfaction surveys and WFun*5 surveys in addition to stress checks

*1 : A project commissioned by the Ministry of Health, Labour and Welfare that promotes the importance of cancer screening in cooperation with companies, with the aim of increasing the national rate of people undergoing cancer screening to over 50%

*2 : An index that indicates the average blood sugar level over the past 1-2 months. If it is 6.5 or higher, diabetes is suspected.

*3 : Diseases that involve or are expected to involve obesity-related health problems and require weight loss

*4 : Based on the research results of Professor Lester Breslow, the following seven healthy habits: "1. do not smoke, 2. exercise regularly, 3. drink moderately or do not drink, 4. get 7 to 8 hours of sleep a day, 5. maintain a proper weight, 6. eat breakfast, and 7. avoid snacking" are key. Whether or not they are practiced will affect subsequent lifespan.

*5 : Short for Work Functioning Impairment Scale. A questionnaire developed at the University of Occupational and Environmental Health to measure the degree of work function impairment caused by health problems

Global development of health and productivity management activities

The Brother Group operates globally with offices in more than 40 countries and regions. To ensure globally providing health support to expatriates and employees outside Japan, industrial physicians and public health nurses from the BIL's Health Management Center visit Brother Group sites outside Japan to assess local medical conditions and the work and living conditions of employees. We visited manufacturing facilities in China in December 2024 and India in January 2025 to provide on-site health support, including interviews about the health management situation.In addition, we provide support to help expatriates stay healthy in the countries they are posted to, which includes providing information on medical institutions outside Japan on our intranet and reviewing the status of health checkups.

At BIL, for employees who are going to travel from Japan to other countries, the industrial physicians implement health education based on health and infectious disease information of each region of the world that helps such employees prevent and raise their awareness of AIDS virus (HIV), tuberculosis, malaria, and other infections by providing their transmission routes, incubation periods, and symptoms. For employees on temporary assignments, the company provides the "leaflet on health management abroad," which covers information and cautions necessary for living outside Japan, and posts information about infection epidemics on the intranet to inform our employees.

When the risk of a global epidemic of infectious diseases increases, a countermeasures committee is established as a subordinate organization of the Risk Management Committee, which is comprised of Management, the Human Resources Dept., industrial physicians, etc. to gather the latest information, study countermeasures based on that information, and respond.

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Contribution to the community and society

BIL cooperates in local practical training programs for medical and nursing students at universities, with the aim of nurturing people who will be responsible for the field of occupational health in the future. In addition to providing training on Brother's health and productivity management and the duties and roles of industrial physicians and public health nurses, the training also includes time to visit manufacturing sites and to learn the basics of health and safety management.



Tour of manufacturing site

As a new initiative, we held an online seminar on mental health for our business partners in September 2025. The seminar provided an excellent opportunity to exchange information on mental health measures and share know-how on health and productivity management and to think about how to promote organizational health together with our business partners.

Furthermore, BIL also contributes to the community and society through the promotional activities of health and productivity management by having industrial physicians and public health nurses give lectures at seminars on health and productivity management at the request of external organizations, and by holding meetings to exchange opinions with local companies on the regional promotion of health and productivity management.

Evaluation by External Entities

The Brother Group's proactive initiatives for health and productivity management are also highly recognized by external entities, receiving various certifications and awards.

For more details, please refer to the link: "Management with an Emphasis on Sustainability-Evaluation by External Entities- Evaluation Related to Health and Productivity Management."
https://global.brother/en/sustainability/csr/evaluation#e06

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Social(S)

Social Contribution



Basic Policy on Social Contribution Activities

The Brother Group Global Charter https://global.brother/en/corporate/principle stipulates that the Brother Group must always be a good corporate citizen, sharing our social, economic and cultural resources in all the communities where the Brother Group operates, and that the Brother Group helps society achieve sustainable development by positively and continuously considering the environmental impact of all aspects of our business operations. Based on this idea, the Brother Group has been globally promoting social contribution activities that further enhance a sense of unity as a group, especially focusing on the following activities:

(1) Activities that meet the following conditions and lead to business growth

- Utilizing Brother's resources
- Not only responding to requests and expectations from stakeholders but also taking them as opportunities and proactively getting involved
- Employees can sympathize with and take pride in them

(2) Eco-conscious activities

(3) Activities involving communities and personal development

(4) Support activities for incidents with major impacts on society

Social Contribution Focus Areas

Activities that lead to business growth

The Brother Group had continuously conducted social contribution activities related to health and welfare, educational support, and environmental conservation so far. Activities span a wide scope, ranging from those undertaken by the entire group to those undertaken independently by each facility based on their local characteristics, and are conducted using Brother's resources (such as products,

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services, technologies, and human resources). Such activities not only encourage business growth but also help contribute to a sustainable society far into the future.

Examples of factors that lead to business growth in social contribution activities:

- Brand image enhancement
- Learning and growth of employees
- Smooth business implementation in each area
- Securing of excellent human resources
- Understanding of social needs and future customers

and others

Examples of social contribution activities in different countries and regions and their relationship with business strategy

Social Contribution Focus Areas	Activity	Relationship with Business Strategy	Facility
Eco-conscious activities	· Creating eco-conscious products and reducing environmental impact in business facilities · Supporting environmental groups which work on biodiversity conservation in collaboration with the Brother Eco Point Program https://global.brother/en/sustainability/eco/management#m02 participated by employees · Conducting environmental conservation activities with employees	· Business expansion with eco-conscious products · Smooth business implementation in each area · Improvement of employees' environmental awareness	· Brother Industries, Ltd. · The Brother Group's manufacturing and sales facilities in respective countries and regions

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Social Contribution Focus Areas	Activity	Relationship with Business Strategy	Facility
Activities involving communities and personal development	Cosponsoring the Tokai Young Entrepreneur Seminar designed to assist young entrepreneurs who address local challenges and employees' participation in the seminar as pro bono workers https://global.brother/en/sustainability/social/contribution/local#l01	Learning and growth of employees	Brother Industries, Ltd.
	Supporting activities to improve children's education and healthcare	· Learning and growth of employees · Brand image enhancement	· Brother Industries, Ltd. · Brother International (Vietnam) Co., Ltd. · Brother International Corporation (Canada) Ltd. · Brother International (Gulf) FZE and others
	Participating with employees in charity activities which aim to support cancer patients and conquer cancer	· Learning and growth of employees · Brand image enhancement	· Brother Industries, Ltd. · Brother International Corporation (U.S.A.) · Brother International (NZ) Ltd. and others

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Social Contribution Focus Areas	Activity	Relationship with Business Strategy	Facility
Support activities for incidents with major impacts on society	Supporting areas devastated by the Great East Japan Earthquake through the Kizuna Fund, a fund to collect donations from employees	· Learning and growth of employees · Brand image enhancement	· Brother Industries, Ltd. · Brother Group companies in Japan

Eco-conscious activities

Under the Brother Group Environmental Vision 2050 https://global.brother/en/sustainability/eco/policy#p04 , initiatives are continuously undertaken in all aspects of corporate activities, including creating eco-conscious products, reducing environmental impact on facilities, supporting environmental organizations which work on biodiversity conservation in collaboration with the Brother Eco Point Program https://global.brother/en/sustainability/eco/management#m02 participated by employees, and conducting environmental conservation activities with employees.

For examples of activities, please see "Brother SDGs STORY—Better your earth https://sdgsstory.global.brother/e/environment/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 ."

Activities involving communities and personal development

The Brother Group continuously undertakes social contribution while always keeping in mind the communities where each facility is located. In addition, we also actively support activities related to personal development in each community.
The Brother Group, for example, has been cosponsoring the Tokai Young Entrepreneur Seminar https://global.brother/en/sustainability/social/contribution/local#l01 in Japan since 2008 to assist young entrepreneurs who address local challenges. Regarding this seminar as one of the activities that utilize its resources, the group has been promoting employees' participation in it and involving three or four employees as pro bono workers every year.
In addition, many activities to improve children's education and healthcare have been implemented at various group facilities. The Brother Group also has been increasing opportunities to enhance employees' awareness of volunteer activities. For example, employees at various group facilities have been participating in worldwide charity activities to support cancer patients.

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Golden Ring Project

The Brother Group has been promoting participation in charity events to support patients with cancer and other illnesses, with the aim of conducting social contribution activities with its employees and with a sense of unity on a global scale. In 2011, the Group named this initiative the "Golden Ring Project," inspired by the idea that as support activities spread and connect across regional hubs, they form a ring of support on the world map. Since then, many employees at various facilities and their families have taken part in the project. In FY2024, events were held at each facility in a variety of formats, including not only on-site events but also online events utilizing apps. In addition, two new facilities in Vietnam joined the initiative. This brings the total to 29 facilities with 13,226 participants. The number of participating employees has been steadily increasing, further advancing support activities on a global scale.

Most of the facilities working on the Golden Ring Project have taken part in the charity event "Relay For Life" (RFL). In RFL, participants make donations and walk for 24 hours with their team members to increase their awareness and knowledge about cancer and to encourage cancer patients. In the Brother Group, teams of employees from the U.S. subsidiary have been participating in RFL since 1999, and from the New Zealand subsidiary since 2006. Today, teams of employees at other facilities are also participating on a voluntary basis, further expanding this ring of support. Donations raised are used for new cancer treatment/medication development, scholarships for young doctors, and so forth.
In Vietnam, 10,236 employees—representing 86% of the total workforce—participated in the initiative in FY2024, enabling them to make significant donations. In Japan as well, employees and related individuals of the Brother Group, predominantly from Brother Industries, have been participating voluntarily every year since 2010 as "Brother Team Japan." Including independently organized talks by cancer survivors at RFL venues, a range of activities have been conducted to raise awareness about cancer. In recognition of this long-running cancer awareness activity, the Brother Group received the 2020 Japan Cancer Society award (Organization Category)*.

*: Awarded to individuals and groups who have made outstanding achievements in anti-cancer activities. Established in 1968 by the Japan Cancer Society, the award aims to encourage the fight against cancer.

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Golden Ring Project video



> https://youtu.be/Ra4EPrBdxS4?t=17

*: This video is from YouTube.



Main facilities that joined the Golden Ring Project (in FY2024)

* (Clockwise from upper left) India, Switzerland ,Germany, Vietnam, Thailand, China (Shenzhen)

Support activities for incidents with major impacts on society

The Brother Group has been working with its employees to provide support to the areas affected by large-scale disasters around the world.
Brother's main support includes the following two ways:

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1. Monetary donations from Brother Industries, Ltd. (BIL) and Brother group companies

2. Donations and volunteer activities by employees

Monetary donations from Brother Group companies are sent mainly to Japan Platform and the Red Cross as emergency assistance while donations and volunteer activities by employees are provided in a way that meets the needs of each devastated area.

For more information about the amount of global donations and BIL's donations to NPOs, refer to "Social Contribution - Data Related to Community Investment https://global.brother/en/sustainability/social/contribution#c08 ."

Brother's response to large-scale disasters

Kizuna Fund, a donation program that encourages employee participation

Since FY2012, BIL has operated the "Kizuna Fund," a system that allows employees to easily make donations through payroll deductions or bank transfers. Donations https://global.brother/en/sustainability/social/contribution#c08 collected through this system have been used to support disaster-stricken areas.

Even 14 years after the Great East Japan Earthquake, donations to the Tohoku region continue, and in FY2024, BIL extended its support to areas affected by the Noto Peninsula Earthquake as well.

Support recipients and specific support details

- Shichigahama Town, Miyagi Prefecture:
  Supporting the establishment of Kizuna Park, Kizuna Library, and Seawall Marble Art, as well as global human resource development projects

- Onagawa Town, Miyagi Prefecture:
  Supporting the Onagawa Kogakukan, which provides educational guidance and emotional care to children affected by the disaster

- NPO Shinsei (Koriyama City, Fukushima Prefecture):
  Supporting the independence and employment of people with disabilities affected by the nuclear accident, tsunami, and earthquake

- Sanriku Railway, Iwate Prefecture:
  Cooperation for Sanriku Railway's "Sanriku Smile" campaign

- Namie Town, Fukushima Prefecture:
  Supporting town development and Hope Tourism

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・ Anamizu Town, Ishikawa Prefecture:
Donation of vehicles for visiting temporary housing and transporting supplies

The mayor of Shichigahama Town expressed his appreciation to BIL, saying, "It feels as if they are relatives who, though far away, are always thinking of us. That feeling means a lot to us."



Shichigahama Town, Miyagi Prefecture:
"Seawall Marble Art"



Sanriku Railway's "Sanriku Smile" campaign



Sewing and embroidery machine used at Shinsei,
the Fukushima-based NPO



Donation of a vehicle for transporting supplies to Anamizu Town, Ishikawa Prefecture

To remember the Great East Japan Earthquake—From support to interaction

To help employees remember the Great East Japan Earthquake and prepare for future disasters, the Brother Group hosts various events for its employees.

Tohoku Talk Relay

BIL has been holding an online "Tohoku Talk Relay" (lecture series), where victims share their experiences and the lessons they learned, during after-work hours. The event is attended by many employees and top management, creating an opportunity to think about what they can do as members

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of society and how they should prepare for disasters. In FY2024, the Talk Relay series was held under five themes. Residents of Namie Town—whose entire population was evacuated due to the nuclear plant accident—spoke passionately about rebuilding their community as part of the recovery process. Comments by participating employees included: "It was a great opportunity to share the moment and connect with people from Tohoku."; "I feel that interaction with the people of Tohoku is a valuable asset."; "Since we never know when or where disasters will happen, I'd like to be more mindful of our disaster preparedness."



Tohoku lecture held online and in person

Earthquake Reconstruction Support Market

In response to the Great East Japan Earthquake, BIL has been organizing the "Earthquake Reconstruction Support Market" every year since March 2012 as part of its "disaster relief purchasing" initiative, which encourages support through the purchase of products from affected areas. By FY2024, a total of 32 market events had been held, with over 4,000 employees participating and supporting earthquake recovery through their purchases.

Since FY2023, the "Ishikawa & Tohoku Market" event has been organized to support reconstruction efforts following both the Great East Japan Earthquake and the 2024 Noto Peninsula Earthquake. The event continued in FY2024.



Ishikawa & Tohoku Market event

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Art and Culture Support Activities

Support activities for Higashiyama Zoo and Botanical Gardens

Since 1984, when BIL donated funds for the construction of an enclosure for koalas, it has provided support to the Higashiyama Zoo and Botanical Gardens over the years. In 2021, BIL signed a public relations partnership agreement and became the zoo's official public relations partner https://sdgsstory.global.brother/j/special/zoo/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 (in Japanese), responsible for sharing information about its efforts in species conservation and environmental education. As part of this initiative, the president of BIL attended a ceremony in FY2024 commemorating the 40th anniversary of the koalas' arrival at the zoo, reflecting on the years of collaboration and support. In addition, BIL supported various commemorative events such as a walk rally and special exhibitions. During the ceremony, the City of Nagoya presented a letter of appreciation in recognition of these contributions.
For more details on BIL's support for the Koala 40th Anniversary Project, please visit the Brother SDGs Story: "Koalas | Brother × Higashiyama Zoo and Botanical Gardens – Zoos, Botanical Gardens, and the SDGs."
https://sdgsstory.global.brother/j/special/zoo/koala/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 (in Japanese)



Ceremony commemorating the 40th anniversary of the koalas' arrival at the zoo

As a official public relations partner, BIL published a newspaper advertisement titled "A message to the newborn baby
https://sdgsstory.global.brother/j/topics/591/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 " (in Japanese) on the day of the naming ceremony for a baby Asian elephant born at Higashiyama Zoo and Botanical Gardens. This advertisement won the Excellence Award at the 14th Chunichi Shimbun Advertising Awards, held in FY2023. The message in the ad was written as a letter from zookeepers to parents and children of Asian elephants to publicize the importance of passing on the baton of life. Furthermore, at the same awards in FY2024, a newspaper advertisement titled "Because I want to see your peaceful sleeping face in the future, too." published on Koala Day, received the Category Award. This advertisement highlights the history of koalas at

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Higashiyama Zoo and Botanical Gardens, the impact of bushfires in Australia, and aims to raise awareness of environmental issues surrounding koalas.



Excellence Award, 14th Chunichi Shimbun Advertising Awards
"A message to the newborn baby"



Category Award, 15th Chunichi Shimbun Advertising Awards
"Because I want to see your peaceful sleeping face in the future, too."

BIL also continues to support the Higashiyama Zoo and Botanical Gardens Life Connect Fund* (Nagoya City Higashiyama Zoo and Botanical Gardens Fund). In FY2024 BIL was certified again as a "Platinum Partner," the highest rank of support.
In recognition of its continued support for the fund, BIL received a letter of appreciation https://sdgsstory.global.brother/j/topics/760/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 (in Japanese) from the City of Nagoya.

BIL will continue its activities to achieve the SDGs and raise awareness for the protection of animals and plants through its support to the Higashiyama Zoo and Botanical Gardens.

*: Funds to be used for the maintenance of the facilities in the Higashiyama Zoo and Botanical Gardens, the adoption of animals and plants, habitat conservation, and the enrichment in environmental education, etc.

Examples of Social Contribution Activities

In addition to the activities stated above, the Brother Group also conducts a variety of social contribution activities. For the details, please refer to the following URL link:

> Examples of Social Contribution Activities
https://global.brother/en/sustainability/social/contribution/local

> Brother SDGs story
https://sdgsstory.global.brother/e/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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Data Related to Community Investment

		FY2020	FY2021	FY2022	FY2023	FY2024
Employees' participation in the Golden Ring Project		Suspended	At 13 facilities	At 24 facilities	At 30 facilities	At 29 facilities
Amount of global donations		94,467,274 yen	225,495,501 yen	188,320,870 yen	229,866,510 yen	176,114,373 yen
The Kizuna Fund	Number of employees who participated	97	129	105	112	52
	Amount of donations	1,524,950 yen	2,570,965 yen	4,211,876 yen	3,696,388 yen	3,424,522 yen
Amount of donations to registered not-for-profit organizations (Brother Industries, Ltd.)		3,472,020 yen	65,014,680 yen	44,307,800 yen	42,831,730 yen	23,448,760 yen
Tokai Young Entrepreneur Seminar		Supported by Brother Industries, Ltd. since 2008				
Number of pro bono participants (Brother Industries, Ltd.)	Target	3	3	3	3	4
	Achievement	3	3	4	4	4

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Examples of Social Contribution Activities



Brother Supports Young Entrepreneurs Who Address Social Issues and Community Revitalization as a Business

Brother participates in the launch of Tokai Young Entrepreneur Seminar and provides continued support to entrepreneurs

Brother Industries, Ltd. (BIL) participated in the launch of the "Tokai Young Entrepreneur Seminar" to assist young social entrepreneurs who address social issues and community revitalization through their businesses in the Tokai area, where BIL's headquarters are located, and started cosponsoring the activity in 2008.

In the Seminar, Brother works to place businesses on a trajectory for growth, such as by supporting entrepreneurs to formulate business strategies and develop services. Over the 16 years up to FY2023, it had supported a total of 68 entrepreneurs engaged in nursing care and welfare work, multicultural coexistence, the creation of learning spaces for children, childcare support, town development, and so forth.

Brother establishes a system in which employees can address social issues as pro bono workers[*1]

Every year since 2012, BIL employees have participated as "Pro Bono Workers" to support students at the Tokai Young Entrepreneur Seminar.

The employees involved in the Seminar as Pro Bono Workers allowed to spend a total of 50 working hours in six months on the activity. While using time outside of working hours as well, they teach these entrepreneurs how to formulate strategies to enhance the value of the services they provide, narrow down their targets, perform market studies, and develop sales plans.
Participation in the Seminar as Pro Bono Workers enables employees not only to provide support using the skills and experience they have gained in their own work but also to learn about entrepreneurship[*2], which leads to increasing opportunities for employees to learn and grow further and promoting the resolution of social issues through business.

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FY2023 Efforts

In FY2023, four people chosen through a careful selection process participated in the Seminar as the 16th class, and four employees from BIL took part as Pro Bono Workers. One of the students was aiming to start a business that would help children develop confidence in themselves and the ability to take on challenges through education and the management of a comprehensive sports club. This time, with six months of support from their Pro Bono Workers, the students developed a more concrete vision and strategies regarding their businesses.
At the final presentation session held in March 2024, the students presented their plans and vision for future business development. Employees who participated as Pro Bono Workers made comments, such as "Supporting entrepreneurs has broadened my perspective."

In addition, in FY2023, we held a meeting called "Gathering Day" for past Tokai Young Entrepreneur Seminar students and employees who had participated as Pro Bono Workers, with the aim of building a network of past Pro Bono Workers within the company and strengthening the community of entrepreneurs. At the Gathering Day, past students shared the current status of their businesses and activities, and relevant challenges, and all participants discussed ways to address those challenges. Through the consultations and discussions at the Gathering Day, participants were able to share the experience and skills they have gained, providing a good opportunity to apply them to their future activities.



Final presentation session at the Tokai Young Entrepreneurs Seminar



Gathering Day bringing together past Tokai Young Entrepreneurs Seminar students and Pro Bono Workers

BIL will continuously contribute to addressing social issues and revitalizing communities by cosponsoring the Seminar, which aims to support young entrepreneurs. In addition, through Pro Bono activities by employees, we will increase opportunities for employees to learn and grow further and to encourage the solving of social issues through business.

*1: An activity in which employees use their skills cultivated through their work in the company in supporting individual entrepreneurs.

*2: The attitude of creating a new business and taking risks.

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Brother Helps Disadvantaged Youth Find Employment in the Republic of South Africa

Brother International S.A. (Pty) Ltd. (BI S.A.), Brother's sales facility in South Africa, promotes activities conducted in line with Broad-Based Black Economic Empowerment (B-BBEE) with the aim of contributing to economic growth and job creation in the country. B-BBEE is a national policy of strengthening the economic power of South Africans who have historically been unfairly discriminated against and disadvantaged. Under the policy, companies are scored by factor in their commitment and contribution to eliminating inequality and are rated according to their scores on a scale of Level 1, the highest, to Level 8 and "Non-compliance."

In FY2024, BI S.A. worked with TBL[*1] and SEDA[*2] to provide entrepreneurs with a program for training in the basic skills and knowledge necessary for starting up, maintaining, and expanding businesses, as well as skills in using practical tools. This program attracted about 80 participants. In addition, BI S.A. also provided women and young people with opportunities for capability development and employment.

PDF BI S.A.'s B-BBEE targets and Broad-Based BEE Verification Certificate [PDF/622KB]
https://download.brother.com/pub/com/en/csr/pdf/bbbee.pdf

The Brother Group will continuously contribute to resolution of social issues by improving the conditions of historically disadvantaged South Africans.

*1: Abbreviation for The Business Lab, an organization that supports entrepreneurs and assists small, medium-sized and large companies in achieving business growth with the aim of economic development in South Africa

*2: Abbreviation for the Small Enterprise Development Agency, an agency established by the South African government to support small and medium-sized enterprises

Brother Organizes Environmental Event "Brother Earth Kids Academy"

Providing learning opportunities for children attending after-school clubs

Brother Earth Kids Academy is an event that has been held since FY2018 for children attending after-school clubs during summer vacation, providing them with opportunities to learn about environmental issues through crafts. At the event, through the creation of an "endangered animals picture book," the program gives the children an opportunity to study the causes of the increase in endangered species and allows them to learn about the mechanism of global warming, which is one of the causes, and efforts to prevent it.

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Creating the endangered animals picture book

The event is held in two formats:* at the Brother Museum located in Nagoya City, Aichi Prefecture, and as an "on-site event" where program facilitators visit after-school clubs. From FY2018 to FY2024, the event has been held over 60 times, with approximately 2,900 participants.

*: In FY2018 and FY2019, the event was held only at the Brother Museum. In FY2020 and FY2021, the event was held online due to the COVID-19 pandemic.

Brother Earth Kids Academy in FY2024

In FY2024, a total of 13 sessions were held from July 24 to August 28, including 8 sessions at the Brother Museum and 5 on-site events at after-school clubs, with approximately 400 participants, including children and instructors.



Environmental Event Brother Earth Kids Academy held at Brother Museum

In sessions held at the Brother Museum, in addition to creating the endangered animals picture book, the main program of the Brother Earth Kids Academy, participants engaged in activities that help them recognize environmental issues as something close to home, such as making "environmental declaration posters."
Making environmental declaration posters is an activity where participants choose one initiative they feel they can undertake from four options: saving electricity, saving water, recycling, or reducing food waste. They cut out icons representing each initiative using Brother's ScanNCut* and paste them onto a tree illustration to complete their "environmental declaration tree." Participants then took the completed

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posters back to their after-school clubs to display them and help them stay aware of their commitments.



Environmental declaration poster

In addition, the event prepared programs that not only allowed participants to learn about the global environment but also to create fun summer memories. These included the "Brother Crossword Quiz," where participants explored the Brother Museum while learning about Brother's history and products, and "Name Tag Making" using Brother's ScanNCut.

The children who participated shared many positive comments, such as, "I had fun learning while doing crafts," "I learned that animals are disappearing due to global warming," and "I will be more conscious of saving electricity." Furthermore, BIL later received comments from instructors at the after-school clubs: "Some children reviewed the animal picture books they made, and others checked the air conditioner settings," and "Our own awareness of our daily habits has also changed."

In recognition of these activities, BIL has received the Aichi Biodiversity Company Certification from Aichi Prefecture as a company that is making excellent efforts in biodiversity conservation.

あいち生物多様性
優良認証企業

Going forward, toward achieving a sustainable society, Brother will continue to contribute toward Goal 4 "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all," Goal 13 "Take urgent action to combat climate change and its impacts," and Goal 15 "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss" of the Sustainable Development Goals by conducting educational support activities in regions and initiatives leading to global environmental conservation.

*: A product that allows you to cut paper, cloth, thin plastic sheets, stickers, etc. using a touch panel (without using scissors or a cutter).

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Brother Supports Economically Disadvantaged Rural Women in China

Brother donates sewing machines to women in Yunnan Province

Brother (China) Ltd. (BCN), one of the Brother Group's sales facilities in China, has made its mission to "contribute to the development of Chinese society and the abundance of people's lives" and is engaged in initiatives to support economically disadvantaged women in Yunnan Province, China.

While China has achieved remarkable economic growth, there is a gap between urban and rural areas, with some women struggling to find employment in the southwesternmost province of Yunnan as well. Although women in Yunnan make a living such as by hand-sewing embroidery, which is a traditional culture of the province and is listed as one of China's intangible cultural heritages, they must migrate to work to earn a sufficient income and live apart from their families and children. These children left behind in rural areas as a result of their parents' migrations are known as "left-behind children," and they represent a social problem unique to China.
To address this, from FY2022 to FY2023, BCN donated 26 sewing machines and provided training on how to use them. This initiative enabled women in Yunnan to earn more income by making bags, wallets, and other handicrafts using traditional Yunnan embroidery. In addition, this has enabled them to continue working locally and live with their families and children, thereby improving the problem of left-behind children.



Training using a donated sewing machine

The Brother Group has identified five materialities https://global.brother/en/sustainability/csr/materiality to "contribute to society and help protect the earth" as Our Purpose in the Brother Group Vision "At your side 2030." https://global.brother/en/corporate/vision BCN will work to solve social issues through business towards "supporting people’s value creation," one of the five materialities.

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Tackling the lack of digital infrastructure in rural areas of Benin (Africa)

The Brother Group is participating in a demonstration experiment conducted by Dots for Inc. (Dots for) to verify the effectiveness of a printing and copying usiness in rural areas of Benin (Africa). In this demonstration experiment, Brother's inkjet All-in-Ones, known fortheir excellent durability, were used. In rural villages that have been left behind by the wave of digitalization, there are no places to print or copy within the villages, and residents sometimes have to travel tens of ilometers to a nearby town to print or copy. We are contributing to improving the quality of life for residents by providing printing and copying services that can be accessed via smartphone in multiple villages through Dots for's new type of local service center, "Village Printing Service."



A view of the printing service in action, using Brother's inkjet All-in-Ones

> Tackling the lack of digital infrastructure in rural areas of Benin (Africa): Brother Group SDGs Special Site "Brother SDGs story"
https://sdgsstory.global.brother/e/topics/798/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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Governance(G)

Corporate Governance

Brother Group Basic Policies on Corporate Governance

Brother Group Basic Policies on Corporate Governance

Preamble

Brother Industries, Ltd. has established basic policies concerning corporate governance (hereafter referred to as the Basic Policies) in accordance with the resolution adopted by its board of directors.

Section 1: General Provisions

Article 1: The Fundamental Ideas of Corporate Governance
The Brother Group has established the Brother Group Global Charter (hereafter referred to as the Global Charter) as the basis of all of its activities conducted worldwide, and sets enhancement of its corporate value over the long term by optimizing management resources and creating customer value, development of long-term trustful relationships with its shareholders by enhancement of corporate transparency through active provision of corporate information to shareholders, etc. as the fundamental concepts of the group's corporate governance.

Section 2: Securing the Rights and Equal Treatment of Shareholders

Article 2: The Basic Policies concerning Cross-shareholdings and Execution of Voting Rights regarding Cross-shareholdings

1. Brother Industries, Ltd. holds shares of other listed companies when building good business relationships with such companies is considered likely to contribute to improvement of its corporate value over the mid to long-term (hereafter referred to as cross-shareholdings).

2. The board of directors examines the appropriateness of its individual cross-shareholdings on an annual basis and expedites reduction of holdings determined deficient in meaning.

3. Brother Industries, Ltd. generally exercises its voting rights related to its cross-shareholdings. Brother Industries, Ltd. approves an agenda after carefully examining its contents, except when it may potentially harm Brother's mid to long-term economic interest 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.

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Article 3: Related Party Transactions
In cases in which a director is processing a transaction that could potentially create business competition with Brother Industries, Ltd. or result in a conflict of interest with Brother Industries, Ltd., that director must receive approval from the board of directors in accordance with the procedure stipulated by the company rules.

Section 3: Appropriate Cooperation with Stakeholders

Article 4: The Business Principles, Code of Practice, and Relationships with the Stakeholders
The Global Charter consists of the basic policies and code of practice concerning daily decision-making and actions of Brother Industries, Ltd. and the Brother Group's directors, executive officers, employees, etc., and sets forth their relationships with the stakeholders.

Section 4: The Responsibilities of the Board of Directors, etc.

Article 5: The Roles of the Board of Directors
1. Brother Industries, Ltd. implements an executive officer system, whereby executive operations by executive officers and supervision by the board of directors are separated in an effort to ensure swift decision-making and strengthen its corporate governance.
2. The board of directors holds responsibility to deliberate and make decisions on important executive operations stipulated by laws, the articles of incorporation and company rules, and to supervise directors and executive officers as to their execution of duties.
3. The board of directors shall delegate items other than the ones that require decision making on an executive operation by the board of directors as defined in the previous clause to the representative directors, executive directors or executive officers.

Article 6: The Composition of the Board of Directors
1. The board of directors must not exceed 11 members as stipulated in the articles of incorporation, and include an adequate number of outside directors needed to supervise important administrative decision-making and execution of executive operations at the board of directors.
2. The board of directors shall consist of diverse members with dissimilar backgrounds such as knowledge and experience, whereby it can contribute to global business operations of the Brother Group.

Article 7: The Qualifications and the Appointment Procedures for Directors and Executive Officers
1. A director must possess a fine personality and perception, and an ability to appropriately execute the director's duties.
2. An outside director must possess considerable experience in corporate management, and be in compliance with the standards stipulated in Appendix 1 https://global.brother/en/sustainability/governance/corporate#c03 (hereafter referred to as

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the Independence Standards), in addition to meeting the qualifications indicated in the previous clause.

3. A candidate for a director is decided by the board of directors in accordance with Clause 1 and 2 of this article and through the procedure taken by the Nomination Committee as stipulated in Article 13.
4. Brother Industries, Ltd. must disclose the reasons for its selection of candidates for directors in the notice of convocation of general meeting of shareholders.
5. An executive officer must possess a fine personality and perception, be acquainted with the business and operation under the executive officer's direction, and must retain the ability to pursue the duties of an executive officer properly.
6. An executive officer is appointed by the board of directors based on the qualifications indicated in the previous clause, and through the procedures taken by the Nomination Committee as stipulated in Article 13.

Article 8: The Composition of the Board of Auditors

1. The board of auditors must not exceed five members as stipulated in the articles of incorporation, and outside statutory auditors must comprise 50 percent or more of the members.
2. The board of auditors must consist of at least one statutory auditor with sufficient expertise in finance and accounting.

Article 9: The Qualifications and Appointment Procedure of Statutory Auditors

1. A statutory auditor must possess a fine personality and perception, and the ability to properly pursue duties as a statutory auditor.
2. An outside statutory auditor must be in compliance with the Independence Standards, in addition to meeting the qualifications indicated in the previous clause.
3. A candidate for a statutory auditor is decided by the board of directors in accordance with Clause 1 and 2 of this article, and after receiving the approval of the board of auditors.
4. Brother Industries, Ltd. must disclose the reasons for its selection of candidates for statutory auditors in the notice of convocation of the general meeting of shareholders.

Article 10: The Roles of Outside Directors

Brother Industries, Ltd. requests its outside directors to fulfill roles to provide advice on its business management, make decisions on important items, and supervise the execution of business from a perspective independent of Brother's top management based on their respective and extensive experience, achievements, and knowledge.

Article 11: Outside Officers Holding Concurrent Posts

Brother Industries, Ltd. annually discloses the status on the holding of concurrent posts of outside directors and outside statutory auditors (hereafter collectively refer to outside officers) in the notice of convocation of the general meeting of shareholders and the company's annual securities report.

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Article 12: Establishment of the Nomination Committee and the Compensation Committee

1. Brother Industries, Ltd. has established the Nomination Committee and the Compensation Committee as arbitrary advisory committees of the board of directors.
2. The Nomination Committee and the Compensation Committee must include outside directors as their majority members, and must appoint outside directors as the committees' chairpersons.

Article 13: The Nomination Committee

The Nomination Committee must deliberate on the agendas of the general shareholder meeting concerning appointment or removal of directors and the agendas 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 must also report on the contents of the Independence Standards and succession planning for the CEO and other top management to the board of directors.

Article 14: The Compensation Committee

1. The Compensation Committee must discuss the contents of the company rules concerning the standard for calculating the remuneration for directors and executive officers, and the contents of respective remuneration of respective individuals, and report the outcome to the board of directors.
2. The basic policies concerning remuneration of Brother Industries, Ltd.'s directors and executive officers are as stipulated in Article 15.

Article 15: Remuneration of Directors and other Top Management

1. Remuneration of the directors and executive officers must be appropriate, fair and balanced in a way that contributes to further enhancement of the motivation of the directors and executive officers in order to maximize the corporate value of Brother Industries, Ltd.

2. In addition to the basic remuneration provided to all, the remuneration of directors also include annual bonus based on performance of the relevant fiscal year, and stock-based compensation for directors offered as an incentive for long-term improvement of corporate value, which are given as remuneration provided to directors excluding outside directors.

3. The remuneration of executive officers consist of basic remuneration, annual bonus, and stock-based compensation for executive officers.

4. The remuneration of directors must be calculated in accordance with the company rules, discussed and reported by the Compensation Committee, and approved by the board of directors. The remuneration of executive officers must be calculated in accordance with the company rules, discussed and reported by the Compensation Committee, and approved by the board of directors or president.

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5. In the case in which the Compensation Committee reports the amount of remuneration of directors and executive officers, it must refer to the standards for remuneration, etc. of other companies that can serve as proper subjects for comparison, and review the appropriateness of the amount of the remuneration.
6. Brother Industries, Ltd. shall disclose the sum of remuneration paid to its directors in an appropriate manner.

Article 16: The Policies concerning Training for Directors and Statutory Auditors

1. Directors and statutory auditors must actively collect information related to the Brother Group's business outlines, legal compliance, corporate governance and other issues and continue to acquire knowledge and skills in order to fulfill their roles.
2. A newly appointed outside officer must be briefed on the Brother Group's management strategies, business outlines and other important matters by the president or those who are appointed by the president.
3. Brother Industries, Ltd. shall provide its directors and statutory auditors with opportunities for training while referring to the evaluation, etc. stipulated in Article 17 (outside officers are also given opportunities to obtain knowledge about the Brother Group's business outlines).

Article 17: Evaluation

The respective directors and statutory auditors shall conduct evaluations of the board of directors' effectiveness, etc. annually, and shall submit the outcome to the board of directors. Based on the evaluations submitted, the board of directors shall analyze and evaluate the effectiveness of the entire board of directors, and disclose a summary of its results in a timely and appropriate manner.

Section 5: Dialogues with Shareholders

Article 18: Dialogues with Shareholders

The basic policies concerning establishment of organizational structures and measures aimed at promoting constructive dialogues between Brother Industries, Ltd. and its shareholders are as stipulated in Appendix 2 https://global.brother/en/sustainability/governance/corporate#c04 .

End of Document

Date of Establishment: November 2, 2015

Date of Revision: June 22, 2023

Appendix 1: The Brother Industries, Ltd. Independence Standards for Outside Officers

Brother Industries, Ltd. shall determine that an individual to which any of the following is applicable, as not "independent" of Brother Industries, Ltd.

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(1) i. An individual who is currently serving or served within the past 10 years as a director, executive officer, manager, or employee (including an executive officer) of Brother Industries, Ltd., and its subsidiaries (hereafter collectively referred to as Brother Industries, Ltd. etc.).

ii. An individual who had served as a director, executive officer, manager, or employee in a managerial position (including an executive officer) of Brother Industries, Ltd. etc., more than 10 years ago.

(2) An individual who is currently serving or served within the past three years as a business executor[*1] of a corporation or any other organization (hereafter referred to as a corporation, etc.) that applies to one of the following.

- A corporation, etc. which is the major shareholder[*2] of Brother Industries, Ltd.
- A corporation, etc. of which Brother Industries, Ltd. etc. is the major shareholder
- A corporation, etc. which paid Brother Industries, Ltd. etc. an amount of money that is more than two percent of the consolidated net sales of Brother Industries, Ltd. during the business year concerned
- A corporation, etc. which received either ten million yen as annual payment or a payment equal to two percent of the consolidated net sales of said corporation, etc., whichever is larger, from Brother Industries, Ltd. etc. during the relevant business year
- A corporation/organization, etc. which obtained more than ten million yen as annual payment or a payment more than two percent of the gross income or recurring revenue of said corporation/organization, etc. whichever is larger, from Brother Industries, Ltd. as a donation or grant during the applicable business year

(3) A certified public accountant who currently serves or served within the past three years as an accounting auditor of Brother Industries, Ltd., etc., or currently belongs or belonged within the past three years to an auditing firm, which serves as the accounting auditor of Brother Industries, Ltd., etc.

(4) A consultant, accounting specialist, or a legal expert who currently receives or received within the past three years either a payment of more than two percent of the net sales of the business year or ten million yen, whichever is higher, from Brother Industries, Ltd., etc. (excluding the remuneration of officers).
(In the case that the recipient of said compensation is an organization, such as a corporation or guild, this applies to the consultant, accounting specialist or legal expert who belongs to the organization concerned.)

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(5) An individual who currently serves as a business executor of a company, at which an individual from Brother Industries, Ltd., etc. serves as its director.

(6) An important individual[*3] who is currently a close relative[*4] of the respective individuals mentioned in (1) through (5) above.

*1. A business executor is a director in charge of executing a business operation or an executive officer of a corporation or any other organization, an officer or employee in charge of executing a business operation of any other corporation, etc.,, those who fulfill the duty stipulated in the Article 598 (1) of the Japanese Companies Act or any other individual that has a similar responsibility, employee, director (excluding an outside director), a manager who has a similar responsibility, or those who execute tasks of employees, etc.

*2. Refers to a shareholder who holds more than ten percent of the voting rights.

*3. As to (1), (2) and (5) above, an important individual means a director, executive officer, or an employee who is a department manager or at a higher position (including an executive officer). As to (3) above, it refers to certified public accountants belonging to respective auditing firms. As for (4) above, it means a director, executive officer, an employee who is a department manager or at a higher position (including an executive officer), certified public accountants belonging to respective auditing firms, or attorneys belonging to respective law firms.

*4. Refers to relatives within the second degree of kinship.

Appendix 2: The Policies concerning Constructive Dialogues with Shareholders

1. Fundamental Ideas
   By increasing the opportunities to provide information to shareholders and investors and conveying the latest information in a clearly understandable manner, strive to enhance the corporate transparency and build long-term relationships of trust.

2. An Individual in Charge of Presiding over Dialogues with Shareholders
   Assign an executive officer in charge of holding constructive dialogues with shareholders and investors, and allow that officer to collaborate with the relevant in-house departments supporting the convening of dialogues on a daily basis.

3. The Ways to Hold Dialogues and the System to Utilize Feedback
   (a) In addition to organizing a briefing, telephone conference, etc. for analysts and institutional investors after the announcements of year-end and quarterly consolidated results, provide information via the Brother Group's official website and various other documents.
   (b) Brother Industries, Ltd. shall strive to properly share with its directors, the opinions from shareholders obtained through dialogues with them.

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4. Administration of Insider Information in Dialogues with Shareholders
   In compliance with the company rules concerning information management, establish a proactive system to prevent the divulging of insider information.

Corporate Governance Report

This report provides information—such as fundamental ideas and structure—regarding BIL's corporate governance.

PDF Corporate Governance Report [PDF/669KB] (Last update: June 26, 2025)
https://download.brother.com/pub/com/en/corporate/governance/governance.pdf

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Governance(G)

Corporate Governance Structure

Corporate Governance Structure

Brother Industries, Ltd. (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. Therefore, we adopt the structure of a company with an Audit & Supervisory Board in the belief of its suitability for us. 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.

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

Board of Directors

BIL's Board of Directors consists of 10 Directors (including five Outside Directors)*, one of whom is a female Director. In principle, meetings, which are chaired by the Director & Chairman, are held once each month. In FY2024, the Board of Directors met 13 times. To increase medium- to long-term

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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 Executive Officers in their operations, and strives to establish structures that ensure management soundness, such as the Group's internal control and risk management systems.

*: As of June 25, 2025

Audit & Supervisory Board

The Audit & Supervisory Board consists of five Corporate Auditors (including three Outside Auditors)[*1], of which two are female Corporate Auditors. It met 12 times in FY2024.

The Corporate Auditors have high levels of expertise in fields such as law and accounting, and following the audit standards established by the Audit & Supervisory Board, mainly conduct the audit activities given below, audit the Directors' execution of duties, and conduct audits on the state of establishment and implementation of the Group's internal control system.

Main activities

- Attendance of 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[*2], and meetings for reports on financial results)

*1: As of June 25, 2025

*2: A collective name for three types of audits (audits by Corporate Auditors, audits by the Accounting Auditor, and internal audits)

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.

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Director Training and Support System for Outside Directors

BIL has created a system for providing training that it considers necessary for its Directors according to the training target, and it conducts training based on the system. As training for Outside Directors, we provide them with not only information about our businesses, history, financial operations, organization, etc. but also opportunities to inspect our on-site operations in person, including visits to our facilities in and outside of Japan, thereby deepening their understanding of our businesses. To train Internal Directors, we provide them with opportunities to acquire knowledge of the duties and responsibilities of Directors.

Executive Officer System

BIL has introduced an executive officer system to ensure swift decision-making by separating executive operations and supervision. There are 18 Executive Officers (including one female Executive Officer), four of whom (including two non-Japanese nationals)* concurrently serve as Directors of Group facilities as Group Executive Officers. Of the Executive Officers, four are concurrently Directors. Executive Officers—including Group Executive Officers—are elected by the Board of Directors. In accordance with the basic management policies determined by the Board, they make decisions on matters related to executive operations delegated by the Board and implement those decisions. 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 25, 2025

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 six Directors*, including five Outside Directors as well as the Representative Director & President, and has appointed 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 agenda concerned are finalized, and report the outcome to the Board of Directors. The Nomination Committee also reports on matters such as succession planning for the President and other top management to the Board of Directors. In FY2024, the Nomination Committee met six times, with a 100% attendance of all

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committee members.

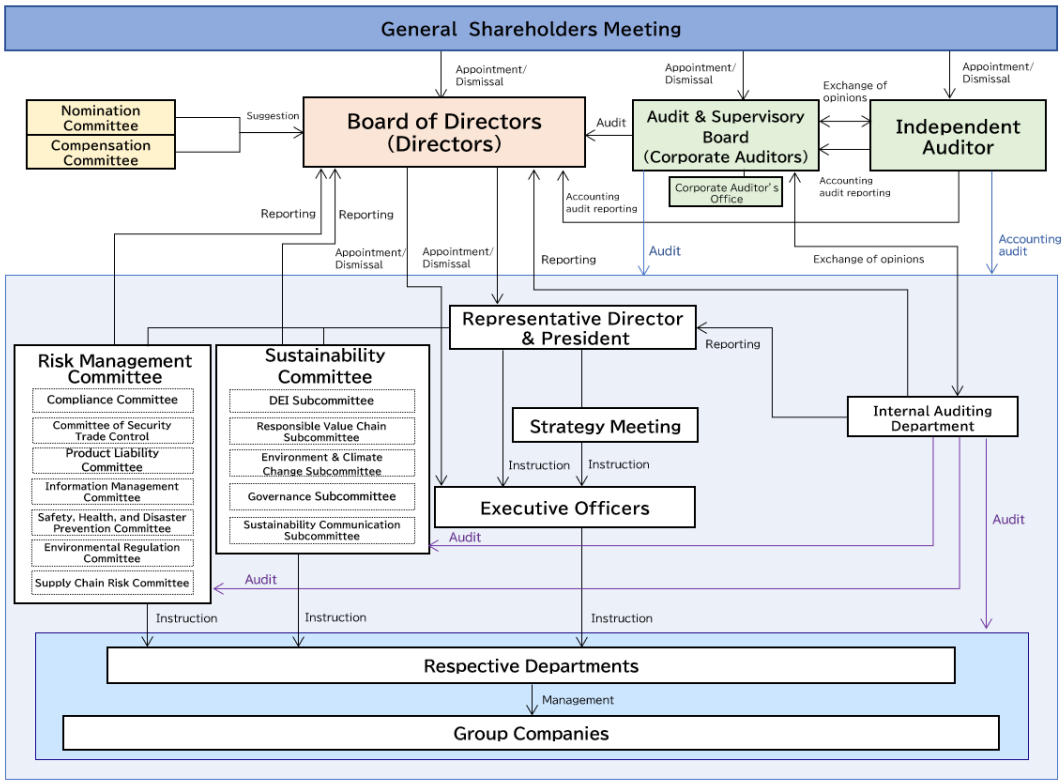
The Compensation Committee must discuss the contents of the Company rules concerning the standard for calculating the remuneration for Directors and executive officers, and the contents of respective remunerations of respective individuals, and report the outcome to the Board of Directors. In FY2024, the Compensation Committee met five times, with a 100% attendance of all committee members.

*: As of June 25, 2025

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.

Brother Industries, Ltd. Governance Structure (as of June 25, 2025)



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Effectiveness of the Board of Directors

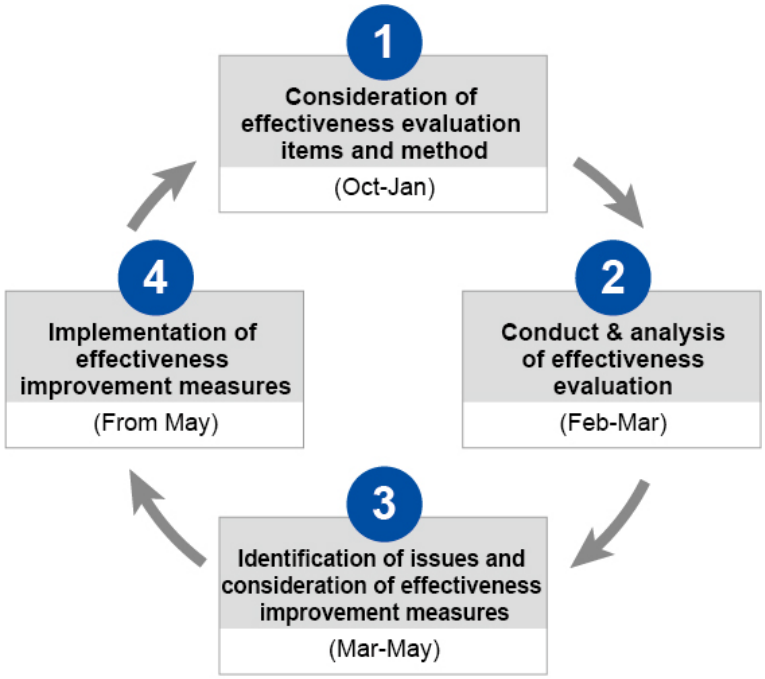
Conducting Evaluation of the Effectiveness of the Board of Directors

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 FY2024 was conducted in February 2025 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



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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 FY2024 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 2025, 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 FY2025:

- Provide feedback to Executive Officers in the process of formulation of the next medium-term business strategy
  - “CS B2027” Report on the progress of four priority themes
- Continue to provide adequate information to officers

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 2024 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 FY2024.

- Hold discussions at meetings of the Board of Directors on key management themes and provide feedback to the executive team in the process of formulation of medium-term business strategies

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- Financial strategy, investment in human capital and human resources strategy

• Hold discussions at meetings of the Board of Directors on the ideal form of BIL's corporate governancers

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.
Starting from FY2025, the first year of our medium-term business strategy "CS B2027," we revised the calculation method 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 remuneration	Directors other than Outside Directors and part-time Directors	Stock-based remuneration 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 remuneration. 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

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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.

*: 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.

(1) The "allocation ratio" is determined based on the sum of "base points" corresponding to the director's position and the predetermined "base point unit price" and "base profit for the period."

(2) Multiply the allocation ratio in (1) by the consolidated profit for the year to calculate the total annual bonus fund for the relevant fiscal year.

(3) Aggregate bonus fund is proportionally divided according to the base points for each position of each eligible Director, and the provisional distribution amount for each eligible Director is calculated.

(4) The Representative Director and President may propose a special supplementary amount of up to 10% of the provisional distribution amount for each Director eligible for payment, excluding himself.

(5) After the Compensation Committee examines the total provisional distribution amount and special

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supplementary amounts for each Director eligible for payment and the total payment amount, the Committee submits to the Board of Directors a proposal on the annual bonus payment amount for each Director eligible for payment, and payment is made to each eligible Director pursuant to a resolution of the Board of Directors.

Stock-based remuneration

Stock-based remuneration 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 remuneration 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.
Shares and other securities are granted to eligible Directors as a rule after they leave their Director positions.
The number of shares granted as stock-based remuneration is calculated according to the predetermined formula.

(1) The Company grants to each eligible Director 50% of the number obtained by dividing the predetermined base amount of stock-based remuneration by the base stock price according to the Director's position in the Company as fixed points and 50% as performance-linked points for the period covered by the medium-term strategy, etc. (referred to simply as the "applicable period") in each fiscal year, and the points accumulate.

(2) After termination of the applicable period, the cumulative number of performance-linked points is calculated for each Director according to the following formula and a final determination of the performance-linked point final value is made.

Formula
Performance-linked point final value = (A) + (B) + (C) + (D)
(A) Performance-linked cumulative value × 25% × ROE coefficient (* 1)
(B) Performance-linked cumulative value × 25% × TSR coefficient (* 2)
(C) Performance-linked cumulative value × 25% × Revenue coefficient (* 3)
(D) Performance-linked cumulative value × 25% × CO_2 emissions reduction coefficient (* 4)

(*1) ROE Coefficient
– Calculated in accordance with the following table according to the degree of achievement of ROE target in the final fiscal year in the applicable period.

Degree of Achievement	ROE coefficient
130% or more	200%
100% to less than 130%	(Degree of achievement - 70%) ×10÷3

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Degree of Achievement	ROE coefficient
70% to less than 100%	Same as degree of achievement
Less than 70%	0%

(*2) TSR coefficient

– Calculated in accordance with the following table according to the comparison between our TSR and TOPIX (compare to TOPIX) during the applicable period.
Compare to TOPIX (%) = Our TSR ÷ TOPIX including dividends × 100

Compare to TOPIX	TSR coefficient
150% or more	150%
100% to less than 150%	Same as degree of achievement
Less than 100%	0%

(*3) Revenue coefficient

– Calculated in accordance with the following table according to the achievement rate of the target consolidated revenue for the final fiscal year of the target period.

Degree of Achievement	Revenue coefficient
150% or more	150%
75% to less than 150%	Same as degree of achievement
Less than 75%	0%

(*4) CO_2 emissions reduction coefficient

– Calculated in accordance with the following table according to the degree of achievement of the CO_2 emissions reduction amount target for Scope 1 and Scope 2 during the applicable period.

Degree of Achievement	CO_2 emissions reduction coefficient
100% or more	100%
80% to less than 100%	Same as degree of achievement
Less than 80%	0%

*: The Company's TSR indicates total shareholder returns including capital gains and dividends during the applicable period.

*: In the case where a director leaves his/her position as Director before termination of the applicable period due to expiration of his/her term, an adjustment calculation is made based on the above.

(3) A director who satisfies the eligibility requirements to receive stock-based remuneration will receive 70% of the accumulated points granted based on (1) and (2) above after leaving his/her position and will receive monetary benefits equivalent to the remaining points.

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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 remuneration: Basic remuneration (fixed): Annual bonus (performance-based): Stock-based remuneration (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 remuneration:
Basic remuneration (fixed): Stock-based remuneration (performance-based) = generally 3 : 1

Clawback and Malus clause

With regard to annual bonuses and stock-based remuneration, 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, 2024	Annual bonuses for Directors based on FY2023 performance Stock issuance based on FY2023 performance
December 23, 2024	Officer remuneration level assessment Review (revision) of basic remuneration for officers
February 6, 2025	Direction of review of the officer compensation system
February 27, 2025	Review of officer basic remuneration, annual bonuses, and stock-based remuneration
March 24, 2025	Revision of the officer compensation system

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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 FY2024 as indicated below.

June 25, 2024	Remuneration for Directors for FY 2023
March 24, 2025	Revision of the officer compensation system

Amounts of officer remuneration

(For one year from April 1, 2024 to March 31, 2025)

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)	501 (63)	311 (63)	86 (-)	47 (-)	56 (-)	11 (5)
Corporate Auditor (including Outside Auditors)	81 (31)	81 (31)	- (-)	- (-)	- (-)	5 (3)
Total (including Outside Directors and Outside Auditors)	582 (95)	393 (85)	86 (-)	47 (-)	56 (-)	16 (8)

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*: The amount of remuneration paid to Directors does not include the employee salary portion for those employees who also serve as Directors.

*: Performance-based remuneration related to stock-based remuneration is linked to the financial targets (revenue, profit for the year, CO2 emissions reduction, and TSR (compare toTOPIX) for FY 2024) of the former medium-term business strategy (FY 2022 to FY 2024), and the amount stated is the amount calculated by deducting the amount disclosed in the previous fiscal years from the amount calculated based on the degree of achievement of the performance targets.

For other information on officer remuneration, please see the Securities Report.
https://global.brother/en/investor/business

Officer Skills Matrix

BIL's Board of Directors is composed of various types of individuals with different knowledge and experiences to contribute to the sustainable management of the Brother Group's global business operations. BIL, placing importance on both supervisory and advisory functions of the Board of Directors, places particular emphasis on appointing Outside Directors who are independent of its management and who possess a wealth of management experience. For the Board of Directors as a whole, including those Outside Directors, we have created the Board of Directors' skills matrix after deliberation by the Nomination Committee and the Board of Directors, by organizing those who are expected to play a leading role in each skill that we consider necessary for the execution of our management strategy.

For the skills on the matrix, we selected
"Management/Strategy," "Development/Manufacturing," "Sales/Marketing," and "IT/DX" as skills related to business strategies, such as "expansion in the Industrial area" and "transformation in the Printing area," which are the priority themes of our medium-term business strategy "CS B2027"; "Talent Development" as the foundation for these activities; "ESG/Sustainability" as a skill related to Materiality; and "Internationalism," "Legal/Compliance," and "Financial/Accounting" as skills related to global business development, governance, and finance.
(As of June 25, 2025)

Role	Name	Official title or position	Committee 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	ESG/Sustainability			
Directors	Toshikazu Koike	Director & Chairman			●		●		●	●		●	●	69		13/13
	Kazufumi Ikeda	Representative Director & President	●	●	●			●	●	●		●	●	62		13/13

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Role	Name	Official title or position	Committee 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	International ism	Legal/Compliance	Financial/Accounting	ESG/ Sustainability			
	Tadashi Ishiguro	Representative Director & Executive Vice President			●		●			●	●			65		13/13
	Satoru Kuwabara	Representative Director & Executive Vice President			●	●	●	●		●				62		13/13
	Taizo Murakami	Director & Senior Managing Executive Officer			●	●		●		●			●	63		13/13
	Keisuke Takeuchi	Outside Director	● Committee Chairman	●	●	●				●				77	●	13/13
	Aya Shirai	Outside Director	●	●	●				●		●		●	65	●	13/13
	Kazunari Uchida	Outside Director	●	● Committee Chairman	●			●	●	●				73	●	13/13
	Naoki Hidaka	Outside Director	●	●	●		●			●				72	●	13/13
	Masahiko Miyaki	Outside Director	●	●	●	●							●	71	●	13/13
Auditors	Keizo Obayashi	Standing Corporate Auditor								●		●		62		13/13
	Takeshi Yamada	Standing Corporate Auditor								●	●			62		13/13
	Akira Yamada	Outside Auditor								●	●			72	●	13/13
	Chika Matsumoto	Outside Auditor										●	●	64	●	13/13
	Ikuko Akamatsu	Outside Auditor									●	●		57	●	-

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

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	Name	Official title or position	Reason for Appointment
Directors	Toshikazu Koike	Director & Chairman	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.
	Kazufumi Ikeda	Representative Director & President	After joining the Company, Kazufumi Ikeda worked in product planning, sales, and other departments and then was involved in business management and other operations at a German sales subsidiary. With years of experience as the head of the Americas sales headquarters, he drove the growth of our business in the Americas. After returning to Japan, he has promoted the medium-term business strategy as an executive responsible for corporate planning and has demonstrated outstanding leadership in human resources system reforms aimed at increasing employee engagement. We believe his extensive knowledge and excellent leadership will help contribute to the enhancement of our Group's corporate value.
	Tadashi Ishiguro	Representative Director & Executive Vice President	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 & 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.

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	Name	Official title or position	Reason for Appointment
	Satoru Kuwabara	Representative Director & Executive Vice President	After joining the Company, with years of experience in development and design operations in our primary Printing & 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.
	Taizo Murakami	Director & Senior Managing Executive Officer	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 and 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.
	Keisuke Takeuchi	Outside Director	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.
	Aya Shirai	Outside Director	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.

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	Name	Official title or position	Reason for Appointment
	Kazunari Uchida	Outside Director	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.
	Naoki Hidaka	Outside Director	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 offices of the company outside of Japan. 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.
	Masahiko Miyaki	Outside Director	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 can provide advice regarding the Group's management, make important decisions, and supervise the execution of business.
Auditors	Keizo Obayashi	Standing Corporate Auditor (Full-time)	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.

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	Name	Official title or position	Reason for Appointment
	Takeshi Yamada	Standing Corporate Auditor (Full-time)	After joining the Company, Takeshi Yamada was engaged in corporate planning and administration at major subsidiaries in and outside of 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.
	Akira Yamada	Outside Auditor	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.
	Chika Matsumoto	Outside Auditor	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.
	Ikuko Akamatsu	Outside Auditor	After building her career as a Certified Public Accountant and Certified Fraud Examiner, the candidate has further honed her expertise in the fields of governance, compliance, and diversity. In addition, she has been involved in corporate management as an outside officer for a wide variety of companies. Through her extensive experiences, insight and achievements, it is considered that she can provide auditing over the operation of the Company, independent of the managing executives.

List of Officers

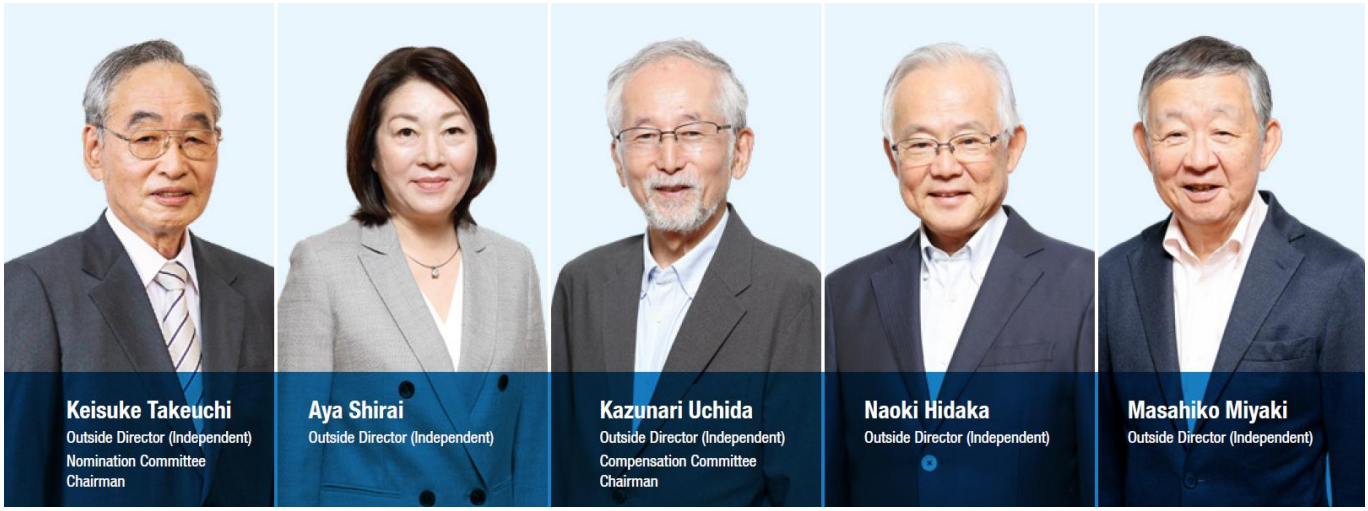
> List of Officers
https://global.brother/en/corporate/profile/executive

PDF Corporate Governance Report [PDF/669KB] (Last update: June 26, 2025)
https://download.brother.com/pub/com/en/corporate/governance/governance.pdf

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Governance (G)

Outside Directors' Round Table



Driving Business Portfolio Transformation and Preparing for the Future—Outside Directors' Insights into the Brother Group's Challenges and Prospects

Under its vision "At your side 2030" and medium-term business strategy "CS B2027," the Brother Group is accelerating business portfolio transformation to strengthen profitability. To secure this progress and lay foundations for the future, strategic monitoring by the Board of Directors and the perspectives of Outside Directors are essential. In this Round Table, five Outside Directors discussed the Board's effectiveness, executive succession planning, investment in growth businesses, and measures to enhance shareholder value, sharing their views on the challenges and prospects for the sustainable growth of the Brother Group.

Materiality: Supporting Value Creation through Governance

Q: One materiality is "supporting value creation through governance," with efforts to enhance governance functions in anticipation of business portfolio transformation. As an Outside Director, how do you contribute to improving the quality of proposals for the executive and strategic discussions?

Shirai : In "CS B2027," each business has clear roles and key metrics and is executing its own strategy accordingly. The Printing & Solutions (P&S) Business , as our core business and the main touchpoint with general consumers, is critical in directly communicating Brother's values. For example, by shifting packaging from polystyrene foam to pulp mold, CO_2 emissions were cut by

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about 60%, a showing strong commitment to the environment. Such initiatives resonate with eco-conscious consumers, expand our fan base, and may attract future shareholders. Outside Directors should support these efforts.

For the growth business area, strategic investment, alliances, organizational agility, and diverse talents are essential. We must embrace varied values and global perspectives to foster a new culture that transcends traditional Japanese corporate frameworks. In particular, I see the need for deeper Board discussions on systems that enable talent diversity to flourish.

Miyaki : Even in a shrinking market, I believe the P&S Business can sustain revenue by expanding our share and strengthening cost competitiveness. In the Industrial area, Brother has technological prowess, but this is not yet fully reflected in revenue. By advancing application development, we can grow significantly in markets where Brother's strengths stand out.

For manufacturing, I see governance as "making good products properly, selling them properly, and guaranteeing them properly." Without acting "properly," risks such as quality issues or weaker price competitiveness may emerge. I believe that true governance at Brother lies in combining innovative ideas with solid technology to keep delivering products of real value to society.



Hidaka : Regarding governance, our Board of Directors is reviewing its role by debating the pros and cons of "management-oriented" versus "monitoring-oriented" models, including how best to oversee strategy execution. We are now identifying challenges we need to address and shaping concrete approaches to achieve "proactive governance." Going forward, I believe it is vital to further define the Board's role to firmly support sustained corporate value creation.

Executive Nomination & Evaluation, and Next-Generation Leader Development

Q: The selection of top executive and executive evaluation are critical governance functions directly tied to the medium- to long-term enhancement of corporate value. In the recent appointment of President Ikeda, what criteria and perspectives guided the Nomination Committee's discussions?

Takeuchi : We began the selection process for the next president at the beginning of the year before last. All the Outside Directors interviewed each candidate to directly assess their views on management policies and company operations. We placed particular emphasis on leadership

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qualities—especially proactiveness and willingness to take on new challenges. Ultimately, Mr. Ikeda was recommended to the Board of Directors for his positive outlook, openness, and strong ability to lead the organization.

Hidaka : As noted, we evaluated candidates based on sufficient information. Although our Nomination Committee is a body advising the Board, I strongly felt the Board took its recommendations seriously and reflected them in its decision-making.

Succession planning is often prepared just 2–3 years in advance, but ideally it should begin the year after a new president takes office. That process should also include structured development, such as assigning candidates to key roles.



Uchida : When we consider a structured development process, one challenge in our succession process is age distribution. President Ikeda and about half of the Executive Officers are in their 60s, so ensuring smooth successions is vital.

Promising young talent should be given executive positions early, such as subsidiary president roles, through strategic assignments. At present, succession planning is not yet fully embedded, so it is important for Outside Directors to actively engage and drive reform.

Miyaki : I agree. What concerns me most is the age gap among succession candidates. Executive succession candidates should be given diverse and challenging assignments early on to rigorously develop their capabilities as future presidential candidates.

Takeuchi : Indeed, developing younger executive talent requires a structured development plan and a clear career path. For future executive talent, diverse experiences are essential, but in reality, managers often “hold on” to subordinates, limiting their opportunities to broaden their perspectives..

It is also crucial to foster management interest among Brother’s technical talent. Even those with technical backgrounds should gain experience in HR, finance, and other corporate functions. Since about 80% of our workforce has a science or engineering background, keeping them confined to technical roles makes it difficult to develop future executives. Revisiting this structure to build a stronger pipeline of executive talent is a key challenge for the company.

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Succession of Outside Directors and Outside Auditors

Q: How is the succession of outside officers currently being considered and developed? From the perspectives of diversity and required expertise, what challenges do you see in pooling, selecting, and appointing outside talent, and what improvements should be made going forward?



Shirai : The Nomination Committee has had various discussions, but it is undeniable that the current candidate selection process remains rather passive. To sustain and strengthen the function of outside officers, both renewal and systematic selection are indispensable. The Board of Directors should be viewed as a single team; we need to assess the necessary skill sets and then revise the skill matrix in line with the future vision. We Outside Directors ourselves must also take a more proactive role in the appointment process.

Uchida: I agree. Of course, Outside Directors must fulfill their compliance oversight role, but more importantly, they are expected to serve as an “accelerator” for driving transformation.

As for diversity, the focus should not be limited to attributes such as gender or nationality, but should also extend to diversity of perspectives and ways of thinking. It is important to envision what Brother should look like in the future and work backward from there to define the required talent profile. If the mindset is simply “who should succeed the current officer,” appointments will inevitably remain an extension of the past. For example, appointing young venture entrepreneurs or seriously globalizing the Board by inviting non-Japanese members and conducting Board meetings in English—such bold measures should be considered.

Hidaka : Regarding the appointment of outside officers, I intend to become more actively involved and make stronger proposals. In this year’s Nomination Committee, based on our view of the Board’s ideal form, we plan to deepen discussions on what nomination and appointment process for outside officers would be most effective, as well as how each committee member’s role should be defined.

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Medium-term Business Strategy and Progress in Business Portfolio Transformation

Q: Under the medium-term business strategy "CS B2027," Brother continues to pursue expansion in the industrial area and transformation in Printing, following the previous medium-term business strategy "CS B2024" (FY2022–FY2024). How does the Board of Directors monitor business portfolio transformation and ensure its effectiveness?

Uchida : The direction of significantly increasing the industrial area's percentage of sales is clear, but at this stage the activities still seem insufficient. As long as the P&S Business remains steady and profitable, there is a tendency for the sense of urgency about transformation to fade. What truly matters is not the quality of the strategy itself but the ability to execute it.

Since organic growth alone has its limits, it is essential to bring in talent from outside to head businesses and take on a pivotal role in driving growth and transformation. Active use of M&A will also be indispensable. The personnel system must be reviewed as well. Unless we shift toward valuing those who take on challenges—even if they fail—over those who simply do nothing, strategies risk ending up as nothing more than aspirations on paper.

Miyaki : In monitoring business portfolio transformation, what I pay close attention to is whether the Company has become bolder in its allocation of resources. Instead of relying too heavily on M&A, I believe the Company should also significantly expand investment in areas such as R&D to drive growth. I am also carefully monitoring how effectively management is reallocating talent to growth areas.

At the same time, the P&S Business must continue to generate stable profits. It is therefore extremely important for the executive to send clear messages and engage in thoughtful internal communication so that people in this business feel they are truly valued by the Company. This sense of psychological support and teamwork is, in my view, the very foundation that enables the Company to push forward transformation across the organization.

Approach to Improving Market Valuation and Enhancing Shareholder Value

Q: The Company's PBR and PER are below the averages of the TSE Prime Market. How does the Board of Directors view and discuss these market valuations?

Hidaka : I see two main reasons why our stock price has been sluggish. First, our organization places a strong emphasis on stability and careful, steady execution. While this has its merits, it has also led to the accumulation of shareholders' equity, resulting in lower capital efficiency. Second, the

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market does not yet have sufficient confidence in our future growth potential. We need to communicate more clearly and convincingly about our strategic shift toward the industrial area and convey the specific initiatives and expectations behind it.



We already have an excellent lineup of machine tools, and the key will be how we grow these businesses. Organic growth alone has its limits, so we must also consider M&A as an important option to complement our marketing, technological, and solution capabilities.

Takeuchi : Generating profits is, of course , the basic mission of any company. At the same time, however, it is equally important that the market sees us as a company that inspires dreams and expectations. To achieve this, we must strengthen our dialogue with the capital markets and proactively communicate our growth strategy and future vision through IR activities.

When it comes to new businesses, projects of only several billion yen in scale would be unlikely to gain meaningful recognition from the market. We should be envisioning businesses of at least tens of billions of yen, and ultimately even larger. Exploration in this area should include a robust intellectual property strategy. I especially hope that the creativity and execution capabilities of our technical talent will be harnessed to drive the creation of new businesses.

Shirai : To continuously enhance our market valuation, repurchasing of our own shares may be one option, but what is even more important is transforming our business structure toward higher profitability.

In addition, strengthening sustainable management and enhancing brand value will form the foundation for enhancing shareholder value. Expanding the base of Brother brand fans and attracting more long-term investors who are willing to hold our shares in support is also essential. To that end, we should consider every possible option, including bold measures such as changing the company name.

Uchida : To meet investor expectations for growth, it will be essential to strengthen our competitiveness, not only in selling products (mono-uri) but also in offering solutions and services (koto-uri). For example, in the P&S Business, we must further accelerate the shift from a conventional one-time sales model to “customer-engagement” business models such as MPS[*1] and subscription services.[*2]

However, the market currently perceives our execution in koto-uri as insufficient, which makes our valuation overly dependent on short-term business performance and leaves our PER at a low level. Demonstrating Brother’s unique business model with a ten-year perspective to the capital markets is critical.

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Miyaki : I also believe that sustainable growth in manufacturing comes from combining both mono-uri and koto-uri. The ideal is to become a company that earns the trust of society and the love of customers, with profits and share prices naturally following as a result. While it is inevitable that our performance will fluctuate due to external factors such as exchange rates or tariff policies, we should not be swayed by these in the short term. Instead, I believe that steadily pursuing Our Purpose as articulated in the Brother Group Vision “At your side 2030” will build the foundation for long-term shareholder value creation.

*1: Managed Print Services: Print services for corporate customers that can optimize functions and pricing plans for each customer

*2: A fixed fee monthly subscription service

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Governance(G)

Risk Management and Internal Control

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 aim to enhance our ability to realize the Group Vision through recognizing that risks may hinder the creation of customer value, which is manifested in the Group Vision “At your side 2030” from FY2022 to FY2030, and conducting appropriate risk management.
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. In addition, we constantly recognize and respond to risks relating to compliance, product safety, import/export control, security trade 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 sustainable 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 committee chairman will urgently convene an extraordinary meeting of the Risk Management Committee. When COVID-19 arose, the Committee responded in the early stage of occurrence overseas by urging caution in the whole Brother Group and promptly establishing a countermeasures headquarters.
In addition, we have established dedicated committees with respect to individual risks, including compliance, product safety, import/export control, security trade control, information management, environmental laws, safety and health, disaster prevention, and the supply chain, as subcommittees under the Risk Management Committee. With the Representative Director & President (or a designated executive officer) 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

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Basic Product Liability 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 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.

Compliance Committee

The Compliance Committee makes the workforce aware of the importance of complying with laws and business ethics and prevents violations and their recurrence through education programs and activities.

Committee of Security Trade Control

The Committee of Security Trade Control ensures the proper management of export transactions and technological offerings based on laws and regulations. This Committee is also working to maintain and improve the management level by staging meetings to discuss important matters every time laws are amended, implementing internal audits, and offering guidance and education to group companies.

Product Liability Committee

The Product Liability Committee is held periodically to ensure product safety in R&D, design and production, sale and use, repair and service, and disposal through coordinated efforts.

Information Management Committee

To cope with risks associated with information leaks, the Information Management Committee determines a suitable policy for managing information on customers and other aspects of the business retained by the company, and deploys it throughout the group.

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Safety, Health, and Disaster Prevention Committee

The Safety, Health, and Disaster Prevention Committee discusses annual plans, devises and implements measures, and conducts awareness activities for the purpose of ensuring employee safety and health, preventing disasters, and minimizing the damage from such disasters.

Environmental Law Committee

The Environmental Law Committee is chaired by the environmental officer and includes executive officers and above who are in charge of development, technology, production, and general affairs fields. The committee discusses and determines measures for environmental issues such as compliance with environmental laws and regulations on products, pollution at business sites, etc.

Supply Chain Risk Committee

In addition to ongoing supply chain risk events, the committee identifies potential future supply chain risk impacts, formulates policies to address them, and implements risk mitigation within the group.

Material Risks and Their Countermeasures

Item	Main Risks	Countermeasures
Trade･Geopolitical risks	・US and China trade friction ・Situation in Russia and Ukraine ・Situation in the Middle East ・Further strengthening of U.S. tariff policies and countermeasures ・Changes in the trade policies and energy policies of various countries	・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 ・Close monitoring and analysis of tariff trends and regulatory changes ・Continuous review of the optimization of manufacturing facilities

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Item	Main Risks	Countermeasures
		・Promote the use of multiple routes and ports by respective manufacturing facilities
Contraction of printing market	・Contraction of the printing market due to reduced printing on paper	・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 ・In the Industrial Printing Business Division, promote further growth, improve profitability, and shift to a sustainable business structure in the industrial printing market
Competition among companies	・Increasing competition in the market due to the rise of new manufacturers	・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	・Adverse impact on performance due to business fluctuations in each region	・Enhance development, production, sales and

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Item		Main Risks	Countermeasures
		caused by changes in the situation of the global economy	marketing, and after-sales service and maintenance
Supply chain	Supply chain interruption	・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	・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
	CSR procurement	・Human rights issues within the supply chain ・Involvement in conflicts, human rights violations, labor issues, and environmental destruction resulting from raw material transactions	・Revise the CSR Procurement Standards and request first-tier suppliers to establish a process for promoting and confirming their own and their upstream suppliers' efforts to respect human rights ・Strengthen systems for assessing and correcting risks in the supply chain by joining

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Item		Main Risks	Countermeasures
			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 ・*: The Responsible Business Alliance is a non-profit organization that supports the rights and wellbeing of workers and communities that are affected by global supply chains
Risks related to parts and materials		・Difficulty procuring parts and materials ・Parts and materials price hikes	・Secure the long-term inventory of parts that are difficult to replace, obtain parts from multiple suppliers, and continuously implement BCP measures, including localization ・Promote activities to prevent accidents, such as inspection of electrical equipment, at suppliers ・Reflect raw material price hike risks in management plans ・Quick response to changes in trade issues

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Item		Main Risks	Countermeasures
			・Accurately monitor changes in market conditions and reduce procurement costs
Quality, product liability		・Market quality problems ・PL problems	・Manufacture products under strict quality control standards ・Provide support for victims, publicly disclose information, and report to public offices, etc. to prevent damage from spreading in the event of an accident
Laws and regulations	Compliance in general	・Accounting fraud, misappropriation ・Unfair trade practices (competition law violations) ・Quality irregularity ・Bribery (corruption risk)	・Establish employee conduct standards through the Codes of Practice of the Brother Group Global Charter (Global Charter) and the Brother Group Principles of Social Responsibility, and carry out dissemination activities ・Establish a Compliance Committee and Helpline for Compliance Issues
	Tax systems	・Increase in tax burden due to additional tax and international double taxation	・Respond through cooperation with external experts ・Communicate with tax authorities ・Use advance pricing agreements (APA)
Environment	Social demands		・Establish medium-term targets for FY2030 in relation to

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Item		Main Risks	Countermeasures
	related to the environment	・Physical risks associated with climate change (human damage due to disasters, suspension of operations, supply chain interruption, etc.) ・Transition risks associated with climate change (policy and regulatory risks, market changes)	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 ・Consideration and preparation for disclosure in line with TNFD Recommendations
	Environmental regulation, environmental pollution	・Violation of regulations	・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 ・Ensure compliance with new regulations through information

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Item		Main Risks	Countermeasures
			gathering on environmental laws and responses including product design changes
Security trade control		・Adverse impact on sales of machine tools due to strengthening of legal regulations related to security trade control	・Understand and analyze regulatory trends in each country and region ・Review and strengthen management systems and internal rules according to the importance and urgency of risks ・Strengthen export control systems throughout the Group ・Thorough education and training for employees ・Enhance compliance awareness throughout the entire supply chain
Information systems	Information security	・External attacks on information systems, product information security ・Leakage of confidential information and personal information	・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

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Item		Main Risks	Countermeasures
			accordance with the Information Security Basic Policy
	Information networks	・Shutdown of critical systems	・Create critical systems with minimal downtime and quick restoration ・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	・Potential accident risks in the work environment ・Casualties among employees due to disasters	・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	・Intensified competition for human resources, inability to secure necessary human resources, loss of key personnel	・Promote evolution of personnel systems and make continual improvements to the workplace environment

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Item	Main Risks	Countermeasures
		・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)	・Expected investment effects not obtained ・Delays in business integration (post-merger integration) ・Goodwill relating to the Domino Business	・Significantly strengthen the M&A promotion structure in the current medium-term business strategy “CS B2027.” ・In the Industrial Printing Business Division, including the Domino Business, strengthen new products, services, and solutions, and reinforce business foundations ・Check the asset value of goodwill and record an appropriate estimated value at least once a year
Currency exchange risks	・Profit reductions and cost increases due to currency rate fluctuations	・Increase the rate of linking of receipts and payments in foreign currency denominated transactions ・Implement forward exchange contract transactions
Intellectual property	・License-related disputes ・Infringement by third parties	・Use patent licenses held in business activities

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Item	Main Risks	Countermeasures
	・Employee invention disputes	・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

PDF Annual Securities Report [PDF/3.8MB] (Last update: June 23, 2025)
https://download.brother.com/pub/com/investor/annual-securities/pdf/2025/2024-asr.pdf

Internal Control

The Brother Group has been continuously working to maintain and improve the Internal Control System across the Group with the aim of ensuring reliability of reports, effectiveness and efficiency of operations, and legal compliance and of safeguarding assets in accordance with the Brother Group Global Charter and the Brother Group Principles of Social Responsibility.

Internal Audits

Under the direction of the Representative Director & President, global internal audits are conducted in collaboration with internal auditors of subsidiaries in and outside Japan. The internal audit activities aim to contribute to attaining the management targets by evaluating the effectiveness of risk management, the Internal Control System, and governance process of the Brother Group and encouraging improvements.

The audits target respective departments of Brother Industries, Ltd. and all the subsidiaries and cover overall management. Regarding the Internal Control System related to financial reporting, the effectiveness is evaluated from a standpoint that is independent of the business execution departments.

Consulting work, such as advice regarding effectiveness and improvement of the Internal Control System, may be performed at the request of committee organizations and departments. The Brother Group has also been working on initiatives to detect signs of improper conduct, using Computer

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Assisted Audit Techniques (CAATs) to increase the efficiency of audits and prevent improper conduct within the Group.

The annual audit plan is formulated by the General Manager of the Internal Audit Dept., who conducts risk assessments and selects audit themes and subsidiaries to be audited, and is approved by the Representative Director & President. The audit results are reported to the Representative Director & President.

To ensure the effectiveness of internal audits, the General Manager of the Internal Audit Dept. reports the annual audit plan and audit results directly to the Board of Directors and the Audit & Supervisory Board. The General Manager also exchanges information and opinions periodically with standing Corporate Auditors and attends the three-party auditing* communication meetings to exchange information and opinions periodically with Corporate Auditors and the Independent Auditor.

*: A collective name for three types of audits (audits by Corporate Auditors, audits by the Independent Auditor, and internal audits)

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Information Security

Information Security Basic Policy

The Brother Group (the Group) regards information as an important asset for the continuity and growth of its business and recognizes that protecting and properly handling such information ensures the trust of stakeholders and compliance with legal requirements. The Group has established and implemented the Information Security Basic Policy (the Basic Policy) so as to protect all of its information assets from various risks.

1. Compliance with laws, regulations, contracts, and the like

We shall understand and comply with information security-related laws and regulations of each country and contracts with customers, partner companies, and other parties.

2. Establishment of an information security management system

In order to maintain and improve the information security level of the Group, we shall establish internal rules concerning information security and a management system as well as make continuous improvements.

3. Protection of information assets

To protect our information assets from various risks, we shall establish standards for information security management and implement appropriate security measures. In addition, we will continuously review the standards and reflect countermeasures against new risks in the standards.

4. Implementation of education on information security

In order to ensure that all officers and employees involved in information security can perform their work with information security literacy, we shall thoroughly familiarize them with the Basic Policy and continue to implement education on information security.

Representative Director & President
Brother Industries, Ltd.

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To ensure that we provide customers with highly safe and secure products so that they can use the purchased products with confidence, we have separately established the Product Information Security Basic Policy.

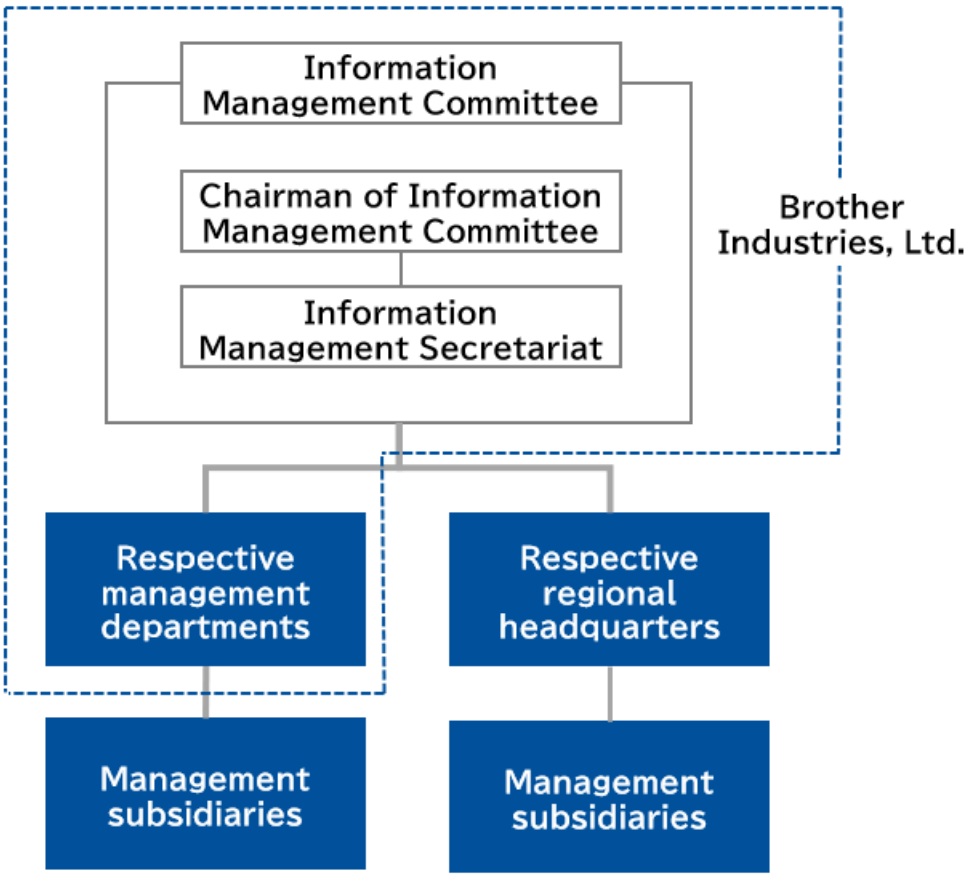
>Product Information Security Basic Policy
https://global.brother/en/sustainability/social/product-security

The Brother Group Information Management System

Information Management Committee

This regulation places the Information Management Committee of Brother Industries, Ltd. (BIL) at the top and clarifies the roles of regional headquarters of Asia, the Americas, Europe, and other regions, as well as Domino, giving them responsibility for information management activities conducted by the subsidiaries under their supervision. This system ensures that decisions made by the Information Management Committee are shared throughout the whole group, and also allows us to grasp the status of information management in the respective subsidiaries.

Information Management Committee Organizational Chart

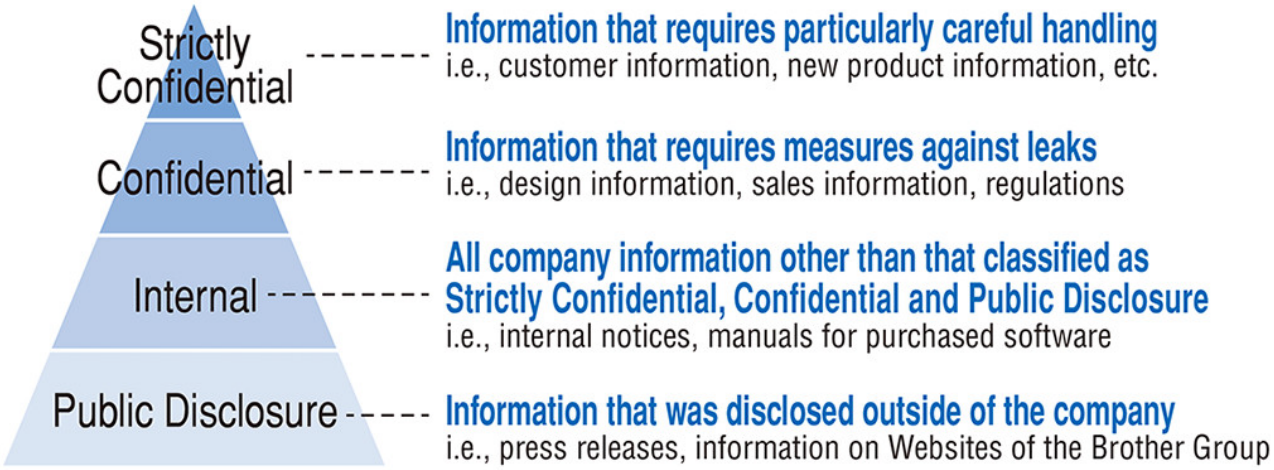


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The Information Management Committee holds regular meetings twice a year to deliberate on, give instructions on, and approve the following matters within BIL and the Brother Group:
(1) Establishment of information management systems and rules related to information management
(2) Annual plans and performance reports for information management activities
(3) Responses to any serious incidents related to information management

Information Management

The Brother Group established the Brother Group Information Management Regulation in conformity with the Information Security Management System (ISMS), considering the proper management and protection of information as the basis of maintaining its management quality. The Group therefore manages a wide range of information handled internally according to the unified security criteria that apply to all Group companies. The criteria divide information into four levels based on its confidentiality and lay down rules on the storage, access, and disposition of information for the respective levels, thereby enhancing the security of the information.



Strengthening Measures to Prevent Information Leakage

Measures against unauthorized access from outsiders

Regarding unauthorized access invading from outside the company, we detect suspicious access at three stages, which include entrances from the Internet, the corporate intranet, and exits to the Internet, to prevent information leakage. As countermeasures against targeted attacks by e-mail, we,

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for example, delete suspicious mails at the entrances from the Internet and monitor and delete malicious programs like computer viruses on the corporate intranet. In addition, communication to dangerous servers is blocked at the exits to the Internet, in order to avoid information leakage.

Measures against internal wrongdoings

We issued the rules for the handling of information in the company and have been disseminating them to our employees through e-learning, etc., to prevent the employees from engaging in risky behavior by mistake.
We install security tools to each PC to manage the usage records and inform employees of this management aiming to prevent their wrongdoings.

> General Privacy Policy
https://web.global.brother/aa/privacy-us-en.html

External Certification

BIL has obtained ISO/IEC 27001 certification, an international standard for information security management systems, for the following certification registration scope.

Company name	Brother Industries, Ltd.
Certification standard	ISO/IEC 27001:2022 ／ JIS Q 27001:2023
Certification registration scope	● The information security management of the Brother Group in MIS Department (Location: Headquarters) ● The system development and maintenance operations of the service in Printing & Solutions Business (Location: Mizuho Factory)
Certification body	BSI Group Japan K.K.
Certification registration No.	IS 812417
Registration date	January 27, 2025
Update date	January 27, 2025
Expiration date	January 26, 2028

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Compliance and Anti-Corruption

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 thorough compliance throughout the Group, we have established conduct standards for executives and employees based on Ethics and Morality, one of the “Codes of Practice” of the Brother Group Global Charter https://global.brother/en/corporate/principle , and the Brother Group Principles of Social Responsibility https://global.brother/en/sustainability/csr/csr-principle , which clearly define our corporate social responsibility and guide us to fulfill it.

Compliance promotion structure

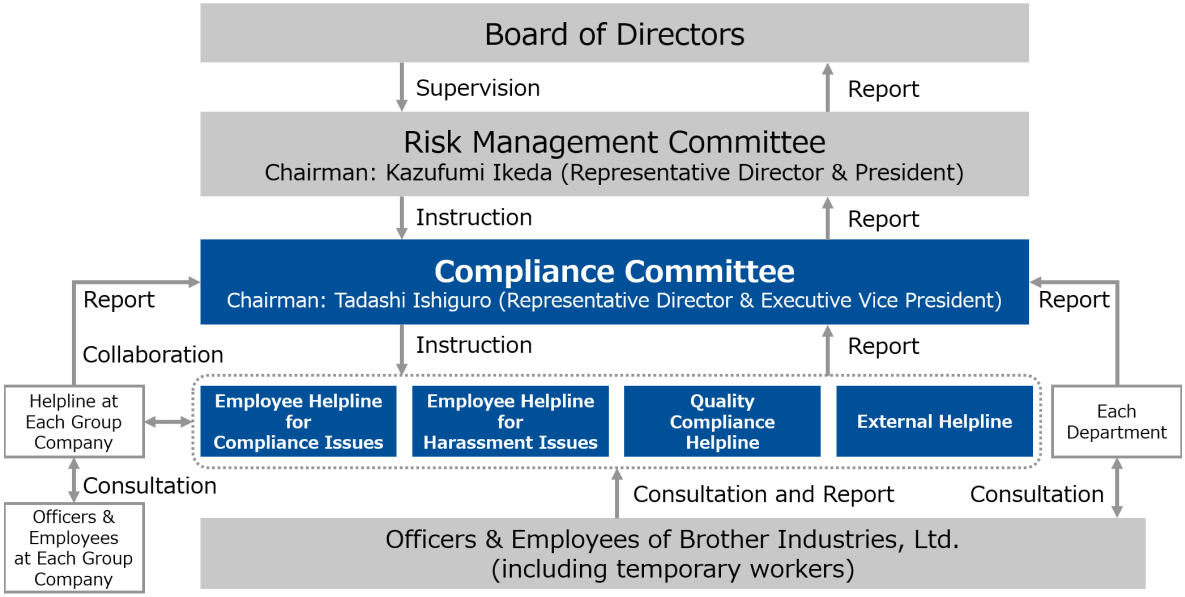
Brother Industries, Ltd. (BIL) has established the Compliance Committee to prevent violations, take prompt action in the event of a violation, and prevent reoccurrences thereof. In addition, we have in place the Employee Helpline for Compliance Issues with the main aim of improving the company’s ability to govern itself by detecting internal misconduct early and investigating and correcting it without leaving it uncorrected. The respective Group companies, including overseas affiliates, have also set up their own employee helplines to deal with any misconduct.

Any compliance or whistleblowing issues that arise within the Brother Group are reported to the BIL Compliance Committee on a quarterly basis. In particular, if a compliance risk that could have a significant impact on the management of the Brother Group is realized or if its realization is predicted, we will make Group-wide efforts to respond promptly in accordance with the Brother Group Global Policy for Helpline for Compliance Issues, using a system we have established for that purpose.

If any compliance issue that could have a significant impact on the management of the Group, such as corruption or bribery, is detected, we will investigate into the facts of the matter based on the Operation Standards of the Employee Helpline for Compliance Issues and related regulations. The investigation team shall consist of independent members not involved in the case or not under the management team members involved in the case. The team may have external experts (such as lawyers) as needed. Such significant cases will be reported to the Board of Directors of BIL in a timely manner through BIL’s Risk Management Committee.

BIL has established the internal Employee Helpline for Harassment Issues that is dedicated to harassment behavior—such as sexual and power harassment—in an effort to create workplace environments where employees can work while respecting each other. BIL has also set up a Quality Compliance Helpline with the aim of preventing compliance violations and scandals related to quality of products and services of Brother Group, and improving and correcting violations. In addition, an external helpline for compliance issues has also been established with affiliated lawyers outside the company to allow employees to directly report violations.

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Brother Group Global Policy for Helpline for Compliance Issues

To improve each Group company's ability to govern itself and mitigate reputation risks entailed by reports to external parties, the Brother Group has set up the Employee Helpline for Compliance Issues as part of the mechanism it has established to ensure that each Group company receives and handles internal inquiries and reports on misconduct and other issues. For helpline operation, Brother Group regulations have defined the Operation Standards of the Employee Helpline for Compliance Issues.
In addition, Group companies regularly report the 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 on cases that could have a significant impact on the management of the Group are received by each Group company. Those cases are also reported to the Secretariat of the BIL Compliance Committee upon the initiation and completion of a primary investigation. To promote these initiatives, BIL has formulated the Brother Group Global Policy for Helpline for Compliance Issues.

Global Policy for Helpline for Compliance Issues

1) Scope of Application

This policy will be applied to the establishment and operation of the Helpline, which receives inquires and reports from Directors, Corporate Auditors, employees or others who work for Brother Industries, Ltd. or any of its subsidiaries.

2) Individuals Allowed to Make an Inquiry or Report

Any worker who works for Brother Group may make an inquiry or report. An inquiry or report may be made to the contact point established in each group company or an external contact point designated by each group company.

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3) Appointment of Persons in Charge

Each group company will appoint persons in charge of compliance who serve full-time or concurrently. The persons in charge are provided with necessary training on their duties such as receiving and dealing with inquiries or reports and conducting investigations.

4) Prohibition of Detrimental Treatment of Whistleblowers

We will not treat whistleblowers in a detrimental way due to their making inquiries or reports.

5) Protection of Anonymity of Whistleblowers

We will protect whistleblowers' anonymity to prevent them from being identified. We will not disclose whistleblowers' real name, department name or any other information that identifies whistleblowers without their consent or a justifiable reason for doing so. In addition, we will establish the necessary rules to protect anonymity, manage information and, when conducting investigations, take care to prevent whistleblowers from being identified.

6) Elimination of Interested Persons from Persons Conducting Investigation

The persons in charge of receiving and dealing with inquiries or reports and conducting investigations must not be involved in the handling of cases in which they are concerned with.

7) Remedial Actions

If any violation or breach of laws or internal rules is revealed as a result of investigations, we will take remedial and/or recurrence prevention measures promptly. When needed, we will give appropriate responses such as disciplinary actions toward concerned parties through appropriate internal process. Further, we will make a report to relevant governmental agencies as required.

8) Notification to Whistleblowers

With respect to investigation results, we will notify whistleblowers of whether there is any compliance problem and the summary of any remedial actions taken. We will also feedback an outline of the progress of the investigation to whistleblowers as needed.

9) Recording and Storage

We will record the series of steps from receiving an inquiry or report to dealing with it so that the records may be verified later. These records will be retained and managed to ensure that they are not easily available for unauthorized individuals to access in consideration of the protection of anonymity of whistleblowers.

10) Follow-up

After the process to deal with an inquiry or report is completed, we will conduct verifications to find if remedial and recurrence prevention measures are adequately working. We will also take a follow-up action as needed by checking that whistleblowers are free from any detrimental treatment.

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Number of cases handled by the Brother Group Employee Helpline for Compliance Issues

	FY2021	FY2022	FY2023	FY2024
Number of cases handled	90	85	120	112
(Breakdown: BIL)	11	11	22	16
(Breakdown: Group companies in Japan)	56	47	51	58
(Breakdown: Group companies outside Japan)	23	27	47	38

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

Publication of the Compliance Handbook

In 2010, BIL published the Compliance Handbook to raise employee awareness of compliance and ethics. The Handbook contains codes of conduct, rules to be followed as a company, and examples of actions that constitute compliance violations, enabling employees to apply its content to themselves and the work they are responsible for.

In FY2023, the Handbook was revised as social conditions and compliance awareness have changed dramatically since the first edition was published. The revised edition includes new topics such as the prohibition of maternity harassment and precautions for the use of social media, providing compliance information in line with the current social environment. In addition, the FY2023 edition was changed from paper form to publication on the intranet. This change has not only made it easier to update the content of the handbook and add new information but also helps reduce paper consumption and allows employees constant access to the latest version of the Handbook.

Issuance of Compliance Card and Creation of Posters

BIL distributes a Compliance Card to the employees of Group companies in Japan to increase awareness of compliance and to remind employees of the mindset required for thorough compliance. BIL has also created a Compliance Poster and displays it at the company to raise employee awareness of compliance. The cards and posters include contact information for the Employee Helpline for Compliance Issues to spread the word about the Helpline.

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Compliance Education

In Japan, we provide compliance education to employees through group training programs, including training programs for new employees, new manager training and training before overseas assignments, as well as online training programs using an e-learning system. Brother Group companies outside Japan also provide compliance education to raise employee awareness of compliance. In addition, in light of regulatory trends in recent years, we are also researching laws and regulations and striving to educate and raise awareness among Group companies to ensure compliance with local anti-bribery and antitrust laws.

We conduct a yearly online compliance training (e-learning) for employees in group companies in Japan.

Online Compliance Training (e-learning) Results for BIL and Japan-based Brother Group Companies

	FY2022	FY2023	FY2024
Training period	August–November 2022	August–December 2023	August–December 2024
Target	8,823 People (including seconded employees and temporary employees outside and inside of Japan)	8,897People (including seconded employees and temporary employees outside and inside of Japan)	8,746 People (including seconded employees and temporary employees outside and inside of Japan)
Percentage of people trained	94%	94%	97%
Topics	1) Accounting Fraud 2) Embezzlement of Company Equipment and Inventory 3) Illegal Activities Outside of Work (Gambling)	1) Bribe-taking (Gifts and entertainment from business partners) 2) Fictitious orders for promotional items (Kickbacks) 3) Quality fraud (Falsification in standards testing)	1) Giving bribes (such as gifts and entertainment) to government officials or the like 2) Illegal kickbacks from businesses to individuals 3) What you need to know about inquiry and reporting

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Furthermore, in addition to e-learning, BIL also checks awareness of the Helpline for Compliance Issues via a periodical questionnaire. In FY2024, awareness of the Helpline for Compliance Issues was at 92%.

Brother Group Anti-Corruption Global Policy

In the “Codes of Practice” of the Brother Group Global Charter https://global.brother/en/corporate/principle , the Brother Group commits to complying with relevant laws and regulations in the countries and regions in which it operates.
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 are implementing this policy to further promote our anti-corruption efforts.

Brother Group Anti-Corruption Global Policy

1) Scope
This policy applies to all officers, employees, part-time employees, seconded employees, and temporary employees of Brother Group (hereinafter referred to as "Brother Group Officers and Employees").

2) Compliance with Applicable Laws
Brother Group Officers and Employees shall comply with the laws and regulations related to prevention of bribery that is applied in the countries and/or regions in which Brother Group operates.

3) Prohibition of giving bribery to government officials, etc.
Brother Group Officers and Employees shall not, for the purpose of improperly influencing or rewarding the behavior of someone to obtain or retain business or a commercial advantage, or for any other improper purpose, directly or indirectly through third parties, corruptly give, offer, promise, or authorize payments of money or anything of value, including gifts, hospitality, entertainment, and other benefits (including kickbacks), to a government official. A government official includes local or foreign government officials, employees of government-owned or -controlled entities, officers and employees of public international organizations, any political party official or candidate, members of royal families or persons in a similar position acting in an official capacity on behalf of a national, state, or local government, including uncompensated officials if they have actual influence in awarding government business or technical or marketing consultants who also hold a government position.

4) Prohibition of giving bribery to non-government officials
Brother Group Officers and Employees shall not, for the purpose of improperly influencing or rewarding the behavior of someone to obtain or retain business or a commercial advantage, or for any other improper purpose, directly or indirectly through third parties, corruptly give, offer, promise, or authorize

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payments of money or anything of value, including gifts, hospitality, entertainment, and other benefits (including kickbacks), to any person other than a government official, unless the giving of such money or anything of value are within bounds of good standard business practice, the Brother Group policy, and the applicable laws or regulations of the country or region concerned.

5) Prohibition of accepting bribery

Brother Group Officers and Employees shall not, for the purpose of obtaining personal gain or advantage, or for any other improper purpose, directly or indirectly through third parties, demand any person to give money or anything of value, including gifts, hospitality, entertainment, or other benefits (including kickbacks), unless the accepting of gifts, hospitality, entertainment, or other benefits are within bounds of good standard business practice, the Brother Group policy, and the applicable laws or regulations of the country or region concerned.

6) Accurate Records

Brother Group Officials and Employees shall properly maintain and manage accurate and complete records of all payments and other expenses made to third parties and shall endeavor to detect and promptly report fraudulent activity or the possibility of such misconduct.

7) Violation

Brother Group Officials and Employees who violate this policy will be subject to disciplinary proceedings based on employment rules and other internal rules and policies of the respective Brother Group company.

Anti-Corruption Measures

In the Brother Group Principles of Social Responsibility https://global.brother/en/sustainability/csr/csr-principle and the Brother Group Anti-Corruption Global Policy https://global.brother/en/sustainability/governance/compliance#c05 , Brother Group employees are prohibited from engaging in corruption or bribery. These policies are communicated to all Brother Group executives and employees through the BIL website and the Brother Group intranet site, among others.

In addition to the dissemination of the policies, the Brother Group is engaged in anti-corruption activities through the following initiatives.

Anti-corruption efforts in Japan

With the aim of preventing corruption and bribery, BIL provides its current executives and employees with online anti-corruption and anti-bribery education once every few years. Brother also considers executives and managerial staff, the latter of which account for approximately 20% of its employees, to be at high risk of being involved in corruption or bribery.
For all employees of Group companies in Japan, we are working to raise their anti-corruption awareness

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by distributing a handbook containing specific examples of bribe-giving and entertainment.
In addition, to prevent corruption and bribery risks from being realized, we provide training for mid-career recruits at BIL and some of the Group companies in Japan (with the participation of more than 100 recruits in in-person training upon their entry to the company in FY2024). We also provide this kind of training for employees seconded to management positions at Group companies in Japan and overseas (with the participation of more than 30 eligible employees in in-person training before their transfer in FY2024).
From FY2018, when the survey started, to FY2024, there were no terminations for corruption in Japan, zero corruption-related fines, and no penalties. Also, BIL's political contributions were zero.

Global anti-corruption efforts

Asia: Introducing a bribery checklist

In Asia, we introduced a bribery checklist in FY2020 for use by our sales facilities. This checklist is used by sales facilities when they deal with third parties, such as distributors, consultants, and service providers, in order to check for various actions* that may present bribery risks. Using the checklist, our sales facilities in Asia and BIL work together to regularly review and monitor transactions with third parties such as government agencies and officials.

Based on the results of the checklist, an anti-bribery clause was added in FY2021 to major contracts between our sales facilities in Asia and third parties. Moreover, in FY2022, some of our sales facilities in Asia began formulating their own internal anti-bribery policies. Since FY2023, the scope of sales facilities formulating such internal policies has further expanded, and some sales facilities have begun to conduct follow-up interviews concerning responses to the checklist. We have therefore continued to implement various measures to reduce bribery risks.

*: 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 anti-corruption screening of business partners

Brother International Corporation (U.S.A.) ("BIC (USA)"), the regional headquarter for the Americas, conducts online anti-bribery training for employees in the Americas that includes examples of what may constitute bribery.

In consideration of the high risks involved in international transactions, BIC (USA) also communicates its strong anti-corruption policy by including an anti-corruption clause in its contracts concluded with third parties such as new business partners, contractors and agents outside the United States.

Furthermore, BIC (USA) conducts anti-corruption screening of any third parties with which BIC (USA) contracts for purposes of obtaining their products or services (including consultants, suppliers, service

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providers, or other intermediates), or any third parties which collaborate with BIC (USA) in providing their own products and services in the marketplace (including dealers, resellers, distributors, freight forwarders, or other intermediates) under a risk-based approach. We ask business partners identified as high risk in the screening process to complete a compliance questionnaire after viewing an anti-corruption video. This screening process is also applied to potential business partners. Before doing business, we confirm that there are no issues based on the screening.

In addition, BIC (USA) monitors all screened business partners on an ongoing basis. Any new issues or risks that are identified are addressed immediately.
Specifically, the results of the screening are used to consider whether to continue doing business with the business partner concerned, whether additional due diligence is required, and other risk mitigation measures.

*: An approach of identifying, analyzing, and assessing risks, prioritizing them according to their magnitude, and taking measures

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

In Europe, we are working to ensure the prohibition of bribery by providing regular online education to employees, mainly at Brother International Europe Ltd., the European sales headquarters of the Printing & Solutions Business, and Domino Printing Science plc, and by including an anti-bribery clause in major contracts with third parties.

Brother Group Competition Law Global Policy

Under the Brother Group Global Charter, Brother Group promises to conduct fair transactions with business partners in order to promptly deliver superior value to customers.
Cartels and other practices that hinder competition may be prohibited by the laws and regulations of the countries or regions in which the Brother Group conducts business. All officers and employees of the Brother Group, including company employees, contractors, seconded employees, and temporary employees, shall comply with the competition laws (antitrust laws) applied to the country or region in which we operate and conduct free and fair business activities in accordance with the Global Charter and this policy.

1) Prohibition of unlawful information exchange with competitors

- Brother Group shall not engage in price-fixing, restricting quantities, allocating sales territory or customers, and other unlawful agreements or information exchange with competitors in violation of applicable competition laws in the countries and regions in which we operate.

- Furthermore, Brother Group shall not exchange information with competitors regarding costs, sales terms, customers, production capacity, suppliers, technology, or any other information that may hinder competition; provided, however, that information exchange performed only to the minimum

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extent necessary for a legitimate purpose in accordance with internal rules or guidelines shall not be prohibited.

2) Prohibited acts with business partners, etc.

-Brother Group shall not impose restraints on distributors, retailers, customers, and other business partners in violation of applicable competition laws in the countries and regions in which we operate.

-Specifically, where such actions are prohibited under the applicable laws, Brother Group shall not impose unlawful restrictions on business partners regarding sales territory, customers, sales methods, and other terms of sale, or unlawfully determine resale price of our products and services by our business partners (excluding agents who engage in transactions on behalf of the respective Brother Group company).

3) Prohibited acts when Brother Group has a dominant position

-When Brother Group has a high market share (i.e., 50% or more), in many countries, Brother Group holds a special responsibility not to act in a way that limits the competition in the relevant market. Under such circumstances, Brother Group shall not, without objective justification, engage in actions that reduce market competition in violation of applicable competition laws in the countries and regions in which we operate. Examples of such actions are illustrated below:

- -Setting unreasonable low prices below cost and other unreasonable sales conditions
- -Forcing customers to purchase products and services that they do not wish to purchase as condition for purchasing our products and services (tying)
- -Unreasonably rejecting a transaction with a specific customer or business partner
- -Treating similar customers or business partners differently without legitimate reason

Based on this policy, Brother Group implements various training programs to foster compliance with applicable competition laws. Brother Group officers and employees who violate this policy are subject to disciplinary proceedings based on employment rules and other internal rules and policies of the respective Brother Group company.

Competition Law Compliance

The Brother Group continuously implements initiatives to comply with the competition laws (antitrust laws) of all countries and regions in which we operate. For example, as the Brother Group, we have established internal rules and policies for compliance with competition laws and ensure that all employees are aware of them by posting them on the intranet. In Japan, we established anti-cartel guidelines in FY2021 and conducted online seminars and e-learning courses on competition law.

In addition, Brother Industries' Risk Management Committee conducts an annual questionnaire on legal compliance (including competition law) in order to assess the risk of competition law for the entire Brother Group and to prevent competition law violations.

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Governance(G)

Tax Compliance Policy

The Brother Group always share our social, economic and cultural resources in all the communities where the Brother Group operates by the Global Charter. As a part of these efforts, we comply with the letter and spirit of tax laws and regulations in each country and region where we conduct business activities and properly fulfill our tax obligations as a responsible taxpayer.

1. Tax Governance

Brother Industries, Ltd. (BIL) has positioned tax risk as one of key risks, and Risk Management Committee conducts an assessment of tax risks including transfer pricing at each Group company once each year and reports the assessment results to the Board of Directors.
In addition, reports on tax risks are made to the Strategy Meeting, which is made up of corporate officers, as necessary.
Information on tax issues in each country and region is shared with the BIL's tax department via regional headquarters as appropriate. Support is obtained from tax accountants and other outside experts, and we engage in discussions with tax authorities when necessary to carry out tax procedures. We strive to work in good faith with tax authorities and takes measures to maintain and enhance tax-related corporate governance.

2. Transfer Pricing Taxation

With regard to transfer pricing tax risks, the Brother Group complies with local tax laws and Organisation for Economic Co-operation and Development (OECD) guidelines. We appropriately manage transfer prices with each country and region while sharing information with tax departments and business divisions so that the Brother Group can conduct transactions at arm's length prices, which are properly reported in the three tired approach for transfer pricing documentation in accordance with the Base Erosion and Profit Shifting (BEPS) policy.
We mitigate tax risks associated with transactions that pose high transfer pricing tax risks by using Advance Pricing Agreements (APA).

3. Tax Planning and Tax Avoidance

The Brother Group effectively uses tax incentives that are available in our ordinary business activities in each country and region and endeavor to achieve appropriate tax burden levels throughout the Group, but we do not engage in profit shifting to low tax countries and regions with intention of evading the purport of tax laws.
BIL selects the countries and regions where it establishes subsidiaries for the purpose of conducting ordinary business activities and does not establish subsidiaries in tax haven countries and regions for

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the purpose of tax avoidance. In cases where a subsidiary is subject to the Controlled Foreign Company taxation, BIL properly files tax returns and makes tax payments.

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ESG Data

Common Data

The Brother Group Global Charter

	FY2020	FY2021	FY2022	FY2023	FY2024
> The Brother Group Global Charter https://global.brother/en/corporate/principle	Established in 1999				
Number of available languages	28 languages	28 languages	28 languages	29 languages	29 languages
Number of dialogues between top management and employees	About 4,000 times	About 4,500 times	About 4,600 times	About 4,600 times	About 4,500 times

Numbers of facilities/Sales revenue

		FY2020	FY2021	FY2022	FY2023	FY2024
Manufacturing facilities and sales facilities		In more than 40 countries and regions				
Sales revenue (Consolidated)		631,812 million yen	710,938 million yen	815,269 million yen	822,930 million yen	876,558 million yen
Sales revenue by region	Japan	15.7%	14.8%	14.2%	14.2%	13.3%
	The Americas	31.8%	31.3%	33.8%	34.4%	34.6%
	Europe	28.2%	27.3%	25.7%	27.7%	27.0%
	Asia & Others	24.3%	26.6%	26.3%	23.8%	25.1%

Evaluation by external entities

FTSE4Good Index Series	Included since June 2020
FTSE Blossom Japan Index	Included since June 2020
FTSE Blossom Japan Sector Relative Index	Included since March 2022
MSCI Nihonkabu ESG Select Leaders Index	Included since June 2023

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MSCI Japan Empowering Women (WIN) Select Index	Included since November 2019
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Included since 2022
S&P/JPX Carbon Efficient Index	Included since 2018
The SOMPO Sustainability Index	Included since 2012
EcoVadis Sustainability Assessment	Received a Silver Medal since 2020 and a Bronze Medal in 2025
Science Based Targets	Certified for 1.5°C target in April 2022
CDP 2024 Supplier Engagement Rating	Recognized as a Supplier Engagement Leader for FY2024
"Asia-Pacific Climate Leaders" Survey	Selected as one of the top companies since 2022
Clarivate Top 100 Global Innovators	1x Winner in 2012 and 6x Winner in 2023
Energy Conservation Grand Prize	Awarded for the first time in FY2021 and three times in total in FY2023 and FY2024
Health & Productivity Stock Selection Program	Recognized in 2017, 2019, 2020, 2021 and 2024
Certified Health & Productivity Management Outstanding Organization	Certified since 2017

Environmental-Related Data (E)

PDF List of ISO 14001-Certified Facilities [PDF/178KB]
https://global.brother/pub/com/en/eco/pdf/2025/iso14001.pdf

PDF Timeline for Environmental Milestone Achievement [PDF/180KB]
https://global.brother/pub/com/en/eco/pdf/2025/history.pdf

PDF Internal Environmental Commendation System and Initiatives [PDF/180KB]
https://global.brother/pub/com/en/eco/pdf/2025/award.pdf

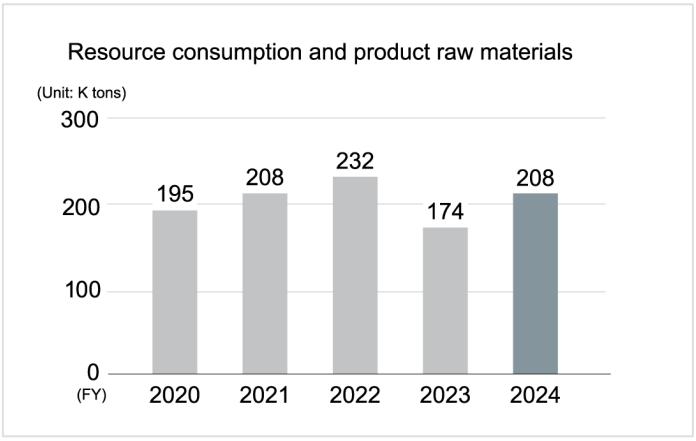
Material balance

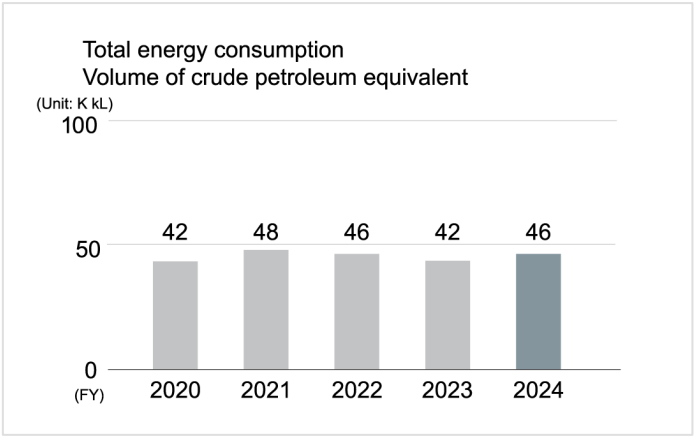
The Brother Group's manufacturing facilities are engaged in processing and assembly to manufacture products.
The environmental impacts (including resource consumption, CO_2 emissions, and waste generated) associated with all business operations are quantitatively monitored and summarized to reduce environmental impacts.

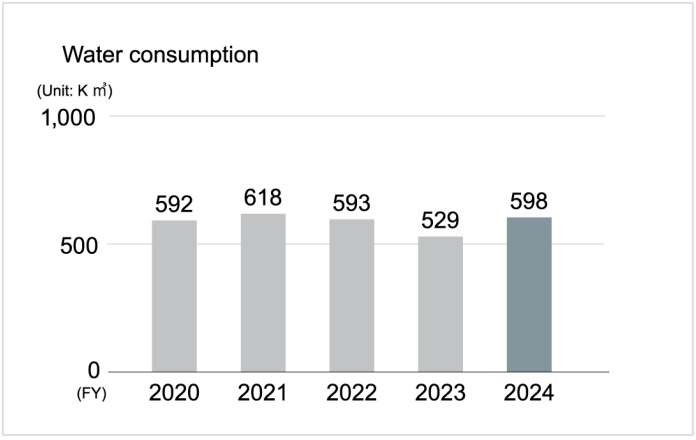
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Resource utilization and material production/emissions from FY2020 through FY2024

Resource and energy inputs

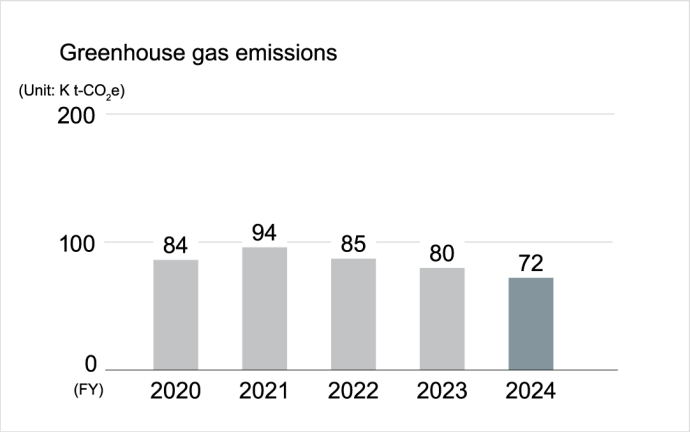


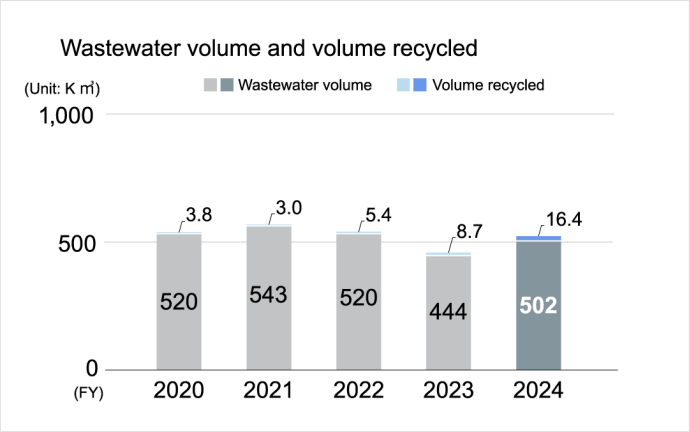


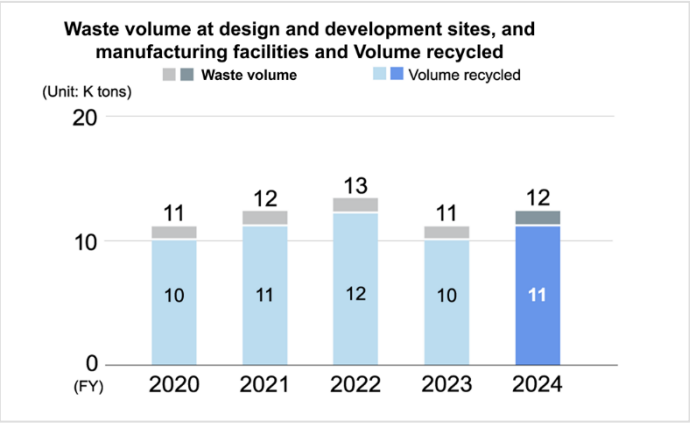


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Material production/emissions







For the list of applicable sites, see page 8 of "Material balance" [PDF/239KB].

PDF Material Balance [PDF/239KB]
https://global.brother/pub/com/en/eco/pdf/2025/material-balance.pdf

PDF Environmental Accounting [PDF/182KB]
https://global.brother/pub/com/en/eco/pdf/2025/accounting.pdf

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Reduction of CO_2 emissions

Scope 1, 2, and 3 greenhouse gas (GHG) emissions according to ISO 14064 from FY2020 through FY2024

Category		CO_2 emissions in t-CO_2e equivalent				
		FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1: Direct emissions		18,356	18,724	19,040	18,840	17,850
Scope 2: Indirect emissions from energy use Market-based		98,685	105,099	93,409[*1]	91,228[*1]	82,897[*1]
Scope 3: Other indirect emissions		2,752,567	2,942,352	3,439,056[*2]	2,431,462[*1]	2,633,871[*1]
C1	Purchased goods and services	1,302,661	1,404,939	1,671,015[*2]	1,253,780[*1]	1,411,041[*1]
C2	Capital goods	75,897	86,955	123,562	126,268	119,606
C3	Fuel- and energy-related activities	10,987	11,838	12,062	11,899	12,130
C4	Upstream transportation and distribution	103,148	138,978	99,236	95,109	90,402
C5	Waste generated in operations	4,138	2,849	3,257	3,991	8,822
C6	Business travel	1,558	1,887	4,023	6,502	6,673
C7	Employee commuting	14,698	14,819	14,768	15,553	16,574
C8	Upstream leased assets	4,642	4,101	3,827	4,588	4,316
C9	Downstream transportation and distribution	14,671	15,366	17,825	14,762	14,269
C10	Processing of sold products	-	-	-	-	-
C11	Use of sold products	968,174	995,115	1,183,284	670,148	642,375
C12	End of life treatment of sold products	250,107	263,618	305,036	227,291	306,135
C13	Downstream leased assets	1,886	1,886	1,160	1,168	1,178
C14	Franchises	-	-	-	-	-
C15	Investments	-	-	-	402[*3]	350[*3]
Total of Scopes 1, 2, and 3 Market-based		2,869,608	3,066,176	3,551,505[*1,2]	2,541,530[*1]	2,734,618[*1]

*1 : After using renewable energy electricity certificates from external sources

*2 : The numerical value has been changed because the CO_2 emissions from purchased goods and services other than products and parts were added to C1 (Purchased goods and services). However, the additional CO_2 emissions in FY2022 (about 2% of the entire Scope 3) are not included in the auditing for ISO 14064.

*3 : Emissions from related companies have been added since FY2023.

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Scope

PDF History of auditing for ISO 14064 [PDF/162KB]
https://global.brother/pub/com/en/eco/pdf/2025/iso14064.pdf

External assurance

PDF BSI Independent Assurance Statement 2024 [PDF/823KB]
https://global.brother/pub/jp/eco/pdf/2025/bsi-assurance.pdf
PDF BSI Independent Assurance Statement 2023 [PDF/811KB]
https://global.brother/pub/jp/eco/pdf/2024/bsi-assurance.pdf
PDF BSI Independent Assurance Statement 2022 [PDF/724KB]
https://global.brother/pub/jp/eco/pdf/2023/bsi-assurance.pdf
PDF LRQA Independent Assurance Statement 2021 [PDF/141KB]
https://global.brother/pub/com/en/eco/pdf/2022/lrqa-assurance.pdf
PDF LR Independent Assurance Statement 2020 [PDF/570KB]
https://global.brother/pub/com/en/eco/pdf/2021/lrqa-assurance.pdf
PDF LR Independent Assurance Statement 2015 [PDF/524KB]
https://global.brother/pub/com/en/eco/pdf/2016/lrqa-assurance.pdf

PDF Response to 2025 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2025/cdp2025questionnaire.pdf

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

> Task Force on Climate-related Financial Disclosures (TCFD)
https://global.brother/en/sustainability/eco/cc

> Reduction of CO_2 Emissions
https://global.brother/en/sustainability/eco/co2

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Resource circulation and waste reduction

Water-related data at main business sites from FY2020 through FY2024

Water intake, wastewater volume, volume of water recycled

		FY2020	FY2021	FY2022	FY2023	FY2024
Water intake(m^3)	Clean water	504,122	506,166	470,172	408,991	446,818
	Industrial water	0	0	0	0	0
	Underground water	87,474	111,697	123,034	119,904	151,316
Wastewater volume(m^3)	Public waters	179,782	170,392	150,453	110,928	126,247
	Sewer system	338,746	372,721	369,193	333,406	375,282
	Others	1,177	150	149	36	0
Volume of water recycled(m^3)		3,759	2,978	5,385	8,717	16,354
Percent of water recycled(%)		0.7	0.5	1.0	1.9	3.2

For the list of applicable sites, see page 5 of "Material balance" [PDF/239KB].

Water pollution load

		FY2020	FY2021	FY2022	FY2023	FY2024
Water pollution load(t)	BOD	37.8	29.3	31.2	19.5	21.3
	COD	95.3	68.4	48.1	36.8	48.0
	N-hexane extracts	0.7	0.5	1.5	0.5	0.6
	SS	29.4	12.0	15.6	6.6	7.9

For the list of applicable sites, see page 8 of "Material balance" [PDF/239KB]

PDF Response to 2025 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2025/cdp2025questionnaire.pdf

*: In 2024, questions regarding Climate change, Forests, Water security, Plastics, and Biodiversity were integrated into the CDP Questionnaire.

> Resource Circulation and Waste Reduction
https://global.brother/en/sustainability/eco/resource-circulation

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Biodiversity conservation

PDF Recognitions as a Master Certified Aichi Biodiversity Company and a Nagoya Nature Positive Partner [PDF/172KB]
https://global.brother/pub/com/en/eco/pdf/2025/nature-positive.pdf

PDF Brother Eco Point Program [PDF/101KB]
https://global.brother/pub/com/en/eco/pdf/2025/eco-point.pdf

PDF Cooperative Project Endorsed by the Japan Committee for United Nations Decade on Biodiversity [PDF/255KB]
https://global.brother/pub/com/en/eco/pdf/2025/undb-e.pdf

PDF Registration Under the Nijyu-Maru Project [PDF/19. 4MB]
https://global.brother/pub/com/en/eco/pdf/2025/nijumaru.pdf

> Taskforce on Nature-related Financial Disclosures (TNFD)
https://global.brother/en/sustainability/eco/tnfd

> Biodiversity Conservation
https://global.brother/en/sustainability/eco/biodiversity

> A webpage that introduces the cooperative projects recognized by UNDB-J
https://undb.jp/authorization/4459/
(Link to the website of UNDB-J. This website is available only in Japanese.)

Pollution prevention and chemical substance management

PDF Brother Industries, Ltd. FY2020-2024 Balance of Chemical Substances Subject to PRTR [PDF/192KB]
https://global.brother/pub/com/en/eco/pdf/2025/prtr.pdf

> Pollution Prevention and Chemical Substance Management
https://global.brother/en/sustainability/eco/pollution

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Creating eco-conscious products

PDF Brother Green Label Certification Criteria [PDF/247KB]
https://global.brother/pub/com/en/eco/pdf/bg-label-standard-e.pdf

> Creating Eco-conscious Products
https://global.brother/en/sustainability/eco/product

> Environmental Compliance of Products
https://global.brother/en/sustainability/eco/product/regulation

> Disclosure of Environmental Attributes
https://global.brother/en/sustainability/eco/product/declaration

> Collaboration with Suppliers
https://global.brother/en/sustainability/eco/product/supplier

> Acquisition of Environmental Certifications
https://global.brother/en/sustainability/eco/product/label

> Safety Data Sheets (SDS)
http://sds.brother.co.jp/sdsapp/index.html

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Social-Related Data (S)

Product safety

> Basic Product Safety Policies https://global.brother/en/sustainability/social/product-security#p02	Established in 2008

Business partners

	FY2020	FY2021	FY2022	FY2023	FY2024
Procurement Policy and CSR Procurement Standards	Established in 2008				
> Green Procurement https://global.brother/en/sustainability/eco/product/supplier#s02	Started in 2001				
Supplier meeting	Conducted online Participated in by 217 people from 129 companies	Conducted online Participated in by 680 people from 380 companies	Conducted online Participated in by 814 people from 478 companies	Conducted on-site and online Participated in by 842 people from 472 companies	Conducted on-site and online Participated in by 734 people from 408 companies
CSR questionnaire	Started in 2012 (conducted every three years), revised in 2020 (conducted every two years)				

Diversity/Supporting work-life balance[*1]

		FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees [*2]	All employees	3,803	3,867	3,890	3,877	3,903
	Male	3,024	3,067	3,084	3,071	3,077
	Female	779	800	806	806	826
	Percentage of female employees in total workforce	20.5%	20.7%	20.7%	20.8%	21.2%

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		FY2020	FY2021	FY2022	FY2023	FY2024
Average length of service*2,3	All employees	17.3	17.1	16.7	16.3	16.1
	Male	17.2	16.9	16.4	16.1	16.0
	Female	17.7	17.9	17.5	17.2	16.6
	Gender gap	102.9%	105.9%	106.7%	107.2%	103.7%
Total number of employees in senior management*2,4,5	All employees	842	815	777	756	760
	Male	804	772	731	708	708
	Female	38	43	46	48	52
	Percentage of female employees in senior management	4.5%	5.3%	5.9%	6.3%	6.8%
① Total number of new graduates*3,6	All employees	81	74	84	113	95
	Male	66	57	65	84	68
	Female	15	17	19	29	27
	Percentage of female new graduates	18.5%	23.0%	22.6%	25.7%	28.4%
② Total number of mid-career recruits*3,7,8	All employees	21	24	71	46	65
	Percentage of mid-career recruits based on Labor Measures Comprehensive Promotion Act	21%	24%	46%	29%	41%

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		FY2020	FY2021	FY2022	FY2023	FY2024
	Male	16	20	56	38	49
	Female	5	4	15	8	16
	Percentage of female mid-career recruits	23.8%	16.7%	21.1%	17.4%	24.6%
Total number of newly hired employees (① and ② combined)	All employees	102	98	155	159	160
	Male	82	77	121	122	117
	Female	20	21	34	37	43
	Percentage of female employees	19.6%	21.4%	21.9%	23.3%	26.9%
Percentage of contract employees (including temporary staffs)		17.2%	21.1%	23.1%	23.1%	23.9%
Voluntary turnover rates / Number of employees leaving *3,9		1.0 % / 39	0.94 % / 36	1.44% / 55	1.42% / 54	1.59% / 60
Employment rate of persons with disabilities *10,11	Brother Industries, Ltd.	2.17%	2.29%	2.38%	2.34%	2.44%
	including 13 Brother Group companies in Japan*12	2.17%	2.26%	2.31%	2.31%	2.38%
Number of employees on childcare leave *13,14	All employees	96	94	92	119	111
	Male	60	65	63	77	86
	Female	36	29	29	42	25
Percentage of	Male	49.2%	52.0%	67.0%	70.0%	79.6%

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		FY2020	FY2021	FY2022	FY2023	FY2024
employees on childcare leave	Female	100.0%	100.0%	100.0%	100.0%	96.2%
Number of employees on family-care leave *13	All employees	2	2	2	2	5
	Male	1	2	1	0	2
	Female	1	0	1	2	3
Number of employees using the short-time working system for childcare	All employees	184	184	175	164	165
	Male	10	8	9	9	8
	Female	174	176	166	155	157
Number of employees using the short-time working system for family-care	All employees	5	5	4	4	2
	Male	2	1	1	2	0
	Female	3	4	3	2	2
Number of employees on nursing care leave	All employees	13	16	32	35	27
	Male	3	6	12	14	12
	Female	10	10	20	21	15

*1 : Brother Industries, Ltd.
*2 : As of March 31 of each FY
*3 : Doesn't include incoming seconded employees, temporary employees or fixed-term employees
*4 : Includes temporary employees and seconded employees. Doesn't include Directors, Corporate Auditors, and Executive Officers
*5 : Recalculated and updated based on the standards of *4
*6 : Revised from the number of employees who joined on April 1 of each fiscal year to the number of employees who joined on April 1 and October 1 of each fiscal year
*7 : Number of employees who joined each fiscal year between April 1 and March 31 of the following year
*8 : Includes conversions from non-regular employment to regular employment and transfers. Doesn't include re-employed individuals
*9 : Employees who resigned for personal reasons
*10: As of June 1 of each FY

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*11: Includes incoming seconded employees but not temporary employees or fixed-term employees
*12: BROTHER INTERNATIONAL CORPORATION, BROTHER SALES, LTD., BROTHER ENTERPRISE, LTD., BROTHER LOGITEC LTD., XING INC., STANDARD CORP., TEICHIKU ENTERTAINMENT, INC., NISSEI CORPORATION, MIE BROTHER PRECISION INDUSTRIES, LTD., BROTHER REAL ESTATE, LTD., BROTHER LIVING SERVICE CO., LTD., BETOP STAFF, LTD., BROTHER INDUSTRIAL PRINTING (JAPAN), LTD.
*13: Number of employees who took leave in the respective year
*14: The figures for the number of employees on childcare leave and the percentage of employees on childcare leave have been recalculated and updated based on the standards set by the Ministry of Health, Labour and Welfare.

Safety, health and disaster prevention/Health and productivity management

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of occupational injuries reported at manufacturing facilities	18	15	18	14	8
Yearly incident rate ((number of incidents/number of employees) x 1,000) at manufacturing facilities	0.66	0.50	0.62	0.58	0.30
Brother Safety and Prevention Convention	Held every year since 2008				
> The Brother Group Health & Productivity Management Philosophy https://global.brother/en/sustainability/social/health	Established in 2016				

Local communities

		FY2020	FY2021	FY2022	FY2023	FY2024
Employees' participation in the Golden Ring Project		Suspended	At 13 facilities	At 24 facilities	At 30 facilities	At 29 facilities
Amount of global donations		94,467,274 yen	225,495,501 yen	188,320,870 yen	229,866,510 yen	176,114,373 yen
The Kizuna Fund	Number of employees who participated	97	129	105	112	52
	Amount of donations	1,524,950 yen	2,570,965 yen	4,211,876 yen	3,696,388 yen	3,424,522 yen

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		FY2020	FY2021	FY2022	FY2023	FY2024
Amount of donations to registered not-for-profit organizations (Brother Industries, Ltd.)		3,472,020 yen	65,014,680 yen	44,307,800 yen	42,831,730 yen	23,448,760 yen
Tokai Young Entrepreneur Seminar		Supported by Brother Industries, Ltd. since 2008				
Number of pro bono participants (Brother Industries, Ltd.)	Target	3	3	3	3	4
	Achievement	3	3	4	4	4

Governance-Related Data (G)

Corporate governance

		FY2020[*1]	FY2021[*2]	FY2022[*3]	FY2023[*4]	FY2024[*5]
Number of Directors	Total	11	11	11	11	10
	Outside Directors (included in total)	5	5	5	5	5
Percentage/Number of female Directors on the Board	Percentage	9.1%	9.1%	9.1%	9.1%	10.0%
	Number	1	1	1	1	1
Number of Statutory Auditors	Total	5	5	5	5	5
	Outside Auditors (included in total)	3	3	3	3	3
Number of Directors, Statutory Auditors and Executive Officers	Total	31	30	30	32	33
	Female Officers (included in total)	2	2	3	3	4
	Non-Japanese Officers (included in total)	2	2	2	2	2

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	FY2020*1	FY2021*2	FY2022*3	FY2023*4	FY2024*5
> The Brother Group Principles of Social Responsibility https://global.brother/en/sustainability/csr/csr-principle	Established in 2012				
Global internal audit meeting	Started in 2010				
Group Information Management Regulation	Established in 2015 (The information management regulation of Brother Industries, Ltd. was established in 2005.)				

*1 : As of June 23, 2021

*2 : As of June 20, 2022

*3 : As of June 22, 2023

*4 : As of June 25, 2024

*5 : As of June 25, 2025

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