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



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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Scope of report: Brother Industries, Ltd. and its global group companies (including those in Japan)
Covered period: April 1, 2025 to March 31, 2026 and topics up until September 24, 2026
Guideline used as a reference: GRI's "Sustainability Reporting Standards"

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Message from the Management

Driving transformation to sustainably enhance corporate value

Brother's corporate culture



Representative Director & President Kazufumi Ikeda

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. To continue to be chosen by customers in global markets, it is essential to respond to their ever-changing needs and continuously evolve our products and services. To this end, I have been communicating to our employees my desire for them to take on challenges without fear of failure, learn from the experience if they do fail, and try again. By continuing to lead the way in transformation and take on challenges myself, I will further foster a corporate culture that encourages and supports each employee in taking on challenges.

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

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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 "CSB2027" (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 "
> "Empowering diverse people 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 "
> "Promoting sustainable use of 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" is a new materiality added in FY2025. To strengthen governance from both proactive and defensive perspectives and build a management foundation that supports the sustainable enhancement of its corporate value, in June 2026, Brother transitioned from a company with an Audit & Supervisory Board to a company with an

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Audit & Supervisory Committee. From a proactive governance perspective, we have established a system that enables us to make important management decisions—including business portfolio transformation and M&A—swiftly and with a high degree of transparency, thereby encouraging sound risk-taking. From a defensive governance perspective, Directors who serve as Audit & Supervisory Committee members have been granted voting rights at Board of Directors meetings. This has strengthened the Board of Directors' supervisory function, enhanced the effectiveness of oversight of business execution, and enabled us to build a more robust governance structure.

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.

Our business portfolio transformation is still underway, but we made significant progress in our transformation efforts over the past year. Among our Growth Businesses, in the Industrial Printing Business Division, we made MUTOH LTD. a wholly owned subsidiary. In our new business, we transferred the business related to BuddyBoard to BuddyBoard Inc. through a company split. In our Profitability Transformation Business, we acquired the business of the automobile parts division of Konrad Busche GmbH & Co. KG in Germany, with expertise in providing industrial sewing machine solutions. In the Network & Contents Business, in order to achieve further growth in the karaoke business, we transferred the business of operating karaoke clubs and other facilities to KOSHIDAKA HOLDINGS Co., LTD. and transferred 70% of the shares in XING INC., which is engaged in the sale of online karaoke systems and other businesses, to U-NEXT HOLDINGS Co., Ltd.

Behind our ability to accomplish this series of initiatives in such a short period was the fact that we had long recognized the need for transformation, and the experience and insights we had accumulated over time had been consolidated into the organization's collective strength. In addition, our strong determination to share across the Group the resolve to make transformation happen during the CS B2027 period and, above all, take action now under the theme "Creating our Future. Boldly.," ignited action and became a major driving force behind these initiatives. Furthermore, favorable business environments and the timing of individual opportunities enabled us to turn many of these initiatives into tangible results.

However, CS B2027 has only reached the halfway point. We will continue to steadily implement

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our growth investment and advance initiatives to achieve the key performance indicators established for each business, further accelerating our business portfolio transformation.

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
  Having an overwhelming sense of ownership and fulfilling the responsibility to explain
- ○ Authenticity
  Facing facts and always communicating candidly
- ○ Boldness
  Raising our sights, not settling for what is possible but boldly designing what should be
- ○ Excellence
  Always aiming for the best and the highest quality 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 2026

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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.”

Brother Earth

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.

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Promotion of Management with an Emphasis on Sustainability

Promotion Structure for Management with an Emphasis on Sustainability

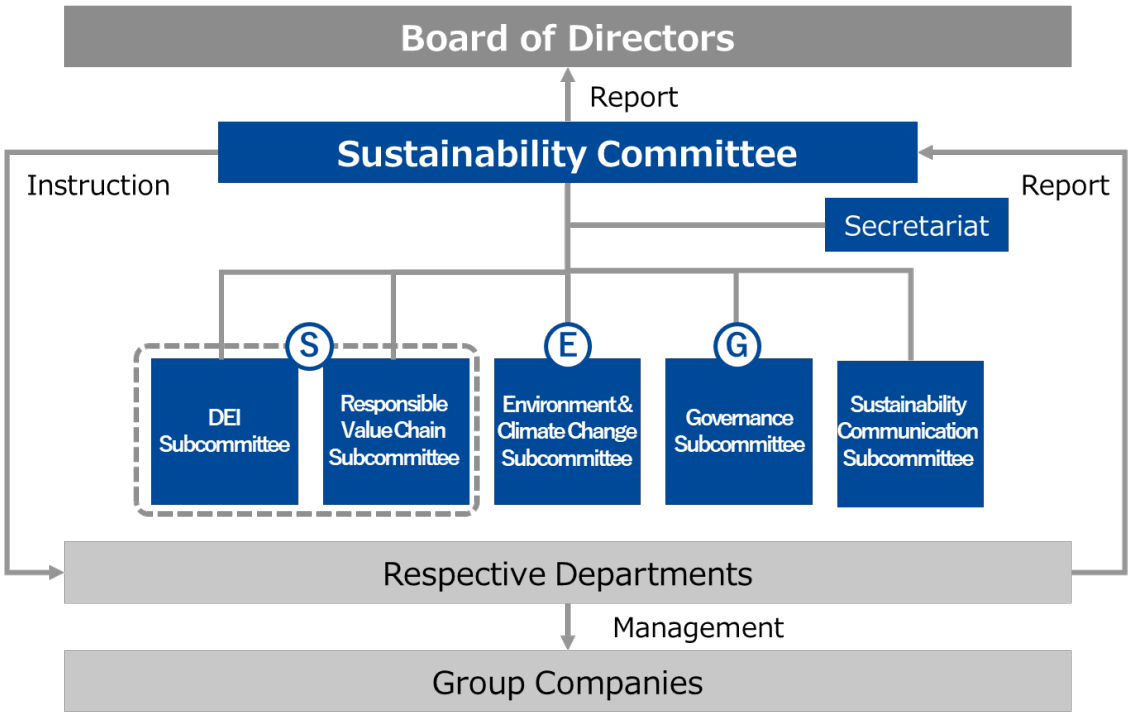
Sustainability Committee

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, 2026)



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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
FY2025	10	・ Results and annual plans of each subcommittee ・ Results of the employee engagement survey ・ Web disclosure content in response to the Taskforce on Nature-related Financial Disclosures (TNFD) ・ Roadmap for compliance with Sustainability Disclosure Standards (SSBJ Standards)

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 Printing & Solutions 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 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

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Contributing to traceability* and food safety (Industrial Printing Business: Domino Business)

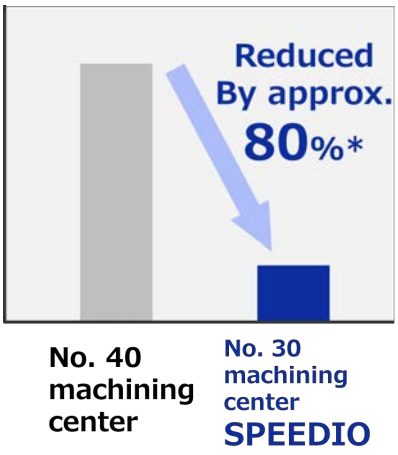


Food traceability is extremely important for demonstrating food safety. Domino's coding and marking equipment achieves high-speed printing of best-before dates, expiration dates, lot numbers, production plant identification codes, and other requirements of traceability on such products as those packaged 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.

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

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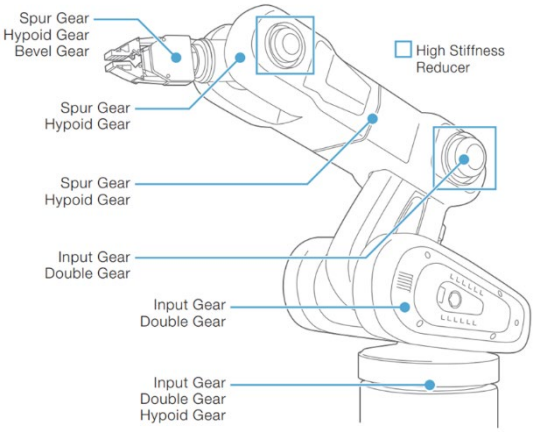
Solving a labor shortage and improving productivity through automation and labor-saving (Nissei Business)

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 Personal & Home 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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Internal Dissemination of the Global Charter

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.



Handy-sized cards and posters

The Global Charter Survey

Since 2009, 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.

In the FY2025 survey, the level of Global Charter-conscious actions was 4.41 out of 5, maintaining a score of 4.25 or higher for the past 10 years. We also assessed the extent to which employees' actions reflect the Brother Group Vision "At your side 2030." The FY2025 result was 4.38 out of 5.

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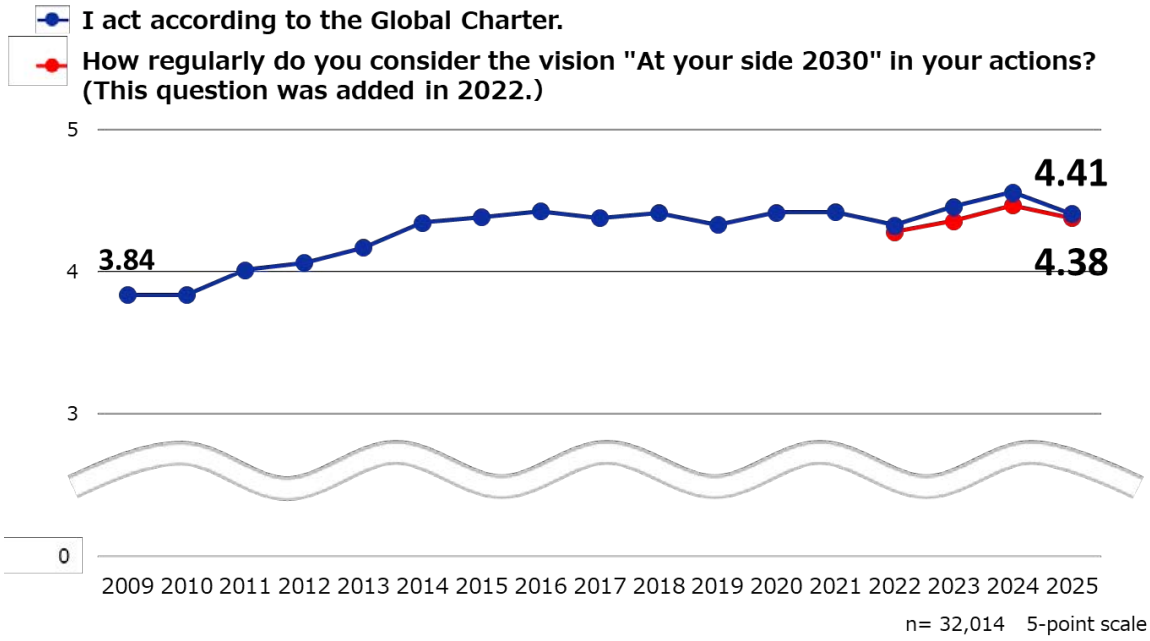
In addition, to address the issues identified through the survey, each of our global facilities is undertaking a variety of initiatives focused on building customer trust, tackling social issues, strengthening collaboration with business partners, fostering employee growth, and facilitating cooperation.

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.”

Promoting the Global Charter

The Brother Group is globally conducting the following activities to further promote Global Charter-conscious actions undertaken by each individual.

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.
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 FY2025, approximately 770 top management and management-level employees set forth their individual commitments, all of which are shared on the intranet.

The commitments focus on the following two points, enabling leaders to clarify their roles and actions:

1. My mission for achieving "At your side 2030"

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2. Action goals to "enhance my own communication" and "promote the growth of my subordinates and colleagues" in order to achieve my mission

Additionally, top management engages employees by delivering their messages and creating opportunities for dialogue. In FY2025, they issued 41 messages, including video recordings, and held approximately 4,400 face-to-face talks with employees globally.

Moreover, BIL provides opportunities for top management to discuss how to lead by example in implementing the Global Charter and the spirit of “At your side." Since 2009, the Global CSR & Brand Conference has been held to provide time for self-reflection regarding leadership. Starting in FY2022, this conference has evolved further into the “‘At your side.’ Top Meeting,” where the President and other Executive Officers come together.

The FY2025 meeting began with a speech by the President. He discussed the strengths and challenges of Brother's corporate culture, as well as his own commitment based on the Global Charter. He also emphasized the importance of further refining Brother's strengths and corporate culture to ensure that, instead of allowing the theme of the Group’s medium-term business strategy—"Creating our future. Boldly https://global.brother/en/investor/management/csb "—to remain a mere slogan, it translates into bold action by each and every employee.
After his speech, the 22 participants were split into seven teams and held discussions on how to foster a corporate culture that encourages challenges and how to get employees involved. At the meeting, lively discussions took place, with various opinions raised, such as “Boldness is essential for identifying challenges” and “It's crucial for top management and employees to maintain flat, open communication and share a common direction.” It provided an excellent opportunity to redefine “leadership” as well as the company we aspire to be.



FY2025 “At your side.” Top Meeting in session

Sharing Activities for New and Mid-Career Recruits

Every year during our new employee training program, time is dedicated to learning about and reflecting on the Global Charter.
In April 2026, a training program was held to encourage new employees to reflect on how they will act

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in the future with respect to the Global Charter. A total of 150 new employees* participated.

Training sessions on the Global Charter are also conducted for mid-career recruits, providing them, after joining the company, with an opportunity to understand the Brother Group's shared values and to translate those values into action.



New employee training program promoting the Global Charter and Vision

*: Total new employees of Brother Industries, Ltd., Brother Sales Ltd., Betop Staff, Ltd., Mizuho Elderly Care Facility

Autonomous Global Charter promotional activities at the Vietnam manufacturing facility: towards “building a proposal-friendly culture”

We are globally implementing initiatives to link our Global Charter with our organizational mission and reflect it in our daily operations and decision-making.

At BROTHER INDUSTRIES SAIGON, LTD., a manufacturing facility in Vietnam, the President and local managers spearheaded a unique initiative in FY2025 with the theme of “building a proposal-friendly culture.” Specifically, all managers discussed how to translate the President's Action Guidelines—“taking on challenges, seizing every chance, and embracing change”—into daily work.
Furthermore, in “building a proposal-friendly culture,” managers discussed, in a workshop format, how to interact with their subordinates. Each manager considered specific actions to create a workplace that encourages taking on challenges, such as “praising those who take on challenges,” “how to respond when mistakes occur,” and “welcoming dissenting opinions.”

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A glimpse into the promotional activities at BROTHER INDUSTRIES SAIGON, LTD.

Appointment of Global Charter Promotional Leaders at each facility

At the Brother Group, a Global Charter Promotional Leader is appointed from among the employees at each facility. Promotional Leaders are responsible for promoting and reinterpreting the Global Charter within their organization and for leading the Global Charter promotional activities. Through this initiative, employees at each facility are gaining a deeper understanding of the Global Charter and are not merely recognizing it but translating that understanding into practical application in their daily work. In FY2025, 470 Promotional Leaders appointed by facility managers engaged in activities to promote the Global Charter. This initiative is continuing in FY2026, and the practice of taking action based on the Global Charter is spreading throughout the entire Group.

Promotional Leaders Meeting

In addition, regular meetings are held in Japan, China, and Vietnam, bringing together Promotional Leaders from various facilities and departments within each country to exchange ideas and learn from one another.

In Japan, we held three Promotional Leaders Meetings in FY2025, with approximately 100 Promotional Leaders participating. These meetings focused on discussions aimed at further evolving the promotional activities, such as identifying initiatives that could be utilized in each leader's own department, based on examples of how each facility and department has implemented the Global Charter. Furthermore, by watching top management's message video, the participants reaffirmed the importance of customer value and the significance of the mission, further deepening their understanding of and empathy for the direction the company is aiming for.

“Cross-Company Meetings” where collaborations are enhanced and best practices are shared across facilities have been held in China since 2014 and in Vietnam since 2017. The name “Cross-Company Meeting” was chosen because, in China, eight manufacturing, sales, and development facilities and, in Vietnam, three manufacturing and sales facilities come together to exchange ideas across different functions and facilities within each country. In Cross-Company Meetings, participants share activity plans and achievements aimed at fostering a “challenge-positive culture” at each facility. In addition, “Challenger Awards” are given to recognize employees who have demonstrated challenge-oriented behavior based on the Global Charter, further nurturing a challenge-positive culture.

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In FY2025, two Cross-Company Meetings were held in China and in Vietnam. The meeting participants in China visited BROTHER MACHINERY SHANGHAI LTD., one of the Chinese sales facilities, and those in Vietnam visited BROTHER INDUSTRIES SAIGON, LTD., one of the Vietnamese manufacturing facilities. These visits facilitated mutual learning across facilities.



The China Cross-Company Meeting



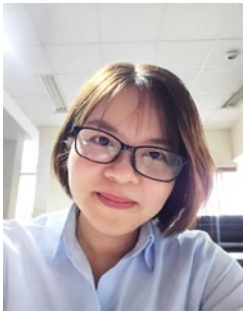
The Vietnam Cross-Company Meeting



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)

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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.

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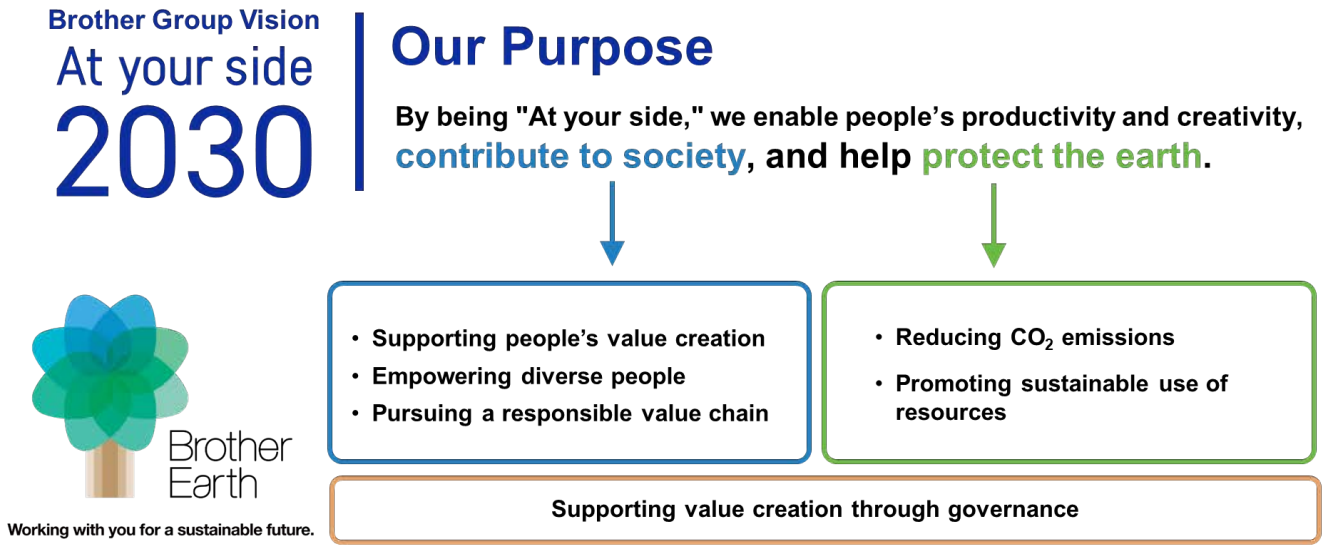
Materiality (Priority Social Issues)

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.

Please see below for the progress of each sustainability target and achievement.
https://global.brother/en/sustainability/csr/materiality#target

*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)

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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 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

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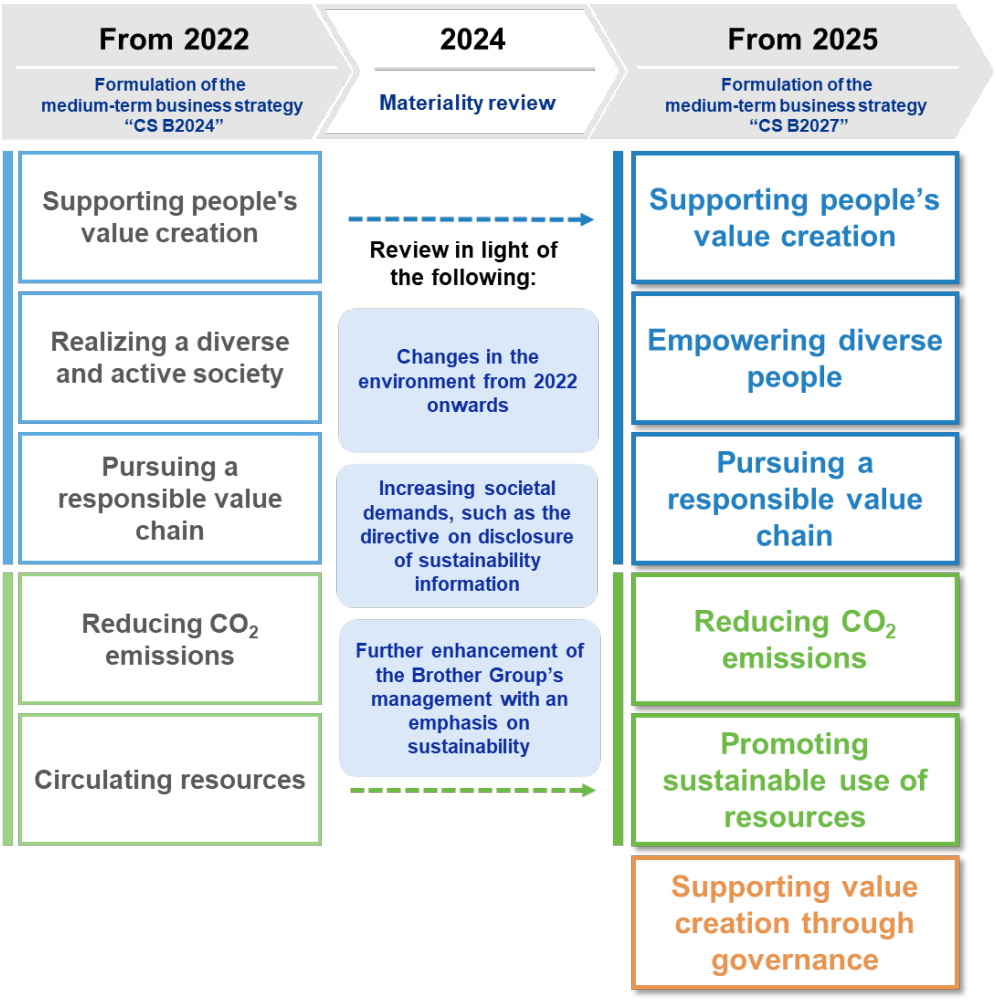
the Sustainability Committee, we have also identified “supporting value creation through governance” as a materiality and clarified its importance.



*: 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

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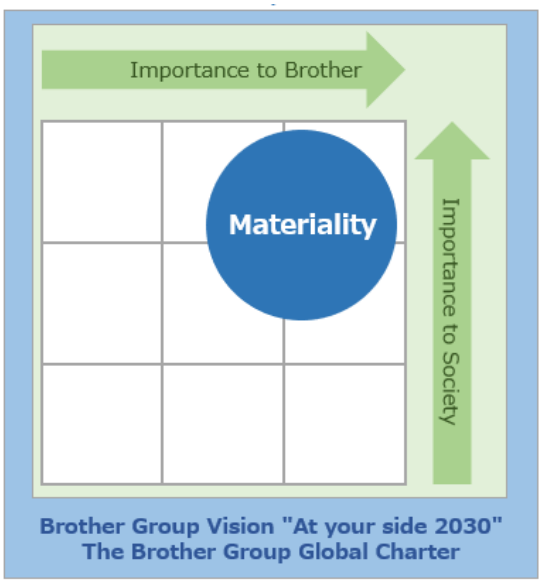
Step	Specific initiatives
	the company's own intentions and strengths 
3. Draft materialities	・ Formulate a materiality draft, taking the significance of Brother's efforts and past activities into consideration
4. Gather external opinions	・ Gather opinions on the draft from multiple organizations and 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?

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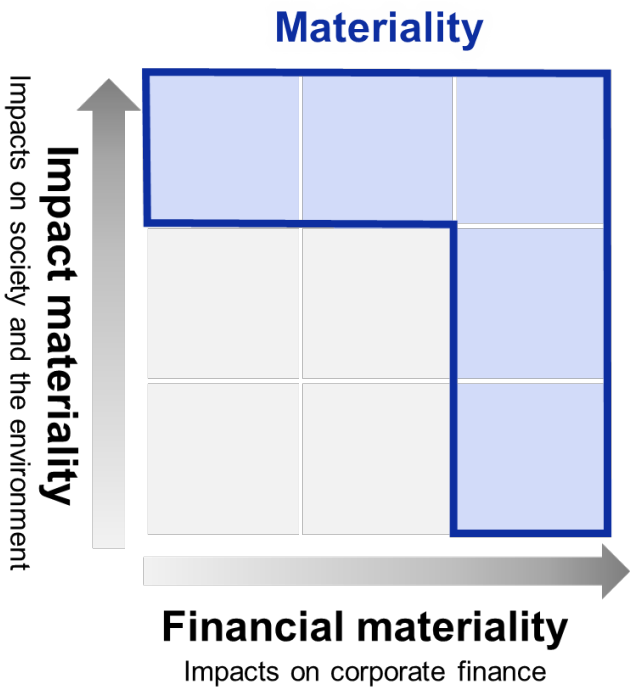
Step	Specific initiatives
	・ Are management and employees committed to the targets?

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** 

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Step	Specific initiatives
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
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 Results

The Brother Group has set sustainability targets for the “CS B2027” medium-term business strategy period, addressing the materialities identified for realizing the Brother Group Vision “At your side 2030.” These have been promoted as key management issues. The results of measures implemented in FY2025 are described below.

Materiality		Targets for FY2027	FY2025 Results
Contribute to society	Supporting people's value creation	・Machinery Business: Expand customer adoption of the SPEEDIO machining center series ・Industrial Printing Business: Expand businesses for providing lifecycle value ・Printing & Solutions Business: Expand businesses with	・Strengthened sales bases and staffing in key global regions while introducing new products in the SPEEDIO series to address the diversifying needs of customers and eliminate barriers ・Enhanced the product lineup, strengthened the services and solutions business, and conducted a tender offer for the shares of MUTOH HOLDINGS CO., LTD. (currently MUTOH LTD.) with a

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Materiality		Targets for FY2027	FY2025 Results
		continuous ties to customers to enhance customer LTV[*1].	view to expanding business in the industrial area ・Launched BtoC connected services in Europe and the U.S., strengthened one-to-one marketing based on product usage conditions, and steadily expanded the number of contracted units in BtoB services
	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.	・Continued the Group-wide employee engagement survey; self-initiated measures are underway at each site ・Continued promotion of the development of female managerial candidates and executive personnel at major overseas bases, as well as the expansion of opportunities for people with disabilities ・Increased the number of mid-career recruits and managerial hires

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Materiality		Targets for FY2027	FY2025 Results
	Pursuing a responsible value chain	・Enhance the effectiveness of human rights risk assessments across the entire value chain. ・Continuously obtain RBA[*2] certification at key factories.	・Reinforced the risk analysis process in human rights due diligence based on advice from a third-party organization, improved survey methods, and conducted due diligence on 227 companies ・Renewed RBA certification at three Group manufacturing facilities ・Continued measures for ensuring responsible mineral procurement
Protect the earth	Reducing CO_2 emissions	・[Scopes 1 and 2][*3] Reduce CO_2 emissions by 56% compared to the FY2015 level. ・[Scope 3][*3] Reduce CO_2 emissions per unit of sales[*4] by 25.2% compared to the FY2022 level.	・[Scopes 1 and 2] Implemented energy-saving and renewable energy measures, such as increasing electricity use efficiency and introducing solar power generation as planned ・ [Scope 3] C1, C11, and C12[*5] Implemented various measures to make products smaller and lighter, reduce power consumption, and sell high value-added products as planned
	Promoting sustainable use of resources	・Reduce virgin material usage per unit of sales[*6] by 16.9% compared to the FY2022 level.	・Implemented measures to make products smaller and lighter, increase the use of recycled materials, and expand the use of cushioning materials made from recyclable and recycled materials as planned
Supporting value creation through governance		・Reform governance to support business portfolio transformation.	・Subject to approval at the 134th Ordinary General Meeting of Shareholders to be held on June

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Materiality	Targets for FY2027	FY2025 Results
		24, 2026, the Company plans to transition from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee

*1. Abbreviation for 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. 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

*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 Scopes 1 and 2 (emissions by other entities related to the activities of business operators)

*4. An indicator that expresses CO_2 emissions relative to revenue

*5. The reduction targets cover CO_2 emissions associated with purchased products and services, the use of sold products, and the disposal of sold products

*6. An indicator that expresses virgin material usage relative to revenue

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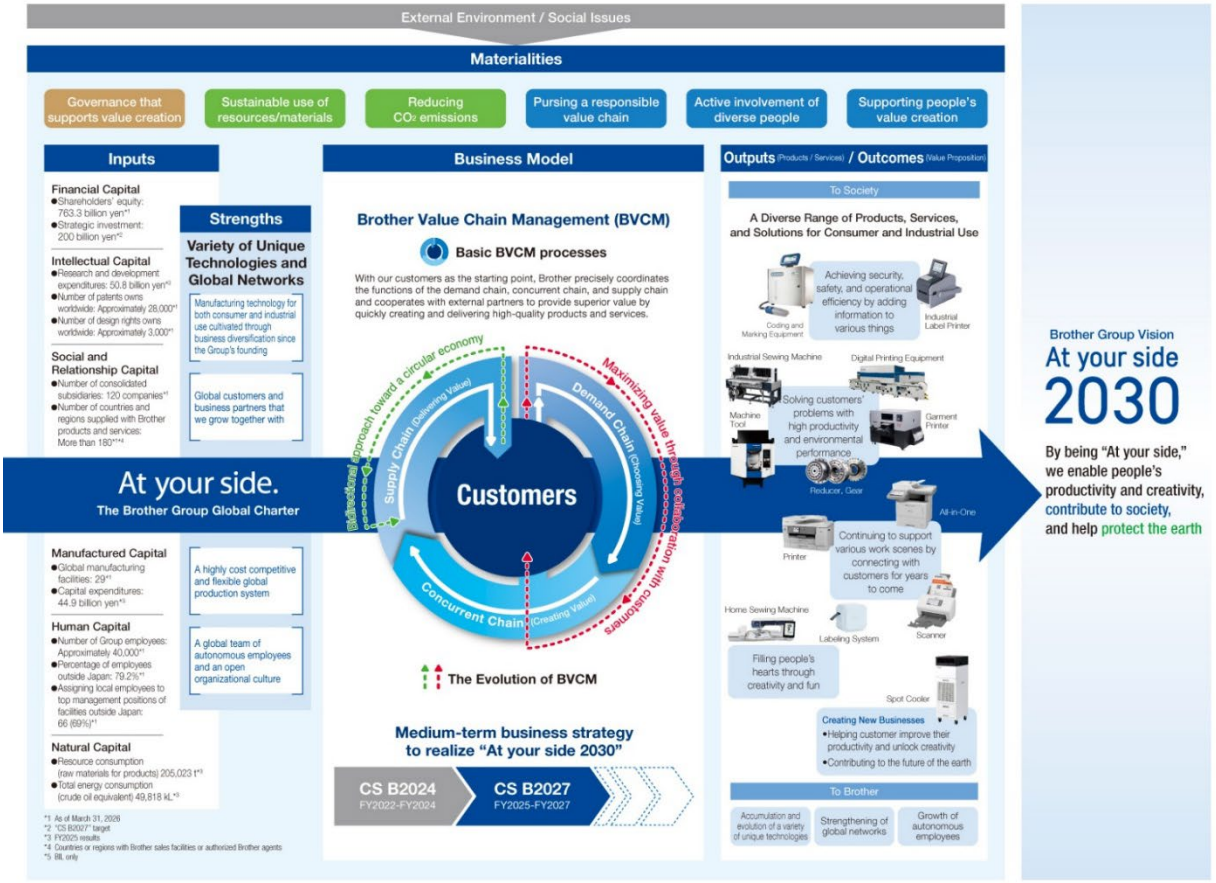
Value Creation Activities

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/689KB]
https://download.brother.com/pub/com/en/csr/pdf/2026/vc-process-e.pdf

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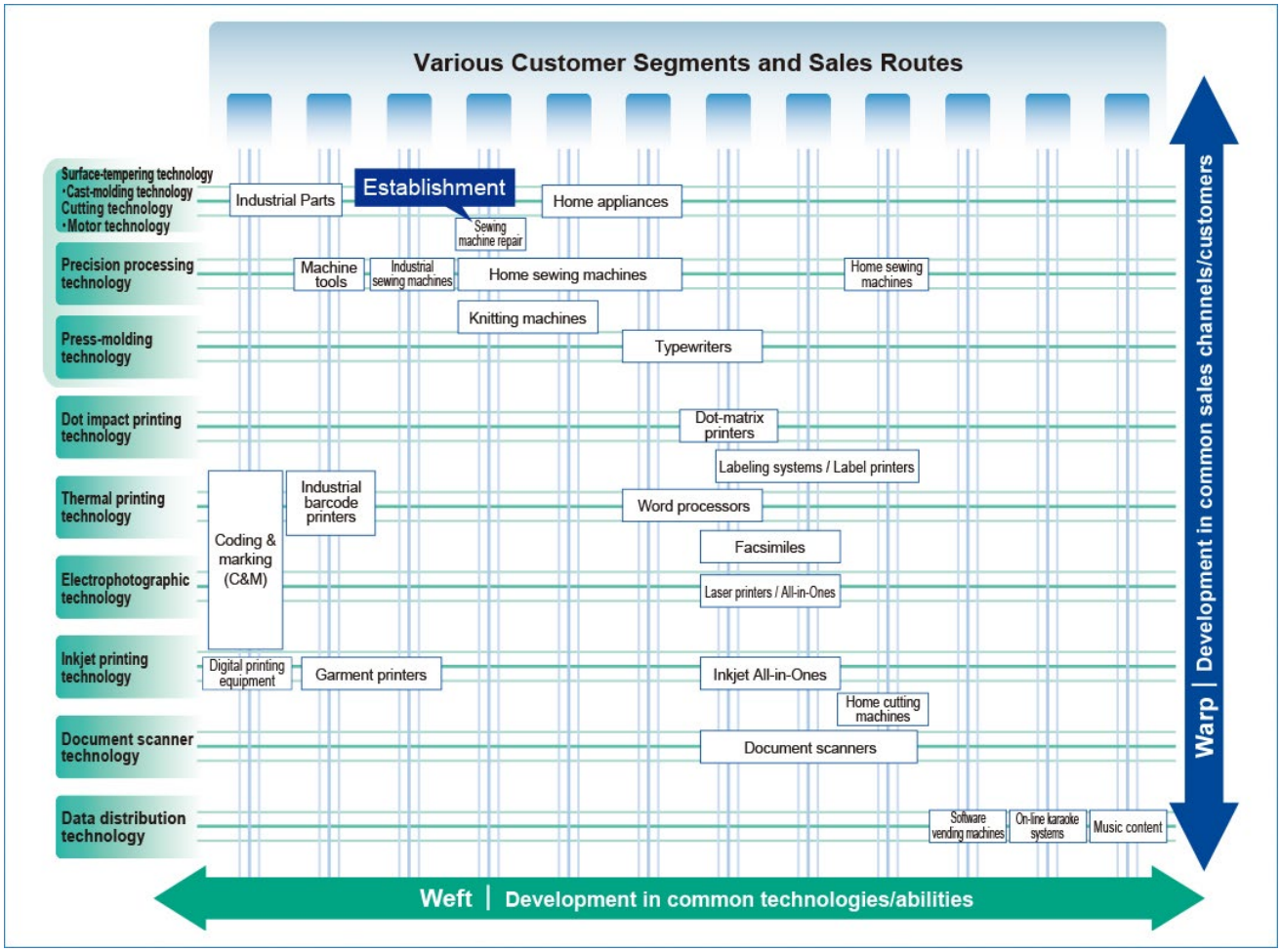
Brother's Strengths

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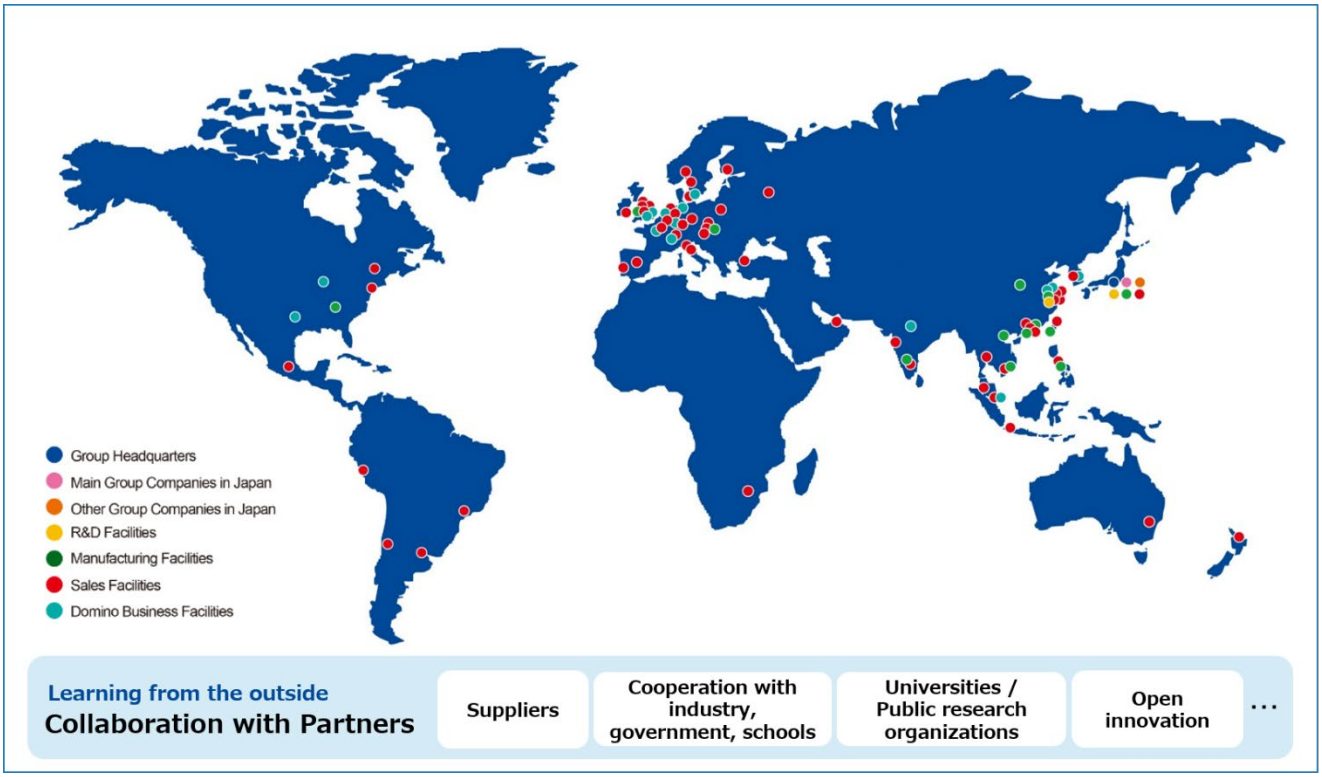
Global Networks That Enable Us to Meet Needs and Provide Value Promptly

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.



Where Brother's Strengths Lie: — Examples from the SPEEDIO —

By leveraging its global production system and long-developed technological prowess, Brother quickly offers value to its customers with the SPEEDIO, a machine tool that combines high productivity with energy-saving features. Employees involved with the SPEEDIO provide vivid examples of the four strengths of Brother shown in the Value Creation Process https://global.brother/en/sustainability/csr/value#v01 . (Affiliations and titles are as of the time of the interview.)

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1. Manufacturing technology for both consumer and industrial use cultivated through business diversification since the Group's founding



Materializing customers' wishes into new products through teamwork

Nobuaki Ishibashi, Group Manager
Machine Tools Development Dept.
Brother Industries, Ltd.

During the "CS B2024" period, we simultaneously developed multiple models, including the H series for processing large and diverse parts, the U Series for processing complex contoured objects, and the first small machine tool model to have a capacity of 100 tools mounted https://machinetool.global.brother/en-us/contents/u500xd2-100t , as well as a Deburring Center https://machinetool.global.brother/en-us/all-products/deburring-center-dg-1 . Since being launched during that period, all these models have met with a positive customer response. One of the key factors behind our success in developing these products was the appointment of young leaders and collaboration between staff members both inside and outside the Development Department. We have a review meeting every week, where we candidly brainstorm themes brought by each other, regardless of differences in age or department, in order to hone ideas from diverse perspectives. This meeting not only helps us solve problems but also supports the growth of younger staff. The second key factor was to modularize parts and standardize the designs of component parts in order to increase the efficiency of our development work. The third factor was to detect customer needs by actually visiting them. Over a period of more than 10 years before then, we had detected strong demand for high-mix, low-volume production, and we had been mulling over an idea for a small machine tool model that could be mounted with 100 tools. The COVID-19 pandemic changed people's values and increased demand for high-mix, small-lot production, allowing us to rapidly commercialize this product, of which we are very proud.

> SPEEDIO Blue Technology
https://machinetool.global.brother/en-us/contents/blue-technology



Stable quality and worker training through B-PACS, a digital production assistance system

Zhang Jun Zhi, Deputy Department Head (left)
Liu Meng, Section Head (right)
Production Dept.
Brother Machinery Xian Co., Ltd.

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B-PACS is a digital production assistance system built at the Kariya Factory. We have focused our efforts on introducing and operating this system at our company, Brother Machinery Xian Co., Ltd. Previously, work managers used a paper checklist with more than 100 pages for process management. However, B-PACS has enabled digitalized process management, allowing us to go paperless and manage progress and quality in real time. The system automatically records measurement data, such as data on screw tightening, resulting in a significant reduction in work errors. In addition, now that traceability and labor-hour management are also digitalized, we can quickly detect the causes of defects and take countermeasures. Meanwhile, workers can confirm the entire work process on tablets and view the details of their work in a quantified form, so they can precisely do their work without uncertainty. This has also helped shorten the period of onboarding training. Skilled workers who have mastered high-quality production techniques throughout the entire production process aim to further increase their skills at Takumi Dojo https://global.brother/en/sustainability/social/training#t02 .

2. Global customers and business partners with whom we grow



A global network and support system that assists customers in their business growth efforts

Osamu Hayashi, Team Manager (left)
Takashi Yasui, Team Manager (right)
Machine Tools Sales Dept.
Brother Industries, Ltd.

We sell our products through agents both inside and outside Japan, and have established sales systems tailored to regional characteristics. For example, when our Japanese corporate customers select machine tools to be used at their factories outside Japan, we need to have them confirm and agree on test processing, quality, costs, the delivery date, the maintenance system, etc. in Japan. In the event of a post-delivery defect, we place high importance on sending our local staff to visit the customer to accurately understand the feedback from both the customer and agent and quickly identify and resolve the problem the customer faces. If our local staff cannot visit the customer or address the problem by themselves, our sales staff in Japan and the customer's staff in charge of the factory outside Japan works with our local staff via online meetings or other means so that necessary responses can be implemented as promptly as possible. We also regularly exchange information with Brother service facilities and agents both inside and outside Japan, sharing best practices and unsolved challenges globally. In Japan, we have achieved 90% recovery from machine breakdowns within 48 hours, and we hope to expand this achievement worldwide. We will further enhance our global support system and strengthen the foundation for growth under "CS B2027" in the Machinery Business to build long-term relationships of trust with our customers.

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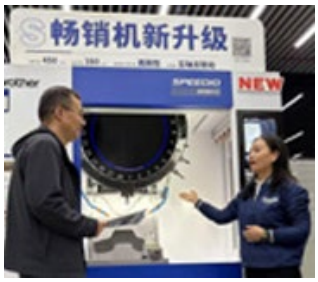

Making customers Brother fans and partnering with them in their problem-solving and growth

Lu Xia, Manager (right)
Brother Technology Center Dongguan
Brother Machinery Shanghai Ltd.

As a salesperson, I sell Brother machine tools with confidence and pride, as they excel in productivity and consistent quality. One of our customers, a parts manufacturer, introduced 600 units of Brother products over five years to match their own ongoing growth. We not only accommodate customers' requests to meet short delivery deadlines and provide them with prompt support in the case of a machine failure, but our sales, technical, and service staff also always work together to approach key persons in equipment introduction at customers by holding technical networking events and on-site educational programs. We have therefore been making efforts to make our customers Brother fans by providing them with the opportunity to experience and learn more about the high customer value of Brother products. We have built such close relationships with customers that they feel they can rely on us when a problem occurs, believing, "We can resolve it just by asking Brother." I believe that these relationships inspire them to place a high priority on Brother products when they consider introducing new equipment. The corporate customer I mentioned earlier says that the company will probably eventually have 1,000 units of Brother products. The growth of our customers makes me happy. As a fan of Brother products myself, I will continue to do my best to support our customers.

> Technology Centers
https://global.brother/en/sustainability/csr/value/supply#btc

3. A highly cost competitive and flexible global production system



QKY* and cost reduction activities in partnership with suppliers

Yuto Furuta, Department Head **(center)**
Yang Lina, Section Head **(left)**
Pan Tao, Subsection Head **(right)**
Production Dept.
Brother Machinery Xian Co., Ltd.

We work with our business partners (suppliers) on QKY activities and cost reduction activities. For example, working with sheet metal suppliers, we predicted quality risks, such as adhesion of unnecessary paint and welding in the wrong direction and thoroughly implemented specific countermeasures, such as masking and jigging. This resulted in a significant decrease in the number of abnormalities identified and quality improvement. These activities have contributed to increasing the appeal of doing business with Brother and strengthening of our relationships of trust with customers. In addition, we are also focusing on sustainable medium- to long-term cost reduction activities, rather

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than seeking short-term results, enabling flexible responses while broadening our choice of sourcing channels through local sourcing, exploration for new suppliers, etc. Cooperation with our business partners in these cost reduction activities enables us to grow together and create new business opportunities We will continue to value building trust-based relationships with our business partners while growing together with them to achieve the common goal of creating value for our customers.

*: Activities for predicting and preventing quality-related danger, aimed at supplying high-quality parts by predicting defects during the production, storage, and delivery of parts and taking measures to address them

4. A global team of autonomous employees and an open organizational culture



Putting into operation a factory in India through global teamwork

Kyouhei Koyama (right) **Yuki Hayashi** (left)
Production Dept.
Brother Industries, Ltd.

Brother Machinery India Private Ltd., which started operating in December 2024, is the first Brother Group factory dedicated to machine tools. We made the most of the know-how we have developed in Japan and China in establishing factories to prepare for the start of the Indian factory's operation while addressing various challenges, such as building systems for parts procurement and production management and communicating with and training local staff. Even after the new factory began operations, the three factories in Japan, China, and India have continued to work together as a global team, with the Japanese and Chinese factories sending important parts to India, for instance. Each of them is committed independently to pursuing the common goal of achieving the growth of the entire Industrial Equipment Business. In India, we are in the process of continuing to strengthen collaboration between Sales and Production. Staff of the Indian factory appear to have a strong sense of mission to definitely produce positive results, reassuring us about their reliability.



The passion of a proactive employee who created a highly cost-effective machine that makes deburring setup easy

Hiroyuki Tanaka, Team Manager (front row, center),
Machine Tools Development Dept.
Brother Industries, Ltd.

Seven years ago, at Terry's Challenge Academy https://global.brother/en/sustainability/social/training#t02 , I proposed using Brother's technologies to develop a solution to troublesome, hard-to-mechanize deburring work. That was a starting point for me to produce an idea that led to the Deburring Center

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https://machinetool.global.brother/en-us/all-products/deburring-center-dg-1 , a processor dedicated to deburring, and serve as the project leader. Since there was no machine based on the same concept on the market, we produced many prototypes while listening to customer feedback to refine the specifications and functions of the tool. Initially, even within the Company, some people voiced doubts about the project. However, I continued to work with project team members while thinking: “I’ll regret it if I don’t take up this challenge. I’ll definitely achieve a good result.” Once we began to hear staff outside the project team say, “This is great. I think it will sell well,” we were able to significantly advance the project. We finally succeeded in creating a product that made customers say, “This is the machine I’ve been looking for.” I was able to have the unforgettable experience of taking on the challenge of developing a product from scratch with my teammates, each of whom grew with me while facing difficult problems but demonstrating their own strengths. I’m deeply grateful to have been able to have such an experience.

Brother's Capitals

Integrated Report PDF **Integrated Report 2026** [PDF/10.0MB]
https://download.brother.com/pub/com/en/csr/pdf/2026/ful-a4-e.pdf#page=32

Intellectual Capital 33 page

■ **Capital status**

Research and development expenditures: 50.8 billion yen*

Number of patents owns worldwide: Approximately 28,000*

Number of design rights owns worldwide: Approximately 3,000*

*: FY2025 results

■ **Strengths**

A variety of unique technologies

Social and Relationship Capital 35 page

■ **Capital status**

Number of consolidated subsidiaries: 120 companies*1

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

*1: As of March 31, 2026

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

■ **Strengths**

Global customers and business partners that we grow together with

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Integrated Report	PDF **Integrated Report 2026** [PDF/10.0MB] https://download.brother.com/pub/com/en/csr/pdf/2026/ful-a4-e.pdf#page=32
Highly cost-competitive and flexible global manufacturing system	■**Strengths** A global team of autonomous employees and an open organizational culture
Natural Capital 36 page ■**Capital status** Resource consumption (raw materials for products) 205,023t* Total energy consumption (crude oil equivalent) 49,818kL* *: FY2025 results	

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.



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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

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.

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> 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

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

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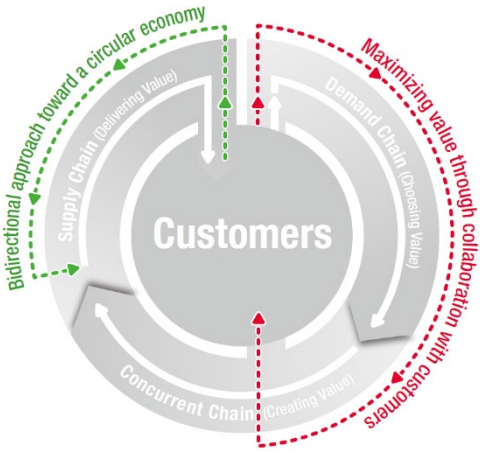
Evolution of BVCM

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

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.

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> 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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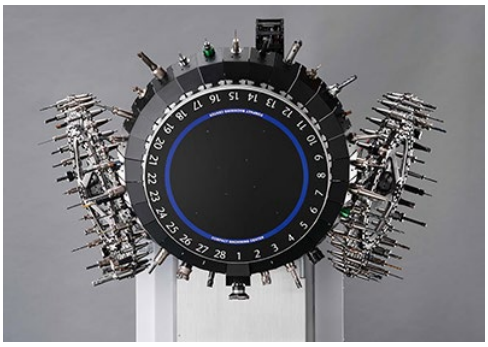
SPEEDIO Deburring Center DG-1

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

*: 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

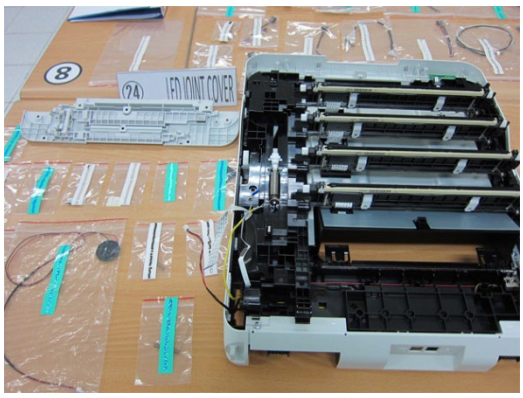
Brother enhances collaboration with its suppliers through parts exhibitions at manufacturing facilities

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

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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 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

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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 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

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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 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

		FY2021	FY2022	FY2023	FY2024	FY2025
Manufacturing facilities and sales facilities		In more than 40 countries and regions				
Sales revenue(Consolidated)		710,938 million yen	815,269 million yen	822,930 million yen	876,558 million yen	893,464 million yen
Sales revenue by region	Japan	14.8%	14.2%	14.2%	13.3%	10.0%
	The Americas	31.3%	33.8%	34.4%	34.6%	34.9%
	Europe	27.3%	25.7%	27.7%	27.0%	28.7%
	Asia & Others	26.6%	26.3%	23.8%	25.1%	26.5%

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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

Intellectual property strategies for each business segment

The Brother Group formulates intellectual property strategies based on the strategies for each business and promotes a variety of activities. In the Printing & Solutions (P&S) Business, we aim to build an intellectual property portfolio that will support business transformation, based on the intellectual property we have accumulated to date. We will carry out strategic activities to protect technologies that are important for further promoting businesses with continuous ties to customers, as well as the Commercial & Industrial Labeling Business, by obtaining intellectual property rights. Governance Financial Section Corporate Information / Round Table Stock Information In the Industrial Printing Business, we will protect the technologies that support business growth, while leveraging the intellectual property related to various technologies, centered on inkjet technology, that has been cultivated in the P&S Business. In the Industrial Equipment Business of Machinery Business, we will protect the technologies that we have developed to help strengthen our customers' manufacturing competitiveness as intellectual property rights. Furthermore, open innovation is important for the growth of each business. To promote open innovation, we will actively utilize the IP landscape through our internal platform, “Brother Open Innovation Bridge.”

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 obtain the necessary decisions. 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 FY2025, we received the Chubu Regional Invention Award for our invention of a Foil Printer that applies metallic foil to text and graphics in the P&S Business. Such external invention awards have been broadly announced throughout the Company.

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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 FY2025, the Brother Group as a whole invested approximately 50.8 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 https://global.brother/en/digest/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 University and Nagoya Institute of Technology to promote the creation of new technologies and businesses.

> Transforming the World with Inkjet Technology: Brother’s Vision for the Next Frontier in Industrial Printing (in Japanese)
https://global.brother/ja/ays-stories/article04/

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 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 January 2026, the “Clarivate Top 100 Global Innovators 2026” title was awarded to Brother Industries, Ltd. for the ninth 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-

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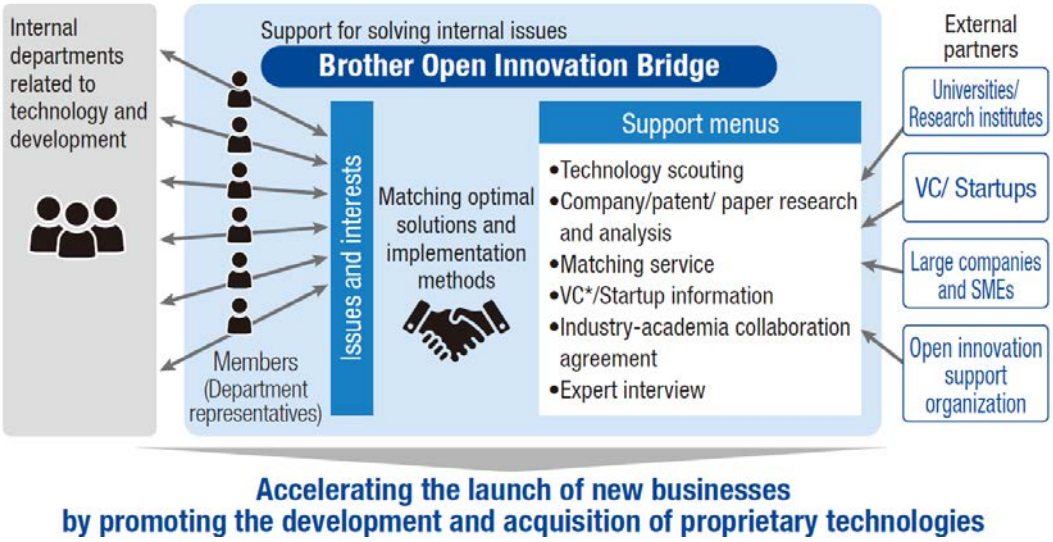
learning and training programs tailored to their level. We also provide intellectual property department personnel with professional education through multi-year programs.

Status of Patents

No. of published patent applications in Japan	965 (FY2025)
No. of patents granted in Japan	758 (FY2025)
No. of patents granted in the U.S.	429 (FY2025)
Number of patents owns worldwide:	approx. 28,000 (As of March 31, 2026)

Open innovation

BIL has strengthened its open innovation efforts to further accelerate the creation of new businesses and solve issues in its existing businesses, by building a platform called “Brother Open Innovation Bridge (BROIB).” BROIB is a system that aims to match the optimal solutions and implementation methods for internal issues by providing support menus that combine information obtained from universities, research institutions, venture capital companies*, startups, large companies and SMEs, and open innovation support organizations, and know-how acquired through previous external activities, thereby solving issues in existing businesses and accelerating the creation of new value. In the future, we will also focus on joint research with universities, aiming to develop and acquire proprietary technologies.



*: 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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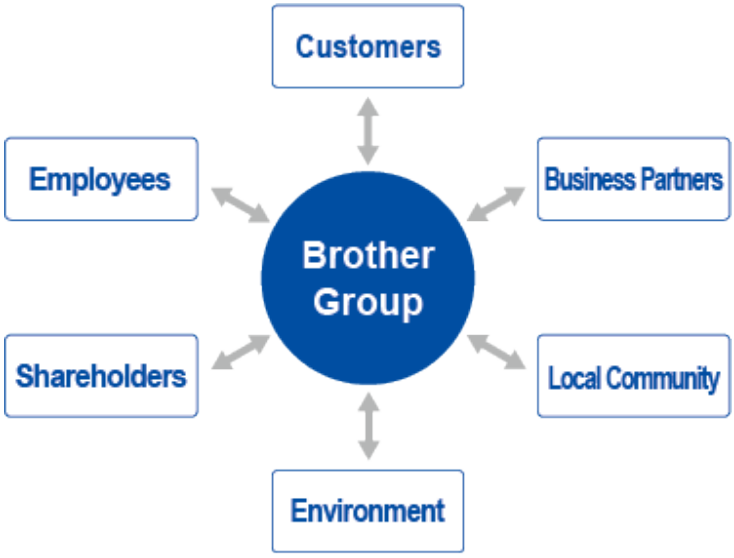
Stakeholder Engagement

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, by quickly creating and delivering high-quality products and services	・ 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
・ 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, and give them great opportunity through challenging work assignments	・ 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 contributions" ・ Establish talent development mechanisms,

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Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
・ 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	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

> "At your side." Stories (in Japanese):
Read stories of our employees' endeavors in various fields, including solutions to social issues, innovation, and sustainability, to learn where Brother is now and what initiatives we are implementing toward the future.
https://global.brother/ja/ays-stories

> 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

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Improving employee engagement

In order to realize the transformation necessary to achieve the Brother Group Vision and encourage 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. In FY2025 we again conducted an employee engagement survey at all our facilities worldwide* to constantly monitor the situation and identify issues to be solved.

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.

*:MUTOH LTD. became a consolidated subsidiary of BIL as of the end of March 2026 and was therefore not covered by the FY2025 survey. Also, XING INC. and its group companies were not covered by the survey because a partial transfer of BIL's shares in XING INC. was expected to take place.

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

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Brother Group Global Charter	Efforts to Build Long-Term Trusting Relationships
	・ 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

> 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

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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 FY2025

Corresponding persons	Number of meetings	Main themes of dialogue
・ BIL Directors, Executive Officers, General Managers, and persons in charge of IR	・ Institutional investors / securities analysts in Japan: 192 ・ Institutional investors / securities analysists outside of Japan: 71 Total: 263	・ Brother Group Vision "At your side 2030" ・ Outline and progress of the 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 134th ordinary general meeting of shareholders

As for the general meeting of shareholders, BIL held the 134th meeting at the hall of the Mizuho Factory, located in Nagoya City, on Wednesday, June 24, 2026, with the attendance of 164 shareholders. In addition, a live webcast was held so that those unable to attend could view the meeting online.

At the general meeting of shareholders, we explained our FY2025 performance, our FY2026 outlook, shareholder returns, and the progress 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.

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The meeting was followed by a social gathering between shareholders and BIL executives, which provided shareholders with an opportunity to deepen their understanding of Brother's products and new business initiatives through direct dialogue with the executives.



The 134th ordinary general meeting of shareholders

> The 134th 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

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 FY2022 and the following years, 4 Manufacturing facilities received RBA certification.

RBA Certified Facilities in the Brother Group (as of October 2026)

Facilities	Main Business	Status	Date of Acquisition
BROTHER INDUSTRIES (VIETNAM) LTD.	Manufacturing of printers and All-in-Ones	Silver	October 17, 2026
BROTHER TECHNOLOGY (SHENZHEN) LTD.	Manufacturing of printers and All-in-Ones	Platinum	September 6, 2025
BROTHER INDUSTRIES (PHILIPPINES), INC.	Manufacturing of printers, All-In-Ones and labeling systems	Silver	August 2, 2025
BROTHER INDUSTRIES, LTD. (Hoshizaki Factory)	Manufacturing of inkjet printheads and related components, etc.	Gold	March 26, 2026

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 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.

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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
D. ETHICS	(1) Business Integrity (2) No Improper Advantage (3) Disclosure of Information (4) Intellectual Property

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	(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

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).

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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

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

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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 JPX Blossom Japan Index / FTSE JPX 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 JPX 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 JPX 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.

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 JPX Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index is designed to measure the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices. The FTSE JPX Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

In March 2022, BIL was selected for inclusion in the ESG investment stock index "FTSE JPX Blossom Japan Sector Relative Index."

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FTSE JPX 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 JPX Blossom Japan Sector Relative Index was adopted by Government Pension Investment Fund (GPIF) as an ESG index on March 30, 2022.

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 JPX Blossom Japan Sector Relative Index. The FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*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
https://www.lseg.com/en/ftse-russell/indices/ftse4good

> Click to view about FTSE JPX Blossom Japan Index (the link to the site of "FTSE Blossom Index Series")
https://www.lseg.com/en/ftse-russell/indices/blossom-japan

> Click to view about FTSE JPX Blossom Japan Sector Relative Index (the link to the site of "FTSE Blossom Index Series")
https://www.lseg.com/en/ftse-russell/indices/blossom-japan

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.



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

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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 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.

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EcoVadis Sustainability Assessment

BIL has received a Bronze Medal from EcoVadis (headquartered in Paris, France), which implemented a sustainability assessment of our company in 2026. During this assessment, Domino Printing Science plc., a Brother group company, obtained a Gold Medal from EcoVadis.



EcoVadis' sustainability assessment surveys and evaluates the SDG alignment of global supply chains. EcoVadis assesses around 175,000 companies across 230 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.

> Click to view about EcoVadis Recognition Page (the link to the site of "Ecovadis Bronze Medal _ BROTHER INDUSTRIES LTD")
https://recognition.ecovadis.com/6zlJUvmnfkukSGyY9pL8Bw

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

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CDP 2025 Supplier Engagement Rating

BIL has been recognized for the second consecutive year with the highest rating as a Supplier Engagement Leader in the CDP 2025 Supplier Engagement Rating by CDP, an international NGO that conducts environmental surveys and disclosures.



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 2025, among more than 22,100 responding companies, BIL has been recognized with the highest rating as a Supplier Engagement Leader.

*: "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 2026" as one of the 100 organizations leading the world in technology research and innovation. This marks the ninth time that BIL has received this award since its first time in 2012.

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Top 100
Global
Innovator
2026

Clarivate

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

Minister of the Environment Awards for Climate Action

BIL has been awarded the Climate Action Grand Prize, the highest honor in the Mitigation category of the Development and Commercialization division, at the Minister of the Environment Awards for Climate Action 2025, hosted by Japan’s Ministry of the Environment. The award was given for BIL’s machine tools, specifically compact machining centers SPEEDIO S300Xd2 / S500Xd2 / S700Xd2 (the S Series), which were launched in 2024. This marks the first time BIL has received this award.



> News Release: Brother Wins Grand Prize at the Minister of the Environment Awards for Climate Action

(Only in Japanese)

https://www.brother.co.jp/news/2025/251208action/index.aspx

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

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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. 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],

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Evaluation	Description of certification and reasons for award/certification
	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 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"

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Evaluation	Description of certification and reasons for award/certification
	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 2026	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 eight times since FY2019.
	
	The Silver certification was awarded to BIL for being certified a total of seven times or more.
	
	<Main Activities>
	• Body Measurement Event [New initiative from FY2025]
	  • Holding a Body Measurement Event to measure the physical abilities of employees, such as walking posture, grip strength, toe strength, and seated forward bending, as well as body composition.
	  • Visualizing physical performance and body composition through objective data with the aim of promoting greater awareness and inspiring behavioral changes toward health and exercise.
	  • After the event, its impact on behavioral changes has become evident, with an increasing number of employees regularly using the permanent body composition analyzer for ongoing measurements.
	• Introducing exercises by course type
	  • Offering multiple courses tailored to employees' fitness levels and physical condition, including exercises that can be performed at one's desk during office hours as well as exercises specifically designed for

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Evaluation	Description of certification and reasons for award/certification
	remote work environments at home. • Helping employees experience the refreshing and beneficial effects of exercise even of light intensity so that they can comfortably incorporate physical activity into their daily routines. • 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 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%.

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Evaluation	Description of certification and reasons for award/certification
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. • 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

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Evaluation	Description of certification and reasons for award/certification
	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

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"

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Activity field	Description of certification Reasons for award	Certification/award logo		
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"
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	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)	

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Activity field	Description of certification Reasons for award	Certification/award logo	
	mind while continuing with treatment		

*: Brother Logitec Ltd.

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Environment(E)

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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Guidelines	Development of environmental activities
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 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 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 FY2022).

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

*1 : Based on sales: Scope 3 emissions/Group consolidated sales. Group consolidated sales are calculated using a fixed exchange rate.

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Environmental targets*	Achievements in FY2025	Self-evaluation
1-1	The Brother Group is promoting group-wide energy conservation initiatives and the transition to renewable energy. In FY2025, Brother Industries (Philippines), Inc. switched to electricity derived from renewable energy sources. As a result, the Brother Group achieved a 56.0% reduction in CO_2 emissions (on an absolute basis) compared with FY2015.	Significantly achieved
1-2	(1) The Brother Group introduced new printer products with enhanced environmental performance through downsizing and weight reduction. In its machine tools business, the Group also improved energy efficiency and enhanced product value by incorporating multiple functions into its products. As a result, Scope 3 emissions based on sales were reduced by 29.9% compared with FY2022. (2) The Brother Group worked with 13 key business partners on CO_2 emissions reduction activities, achieving a reduction of approximately 27,000 tons of CO_2 emissions. In addition, to further expand these efforts, the Group reached agreements with 14 additional business partners to carry out future emissions reduction activities and completed preparations to launch these initiatives in the next fiscal year and beyond.	Significantly achieved

* : The numbers in the chart correspond to the targets numbers above.

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

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

*2 : Based on sales: Volume of virgin materials used in products/Group consolidated sales. Group consolidated sales are calculated using a fixed exchange rate.

2-2 Reduce Water Usage

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

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*3： Based on sales: Quantity of water intake/Group consolidated sales. Group consolidated sales are calculated using a fixed exchange rate.

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/Group consolidated sales. Group consolidated sales are calculated using a fixed exchange rate.

Environmental targets	Achievements in FY2025	Self-evaluation
2-1	(1) The Brother Group focused its efforts on new products by reducing product size and weight, increasing the use of recycled materials, and switching to recyclable cushioning materials. As a result, the amount of virgin materials used in products based on sales was reduced by 23.9% compared with FY2022. (2) To help realize a circular economy, the Brother Group is enhancing its repair, maintenance, and other service offerings while promoting initiatives such as subscription-based services and the collection and remanufacturing of used cartridges.	Achieved
2-2	The Brother Group is continuously implementing water conservation measures and expanding the use of rainwater, primarily at its manufacturing sites. In FY2025, the quantity of water intake based on sales was reduced by 10.9% compared with the previous fiscal year, partly reflecting the inclusion of the Domino Group in the reporting scope.	Significantly achieved
2-3	The Brother Group continued its waste reduction activities. In FY2025, however, waste volume based on sales increased by 14.6% compared with the previous fiscal year, partly reflecting the impact of the inclusion of the Domino Group in the reporting scope.	Not achieved

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

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

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Environmental targets	Achievements in FY2025	Self-evaluation
3-1	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 20,000 participants took part in the "zero ocean waste activities[*6]" targeting all Brother Group locations in Japan and overseas.	Achieved

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

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

4. Environmental Management

4-1 Provision of Eco-Conscious Products

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

4-2 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.

4-3 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.

4-4 Information Release Based on SDGs Viewpoint

(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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Environmental targets	Achievements in FY2025	Self-evaluation
4-1	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 continuously meet the societal requirements of the Blue Angel certification, the Brother Group maintains RBA certification at three overseas sites producing the applicable products. For new products, the Brother Group also systematically addressed the quantitative environmental information disclosure standards for carbon footprints introduced under Japan's Green Purchasing Law and Eco Mark system and obtained certification. In addition, both laser and inkjet products achieved the highest EPEAT rating, Gold. Furthermore, in preparation for the new EPEAT 2.0 standard, the Group has been systematically advancing initiatives related to responsible procurement, including supply chain risk assessments.	Achieved
4-2	To improve the efficiency of collecting and managing information on chemical substances contained in products throughout the supply chain, the Brother Group is implementing a three-year plan for the transition from an in-house product chemical substance information collection tool to an industry-standard tool. In FY2025, the first year of the initiative, the Group completed the transition for approximately 25% of the targeted business partners.	Achieved
4-3	As a result of promoting the development of eco-conscious products, the Brother Group's SPEEDIO machine tools received the Minister of the Environment's Climate Change Action Award and the EcoPro Award in FY2025 in recognition of their high productivity and energy-saving performance. The Group also continued to calculate and disclose its CO_2 emissions reduction contribution, which indicates its contribution to reducing environmental impacts across society. For the PureDrive-FL forklift-mounted spot cooler, the Group evaluated the optimal air-conditioning layout based on the intended operating environment of users and quantified its significant contribution to reducing GHG emissions. The results were disclosed in LCA Japan Forum Newsletter No. 89.	Achieved

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Environmental targets	Achievements in FY2025	Self-evaluation
4-4	On the SDGs special website “Brother SDGs STORY,” we introduced biodiversity conservation activities at our manufacturing facility established in the Philippines[*1] and efforts such as eliminating EPS (expanded polystyrene)[*2] as a sustainability initiative in our business operations. The Brother Group also made partial disclosures in line with the Taskforce on Nature-related Financial Disclosures (TNFD) recommendations and will continue to enhance the completeness of its disclosures.	Achieved
4-5	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

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

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

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

*1: Changing Actions to Change the Future: Brother Industries (Philippines)
https://sdgsstory.global.brother/e/environment/840/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



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*2: From Reducing EPS to Eliminating EPS
https://sdgsstory.global.brother/e/customer/778/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



"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)

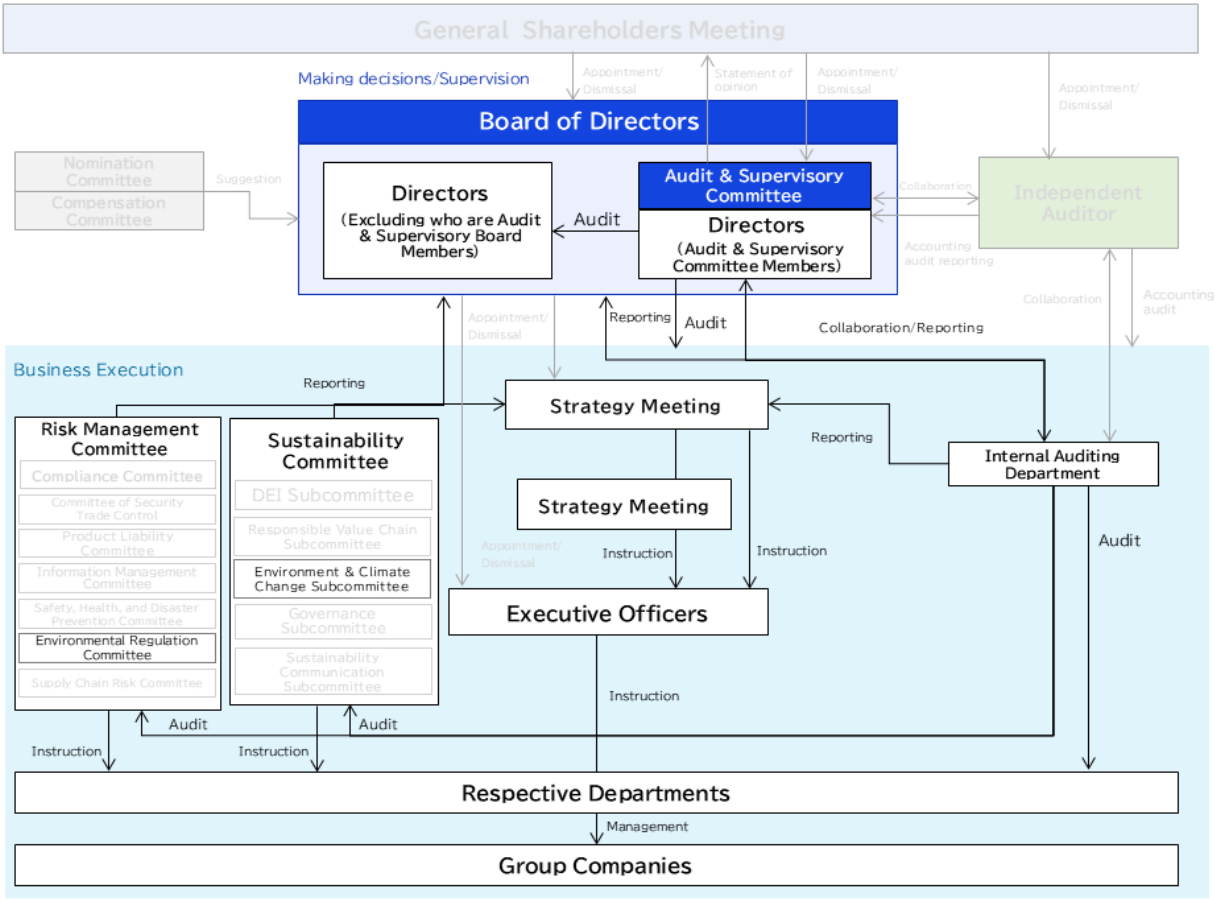
Environmental Management Framework

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 24, 2026)



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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 FY2025, 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 FY2025.

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

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. “



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

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> 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/102KB]
https://global.brother/pub/com/en/eco/pdf/2026/eco-point.pdf
PDF Internal Environmental Commendation System [PDF/180KB]
https://global.brother/pub/com/en/eco/pdf/2026/award.pdf
PDF Timeline for Environmental Milestone Achievement [PDF/186KB]
https://global.brother/pub/com/en/eco/pdf/2026/history.pdf

Environmental Management System

Under our medium-term management plan, the Brother Group creates the Brother Group Environmental Action Plan every three years, based on which Brother Industries, Ltd. 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.

PDF List of ISO 14001-Certified Facilities [PDF/124KB]
https://global.brother/pub/com/en/eco/pdf/2026/iso14001.pdf

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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, Industrial Printing Business, Machinery Business, Nissei Business, Personal and Home 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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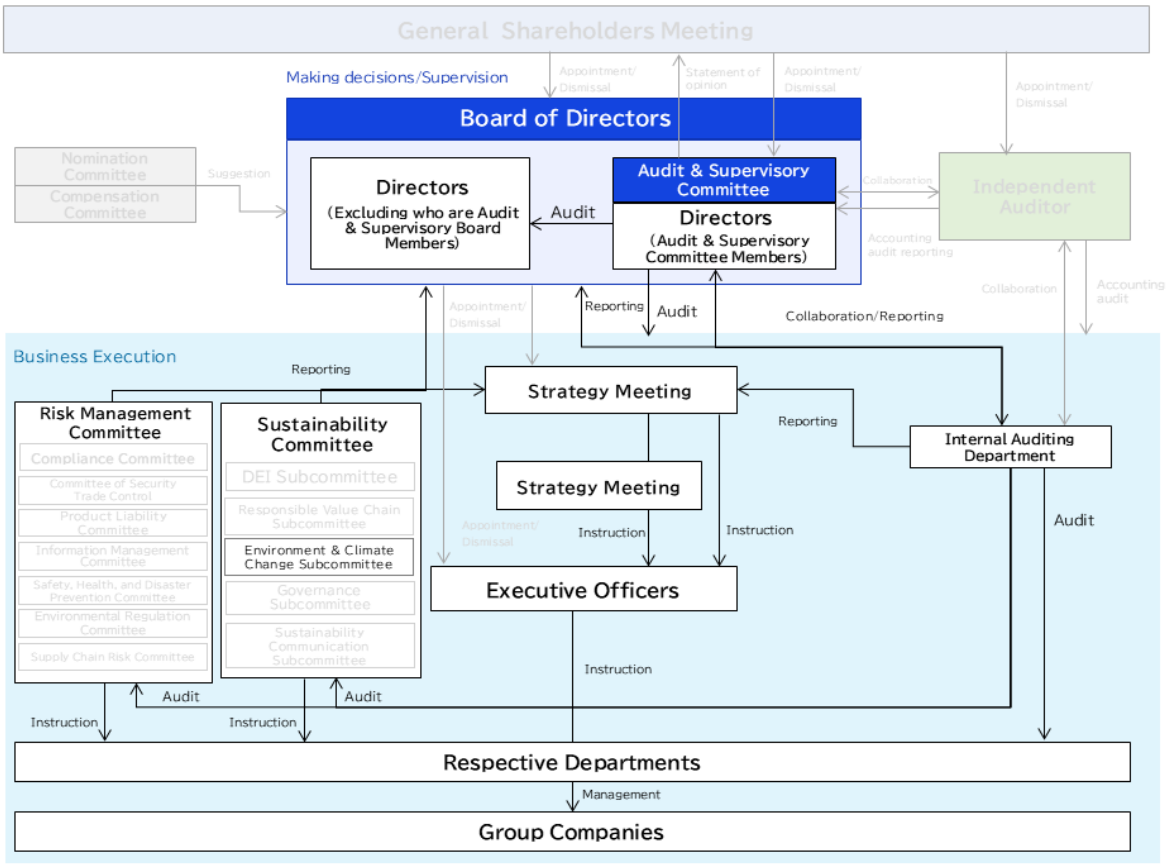
[No. of meetings in FY2025]		
Environment & Climate Change Subcommittee	3	
Sustainability Committee	8	5 meetings related to the Environment & Climate Change Subcommittee: Reports and deliberations regarding the Environmental Action Plan 2027, the Sustainability Disclosure Standards (SSBJ Standards), and the Taskforce on Nature-related Financial Disclosures (TNFD), among others.
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 24, 2026)



> 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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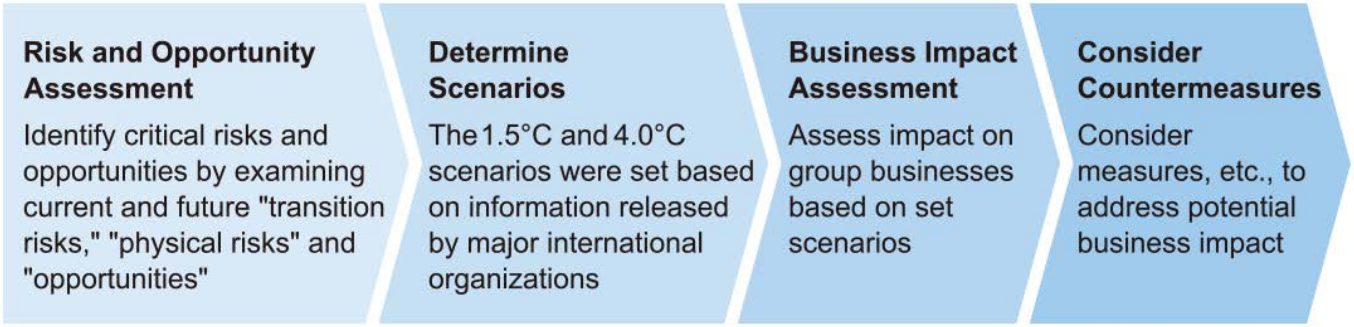
TCFD Recommendations: Strategy (scenario analysis)

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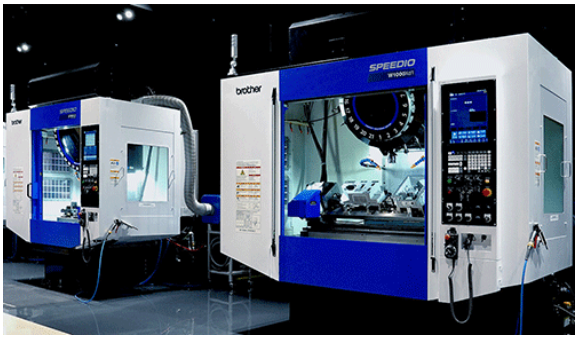
*5 > Machine Tools to Improve Productivity and Reduce CO_2 Emissions - Brother's Machining Centers Contribute to a Carbon-Free Society
https://sdgsstory.global.brother/e/customer/398/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



*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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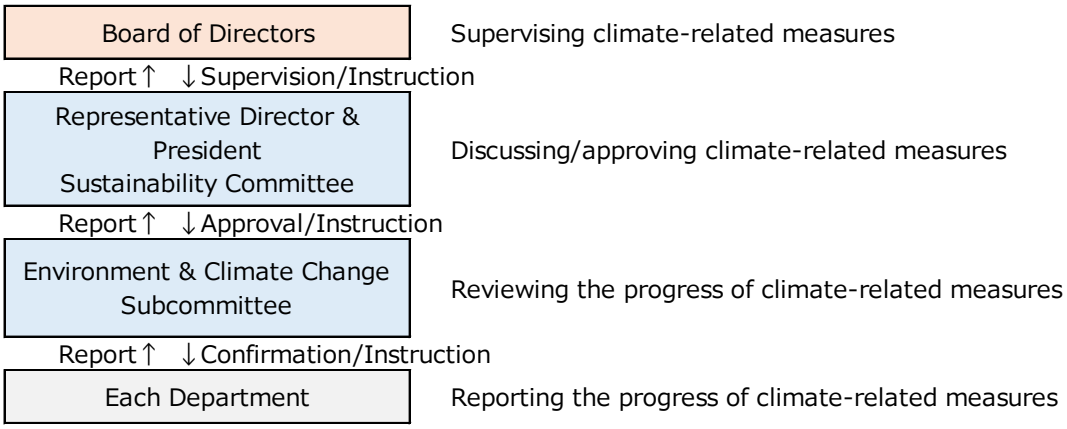
TCFD Recommendations: Metrics and Targets

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 FY2027	Progress in FY2025	Achievement
Reducing CO_2 emissions	[Scope 1,2] Achieve 65% reduction from FY2015 level	[Scope 1,2] Achieve 56% reduction from FY2015 level	Achieved 56.0% reduction (from FY2015 level)	○
	[Scope 3 (Categories 1, 11, and 12)*1] Achieve 28.5% reduction from the FY2022 level	[Scope 3] Reduce Categories 1,11 and 12 emissions based on sales*2 by 25.2% from those of FY2022.	[Scope 3] Achieved 31.6% reduction from the FY2022 level toward targets for FY2030 Reduced CO_2 emissions based on sales by 29.9% from those of FY2022 toward targets for FY2027	○

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

*1: 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.

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

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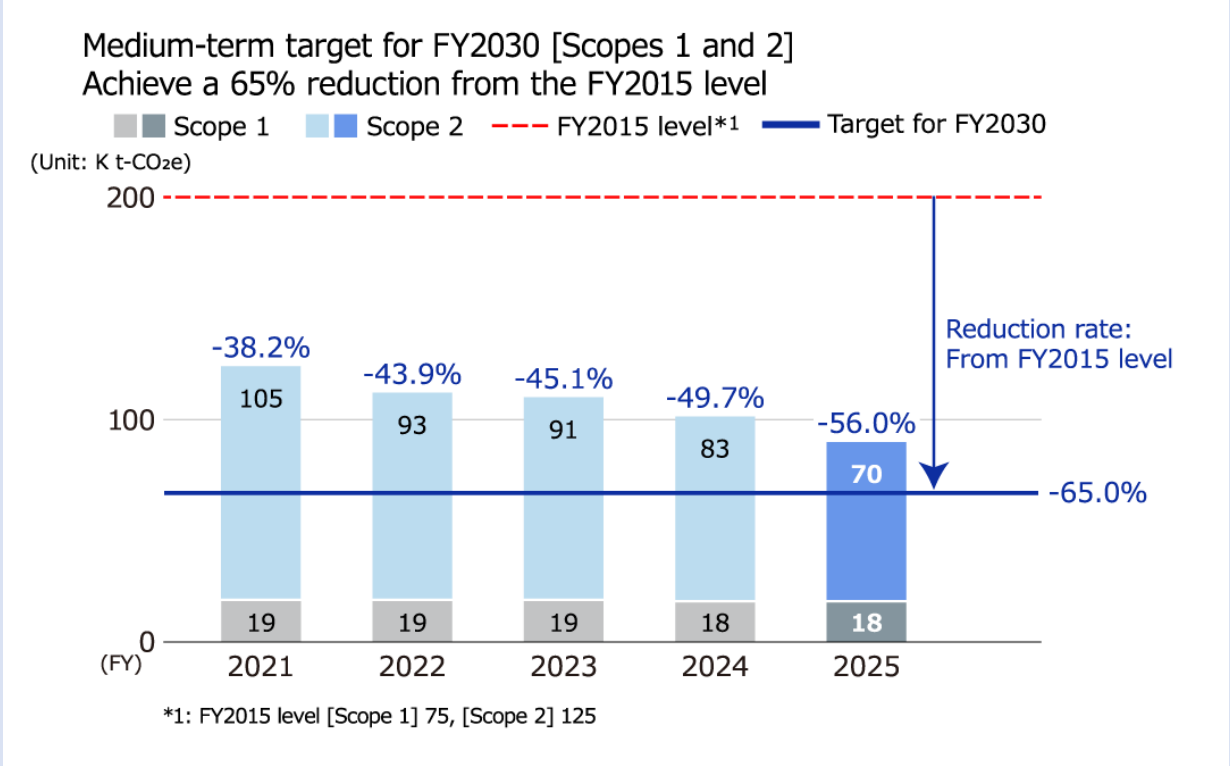
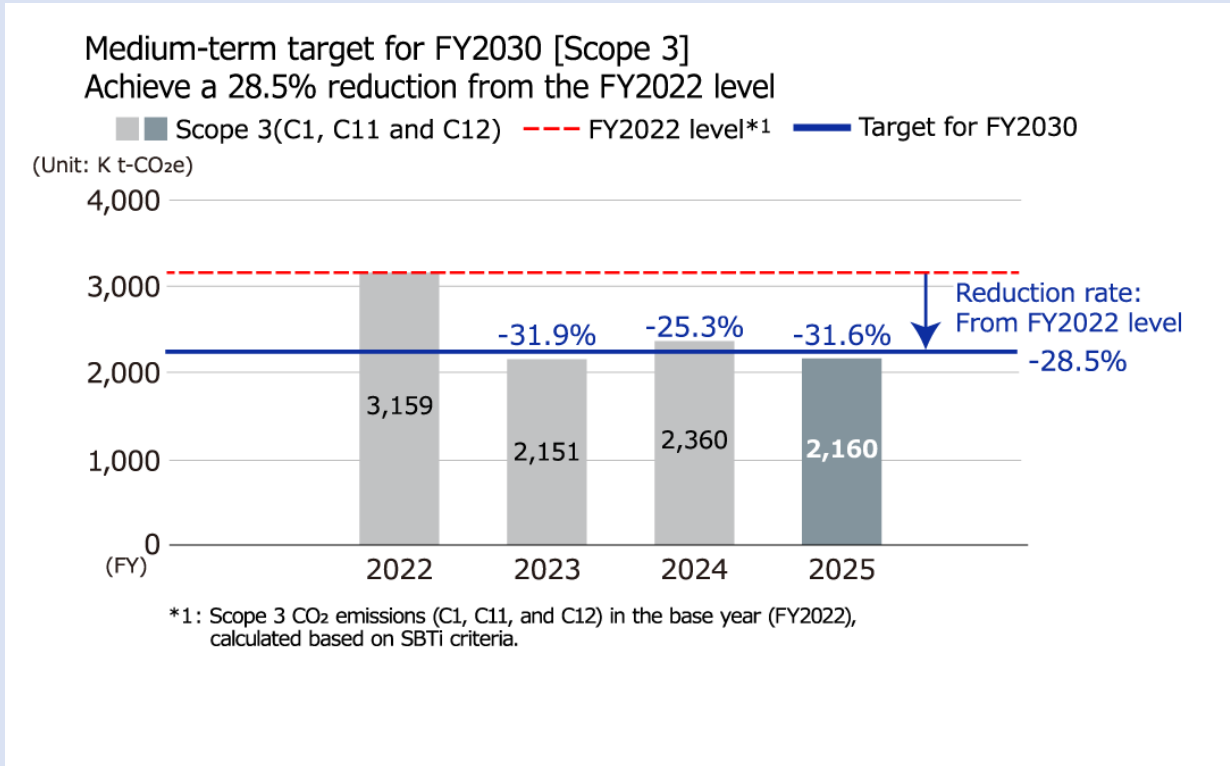
Progress in CO_2 emission reduction

Progress up to FY2025





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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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Environment(E)

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.
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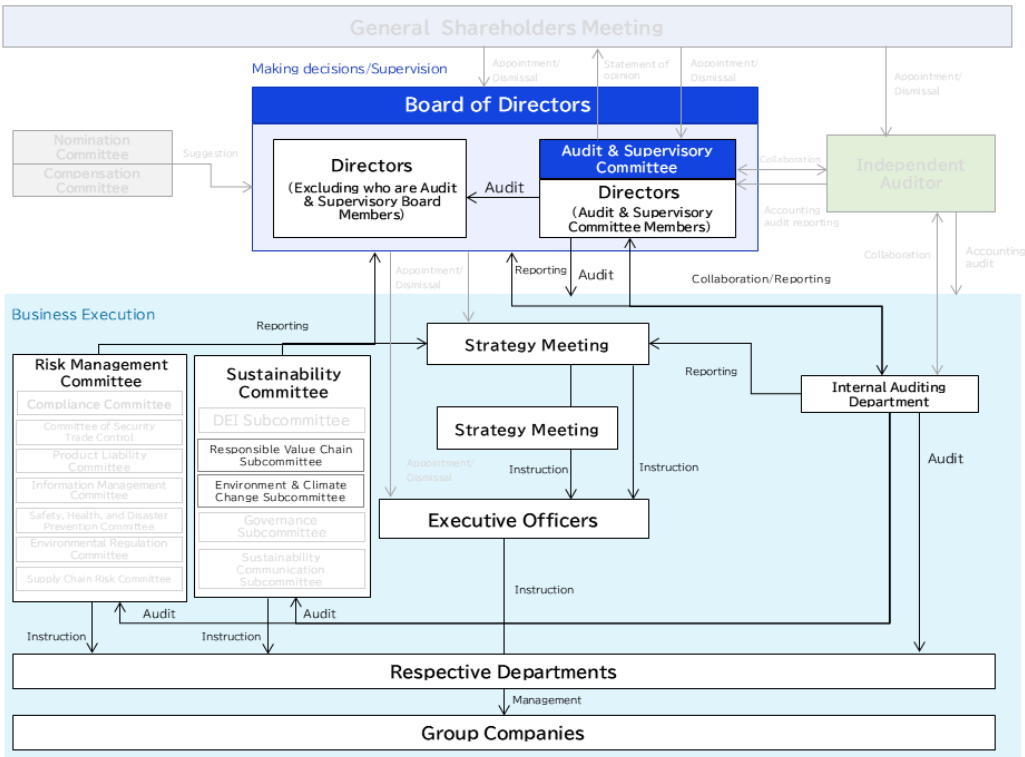
[No. of meetings in FY2025]		
Environment & Climate Change Subcommittee	3	
Responsible Value Chain Subcommittee	11	
Sustainability Committee	8	5 meetings related to the Environment & Climate Change Subcommittee: Reports and deliberations regarding the Environmental Action Plan 2027, the Sustainability Disclosure Standards (SSBJ Standards), and the Taskforce on Nature-related Financial Disclosures (TNFD), among others. 2 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 24, 2026)



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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.

Core disclosure metrics

Indicator No.	Indicator	Reference
-	GHG emissions	> Progress Towards CO_2 Emission Reduction Targets https://global.brother/en/sustainability/eco/co2#c01

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Indicator No.	Indicator		Results for 2025	Target for FY2030	Remarks
C2.1	Wastewater volume	Public waters	142,825 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/278KB].
		Sewer system	364,369 m^3		
		Other	0 m^3		
C3.0	Water withdrawal from water-scarce areas	Clean water	23,520 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., see page 5 of "Material balance" [PDF/278KB].
		Industrial water	0 m^3		
		Underground water	0 m^3		

Additional disclosure metrics

Indicator No.	Indicator		Results for 2025	Target for FY2030	Remarks
A3.0	Total water intake	Clean water	466,221 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/278KB].
		Industrial water	0 m^3		
		Underground water	148,912 m^3		
A3.2	Volume of water recycled		25,571 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/278KB].

PDF Material balance [PDF/278KB]
https://global.brother/pub/com/en/eco/pdf/2026/material-balance.pdf

Core disclosure metrics to be disclosed in the future

C1.0, C1.1, C2.0, C2.2, C2.3, 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

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

2. [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 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.

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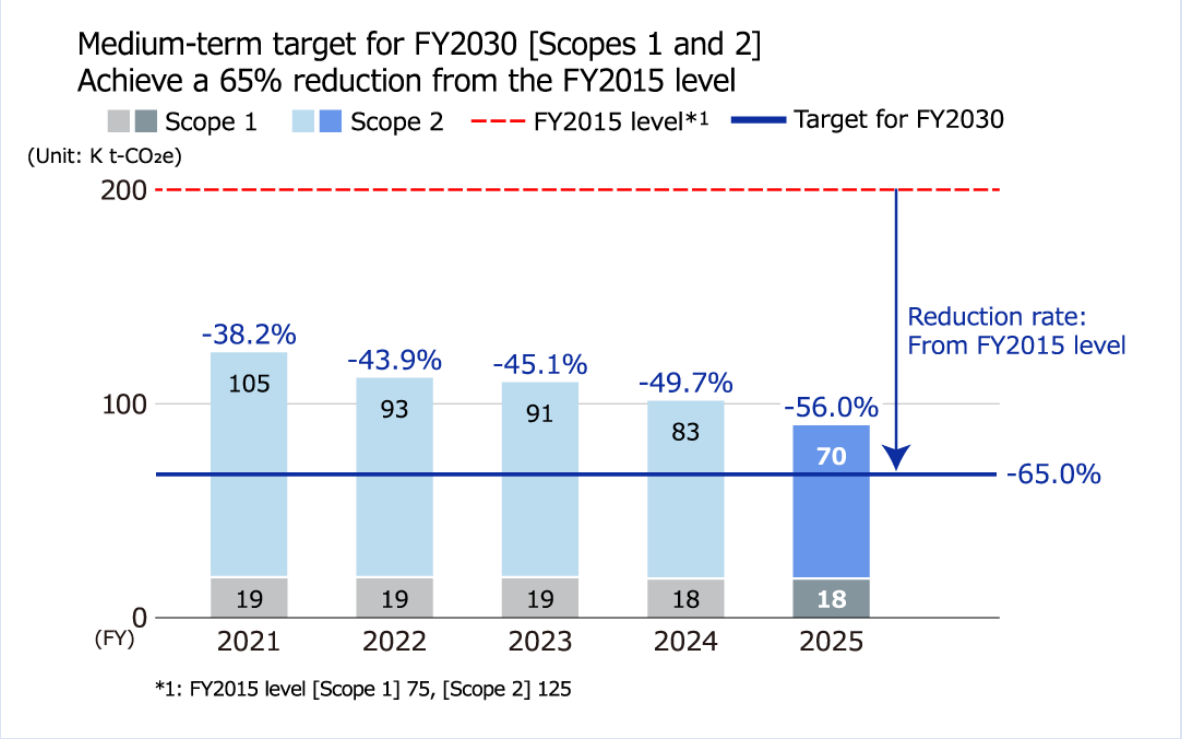
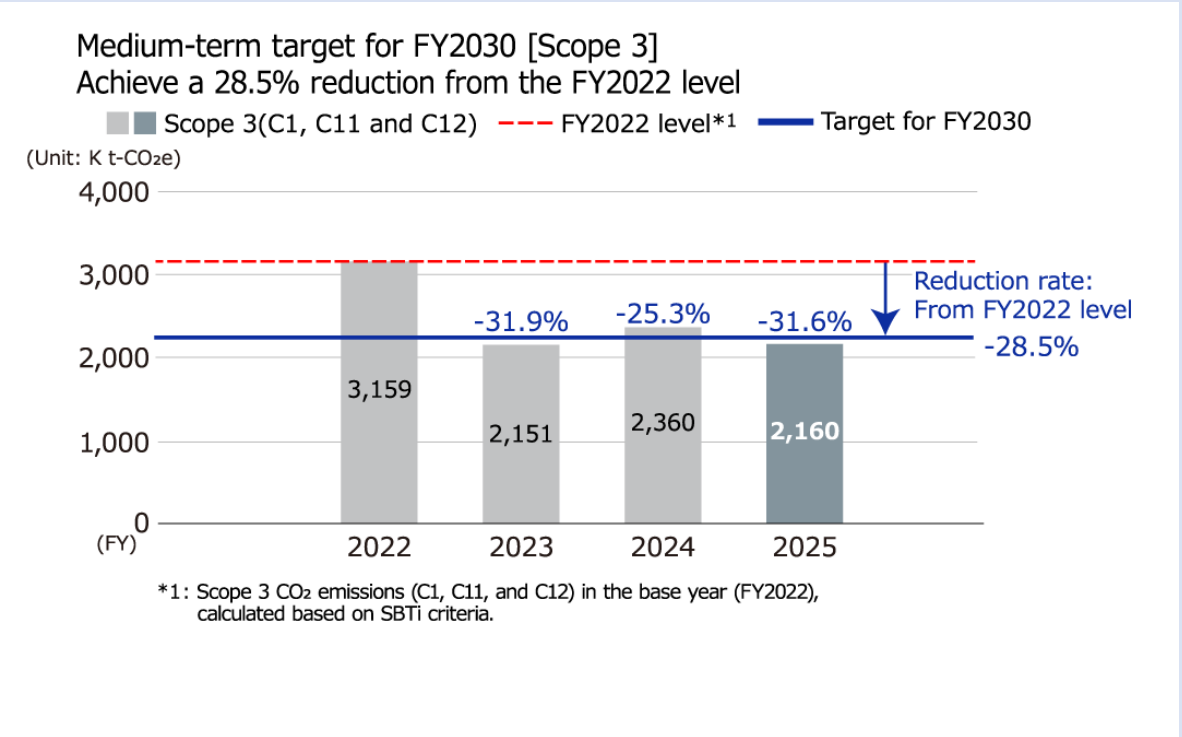
Progress up to FY2025





In FY2025, Scope 1 and 2 emissions were reduced by 56.0% from the FY2015 level, while Scope 3 emissions were reduced by 31.6% from the FY2022 level. In particular, the reduction in Scope 3 emissions exceeded the target for FY2030 (28.5% reduction). We believe that this result is largely attributable to the effects of making our products smaller and lighter and improving their energy-saving performance, but it also reflects the impact of temporary factors and changes in the external

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environment. In addition, the Group recognizes that emissions may increase in the future as production and sales expand in line with business growth.

Going forward, we will strengthen our efforts to reduce emissions across the entire value chain, taking into account the potential for medium- to long-term emissions reductions and the need to balance these efforts with business growth, with the aim of achieving both business growth and climate change action.

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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 in accordance with the GHG Protocol 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.

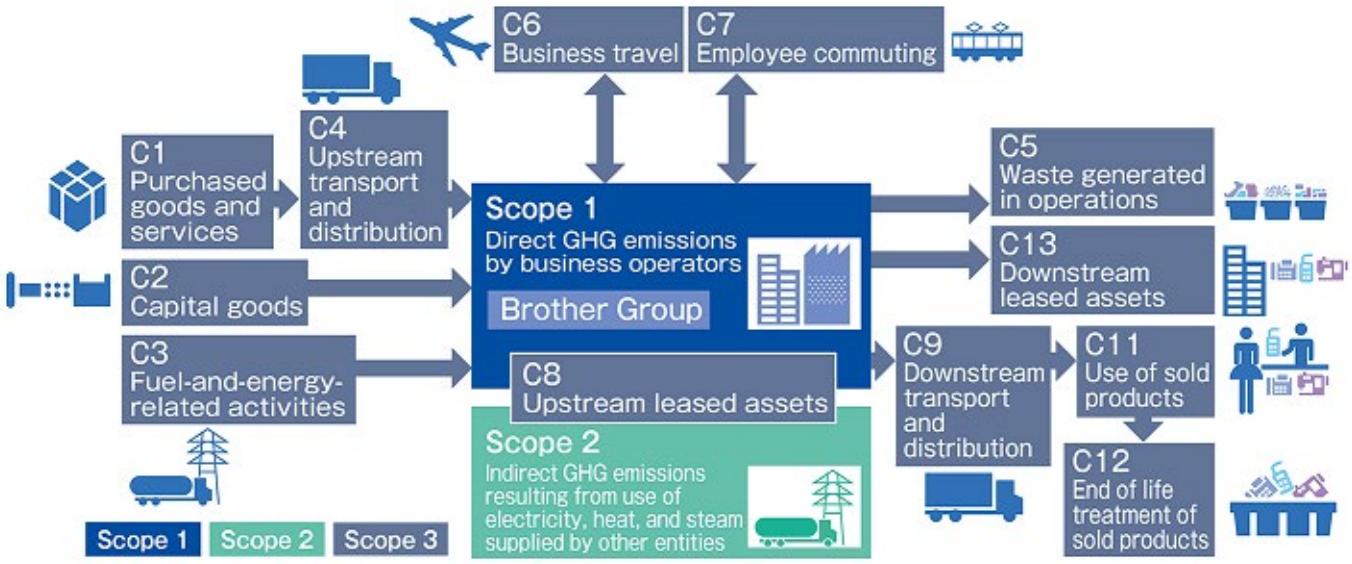
Scope 1, 2, and 3

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 FY2021 through FY2025

Category		CO_2 emissions in t-CO_2e equivalent				
		FY2021	FY2022	FY2023	FY2024	FY2025[*1]
Scope 1: Direct emissions		18,724	19,040	18,840	17,850	17,677
Scope 2: Indirect emissions from energy use Market-based		105,099	93,409	91,228	82,897	70,429
Scope 3: Other indirect emissions		2,942,352	3,439,056[*2]	2,431,462	2,633,871	2,476,815
C1	Purchased goods and services	1,404,939	1,671,015[*2]	1,253,780	1,411,041	1,338,890
C2	Capital goods	86,955	123,562	126,268	119,606	129,389
C3	Fuel- and energy-related activities	11,838	12,062	11,899	12,130	21,405
C4	Upstream transportation and distribution	138,978	99,236	95,109	90,402	112,186
C5	Waste generated in operations	2,849	3,257	3,991	8,822	5,751
C6	Business travel	1,887	4,023	6,502	6,673	7,870
C7	Employee commuting	14,819	14,768	15,553	16,574	14,293
C8	Upstream leased assets	4,101	3,827	4,588	4,316	3,718
C9	Downstream transportation and distribution	15,366	17,825	14,762	14,269	21,492
C10	Processing of sold products	-	-	-	-	0
C11	Use of sold products	995,115	1,183,284	670,148	642,375	545,560
C12	End of life treatment of sold products	263,618	305,036	227,291	306,135	275,179
C13	Downstream leased assets	1,886	1,160	1,168	1,178	1,082
C14	Franchises	-	-	-	-	0
C15	Investments	-	-	402	350	0
Total of Scopes 1, 2, and 3 Market-based		3,066,176	3,551,505[*2]	2,541,530	2,734,618	2,564,921

*1: External assurance of calculations in accordance with the GHG Protocol

*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.

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Calculation Approach and Methodology

PDF GHG Calculation Methodology [PDF/98KB]
https://global.brother/pub/com/en/eco/pdf/2026/calculation-method.pdf

Scope

PDF Scope of auditing for ISO 14064 [PDF/200KB]
https://global.brother/pub/com/en/eco/pdf/2026/iso14064.pdf

External Assurance

PDF BSI Verification Opinion and Independent Assurance Statement 2025 [PDF/1.3MB]
https://global.brother/pub/jp/eco/pdf/2026/bsi-opinion-assurance.pdf

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

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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, LTD. Kariya Factory



Solar panel in Kariya Factory

Kariya Factory, one of the manufacturing factories of the Machinery Business, placed top priority on improving energy efficiency through energy conservation and actively promoting the introduction of renewable energy in its efforts to reduce CO_2 emissions. In October 2024, Kariya factory 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 standard, and is also the first case in the manufacturing industry in Japan. In October 2025, Kariya factory once again completed the verification of compliance with the ISO 14068-1:2023 standard.

*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) for FY2025 [PDF/257KB]
https://global.brother/pub/com/en/eco/pdf/2026/kariyaCNsummary.pdf

PDF Kariya Factory's Carbon Neutrality Report for FY2025 [PDF/1.8MB]
https://global.brother/pub/com/en/eco/pdf/2026/kariyaCNreport.pdf

PDF Verification Opinion for FY2025 [PDF/526KB]
https://global.brother/pub/jp/eco/pdf/2026/verification-opinion.pdf

Promotion of energy-saving activities



Tokyo building

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,*1 which is recommended by the Ministry of the Environment, for the first time.
To improve environmental performance while balancing the reduction of CO_2

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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 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. continues its energy-saving activities.

Environmentally conscious logistics*2 is essential for reducing CO_2 emissions and enhancing supply chain sustainability. Brother International (India) Private Ltd. (hereinafter BIC(I)) is working to promote transportation solutions with lower CO_2 emissions compared to diesel, in line with the Brother Group's Environmental Vision 2050 and the United Nations Sustainable Development Goal 7, Affordable and Clean Energy. BIC(I) has been advancing the switch from diesel trucks to electric vehicles (EVs) for urban deliveries, actively reducing CO_2 emissions during driving. Currently, BIC(I) operates 12 EV trucks. From April 1, 2025 to November 30, 2025, 76% of deliveries from BIC(I) warehouses to local customers were made using EV trucks. These efforts represent a significant step toward building cleaner, future-oriented logistics infrastructure and demonstrate BIC(I)’s long-term commitment to responsible and sustainable business operations.





EV truck

*1: 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.

*2: Efforts to minimize environmental impact throughout the entire logistics process (including transportation, storage, and delivery)

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Active introduction of renewable energy

In FY2024, new solar panels were installed at MIE BROTHER PRECISION INDUSTRIES, LTD. in Japan (Mie Prefecture), and at BROTHER INDUSTRIES SAIGON, LTD. and BROTHER MACHINERY INDIA PRIVATE LTD. overseas.In addition, BROTHER INDUSTRIES (PHILIPPINES), INC. expanded its solar panel installation and sourced all of its purchased electricity from renewable energy sources in FY2025.



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

*: 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 generated hydrogen is delivered to the Brother Museum and utilized in our fuel cells that run on hydrogen, so there are no direct CO_2 emissions during fuel cell operation (excluding manufacturing and transportation). 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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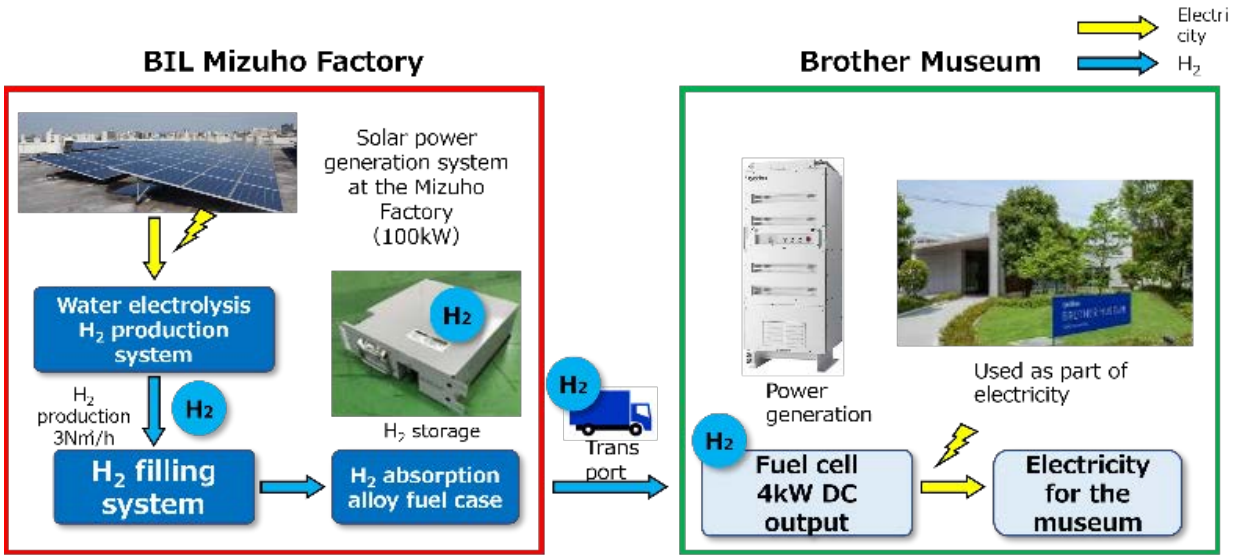
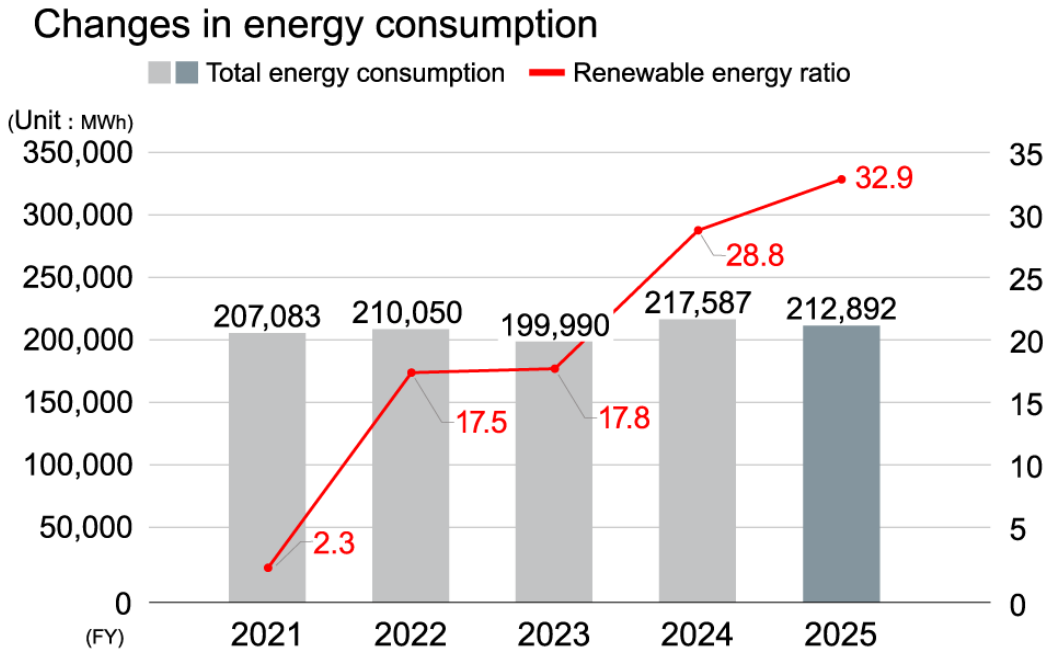


The renewable energy ratio in FY2025 was 32.9% by using renewable electricity (including renewable energy procurement using certificates) in addition to on-site generation. The Brother Group will contribute to protecting the earth by systematically switching electricity used in business operations to renewable energy.



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Energy consumption in FY2025

Total energy consumption	212,892 MWh
Renewable energy consumption	70,012 MWh
: In-house power generation consumption	17,596 MWh
: Amount of renewable energy purchased consumption (including renewable energy procurement using certificates)	52,416 MWh
Renewable energy ratio	32.9%

Efforts to Reduce CO_2 Emissions in Products

Based on the Brother Group Environmental Action Plan 2027 (2025–2027), the Brother Group has set a target to reduce Scope 3 (Categories 1, 11, and 12) emissions based on sales* by 25.2% from those of FY2022, and has been working to reduce CO_2 emissions based on sales from products in the Printing & Solutions Business, Industrial Printing Business, Machinery Business, Nissei Business, and Personal & Home Business.

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

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%. Through energy-saving measures such as improving power supply efficiency, 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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Reducing the environmental impact of SPEEDIO machine tools (S series and U series)

The new Xd2 models of the S Series and U Series SPEEDIO machine tools, which have traditionally featured low power consumption, are equipped with new functions, including an energy-saving operating mode for the chip shower and machining support functions that eliminate the need for warm-up operation, achieving even greater energy savings. The new models reduce power consumption by approximately 30%* compared with previous models.

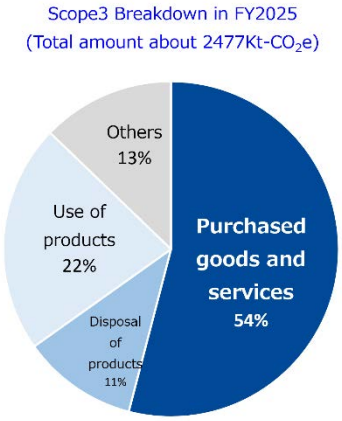
*: Figures for the new S500Xd2 model compared with the previous S500Xd1 model. Based on data compiled by BIL.



> S500Xd2
https://www.brother.co.jp/product/machine/sxd2/index.aspx

Collaboration with Suppliers

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. Starting in FY2024, the Group has been obtaining 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. As a result, a reduction of approximately 27,000 tons of CO_2 emissions was achieved in FY2025.
This activity will be gradually expanded to involve other parts and raw materials suppliers, aiming to achieve the CO_2 reduction targets set in CS B2027.

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

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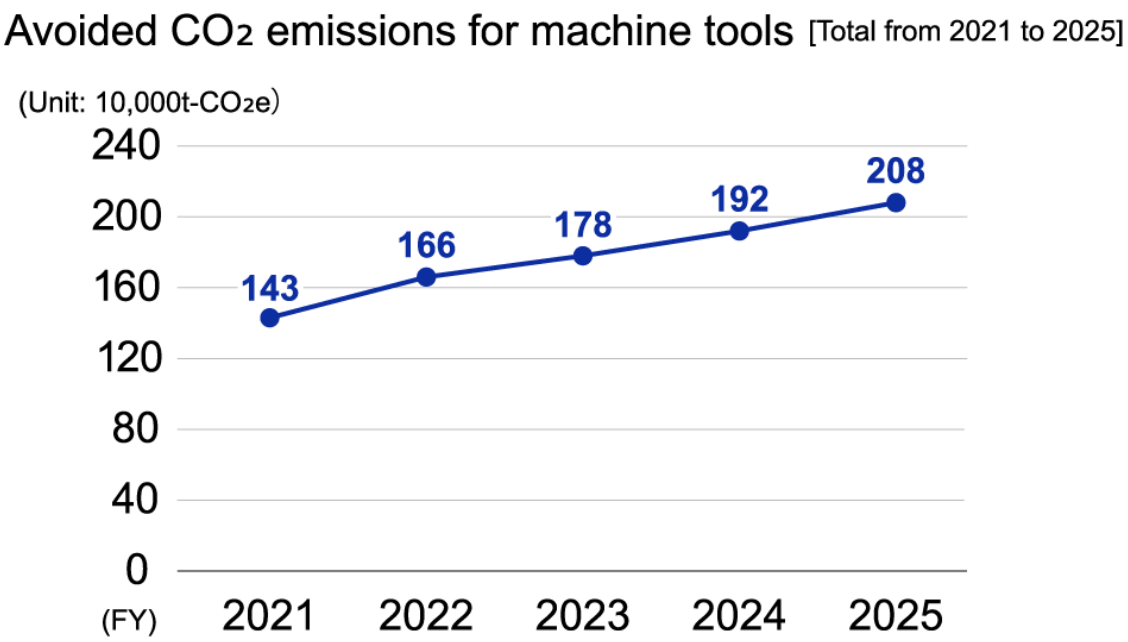
Method of Calculation of Avoided CO_2 Emissions (based on internal research)



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).

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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.



External Award

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 sponsored by the Energy Conservation Center, Japan. In FY2025, SPEEDIO machine tools received two new external awards in recognition of their high productivity and energy-saving performance.

<Award History>

Award Name	Award-winning product/News release
FY2025 Machine tool "SPEEDIO" Grand Prize at the Minister of the Environment Awards for Climate Action EcoPro Awards Encouragement Award	 Award-Winning Products (From the left: S300Xd2/S500Xd2/S700Xd2) > News release: Minister of the Environment Awards for Climate Action (Only in Japanese) https://www.brother.co.jp/news/2025/251208action/index.aspx

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Award Name	Award-winning product/News release
	> News release: EcoPro Awards (Only in Japanese) https://www.brother.co.jp/news/2025/250901eco/index.aspx
FY2024 Machine tool "SPEEDIO" Energy Conservation Grand Prize, Energy Commissioner's Award Aichi Environmental Award, Nagoya Mayor's Award	 Award-Winning Products (From the left: S300Xd2/S500Xd2/S700Xd2) > News release: Energy Conservation Grand Prize, Energy Commissioner's Award (Only in Japanese) https://www.brother.co.jp/news/2025/250129eco/index.aspx > News release: Aichi Environmental Award, Nagoya Mayor's Award (Only in Japanese) https://www.brother.co.jp/news/2025/250214aichieco/index.aspx

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Award Name	Award-winning product/News release
FY2023 Personal No-Exhaust-Heat & CFC-Free Spot Cooler "PD-3100" Energy Conservation Grand Prize, Agency for Natural Resources and Energy Commissioner's Award	 > 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

<Overview of Award-winning Products>

FY2024- FY2025 "SPEEDIO": Achieved high productivity, compactness, and energy efficiency, contributing to reducing customers' CO_2 emissions.

Machine tool SPEEDIO is a #30 spindle machining center (MC) that combines expanded machining area and compactness with excellent energy efficiency. It contributes to energy-saving and reduction of CO_2 emissions 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 MC of #40 to #50 machines. In recognition of these high environmental performance features, SPEEDIO received the Energy Conservation Grand Prize, Agency for Natural Resources and Energy Commissioner's Award and the Aichi Environmental Award sponsored by Aichi Prefecture in FY2024. Additionally, SPEEDIO also received the Grand Prize at the Minister of the Environment Awards for Climate Action and the Encouragement Award at the EcoPro Awards in FY2025.

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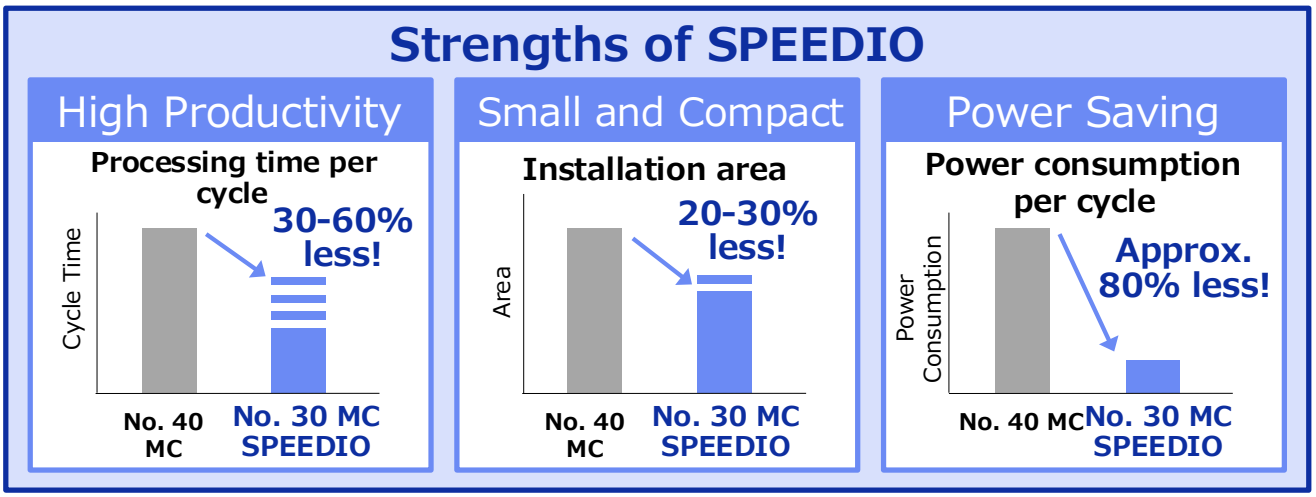

FY2023 "PD-3100": Downsizing Pure Drive-FL and improving its energy efficiency enabled heat protection even in towing vehicles and trucks.

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.





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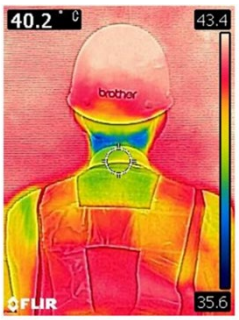
FY2021 "PureDrive-FL": Heat protection measure realized with an energy-efficient spot cooler for forklifts

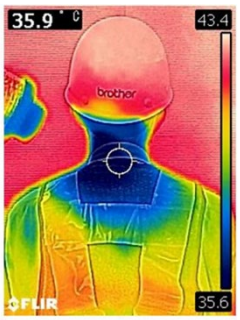
As rising temperatures due to climate change are inevitable, the Brother Group has commercialized PureDrive-FL, a CFC-free spot cooler for forklifts that pursues energy efficiency and comfort for forklift operators as one of its "adaptation" measures to minimize the impact of climate change. This product 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 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)

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2026 CDP Questionnaire

CDP (formerly the Carbon Disclosure Project) is an international 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 2026 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2026/cdp2026questionnaire.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

1. 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.

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

In FY2025, the amount of virgin materials used in products was reduced by 22.5% compared to the FY2022 level.
The Brother Group believes that this result was driven by initiatives such as reducing product size and weight, expanding the use of recycled materials, and switching to packaging materials designed with

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recyclability in mind. However, these improvements also reflect temporary factors and changes in the external business environment. In addition, the Group recognizes that the amount of virgin materials used may increase in the future as production and sales expand in line with business growth. Going forward, the Brother Group will continue to strengthen resource circulation initiatives across the value chain while promoting both the effective use of resources and the reduction of environmental impacts, thereby contributing to the realization of a sustainable society.

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 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.

Improving ink cartridge remanufacturability through blow molding

Conventional ink cartridges manufactured by injection molding have a complex shape, making it difficult to completely remove residual ink and other contaminants during the remanufacturing process. To address this issue, the Brother Group undertook the challenge of developing an ink cartridge with fewer seams, using blow molding—a technology so challenging that it is often likened to shaping a complex form by inflating bubble gum. Brother became the first in the world to successfully commercialize this innovation, which reduces residual contamination and improves cartridge remanufacturability.



Partially disassembled ink cartridge



Appearance of ink cartridges manufactured by blow molding

> The world’s first blow-molded ink cartridge! (in Japanese)
https://global.brother/ja/ays-stories/article03

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Compact and lightweight molded pulp cushioning material

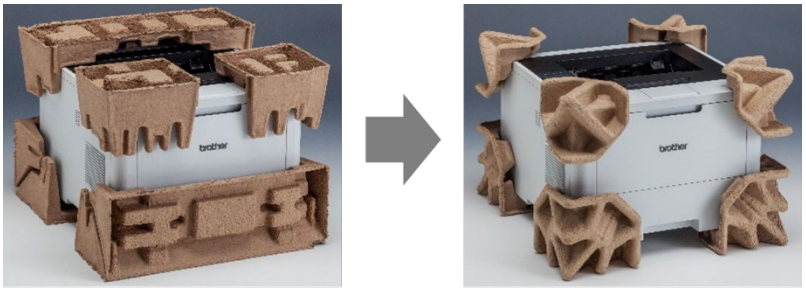
Compared to conventional cushioning materials that cover the entire product, Brother Industries' engineering capabilities have reduced their size and resource consumption, achieving a 33% reduction in CO_2 emissions during material manufacturing and a 7% reduction in the volume of product boxes. Furthermore, 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.

> Winner of the Packaging Technology Award (Technical Packaging Award) of the 2024 Japan Packaging Contest

https://global.brother/en/news/2024/240828jpc

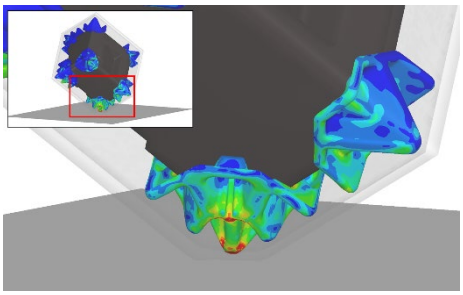
> Brother Wins WorldStar Award for Newly Designed Molded Pulp

https://global.brother/en/news/2025/250507worldstar





Reduction in the size and resource consumption of cushioning materials



Drop simulation of the molded pulp cushioning material

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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.

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

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> 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 Production

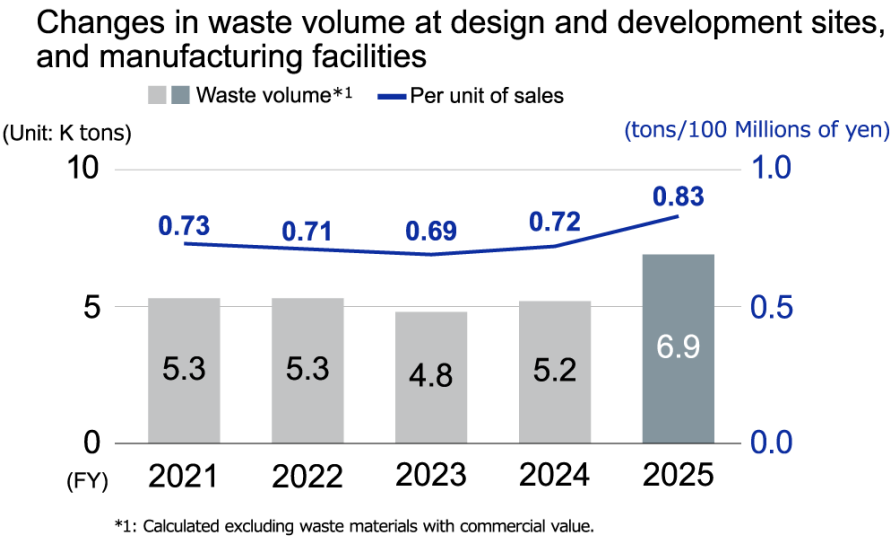
The Brother Group is continuously engaged in waste reduction activities. In FY2025, the scope of aggregation was expanded to include the Domino Group, resulting in an increase in waste volume compared to FY2024.

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% compared to before its introduction. In addition, the factory continues to reduce waste by compressing metal chips to separate steel from oil, with the recovered steel being sold as materials with commercial value.



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

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.



*: Per unit of sales is calculated using a fixed exchange rate.

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∨ Scope of aggregation

Changes in volume of hazardous waste generated by BIL

	FY2022	FY2023	FY2024	FY2025
Volume of hazardous waste(t)	55.0	68.3	76.9	87.6

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.
Brother Machinery India Private Ltd. has introduced a wastewater treatment system at its factory. The system treats wastewater generated on-site in accordance with applicable water quality standards. Instead of discharging the treated water into public water bodies, such as rivers and sewer systems, it is reused for irrigating the grounds and planted areas within the site, thereby contributing to local water resource conservation and greening.
Brother Industries (Philippines), Inc. has introduced a rainwater harvesting system. By utilizing approximately 14,000 m³ of rainwater annually, the system contributes to reducing water usage.

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.



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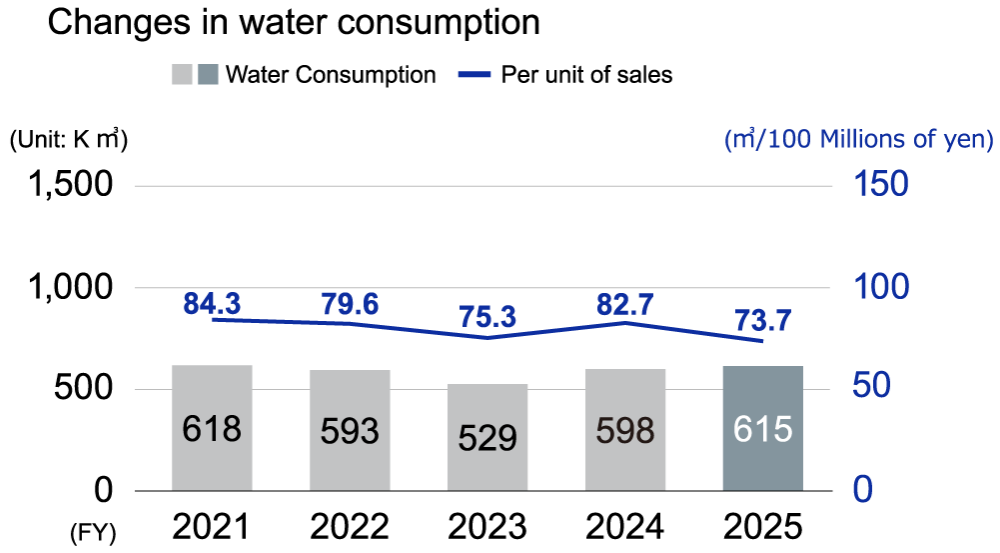

*: Per unit of sales is calculated using a fixed exchange rate.

Scope of aggregation

After FY2025

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., Brother Machinery India Private Ltd., Domino Group(Domino U.K. Ltd., Citronix Inc., Domino China Ltd., Domino Laser GmbH, Domino Printech India LLP, Domino Graph Tech AG, Post Jet Systems Ltd., Domino Print and Apply AB, Domino Printing Technology Ltd., Domino U.K. Ltd. (Liverpool), Lake Image Systems Inc, Domino North America (Ink plant, Fluids), Lake Image Systems Ltd)

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

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Water Intake, Wastewater Volume, Volume of Water Recycled

		FY2021	FY2022	FY2023	FY2024	FY2025
Water intake(m^3)	Clean water	506,166	470,172	408,991	446,818	466,221
	Industrial water	0	0	0	0	0
	Under-ground water	111,697	123,034	119,904	151,316	148,912
Wastewater volume(m^3)	Public waters	170,392	150,453	110,928	126,247	142,825
	Sewer system	372,721	369,193	333,406	375,282	364,369
	Others	150	149	36	0	3,329
Volume of water recycled(m^3)		2,978	5,385	8,717	16,354	25,571
Percent of water recycled(%)		0.5	1.0	1.9	3.2	4.8

For the list of applicable sites, see page 5 of "Material balance" [PDF/278KB].

PDF Material balance [PDF/278KB]
https://global.brother/pub/com/en/eco/pdf/2026/material-balance.pdf

2026 CDP Questionnaire

CDP (formerly Carbon Disclosure Project) is an international 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 2026 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2026/cdp2026questionnaire.pdf

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

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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 FY2025, more than 20,000 people from 38 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 FY2026.

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. The activities at "Brother Forest Gujo" were highly recognized, and in October 2025, the site received the President's Award from the National Land Afforestation Promotion Organization for the first time at the FY2025 National Tree-Nurturing Activities Contest.

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. In August 2025, it was registered as an OECM in the international database, becoming the second site to be registered following "Brother Forest Gujo." 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

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> 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

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 eight communities across the Peruvian Amazon and New Guinea forests, protecting 53 million trees across 122,504 hectares, which store over 100 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" (June, 2026) [PDF/1.4MB]
https://global.brother/pub/com/en/eco/pdf/2026/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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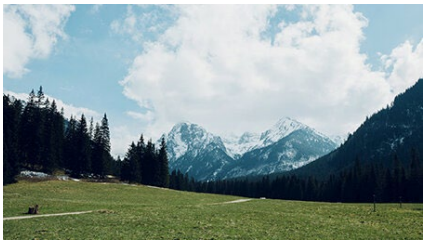
> Slovakia - Tatras mountains the reforestation project
https://sdgsstory.global.brother/e/environment/447/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025



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/173KB]
https://global.brother/pub/com/en/eco/pdf/2026/nature-positive.pdf

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Environment(E)

Pollution Prevention and Chemical Substance Management



Basic Policy on Pollution Prevention and Chemical Substance Management

Based on the Brother Group's Environmental Policy, the Brother Group ensures compliance with applicable environmental laws and regulations in the countries and regions where it operates while proactively working to prevent environmental pollution. Through these efforts, the Group aims to contribute to the realization of a sustainable society on a global scale.

Managing and Reducing Chemical Substances

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. FY2021-FY2025 Balance of Chemical Substances Subject to PRTR [PDF/106KB]
https://global.brother/pub/com/en/eco/pdf/2026/prtr.pdf

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 FY2025, there was no leakage exceeding a level that requires reporting.

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 utilization of ISO 14001 systems.

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Preventing air pollution

The Brother Group is striving to prevent air pollution. For example, we have replaced fossil fuel-fired 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

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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 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 discharge standards through the implementation of proper 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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PDF Material Balance [PDF/278KB]
https://global.brother/pub/com/en/eco/pdf/2026/material-balance.pdf

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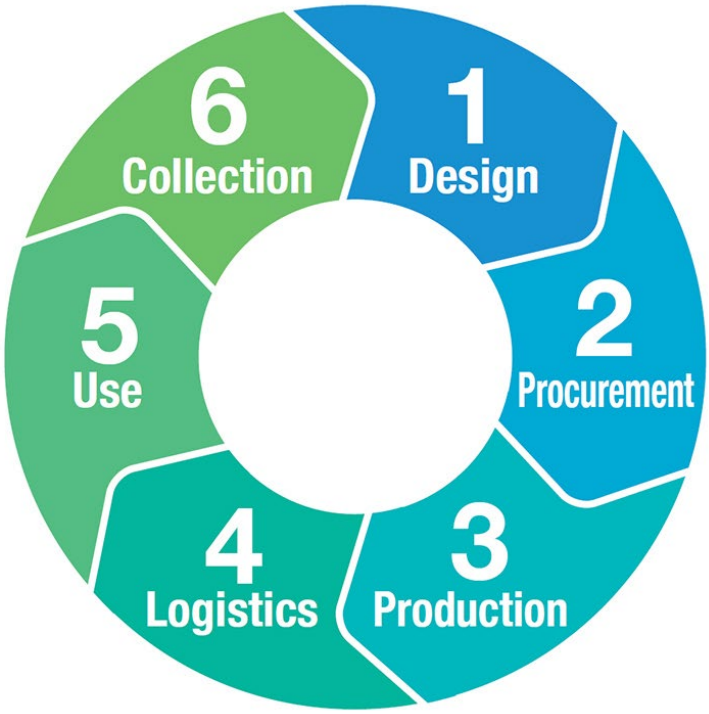
Creating Eco-Conscious Products

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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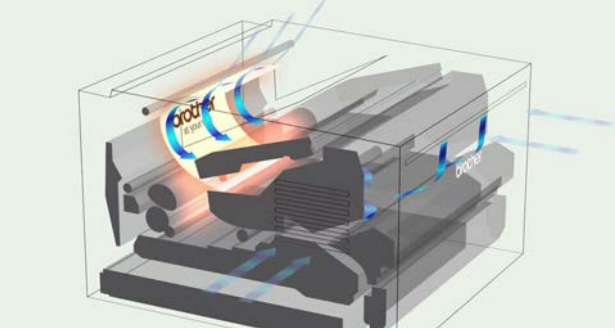
1. Development and Design

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).

> Search the EPD Library | SuMPO EPD Japan
https://ecoleaf-label.jp/en/epd/search?keyword=brother&common_number=&category=&pcr_id=&standard=&publication_time=&publication_date=&view_mode=card&paginate=12
(Link to the "SuMPO EPD" website.)

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2. Procurement

Basic policy

We check parts and materials that are used to make products, to ensure:
- 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

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> 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
> 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.

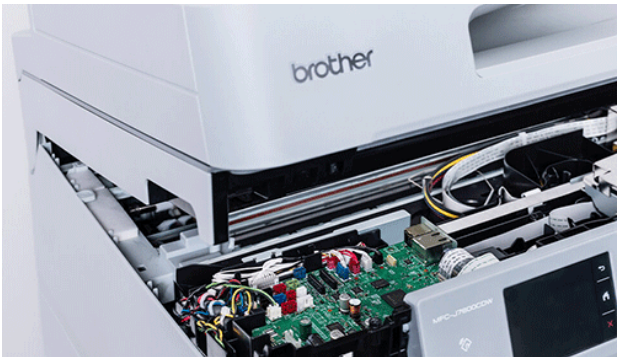
> Acquisition of Environmental Certifications
https://global.brother/en/sustainability/eco/product/label



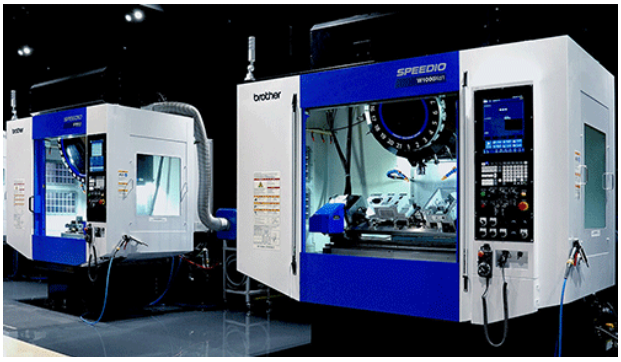
Examples of environmental labels and energy-saving standard compliance marks awarded to eco-conscious products

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.

The RoHS Directive is an EU law (effective from July 2006), banning the use of hazardous substances in electrical and electronic equipment. The Brother Group took the enforcement of the EU RoHS Directive as an opportunity to work with suppliers to build Brother's unique environmental information system, which is used to investigate, avoid, and manage chemical substances contained in products.

In addition, regulations on chemical substances contained in products, such as the U.S. Toxic Substances Control Act (TSCA), the EU REACH Regulation which is the top priorities of European chemical substances regulations, and the Stockholm Convention, are being strengthened, and this trend is expected to continue.

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To properly ensure compliance with these laws and regulations in various countries and regions, the Brother Group has established "the Brother Group Green Procurement Standards" for the procurement of parts and materials. Suppliers are asked to deliver parts and materials in accordance with these standards. Also, the Brother Group conducts audits to check suppliers' management systems and operations related to environmental laws and regulations, reguests corrective actions as necessary, and asks suppliers to guarantee that the goods they deliver comply with these procurement standards.

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

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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/446KB]
https://global.brother/pub/jp/eco/pdf/a2-label-req-v2-jp.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance English [PDF/445KB]
https://global.brother/pub/com/en/eco/pdf/a2-label-req-v2-en.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance Chinese-simp [PDF/594KB]
https://global.brother/pub/com/cn/eco/pdf/a2-label-req-v2-cs.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance Chinese-trad [PDF/656KB]
https://global.brother/pub/com/cn/eco/pdf/a2-label-req-v2-ct.pdf
PDF Requirements and Standards for Suppliers for Environmental Label Compliance Vietnamese [PDF/547KB]
https://global.brother/pub/com/vn/eco/pdf/a2-label-req-v2-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, a scheme for sharing information on chemical substances contained in products, which being developed under the leadership of 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.

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

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

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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 on chemical substances contained in products. 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. And by the end of FY2025, we had confirmed that all applicable business partners were compliant with the policy.

(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]
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 ecolabel for electronics and technology products, managed and administered by the U.S.-based nonprofit Global Electronics Council. Each product is evaluated* in terms of the environmental compliance of its entire product life cycle according to EPEAT criteria, including those based on current environmental laws and regulations. EPEAT criteria consist of required and optional ones; products are ranked Gold, Silver, or Bronze depending on how much they meet the optional criteria.
Since Brother received its first EPEAT labels for its black-and-white laser printers/All-in-Ones in 2017, a wider range of Brother products, such as color laser printers, inkjet printers, and scanners, have now been listed on the EPEAT Registry.
In December 2025, EPEAT 2.0 criteria were officially put into use as an enhanced version of EPEAT 1.0 criteria. The new criteria have been upgraded into more comprehensive and more effective ones, evaluating not only individual products but also companies' environmental initiatives and supply chain management and focusing on climate change mitigation, circular design, etc.

*: Judgments are based on laws and regulations, etc. in respective countries and regions. Thus, the same product may have different ranks

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> Global Electronics Council (GEC) EPEAT
https://epeat.net/
(Link to the EPEAT website)

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/111KB]
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 All-in-Ones, printers, thermal printers, textile printers and scanners. 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 580 products.
On February 19, 2026, BIL completed renewal of its EPD System Certification based on new General Program Instructions (GPI),[*3] which comply with international standards, the first among Japanese companies.

*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.
*3: The General Program Instructions (GPI) in the SuMPO Environmental Labeling Program define basic program requirements and serve as the entire program's rulebook concerning EPD calculation, verification, and disclosure. GPI Annex A specifies the requirements for LCA calculation methods, providing an important guideline on the calculation.

> "SuMPO EPD" by Sustainable Management Promotion Organization
https://ecoleaf-label.jp/en/
(Link to the SuMPO EPD website)

Brother products with SuMPO EPD System Certification (including those so certified on February 19, 2026 or later for their systems following the new GPI, which means complying with ISO 14067:2018)
> Search the EPD Library | SuMPO EPD Japan
https://ecoleaf-label.jp/en/epd/search?keyword=brother&common_number=&category=&pcr_id=&standard=&publication_time=&publication_date=&view_mode=card&paginate=12

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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)

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



Collection, Remanufacturing and Recycling Efforts in Various Countries

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.

Contribution to the environment 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 FY2025, the Brother Group as a whole remanufactured 2.5 million toner cartridges, contributing to a reduction of 2,900 tons of CO_2 emissions and 840 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 31 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 45.6 million cartridges between the start of remanufacturing in 2004 and the end of March 2026.

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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



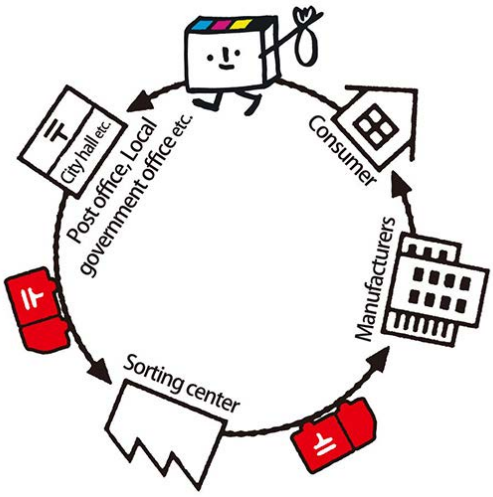
> [Brother's activities] Expanding the Circle of Remanufacturing in the Printing Business - Technologies and services for cartridge remanufacturing
https://sdgsstory.global.brother/e/customer/401/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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 60 million printer cartridges (as of May 31, 2026).
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 FY2025 (April 1, 2025-March 31, 2026), over 87,000 consumables and printers/All-in-Ones weighing a total of over 50 tons were collected.

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Social(S)

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 continue to work towards the advancement of human rights, we have formulated the Brother Group Human Rights Global Policy (hereinafter, the “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 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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Human Rights Due Diligence

The Brother Group practices human rights due diligence to further promote its initiatives to ensure respect for human rights.
In our human rights due diligence process, we request our first-tier suppliers[*1] to our main businesses to adopt appropriate human rights measures on their own and also to ask their upstream suppliers to adopt similar measures. By doing so, we aim to achieve responsible procurement throughout our entire value chain.

FY2025 Efforts

In FY2025, we reviewed our human rights due diligence process to further increase its effectiveness. Specifically, we shifted to an approach of identifying the human rights risks to be addressed as a priority and then narrowing down the scope of our survey to suppliers for which the impact of those risks is considered to be significant. Compared with conventional questionnaire surveys of all suppliers, this new approach allows us to conduct an assessment survey focusing more sharply on suppliers with highly significant risks and to adopt more efficient and effective follow-up measures.

We shifted to this new approach and identified human rights risks not only based on our knowledge obtained from past human rights risk assessments and corrective activities we had conducted as a member of the Responsible Business Alliance (RBA) but also in comprehensive consideration of the results of previous surveys and audits, third-party evaluations carried out by external experts, and other factors. This new approach is in accordance with the United Nations Guiding Principles on Business and Human Rights.



Human rights due diligence approach (FY2025)

1. Identifying significant risk factors

To make its human rights due diligence process more effective, the Brother Group identified the following human rights risk factors it considered to be a high priority to address.

- Human rights governance
- Inadequate or unpaid wages; living wages

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- Excessive or unfair working hours
- A safe and healthy work environment
- Rights of migrant workers
- Child labor
- Discrimination
- Freedom of association

2. Selecting suppliers to be surveyed (risk assessment) / 3. Designing a questionnaire

We assessed human rights risks at each supplier based on the significant risk factors identified at step 1 above and other factors, including the characteristics of the supplier's products and their manufacturing locations. Based on the assessment results, we selected suppliers with relatively high human rights risks to be surveyed. In addition, we optimized the questionnaire according to the characteristics of each supplier by, for example, including questions about the factors that require especially focused checks from among the significant risk factors identified at step 1.

4. Conducting a questionnaire survey and compiling the results

We conducted a questionnaire survey of the selected suppliers to confirm whether risk mitigation measures had been adopted, whether human rights violations had occurred, what initiatives had been implemented to prevent and detect such cases, and other matters. The survey revealed that there was room for improvement at some suppliers.

5. Conducting audits and corrective activities

We conducted online and on-site audits of suppliers assessed to require improvements. The audits did not identify any serious human rights violations or non-compliance with relevant laws or regulations that required immediate corrections. However, they revealed the need for further improvements in systems for acquiring and sharing the latest information on human rights risks, implementation of the risk assessment procedure, and safety and health measures. Based on these audit results, we provided various forms of support for each supplier's efforts in corrections and risk mitigation, including assisting them in formulating a correction plan.

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Results of the questionnaire survey and audits of first-tier suppliers

Results of the FY2025 questionnaire survey and audits of first-tier suppliers (after the shift to the new approach)

Item	Result
	FY2025
Number of companies surveyed for risk assessment	227 companies
Assessment based on survey	101 companies *2
On-site or online audit	11 companies
Number of companies subject to correction after audit	6 companies *3

PDF List of Brother Group companies conducting the questionnaire survey and audit of their first-tier suppliers (FY2025) [PDF/192KB]
https://download.brother.com/pub/com/en/csr/pdf/facilities-audit2-en.pdf

Results of the FY2021–FY2024 questionnaire surveys and audits of first-tier suppliers (before the shift to the new approach)

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

*1 : Suppliers mean companies that supply parts that are necessary for manufacturing Brother products.
*2 : Number of suppliers that obtained lower risk scores than the average in the screening process and were assessed to require a more detailed factual investigation
*3 : Subject to corrective measures mainly in the formulation and awareness of policies on prevention of human rights violations, as well as workplace safety
*4 : Correction has been confirmed.
*5 : Correction has been confirmed.

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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 investigate the case. In case negative impacts on human rights or human right risks are identified, we take necessary corrective action. One grievance was reported during the period FY2022 to FY2025.

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

From FY2021 to FY2024, BIL conducted an e-learning program on harassment for all employees. In

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FY2025, we conducted hazard prediction training for harassment prevention, applying the Japanese *Kiken Yochi* Training (KYT) approach, to help prevent harassment, promote its early detection, and encourage dialogue in the workplace.

Hazard Prediction Training (KYT) for Harassment Prevention (FY2025)

Training period	February–March 2026
Target	All employees of BIL (including temporary employees)
Number of participants	4,135
Percentage of people trained	92%
Purpose	To deepen employees' understanding of harassment and promote its prevention and early detection in the workplace
Overview	After watching videos introducing harassment cases in each workplace, participants discussed the cases with their colleagues and shared their insights and lessons learned.

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 FY2025, we distributed books on harassment prevention to managers and also put up harassment prevention posters in the workplace. We also held a harassment prevention lecture by an external lecturer for newly appointed managers and general employees. Participants learned about what they can do to help 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 ".

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.

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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 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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Social(S)

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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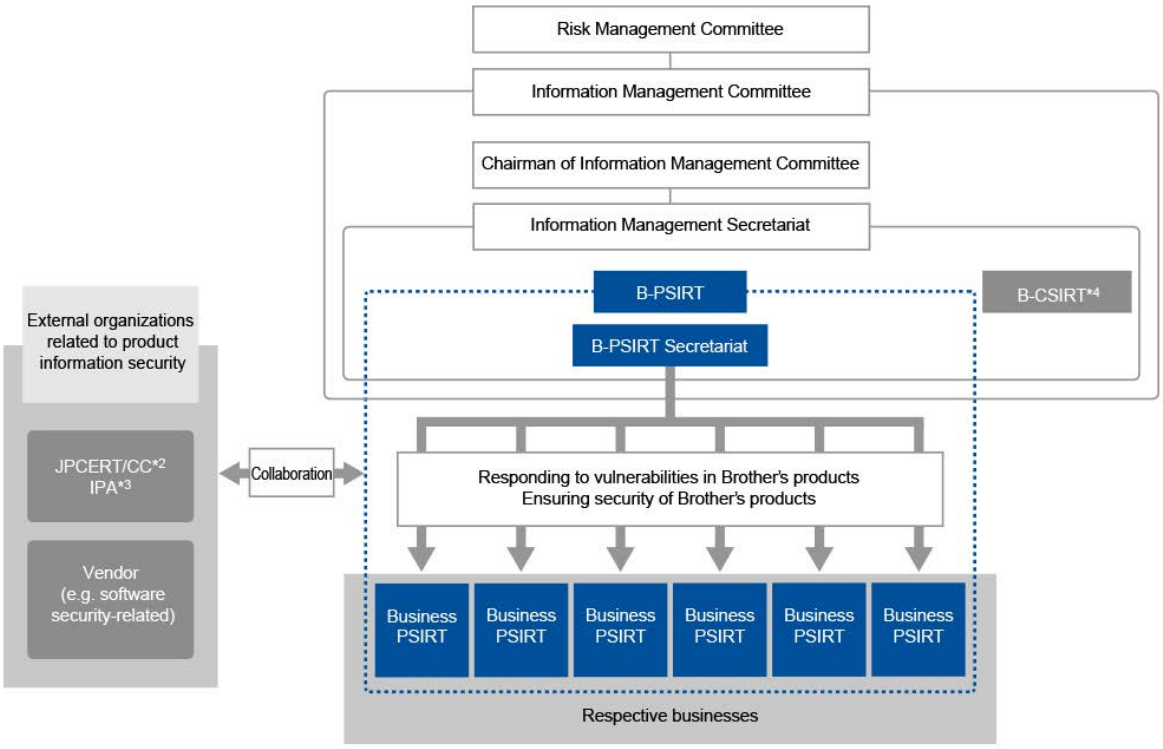
Structure of B-PSIRT



*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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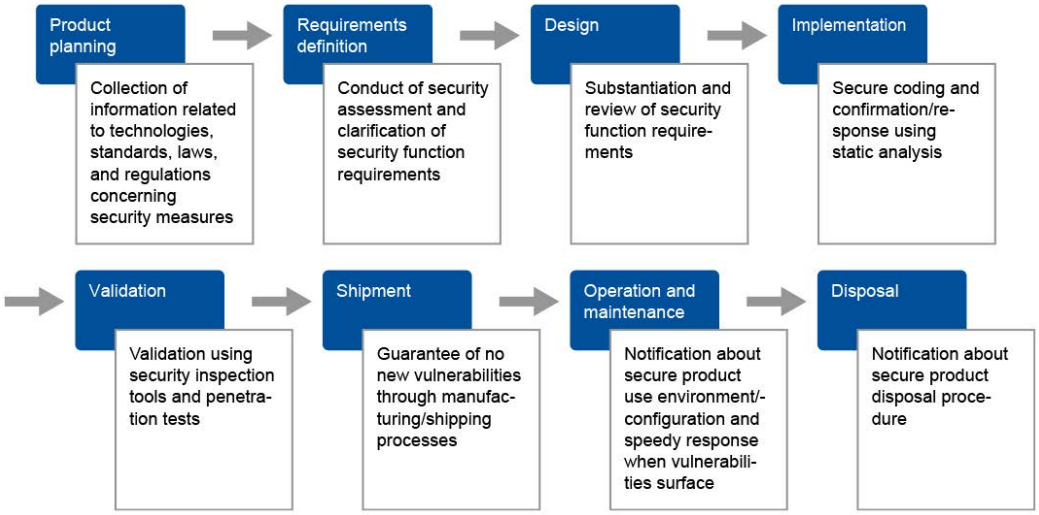
Secure development process in product lifecycle



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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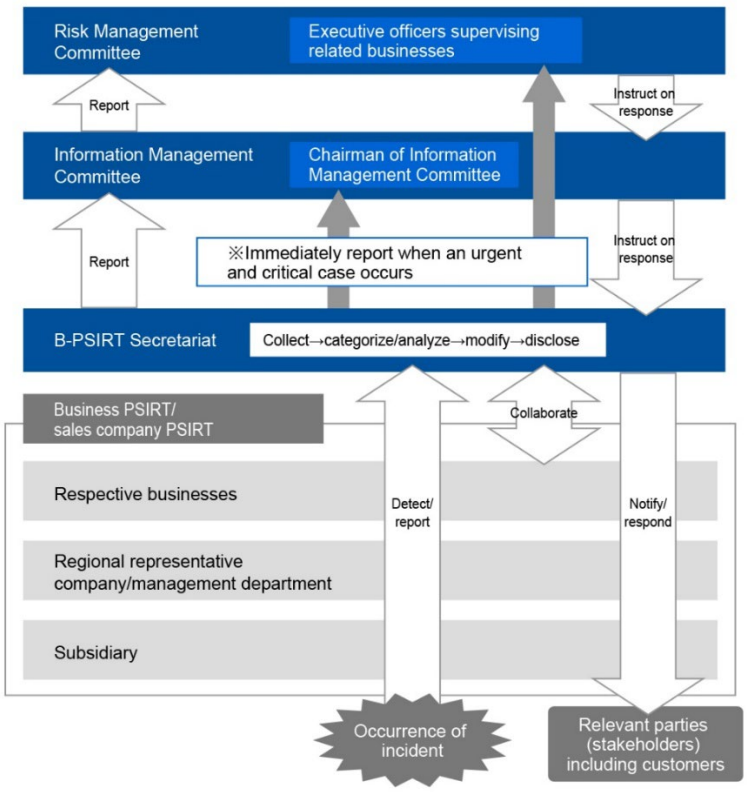
Response process during occurrence of product information security incident



*: 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 Keypoint Intelligence Security Validation Program

BIL's printers have passed the Device Penetration Testing Security Validation Program from Keypoint Intelligence, an independent research and testing agency, 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 Keypoint Intelligence Security Validation Program, please visit the Security Validation Program website https://keypointintelligence.com/security-validation .

Efforts to obtain JC-STAR certification

BIL is promoting efforts to obtain "JC-STAR certification" with the aim of improving the security of its IoT products. In February 2026, some of its printer products obtained a STAR-1 (Level 1) conformance label.

The JC-STAR (Labeling Scheme based on Japan Cyber-Security Technical Assessment Requirements) is a scheme launched by the Innovation Platform Agency, Japan (IPA) in March 2025 to visualize the conformance status of security measures in IoT products. This scheme has set four levels (STAR-1 to STAR-4) of conformance labels depending on the product's use cases and associated risks, and products are required to meet the security requirements corresponding to the level sought.
For JC-STAR certification, cooperation with overseas IoT cybersecurity schemes is also being promoted. For example, mutual recognition has been established with the UK's PSTI Act[*2] and Singapore's CLS;[*3] obtaining JC-STAR certification means that the product is considered to meet equivalent security standards in these countries as well.

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For details on JC-STAR certification and information on JC-STAR-compliant products, please refer to the official JC-STAR website https://www.ipa.go.jp/en/security/jc-star/index.html .

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[*4]) 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 also introduced on Brother's product information website.

> Security responses of printers and All-in-Ones (This will link to Brother's product information website for printers and All-in-Ones.)
https://www.brother.co.jp/product/printer/security/index.aspx (in Japanese)

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

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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 .

*1: Devices which can pass information and orders to each other through LAN or the Internet

*2: Abbreviation for the Product Security and Telecommunications Infrastructure Act. This is a law aimed at strengthening the cybersecurity of Internet-connected IoT products, by requiring companies that import, manufacture, or sell such products in the UK to comply with minimum security requirements

*3: Abbreviation for the Cybersecurity Labelling Scheme. This is a scheme in Singapore that evaluates the cybersecurity performance of IoT devices and visualizes their security level across four tiers

*4: BMSec is a registered trademark of the JBMIA. It is a certification program based on the "Security Guidelines for Business Machines with Network Functions (JBMS-90)[*5]" established by JBMIA. 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

*5: A guideline that compiles security requirements for business machines, such as All-in-One devices and printers, with network functions. It includes requirements of ISO/IEC 1784

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

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> Information security of the Brother Group

https://global.brother/en/sustainability/governance/security

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

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responsible authorities as ordered by their decrees.

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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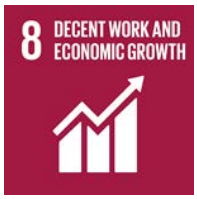
Social(S)

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 minerals sourcing, 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 minerals sourcing.

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 Minerals Sourcing
  To promote the responsible minerals sourcing, 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 Responsible Minerals Sourcing.

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 various initiatives to achieve one of the sustainability targets: “Continuously obtain RBA certification at key factories,” which was established to address our materialities during the formulation of the medium-term business strategy “CS B2027” (FY2025–FY2027). As a result of undergoing audits conducted at Brother Group facilities by third-party organizations accredited by the RBA, four manufacturing facilities have obtained RBA certification since FY2022. Moving forward, the Brother Group will continue working to further enhance its initiatives to build a sustainable supply chain, including improving occupational health and 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 risk 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 &

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Home Business, as well as at Brother Industries, Ltd. headquarters. 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 at its manufacturing facilities. At the same time, the Group is also committed to “Pursuing a responsible value chain,” one of its materialities https://global.brother/en/sustainability/csr/materiality, by using self-assessments to detect risks and minimize their potential impacts.

*: 16 facilities selected for risk assessment in FY2025

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)

Consultation and whistleblowing helpline for the RBA Code of Conduct: “Ethics”

The Brother Group has established the following consultation helpline for cases where a suspected violation of the Ethics section of the RBA Code of Conduct is identified within the supply chain.

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

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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.

Step 1 Understanding and Consent

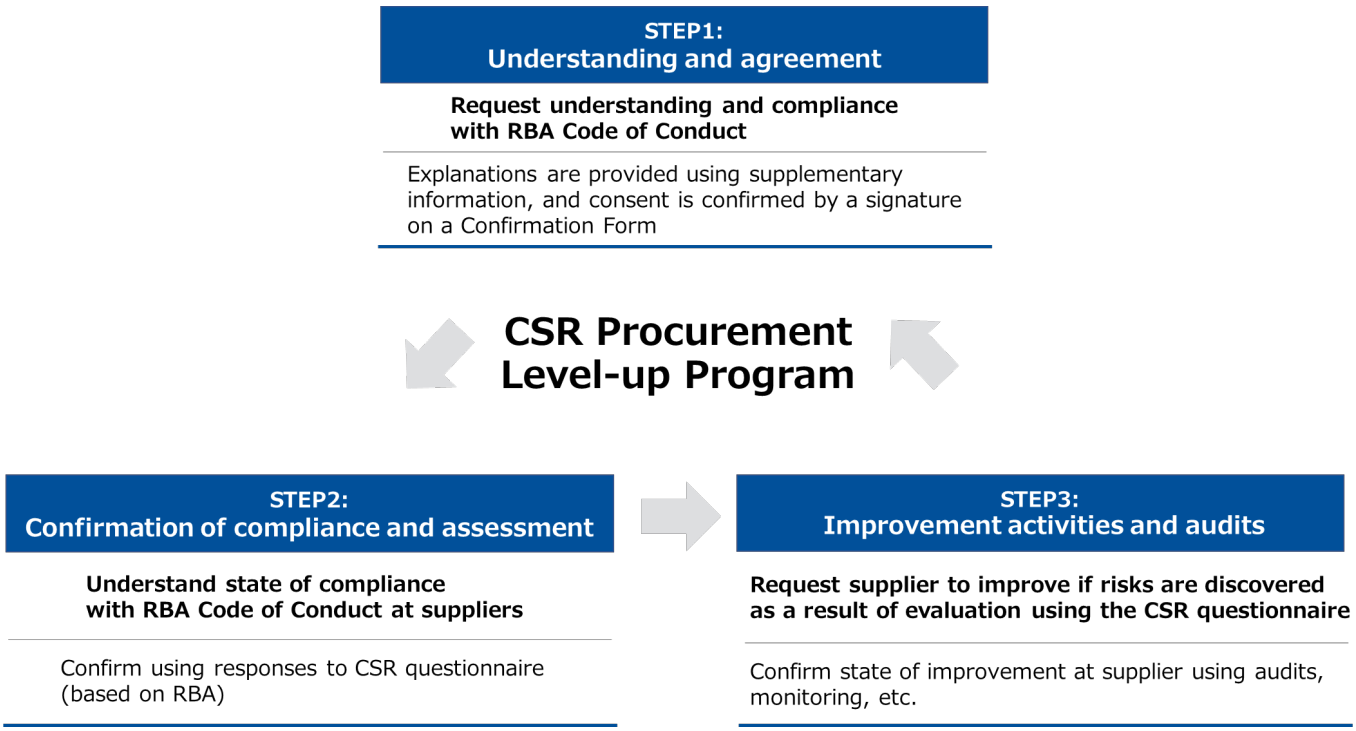
Regarding the RBA Code of Conduct, explanations are given to suppliers using supplementary information to help them understand and comply with it. Suppliers' consent to promote the activities is confirmed by signing a Confirmation Form.

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

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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.

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 FY2025, the Group received consent from 1,074 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 2026, 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 946 participants from 537 supplier companies.
These meetings explained the "CSR procurement activity results for FY2025" and "CSR procurement activity plans for FY2026." We also informed suppliers that the annual CSR questionnaire survey will continue to be conducted using an online system in FY2026, following its implementation in FY2025. 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

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and areas for improvement related to the formulation process, thereby deepening suppliers' understanding of CSR procurement. In FY2025, materials related to CSR Procurement Standards and related activities were shared with suppliers of 46 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 seventeen new suppliers with an e-learning course on the RBA.

*: For P&S Business manufacturing facilities

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, we check that our suppliers comply with local labor laws and regulations. These include confirming the absence of forced or child labor, the payment of minimum wages, and the issuance of payslips. In FY2025, we conducted a CSR questionnaire with 87 major suppliers in the Philippines and China 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

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to have risks in the CSR questionnaire. In FY2025, we provided feedback on the evaluation results to suppliers that completed the CSR questionnaire, and conducted individual interviews with suppliers according to the evaluation results. For suppliers where risks were identified, we requested necessary improvements and confirmed the results of their improvement activities.

CSR Procurement audit activities

Besides requesting improvements from suppliers with risks discovered through the CSR questionnaire, 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 FY2025, CSR procurement audits were conducted on 56 suppliers, including suppliers identified to be audited according to the results of the CSR questionnaire assessment as well as newly engaged suppliers. 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 five 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, we solicited CSR initiatives from suppliers and recognized five outstanding companies with the Excellent CSR Award from among the 13 applicants. One of the award-winning companies was highly praised for its continuous efforts to create a comfortable working environment, including consideration for the health and safety of its employees. This outstanding initiative was shared with other suppliers and Brother Group members who attended the award ceremony, providing an opportunity to mutually learn from best practices.

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.

FY2025 award-winning company
BROTHER MACHINERY XIAN CO., LTD., Outstanding CSR award

- STRONG H MACHINERY TECHNOLOGY CO.,LTD

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- NINGBO XIANGRUI JIXIEYOUXIANGONGSI
- DONGGUAN SHINGI ELECTRONICS CO.,LTD
- C&U XIAN ELECTROMECHANICAL CO.,LTD
- NINGBO CITY FENGHUAYUNING MACHINERY MANUFACTURING CO.,LTD

Establishment of a consultation and whistleblowing helpline for suppliers

The Brother Group has established a whistleblowing helpline https://jacer-bhr.org/application/form.html (Link to the website of the Japan Center for Engagement and Remedy on Business and Human Rights [JaCER]) where suppliers can raise specific concerns about human rights. This helpline allows anonymous reporting so that whistleblowers can report without fear of retaliation.

For details, please see the site “Respect for Human Rights – Grievance Mechanism” https://global.brother/en/sustainability/social/human-rights#h02.

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. 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 promote cost reductions through centralized purchasing by supervising procurement processes from the upstream stages across all businesses.

*: Components that may affect the quality, safety, or reliability of products

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Data Related to CSR Procurement

	FY2021	FY2022	FY2023	FY2024	FY2025
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 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	Conducted on-site and online Participated in by 752 people from 413 companies
CSR questionnaire	Started in 2012 (conducted every three years), revised in 2020 (conducted every two years)				

Policy on Responsible Minerals Sourcing

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 minerals sourcing, 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 Responsible Minerals Sourcing

To promote responsible minerals sourcing 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 minerals sourcing, we have examined systems and methods to engage in the responsible minerals sourcing 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 minerals sourcing 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 minerals sourcing. 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.

STEP4: Carry out independent third-party audit of smelter/refiner's due diligence practices

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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 minerals sourcing is disclosed annually on our website.

Results of past surveys

The Brother Group carried out the annual mineral procurement survey in 2025 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

	CY2021	CY2022	CY2023	CY2024	CY2025
Response rate	97.4%	97.1%	98.5%	98.1%	98.2%

3TG survey results

	CY2024	CY2025				
	Total	Tantalum	Tin	Tungsten	Gold	Total
Number of identified SORs	362	35	73	182	59	349
Number of CFS[*3]	240	33	55	95	40	223
Percentage of CFS[*3]	66.3%	94.3%	75.3%	52.5%	66.7%	63.9%

Cobalt survey results

	CY2022	CY2023	CY2024	CY2025
Number of identified SORs	70	84	95	105
Number of CFS[*3]	41	50	62	66
Percentage of CFS[*3]	59.0%	59.5%	65.3%	62.9%

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PDF List of Smelters/Refiners (SORs) [PDF/254KB]
https://download.brother.com/pub/com/en/csr/pdf/list-sor-2025.pdf

*1 : Responsible Minerals Initiative (RMI): An organization that promotes the responsible minerals sourcing 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

Third-party audit results Third-party audit results

The Brother Group has had its four manufacturing facilities undergo Responsible Business Alliance (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 " .

Compliance with the new EPEAT criteria (EPEAT 2.0)

The Brother Group promotes the active acquisition of environmental labels from around the world, such as EPEAT. For details, please see the site for "Environment (E)- Creating Eco-Conscious Products" https://global.brother/en/sustainability/eco/product/label.

In 2025, the EPEAT criteria were updated to EPEAT 2.0, introducing new requirements related to "responsible sourcing." In response to this update, the Brother Group has disclosed, as outlined below, information on smelters/refiners related to EPEAT products at the category level and the results of Reasonable Country of Origin Inquiry (RCOI).*

PDF List of Smelters or Refiners (SORs) related to EPEAT Products at the Category Level_Results of Reasonable Country of Origin Inquiry [PDF/428KB]
https://download.brother.com/pub/com/en/csr/pdf/list-sor-rcoi-epeat-2025.pdf

*: Activities toward compliance with the following criteria under the new EPEAT criteria (EPEAT 2.0)

Required Criteria:

7.3.1 Public disclosure of due diligence processes for conflict minerals (3TG) in products

7.3.3 Sourcing 3TG minerals from responsible smelters/refiners validated by approved programs

Optional Criterion:

7.3.2 Public disclosure of due diligence processes for cobalt in products

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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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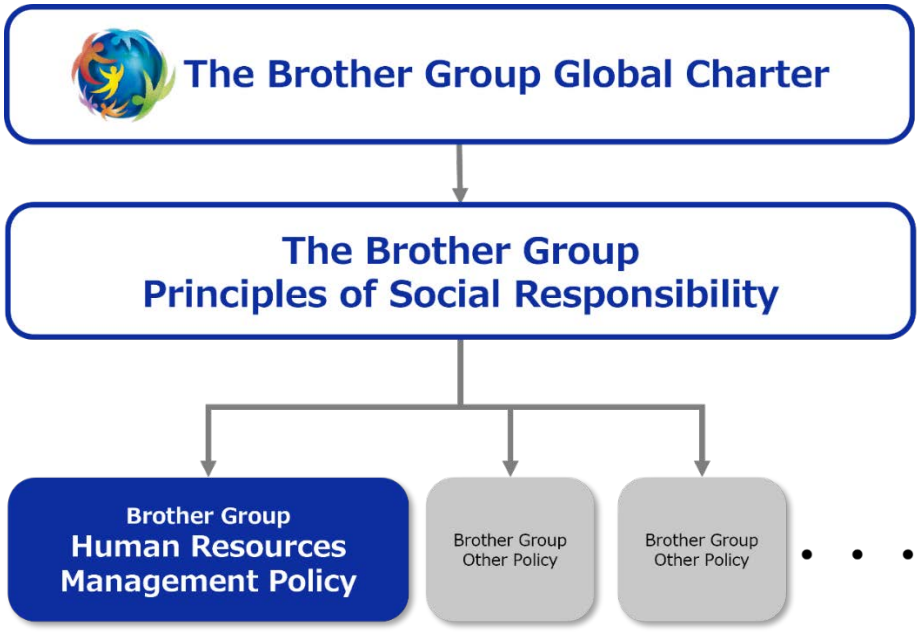
Positioning of the Human Resources Management Policy



> 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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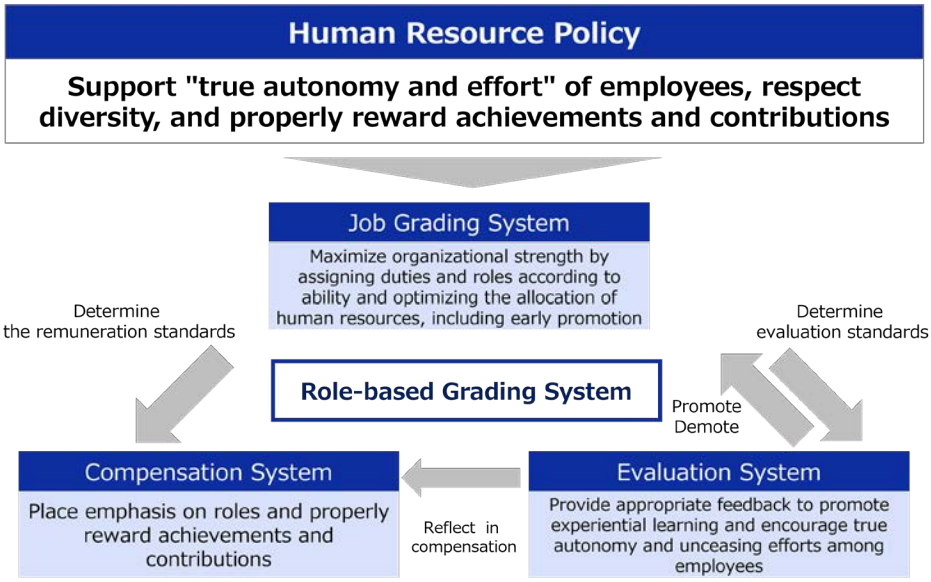
Tier	Approach	
Senior	**Capability strengthening**	・ Promote contributions to the Company and organization by creating results and value in new roles

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 the revised system, emphasis is placed on the roles employees are responsible for, with compensation 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 elements and enable the early promotion of outstanding talent, including fast-tracking the promotion of younger employees who are bringing about great results and contributions.
Under this system, BIL will assign roles and provide compensation according to ability so as to

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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 revised 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 learning materials 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 goals and conduct evaluations 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.

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

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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 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

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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/356KB]
https://download.brother.com/pub/com/en/csr/pdf/education-system-en.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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We also provide training titled the “career ownership program,” which encourages employees to reflect on their own careers. In FY2025, we expanded the age range of employees eligible for the program and increased the number of training sessions, providing more opportunities for employees to reassess their careers. Furthermore, we reviewed the training content in light of longer career spans resulting from the extension of the retirement age, thereby supporting employees of all generations in proactively shaping their own careers.

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.

In FY2025, we launched the “self-career dock” program, which provides career counseling to employees in their second to fourth years with the Company. Through consultations with internal career consultants, employees clarify their strengths and values and confirm their desired future direction. Through this initiative, we aim to raise career awareness among new employees from an early stage after joining the Company, leading to autonomous career development.

Investing in the development of leader talent

Authentic Challenge & Leadership Program

BIL has been implementing a program to support employees in taking on new challenges since FY2014. From FY2025, to further strengthen the development of management personnel, the program was upgraded and renamed the “Authentic Challenge & Leadership Program.” The program provides opportunities to hone leadership skills through sessions designed to acquire the management literacy

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required of leaders and deepen self-understanding and through dialogues with experts active in a wide range of fields. As a final output, participants formulate their vision of the leader they aspire to be and what they wish to achieve in the future into a “Challenge Commitment,” which they present to top management as a declaration of their commitment.

By FY2025, a total of 258 employees had completed this program. In addition, proposals from program graduates have led to the creation of new products and services that contribute to the growth of the Brother Group, including 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.

External training program

BIL implements an external training program aimed at developing next-generation leaders. In this program, participants attend external training to learn the skills and mindset required of leaders and also broaden their horizons and gain higher-level perspectives through interaction and discussions with employees from other companies. From 2017 through FY2025, a total of 263 employees participated in the program.

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 March 2026, the training was conducted six times, with a total of 120 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.”

Global Leadership Training in the Asia-Pacific, Middle East, and Africa Regions

Brother International Corporation (“BICJ”) holds an annual Global Leadership Training program for its sales facilities in the Asia-Pacific, Middle East, and Africa regions (“AP”). The program aims to develop the next generation of global leaders who embody the values and corporate culture of the Brother Group. Sales facilities in AP nominate participants who are expected to play a central role in the Brother Group in the future. When the program was launched in FY2014, new sales facilities were being established one after another in AP, and connections across the facilities were weak. As a result,

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fostering an understanding of Brother's DNA and corporate culture was identified as a key challenge in maximizing the overall strength of the Group across AP. Although the program initially began with only three sales facilities, the number of participating facilities gradually increased due to highly positive feedback from participants. Over approximately 10 years, it expanded to include all 16 facilities in AP. Each year, approximately 20 participants attend the program, and by FY2025, approximately 200 employees have completed the program in total. The program comprises a wide range of components, including 360-degree feedback, leadership lectures, and dialogue with top management. It also fosters cross-border networks among leaders and enhances the participants' ability to perform their roles from a global perspective. The final presentation session, attended by BICJ top management and the heads of each AP facility, also contributes to boosting participants' confidence. Another distinguishing feature of the program is the active involvement of management from its inception. The program has been recognized as effective in developing future successors and improving talent retention, and is positioned as part of the Group's long-term human resources strategy.





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
Goals	・ To enable new managers to constantly strive to improve themselves as organizational or expert leaders

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	・ 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
One-on-one subordinate development training	・ Review one's attitude and involvement in subordinate	・ Explanation of how to conduct one-on-one meetings to understand the values and

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Training name	Aim	Description
	development to enhance organizational performance, and build an effective attitude and coaching skills to develop subordinates	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 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.

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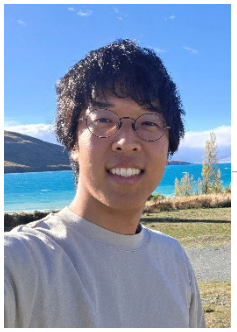
Also, in FY2018, a short-term external training program was started for young engineers to learn at manufacturing or repair sites outside Japan for one month. This short-term external training program has been providing an opportunity for developers to broaden their perspectives by learning about operations 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 FY2025, the trainee program and the overseas short-term external training program dispatched a total of 24 employees from BIL to Group companies in Asia, Europe, and the U.S. and received a total of 29 employees dispatched to BIL from Group companies outside Japan.



Comment from an employee who used the trainee system (1)
BROTHER INDUSTRIES, LTD. (Japan)
→BROTHER MACHINERY INDIA PRIVATE LTD.
— Learning from the frontline and applying it to product development —

Kazuya Yura
Machine Tools Development Dept., Machinery Business Division,
Brother Industries, Ltd.

I am normally responsible for the development of machine tools. This time, I was dispatched to India as a trainee to conduct research on peripheral equipment for machine tools used in the Indian market. Specifically, through interviews with local manufacturers and customers, I worked to identify challenges in selecting appropriate equipment and reducing operational problems.
Through my activities in India, I was able to gain firsthand insights into actual usage environments and customer needs that are difficult to fully understand from Japan and to deepen my understanding of the issues occurring locally and the factors behind them. I also realized that the specifications required for products and peripheral equipment vary significantly depending on the country, market, and operating environment. I learned that even slight differences in specifications can lead to different challenges. At the same time, witnessing local staff and expatriates sincerely addressing customer needs taught me the importance of gaining an in-depth understanding of the frontline.
Going forward, as a developer, I will more proactively incorporate feedback from the frontline and customers, visit local sites to deepen my understanding of actual usage environments, and contribute to product development that meets diverse market needs.

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Comment from an employee who used the trainee system (2)
BROTHER INDUSTRIES (PHILIPPINES), INC. (BIPH)
→ BROTHER INDUSTRIES, LTD. (Japan)
— Applying equipment development expertise learned in Japan to the growth of our Philippine facility —

Patricia Torres

BIPH

I was dispatched from BIPH, a manufacturing facility in the Philippines, to BIL as a trainee to enhance my equipment development capabilities. During my assignment, I was involved in the launch of equipment used to manufacture inkjet printer head components, gaining hands-on experience across the entire equipment development process, including machine adjustments, quality confirmation, and equipment evaluation. Ultimately, the equipment I worked on met BIL's quality requirements and was shipped for installation at the manufacturing facility.

At the development site in Japan, a thorough process was in place to build quality into the equipment by conducting necessary checks and verifications at each stage of development. From this experience, I learned the importance of advancing development through step-by-step checks and evaluation at every stage to ensure equipment quality and stable operation. Leveraging the knowledge and insights gained through the trainee program, I am currently working on creating equipment design guidelines and educating training team members at BIPH. Going forward, I aim to roll out the equipment development methods learned in Japan across BIPH, thereby contributing to the enhancement of our manufacturing technology capabilities.

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 FY2025, 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)

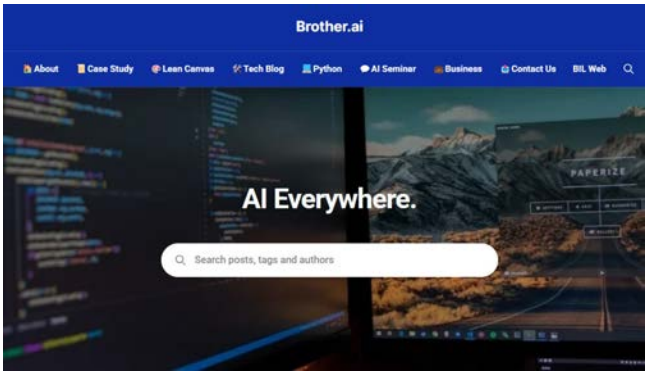
BIL implements the Brother Onboarding Program for mid-career recruits, aiming to enable them to quickly become successful and produce results.

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.

Fostering AI-empowered talent development

AI utilization project

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

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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 very well received by participants, who commented that it provided a valuable opportunity to learn how AI can be utilized, gave them a clearer picture of how they could apply programming through practical exercises, and helped them understand key approaches and common challenges in project management. As a result, the use of AI by employees who have completed the training is steadily expanding across various workplaces.

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.

For more details on the utilization of the in-house ChatGPT, please see the following:
Comfortable Working Environment
https://global.brother/en/sustainability/social/workplace#w05

*: 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)

	FY2021	FY2022	FY2023	FY2024	FY2025
Total hours[*1]	104,450 hours	166,698 hours	118,610 hours	116,061 hours	125,209 hours
Training types	position-based education, new manager training, extension training, trainee program[*2], etc.				
Average amount of money per employee	78,837yen	106,025yen	125,241yen	150,090 yen[*4]	150,923 yen
Average number of days per employee[*3]	1.13 days	1.79 days	1.27 days	1.24 days	1.31 days

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	FY2021	FY2022	FY2023	FY2024	FY2025
Average amount of time per employee	27.01 hours	42.85 hours	30.59 hours	29.74 hours	31.33 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.

*4 : The figure has been revised due to an error. (Revised in September 2026)

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Social(S)

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. In addition to the Global Charter, the Brother Group has established the Brother Group Principles of Social Responsibility https://global.brother/en/sustainability/csr/csr-principle (hereinafter referred to as the “Principles”) and the Brother Group Human Resources Management Policy https://global.brother/en/sustainability/social/training #policy to fulfill its corporate responsibilities and respond to societal demands. 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

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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

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.

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

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- Nursing leave
- Child-rearing support leave
- Babysitter service support
- 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.

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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 FY2025, about 47 employees had used this system.

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



– The importance of on-the-ground perspectives and collaboration gained through the internal concurrent job system –

Fumika Ikui
Engineering Development Dept., Quality, Production & Engineering Center
→ IDS Development Dept., P&S Business
Brother Industries, Ltd.

For six months, I took advantage of our internal concurrent job system to work in the R&D department, which uses the production data management system developed by my own department. Through experiments using actual printers and data analysis, I learned firsthand how our system is used to enhance product performance and quality. While my daily work mainly involves system development with clearly defined requirements and goals, R&D drives problem-solving through repeated trial and error based on hypotheses. Experiencing this different workflow strengthened my desire to put myself in the users’ shoes and develop systems that are even more user-friendly and effective in boosting operational efficiency.
I also worked on establishing a new verification method to solve printer printing issues. As this was a first-of-its-kind initiative for the host department, I had to figure out an approach from scratch. However, by collaborating not only with members of the host department but also with experts from other departments, I was able to leverage diverse insights to solve the challenges.
Through these experiences, I gained a firsthand understanding of the operations and challenges faced by the users of the systems I normally develop while learning the importance of creating value

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through cross-departmental collaboration. Going forward, I aim to apply these learnings to develop systems that contribute even more to solving R&D challenges and improving operational efficiency.

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.

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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For detailed data, including the number of employees on childcare leave, please see the ESG Data–Social-Related Data (S)–Diversity/Supporting work-life balance https://global.brother/en/sustainability/data.



Voice of an employee who utilized the childcare leave system
- Precious moments spent watching my children grow up -

Kengo Naniwa
Development Group 2, Machine Tools Development Dept., Machinery Business
Brother Industries, Ltd.

Following the birth of my third child, I took approximately one and a half months of childcare leave. As a team manager responsible for product development, I initially had some concerns about team operations and my duties after returning to work, as my leave coincided with a period of organizational restructuring. However, my supervisor was very supportive and took on the team manager role during my leave. I was also able to discuss work transfers and organizational structures in advance with other team managers, which allowed me to take childcare leave with peace of mind and return to work smoothly.
During my childcare leave, I not only cared for my newborn but also spent time with my older children, catching insects at the park and helping them practice riding their bicycles. Shortly after the birth, when my children became ill, I was able to work together with my wife to take care of them. This experience made me realize once again the importance of taking childcare leave. Above all, being able to closely witness my children's growth was also an invaluable experience.
Going forward, I hope to draw on my own experience to encourage colleagues who are considering taking childcare leave. I would also like to contribute to creating a workplace where everyone can comfortably balance work and childcare.

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 responsibilities. Employees can receive discounts when using babysitters for work purposes.

*: 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,

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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.

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

At Brother Industries, Ltd., we aim to create a workplace environment where every employee can stay healthy, both physically and mentally, and continue working with peace of mind. As part of these efforts, we are promoting the reduction of long working hours, including a general ban on late-night overtime work after 10:00 p.m.

Revision of systems

Gradual lowering of the upper limit of non-statutory working hours in non-product sections

To further reduce long working hours, in FY2026 we gradually reduced the monthly limit on non-statutory working hours based on an agreement with the labor union. We plan to continue exploring measures for additional reductions going forward.

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	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Monthly target	65 hours					60 hours
Annual target	450 hours					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 FY2025, a total of 710 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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BPMN is used by Brother Group companies both in Japan and overseas, including BETOP STAFF, LTD. and Nissei Corporation in Japan, as well as Brother Machinery Shanghai Ltd. and Brother Machinery Xian Co., Ltd. overseas.
In FY2025, to further expand the adoption of BPMN, we carried out promotion activities targeting Headquarters departments at Brother Industries, Ltd. As a result, we achieved 52 business process improvements, including the identification and elimination of redundant and unnecessary tasks through the review of business processes. These BPMN promotion efforts are continuing in FY2026, and we will continue to drive business improvements globally.
In addition, we are promoting business automation using Robotic Process Automation (RPA). By automating routine computer operations and tasks across multiple systems using software robots, we are shortening working hours and reducing human errors, thereby creating an environment where employees can focus on higher-value-added work. We are also focusing on developing talent who can proactively drive business improvements within their own departments by sharing best practices and providing training.

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 2,200 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.

In FY2024, we developed two tools derived from LangAccel: “TransAccel,” which enables translation while preserving the original layout and file format, and “PrepAccel,” which enables batch processing of

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specific columns in Excel files. Furthermore, in FY2025, we expanded the scope of AI utilization by developing “GijiAccel,” which enables AI-powered creation and translation of meeting minutes from meeting transcripts and audio files.

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 FY2025, 61 teams participated in the contest, including those from overseas facilities. The contest continues to evolve year by year, featuring tools created using our internal ChatGPT, “LangAccel,” as well as low-code/no-code tools.[*2] In parallel with the contest, related seminars and events are also held. In FY2025, a keynote speech titled "Co-Creation with AI: Changing Operations, Shaping the Future” was delivered, in which executives introduced the transformation brought about by generative AI and examples of its use within the Company. We also held a panel discussion featuring employees who are using AI to improve operational efficiency, providing an opportunity to deepen understanding of the future of working alongside AI and the creation of new value. Furthermore, an event showcasing successful examples of operational efficiency improvements took place, attracting approximately 1,645 employee participants to the contest and 836 participants for 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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Policy for Responding to Customer Harassment for the Brother Group in Japan

Formulated on April 1, 2026—Brother Industries, Ltd.

Basic approach to customer harassment

The Brother Group endeavors to respond sincerely and impartially to our customers and all other stakeholders in accordance with the Brother Group Global Charter.
On the other hand, if stakeholders engage in behavior or make demands that are deemed inappropriate under prevailing social norms—such as remarks that deny an employee's dignity, abusive language, or demands for apology without reasonable cause—such conduct may undermine employees' dignity and adversely affect their working environment.
We consider it an important responsibility to protect the dignity and safety of every employee. Based on our belief that creating a healthy and supportive working environment—both physically and mentally—is essential, we have established the Policy for Responding to Customer Harassment for the Brother Group in Japan.

Definition of customer harassment

Customer harassment refers to actions by stakeholders—such as clearly unreasonable demands, abusive language, threats, or intimidating behavior—that harm employees' working environment or cause them mental or physical distress. It also includes excessive demands that go beyond the scope of services provided, as well as conduct that is deemed unacceptable under prevailing social norms.

Policy for responding to customer harassment

If the Brother Group determines that conduct constitutes customer harassment, we will respond in good faith while taking a firm, resolute stance to protect our employees. Furthermore, in cases deemed malicious, we will take appropriate action as necessary, including consulting with legal counsel, contacting the police, reaching out to individuals related to the perpetrator, and pursuing legal measures and civil or criminal proceedings as appropriate.
In addition, we will provide education to employees of the Brother Group to promote a proper understanding of customer harassment and to establish and maintain positive relationships with our stakeholders.

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Social(S)

Respect for Diversity

Brother Group Human Resources Management Policy

Please visit the following website.

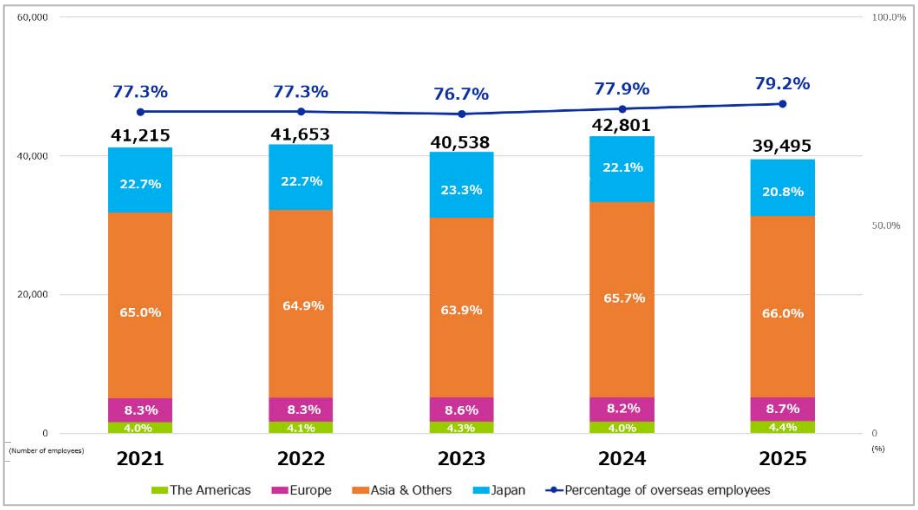
> Talent Policy and Development - Brother Group Human Resources Management Policy
https://global.brother/ja/sustainability/social/training#policy

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 in the Philippines employs over 10,000 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 their operations tailored to their respective market conditions by promoting local talent to top management positions. As a result of actively appointing talent with a deep understanding of local markets and customers to executive positions, including the presidents of major sales facilities outside Japan, the proportion of local employees in top management positions at the Brother Group's facilities outside Japan increased to 69%[*2] in 2025.

	FY2021	FY2022	FY2023	FY2024	FY2025
Ratio of Local Employees in Top Management Positions at the Facilities Outside Japan[*2]	67%	69%	67%	67%	69%

In FY2025, the Group formulated the Brother Group Talent Management Policy https://global.brother/en/sustainability/social/training#policy . The Policy acknowledges respect for diversity as a driving force behind the Group's growth and innovation. Based on the Policy, each region and facility autonomously promotes the development of executive talent through on-the-job training and other development programs. Going forward, the Brother Group will continue to promote the creation of workplace environments in which diverse talent can thrive by pushing forward with the development of talent tailored to the roles, characteristics, and challenges of each facility and region.

*1 : As of the end of March 2026

*2 : Including Domino and MUTOH affiliated companies

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.

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Numbers and percentages of female managers in the Brother Group[*1]

Company [Country]	FY2021		FY2022		FY2023		FY2024		FY2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Brother Industries, Ltd. [Japan] [*2,3]	43	5.3%	46	5.9%	48	6.3%	52	6.8%	56	7.1%
Brother Sales, Ltd. [Japan]	4	4.7%	4	4.7%	3	3.9%	4	4.7%	7	7.3%
Brother Technology (Shenzhen) Ltd. [China]	41	33.6%	40	33.3%	44	34.9%	44	34.9%	32	35.2%
Zhuhai Brother Industries, Co., Ltd. [China]	19	54.3%	15	48.4%	14	48.3%	15	48.4%	15	50.0%
Brother Machinery Xian Co., Ltd. [China]	7	28.0%	9	34.6%	9	34.6%	10	38.5%	9	37.5%
Brother International Corporation (U.S.A.) [U.S.A.]	84	41.8%	92	40.5%	106	44.0%	111	43.7%	94	40.9%
Brother International Europe Ltd. [U.K.] [*4]	12	21.8%	16	26.7%	16	25.4%	17	25.4%	17	26.2%
Brother U.K. Ltd. [U.K.]	16	43.2%	15	42.9%	17	47.2%	14	45.2%	14	46.7%
Brother (China) Ltd. [China]	9	27.3%	10	30.0%	10	29.0%	9	26.5%	8	29.6%

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Company [Country]	FY2021		FY2022		FY2023		FY2024		FY2025	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Brother International GmbH [Germany]	9	30.0%	8	30.8%	7	26.9%	8	33.3%	5	22.7%
Brother France SAS [France]	13	45.0%	12	40.0%	12	38.7%	12	38.7%	11	34.0%
Brother Industries (Vietnam) Ltd. [Vietnam]	52	37.4%	53	35.1%	55	32.9%	61	32.8%	66	33.5%
Brother Industries Saigon, Ltd. [Vietnam]	6	35.3%	7	36.8%	7	36.8%	7	38.9%	9	34.6%
Brother Industries (Philippines), Inc. [Philippines]	6	15.0%	9	20.9%	10	25.0%	11	25.6%	16	33.3%

*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.

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.

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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

General Employer Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children (Two years from April 1, 2026, to March 31, 2028)

Goal	1. Increase the percentage of female employees in senior management to 7.6% (Act on the Promotion of Women's Active Engagement in Professional Life)
	2. Achieve a 100% rate of men taking childcare leave* (Act on Advancement of Measures to Support Raising Next-Generation Children)
	3. Limit statutory overtime work per full-time employee to an average of five hours per month (The Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children)

*: The childcare leave utilization rate includes special leave taken for childcare purposes.

PDF Brother Industries, Ltd.'s General Employer Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children [PDF/211KB]
https://download.brother.com/pub/com/en/csr/pdf/2026/diversified_plan.pdf

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Main measures

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
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

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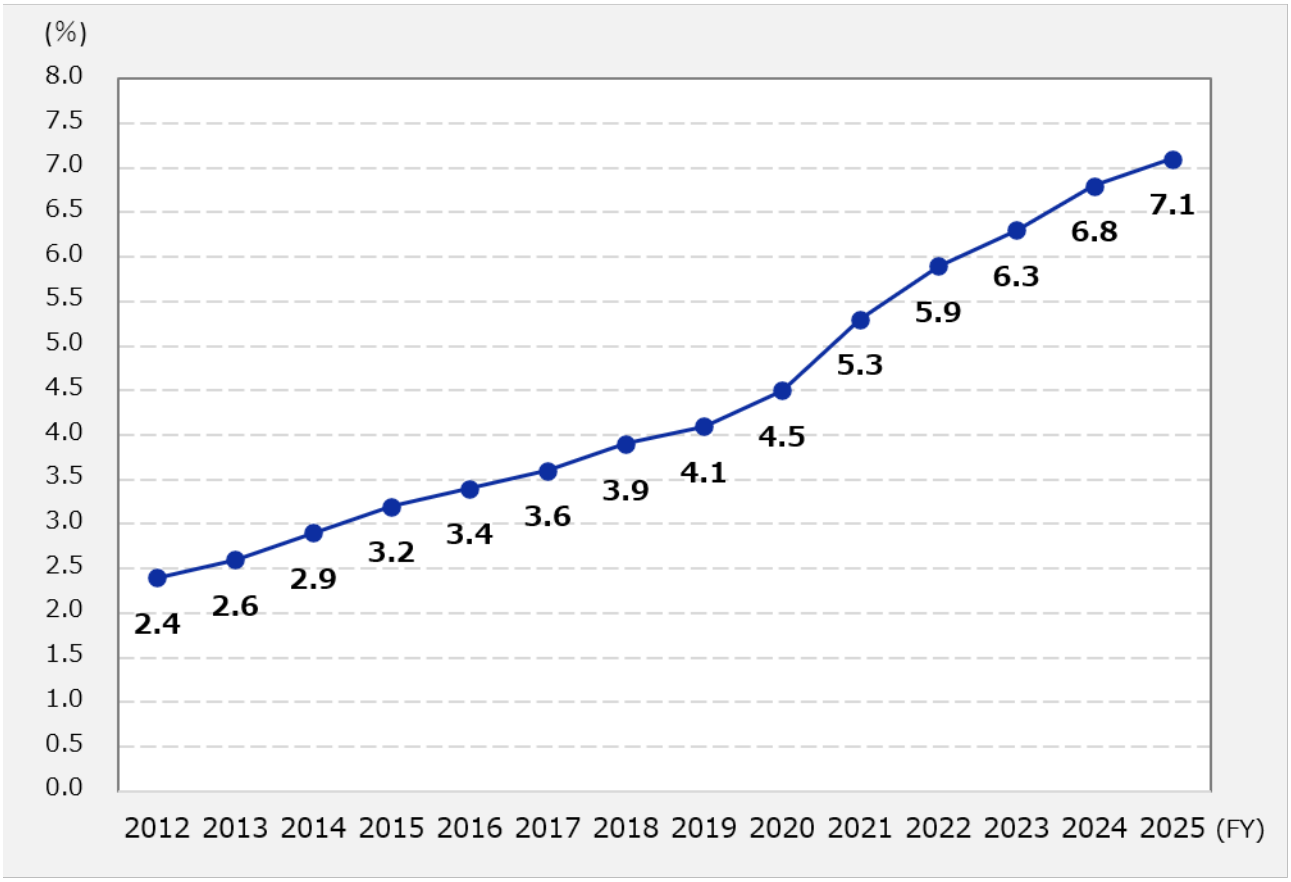
FY2025	・ Formulated the Brother Group Talent Management Policy https://global.brother/en/sustainability/social/training#policy ・ Female leadership development training for potential female managers ・ Published the results of the 2025 Male Parental Leave Survey internally ・ Held internal seminars to promote understanding of diversity, covering universal etiquette and unconscious bias	 Internal seminars to promote understanding of diversity

Achievements

Changes in the percentage of female managers (Brother Industries, Ltd.)*1,2,3



*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

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Gender wage gap[*1, 2]

Scope	FY2023	FY2024	FY2025
All employees	76.0%	76.0%	77.3%
Regular employees	73.6%	74.3%	75.8%
Part-time and fixed-term employees	86.9%	80.1%	80.0%

*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

Strengthening of the Talent Portfolio in Key Areas

Increasing mid-career and managerial recruits in **key areas**

To strengthen its talent portfolio in key areas under the medium-term business strategy "CS B2027," BIL is actively expanding mid-career and managerial recruits. In FY2025, BIL recorded a mid-career recruit ratio of 48%, with the ratio for managerial positions at 28%. BIL will continue to actively recruit external expert talent to realize transformation of the business portfolio.

BIL also implements the Brother Onboarding Program for mid-career recruits, aiming to enable them to quickly become successful and produce results. For details, please see Details of Education System and Training (Strengthen Reskilling and Recurrent Education Measures) https://global.brother/en/sustainability/social/training#t02.

For detailed data, including the number of mid-career recruits, please see theESG Data–Social-Related Data (S)–Diversity/Supporting work-life balance https://global.brother/en/sustainability/data.

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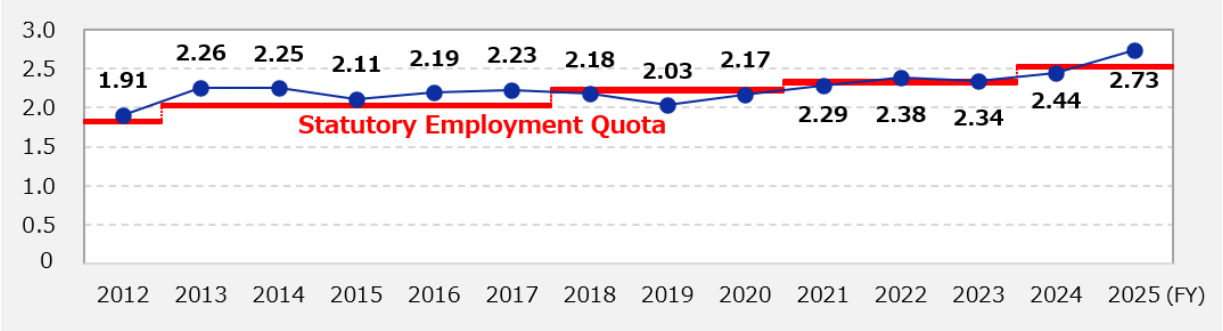
Promoting Employment and Support for Persons with Disabilities

At BIL, employees with disabilities are working actively in the occupations and workplaces that suit their aptitudes and abilities.

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. The employment rate of persons with disabilities at BIL was 2.73% in FY2025, thus meeting the statutory requirement of 2.5%. BIL will continue its efforts to create a workplace environment where persons with disabilities can work with peace of mind, both in terms of their recruitment and their success.

Changes in the employment rate of persons with disabilities[*1,2] (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 : Including direct employees (including contract and temporary employees) and those seconded to locations in and out of Japan (excluding employees seconded from other companies)

*2 : Due to changes in the figures following new applications, the “employment rate of persons with disabilities” for FY2024 has been revised.

*3 : Job coaches are specialists who support persons with disabilities and their employers to ensure smooth workplace adaptation

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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.

In FY2025, with the aim of learning how to interact with people from different backgrounds, BIL held a “Universal Manners”* seminar. A total of 310 employees participated 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 implementing various initiatives to respect diversity, such as reviewing the gender options on health checkup forms, and extending some of its welfare benefits, which were previously based on legal marriage, to same-sex partners and common-law couples.

LGBT study session

BIL holds lectures for employees to promote better understanding of LGBT issues. In FY2025, BIL conducted a study session for HR representatives from domestic Group companies to learn about the partnership system and key points for administering its implementation within their respective companies. The session drew approximately 40 participants. According to the survey, the percentage of respondents who said “I can explain LGBTQ/SOGI”* surged from 17% before the session to 75% afterward, indicating a deeper understanding of the issue.

*: Stands for sexual orientation (SO) and gender identity (GI), and refers to the sexual attributes (concepts) inherent to all individuals.

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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 FY2025, more than 80% of employees requested reemployment under the system, and all applicants were rehired.

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of rehired senior staff	121	136	97	82	55
Rehiring rate*1	90.3%	91.3%	85.8%	85.4%	82.0%

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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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 "

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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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LOGITEC LTD., BROTHER ENTERPRISE, LTD.

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 7% of the Brother Group facilities had obtained this certification as of March 31, 2026.

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	0(Three-year target)			0(Three-year target)		
Achievements	0	0	1[*2]	0	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

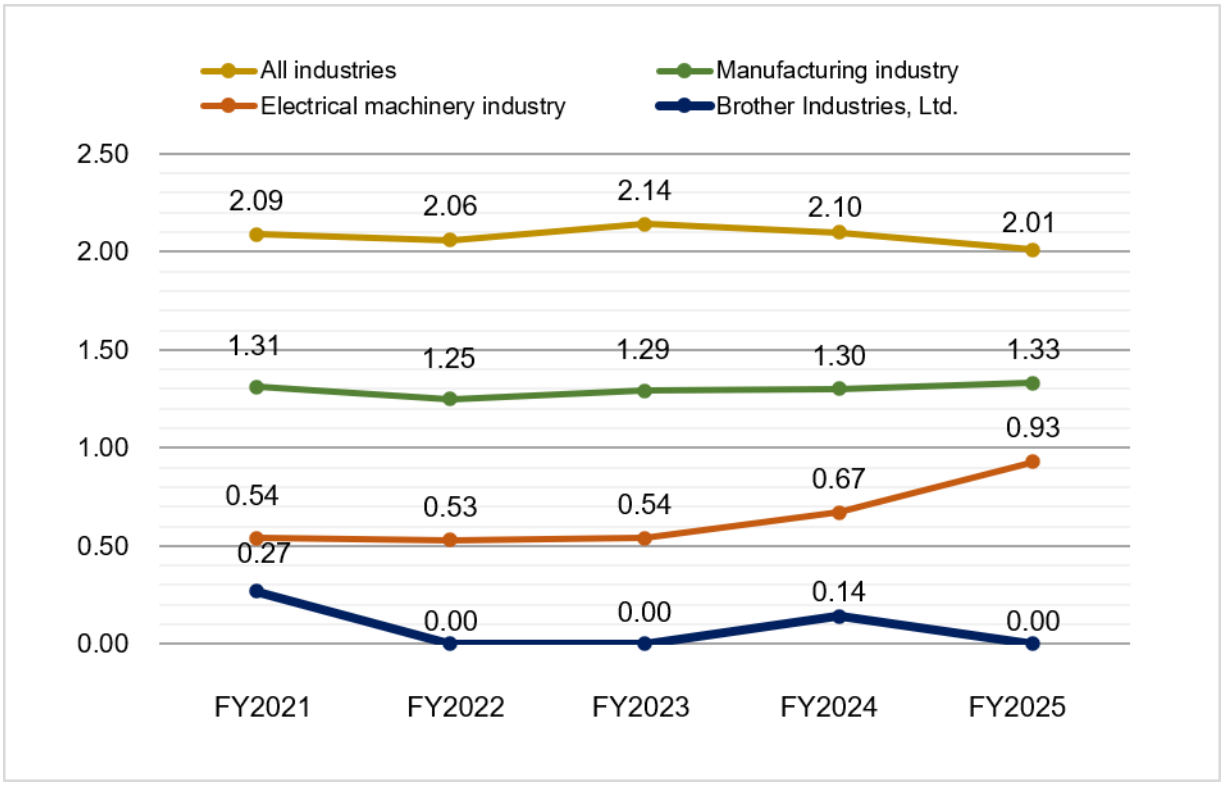
	FY2021	FY2022	FY2023	FY2024	FY2025
Number of fatal occupational injuries*3	0	0	0	0	0
Frequency rate of lost-time occupational injuries*3,4	0.27	0	0	0.14	0
Frequency rate of lost-time occupational illnesses*3,5	0	0	0	0	0
Number of lost-time occupational injuries (one day or more) *3	2	0	0	1	0

*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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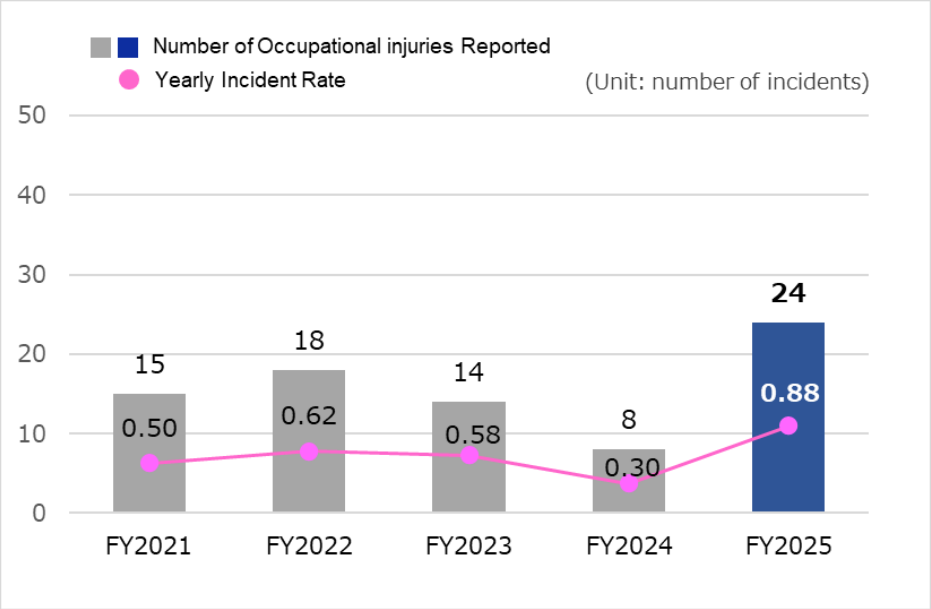
Number of occupational injuries reported and yearly incident rate at main manufacturing facilities outside Japan (lost-time injuries and non-lost time injuries)[*7]



*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]

	FY2021	FY2022	FY2023	FY2024	FY2025
Frequency of worker injuries (number of injuries per hour worked)[*9]	0.36	0.34	0.33	0.16	0.50
Occupational accident rate (number of injuries per worker)[*10]	0.0007	0.0007	0.0007	0.0004	0.0010

*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. ・ Build a chemical substances management system to register information about chemical substances used by each department, risks associated with them, etc. in FY2025 and start operating it in FY2026.

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.

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Recurrence prevention of occupational accidents

BIL is committed to preventing occupational accidents and to promoting recurrence prevention measures in response to work-related injuries.

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.

In FY2025, an accident of chemicals splashing and entering a worker's eye occurred. As measures to prevent recurrence of similar accidents, we replaced the protective gear we had used with other protective gear and reeducated workers about the importance of wearing protective gear. We also enhanced our safety measures, including installing anti-splash covers at work sites.

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 FY2025, 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.

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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 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 FY2025, 4,283 employees, which represented 96.0% of the intended participants, took the training. BIL also conducts an educational session for new employees every April. In FY2026, this session was held with 136 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 FY2025 had 155 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.

Providing a safe driving education program

To further reduce the number of traffic accidents involving company or private vehicles driven by

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employees, BIL provided a safe driving education program, which comprised five video sessions, in FY2025. The videos explained how to prevent oversights or wrong assumptions, which are major causes of traffic accidents, as well as matters to note while driving at a blind intersection or on a narrow road in a residential area or the like. A total of 20,771 employees attended the five sessions. In addition, as a requisite for the renewal of a company vehicle driving permit for the following fiscal year, BIL requires employees who drive company vehicles to complete all sessions in this education program. We are therefore actively committed to preventing traffic accidents.

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 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.

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Data Related to Safety, Health and Disaster Prevention Training

Details of safety, health and disaster prevention training (BIL[*1])

<table>
<tr><th></th><th>FY2021</th><th>FY2022</th><th>FY2023</th><th>FY2024</th><th>FY2025</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">3,959[*2]</td><td rowspan="2">4,052[*2]</td><td>4,183</td><td>4,251</td><td rowspan="2">4,283[*2]</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>3,253</td><td>3,843</td><td>4,415</td><td>4,502</td><td>4,806</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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Promotion of Health and Productivity Management



Formulation of 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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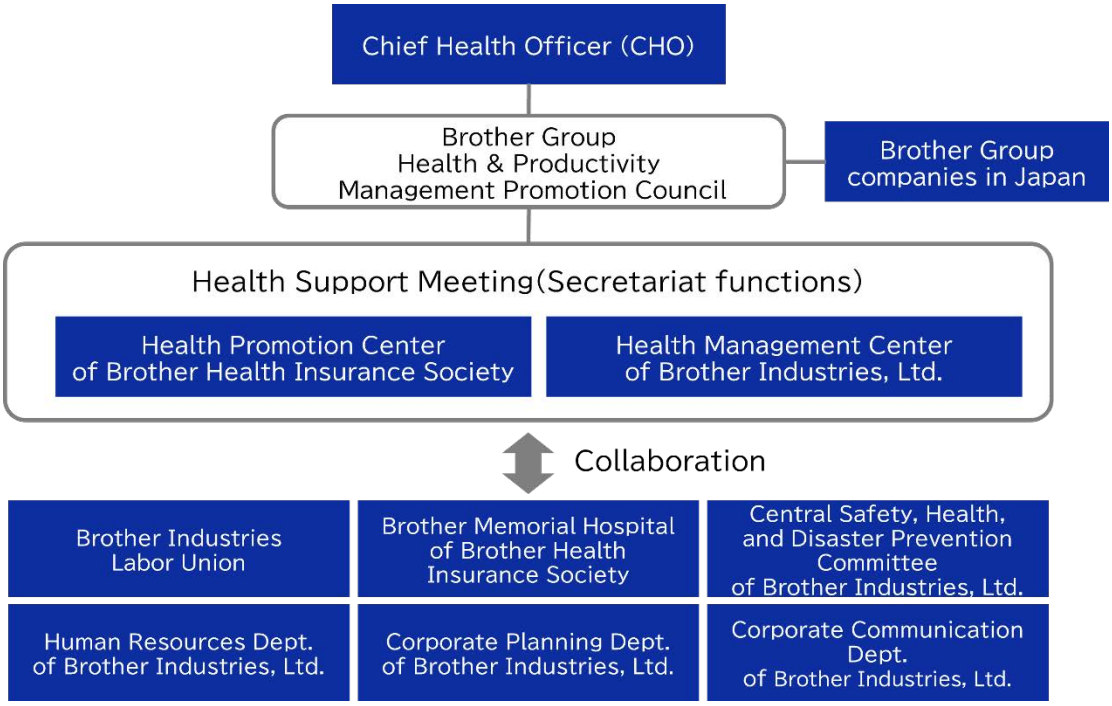
Health & productivity management promotion structure

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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FY2025 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

Based on the Health and Productivity Management Philosophy, the Brother Group Health & Productivity Management Promotion Council formulated the "Healthy Brother 2025" in FY2016 as a set of long-term targets to be achieved by 2025, and has since implemented a variety of initiatives.

For target values and past results, please refer to the PDF below.

PDF Targets in the "Healthy Brother 2025" and results (Brother Industries, Ltd.) [PDF/265KB]
https://download.brother.com/pub/com/en/csr/pdf/health-2025-en.pdf

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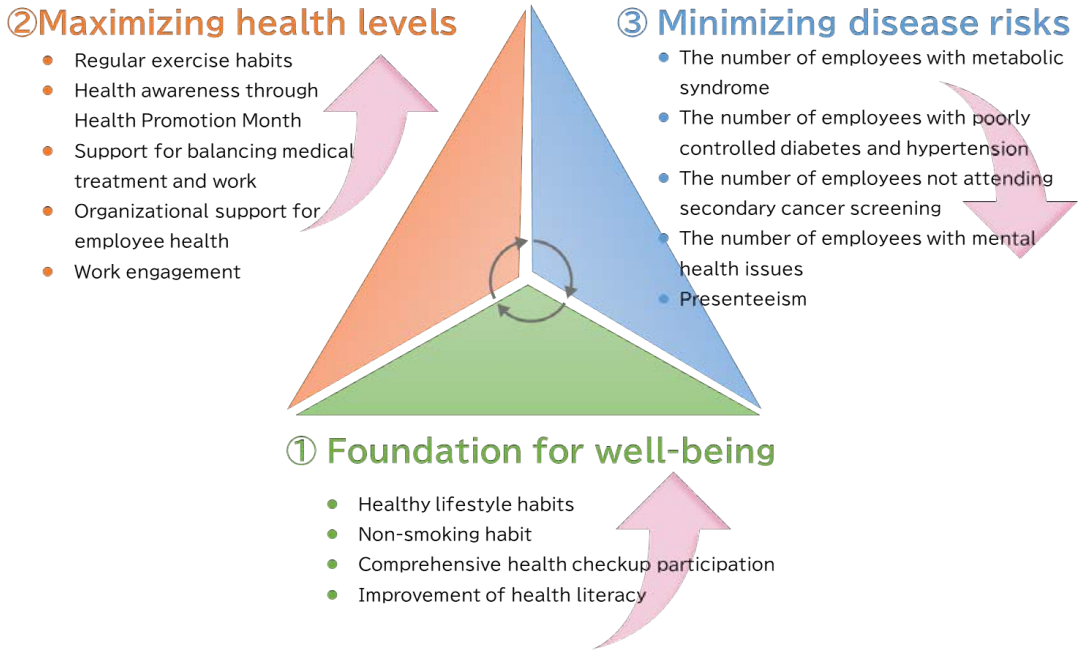
“Healthy Brother 2035” -a set of long-term targets for employee health

The Brother Group Health & Productivity Management Promotion Council formulated the “Healthy Brother 2035” in FY2025 as a set of long-term targets to be achieved by 2035.
Aiming to improve employee well-being as set forth in our Health and Productivity Management Philosophy, these targets establish target values across 14 items and 17 indicators, organized under three perspectives: (1) building a foundation for well-being, (2) maximizing health levels, and (3) minimizing disease risks.



For target values, please refer to the PDF below.

PDF Targets in the “Healthy Brother 2035” (Brother Industries, Ltd.) [PDF/260KB]
https://download.brother.com/pub/com/en/csr/pdf/health-2035-e.pdf

Employee health management data

PDF Employee health management and status (Brother Industries, Ltd.) [PDF/308KB]
https://download.brother.com/pub/com/en/csr/pdf/employee-health-en.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.

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PDF Health & productivity management strategy map (Brother Industries, Ltd.) [PDF/264KB]
https://download.brother.com/pub/com/en/csr/pdf/strategy-map-en.pdf

Publication of the Health & Productivity Management Storybook

BIL publishes the Health & Productivity Management Storybook to introduce its thoughts and specific initiatives aimed at realizing employee well-being. This storybook is intended for all stakeholders, including employees.

PDF The Health & Productivity Management Storybook (Brother Industries, Ltd.) [PDF/3.1MB]
https://download.brother.com/pub/com/en/csr/pdf/story-book.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. In FY2025, BIL's six departments 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

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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

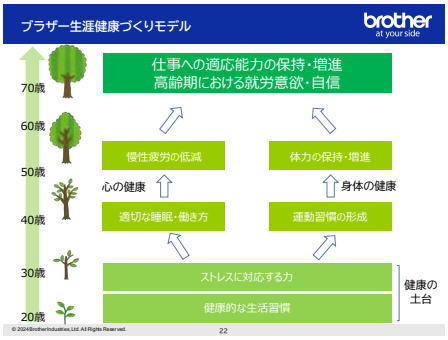
*1： A psychological term meaning mental “fortitude” “elasticity,” and “flexibility.” It refers to the ability to overcome and recover from mentally exhausting experiences, depression, and other challenges.

*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.



Brother Lifelong Health Promotion Model

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Since FY2023, we have implemented the Continued Exercise Program to increase the physical activity of our employees, based on the understanding that improving physical function helps build a body that is less prone to fatigue. Under this program, we conduct a survey regarding employees' "ideal health goals" and "personal concerns," and then distribute exercise videos and materials tailored to their responses via email and other means. In FY2025, with the aim of helping employees establish exercise habits and build a foundation for health, we launched a program for all age groups, with 369 employees participating. In addition, we held the Body Measurement Event to measure muscle strength and flexibility, providing a valuable opportunity for the 370 participating employees to better understand their own health condition.



Exercise Program poster



Scene from the Body Measurement Event

Furthermore, in FY2025, we promoted initiatives related to brain health to ensure that employees can continue working vibrantly as they age. We held a health course themed "Improving Brain Health," which drew 1,354 employees, and hosted an "Early-Onset Dementia Prevention Seminar" attended by 342 participants. We also opened a consultation service related to brain health to provide support and respond to employee inquiries.

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. In response, BIL formulated a three-year Sleep Hygiene Plan, targeting completion by FY2027, and is strategically implementing activities tailored to the sleep issues of each age group.

In FY2025, BIL implemented a Sleep Improvement Program for employees in their 20s, 30s, and 40s, as these groups were found to have a higher tendency toward insomnia, such as difficulty falling asleep. The program aimed to improve sleep quality through seminars conducted by sleep specialists and by encouraging participants to keep sleep records for two months. As a result, 74% of the 118 participating employees reported improvements in insomnia symptoms.
In addition, regarding sleep apnea syndrome, which is a common sleep issue across all age groups, screening tests were conducted for 40 employees who wished to participate.

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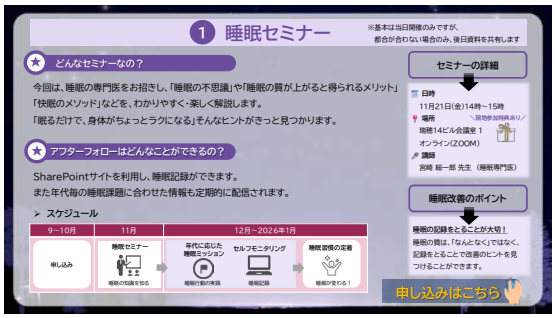
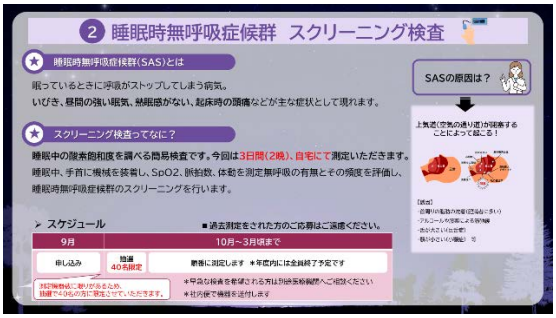


Sleep Improvement Program



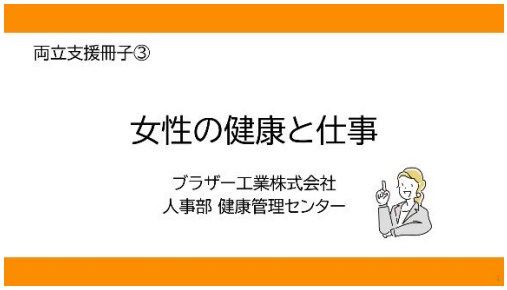
Sleep Apnea Syndrome Screening Test

Health Management for Women

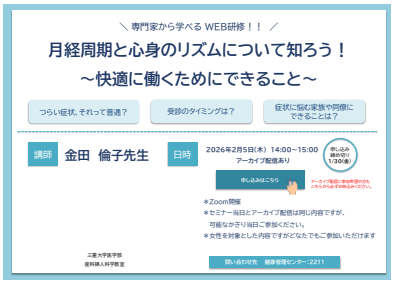
With the aim of creating a workplace environment where women can thrive even more, BIL is actively addressing health support for female employees.

In FY2025, we published a health support booklet titled “Women’s Health and Work” to foster understanding of and support for women’s health issues. This booklet provides information that helps enhance knowledge of women’s health and improve their well-being. It covers female-specific health conditions such as dysmenorrhea and menopausal disorders, as well as lists of local medical facilities near each workplace and information on internal rest areas.

In addition, we hold an annual “Women’s Seminar” to deepen understanding of women-specific health issues. In FY2025, a “PMS* and Menstrual Health Seminar” was conducted, attracting 282 participants, including male employees. Furthermore, we have established a health consultation service exclusively for women, creating an environment where female employees can seek advice with peace of mind.



Work-health balance support booklet “Women’s Health and Work”



PMS and Menstrual Health Seminar PR poster

*: Short for Premenstrual syndrome. Refers to physical and emotional symptoms that occur about 3 to 10 days before menstruation.

Support for Balancing Medical Treatment and Work

Since 2006, when the Health Management Center was first established, BIL has been working to support employees in maintaining a good balance between medical treatment and work. In

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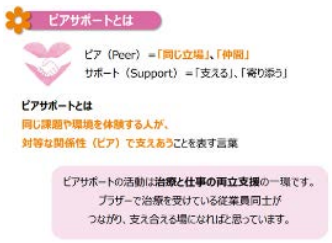
collaboration with employees, their families, workplaces, the Human Resources Dept., doctors, and others, we are creating an environment where employees can balance their treatment and work with peace of mind. In FY2025, we updated the “Support for Balancing Medical Treatment and Work Guidelines,” which was originally created in 2017, and redistributed it throughout the company. In addition, e-learning programs on support for balancing medical treatment and work were provided to managers (employees in senior positions), helping them deepen their understanding of relevant systems and learn how to support their subordinates.
Furthermore, “in-house peer support activities”* have been conducted continuously since FY2022. 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 peers in similar situations. By creating a space for mutual emotional support, we aim to foster a workplace environment where employees can work with greater peace of mind.

As of May 2026, 41 employees within the Brother Group who are currently undergoing or have experienced medical treatment are participating in these activities. In addition, 19 employees who have undergone training and been certified as supporters are engaged in support activities, such as sharing their own experiences.



Support for Balancing Medical Treatment and Work Guidelines



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.

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Other health related efforts

To support the well-being of our employees, we are also implementing a variety of other efforts.

FY2025 Efforts	Details
Cancer measures	Provided employees with information on stomach and lung cancer as part of our cancer education program
Preventive measures against diabetes becoming severe	Individual guidance using a continuous glucose monitor for 24 hours (for employees with HbA1c[*1] 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 [*2])
Improving of health literacy	Spread information and introduced applications with the aim of practicing "Breslow's seven health habits[*3]"
Various studies	Implemented employee satisfaction surveys and WFun[*4] surveys in addition to stress checks

*1 : 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.

*2 : Diseases that involve or are expected to involve obesity-related health problems and require weight loss

*3 : 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.

*4 : 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. In December 2025 and January 2026, we visited our manufacturing facilities in China 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

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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.

Contribution to the community and society

BIL cooperates in local practical training programs for medical and health science students at universities, with the aim of nurturing those 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

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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 (China) Ltd. ・ Brother International (India) Private 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 Supporting cancer patients through participation in Relay For Life

The Brother Group has been encouraging employees around the world to participate in charity events that support cancer patients and combat cancer.
The central activity is the participation in Relay For Life (RFL), a charity event that began in the United States in 1985. RFL is an event that aims to encourage and empower cancer patients by having participants walk for 24 hours straight, based on the idea that "cancer patients face cancer 24 hours a day." The collected donations are used to combat cancer, including developing new cancer treatments and drugs, training young doctors, and raising awareness about cancer screenings.

The first participation in RFL by the Brother Group was in 1999, when volunteer employees from BROTHER INTERNATIONAL CORPORATION (U.S.A.), a sales facility in the United States, walked. This has since spread to locations around the world. In Japan, "Brother Team Japan," mainly composed of Brother Industries,Ltd.(BIL) employees, began its activities in 2010. In addition to charity walks, the team independently organizes "Survivor Talks," where people can deepen their understanding of the disease by listening directly to the stories of cancer survivors. As these support activities spread to various facilities within the Brother Group, creating a “ring” of support on a world map, we named this initiative the "Golden Ring Project" in 2011 and have been unitedly engaging in cancer awareness activities on a global bases. These long-standing efforts were recognized with the 2020 Japan Cancer Society Award (Group Category).*

FY 2025 Efforts

In FY2025, an in-person event “Relay For Life Japan Aichi” was held in Aichi Prefecture for the first time in six years, after a hiatus caused by the COVID-19 pandemic, and 174 people from the Brother Group, including employees, management personnel and their families, participated. In addition, facilities in Argentina and Austria have newly joined, further expanding the Brother Group ring of support with a total of 28 locations and 1,517 employees and their families participating in the activities.

> Supporting Cancer Patients together with employees on a global scale | Brother Group SDGs Special Site ”Brother SDGs story”
https://sdgsstory.global.brother/e/community/391/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2026

*: 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.

Golden Ring Project video

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> https://www.youtube.com/watch?v=Ra4EPrBdxS4

*: This video is from YouTube.



Main facilities that joined the Golden Ring Project (in FY2025)

* (Clockwise from upper left) Japan, Italy, Hong Kong SAR, Germany, Thailand, U.A.E.

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 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.

Donations to the Tohoku region continue even now, 15 years after the Great East Japan Earthquake, and starting 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.

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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 of society and how they should prepare for disasters. In FY2025, 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 FY2025, a total of 34 market events had been held, with over 4,400 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 FY2025.

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Ishikawa & Tohoku Market event

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=sustainability2026 (Japanese only), responsible for sharing information about its efforts in species conservation and environmental education.

As part of this initiative, in FY2025, BIL commemorated the 40th anniversary of the arrival of koalas by creating a documentary video, which introduces the koalas' 40-year history in Japan and species conservation efforts, titled Koalas: 40 Years of Zoo Life (Japanese only) https://sdgsstory.global.brother/j/topics/786/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2026 and donated it to Higashiyama Zoo and Botanical Gardens. This video conveys the current situation of how koala habitats and populations are drastically declining and asks the question, "What can humans do?" It calls for each individual to give some thought to and act on the future of the natural environment and animals.

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 (Japanese only) https://sdgsstory.global.brother/j/special/zoo/koala/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025 ".

Furthermore, a promotional video "Living Well" version was created and presented with the aim of widely communicating the zoo's commitment to animal welfare. This video showcases the zoo's efforts to provide animals with an environment as close to their natural habitat as possible and conveys its commitment to animal welfare in its care and facility design.

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These videos are being shown within the park and are also available on YouTube. Also, the "Living Well" version was broadcast as a TV commercial.



> For the future of koalas and the planet: What Brother can do (Japanese only)
https://www.youtube.com/watch?v=xj0cQx8vZGc



> Higashiyama Zoo and Botanical Gardens + Brother "Living Well" version (Japanese only)
https://www.youtube.com/watch?v=cg3kcVIIUJs

In addition, BIL decorated the fences separating construction areas within the zoo with the "Asian Champions" theme to provide visitors with new discoveries and enjoyment as well as to raise awareness of conservation activities for endangered species. This decoration introduces the charms and the impressive physical capabilities of animals that inhabit Asia, such as visually representing the distance a Sumatran tiger can run in one second. At the same time, it also conveys the current situation in which they are endangered in their habitat.



Decorated fence



Part of the decoration design (Image has been partially processed and edited.)

BIL also continues to support the Higashiyama Zoo and Botanical Gardens Life Connect Fund* (Nagoya City Higashiyama Zoo and Botanical Gardens Fund). In FY2025, BIL was certified again as a "Platinum Partner," the highest rank of support. Furthermore, we received a letter of appreciation(Japanese only) https://www.brother.co.jp/news/2026/260210higashiyama/index.aspx from the city of Nagoya for our continued support of the fund.

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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=sustainability2026

Data Related to Community Investment

		FY2021	FY2022	FY2023	FY2024	FY2025
Employees' participation in the Golden Ring Project		At 13 facilities	At 24 facilities	At 30 facilities	At 29 facilities	At 28 facilities
Amount of global donations		225,495,501 yen	188,320,870 yen	229,866,510 yen	176,114,373 yen	154,565,438 yen
The Kizuna Fund	Number of employees who participated	129	105	112	52	25
	Amount of donations	2,570,965 yen	4,211,876 yen	3,696,388 yen	3,424,522 yen	2,083,479 yen
Amount of donations to registered not-for-profit		65,014,680 yen	44,307,800 yen	42,831,730 yen	23,448,760 yen	20,100,000 yen

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		FY2021	FY2022	FY2023	FY2024	FY2025
organizations (Brother Industries, Ltd.)						
Tokai Young Entrepreneur Seminar		Supported by Brother Industries, Ltd. since 2008				
Number of pro bono participants (Brother Industries, Ltd.)	Target	3	3	3	4	3
	Achievement	3	4	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 18 years up to FY2025, it had supported more than 70 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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FY2025 Efforts

In FY2025, four people chosen through a careful selection process participated in the Seminar as the 18th class, and four employees from BIL took part as Pro Bono Workers. With support from Pro Bono Workers, the seminar students took part in various training sessions and other activities over a six-month period, which allowed them to refine and further concretize their business vision and strategy. At the final presentation session held in March 2026, 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 FY2025, we held a meeting called “Gathering Day” for the Tokai Young Entrepreneur Seminar alumni and employees who had participated as Pro Bono Workers with the aim of building an internal network of those with Pro Bono Worker experience and strengthening the community of entrepreneurs. At the Gathering Day, Seminar alumni shared the current status of their businesses and activities as well as challenges they face, and all participants discussed ways to address those challenges. In addition, the 18th class students presented their business visions, and the alumni provided feedback on the presentations, making the Day a meaningful opportunity for entrepreneurs to prepare for their next step.



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.

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

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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 FY2025, 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 85 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/389KB]
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.



Creating the endangered animals picture book

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The "Brother Earth Kids Academy" activities comprise events held at the Brother Museum https://global.brother/en/museum , a corporate museum of BIL, and on-site events at after-school clubs. Approximately 70 events were held between FY 2018 and FY 2025, with approximately 3,200 kids* participating.

*: 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 FY2025

In FY2025, a total of 8 sessions were held from July 23 to August 28, including 2 sessions at the Brother Museum and 6 on-site events at after-school clubs, with approximately 300 participants, including children and instructors. Due to the recent summer heat, there is a growing demand for on-site events at after-school clubs that can be attended without going outside.



An on-site event at an after-school club

In addition to creating an "endangered animals picture book," the event also included making name tags using Brother's ScanNCut,* making it an experiential program that not only taught participants about the global environment but also allowed them to demonstrate their creativity.



The various name tags created

The kids who participated shared their impressions, saying, "Through this learning, I was able to think about the connection between global warming and endangered species" and "I want to encourage those around me to take part in activities that will help prevent global warming."

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> Details of activities for FY 2025 (This website is available only in Japanese.)
https://sdgsstory.global.brother/j/topics/805/?utm_source=web&utm_medium=sustainability&utm_campaign=sustainability2025

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

BIL will continue to promote educational support activities for local communities and initiatives that contribute to global environmental conservation in order to realize a sustainable society.

*: A product that allows you to cut paper, cloth, thin plastic sheets, stickers, etc. using a touch panel (without using scissors or a cutter).

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.

Therefore, from FY 2022 to FY 2025, BCN donated 46 sewing machines as well as the funding to provide 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.

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Training using a donated sewing machine

The Brother Group has identified six 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 six materialities.

Improving Convenience in Rural Africa through Printing Services

The Brother Group has partnered with Dots for Inc.* and has been providing the "Village Printing Service" in rural areas of Benin since FY2025. This service utilizes Brother's durable inkjet multi-function printers, enabling residents to print from their smartphones and make copies. This has made it possible for local residents to print and make copies nearby instead of being required to make a day-long trip to a town dozens of kilometers away, thereby enhancing convenience in daily life, expanding educational opportunities, and revitalizing the local economy. We are also conducting a demonstration experiment in Senegal, and will continue to expand our service to rural areas in other African countries with the aim of alleviating the digital divide and realizing a sustainable society.



A view of the printing service in action, using Brother's inkjet multi-function printers

> Make life easier in rural Africa with printing services. Brother and Dots for envision a new normal in Africa | "At your side." Stories (Only in Japanese)
https://global.brother/ja/ays-stories/article05/?utm_source=web&utm_medium=dotsfor&utm_campaign=dotsfor2025

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> Expanding the Future of Rural Africa Through Printing | Brother Group SDGs Special Site "Brother SDGs story"
https://sdgsstory.global.brother/e/customer/838/?utm_source=web&utm_medium=dotsfor&utm_campaign=dotsfor2025

* A startup that provides a comprehensive range of services in rural areas in Benin and Senegal in West Africa, including the installation of low-cost communications infrastructure, the sale of smartphones on installment plans, and provision of access to smartphone-based jobs and job training.

Supporting the independence of underprivileged children in India

To contribute to achieving United Nations Sustainable Development Goal 4:　Quality Education, Brother International (India) Private Ltd. (BIC(I)) is expanding its support for NGOs dedicated to promoting the self-reliance of underprivileged children and rural development. These organizations work to help children overcome obstacles they face and achieve their full potential through training in various fields, including art, crafts, drama, robotics, and digital smart tools, as well as through a comprehensive STEM *-based curriculum. As part of BIC(I)'s support initiative, BIC(I) employees visited the training sites to inspect the learning facilities and environment provided to students. BIC(I) is committed to working hard to ensure that all children, regardless of their background, have equal access to education and opportunities to create their own future.





*: An educational approach designed to cultivate the ability to conduct interdisciplinary inquiry across four fields: Science, Technology, Engineering and Mathematics

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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. may hold 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. has adopted the corporate governance structure of a company with Audit & Supervisory Committee. Under this governance system, 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 shall be composed of an adequate number of both inside and outside directors for the purpose 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 for Directors and Executive Officers

1. A director must possess a fine personality and perception, and an ability to appropriately execute the duties (and also the duties of audit & supervisory committee for such members).

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2. An outside director must possess considerable experience and a high level of insight in corporate management, legal affairs, public administration or finance & accounting, and be in compliance with the standards stipulated in Appendix 1 (hereafter referred to as the Independence Standards), in addition to meeting the qualifications indicated in the previous clause.
3. 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.

Article 8: The Appointment Procedures for Directors and Executive Officers

1. Candidates for Directors shall, based on Article 7, Paragraphs 1 and 2, be decided by the Board of Directors through the procedures taken by the Nominating Committee as stipulated in Article 13. Provided, however, that the nomination of a candidate for Director who is an Audit & Supervisory Committee member must obtain the consent of the Audit & Supervisory Committee.
2. Brother Industries, Ltd. must disclose the reason for its selection of candidates for directors in the notice of convocation of general meeting of shareholders.
3. An executive officer shall, based on the previous paragraphs, be 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 9: The Composition of the Audit & Supervisory Committee

1. The Audit & Supervisory Committee must be composed of a majority of outside directors.
2. The Audit & Supervisory Committee must consist of at least one director with sufficient expertise in finance and accounting.

Article 10: The Roles of Outside Directors
Brother Industries, Ltd. expects 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 Directors Holding Concurrent Posts
Brother Industries, Ltd. annually discloses the status on the holding of concurrent posts of outside directors in the notice of convocation of the general meeting of shareholders and the company's annual securities report.

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.

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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 (excluding Audit & Supervisory Committee members; hereinafter the same apply in this Article and next Article 15) 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 individual 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 individual 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.
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.

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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

1. Directors must proactively 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 director must be briefed on the Brother Group's management strategies, business outlines and other important matters by the president or a person designated by the president.
3. Brother Industries, Ltd. shall provide its directors with opportunities for training while referring to the evaluation, etc. stipulated in Article 17 (outside directors are also given opportunities to obtain knowledge about the Brother Group's business outlines).

Article 17: Evaluation
The respective directors 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 24, 2026

Appendix 1: The Brother Industries, Ltd. Independence Standards for Outside Directors

Brother Industries, Ltd. shall determine that an individual to which any of the following is applicable, as not "independent" of Brother Industries, Ltd.

(1) i. An individual who is currently serving or served within the past 10 years as a director (excluding outside directors; hereinafter the same in this Article), 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.).

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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.)

(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.

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(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, conference (including via on-line), 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.

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.

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Corporate Governance Report

This report provides information—such as fundamental ideas and structure—regarding BIL's corporate governance.

PDF Corporate Governance Report [PDF/594KB] (Last update: June 25, 2026)
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) identifies “Supporting value creation through governance” as one of its materialities (material social issues). At the same time, BIL has set “Governance reform to support business portfolio transformation” as a sustainability target in its medium-term business strategy, “CS B2027.” After extensive discussions concerning BIL’s appropriate governance structure by the Board of Directors and other forums, we deemed it most appropriate to transition to a company with an Audit & Supervisory Committee, which provides a balanced approach to management supervison and decision-making, and transitioned to this organizational structure following approval at the 134th ordinary general meeting of shareholders on June 24, 2026. To ensure high management 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 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
2026	Transitioned to a company with an Audit & Supervisory Committee Appointed independent Outside Directors to the majority of Director positions	Promoting sound risk-taking in business management by enhancing the supervisory function of the Board of Directors and developing a framework that enables swift decision-making.

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Board of Directors

BIL's Board of Directors consists of 12 Directors*, including three female Directors. To increase medium- to long-term corporate value, the Board of Directors formulates management strategies and plans and carries out decision-making on important executive operations. At the same time, the Board of Directors supervises the operations conducted by Executive Officers and strives to establish structures that ensure management soundness, such as the Group's internal control and risk management systems. The Board meets once a month, in principle. In FY2025, 13 Board meetings were held.

*: As of June 24, 2026

Audit & Supervisory Committee

Following approval at the 134th ordinary general meeting of shareholders on June 24, 2026, BIL transitioned to a company with an Audit & Supervisory Committee. The Audit & Supervisory Committee consists of five Directors who are Audit & Supervisory Committee Members (including three Outside Audit & Supervisory Committee Members)[*1], two of whom are women.
The Audit & Supervisory Committee Members have high levels of expertise in fields such as law and accounting and follow the audit standards established by the Audit & Supervisory Committee. They mainly conduct the audit activities listed below, audit and supervise the Directors' execution of duties, and conduct audits widely on the 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 24, 2026

*2: A collective name for three types of audits, namely audits by corporate auditors (Audit & Supervisory Committee audits), audits by accounting auditors, and internal audits

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Independent Outside Directors

Of BIL's 12 Directors, seven are Outside Directors (including three Directors who are Audit & Supervisory Committee Members). By appointing many independent Outside Directors with extensive experience in corporate management or deep knowledge of laws and accounting, who oversee our business management from an external, objective, and neutral perspective, we seek to strengthen oversight of management. BIL's independent Outside Directors provide management advice, decide important matters, and oversee executive operations based on their respective abundant experience, careers, and insights from perspectives independent of BIL's management.

Director Training and Support System for Outside Directors

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 24 Executive Officers (including one female Executive Officer), three 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 24, 2026

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 dismissal and remuneration of

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Directors and Executive Officers. Each of the committees consists of five Directors*, including four Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) and the Representative Director & President, and appoints an Outside Director as its chairperson (Nomination Committee: Aya Shirai; 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.
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 FY2025, the Nomination Committee and the Compensation Committee each met seven times. The attendance status of each committee's members was as follows.

Name	Attendance at Nomination Committee meetings (7 in total)	Attendance at Compensation Committee meetings (7 in total)
Keisuke Takeuchi	6	7
Aya Shirai	7	7
Kazunari Uchida	7	7
Naoki Hidaka	7	7
Masahiko Miyaki	7	7
Kazufumi Ikeda	7	7

*: As of June 24, 2026

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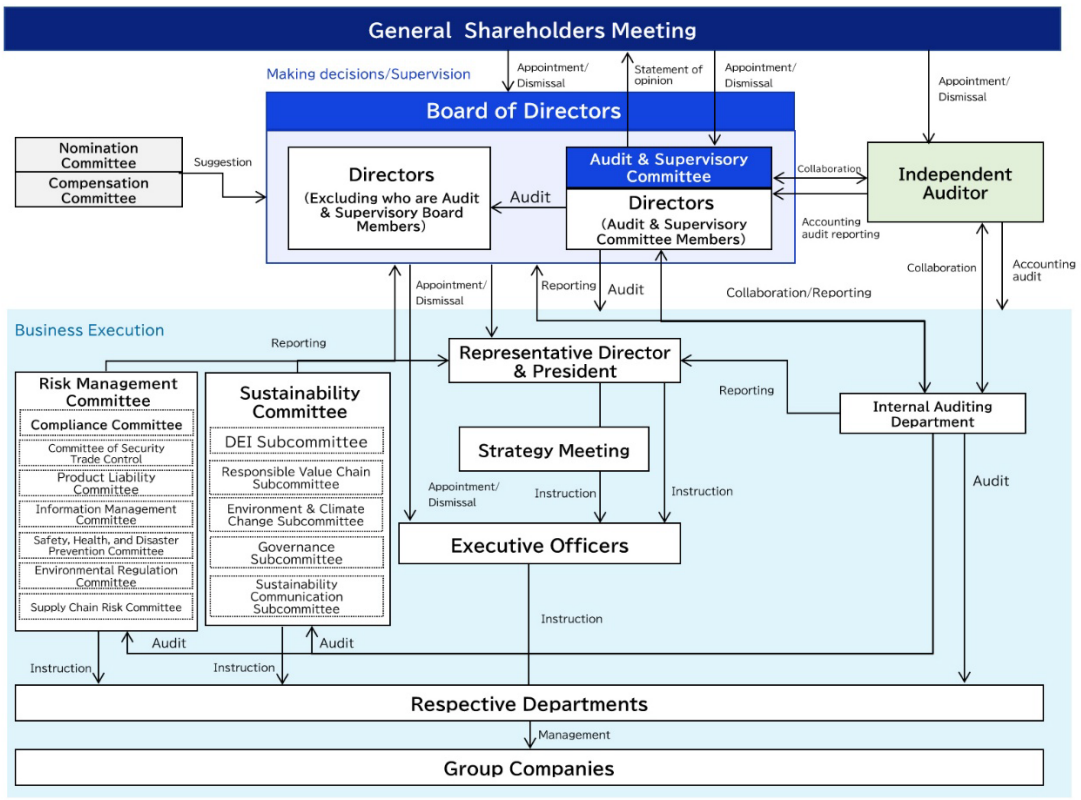
Succession Plans for Top Management

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 24, 2026)



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 FY2025 was conducted in February 2026 by having all

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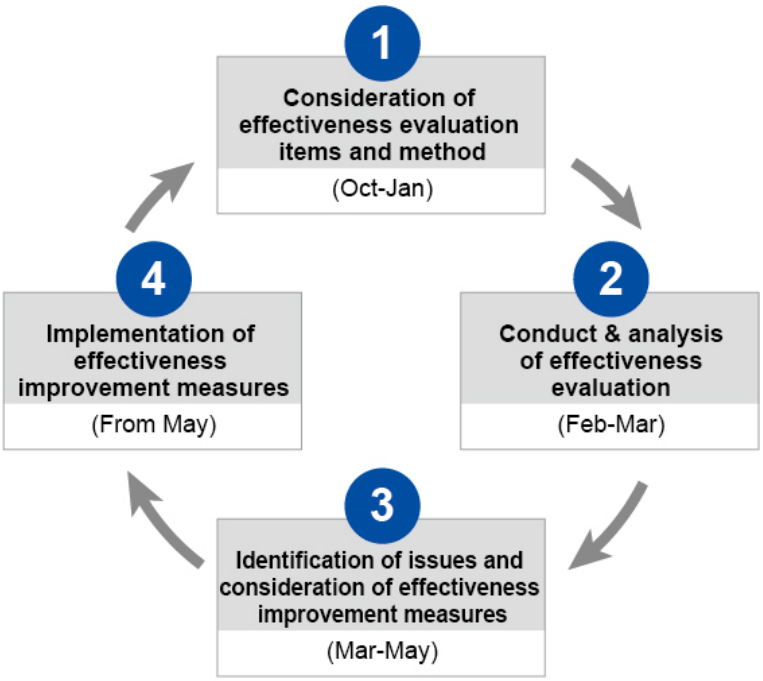
Directors and Corporate Auditors answer a survey that was created based on input from an external consultant. The survey's main questions are given below.

- 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 an objective analysis, the Board of Directors' secretariat commissions an external consultant to compile the survey data and analyze the results. The secretariat then conducts further analysis using the provided data. A cycle is then implemented whereby analysis results, improvement measures, and other information is reported to and discussed by the Board of Directors, improvement measures are implemented, and re-evaluation is then conducted in the following year.



1. Design of questions for measuring effectiveness of the Board of Directors together with external consultants taking into consideration factors such as social trends related to corporate governance.
2. Evaluation regarding the effectiveness of the Board of Directors is conducted using a questionnaire method for all Directors (including all Corporate Auditors for FY2025, when BIL was a company with an Audit & Supervisory Board). The compilation of survey data and analysis of results are tasked to external consultants. The survey response rate for FY2025 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.

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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 reviewed by the Directors (including all Corporate Auditors for FY2025, when BIL was a company with an Audit & Supervisory Board) 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 2026, 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 FY2026:

• Identify the priority items to be deliberated by the Board of Directors in FY2026
• Visualize the Nomination and Compensation Committees' processes
• Improve the operation of the Board of Directors

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 2025 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 FY2025.

- Confirm the progress of the medium-term business strategy's priority themes
- Continue to provide the necessary information for management decisions
- Provide opportunities for dialogue with the executive side
- Provide appropriate information concerning the actual state of business execution and businesses, such as business presentations and factory visits

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

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continuously improving our corporate value.

The Company's Director remuneration (excluding Directors who are Audit & Supervisory Committee Members) 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 Director Remuneration Rules etc., require deliberation by the Compensation Committee and a resolution by the Board of Directors.

Remuneration paid to the Company's Directors who are Audit & Supervisory Committee Members comprises only basic remuneration, which is fixed-amount remuneration, and is prescribed in the Audit & Supervisory Committee Member Remuneration Rules established by the Audit & Supervisory Committee.

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

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by the General Meeting of Shareholders.
Basic remuneration paid to Directors (excluding those who are Audit & Supervisory Committee Members) and Directors who are Audit & Supervisory Committee Members is limited to 500 million yen per year and 200 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 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

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securities are granted to Directors (excluding Directors who are Audit & Supervisory Committee Members, Outside Directors, part-time Directors, and Directors who are non-residents of Japan) 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
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

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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.

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

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The composition ratio of remuneration for each standing Director who does not concurrently serve as an Executive Officer (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) is as follows when actual values are in agreement with the medium-term financial targets, which are 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 FY2025.

May 19, 2025	Annual bonuses and stock-based remuneration for Directors based on FY2024 performance
August 6, 2025	Revision of the officer compensation system Renewal of BIP* trust agreement for stock-based remuneration * Abbreviation for "Board Incentive Plan" A plan through which a company grants its shares to Directors and others during or at the end of their terms of office, primarily to provide incentives.
November 10, 2025	Discussions of individual matters related to officer remuneration
December 1, 2025	Revision of the officer compensation system
December 22, 2025	Report on FY2025 officer remuneration level assessment
March 2, 2026	Calculation method of FY2025 officer bonuses
March 23, 2026	Re-establishment of officer remuneration cap following organizational structure changes

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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 FY2025 as indicated below.

May 19, 2025	Remuneration for Directors for FY 2024

Amounts of officer remuneration

(For one year from April 1, 2025 to March 31, 2026)

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)	463 (66)	289 (66)	95 (-)	39 (-)	38 (-)	11 (5)
Corporate Auditor (including Outside Auditors)	82 (32)	82 (32)	- (-)	- (-)	- (-)	6 (4)
Total (including Outside Directors and Outside Auditors)	546 (98)	372 (98)	95 (-)	39 (-)	38 (-)	17 (9)

*: The amount of remuneration paid to Directors does not include the employee salary portion for those employees who also serve as Directors.

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*The number of recipients includes one Director (other than an Outside Director) and one Outside Auditor who resigned during FY2025.

*: Performance-based remuneration related to stock-based remuneration is linked to the financial targets of the medium-term business strategy “CS B2027” (FY 2025 to FY 2027).

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 “business portfolio transformation,” which is highlighted in 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/Risk Management,” and “Financial/Accounting” as skills related to global business development, governance, and finance.

(As of June 24, 2026)

Name	Official title or position	Committee to which he/she belongs		Area of Expertise									Age	Independent	Attendance(FY2025)
		Nomination Committee	Compensation Committee	Business Strategy	Development/Manufacturing	Sales/Marketing	IT/DX	Talent Development	Internationalism	Legal/Risk Management	Financial/Accounting	ESG/Sustainability			
Kazufumi Ikeda	Representative Director & President	●	●	●			●	●	●		●	●	63		13/13

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Name	Official title or position	Committee to which he/she belongs		Area of Expertise									Age	Independent	Attendance(FY2025)
		Nomination Committee	Compensation Committee	Business Strategy	Development/Manufacturing	Sales/Marketing	IT/DX	Talent Development	Internationalism	Legal/Risk Management	Financial/Accounting	ESG/Sustainability			
Tadashi Ishiguro	Representative Director & Executive Vice President			●		●			●	●			66		13/13
Satoru Kuwabara	Representative Director & Executive Vice President			●	●	●	●		●				63		13/13
Aya Shirai	Outside Director	● Committee Chairman	●	●				●		●		●	66	●	13/13
Kazunari Uchida	Outside Director	●	● Committee Chairman	●			●	●	●				74	●	13/13
Naoki Hidaka	Outside Director	●	●	●		●			●				73	●	12/13
Masahiko Miyaki	Outside Director	●	●	●	●							●	72	●	13/13
Takeshi Yamada	Director & Standing Audit & Supervisory Committee Member			●					●	●			63		13/13
Tadashi Kato	Director & Standing Audit & Supervisory Committee Member			●					●		●		53		-
Akira Yamada	Outside Director & Audit & Supervisory Committee Member								●	●			73	●	12/13
Chika Matsumoto	Outside Director & Audit & Supervisory Committee Member										●	●	65	●	13/13

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Name	Official title or position	Committee to which he/she belongs		Area of Expertise									Age	Independent	Attendance(FY2025)
		Nomination Committee	Compensation Committee	Business Strategy	Development/Manufacturing	Sales/Marketing	IT/DX	Talent Development	International ism	Legal/Risk Management	Financial/Accounting	ESG/Sustainability			
Ikuko Akamatsu	Outside Director & Audit & Supervisory Committee Member									●	●		58	●	11/11

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

Name	Official title or position	Reason for Appointment
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.
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.
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.

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Name	Official title or position	Reason for Appointment
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.
Takeshi Yamada	Director & Standing Audit & Supervisory Committee Member	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. Based on his knowledge and experience, it is considered that he can make important decisions and supervise and audit the execution of business at the Company appropriately.
Tadashi Kato	Director & Standing Audit & Supervisory Committee Member	After joining the Company, Tadashi Kato has been engaged for many years in accounting and finance operations at the Company and a key subsidiary in Europe, and he possesses a high level of financial expertise. He also has experience in the internal control system, risk management, and M&As, as well as extensive experience in management governance of Group companies as a Corporate Auditor of a key subsidiary in Japan. Based on his knowledge and experience, it is considered that he can make important decisions and supervise and audit the execution of business at the Company appropriately.
Akira Yamada	Outside Director & Audit & Supervisory Committee Member	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 make important decisions and supervise and audit the execution of business at the Company appropriately from a perspective independent of the Company's management.
Chika Matsumoto	Outside Director & Audit & Supervisory Committee Member	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 make important decisions and supervise and audit the execution of business at the Company appropriately from a perspective independent of the Company's management.

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Name	Official title or position	Reason for Appointment
Ikuko Akamatsu	Outside Director & Audit & Supervisory Committee Member	After building her career as a certified public accountant and certified fraud examiner, Ms. Ikuko Akamatsu 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. Based on her extensive experience, achievements, and insight, it is considered that she can make important decisions and supervise and audit the execution of business at the Company appropriately from a perspective independent of the Company's management.

List of Officers

> List of Officers
https://global.brother/en/corporate/profile/executive

PDF Corporate Governance Report [PDF/594KB] (Last update: June 25, 2026)
https://download.brother.com/pub/com/en/corporate/governance/governance.pdf

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Outside Directors' Round Table

Transition to a Company with an Audit & Supervisory Committee and the Evolution of the Board of Directors.



Following its transition to a company with an Audit & Supervisory Committee, the Brother Group launched a new governance structure with a higher proportion of Outside Directors on the Board of Directors. As authority is increasingly delegated to management, how is the Board of Directors seeking to evolve into a more effective board? Four Outside Directors and three Outside Directors serving as Audit & Supervisory Committee Members engaged in a candid discussion on business portfolio transformation, capital efficiency improvement, and the enhancement of group governance.

Transition to a Company with an Audit & Supervisory Committee and Evolution of the Oversight Function

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Q. How will granting Audit & Supervisory Committee Members voting rights change the effectiveness of oversight?

Yamada: We should not simply assume that a company with an Audit & Supervisory Committee is inherently superior to a company with an Audit & Supervisory Board. Under the previous structure, Corporate Auditors were also able to express their views at meetings of the Board of Directors and point out concerns when they considered agenda items inappropriate. The most significant change resulting from the transition is that Audit & Supervisory Committee Members are now explicitly granted the right to express opinions regarding nominations and compensation. By participating in the Nomination Committee and the Compensation Committee as observers and sharing those discussions with the Audit & Supervisory Committee, we have enhanced the effectiveness of our oversight function.

Akamatsu: As an outside officer, I myself do not draw much distinction between the roles of an Outside Director and an Outside Corporate Auditor, even in terms of how I express my views. Generally speaking, Corporate Auditors, despite having the advantage of operating under a “single-person system,”* unlike the collegial Board of Directors, are sometimes undervalued because they do not have voting rights. That said, I am keenly aware of the greater responsibility I now bear as a Director with voting rights and direct involvement in final decision-making as a result of this change in governance structure. I also believe it is highly significant that Outside Directors constitute a majority of Audit & Supervisory Committee Members and that Outside Directors now constitute a majority of the Board of Directors.

* A system stipulated under the Companies Act whereby each Corporate Auditor acts as an independent body and may independently exercise such authority as conducting investigations and expressing opinions.

Matsumoto: Becoming a Director after serving as a Corporate Auditor has not fundamentally changed my approach to deliberations. From my position as an outside member, I have never hesitated to speak up when I believed something needed to be said. What has changed, however, is how we are perceived by stakeholders, including shareholders and investors. The challenge is how to continue fostering substantive discussions within the Board of Directors that can meet stakeholders' expectations and earn their trust.

Q. As the Board of Directors shifts its focus toward discussions on key management issues, how are those discussions changing?

Shirai: One of Brother’s greatest strengths is that seven diverse Independent Outside Directors, with different areas of expertise and industry backgrounds, constitute a majority of the Board of Directors.

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All of us share a strong commitment to meeting shareholders' expectations. However, looking back, I also see some areas where we could have done better. During Board of Directors discussions on post-merger integration (PMI) reports for acquired companies, management provided explanations from a wide range of perspectives, but there were times when we, as Outside Directors, found it difficult to narrow down the key points for discussion. To further strengthen the Board of Directors' oversight function, I believe we must continue improving the selection of agenda items, the way deliberations are conducted, the allocation of time, and the preparation of materials..

Hidaka: Traditionally, boards of directors at many Japanese companies functioned primarily as forums where internal directors formally approved large-scale investment proposals. Today, however, they are increasingly expected to rigorously review what actions were taken, the strategic rationale behind those actions, and whether the intended results were achieved. I believe this positive shift is steadily taking place within Brother's Board of Directors as well. The transition to a company with an Audit & Supervisory Committee provides a valuable opportunity to reexamine the criteria for agenda items and create an environment in which the Board of Directors can focus on even more substantive strategic discussions. I also have high expectations for the initiatives being led by our new Chairperson, President Ikeda, to improve the operation of the Board of Directors.

Q. How will the Audit & Supervisory Committee Members feed back the risks and issues they identify at the operational level to the Board of Directors?

Matsumoto: Before the transition, we relied heavily on reports from the Standing Corporate Auditors. Today, however, we hold regular monthly discussions with the Internal Audit Department, enabling us to obtain more timely and direct information from business divisions and facilities at the operational level. The challenge now is how to share early warning signs of risks and potential management issues with Outside Directors who are not Audit & Supervisory Committee Members in a timely manner and how to connect those insights to deliberations of the Board of Directors as a whole. There are firewalls between Audit & Supervisory Committee Members and other Outside Directors to ensure professional independence and maintain confidentiality. That is precisely why both sides must make conscious efforts to create more opportunities for information sharing and dialogue.

Yamada: In that regard, the pre-Board briefing sessions held one to two weeks before meetings of the Board of Directors serve as an effective platform for helping Outside Directors deepen their understanding of agenda items. At times, these briefing sessions last even longer than the actual Board of Directors meetings and provide a forum where Outside Directors can express candid and rigorous views without hesitation. When agenda items lack clearly defined discussion points or supporting materials are insufficient, Outside Directors may request that management and the

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secretariat refine the discussion points or revise the supporting materials at these sessions. These pre-Board briefing sessions make a significant contribution to enhancing the oversight function of the Board of Directors.

Business Portfolio Transformation and Capital Efficiency Management

Q. How do you assess the business portfolio transformation, including the partial transfer of shares in XING Inc. and M&A initiatives?



Miyaki: Brother has continuously transformed its businesses in response to changing times. To further accelerate transformation and growth, M&A is one of the most effective tools available. When evaluating M&A transactions, I place particular importance on qualitative factors, such as whether the target company possesses a sound and sincere corporate culture while facing constraints or limitations on growth on its own. With regard to the partial transfer of shares in XING Inc., opinions were sharply divided between those who wished to preserve the business because of their attachment to it and those who supported the transfer. Ultimately, however, we concluded that the online karaoke business had limited growth potential as a standalone business, and discussions gradually converged on the decision to proceed with the transfer.

Yamada: Alongside the resolution of NISSEI CORPORATION's parent-subsidiary listing structure, the restructuring of the online karaoke business had been a long-standing issue. After extensive discussions and careful consideration of the timing, we arrived at the difficult decision to transfer the business. Nevertheless, I believe it was an appropriate decision from the standpoint of improving medium- to long-term capital efficiency and optimizing the business portfolio.

Uchida: I do not believe the role of Outside Directors in the business portfolio transformation is simply to push for the restructuring or withdrawal of non-core businesses. More importantly, our role is to encourage management to take sound risks in pursuit of new growth opportunities. Brother is an extremely prudent company, which is precisely why Outside Directors must take the lead in encouraging calculated risk-taking. With respect to M&A as well, I consistently argue at meetings of the Board of Directors that we should pursue opportunities more dynamically and proactively.

Q. How does the Board of Directors monitor PMI and synergy creation following acquisitions?

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Hidaka: With respect to our current PMI efforts, there is still room for improvement in the follow-up framework for business investments and related governance functions, and we need to strengthen the mechanisms for systematically evaluating and monitoring investment projects across the organization. Looking ahead, if Brother is to pursue larger-scale growth investments and M&A opportunities, it is essential to further strengthen an organizational foundation that can consistently manage the entire process, from identifying investment opportunities and executing transactions to carrying out PMI. This includes securing and developing business leaders and strategic planning talent.



Akamatsu: My impression is that many of Brother's past M&A initiatives have depended heavily on the passion and commitment of the individual responsible for driving them forward. While strong leadership is indispensable, we also need to build an organization capable of objectively managing the execution and return process of major investments, including M&A. As an Audit & Supervisory Committee Member, I will continue to closely monitor governance over both investment decision-making and the realization of investment returns while also paying attention to how Brother develops a grand design grounded in quantitative logic.

Miyaki: Based on my experience, strong leadership is ultimately one of the most important factors in the success of an M&A transaction. With respect to PMI, I would like to see reports that go beyond simply describing what has been done and instead provide objective assessments of progress while clearly highlighting any issues and challenges that have emerged.

Q. Brother has substantial cash reserves. How should it balance improving ROE with growth investments? Also, from what perspectives does the Board of Directors discuss capital allocation?

Matsumoto: Each business segment operates with a high degree of autonomy. At the same time, I feel that, when making major company-wide investment decisions, it is becoming increasingly important to take a broader view of capital allocation across businesses. We need to deploy capital flexibly to optimize its allocation across the company as a whole while taking into account growth opportunities and the characteristics of each business. I also believe the Board of Directors should continue to review capital efficiency and productivity on a business-by-business basis and ensure that capital is used effectively.

Shirai: Management has fostered a “bad news first” culture in which gaps from targets and the effectiveness of corrective measures are reported candidly. At the same time, there is a risk that, in the pursuit of quick results, insufficient attention may be paid to planning. That is why it is important for the diverse members of the Board of Directors to challenge and validate one another's assumptions. We also review business-unit ROIC on an annual basis. During the current period of

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structural transformation toward industrial areas, I believe we must avoid an excessive focus on quarterly or monthly performance targets and actions that could discourage employees in the field.

Uchida: Mature businesses such as the P&S Business and industrial areas such as machine tools, which are still in the investment phase, should not be evaluated using the same metrics. Based on this way of thinking, we reassessed the roles of our businesses in "CS B2027." A temporary decline in capital efficiency during the early stages of a growth business is a risk that should be accepted. Rather than focusing on numerical targets simply to meet a single-year profit plan, it is important to manage performance indicators with due consideration for the characteristics of each business and the appropriate time horizon.

Hidaka: Our business performance has been steady, and we have consistently generated strong cash flows. At the same time, however, capital efficiency has emerged as a challenge. In that sense, maintaining a strong focus on improving ROE is critically important. While growth investments should remain the top priority, I have argued that Brother must also exercise appropriate capital control, including shareholder returns, taking into account the risk that M&A transactions may not materialize.

Uchida: The Board of Directors engages in candid discussions regarding capital allocation. However, overly simplistic share buybacks or dividend increases could send the message that we ourselves recognize limits to our future growth potential. For Brother today, the most important priority is to seize the next growth opportunities by deploying capital boldly and strategically.

Q. What kind of investment mindset will Brother need going forward to achieve medium-term growth, and what do you expect as an Outside Director?

Miyaki: Despite having a 200 billion yen growth investment allocation, Brother has undertaken very few large-scale projects in recent years, such as capital investments exceeding 50 billion yen, factory renewal projects, or establishment of new technology laboratories. If management were to bring forward bold proposals, such as building factories designed with the future in mind, I believe the investment allocation could be put to much fuller use. I hope to see Brother take a major step forward rather than remaining satisfied with the status quo.

Uchida: The role of Outside Directors is to discuss which opportunities should be selected from among the many ambitious investment proposals put forward by each business unit. At present, however, even when these investment projects are aggregated, they still remain within the growth investment allocation. In my view, this reflects the conservative corporate culture that has long been part of Brother's DNA. To achieve sustainable growth, we need to break out of that mindset.



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Risk Governance, Compensation, and Nomination

Q. What should be the highest priorities for group governance, including governance at overseas subsidiaries?

Akamatsu: There are limits to applying the Three Lines of Defense* uniformly to smaller overseas subsidiaries. In smaller organizations, responsibilities tend to become more concentrated in specific individuals, making it difficult to establish an ideal system of internal control. Taking into account differences in legal systems, business practices, and geopolitical risks, it is important to prevent key positions from being occupied by the same individuals for extended periods and to demonstrate, as much as possible, that Headquarters is keeping a close watch. To that end, as an Audit & Supervisory Committee Member, close coordination with the internal auditing departments and independent auditors is essential.

* A framework that clarifies roles and responsibilities for risk management and internal control within an organization by categorizing them into three groups.

Matsumoto: The most important thing to eliminate in group governance is the creation of “black boxes.” We must not allow situations in which oversight is weakened because of distance or organizational size, nor should we allow critical operations to depend on a single individual. At the same time, I would like to promote a more positive approach by sharing good practices across the Group, particularly cases where effective controls have been achieved through initiatives taken at the operational level.



Yamada: Whether in Japan or overseas, the responsible department at Headquarters conducts rigorous monitoring of subsidiaries in which Brother has made direct investments. However, in reality, it is more difficult to keep a close watch on second-tier subsidiaries in which our subsidiaries have invested. I believe this is one of the highest-priority issues that the Audit & Supervisory Committee must address. We will communicate a strong commitment and clear policy that, as members of the Brother Group, even second-tier subsidiaries are subject to close oversight and expected to maintain discipline, and we will establish an effective control network.

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Q. Does the officer compensation system effectively encourage management risk-taking and enhance corporate value?



Uchida: If performance-based compensation metrics are defined too narrowly, management may become constrained by them, and achieving those metrics can become an end in itself. Brother needs to design a compensation system that encourages taking on challenges capable of driving exceptional growth. At the same time, while taking into account the balance with employee salaries, Brother needs an officer compensation system that can respond flexibly, with an eye toward attracting external professional talent and global talent.

Hidaka: In Brother's culture, which places great value on trust and cohesion within teams, behavioral change cannot be driven by competition alone. The current system is fair and sophisticated, but it is somewhat complex. We should also consider a simpler design that places greater emphasis on growth-related factors. In addition, I believe it would be effective to expand stock-based compensation not only for officers but also for employees, creating a mechanism through which everyone can share in the rewards of Brother's growth.

Q. As Brother transforms its business portfolio, how will expectations for the next generation of business leaders evolve?

Miyaki: The Nomination Committee shares a pool of future President candidates, primarily in their 40s and 50s, and reviews their development progress. Committee members have also expressed the view that, in addition to internal promotions, Brother should consider recruiting external talent. At Brother, businesses pursuing growth coexist with businesses expected to deliver profit contributions. For the next generation of leaders, I would like to see a broad capacity to adapt their roles flexibly according to the characteristics and needs of each business.



Yamada: Because our Nomination Committee is a voluntary advisory body, some may view it as merely endorsing proposals put forward by management. In reality, however, that is not the case at all. Led by the Chairperson, who is an Outside Director, committee members engage in open and candid discussions without deferring to management's proposals. A strong check-and-balance function is at work, and the committee functions in a sound and healthy manner.

Shirai: Clarifying the succession plan is one of the Nomination Committee's most important responsibilities. Excellence as a functional specialist does not automatically translate into excellence as a business leader. We therefore continue to discuss talent requirements, including the development processes and experiences that are needed. The percentage of females in senior

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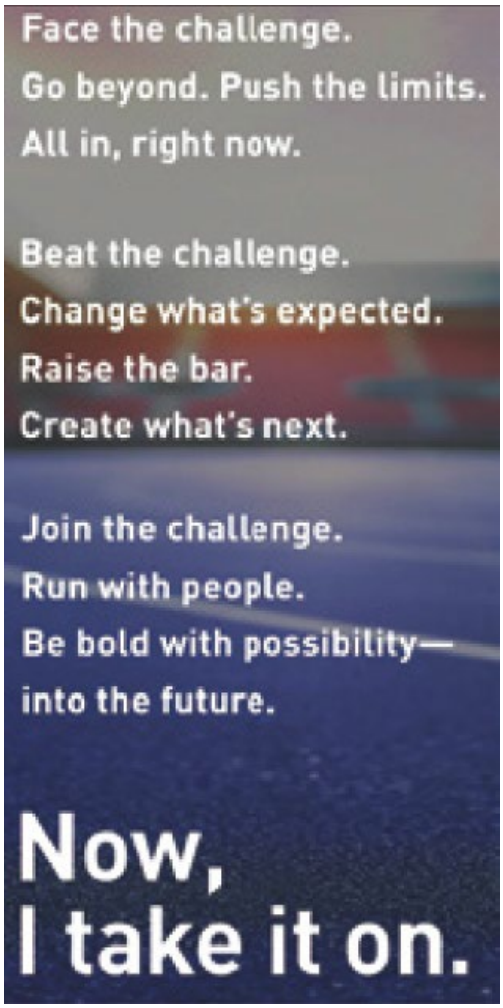
management at Brother still falls well short of the policy goals for women's empowerment and gender equality set forth by the Cabinet Office, making it an urgent priority to expand diversity within our leadership talent pool. I strongly identify with the message "Now, I take it on," which was featured in the commercial Brother produced as an Official Supporter of the Asian Games. As an organization that put forward this message, we must embody those words ourselves. We are looking for leaders who are willing to take on change and challenges with courage and determination.



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Governance (G)

Risk Management and Internal Control

Approach to Risk Management

The Brother Group aims to be a company that is trusted by all its stakeholders with the goal of achieving sustainable growth. Given that the creation of customer value is envisioned in “At your side 2030,” our Group Vision for the period FY2022 to FY2030, we recognize potential factors that may hinder our efforts toward it as risks and appropriately manage those risks to enhance our ability to realize the Group Vision.
As the Brother Group operates multiple businesses globally, we recognize that we are likely to be affected by a high level of complexity and uncertainty in the business environment due to the global economic situation and geopolitical factors. Therefore, we constantly identify 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. We also continue to strengthen our business continuity measures in preparation for a crisis and re-examine our structures for sustainable value creation with the aim of being able to identify and respond to risks from an even more strategic perspective that spans a longer term, that is, the medium to long term.

Risk Management Promotion System

To reduce the risks of serious impacts on its management, the Brother Group has established the Risk Management Committee chaired by the Representative Director & President and created a comprehensive risk management system based on its Risk Management Regulations. The Group has in place a risk management system where each organization and subsidiary within the Group understands the risks and the probability of their realization and implements measures to avoid such risks or reduce their impacts, thereby appropriately managing them, while the progress of such efforts is regularly reported to the Board of Directors.

The Risk Management Committee meets regularly once every six months. However, we have created an emergency risk management system whereby in the event of a serious risk being realized, the committee chairperson will urgently convene an extraordinary meeting of the Risk Management Committee. Also, in our risk management system, the Risk Management Committee has subordinate committees dedicated to specific kinds of risks, including 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, and these committees or departments in charge work to identify and reduce the respective kinds of risks and respond to any realization of them under the supervisory responsibility of the Representative Director & President (or a designated executive officer). Particularly for product safety, we have established Basic Product Safety Policies and a Voluntary Action Plan for Product Safety to provide safer products to customers.

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Clarification of Evaluation and Responses

We have created systems for evaluating and responding to business risks under the leadership of risk response officer in each organization and subsidiary within the Group. In addition, the Risk Management Committee manages the progress of the evaluation of and response to material risks faced by the Group as a whole. Specifically, the Committee reviews identified risks every fiscal year and instructs each organization and subsidiary within the Group to prepare risk evaluation sheets. After those sheets are submitted, the Committee aggregates the information provided therein and uses it to assess each risk according to the level of its impact and likelihood and calculates the weight to be added to each risk, thereby identifying critical risks to the Group. The Committee then instructs risk response officer at each organization and subsidiary within the Group to adopt countermeasures against each risk and monitor the situation.

Compliance Committee

The Compliance Committee works to increase workforce awareness of the importance of complying with laws and business ethics and to prevent violations and recurrences of similar cases through compliance-focused education programs and awareness-raising activities.

Committee of Security Trade Control

The Committee of Security Trade Control is responsible for properly managing export transactions and technology transfers in line with applicable laws and regulations. This Committee also works to maintain and improve the management level by convening meetings to discuss important matters whenever there is an amendment to the law, implementing internal audits, and offering guidance and education to Group companies.

Product Liability Committee

The Product Liability Committee meets periodically to promote coordinated efforts to ensure product safety throughout the product lifecycle, starting with R&D, design, and production, through sale, use, repair, and maintenance, and finally disposal.

Information Management Committee

To cope with information risks, including the risks of information leaks, as well as cybersecurity and product-security risks, the Information Management Committee determines a policy for appropriately managing customer information and other information retained by the Group and works to ensure the implementation of the policy 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 specific measures, and conducts awareness-raising activities to ensure employee safety and health, prevent disasters, and minimize damage from any actual disaster.

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. The Committee discusses and determines measures to address environmental issues, such as compliance with product-related environmental laws and regulations and pollution at business sites.

Supply Chain Risk Committee

The Supply Chain Risk Committee identifies the impacts of both the current and potential risks in the supply chain, formulates policies on measures to address them, and promotes risk mitigation throughout the Group.

Risks and Their Countermeasures

Item	Particulars, likelihood, timing and degree of impact of risk	Countermeasures
Trade and geopolitical risks	The Group conducts business activities globally, has manufacturing facilities located primarily in China and other parts of Asia, and has sales companies in multiple regions throughout the world. As a result, U.S.-China relations, the Russia-Ukraine situation, the situation in the Middle East, and other changes in international circumstances could have major impacts on the Group's business operations, performance, and financial standing. In particular, trade policies, tariff systems, and import/export	Taking into account the possibility that U.S.-China relations, the Russia-Ukraine situation, the situation in the Middle East, or other changes in international circumstances could have an impact on business activities, the Group continuously gathers and analyzes information globally. The Group monitors developments concerning trade policies, tariff systems, import/export regulations, and related matters in coordination with local subsidiaries and sites in each region while conducting risk

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Item	Particulars, likelihood, timing and degree of impact of risk	Countermeasures
	regulations against the backdrop of U.S.-China relations may be subject to future review and revision, and depending on the particulars and scope of application, there is a risk that procurement costs for raw materials, components, and so on could increase or that supply chain disruptions could occur. In addition, if the Russia-Ukraine situation becomes prolonged or the situation in the Middle East becomes further destabilized, resulting in economic sanctions, trade restrictions, or changes in energy policies by various countries, the Group's production and sales activities could be constrained. Furthermore, changes in the international logistics environment against the backdrop of the situation in the Middle East and other factors could lead to transportation delays and higher transport costs on major shipping routes, and there is a risk that such developments could have an impact on the supply of products or profitability. It is difficult to predict the timing of occurrence or degree of impact of these risks with certainty, and depending on the circumstances, there could be a significant impact on the Group's business operations or performance.	management in collaboration with relevant departments. To address the risk of increased costs resulting from changes in U.S. tariff systems or trade policies, the Group continuously monitors tariff trends and regulatory changes, and if additional tariffs or new regulations are introduced, will promptly analyze the impacts. To address increased costs as a result of tariffs and the like, the Group will strive to mitigate the impact on earnings by appropriately reflecting the additional cost in product prices and implementing cost reduction measures. Also, in light of changes in the business environment over the medium to long term, the Group will continuously examine optimization of production and procurement sites. Considering the possibility that economic sanctions and trade restrictions imposed by various countries will be maintained or strengthened in relation to the Russia-Ukraine situation and the situation in the Middle East, the Group will ensure strict compliance with relevant laws, regulations, and restrictions and make careful determinations regarding whether business activities and trade are possible. Furthermore, to address transportation risks arising from changes in the international logistics

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
			environment due to the situation in the Middle East and other factors, the Group will strive to increase supply chain stability at each manufacturing facility by developing multiple routes and ports for use and by reviewing logistics systems. Through these initiatives, the Group will strive to minimize the impacts on the Group's business operations from changes in the international situation and trade environment.
Risks associated with changes in the business environment	Structural changes in the printing market	Printing volumes in the office and home printing markets continue to decline as a result of the progression of digitalization and diversification of working styles, and it is expected that the market overall will continue to contract at a moderate pace. The Printing & Solutions Business is positioned as an important business for the Group's revenue and profit, and consequently, if the Group is unable to respond adequately to changes in the market environment, there may be an impact on the Group's business performance or profit foundation.	In addition to reinforcing the earnings capacity of existing businesses, the Group is reviewing the structure of the business as a whole in stages by focusing on growth areas. In the office and home printing markets, in addition to hardware sales, the Group is expanding "connected businesses" including contract services and subscription models and is working to strengthen ongoing relationships with customers and enhance lifetime value (LTV). In the labeling field including commercial & industrial applications, the Group is reinforcing the provision of optimal solutions tailored to the application and focusing efforts on expanding business. Also, the Industrial Printing Business including Domino and Printing & Automation continues to grow against the backdrop of the transition from analog to digital and rising needs for automation. By utilizing existing

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
			technologies, the Group will seek further growth and improved profitability in the industrial printing market and strengthen a sustainable business structure.
	Intensifying competition among companies	The Group is facing competition from companies that operate globally, emerging manufacturers, and others in each business area including the Printing & Solutions Business. If the market environment changes substantially as a result of intensifying price competition from competitors, the introduction of new products or technologies, the progression of industry consolidation, or other factors, this could impact the Group's business performance and profitability through declining sales prices, or changes in market share.	The Group is working to enhance competitiveness across all businesses by maintaining and reinforcing competitiveness in existing businesses and expanding into areas where growth is expected. The Group is providing products and services that emphasize customer value in each market while reinforcing proposal development capabilities using the Group's global sales and service networks. In conjunction with these initiatives, the Group is building business foundations that can respond flexibly to changes in the competitive environment by promoting higher business efficiency, reducing development and manufacturing costs, and improving quality and reliability.
	Changes in global economic circumstances	The Group engages in business globally, and therefore, fluctuations in the global economy can have effects on demand trends in regional markets. If capital investment or consumption by customers is curtailed due to economic recession or other such developments, demand for the Company's products and services could decline, which could have an impact	The Group seeks to build a stable earnings base that is not easily impacted by short-term economic fluctuations, and in addition to providing high-value-added products and services, the Group is consistently working to reinforce functions from development to after-sales service.

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
		on the Group's performance. It is difficult to predict the timing of occurrence or degree of impact of such changes in the economic environment, and depending on the circumstances, there could be an impact on the Group's business operations or profit over the medium to long term.	In the Printing & Solutions Business, the Group will focus efforts on products for the office and home printing market, mainly A4 machines, as well as commercial labeling, a growth field. The Group is working to secure continuous profit and reinforce earnings capacity by expanding "connected businesses," including contract services and subscription models that provide stress-free printing experiences, automatic delivery of consumables, and more. In the Industrial Printing Business, in addition to introducing new products, the Group is reinforcing the services and solutions business and working to optimize business foundations. By providing high-added-value services including automation and data analysis, the Group will contribute to improved customer productivity and stronger market competitiveness. In the Machinery Business, the Group is rolling out high-productivity and energy-saving products and reinforcing global sales and service structures to contribute to enhancing customers' competitiveness and reducing their CO2 emissions. The Group is also building profit structures that are resilient against economic fluctuations by reducing fixed costs and raw material expenses. Also, the Group has a balanced sales structure in Japan, Asia, the Americas, and Europe, which

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
			relatively controls the impact of economic fluctuations in any particular region. Going forward, the Group will continue to utilize its global networks and develop business in each region.
Supply chain risks	Supply chain disruption	The Group operates manufacturing and sales facilities globally. The main manufacturing facilities are located in Vietnam, Philippines, China, and other countries, and sales facilities are located in countries around the world. If geopolitical confrontations, rising tensions, or political and economic instability occur in various regions of the world, including East Asia or the Middle East, or if disasters such as large-scale fires, storms, or major earthquakes occur, or if the continuous procurement of components becomes difficult due to reviews of business portfolios by suppliers (such as deteriorating business profitability or aging equipment), there is a risk of disruptions, such as soaring costs and supply shortages in the procurement of components and production. In addition, if global logistics are disrupted and there is a shortage of space on ships, stagnation of shipping containers occurs, or there are restrictions on navigation, there is a risk that imports of parts and product shipments will be delayed and shipping costs will increase. As a result, business results may be affected by a loss of sales	To address supply chain disruptions, the Group has established structures for gathering information globally and making timely management decisions. In production systems, the Group produces key consumables at multiple sites and implements risk countermeasures such as maintaining spare production equipment. The Group obtains parts from multiple suppliers, maintains strategic inventories of critical parts and materials, and takes action to reduce reliance on specific countries or suppliers. At sales sites, the Group will continue to optimize inventory levels to prevent product shortages. As for logistics, the Group is securing inventory storage space for products, parts and materials, by utilizing internal and external warehouses in the regions where its manufacturing facilities are located, and the Group is promoting the use of multiple routes and ports. In addition, at various facilities, the Group has also implemented fire prevention measures and certain disaster prevention and mitigation

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	opportunities and a loss of customers due to product shortages in the market.	measures against earthquakes, typhoons and other natural disasters. In Japan, the location of its Headquarters, the Group has established disaster preparedness and crisis management systems in anticipation of a Nankai Trough earthquake.
Product and service quality risks	The Group recognizes that there are product and service quality risks inherent in all stages of the product lifecycle. There is no guarantee that no defects will occur in any products or services or that product safety or quality issues will not occur in the future. If major quality problems occur, there could be an adverse impact on the Group's performance and so on as a result of incurring massive costs as well as a decline in customer purchasing intent due to harm to the Group's brand image and reputation.	In order to provide high-quality and appealing products and services, the Group has established strict quality control processes for the supply of such products and services to markets. The Group also confirms and verifies that quality levels are appropriate with regard to products that are supplied by manufacturing contractors. Furthermore, if an accident caused by a product or service were to occur, the Group would place the highest priority on responding to the injured party while disclosing information, reporting to governmental agencies, and taking measures to prevent any further damage.
Human resource risks	In recent years, competition for recruiting talented human resources has intensified due to changes in working styles and the employment environment as well as the rapid advancement of generative AI, and there is a risk that the Group will not be able to recruit the human resources needed to accelerate business portfolio transformation. In particular, if the	To realize the Group's management strategies, the Group is working to strengthen the talent portfolio in priority areas by increasing hiring of experienced and managerial personnel from outside while also actively investing in talent development and updating and enhancing educational programs to develop the next generation of

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		Group is unable to recruit and develop personnel with the skill sets and experience necessary for business growth in industrial fields, talent capable of driving business expansion, leaders who can advance business transformation, and talent who can continuously tackle challenges, there could be an impact on the Group's management strategies. In addition, if the Group allows a highly homogeneous workplace environment in which diverse values and experiences are not respected or utilized, or if discrimination or harassment occurs, it could become difficult to recruit and retain talent, leading not only to a decline in organizational capabilities and employees' psychological safety, but also a substantial impact on the Group's social credibility.	leaders. For key talent, the Group is formulating succession plans. Also, in accordance with the code of conduct specified in the Global Charter, the Group is working to instill the highest ethical standards while developing the environment and raising employee awareness so that each employee can maximize their individual strengths and abilities and thrive. In addition, the Group sees respect for diversity as a driver of growth and innovation, and has formulated the Brother Group Human Resources Management Policy and is promoting measures to further advance talent management at all Group companies.
Environmental and social risks	Social demands relating to the environment	For the Group, which conducts business activities globally, the following risks are currently and will remain into the future extremely important issues and may have a significant impact on business management. In addition to physical risks that can significantly impact production and sales activities, such as human injury and death, suspension of business operations, disruption of supply chains, and so on caused by disasters, climate change also entails transition risks such as tighter laws and regulations associated with the rapid shift to a	In response to climate change, in order to reduce the emissions of greenhouse gases that cause it, the Group has set medium-term targets for 2030 that have been validated by the Science Based Targets (SBT) initiative for the 1.5°C target. In order to achieve these targets, for Scopes 1 and 2, the Group is focusing its efforts on energy conservation and the active use of renewable energy at business sites, and for Scope 3, the Group is focusing its efforts on resource conservation and recycling of procured parts and materials,

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		decarbonized society, increased response costs and loss of sales opportunities due to delays in responses. As for advancement of the circular economy, policies aimed at economic development while controlling resource consumption are being promoted mainly in European countries, and entail transition risks such as tighter laws and regulations, increased response costs and loss of sales opportunities due to delays in responses.	enhancing the energy efficiency and recyclability of products, and other measures so that the Group can reduce emissions in the parts and materials procurement, use, and disposal stages of products, which account for more than 80% of total product greenhouse gas emissions. Furthermore, the Group has collaborated with parts suppliers since FY2023 to introduce renewable energy for the electric power used when manufacturing parts used in laser printer products and inkjet printer products, thereby reducing CO_2 emissions from the manufacture of parts. Also, in the Machinery Business, demand for EV parts is increasing in place of internal combustion engine parts. As an EV parts processing solution, the Group develops “SPEEDIO” series products that can meet various processing needs, including machining of large aluminum parts for EVs, and thereby respond to the risk of a transition to EVs in the automobile industry. In response to advancement of the circular economy, the Company sets a medium-term target for 2030 (reduce virgin materials used in products in the Printing & Solutions Business, which uses particularly high amounts of resources, by 25%) to improve the Group’s resource efficiency. To achieve this target, the Group has positioned expanding

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			collection and recycling of printer consumable cartridges, promoting product reuse, and expanding business that maintains connections with customers such as subscription services as important initiatives, and the Group is promoting effective use and circulation of resources, contributing to CO_2 reductions. Also, in February 2020, the Company declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board and its support for the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) in March 2025. As a response to the TCFD, the Group analyzed the financial impact of climate change on all of the Group's businesses and posted the results on the Web and other media. As a response to the TNFD, the Group made some disclosures in accordance with the TNFD recommendations. The Group will work to enhance information disclosures even further in the future.
	Environmental regulations and environmental pollution	The Group, which conducts business globally, is subject to the application of various environmental laws and regulations in each country and region around the world. In particular, regulations on chemical substances in products, such as the EU RoHS Directive, are being established and	The Group has identified chemical substances that should be prohibited, restricted or managed in the Brother Group Green Procurement Standards, and by notifying suppliers about the Standards, requires their compliance with the Standards. The Group strives to comply with laws and regulations

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		are continuously amended in various countries and regions. If a violation of these regulations occurs, product recalls, suspension of production and sales, imposition of fines or criminal penalties, decline in social trust, and other repercussions could have a significant impact on the Group's business or performance.	by obtaining compliance guarantees concerning parts and materials from suppliers, providing composition information, conducting supplier audits, and conducting sampling testing of delivered goods.
	Human rights violations in the value chain	The Group has numerous overseas manufacturing facilities, with the main manufacturing facilities located in Vietnam, Philippines, China, and other countries, including manufacturing and procurement in Japan. These facilities have trading relationships with parts suppliers, and if human rights problems, such as forced labor or child labor or occupational health and safety concerns, occurred at these suppliers or elsewhere along the supply chain, there would not only be a risk of serious direct harm to the people working there, but the Group could also lose the trust of its customers, which could affect its business relationships with them. Also, if any disruptions occur in imports, exports, or customs clearance in relation to such problems, there is a possibility that the Company would not be able to provide products to markets. If a third-party organization determines that there are any deficiencies, not only in actual human rights violations, but also in risk mitigation efforts or the provision of remedial measures, it is	To clearly demonstrate the Group's commitment to reducing human rights risks and promote initiatives, the Group established the Brother Group Human Rights Global Policy and has requested understanding of this policy and cooperation with the Company's measures by all of the Company's officers and employees as well as all parties involved in the Group's products and services. The Group also joined the Responsible Business Alliance (RBA) and conducts annual self-assessments at Group manufacturing facilities in accordance with the RBA Code of Conduct to confirm that there are no human rights risks that require priority action. At the same time, the Group is taking action to identify and address human rights risks by continuously undergoing on-site audits conducted by third-party organizations at four major manufacturing facilities. The Group requests that suppliers comply with the RBA Code of Conduct to reinforce systems for assessing

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		anticipated that the lapse of third-party certifications held by the Group could make it difficult to maintain existing business relationships or establish new business relationships and that exclusion from investment index indicators could have an impact on the Group's stock price and other effects. Furthermore, tracing materials beyond the suppliers leads to raw materials. In the trade of mineral raw materials, if it were found that the trade of certain minerals in conflict areas in Africa and other high-risk regions funds the local armed groups and is involved in conflict or human rights abuses, this could similarly lead to a loss of the trust of customers.	and remediating risks in the supply chain relating not only to human rights, but also including health, safety, and the global environment. The Group formulated a CSR Procurement Policy and CSR Procurement Standards for suppliers and posted them on its website. The Group also explains the policy to suppliers by conducting supplier briefings and providing written explanations and conducts risk assessments (human rights due diligence) throughout the value chain by requesting major tier 1 suppliers to take action to address human rights, occupational health and safety, and ethics. Implementation methods are regularly reviewed, and most recently, the Group has been enhancing the effectiveness of human rights due diligence by conducting risk-appropriate assessments targeting suppliers for which relatively higher risks are anticipated based on factors such as their products and locations. The Group seeks to reduce human rights violation risks across the entire supply chain by requesting that the Group's tier 1 suppliers require upstream suppliers to also implement human rights initiatives. With regard to responsible procurement of minerals, the Group established a Responsible Minerals Procurement Policy and posted it on

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			the Group's website. In addition, the Group conducts surveys on the use of minerals and conducts procurement in collaboration with the Group's suppliers to ensure transparency in supply chains regarding mineral procurement and avoid the use of conflict minerals.
	Occupational accidents, human injury	The Group engages in business activities around the world, and the labor environment, attitudes toward safety and the environment, and applicable laws and regulations vary by country and region. For this reason, there are diverse risks in the labor environment, ranging from minor workplace accidents to serious incidents resulting in fatalities or permanent disability. Also, if a manufacturing facility's operations are suspended due to large-scale natural disasters, which have occurred in recent years, or fire, explosion, and so on caused by machinery or equipment, the Group may be unable to adequately fulfill its social responsibilities including impacts on the supply chain, and this could have a material impact on the Group's business performance and business continuity.	The Group strives to ensure safe and healthy working environments and to raise employee safety awareness by conducting activities in accordance with the Group's Occupational Health & Safety management system. Also, information regarding accidents and incidents that occur at each site is shared across the Group on a monthly basis, and efforts are made to prevent the recurrence of similar accidents. The Group adopted the Regulations on Systems and Control for Disaster Prevention of the Brother Group in 2017 to address the risks of fire and explosion and apply them to manufacturing plants and other sites in Asia. The status of these initiatives and their implementation at each site is verified through periodic group-wide occupational health, safety, and disaster prevention audits and other measures.
	Labor disputes and deterioration of	The Group operates sales, development, and manufacturing sites globally, and there is a risk that instability in labor-management relations may arise from differences in	The Group strives to maintain sound labor-management relations by complying with labor practices and labor laws and regulations in each country and region and through

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	management-labor relations	labor practices and laws and regulations among various countries and regions, which could cause labor disputes or deterioration in labor-management relations. If these risks materialize, they could lead to the suspension or delay of business activities, a declining operational efficiency, and harm to the Group's reputation.	measures such as conducting regular labor-management consultations and employee engagement surveys, improvement activities, and strict compliance with laws and regulations. In addition, the Group established a common global human rights policy and work to prevent and minimize the impact of labor disputes and any deterioration in labor-management relations in order to avoid contributing to human rights violations through the Group's business activities.
Information risks		Cyberattack methods have grown increasingly sophisticated and complex in recent years, and there is a risk that unauthorized access, malware infection, ransomware attacks, and similar threats could result in the external leak of personal information and confidential information held by the Group as well as system outages and other disruptions, making it difficult to continue business operations. The Group strives to maintain safe information security levels for the websites and related systems the Group provides to customers and stakeholders, but there is a possibility that cyberattacks, such as targeted attacks, could result in damage including data destruction or falsification or service outages. There is also a risk of information leaks occurring due to internal misconduct	The Group formulated the Information Security Basic Policy, established the Information Management Committee, and created information security operational rules. The Group strives to prevent leaks of personal information and confidential information and strengthen globally uniform multi-layered defense measures against cyberattacks by implementing security measures and conducting internal education based on these operational rules and regulations. As countermeasures against external intrusions and cyberattacks, the Group conducts 24-hour, 365-day security monitoring to rapidly detect suspicious activity on PCs and servers and eliminate threats and respond to increasingly sophisticated cyberattacks.

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	by employees, contractors, or others. If such an information security incident should occur, it could result in the loss of customer trust, damage to the Group's brand image, and other consequences, which could have a material impact on the Group's business activities and performance. Furthermore, if the accuracy of various types of business data including accounting information is impaired due to corruption of key business data or information system failures, or if disruptions in the operation of internal controls occur, there could be an impact on the reliability of financial reporting. In addition, the threat of cyberattacks targeting IoT products has been increasing in recent years, and if customer personal information or confidential information were leaked from Brother products, the Group's brand value could be harmed and market competitiveness could decline. Also, if the Group is unable to respond to the tightening of information protection related laws and regulations in various countries and regions, restrictions on the Group's business activities could be imposed.	For critical systems that impact the Group's supply chain, the Group uses external data centers and cloud services and is advancing server redundancy to establish a system configuration that can recover rapidly even in the event of a system failure. Furthermore, the Group implements access controls and access log management for personal and confidential information and monitors employee PC operation logs to prevent unauthorized handling of such information. In addition to implementing the best possible measures as described above, the Group continuously enhances the skills of personnel involved in operating and using systems through ongoing education in order to keep pace with constantly evolving IT technologies. To prepare for the occurrence of an incident, the Group conducts drills in internal response organizations during normal operations and strives to minimize damage by achieving rapid response and recovery. As measures concerning internal control systems, the Group maintains quality enhancement activities in the development, maintenance, and operation of information systems from the perspective of overall IT control and the Group works to achieve appropriate IT operations.

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			In addition, the Group established the Product Information Security Basic Policy and is working to enhance product security throughout the Group so that customers can use the Group's products with reassurance. The Group takes measures to minimize risks by establishing internal rules on reporting lines for cases where vulnerability risks relating to products occur and the response system for product information security incidents and establishing structures.
Intellectual property	Intellectual property	Infringement of the Group's intellectual property by third parties such as sale of counterfeit goods by third parties could occur. The possible results of this include deterioration of the Group's business results and a decline in the Group's reputation. Also, there is a possibility of the institution of litigation by a third party against the Group in relation to intellectual property rights of the third party. If the third party's claims were upheld, the Group may be enjoined from selling the Group's products and may be required to pay compensatory damages.	The Group enforces intellectual property rights against infringing conduct by third parties while giving consideration to the degree of impact on business results and reputation. Also, the Group conducts business activities while respecting third-party intellectual property rights, but in the event that a third-party institutes litigation on the grounds of infringement, after carefully investigating the details, the Group takes countermeasures such as defending against the litigation or reaching a settlement.
	License agreements	The Group conducts its business activities while entering into license agreements relating to intellectual property rights with other companies, as necessary. However, there could be an impact on business activities	The Group acquires numerous intellectual property rights as the result of research and development. The Group takes countermeasures, such as licensing some of the intellectual property rights that it

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
		depending on the terms and conditions of such license agreements.	holds to other parties, while entering into agreements to minimize the impacts on business activities.
	Employee inventions	An inventor could institute litigation regarding rewards for an invention.	The Group has established rules on rewards for inventions and provides appropriate rewards to inventors.
Financial and accounting risks	M&A (impairment)	The Group has established a policy of accelerating investment in growth including M&A with the aims of further expanding its industrial areas and creating and developing new business. When implementing M&A and so on, there is a risk that investment effects will not be achieved as intended as a result of business integration burdens that are greater than initially anticipated or the inability of the investment target to develop business as anticipated at the time of investment. The Group has recorded goodwill of 60,578 million yen (5.9% of total assets) in its consolidated financial statements as of March 31, 2026, of which goodwill relating to Domino acquired in 2015 accounts for 57,950 million yen. If the above risks occur and estimates of future cash flows change or if interest rates or long-term market growth rates and so on change in the future, impairment losses of this goodwill, tangible non-current assets, or intangible assets may occur, resulting in an impact on the Group's business results.	CS B2027, the Group's Medium-Term Business Strategy, sets a policy of significantly strengthening organizational capabilities and structures for implementing M&A with the objectives of both dynamic investment execution and reinforced governance while ensuring active participation in and support of post-merger integration (PMI) by the head office. CS B2027 also positions the Industrial Printing Business including Domino as a growth business that will function as a growth engine for the Brother Group, and the Group is working to expand new products and business areas, reinforce service and solutions businesses, and strengthen business foundations as priority measures. In addition, the Group compares estimates of future cash flows with book value in relation to goodwill at least once annually, regardless of whether there are indications of impairment, to confirm the value of goodwill assets and record appropriate valuation amounts.

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
	Foreign exchange fluctuation	Overseas business accounts for large proportions of the Group's manufacturing and sales, and foreign exchange fluctuation risks relating to transactions denominated in foreign currencies occur on a regular basis. Based on results for the fiscal year ended March 31, 2026, each one-yen increase in the value of the yen against the euro results in a decrease in annual profit of approximately 800 million yen. Also, each one-yen decrease in value against the dollar results in a decrease in annual profit of approximately 300 million yen. In addition, if currencies in the regions where the Group's main manufacturing facilities are located including China and southeast Asia increase in value, this could be a factor pushing up manufacturing and procurement costs, and thus, medium- to long-term fluctuations in foreign exchange rates are expected to have a certain degree of impact on business results. Assets held by overseas subsidiaries in local currencies (net amount after deducting liabilities) will decrease in value after conversion to yen if these local currencies decrease in value against the yen. This will not immediately have an impact on consolidated profit and loss, but other comprehensive income will decrease and this will become a factor pushing down net asset value.	To mitigate these risks, the Group is taking measures to increase the rate of linkage between receipts and payments in foreign currency transactions. Furthermore, the Group efficiently manages and avoid short-term risks by conducting foreign exchange forwards and through other means.

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
	Taxation	The Group engages in business activities around the world and is subject to the tax systems of each country and region where it has business sites. If the tax systems or tax rates in these countries and regions change, there could be a negative impact on the Group's business results. To address issues of tax base erosion and profit shifting (BEPS), tax authorities in many countries and regions are stepping up their efforts, and if legal systems are changed or tax enforcement becomes stricter in the future, there is a risk that the Group will be subject to additional taxation or international double taxation.	Serious tax-related issues are reported to regional headquarters and information is shared with the BIL tax department. Support is obtained from tax accountants and other external professionals, and the Group consults with tax authorities, as necessary. In addition, with respect to transactions between group companies, the Group appropriately manages transfer pricing with each country and region to ensure that arm's-length prices are maintained, and in the case of transactions that entail high transfer price taxation risks, the Group uses an advance pricing agreement (APA) system to mitigate tax-related risks.
	Improper accounting	Regarding improper accounting, there is a risk that accounting procedures contrary to national and regional laws and regulations or the Group's accounting rules will lead to correction of financial results or loss of the trust of stakeholders.	The Group analyzes the financial statements of group companies to determine if there are any signs of improper conduct and, when necessary, conducts individual investigations.
Business conduct risks		The Group is subject to various laws and regulations in the countries and regions where it conducts business. The enactment and amendment of such laws and regulations could severely restrict the Group's business activities, and the Group may incur large expenditures responding to laws and regulations. Also, in the event of an unintended violation of laws and regulations, there could be an adverse impact on the Group's business results or business activities.	At the Group, legal compliance is regarded as an essential part of management for avoiding various risks. To ensure thorough compliance throughout the Group, the Group has established conduct standards for employees based on "ethics and morality," one of the Codes of Practice of the Brother Group Global Charter (hereafter referred to as the "Global Charter"), and the Brother

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
	Based on this understanding, the Group has identified four key business conduct risks: security export control; embezzlement, improper kickbacks, conflicts of interest, and improper benefits; unfair trade practices (violations of anti-monopoly laws); and bribery (violations of anti-bribery laws).		Group Principles of Social Responsibility, which clearly define the Group's responsibilities as a business enterprise and promote appropriate actions. The status of the Group's responses regarding major business conduct risks is described below.
	Security export control	The Group conducts business globally, and as geopolitical risks including U.S.-China trade friction, the Russia-Ukraine situation, and the situation in the Middle East are increasing, export controls and security-related laws and regulations in individual countries are being tightened. In particular, some of the Company's machine tools are subject to such laws and regulations, and if regulations become even stricter in the future, restrictions on business activities and the burden of expenditures associated with compliance will increase. If a legal violation were to occur, there is a risk that the Group's business and operations would be subject to significant impact, including legal sanctions, suspension of export of all products for a certain period, and loss of social credibility.	The Group identifies and analyzes regulatory trends in each country and region and rapidly updates internal rules and management systems as needed. The Group also strives to continuously improve export control systems by conducting training for officers and employees and regular audits, thereby ensuring the appropriateness of business operations in preventing legal violations.
	Embezzlement, improper kickbacks, conflicts of interest, and	There is a risk that embezzlement or improper kickbacks by officers and employees could damage the Company's assets and lead to accounting treatment in violation of	The Group strives to prevent self-authorization and ensure appropriate business operations by implementing multi-person checks in business processes and through other means.

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
	improper benefits	the Group’s accounting standards, resulting in restatement of financial results as well as a loss of trust from stakeholders.	The Group has also created systems for the early detection of signs of misconduct, including the establishment of an internal whistleblowing hotline, and conducts regular compliance training for officers and employees.
	Unfair trade practices (violation of anti-monopoly laws)	Business activities that violate the anti-monopoly laws and anti-bribery laws of individual countries and regions may expose the Group to risks such as fines imposed by competition authorities and restrictions on the Group’s business activities as well as the imposition of significant costs associated with compliance with laws and regulations.	In Japan, the Group announced a Partnership Building Declaration that expressly states the Group’s commitment to collaboration and mutual benefit with suppliers in our supply chains and businesses that seek to create value, and the Group established structures for complying with the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment. In particular, with respect to price negotiations based on increases in labor costs by small and medium-sized contractors, if such a contractor makes a request for discussions, the Group will engage in sufficient discussion to ensure that a fair profit for the contractor is included in the price, taking into account the impact of higher labor costs. Also, the Group regularly conducts training of officers and employees of group companies (in Europe, the Americas, and Asia) to raise awareness concerning risks relating to competition law.

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Item		Particulars, likelihood, timing and degree of impact of risk	Countermeasures
	Bribery (violation of anti-bribery laws)		Companies located in countries or regions with a high risk of bribery (mainly in Asia) have established anti-bribery policies and take measures such as conducting screening relating to the prevention of corrupt conduct by suppliers. In addition, the Group conducts anti-bribery training to raise the anti-bribery awareness of officers and employees.

PDF Annual Securities Report [PDF/4.3MB] (Last update: Aug 24, 2026)
https://download.brother.com/pub/com/investor/annual-securities/pdf/2026/2025-asr.pdf

Internal Control

The Brother Group has continued to work to maintain and improve its Group-wide Internal Control System with the aim of ensuring the reliability of reports, the effectiveness and efficiency of operations, compliance with laws and regulations, and asset protection 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 both within and outside Japan. Our internal audit activities are aimed at contributing to attaining the management targets by assessing the effectiveness of the Group’s risk management, Internal Control System, and governance process and encouraging any necessary improvements.

The respective departments of Brother Industries, Ltd. and all its subsidiaries undergo internal audits that cover overall management. The effectiveness of the Internal Control System on financial reporting is evaluated from a standpoint that is independent of the business execution departments.

Advisory functions may be performed regarding such matters as the development of and improvements to the Internal Control System at the request of committees and departments. The Brother Group is

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also committed to detecting signs of improper conduct with computer-assisted audit techniques (CAATs) to increase the efficiency of audits and prevent improper conduct within the Group.

An annual audit plan is formulated for themes and subsidiaries selected based on the results of risk assessments conducted by the General Manager of the Internal Audit Dept. The plan must be approved by the Representative Director & President before being implemented. 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. The General Manager also attends meetings of the Audit & Supervisory Committee to periodically report the progress and results of audits. In addition, the General Manager has periodic opportunities for information and opinion exchange with full-time members of the Audit & Supervisory Committee, as well as with Audit & Supervisory Committee members and the Independent Auditor at three-party auditing* meetings.

* A collective name for three types of audits (audits by the Audit & Supervisory Committee, audits by the Independent Auditor, and internal audits)

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Governance(G)

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.

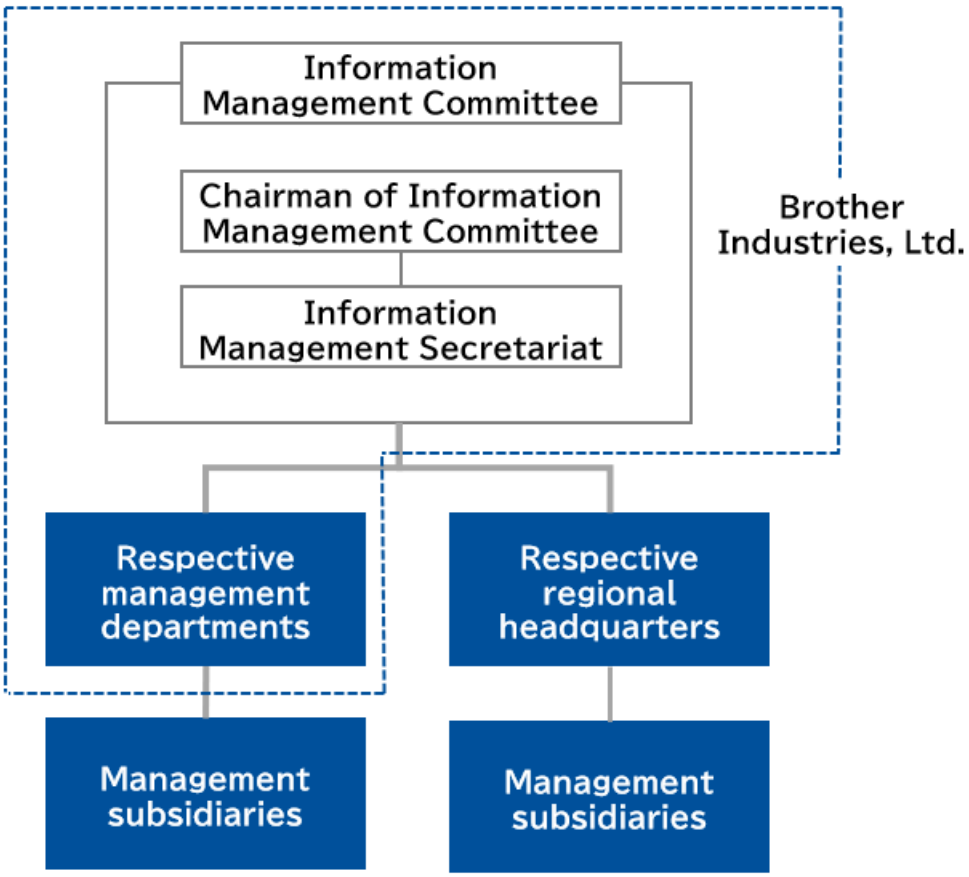
>Product Information Security Basic Policy
https://global.brother/en/sustainability/social/product-security

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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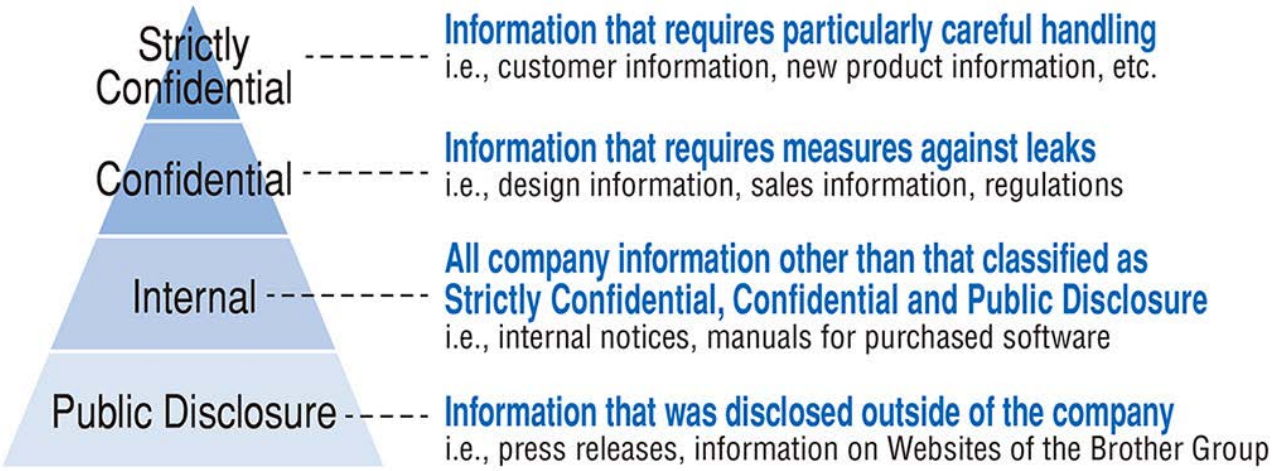
The Information Management Committee holds regular meetings twice a year to deliberate on, give instructions on, and approve the following matters within BIL and the Brother Group:
(1) Establishment of information management systems and rules related to information management
(2) Annual plans and performance 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, 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.

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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

Information Security Report

This report provides information on our basic policy, management structure, initiatives, and other relevant aspects of BIL's information security.

PDF Information Security Report [PDF/6.2MB] (Last update: September 28, 2026)
https://download.brother.com/pub/com/en/corporate/security/isr-e.pdf

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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) established a Compliance Committee to build a Group-wide compliance promotion structure aimed at preventing compliance violations within the Brother Group, ensuring that any violation will be addressed through prompt action, and preventing reoccurrences thereof.

In particular, if a compliance risk that could have a significant impact on the management of the Group is realized or is predicted to be realized, the case will be immediately reported to the BIL Compliance Committee Secretariat, and an investigation will be initiated. 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 include external experts (such as lawyers) as needed. The progress of the entire range of countermeasures against such a serious case, from corrective action to preventive measures against recurrences, is managed by the BIL Compliance Committee and reported to the BIL Risk Management Committee, Audit & Supervisory Committee and Board of Directors in a timely manner.

In addition, compliance issues and whistleblowing incidents that occur within the Brother Group are periodically reported to the BIL Compliance Committee. We therefore centralize information to control

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compliance promotion throughout the Brother Group.



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 formulated the Brother Group Global Policy for Helpline for Compliance Issues as shown below and Group regulations based on that policy (Standards for the Operation of the Employee Helpline for Compliance Issues). Therefore, each Brother Group company has in place a system for compliance consultation and reporting.

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.

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

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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.

Number of cases handled by the Brother Group Employee Helpline for Compliance Issues

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of cases handled	90	85	120	112	112
(Breakdown: BIL)	11	11	22	16	18

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	FY2021	FY2022	FY2023	FY2024	FY2025
(Breakdown: Group companies in Japan)	56	47	51	58	42
(Breakdown: Group companies outside Japan)	23	27	47	38	52

Operation of the Employee Helpline for Compliance Issues at BIL

BIL has established the Employee Helpline for Compliance Issues within its Compliance Committee Secretariat to receive consultation requests and reports on compliance issues in general from BIL employees and others.
BIL has also set up the internal Employee Helpline for Harassment Issues, which is dedicated to harassment behavior—such as sexual and “power” harassment—in an effort to create a workplace environment where the individuality and existence of each employee is respected. BIL is also committed to preventing quality-related injustices by establishing the Quality Compliance Helpline, which is dedicated to quality-related compliance violations. We also have an External Compliance Helpline, which allows employees to report directly to affiliated lawyers outside the company.

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.

As part of this revision, we have discontinued publishing the handbook in paper form and shifted to publication on the intranet. This change has not only made it easier to update the contents 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.

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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.

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.

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Online Compliance Training (e-learning) Results for BIL and Japan-based Brother Group Companies

	FY2021	FY2022	FY2023	FY2024	FY2025
Training period	August – November 2021	August– November 2022	August– December 2023	August– December 2024	August– December 2025
Target (including seconded employees and temporary employees inside and outside of Japan)	7,838 People	8,823 People	8,897 People	8,746 People	8,711 People
Percentage of people trained	93%	94%	94%	97%	96%
Topics	1) Accounting Fraud 2) Antimonopoly Act 3) Quality Fraud	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) 4) 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	1) Unauthorized taking out of corporate information 2) Illegal online casinos 3) Actual responses to consultation requests and reports

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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 FY2025, awareness of the Helpline for Compliance Issues was at 90%.

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 150 recruits in in-person training upon their entry to the company in FY2025). 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 5 eligible employees in in-person training before their transfer in FY2025).
From FY2018, when the survey started, to FY2025, 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 a 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.

4. Disclosure of Country-by-Country Report (CbCR)

The Brother Group fulfills its tax obligations appropriately in each country and region, in line with the objectives of the OECD's Base Erosion and Profit Shifting (BEPS) Project.
For the Brother Group's Country-by-Country Report (CbCR), please see the PDF file below. This report is disclosed in accordance with the EU's public CbCR scheme.

PDF Country-by-Country Report (CbCR) (FY2025) [PDF/205KB] (Last update : September 24, 2026)
https://download.brother.com/pub/com/en/corporate/governance/cbcr2025.pdf

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ESG Data

Common Data

The Brother Group Global Charter

	FY2021	FY2022	FY2023	FY2024	FY2025
> The Brother Group Global Charter https://global.brother/en/corporate/principle	Established in 1999				
Number of available languages	28 languages	28 languages	29 languages	29 languages	29 languages
Number of dialogues between top management and employees	About 4,500 times	About 4,600 times	About 4,600 times	About 4,500 times	About 4,400 times

Numbers of facilities/Sales revenue

		FY2021	FY2022	FY2023	FY2024	FY2025
Manufacturing facilities and sales facilities		In more than 40 countries and regions				
Sales revenue (Consolidated)		710,938 million yen	815,269 million yen	822,930 million yen	876,558 million yen	893,464 million yen
Sales revenue by region	Japan	14.8%	14.2%	14.2%	13.3%	10.0%
	The Americas	31.3%	33.8%	34.4%	34.6%	34.9%
	Europe	27.3%	25.7%	27.7%	27.0%	28.7%
	Asia & Others	26.6%	26.3%	23.8%	25.1%	26.5%

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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
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 from 2025
Science Based Targets	Certified for 1.5°C target in April 2022
CDP 2025 Supplier Engagement Rating	Recognized as a Supplier Engagement Leader from 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 9x Winner in 2026
Minister of the Environment Awards for Climate Action	Awarded the Climate Action Grand Prize for the first time in FY2024
Energy Conservation Grand Prize	First awarded in FY2021, and has received the prize three times in total (FY2021,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

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Environmental-Related Data (E)

PDF List of ISO 14001-Certified Facilities [PDF/124KB]
https://global.brother/pub/com/en/eco/pdf/2026/iso14001.pdf

PDF Timeline for Environmental Milestone Achievement [PDF/186KB]
https://global.brother/pub/com/en/eco/pdf/2026/history.pdf

PDF Internal Environmental Commendation System and Initiatives [PDF/180KB]
https://global.brother/pub/com/en/eco/pdf/2026/award.pdf

Material balance

The Brother Group's manufacturing facilities are engaged in processing and assembly to supplying various 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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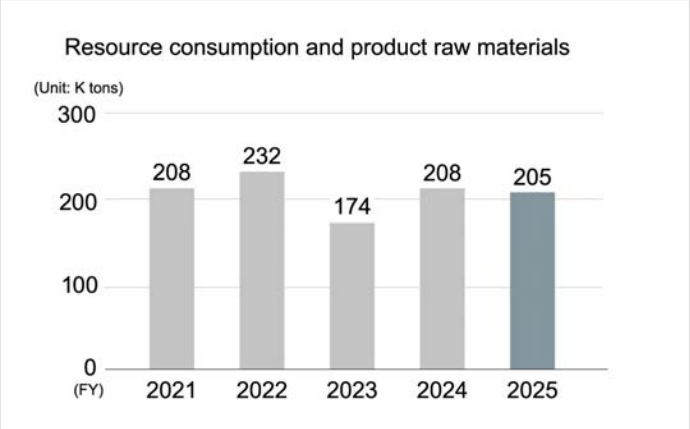
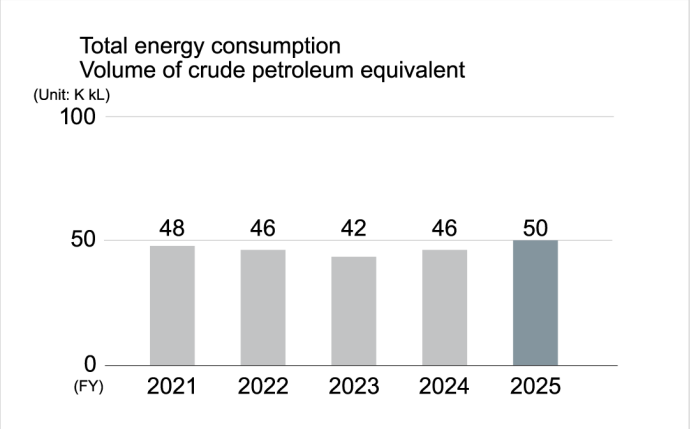
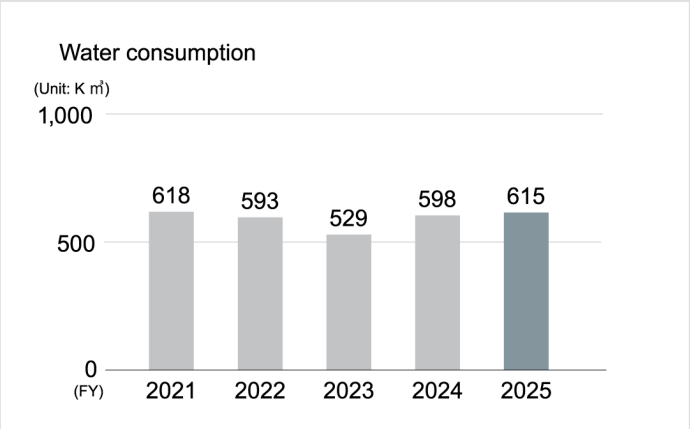
Resource utilization and material production/emissions from FY2021 through FY2025

Resource and energy inputs







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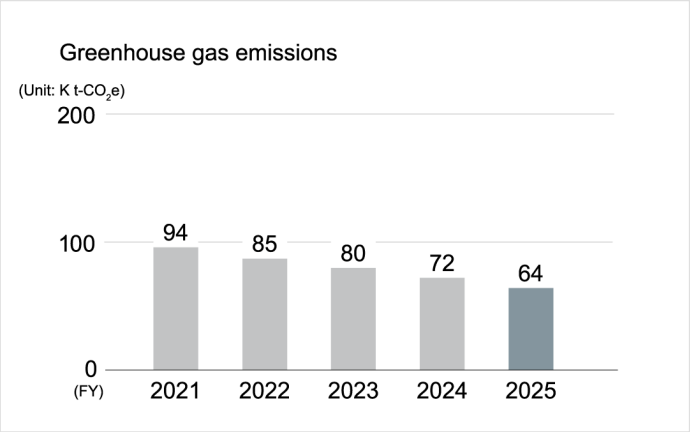
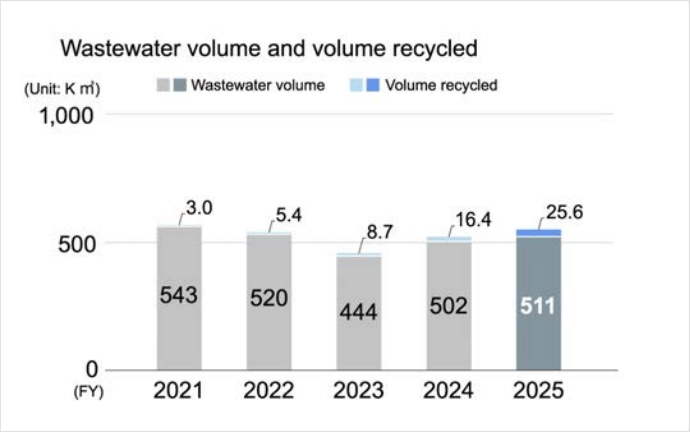
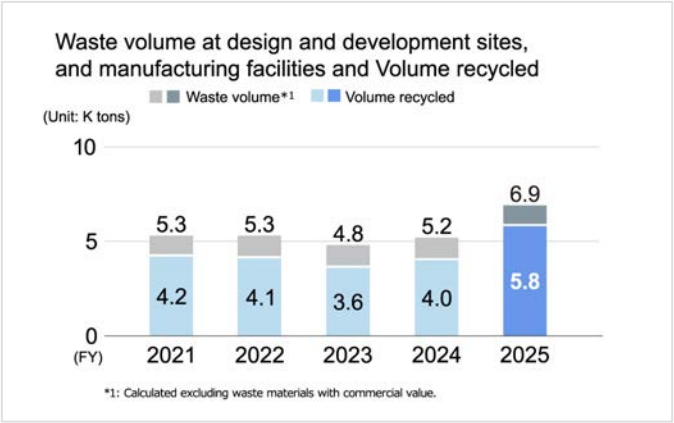
Material production/emissions







For the list of applicable sites, see page 8 of "Material balance" [PDF/278KB].

PDF Material Balance [PDF/278KB]
https://global.brother/pub/com/en/eco/pdf/2026/material-balance.pdf

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Scope 1, 2, and 3 greenhouse gas (GHG) emissions according to ISO 14064 from FY2021 ough FY2025

Category		CO_2 emissions in t-CO_2e equivalent				
		FY2021	FY2022	FY2023	FY2024	FY2025[*1]
Scope 1: Direct emissions		18,724	19,040	18,840	17,850	17,677
Scope 2: Indirect emissions from energy use Market-based		105,099	93,409	91,228	82,897	70,429
Scope 3: Other indirect emissions		2,942,352	3,439,056[*2]	2,431,462	2,633,871	2,476,815
C1	Purchased goods and services	1,404,939	1,671,015[*2]	1,253,780	1,411,041	1,338,890
C2	Capital goods	86,955	123,562	126,268	119,606	129,389
C3	Fuel- and energy-related activities	11,838	12,062	11,899	12,130	21,405
C4	Upstream transportation and distribution	138,978	99,236	95,109	90,402	112,186
C5	Waste generated in operations	2,849	3,257	3,991	8,822	5,751
C6	Business travel	1,887	4,023	6,502	6,673	7,870
C7	Employee commuting	14,819	14,768	15,553	16,574	14,293
C8	Upstream leased assets	4,101	3,827	4,588	4,316	3,718
C9	Downstream transportation and distribution	15,366	17,825	14,762	14,269	21,492
C10	Processing of sold products	-	-	-	-	0
C11	Use of sold products	995,115	1,183,284	670,148	642,375	545,560
C12	End of life treatment of sold products	263,618	305,036	227,291	306,135	275,179
C13	Downstream leased assets	1,886	1,160	1,168	1,178	1,082
C14	Franchises	-	-	-	-	0
C15	Investments	-	-	402	350	0
Total of Scopes 1, 2, and 3 Market-based		3,066,176	3,551,505[*2]	2,541,530	2,734,618	2,564,921

*1: External assurance of calculations in accordance with the GHG Protocol

*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.

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Calculation Approach and Methodology

PDF GHG Calculation Methodology [PDF/98KB]
https://global.brother/pub/com/en/eco/pdf/2026/calculation-method.pdf

Scope

PDF Scope of auditing for ISO 14064 [PDF/200KB]
https://global.brother/pub/com/en/eco/pdf/2026/iso14064.pdf

External assurance

PDF BSI Verification Opinion and Independent Assurance Statement 2025 [PDF/1.3MB]
https://global.brother/pub/jp/eco/pdf/2026/bsi-opinion-assurance.pdf
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 2015 [PDF/524KB]
https://global.brother/pub/com/en/eco/pdf/2016/lrqa-assurance.pdf

PDF Response to 2026 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2026/cdp2026questionnaire.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 FY2021 through FY2025

Water intake, wastewater volume, volume of water recycled

		FY2021	FY2022	FY2023	FY2024	FY2025
Water intake(m^3)	Clean water	506,166	470,172	408,991	446,818	466,221
	Industrial water	0	0	0	0	0
	Underground water	111,697	123,034	119,904	151,316	148,912
Wastewater volume(m^3)	Public waters	170,392	150,453	110,928	126,247	142,825
	Sewer system	372,721	369,193	333,406	375,282	364,369
	Others	150	149	36	0	3,329
Volume of water recycled(m^3)		2,978	5,385	8,717	16,354	25,571
Percent of water recycled(%)		0.5	1.0	1.9	3.2	4.8

PDF Response to 2026 CDP Questionnaire [PDF/1.3MB]
https://global.brother/pub/com/en/eco/pdf/2026/cdp2026questionnaire.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

Biodiversity conservation

PDF Recognitions as a Master Certified Aichi Biodiversity Company and a Nagoya Nature Positive Partner [PDF/173KB]
https://global.brother/pub/com/en/eco/pdf/2026/nature-positive.pdf

PDF Brother Eco Point Program [PDF/102KB]
https://global.brother/pub/com/en/eco/pdf/2026/eco-point.pdf

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

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

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Pollution prevention and chemical substance management

PDF Brother Industries, Ltd. FY2021-2025 Balance of Chemical Substances Subject to PRTR [PDF/106KB]
https://global.brother/pub/com/en/eco/pdf/2026/prtr.pdf

> Pollution Prevention and Chemical Substance Management
https://global.brother/en/sustainability/eco/pollution

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

	FY2021	FY2022	FY2023	FY2024	FY2025
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 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	Conducted on-site and online Participated in by 752 people from 413 companies
CSR questionnaire	Started in 2012 (conducted every three years), revised in 2020 (conducted every two years)				

Diversity/Supporting work-life balance[*1]

		FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees[*2]	All employees	3,867	3,890	3,877	3,903	3,997
	Male	3,067	3,084	3,071	3,077	3,148
	Female	800	806	806	826	849
	Percentage of female employees in total workforce	20.7%	20.7%	20.8%	21.2%	21.2%

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		FY2021	FY2022	FY2023	FY2024	FY2025
Average length of service*2,3	All employees	17.1	16.7	16.3	16.1	15.8
	Male	16.9	16.4	16.1	16.0	15.7
	Female	17.9	17.5	17.2	16.6	16.2
	Gender gap	105.9%	106.7%	107.2%	103.7%	103.0%
Total number of employees in senior management*2,4,5	All employees	815	777	756	760	784
	Male	772	731	708	708	728
	Female	43	46	48	52	56
	Percentage of female employees in senior management	5.3%	5.9%	6.3%	6.8%	7.1%
① Total number of new graduates*3,6	All employees	74	84	113	95	108
	Male	57	65	84	68	85
	Female	17	19	29	27	23
	Percentage of female new graduates	23.0%	22.6%	25.7%	28.4%	21.3%
② Total number of mid-career recruits*3,7,8	All employees	24	71	46	65	98
	Percentage of mid-career recruits based on Labor Measures Comprehensive Promotion Act	24%	46%	29%	41%	48%

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		FY2021	FY2022	FY2023	FY2024	FY2025
	Male	20	56	38	49	85
	Female	4	15	8	16	13
	Percentage of female mid-career recruits	16.7%	21.1%	17.4%	24.6%	13.3%
Total number of newly hired employees (① and ② combined)	All employees	98	155	159	160	206
	Male	77	121	122	117	170
	Female	21	34	37	43	36
	Percentage of female employees	21.4%	21.9%	23.3%	26.9%	17.5%
Percentage of contract employees (including temporary staffs)		21.1%	23.1%	23.1%	23.9%	24.0%
Voluntary turnover rates / Number of employees leaving *3,9		0.94 % / 36	1.44% / 55	1.42% / 54	1.59% / 60	1.23% / 47
Employment rate of persons with disabilities *10,11	Brother Industries, Ltd.	2.29%	2.38%	2.34%	2.44%	2.73%
	including 13 Brother Group companies in Japan*12	2.26%	2.31%	2.31%	2.38%	2.63%
Number of employees on childcare leave *13,14	All employees	94	92	119	111	151*15
	Male	65	63	77	86	130*15
	Female	29	29	42	25	21*15
Percentage of	Male	52.0%	67.0%	70.0%	79.6%	102.4%*16,17

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		FY2021	FY2022	FY2023	FY2024	FY2025
employees on childcare leave	Female	100.0%	100.0%	100.0%	96.2%	96.0%
Number of employees on family-care leave *13	All employees	2	2	2	5	3
	Male	2	1	0	2	3
	Female	0	1	2	3	0
Number of employees using the short-time working system for childcare	All employees	184	175	164	165	187
	Male	8	9	9	8	12
	Female	176	166	155	157	175
Number of employees using the short-time working system for family-care	All employees	5	4	4	2	4
	Male	1	1	2	0	2
	Female	4	3	2	2	2
Number of employees on nursing care leave	All employees	16	32	35	27	22
	Male	6	12	14	12	6
	Female	10	20	21	15	16

*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
*15: From FY2025, this includes employees who used a leave program for childcare purposes for children before entering elementary school
*16: From FY2025, the calculation method has been revised in accordance with the Ministry of Health, Labour and Welfare's guidelines as follows:
(Number of male employees who took childcare leave + Number of male employees who used a leave program for childcare purposes for children before entering elementary school) ÷ Number of male employees whose spouse gave birth
*17: If the fiscal year in which a child is born differs from the fiscal year in which childcare leave is taken, the numerator may exceed the denominator, resulting in a rate exceeding 100%
(Example: A male employee whose spouse gave birth in FY2024 takes childcare leave in FY2025.)

Safety, health and disaster prevention/Health and productivity management

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of occupational injuries reported at manufacturing facilities	15	18	14	8	24
Yearly incident rate ((number of incidents/number of employees) x 1,000) at manufacturing facilities	0.50	0.62	0.58	0.30	0.88
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

	FY2021	FY2022	FY2023	FY2024	FY2025
Employees' participation in the Golden Ring Project	At 13 facilities	At 24 facilities	At 30 facilities	At 29 facilities	At 28 facilities
Amount of global donations	225,495,501 yen	188,320,870 yen	229,866,510 yen	176,114,373 yen	154,565,438yen

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		FY2021	FY2022	FY2023	FY2024	FY2025
The Kizuna Fund	Number of employees who participated	129	105	112	52	25
	Amount of donations	2,570,965 yen	4,211,876 yen	3,696,388 yen	3,424,522 yen	2,083,479 yen
Amount of donations to registered not-for-profit organizations (Brother Industries, Ltd.)		65,014,680 yen	44,307,800 yen	42,831,730 yen	23,448,760 yen	20,100,000 yen
Tokai Young Entrepreneur Seminar		Supported by Brother Industries, Ltd. since 2008				
Number of pro bono participants (Brother Industries, Ltd.)	Target	3	3	3	4	3
	Achievement	3	4	4	4	4

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Governance-Related Data (G)

Corporate governance

Numbers indicate the number of persons; figures in parentheses indicate females.

		FY2022*1	FY2023*2	FY2024*3	FY2025*4	FY2026*5
Number of Directors	Total	11 (1)	11 (1)	11 (1)	10 (1)	12 (3)
	Outside Directors (included in total)	5 (1)	5 (1)	5 (1)	5 (1)	7 (3)
	Audit & Supervisory Committee Members (included in total)	-	-	-	-	5 (2)
	Percentage of Female Directors on the Board	9.1%	9.1%	9.1%	10.0%	25.0%
Number of Statutory Auditors	Total	5 (0)	5 (1)	5 (1)	5 (2)	Transition to a company with Audit & Supervisory Committee
	Outside Auditors (included in total)	3 (0)	3 (1)	3 (1)	3 (2)	
Number of Directors, Statutory Auditors and Executive Officers	Total	30 (2)	30 (3)	32 (3)	33 (4)	33 (4)
	Non-Japanese Officers (included in total)	2 (0)	2 (0)	2 (0)	2 (0)	2 (0)
	Percentage of Female Directors, Audit & Supervisory Committee Members, and Executive Officers	6.7%	10.0%	9.4%	12.1%	12.1%
> 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 20, 2022

*2 : As of June 22, 2023

*3 : As of June 25, 2024

*4 : As of June 25, 2025

*5 : As of June 24, 2026

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