















The Brother Group
Medium-Term Business Strategy
CS B2024
Take off towards our new future

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This presentation will explain CS B2024, the Brother Group Medium-Term Business Strategy from FY2022 until FY2024.

Brother's business areas



Business areas		Business segments		Area (Main products & service portfolio)				
Industrial area	Machinery/FA	Nissei		 Reducer Gear	 Machine tool	 Industrial Sewing Machine		
		Machinery	Industrial Equipment				 Garment printer	 Coding and marking equipment
	Industrial Sewing Machines		Garment Printing					
	Industrial Printing	Domino		Commercial & Industrial Labeling	 Commercial & Industrial use label printer	 Mobile printer	 Labeling system	 Printer
Printing	Printing & Solutions	Labeling	Home & Office Labeling					
		Communications & Printing Equipment						
Consumer area	Home & Culture	Personal & Home		 Home sewing machine	 Home cutting machine	 Online Karaoke system		
		Network & Contents						

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I will begin by explaining the division of business area within this document.

Business overall is divided into the Industrial area and Consumer area.

The Industrial area consists of the Nissei, Machinery and Domino businesses, as well as Commercial & Industrial Labeling within the P&S Business.

The Consumer area consists of the P&S Business excluding Commercial & Industrial Labeling, P&H Business and N&C Business.

Please note that these segments may differ from the segments disclosed in financial statements such as Summary of Financial Results and the Annual Securities Report.

- ✓ **Brother Group Vision**
- ✓ Review of CS B2021
- ✓ Outline of CS B2024
- ✓ Management targets of CS B2024

I will first explain the Brother Group Vision, which is the basis of CS B2024.

This vision, launched in April 2022,
presents Brother's raison d'être and value proposition to society.
The medium-term business strategy CS B2024 was drafted by backcasting from this vision.



Our Purpose

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

Our Approach

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

Our Focus Areas

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


In the Brother Group Vision “At your side 2030” which launched in April 2022, Brother’s Purpose is “By being "At your side," we enable people’s productivity and creativity, contribute to society, and help protect the earth.”

To realize Our Purpose, we have identified Our Approach and Our Focus Areas.

This Medium-Term Business Strategy was drafted by backcasting the strategy from our 2030 Vision.

Brother has identified the five materialities below as priority social issues to contribute to society and help protect the earth, and will work to address them.

Materialities to be undertaken by Brother (priority social issues)



At your side
2030 Our Purpose

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

Materiality

- Supporting people's value creation
- Realizing a diverse and active society
- Pursuing a responsible value chain
- Reducing CO₂ emissions
- Circulating resources

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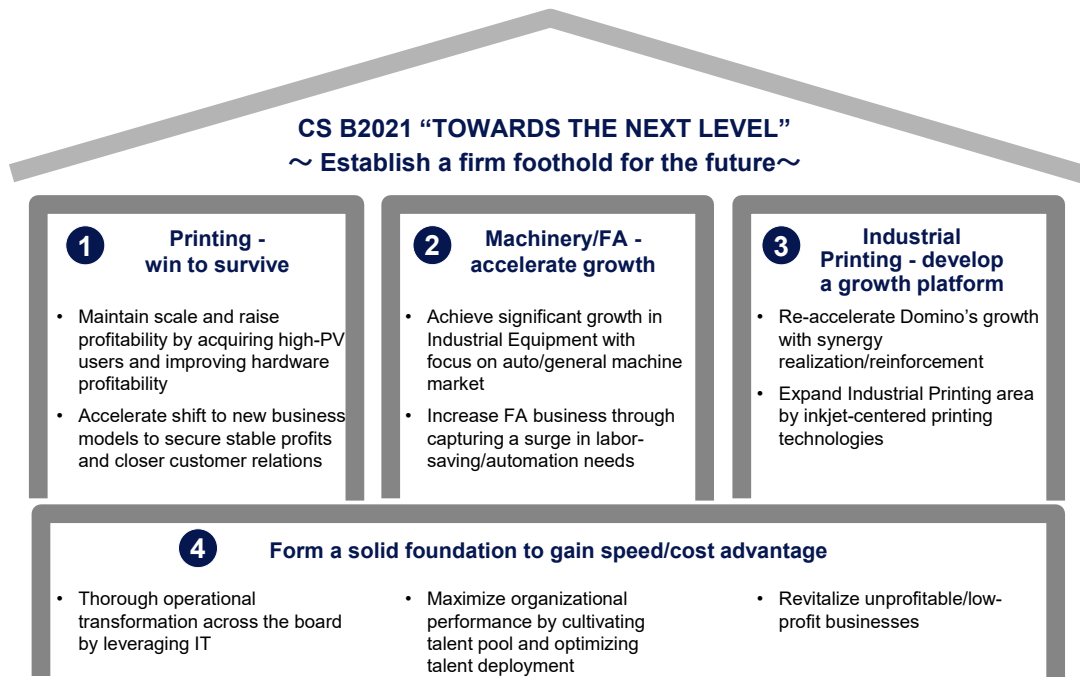
In addition, Our Purpose to “contribute to society and help protect the earth” as stated in our Vision, indicates the promotion of sustainability in the Brother Group.

We have identified five materialities as priority social issues to contribute to society and help protect the earth, and set targets in CS B2024 to address these materialities.

Specific information about materialities and targets will be discussed later.

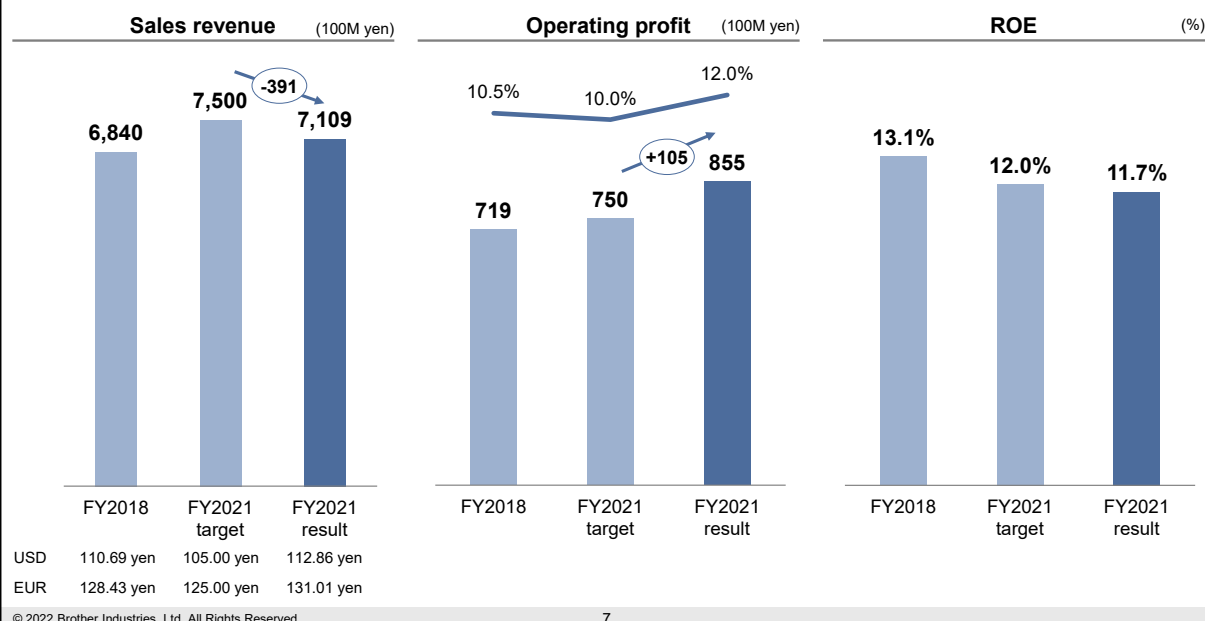
- ✓ Brother Group Vision
- ✓ **Review of CS B2021**
- ✓ Outline of CS B2024
- ✓ Management targets of CS B2024

Next is a review of CS B2021, the Medium-Term Business Strategy from FY2019 until FY2021.



In the CS B2021 Medium-Term Business Strategy, with the theme of “TOWARDS THE NEXT LEVEL,” we have implemented transformations focused on four strategic themes and worked to establish a foothold for growth.

Operating profit exceeded the target and ROE was around the same level as the target, although sales revenue fell short.



With regards to sales revenue, operating profit and ROE targets that were set as financial indicators, the business environment changed significantly due to the global spread of COVID-19 from the end of FY2019. Under these circumstances, in the final fiscal year of 2021, while sales revenue fell short of the target of 750 billion yen, operating profit greatly exceeded the target of 75 billion yen due to special factors related to COVID-19.

In addition, ROE was around the same level as the target.

Profitability improved significantly, but we did not achieve the target for growth in the Industrial area, and we recognize the need for a variety of transformations for the future, including those in various management foundations.

	Achievements of CS B2021	Challenges for CS B2024
1 Printing - win to survive	<ul style="list-style-type: none"> Achieved significantly improved profits due to steady sales of consumables, improved product mix, and mitigation of price competition 	<ul style="list-style-type: none"> Accelerate business model transformation Achieve growth in Commercial & Industrial Labeling business
2 Machinery/FA - accelerate growth	<ul style="list-style-type: none"> In Industrial Equipment business, increased sales in automobile and general machine market 	<ul style="list-style-type: none"> Achieve continuous growth in sales of Industrial Equipment business Return Nissei's business to a growth trajectory
3 Industrial Printing - develop a growth platform	<ul style="list-style-type: none"> Domino's C&M and garment printer achieved steady growth Enhanced Domino's product lineup by utilizing Brother's development resources 	<ul style="list-style-type: none"> Accelerate growth in Domino business Strengthen technological foundation for product development in Industrial Printing area
4 Form a solid foundation to gain speed/cost advantage	<ul style="list-style-type: none"> Reduced manhours and other measures through operational reforms and responded to a myriad of irregular operations under the COVID-19 pandemic 	<ul style="list-style-type: none"> Improve resilience of own supply chain, which showed confusion due to the COVID-19 pandemic Optimize allocation of talents to priority areas such as the industrial business area

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I will now review each of the four strategic themes.

With regards to winning to survive in the Printing area, we achieved significantly improved profits due to steady sales of consumables, improved product mix, and mitigation of price competition.

With regards to accelerating growth in the Machinery/FA area, in the Industrial Equipment business, sales increased in the automobile and general machine markets.

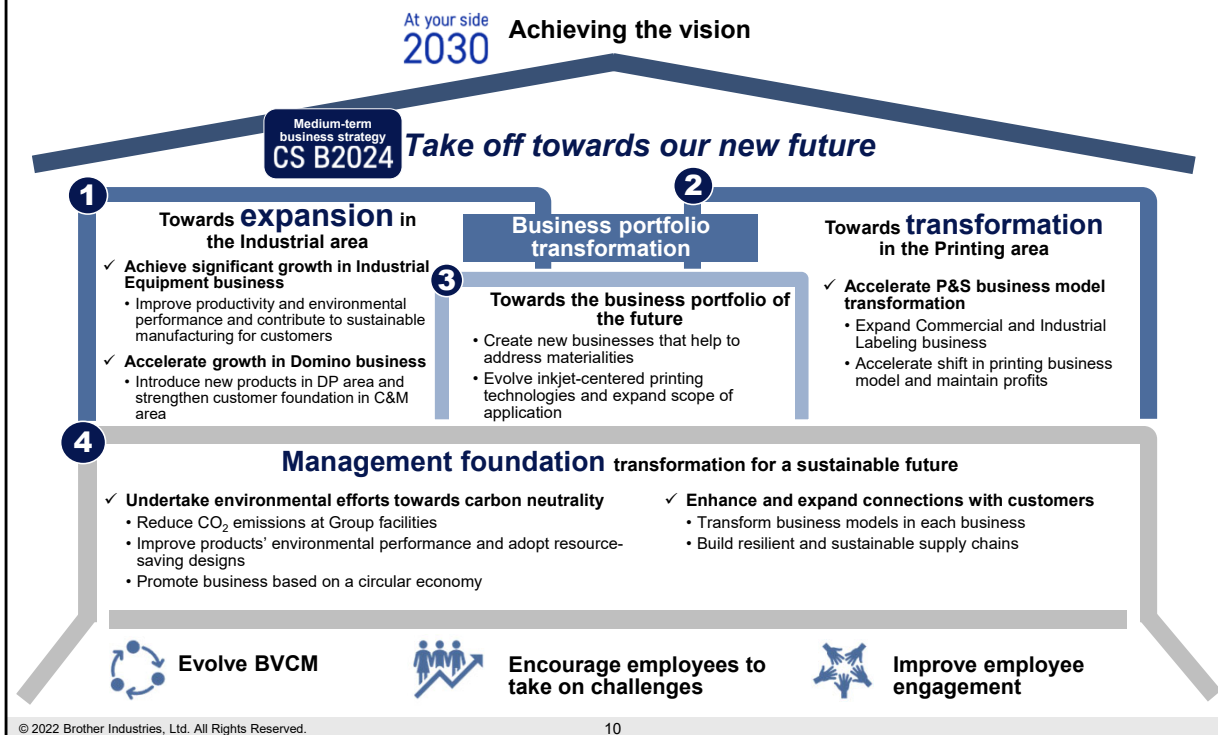
With regards to developing a growth platform in the Industrial Printing area, Domino's Coding & Marking and garment printer achieved steady growth. In addition, we enhanced Domino's product lineup by utilizing Brother's development resources.

With regards to forming a solid foundation to gain speed/cost advantage, we reduced manhours through operational reforms and responded quickly to a myriad of irregular operations under the COVID-19 pandemic.

Under CS B2021, while profitability improved significantly, the acceleration of business model transformation in the Printing area and growth in the Industrial area are still ongoing, and we recognize the need for a variety of transformations for the future, including those in various management foundations.

- ✓ Brother Group Vision
- ✓ Review of CS B2021
- ✓ **Outline of CS B2024**
- ✓ Management targets of CS B2024

I will now explain the new CS B2024 Medium-Term Business Strategy.



With the theme of "Take off towards our new future," CS B2024 aims for business portfolio transformation and management foundation transformation for a sustainable future in order to realize "At your side 2030."

The following are three priority themes toward achieving business portfolio transformation:

- (1) Expansion in the Industrial area
- (2) Transformation in the Printing area
- (3) Activities toward the business portfolio of the future.

We will then promote management foundation transformation for a sustainable future to support these themes.

Assumptions for performance targets

In order to better clarify the direction and scale of growth of CS B2024, this presentation compares FY2022 target with FY2024 using the same exchange rate.

		Recent performance and FY2024 target			
(100M yen)		FY2021	FY2022 forecast	FY2022 target with changed FX	FY2024 target
Profit and loss	Sales revenue	7,109	7,750	7,200	8,000
	Operating profit	855	730	640	10% at least
	Profit for the period	610	510	450	7% at least
Exchange rate (against JPY)	USD	112.86	122.00	108.00	
	EUR	131.01	133.00	125.00	

A year in which extraordinary factors related to the impact of COVID-19 had a significant impact on profit.

The latest forecast that has been updated with new assumptions regarding currency exchange rates since the global situation changed suddenly in March.

FY2022 target using the same exchange rate as FY2024

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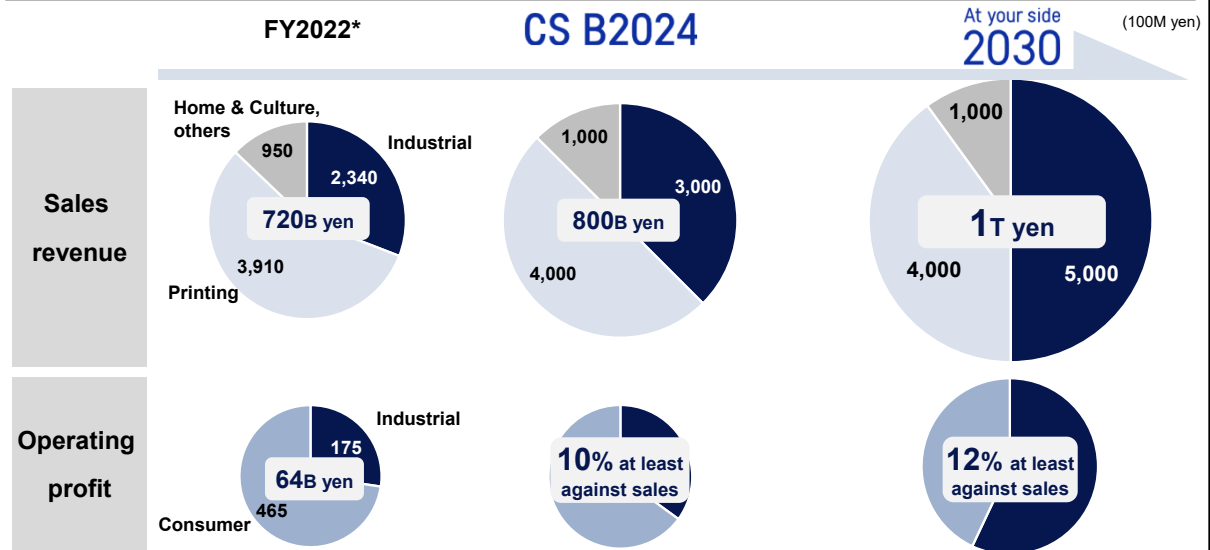
Here, I will explain assumptions for performance targets.

The currency exchange rate assumptions for the FY2024 target were 1 USD = 108 yen and 1 EUR = 125 yen before the rapid depreciation of the yen.

The exchange rate assumptions for the FY2022 forecast announced today are 1 USD = 122 yen and 1 EUR = 133 yen, which takes into account the depreciation of the yen. However, in order to make the direction and scale of growth in CS B2024 easier to understand, this document compares the FY2024 performance target with the FY2022 target using the same exchange rate as FY2024.

Transform business portfolio through expansion in Industrial area and transformation in Printing area and continue to grow as a multi-business enterprise in Industrial and Consumer areas.

Image of change in business portfolio



* Reference values for comparison with FY2024 targets and exchange rate assumptions

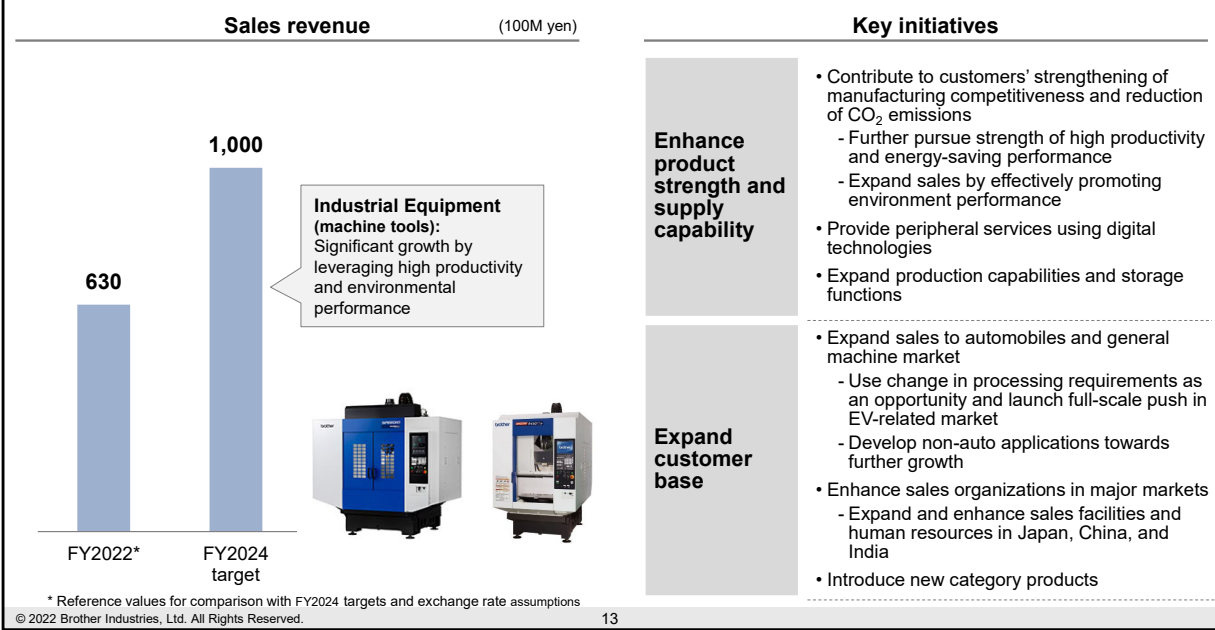
We will expand the sales revenue composition of the Industrial area, which current accounts for approximately 30% of total sales revenue, to just under 40% in FY2024 and approximately 50% in FY2030 through business portfolio transformation.

Conversely, in the Printing business that currently accounts for over 50% of sales revenue, while its composition ratio will decline, it will maintain the scale of its sales through business model transformation.

By continuing to grow as a business conglomerate with both an Industrial area and Consumer area through business portfolio transformation, we aim to achieve sales revenue of 1 trillion yen and an operating profit of at least 12% in FY2030.

① Towards expansion in the Industrial area
Achieve significant growth in Industrial Equipment business

Achieve significant growth in the Industrial Equipment business by contributing to enhancing customers' competitiveness of manufacturing and reducing CO₂ emissions, through improving productivity and environmental performance.



I will now explain the priority themes for our business portfolio transformation.

The first is the growth strategy for the Industrial Equipment business, which is responsible for expansion in the Industrial area.

Brother's SPEEDIO series of machine tools are compact, boast high productivity, and have been supported by many customers. Going forward, we aim to achieve significant growth by further refining productivity and environmental performance and achieve 100 billion yen in sales revenue by FY2024.

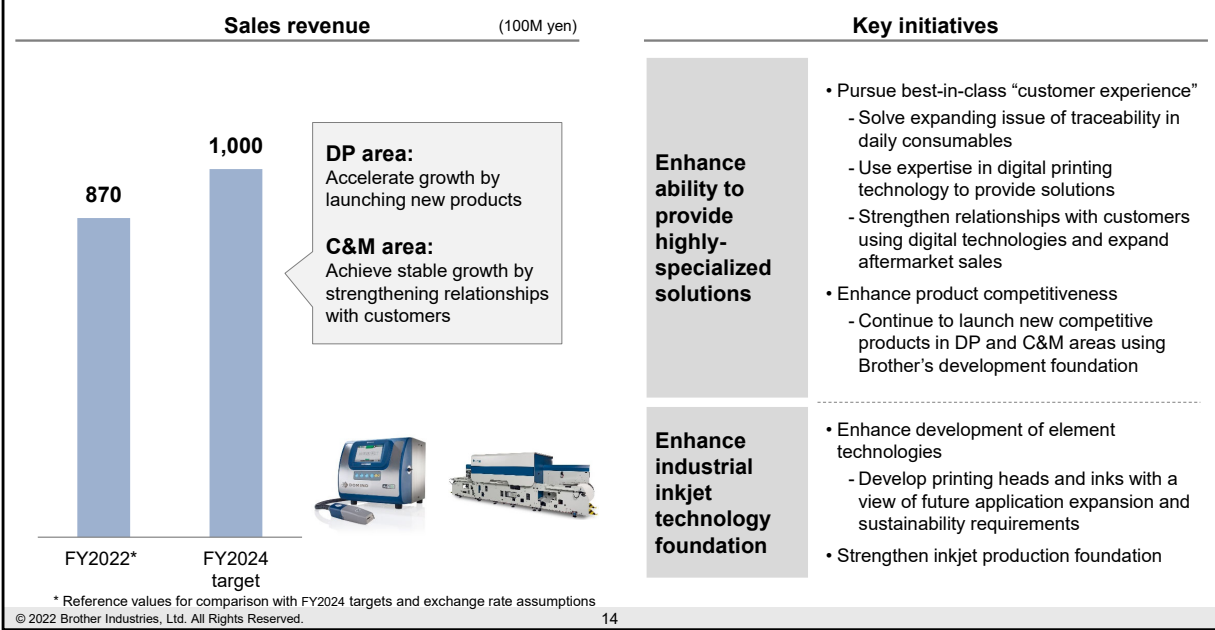
As priority measures, in addition to strengthening product competitiveness, we will provide peripheral services using digital technology, expand production capabilities and storage functions, and so on.

With regards to our customer base, we will take the trend towards EVs in automobiles as a good opportunity, establish the automobiles and general machinery market, which is expected to continue to grow, as a focus market, and work to expand sales. We will also develop non-automobile applications to achieve further growth.

At the same time, we will promote the enhancement of our sales structure globally. In particular, we will expand and enhance sales facilities and human resources in the priority regions of Japan, China, and India.

In addition, we will consider the introduction of new category products.

**Accelerate growth by enhancing product strength in DP area and strengthening relationships with customers in C&M area.
Enhance inkjet technology foundation to secure long-term competitiveness.**



Next is the growth strategy for the Industrial Printing area centered around the Domino business.

The products that the Domino business handles mainly includes digital printing equipment for printing items such as product package labels as well as coding & marking equipment for printing expiration dates and other information on PET bottles and cans. We refer to the former as the DP area and the latter as the C&M area.

Going forward, we will promote the enhancement of product strength by introducing new products as well as the strengthening of relationships with customers, and have set a target to achieve 100 billion yen in sales revenue in FY2024.

As priority measures, with the theme of enhancing our ability to provide highly-specialized solutions, we will pursue best-in-class “customer experience” by solving the expanding issue of traceability in daily consumables, using expertise in digital printing technology to provide solutions, and expanding aftermarket sales by strengthening relationships with customers using digital technologies.

We will also use Brother’s development foundation to continue to launch new competitive products in the DP and C&M areas.

In addition, we will develop printing heads and inks with a view of future application expansion and sustainability requirements, and enhance our industrial inkjet technology foundation to gain long-term competitiveness in the industry.

② Towards transformation in the Printing area
Accelerate business model transformation of P&S business

Strive to strengthen profitability of existing business even amid the harsh market environment. Accelerate transformation for the future, including shifting business model and expanding Commercial & Industrial Labeling business.



Next are efforts towards transformation in the Printing area.

In the Printing business, we will achieve sales revenue growth even amid the harsh business environment by accelerating the shift in our business model while strengthening profitability in existing areas. In the Commercial & Industrial Labeling business, we will aim for continuous business expansion by enhancing our product and sale strengths. As a result, we have set a target to achieve sales revenue of 430 billion yen in FY2024 in the P&S business.

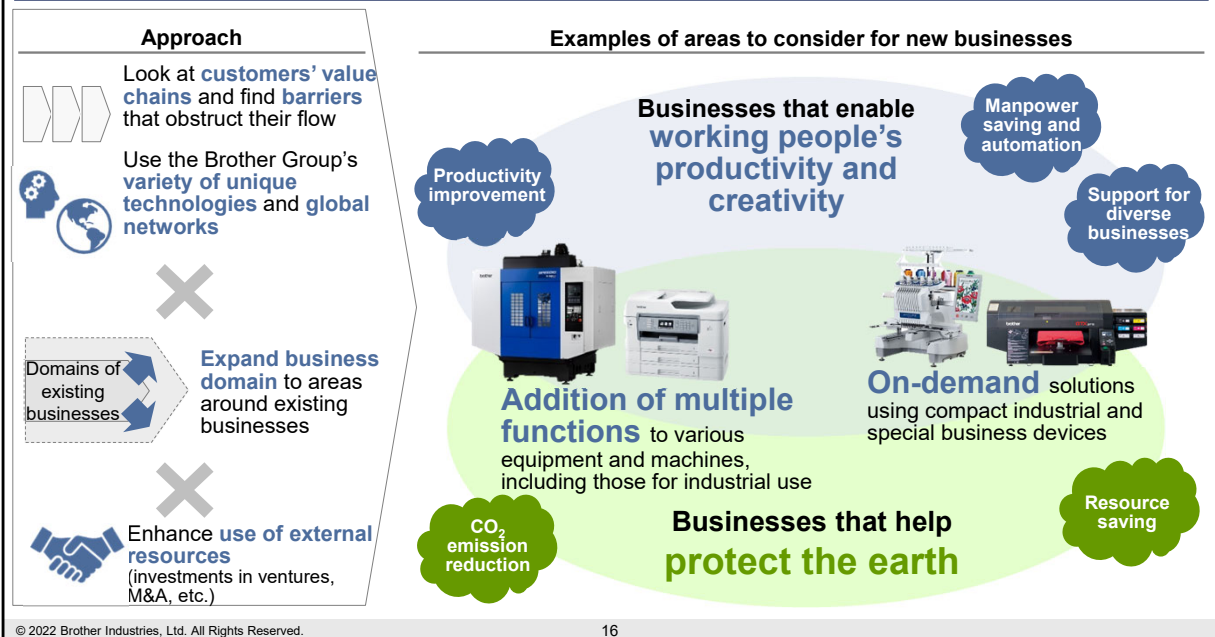
As priority measures, with regards to our core business of printers and All-in-Ones, we will strive to further strengthen the profitability of existing businesses, including maintaining our laser business market position and growing our inkjet business in line with profit. In addition, by accelerating the shift in our business model that connects with customers, including contract-based services, and building contact points with customers through applications of labeling equipment, we are aiming to expand businesses with continuous ties to customers.

To expand our Commercial & Industrial Labeling business, we will strengthen sales in the automatic identification area, referred to as Auto-ID, by providing a simple barcode printing solution that is easy to implement for retail, logistics, and manufacturing industries. We also aim to expand the application of label printers by enhancing consumables and apps that are compatible with labeling applications in various situations, such as wire marking.

We will also focus on undertaking efforts that contribute to sustainability.

③ Towards the business portfolio of the future
Create new businesses that help to address materialities

Search widely for business opportunities that enable working people's productivity and creativity and help protect the earth by further evolving Brother's strengths.







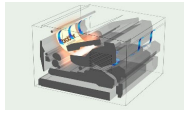

Among our efforts towards building the business portfolio of the future, I will explain the creation of new businesses that help to address materialities.

Since its founding, Brother has created new businesses by leveraging its variety of unique technologies, sales channels, and continuous relationship with customers. Brother currently has production, sales, service and development facilities in more than 40 countries and regions, and we are operating our business globally while leveraging our external network.

We will continue to leverage these strengths and explore new business opportunities in areas such as “businesses that enable working people’s productivity and creativity” and “businesses that help protect the earth” to achieve our Vision.

④ Management foundation transformation for a sustainable future
Undertake environmental efforts towards carbon neutrality

Undertake reduction of CO₂ emissions, resource circulation, and biodiversity conversation through various activities to achieve carbon neutrality in the Group's business activities by 2050.

Main efforts in CS B2024		2030 targets of Environmental Vision
Reduce CO₂ emissions at Group facilities globally	<ul style="list-style-type: none"> Promote energy-saving activities Conduct energy-generation activities such as installation of solar panels Purchase CO₂-free electricity 	<div style="display: flex; flex-direction: column; gap: 10px;"> <div>  [Scopes 1 and 2] 65% reduction </div> <div>  Ratio of virgin materials used in products: 65% or less </div> <div>  Reduction of environmental impact on the ecosystem and conduct of activities to restore and conserve the ecosystem </div> </div>
Reduce CO₂ emissions in product life cycle	<ul style="list-style-type: none"> Further reduce energy consumption and lengthen lifespan Maximize use of recycled materials Strengthen collaboration with suppliers for reduction of CO₂ emissions across the entire supply chain 	
Promote businesses based on a circular economy	<ul style="list-style-type: none"> Expand recovery and recycling of printer consumables Encourage product reuse Expand businesses with continuous ties to customers, such as subscription services 	
Others	<ul style="list-style-type: none"> Conduct tree-planting and forest conservation activities Invest in environment-related venture capital 	

I will now explain the individual themes for management foundation transformation for a sustainable future. First are environmental efforts towards carbon neutrality.

Brother declared in its “Brother Group Environmental Vision 2050” that it will achieve carbon neutrality in the Group’s business activities by 2050, and has also set a medium-term target for 2030.

To achieve this medium-term target, we will undertake efforts throughout the CS B2024 period to reduce CO₂ emissions at Group facilities globally by promoting energy-saving activities, conducting energy-generation activities such as installing solar panels, and purchasing CO₂-free electricity.

We will also undertake efforts to reduce CO₂ emissions in the product life cycle from production through to disposal by further reducing energy consumption and lengthening lifespan, maximizing the use of recycled materials, and strengthening collaboration with suppliers.

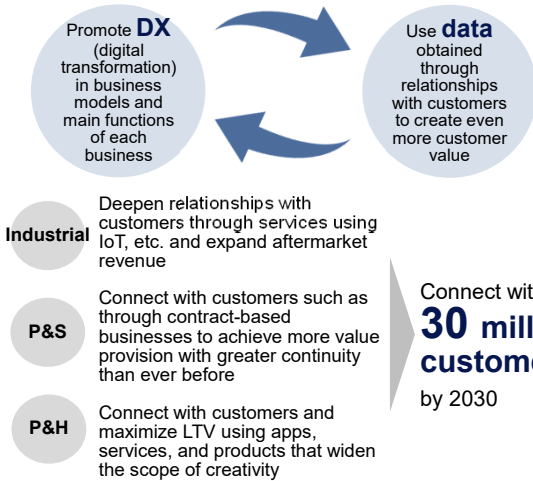
Furthermore, we will promote businesses based on a circular economy by expanding recovery and recycling of printer consumables, encouraging product reuse, and expanding businesses with continuous ties to customers.

By promoting these efforts, we will aim to achieve the 2030 target, which is the medium-term target of the Brother Group Environmental Vision 2050.

4 Management foundation transformation for a sustainable future
Enhance and expand connections with customers

Use digital technologies thoroughly and promote business model transformation and building of resilient supply chains to connect with even more customers and continuously provide more value than ever before.

Transform business models



Build resilient and sustainable supply chains



Connect with **30 million customers or more** by 2030



 Use digital technologies thoroughly

Next is enhancing and expanding connections with customers.

As the foundation for business portfolio transformation that is the goal of CS B2024, it is essential to transform the business model of each business and build resilient and sustainable supply chains. To accomplish this, we will make thorough use of digital technologies.

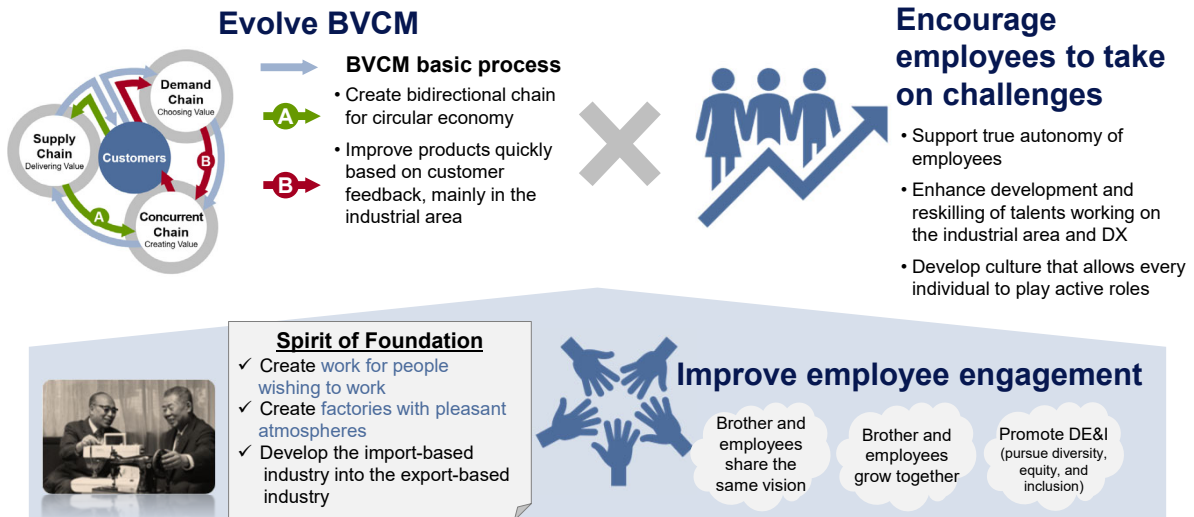
To transform business models, we will promote the DX of main functions in each business and use data obtained through relationships with customers to create even more customer value. We are aiming to connect with 30 million customers or more by 2030 in order to continuously provide more value than ever before.

We will also use digital technologies in order to build resilient and sustainable supply chains. We will move from the pursuit of low costs to factories with multiple functions including recycling and repair at our main factories in Asia, and strengthen local production for local consumption centered around consumables at our factories in Europe and the U.S. We will also expand production facilities for our Industrial business.

In addition, we will attain RBA certification at each manufacturing facility, promote CSR procurement, strengthen collaboration with suppliers, and further strengthen efforts on human rights.

Continuously undertake the three priority themes to continue to improve the Brother Group’s productivity and creativity.

Three priority themes that form the foundation for all transformations



Additionally, we will continuously undertake the following three priority themes as baseline activities to continue to improve the Brother Group’s productivity and creativity.

Brother’s Spirit of Foundation states that we will “create work for people wishing to work” and “create factories with pleasant atmospheres,” and we are a company that has valued its employees since our foundation. In order to further improve employee engagement, Brother and its employees will share the same vision, grow together, and promote DE&I (the pursuit of diversity, equity, and inclusion) to improve our productivity and creativity.

We will encourage employees to take on challenges by supporting their true autonomy, enhancing the development and reskilling of talents working in the Industrial area and DX, and developing a culture that allows every individual to play an active role.

In addition, we will promote the evolution of “Brother Value Chain Management,” Brother’s unique management system. In addition to the basic process indicated by the blue arrow, we will create a bidirectional chain for the establishment of a circular economy as indicated by the A arrow, and create a system that can improve products quickly based on customer feedback in order to enhance the provision of value creation for customers, primarily in the Industrial area, as indicated by the B arrow.

- ✓ Brother Group Vision
- ✓ Review of CS B2021
- ✓ Outline of CS B2024
- ✓ **Management targets of CS B2024**

Next, I will explain the management targets of CS B2024.

Target 800B yen sales revenue and at least 10% operating profit ratio in FY2024 by growing businesses and improving profitability while incorporating prior investments for the future.

CS B2024 performance targets

<p>Assumed exchange rate</p> <hr/> <p>Exchange rate (against JPY)</p> <p>1USD=108.00JPY</p> <p>1EUR=125.00JPY</p>	<p>Sales revenue</p>	<p>800B yen</p>
	<p>Operating profit ratio (Profit for the period ratio*)</p>	<p>10.0% at least (7% at least)</p>
	<p>ROE</p>	<p>10.0% at least (above capital cost)</p>

*Profit for the period attributable to owners of the parent company (assuming a corporate tax rate of 30%)

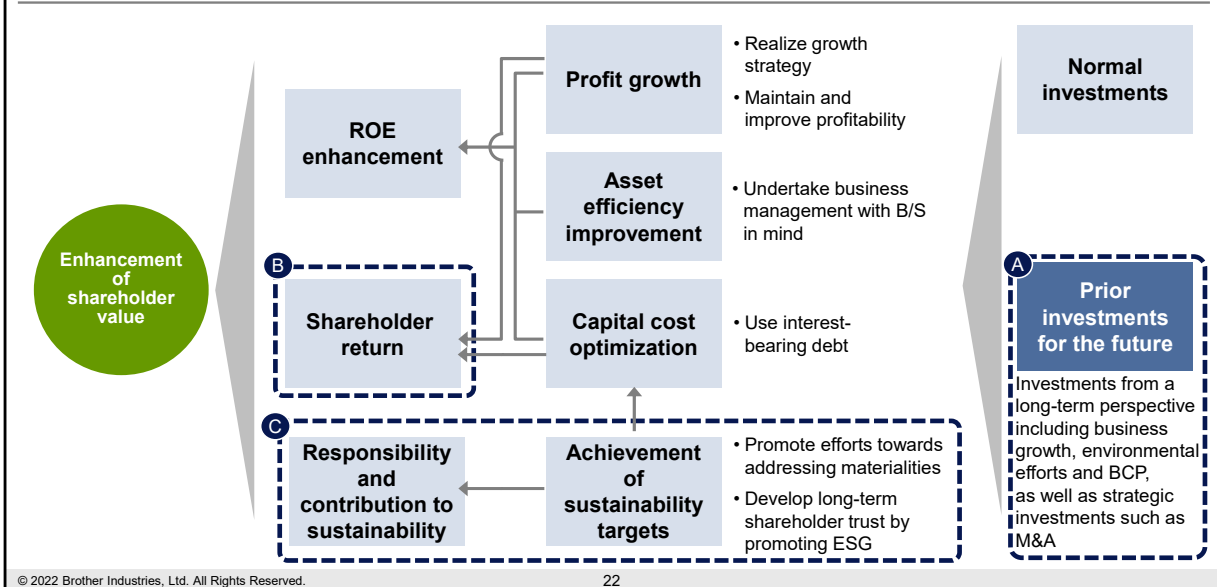
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First are the performance targets.

We will target 800 billion yen in sales revenue and at least 10% operating profit ratio in FY2024 by growing businesses and improving profitability while incorporating prior investments for the future, as will be described shortly. In terms of ROE, we aim to achieve a level of at least 10% above capital cost.

Achieve continuous enhancement of shareholder value by balancing success in business and contribution to sustainability through effective capital utilization.

Overview of financial policy for enhancing shareholder value



I will now explain the financial policy towards enhancing shareholder value.

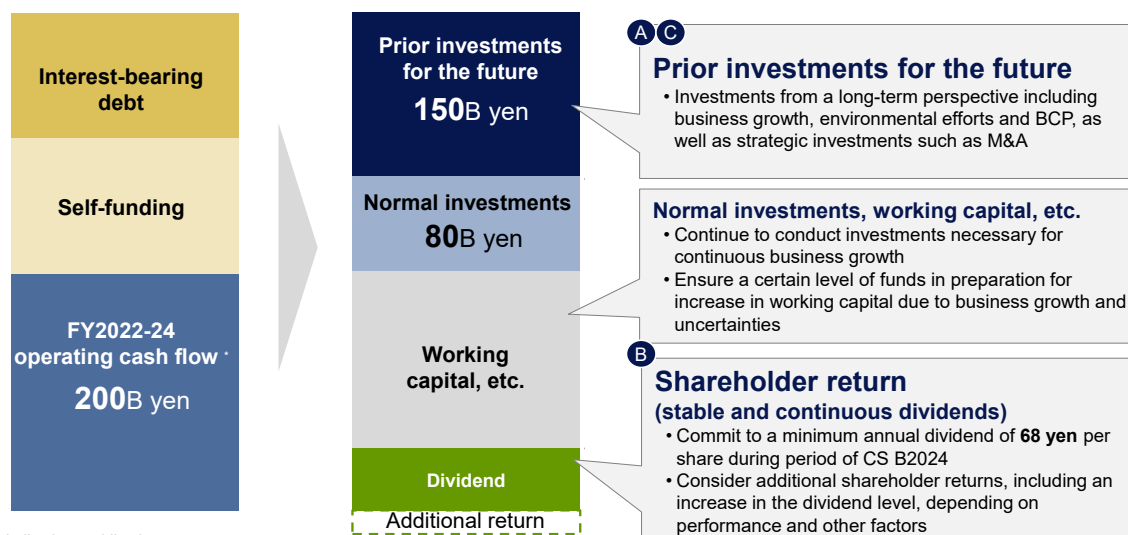
At the Brother Group, we continue to aim to achieve long-term and continuous enhancement of shareholder value. Additionally, we believe that the continuous enhancement of shareholder value is achieved not only through success in business, but also by contributing to sustainability.

In CS B2024, in addition to effective capital utilization and the normal investments that are necessary for business continuity, we will actively implement prior investments for the future with the aim of business portfolio transformation and contributing to sustainability.

In addition to profit growth, we will promote policies such as asset efficiency improvement and capital cost optimization, enhance ROE and provide stable shareholder returns.

Actively perform investments for the future using operating cash flow, generated from business growth, and interest-bearing debt while enhancing shareholder return.

Cash allocation



* Excluding lease obligation payments

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I will now explain our capital policy of cash allocation.

In CS B2024, we have positioned strategic investments that need to be implemented from a longer-term perspective, including business portfolio transformation, environmental efforts, BCP measures and M&A for the non-continuous business growth, as prior investments for the future, and we will invest 150 billion yen not only through self-funding but also through the use of interest-bearing debt.

With regards to shareholder return, we will set a minimum dividend of 68 yen per share during the CS B2024 period as a level for stable and continuous dividends. We will also consider additional shareholder returns, including an increase in the dividend level, depending on performance and other factors.

A

Financial policy – Prior investments for the future (1/3)



**Set a total of 150B yen for prior investments;
invest 50B yen towards expansion in the Industrial area and transformation in the Printing area.**

Prior investments for the future

	Theme	Main items	Amount
Business portfolio transformation	Towards expansion in the Industrial area	<ul style="list-style-type: none"> Reinforce sales and service facilities of Industrial area Reinforce production capacity in the Machinery/FA area Expand inkjet development and manufacturing facilities 	50B yen
	Towards transformation in the Printing area		
	Towards the business portfolio of the future	<ul style="list-style-type: none"> Strategic investments for M&A, etc. 	30B yen
Management foundation transformation for a sustainable future	Environmental efforts	<ul style="list-style-type: none"> Factory investment for local production for local consumption of products and the realization of a circular economy Introduction of energy-generation equipment at Group facilities Construction of new environmentally friendly building Supply-chain resilience (expand factories, add multiple functions) DX investments (build platform for connections with customers, revamp enterprise system) 	70B yen
	Enhance and expand connections with customers		
Total			150B yen



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I will now explain the themes and breakdown of prior investments for the future.

First, in order to promote business portfolio transformation, we will invest 50 billion yen towards expansion in the Industrial area and transformation in the Printing area.

Specifically, we will promote the reinforcement of the sales and service facilities in the Industrial area, reinforcement of production capacity in the Machinery/FA area, and expansion of inkjet development and manufacturing facilities.

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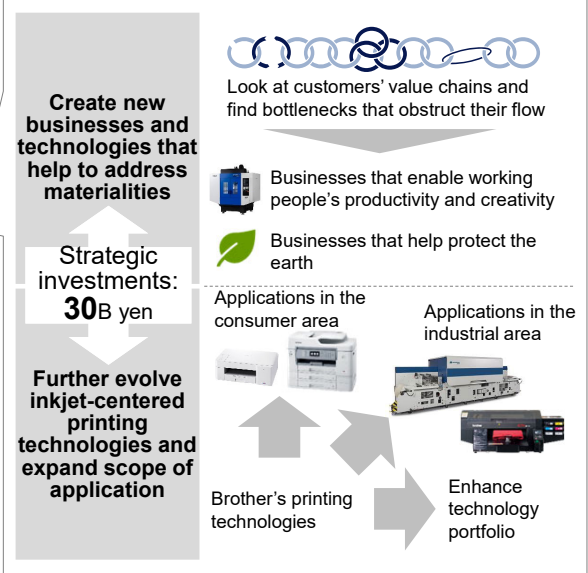
Financial policy – Prior investments for the future (2/3)



**Set a total of 150B yen for prior investments;
invest 30B yen towards the business portfolio of the future.**

Prior investments for the future

	Theme	Main items	Amount
Business portfolio transformation	Towards expansion in the Industrial area	<ul style="list-style-type: none"> Reinforce sales and service facilities of Industrial area Reinforce production capacity in the Machinery/FA area Expand inkjet development and manufacturing facilities 	50B yen
	Towards transformation in the Printing area		
	Towards the business portfolio of the future	<ul style="list-style-type: none"> Strategic investments for M&A, etc. 	30B yen
Management foundation transformation for a sustainable future	Environmental efforts	<ul style="list-style-type: none"> Factory investment for local production for local consumption of products and the realization of a circular economy Introduction of energy-generation equipment at Group facilities Construction of new environmentally friendly building Supply-chain resilience (expand factories, add multiple functions) DX investments (build platform for connections with customers, revamp enterprise system) 	70B yen
	Enhance and expand connections with customers		
Total			150B yen



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We have set 30 billion yen as strategic investments towards the business portfolio of the future.

We will also consider M&A opportunities to create new businesses and technologies that help to address materialities, such as businesses that enable working people's productivity and creativity as well as businesses that help protect the earth, further evolve inkjet-centered printing technologies and expand scope of application.


A

Financial policy – Prior investments for the future (3/3)




**Set a total of 150B yen for prior investments;
invest 70B yen for management foundation transformation for a sustainable future.**

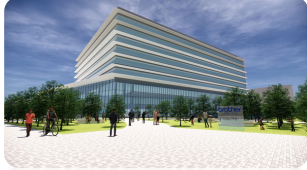
Prior investments for the future			
Theme	Main items	Amount	
Business portfolio transformation	Towards expansion in the Industrial area	<ul style="list-style-type: none"> Reinforce sales and service facilities of Industrial area Reinforce production capacity in the Machinery/FA area Expand inkjet development and manufacturing facilities 	50B yen
	Towards transformation in the Printing area		
	Towards the business portfolio of the future	<ul style="list-style-type: none"> Strategic investments for M&A, etc. 	30B yen
Management foundation transformation for a sustainable future	Environmental efforts	<ul style="list-style-type: none"> Factory investment for local production for local consumption of products and the realization of a circular economy Introduction of energy-generation equipment at Group facilities Construction of new environmentally friendly building Supply-chain resilience (expand factories, add multiple functions) DX investments (build platform for connections with customers, revamp enterprise system) 	70B yen
	Enhance and expand connections with customers		
Total		150B yen	



Supply-chain resilience (expand factories, add multiple functions)



DX investments (build platform for relationships with customers, revamp enterprise system)



Construction of a new environmentally friendly building (head office area of Brother Industries, Ltd.)

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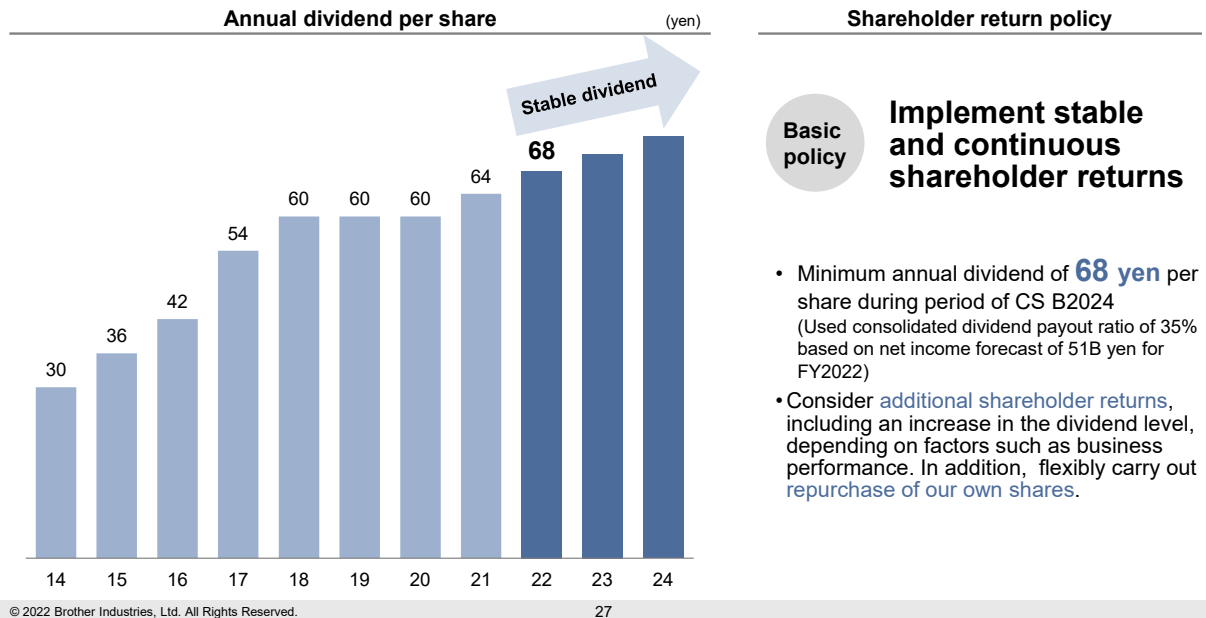
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To promote management foundation transformation for a sustainable future, we will invest 70 billion yen towards environmental efforts and enhancing and expanding connections with customers.

Specifically, we will invest in factories for local production for local consumption of products and the realization of a circular economy, introduce energy-generation equipment at Group facilities, and construct a new environmentally friendly building in the head office area of Brother Industries, Ltd. with construction starting in 2024.

In addition, we will invest in the expansion of factories and addition of multiple functions for supply chain resilience. We will also invest in DX to enhance and expand relationships with customers.

Implement stable shareholder returns with a minimum annual dividend of 68 yen per share during period of CS B2024.



I will now explain our shareholder return policy, which was touched on in the previous pages about cash allocation.

In the CS B2024 period, while actively making prior investments for the future, we will ensure that we have the necessary internal reserves and comprehensively take the status of cash flow and other factors into account to provide stable and continuous shareholder returns.

Specifically, we have set a minimum annual dividend of 68 yen per share, and will consider additional shareholder returns including an increase in the dividend level depending on factors such as business performance.

In addition, we intend to flexibly carry out repurchase of our own shares.



Set sustainability targets related to newly identified materialities and promote company-wide efforts to address them as a management issue.

Materiality		Targets for FY2024	Relevant SDGs
Contribute to society	Supporting people's value creation	<ul style="list-style-type: none"> In the Industrial Equipment business, secure performance advantage of products that contribute towards improving customer productivity and reducing CO₂ emissions In P&S business, build platform to connect directly with customers towards improving LTV of customers 	
	Realizing a diverse and active society	<ul style="list-style-type: none"> Visualize employee engagement at the global level and improve engagement survey scores Enhance talent development and governance for encouraging the assignment of local employees to top management positions of facilities outside Japan Strengthen talent pipeline for healthy gender balance in management positions and establish environment for achieving diverse ways of working* 	
	Pursuing a responsible value chain	<ul style="list-style-type: none"> Expand the human rights risk assessment on suppliers Attain RBA Gold certification for three Group manufacturing facilities 	
Protect the earth	Reducing CO ₂ emissions	<ul style="list-style-type: none"> [Scope 1 and 2] Achieve 47% reduction from the FY2015 level (9% reduction during the three-year period from FY2022 to FY2024) Ref.) FY2030 Targets: 65% reduction from the FY2015 level [Scope 3] Take measures to reduce 150,000 tons through own effort Ref.) FY2030 Targets: 30% reduction from the FY2015 level 	
	Circulating resources	<ul style="list-style-type: none"> Achieve ratio of virgin materials used in products of 81% or less Ref.) FY2030 Targets: below 65% 	

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Finally, I will explain the five materialities and targets to address them in CS B2024.

As explained in the start of this presentation, in order to achieve Our Purpose to “contribute to society and help protect the earth,” as stated in our Vision, we established the five materialities of “Supporting people’s value creation,” “Realizing a diverse and active society,” “Pursuing a responsible value chain,” “Reducing CO₂ emissions,” and “Circulating Resources.”

These materialities were decided on through discussions at management meetings and the Board of Directors after potential materialities were identified from the SDGs, evaluated based on their importance to society and the company, and drafted based on the opinions of external experts and other factors.

For each materiality, we carefully analyzed current issues and set necessary targets for the CS B2024 period to address them.

I have already explained aspects such as our response to sustainability through business, environmental efforts and improvement of employee engagement. We have positioned addressing these five materialities as a key management issue during the CS B2024 period and will promote activities across the entire company.



That concludes this explanation of the CS B2024 Medium-Term Business Strategy.

The Medium-Term Business Strategy's theme of "Take off towards our new future" expresses our strong determination to make great leaps toward achieving the Brother Group Vision of "At your side 2030."

Brother will undertake all transformations with even greater speed towards our new future and will continue to contribute to an even better future by fulfilling our responsibility to the global environment, realizing the sustainable development of people and society, and facing customers with the spirit of "At your side."

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Reference: Glossary of terms

Acronym	Official term	Explanation
BCP	Business Continuity Plan	A plan for continuing business under unforeseen circumstances
BVCM	Brother Value Chain Management	Brother's unique customer-oriented management system defining the flow of value provision to customers
C&M	Coding & Marking	Coding & Marking business for the development, manufacturing, sales, and servicing of equipment for printing and marking of expiration dates, lot numbers and so forth on plastic bottles, cans, and food packaging materials, etc. and their consumables
DP	Digital Printing	A printing method to print directly from digital-based typesetting data generated on a PC onto a substrate
DX	Digital Transformation	Transformation of business models and operations using digital technologies
DE&I	Diversity, Equity & Inclusion	A way of thinking that recognizes and accepts the diversity of people and actively establishes environments and engages people to allow individuals to apply their capabilities; also referred to as
ESG	Environment Society Governance	The three elements of environment (E), society (S), and governance (G) which are important for achieving a sustainable world and long-term corporate growth
EV	Electric Vehicle	A vehicle that runs on electricity
FA	Factory Automation	Automation of various factory works and processes using machines and information systems
LTV	Life Time Value	Customer lifetime value, which is the value to customers and profits generated for companies over the entire usage period of products and services
MPS	Managed Print Service	An outsourcing service that improves the output environment of copiers, printers and other equipment in the office and provides total support for their operation and management
PV	Print Volume	Printing volume
RBA	Responsible Business Alliance	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
Carbon neutral		A state where the amount of greenhouse gas emitted is the same as that absorbed
Sustainability		Systems and processes which are sustainable into the future
Circular economy		An ideal for economic activities that use resources in a sustainable manner instead of the traditional one-way manner of activities in an economic society
Scopes 1, 2, and 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)
Materiality		A social issue to be undertaken by a company, which has been given priority and expressed in an easy-to-understand manner; it is a priority issue for an organization
Reskilling		Redevelopment and retraining of occupational skills