

**Reference Materials
Concerning Announcement on
Scheduled Commencement of
Tender Offer for Shares of Roland DG
Corporation**

Brother Industries, Ltd.

March 13, 2024

Overview and Business Strategy Direction of Brother Group

Intent of the Tender Offer

Overview of the Tender Offer

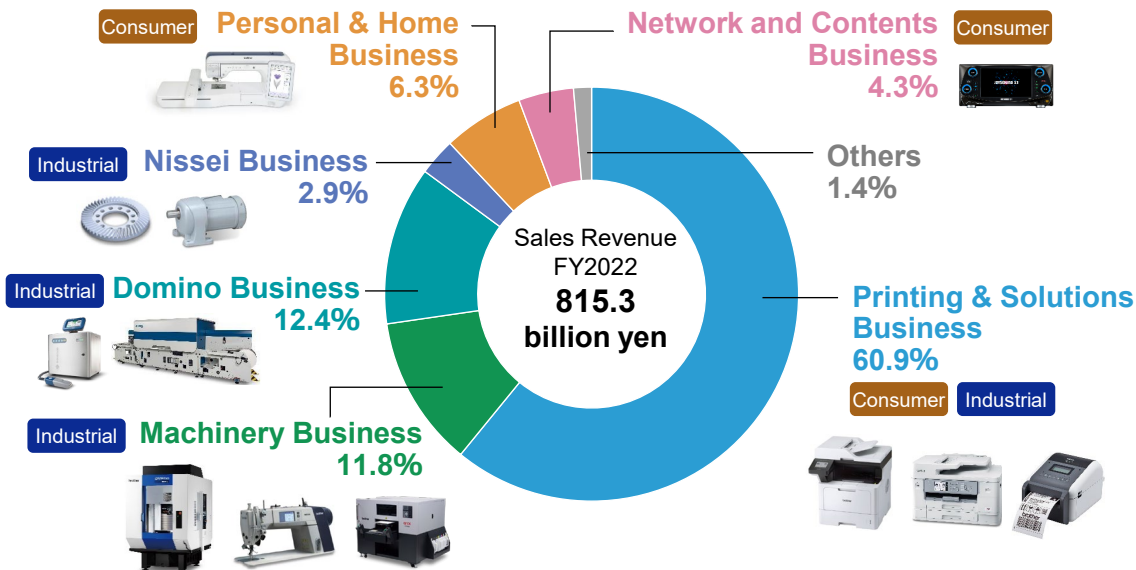
For over 115 years, Brother has been expanding its business globally with a spirit of "At your side."

Corporate Name	Brother Industries, Ltd.	Sales Revenue	815.3 billion yen (consolidated/FY2022)
Date of business inauguration	April, 1908	Listed Stock Exchanges	Tokyo (Prime Market) Nagoya (Premier Market)
Date of Incorporation	January, 1934	Number of Employees	41,653 (consolidated)
Paid-in Capital	19,209 million yen	Number of Group Companies	Consolidated Subsidiaries : 106 companies Entities Accounted for Using the Equity Method : 7 companies

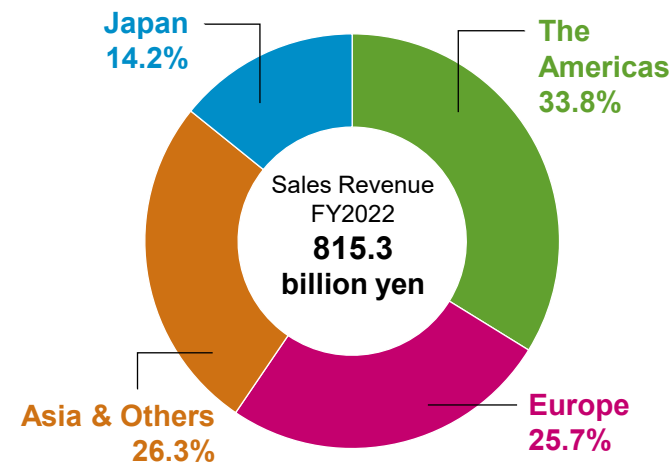
(As of March 31, 2023)



Sales breakdown by business



Sales breakdown by region



Brother has formulated a medium-term strategy (FY2022-2024) aimed at achieving the group vision for 2030, focusing on transforming the business portfolio and management foundation

BROTHER GROUP VISION

At your side 2030

Our Purpose

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

Our Approach

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

Our Focus Areas

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

Medium-term business strategy

CS B2024

At your side
2030 Achieving the vision

CS B2024 "Take off towards our new future"

Towards expansion in the Industrial area

- ✓ Achieve significant growth in Industrial Equipment business
- ✓ Accelerate growth in Domino business

Business portfolio transformation

Towards the business portfolio of the future

Towards transformation in the Printing area

- ✓ Accelerate P&S business model transformation

Management foundation transformation for a sustainable future

- ✓ Undertake environmental efforts towards carbon neutrality
- ✓ Enhance and expand connections with customers



Evolve BVCM



Encourage employees to take on challenges

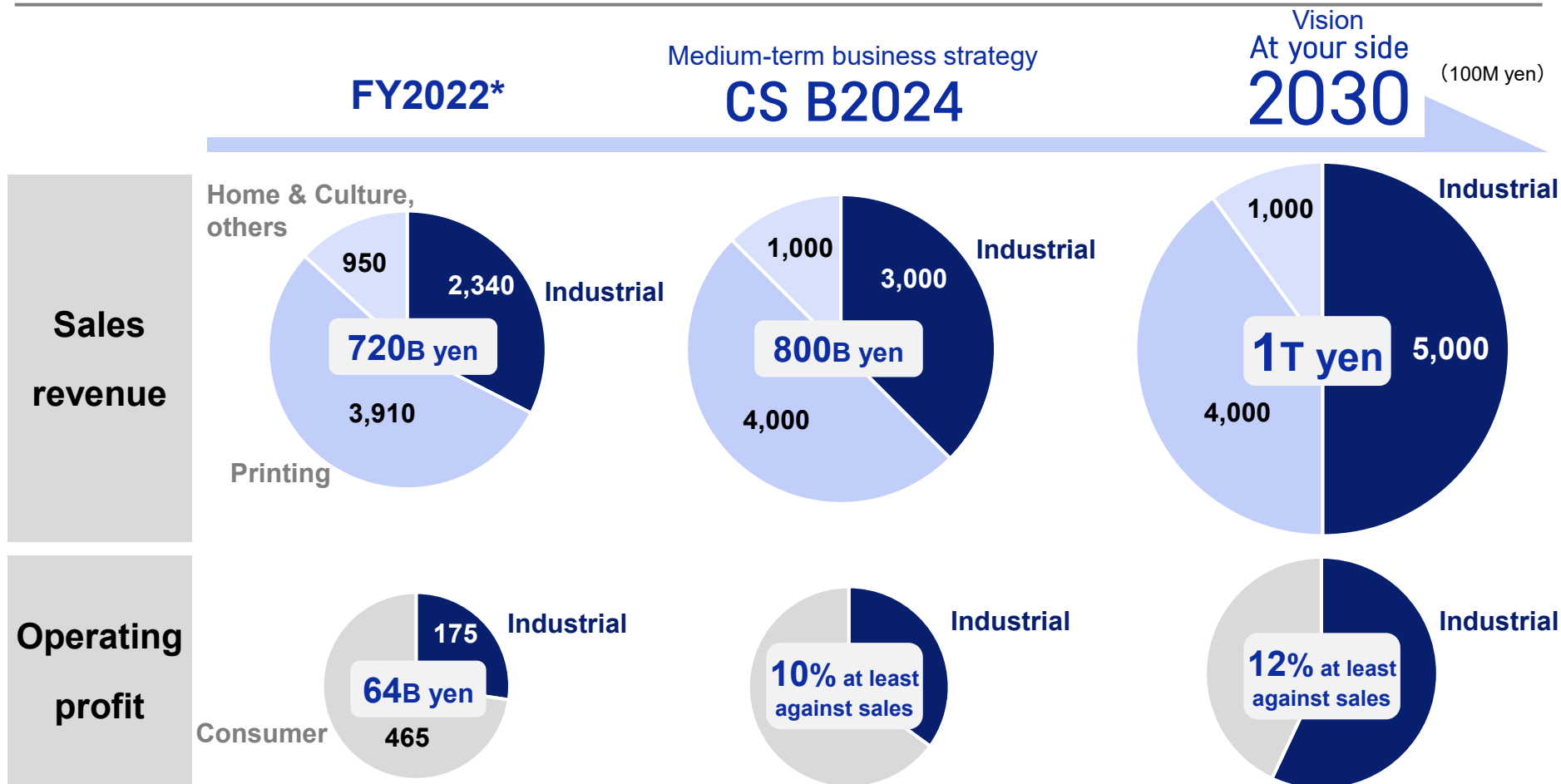


Improve employee engagement

Brother Group's Business Portfolio Transformation

Transform the business portfolio through significant growth in the Industrial area, aiming to continue growing as a multi-business enterprise in both Industrial and Consumer areas

Illustration of change in business portfolio



* Reference values for comparison with FY2024 targets and exchange rate assumptions Assumed exchange rate for FY2024: 1USD=108JPY, 1EUR=125JPY

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We are confident to be able to maximize Roland DG's corporate value by combining our strengths in inkjet heads and inks with Roland DG's strength in the industrial printer field

Brother Group

- Inkjet heads and inks-related:
 - Technological assets
 - Cost competitiveness
- Extensive development, human and financial resources



Roland DG

- High market share and technological capabilities in the industrial printer field
- High B2B sales capabilities in the same field
- High brand strength

Roland DG's business segments

Service, Software & Others

Dental

Digital Fabrication

Visual Communication - Other

Visual Communication - Solvent

Accelerate "Transformation of the business portfolio" further, including growth in "Visual Communication-Other" and "Digital Fabrication"

2024

Measures to Enhance Roland DG Corporate Value

We plan to enhance Roland DG corporate value across the entire value chain by our extensive capabilities and resources including product development, manufacturing and sales & marketing

Development

A

Strengthen the competitiveness of Roland DG products with Brother assets, including its inkjet technologies

Manufacturing

B

Reduce manufacturing costs including joint purchasing with Brother's Printing & Solutions business

Sales Marketing

C

Mutually utilize the complementary sales channels and customer bases of both companies

D

Support medium- to long-term growth with Brother's extensive R&D, human, and financial resources

A. Strengthen the competitiveness of Roland DG products with Brother assets, including its inkjet technologies

Brother's technologies and business, led by inkjet heads and inks technologies, allow Roland DG to strengthen its product competitiveness across the business segments

Brother Group technologies and businesses

Printing Technology

- Brother develops inkjet heads and inks in-house and holds many patents
- Its print heads are highly suitable for high viscosity inks

Precision Machining Technology

- The Industrial Equipment division possesses in-house developed precision machining technologies

On-Demand Production Business

- Brother has on-demand producers worldwide as customers that produce products per consumer order, with a focus on printers for garments

Contribution to each Roland DG business

Visual Communication

- Enables the development of high-productivity models with higher printing speeds for high viscosity UV/latex inks
- Promotes the improvement of technologies to combine optimal and high-performance print heads, inks and mechanical structures flexibly to meet market needs

Digital Fabrication

- Strengthens the competitiveness of UV ink-based products with Brother inkjet heads
- Enables lineup expansion and solutions by combining with Brother products to meet market needs at on-demand production plants in our customer base

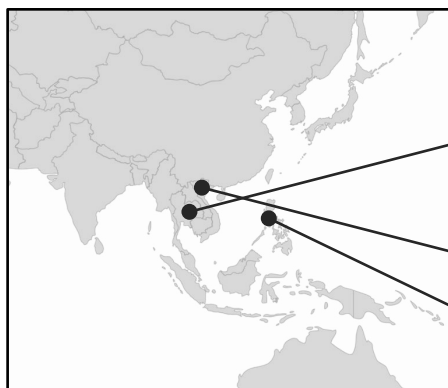
Dental

- Develops the dental business into a broader range of solutions leveraging precision machining experience

B. Reduce manufacturing costs including joint purchasing with Brother's Printing & Solutions business

We aim to improve Roland DG's cost competitiveness and make the company No.1 in the industry by joint purchasing with our P&S business, use of common parts, and mutual utilization of manufacturing bases

Main location of both companies' manufacturing bases (Southeast Asia)



Roland DG

Thailand

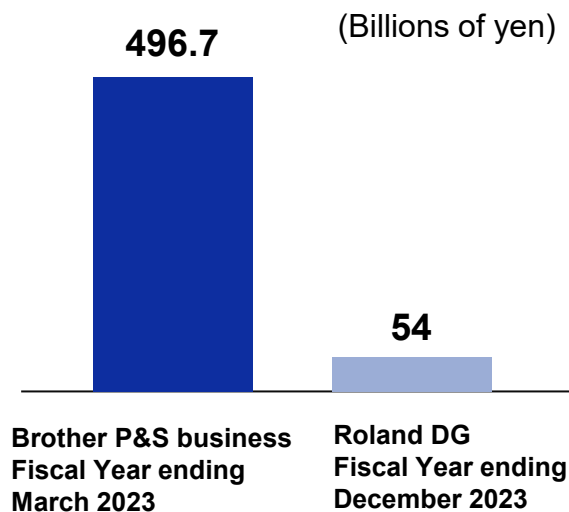
Brother Group

Vietnam

Philippines

With manufacturing bases in close proximity, there are opportunities for mutual utilization of manufacturing sites and procurement networks

Revenue comparison between our P&S business and Roland DG

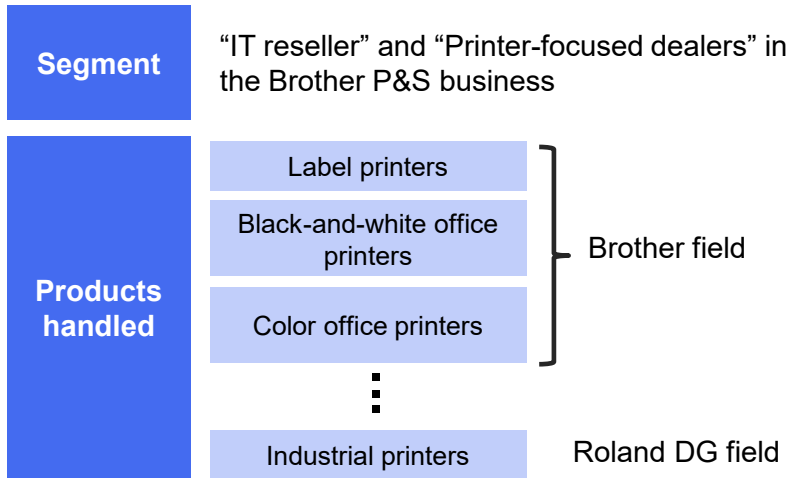


With common use of parts and joint purchasing, Roland DG can leverage the economies of scale in the Brother P&S business in electronic components, etc.

C. Mutually utilize the complementary sales channels and customer bases of both companies

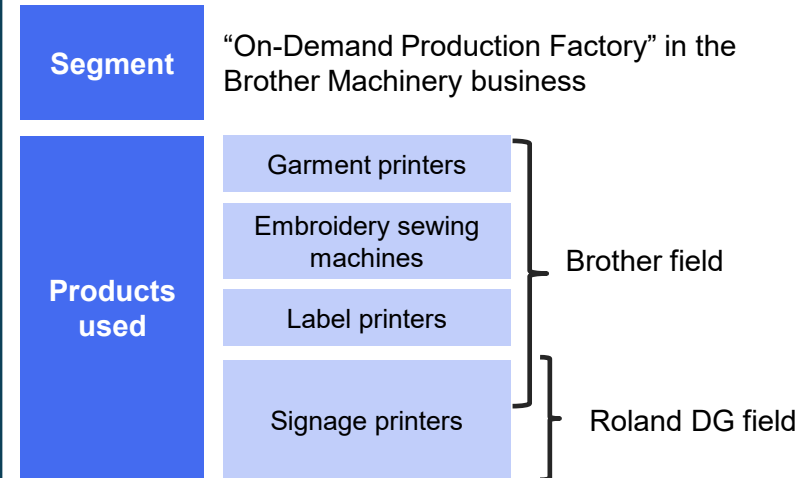
We expect sales expansion through cross-sales of Roland DG products to Brother channel partners and customers as some of them already operate in Roland DG business fields

Examples of products handled by Brother channel partners



Some Brother P&S channel partners not only handle office printers but also industrial printers

Examples of products used at Brother customer production sites

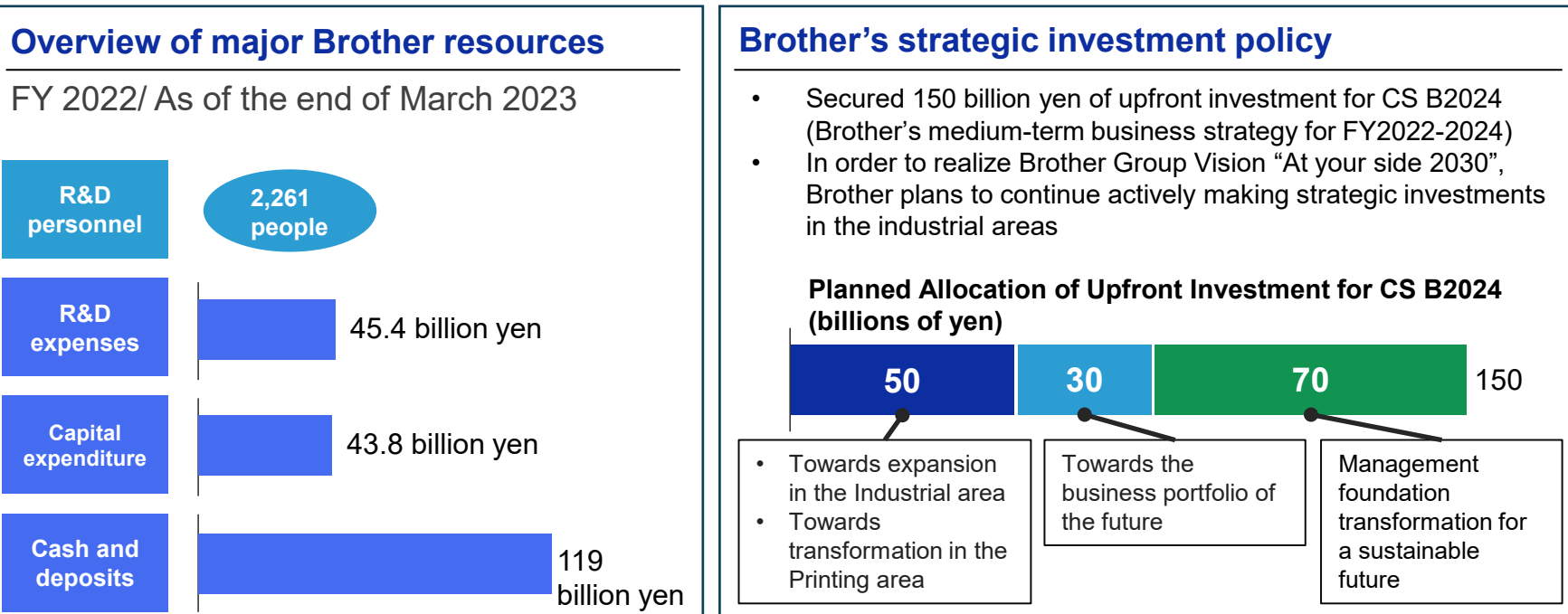


Some Brother customers also require printers for signage

The key customer segments and sales networks for the two companies are complementary, and Roland DG products will be introduced utilizing those relationships with Brother. Cross-selling opportunities exist for Visual Communication and Digital Fabrication products to the Brother customer base.

D. Support medium- to long-term growth with Brother's extensive R&D, human, and financial resources

Brother's extensive resources can be utilized to support Roland DG's medium- to long-term growth including its overseas business and peripheral fields



- Supports the medium- to long-term growth of Roland DG through utilization of Brother Group's extensive R&D, human, and financial resources
- There is a possibility to utilize Brother's resources to provide support in strengthening the peripheral business areas necessary for further overseas growth of Roland DG, and to provide financial support towards accelerating growth with a view to acquisitions

The current Roland DG management and employees are essential to future growth. Specific details as to future management policy and structure are to be determined through discussions with Roland DG

Stakeholder

Policy Direction

Management and Employees

- In principle, we have no plan to renew or change the current management structure including the representative and employment conditions for employees
- For the purpose of appropriate governance, we may potentially appoint directors from our officers and employees to the minimum extent necessary as an option, but it will be decided after discussions
- We are considering designing and offering appropriate incentive plans to the management and employees

Customers and Business Partners

- We have no plan to change the Roland DG trade name or product/solutions names
- In principle, we plan to maintain existing business relationships, even though sales expansion and cost reductions are to be considered
- We support the improvement of combination technologies of optimal, high-performance print heads to meet market needs

Other Stakeholders

- We plan to respect existing relationships and continue with good relationships as before

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Key Terms of Brother's Proposed Tender Offer

Brother proposes the tender offer for the shares of Roland DG at 5,200 yen per share, with the minimum number of shares to be purchased at 50.00%¹

Offeror	<ul style="list-style-type: none">• Brother Industries, Ltd.
Target Company	<ul style="list-style-type: none">• Roland DG Corporation
Tender Offer Period	<ul style="list-style-type: none">• Scheduled to commence by mid-May 2024²• In principle, the Tender Offer Period is planned to be set at 30 business days (Note) If the minimum number of shares is reached, the Tender Offer Period is to be extended for a further 10 business days
Tender Offer Price	<ul style="list-style-type: none">• 5,200 yen per share ³
Minimum Number of Shares to be Purchased	<ul style="list-style-type: none">• 50.00% of all shares¹
Maximum Number of Shares to be Purchased	<ul style="list-style-type: none">• None

1: The number of shares required to own the majority of the voting rights

2: The commencement date of the tender offer may be subject to change based on the expected obtainment of permits and approvals, and other considerations.

3: May be reduced in the event of a dividend from surplus or the acquisition of treasury stock.

Comparison of tender offer conditions between Brother and MBO tender offers

	<u>Brother Industries Ltd.</u>	<u>MBO by XYZ K.K.</u>
Tender Offer Price	5,200 yen	5,035 yen
Tender Offer Period	30 business days (scheduled to commence by mid-May 2024) *If the minimum number of shares is reached, the Tender Offer Period is to be extended for a further 10 business days	30 business days (From Tuesday, February 13, 2024 until Thursday, March 27, 2024)
Minimum Number of Shares to be Purchased	50.00% * The number of shares required to own the majority of voting rights	66.16%
Maximum Number of Shares to be Purchased	None	None

Process for Making Roland DG a Wholly Owned Subsidiary after Completion of the Tender Offer (Squeeze-out)

After reaching the lower limit of the Tender Offer, the Target Company Shares will continue to be acquired, and the Squeeze-out will be implemented

Lower limit reached during the Tender Offer Period

Tender Offer Period extended by 10 business days to acquire more shares

If ownership of 90% or more of the voting rights is

Reached

Squeeze-out by demand for sale

Not reached

Extraordinary Shareholders' Meeting to be held for Share Consolidation. Resolution on Squeeze-out

Approved

Squeeze-out implemented promptly

Rejected

- Acquire additional shares of the Target Company until two-thirds of the voting rights are acquired
- After obtaining two-thirds or more of the voting rights, another Extraordinary Shareholder's Meeting to be held with resolution for the Squeeze-out by Share Consolidation

brother
at your side