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Brother Industries, Ltd.
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The corporate governance of BROTHER INDUSTRIES, LTD. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views Updated

The Brother Group (the "Group") has established the Brother Group Global Charter (the "Global Charter") as the basis of all its activities conducted worldwide.
Based on the Global Charter, the Group's fundamental approach to corporate governance is to enhance its corporate value over the medium to long term by optimizing management resources and creating customer value, while strengthening corporate transparency through proactive disclosure and building long-term relationships of trust with its shareholders.

Reasons for Non-compliance with the Principles of the Corporate Governance Code Updated

The Company complies with all the principles set forth in the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code Updated

[Principle 1.4 Cross-Shareholdings]
The Company may hold shares of other listed companies (hereafter referred to as cross-shareholdings) when building good business relationships with such companies is considered likely to improve its corporate value over the mid to long-term. The Board of Directors also examines the appropriateness of its cross-shareholdings on an annual basis and expedites reduction of holdings determined deficient in meaning.
In general, the Company exercises its voting rights for its cross-shareholdings. The Company approves an agenda item after carefully examining its contents, except when it potentially harms the Company'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 companies or the management).
At the Board of Directors held in November 2025, the Company conducted a comprehensive review of the purpose of holding, dividend yield, market value, and other benefits and risks associated with each individual share. As a result of this review, it was resolved to reduce our holdings in stocks where the rationale for continued retention was determined to be insufficient.

[Principle 1.7 Related Party Transactions]
In cases in which Directors are processing a transaction that could potentially create business competition with the Company or result in a conflict of interest with the Company, they must receive approval from the Board of Directors in accordance with the procedure stipulated in the internal rules.

[Principle 2.4 Ensuring Diversity, Including Active Participation of Women]
[Supplementary principle 2.4.1 Ensuring diversity such as core human resources]
<Views on ensuring diversity>
The Group considers that it is becoming more imperative to ensure diverse human resources as well as diversified work styles and career development, amid significantly changing business and market environments.
"The Group respects diversity and provides a working environment that enables our associates to utilize their talents and abilities to the fullest. The Group gives them great opportunities through challenging work assignments, and provides them with fair, attractive financial rewards." which is written in the "Basic Policies" of the Global Charter. Also, its Codes of Practice also mentions "always honor individuals and diversity, and act with trust and respect." In 2025, the Company

established the “Brother Group Human Resources Management Policy” and positioned respect for diversity as a driving force behind its growth and innovation.
The Group has proactively and continuously promoted the hiring of diverse talent—including women, foreign nationals, and experienced mid-career hires with varied professional backgrounds—as well as their appointment to managerial positions. At the same time, it has worked to create a workplace environment in which each individual can fully demonstrate his or her abilities, and has implemented educational initiatives at each level, from new employees to managers.
Under the new policy, the Group will further evolve its talent management so that every employee of the Brother Group can maximize their individuality and abilities and play an active role.
Given that there are differences in relevant laws, cultures, and social customs in the regions where business activities are conducted, and the Group does not have uniform target values for all its companies, the following primarily describes the initiatives of the Company, which operates the main businesses of the consolidated group, as representative examples.

<Autonomous and measurable target to ensure diversity/Status of ensuring diversity>
(1) Promoting women to managerial posts
The Company formulated the “Action Plan to Support the Success of Women” based on the Act on Promotion of Women's Participation and Advancement in the Workplace, aiming to increase the number of female managers (equivalent to managerial positions, or professions receiving the equivalent treatment) to more than 60 as well as to have more than 100 candidates by the end of fiscal 2025. As of the end of fiscal 2025, these figures stood at 59 managers and 129 candidates. From the perspective of development, the Company supports employees’ growth regardless of gender, but in order to create an environment enhancing the awareness of life events and career and also making managerial positions more familiar, the Company also provides learning opportunities, such as discussion meetings to introduce in-house female manager’s career, lectures with experts, career training with external female workers, and outside counseling for manager candidates. Since fiscal 2022, a total of 120 employees have participated in the female leader training, which has been organized over six sessions. The Company has also established a pleasant working environment by abolishing core time in the flextime system and introducing a remote work system.
(2) Promoting foreign nationals to managerial posts
The Company hires and promotes employees regardless of nationality, to ensure human resources who can play a core role in the business. As of the end of fiscal 2025, the foreign employee ratio is 1.4% and the managerial ratio is 0.6%. Also, the Company’s foreign Executive Officer ratio is 9.1% as of the end of fiscal 2025. The Company has been promoting the globalization of its executive personnel by appointing qualified persons, regardless of their nationality, to the executive positions of the group companies in various countries and regions to realize community-based management. At facilities of the Group, we are actively promoting local employees to executive positions. As of the end of fiscal 2025, the ratio of local employees serving as heads of overseas operations was 69%. Based on this situation, the Company recognizes that the appointment of foreign nationals within the Group is already at a sufficient level. Therefore, the Company does not set specific targets for the appointment of foreign nationals to managerial positions at the Company.
(3) Promoting mid-career employees to managerial posts
The Company’s mid-career employee ratio is 48% in fiscal 2025, and the managerial ratio among them is 28% in fiscal 2025. The Company has no set target for their managerial positions because the number of mid-career employees depends on the labor market environment. However, the Company will proactively hire external talents to accelerate transformation of its business portfolio in the future.

<Policies on human resource development and the Company’s environment improvement, and the current situations>
Under the “Brother Group Human Resources Management Policy” established in 2025, The Brother Group places importance, in each of human resources management processes, on DEI (Diversity, Equity, and Inclusion), strive to prevent and eliminate discrimination, and aim to bring out the strengths of both individuals and organizations. Guided by this philosophy, the Company sets its human resource development policy for ensuring diversity to respect employees’ diversity and personality, as well as to develop global personnel who can provide superior value. Believing that continuous challenge and growth by the employees leads to the Company’s growth, the Company supports career ownership by offering various programs such as training by job level, theme-based training, and career development support. Through these initiatives, the Company strives to realize diverse career paths, enhance expertise with an awareness of market value, and create opportunities for challenge and growth. Also, as part of its internal environmental policy, the Company declares the creation of a foundation for diversified personnel’s active roles. In fiscal 2025, to promote understanding of diversity, the Company held internal seminars on employment of people with disabilities and unconscious bias topics, with over a thousand participants. In this way, the Company’s internal environmental improvement policy aims to build a foundation for diverse talent to excel, advancing various initiatives so that employees can be highly motivated and have opportunities for various career paths and flexible work styles.
The Company discloses the status of its human resource development and workplace environment improvement initiatives for ensuring diversity on its website. (https://global.brother/en/sustainability/social/diversified).

[Principle 2.6 Fulfilling the Function as an Asset Owner of Corporate Pension]
The corporate pension plan of the Group consists of a defined benefit pension plan that manages funds and contributions under the Brother Pension Fund and a defined contribution pension plan under which funds and contributions are managed by employees themselves.

For the Brother Pension Fund, the Company has implemented personnel and operational measures such as the measures below so that the Fund can fulfill its expected function as the asset owner.
(1) In operating the Brother Pension Fund, the Company appoints persons with appropriate background and aptitude to become Directors of Investment, and has them participate in various workshops to improve their expertise in fund management.
(2) The Company has an Asset Management Committee, which consists of managerial personnel from the finance and personnel departments (department head and above) as well as officers of labor unions, that convenes on a quarterly basis to confirm investment performance. With regard to an asset management trustee whose performance has not been satisfactory for a certain period of time, the Asset Management Committee examines, together with an external consultant, the necessity of replacement with a specific alternative asset management trustee.
(3) Conflicts of interest that may arise between beneficiaries of the Brother Pension Fund and the Company are appropriately managed by adapting a resolution for any important operational matter of the Fund at a conference of delegates, half of whom are employees as beneficiaries under the fund agreement, and entering into a discretionary agreement with the asset management trustee with regard to the selection of individual companies invested in and exercise of voting rights. An asset management trustee is determined based on the performance and capability regardless of the business relationships (e.g., financing, shareholding) with the parent company.

[Principle 3.1 Full Disclosure]
<Business principles and business plans>
The Global Charter consists of the basic policies and code of practice concerning daily decision making and actions of the Company and the Group's Directors, Executive Officers, employees, etc., and sets forth their relationships with the stakeholders. The Global Charter is disclosed on the Group's official website (https://global.brother/en/corporate/principle).
In addition, the Company's Mid-Term Business Strategy is disclosed on the Group's official website (https://global.brother/en/investor/management/csb).

<Basic views and guidelines on corporate governance>
The Company's basic views with respect to corporate governance are described in "I. 1. Basic Views."
The fundamental policy is described in "Brother Group Basic Policies on Corporate Governance" (https://global.brother/en/sustainability/governance/corporate).

<Board policies and procedures to determine the remuneration of the senior management and directors>
Board policies and procedures to determine the remuneration of the senior management and directors are described in "II 1. [Directors' Remuneration]" of this report

<Board policies and procedures to appoint/dismiss the senior management and nominate candidate directors>
The Company's policy and procedures to appoint or remove candidates for Directors are as follows.
The Company believes that Directors must possess a fine personality, insight and an ability to execute their duties as Director (including the duties of Audit & Supervisory Committee for Directors who are Audit & Supervisory Committee Members) appropriately. The Company also believes that an Outside Director must possess considerable experience in corporate management, law, administration and accounting, etc. fields and comply with the standards stipulated in Principle 4-9 below (hereafter referred to as the Independence Standards), in addition to meeting the above-mentioned qualifications. Candidates for Director are determined by the Board of Directors through the procedures of the Nomination Committee, which serves as a voluntary advisory committee to the Board of Directors (with the consent of the Audit & Supervisory Committee in the case of candidates who are Audit & Supervisory Committee Members).
The Company believes that an Executive Officer must possess a fine personality, insight, be acquainted with the business and operation of which they take charge of and must retain the ability to pursue their duties as Executive Officer properly. An Executive Officer is appointed by the Board of Directors through the procedure taken by the Nomination Committee.
The Nomination Committee must deliberate on the agenda items of the General Meeting of Shareholders that concern the appointment or removal of Directors and the agenda items of the Board of Directors concerning the appointment or removal of Executive Officers in a fair, transparent and strict manner before the agenda items concerned are finalized and report the outcome to the Board of Directors.

<Explanations with respect to the individual appointments/dismissals and nominations of candidate Directors (excluding Directors who are Audit & Supervisory Committee Members) and candidate Directors who are Audit & Supervisory Committee Members>

The Company is required to disclose the reasons for nominating candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) as well as candidates for Directors who are Audit & Supervisory Committee Members in the Notice of Convocation of the General Meeting of Shareholders.
Accordingly, the Company disclosed the reasons for nominating of candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) and for Directors who are Audit & Supervisory Committee Members in the notice of the 134th Ordinary General Meeting of Shareholders held on June 24, 2026.

[Supplementary principle 3.1.3]
<The Company's sustainability activities>
1. Basic Policy on Sustainability
The Company, 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 wanted 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 Global Charter, 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 Group will continue addressing 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.

2. The Company's sustainability activities
The Sustainability Committee was established in April 2022 to promote sustainability-focused management based on the Basic Policy on Sustainability. The Sustainability Committee is chaired by the Representative Director & President and consists of Executive Officers of managing executive level or higher, business Executive Officers, and other persons designated by the President as needed. Under the Sustainability Committee, subcommittees have been established for each specific area to promote sustainability activities in DEI, Responsible Value Chain, Environment & Climate Change, Governance, and Sustainability Communication. Details regarding the Group's sustainability promotion structure and activities are disclosed on the Company's website (https://global.brother/en/sustainability/csr/management).
Guided by the spirit of "At your side.", the Group practices sustainability-focused management in order to sustainably provide value to its customers and solve social issues through its business activities.
In the Brother Group Vision "At your side 2030," the Group has defined "Our Purpose" as "By being 'At your side.,' we enable people's productivity and creativity, contribute to the development of society, and help protect the earth." To contribute to "the development of society" and to "help protect the earth", the Company identified five materialities as key social issues in 2022. Subsequently, in response to environmental changes, the Company reviewed and redefined these materialities as six in 2025.
Going forward, the Group will continue to further enhance sustainability-focused management by resolving those materialities. Details regarding these materialities are disclosed on the Company's website (https://global.brother/en/sustainability/csr/materiality).

<Investment in human capital, intellectual property, intangible assets, etc.>
The most important foundation for the Group's sustainable growth is its human resources. The Group has identified "Diverse Talent Engagement" as its materiality. Toward the "strengthening the human resource foundation to accelerate business portfolio transformation" outlined in medium-term business strategy "CS B2027". The Group will continue to foster an organizational culture that encourages challenges, invest in the development of leadership talent, and take actions to further strengthen its human capital such as by creating a comfortable working environment for each and every employee.

The Group believes that true technological capability lies in leveraging the unique technologies to create the products and services that customers seek. Such belief comes from the idea that even excellent technology generates value only when it is applied to products. In order to provide products that are evaluated and chosen by our customers, engineers of the Group face our customers and listen sincerely to their voices. The Company is constantly engaged in creating value while thinking about what technologies can bring joy to our customers' faces and what products can be of use to them.
The Company's initiatives related to a story of value creation, human capital, and intellectual property, etc. are also disclosed in its integrated report (https://global.brother/en/sustainability/report-archive/bir).

<Disclosure based on the framework of TCFD>
In order to contribute to society and protect the earth, the Group has identified the reduction of CO2 emissions as one of the important issues to solve as materiality and has set CO2 emission reduction targets as sustainability goals. In February 2020, the Group expressed its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Based on these TCFD Recommendations, relevant information is disclosed on our website (https://global.brother/en/sustainability/eco/cc). We will continuously strive 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.

[Principle 4.1 The Roles and Responsibilities of the Board of Directors]
[Supplementary Principle 4.1.1]
The Company has implemented 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.

The Board of Directors holds the responsibility to deliberate and make decisions on important executive operations that are stipulated by laws, the Articles of Incorporation and internal rules, and oversees Directors and Executive Officers as to the execution of their duties.
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 above to representative Directors, Executive Directors or Executive Officers.

[Principle 4-9 Independence Standards for Independent Outside Directors]
The Company's Independence Standards is described in "Matters relating to Independent Officers" under "II.1. [Independent Officers]" of this report.

[Principle 4.10 Use of Optional Approach]
[Supplementary Principle 4.10.1 Rights and roles of the Nomination Committee and Compensation Committee]
The Company has established the "Nomination Committee" and the "Compensation Committee" as arbitrary advisory committees of the Board of Directors. The composition, as well as the philosophy of its independence, rights and roles, of each Committee are described in this report under "Committee's Name, Composition and Attributes of Chairperson" in "II Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management" as well as Article 12 through 14 of "Brother Group Basic Policies on Corporate Governance" (https://global.brother/en/sustainability/governance/corporate).

[Principle 4.11 Conditions Precedent to Ensuring the Effectiveness of the Board of Directors and the Audit & Supervisory Committee]
[Supplementary principle 4.11.1]
The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) shall not exceed eleven and the number of Directors who are Audit & Supervisory Committee Members shall not exceed five, as stipulated in the Articles of Incorporation of the Company respectively. An appropriate number of Outside Directors shall be appointed to the Board of Directors to oversee the decision-making of important management matters and the supervision of business execution. Furthermore, the Board of Directors shall be composed of a diverse group of members with varying backgrounds, knowledge, and experience, whereby they can contribute to the global business of the Group. Details regarding the skill matrix and the knowledge and experience of each Director are provided in the Notice of Convocation of the 134th Ordinary General Meeting of Shareholders (https://global.brother/en/investor/meeting).

[Supplementary Principle 4.11.2]
The Company discloses the status as to holding of concurrent posts of Outside Directors annually in the Notice of Convocation of the General Meeting of Shareholders and the Company's Annual Securities Report.

[Supplementary Principle 4.11.3]
Respective Directors and Corporate Auditors conduct evaluations of the Board of Directors' effectiveness, etc. annually and submit their findings to the Board of Directors. Based on the evaluations submitted, the Board of Directors analyzes and evaluates the effectiveness of the entire Board of Directors, and discloses the summary of its results in a timely and appropriate manner.
To ensure an objective analysis of the evaluation results, all directors (and all auditors in the fiscal year 2025, when the Company was a company with a Board of Corporate Auditors) respond to a questionnaire prepared with advice from an external consultant. The compilation and analysis of the questionnaire results are outsourced to the consultant.
(1) Based on the results of the evaluation of the Board of Directors' effectiveness conducted in the previous fiscal year, the following measures were taken in fiscal 2025:
- Review on progress of Key Themes in the mid-term business strategy
- Continuous provision of information necessary for management decision-making
  Providing opportunities for dialogue with executive officers
  Provision of appropriate information regarding business execution and the actual status of the business, through business briefings or factory tours

(2) The results from the questionnaires were discussed at the Board of Directors held in May 2026, and it was confirmed that the Company's Board of Directors was functioning effectively.
(3) In response to the opinions and requests through the evaluation of the Board of Directors, the Company will initiate the following activities in fiscal 2026 in an effort to improve the effectiveness of the Board of Directors:
- Clarification of key deliberation items for fiscal 2026 at the Board of Directors
- Visualization of process at the Nomination and Remuneration Committee
- Improvement of operations at the Board of Directors

[Principle 4.14 Trainings for Directors]
[Supplementary Principle 4.14.2]
The Company believes that Directors must collect information related to the Company's business plans, legal compliance, corporate governance and other issues actively, and continue to acquire knowledge and skills in order to fulfill their roles.
Newly appointed Outside Officers must be briefed on the Company's management strategies, business plans and other critical issues by the President, or someone appointed by the President.
The Company shall provide its Directors with opportunities to attend training using the evaluation, etc. stipulated in Supplementary Principle 4.11.3 as reference (Outside Officers are also given opportunities to obtain knowledge about the Group's business plans).

[Principle 5.1 Policy for Constructive Discussions with Shareholders]
The basic policies concerning the establishment of organizational structures and measures aimed at promoting constructive discussions between the Company and its shareholders are as follows;

1. Basic Views
   By increasing the number of opportunities to provide shareholders and investors with information and conveying the latest information in a clearly understandable manner, strive to enhance corporate transparency and build long-term relationships of trust.
2. An Individual in Charge of Presiding over Discussions with Shareholders
   Assign an Executive Officer to be in charge of holding constructive discussions with shareholders and investors, and allow that executive officer to collaborate with the relevant in-house departments, supporting the convening of discussions on a daily basis.
3. The Ways to Hold Discussions and the System to Utilize Feedback
   a) In addition to organizing briefings, telephone conferences, etc. for analysts and institutional investors after the announcements of year-end and quarterly consolidated results, provide information via the Group's official website and various other documents such as shareholder newsletters.
   b) The Company shall strive to appropriately share, as necessary, with the Directors opinions from shareholders obtained through dialogue.
4. Management of Insider Information in Discussions with Shareholders
   In compliance with the internal rules concerning information management, establish a proactive system to prevent the divulging of insider information.

<Status of communication with shareholders, etc.>
The status of the Company's communication with shareholders is disclosed on the Company's website (https://global.brother/en/sustainability/csr/stakeholder).

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure Updated	Disclosure of Initiatives (Update)
Availability of English Disclosure Updated	Available
Date of Disclosure Update Updated	06/25/2026

Supplementary Explanation Updated

The Company will further promote management with a focus on cost of capital and capital efficiency to meet stakeholders' expectations, achieve sustainable growth, and enhance corporate value in line with the financial policy set out in the medium-term business strategy "CS B2027."

1. Cost of capital

Based on estimates, the Company's cost of equity is about 8% to 10%. It is calculated based on CAPM but is considered as a certain range because it fluctuates depending on the calculation timing and preconditions. We will continuously promote business portfolio transformation while using interest-bearing debt to reduce the cost of equity.

2. Return on capital indicators

ROE was 9.3% in fiscal 2025 and 8.2% on average over the past five years (fiscal 2021 to fiscal 2025). It is recognized as the management issue to generate returns that exceed the cost of capital. Based on the Company's primary policy to improve ROE healthily through its business growth, the Company has set a target to attain 10% of ROE that surpasses the shareholders' cost of capital in CS B2027, and strive to maintain a level of ROE that consistently secures equity spread.

3. Shareholder return

Regarding shareholder returns, based on the fundamental policy to implement stable and continuous shareholders returns as before, the Company set a minimum annual dividend of ¥100 per share, aiming for a payout ratio of 40%. Additionally, the Company plans to conduct share buybacks totaling 60 billion yen during the period of CS B2027. Furthermore, depending on

our financial performance, the Company will consider additional returns.
Under this policy, in fiscal year 2025, the Company paid dividends totaling ¥100 per share and conducted share buybacks with an upper limit of 20 billion yen (from May 2025 to April 2026). For fiscal year 2026, the Company plans to conduct share buybacks of 20 billion yen (from May 2026 to April 2027) again.

4. Evaluation from the market

PBR stood 0.94x at the end of March, 2026, and 1.00x over the past five years (fiscal 2021 to fiscal 2025). Regarding TSR, the Company achieved a solid 110.3% (including dividends) over the one-year period starting at the end of March 2025; however, due to the TOPIX's growth driven mainly by semiconductor-related stocks, the TSR relative to TOPIX was 81.9%. The Company aims to improve PBR as well as TSR by improving profitability and promoting business portfolio transformation through continued growth investments.

2. Capital Structure

Foreign Shareholding Ratio Updated	30% or more

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	35,144,000	14.08
Custody Bank of Japan, Ltd. (Trust account)	13,375,000	5.36
State Street Bank and Trust Company 505001	12,952,000	5.19
Nippon Life Insurance Company	8,848,000	3.54
Sumitomo Mitsui Banking Corporation	4,973,000	1.99
Brother Employees Shareholding Plan	4,750,000	1.90
Sumitomo Life Insurance Company	4,499,000	1.80
State Street Bank and Trust Company 505103	4,105,000	1.64
JP Morgan Chase Bank 385781	3,435,000	1.38
The Bank of New York Mellon 140044	3,318,000	1.33

Name of Controlling Shareholder, if applicable (excluding Parent Companies) Updated	—
Name of Parent Company, if applicable Updated	None

Supplementary Explanation Updated

The status of major shareholders is as of March 31, 2026. The percentage of shares held was calculated based on the total number of shares outstanding excluding the number of treasury shares. Furthermore, treasury stock does not include the number of shares of the Company held by the officer compensation BIP trust.

3. Corporate Attributes

Listed Stock Exchange and Market Segment Updated	Prime Market of the Tokyo Stock Exchange, Premier Market of the Nagoya Stock Exchange
Fiscal Year-End Updated	March
Business Sector Updated	Electrical Appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year Updated	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year Updated	¥100 billion yen or more but less than ¥1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year Updated	100 or more but fewer than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder Updated

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5. Other Special Circumstances which may have a Material Impact on Corporate Governance Updated

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation Updated	16
Directors' Term of Office Stipulated in Articles of Incorporation Updated	1 year
Chairperson of the Board Updated	President
Number of Directors Updated	12
Election of Outside Directors Updated	Elected
Number of Outside Directors Updated	7
Number of Independent Directors Updated	7

Outside Directors' Relationship with the Company (1) Updated

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Aya Shirai	From another company											
Kazunari Uchida	From another company								△			
Naoki Hidaka	From another company											
Masahiko Miyaki	From another company											
Akira Yamada	Lawyer								△			
Chika Matsumoto	CPA	△							△			
Ikuko Akamatsu	CPA											

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors' Relationship with the Company (2) Updated

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Aya Shirai		○		Ms. Shirai has been engaged in the management of various manufacturing companies for years through her 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. Through her extensive experience, insight and achievements, she can provide advice regarding the Company Group's management, make important decisions and supervise the execution of business, as an Outside Director of the Company independent of the managing executives. In addition, since she does not fall under any one of the items listed in a. to k. above, and she satisfies the requirements for independent officers as specified by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers, the Company deems Ms. Shirai to be an Independent Officer who would have no possible conflict of interests with general shareholders.
Kazunari Uchida		○	Mr. Uchida served as a member of an independent advisory committee, established based on a Policy toward Large-scale Purchases of Brother Shares, until June 2018. The Company has remunerated Mr. Uchida for his services.	Mr. Uchida has been involved in corporate management through his broad expertise as Japan Representative of Boston Consulting Group. He has also been engaged in the management of various companies for years through his experience as an outside director and an outside auditor. Through his extensive experience, insight and achievements, he can provide advice regarding the Company Group's management, make important decisions and supervise the execution of business, as an Outside Director of the Company independent of the managing executives. In addition, since he satisfies the requirements for independent officers as specified by the Tokyo Stock Exchange, Inc., as

				well as the Company's Independence Standards for Outside Officers, and the relationship explained in the column to the left does not affect the independence of Mr. Uchida considering the nature of this relationship, the Company deems Mr. Uchida as an Independent Officer who would have no possible conflict of interests with general shareholders.
Naoki Hidaka		○		Mr. Hidaka has been involved in the management of a global group of companies through his experience as Executive Vice President of Sumitomo Corporation and in the overseas offices of Sumitomo Corporation. Through his extensive experience, insight and achievements, he can provide advice regarding the Company Group's management, make important decisions and supervise the execution of business. In addition, since he does not fall under any one of the items listed in a. to k. above, and he satisfies the requirements for independent officers as specified by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers, the Company deems Mr. Hidaka to be an Independent Officer who would have no possible conflict of interests with general shareholders.
Masahiko Miyaki		○		Mr. Miyaki has been involved 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. Through his extensive experience, insight and achievements, he can provide advice regarding the Company Group's management, make important decisions and supervise the execution of business. In addition, since he does not fall under any one of the items listed in a. to k. above, and he satisfies the requirements for independent officers as specified by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers, the Company deems Mr. Miyaki to be an Independent Officer who would

				have no possible conflict of interests with general shareholders.
Akira Yamada	○	○	Mr. Yamada served as a member of an independent advisory committee, established based on a Policy toward Large-scale Purchases of Brother Shares, until June 2018. The Company has remunerated Mr. Yamada for his services.	Mr. Yamada has been involved in both domestic and international corporate legal affairs for years as an attorney at law. Through his extensive experience, insight, and achievements, the Company expects him to be capable of appropriately making important decisions and supervising and auditing the execution of business at the Company, independent of the managing executives. In addition, since he satisfies the requirements for independent officers as specified by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers, and the relationship explained in the column to the left does not affect the independence of Mr. Yamada considering the nature of this relationship, the Company deems Mr. Yamada as an Independent Officer who would have no possible conflict of interest with general shareholders.
Chika Matsumoto	○	○	In fiscal 2025, the Company commissioned KPMG AZSA LLC, whose director of the Nagoya Office was Ms. Matsumoto until June 2023, to offer consulting services. The transaction amount was about 16 million yen. Ms. Matsumoto worked for the Company as an employee from April 1983 to August 1985.	Through her years of career as a certified public accountant, Ms. Matsumoto has extensive experience, insight and achievements in the finance and accounting field. Through her extensive experience, insight, and achievements, the Company expects her to be capable of appropriately making important decisions and supervising and auditing the execution of business at the Company, independent of the managing executives. In addition, Ms. Matsumoto meets the requirements for independent directors established by the Tokyo Stock Exchange and the Independence Standards for Outside Officers established by the Company. The nature of the transaction indicated on the left and her past career is unlikely to affect her independence. Thus, we consider Ms. Matsumoto as an Independent Officer who is unlikely to cause conflict of interest with general shareholders.
Ikuko Akamatsu	○	○		After building her career as a Certified Public Accountant and Certified Fraud Examiner, the

				candidate has further honed her expertise in the fields of governance, compliance, and diversity. In addition, she has been involved in corporate management as an outside officer for a wide variety of companies. Through her extensive experience, insight, and achievements, the Company expects her to be capable of appropriately making important decisions and supervising and auditing the execution of business at the Company, independent of the managing executives. In addition, since she does not fall under any one of the items listed in a. to k. above, and she satisfies the requirements for independent officers as specified by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers, the Company deems Ms. Akamatsu to be an Independent Officer who would have no possible conflict of interests with general shareholders.

Supervisory Committee

Composition of Audit & Supervisory Committee and Attributes of the Chairperson Updated

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit & Supervisory Committee	5	2	2	3	Inside Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee Updated	Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System Updated

The Office of the Audit & Supervisory Committee, which maintains a certain degree of independence from the executive departments, has been established, and three auditing staff within the Office of the Audit & Supervisory Committee, who possess the appropriate qualifications required by the Audit & Supervisory Committee, have been assigned. This structure ensures the effective operation of the Audit & Supervisory Committee and secures functions to assist the Committee in performing its duties.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors and Internal Audit Department Updated

The Audit & Supervisory Committee receive reports from Deloitte Touche Tohmatsu LLC, the Company's Accounting Auditor, and the Company's Internal Auditing Department on a regular and timely basis. The Audit & Supervisory Committee cooperates with the Company's Accounting Auditor and Internal Auditing Department in conducting audits, through exchanging opinions and sharing information, as necessary.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee Updated	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson Updated

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination Committee	5	0	1	4	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Committee	5	0	1	4	0	0	Outside Director

Supplementary Explanation Updated

The Company has established the Nomination Committee and Compensation Committee as arbitrary advisory committees to the Board of Directors, in order to enhance the independence and objectivity of the functions of the Board of Directors regarding the appointment or removal and remuneration of Directors and Executive Officers. Each Committee consists of all Outside Directors (excluding Directors who are Audit & Supervisory Committee Members), and the Representative Director and President*, and an Outside Director chairs each Committee.
The Nomination Committee must deliberate on the agendas of the General Meeting of Shareholders 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 to the Board of Directors the outcome of such deliberations, as well as the details of the Independence Standards and plans of successors to the management such as Chief Executive Officer. Matters to be examined by the Nomination Committee are mainly those such as matters concerning the appointment of management members such as Directors and Executive Officers and related matters. In the period from April 1, 2025, to March 31, 2026 meetings of the Nomination Committee were held seven times.
The Compensation Committee must discuss the details of the internal rules concerning the standard for calculating the remuneration for Directors and Executive Officers, and the details of remuneration by individual, and report the outcome to the Board of Directors. Matters to be examined by the Compensation Committee are mainly those such as the details of remuneration for management members such as Directors and Executive Officers, calculation methods, individual payment amounts and comparisons with other companies. In the period from April 1, 2025, to March 31, 2026, meetings of the Compensation Committee were held seven times.

Attendance at Nomination / Compensation Committee in fiscal 2025 are as follows:
Keisuke Takeuchi, Outside Director (Chairperson of Nomination Committee / Member of Compensation Committee)
Full attendance at Nomination Committee / 6 out of 7 times at Compensation Committee
Kazunari Uchida, Outside Director (Member of Nomination Committee / Chairperson of Compensation Committee)
Full attendance at Nomination Committee / Full attendance at Compensation Committee
Aya Shirai, Outside Director (Member of Nomination Committee / Member of Compensation Committee)
Same as above
Naoki Hidaka, Outside Director (Member of Nomination Committee / Member of Compensation Committee)
Same as above
Masahiko Miyaki, Outside Director (Member of Nomination Committee / Member of Compensation Committee)
Same as above
Kazufumi Ikeda, Representative Director and President (Member of Nomination Committee / Member of Compensation Committee)
Same as above

* The above table showing the status of voluntary established committees, the composition of their members, and the attributes of chairperson of committees are as of June 25, 2026

Matters Concerning Independent Directors

Number of Independent Directors Updated	7

Other Matters Concerning Independent Directors

All Outside Directors who are qualified to be independent Officers are designated as Independent Officers.

The Company's Independence Standards for Outside Directors are as follows.

(1) i. An individual who is currently serving or served within the past 10 years as a director (excluding Outside Directors), executive officer, manager, or employee (including an executive officer) of Brother Industries, Ltd. and its subsidiaries (hereafter collectively referred to as Brother Industries, Ltd., etc.).
ii. An individual who had served as a director, executive officer, manager, or employee in a managerial position (including an executive officer) of Brother Industries, Ltd., etc., more than 10 years ago.

(2) An individual who is currently serving or served within the past three years as a business executor*1 of a corporation or any other organization (hereafter referred to as a corporation, etc.) that applies to one of the followings.
- 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. the 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 of annual payment or a payment equals to two percent of the consolidated net sales of the 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 of annual payment, or a payment more than two percent of the gross income or recurring revenue of the said corporation/organization, etc., whichever is larger, from Brother Industries, Ltd. as a donation or grant during the relevant 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 of that the recipient of the 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.

(6) An important individual*3 who is currently a close relative*4 of the individuals mentioned in (1) through (5) above.

*1: A business executor is a director in charge of executing a business operation or 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 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.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors Updated	Introduction of Performance-based Remuneration

Supplementary Explanation for Applicable Items Updated

For the implementation status of measures related to incentives for our Director, please refer to the section titled “II.1 [Director Compensation]” under “Disclosure of Policies on Determining the Amount or Calculation Method of Compensation” in this report.
Regarding the performance-linked indicators for stock-based compensation, they have been selected from the Financial Targets outlined in the mid-term business strategy. The target values and reasons for choosing each indicator are as follows, from 1 to 4.
1. Type of Indicator: ROE
Target: 10% for the fiscal year 2027 (ending March 2028)
Reason for selecting the indicator: ROE is highly important as a measure for enhancing corporate value.
2. Indicator Type: TSR
Target: To outperform the TOPIX during the target period (fiscal years 2025 to 2027)
Reason for selecting this indicator: Because TSR is highly important as a measure of management performance, including stock price.
3. Indicator Type: Sales Revenue
Target: 1 trillion yen for the fiscal year 2027 (ending March 2028)
Reason for selecting the indicator: Because sales revenue is a highly important metric for measuring the enhancement of corporate value.
4. Indicator Type: CO2 Reduction
Target: Reduce CO2 emissions in Scope 1 and 2 by 56% compared to 2015 levels during the period from fiscal years 2025 to 2027.
Reason for selecting this indicator: Because climate action holds significant social importance as a sustainability goal.

Persons Eligible for Stock Options Updated	—

Supplementary Explanation for Applicable Items Updated

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Director Remuneration

Status of Disclosure of Individual Director’s Remuneration Updated	Disclosure for Selected Directors

Supplementary Explanation for Applicable Items Updated

The Company discloses total remuneration of all Directors, total remuneration of Outside Directors, as well as total remuneration by type in its Annual Securities Report and Business Reports. Additionally, in its Annual Securities Report, the Company individually discloses the remuneration of directors whose total remuneration exceed 100 million yen.

Policy on Determining Remuneration Amounts and Calculation Methods Updated	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company has determined an officer remuneration system that enables the Company to secure and maintain excellent internal and external management personnel who serve the purpose of sustainably enhancing corporate value, and it has adopted the policy of paying remuneration to them at levels appropriate to their duties and achievements.

Remuneration for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the same shall apply in this policy) consists of the following (i) through (iii):

(i)Basic remuneration: Fixed monetary remuneration for all Directors

(ii)Annual bonus: Monetary remuneration based on performance in the relevant fiscal year only for full-time Directors who concurrently serve as Executive Officers

(iii)Stock-based compensation: Stock-based compensation based on medium-term performance, etc. for Directors excluding Outside Directors and Part-time Directors (if an eligible Director is a non-resident of Japan, alternative monetary remuneration is paid)

Remuneration for full-time Directors who do not concurrently serve as Executive Officers (excluding Outside Directors) consists of Basic remuneration and Stock-based compensation. Outside Directors and part-time Directors will be paid Basic remuneration only.

The amount of or method of calculating remuneration for all Directors is specified in the Company's Director Remuneration Rules and Share Delivery Rules (hereinafter collectively referred to as the "Director Remuneration Rules, etc.") in detail to ensure objectivity and transparency. Any revisions to the Director Remuneration Rules, etc. requires deliberation by the Compensation Committee and a resolution by the Board of Directors.

On the other hand, remuneration for Directors who are Audit & Supervisory Committee Members of the Company consists solely of fixed monetary compensation as basic remuneration, which is stipulated in the Audit & Supervisory Committee Remuneration Rules established by the Audit & Supervisory Committee.

Policy on Determining the Amount and Payment Timing of basic remuneration for Directors

The basic remuneration for Directors is a fixed monetary amount paid monthly on an annual basis. It is determined according to each Director's position and responsibilities, within the maximum amount approved at the General Meeting of Shareholders.

Policy on Details of Performance Indicators pertaining to the Annual Bonus, Method of Calculating Remuneration, etc., and Determination of Time and Terms of Payment

The annual bonus is variable monetary remuneration that reflects performance in each fiscal year. In principle, it is paid at a certain time each year, based on a report of the Compensation Committee and resolution of the General Meeting of Shareholders and Board of Directors.

The annual bonus will be calculated using the calculation method set forth below. However, the total amount of the annual bonus paid in each fiscal year shall be a maximum of 0.4% of the amount of consolidated net income in that fiscal year, and if the total amount to be paid exceeds such maximum amount as a result of the calculation below, adjustments will be made so that the total amount is within the maximum amount.

(1) Determine the "allocation rate" based on the sum total of "base points" according to the position of the Director eligible for a payment, and the predetermined "base point unit rate," and "base net income."

(2) Multiplying net income by the "allocation rate" under (1), calculate the total resources for an annual bonus in the relevant fiscal year.

(3) Calculate the tentative amount to be distributed to each Director eligible for a payment by dividing the total resources for a bonus proportionally based on the base points according to the position of each Director eligible for a payment.

(4) The Representative Director and President may propose that an extra amount be added to the tentative amount distributed to each Director eligible for a payment, except for him/herself, by a maximum of 10% of such tentative amount distributed.

(5) The Compensation Committee will deliberate on the total of the tentative amount to be distributed to each Director eligible for a payment and the extra amount added thereto, as well as the total amount to be paid, and then submit to the Board of Directors the plan for payment of an annual bonus to each Director. The annual bonus will be paid to each Director eligible for a payment by a resolution of the Board of Directors.

Note: As used in this paragraph, the term "consolidated net income" refers to "net income attributable to the owners of the parent company."

Policy on the Details of Stock-Based Compensation, Details of Performance Indicators, Calculation Method, and Determination of Payment Timing and Conditions

Stock-based compensation is designed as variable remuneration linked to the achievement of medium-term strategies and enhancement of shareholder value, with the aim of contributing to the medium- to long-term increase in corporate value. Stock-based compensation is provided to eligible directors through a trust scheme, whereby the company contributes funds to a trust and delivers shares, etc., to the directors.

In principle, shares, etc., granted as stock-based compensation are delivered to directors after their retirement.

The number of shares, etc., to be granted as stock-based compensation is calculated as follows:

(1) For each Director, the standard amount of stock-based compensation predetermined according to their position is divided by the reference share price. Of the resulting points, 50% are allocated as fixed points and the remaining 50% as performance-linked points. These points are granted to each eligible Director for each fiscal year during the target period of the medium-term strategy (hereinafter the "target period") and are accumulated.

(2) After the target period ends, the cumulative number of performance-linked points for each Director is multiplied by the respective performance-linked coefficients based on the following indicators, weights, and achievement levels, to calculate the

number of points to be granted.

Calculation formula
Final value of the performance-linked points = (A) + (B) + (C) + (D)

(A) Cumulative value of performance-linked points × 25% × ROE factor (*1)
(B) Cumulative value of performance-linked points × 25% × TSR factor (*2)
(C) Cumulative value of performance-linked points × 25% × Revenue factor (*3)
(D) Cumulative value of performance-linked points × 25% × ESG factor (*4)

*1 ROE factor
The ROE factor shall be calculated as shown below based on the degree of achievement of targets of ROE in the final fiscal year of the subject period.

Degree of achievement	ROE factor
130% or more	200%
100% up to 130%	(Degree of achievement: − 70%) × 10 / 3
70% up to 100%	The same as the degree of achievement
Less than 70%	0%

*2 TSR factor
The TSR factor is calculated as shown below based on TOPIX Outperform of our TSR (hereinafter referred to as "TSR OP") during the subject period.
TSR OP is calculated as shown below.
TSR OP (%) = Our TSR ÷ dividend-included TOPIX × 100

Achievement rate of TSR OP	TSR factor
150% or more	150%
100% up to 150%	The same as the degree of achievement
Less than 100%	0%

*3 Revenue factor
The revenue factor is calculated as shown below based on the degree of achievement of targets of consolidated revenue in the final fiscal year of the subject period.

Degree of achievement	Revenue factor
150% or more	150%
75% up to 150%	The same as the degree of achievement
Less than 75%	0%

*4 ESG factor
The CO2 emissions reduction factor is calculated as shown below based on the degree of achievement of targets for CO2 emissions reduction in Scope 1 and Scope 2 during the subject period.

Degree of achievement	ESG factor
100% or more	100%
80% up to 100%	The same as the degree of achievement
Less than 80%	0%

Note 1: The Company's Total Shareholder's Return (TSR) refers to TSR together with capital gains and dividends in the subject period.
Note 2: For Directors who leave the Company due to the expiration of their term of office before the expiration of the subject period, increases or decreases will be calculated in accordance with the above.

(3) Directors who meet the requirements to receive stock compensation will, after retirement, receive shares of the Company equivalent to 70% of the total cumulative points granted based on (1) and (2) above, and receive a cash payment corresponding to the remaining points.

Policy on Determining the Composition Ratio of Individual Remuneration, etc. for Directors by Type
For full-time Directors who also serve as executive officers, the composition ratio of individual remuneration, etc. is set at approximately Basic Remuneration (fixed): Annual Bonus (performance-linked): Stock-Based Compensation (performance-linked) = 5:3:2, assuming that the actual results match the short-term performance targets used as indicators for the annual bonus and the medium-term performance targets used as indicators for the stock compensation.
For full-time Directors who do not concurrently serve as executive officers (excluding outside directors), the composition ratio of individual remuneration, etc. is set at approximately Basic Remuneration: Stock Compensation = 3:1, assuming that the actual results match the medium-term performance targets.
The levels of remuneration, etc. by position and type for Directors, as well as the total amount of remuneration, are verified annually by the Compensation Committee for appropriateness, with reference to objective remuneration level data from external research organizations.

Support System for Outside Directors Updated

Secretaries and staff are assigned, and the necessary materials and information are made available at all times.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc. Updated

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Toshikazu Koike	Special Advisor	External activities of economic organizations, social contribution activities, talent development, and providing advice and recommendations upon the President's request (non-involvement in management)	Full-time with compensation	June 24, 2026	To be renewed annually
Ichiro Sasaki	Advisor	External activities with economic organizations, industry associations, etc. (not involved in management)	Part-time with compensation	June 25, 2024	To be renewed annually
Yoshihiro Yasui	Honorary *Sodanyaku*	—	No work/no compensation	June 23, 2009	None

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc. Updated	3

Other Related Matters Updated

An honorary sodanyaku does not perform any activity or work, and no compensation, etc. is paid. Only the title is used.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

1. Business Execution
The Company believes that the objective and neutral management supervisory function from an external point of view is crucial to corporate governance. The Board of Directors, which consists of twelve members (including seven Outside Directors), decides on important management matters and supervises executive operations at monthly Board of Directors meetings and extraordinary Board of Directors meetings held as necessary. In fiscal 2025 (from April 2025 to March 2026) when the Company was a company with a Board of Corporate Auditors, meetings of the Board of Directors were held 13 times. The record of attendance by Outside Directors and Corporate Auditors in meetings of the Board of Directors is disclosed in the Notice of Convocation of 134th Ordinary General Meeting of Shareholders (https://global.brother/en/investor/meeting).

In addition, the Company has implemented an Executive Officer System, whereby executive operations and supervision are separated in an effort to ensure swift decision-making and to strengthen corporate governance. Executive Officers are appointed by the Board of Directors and are responsible for executive operations of business, departments and group subsidiaries, of which the Executive Officer oversees or is in charge.

Strategy meetings, which are mainly composed of Executive Officers at the managing executive level or above, are also held monthly. At these meetings, chaired by the President, strategies concerning the overall scope of the Group's operations are formulated and important matters related to business execution are deliberated.

2. Auditing and Supervision
The Audit & Supervisory Committee consists of five Audit & Supervisory Committee Members (including three Outside Directors who are Audit & Supervisory Committee Members). In accordance with the auditing standards defined by the Audit & Supervisory Committee, the Committee audits the performance of duties by Directors by attending and providing advice at various important meetings including the Board of Directors meetings, by exchanging information with the Internal Auditing Department, and by having three auditing staff* within the Office of the Audit & Supervisory Committee investigate the operations and status of property.

The Company established the Internal Auditing Department and appointed 11 staff* to examine the status of measures to manage risk and report to the Representative Director & President as well as the Audit & Supervisory Committee.

The Company has entered into an audit contract with Deloitte Touche Tohmatsu LLC being its Accounting Auditor, and established the environment in which the Accounting Auditor would be able to receive accurate management information and conduct the audit from a fair and unbiased perspective. The Accounting Auditor conducts the audit by exchanging opinions through regular meetings with, and in coordination with the Audit & Supervisory Committee, and the Internal Auditing Department. The certified public accountants who conducted the audit of the Company are Akinori Masumi, Yae Sugiura and Hiromi Kawai. In addition to the above, the auditing team includes 26 other certified public accountants* and 44 other staff*.
*The number of persons as of June 22, 2026

3. Details of Limited Liability Contract
In accordance with Article 427, Paragraph 1 of the Japanese Companies Act as well as the Articles of Incorporation, the Company has entered into contracts with each Outside Director, to limit their liabilities for damages with respect to the acts mentioned in Article 423, Paragraph 1 of the same Act. These contracts limit the amount of liabilities for damages to the amount set forth by laws and regulations. However, the aforementioned liability limitation shall be applied only in cases where such Outside Director performed their duties in good faith and without gross negligence.

3. Reasons for Adoption of Current Corporate Governance System Updated

Based on the resolution passed at 134th Ordinary General Meeting of Shareholders held on June 24, 2026, the Company has transitioned to a Company with an Audit & Supervisory Committee.
By granting the Audit & Supervisory Committee Members, who are responsible for auditing the execution of duties by Directors, voting rights as members of the Board of Directors, the Company aims to further strengthen the supervisory function of the Board and enhance its corporate governance system through multifaceted deliberations on important management matters.
Furthermore, by delegating certain authority from the Board of Directors to the executive Directors and Officers, the Company will establish a framework that enables prompt and decisive decision-making in business execution, thereby promoting sound risk-taking in management and aiming for further enhancement of corporate value.
Additionally, to ensure a multifaceted and objective deliberation within the Board of Directors, seven out of the twelve Directors are Outside Directors.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights Updated

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The contents of the notice of convocation of the 134th Ordinary General Meeting of Shareholders held on June 24, 2026 were posted on the Company's website and the website of the Tokyo Stock Exchange on May 29, 2026, and the notice was mailed out on June 5, 2026.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Ordinary General Meeting of Shareholders was scheduled and held on June 24, 2026, in order to avoid the peak date for the convenience of shareholders.
Electronic Exercise of Voting Rights	Shareholders may exercise voting rights through the website (via PC or smartphones).
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company has been participating in an electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The notice of convocation is available in English on the Company's website for overseas investors, ICJ platform as well as the websites of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
Other	The Ordinary General Meeting of Shareholders is streamed live on the web so that shareholders can observe the meeting from their homes, etc.

2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company's disclosure policy in Japanese and English text is available for investors on its website.	
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds financial results briefings online for analysts and institutional investors on a quarterly basis.	Held
Online Disclosure of IR Information	Investor information such as quarterly financial information, timely disclosure material, Annual Securities Report, Integrated Report, and information on the General Meeting of Shareholders and business briefing meeting is available in Japanese and English in the IR section of our website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Department in charge of IR: Corporate Communication Department Contact person in charge: Toshihiro Itou, Senior Managing Executive Officer	
Other	—	

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Global Charter sets forth the Company's basic policies on their relationship with stakeholders (customers, employees, business partners, shareholders, local communities and the environment).
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Group helps society achieve sustainable development by positively and continuously considering environmental impact in all aspects of its business operations. In March 2018, the Company formulated the "Brother Group Environmental Vision 2050" to clarify its long-term and ongoing commitment to resolving important social issues, such as climate change, resource depletion, environmental pollution, and ecosystem destruction, as business risks for the Group. In addition, the "medium-term targets for fiscal 2030" to reduce CO_2 emissions in the Brother Group Environmental Vision 2050 is approved as the science-based target ("1.5°C target") by the international Science Based Targets initiative (SBTi). Other information about environmental, social, and corporate governance (ESG) is posted on the Company's website.
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company's policy is to timely provide information to stakeholders by preparing shareholder newsletters, distributing e-mails on IR information and posting corporate information (in Japanese and English) on its website.
Other	[Promotion of Health and Productivity Management] The Group places importance on every employee's health management so that they can demonstrate their capabilities and skills over the long term. In September 2016, the Company established the Brother Group Health & Productivity Management Philosophy and also formulated Healthy Brother 2025, a set of long-term targets to be achieved by fiscal 2025, with the aim of allowing employees to actively demonstrate their abilities in a wide variety of areas. These targets include a smoking rate of less than 10% and a secondary cancer screening rate of 90% or above. We have also built a health & productivity management promotion system led by the Representative Director & President of the Company, who serves as Chief Health Officer (CHO). Under this system, the Company, the labor union, and the health insurance society collaborate with each other, working on initiatives to further increase the rate of employees who exercise regularly. In addition, the Company is working strategically to support the maintenance and improvement of the health of its employees through measures such as creating a health & productivity management strategy map to visualize continuous flow including issues to be solved through health & productivity management and efforts to solve them. To reaffirm these values and strategies with the associates of the Group, the Company published the "Brother Health & Productivity Management Storybook" in 2025. This storybook clearly summarizes the Brother Group's values toward Health & Productivity Management, the promotion system, and specific initiatives, while inheriting the founding spirit of "Create factories with pleasant atmospheres." As a result, the Company was selected as one of the 2025 Outstanding Organization of KENKO investment for Health (as "White 500" enterprises) under the Recognition Program for ten consecutive years, and 14 group companies of the Company were also selected as the Outstanding Organizations under the Program.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development Updated

Based on the corporate behavior charter, Brother Group Global Charter, the Company has established the following basic policies to ensure the appropriateness of the Group's operations, in order to continually enhance its corporate value and to establish the foundation of a corporate group that is held in high esteem by all stakeholders. These basic policies shall be revised according to the changes in the business environment and constantly reviewed for continuous improvement, for the purpose of establishing a more appropriate and efficient system.

1. Compliance System

(1) With respect to the compliance with laws by officers and employees, the Company established the corporate behavior charter and the Brother Group Principles of Social Responsibility. In addition, the Company established a system to ensure the duties performed by Directors and employees to comply and be consistent with laws and regulations and the Articles of Incorporation, through setting forth the rules on the Board of Directors and other internal rules.

(2) The Company formed a Compliance Committee, chaired by the Representative Director & President (or an Executive Officer nominated by the President), and appointed a person in charge of compliance, who supervises the compliance activities (education programs and awareness-raising activities, operation of an Employee Hotline for Compliance Issues) of the Group.

(3) The Company provides compliance training, etc. for officers and employees at group companies, in order to further raise their awareness about compliance.

(4) The Compliance Committee operates an Employee Hotline for Compliance Issues, which receives calls for consultation from officers and employees at group companies and takes action according to the degree of importance and urgency. In addition, when a compliance risk that would have material impact on the Group's business operations arises or is expected to arise, the Compliance Committee discusses and determines the policy for the actions to be taken and quickly executes these actions.

(5) The basic policies on elimination of anti-social groups or organizations are provided in the code of conduct, and a system is in place to confront unjustified demands in a resolute manner with help from external experts.

(6) The Company has designated Legal Departments and persons in charge of legal affairs at major group subsidiaries, in addition to the applicable departments at its head office, and also conducts education programs and activities on compliance as necessary for Directors and employees, etc.

2. System for the Storage and Management of Information on the Execution of Duties by Directors

Information on the execution of duties by Directors is stored in the form of documents, etc. (including electronic data), and the Information Management Committee appropriately stores and manages such documents, etc. in accordance with internal rules. In addition, such documents, etc. may be examined or copied by the Directors who are Audit & Supervisory Committee Members or Internal Auditing Department upon request.

3. Risk Management System

(1) The Risk Management Committee is headed by the Representative Director & President and was formed to establish a comprehensive risk management system for the Group. In addition, the status of its implementation is reported to the Board of Directors on a regular basis.

(2) The Company has built a system to evaluate and respond to business risks by each department and by each person in charge of risk management at the group subsidiaries. In addition, the Risk Management Committee evaluates and manages the status of measures against major risks related to the whole Group.

(3) Under the Risk Management Committee, the Company has established subcommittees for individual risks such as compliance, product safety, security trade control, information management, the environmental regulation, as well as safety, health, disaster prevention and supply chain. In the Company's risk management system, the subcommittees, for which the Representative Director & President (or an Executive Officer nominated by the President) is responsible in responding to, identifying and mitigating the risk, and also for taking measures when the risk event occurs.
In particular, with regard to product safety, the Company has established the Basic Product Safety Policies and Voluntary Action Plans on Product Safety in order to deliver safer products to customers.

(4) The Company has built a crisis-management system to be able to respond flexibly under the instruction of the chairman of the Risk Management Committee, in the event of an unforeseen situation that would have a material effect on the Company's operations.

(5) Under the instruction of the Representative Director & President, the Internal Auditing Department verifies the status of measures against risks at each of the Company's departments and group subsidiaries, and reports the results to the Representative Director & President as well as the Audit & Supervisory Committee.

4. System to Ensure the Efficient Execution of Duties by Directors

(1) The Company adopted the organization structure of a company with the Audit & Supervisory Committee, and has established the Executive Officer System, whereby executive operations and supervision are separated in an effort to strengthen governance. The Company also has adopted a department system to ensure swift decision-making and executive operations.

(2) The Board of Directors decides on important management matters and supervises executive operations at monthly Board of Directors meetings and extraordinary Board of Directors meetings held as necessary. Strategy meetings, which mainly consist of Executive Officers at the managing executive level or above, are also held each month. Strategy meetings are for developing the management strategies and budgets of the Brother Group, and for flexibly deliberating on important executive operations.

(3) The Company ensures the efficient execution of duties by Directors, by setting forth the rules on the Board of Directors and other internal rules and by making clear the delegation of authority and scope of duties.

(4) By setting forth the internal rules and the group regulations, the Company ensures the efficient execution of duties by Directors of the group subsidiaries by defining the matters to be submitted for prior approval and to be reported by group subsidiaries.

5. Group Governance System

(1) The Company has set forth the corporate behavior charter, the group regulations and the internal rules to ensure a uniform group governance system, and put in place a system that the administrative department can use to keep track of the status of important operations executed by the respective group subsidiaries.

(2) In order to ensure the reliability of financial reporting of consolidated financial statements, the Company promotes the establishment of frameworks and operations at the Group level. The Company also continues to maintain and improve such frameworks and operations on an annual basis.

(3) The Company manages and oversees group subsidiaries through assigning the Company's officers, Executive Officers and employees, etc. as the officers of major group subsidiaries.

(4) The Company has built a system where the Audit & Supervisory Committee and Internal Auditing Department conduct regular audits of group subsidiaries.

(5) In order to establish a governance system at group subsidiaries, the Company requires them to establish an organization and to set forth the internal rules.

6. Matters relating to Employees who support the Duties of the Audit & Supervisory Committee, matters relating to Employees' Independence from Directors Mentioned in the Preceding Provision and Matters relating to the Effectiveness of Instructions to Employees Mentioned in the Preceding Provision

(1) The Company designated the Office of the Audit & Supervisory Committee and several employees under direct control of the Audit & Supervisory Committee members to, upon request, support the duties of the Audit & Supervisory Committee.

(2) Personnel changes within the Office of the Audit & Supervisory Committee are conducted with the prior consent of the Audit & Supervisory Committee, and the personnel evaluations are also carried out by the Audit & Supervisory Committee.

7. Systems to Ensure Reporting to the Audit & Supervisory Committee and to Ensure that Reporting Persons are not Subject to Unfair Treatment because of Such Reporting

The Company shall timely report to the Audit & Supervisory Committee on wrongful acts, violation of laws or the Articles of Incorporation and the facts indicating such acts of the Directors and employees, etc., as well as other matters that the Audit & Supervisory Committee considers that it should receive a report for in order to fulfill its duties. In addition, the Company ensures that the reporting persons are not subject to unfair treatment because of such reporting.

8. Matters relating to Expenses Arising from the Execution of Duties by the Audit & Supervisory Committee

Expenses are paid in advance or reimbursed by the Company as appropriate, according to the budget plan for expenses necessary to undertake the auditing activities developed by the Audit & Supervisory Committee. When an expense exceeding

the amount in the budget plan is required, the appropriate amount will be added upon request from the Audit & Supervisory Committee to Representative Director & President or the Board of Directors.

9. Other Systems to Ensure Effective Auditing by the Audit & Supervisory Committee

(1) Full-time Audit & Supervisory Committee Members attend strategy meetings as well as other important meetings and committees.

(2) The Audit & Supervisory Committee regularly exchanges opinions with the Representative Director & President and other Directors and Executive Officers, as well as the Accounting Auditor and Internal Auditing Department. They also regularly hold communication meetings and timely exchange information with the Corporate Auditors of the group subsidiaries.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development Updated

<Basic Views on Elimination of Anti-social Forces>

The Company's compliance code of conduct contains a provision on the "prohibition of involvement in anti-social acts," which stipulates that "The Company will resolutely reject and avoid any dealings with any anti-social forces and organizations that threaten the order and safety of a civil society."

<Status of Establishment for Elimination of Anti-social Forces>

The Company has designated the Law, Environment and General Affairs Department responsible for ensuring the appropriate handling of anti-social forces. The Company collects information from the applicable administrative agencies on an ongoing basis, prepares the response manual and shares it with the persons concerned. In addition, the Company appropriately provides information to the internal persons concerned and raises awareness of its officers and employees. In the event of any possible dealing with anti-social forces, the Company closely communicates with the applicable administrative agencies and legal experts to quickly take measures.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items Updated

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2. Other Matters Concerning the Corporate Governance System Updated

The Company receives advice from Japanese or international law firms as necessary, in order to prevent or resolve problems.

<Overview of System for Timely Disclosure>

1. The Company's System for Information Disclosure

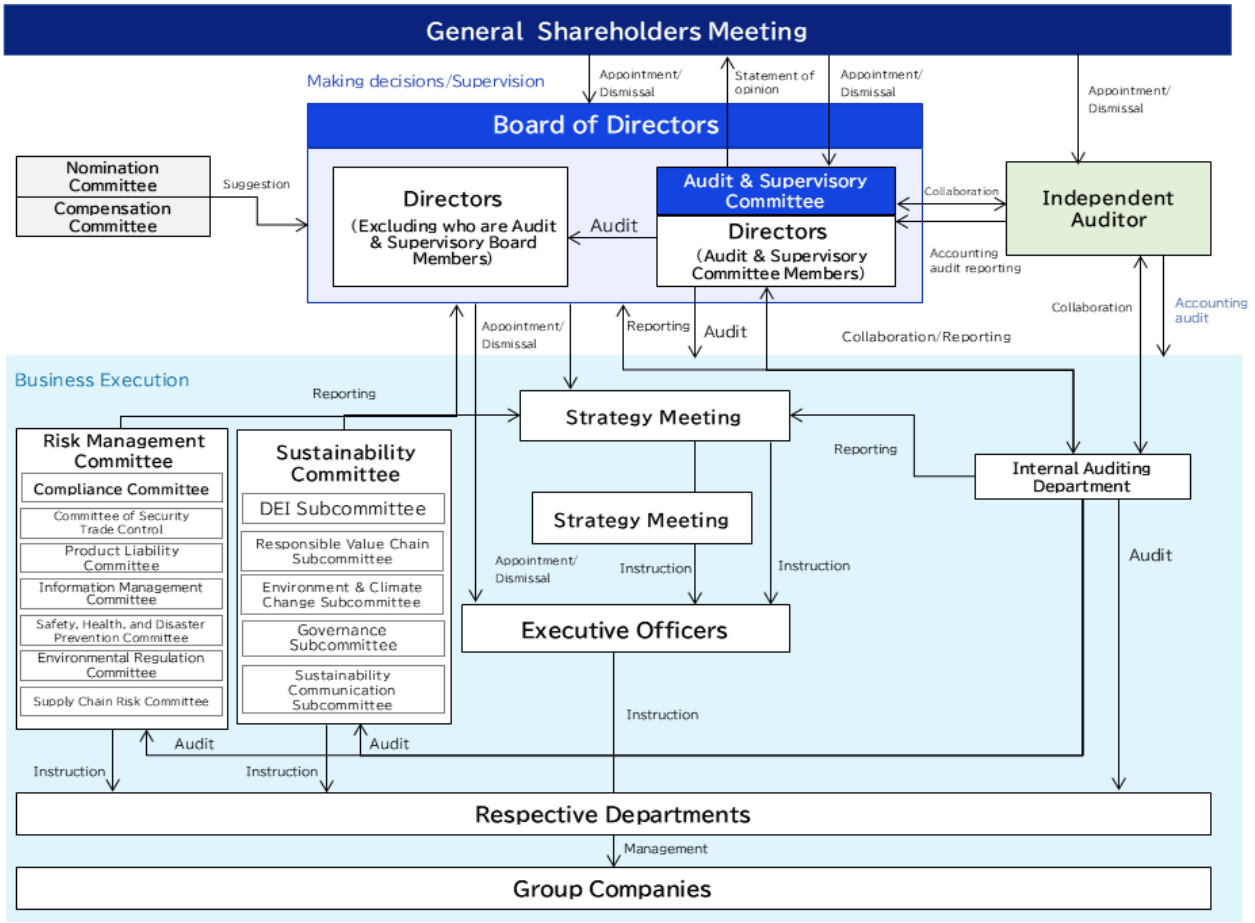
Based on the internal rules, disclosed information (insider information and information for timely disclosure) of the Company and its subsidiaries are promptly disclosed through the department in charge of information disclosure under the instruction of a person in charge of managing the information, following the decisions on important matters by the decision-making organization or person.

2. Ensuring the Appropriateness of the System for Information Disclosure

Based on the internal rules, disclosed information shall be communicated to the decision-making organization or person. If any question arises in judging whether the information should be disclosed, a department in charge of making this decision consults with appropriate departments and makes a determination as to whether the information should be disclosed.

3. Enhancement of the System for Information Disclosure

Whenever the applicable laws and regulations related to disclosed information are revised, the Company shall revise its internal rules, review its internal system and inform the parties and persons concerned.


General Shareholders Meeting
Making decisions/Supervision
Appointment/ Dismissal
Statement of opinion
Appointment/ Dismissal
Appointment/ Dismissal
Board of Directors
Nomination Committee
Compensation Committee
Suggestion
Directors (Excluding who are Audit & Supervisory Board Members)
Audit
Audit & Supervisory Committee
Directors (Audit & Supervisory Committee Members)
Collaboration
Accounting audit reporting
Independent Auditor
Collaboration
Accounting audit
Appointment/ Dismissal
Reporting
Audit
Collaboration/Reporting
Business Execution
Reporting
Strategy Meeting
Reporting
Internal Auditing Department
Risk Management Committee
Compliance Committee
Committee of Security Trade Control
Product Liability Committee
Information Management Committee
Safety, Health, and Disaster Prevention Committee
Environmental Regulation Committee
Supply Chain Risk Committee
Sustainability Committee
DEI Subcommittee
Responsible Value Chain Subcommittee
Environment & Climate Change Subcommittee
Governance Subcommittee
Sustainability Communication Subcommittee
Strategy Meeting
Appointment/ Dismissal
Instruction
Instruction
Audit
Executive Officers
Instruction
Audit
Audit
Instruction
Instruction
Respective Departments
Management
Group Companies

END