

## Face-to-Face Talk: Supporting One Another on Our "Round Earth," and Achieving New Growth



In March 2011, Brother formulated its new Mid-Term Business Strategy "CS B2015" on the theme of "Back to Growth", in the same month that the Great East Japan Earthquake struck. Against this backdrop, Brother Industries' President Toshikazu Koike invited Iruka, Goodwill Ambassador of the International Union for Conservation of Nature and Natural Resources (IUCN), to discuss a sustainable society and Brother's CSR management.

### A message to victims of the Great East Japan Earthquake

**Koike** : First of all, I would like to offer my deepest condolences again to the victims of the Great East Japan Earthquake on March 11, and wish for the quickest possible recovery of the damaged areas. On that day, I was in the head office in Nagoya and felt that slow, long shake of a large earthquake. I intuitively knew that the earthquake must have been massive if the epicenter was far from Nagoya, and indeed, it turned out to be a calamity. The Brother Group did not suffer direct damage in terms of human resources, but our group company XING's affiliated facilities in the Tohoku and Kanto regions and some of our parts suppliers were affected by the disaster. For the time being, we will continuously offer support as best we can, including donations from Brother, donations and relief supplies from group companies' employees in and outside Japan, free-of-charge repair services for Brother products in the disaster-stricken areas, and donations of Brother products to support organizations in the affected areas. The impact on our business was minimal because our overseas sales account for nearly 80% and overseas production for over 80%. But it will take a long time for the area to recover, so it is important to continue to provide support and step up our volunteer activities.

## Face-to-Face Talk: Supporting One Another on Our "Round Earth," and Achieving New Growth

**Iruka** : We have to unite our hearts under these circumstances. I was in Tokyo on the day, and immediately huddled under a desk when the earthquake struck; the tremor threw my body sideways. I turned on the TV and saw unbelievable images. The only thing I can do is to sing songs, so I have wanted to assist the recovery through the power of songs since that day, though people in the affected areas are probably not yet ready to enjoy songs. I do not want to be pushy, but I also know there will be chances in the near future. I hope to help when the time is right. Until then, I will continue to place donation boxes at my concert venues, and donate the entire sales of the pamphlets that were produced to commemorate the 40th anniversary of my debut. I am on a concert tour this year on the theme of concerts to support the recovery from the earthquake; the subtitle "Tomo ni Ikiru, Kono Toki wo" (living this moment together) was added as a personal message. I have also composed songs that reflect my feelings; I have continued with the concert tour so that my fans can feel relaxed or encouraged, even if only a little. I would like to invite people from the disaster-stricken areas to my concerts and sing songs together, starting this autumn, if possible.



**Koike** : For six years, I have been updating my in-house blog "Terry\*'s Tsurezure Diary" for employees twice a week. The total number of entries will reach 500 soon, so I launched "Terry's Kizuna Project" to involve employees. Specifically, I am producing charity T-shirts to commemorate the 500th posting at my own expense, and will give away the T-shirts, which feature my handwriting and an illustration of my photos that appears on my blog, to employees who pay the participation fee. All participation fees collected will be donated to the devastated areas. The concept seems to be exactly the same as your pamphlets!

**Iruka** : Yes, isn't it a coincidence? Some concert venues prohibit donation boxes, so I thought about other options and came up with the idea of selling pamphlets and donating the sales. Obviously, donations are highly appreciated, but I wanted to reflect my own unique style.

**Koike** : I think support activities should be basically "to a reasonable extent, ongoing, and natural." If we push ourselves too hard, we will run out of steam and lose momentum. And if we are not fully convinced, we cannot provide commitment over a long term. I tell employees to "work on volunteer and social contribution activities within the scope they can do reasonably and naturally."

**Iruka** : I agree. I have been working on these activities out of a desire to do something, and feel rewarded by putting my wishes into action. I think that is enough. If I tried to create a good appearance for my actions, they would turn out differently. And though some people would be helped, I believe that "long-term commitment within the extent possible, while smiling" is the right way for me.

\*: Koike's nickname of "Terry" was given to him when he worked as a representative in the U.S. Today, Koike is called "Terry-san" in the group in recognition of his friendliness.

## Face-to-Face Talk: Supporting One Another on Our "Round Earth," and Achieving New Growth

### Improving the environment as partners on earth



**Koike:** In October 2010, the Tenth Conference of the Parties to the Convention on Biological Diversity (COP10) was held in Nagoya. I know you have long contributed as a Goodwill Ambassador of the International Union for Conservation of Nature and Natural Resources (IUCN) through PR activities in and outside Japan, concerts to raise awareness of biodiversity, as well as CDs and picture books, among others

**Iruka:** About three years ago, the IUCN asked me how to draw public attention among people of different generations to "biodiversity" in an easy-to-understand manner because it is a difficult concept, so I suggested producing a CD and holding concerts. I also write and draw picture books, so I contacted a publishing company and suggested that a picture book for small children based on biodiversity might be a good idea, which led to a picture book called "Maarui Inochi" being published.

**Koike:** The Brother Group supported the objective of the conference; activities included donating printers to be used by COP10 participants in the internet lounge, booth exhibition as one of six printer manufacturers collaborating on the Ink Cartridge Return Project, and donating to the United Nations Environment Programme (UNEP). The conference was a great success: agreements were reached on the Nagoya Protocol, which sets rules for sharing the benefits of genetic resources, and Aichi Biodiversity Targets to be applied after 2010, among others. I also attended your "Maarui-Chikyu" (Round Earth) Concert in Nagoya during the conference period.

**Iruka:** Thank you very much! I had promised the IUCN headquarters to give a concert during the conference period. More than 50 conference participants came to the concert to refresh their minds with music in the midst of endless meetings, so I thought it was worth holding the concert. I learned that the Brother Group has been working hard on environmental issues.

**Koike:** Yes. For many years, employees around the world have volunteered to plant seedlings, protect mangrove forests, and support ecosystem surveys on sea turtles, for example, as part of environmental and social contribution activities. In May 2010, we chose the slogan "Brother Earth" as a symbol of our global environmental efforts spanning all our manufacturing and business operations as well as activities that I mentioned earlier. Based on the slogan, we have been channeling our resources to achieving the 2015 Midterm Environmental Action Plan.

Meanwhile, "brotherearth.com," a website featuring "click-fundraising", introduces the environmental protection activities being done by group companies in various regions. Visitors to the website are requested to click on the activities they want to support, and Brother Industries then donates money on behalf of visitors to environmental activities depending on the number of clicks. The Brother Earth websites are available in seven languages.

However, it's not clear to what extent individual companies can address the huge challenge of protecting the ecosystem, as COP10 showed. Have you got any suggestions based on your experience about possible activities for Brother?

## Face-to-Face Talk: Supporting One Another on Our "Round Earth," and Achieving New Growth

**Iruka:** The three international institutions of the IUCN, the World Bank, and the Global Environment Facility\* have jointly launched a program called SOS (Save Our Species), a fund for conserving a wide range of species, and they are looking for partner companies to support their activities. Contributions to this program will be publicized around the world because participating companies are recognized as global leaders in conserving biodiversity. Participation in SOS also helps improve the corporate image.

**Koike:** That's interesting. As we work on challenges related to biodiversity conservation, specific suggestions for assisting conservation activities in different countries will help employees in group companies understand the importance of such activities. Participating in support activities to the best of our ability will help us to grow as a global company.

**Iruka:** The year 2011 is also the International Year of Forests. IUCN's activities are related to forest protection, and are also closely linked with the paper that we use in daily life. Forest-related symposiums have been held around the world. The company name "Brother" has a good image because it is analogous to the message I have been giving: "Living things on our planet are brothers who support one another." I greatly respect your activities under the "Brother Earth" slogan, based on the notion that all living things on earth are linked to one another.

\*: The Global Environment Facility is one of the world's largest international funds that provide financial resources and technical support for work in various countries for the benefit of the global environment.

### Overcoming difficulties to achieve new growth

**Iruka :** For people of my generation, "Brother" is still largely synonymous with sewing machines; for younger people, Brother is a manufacturer of multi-function centers and printers. Brother has changed a lot over the years.

**Koike:** Yes. Companies have to keep changing to ensure long-term sustainable growth. Established 103 years ago, Brother has changed its main business over a cycle of several decades to achieve new growth through trial and error. Of course, we have experienced management difficulties, and most recently we had to extend the time span of our mid- and long-term strategy vision for achieving sales of JPY 1 trillion following the Lehman Shock in 2008. However, our each line of business has worked to build a stable foundation that is less susceptible to changes in the global management environment, while securing profit and cash. We have prepared ourselves for future growth. As a next step, we announced the new Mid-Term Business Strategy "CS B2015" in March 2011. On the theme of "Back to Growth," this strategy is intended to achieve growth in all businesses in all regions by 2015. Our activities aim to speed up the process of becoming a truly global company in respective sectors, including development, manufacturing, sales and marketing, human assets, CSR and brand.



## Face-to-Face Talk: Supporting One Another on Our "Round Earth," and Achieving New Growth

Fortunately, we are cost competitive and have built a network for delivering high-quality products across the world, because we were quick to set up manufacturing and sales operations outside Japan. We also take pride in our human assets and expertise accumulated over many decades. By enhancing these strengths, we can manufacture the best products that meet the needs of our customers, and at the best locations; we can thus show our "global team Brother" through mutual cooperation among group companies. I believe that our mission "to place the customer first everywhere, every time, and provide them with superior value, by quickly creating and delivering high-quality products and services" as set forth in the Brother Group Global Charter can be achieved by promoting efforts "positively, pleasantly and powerfully."

**Iruka:** It is amazing to do business on such a global scale. It is human nature to stick to past successes for the rest of one's life. And yet Brother has been expanding its unique business operations while considering the next generation. I'm sure it is not easy to set the vision. Singers and artists are considered "always up-to-date," but it is hard to turn out big hits every year, and so some people turn to other fields. If one wants to establish one's identity into the future, it is important to be sensitive to changes in the world, while having a firm anchor for oneself.

**Koike:** Exactly! The same applies to companies.

**Iruka:** I started my career as a singer in folk and new music, but I had a sense of crises many times, such as during the bubble economy. When people get rich, they start to like flashy things that are not directly related to daily life. When disco music was in, people criticized artists who sang with just a guitar as being insipid. I found it difficult to attract fans to concerts, but I stuck to my career. This was probably because throughout my career I have valued both the stubbornness to stick to my policy and the flexibility to change with the times. I wonder how many more years I will be able to continue singing, but I want to pursue my own style. I hope that my commitment to singing will inspire the next generation including my son.

**Koike:** I think so. The business "seeds" that are sown today will sprout and grow in 5 or 10 years, and be nurtured by younger generations. We have been working so that our business will continue to evolve in different categories or under new frameworks, with the same company name of "Brother."

### To get applause from as many fans as possible

**Koike:** I have enjoyed listening to your songs since I was young. You and I are close in age; people of our generation were fascinated by folk songs when they were young. When I was a high school student, I was impressed by The Folk Crusaders; The Kaguyahime made their debut when I entered university; and your "Nagori Yuki" was a big hit when I graduated from university.

**Iruka:** I feel grateful when people talk about my songs in the context of their lives.

**Koike:** Over the past 40 years, you have been very active without a break, and you still give 60 to 70 concerts a year. It's truly admirable.

**Iruka:** I had a two-year maternity leave called "Iruka's Hibernation" before and after giving birth. But my husband, who was a producer, did not allow me to go on leave and do nothing, so I wrote and drew picture books, created Christmas albums, and did other creative activities. Terry-san, you too have been completely dedicated to your business.

## Face-to-Face Talk: Supporting One Another on Our "Round Earth," and Achieving New Growth

**Koike:** Times are changing so rapidly; the top leaders of companies are constantly required to gather large amounts of the latest information more quickly than anybody else, and quickly make many decisions that the judges are right based on past experience and knowledge. I feel exhausted when doing nothing. I'm always thinking about work even during weekends, but I travel around out of curiosity, partly to find topics for my in-house blog.

Time is one thing that is given evenly to everyone. To live a fulfilling life, I think it is important to live "positively, pleasantly and powerfully" with a sense of curiosity about various things. I believe that such an attitude helps put fate on your side.



**Iruka:** I make sure to shake hands with my fans after concerts, some of whom suffer from serious diseases. The biggest joy of all is to get feedback like, "I got out of the house for the first time in a year; the concert has encouraged me," or "I think I can work hard from tomorrow." In fact, even just a three- or five-minute song has the power to inspire and refresh people's minds. When my husband passed away, I was no longer motivated to sing songs; one option was to do nothing, but I couldn't do that. I started to sing little by little, which paradoxically gave me energy, and I got applause from

fans. I felt grateful for my work. It is time to show my gratitude, so I want to go anywhere and sing songs if someone wants to listen.

**Koike:** That is touching. I hope that the Brother Group will continue to produce products and services that deserve applause from many customers by showing the spirit of "At your side." We will manage the company so as to empower many employees and give them a sense of pride. Thank you very much for today.



July 2011

## Face-to-Face Talk: Supporting One Another on Our "Round Earth," and Achieving New Growth



Representative Director & President Brother Industries, Ltd.

### Toshikazu "Terry" Koike

#### ■ Profile

Born in 1955 in Ichinomiya City, Aichi Prefecture. Graduated from Waseda University (Political Science and Economics) and joined Brother Industries, Ltd. in 1979. Transferred to Brother International Corporation (U.S.A.) in 1982. Went on a sales tour across the U.S. with a printer prototype when Brother's main products were typewriters and sewing machines, etc., thus building the foundation for Brother's info-com devices business. Appointed as Director & President of Brother International Corporation (U.S.A.) in 2000, and returned to Japan in 2005. Representative Director & President of Brother Industries, Ltd. since 2007. Nicknamed Terry. Publishes a broad range of information, from President's messages to personal experiences via an in-house blog. Enjoys various hobbies including wine, music, hiking, visiting historic sites, playing golf, watching sports, and playing Japanese chess (shogi). Has stored 9,000 tunes ranging from folk songs to the latest hits on his iPod. Goes to concerts when time permits. His motto is "positively, pleasantly and powerfully."

#### ■ Face-to-Face Talk guest



Singer-songwriter and Goodwill Ambassador of the International Union for Conservation of Nature and Natural Resources (IUCN)

### Iruka

#### ■ Profile

Born in Tokyo. Her father was the star tenor saxophone player of The Stardusters, a big-name band in the history of jazz in Japan. Formed a folk group while still attending Joshibi University of Art and Design. Became a member of The Shrieks, and made her debut as a solo artist in 1974. "Nagori Yuki" was a big hit in 1975; subsequently released songs including "Kimi wa Kanashimi no" (1976), "Ame no Monogatari" (1977), and "Salada no Kuni Kara Kita Musume" (1978), and a string of other hits which helped establish her position as a singer-songwriter. "Maarui Inochi" (1980), which was commissioned by a life insurance company for its TV ad, has long been a very popular tune that delivers the message of cherishing life. Took maternity leave for two years from 1978. Has gone on national concert tours every year and joined other events after resuming activities. Her message as a mother is "We humans and all living creatures are like cells of this great and beautiful Earth", through her works including the picture books "Chiisana Sora" and "Mafuyu no Tenshi" as well as essays. This message has been well received by many people of all generations. Appointed the first Goodwill Ambassador of the International Union for Conservation of Nature and Natural Resources (IUCN) in 2004. Appointed as a visiting professor of the Field of Art Produce and Museum Study, College of Art and Design at Joshibi University of Art and Design (alma mater) in 2010.