

Into the Next 100 Years as a Global Company

In 2008, the global economy was hit by a “once-in-a-century” financial crisis. By sheer coincidence, the Brother Group commemorated the 100th anniversary of its founding in 2008. Brother Industries’ President Toshikazu Koike invited Ms. Mari Christine, Goodwill Ambassador for UN-Habitat, to discuss the Brother Group’s growth and CSR (Corporate Social Responsibility) into the next 100 years.

What counts is to always take up new challenges and keep on changing

Mari: In 2008, Brother Industries marked its 100th anniversary in the midst of a tumultuous downturn in the global economy. What do you have in mind for the next 100 years?

Koike: I think that the current economic downturn is a warning to mankind, who have been absorbed in money games. In this context, manufacturers are expected to “work on developing new products and offer excellent values” in an effort to stimulate the economy. When you look at the global market, some companies are achieving continuous growth by flexibly meeting the changes of the times and transforming their businesses, while other companies are overwhelmed by the economic downturn and finding no way out, as a consequence of manufacturing the same old products. At the Brother Group, we want to always take up new challenges and keep on changing over the next 100 years.

There have been dramatic changes within the business framework of the Brother Group. Today, with our manufacturing and sales facilities in more than 40 countries and regions, the Brother Group is a global company whose overseas sales and employees account for more than 80%. Sales of communications and printing equipment, including color laser printers, have exceeded those of sewing machines, and now account for more

than 70% of our total sales. Brother has steadily been establishing its market image that “Brother Means Color.”

Mari: It occurs to me that the Japanese government has tried to contain development and production technologies only within the country, but such efforts seem to have fettered Japanese companies to some extent. Against this backdrop, the Brother Group has taken up the challenge of setting up facilities all over the world and establishing its technologies as global standards. I find these efforts admirable.

Koike: Thank you. For some time, we will have to endure the situation and build a framework in which we can make profits on a group basis under the tough market conditions. Through this process, we will plant seeds for future dreams by taking up challenges and changing ourselves on an ongoing basis. In FY2008, we initiated changes in “new business fields.”

Specifically, we introduced our technology called “Retinal Imaging Display” and a new e-paper-based product named “Brother Document Viewer.” But there is one thing that must not change. That is “At your side.” — our corporate culture to “develop activities from the viewpoint of all stakeholders, with top priority given to customers.”

“At your side.” — In pursuit of customer satisfaction

Mari: There is a Brother fax machine in my house in the US. My father told me that the Brother operator was very polite in giving



Toshikazu Koike

Representative Director & President
Brother Industries, Ltd.

Joined Brother Industries, Ltd. in 1979. Transferred to Brother International Corporation (U.S.A.) in 1982, and appointed President there in 2000. Returned to Japan in 2005, and became Representative Director & President of Brother Industries, Ltd. in June 2007.



instructions when he contacted the call center.

Koike: Thank you. In the 1990's, sales volume grew rapidly in the US. In response, we drastically reformed our services, logistics system, and IT architecture. As a result, we were able to reduce the waiting time of customers who are trying to get connected to the call center, and solve their problems with one call.

All the activities at the Brother Group are based on the "Brother Group Global Charter." The basic principles include the creation and quick delivery of excellent values, with the "At your side." customer-first spirit in every aspect, and the establishment of long-term trust and loyalty with customers. To meet these goals, we have been making efforts to deliver excellent value to customers in every aspect of our activities, from development, design, and manufacturing, to services. To achieve the ultimate goal of customer satisfaction, "No Calls, No Returns*¹," we are committed to improving product quality, while upgrading and enhancing support information so that customers can solve problems by themselves. At the Brother Group, these efforts are called "Product Returns and Servicing*²" reduction activities. We will continue to work on these activities to develop "Brother" into a brand trusted by all stakeholders, including customers.

Respecting diversity of employees

Mari: More than 80% of Brother Group's employees are non-Japanese. It must be difficult to work with employees of diverse cultural backgrounds.

Koike: The development of customer-oriented business on a global scale requires proactive information-sharing and mutual cooperation within the group. In this context, I believe that each and every employee should respect each other's differences, and share a "customer comes first" spirit.

Contributing to the global environment and local communities

Mari: I visited Brother's exhibition zone at the 2005 World Exposition, Aichi, Japan, and learned that Brother is committed

to various activities for environmental conservation.

Koike: We work proactively to protect the global environment in every aspect of our corporate activities, in order to build a society where sustainable development can be achieved. We are committed to developing products of excellent environmental performance, and to curbing CO₂ emissions from production activities by, for example, introducing photovoltaic power generation systems at our factories. We also work on waste reduction based on the concept of the "5R" (see p27) — the 3R (reduce, reuse, recycle) plus "refuse" and "reform." We will set mid-term targets for CO₂ emissions reduction, and upgrade our activities to achieve these goals.

We also invest resources into activities to make social contributions through environmental activities. For example, we count points every time an employee takes an environmentally conscious action. The collected points are used for such things as afforestation activities.

Mari: I have been appointed Honorary Director of the "Aichi Kaisho Forest Center" on the former site of the 2005 World Exposition, Aichi, Japan, and Public Relations Advisor for the 10th Conference of the Parties to the Convention on Biological Diversity (COP10). In my capacity, I will continue to work on disseminating "Nature's Wisdom," which is the theme of the exposition, by preserving forests for our children.

Koike: I hope we could work together to build a sustainable global community for future generations.



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*¹ No Calls, No Returns: To eliminate inquiries and products returned from customers

*² Product Returns and Servicing: Number of products returned/number of products shipped in a month

Mari Christine

Cross-Cultural Communicator and Goodwill Ambassador for UN-Habitat

Raised in Japan (until the age of four) and other countries including Germany, the US, Iran, and Thailand. Graduated from Sophia University (Department of Comparative Culture, Faculty of Foreign Studies). Completed master's degree course (Social Engineering), Graduate School of Decision Science and Technology, Tokyo Institute of Technology in 1994. Serving as Goodwill Ambassador for UN-Habitat (the United Nations Human Settlements Programme: a United Nations organization focused on settlement problems of people who live in urban areas of developing countries, etc.) since 2000. Appointed Public Relations Producer for the 2005 World Exposition, Aichi, Japan, and currently serves as Honorary Director of the Aichi Kaisho Forest Center (on the former Exposition site). Fluent in seven languages, she has written many books and given many lectures about cross-cultural understanding and environmental conservation.

