

May 10, 2010

Brother Combines Two Consolidated Subsidiaries

Brother Industries, Ltd. (President: Toshikazu Koike, hereinafter Brother) has announced today that it will combine two consolidated subsidiaries, XING Inc. (President: Tokuji Yoshida, hereinafter XING), and BMB Corp. (President: Masaharu Kamo, hereinafter BMB) on July 1, 2010. BMB is absorbed into XING, a surviving corporation.

The Brother Group started online karaoke business in 1992, and since then it has been participating in the music contents and network business that XING operated. Under such conditions, XING acquired all shares of BMB on January 20, 2010 to reinforce a revenue base of the online karaoke business and expand a customer base in the new business field. The intention of this merger is to accelerate integration of business operations.

This merger will conduct organization rearrangement, system integration, and raise business efficiency to reinforce the revenue base, helping to establish a strong position in the karaoke market. Brother will further enhance capability to develop contents and exploit new business utilizing an enlarged customer base for the growth of the whole group.