

Following are explanations of terminologies used in the Report.

A

Annual Conference of Quality Engineering Society G

The Conference is an annual event put on by the Quality Engineering Society for the purpose of presenting case studies. Society works to popularize and promote sound engineering practices to achieve high quality in engineering as well as efficiency of production.

B

Brother Group Global Charter G Emp Env

The charter, which was established in 1999, defines the basic management policies of the Brother Group and our employee code of practice.

C

Consolidated Dividend Payout Ratio Sh

This is the ratio that indicates the level of net profits earned by corporations which is distributed to shareholders. It is determined by multiplying the dividend amount for one stock by the number of outstanding stocks to arrive at the dividend total and dividing it by consolidated net profit.

Corporate Governance G

A system of checks and balances intended to temper any excessive behavior by management. Recently, more companies have manifested their commitment to corporate governance, including the appointment of directors from outside the company.

Corporate Platform G

With a view to developing Global Vision 21 (GV21), the Corporate Platform was formulated by Brother International Corporation (U.S.A.) and represents a common mission and vision for all the Brother group companies located in the Americas.

Customer Quality Standards G

This is the minimum standard that must be achieved in order to place a product on the market. It is based on a compilation of customer requirements as well as information from the market. It also includes trial procedures for determining basic criteria.

D

Dividend on Equity Ratio (DOE) Sh

This index shows how much profit corporations distribute to shareholders, who are the rightful owners of a company, in the form of dividends. To arrive at it, total dividends are divided by the capital stock. This is one index, along with dividend payouts, that illustrates the level of the return of funds to stockholders.

E

ECM (Enterprise Content Management) C

ECM represents a framework by which corporations or groups of corporations share and manage not only information data such as graphical footage, text, graphs and so on, but also content such as Web pages, e-mail, video footage, graphics and more.

EuP Directive Env

The EuP Directive, issued in August 2005, establishes a framework for the setting of eco-design requirements for Energy Using Products (EuP). Targeting manufacturers of energy-consuming products such as electronics and electrical equipment manufacturers, it is an EU accord designed to consider the environment and minimize environmental stress from design through development and throughout the product life cycle.

G

Global Compact G

"Global Compact" is a framework for business proposed by Kofi Annan, former Secretary-General of the United Nations, at the World Economic Forum held in 1999. The concept was officially launched in July 2007, at the United Nations Headquarters in New York as a voluntary action principle. Participating corporations support and implement 10 internationally recognized rules with regard to human rights, labor standards, the environment, and preventing corruption, to the greatest extent that they can.

Green Procurement Env

Procurement decisions that are based not only on the price and quality of products and services but also on the environmental friendliness of the products and services.

I

ISO14001 G Env

International standards for the establishment of an environmental management system. This system was created by the International Organization for Standardization (ISO) in September 1996.

J

JIG (Joint Industry Guide for Material Composition Declaration for Electronic Products) Env

Its objective is to render efficient testing procedures for chemical substances contained in products and parts made by electronics and electronic equipment companies.

The Guide, which took effect in May 2005, is common to Japan, Europe, and the U.S., and sets forth standards for companies responding to inspectional surveys on specified chemical substances and/or supplying parts that may contain these substances.

M

Mechatronics C

"Mechatronics" technology is a combination of "mechanics" and "electronics." Used in a variety of products including machine tools and robots, this technology achieves automation and high performance.

Millennium Development Goals G

The Goals were adopted at a 2000 UN General Assembly to overcome the global issues discussed at United Nations international conferences in the early 1990s. There are eight goals including eradication of poverty, spread of education, creating a sustainable environment and more.

The classification symbols below are provided to indicate the chapter(s) the terminologies are used in.

G Brother Group/Brother Group's CSR C with Customers Emp with Employees Sh with Shareholders
P with Partners So with Society Env with the Environment

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N

Nanotechnology G

By freely controlling the structure of atomic particles and molecules at the nano scale ($1/10\text{m}=1/10^7(\text{cm})$), this technology enables development of devices including materials and functions with the attributes desired. It is used in industry and other fields.

O

Outside Transfer program Emp

This system supports employees who have reached a certain age to establish their own business or to find other work. There are three different types of assistance: special career change allowance (financial assistance), special time off to prepare for a career change (time to acquire the necessary skills, official certifications, or to look for other work), and job-placement assistance.

P

PDCA G So Env

This is a well accepted example of a management cycle. "P" stands for "Plan," "D" stands for "Do," "C" stands for "Check," and "A" stands for "Act." The concept behind it is to implement these four steps, link the resultant improvement to the next plan to run the organization with consistent improvement.

Post Concurrent Activities P

These are improvement projects implemented subsequent to production launch. Waste which went previously unnoticed - due to the fact that the deadlines were given priority when production was launched - is eliminated and quality improved by design divisions working together with parts suppliers.

Printing Solution G

These solutions consist of proposing means of resolving the various problems that come up during the printing process, including problems related to the printed word, visuals and more, supporting resolution of these issues.

Product Return and Servicing Rate C

The product return and servicing rate is the sum total of returns during the "cooling off" period, plus the number of items repaired during the warranty period divided by the total number of products shipped.

R

REACH (the Registration, Evaluation, and Authorization of Chemicals) Env

It was enacted by the EU as of June 2007 with a view to protecting human health and the environment, maintaining and enhancing competitiveness of the European chemical industries and more. It makes the registration of chemical substances, evaluation of safety, use limits, and proper authorization mandatory for manufacturers.

Refreshing Vacation Emp

At the junctures of 10, 15, 25, 30, 35, and 40 years with the company, employees are given one long vacation. The purpose of these vacations is to give such employees a chance to refresh their minds and bodies.

Renewable Energies Env

As opposed to non-renewable fossil fuels such as oil and coal, renewable energies include sustainable energy sources such as solar power, wind power, etc.

RoHS Directive P Env

Adopted by the European Parliament and the Council of the EU, this directive bans the sale of electrical and electronic equipment containing six hazardous substances - lead, mercury, cadmium, hexavalent chromium, Polybrominated Biphenyls (PBB), and Polybrominated Diphenylether (PBDE) - in the EU.

V

VOC Env

VOCs are organic compounds that vaporize at a low boiling point. The U.S., Canada, the EU, the U.K., Germany, South Korea, and Japan have laws to restrict VOC emissions with the objective of protecting the ozone layer.

W

WEEE (Weste Electrical and Electronic Equipment) Env

Adopted by the European Parliament and the Council of the EU, the WEEE Directive mandates the collection and recycling of electrical and electronic products at the end of the product cycle.

Y

YUTORI extended weekend Emp

With a view to enabling employees to rest their bodies and minds, this system allows them to take three paid holidays which, combined with other days off specified by the company, add up to five consecutive days of vacation once a year.

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