



March 2, 2026

Company: BROTHER INDUSTRIES, LTD.
Representative: Kazufumi Ikeda,
Representative Director & President
(Code: 6448, TSE Prime Market, NSE Premier
Market)
Contact: Toshihiro Itou,
Senior Managing Executive Officer
(Tel: 052-824-2075)

Notice Concerning Company Split (Simplified Absorption-type Split)

Brother Industries, Ltd. (the “Company”) hereby announces that, at the meeting of its Board of Directors held today, it resolved to transfer the business relating to the Company’s work communication software service “BuddyBoard” (the “Target Business”) to BuddyBoard Inc. (“BB”), a newly established wholly-owned subsidiary, through a company split (simplified absorption-type split) (the “Absorption Split”), with an effective date scheduled for May 1, 2026.

Certain disclosure items have been omitted, as the increase or decrease in the Company’s total assets is less than 10% of the net assets at the end of the immediately preceding fiscal year, and the increase or decrease in the Company’s net sales is expected to be less than 3% of the net sales of the preceding fiscal year.

1. Purpose of the Absorption Split

Since 2021, the Company has developed and provided the original notebook application “BuddyBoard” for iPad. BuddyBoard enables users to share handwritten content with multiple people in real time within the application and is primarily utilized in the construction industry for purposes such as brainstorming and providing instructions on design drawings.

Through this Absorption Split, IXS No. 1 Investment Limited Partnership (“IXS”), an independent investment fund managed by IncubeX Studio Co., Ltd., will leverage its expertise in the SaaS business including agile management as well as its specialized knowledge of the construction industry and experienced personnel, to accelerate the growth of the Target Business, enhance service quality, and optimize business operations. The Company will also promote human resource development and pursue further expansion of the Target Business. This initiative is expected to continuously enhance the value of BB’s stock assets held by the Company, and to generate ongoing returns such as intellectual property license income from the Target Business. Furthermore, the experience and knowledge gained by BB, as well as feedback through personnel exchanges with the Company, will contribute to further strengthening the service business foundation of the Company and its group companies.

Following the establishment of BB as a wholly-owned subsidiary and execution of the Absorption Split, BB will conduct a third-party allotment of shares to IXS. As a result, IXS will acquire 51% of BB’s shares, and BB will become a non-affiliate of the Company.

2. Summary of the Absorption Split

(1) Schedule of the Absorption Split

Date of resolution of the Board of Directors regarding the approval of the Absorption Split Agreement	March 2, 2026
Establishment of BB Company	March 3, 2026 (scheduled)
Date of Execution of the Absorption Split Agreement	March 3, 2026 (scheduled)
Effective date of Absorption Split	May 1, 2026 (scheduled)
Date of implementation of the third-party allotment of shares (IXS's investment in BB)	May 1, 2026 (scheduled)

*This absorption split is a simplified absorption split as stipulated in Article 784, Paragraph 2 of the Companies Act, and will be carried out without the approval of the general meeting of shareholders.

(2) Method of the Absorption Split

The Absorption Split will be conducted as a simplified absorption-type split, with the Company as the splitting company and BB as the successor company.

(3) Details of allocation related to the Absorption Split

Since the Absorption Split is between the Company and BB, which will be established as a wholly-owned subsidiary of the Company, no share allotment or other consideration will be paid at the time of the Absorption Split. Following the Absorption Split, BB will conduct a third-party allotment of shares to IXS, as a result, IXS will acquire 51% of BB's shares.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights in relation to the Absorption Split
Not applicable.

(5) Change in capital stock due to the Absorption Split

There will be no increase or decrease in the Company's capital as a result of the Absorption Split.

(6) Rights and obligations to be assumed by the successor company

On the effective date of the Absorption Split, BB will assume the rights and obligations relating to the Target Business operated by the Company, as specified in the Absorption Split Agreement.

(7) Expected debt fulfillment

The Company judges that there is no issue regarding the prospect of fulfillment of the obligations to be borne by the Company and BB after the effective date of the Absorption Split.

3. Profiles of the parties involved in this Absorption Split

	Splitting company (September 30, 2025)	Succeeding company (Scheduled for March 3, 2026)
(1) Company Name	Brother Industries, Ltd.	BuddyBoard Inc.
(2) Head Office	15-1 Naeshiro-cho, Mizuho-ku, Nagoya city, Aichi, Japan	3-8 Momozono-cho, Mizuho-ku, Nagoya city, Aichi, Japan

(3) Representative person	Representative Director & President Kazufumi Ikeda	Representative Director & President Raizo Kosaka
(4) Business Description	<ul style="list-style-type: none"> • <u>Printing and Solutions business</u> (printers, all-in-ones, label writers, label printers, scanners, etc.) • <u>Industrial printing business</u> (coding and marking equipment, digital printing equipment, garment printers, etc.) • <u>Machinery business</u> (machine tools, industrial sewing machines, etc.) • <u>Nissei business</u> (garmotors, high-stiffness reducers, gears) • <u>Personal and home business</u> (home sewing machines, cutting machines, etc.) • <u>Network and Content Business</u> (Commercial online Karaoke equipment, Content Services, etc.) 	Planning, development, sales, provision, operation of software services and information processing services using the cloud and the Internet
(5) Capital Stock	19,209 million yen	98 million yen *After the implementation of the third-party allotment of capital 200 million yen
(6) Date of establishment	15 Jan 1934	March 3, 2026 (scheduled)
(7) Number of Shares Issued	257,755,930 shares	1,960,000 shares *After the implementation of the third-party allotment of capital 4,000,000 shares
(8) Fiscal Year-End	March 31	March 31
(9) Major shareholders and shareholding ratios	Master Trust Bank of Japan 16.24% Japan Custody Bank Co., Ltd. 6.02% STATE STREET BANK AND TRUST COMPANY 505001 5.11% Nippon Life Insurance Company 3.50% Sumitomo Mitsui Banking Corporation 1.96% etc.	Brother Industries, Ltd. 100% *After the implementation of the third-party allotment of capital IXS No. 1 Investment Limited Partnership 51% Brother Industries, Ltd. 49%
(10) Financial Position and Operating Results for the Previous Fiscal Year		
	Brother Industries, Ltd.	BuddyBoard Inc.
Fiscal Year	Fiscal Year Ended March 31, 2025 (Consolidated, IFRS)	Because the new company is scheduled to be established on March 3, 2026, thus no previous fiscal year exists.
Equity attributable to the owners of the parent company	691,390 million yen	
Total assets	932,650 million yen	
Equity attributable to owners of the parent company per share	2,704.21 yen	

Profit from sales	876,558 million yen	
Business Profit	69,888 million yen	
Profit attributable to owners of the parent company	54,778 million yen	
Basic earnings per share	JPY 214.27	

(Unit: million yen excluding those specifically noted)

[Overview of the Business to be Split]

(1) Business Description

Work communication software service business “BuddyBoard”

(2) Business Results

Revenue of the Target Business for the fiscal year ended March 31, 2025 was approximately 27 million yen.

(3) Assets and Liabilities to be Split (as of December 31, 2025)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	9 million yen	Current liabilities	2 million yen
Fixed assets	7 million yen	Fixed liabilities	—
Total	16 million yen	Total	2 million yen

Note: As of the end of April 2026, the amount is subject to change. Advance payments from group companies that act as sales agents in the target business are not included.

4. Status after the Absorption Split

(1) Status of the Company after the Absorption Split

There will be no changes to the Company’s name, location, representative’s position and name, business content capital, or fiscal year-end as a result of the Absorption Split.

(2) Overview of the Successor Company after the Absorption Split

The name, location, representative’s position and name, business content, capital, and fiscal year-end of BB after the Absorption Split are as stated above.

5. Future Outlook

The impact of the Absorption Split on the Company’s consolidated business results is not expected to be material.