

**Brother Nordic A/S
Central Business Registration No
54034628
Baldershøj 22
2635 Ishøj**

Annual report 2015/16

The Annual General Meeting adopted the annual report on 07.06.2016

Chairman of the General Meeting

Name: John Lars Manelius

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Entity details

Entity

Brother Nordic A/S
Baldershøj 22
2635 Ishøj

Central Business Registration No: 54034628

Registered in: Ishøj

Financial year: 01.04.2015 - 31.03.2016

Phone: +4543313131

Internet: www.brother.dk

E-mail: info@brother.dk

Board of Directors

Yuichi Tada, Chairman

John Lars Manelius

Tsuyoshi Okishio

Executive Board

John Lars Manelius, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Brother Nordic A/S for the financial year 01.04.2015 - 31.03.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2016 and of the results of its operations and cash flows for the financial year 01.04.2015 - 31.03.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ishøj, 25.04.2016

Executive Board

John Lars Manelius
Chief Executive Officer

Board of Directors

Yuichi Tada
Chairman

John Lars Manelius

Tsuyoshi Okishio

Independent auditor's reports

To the owner of Brother Nordic A/S

Report on the financial statements

We have audited the financial statements of Brother Nordic A/S for the financial year 01.04.2015 - 31.03.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.03.2016 and of the results of its operations and cash flows for the financial year 01.04.2015 - 31.03.2016 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 25.04.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jens Baes

State Authorised Public Accountant

Kristian Nørhave

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015/16	2014/15	2013/14	2012/13	2011/12
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial high-lights					
Key figures					
Revenue	65.140	66.542	66.989	66.158	66.713
Gross profit/loss	9.507	10.360	10.151	10.329	9.179
Operating profit/loss	3.292	2.539	2.331	2.685	1.876
Net financials	(614)	(322)	(371)	(281)	(222)
Profit/loss for the year	1.970	1.690	1.266	1.783	1.209
Total assets	41.734	49.012	46.435	45.666	49.429
Investments in property, plant and equipment	196	992	787	198	7.269
Equity	31.276	38.148	37.095	36.720	39.542
Ratios					
Gross margin (%)	14,6	15,6	15,2	15,6	13,8
Net margin (%)	3,0	2,5	1,9	2,7	1,8
Return on equity (%)	5,7	4,5	3,4	4,7	3,1
Equity ratio (%)	74,9	77,8	79,9	80,4	80,0

Management commentary

Primary activities

The Company's activities mainly consist in the sale of printers, fax machines, All in One printers, labelling systems and scanners as well as accessories and consumables, etc to these products.

Development in activities and finances

Despite the fact that the Nordic printing market declined in terms of units by ÷3% (Denmark, Sweden and Finland more or less the same decline - only the Norwegian market shows growth), the Company slightly increased its market share in the Nordic market by almost 1%.

The Company ended the financial year with revenue of ÷2,1% compared to last year, which is considered satisfactory taking into account the market situation and the fact that the decrease stems from the sale of consumables and not hardware for which we have actually experienced growth. There are of course many reasons for the decrease in the sale of consumables, e.g. cross-border sales from other European countries, grey imports, third party consumables and evidently a declining demand for printing, but as long as we experience growth in the sale of hardware, we are satisfied.

At the same time, this year's objective was to invest in the future business and growth by investing more resources in marketing and SMB business-related activities, but at the same time to secure the Company's profitability by carefully monitoring other operating expenses. Altogether, these measures have been successful.

The main reason for an operating profit of +30% is the fact that we have sold our office building in Norway with a profit. In this light, the operating profit for the year is considered satisfactory.

Uncertainty relating to recognition and measurement

No particular uncertainties are attached to recognition and measurement.

Unusual circumstances affecting recognition and measurement

No unusual circumstances exist.

Outlook

After having restructured the Company in the past financial years and by having a new Nordic end-user team setup from the next financial year, the Company feels well-equipped to continue investing in the strategy of the Brother Group (growth in SMB, corporate and solution businesses). At the same time, an ongoing optimised product development will create a solid foundation for a continuous expansion of the sales activities and the existing market shares.

Particular risks

The Company is not subject to any particular business risks.

Management commentary

Financial exposure

The Company is not materially exposed to foreign exchange risks.

Intellectual capital resources

The employees improve their qualifications on a current basis in order to possess constantly the required and relevant competences.

Environmental performance

The Company falls within and fully complies with the European WEEE and RoHs regulations. The Company is ISO 14001 certified. Some of the Company's core products are marked with the Nordic Eco-label.

Research and development activities

The Company does not perform specific research and development activities.

Foreign branches

Finance Director Eeva Miettinen, Brother Finland, branch of Brother Nordic A/S, Tanska, sivuliike Suomessa, Honkanummentie 2, 01260 Vantaa, Finland

Country Manager Geir Langedrag, Brother Norway, branch of Brother Nordic A/S, Oluf Onsumsvei 11, 0680 Oslo, Norway

Country Manager Mats Tommy Valentin Svensson, Brother Sweden, branch of Brother Nordic A/S, Hulda Lindgrens gata 6B, 421 31 Västra Frölunda, Sweden

Corporate social responsibility

The Company is covered by the Group's guidelines on corporate social responsibility. The guidelines are available on the Group's website; see the following link:

<http://www.brother.com/en/csr/download/index.htm>

Policy on gender composition of management

The Company has a policy on gender composition of management, as the Company sees diversity as a strength that helps secure access to the best talents. The policy is available on the Company's website; see the following link:

http://www.brother.dk/~media/Pdf/Nordics/Politik%20vedr%20kønsmæssig%20fordeling_2016_DK.pdf

Management commentary

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income as well as realised and unrealised capital gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses as well as realised and unrealised capital losses on payables and transactions in foreign currencies.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is seven years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Leasehold improvements are recognised if the recoverable amount of the costs is of use for the Company.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	33 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	max. 5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to depreciation and impairment losses.

Inventories

Inventories are measured at the lower of cost using the average cost formula and net realisable value. Weighted average prices have been used at the calculation.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less costs incurred to execute sale.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments to remedy defects and deficiencies within the guarantee period.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Accounting policies

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank debt.

Financial highlights

Financial highlights are defined and calculated in accordance with “Recommendations & Ratios 2015” issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Income statement for 2015/16

	<u>Notes</u>	<u>2015/16 EUR'000</u>	<u>2014/15 EUR'000</u>
Revenue	1	65.140	66.542
Other operating income		335	379
Cost of sales		(44.268)	(45.813)
Other external expenses	4	<u>(11.700)</u>	<u>(10.748)</u>
Gross profit/loss		9.507	10.360
Staff costs	2	(6.610)	(6.434)
Depreciation, amortisation and impairment losses	3	<u>395</u>	<u>(1.387)</u>
Operating profit/loss		3.292	2.539
Other financial income	5	814	657
Other financial expenses	6	<u>(1.428)</u>	<u>(979)</u>
Profit/loss from ordinary activities before tax		2.678	2.217
Tax on profit/loss from ordinary activities	7	<u>(708)</u>	<u>(527)</u>
Profit/loss for the year		<u>1.970</u>	<u>1.690</u>
Proposed distribution of profit/loss			
Dividend for the financial year		0	8.842
Retained earnings		<u>1.970</u>	<u>(7.152)</u>
		<u>1.970</u>	<u>1.690</u>

Balance sheet at 31.03.2016

	<u>Notes</u>	<u>2015/16 EUR'000</u>	<u>2014/15 EUR'000</u>
Goodwill		1.688	2.532
Intangible assets	8	1.688	2.532
Land and buildings		2.717	5.860
Other fixtures and fittings, tools and equipment		1.027	1.365
Leasehold improvements		12	14
Property, plant and equipment	9	3.756	7.239
Deposits		64	187
Fixed asset investments	10	64	187
Fixed assets		5.508	9.958
Manufactured goods and goods for resale		13.934	12.305
Inventories		13.934	12.305
Trade receivables		6.909	7.619
Receivables from group enterprises		366	328
Other short-term receivables		146	3
Income tax receivable		474	197
Prepayments	11	114	135
Receivables		8.009	8.282
Cash		14.283	18.467
Current assets		36.226	39.054
Assets		41.734	49.012

Balance sheet at 31.03.2016

	<u>Notes</u>	<u>2015/16 EUR'000</u>	<u>2014/15 EUR'000</u>
Contributed capital	12	5.632	5.632
Retained earnings		25.644	23.674
Proposed dividend		0	8.842
Equity		<u>31.276</u>	<u>38.148</u>
Provisions for deferred tax	13	550	209
Other provisions	14	490	500
Provisions		<u>1.040</u>	<u>709</u>
Trade payables		962	783
Debt to group enterprises		4.809	5.430
Other payables		3.647	3.942
Current liabilities other than provisions		<u>9.418</u>	<u>10.155</u>
Liabilities other than provisions		<u>9.418</u>	<u>10.155</u>
Equity and liabilities		<u><u>41.734</u></u>	<u><u>49.012</u></u>
Assets charged and collateral	16		
Related parties with control	17		
Ownership	18		
Consolidation	19		

Statement of changes in equity for 2015/16

	Contri- buted capi- tal EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000	Total EUR'000
Equity beginning of year	5.632	23.674	8.842	38.148
Ordinary dividend paid	0	0	(8.842)	(8.842)
Profit/loss for the year	0	1.970	0	1.970
Equity end of year	5.632	25.644	0	31.276

Cash flow statement 2015/16

	<u>Notes</u>	<u>2015/16 EUR'000</u>	<u>2014/15 EUR'000</u>
Operating profit/loss		3.292	2.539
Amortisation, depreciation and impairment losses		(395)	1.387
Other provisions		(10)	(15)
Working capital changes	15	<u>(1.816)</u>	<u>(283)</u>
Cash flow from ordinary operating activities		1.071	3.628
Financial income received		814	657
Financial income paid		(1.428)	(979)
Income taxes refunded/(paid)		<u>(630)</u>	<u>(511)</u>
Cash flows from operating activities		<u>(173)</u>	<u>2.795</u>
Acquisition etc of property, plant and equipment		(196)	(992)
Sale of property, plant and equipment		4.904	239
Other cash flows from investing activities		<u>123</u>	<u>0</u>
Cash flows from investing activities		<u>4.831</u>	<u>(753)</u>
Dividend paid		<u>(8.842)</u>	<u>(637)</u>
Cash flows from financing activities		<u>(8.842)</u>	<u>(637)</u>
Increase/decrease in cash and cash equivalents		(4.184)	1.405
Cash and cash equivalents beginning of year		<u>18.467</u>	<u>17.062</u>
Cash and cash equivalents end of year		<u>14.283</u>	<u>18.467</u>
Cash and cash equivalents at year-end are composed of:			
Cash		<u>14.283</u>	<u>18.467</u>
Cash and cash equivalents end of year		<u>14.283</u>	<u>18.467</u>

Notes

	<u>2015/16</u> <u>EUR'000</u>	<u>2014/15</u> <u>EUR'000</u>
1. Revenue		
Nordic domestic market	65.104	66.486
Export market	36	56
	<u>65.140</u>	<u>66.542</u>
	<u>2015/16</u> <u>EUR'000</u>	<u>2014/15</u> <u>EUR'000</u>
2. Staff costs		
Wages and salaries	5.217	5.041
Pension costs	437	419
Other social security costs	705	708
Other staff costs	251	266
	<u>6.610</u>	<u>6.434</u>
Average number of employees	<u>81</u>	<u>78</u>

Pursuant to section 98b(3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately.

	<u>2015/16</u> <u>EUR'000</u>	<u>2014/15</u> <u>EUR'000</u>
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	844	842
Depreciation of property, plant and equipment	488	530
Profit/loss from sale of intangible assets and property, plant and equipment	(1.727)	15
	<u>(395)</u>	<u>1.387</u>
	<u>2015/16</u> <u>EUR'000</u>	<u>2014/15</u> <u>EUR'000</u>
4. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	66	66
Tax services	6	6
Other services	27	23
	<u>99</u>	<u>95</u>

Notes

	2015/16 EUR'000	2014/15 EUR'000
5. Other financial income		
Exchange rate adjustments	789	654
Other financial income	25	3
	814	657
	2015/16 EUR'000	2014/15 EUR'000
6. Other financial expenses		
Exchange rate adjustments	1.150	717
Other financial expenses	278	262
	1.428	979
	2015/16 EUR'000	2014/15 EUR'000
7. Tax on ordinary profit/loss for the year		
Current tax	365	506
Change in deferred tax for the year	341	49
Adjustment relating to previous years	2	(28)
	708	527
		Goodwill EUR'000
8. Intangible assets		
Cost beginning of year		5.907
Cost end of year		5.907
Amortisation and impairment losses beginning of year		(3.375)
Amortisation for the year		(844)
Amortisation and impairment losses end of year		(4.219)
Carrying amount end of year		1.688

Notes

	Land and buildings EUR'000	Other fix- tures and fittings, tools and equipment EUR'000	Leasehold improve- ments EUR'000
9. Property, plant and equipment			
Cost beginning of year	6.626	2.109	274
Additions	0	196	0
Disposals	(3.459)	(371)	0
Cost end of year	3.167	1.934	274
Depreciation and impairment losses beginning of the year	(766)	(744)	(260)
Depreciation for the year	(115)	(371)	(2)
Reversal regarding disposals	431	208	0
Depreciation and impairment losses end of the year	(450)	(907)	(262)
Carrying amount end of year	2.717	1.027	12
			Deposits EUR'000
10. Fixed asset investments			
Cost beginning of year			187
Disposals			(123)
Cost end of year			64
Carrying amount end of year			64
11. Prepayments			
	2015/16 EUR'000	2014/15 EUR'000	
Prepaid insurance	59	56	
Other prepayments	55	79	
	114	135	

Notes

	<u>Number</u>	<u>Par value EUR</u>	<u>Nominal value EUR'000</u>
12. Contributed capital			
Ordinary shares (DKK 42,000,000)	420	13.409,90	5.632
	<u>420</u>		<u>5.632</u>

Changes in share capital in the past five financial years: Capital increase on 15.03.2011 of EUR 1,340,990.

	<u>2015/16 EUR'000</u>	<u>2014/15 EUR'000</u>
13. Deferred tax		
Property, plant and equipment	547	206
Other taxable temporary differences	3	3
	<u>550</u>	<u>209</u>

14. Other provisions

Include warranty commitments calculated on the basis of historical knowledge of warranty expenses.

	<u>2015/16 EUR'000</u>	<u>2014/15 EUR'000</u>
15. Change in working capital		
Increase/decrease in inventories	(1.629)	(1.616)
Increase/decrease in receivables	550	(158)
Increase/decrease in trade payables etc	(737)	1.491
	<u>(1.816)</u>	<u>(283)</u>

16. Assets charged and collateral

The Company has entered into lease agreements on premises and warehouses. On Brother Nordic A/S' part, the leases have periods of notice of 3 to 48 months. The expense amounts to EUR 1,041 thousand at 31.03.2016.

17. Related parties with control

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
Brother Holding (Europe) Ltd.	Manchester, United Kingdom	Majority shareholder
Brother Industries Ltd.	Nagoya, Japan	Ultimate Parent

Notes

18. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital.

Brother Holding (Europe) Ltd., Manchester, United Kingdom

19. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Brother Nordic A/S is included in the consolidated financial statements of Brother Holding (Europe) Ltd., Manchester, United Kingdom. This company is then included in the consolidated financial statements of Brother Industries Ltd., Nagoya, Japan