Fiscal Year 2024 (ending March 31, 2025)
First Quarter Financial Results

August 6, 2024

Brother Industries, Ltd.

Akira Nakashima

Executive Officer, Responsible for Finance & Accounting Dept.

Information on this report, other than historical facts, refers to future prospects and performance, and has been prepared by our Management on the basis of information available at the time of the announcement. This covers various risks, including, but not limited to, economic conditions, customer demand, foreign currency exchange rates, tax rules, regulation and other factors. As a result, actual future performance may differ from any forecasts contained on this report.

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Highlights

Results for FY2024 Q1(Apr.-Jun.)

While sales revenue increased due to positive FX effects, business segment profit and subsequent items were flat year-on-year due to lower sales in the P&S business and higher SG&A expenses

◆ **Sales revenue** **214.7 billion yen/ +7.1% (year-on-year)**

✓ Sales revenue increased due to positive FX effects, despite the impact of lower sales in the P&S business

◆ **Business segment profit** **22.8 billion yen/ -1.4% (year-on-year)**

✓ Despite positive FX effects in addition to the effects of lower logistics costs and price adjustments, business segment profit was flat year-on-year due to lower sales mainly in the P&S business and higher SG&A expenses

Forecast for FY2024

No change from the previous forecast (announced on May 9, 2024), including the exchange rate precondition and segment breakdown

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Results for FY2024 Q1 (Apr.-Jun.)

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Consolidated Results for FY2024 Q1

brother at your side

While sales revenue increased due to positive FX effects, business segment profit and subsequent items were flat year-on-year due to lower sales in the P&S business and higher SG&A expenses

(100 Millions of Yen)

	23Q1	**24Q1**	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	2,004	**2,147**	143 (-32)	7.1% (-1.6%)
Business segment profit	231	**228**	-3 (-49)	-1.4% (-21.2%)
Business segment profit ratio	11.5%	**10.6%**		
Other income/expense	-11	**-10**	1	
Operating profit	220	**218**	-2	-1.0%
Operating profit ratio	11.0%	**10.2%**		
Income before tax	227	**235**	9	3.9%
Net income attribute to parent company	162	**165**	3	1.7%
USD	138.11	**156.53**	18.42	
EUR	150.35	**168.37**	18.02	

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Results for FY2024 Q1 by Business Segment

(100 Millions of Yen)

	Sales revenue			Business segment profit			Operating profit		
	23Q1	**24Q1**	Change	23Q1	**24Q1**	Change	23Q1	**24Q1**	Change
P&S	1,272	1,343	71	193	179	-14	180	168	-12
Machinery	188	210	22	10	8	-2	12	9	-3
Domino	256	293	37	21	18	-4	18	17	-1
Nissei	53	50	-3	5	1	-4	5	1	-4
P&H	115	125	10	-6	14	20	-6	13	19
N&C	89	98	9	5	6	0	6	7	1
Other	31	28	-3	4	3	0	6	4	-3
Total	**2,004**	**2,147**	**143**	**231**	**228**	**-3**	**220**	**218**	**-2**

* "Other" includes elimination amounts from inter-segment transactions.

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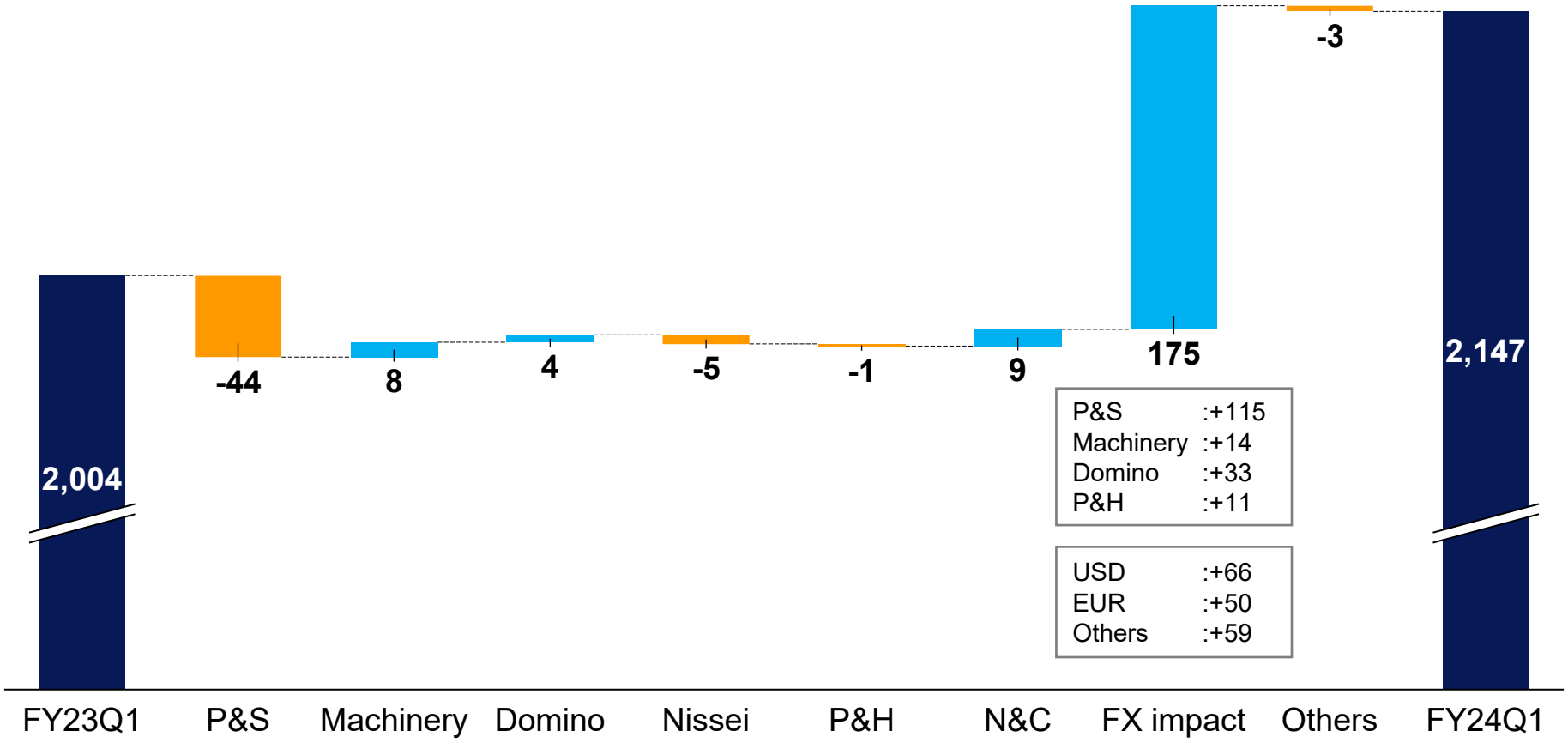
FY2024 Q1
Main Factors for Changes in Sales Revenue

Sales revenue increased due to positive FX effects, despite the impact of lower sales in the P&S business

(100 Millions of Yen)



* Amounts of change are on a results basis excluding foreign exchange effects

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FY2024 Q1
Main Factors for Changes in Business Segment Profit

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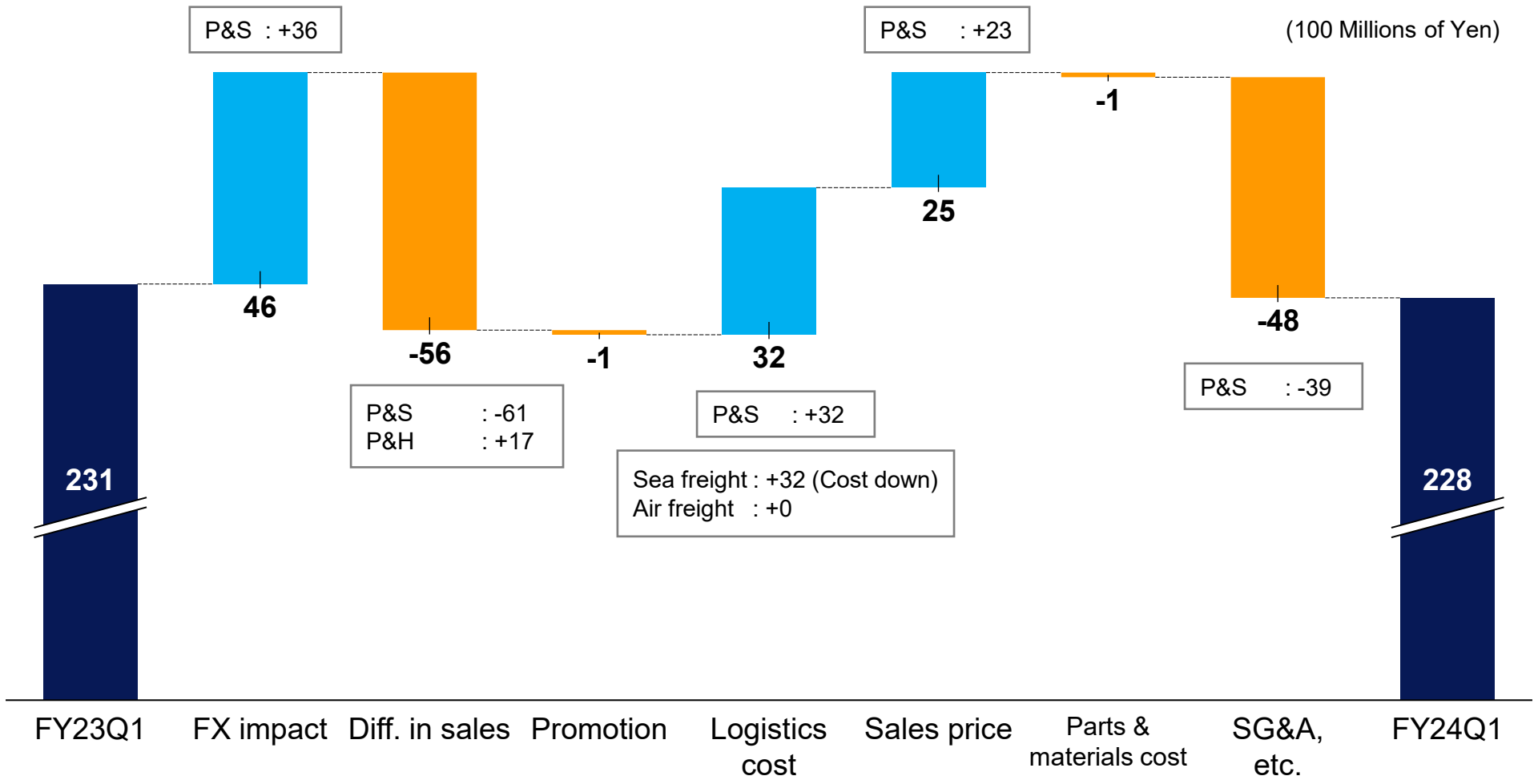
Despite positive FX effects in addition to the effects of lower logistics costs and price adjustments, business segment profit was flat year-on-year due to lower sales mainly in the P&S business and higher SG&A expenses



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Forecast for FY2024

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Forecast for FY2024

No change from the previous forecast, including the exchange rate precondition and segment breakdown

(100 Millions of Yen)

	FY23 Actual	**FY24 Forecast**	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	8,229	**8,800**	571 (499)	6.9% (6.1%)
Business Segment Profit	756	**880**	124 (95)	16.4% (12.6%)
Business Segment Profit Ratio	9.2%	**10.0%**		
Other income/expense	-258	**0**	258	
Operating Profit	498	**880**	382	76.7%
Operating Profit Ratio	6.1%	**10.0%**		
Income before Tax	525	**880**	355	67.5%
Net Income attribute to parent company	316	**630**	314	99.1%
USD	144.40	**149.78**	5.38	
EUR	156.80	**160.45**	3.65	

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Forecast for FY2024 by Business Segment

(100 Millions of Yen)

	Sales revenue			Business Segment Profit			Operating Profit		
	FY23 Actual	**FY24 Forecast**	Change	FY23 Actual	**FY24 Forecast**	Change	FY23 Actual	**FY24 Forecast**	Change
P&S	5,149	5,228	79	625	604	-21	610	604	-6
Machinery	774	1,171	397	22	127	105	23	127	104
Domino	1,096	1,137	41	51	45	-6	-241	45	286
Nissei	208	234	26	10	14	4	10	14	4
P&H	505	538	33	25	54	29	25	54	29
N&C	381	390	9	16	24	8	17	24	7
Other	116	102	-14	6	12	6	54	12	-42
Total	**8,229**	**8,800**	**571**	**756**	**880**	**124**	**498**	**880**	**382**

* "Other" includes elimination amounts from inter-segment transactions.

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Financial Position

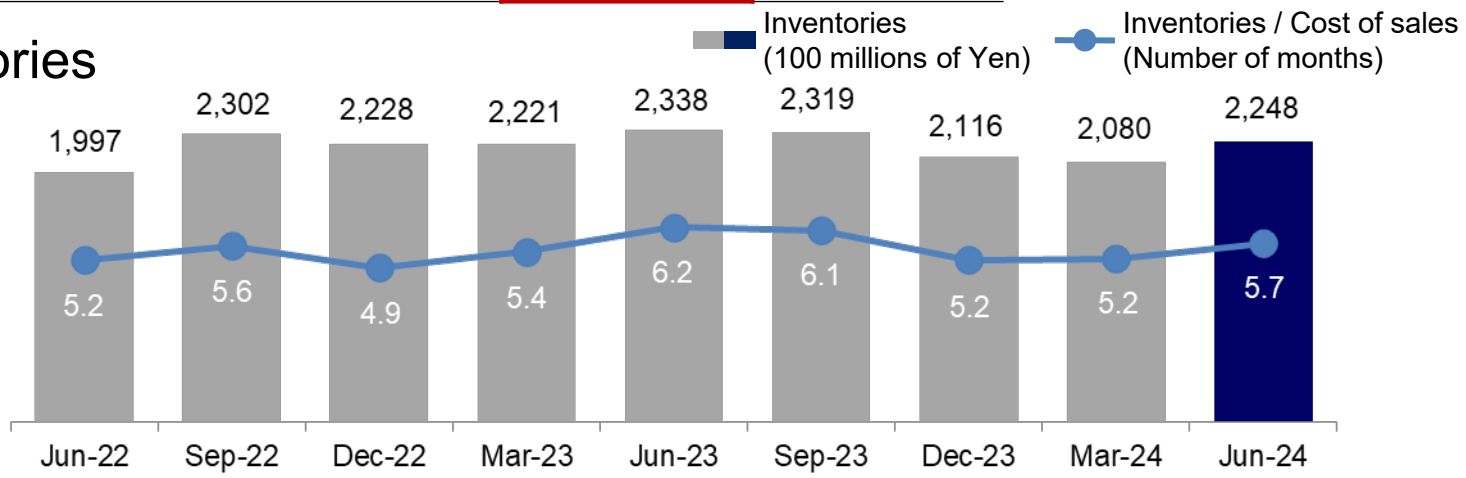
(100 Millions of Yen)

	End of Mar 24	**End of Jun24**	Change
Current assets	5,419	**5,702**	283
Cash&Cash equivalents	1,661	**1,741**	79
Inventories	2,080	**2,248**	168
Non-current assets	3,542	**3,672**	130
Total liabilities	2,280	**2,332**	52
Interest-bearing debt	6	**6**	0
Shareholders' equity*	6,680	**7,041**	360
Total assets	8,961	**9,374**	413

*Equity attributable to owners of the parent company

	End of Mar 24	**End of Jun24**	Change
Net cash	1,655	**1,735**	79
Shareholders' equity ratio	74.5%	**75.1%**	0.6%
ROE	5.0%	**-**	-

Inventories



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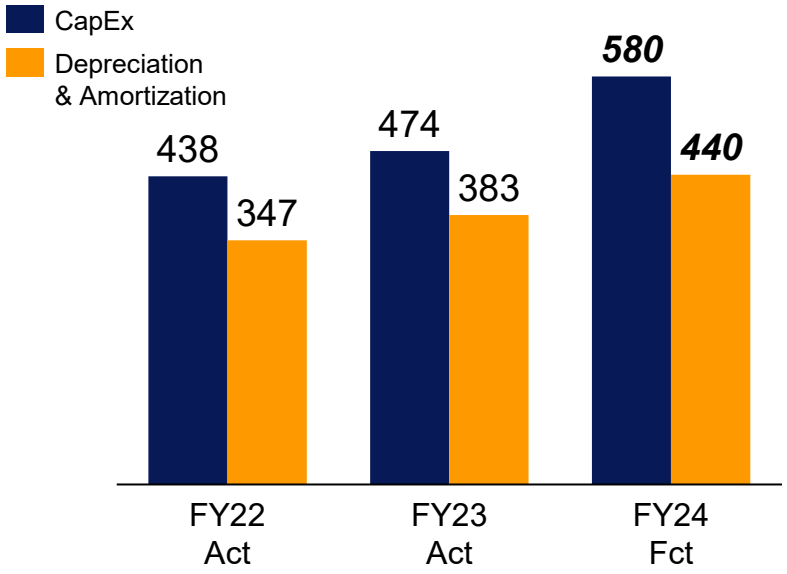
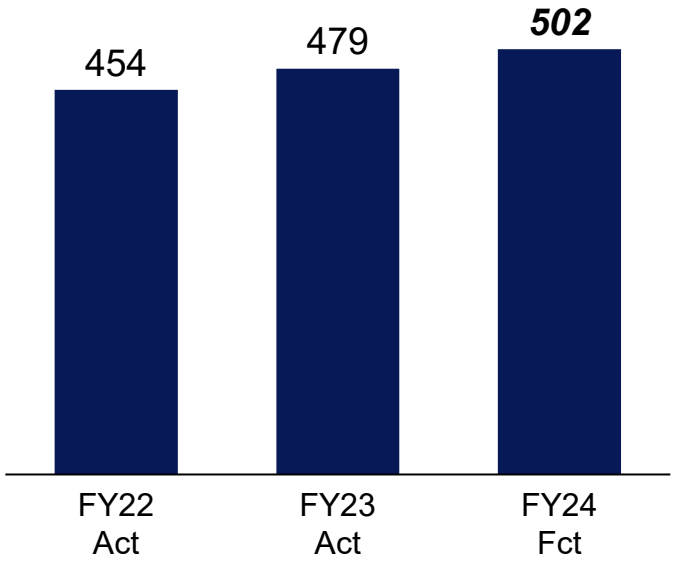
Capital Expenditure, Depreciation and Amortization/ R&D Expenses

(100 Millions of Yen)

Capital Expenditure/Depreciation & Amortization



R&D Expenses



Breakdown by business (CapEx)

	FY22	FY23	FY24
Industrial area	82	100	118
Consumer area & Others	356	375	462
Total	438	474	580

Breakdown by business (R&D)

	FY22	FY23	FY24
Industrial area	123	134	147
Consumer area & Others	331	346	355
Total	454	479	502

* The industrial area combines the Machinery, Domino, and Nissei businesses

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Business Segment Information

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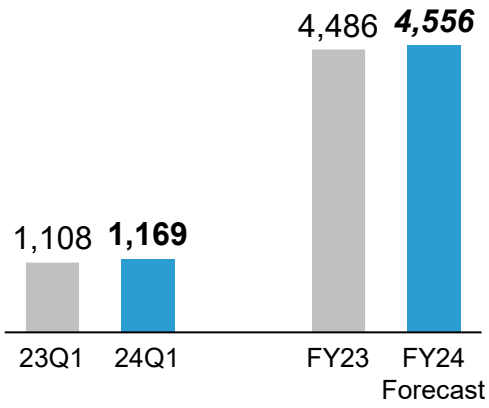
Consumer
Industrial

Printing & Solutions Sales Revenue & Profit

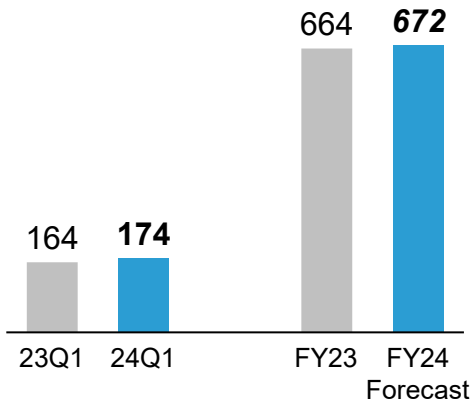
(100 Millions of Yen)

	23Q1	24Q1	Change	Change w/o FX	FY23	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**1,272**	**1,343**	**5.6%**	**-3.5%**	**5,149**	**5,228**	**1.5%**	**3.1%**
Communications & printing equipment	**1,108**	**1,169**	**5.5%**	**-3.5%**	**4,486**	**4,556**	**1.6%**	**3.1%**
Americas	410	441	7.5%	0.5%	1,742	1,778	2.1%	4.6%
Europe	360	366	1.8%	-9.5%	1,449	1,434	-1.0%	0.4%
Asia & others	238	247	4.0%	-6.1%	866	892	3.0%	3.7%
Japan (incl. OEM)	100	114	13.9%	7.9%	429	452	5.4%	5.4%
Labeling	**164**	**174**	**6.3%**	**-3.1%**	**664**	**672**	**1.2%**	**2.5%**
Americas	75	80	5.9%	-2.6%	304	303	-0.3%	1.4%
Europe	49	54	10.7%	-1.9%	208	211	1.6%	2.9%
Asia & others	29	29	0.1%	-9.6%	104	106	1.6%	2.2%
Japan	11	12	6.7%	-	48	52	8.6%	-
Business segment profit	**193**	**179**	**-7.2%**	**-**	**625**	**604**	**-3.4%**	**-**
Operating profit	**180**	**168**	**-6.5%**	**-**	**610**	**604**	**-1.0%**	**-**

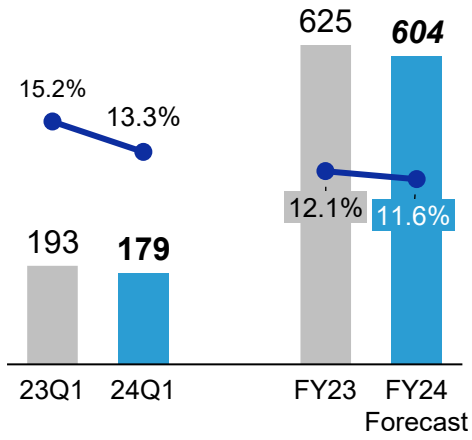
<Sales Revenue>
Communications & Printing Equipment



Labeling



<Business Segment Profit> Profit ratio



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Sales Revenue Growth Rate / Consumable Ratio / Growth Rate of Hardware

	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	FY22	FY23
Laser (LBP)														
Sales revenue growth rate（JPY/YoY）														
Hardware	41%	45%	42%	36%	4%	-17%	-13%	-1%	-5%	-	-	-	41%	-8%
Consumable	18%	-8%	0%	4%	3%	15%	11%	18%	11%	-	-	-	3%	11%
Sales revenue growth rate（LC/YoY）														
Hardware	25%	23%	21%	23%	-1%	-21%	-16%	-9%	-12%	-	-	-	23%	-13%
Consumable	7%	-20%	-13%	-6%	-3%	7%	5%	7%	0%	-	-	-	-8%	4%
Inkjet (IJP)														
Sales revenue growth rate（JPY/YoY）														
Hardware	18%	32%	46%	39%	5%	3%	-5%	-1%	18%	-	-	-	33%	0%
Consumable	19%	-2%	8%	13%	15%	16%	0%	5%	-1%	-	-	-	9%	8%
Sales revenue growth rate（LC/YoY）														
Hardware	8%	16%	30%	27%	2%	-2%	-8%	-7%	10%	-	-	-	20%	-4%
Consumable	11%	-12%	-2%	4%	9%	9%	-4%	-3%	-9%	-	-	-	0%	2%
Cosumable ratio	53%	47%	49%	53%	54%	53%	54%	56%	55%	-	-	-	57%	54%
Growth rate of hardware (Units/YoY)														
Laser (LBP)	14%	9%	3%	8%	-1%	-21%	-8%	-6%	-13%	-	-	-	8%	-9%
Inkjet (IJP)	8%	16%	42%	43%	4%	0%	-3%	-8%	13%	-	-	-	26%	-2%

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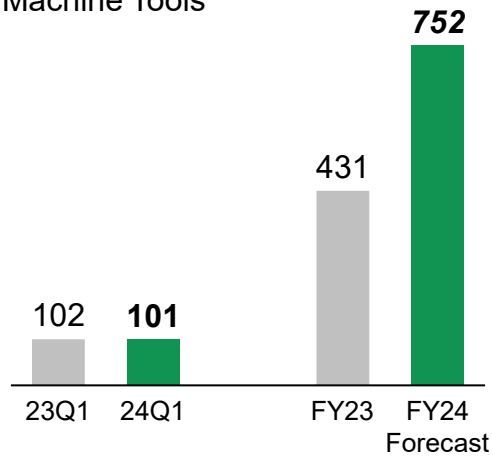
Industrial

Machinery
Sales Revenue & Profit

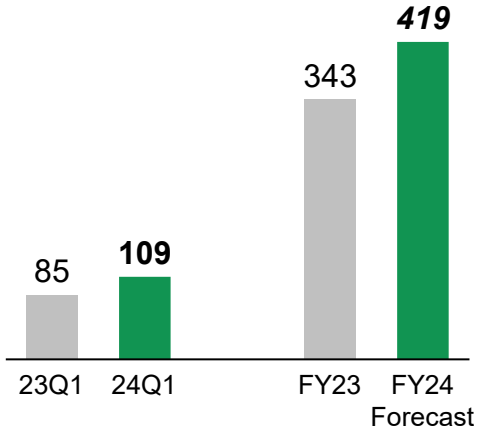
(100 Millions of Yen)

	23Q1	24Q1	Change	Change w/o FX	FY23	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**188**	**210**	**11.8%**	**4.1%**	**774**	**1,171**	**51.3%**	**51.8%**
Machine tools	**102**	**101**	**-1.3%**	**-4.5%**	**431**	**752**	**74.6%**	**74.8%**
Americas	7	8	10.2%	-	36	53	46.5%	-
Europe	9	5	-45.7%	-	32	47	50.3%	-
Asia & others	67	65	-2.3%	-	244	485	98.8%	-
Japan	20	24	17.0%	-	119	167	40.0%	-
Industrial sewing machines	**85**	**109**	**27.6%**	**14.4%**	**343**	**419**	**22.2%**	**23.0%**
Americas	26	32	24.0%	11.0%	114	137	20.1%	21.3%
Europe	22	20	-11.0%	-20.7%	74	97	31.1%	33.1%
Asia & others	32	53	67.8%	49.9%	134	166	23.3%	23.3%
Japan	6	4	-29.5%	-	20	19	-6.1%	-
Business segment profit	**10**	**8**	**-16.0%**	**-**	**22**	**127**	**473.8%**	**-**
Operating profit	**12**	**9**	**-24.1%**	**-**	**23**	**127**	**451.9%**	**-**

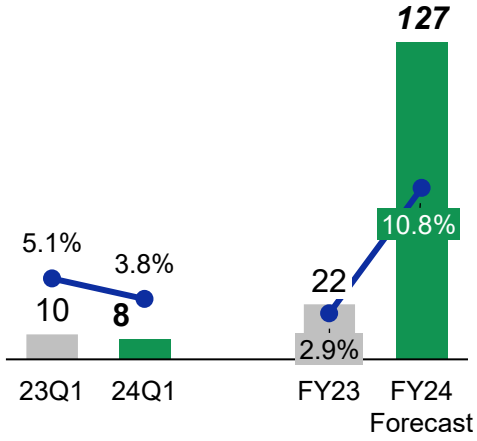
<Sales Revenue>
Machine Tools



Industrial Sewing Machines



<Business Segment Profit> Profit ratio



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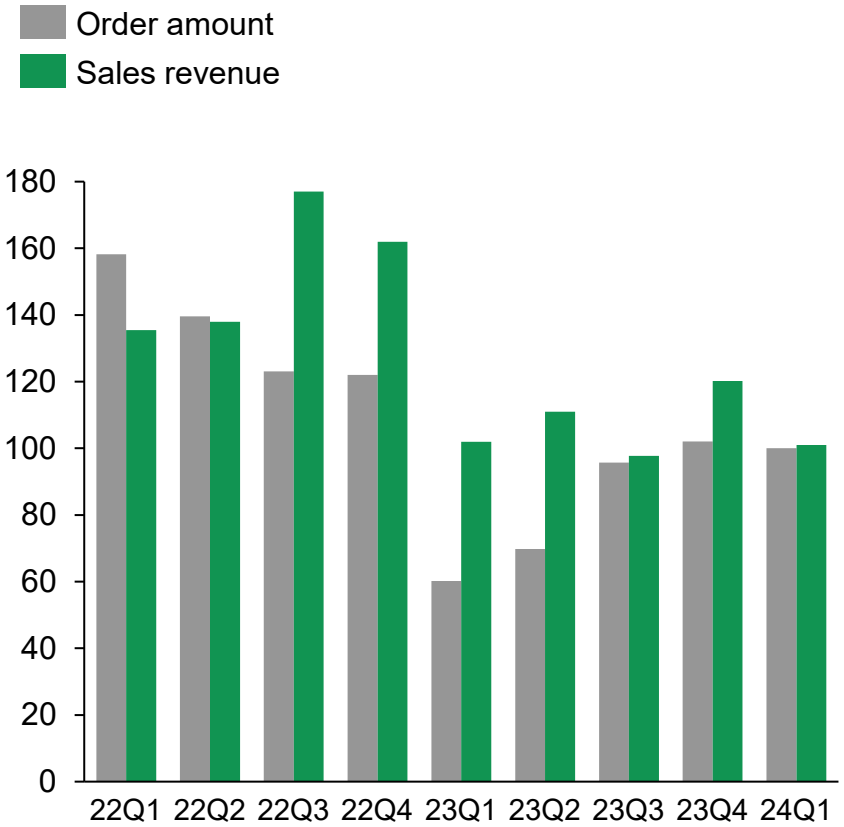
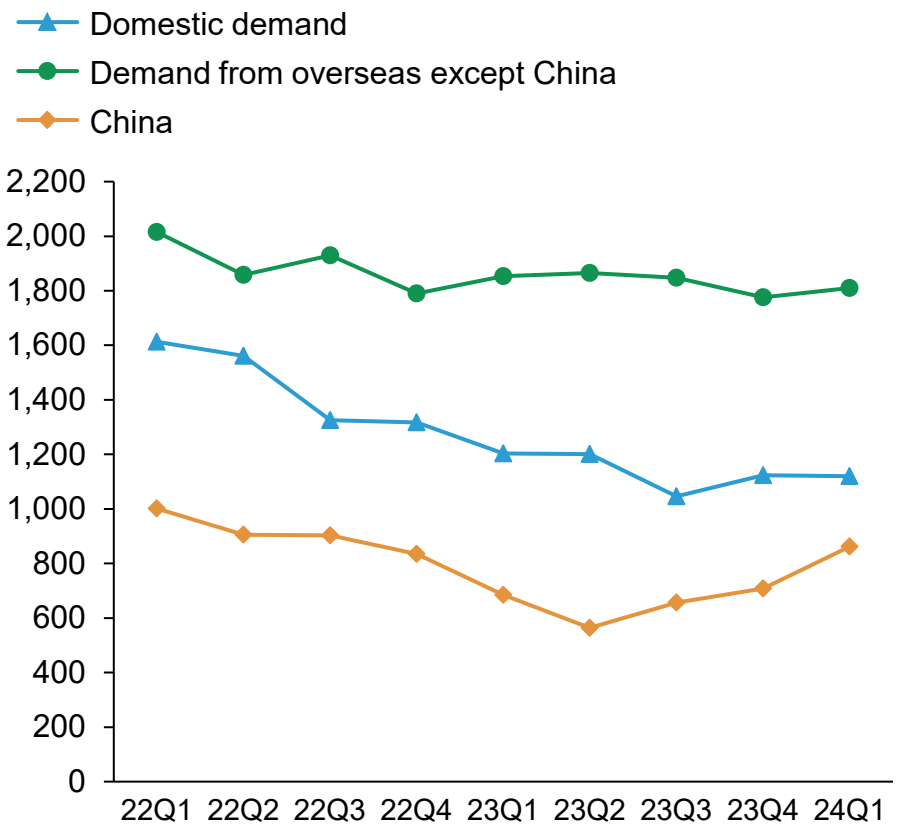
Machinery (Machine Tools) Order Trends

(100 Millions of Yen)

Trends in order amount and sales revenue



(Reference) Machine tool statistics of the Japan Machine Tool Builders' Association



* Total amount of domestic and overseas orders for hardware products
Overseas orders are converted into yen using the exchange rate for each quarter

* Source: Major machine tool statistics of the Japan Machine Tool Builders' Association

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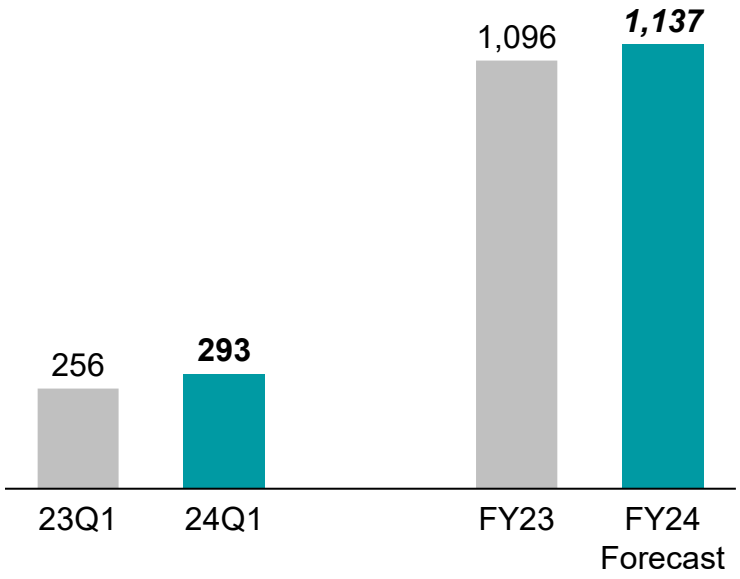
Industrial

Domino
Sales Revenue & Profit

(100 Millions of Yen)

	23Q1	24Q1	Change	Change w/o FX	FY23	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**256**	**293**	**14.6%**	**1.7%**	**1,096**	**1,137**	**3.7%**	**4.7%**
Americas	64	78	21.3%	7.9%	281	298	5.8%	5.8%
Europe	113	124	10.0%	-2.3%	469	464	-1.1%	1.2%
Asia & others	70	82	17.2%	2.0%	310	336	8.3%	8.3%
Japan	10	10	4.4%	-	36	40	10.6%	-
Business segment profit	**21**	**18**	**-16.9%**	**-**	**51**	**45**	**-11.3%**	**-**
Operating profit	**18**	**17**	**-5.8%**	**-**	**-241**	**45**	**-**	**-**

<Sales Revenue>



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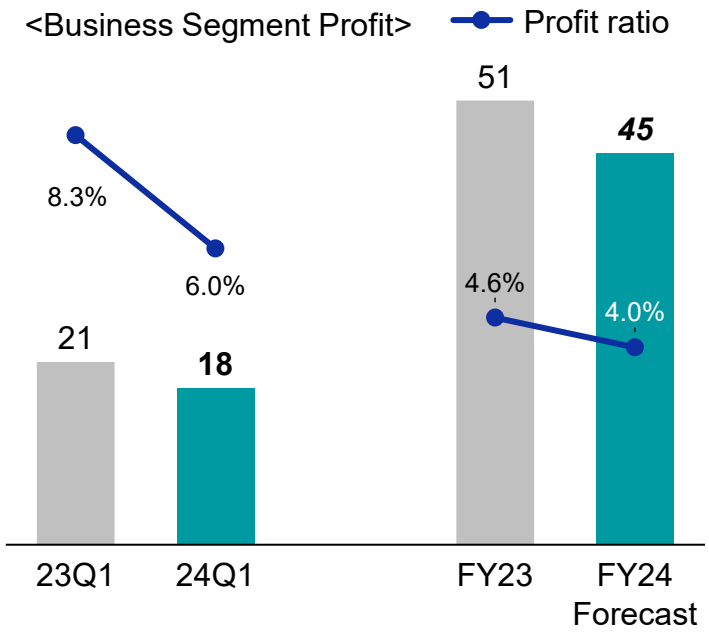

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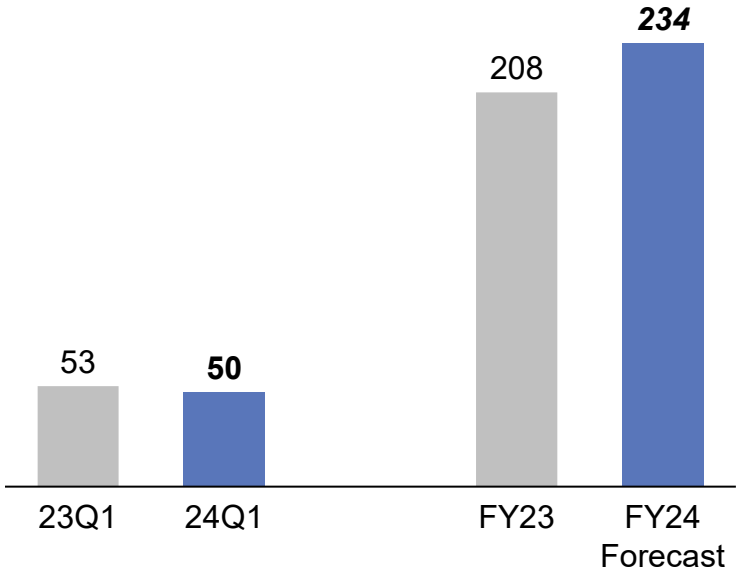
Industrial

Nissei
Sales Revenue & Profit

(100 Millions of Yen)

	23Q1	24Q1	Change	Change w/o FX	FY23	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**53**	**50**	**-6.4%**	**-9.5%**	**208**	**234**	**12.3%**	**12.4%**
Americas	8	8	-2.7%	-14.2%	33	37	11.3%	11.4%
Europe	-	-	-	-	-	-	-	-
Asia & others	11	9	-17.5%	-24.7%	35	38	8.3%	8.8%
Japan	35	33	-3.8%	-	141	160	13.6%	-
Business segment profit	**5**	**1**	**-89.0%**	**-**	**10**	**14**	**37.3%**	**-**
Operating profit	**5**	**1**	**-80.7%**	**-**	**10**	**14**	**41.2%**	**-**

<Sales Revenue>



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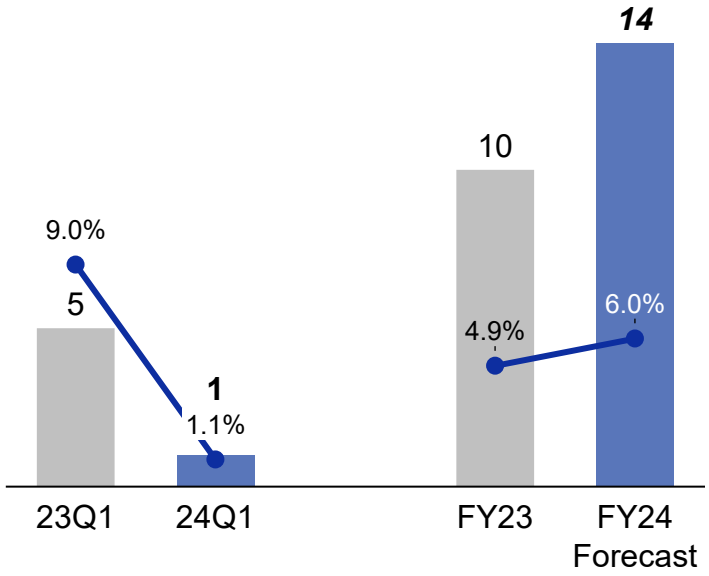

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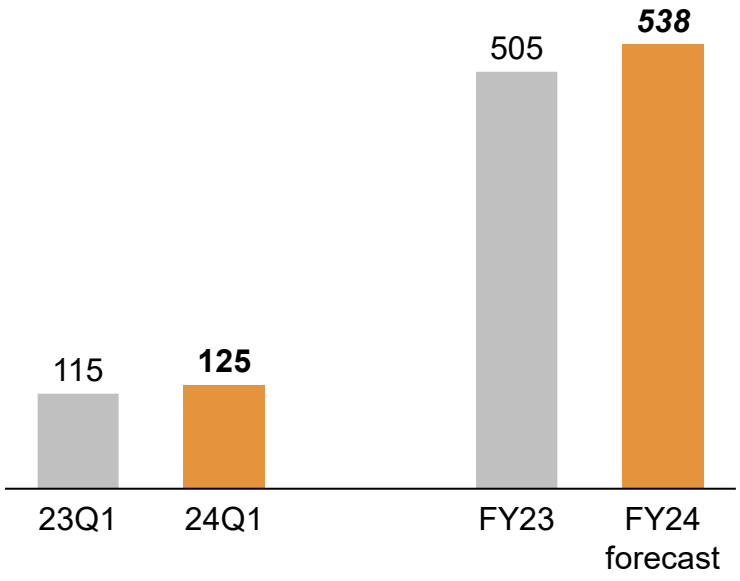
Consumer

Personal & Home
Sales Revenue & Profit

(100 Millions of Yen)

	23Q1	24Q1	Change	Change w/o FX	FY23	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**115**	**125**	**8.7%**	**-1.0%**	**505**	**538**	**6.6%**	**8.1%**
Americas	69	70	0.5%	-8.1%	300	329	9.6%	11.4%
Europe	28	33	20.8%	7.4%	126	126	0.2%	1.6%
Asia & others	13	16	23.2%	12.5%	51	54	5.9%	6.8%
Japan	5	6	18.9%	-	28	29	4.9%	-
Business segment profit	**-6**	**14**	**-**	**-**	**25**	**54**	**114.6%**	**-**
Operating profit	**-6**	**13**	**-**	**-**	**25**	**54**	**117.9%**	**-**

<Sales Revenue>



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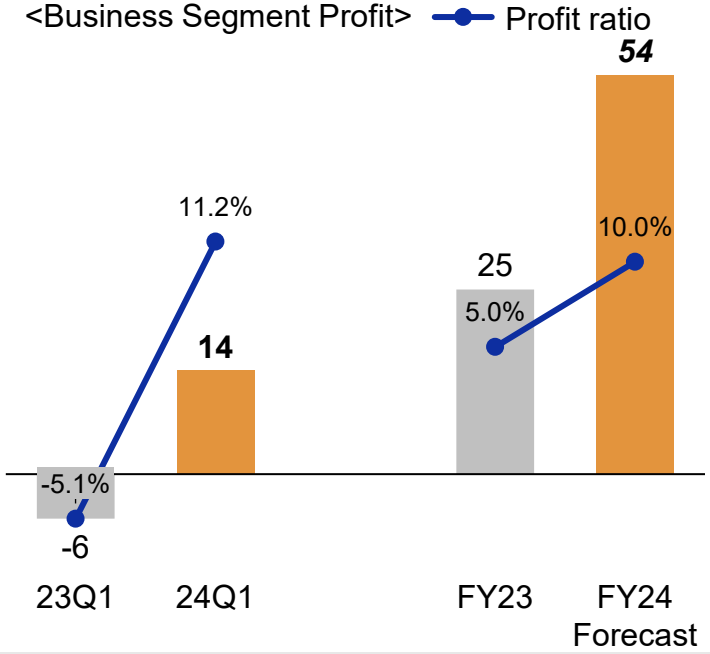

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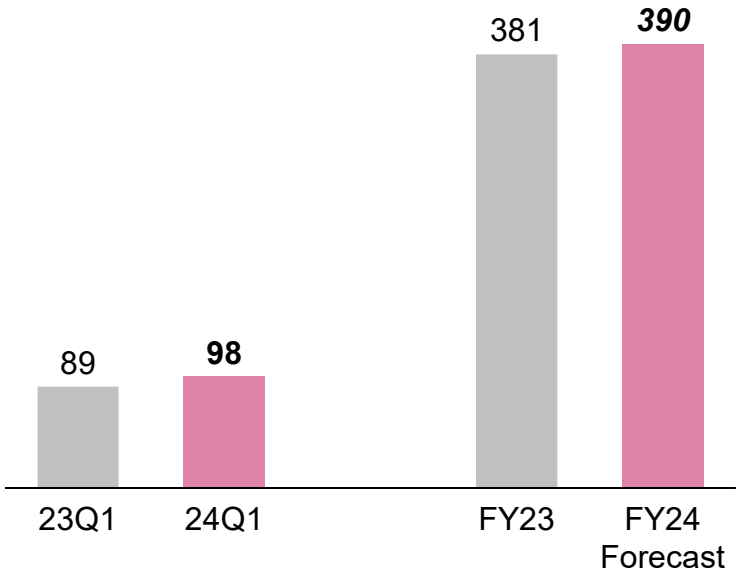
Consumer

Network & Contents
Sales Revenue & Profit

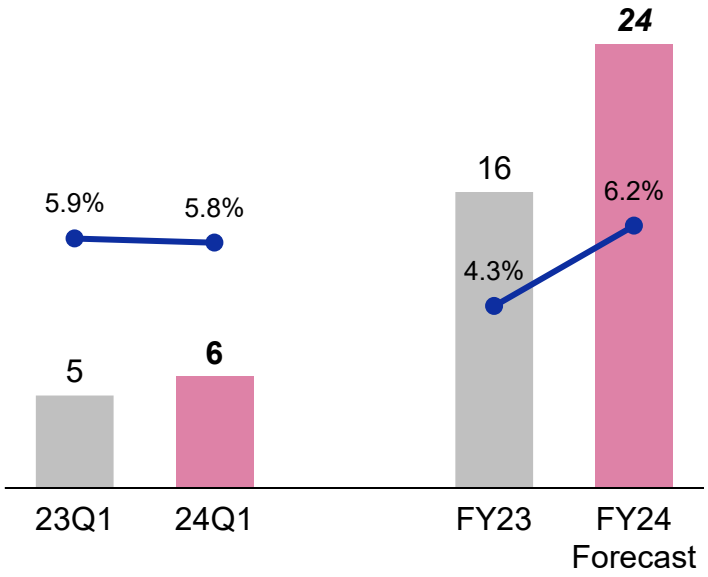
(100 Millions of Yen)

	23Q1	24Q1	Change	FY23	FY24 Forecast	Change vs LY
Sales revenue	**89**	**98**	**9.9%**	**381**	**390**	**2.4%**
Business segment profit	**5**	**6**	**6.9%**	**16**	**24**	**47.9%**
Operating profit	**6**	**7**	**13.2%**	**17**	**24**	**44.6%**

<Sales Revenue>



<Business Segment Profit> Profit ratio



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Topics

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Hoshizaki Factory Acquires RBA Platinum Certification

Hoshizaki Factory, which produces key components for inkjet products, has acquired RBA Platinum certification.
Achieved sustainability targets related to RBA certification ahead of schedule.

Hoshizaki Factory acquires RBA Platinum certification

- The Responsible Business Alliance (RBA) is a global organization that aims for member companies to fulfill their social responsibilities through the development of sustainable supply chains.
- Acquired the Platinum certification **with the highest score of 200 points** for proper management in the audit areas of labor, health and safety, environment, ethics, and supply chain management system



Hoshizaki Factory (Nagoya city, Aichi)


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Hoshizaki Factory

5-1, Hamada-Cho, Minami-ku , Nagoya, Aichi, 457-0822
Japan

Completed the RBA Validated Assessment Program, achieving PLATINUM Status earning a full audit score of 200.0

Validated Audit Report: VAR-20240410-JP-01A01-1
Audit date: April 10, 2024
Certificate issue date: May 3, 2024
Expiration date: April 11, 2026

Robert F. Lederer
CEO, RBA

RBA Platinum Certificate

Achieved the sustainability targets stated in the medium-term business strategy “CS B2024” ahead of schedule

FY2024 Target	**Acquire RBA gold certification at three Group manufacturing sites**

Progress

Date	Site	Certification acquired
September 2022	BROTHER INDUSTRIES (VIETNAM) LTD.	Gold*
October 2023	BROTHER TECHNOLOGY (SHENZHEN) LTD.	Platinum
November 2023	BROTHER INDUSTRIES (PHILIPPINES), INC.	Platinum
May 2024 (current)	**Hoshizaki Factory**	**Platinum**

* Certification is expected to be renewed in FY2024 at Silver or higher

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Reference: Brother's business areas

Business areas		Business segments			Area（Main products & service portfolio）
Industrial area	Machinery/FA	Nissei			 Reducer Gear  Machine tool  Industrial Sewing Machine
		Machinery	Industrial Equipment		
			Industrial Sewing Machines	Industrial Sewing Machines	
				Garment Printing	
	Industrial Printing	Domino			 Garment printer  Coding and marking equipment  Digital printing equipment
		Printing & Solutions	Labeling	Commercial & Industrial Labeling	
				Home & Office Labeling	
			Communications & Printing Equipment		
Consumer area	Printing				 Commercial & Industrial use label printer  Mobile printer  Labeling system  Printer  All-in-One
	Home & Culture	Personal & Home			 Home sewing machine  Home cutting machine  Online Karaoke system
		Network & Contents			

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