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

November 8, 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 Q2 (Jul.-Sep.)

While sales revenue and business segment profit increased mainly due to higher sales in the P&S business and positive FX effects, operating profit decreased due to the impact of FX losses, etc.

◆ **Sales revenue** **212.5 billion yen/ +6.7% (year-on-year)**

✓ Sales revenue increased mainly due to steady sales of both hardware and consumables in the P&S business and positive FX effects

◆ **Business segment profit** **20.2 billion yen/ +14.9% (year-on-year)**

✓ Despite higher SG&A and sales promotion expenses, business segment profit increased mainly due to effects from price adjustments in the P&S business and positive FX effects

◆ **Operating profit** **16.7 billion yen/ -5.4% (year-on-year)**

✓ Operating profit decreased due to the impact of FX losses, etc.

Forecast for FY2024

The forecast for sales revenue as well as business segment profit and subsequent items was revised downward mainly due to effects from the delay in the market recovery of machine tools in the Machinery business

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Results for FY2024 Q2 (Jul.-Sep.)

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Consolidated Results for FY2024 Q2

While sales revenue and business segment profit increased mainly due to higher sales in the P&S business and positive FX effects, operating profit decreased due to the impact of FX losses, etc.

(100 Millions of Yen)

	23Q2	**24Q2**	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	1,992	**2,125**	133 (102)	6.7% (5.1%)
Business segment profit	176	**202**	26 (9)	14.9% (5.2%)
Business segment profit ratio	8.8%	**9.5%**		
Other income/expense	1	**-34**	-36	
Operating profit	177	**167**	-10	-5.4%
Operating profit ratio	8.9%	**7.9%**		
Income before tax	183	**179**	-4	-2.3%
Net income attribute to parent company	127	**116**	-10	-8.1%
USD	145.44	**150.26**	4.82	
EUR	157.70	**164.27**	6.57	

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Results for FY2024 Q2 by Business Segment

(100 Millions of Yen)

	Sales revenue			Business segment profit			Operating profit		
	23Q2	**24Q2**	Change	23Q2	**24Q2**	Change	23Q2	**24Q2**	Change
P&S	1,216	1,320	104	143	171	29	140	164	24
Machinery	204	209	5	9	5	-4	9	1	-8
Domino	283	298	16	17	16	0	18	10	-8
Nissei	52	50	-2	1	1	0	0	1	1
P&H	122	131	9	2	4	2	2	3	1
N&C	91	95	4	4	4	0	5	3	-1
Other	24	22	-2	0	0	1	3	-16	-18
Total	**1,992**	**2,125**	**133**	**176**	**202**	**26**	**177**	**167**	**-10**

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

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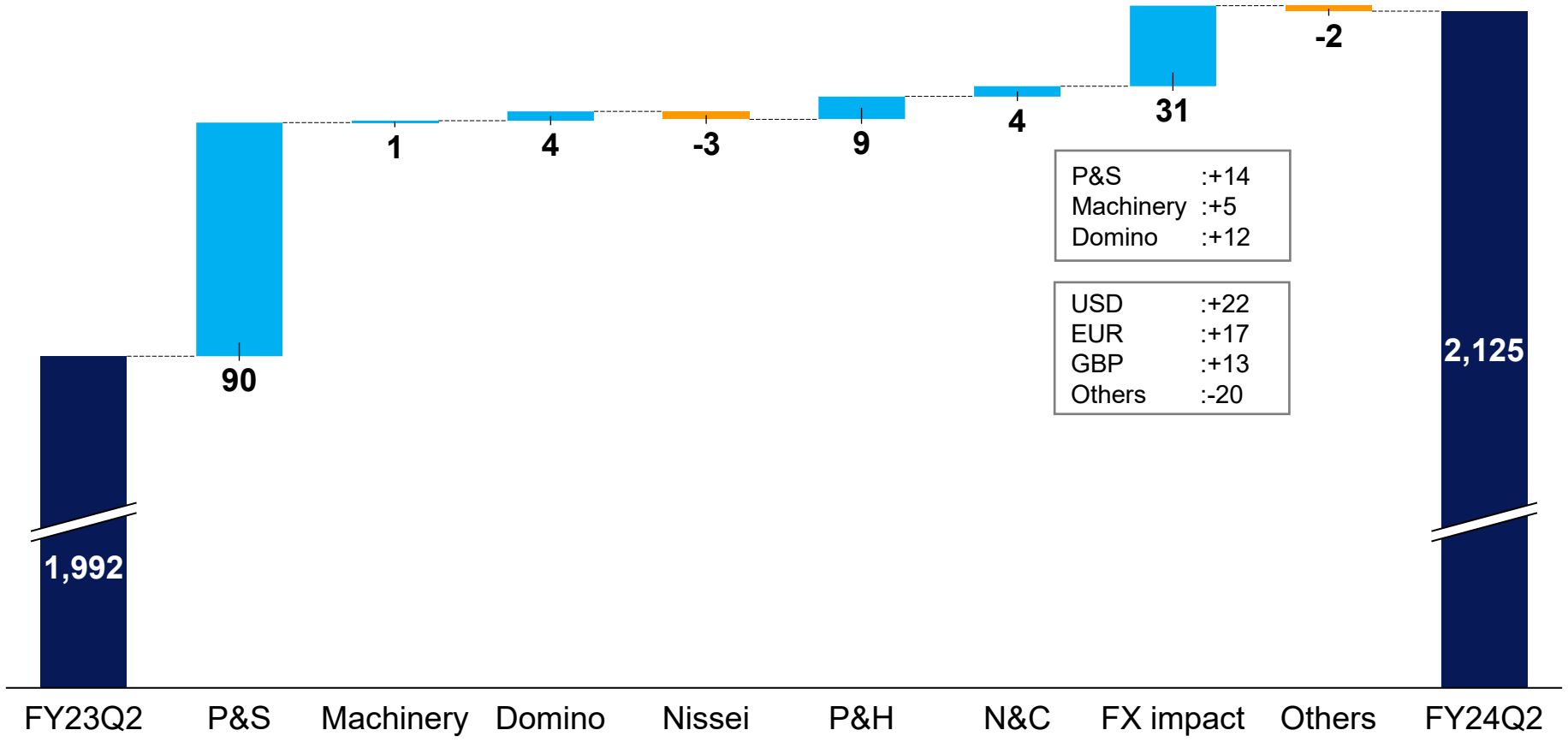
FY2024 Q2
Main Factors for Changes in Sales Revenue

Sales revenue increased mainly due to steady sales of both hardware and consumables in the P&S business and positive FX effects

(100 Millions of Yen)



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

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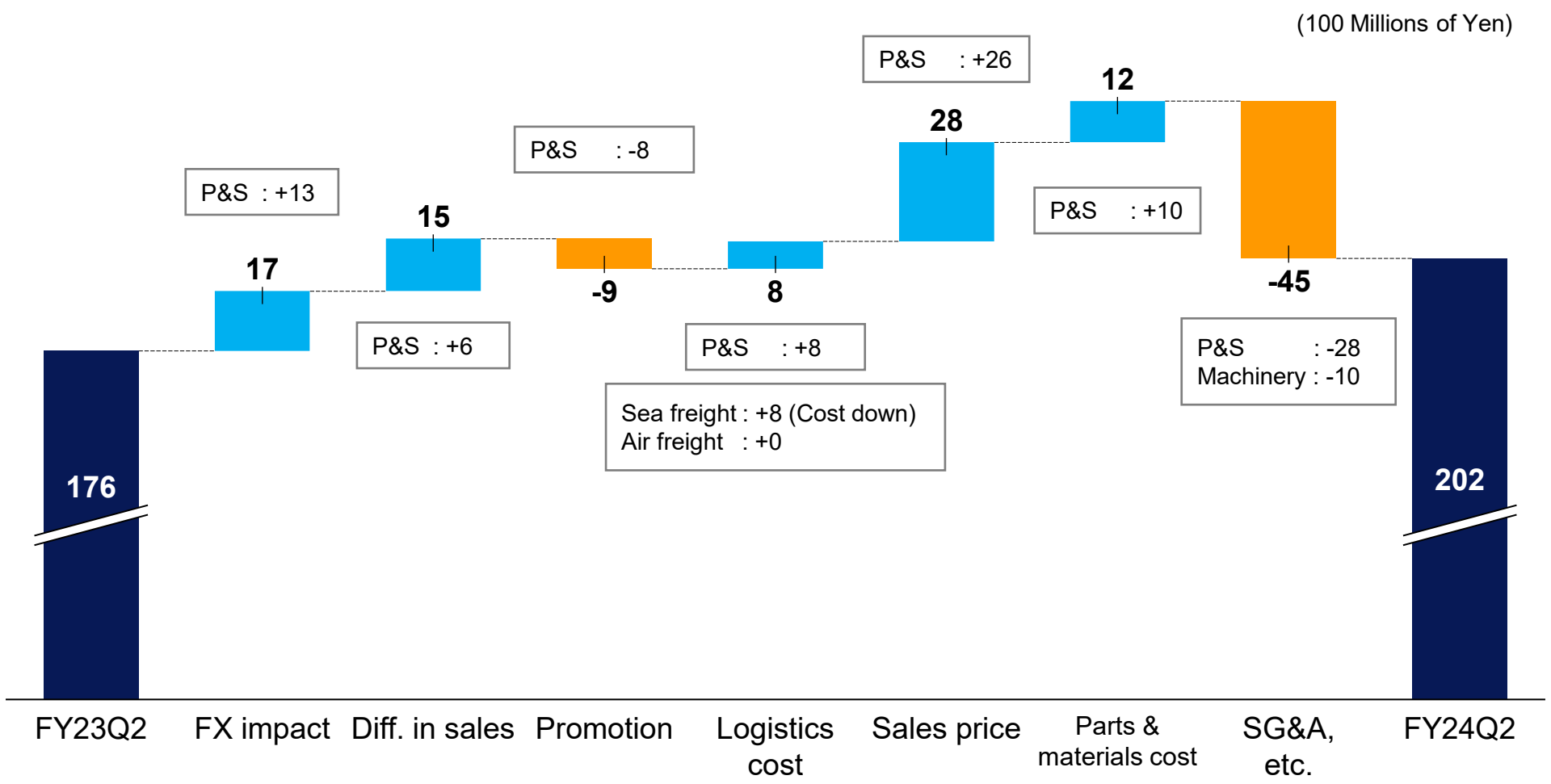
FY2024 Q2
Main Factors for Changes in Business Segment Profit

Despite higher SG&A and sales promotion expenses, business segment profit increased mainly due to effects from price adjustments in the P&S business and positive FX effects



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Results for FY2024 First Half (Apr.-Sep.)

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Consolidated Results for FY2024 1H

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Sales revenue and business segment profit increased mainly due to positive FX effects

(100 Millions of Yen)

	FY23 1H	**FY24 1H**	Change (w/o FX)	Rate of change (w/o FX)
Sales revenue	3,996	**4,272**	276 (70)	6.9% (1.7%)
Business segment profit	407	**430**	23 (-40)	5.6% (-9.8%)
Business segment profit ratio	10.2%	**10.1%**		
Other income/expense	-10	**-44**	-35	
Operating profit	397	**385**	-12	-3.0%
Operating profit ratio	9.9%	**9.0%**		
Income before tax	410	**415**	5	1.1%
Net income attribute to parent company	289	**281**	-8	-2.6%
USD EUR	141.31 153.51	**152.30** **165.46**	10.99 11.95	

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Results for FY2024 1H by Business Segment

(100 Millions of Yen)

	Sales revenue			Business segment profit			Operating profit		
	FY23 1H	**FY24 1H**	Change	FY23 1H	**FY24 1H**	Change	FY23 1H	**FY24 1H**	Change
P&S	2,488	2,663	175	336	350	15	320	332	12
Machinery	392	419	27	19	13	-6	21	10	-10
Domino	539	592	53	38	34	-4	36	27	-9
Nissei	105	99	-6	6	2	-4	5	2	-3
P&H	237	255	19	-4	18	22	-4	16	20
N&C	181	193	13	10	10	0	11	10	0
Other	55	50	-5	3	4	0	9	-12	-21
Total	**3,996**	**4,272**	**276**	**407**	**430**	**23**	**397**	**385**	**-12**

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

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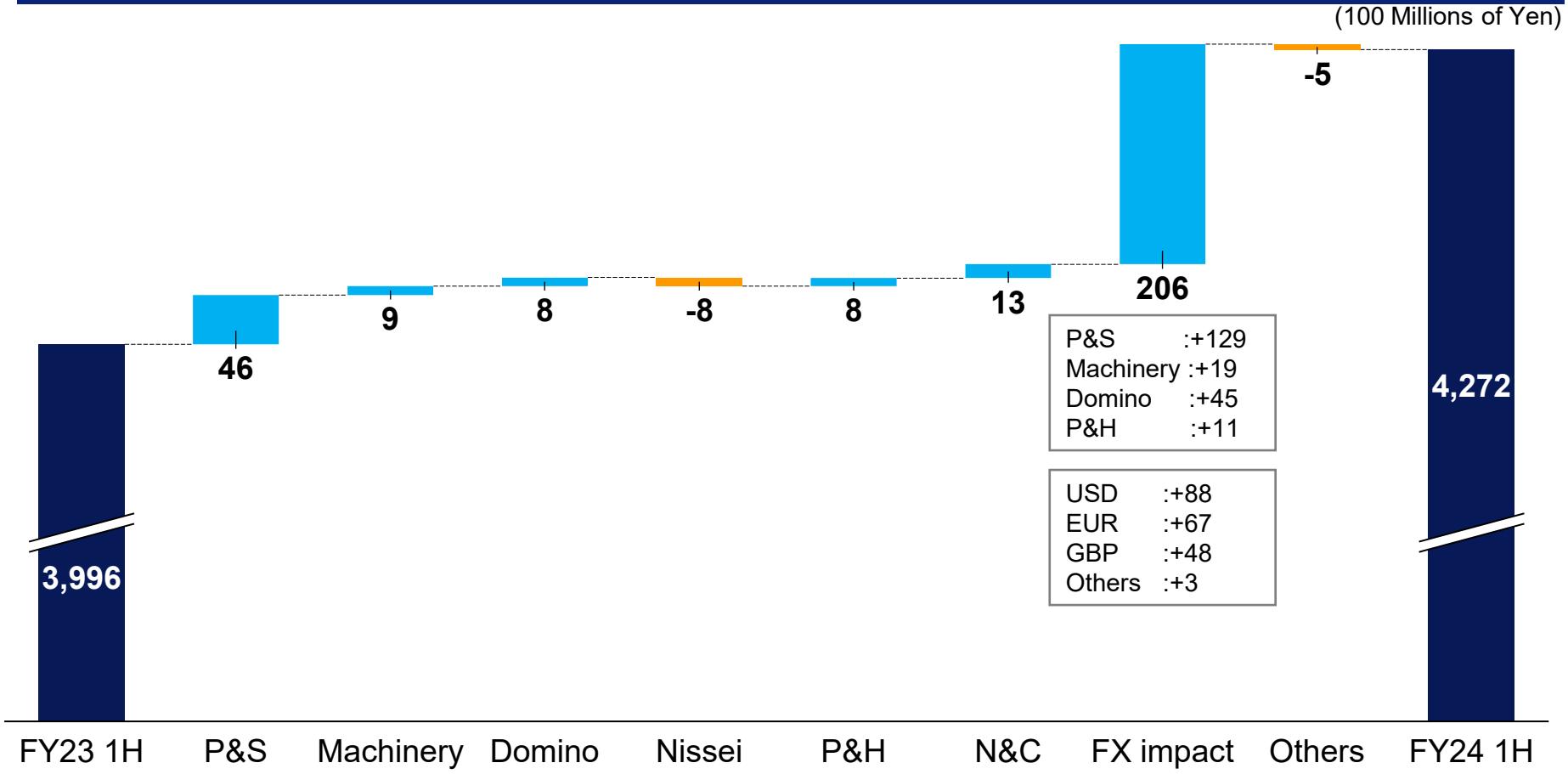
FY2024 1H
Main Factors for Changes in Sales Revenue

Sales revenue increased mainly due to steady sales of consumables in the P&S business and positive FX effects



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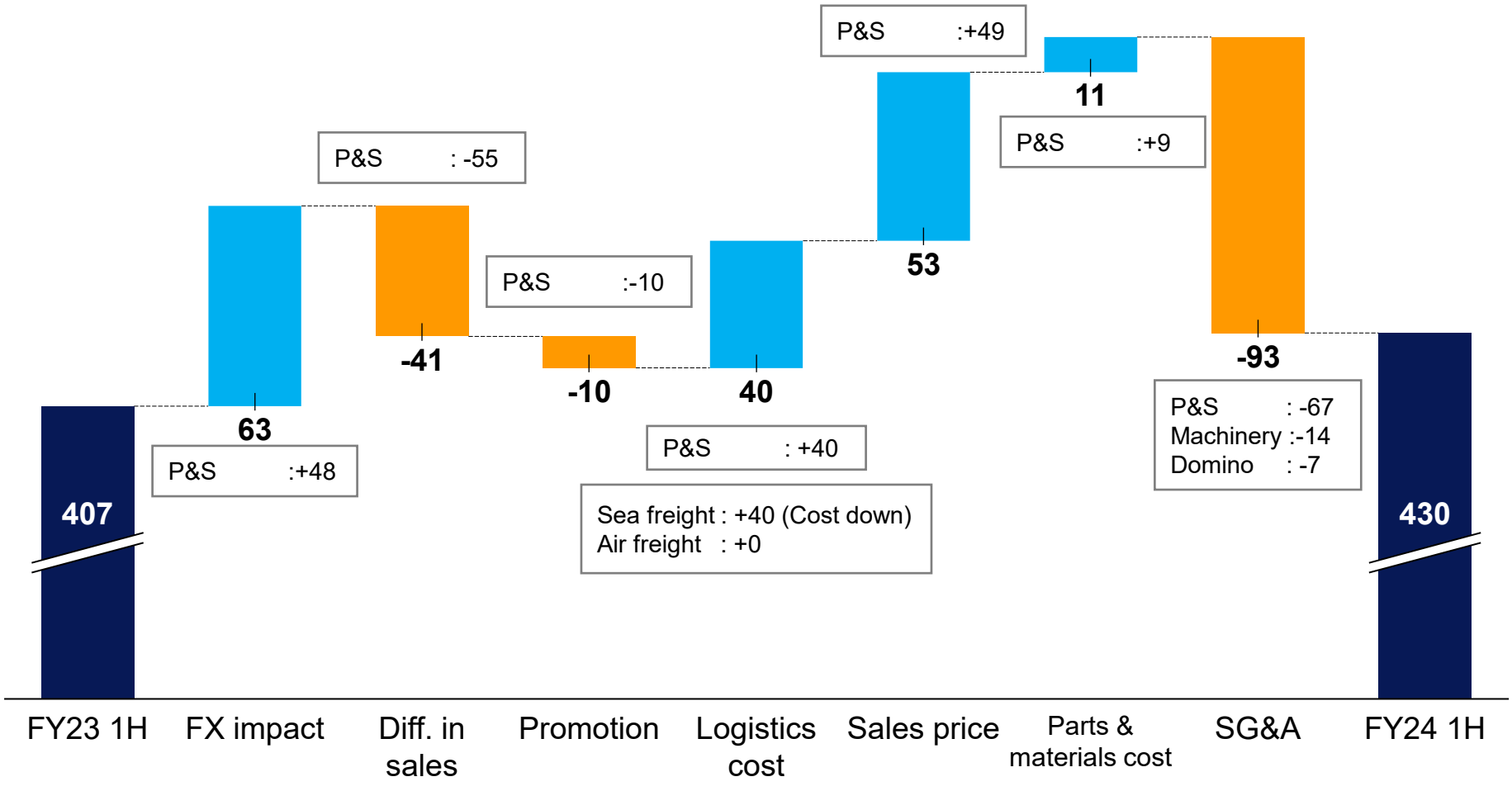
FY2024 1H
Main Factors for Changes in Business Segment Profit

Despite the impact of higher SG&A expenses, etc., business segment profit increased due to effects from price adjustments for consumables in the P&S business, lower logistics costs, and positive FX effects

(100 Millions of Yen)



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Forecast for FY2024

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Forecast for FY2024

The forecast for sales revenue as well as business segment profit and subsequent items was revised downward mainly due to effects from the delay in the market recovery of machine tools in the Machinery business

(100 Millions of Yen)

	Previous Forecast	FY24 Forecast	Change (w/o FX)	Rate of Change (w/o FX)	FY23 Actual	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	8,800	**8,650**	-150 (-302)	-1.7% (-3.4%)	8,229	421 (386)	5.1% (4.7%)
Business Segment Profit	880	**800**	-80 (-155)	-9.1% (-17.6%)	756	44 (-7)	5.8% (-0.9%)
Business Segment Profit Ratio	10.0%	**9.2%**			9.2%		
Other income/expense	0	**-40**	-40		-258	218	
Operating Profit	880	**760**	-120	-13.6%	498	262	52.6%
Operating Profit Ratio	10.0%	**8.8%**			6.1%		
Income before Tax	880	**800**	-80	-9.1%	525	275	52.3%
Net Income attribute to parent company	630	**570**	-60	-9.5%	316	254	80.1%
USD	145.00	**146.83**	1.83		144.40	2.43	
EUR	155.00	**160.97**	5.97		156.80	4.17	

- The exchange rates for the forecast period : 1 USD = 140 yen, 1 EUR = 155 yen

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Forecast for FY2024 by Business Segment

(100 Millions of Yen)

	Sales revenue			Business segment profit			Operating profit		
	Previous Forecast	**FY24 Forecast**	Change	Previous Forecast	**FY24 Forecast**	Change	Previous Forecast	**FY24 Forecast**	Change
P&S	5,228	5,326	98	604	630	26	604	613	9
Machinery	1,171	900	-271	127	34	-93	127	32	-95
Domino	1,137	1,160	23	45	47	2	45	41	-4
Nissei	234	209	-25	13	6	-8	13	6	-8
P&H	538	560	22	54	56	2	54	56	2
N&C	390	388	-2	24	20	-4	24	21	-3
Other	102	108	6	13	6	-6	13	-8	-21
Total	**8,800**	**8,650**	**-150**	**880**	**800**	**-80**	**880**	**760**	**▲120**

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

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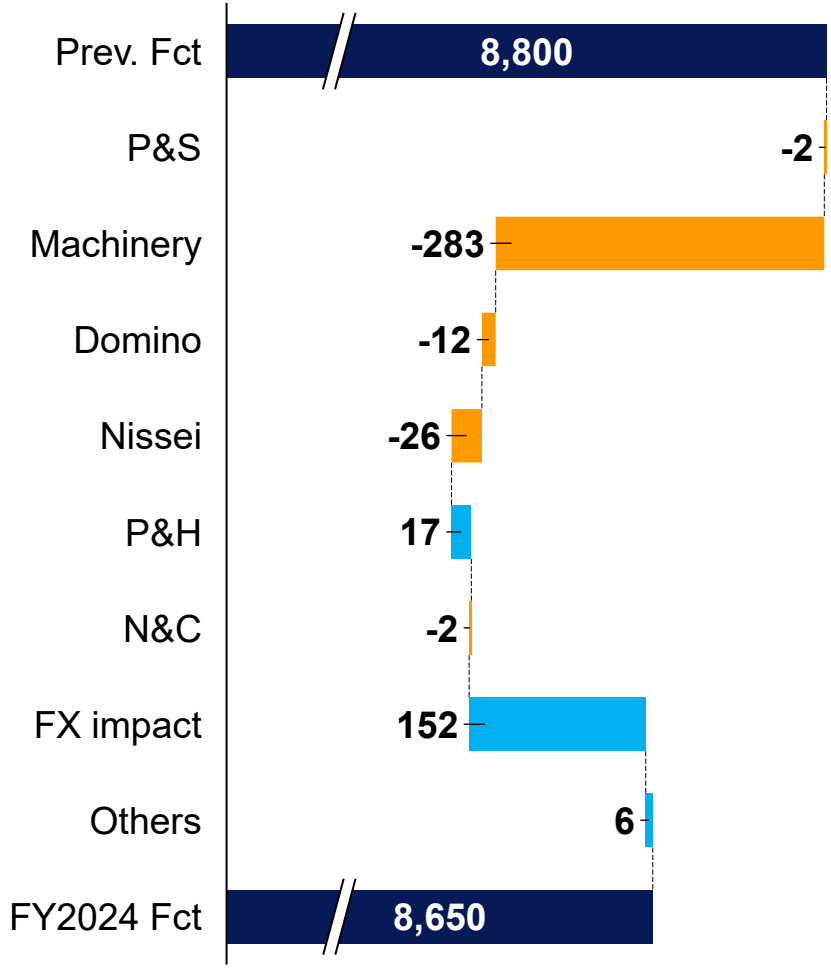
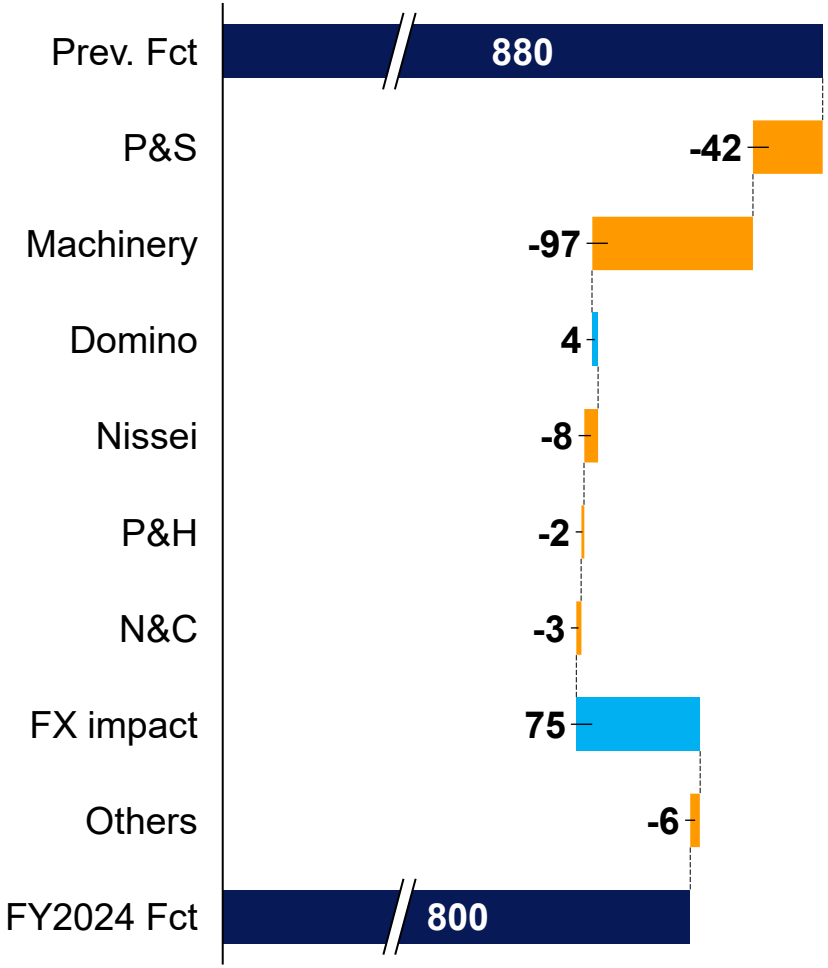
FY2024
Changes in Sales Revenue / Business Segment Profit

(100 Millions of Yen)

Changes in Sales Revenue



Changes in Business Segment Profit



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

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Financial Position

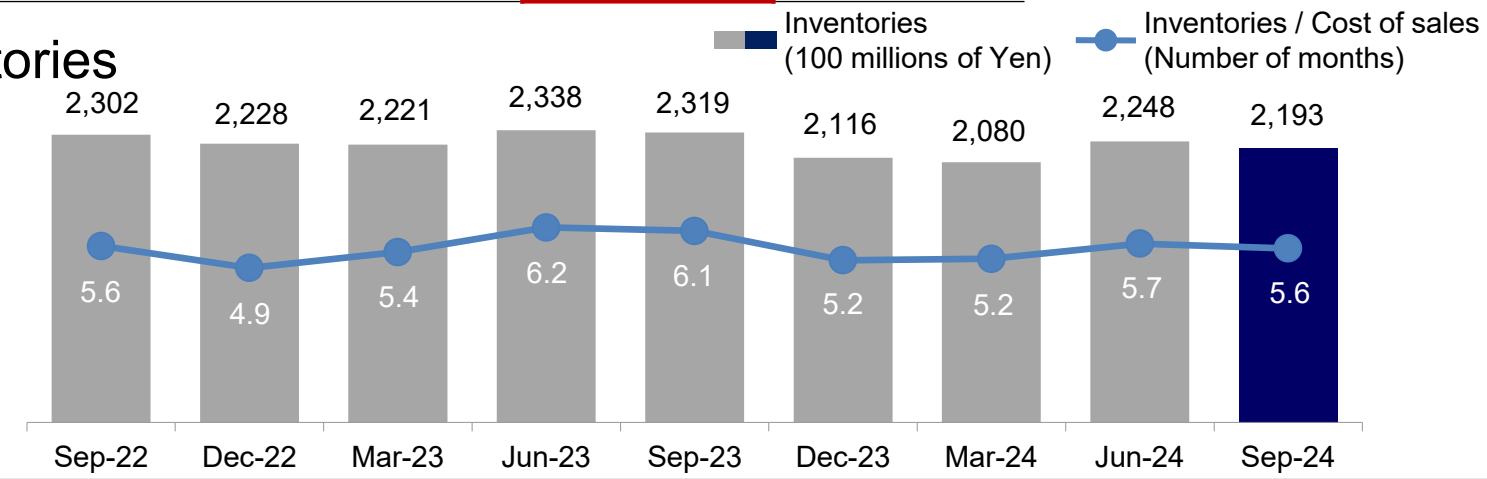
(100 Millions of Yen)

	End of Mar 24	**End of Sep24**	Change
Current assets	5,419	**5,454**	35
Cash&Cash equivalents	1,661	**1,666**	5
Inventories	2,080	**2,193**	113
Non-current assets	3,542	**3,485**	-57
Total liabilities	2,280	**2,255**	-25
Interest-bearing debt	6	**6**	0
Shareholders' equity*	6,680	**6,684**	3
Total assets	8,961	**8,939**	-22

*Equity attributable to owners of the parent company

	End of Mar 24	**End of Sep24**	Change
Net cash	1,655	**1,660**	5
Shareholders' equity ratio	74.5%	**74.8%**	0.2
ROE	5.0%	**-**	-

Inventories



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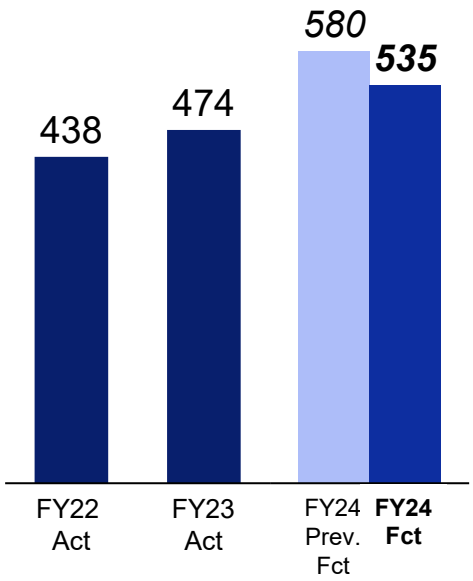
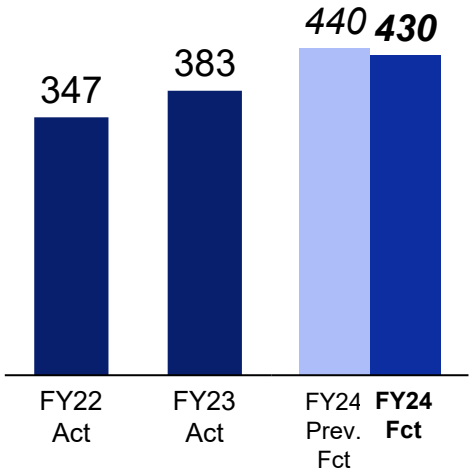
Capital Expenditure, Depreciation and Amortization/ R&D Expenses

(100 Millions of Yen)

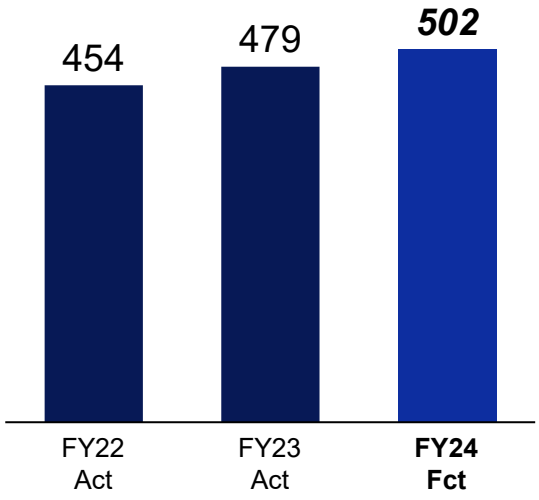
Capital Expenditure



Depreciation & Amortization



R&D Expenses



Breakdown by business (CapEx)

	FY22 Act	FY23 Act	FY24 Prev. Fct	**FY24 Fct**
Industrial area	82	100	118	104
Consumer area & Others	356	375	462	431
Total	438	474	580	535

Breakdown by business (R&D)

	FY22 Act	FY23 Act	**FY24 Fct**
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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Shareholder Returns

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Shareholder Returns

The interim dividend for FY2024 is 50 yen per share.
The forecast for the annual dividend remains unchanged.

[Basic policy] Implement stable and continuous shareholder returns

- Minimum annual dividend of **68 yen** per share
- Consider additional shareholder returns, including an increase in the dividend level, depending on factors such as business performance. In addition, flexibly carry out repurchase of our own shares

	Interim dividend	Year-end dividend	Annual dividend
FY2022	34 yen	34 yen	68 yen
FY2023	34 yen	50 yen	84 yen
FY2024	50 yen	50 yen (planned)	100 yen (planned)

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Business Segment Information

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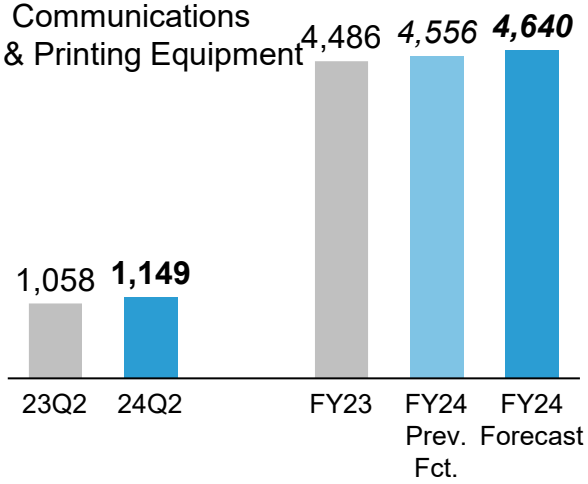
Consumer
Industrial

Printing & Solutions
Sales Revenue & Profit

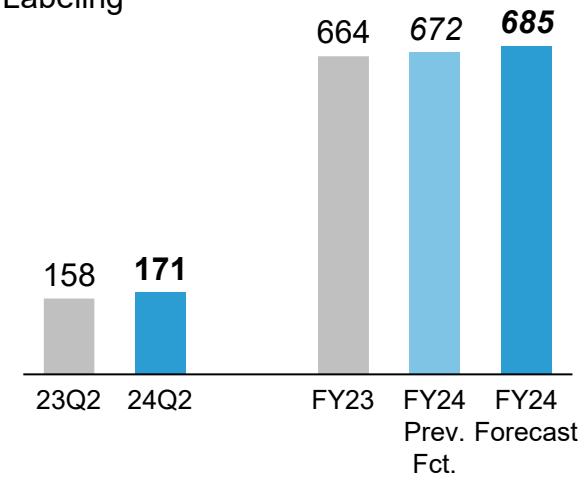
(100 Millions of Yen)

	23Q2	24Q2	Change	Change w/o FX	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**1,216**	**1,320**	**8.5%**	**7.4%**	**5,149**	**5,228**	**5,326**	**3.4%**	**3.3%**
Communications & printing equipment	**1,058**	**1,149**	**8.6%**	**7.6%**	**4,486**	**4,556**	**4,640**	**3.5%**	**3.4%**
Americas	450	462	2.6%	6.0%	1,742	1,778	1,780	2.2%	5.6%
Europe	310	345	11.3%	6.7%	1,449	1,434	1,494	3.1%	0.8%
Asia & others	207	238	14.8%	10.4%	866	892	925	6.8%	3.9%
Japan (incl. OEM)	90	104	15.4%	12.6%	429	452	442	3.1%	1.8%
Labeling	**158**	**171**	**8.0%**	**5.9%**	**664**	**672**	**685**	**3.2%**	**2.6%**
Americas	75	83	10.5%	10.5%	304	303	309	1.8%	3.2%
Europe	47	50	5.5%	1.1%	208	211	218	4.8%	2.4%
Asia & others	25	27	7.4%	3.2%	104	106	108	2.9%	0.1%
Japan	11	11	3.2%	-	48	52	51	6.3%	-
Business segment profit	**143**	**171**	**20.0%**	**-**	**625**	**604**	**630**	**0.8%**	**-**
Operating profit	**140**	**164**	**17.0%**	**-**	**610**	**604**	**613**	**0.4%**	**-**

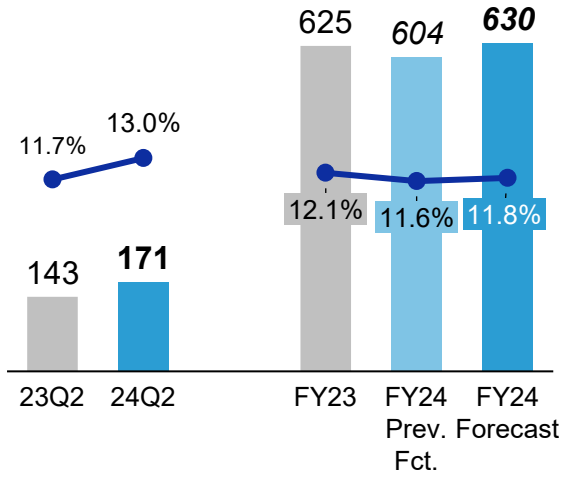
<Sales Revenue>
Communications & Printing Equipment



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%	2%	-	-	41%	-8%
Consumable	18%	-8%	0%	4%	3%	15%	11%	18%	11%	14%	-	-	3%	11%
Sales revenue growth rate（LC/YoY）														
Hardware	25%	23%	21%	23%	-1%	-21%	-16%	-9%	-12%	2%	-	-	23%	-13%
Consumable	7%	-20%	-13%	-6%	-3%	7%	5%	7%	0%	12%	-	-	-8%	4%
Inkjet (IJP)														
Sales revenue growth rate（JPY/YoY）														
Hardware	18%	32%	46%	39%	5%	3%	-5%	-1%	18%	12%	-	-	33%	0%
Consumable	19%	-2%	8%	13%	15%	16%	0%	5%	-1%	6%	-	-	9%	8%
Sales revenue growth rate（LC/YoY）														
Hardware	8%	16%	30%	27%	2%	-2%	-8%	-7%	10%	14%	-	-	20%	-4%
Consumable	11%	-12%	-2%	4%	9%	9%	-4%	-3%	-9%	4%	-	-	0%	2%
Consumable ratio	53%	47%	49%	53%	54%	53%	54%	56%	55%	55%	-	-	51%	54%
Growth rate of hardware (Units/YoY)														
Laser (LBP)	14%	9%	3%	8%	-1%	-21%	-8%	-6%	-13%	-2%	-	-	8%	-9%
Inkjet (IJP)	8%	16%	42%	43%	4%	0%	-3%	-8%	13%	14%	-	-	26%	-2%

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Industrial

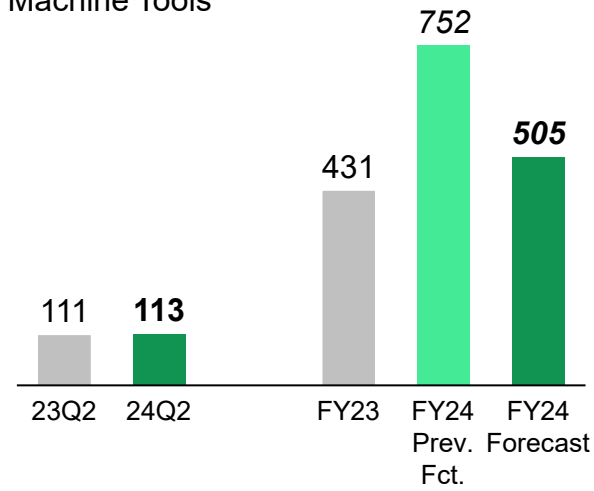
Machinery
Sales Revenue & Profit

(100 Millions of Yen)

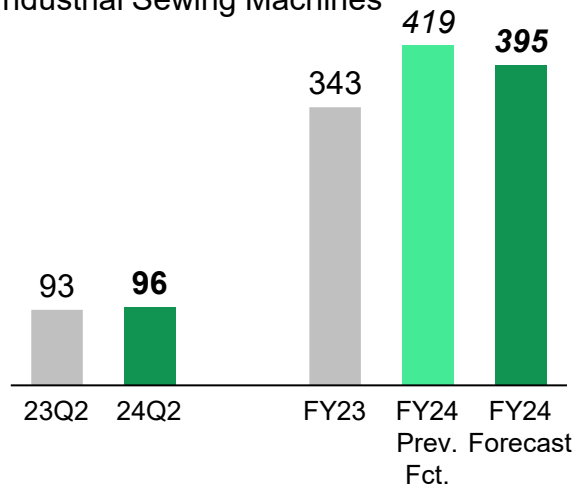
	23Q2	24Q2	Change	Change w/o FX	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**204**	**209**	**2.6%**	**0.4%**	**774**	**1,171**	**900**	**16.3%**	**15.1%**
Machine tools	**111**	**113**	**2.5%**	**1.0%**	**431**	**752**	**505**	**17.2%**	**16.5%**
Americas	9	10	17.6%	-	36	53	38	5.6%	-
Europe	7	4	-40.4%	-	32	47	25	-19.4%	-
Asia & others	55	71	29.8%	-	244	485	373	52.9%	-
Japan	39	27	-30.9%	-	119	167	69	-42.5%	-
Industrial sewing machines	**93**	**96**	**2.8%**	**-0.3%**	**343**	**419**	**395**	**15.1%**	**13.2%**
Americas	36	27	-22.8%	-23.5%	114	137	120	5.0%	5.2%
Europe	19	17	-12.4%	-15.9%	74	97	75	2.0%	-0.3%
Asia & others	33	47	40.9%	34.9%	134	166	182	35.2%	31.5%
Japan	6	5	-10.5%	-	20	19	18	-13.1%	-
Business segment profit	**9**	**5**	**-47.5%**	**-**	**22**	**127**	**34**	**53.9%**	**-**
Operating profit	**9**	**1**	**-85.6%**	**-**	**23**	**127**	**32**	**38.8%**	**-**

<Sales Revenue>

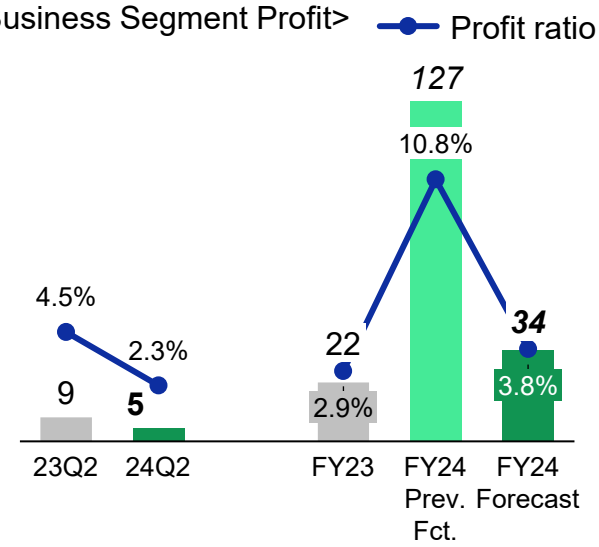
Machine Tools



Industrial Sewing Machines



<Business Segment Profit>



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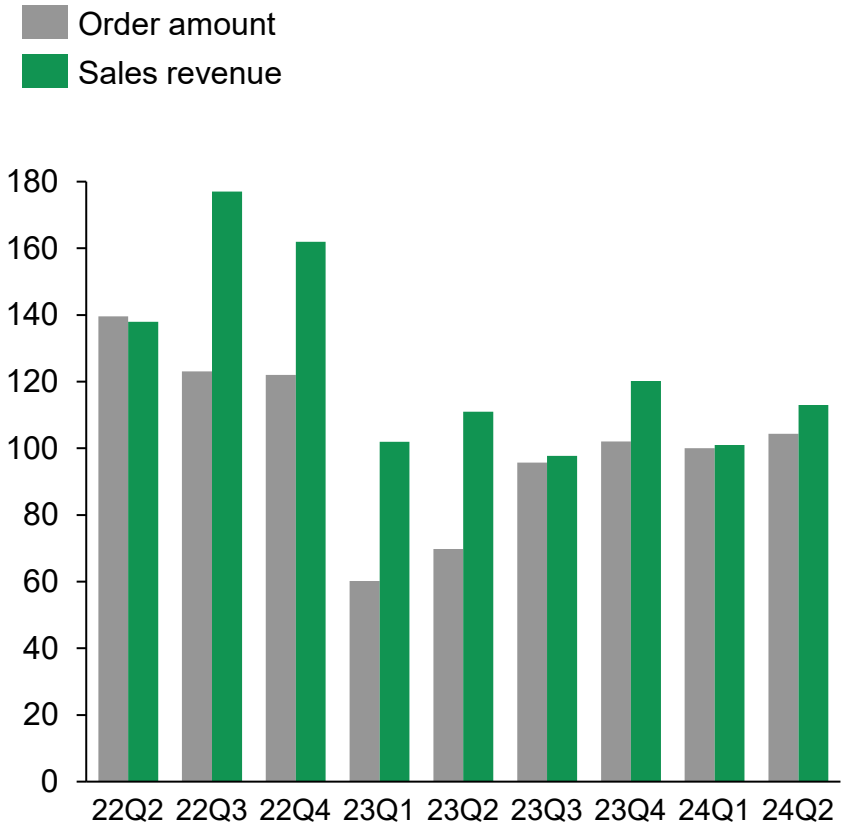
Machinery (Machine Tools) Order Trends

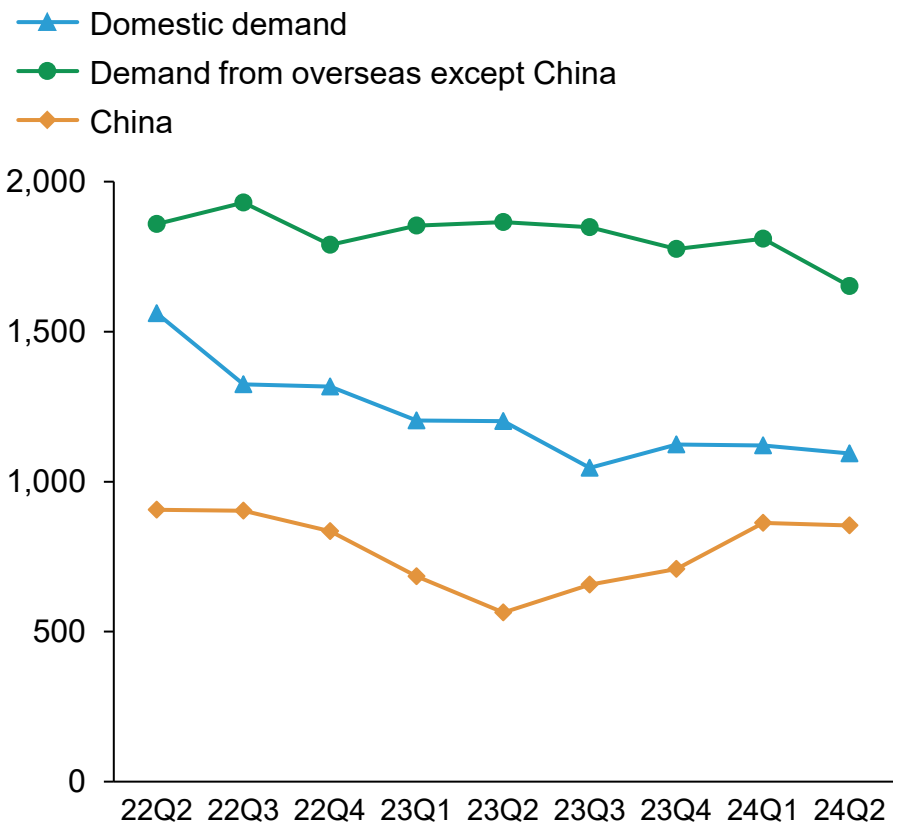
(100 Millions of Yen)

Trends in order amount and sales revenue



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

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



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

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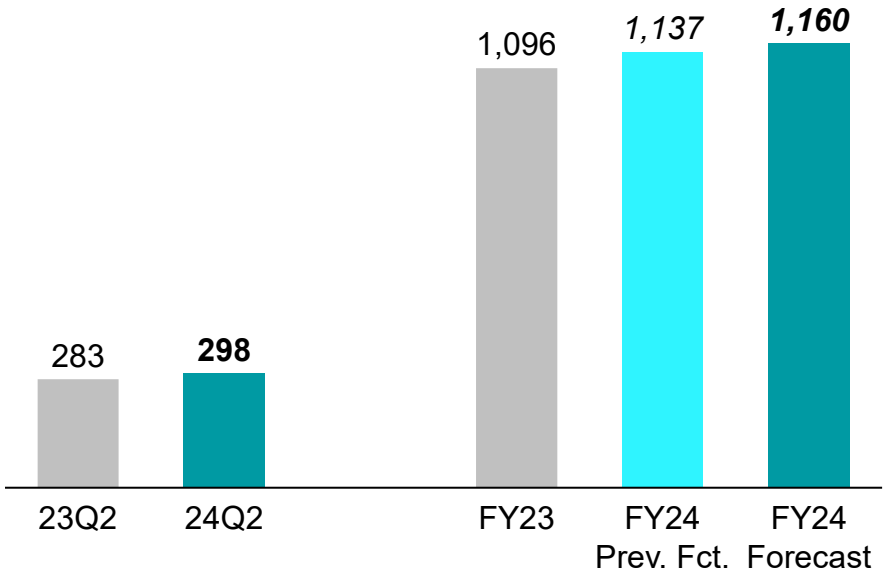
Industrial

Domino
Sales Revenue & Profit

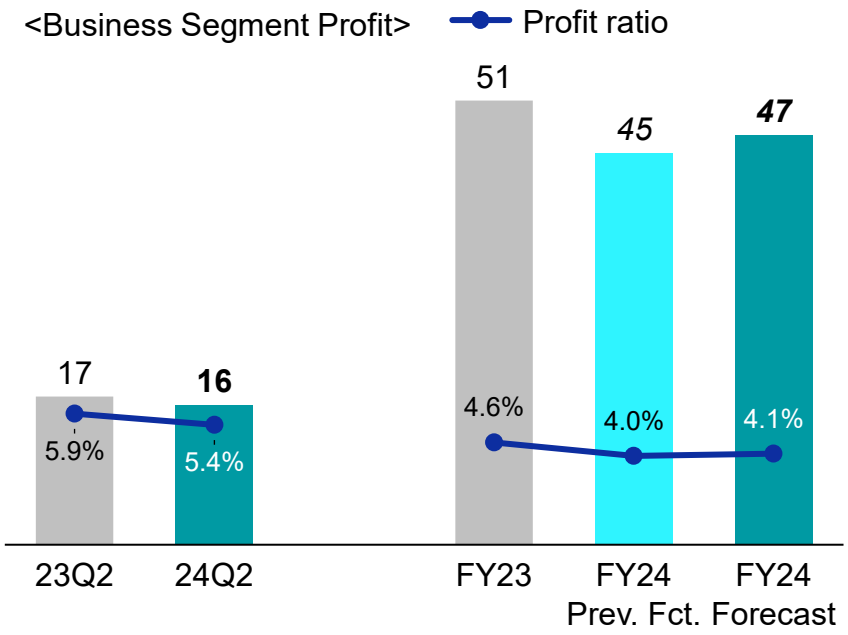
(100 Millions of Yen)

	23Q2	24Q2	Change	Change w/o FX	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**283**	**298**	**5.5%**	**1.3%**	**1,096**	**1,137**	**1,160**	**5.8%**	**3.8%**
Americas	70	77	9.2%	10.2%	281	298	298	6.0%	6.8%
Europe	122	131	7.4%	-3.6%	469	464	506	8.0%	0.8%
Asia & others	81	80	-0.7%	0.3%	310	336	314	1.2%	4.6%
Japan	10	10	7.1%	-	36	40	41	14.9%	-
Business segment profit	**17**	**16**	**-2.7%**	**-**	**51**	**45**	**47**	**-7.3%**	**-**
Operating profit	**18**	**10**	**-43.2%**	**-**	**-241**	**45**	**41**	**-**	**-**

<Sales Revenue>



<Business Segment Profit>



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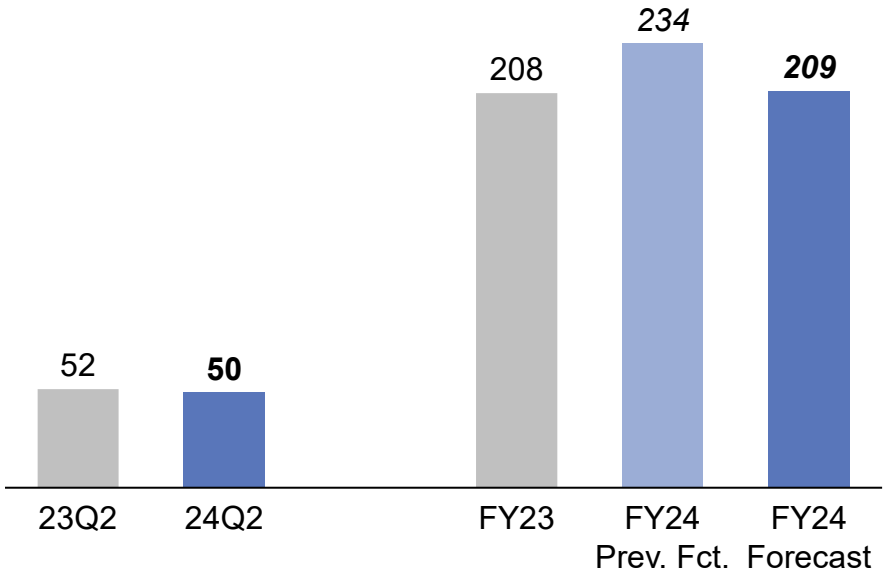
Industrial

Nissei
Sales Revenue & Profit

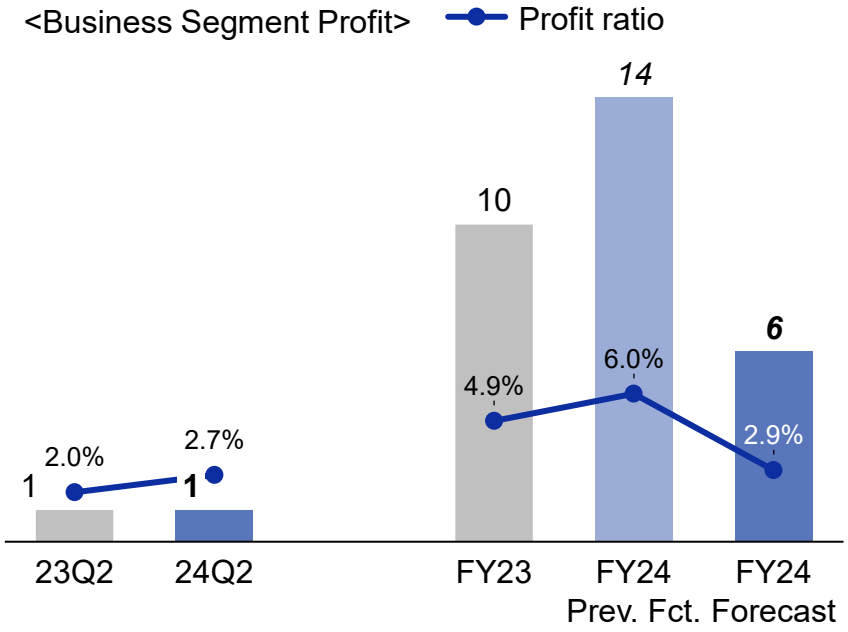
(100 Millions of Yen)

	23Q2	24Q2	Change	Change w/o FX	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**52**	**50**	**-4.8%**	**-5.7%**	**208**	**234**	**209**	**0.3%**	**-0.3%**
Americas	8	8	-5.4%	-8.6%	33	37	30	-8.7%	-9.9%
Europe	-	-	-	-	-	-	-	-	-
Asia & others	8	8	-3.8%	-6.3%	35	38	34	-2.0%	-3.3%
Japan	36	34	-4.9%	-	141	160	144	2.7%	-
Business segment profit	**1**	**1**	**27.7%**	**-**	**10**	**14**	**6**	**-41.2%**	**-**
Operating profit	**0**	**1**	**129.3%**	**-**	**10**	**14**	**6**	**-39.5%**	**-**

<Sales Revenue>



<Business Segment Profit>



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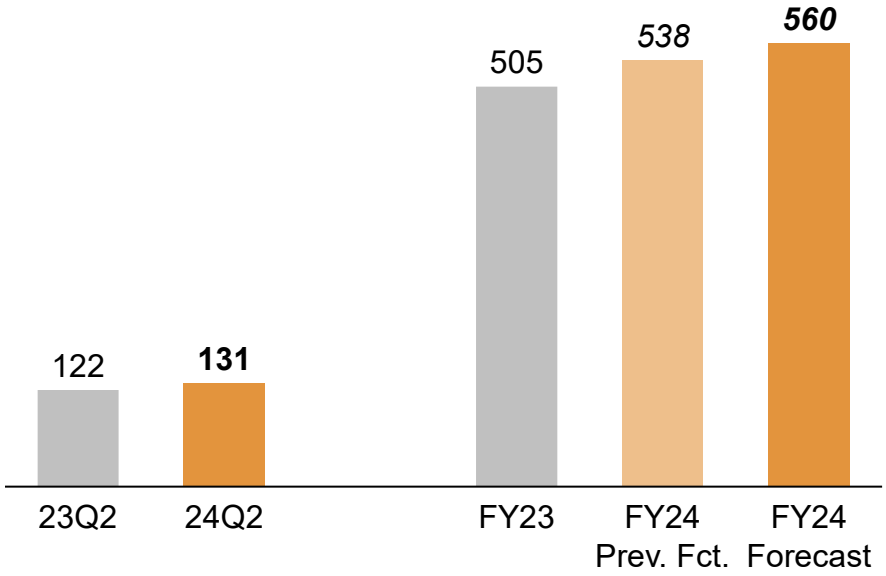
Consumer

Personal & Home
Sales Revenue & Profit

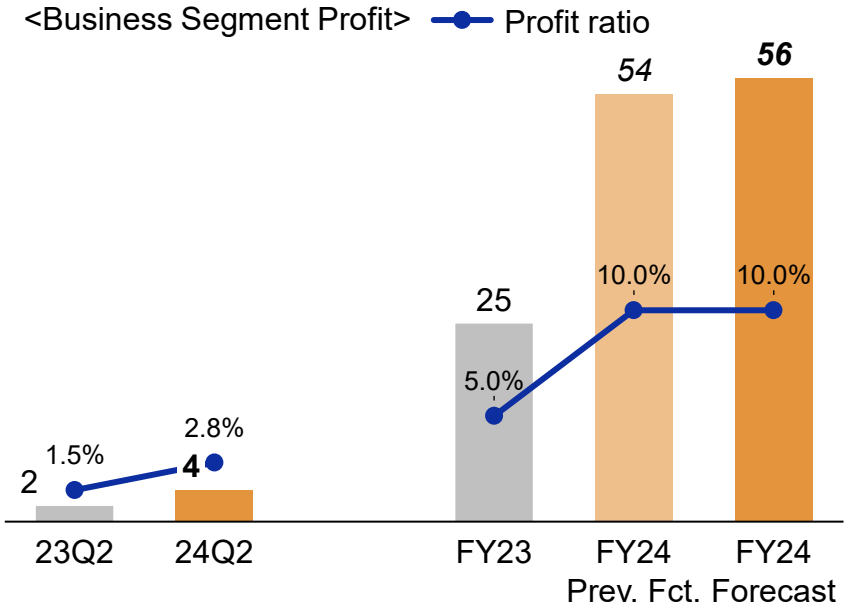
(100 Millions of Yen)

	23Q2	24Q2	Change	Change w/o FX	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	**122**	**131**	**7.2%**	**7.2%**	**505**	**538**	**560**	**10.9%**	**11.7%**
Americas	77	84	8.8%	10.8%	300	329	339	13.2%	16.0%
Europe	27	28	3.1%	-0.9%	126	126	135	6.9%	4.6%
Asia & others	12	12	-0.4%	-4.3%	51	54	56	10.2%	7.2%
Japan	6	7	21.7%	-	28	29	30	6.7%	-
Business segment profit	**2**	**4**	**98.7%**	**-**	**25**	**54**	**56**	**122.6%**	**-**
Operating profit	**2**	**3**	**54.0%**	**-**	**25**	**54**	**56**	**125.9%**	**-**

<Sales Revenue>



<Business Segment Profit>



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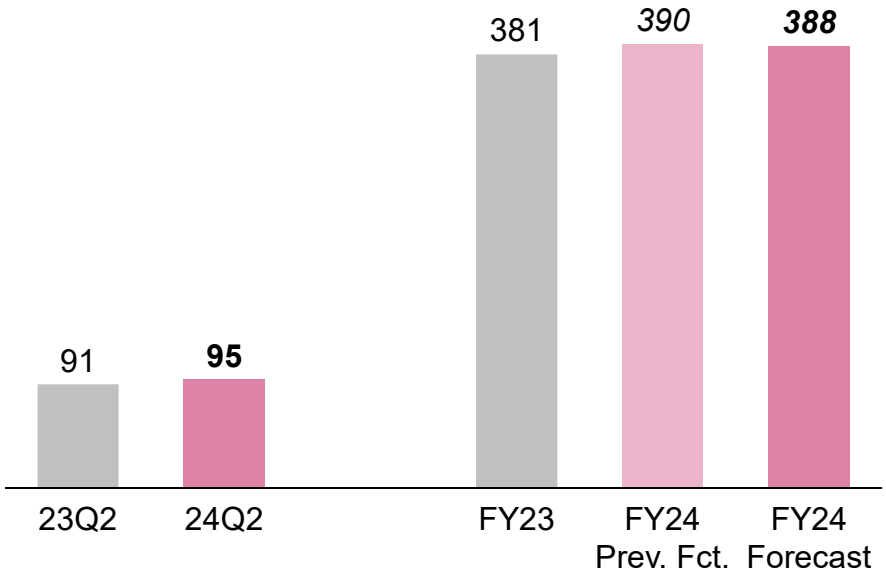
Consumer

Network & Contents
Sales Revenue & Profit

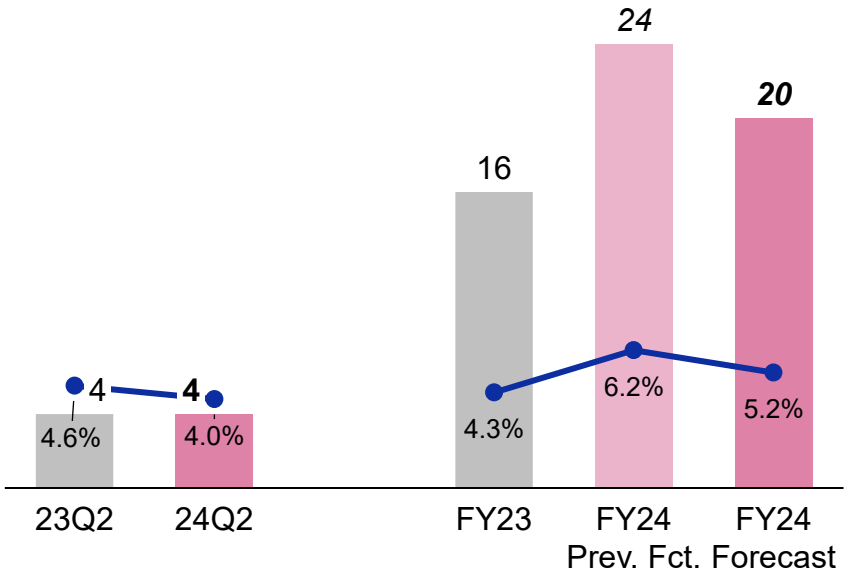
(100 Millions of Yen)

	23Q2	24Q2	Change	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY
Sales revenue	**91**	**95**	**4.2%**	**381**	**390**	**388**	**1.8%**
Business segment profit	**4**	**4**	**-8.7%**	**16**	**24**	**20**	**23.2%**
Operating profit	**5**	**3**	**-27.5%**	**17**	**24**	**21**	**26.5%**

<Sales Revenue>



<Business Segment Profit> Profit ratio



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Topics

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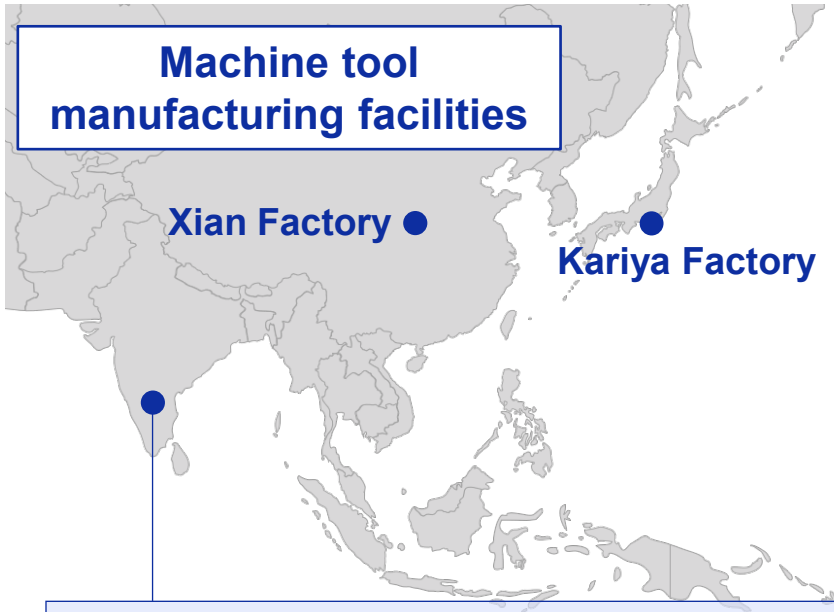
New Machine Tool Factory Completed in India

A new machine tool factory was completed near Bengaluru in southern India and is scheduled to begin operations in December 2024. This is the third machine tool manufacturing facility after those in Japan (Kariya) and China (Xian).



The new completed factory in India



- ✓ Build a system that can deliver products to Indian customers in shorter amounts of time
- ✓ Install solar panels on the roof of the new factory. Plan to reduce CO_2 emissions by approximately 600 tons annually

New Factory in India (near Bengaluru in India)

Company name: BROTHER MACHINERY INDIA PRIVATE LTD.
Products: Machine tools
Destination: India
Completion: September 2024
Estimated start of operation: December 2024

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Factory in U.K. Began Remanufacturing Ink Cartridges

Following remanufacturing toner cartridges, Brother Industries (U.K.) began remanufacturing ink cartridges to accelerate the initiatives for resource circulation



Brother Industries (U.K.)



Automated line in the ink cartridge remanufacturing process

- ✓ Began the initiative for remanufacturing, from the collection of used ink cartridges to their redistribution, aiming to further reduce waste in pursuit of a sustainable society
- ✓ Making use of its experience of remanufacturing of toner cartridges for 20 years, Brother Industries (U.K.) has streamlined and automated the process of sorting, cleaning, inspection, etc. which are necessary for remanufacturing ink cartridges

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brother
at your side

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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