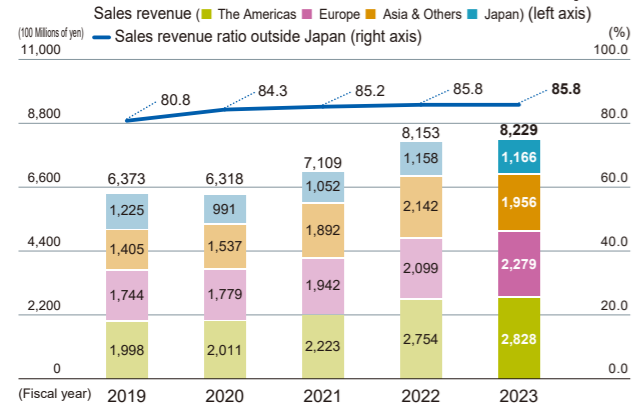


Financial and Non-financial Highlights

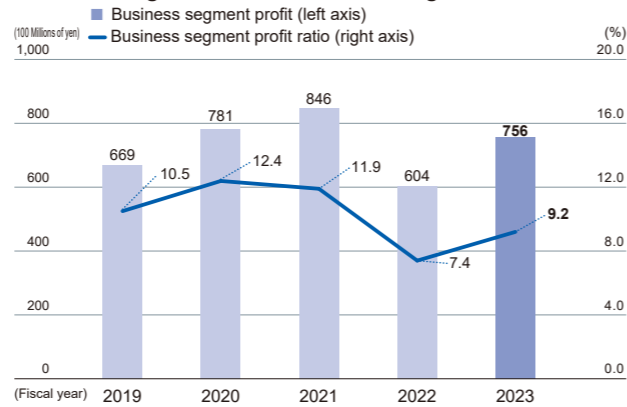
Financial Indicators

Sales Revenue / Sales Revenue Ratio Outside Japan



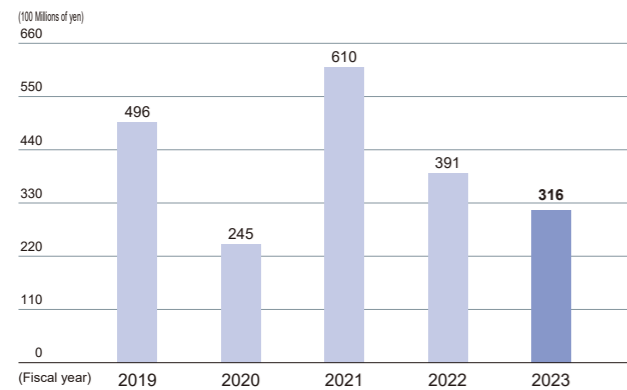
Sales revenue ratio outside Japan was high. The ratio remains flat from the previous fiscal year due to the positive impact of foreign exchange rates, despite the decrease in sales of product units in the P&S Business.

Business Segment Profit / Business Segment Profit Ratio



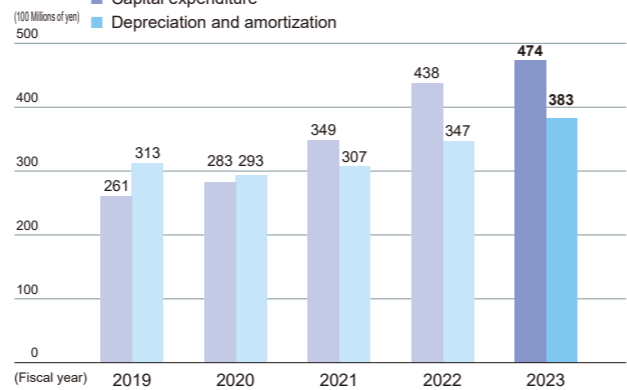
Despite increases in promotion and SG&A expenses, profit increased significantly due to a decrease in logistics costs and the positive impact of foreign exchange rates.

Profit for the Period Attributable to Owners of the Parent Company



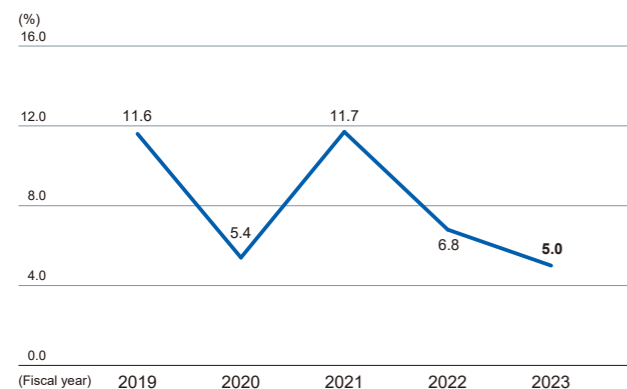
Profit decreased due to the recording of impairment losses on part of the goodwill in the Domino Business, among other factors.

Capital Expenditure / Depreciation and Amortization



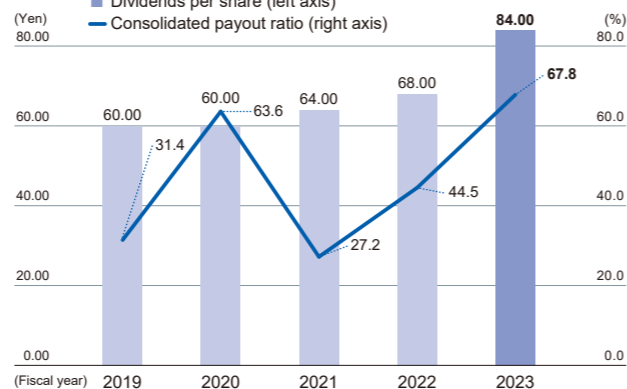
As "prior investments for the future" established in our medium-term business strategy "CS B2024," we have mainly invested in manufacturing facilities and equipment and other areas.

ROE



ROE decreased due to the recording of impairment losses on a part of goodwill in the Domino Business, among other factors.

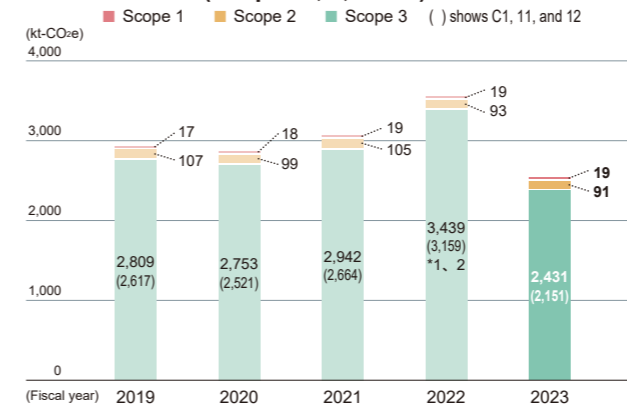
Dividends per Share / Consolidated Payout Ratio



Under our policy of stable and continuous shareholder returns, a dividend per share of 84 yen was instituted, up 16 yen from the previous fiscal year.

Non-financial Indicators

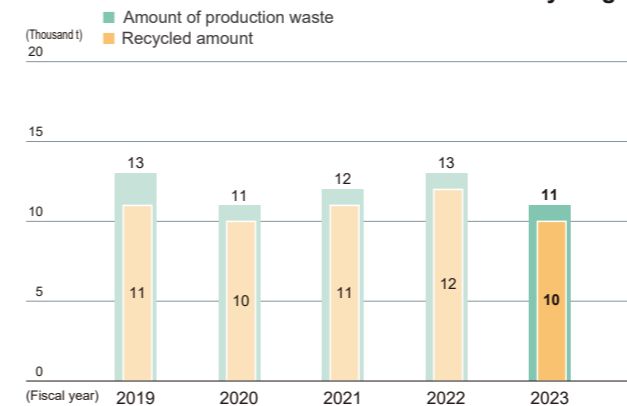
CO₂ Emissions (Scopes 1, 2, and 3)



The FY2030 medium-term target for CO₂ emissions is 70kt-CO₂e, a 65% reduction from FY2015 for Scopes 1 and 2, and 2,096kt-CO₂e, a 30% reduction from Scope 3 (C 1, 11, 12).

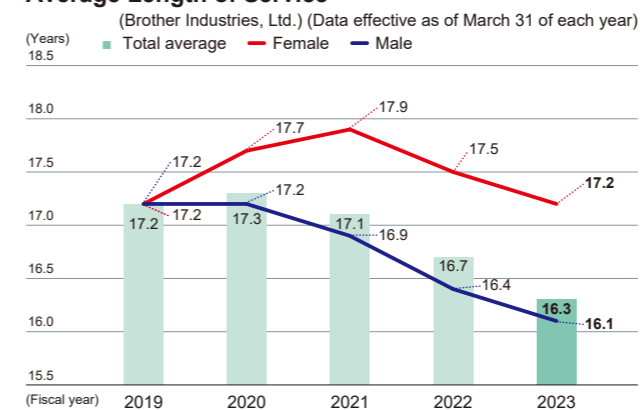
*1: Figures have been changed due to the addition of the Domino Business to the scope of Scope 3 calculations.
*2: The figures have been changed because CO₂ emissions from products and services purchased other than product parts have been added to C1 (purchased goods and services). However, the additional emissions in FY2022 (approximately 2% of total Scope 3 emissions) have not been included in the ISO 14064 verification.

Amount of Production Waste / Amount of Recycling



In FY2023, the amount of production waste directly related to products at the Brother Group's main business sites was 11,125t, of which 9,928t was recycled.

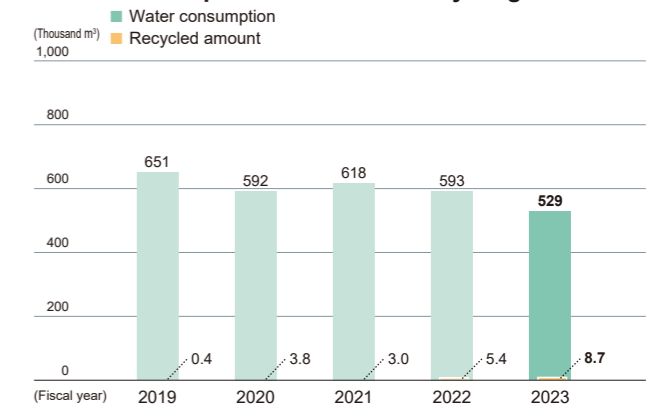
Average Length of Service*



The average length of service decreased due to an increase in the number of compulsory retirees and new hires; however, it is still higher than the national average of 12.4 years in the 2023 survey conducted by the Ministry of Health, Labour and Welfare.

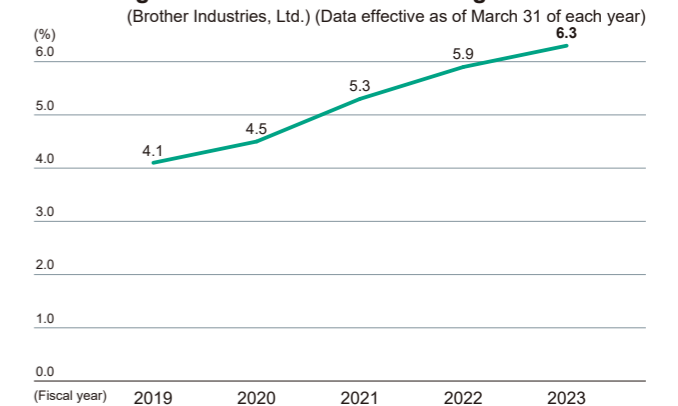
* Does not include incoming seconded employees, temporary employees or fixed-term employees.

Water Consumption / Amount of Recycling



In FY2023, the amount of water intake in the Brother Group's main business sites was 528,895 m³, of which 8,717 m³ was recycled.

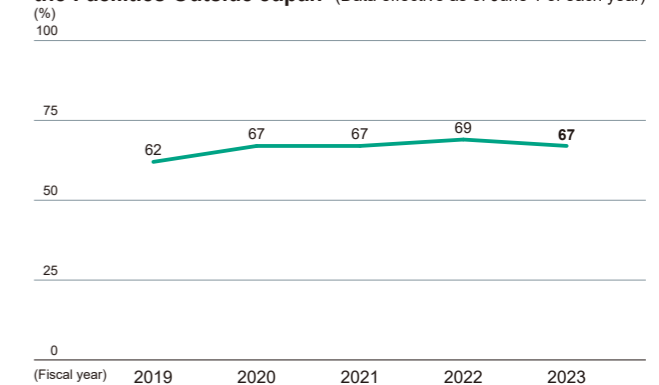
Percentage of Females in Senior Management*1,2



The number of female employees is approximately 20% of the total. The number of female managers has steadily increased as a result of setting a target number of female managers and implementing various measures to encourage career development.

*1: Includes temporary employees and incoming seconded employees. Does not include Directors, Corporate Auditors, and Executive Officers.
*2: For the years from FY2019 to FY2022, the figures have been updated based on the calculation standard in *1.

Ratio of Local Employees in Top Management Positions of the Facilities Outside Japan*



The ratio of local employees in top management positions of the facilities outside Japan has reached nearly 70% as we promote management that pursues both local and global strengths.

* Including Domino-related companies.

11-Year Data

(Millions of yen)

	JGAAP			IFRS Reference Values	IFRS		IFRS					
	FY2013	FY2014	FY2015	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating results												
Revenue / Net sales	616,834	707,237	745,888	682,119	641,185	712,997	683,972	637,259	631,812	710,938	815,269	822,930
Cost of sales	349,014	389,831	400,328	400,023	368,016	412,211	391,893	354,987	345,209	403,614	495,681	467,589
Gross profit	267,819	317,406	345,559	282,095	273,169	300,786	292,079	282,272	286,602	307,324	319,587	355,340
Selling, general, and administrative expenses	224,518	259,864	298,282	227,161	212,410	223,557	220,105	215,330	208,526	222,771	259,183	279,761
Business segment profit	—	—	—	54,934	60,759	77,229	71,973	66,942	78,076	84,552	60,404	75,579
Business segment profit ratio (%)	—	—	—	8.1	9.5	10.8	10.5	10.5	12.4	11.9	7.4	9.2
Operating profit	43,301	57,541	47,276	58,640	59,152	68,672	71,925	67,329	42,731	85,501	55,378	49,792
Operating profit ratio (%)	7.0	8.1	6.3	8.6	9.2	9.6	10.5	10.6	6.8	12.0	6.8	6.1
Ordinary profit	35,613	51,557	48,611	—	—	—	—	—	—	—	—	—
Profit before income taxes	33,527	65,399	49,346	57,192	61,257	69,669	72,274	67,046	42,944	86,429	56,953	52,523
Profit for the year	19,876	53,769	31,445	41,610	47,440	50,472	54,177	49,699	24,659	61,515	39,086	31,662
Profit for the year attributable to owners of the parent company	19,220	53,969	31,017	41,238	47,242	50,020	53,902	49,566	24,520	61,030	39,082	31,645
Depreciation	27,613	28,205	34,341	34,934	33,811	34,141	33,674	31,270	29,279	30,714	34,655	38,311
Capital expenditures	34,858	34,064	39,976	41,469	28,644	33,993	27,030	26,141	28,266	34,901	43,839	47,438
Research and development expenses	40,137	42,523	46,017	44,639	42,547	45,649	43,259	42,811	43,080	43,818	45,385	47,941
Debt to equity ratio (Times)	0.05	0.04	0.49	0.48	0.40	0.29	0.23	0.25	0.12	0.07	0.06	0.00
Financial position												
Total assets	469,973	567,230	667,811	675,301	674,107	708,278	708,604	731,472	743,896	811,149	850,486	896,109
Equity attributable to owners of the parent company / Net assets	308,310	367,284	339,722	333,440	345,061	395,514	424,759	428,520	483,050	561,146	596,619	668,047
Ratio of owners' equity to gross assets / Equity ratio (%)	62.0	61.7	48.2	49.4	51.2	55.8	59.9	58.6	64.9	69.2	70.2	74.5
Interest-bearing debt	14,366	15,481	158,440	158,487	137,592	116,446	96,792	107,012	57,458	40,827	37,423	600
Cash flows												
Net cash provided by operating activities	55,019	58,021	49,241	51,304	99,155	81,817	73,280	87,748	109,265	72,254	14,432	141,028
Net cash used in investing activities	(39,099)	(15,326)	(215,091)	(216,997)	(23,271)	(37,090)	(22,624)	(27,955)	(25,080)	(40,781)	(32,198)	(42,068)
Net cash used in financing activities	(13,433)	(18,451)	134,317	134,317	(30,389)	(34,551)	(39,040)	(14,916)	(74,038)	(65,191)	(36,638)	(61,584)
Cash and cash equivalents at the end of the year	68,934	104,732	66,690	67,387	112,032	121,384	131,152	168,422	191,002	167,915	119,042	166,146
Information per share												
Owners' equity per share (Yen)	1,097.01	1,348.69	1,240.77	1,284.27	1,328.97	1,523.09	1,635.22	1,649.22	1,858.28	2,170.46	2,334.34	2,613.43
Basic earnings per share for the year (Yen)	72.2	206.68	119.47	158.83	181.96	192.63	207.54	190.80	94.36	234.89	152.67	123.81
Diluted earnings per share for the year (Yen)	72.06	206.24	119.19	158.47	181.46	192.08	206.90	190.21	94.07	234.18	152.22	123.48
Price-earnings ratio (Times)	20.0	9.3	10.8	8.1	12.8	12.8	9.9	8.7	26.0	9.5	13.0	22.8
Dividend per share (Yen)	24	30	36	36	42	54	60	60	60	64	68	84
Consolidated payout ratio (%)	33.2	14.5	30.1	22.7	23.1	28.0	28.9	31.4	63.6	27.2	44.5	67.8
Profitability												
Return on equity (ROE) (%)	6.9	16.8	9.2	12.1	13.9	13.5	13.1	11.6	5.4	11.7	6.8	5.0
Return on assets (ROA) (%)	4.3	10.4	5.0	6.7	7.0	7.2	7.6	6.9	3.3	7.8	4.7	3.6
Major Non-Financial Indicators												
Number of Group employees	33,118	34,988	36,307	36,379	36,929	38,628	37,769	37,697	38,741	41,215	41,653	40,538

Notes Consolidated financial statements are prepared in accordance with the Japanese Generally Accepted Accounting Principles (JGAAP) for the fiscal years ended March 2016 and earlier and with the International Financial Reporting Standards (IFRS) for the fiscal years ended March 2017 and thereafter. Values based on IFRS are additionally stated as references for the year ended March 2016.

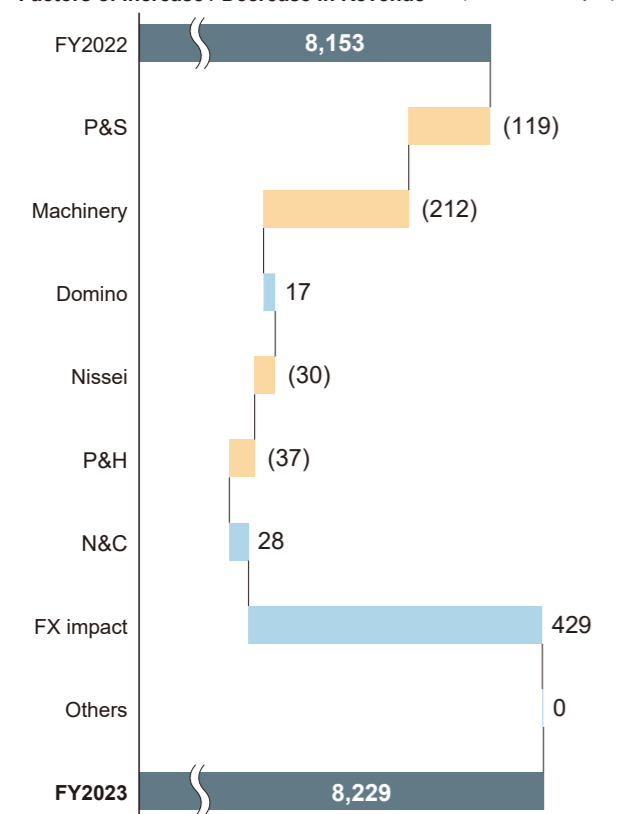
Operating Results and Financial Position

Performance in FY2023, the Year ended March 2024

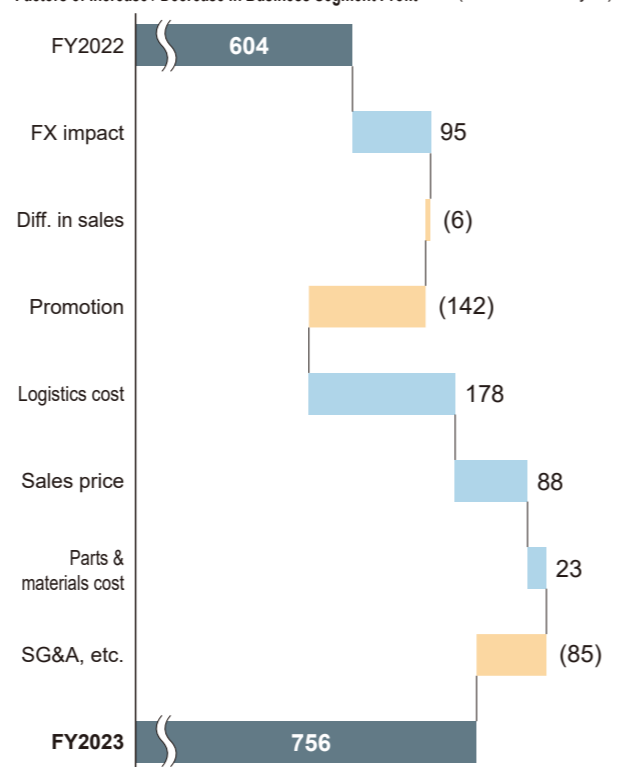
In FY2023, while social activities normalized as the impact of COVID-19 lessened, the global economic outlook remained uncertain due to factors such as the protracted crisis in Ukraine, growing tension in the Middle East, slowdown in the Chinese economy, monetary tightening in the U.S. and Europe, and depreciation of the yen.

With regard to the consolidated business results of the Brother Group for FY2023, the P&S Business saw a decrease in sales of communications and printing equipment product units due to the impact of weak markets in the U.S., Europe, and China, but achieved revenue growth due to an increase in sales of consumable goods and the positive FX impact. In the Machinery Business, revenue decreased significantly as both industrial equipment and industrial sewing machines were affected by the sluggish market conditions. In the Domino Business, although capital investment demand softened due to the economic slowdown, revenue increased due to the solid performance of consumable goods as well as the positive FX impact. In the Nissei Business, revenue decreased due to the weak capital investment demand. In the P&H Business, revenue decreased due to sluggish market conditions, particularly in the Americas. In the N&C Business, revenue increased due to a recovery in the number of visitors to karaoke clubs.

Factors of Increase / Decrease in Revenue (100 Millions of yen)



Factors of Increase / Decrease in Business Segment Profit (100 Millions of yen)



As a result of these developments, revenue increased 0.9% year-on-year to 822,930 million yen. Despite increases in sales promotion and selling, general and administrative expenses, business segment profit increased substantially, up 25.1% year-on-year to 75,579 million yen as a result of lower distribution costs, effects from price adjustments, and positive foreign exchange effects. As a result of recording impairment losses on a portion of goodwill in the Domino Business and other factors, operating profit was 49,792 million yen, down 10.1% year-on-year, and profit for the year attributable to owners of the parent company was 31,645 million yen, down 19.0% year-on-year.

Analysis of Financial Position

On the asset side, goodwill and intangible assets decreased by 16,978 million yen, while cash and cash equivalents and property, plant and equipment increased by 47,103 million yen and 19,261 million yen, respectively. As a result, total assets were 896,109 million yen, an increase of 45,623 million yen compared to the end of FY2022.

On the liability side, corporate bonds and borrowings decreased by 36,823 million yen. As a result, total liabilities were 227,988 million yen, a decrease of 25,817 million yen compared to the end of FY2022.

Total equity increased by 71,440 million yen compared to the end of FY2022 to 668,121 million yen, mainly due to an increase in retained earnings from profit attributable to owners of the parent company and an increase in exchange differences on translating foreign operations.

Statement of Financial Position (Excerpt)

(100 Millions of yen)

	End of FY2022	End of FY2023	Change
Current assets	5,117	5,419	302
Cash & cash equivalents	1,190	1,661	471
Inventories	2,221	2,080	(142)
Non-current assets	3,387	3,542	155
Total liabilities	2,538	2,280	(258)
Interest-bearing debt	374	6	(368)
Equity attributable to owners of the parent company	5,966	6,680	714
Total assets	8,505	8,961	456

Analysis of Cash Flows

Cash and cash equivalents at the end of FY2023 were 166,146 million yen, an increase of 47,103 million yen compared to the end of FY2022, as a result of a 141,028 million yen increase in inflows from operating activities, a 42,068 million yen decrease from investing activities, and a 61,584 million yen decrease from financing activities.

Cash Flows Provided by Operating Activities

Cash flows provided by operating activities were 141,028 million yen. This was mainly caused by an increase in funds of 22,698 million yen due to a decrease in working capital and a decrease in funds of 9,200 million yen due to income taxes paid, despite an increase in funds as a result of 52,523 million yen in profit before income taxes, and increases in assets from non-monetary losses, including depreciation and amortization of 47,537 million yen and impairment losses of 28,325 million yen.

Cash Flows from Investing Activities

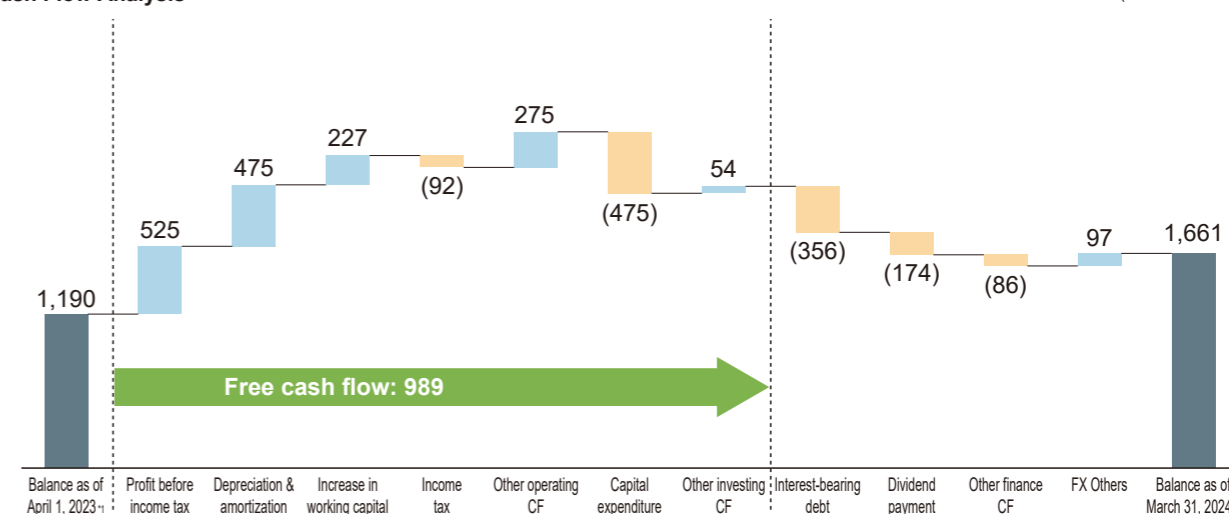
Cash flows used in investing activities were 42,068 million yen mainly due to purchases of property, plant and equipment of 38,015 million yen and purchases of intangible assets of 9,470 million yen, despite the proceeds from sales of investment properties of 3,000 million yen.

Cash Flows from Financing Activities

Cash flows used in financing activities were 61,584 million yen. This was mainly due to the net change in short-term borrowings of 15,616 million yen, the repayment of long-term borrowings of 19,997 million yen, the repayment of lease obligations of 8,543 million yen, and the payment of dividends of 17,421 million yen.

Cash Flow Analysis

(100 Millions of yen)



¹⁾ Cash and cash equivalents at the beginning of FY2023
²⁾ Cash and cash equivalents at the end of FY2023

Consolidated Financial Statements

Consolidated Statement of Financial Position

(Millions of yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	119,042	166,146
Trade and other receivables	123,260	131,591
Other financial assets	10,867	7,417
Inventories	222,133	207,971
Other current assets	36,441	28,772
Total current assets	511,746	541,899
Non-current assets		
Property, plant and equipment	128,496	147,757
Right-of-use assets	25,002	32,602
Investment property	6,217	5,801
Goodwill and intangible assets	114,220	97,241
Investments accounted for using the equity method	2,006	2,186
Other financial assets	29,497	31,355
Deferred tax assets	20,818	20,659
Other non-current assets	12,480	16,606
Total non-current assets	338,740	354,210
Total assets	850,486	896,109

(Millions of yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	82,755	74,289
Bonds and borrowings	36,823	—
Other financial liabilities	9,387	10,650
Income tax payables	5,472	7,597
Provisions	4,031	5,136
Contract liabilities	6,556	7,010
Other current liabilities	56,249	62,059
Total current liabilities	201,276	166,743
Non-current liabilities		
Bonds and borrowings	600	600
Other financial liabilities	23,105	29,478
Retirement benefits liabilities	14,997	16,182
Provisions	3,593	3,968
Deferred tax liabilities	7,055	7,219
Contract liabilities	2,049	2,562
Other non-current liabilities	1,127	1,232
Total non-current liabilities	52,529	61,244
Total liabilities	253,806	227,988
Equity		
Capital stock	19,209	19,209
Capital surplus	17,849	17,920
Retained earnings	568,055	584,293
Treasury stock	(3,533)	(3,443)
Other components of equity	(4,962)	50,066
Equity attributable to owners of the parent company	596,619	668,047
Non-controlling interests	60	73
Total equity	596,680	668,121
Total equity and liabilities	850,486	896,109

Consolidated Financial Statements

Consolidated Statement of Income

(Millions of yen)

	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)
Revenue	815,269	822,930
Cost of sales	(495,681)	(467,589)
Gross profit	319,587	355,340
Selling, general and administrative expenses	(259,183)	(279,761)
Other income	9,544	8,157
Other expenses	(14,570)	(33,944)
Operating profit	55,378	49,792
Finance income	6,306	5,881
Finance expenses	(4,983)	(3,441)
Share of profit / (loss) of investments accounted for using the equity method	251	291
Profit before income taxes	56,953	52,523
Income tax expenses	(17,866)	(20,861)
Profit for the year	39,086	31,662
Profit for the year attributable to:		
Owners of the parent company	39,082	31,645
Non-controlling interests	4	16
Profit for the year	39,086	31,662
Earnings per share		
Basic earnings per share (Yen)	152.67	123.81
Diluted earnings per share (Yen)	152.22	123.48

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)
Profit for the year	39,086	31,662
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss		
Gains / (Losses) on investments in equity instruments designated as FVTOCI	(950)	1,347
Remeasurement of the net defined benefit liability (asset)	1,314	671
Share of other comprehensive income of investments accounted for using the equity method	(0)	—
Total of items that will not be reclassified subsequently to profit or loss	363	2,019
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	20,449	55,028
Total of items that may be reclassified subsequently to profit or loss	20,449	55,028
Other comprehensive income for the year, net of income tax	20,813	57,047
Comprehensive income for the year	59,900	88,710
Comprehensive income for the year attributable to:		
Owners of the parent company	59,896	88,690
Non-controlling interests	3	19
Comprehensive income for the year	59,900	88,710

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

FY2022 (Year Ended March 31, 2023)

(Millions of yen)

	Equity attributable to owners of the parent company											
	Other components of equity								Total	Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Gains / (losses) on investments in equity instruments designated as FVTOCI	Remeasurement of the net defined benefit liability (asset)	Total				
Balance as of April 1, 2022	19,209	17,866	554,910	(5,428)	(25,411)	—	—	(25,411)	561,146	65	561,211	
Profit for the year	—	—	39,082	—	—	—	—	39,082	4	4	39,086	
Other comprehensive income / (loss)	—	—	—	—	20,449	(950)	1,314	20,813	20,813	(0)	20,813	
Total comprehensive income / (loss) for the year	—	—	39,082	—	20,449	(950)	1,314	20,813	59,896	3	59,900	
Acquisition of treasury stock	—	—	—	(7,022)	—	—	—	(7,022)	—	—	(7,022)	
Disposal of treasury stock	—	(112)	(51)	163	—	—	—	—	0	—	0	
Cancellation of treasury stock	—	(149)	(8,740)	8,889	—	—	—	—	—	—	—	
Dividends paid	—	—	(17,510)	—	—	—	—	(17,510)	(7)	(7)	(17,518)	
Share-based payment transaction	—	244	—	(136)	—	—	—	108	—	—	108	
Reclassification to retained earnings	—	—	364	—	—	950	(1,314)	(364)	—	—	—	
Total transactions with owners	—	(17)	(25,937)	1,895	—	950	(1,314)	(364)	(24,423)	(7)	(24,431)	
Balance as of March 31, 2023	19,209	17,849	568,055	(3,533)	(4,962)	—	—	(4,962)	596,619	60	596,680	

FY2023 (Year Ended March 31, 2024)

(Millions of yen)

	Equity attributable to owners of the parent company											
	Other components of equity								Total	Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Gains / (losses) on investments in equity instruments designated as FVTOCI	Remeasurement of the net defined benefit liability (asset)	Total				
Balance as of April 1, 2023	19,209	17,849	568,055	(3,533)	(4,962)	—	—	(4,962)	596,619	60	596,680	
Profit for the year	—	—	31,645	—	—	—	—	31,645	16	16	31,662	
Other comprehensive income / (loss)	—	—	—	—	55,028	1,347	669	57,045	57,045	2	57,047	
Total comprehensive income / (loss) for the year	—	—	31,645	—	55,028	1,347	669	57,045	88,690	19	88,710	
Acquisition of treasury stock	—	—	—	(4)	—	—	—	(4)	—	—	(4)	
Disposal of treasury stock	—	(91)	(2)	95	—	—	—	0	—	—	0	
Dividends paid	—	—	(17,421)	—	—	—	—	(17,421)	(6)	(6)	(17,427)	
Share-based payment transaction	—	162	—	—	—	—	—	162	—	—	162	
Reclassification to retained earnings	—	—	2,016	—	—	(1,347)	(669)	(2,016)	—	—	—	
Total transactions with owners	—	71	(15,407)	90	—	(1,347)	(669)	(2,016)	(17,262)	(6)	(17,269)	
Balance as of March 31, 2024	19,209	17,920	584,293	(3,443)	50,066	—	—	50,066	668,047	73	668,121	

Consolidated Statement of Cash Flows

(Millions of yen)

	FY2022 (Year ended March 31, 2023)	FY2023 (Year ended March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	56,953	52,523
Depreciation and amortization	42,575	47,537
Impairment losses	11,063	28,325
Finance expenses / (income)	(1,323)	(2,440)
Share of (profit) / loss of investments accounted for using the equity method	(251)	(291)
Losses / (gains) on sale or disposal of fixed assets	(4,514)	(2,794)
Decrease / (increase) in trade and other receivables	(16,125)	3,351
Decrease / (increase) in inventories	(44,252)	34,417
Increase / (decrease) in trade and other payables	6,174	(15,070)
Decrease / (increase) in retirement benefit assets	(1,735)	(2,269)
Increase / (decrease) in retirement benefit liabilities	(2,103)	(33)
Other	1,636	3,968
Subtotal	48,097	147,224
Interest received	2,222	3,555
Dividends received	402	475
Interest paid	(984)	(1,026)
Income taxes paid	(35,304)	(9,200)
Net cash provided by operating activities	14,432	141,028
Cash flows from investing activities		
Purchases of property, plant and equipment	(31,191)	(38,015)
Proceeds from sales of property, plant and equipment	759	1,016
Purchases of intangible assets	(11,291)	(9,470)
Proceeds from sales of investment properties	6,500	3,000
Purchases of investments in equity instruments	(1,059)	(1,013)
Proceeds from sales of investments in equity instruments	10	5
Purchases of investments in debt instruments	(3,251)	(4,269)
Proceeds from sales or redemption of investments in debt instruments	7,695	8,158
Payments for acquisition of businesses	—	(157)
Other	(370)	(1,322)
Net cash used in investing activities	(32,198)	(42,068)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	15,571	(15,616)
Repayment of long-term borrowings	(19,997)	(19,997)
Repayment of lease obligations	(7,690)	(8,543)
Dividends paid	(17,510)	(17,421)
Purchase of treasury stock	(7,003)	(3)
Dividends paid to non-controlling interests	(8)	(7)
Other	0	4
Net cash used in financing activities	(36,638)	(61,584)
Effect of exchange rate changes on cash and cash equivalents	5,531	9,727
Net increase / (decrease) in cash and cash equivalents	(48,872)	47,103
Cash and cash equivalents at the beginning of the year	167,915	119,042
Cash and cash equivalents at the end of the year	119,042	166,146