

**Fiscal Year 2021** (ended March 31, 2022)

**Financial Results**

**Brother Industries, Ltd.**

**May 11, 2022**

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 FY2021

### ◆ Sales revenue **710.9 billion yen/ +12.5% (year-on-year)**

- ✓ Revenue increased, due mainly to firm performance of the Machinery and P&S businesses, in addition to positive FX effects.

### ◆ Business segment profit **84.6 billion yen/ +8.3% (year-on-year)**

- ✓ Despite a continued increase in logistics costs and parts and materials costs, profit increased, due to increased gross profit in the Machinery and P&S businesses and higher average unit prices in the P&S business, in addition to positive FX effects.

### ◆ Operating profit **85.5 billion yen/ +100.1% (year-on-year)**

- ✓ Operating profit increased significantly due to the absence of impairment losses on a part of goodwill in the Domino business, which were recorded in the previous fiscal year.

### ◆ Net income\* **61.0 billion yen/ +148.9% (year-on-year)**

\*: Net income attributable to owners of the parent company

This slide shows the highlights of results for FY2021.

### **【Results for FY2021】**

#### **Sales revenue**

Sales revenue was up 12.5% from the previous fiscal year to **710.9 billion yen**.  
Primarily the Machinery and P&S businesses performed well, in addition to positive FX effects.

#### **Business segment profit**

Business segment profit was up 8.3% from the previous fiscal year, reaching a record high of **84.6 billion yen**.  
Despite a continued increase in logistics costs and parts and materials costs, business segment profit increased due to an increase in gross profit mainly in the Machinery and P&S businesses, as well as higher average unit prices in the P&S business, together with positive FX effects.

#### **Operating profit**

Operating profit was up 100.1% from the previous fiscal year, reaching a record high of **85.5 billion yen**.  
Operating profit increased significantly due to the absence of impairment losses on a part of goodwill in the Domino business which were recorded in the previous fiscal year.

#### **Net income attributable to owners of the parent company**

Net income attributable to owners of the parent company was up 148.9% from the previous fiscal year, reaching a record high of **61.0 billion yen**.

## Highlights (Forecast for FY2022/Shareholder returns)



### Forecast for FY2022

◆ **Sales revenue** **775.0 billion yen/ +9.0% (year-on-year)**

◆ **Business segment profit** **73.0 billion yen/ -13.7% (year-on-year)**

- ✓ While factoring in the impact of soaring logistics costs and parts and materials costs as well as difficulties in procurement of parts and materials as risk factors, the Company will implement prior investments for the future as stated in the Medium-Term Business Strategy CS B2024.
- ✓ Sales revenue is expected to increase due to positive FX effects, while business segment profit is expected to decrease due to various risks.

### Shareholder returns

- ✓ Annual dividend for FY2021 of 64 yen per share (planned) (4 yen increase)
- ✓ Share repurchases of up to 10 billion yen are underway (period: February 2-July 29, 2022)
- ✓ Annual dividend for FY2022 of 68 yen per share (planned) (4 yen increase)

### 【Forecast for FY2022】

While factoring in the impact of soaring logistics costs and parts and materials costs as well as difficulties in procurement of parts and materials as risk factors, the Company will implement prior investments for the future as stated in the Medium-Term Business Strategy CS B2024 through FY2024.

Sales revenue is expected to increase along with positive FX effects, while business segment profit and all items below are expected to decrease.

### 【Shareholder returns】

The annual dividend for FY2021 is **64** yen per share, an increase of 4 yen from the previous fiscal year. Share repurchases of up to 10 billion yen are underway. (Period of repurchase: Feb. 2–Jul. 29, 2022)

Annual dividend for FY2022 is planned to be **68** yen per share.

## Results for FY2021

# Consolidated Results for FY2021



Both revenue and profit increased, due mainly to firm performance of the Machinery and P&S businesses, in addition to positive FX effects.  
Operating profit and all items below it increased significantly due to the absence of impairment losses and other losses recorded in the previous year.

(100 Millions of Yen)

	FY20 Actual	FY21 Actual	Change	Rate of Change (w/o FX)	Previous Forecast	Change	Rate of Change
Sales Revenue	6,318	<b>7,109</b>	791	12.5% (+6.4%)	7,000	109	1.6%
Business Segment Profit	781	<b>846</b>	65	8.3%	810	36	4.4%
Business Segment Profit Ratio	12.4%	<b>11.9%</b>			11.6%		
Other income/expense	-353	<b>9</b>	363		10	-1	
Operating Profit	427	<b>855</b>	428	100.1%	820	35	4.3%
Operating Profit Ratio	6.8%	<b>12.0%</b>			11.7%		
Income before Tax	429	<b>864</b>	435	101.3%	825	39	4.8%
Net Income	245	<b>610</b>	365	148.9%	580	30	5.2%
USD	106.17	<b>112.86</b>			111.14		
EUR	123.73	<b>131.01</b>			129.92		

<Ref.> FX sensitivity* (FY21 Results)		
(billions of yen)	Sales	Business Segment Profit
USD	1.6	-0.1
EUR	1.1	1.0
*Annual impact of JPY 1 change		

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I will now discuss business results.

In FY2021, sales revenue was up 79.1 billion yen from the previous fiscal year to **710.9** billion yen.

Business segment profit was up 6.5 billion yen to **84.6** billion yen, a record high.

As for operating profit and all items below it, operating profit was up 42.8 billion yen to **85.5** billion yen and net income attributable to owners of the parent company was up 36.5 billion yen to **61.0** billion yen, due to the absence of impairment losses on a part of goodwill in the Domino business, which were recorded in the previous fiscal year.

# Results for FY2021 by Business Segment



(100 Millions of Yen)

	FY20 Act	FY21 Act	change	Previous Fct	FY21 Act	change	
<b>Printing &amp; Solutions</b>	Sales Revenue	3,848	4,242	395	4,198	4,242	44
	Business Segment Profit	652	598	-54	580	598	18
	Operating Profit	610	594	-16	593	594	1
<b>Personal &amp; Home</b>	Sales Revenue	537	500	-37	495	500	5
	Business Segment Profit	98	81	-17	82	81	-1
	Operating Profit	96	82	-14	84	82	-2
<b>Machinery</b>	Sales Revenue	789	1,113	324	1,063	1,113	50
	Business Segment Profit	41	140	98	119	140	21
	Operating Profit	33	139	106	120	139	19
<b>Network &amp; Contents</b>	Sales Revenue	310	296	-15	301	296	-5
	Business Segment Profit	-52	-27	25	-28	-27	1
	Operating Profit	-73	-6	68	-7	-6	1
<b>Domino</b>	Sales Revenue	698	817	119	795	817	22
	Business Segment Profit	48	49	1	51	49	-2
	Operating Profit	-239	50	289	49	50	1
<b>Other</b>	Sales Revenue	136	141	5	148	141	-7
	Business Segment Profit	-5	7	11	6	7	1
	Operating Profit	2	-4	-5	-19	-4	15
<b>Total</b>	Sales Revenue	6,318	7,109	791	7,000	7,109	109
	Business Segment Profit	781	846	65	810	846	36
	Operating Profit	427	855	428	820	855	35

\*Not including elimination amount by inter-segment transaction.

This slide shows results in each business segment.

Both revenue and profit remained firm, despite difficulties in procuring parts and materials, as well as soaring costs of parts, materials, and logistics continued.

Business	Review
All Business	<ul style="list-style-type: none"> <li>• Soaring transportation costs</li> <li>• Difficulty in procurement of parts and materials, as well as soaring prices of parts and materials</li> <li>• Plant shutdowns and declines in operating rates due to the spread of COVID-19</li> </ul>
P&S	<ul style="list-style-type: none"> <li>• Increased demand for small-size All-in-Ones and printers due to the prevalence of working and studying from home</li> <li>• Delays in production and supply in the overall market, continuing inventory shortages</li> </ul>
P&H	<ul style="list-style-type: none"> <li>• Although stay-at-home demand seems to have run its course, demand for mid- to high-end equipment remained firm due to factors such as increased demand for equipment for second business purposes</li> </ul>
Machinery	<ul style="list-style-type: none"> <li>• Industrial Sewing Machines : (Industrial Sewing Machines) Demand recovered for those for apparel markets, especially in Asia and China</li> <li>• (Garment Printers) Customization demand continues to grow, especially in the US and Europe</li> <li>• Machine Tools : Sales to the automotive-related markets in China were strong</li> <li>• Industrial Parts : Sales remained momentum due to recovery of demand for capital investment</li> </ul>
N&C	<ul style="list-style-type: none"> <li>• Severe business environment continued as karaoke clubs refrained from business and shortened operating hours</li> <li>• Reduced fixed costs by closing unprofitable karaoke clubs , etc.</li> </ul>
Domino	<ul style="list-style-type: none"> <li>• Customers' demand for capital investment is on a recovery trend. Both C&amp;M and DP maintained momentum</li> </ul>

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This is a review of FY2021 by business.

Both revenue and profit remained firm, despite difficulties in procuring parts and materials as well as the continued soaring costs of parts, materials, and logistics.

By reforming our operations, we were able to take measures such as reducing man-hours, and were also able to handle the enormous amount of irregular work during the COVID-19 pandemic.

#### •P&S

Demand for small-size All-in-Ones and printers remained firm due to the prevalence of working and studying from home.

On the other hand, production and supply were delayed in the market overall, including in other companies, and inventory shortages continued.

#### •P&H

Although stay-at-home demand seems to have run its course, demand for mid- to high-end equipment remained firm due to factors such as increased demand for equipment for second business purposes.

#### •Machinery

All three businesses, industrial sewing machines, machine tools, and industrial parts, remained firm.

#### •N&C

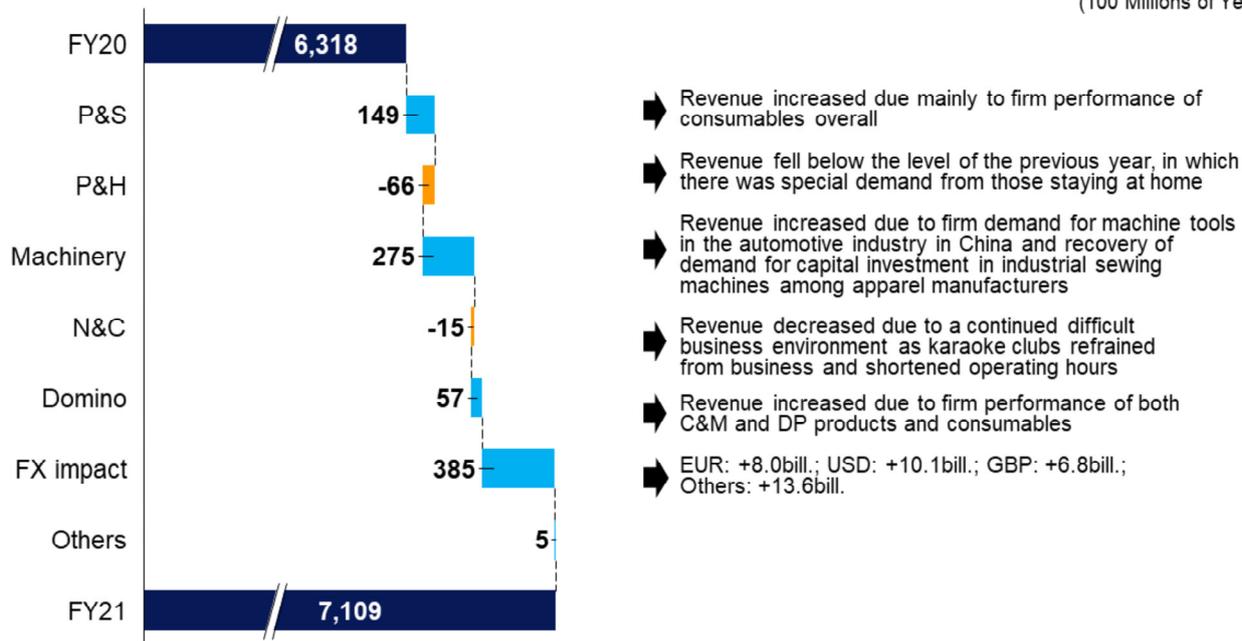
Amid the continued severe business environment due to the impact of the resurgence of COVID-19, we worked to reduce fixed costs by closing unprofitable karaoke clubs and other measures.

#### •Domino

Demand for capital investment is on a recovery trend, and both C&M and DP maintained momentum.

Revenue increased, due mainly to firm performance of the Machinery and P&S businesses, in addition to positive FX effects.

(100 Millions of Yen)



- ➡ Revenue increased due mainly to firm performance of consumables overall
- ➡ Revenue fell below the level of the previous year, in which there was special demand from those staying at home
- ➡ Revenue increased due to firm demand for machine tools in the automotive industry in China and recovery of demand for capital investment in industrial sewing machines among apparel manufacturers
- ➡ Revenue decreased due to a continued difficult business environment as karaoke clubs refrained from business and shortened operating hours
- ➡ Revenue increased due to firm performance of both C&M and DP products and consumables
- ➡ EUR: +8.0bill.; USD: +10.1bill.; GBP: +6.8bill.; Others: +13.6bill.

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

These are the main factors for changes in the sales revenue in FY2021.

• **P&S**

Despite supply restrictions mainly on hardware due to difficulties in procurement of parts and materials, revenue increased mainly due to firm performance of consumables overall.

• **P&H**

Despite firm demand for mid- to high-end sewing machines for second business purposes, mainly in the U.S. and Europe, revenue fell below the level of the previous year, in which there was special demand from those staying at home.

• **Machinery**

Revenue increased due to firm demand for machine tools in the automotive industry in China and recovery of demand for capital investment in industrial sewing machines among apparel manufacturers.

• **N&C**

Revenue decreased due to a continued difficult business environment as karaoke clubs refrained from business and shortened operating hours.

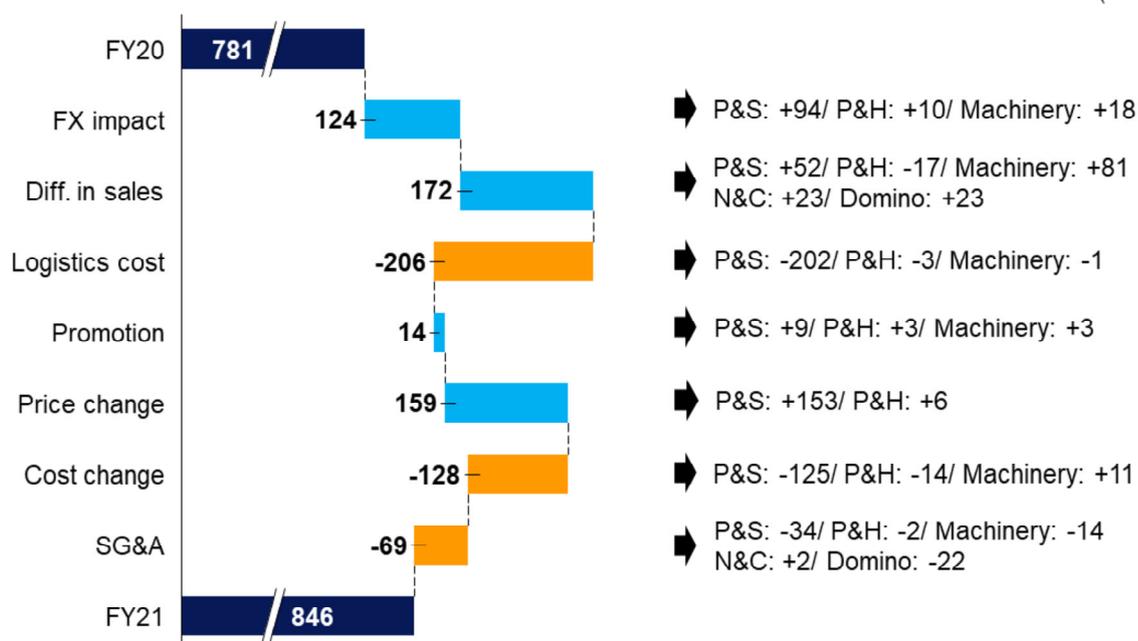
• **Domino**

Revenue increased due to firm performance of products and consumables in both C&M and DP.

Company-wide sales revenue increased 79.1 billion yen to **710.9** billion yen, which includes the positive FX effects of 38.5 billion yen resulting from the low value of the yen.

Despite continued increases in logistics costs and parts and materials costs, profit increased, mainly due to increased gross profit in the Machinery and P&S businesses and higher average unit prices in the P&S business, in addition to positive FX effects.

(100 Millions of Yen)



These are the main factors for changes in business segment profit. I will comment on the main elements of these.

• **FX effects**

The FX effects were mainly in the P&S business.

• **Differences in sales**

Increased sales, mainly in the Machinery and P&S businesses, contributed to the increase.

• **Logistics cost**

Logistics costs (ocean and air freight rates) were up, mainly in the P&S business.

Airfreight was used to respond to supply shortages of laser printer consumables.

• **Price change**

The impact was mainly in the P&S business. Average unit prices increased as a result of improvement in the product mix and the effects of price responses.

• **Cost change**

The change was mainly due to higher costs for parts and materials such as semiconductors and resin materials in the P&S business.

The Machinery business benefited from cost reductions due to higher factory operating rates compared to the previous year.

• **Change in selling, general, and administrative expenses**

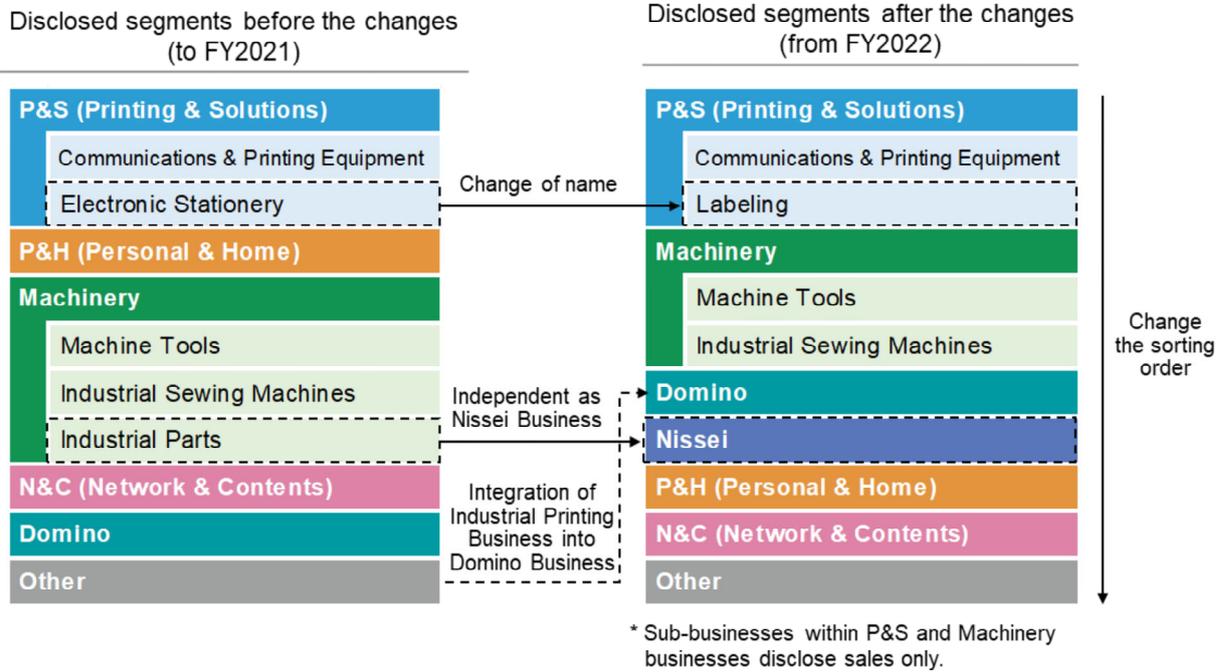
SG&A increased, mainly in the P&S, Domino, and Machinery businesses.

As a result of these factors, business segment profit was **84.6** billion yen, a year-on-year increase of 6.5 billion yen.

## Forecast for FY2022

# Changes in Disclosed Segments

From FY2022 onward, the disclosed segments will be changed as follows.



Effective April 1, 2022, the disclosed segments were partially revised based on the Medium-Term Business Strategy CS B2024.

In line with this revision, the Industrial Parts business, which had been included in the Machinery business, became independent as the Nissei business, and the Industrial Printing business, which had been included in Other businesses, was integrated into the Domino business.

The sorting order of the disclosed segments was also changed based on the Medium-Term Business Strategy. As a result, the business segments that were previously the P&S, P&H, Machinery, N&C, Domino, and Other businesses were changed to the P&S, Machinery, Domino, Nissei, P&H, N&C, and Other businesses.

- Exchange rate precondition: USD 122.00 yen, EUR 133.00 yen
- The global economy is gradually normalizing from the impact of COVID-19, but the outlook remains uncertain due to heightened geopolitical risks
- Factoring in risks such as logistics disruption and difficulties in procurement of parts and materials
- Implementing prior investments for the future as stated in the Medium-Term Business Strategy CS B2024

This slide shows preconditions for our consolidated results forecast.

The exchange rate is assumed to be 122 yen to the US dollar and 133 yen to the euro.

Although the global economy is gradually normalizing from the impact of COVID-19, the outlook is expected to remain uncertain due to the heightened geopolitical risks posed by the situation in Ukraine.

We factor in various risks, including risks related to global supply chains, such as global shortages of parts and materials for semiconductors and other products and disruptions in marine transportation, as well as the impact of the resurgence of COVID-19.

We will also make prior investments for the future as stated in the Medium-Term Business Strategy CS B2024.

While factoring in various risks, the Company will make prior investments for the future as stated in CS B2024. Sales revenue is expected to increase due to positive FX effects and profit to decrease.

(100 Millions of Yen)

	FY21 Actual	FY22 Forecast	Change	Rate of Change (w/o FX)
Sales Revenue	7,109	<b>7,750</b>	641	9.0% (+4.5%)
Business Segment Profit	846	<b>730</b>	-116	-13.7%
Business Segment Profit Ratio	11.9%	<b>9.4%</b>		
Other income/expense	9	<b>0</b>	-9	
Operating Profit	855	<b>730</b>	-125	-14.6%
Operating Profit Ratio	12.0%	<b>9.4%</b>		
Income before Tax	864	<b>730</b>	-134	-15.5%
Net Income	610	<b>510</b>	-100	-16.4%
USD	112.86	<b>122.00</b>		
EUR	131.01	<b>133.00</b>		

As for the outlook for FY2022, we will make prior investments for the future as stated in CS B2024 while factoring in various risks.

Sales revenue is expected to be up 64.1 billion yen to **775.0** billion yen.

As for profits, we expect business segment profit to decrease by 11.6 billion yen to **73.0** billion yen, operating profit to decrease by 12.5 billion yen to **73.0** billion yen, and net income attributable to owners of the parent company to decrease by 10.0 billion yen to **51.0** billion yen.

# Forecast for FY2022 by Business Segment



(100 Millions of Yen)

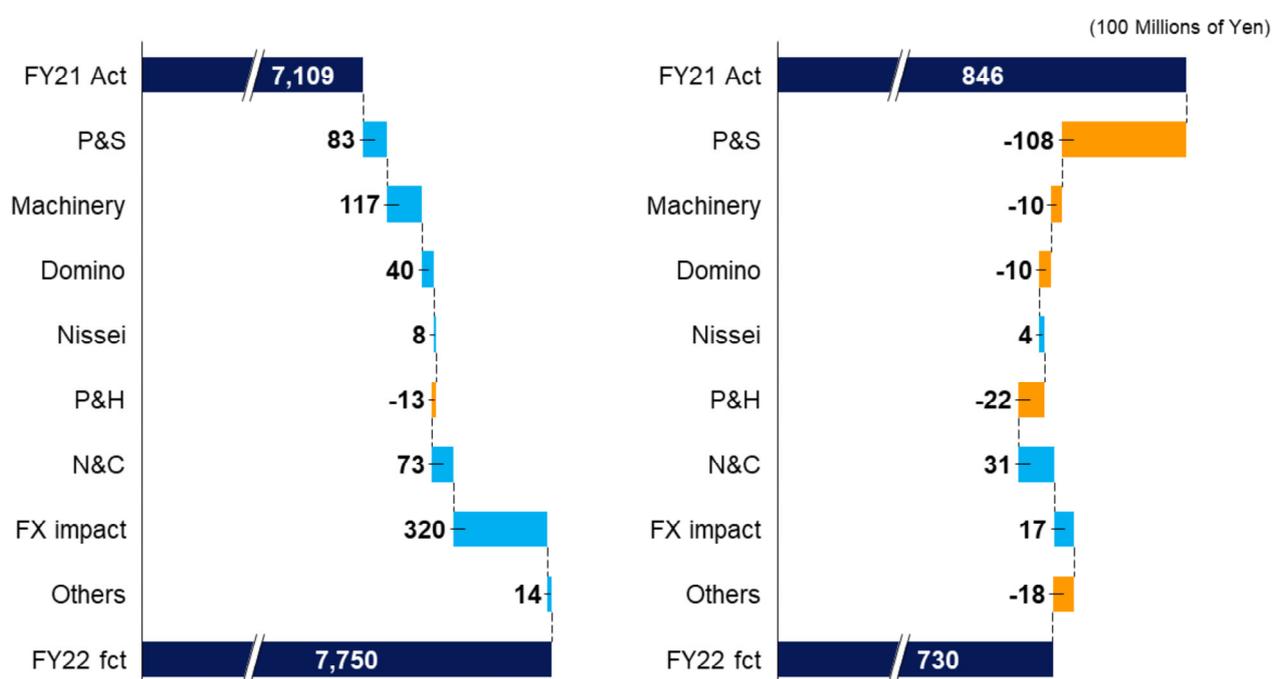
		FY21 Act	FY22 Fct	change
<b>Printing &amp; Solutions</b>	Sales Revenue	4,242	4,553	311
	Business Segment Profit	598	485	-113
	Operating Profit	594	485	-109
<b>Machinery</b>	Sales Revenue	905	1,070	165
	Business Segment Profit	126	135	9
	Operating Profit	126	136	10
<b>Domino</b>	Sales Revenue	847	900	53
	Business Segment Profit	52	43	-9
	Operating Profit	43	42	-1
<b>Nissei</b>	Sales Revenue	207	220	13
	Business Segment Profit	14	18	4
	Operating Profit	13	16	3
<b>Personal &amp; Home</b>	Sales Revenue	500	513	13
	Business Segment Profit	81	60	-21
	Operating Profit	82	60	-22
<b>Network &amp; Contents</b>	Sales Revenue	296	369	73
	Business Segment Profit	-27	4	31
	Operating Profit	-6	4	10
<b>Other</b>	Sales Revenue	111	125	14
	Business Segment Profit	4	-15	-19
	Operating Profit	3	-13	-16
<b>Total</b>	Sales Revenue	7,109	7,750	641
	Business Segment Profit	846	730	-116
	Operating Profit	855	730	-125

\*Not including elimination amount by inter-segment transaction.

This slide shows the forecast of results by business segment.

Changes in Sales Revenue

Changes in Business Segment Profit



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

These are the main factors behind the changes in sales revenue and business segment profit for FY2022. Our projections are as follows.

• **P&S**

We project increase in revenue, but profit is expected to decrease due to various risks.

• **Machinery**

Revenue is expected to increase due to firm demand for machine tools and recovery in capital investment demand for industrial sewing machines.

Due to rising parts and materials costs and logistics costs, and factoring in prior investments for growth, profit is expected to decrease.

• **Domino**

We project an increase in revenue due to firm sales, but profit is expected to decrease due to increased SG&A expenses and other factors.

• **Nissei**

Both revenue and profit are expected to increase due to firm sales of reducers and gears.

• **P&H**

Decrease in both revenue and profit is expected due to a counter-reactionary decline in special demand from those staying at home.

• **N&C**

We forecast increase in both sales and profit, anticipating the recovery of customer numbers.

As a result of these factors, we forecast an increase in sales revenue and a decrease in business segment profit on a company-wide basis.

## Shareholder Returns

## [Dividend forecast]

- Annual dividend for FY2021 of 64 yen per share (4 yen increase)
- Annual dividend for FY2022 of 68 yen per share (4 yen increase)

	Interim dividend	Year-end dividend	Annual dividend
FY2020	27 yen	33 yen	60 yen
FY2021	30 yen	34 yen (planned)	64 yen (planned)
FY2022	34 yen (planned)	34 yen (planned)	68 yen (planned)

## [Share repurchase]

Share repurchases of up to 10 billion yen are underway.  
(Period of repurchase: Feb. 2–Jul. 29, 2022)

The annual dividend for FY2021 is 64 yen per share, an increase of 4 yen from the previous fiscal year.

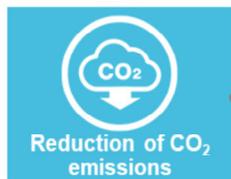
Also, to enhance shareholder returns and capital efficiency and implement flexible capital policies, the Company is conducting share repurchases of up to 10 billion yen.

The annual dividend for FY2022 is planned to be 68 yen per share, an increase of 4 yen from the previous fiscal year.

## Topics

Our CO<sub>2</sub> emissions reduction target was certified as achieving 1.5 °C target by Science Based Targets (SBT) initiative.  
 Vision and targets for resource circulation have been revised.

Three Key Issues in Brother Group Environmental Vision 2050



## Our CO<sub>2</sub> emissions reduction target was certified as achieving 1.5 °C target by the SBT Initiative.

### ■ Medium-term targets for FY2030<sup>\*1</sup>

[Scopes 1 & 2] **65% reduction** from the FY2015 level  
 [Scope 3<sup>\*2</sup>] **30% reduction** from the FY2015 level



<sup>\*1</sup> : The target established in 2018 was revised in October 2021.  
<sup>\*2</sup> : Categories 1, 11 & 12

## Revised vision and targets for resource circulation<sup>\*1</sup>

### ■ Medium-term targets for FY2030

Reduce **the ratio of virgin materials used in products**, including packaging materials to **65% or less<sup>\*2</sup>** by FY2030 through the expansion of circular-economy-based businesses and materials recycling

### ■ Environmental Vision 2050

Maximize resource circulation to ensure the sustainable use of **resources<sup>\*3</sup>** and to minimize the environmental impact due to wastes

<sup>\*1</sup>: Vision and targets established in 2018 were revised in February 2022  
<sup>\*2</sup>: Applies to P&S, P&H, and Machinery businesses.  
<sup>\*3</sup>: Changed from "natural resources" to "resources."

Finally, I will discuss Topics.

The first is environmental targets.

We currently have three key issues we are addressing in the Brother Group Environmental Vision 2050, which are Reduction of CO<sub>2</sub> emissions, Resource Circulation, and Biodiversity Conservation.

As for reduction of CO<sub>2</sub> emissions, we revised the medium-term targets for FY2030 in October last year, aiming for a 65% reduction in Scopes 1 and 2 and a 30% reduction in Scope 3 compared to the FY2015 level.

This target has now been certified as achieving 1.5° C target by the SBT Initiative.

We have also revised our resource circulation policy and set a medium-term target for FY2030 of reducing the ratio of virgin materials used in products to 65% or less.

Expanding a factory for the P&S business in the Philippines to make it into a multi-functional facility.  
Revising the construction plan for a new building in the domestic head office area to be more environmentally friendly.

## BROTHER INDUSTRIES (PHILIPPINES), INC. Expansion (construction of No. 3 factory)



### ◆ Expanding production capacity

Respond to further increase in sales of P&S products

### ◆ Environmental functions

Contributing to the realization of carbon neutrality through energy creation using solar panels, etc.

### ◆ BCP function

Equipped with a warehouse function, enabling production to continue for a certain period of time when logistics risks occur.

**Investment amount: Approx. 8 billion yen**

**Scheduled completion: January 2024**

Becoming a multi-functional facility

## Revising the construction plan of a new building in the head office area of Brother Industries, Ltd.



The following concepts were added to the existing objectives, [R&D facilities and office expansion] and [Measures against aging]

### ◆ Becoming a flagship facility of Brother's environmental response

Solar panels, state-of-the-art energy-saving equipment, and aggressive greening contribute to achieving carbon neutrality

### ◆ Responding to changes in work styles

Create spaces that encourage interaction within and outside the office

**Investment : Approx. 40 billion yen**

**Scheduled completion : October 2026**

Next, I will talk about the facilities expansion and plan revision.

First, a new third factory will be built at BROTHER INDUSTRIES (PHILIPPINES), INC., which is the main manufacturing base for the P&S business. In addition to expanding production capacity, this will enable the plant to respond flexibly to recent changes in the business environment as a multi-functional facility, including environmental responses through the installation of solar panels and other measures, as well as BCP measures through its warehouse function.

In 2020, we announced plans to build a new building in the head office area of Brother Industries, Ltd. in Nagoya city. However, we have revised our construction plans in response to changes in work styles and heightened environmental awareness.

In addition to the existing objectives of expanding business space and addressing aging facilities, the new plan will contribute to achieving carbon neutrality in the head office area as Brother's flagship eco-friendly facility with solar panels and state-of-the-art energy-saving equipment.

## Appendix

## Results for FY2021 Q4 (Jan.-Mar.)

## Consolidated Results for FY2021 Q4

Sales revenue increased, due mainly to firm performance of the Machinery business, in addition to positive FX effects. Business segment profit decreased due to an increase in parts and materials costs and logistics costs. Operating profit and all items below it increased significantly due to the absence of impairment losses and other losses recorded in the previous year.

(100 Millions of Yen)

	20Q4	21Q4	Change	Rate of Change (w/o FX)
Sales Revenue	1,643	<b>1,760</b>	116	7.1% (+1.6%)
Business Segment Profit	147	<b>116</b>	-31	-21.1%
Business Segment Profit Ratio	9.0%	<b>6.6%</b>		
Other income/expense	-348	<b>-22</b>	327	
Operating Profit	-201	<b>95</b>	296	-
Operating Profit Ratio	-12.2%	<b>5.4%</b>		
Income before Tax	-201	<b>97</b>	297	-
Net Income	-230	<b>68</b>	298	-
USD	106.24	<b>117.10</b>		
EUR	128.10	<b>131.30</b>		

Sales revenue in the fourth quarter of FY2021 was up 11.6 billion yen year-on-year to **176.0** billion yen.

Business segment profit was down 3.1 billion yen to **11.6** billion yen.

As for operating profit and all items below it,

operating profit was up 29.6 billion yen to **9.5** billion yen and

quarterly net income attributable to owners of the parent company was up 29.8 billion yen to **6.8** billion yen,

due to the absence of impairment losses on a part of goodwill in the Domino business, which were recorded in the previous fiscal year, and other factors.

# Results for FY2021 Q4 by Business Segment



(100 Millions of Yen)

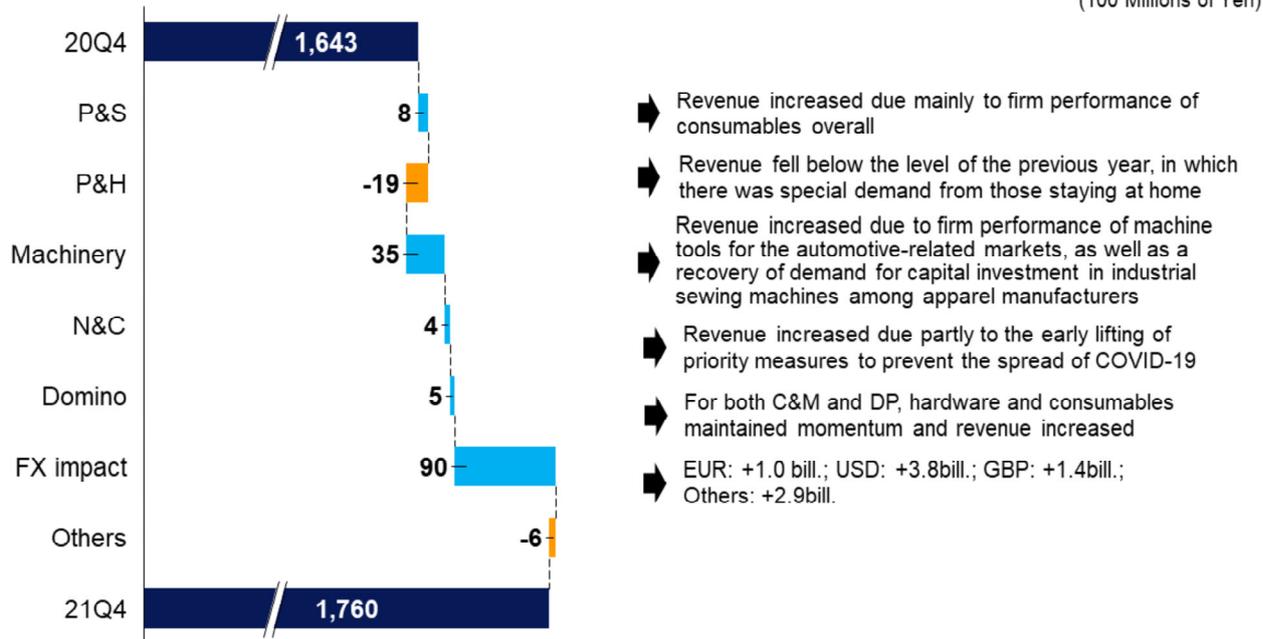
		20Q4	21Q4	change
<b>Printing &amp; Solutions</b>	Sales Revenue	976	1,042	66
	Business Segment Profit	126	96	-29
	Operating Profit	80	88	7
<b>Personal &amp; Home</b>	Sales Revenue	123	111	-12
	Business Segment Profit	16	8	-8
	Operating Profit	16	8	-8
<b>Machinery</b>	Sales Revenue	229	276	47
	Business Segment Profit	12	20	7
	Operating Profit	15	19	5
<b>Network &amp; Contents</b>	Sales Revenue	73	77	4
	Business Segment Profit	-18	-8	11
	Operating Profit	-45	-9	36
<b>Domino</b>	Sales Revenue	196	214	18
	Business Segment Profit	15	-1	-16
	Operating Profit	-264	0	264
<b>Other</b>	Sales Revenue	46	40	-6
	Business Segment Profit	-4	1	5
	Operating Profit	-4	-11	-8
<b>Total</b>	Sales Revenue	1,643	1,760	116
	Business Segment Profit	147	116	-31
	Operating Profit	-201	95	296

\*Not including elimination amount by inter-segment transaction.

This slide shows results in each business segment.

Revenue increased, due mainly to firm performance of the Machinery business, in addition to positive FX effects.

(100 Millions of Yen)



- Revenue increased due mainly to firm performance of consumables overall
- Revenue fell below the level of the previous year, in which there was special demand from those staying at home
- Revenue increased due to firm performance of machine tools for the automotive-related markets, as well as a recovery of demand for capital investment in industrial sewing machines among apparel manufacturers
- Revenue increased due partly to the early lifting of priority measures to prevent the spread of COVID-19
- For both C&M and DP, hardware and consumables maintained momentum and revenue increased
- EUR: +1.0 bill.; USD: +3.8bill.; GBP: +1.4bill.; Others: +2.9bill.

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

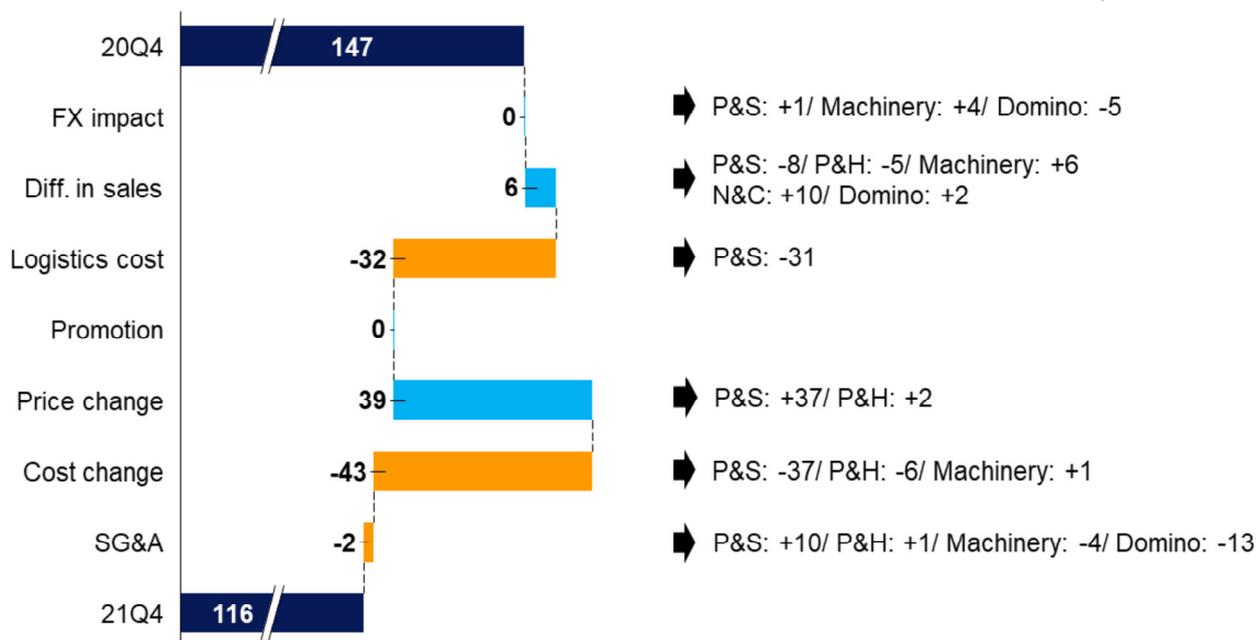
These are the main factors for changes in the sales revenue in the fourth quarter of FY2021.

- **P&S**  
Revenue increased due mainly to firm performance of consumables overall.
- **P&H**  
Despite firm demand for mid- to high-end sewing machines for second business purposes, mainly in Europe and the U.S., revenue fell below the level of the previous year, in which there was special demand from those staying at home.
- **Machinery**  
Revenue increased due to firm performance of machine tools for the automotive-related market, as well as a recovery of demand for capital investment in industrial sewing machines among apparel manufacturers.
- **N&C**  
Revenue increased due partly to the early lifting of priority measures to prevent the spread of COVID-19.
- **Domino**  
For both C&M and DP, hardware and consumables maintained momentum and revenue increased.

As a result of the above factors and a positive impact of 9.0 billion yen arising from weakening of the yen, total companywide revenue was up 11.6 billion yen to **176.0** billion yen.

Despite factors such as higher average unit prices in the P&S business and positive FX effects, profit decreased due to a significant increase in logistics costs and parts and materials costs

(100 Millions of Yen)



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These are the factors for changes in business segment profit. I will comment on the main factors.

• **Difference in sales**

Although the situation varies by business, sales increased over the company as a whole.

• **Logistics cost**

Ocean freight charges increased, mainly in the P&S business.

• **Price change**

The impact was mainly in the P&S business. Average unit prices increased as a result of improvement in the product mix and the effects of price responses.

• **Cost change**

Costs for parts and materials increased, mainly for semiconductors and resin materials in the P&S business.

• **Change in selling, general, and administrative expenses**

SG&A expenses increased in the Domino and Machinery businesses.

As a result of these factors, business segment profit decreased 3.1 billion yen to **11.6** billion yen.

## **Business Segment Information (Results for FY2021)**

# Printing & Solutions Sales Revenue & Profit

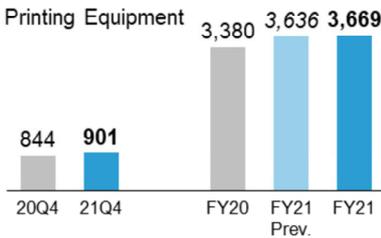
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(100 Millions of Yen)

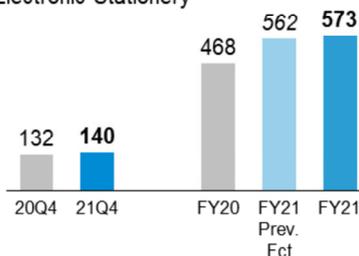
	20Q4	21Q4	Change	Change w/o FX	FY20	Previous Forecast	FY21	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>976</b>	<b>1,042</b>	6.7%	0.8%	<b>3,848</b>	<b>4,198</b>	<b>4,242</b>	10.3%	3.9%
<b>Communications &amp; Printing Equipment</b>	<b>844</b>	<b>901</b>	6.8%	1.0%	<b>3,380</b>	<b>3,636</b>	<b>3,669</b>	8.6%	2.3%
Americas	305	328	7.7%	-2.3%	1,214	1,307	1,307	7.7%	0.6%
Europe	307	319	3.9%	1.1%	1,133	1,165	1,210	6.7%	0.8%
Asia & Others	140	151	7.5%	0.5%	622	683	698	12.2%	3.1%
Japan	92	104	12.6%	12.6%	410	481	455	10.0%	10.0%
<b>Electronic Stationery</b>	<b>132</b>	<b>140</b>	6.1%	-0.3%	<b>468</b>	<b>562</b>	<b>573</b>	22.6%	15.1%
Americas	61	61	1.0%	-8.6%	204	253	260	27.0%	19.0%
Europe	42	45	8.0%	5.0%	142	171	173	22.1%	15.0%
Asia & Others	15	20	29.7%	20.0%	70	89	91	31.3%	19.8%
Japan	14	14	-3.0%	-3.0%	52	48	49	-5.8%	-5.8%
<b>Business Segment Profit</b>	<b>126</b>	<b>96</b>	-23.4%	-	<b>652</b>	<b>580</b>	<b>598</b>	-8.3%	-
<b>Operating Profit</b>	<b>80</b>	<b>88</b>	9.2%	-	<b>610</b>	<b>593</b>	<b>594</b>	-2.6%	-

<Sales Revenue>

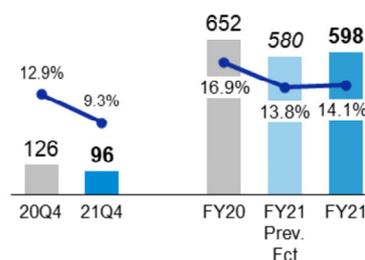
Communications  
& Printing Equipment



Electronic Stationery



<Business Segment Profit> — Profit ratio



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Sales revenue in the P&S business in the fourth quarter was **104.2** billion yen. The growth rate on a local currency basis was on a par with the level of the previous fiscal year.

## • Communications & printing equipment

Sales revenue was **90.1** billion yen, up 1.0% on a local currency basis.

As for inkjet All-in-Ones, demand remained firm as new work styles such as working and studying from home became established.

With regard to laser All-in-Ones and printers, the hardware sales volume decreased due to supply constraints caused by the impact of COVID-19 and difficulties in procurement of parts and materials.

Due to positive FX effects and the firm performance of consumables overall, sales revenue was on a par with the level of the previous fiscal year for the business as a whole.

## • Electronic stationery

Sales revenue was **14.0** billion yen. The growth rate on a local currency basis was on a par with the level of the previous fiscal year.

Business segment profit was **9.6** billion yen.

Despite positive effects from price responses, the business segment profit was down 23.4% year-on-year due to increases in parts and materials costs and logistics costs.

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



	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	FY19	FY20	FY21
<b>LBP</b>															
<b>Sales revenue growth rate (JPY/YoY)</b>															
Hardware	-9%	-8%	-7%	-2%	6%	19%	18%	18%	-10%	-4%	-9%	-8%	-7%	15%	-8%
Consumable	2%	-6%	-2%	-3%	-18%	1%	0%	-1%	21%	15%	14%	16%	-2%	-5%	16%
<b>Sales revenue growth rate (LC/YoY)</b>															
Hardware	-6%	-4%	-3%	2%	11%	22%	21%	18%	-16%	-9%	-15%	-13%	-3%	18%	-13%
Consumable	4%	-1%	3%	0%	-15%	2%	2%	-3%	12%	9%	6%	9%	1%	-4%	9%
<b>IJP</b>															
<b>Sales revenue growth rate (JPY/YoY)</b>															
Hardware	-2%	8%	-7%	-3%	-37%	-49%	-12%	-3%	90%	95%	17%	15%	-1%	-25%	45%
Consumable	1%	-2%	-8%	4%	-23%	-1%	9%	-6%	11%	-6%	-3%	2%	-2%	-5%	0%
<b>Sales revenue growth rate (LC/YoY)</b>															
Hardware	1%	13%	-4%	0%	-33%	-48%	-9%	-3%	79%	87%	11%	10%	2%	-23%	38%
Consumable	3%	3%	-5%	7%	-20%	-1%	10%	-8%	5%	-10%	-7%	-2%	2%	-5%	-4%
<b>Cosumable Ratio</b>															
	60%	58%	57%	59%	55%	57%	55%	56%	56%	57%	58%	59%	58%	55%	57%
<b>Growth rate of Hardware (YoY)</b>															
LBP	-13%	-4%	-2%	3%	12%	10%	6%	0%	-28%	-16%	-20%	-16%	-5%	7%	-20%
IJP	0%	13%	1%	7%	-39%	-57%	-24%	-25%	65%	101%	1%	7%	5%	-36%	34%

This slide shows the sales revenue growth rate and consumable ratios of main products in the fourth quarter.

## • Sales revenue growth rate (local currency basis)

The sales revenue growth rates for laser printers (LBP) were -13% for hardware and +9% for consumables.

Hardware was affected by supply constraints due to the impact of COVID-19 and difficulties in procuring parts and materials.

Consumables remained firm.

The sales revenue growth rates for inkjet printers (IJP) were +10% for hardware and -2% for consumables.

Demand for hardware remained firm and exceeded the level of the same period of the previous fiscal year due to the establishment of new work styles such as working and studying from home.

Sales of consumables decreased, affected by the building up of inventories and supply restrictions of hardware in FY2020.

## • Growth rate of hardware

The sales volume growth rate of LBP was affected by supply restrictions and was -16%.

The sales volume growth rate for IJP increased significantly in the first half of FY2021 compared to the first half of FY2020, in which a large drop in the sales volume was recorded due to supply restrictions.

The sales volume for the fourth quarter was higher than the level of the same period of the previous year, in which the sales volume was recovering.

# Personal & Home Sales Revenue & Profit



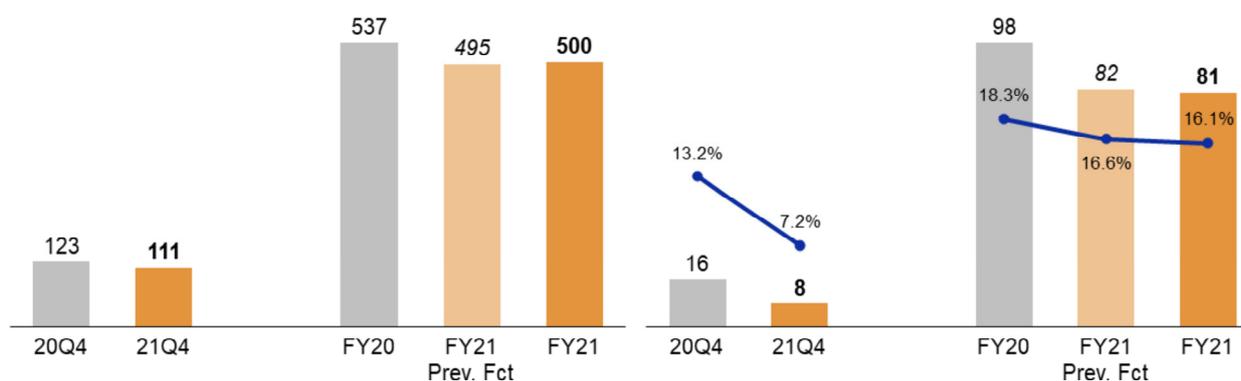
(100 Millions of Yen)

	20Q4	21Q4	Change	Change w/o FX	FY20	Previous Forecast	FY21	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>123</b>	<b>111</b>	-9.9%	-15.7%	<b>537</b>	<b>495</b>	<b>500</b>	-6.8%	-12.3%
Americas	64	63	-1.1%	-10.2%	273	270	277	1.5%	-4.6%
Europe	36	26	-27.3%	-29.1%	160	142	140	-12.3%	-17.8%
Asia & Others	12	12	-1.4%	-6.8%	56	51	52	-7.7%	-14.3%
Japan	12	10	-13.9%	-13.9%	48	32	31	-35.2%	-35.2%
<b>Business Segment Profit</b>	<b>16</b>	<b>8</b>	-51.0%	-	<b>98</b>	<b>82</b>	<b>81</b>	-17.7%	-
<b>Operating Profit</b>	<b>16</b>	<b>8</b>	-49.5%	-	<b>96</b>	<b>84</b>	<b>82</b>	-14.9%	-

<Sales Revenue>

<Business Segment Profit>

Profit Ratio



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Sales revenue in the P&H business in the fourth quarter was **11.1** billion yen, down 15.7% on a local currency basis.

Despite firm demand for mid- to high-end sewing machines for second business purposes, mainly in the U.S. and Europe, revenue showed signs of settling down from the level of FY2020, in which there was special demand from those staying at home.

Due in part to decrease in sales revenue and higher parts and materials costs, business segment profit was **800** million yen, compared with 1.6 billion yen in the same period of the previous fiscal year.

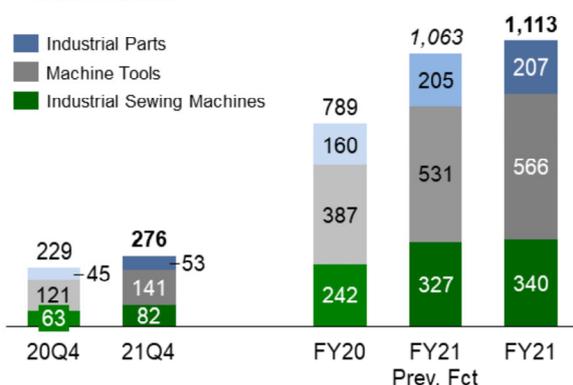
# Machinery Sales Revenue & Profit

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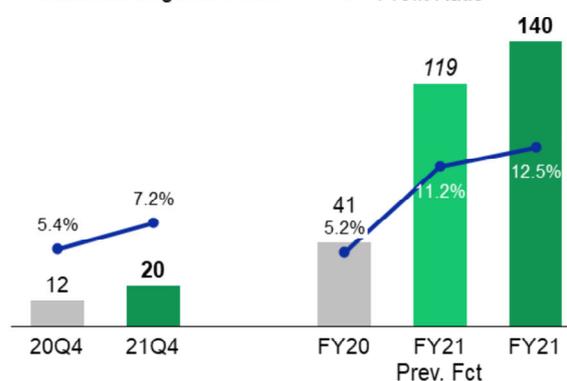
(100 Millions of Yen)

	20Q4	21Q4	Change	Change w/o FX	FY20	Previous Forecast	FY21	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>229</b>	<b>276</b>	<b>20.4%</b>	<b>15.1%</b>	<b>789</b>	<b>1,063</b>	<b>1,113</b>	<b>41.0%</b>	<b>34.9%</b>
Industrial Sewing Machines	63	82	29.3%	19.5%	242	327	340	40.7%	31.5%
Machine Tools	121	141	16.8%	12.7%	387	531	566	46.1%	40.4%
Industrial Parts	45	53	17.8%	15.2%	160	205	207	29.3%	26.8%
<b>Business Segment Profit</b>	<b>12</b>	<b>20</b>	<b>60.1%</b>	<b>-</b>	<b>41</b>	<b>119</b>	<b>140</b>	<b>238.7%</b>	<b>-</b>
<b>Operating Profit</b>	<b>15</b>	<b>19</b>	<b>31.0%</b>	<b>-</b>	<b>33</b>	<b>120</b>	<b>139</b>	<b>321.6%</b>	<b>-</b>

<Sales Revenue>



<Business Segment Profit> Profit Ratio



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In the Machinery business, both sales revenue and business segment profit were firm in the fourth quarter.

Sales revenue for the Machinery business overall was **27.6** billion yen. On a local currency basis, the growth rate was +15.1%.

The breakdown of sales revenue is as follows:

Sales of industrial sewing machines were **8.2** billion yen, machine tools were **14.1** billion yen, and industrial parts were **5.3** billion yen.

## • Industrial sewing machines

The industrial sewing machine business handles two product categories: industrial sewing machines and garment printers.

Sales of industrial sewing machines were firm due to recovery of demand for capital investment among apparel manufacturers in Asia and China

Sales of garment printers remained firm, especially in the U.S. and Europe, and were on a par with the level of the previous fiscal year.

## • Machine tools

Sales to the automotive-related market, mainly in China, remained firm.

## • Industrial parts

As a result of a recovery in capital investment demand, sales for both reducers and gears remained firm.

Due to the effects of higher sales revenues, business segment profit was up 800 million yen to **2.0** billion yen, compared with 1.2 billion yen in the same period of the previous fiscal year.

# Machinery Sales Revenue by Region

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(100 Millions of Yen)

	20Q4	21Q4	Change	Change w/o FX	FY20	Previous Forecast	FY21	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>229</b>	<b>276</b>	<b>20.4%</b>	<b>15.1%</b>	<b>789</b>	<b>1,063</b>	<b>1,113</b>	<b>41.0%</b>	<b>34.9%</b>
<b>Industrial Sewing Machines</b>	<b>63</b>	<b>82</b>	<b>29.3%</b>	<b>19.5%</b>	<b>242</b>	<b>327</b>	<b>340</b>	<b>40.7%</b>	<b>31.5%</b>
Americas	17	21	20.5%	9.6%	87	96	94	8.2%	1.7%
Europe	14	18	30.6%	27.6%	56	71	72	30.5%	23.3%
Asia & Others	29	40	37.9%	24.7%	88	146	159	81.7%	67.3%
Japan	3	3	-6.5%	-6.5%	12	14	15	24.0%	24.0%
<b>Machine Tools</b>	<b>121</b>	<b>141</b>	<b>16.8%</b>	<b>12.7%</b>	<b>387</b>	<b>531</b>	<b>566</b>	<b>46.1%</b>	<b>40.4%</b>
Americas	7	7	1.7%	-	20	33	33	65.3%	-
Europe	6	9	52.3%	-	19	34	34	82.2%	-
Asia & Others	88	100	14.3%	-	289	375	408	41.2%	-
Japan	20	25	22.6%	-	59	89	90	52.2%	-
<b>Industrial Parts</b>	<b>45</b>	<b>53</b>	<b>17.8%</b>	<b>15.2%</b>	<b>160</b>	<b>205</b>	<b>207</b>	<b>29.3%</b>	<b>26.8%</b>
Americas	5	8	61.4%	46.1%	21	28	30	45.1%	36.3%
Europe	-	-	-	-	-	-	-	-	-
Asia & Others	5	7	30.5%	22.8%	20	27	28	45.4%	34.1%
Japan	35	38	9.5%	9.5%	120	150	149	23.9%	23.9%

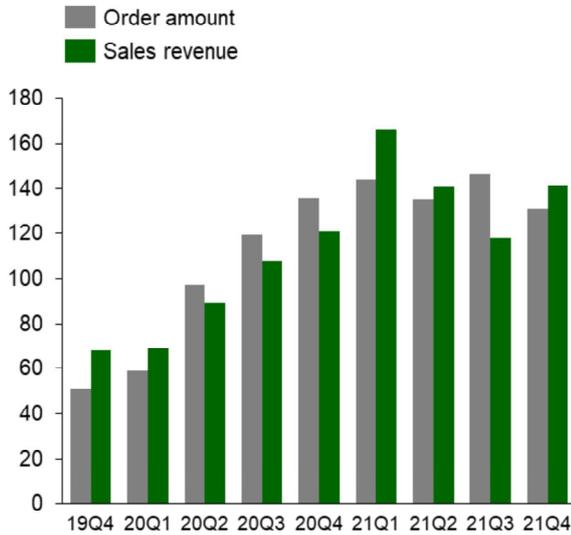
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# Machinery (Machine Tools) Order Trends

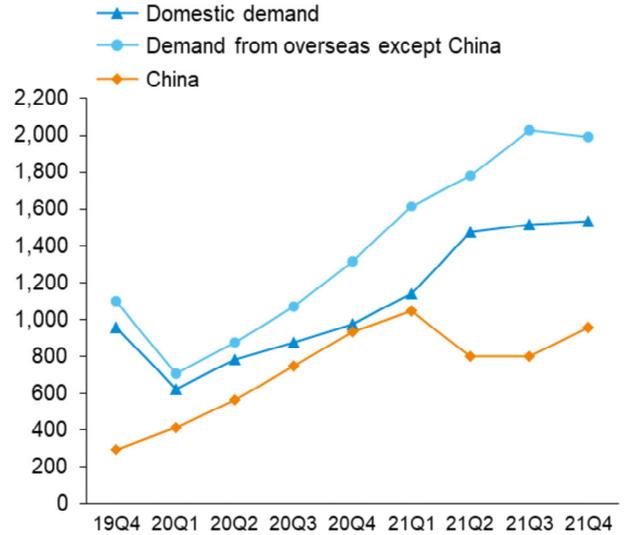
(100 Millions of Yen)

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

This slide shows trends in sales revenue and order amounts by quarter.

The order amounts are the aggregate amounts of orders for hardware products from both Japan and overseas. Orders were affected by a slowdown in China in the second quarter of FY2021, but were recovering from the third quarter from both Japan and overseas.

# Network & Contents Sales Revenue & Profit



(100 Millions of Yen)

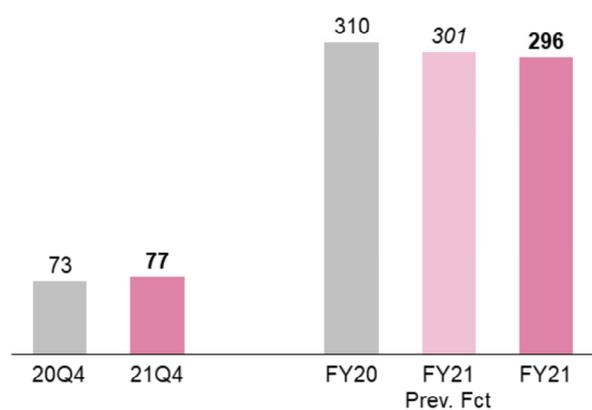
	20Q4	21Q4	Change
<b>Sales Revenue</b>	<b>73</b>	<b>77</b>	<b>6.0%</b>

	FY20	Previous Forecast	FY21	Change vs LY
<b>Sales Revenue</b>	<b>310</b>	<b>301</b>	<b>296</b>	<b>-4.8%</b>

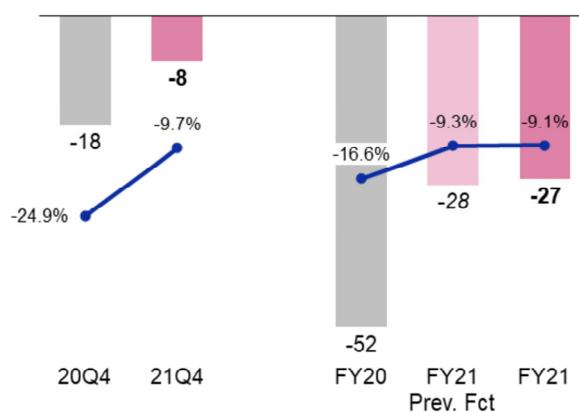
<b>Business Segment Profit</b>	<b>-18</b>	<b>-8</b>	-
<b>Operating Profit</b>	<b>-45</b>	<b>-9</b>	-

<b>Business Segment Profit</b>	<b>-52</b>	<b>-28</b>	<b>-27</b>	-
<b>Operating Profit</b>	<b>-73</b>	<b>-7</b>	<b>-6</b>	-

<Sales Revenue>



<Business Segment Profit> Profit Ratio



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Sales revenue in the N&C business was **7.7** billion yen in the fourth quarter, an increase of 6.0% year-on-year.

In the fourth quarter, despite the impact of the outbreak of the Omicron variant of COVID-19, overall business revenues increased partly due to early lifting of the quasi-state of emergency.

In terms of business segment profit, due to effects from the closure of unprofitable karaoke clubs implemented in the previous fiscal year, the deficit has been reduced.

As for operating profit, a loss of **900** million yen was recorded due to closure costs for unprofitable karaoke clubs and an impairment loss on club equipment, despite the positive effects of benefits such as employment adjustment subsidies and compensation for reduced operating hours.

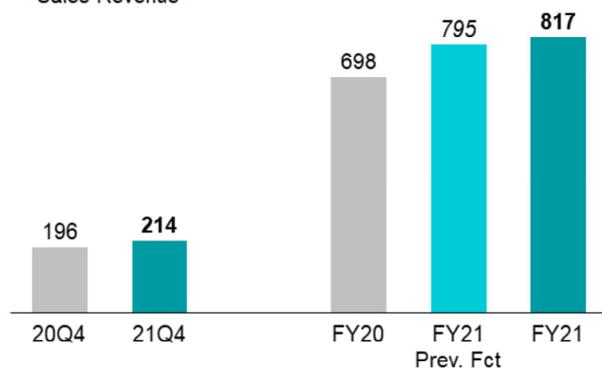
# Domino Sales Revenue & Profit

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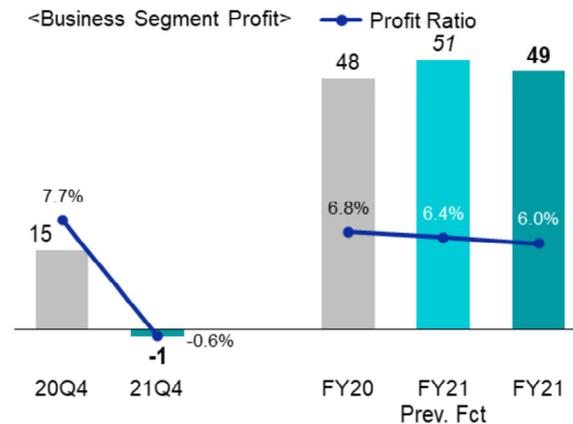
(100 Millions of Yen)

	20Q4	21Q4	Change	Change w/o FX	FY20	Previous Forecast	FY21	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>196</b>	<b>214</b>	9.2%	2.3%	<b>698</b>	<b>795</b>	<b>817</b>	17.0%	8.1%
Americas	45	57	25.3%	13.9%	176	196	202	14.6%	4.8%
Europe	99	104	5.6%	2.7%	324	367	379	16.8%	7.8%
Asia & Others	52	53	1.7%	-1.5%	198	231	237	19.6%	11.9%
<b>Business Segment Profit</b>	<b>15</b>	<b>-1</b>	-	-	<b>48</b>	<b>51</b>	<b>49</b>	3.0%	-
<b>Operating Profit</b>	<b>-264</b>	<b>0</b>	-	-	<b>-239</b>	<b>49</b>	<b>50</b>	-	-

<Sales Revenue>



<Business Segment Profit>



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Sales revenue in the Domino business was **21.4** billion yen in the fourth quarter. On a pound basis, the growth rate was +2.3%.

With regard to hardware, in addition to C&M, the DP market recovered, and sales of consumables in both the C&M and DP remained firm.

As for business segment profit, a loss of **100** million yen was recorded versus a profit of 1.5 billion yen in the same period of the previous fiscal year, due to factors such as an increase in SG&A expenses.

Operating profit increased significantly due to the absence of impairment losses on a part of goodwill, which were recorded in the same period of the previous fiscal year.

## Business Segment Information (Forecast for FY2022)

\*The disclosed segments change from FY2022.  
\* Figures for FY2021 have been reclassified to the new business segments.

# Printing & Solutions Sales Revenue & Profit



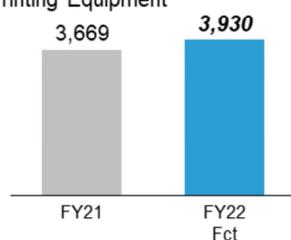
(100 Millions of Yen)

	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>4,242</b>	<b>4,553</b>	7.3%	2.0%
<b>Communications &amp; Printing Equipment</b>	<b>3,669</b>	<b>3,930</b>	7.1%	1.8%
Americas	1,307	1,518	16.1%	7.9%
Europe	1,210	1,151	-4.9%	-6.9%
Asia & Others	698	732	4.9%	-4.3%
Japan	455	529	16.5%	16.5%
<b>Labeling</b>	<b>573</b>	<b>624</b>	8.7%	3.2%
Americas	260	282	8.5%	0.7%
Europe	173	188	8.6%	6.7%
Asia & Others	91	101	9.9%	1.2%
Japan	49	53	8.1%	8.1%

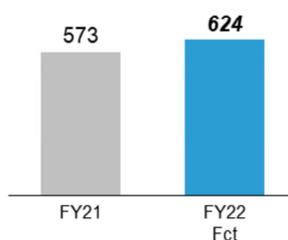
<b>Business Segment Profit</b>	<b>598</b>	<b>485</b>	-18.8%	-
<b>Operating Profit</b>	<b>594</b>	<b>485</b>	-18.4%	-

<Sales Revenue>

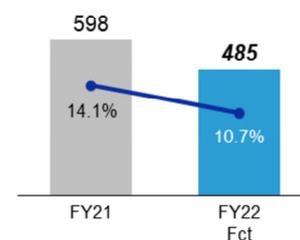
Communications  
& Printing Equipment



Labeling



<Business Segment Profit> — Profit ratio



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## Full-year outlook:

Sales are expected to increase due to positive FX effects and continued firm demand.

Profits are expected to decrease due to production delays caused by difficulties in procuring parts and materials, including electronic parts and resin materials, and the resulting decline in factory operation rates, higher parts and materials costs, higher ocean freight charges, and other risks.

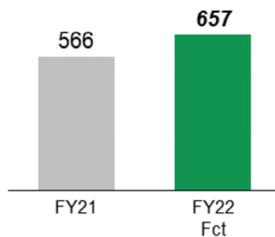
# Machinery Sales Revenue & Profit

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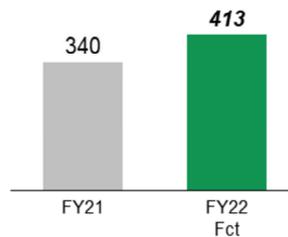
(100 Millions of Yen)

	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>905</b>	<b>1,070</b>	<b>18.1%</b>	<b>12.9%</b>
<b>Machine Tools</b>	<b>566</b>	<b>657</b>	<b>16.1%</b>	<b>12.1%</b>
Americas	33	36	9.6%	-
Europe	34	36	4.5%	-
Asia & Others	408	468	14.5%	-
Japan	90	117	30.3%	-
<b>Industrial Sewing Machines</b>	<b>340</b>	<b>413</b>	<b>21.5%</b>	<b>14.2%</b>
Americas	94	116	23.4%	14.0%
Europe	72	84	15.4%	13.5%
Asia & Others	159	191	20.4%	11.1%
Japan	15	22	52.3%	52.3%
<b>Business Segment Profit</b>	<b>126</b>	<b>135</b>	<b>7.3%</b>	<b>-</b>
<b>Operating Profit</b>	<b>126</b>	<b>136</b>	<b>8.1%</b>	<b>-</b>

<Sales Revenue>  
Machine Tools



Industrial Sewing Machines



<Business Segment Profit> — Profit ratio



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## Full-year outlook:

Overall business sales are expected to increase due to firm performance of machine tools and recovery in capital investment demand for industrial sewing machines.

Business segment profit is expected to increase due to positive FX effects, despite increasing parts and materials costs and logistics costs and prior investments for growth.

# Domino / Nissei Sales Revenue & Profit

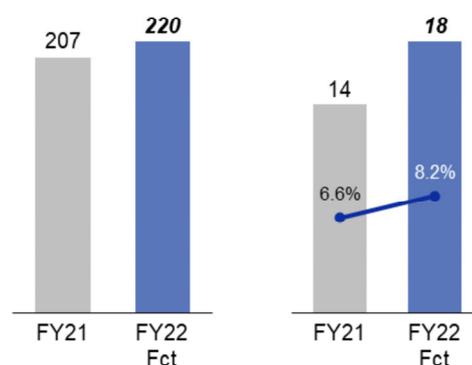
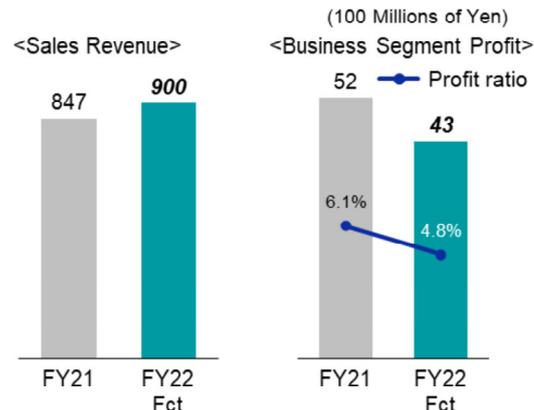


Domino	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>847</b>	<b>900</b>	6.2%	4.7%
Americas	202	215	6.7%	5.9%
Europe	379	388	2.5%	3.1%
Asia & Others	237	253	6.7%	3.8%
Japan	30	44	45.5%	45.5%

<b>Business Segment Profit</b>	<b>52</b>	<b>43</b>	-16.7%	-
<b>Operating Profit</b>	<b>43</b>	<b>42</b>	-2.5%	-

Nissei	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>207</b>	<b>220</b>	6.1%	3.8%
Americas	30	32	4.2%	-3.7%
Europe	-	-	-	-
Asia & Others	28	31	7.9%	-0.3%
Japan	149	158	6.2%	6.2%

<b>Business Segment Profit</b>	<b>14</b>	<b>18</b>	30.8%	-
<b>Operating Profit</b>	<b>13</b>	<b>16</b>	18.6%	-



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## Domino Business

### Full-year outlook:

Sales are expected to increase with stable performance throughout the year, while business segment profit is expected to decrease due to an increase in SG&A expenses and other factors.

## Nissei Business

### Full-year outlook:

We expect both revenue and profits to increase due to firm performance in both reducers and gears, reflecting a recovery in demand for capital investment and the growing need for automation.

# Personal & Home / Network & Contents Sales Revenue & Profit



Personal & Home	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>500</b>	<b>513</b>	2.6%	-2.6%
Americas	277	295	6.4%	-0.8%
Europe	140	140	0.0%	-1.6%
Asia & Others	52	60	16.5%	8.8%
Japan	31	18	-42.6%	-42.6%
<b>Business Segment Profit</b>	<b>81</b>	<b>60</b>	-25.7%	-
<b>Operating Profit</b>	<b>82</b>	<b>60</b>	-26.9%	-

Network & Contents	FY21	FY22 Forecast	Change vs LY
<b>Sales Revenue</b>	<b>296</b>	<b>369</b>	24.8%
<b>Business Segment Profit</b>	<b>-27</b>	<b>4</b>	-
<b>Operating Profit</b>	<b>-6</b>	<b>4</b>	-



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## P&H Business

### Full-year outlook:

We expect sales to increase due to positive FX effects, but profit to decrease, factoring in risks such as a counter-reactionary decline in special demand from those staying at home, higher costs for parts and materials, and higher ocean freight charges.

## N&C Business

### Full-year outlook:

We expect sales to increase and profitable, due to a recovery in customer numbers in Karaoke clubs, as well as through efforts to strengthen profitability and cost reductions, despite continued uncertainty about the future.

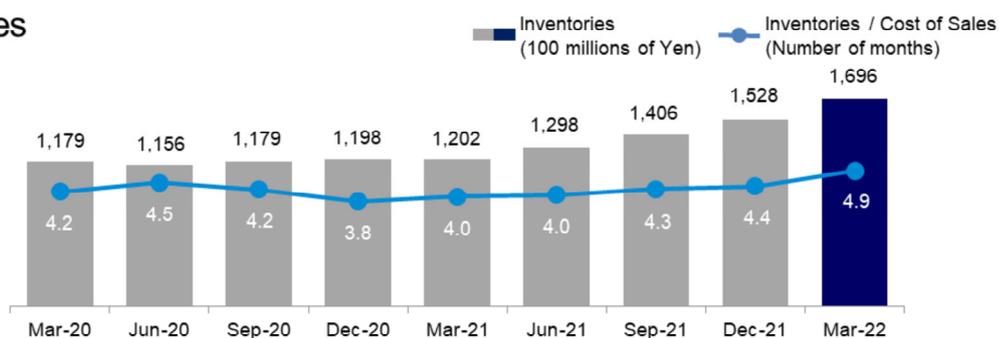
**Financial Position/ Cash Flows/  
Capital Expenditure/ Depreciation & Amortization/  
R&D Expense**

# Financial Position

(100 Millions of Yen)

	End of FY20	End of FY21	Change	
Current assets	4,288	<b>4,767</b>	480	<b>Net Cash</b> End of FY20 : +133.5 billion yen End of FY21 : +127.1 billion yen
Cash&Cash equivalents	1,910	<b>1,679</b>	-231	
Inventories	1,202	<b>1,696</b>	494	
Non-current assets	3,151	<b>3,344</b>	193	
Total liabilities	2,442	<b>2,499</b>	57	<b>Shareholders' Equity Ratio</b> End of FY20 : 64.9% End of FY21 : 69.2%
Interest-bearing debt	575	<b>408</b>	-166	
Equity attributable to owners of the parent company	4,831	<b>5,611</b>	781	
Total assets	7,439	<b>8,111</b>	673	

## Inventories



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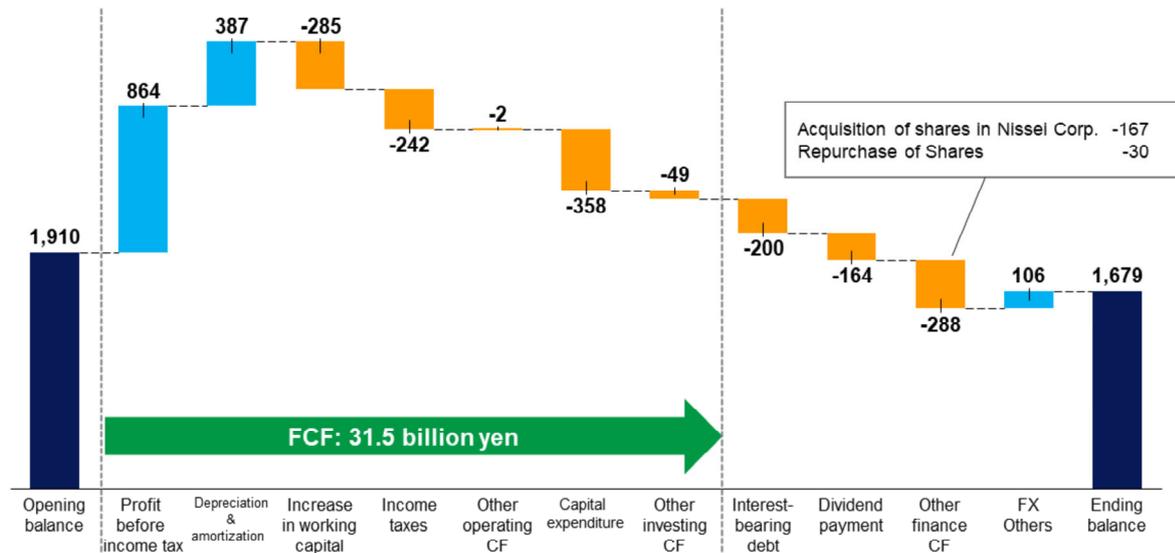
Net cash stood at 127.1 billion yen.

The decrease in cash and cash equivalents was mainly due to the acquisition of Nissei as a wholly owned subsidiary.

The increase in inventories is mainly attributable to the P&S business.

# FY2021 Cash Flow Analysis

(100 Millions of Yen)



- Depreciation & amortization This includes depreciation for right-of-use assets pursuant to the application of IFRS16 (Leases)
- Change in working capital Change in operating receivables and other receivables + Change in inventory assets + Change in operating liabilities and other liabilities
- Other financial CF This includes 8.8 billion yen in repayments of lease obligations stated on balance sheet pursuant to the application of IFRS 16 (Leases)

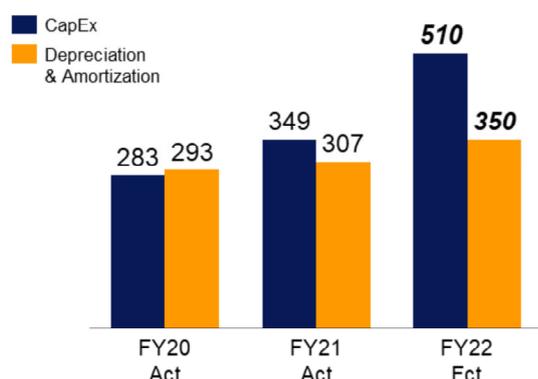
The ending balance of cash and cash equivalents stood at 167.9 billion yen, down 23.1 billion yen from the beginning balance of 191.0 billion yen, generating a free cash flow of 31.5 billion yen.

# Capital Expenditure/ Depreciation and Amortization/ R&D Expenses

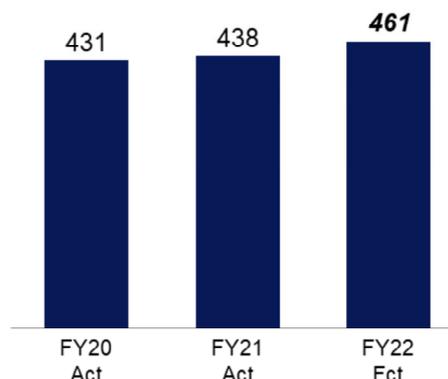
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(100 Millions of Yen)

## Capital Expenditure/ Depreciation & Amortization



## R&D Expenses



### Breakdown by business (CapEx)

	FY20	FY21	FY22
P&S	135	154	264
Machinery	30	47	30
Domino	21	21	52
Nissei*	-	-	31
P&H	10	10	18
N&C	19	21	43
Others	67	96	72
計	283	349	510

### Breakdown by business (R&D)

	FY20	FY21	FY22
P&S	283	280	276
Machinery	51	48	64
Domino	40	55	56
Nissei*	-	-	9
P&H	20	20	25
N&C	9	7	10
Others	28	29	21
計	431	438	461

\*Nissei business has been disclosed from FY2022. Figures before FY2022 are included into Machinery business.

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## FY2021 results

- With regard to capital expenditure, in the P&S business we recorded expenditures such as mold investment for new products. In the Machinery business, we recorded the cost of constructing a heat treatment factory (Anjo City, Aichi Prefecture, Japan) to produce high precision gears in the industrial parts business. In Other business, we recorded the cost of reconstructing Hoshizaki Factory (Nagoya City, Aichi Prefecture, Japan), which produces inkjet heads, to strengthen BCP, and the cost of constructing a new warehouse for storing products and parts (Nagoya City, Aichi Prefecture, Japan).

- There was no major change in depreciation and amortization.

- There was no major change in R&D expenses.

## Forecast for FY2022

- Capital expenditures are expected to increase mainly in the Industrial area as prior investments for the future.

- R&D expenses are expected to increase mainly in the Machinery business.

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