

**Fiscal Year 2022** (ending March 31, 2023)

**First Quarter Financial Results**

**Brother Industries, Ltd.**

**August 5, 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.

## Results for FY2022 Q1 (Apr.–Jun.)

**Revenue increased, due mainly to firm performance of the P&S business, in addition to positive FX effects**

**Business segment profit decreased despite effects from price responses, mainly in the P&S business, due to an increase in SG&A in addition to a significant increase in parts and materials costs and logistics costs**

◆ **Sales revenue** **199.7 billion yen/ +14.8% (year-on-year)**

- ✓ The P&S business recorded a substantial increase in revenue due to firm performance of hardware and consumables, in addition to positive FX effects
- ✓ Revenue in the Machinery business decreased overall despite firm demand for capital investment in industrial sewing machines among apparel manufacturers as machine tools were affected by production restrictions resulting from supply shortages of parts and materials

◆ **Business segment profit** **24.8 billion yen/ -5.3% (year-on-year)**

## Forecast for FY2022

**There have been no changes to the previous forecasts (announced on May 11, 2022), including the FX assumption and segment breakdown**

### Financial Results for FY2022 Q1

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

#### Sales revenue

Sales revenue increased by 14.8% year-on-year to **199.7** billion yen, reaching a record high for the first quarter.

In the P&S business, sales of hardware were firm as supply constraints were eased for inkjet All-in-Ones, and both laser All-in-Ones and printers. Consumables performed well due in part to last-minute demand ahead of price hikes.

Revenue increased as a result of these factors, in addition to positive FX effects.

Revenue in the Machinery business decreased overall despite firm demand for capital investment in industrial sewing machines among apparel manufacturers as machine tools were affected by production restrictions resulting from supply shortages of parts and materials.

#### Business segment profit

Business segment profit decreased by 5.3% year-on-year to **24.8** billion yen.

Despite effects from price responses, mainly in the P&S business, business segment profit decreased due to an increase in SG&A expenses in addition to a significant increase in parts and materials costs and logistics costs.

### Forecast for FY2022

There have been no changes to the previous forecasts (announced on May 11, 2022), including the FX assumption and segment breakdown.

**Results for FY2022 Q1 (Apr.-Jun.)**

# Consolidated Results for FY2022 Q1



Revenue increased, due mainly to firm performance of the P&S business, in addition to positive FX effects  
 Business segment profit decreased despite effects from price responses, mainly in the P&S business, due to an increase in SG&A in addition to a surge in parts and materials costs and logistics costs

(100 Millions of Yen)

	21Q1	22Q1	Change	Rate of Change (w/o FX)
Sales Revenue	1,740	<b>1,997</b>	257	14.8% (4.8%)
Business Segment Profit	262	<b>248</b>	-14	-5.3%
Business Segment Profit Ratio	15.0%	<b>12.4%</b>		
Other income/expense	3	<b>2</b>	-1	
Operating Profit	265	<b>250</b>	-14	-5.5%
Operating Profit Ratio	15.2%	<b>12.5%</b>		
Income before Tax	267	<b>253</b>	-14	-5.4%
Net Income*	186	<b>174</b>	-12	-6.6%
USD	110.00	<b>129.04</b>	19.04	
EUR	131.78	<b>138.24</b>	6.46	

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

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I will now discuss business results.

In the first quarter of FY2022, sales revenue was **199.7** billion yen, up 25.7 billion yen from the same period of the previous year, reaching a record high for the first quarter.

Business segment profit was **24.8** billion yen, down 1.4 billion yen.  
 Operating profit was **25.0** billion yen, down 1.4 billion yen.

Net income attributable to owners of the parent company was **17.4** billion yen, down 1.2 billion yen.

# Results for FY2022 Q1 by Business Segment



(100 Millions of Yen)

	Sales Revenue			Business Segment Profit			Operating Profit		
	21Q1	22Q1	change	21Q1	22Q1	change	21Q1	22Q1	change
<b>P&amp;S</b>	991	1,218	228	164	179	15	163	169	6
<b>Machinery</b>	254	234	-19	47	21	-26	46	24	-22
<b>Domino</b>	207	237	30	21	16	-4	21	20	-1
<b>Nissei</b>	50	60	10	5	6	1	5	7	1
<b>P&amp;H</b>	141	142	1	31	20	-11	31	20	-11
<b>N&amp;C</b>	70	84	15	-8	3	11	-3	7	10
<b>Other</b>	28	22	-6	2	3	1	2	3	1
<b>Total</b>	<b>1,740</b>	<b>1,997</b>	<b>257</b>	<b>262</b>	<b>248</b>	<b>-14</b>	<b>265</b>	<b>250</b>	<b>-14</b>

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

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This slide shows results in each business segment.

Since FY2022, the disclosed segments have been revised based on the Medium-Term Business Strategy CS B2024 (FY2022 to FY2024)

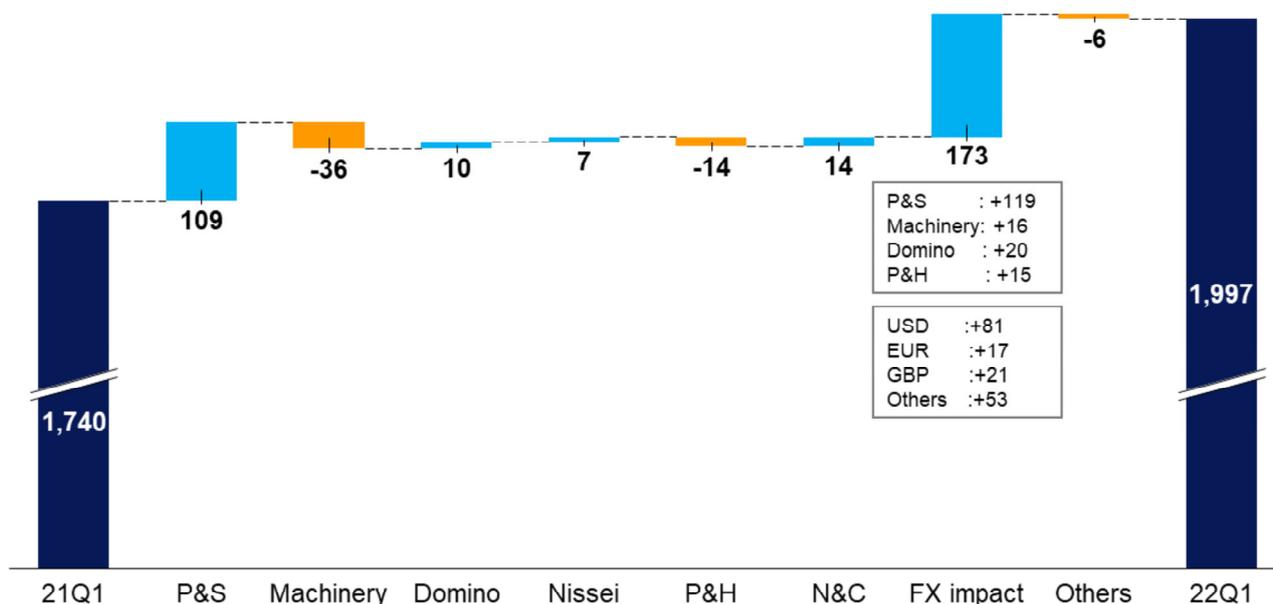
The figures that reflect reclassifications into the current segments are used for FY2021.

The same applies to the figures for the following pages.

# FY2022 Q1 Main Factors for Changes in Sales Revenue

Revenue increased, due mainly to firm performance of the P&S business, in addition to positive FX effects

(100 Millions of Yen)



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

These are the main factors behind the changes in sales revenue for the first quarter of FY2022.

## • P&S

Revenue increased due to last-minute demand for consumables ahead of price hikes, in addition to firm sales of hardware following the easing of supply constraints.

## • Machinery

Despite firm demand for capital investment in industrial sewing machines among apparel manufacturers, revenue decreased as machine tools were affected by production restrictions resulting from supply shortages of parts and materials.

## • Domino

Revenue increased as consumables maintained momentum for both C&M and DP.

## • Nissei

Revenue increased due to firm performance in both reducers and gears, reflecting the growing need for automation at factories.

## • P&H

Stay-at-home demand has run its course in many areas, resulting in a decrease in revenue.

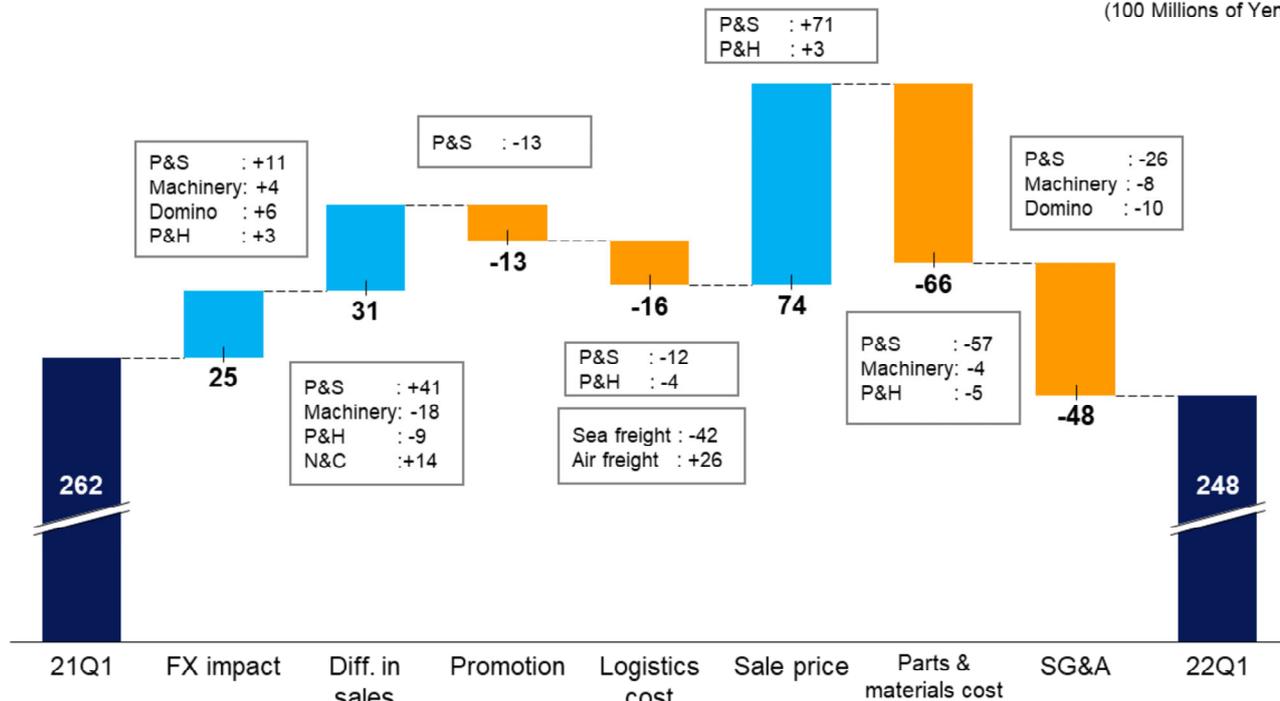
## • N&C

Revenue increased as the number of Karaoke customers recovered following the easing of travel restrictions for the COVID-19 pandemic.

Company-wide sales revenue increased 25.7 billion yen to **199.7** billion yen, which includes the positive FX effects of 17.3 billion yen resulting from the low value of the yen.

Profit decreased due to an increase in SG&A in addition to a surge in parts and materials costs and logistics costs despite effects from price responses and sales increase mainly in the P&S business as well as positive FX effects

(100 Millions of Yen)



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

• **FX impact**

Almost all businesses had positive FX effects.

• **Differences in sales**

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

• **Logistics cost**

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

• **Sales price**

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

• **Parts and materials costs**

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

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

SG&A expenses increased due to increases in personnel expenses and other expenses.

As a result of these factors, business segment profit was **24.8** billion yen, a year-on-year decrease of 1.4 billion yen.

## Forecast for FY2022

There have been no changes to the previous forecasts, including the FX assumption and segment breakdown

(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>	9.14	
EUR	131.01	<b>133.00</b>	1.99	

As for the outlook for FY2022, there have been no changes to the previous forecasts announced on May 11, 2022, including the FX assumption and segment breakdown.

[Reference]

compared to the previous fiscal year

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

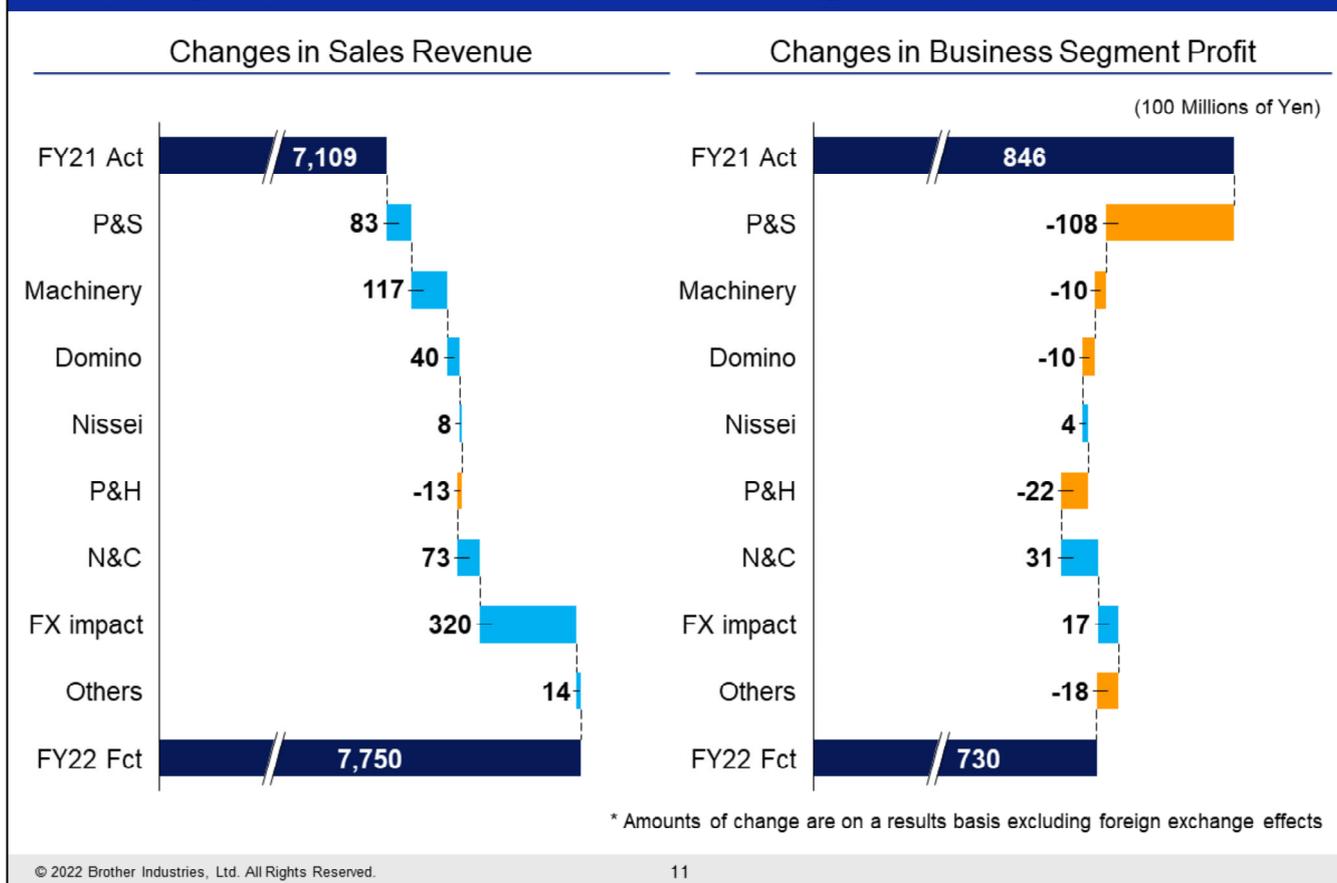


(100 Millions of Yen)

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

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

This slide shows the forecast of results by business segment.



[Reference]

These are the main factors behind the changes in sales revenue and business segment profit for FY2022 (compared to the previous fiscal year).

• **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 performance in both 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 number of Karaoke customers.

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.

# Financial Position

(100 Millions of Yen)

	End of Mar-2022	End of Jun-2022	Change
Current assets	4,767	5,035	268
Cash&Cash equivalents	1,679	1,464	-215
Inventories	1,696	1,997	301
Non-current assets	3,344	3,481	137
Total liabilities	2,499	2,561	61
Interest-bearing debt	408	451	42
Shareholders' equity*	5,611	5,955	343
Total assets	8,111	8,516	405

\*Equity attributable to owners of the parent company

	End of Mar-2022	End of Jun-2022	Change
Net cash	1,271	1,013	-258
Shareholders' equity ratio	69.2%	69.9%	0.7%
ROE	11.7%	-	-

## Inventories



Net cash stood at 101.3 billion yen.

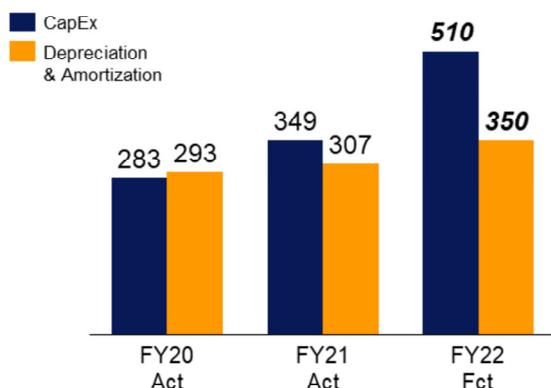
The increase in inventories is mainly attributable to the P&S business.  
Due to supply chain disruptions, inventories in transit increased.

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

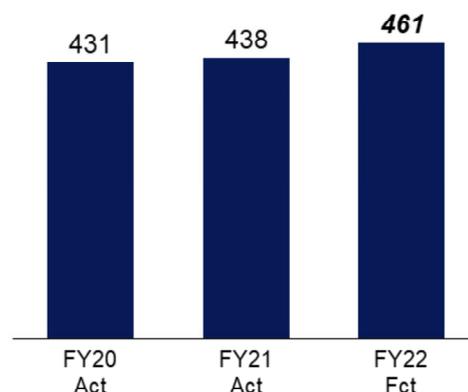


(100 Millions of Yen)

## Capital Expenditure/Depreciation & Amortization



## R&D Expenses



### Breakdown by business (CapEx)

	FY20	FY21	FY22
Industrial area	52	68	113
Consumer area & Others	231	281	397
<b>Total</b>	<b>283</b>	<b>349</b>	<b>510</b>

### Breakdown by business (R&D)

	FY20	FY21	FY22
Industrial area	91	103	129
Consumer area & Others	340	335	332
<b>Total</b>	<b>431</b>	<b>438</b>	<b>461</b>

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

There have also been no revisions made to the previously announced forecasts for capital expenditure, depreciation and amortization, and R&D expenses in FY2022.

Both capital expenditures and R&D will be undertaken as planned, mainly in the industrial area, as prior investments for the future set out in the Medium-Term Business Strategy CS B2024.

Regarding the breakdowns of capital expenditure and R&D expenses, please note that we shifted this time from breakdown by business to breakdown into the industrial and consumer areas stated in the Medium-Term Business Strategy.

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

# Business Segment Information

# Printing & Solutions Sales Revenue & Profit

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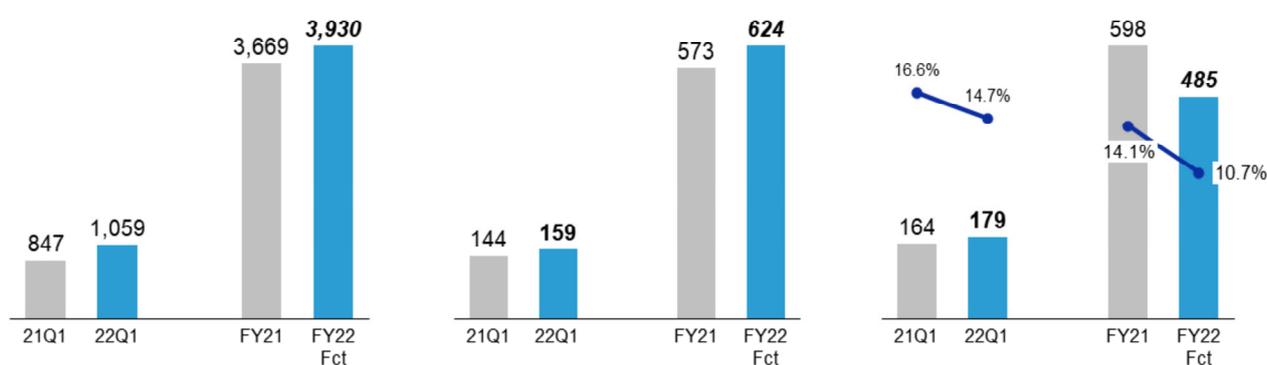
(100 Millions of Yen)

	21Q1	22Q1	Change	Change w/o FX	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>991</b>	<b>1,218</b>	23.0%	11.0%	<b>4,242</b>	<b>4,553</b>	7.3%	2.0%
Communications & Printing Equipment	847	1,059	25.0%	13.0%	3,669	3,930	7.1%	1.8%
Labeling	144	159	10.8%	-0.7%	573	624	8.7%	3.2%
<b>Business Segment Profit</b>	<b>164</b>	<b>179</b>	9.0%	-	<b>598</b>	<b>485</b>	-18.8%	-
<b>Operating Profit</b>	<b>163</b>	<b>169</b>	3.6%	-	<b>594</b>	<b>485</b>	-18.4%	-

<Sales Revenue>  
Communications  
& Printing Equipment

Labeling

<Business Segment Profit> — Profit Ratio



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Sales revenue in the P&S business was **121.8** billion yen in the first quarter, up 11.0% on a local currency basis.

## • Communications & printing equipment

Sales revenue was **105.9** billion yen, up 13.0% on a local currency basis.

Sales of hardware were firm as supply constraints were eased for inkjet All-in-Ones, and both laser All-in-Ones and printers.

Consumables performed well due in part to last-minute demand ahead of price hikes.

Revenue increased as a result of these factors, in addition to positive FX effects.

## • Labeling

Sales revenue was **15.9** billion yen. The growth rate on a local currency basis was on a par with the level of the same period of the previous fiscal year.

There were positive FX effects, and performance was firm in both the labeling system/printer field and the solution field centered on mobile printers.

Business segment profit was **17.9** billion yen.

Despite a significant increase in parts and materials costs and logistics costs and an increase in SG&A expenses, business segment profit was up 9.0% year-on-year due to firm performance of consumables overall, in addition to effects from price responses.

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



	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	FY20	FY21
<b>LBP</b>														
<b>Sales revenue growth rate (JPY/YoY)</b>														
Hardware	6%	19%	18%	18%	-10%	-4%	-9%	-8%	41%	-	-	-	15%	-8%
Consumable	-18%	1%	0%	-1%	21%	15%	14%	16%	18%	-	-	-	-5%	16%
<b>Sales revenue growth rate (LC/YoY)</b>														
Hardware	11%	22%	21%	18%	-16%	-9%	-15%	-13%	28%	-	-	-	18%	-13%
Consumable	-15%	2%	2%	-3%	12%	9%	6%	9%	7%	-	-	-	-4%	9%
<b>IJP</b>														
<b>Sales revenue growth rate (JPY/YoY)</b>														
Hardware	-37%	-49%	-12%	-3%	90%	95%	17%	15%	18%	-	-	-	-25%	45%
Consumable	-23%	-1%	9%	-6%	11%	-6%	-3%	2%	19%	-	-	-	-5%	0%
<b>Sales revenue growth rate (LC/YoY)</b>														
Hardware	-33%	-48%	-9%	-3%	79%	87%	11%	10%	8%	-	-	-	-23%	38%
Consumable	-20%	-1%	10%	-8%	5%	-10%	-7%	-2%	11%	-	-	-	-5%	-4%
<b>Consumable Ratio</b>														
	55%	57%	55%	56%	56%	57%	58%	59%	53%	-	-	-	55%	57%
<b>Growth rate of Hardware (Units/YoY)</b>														
LBP	12%	10%	6%	0%	-28%	-16%	-20%	-16%	14%	-	-	-	7%	-20%
IJP	-39%	-57%	-24%	-25%	65%	101%	1%	7%	8%	-	-	-	-36%	34%

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

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

The sales revenue growth rates for laser printers (LBP) were +28% for hardware and +7% for consumables. Sales of hardware significantly exceeded the level of the same period of the previous fiscal year as there were effects from price hike responses, in addition to an increase in the sales volume resulting from the easing of supply constraints. Consumables performed well due to last-minute demand ahead of price hikes, mainly in Europe, as well as effects from price hike responses in the U.S.

The sales revenue growth rates for inkjet printers (IJP) were +8% for hardware and +11% for consumables. Sales of hardware exceeded the level of the same period of the previous fiscal year due to effects from price hike responses, in addition to firm demand resulting from the establishment of working and studying from home. Consumables performed well, backed by last-minute demand ahead of price hikes, mainly in Europe and Japan, as well as effects from price hike responses in the U.S.

## • Growth rate of hardware

The sales volume of LBP trended toward recovery compared to the same period of the previous fiscal year, in which a large drop in the sales volume was recorded due to the supply restrictions of factories in Vietnam caused by lockdown.

The sales volume of IJP exceeded the level of the same period of the previous fiscal year as demand was firm from those working and studying from home.

# Machinery Sales Revenue & Profit

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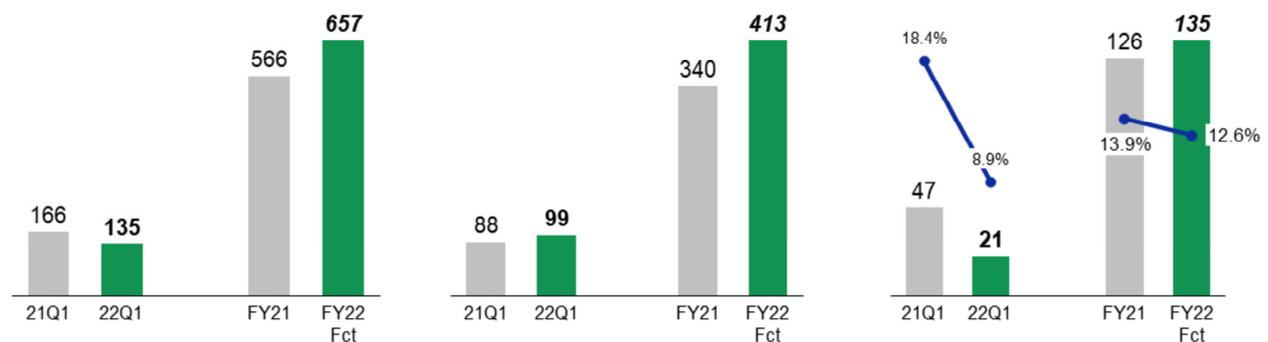
(100 Millions of Yen)

	21Q1	22Q1	Change	Change w/o FX	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	<b>254</b>	<b>234</b>	-7.6%	-14.2%	<b>905</b>	<b>1,070</b>	18.1%	12.9%
Machine Tools	166	135	-18.3%	-21.5%	566	657	16.1%	12.1%
Industrial Sewing Machines	88	99	12.5%	-0.3%	340	413	21.5%	14.2%
<b>Business Segment Profit</b>	<b>47</b>	<b>21</b>	<b>-55.4%</b>	-	<b>126</b>	<b>135</b>	7.3%	-
<b>Operating Profit</b>	<b>46</b>	<b>24</b>	<b>-47.2%</b>	-	<b>126</b>	<b>136</b>	8.1%	-

<Sales Revenue>  
Machine Tools

Industrial Sewing Machines

<Business Segment Profit> — Profit Ratio



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Sales revenue in the Machinery business was **23.4** billion yen in the first quarter, down 14.2% on a local currency basis.

## • Machine tools

Sales revenue was **13.5** billion yen. On a local currency basis, revenue decreased substantially, with a 21.5% decrease.

Although orders remained robust, revenue was affected by production restrictions due to factors such as supply shortages of parts and materials and lockdown in Shanghai. As a result, revenue decreased significantly from the same period of the previous fiscal year, in which machine tools performed well thanks in part to spot orders for IT firms.

## • Industrial sewing machines

Sales revenue was **9.9** billion yen. The growth rate on a local currency basis was on a par with the level of the same period of the previous fiscal year.

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 were on a par with the level of the same period of the previous fiscal year.

Business segment profit was **2.1** billion yen.

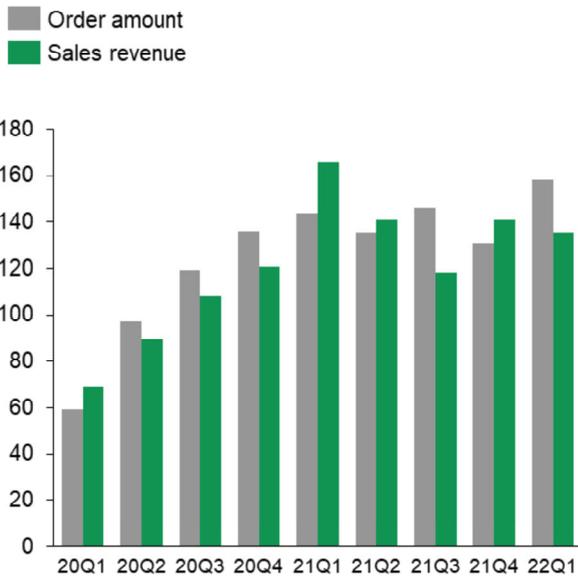
Profit decreased substantially with a year-on-year decrease of 55.4%, affected by a decrease in revenue, an increase in SG&A expenses, and an increase in parts and materials costs.

# Machinery (Machine Tools) Order Trends

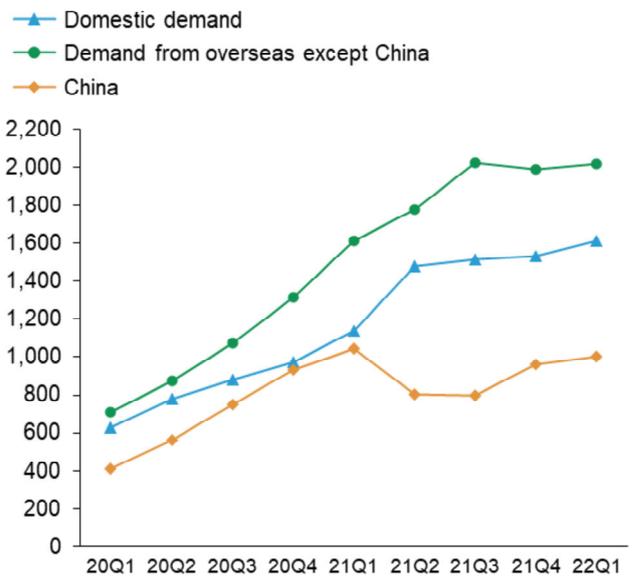


(100 Millions of Yen)

## Trends in order amount and sales revenue



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



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

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

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. Both domestic and overseas demand were strong in the first quarter of FY2022.

# Domino Sales Revenue & Profit

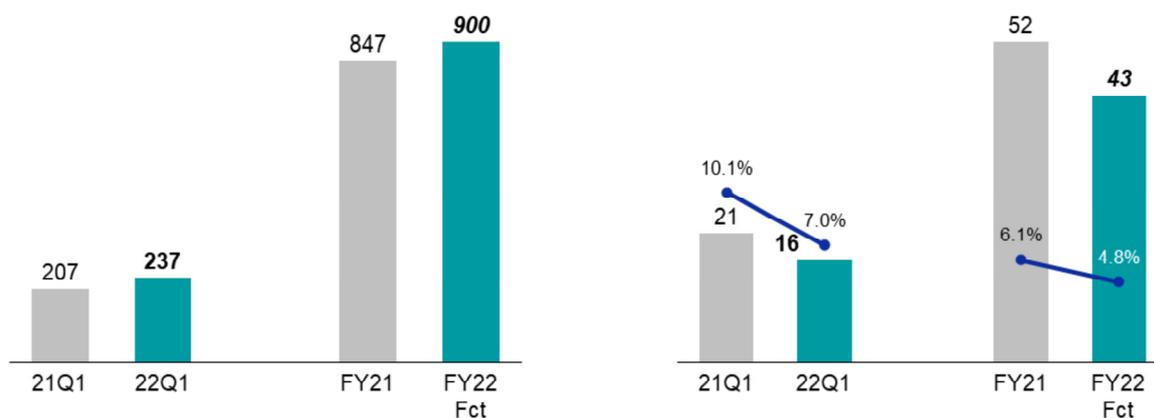
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(100 Millions of Yen)

	21Q1	22Q1	Change	Change w/o FX	FY21	FY22 Forecast	Change vs LY	Change w/o FX
Sales Revenue	207	237	14.5%	4.6%	847	900	6.2%	4.7%
Business Segment Profit	21	16	-21.0%	-	52	43	-16.7%	-
Operating Profit	21	20	-5.2%	-	43	42	-2.5%	-

<Sales Revenue>

<Business Segment Profit> — Profit Ratio



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Sales revenue in the Domino business was **23.7** billion yen in the first quarter. The growth rate on a local currency basis was 4.6%.

With regard to hardware, C&M performed well. As for consumables, both C&M and DP continued to maintain momentum.

Business segment profit was **1.6** billion yen, decreasing by 21.0% year-on-year due in part to an increase in SG&A expenses resulting from the resumption of business activities.

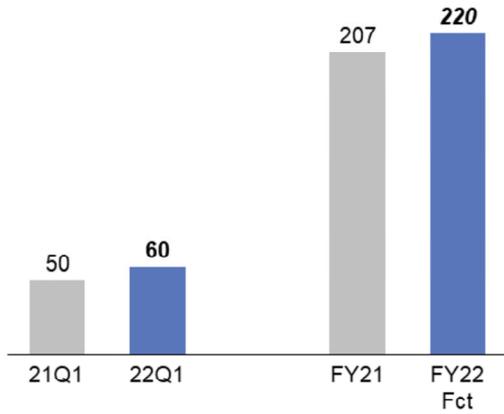
# Nissei Sales Revenue & Profit



(100 Millions of Yen)

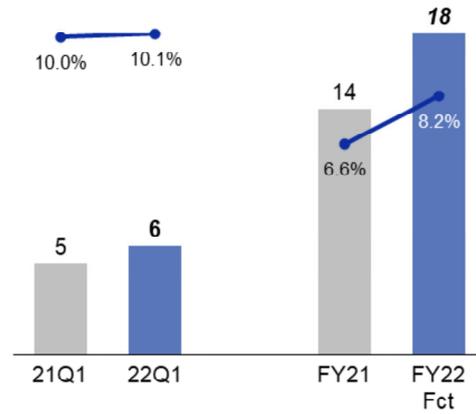
	21Q1	22Q1	Change	Change w/o FX	FY21	FY22 Forecast	Change vs LY	Change w/o FX
<b>Sales Revenue</b>	50	60	18.8%	14.4%	207	220	6.1%	3.8%
<b>Business Segment Profit</b>	5	6	20.2%	-	14	18	30.8%	-
<b>Operating Profit</b>	5	7	27.4%	-	13	16	18.6%	-

<Sales Revenue>



<Business Segment Profit>

Profit Ratio



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Sales revenue in the Nissei business was **6.0** billion yen in the first quarter. The growth rate on a local currency basis was 14.4%.

Both reducers and gears performed well, reflecting the growing need for automation at factories.

Business segment profit was **600** million yen, increasing by 20.2% year-on-year due to the effects of increased revenue.

# Personal & Home Sales Revenue & Profit

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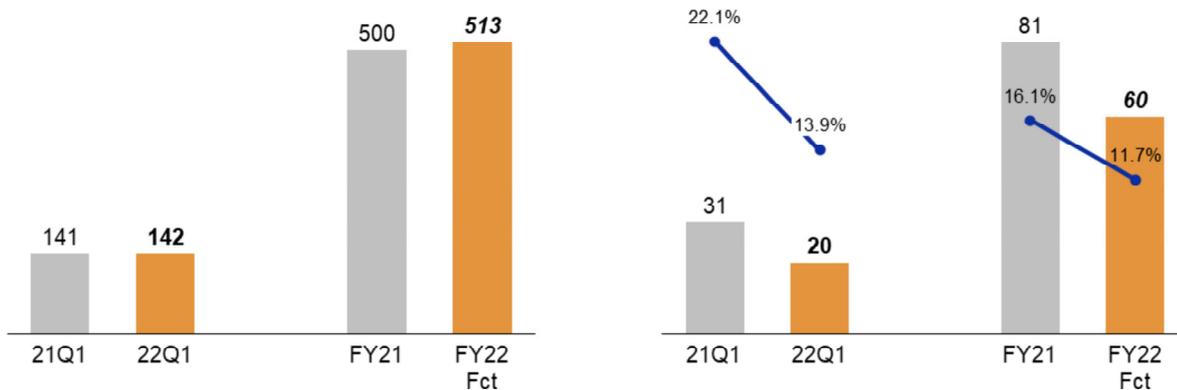
(100 Millions of Yen)

	21Q1	22Q1	Change	Change w/o FX	FY21	FY22 Forecast	Change vs LY	Change w/o FX
Sales Revenue	141	142	0.7%	-9.9%	500	513	2.6%	-2.6%
Business Segment Profit	31	20	-36.4%	-	81	60	-25.7%	-
Operating Profit	31	20	-35.1%	-	82	60	-26.9%	-

<Sales Revenue>

<Business Segment Profit>

— Profit Ratio



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Sales revenue in the P&H business in the first quarter was **14.2** billion yen, down 9.9% on a local currency basis.

Although stay-at-home demand has run its course in many areas, profit for the business overall was on a par with the level of the same period of the previous fiscal year as there were positive FX effects.

Business segment profit was **2.0** billion yen.

Profit decreased substantially with a year-on-year decrease of 36.4%, affected partly by a change in the product mix and an increase in parts and materials costs and logistics costs.

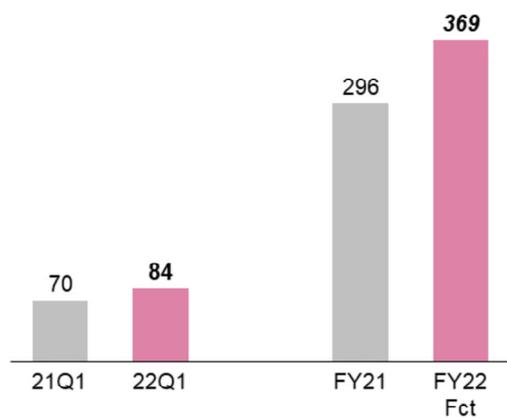
# Network & Contents Sales Revenue & Profit

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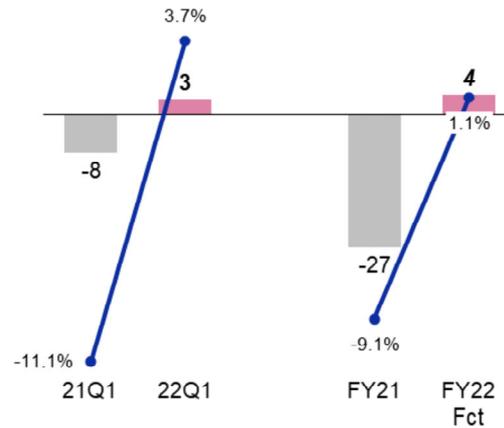
(100 Millions of Yen)

	21Q1	22Q1	Change	FY21	FY22 Forecast	Change vs LY
Sales Revenue	70	84	20.9%	296	369	24.8%
Business Segment Profit	-8	3	-	-27	4	-
Operating Profit	-3	7	-	-6	4	-

<Sales Revenue>



<Business Segment Profit> — Profit Ratio



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Sales revenue in the N&C business was **8.4** billion yen in the first quarter, an increase of 20.9% year-on-year. The number of Karaoke customers recovered following the easing of travel restrictions for preventing the spread of COVID-19.

Business segment profit was **300** million yen, compared to a business segment loss of 800 million yen in the same period of the previous fiscal year. The result is attributable to an increase in revenue and cost reduction effects.

Benefits, such as compensation for reduced operating hours and employment adjustment subsidies, had positive effects on operating profit.

## ESG Topics

Lastly, I will share ESG-related topics.

BROTHER INDUSTRIES (SLOVAKIA) s.r.o. was certified carbon neutral, becoming the Brother Group's second manufacturing facility to receive such a certification after BROTHER INDUSTRIES (U.K.)



BROTHER INDUSTRIES (SLOVAKIA)

Main business: collection and recycling of used toner cartridges

### ■ Major efforts toward reducing CO<sub>2</sub> emissions

- Efforts to save energy in its factory and offices including the utilization of a **geothermal exchange system** for heating and air conditioning
- Efforts to create power by **installing solar panels**
- Purchase of **CO<sub>2</sub>-free electricity** that does not emit CO<sub>2</sub> during power generation

The company's Scope 1 and Scope 2\* CO<sub>2</sub> emissions have met carbon neutrality certification standards

\* Scope 1...direct emissions from the activities of a company  
Scope 2...indirect emissions generated when producing electricity, etc. used by the activities of a company  
Scope 3...all indirect emissions not covered by Scope 1 or Scope 2

BROTHER INDUSTRIES (SLOVAKIA) s.r.o., which is responsible for collecting and recycling toner cartridges, was certified carbon neutral. The company is the Brother Group's second manufacturing facility to be certified after BROTHER INDUSTRIES (U.K.).

The company is working on reducing CO<sub>2</sub> emissions through efforts such as the utilization of a geothermal exchange system for heating and air conditioning, the installation of solar panels, and purchase of CO<sub>2</sub>-free electricity. Its Scope 1 and Scope 2 CO<sub>2</sub> emissions have met carbon neutrality certification standards.

Included as a constituent of various ESG indexes for 2022

Included in “FTSE4Good Index Series” and “FTSE Blossom Japan Index” for the third consecutive year



FTSE4Good



FTSE Blossom Japan

Included in “FTSE Blossom Japan Sector Relative Index”



FTSE Blossom Japan Sector Relative Index

Included in “MSCI Japan Empowering Women (WIN) Select Index” for the fourth consecutive year

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Included in “SOMPO Sustainability Index” for the 11th consecutive year

2022



Sompo Sustainability Index

Next is about ESG indexes.

Brother Industries has been included as a constituent in the “FTSE4Good Index Series” and the “FTSE Blossom Japan Index” for the third consecutive year since 2020.

The company has also been included in the “FTSE Blossom Japan Sector Relative Index,” which was established in 2022.

Moreover, we have been included in the “MSCI Japan Empowering Women (WIN) Select Index” for the fourth consecutive year and the “SOMPO Sustainability Index” for the 11th consecutive year.

The Brother Group will continue to promote management that focuses on ESG.

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