

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

**August 6, 2024**

**Brother Industries, Ltd.**

**Akira Nakashima**

**Executive Officer, Responsible for Finance & Accounting Dept.**

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

## Results for FY2024 Q1(Apr.-Jun.)

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

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

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

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

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

## Forecast for FY2024

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

## Results for FY2024 Q1 (Apr.-Jun.)

# Consolidated Results for FY2024 Q1

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

(100 Millions of Yen)

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

# Results for FY2024 Q1 by Business Segment

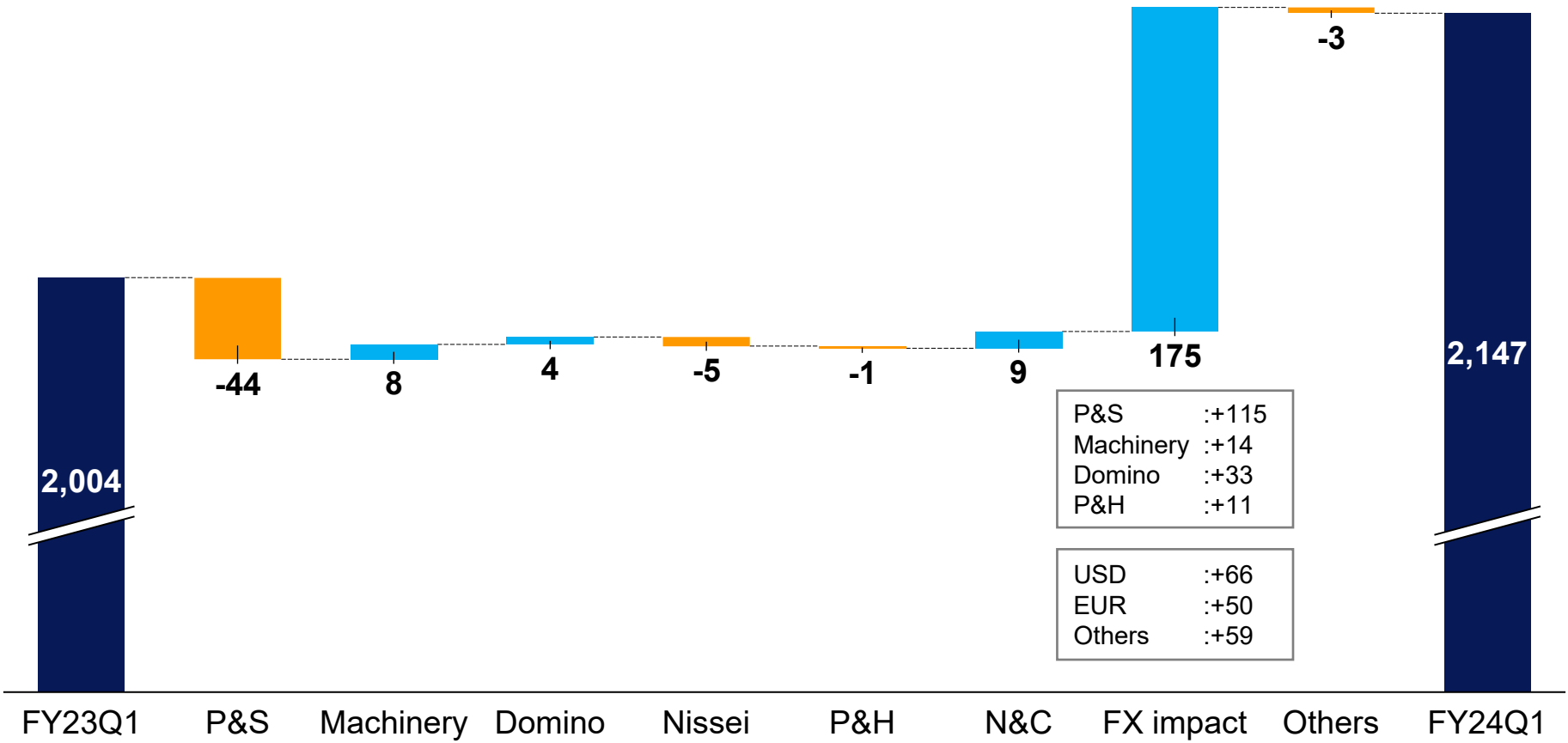
(100 Millions of Yen)

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

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

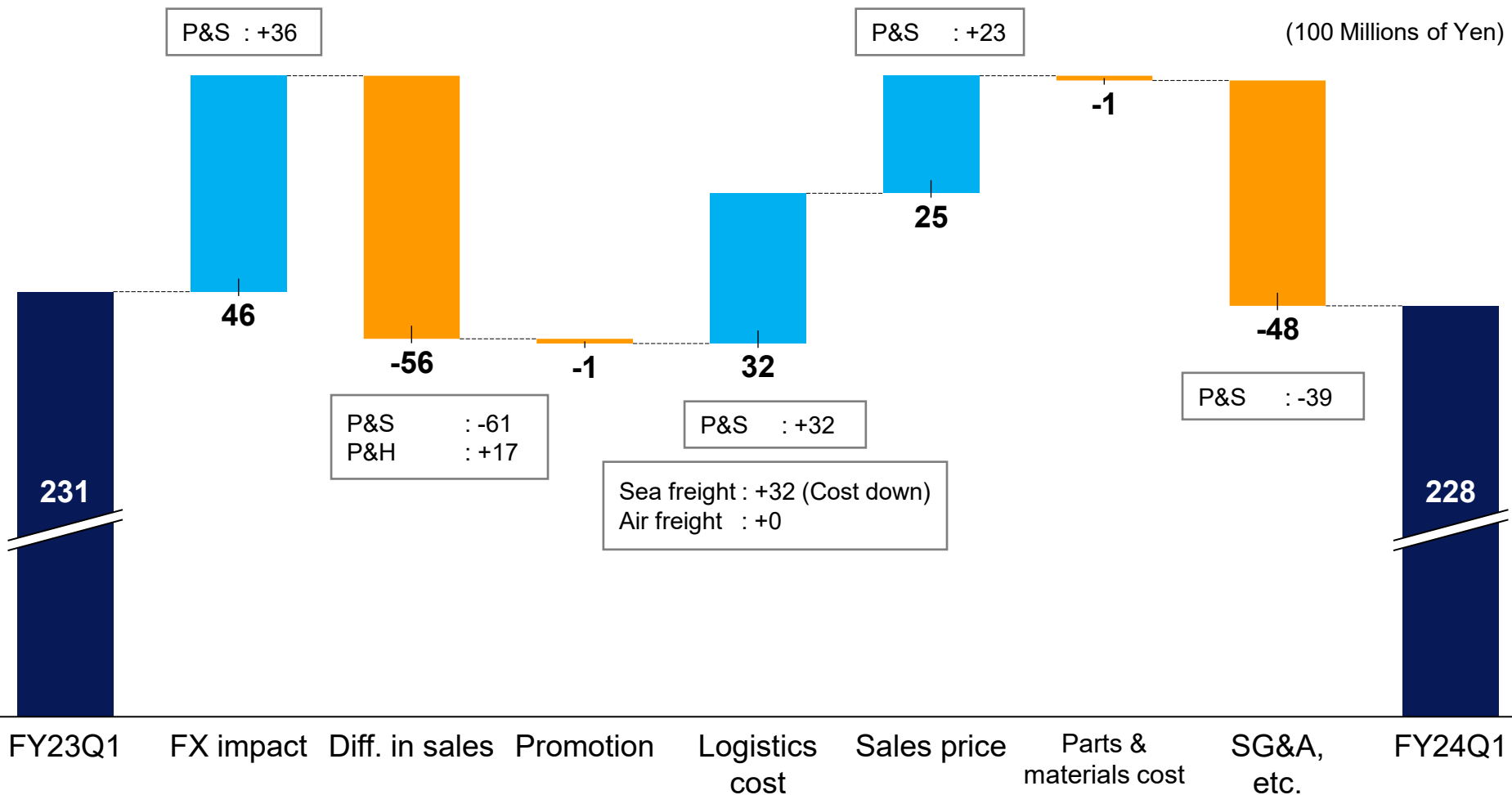
Sales revenue increased due to positive FX effects, despite the impact of lower sales in the P&S business

(100 Millions of Yen)



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

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



# Forecast for FY2024



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

(100 Millions of Yen)

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

# Forecast for FY2024 by Business Segment

(100 Millions of Yen)

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

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

# Financial Position

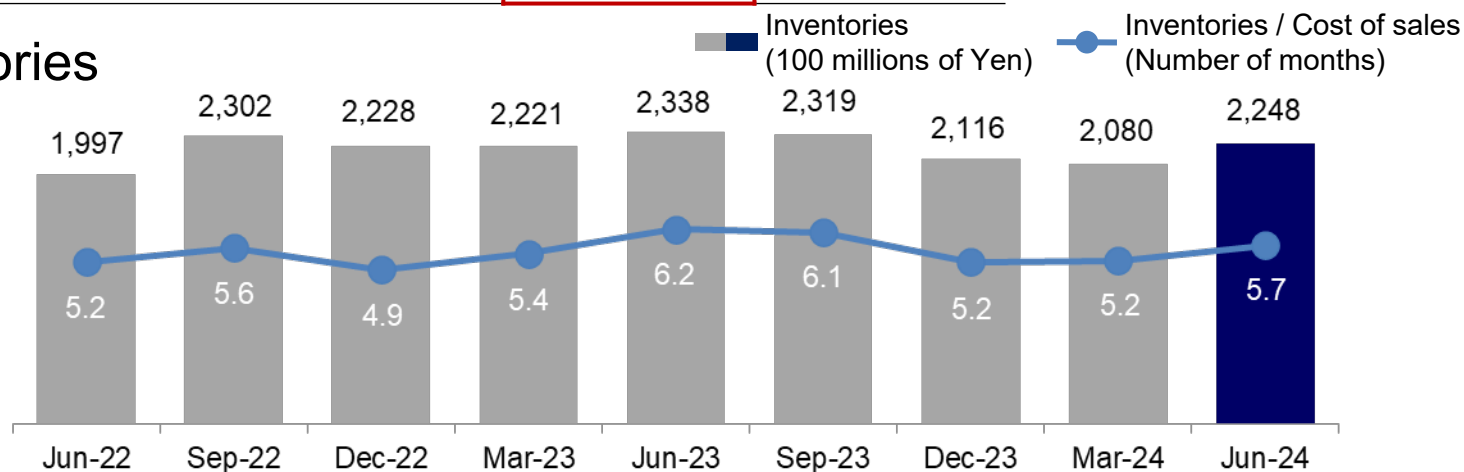
(100 Millions of Yen)

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

\*Equity attributable to owners of the parent company

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

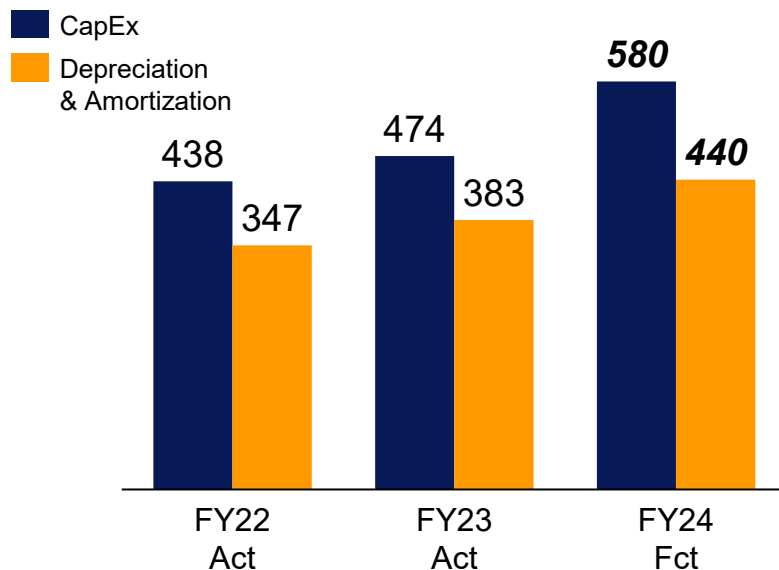
## Inventories



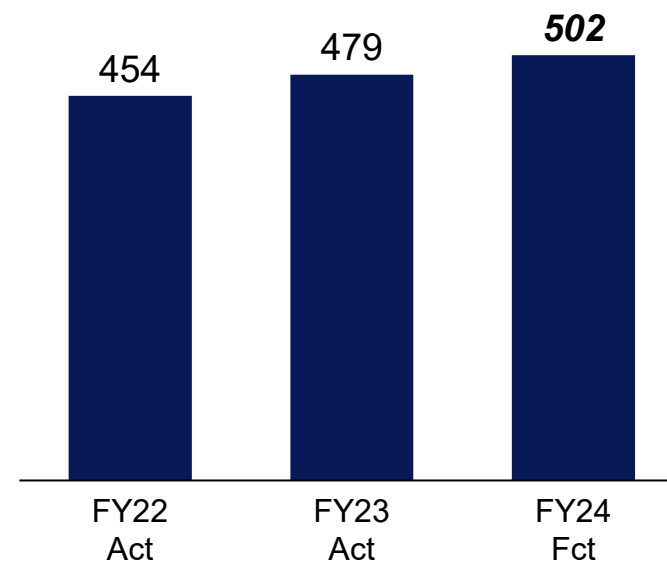
# Capital Expenditure, Depreciation and Amortization/ R&D Expenses

(100 Millions of Yen)

## Capital Expenditure/Depreciation & Amortization



## R&D Expenses



### Breakdown by business (CapEx)

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

### Breakdown by business (R&D)

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

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

# Business Segment Information

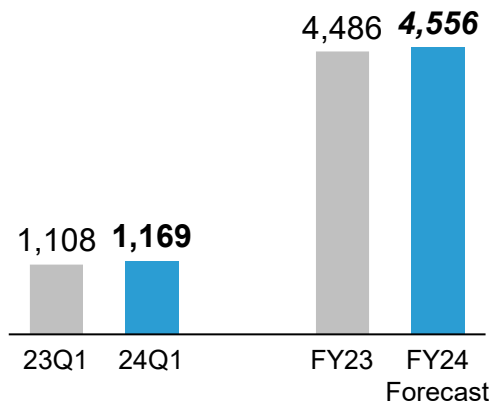
(100 Millions of Yen)

	23Q1	24Q1	Change	Change w/o FX
<b>Sales revenue</b>	<b>1,272</b>	<b>1,343</b>	<b>5.6%</b>	<b>-3.5%</b>
<b>Communications &amp; printing equipment</b>	<b>1,108</b>	<b>1,169</b>	<b>5.5%</b>	<b>-3.5%</b>
Americas	410	441	7.5%	0.5%
Europe	360	366	1.8%	-9.5%
Asia & others	238	247	4.0%	-6.1%
Japan (incl. OEM)	100	114	13.9%	7.9%
<b>Labeling</b>	<b>164</b>	<b>174</b>	<b>6.3%</b>	<b>-3.1%</b>
Americas	75	80	5.9%	-2.6%
Europe	49	54	10.7%	-1.9%
Asia & others	29	29	0.1%	-9.6%
Japan	11	12	6.7%	-
<b>Business segment profit</b>	<b>193</b>	<b>179</b>	<b>-7.2%</b>	<b>-</b>
<b>Operating profit</b>	<b>180</b>	<b>168</b>	<b>-6.5%</b>	<b>-</b>

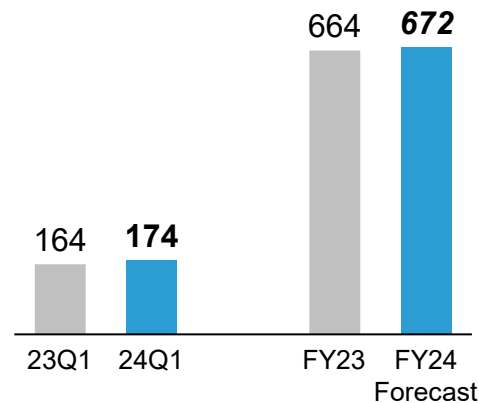
	FY23	FY24 Forecast	Change vs LY	Change w/o FX
<b>Sales revenue</b>	<b>5,149</b>	<b>5,228</b>	<b>1.5%</b>	<b>3.1%</b>
<b>Communications &amp; printing equipment</b>	<b>4,486</b>	<b>4,556</b>	<b>1.6%</b>	<b>3.1%</b>
Americas	1,742	1,778	2.1%	4.6%
Europe	1,449	1,434	-1.0%	0.4%
Asia & others	866	892	3.0%	3.7%
Japan (incl. OEM)	429	452	5.4%	5.4%
<b>Labeling</b>	<b>664</b>	<b>672</b>	<b>1.2%</b>	<b>2.5%</b>
Americas	304	303	-0.3%	1.4%
Europe	208	211	1.6%	2.9%
Asia & others	104	106	1.6%	2.2%
Japan	48	52	8.6%	-
<b>Business segment profit</b>	<b>625</b>	<b>604</b>	<b>-3.4%</b>	<b>-</b>
<b>Operating profit</b>	<b>610</b>	<b>604</b>	<b>-1.0%</b>	<b>-</b>

## &lt;Sales Revenue&gt;

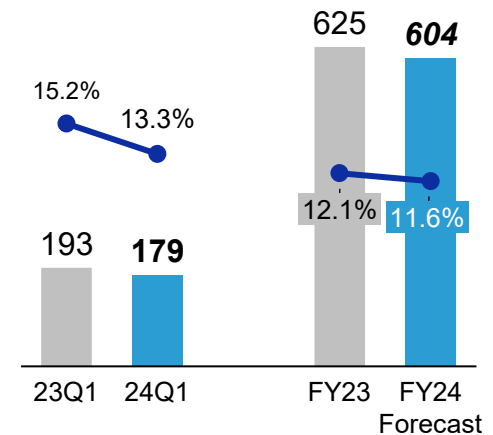
## Communications &amp; Printing Equipment



## Labeling



## &lt;Business Segment Profit&gt; —●— Profit ratio



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

	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	FY22	FY23
<b>Laser (LBP)</b>														
<b>Sales revenue growth rate (JPY/YoY)</b>														
Hardware	41%	45%	42%	36%	4%	-17%	-13%	-1%	-5%	-	-	-	41%	-8%
Consumable	18%	-8%	0%	4%	3%	15%	11%	18%	11%	-	-	-	3%	11%
<b>Sales revenue growth rate (LC/YoY)</b>														
Hardware	25%	23%	21%	23%	-1%	-21%	-16%	-9%	-12%	-	-	-	23%	-13%
Consumable	7%	-20%	-13%	-6%	-3%	7%	5%	7%	0%	-	-	-	-8%	4%
<b>Inkjet (IJP)</b>														
<b>Sales revenue growth rate (JPY/YoY)</b>														
Hardware	18%	32%	46%	39%	5%	3%	-5%	-1%	18%	-	-	-	33%	0%
Consumable	19%	-2%	8%	13%	15%	16%	0%	5%	-1%	-	-	-	9%	8%
<b>Sales revenue growth rate (LC/YoY)</b>														
Hardware	8%	16%	30%	27%	2%	-2%	-8%	-7%	10%	-	-	-	20%	-4%
Consumable	11%	-12%	-2%	4%	9%	9%	-4%	-3%	-9%	-	-	-	0%	2%
<b>Cosumable ratio</b>														
	53%	47%	49%	53%	54%	53%	54%	56%	55%	-	-	-	51%	54%
<b>Growth rate of hardware (Units/YoY)</b>														
Laser (LBP)	14%	9%	3%	8%	-1%	-21%	-8%	-6%	-13%	-	-	-	8%	-9%
Inkjet (IJP)	8%	16%	42%	43%	4%	0%	-3%	-8%	13%	-	-	-	26%	-2%

# Machinery

## Sales Revenue & Profit

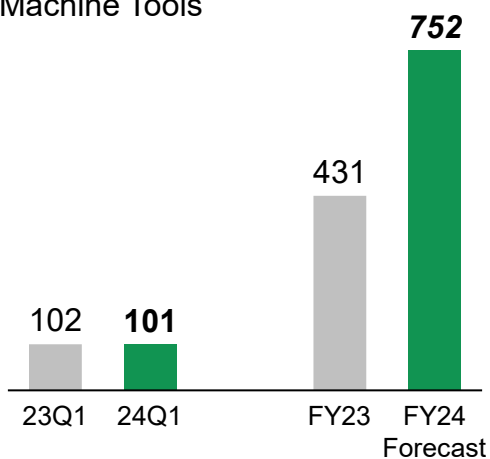
(100 Millions of Yen)

	23Q1	24Q1	Change	Change w/o FX
<b>Sales revenue</b>	<b>188</b>	<b>210</b>	<b>11.8%</b>	<b>4.1%</b>
<b>Machine tools</b>	<b>102</b>	<b>101</b>	<b>-1.3%</b>	<b>-4.5%</b>
Americas	7	8	10.2%	-
Europe	9	5	-45.7%	-
Asia & others	67	65	-2.3%	-
Japan	20	24	17.0%	-
<b>Industrial sewing machines</b>	<b>85</b>	<b>109</b>	<b>27.6%</b>	<b>14.4%</b>
Americas	26	32	24.0%	11.0%
Europe	22	20	-11.0%	-20.7%
Asia & others	32	53	67.8%	49.9%
Japan	6	4	-29.5%	-
<b>Business segment profit</b>	<b>10</b>	<b>8</b>	<b>-16.0%</b>	<b>-</b>
<b>Operating profit</b>	<b>12</b>	<b>9</b>	<b>-24.1%</b>	<b>-</b>

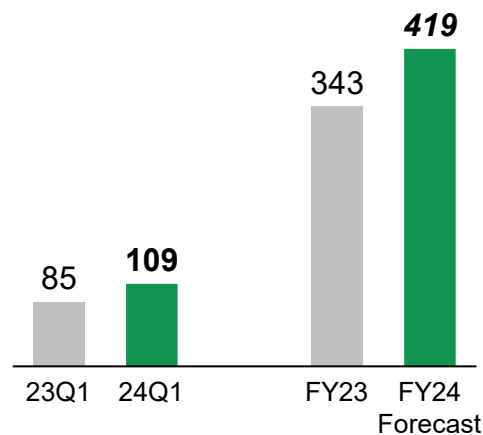
	FY23	FY24 Forecast	Change vs LY	Change w/o FX
<b>Sales revenue</b>	<b>774</b>	<b>1,171</b>	<b>51.3%</b>	<b>51.8%</b>
<b>Machine tools</b>	<b>431</b>	<b>752</b>	<b>74.6%</b>	<b>74.8%</b>
Americas	36	53	46.5%	-
Europe	32	47	50.3%	-
Asia & others	244	485	98.8%	-
Japan	119	167	40.0%	-
<b>Industrial sewing machines</b>	<b>343</b>	<b>419</b>	<b>22.2%</b>	<b>23.0%</b>
Americas	114	137	20.1%	21.3%
Europe	74	97	31.1%	33.1%
Asia & others	134	166	23.3%	23.3%
Japan	20	19	-6.1%	-
<b>Business segment profit</b>	<b>22</b>	<b>127</b>	<b>473.8%</b>	<b>-</b>
<b>Operating profit</b>	<b>23</b>	<b>127</b>	<b>451.9%</b>	<b>-</b>

## &lt;Sales Revenue&gt;

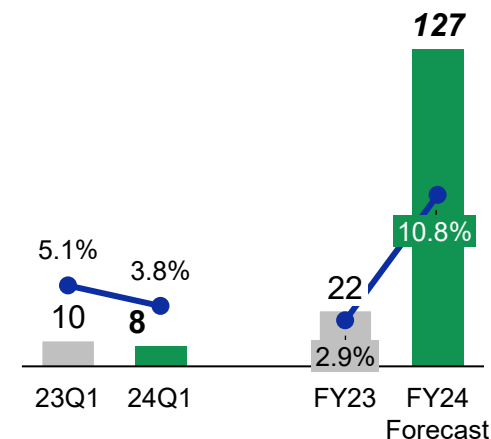
## Machine Tools



## Industrial Sewing Machines



## &lt;Business Segment Profit&gt; Profit ratio

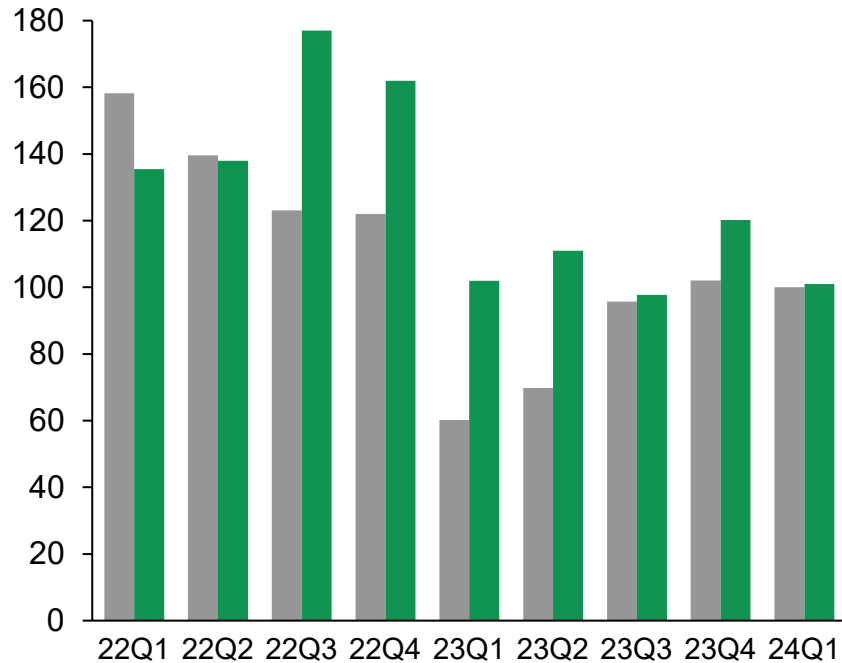




# Machinery (Machine Tools) Order Trends

## Trends in order amount and sales revenue

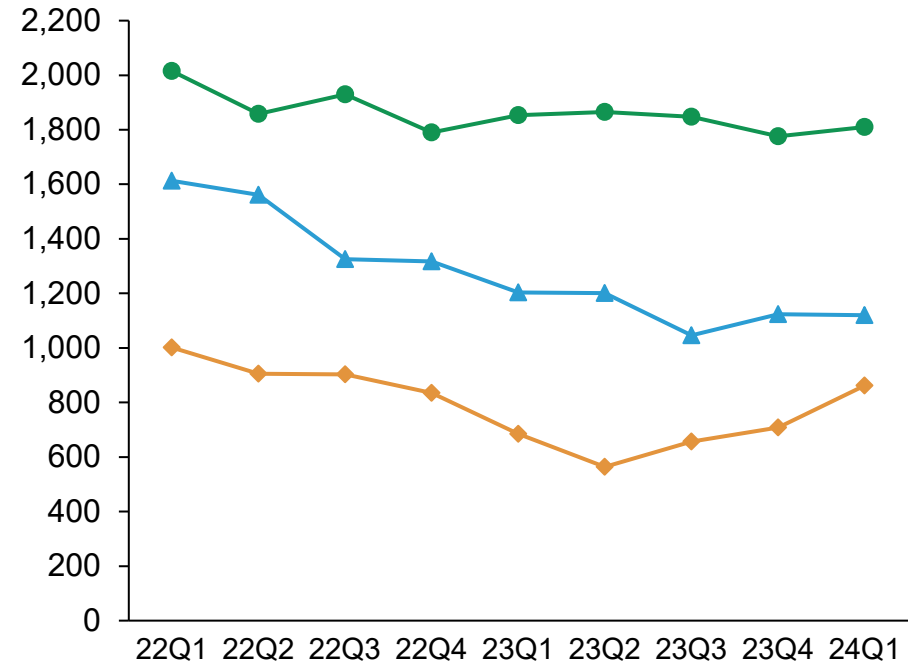
- Order amount
- Sales revenue



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

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

- Domestic demand
- Demand from overseas except China
- China



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

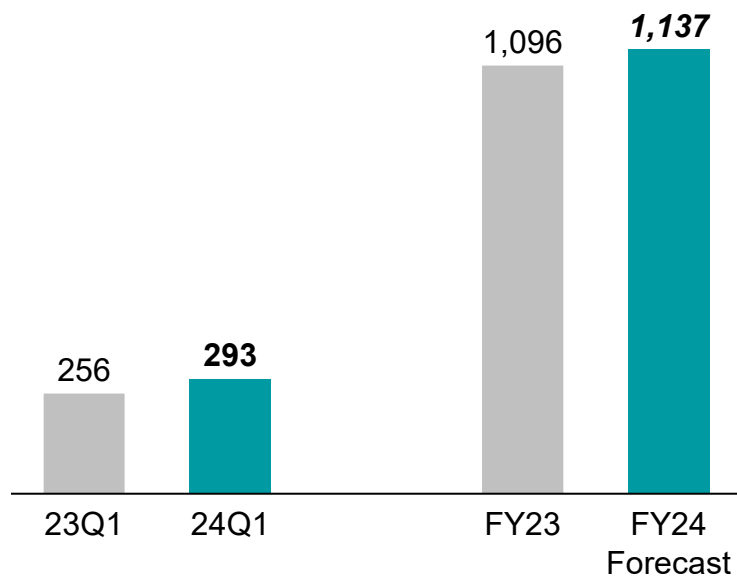
# Domino

## Sales Revenue & Profit

(100 Millions of Yen)

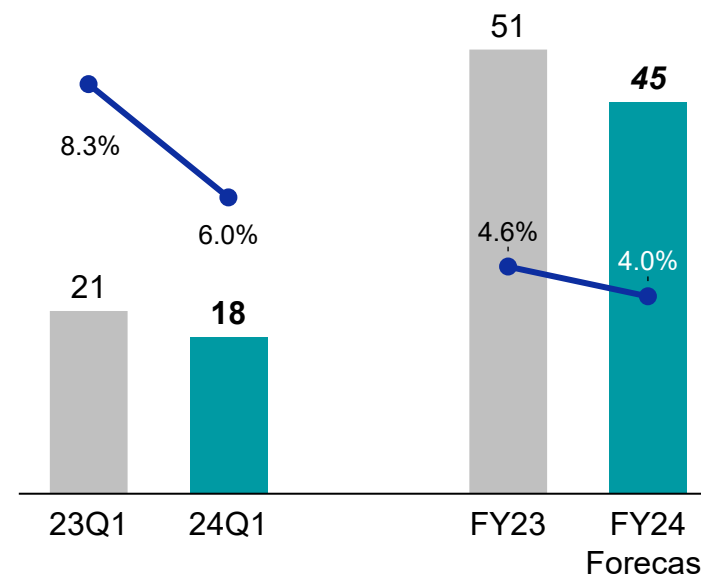
	23Q1	24Q1	Change	Change w/o FX	FY23	FY24 Forecast	Change vs LY	Change w/o FX
<b>Sales revenue</b>	<b>256</b>	<b>293</b>	<b>14.6%</b>	<b>1.7%</b>	<b>1,096</b>	<b>1,137</b>	<b>3.7%</b>	<b>4.7%</b>
Americas	64	78	21.3%	7.9%	281	298	5.8%	5.8%
Europe	113	124	10.0%	-2.3%	469	464	-1.1%	1.2%
Asia & others	70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

&lt;Sales Revenue&gt;



&lt;Business Segment Profit&gt;

● Profit ratio



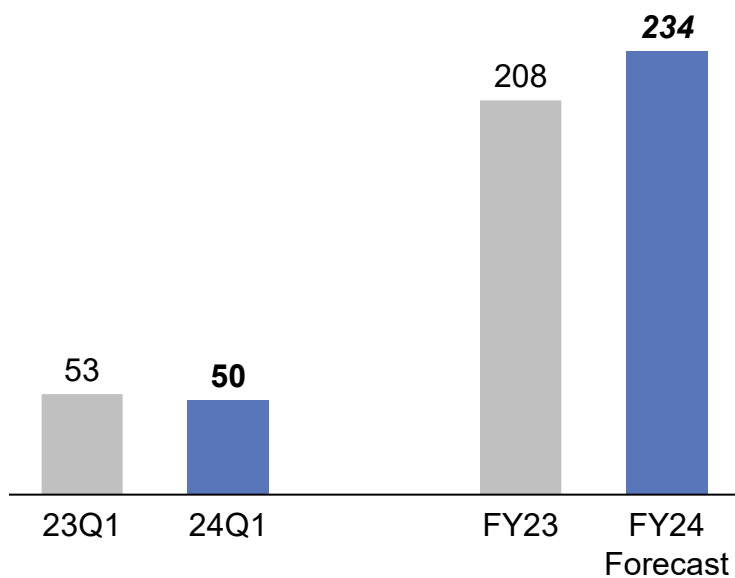
# Nissei

## Sales Revenue & Profit

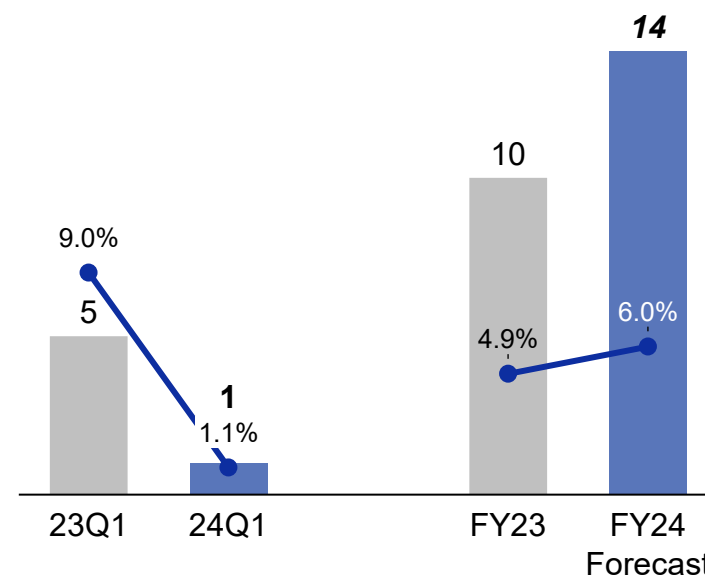
(100 Millions of Yen)

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

&lt;Sales Revenue&gt;



&lt;Business Segment Profit&gt; ● Profit ratio



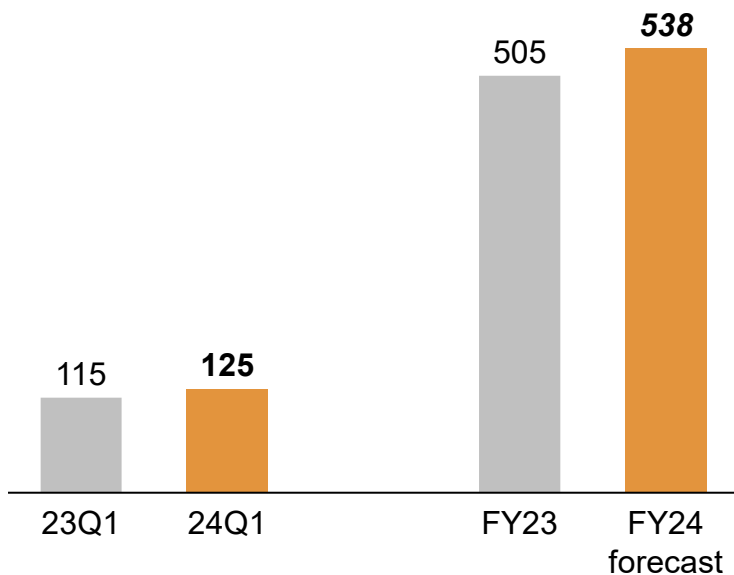
# Personal & Home Sales Revenue & Profit

(100 Millions of Yen)

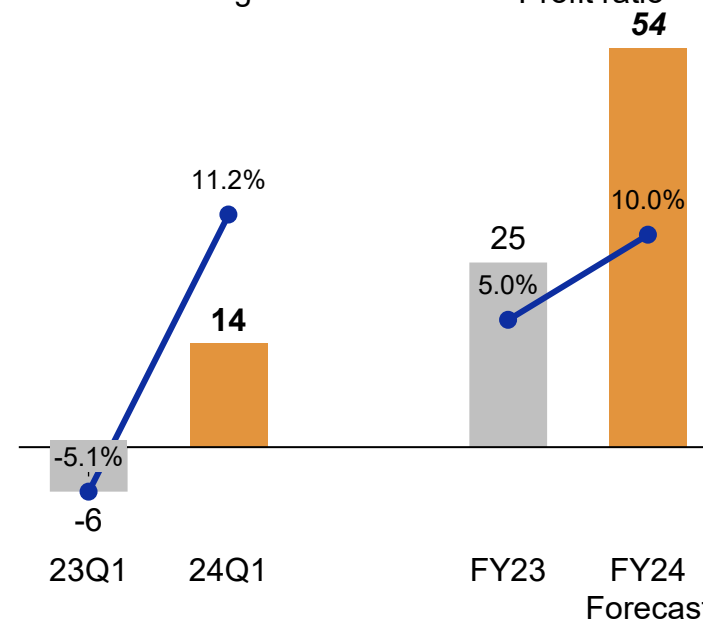
	23Q1	24Q1	Change	Change w/o FX
<b>Sales revenue</b>	<b>115</b>	<b>125</b>	<b>8.7%</b>	<b>-1.0%</b>
Americas	69	70	0.5%	-8.1%
Europe	28	33	20.8%	7.4%
Asia & others	13	16	23.2%	12.5%
Japan	5	6	18.9%	-
<b>Business segment profit</b>	<b>-6</b>	<b>14</b>	-	-
<b>Operating profit</b>	<b>-6</b>	<b>13</b>	-	-

	FY23	FY24 Forecast	Change vs LY	Change w/o FX
<b>Sales revenue</b>	<b>505</b>	<b>538</b>	<b>6.6%</b>	<b>8.1%</b>
Americas	300	329	9.6%	11.4%
Europe	126	126	0.2%	1.6%
Asia & others	51	54	5.9%	6.8%
Japan	28	29	4.9%	-
<b>Business segment profit</b>	<b>25</b>	<b>54</b>	<b>114.6%</b>	-
<b>Operating profit</b>	<b>25</b>	<b>54</b>	<b>117.9%</b>	-

<Sales Revenue>



<Business Segment Profit> ● Profit ratio



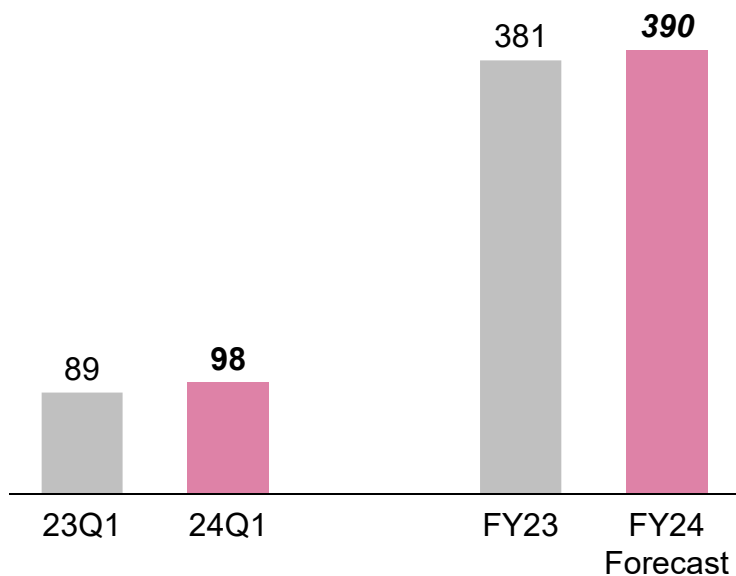
# Network & Contents Sales Revenue & Profit

(100 Millions of Yen)

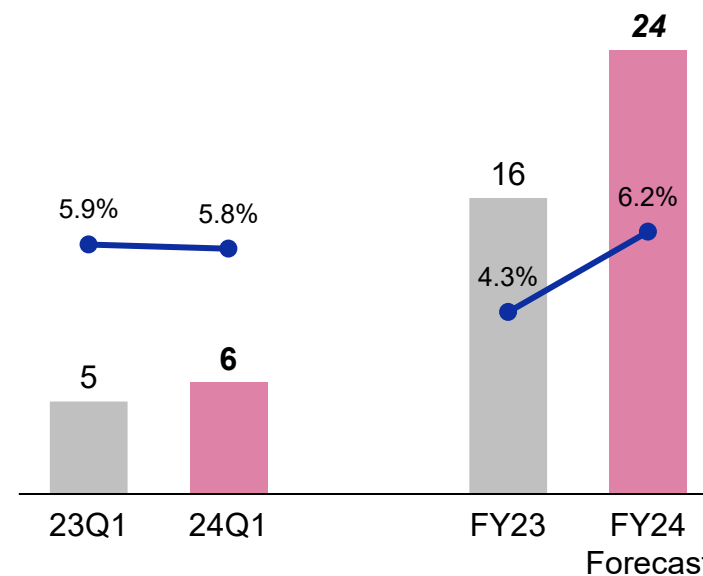
	23Q1	24Q1	Change
<b>Sales revenue</b>	<b>89</b>	<b>98</b>	<b>9.9%</b>
<b>Business segment profit</b>	<b>5</b>	<b>6</b>	<b>6.9%</b>
<b>Operating profit</b>	<b>6</b>	<b>7</b>	<b>13.2%</b>

	FY23	FY24 Forecast	Change vs LY
<b>Sales revenue</b>	<b>381</b>	<b>390</b>	<b>2.4%</b>
<b>Business segment profit</b>	<b>16</b>	<b>24</b>	<b>47.9%</b>
<b>Operating profit</b>	<b>17</b>	<b>24</b>	<b>44.6%</b>

<Sales Revenue>



<Business Segment Profit> — Profit ratio



# Topics

# Hoshizaki Factory Acquires RBA Platinum Certification

Hoshizaki Factory, which produces key components for inkjet products, has acquired RBA Platinum certification.

Achieved sustainability targets related to RBA certification ahead of schedule.

## ■ Hoshizaki Factory acquires RBA Platinum certification

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



Hoshizaki Factory (Nagoya city, Aichi)



RBA Platinum Certificate

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

FY2024 Target	Acquire RBA gold certification at three Group manufacturing sites		
Progress	Date	Site	Certification acquired
	September 2022	BROTHER INDUSTRIES (VIETNAM) LTD.	Gold*
	October 2023	BROTHER TECHNOLOGY (SHENZHEN) LTD.	Platinum
	November 2023	BROTHER INDUSTRIES (PHILIPPINES), INC.	Platinum
	<b>May 2024 (current)</b>	<b>Hoshizaki Factory</b>	<b>Platinum</b>

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

**brother**  
at your side



# Reference: Brother's business areas

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