

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

**February 6, 2025
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 Q3 (Oct.-Dec.)

Sales revenue and profits increased, mainly due to higher sales in the P&S business and positive FX effects

◆ **Sales revenue** **231.5 billion yen/ +8.6% (year-on-year)**

- ✓ Sales revenue increased due to steady sales of both hardware and consumables in the P&S business and strong sales in the P&H business, mainly in the Americas, as well as positive FX effects

◆ **Business segment profit** **26.2 billion yen/ +25.1% (year-on-year)**

- ✓ Despite higher SG&A and sales promotion expenses, business segment profit increased, mainly due to steady sales in the P&S and P&H businesses, effects from price adjustments in the P&S business, and other factors

Forecast for FY2024

Despite an upward revision for sales revenue due to positive FX effects and other factors, the forecast for profits is unchanged from the previous forecast.

In the breakdown by business segment, the forecasts for both sales revenue and profits have been revised.

Results for FY2024 Q3 (Oct.-Dec.)

Consolidated Results for FY2024 Q3

Sales revenue and profits increased, mainly due to higher sales in the P&S business and positive FX effects

(100 Millions of Yen)

	23Q3	24Q3	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	2,131	2,315	184 (164)	8.6% (7.7%)
Business segment profit	209	262	52 (45)	25.1% (21.4%)
Business segment profit ratio	9.8%	11.3%		
Other income/expense	4	-6	-11	
Operating profit	214	255	42	19.6%
Operating profit ratio	10.0%	11.0%		
Income before tax	223	266	43	19.4%
Net income attribute to parent company	177	223	45	25.7%
USD	147.00	151.32	4.32	
EUR	158.82	162.57	3.75	

Results for FY2024 Q3 by Business Segment

(100 Millions of Yen)

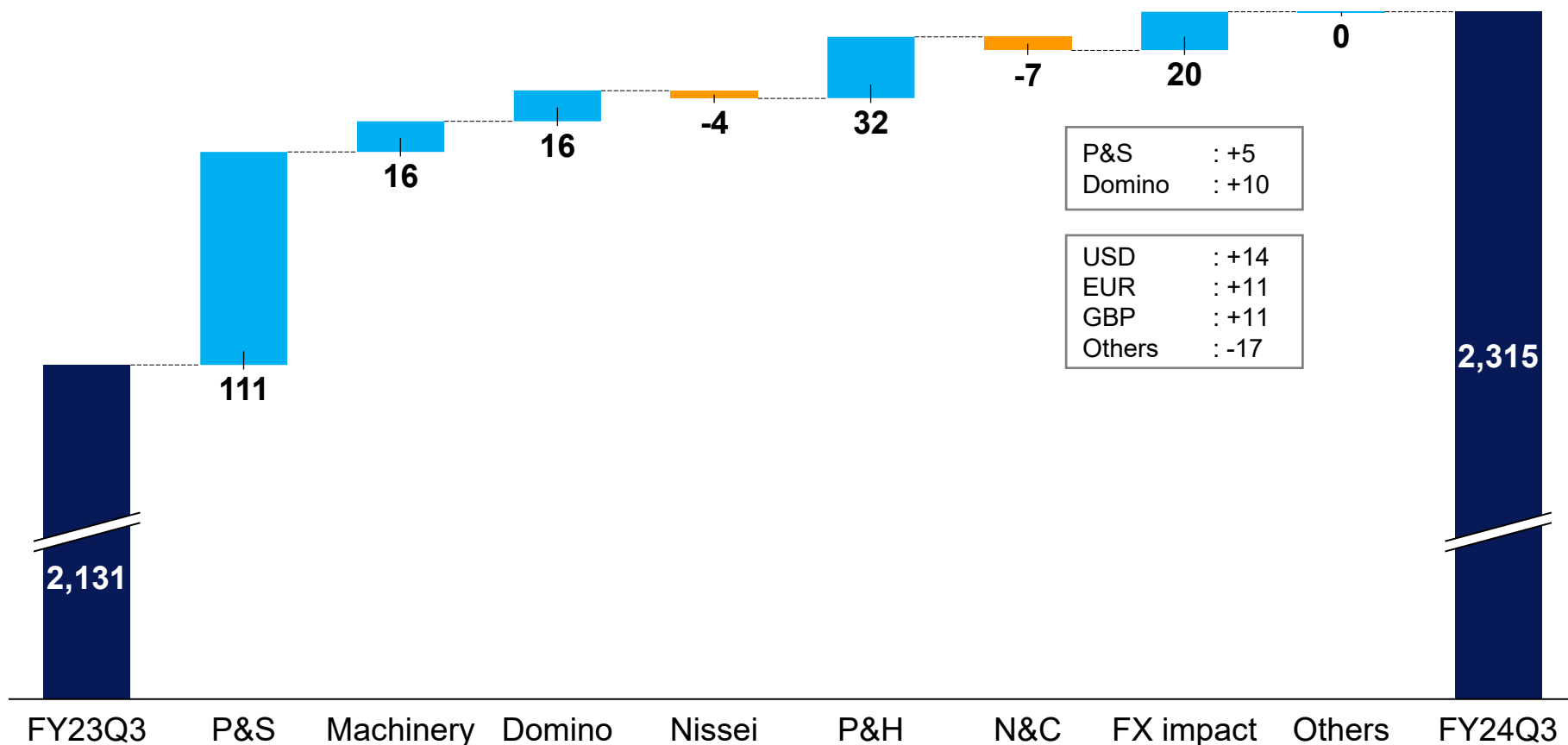
Sales revenue				Business segment profit			Operating profit		
	23Q3	24Q3	Change	23Q3	24Q3	Change	23Q3	24Q3	Change
P&S	1,346	1,462	116	164	216	52	170	214	45
Machinery	187	206	19	7	0	-7	6	3	-3
Domino	266	291	25	7	7	0	2	8	6
Nissei	53	50	-3	4	2	-2	4	2	-2
P&H	141	175	34	18	28	10	17	29	12
N&C	104	97	-7	6	5	-1	6	5	-1
Other	34	34	0	4	4	0	9	-6	-15
Total	2,131	2,315	184	209	262	52	214	255	42

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

Main Factors for Changes in Sales Revenue

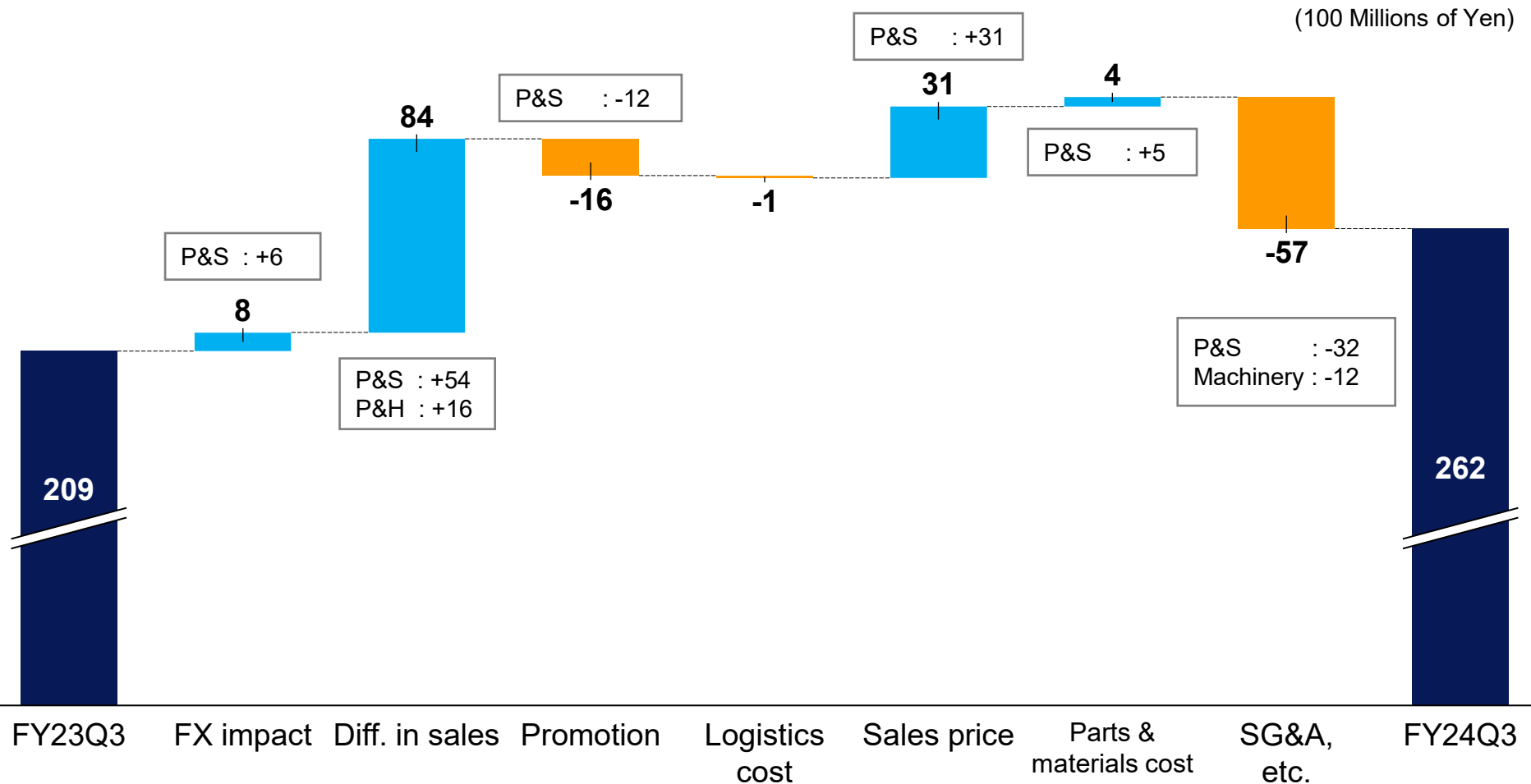
Sales revenue increased due to steady sales of both hardware and consumables in the P&S business and strong sales in the P&H business, mainly in the Americas, as well as positive FX effects

(100 Millions of Yen)



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

Despite higher SG&A and sales promotion expenses, business segment profit increased, mainly due to steady sales in the P&S and P&H businesses, effects from price adjustments in the P&S business, and other factors



Results for FY2024 Q3 YTD (Apr.-Dec.)

Consolidated Results for FY2024 Q3 YTD

Sales revenue and profits increased, mainly due to higher sales in the P&S business and positive FX effects

(100 Millions of Yen)

	FY23 Q3 YTD	FY24 Q3 YTD	Change (w/o FX)	Rate of change (w/o FX)
Sales revenue	6,128	6,588	460 (234)	7.5% (3.8%)
Business segment profit	616	691	75 (5)	12.2% (0.8%)
Business segment profit ratio	10.1%	10.5%		
Other income/expense	-5	-51	-45	
Operating profit	611	641	30	4.9%
Operating profit ratio	10.0%	9.7%		
Income before tax	633	681	48	7.6%
Net income attribute to parent company	466	504	38	8.1%
USD	142.76	152.87	10.11	
EUR	155.19	164.91	9.72	

Results for FY2024 Q3 YTD by Business Segment



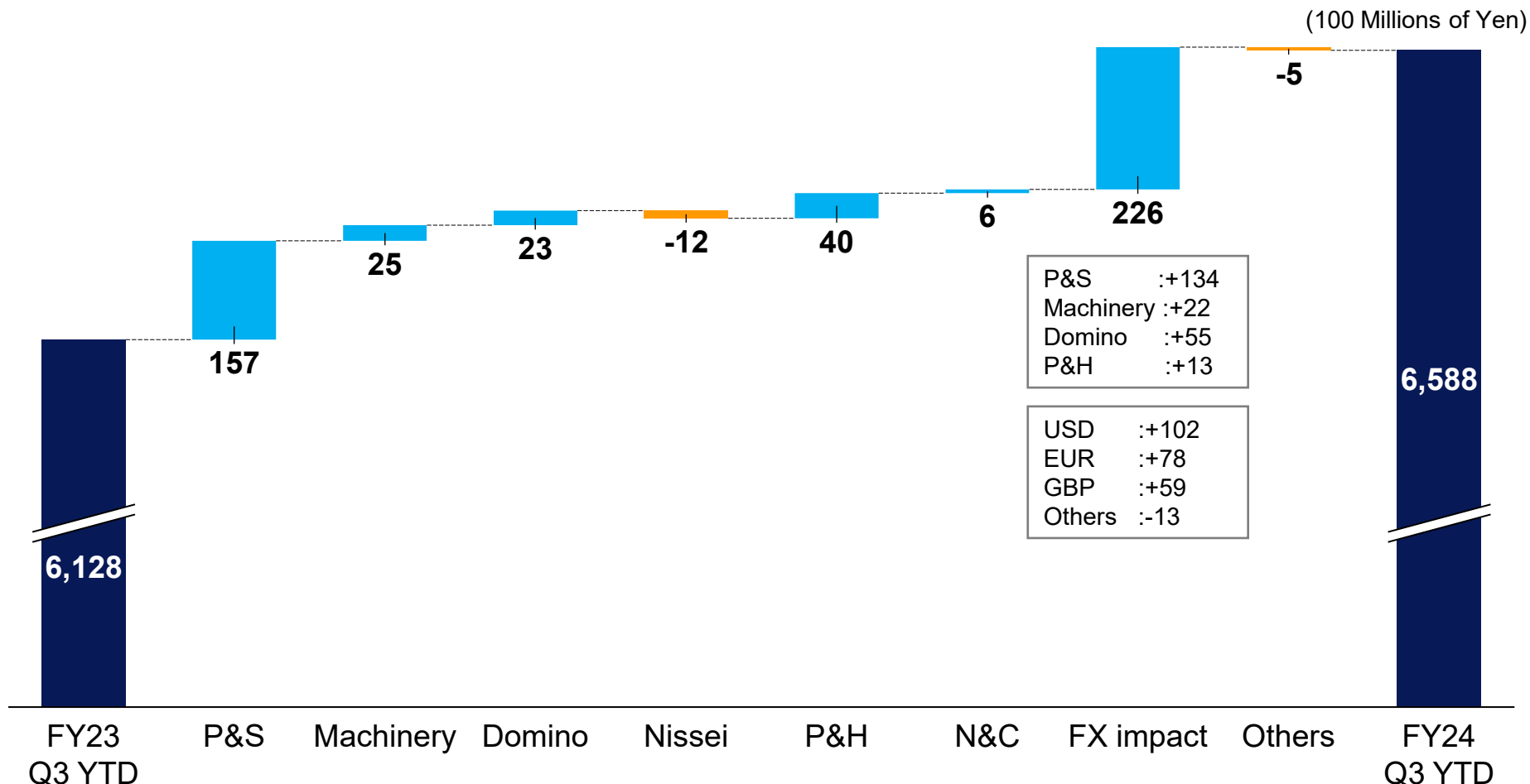
(100 Millions of Yen)

	Sales revenue			Business segment profit			Operating profit		
	FY23 Q3 YTD	FY24 Q3 YTD	Change	FY23 Q3 YTD	FY24 Q3 YTD	Change	FY23 Q3 YTD	FY24 Q3 YTD	Change
P&S	3,834	4,125	291	500	566	67	490	547	57
Machinery	579	625	47	25	13	-13	26	13	-14
Domino	804	883	78	45	41	-4	38	35	-3
Nissei	159	149	-9	9	3	-6	9	4	-5
P&H	377	430	53	14	45	32	13	45	32
N&C	285	291	6	16	15	-1	17	16	-1
Other	89	84	-5	7	8	0	17	-18	-36
Total	6,128	6,588	460	616	691	75	611	641	30

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

Main Factors for Changes in Sales Revenue

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

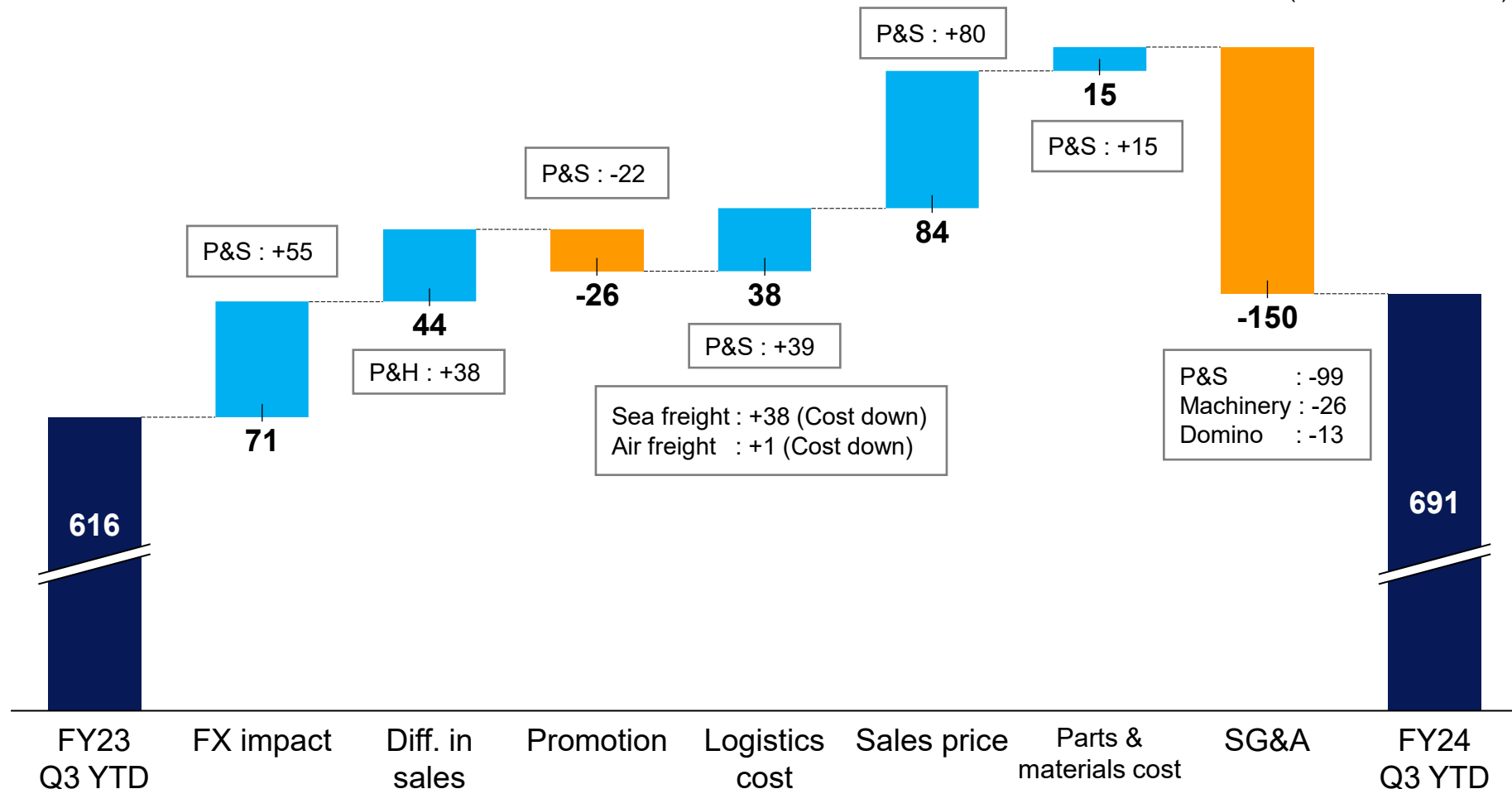


* Amounts of change are on a results basis excluding foreign exchange effects

Main Factors for Changes in Business Segment Profit

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

(100 Millions of Yen)



Forecast for FY2024

Forecast for FY2024

Despite an upward revision for sales revenue due to positive FX effects and other factors, the forecast for profits is unchanged from the previous forecast. In the breakdown by business segment, the forecasts for both sales revenue and profits have been revised.

(100 Millions of Yen)

	Previous Forecast	FY24 Forecast	Change (w/o FX)	Rate of Change (w/o FX)	FY23 Actual	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	8,650	8,750	100 (-60)	1.2% (-0.7%)	8,229	521 (326)	6.3% (4.0%)
Business Segment Profit	800	800	0 (-15)	0.0% (-1.9%)	756	44 (-17)	5.8% (-2.3%)
Business Segment Profit Ratio	9.2%	9.1%			9.2%		
Other income/expense	-40	-40	0		-258	218	
Operating Profit	760	760	0	0.0%	498	262	52.6%
Operating Profit Ratio	8.8%	8.7%			6.1%		
Income before Tax	800	800	0	0.0%	525	275	52.3%
Net Income							
attribute to parent company	570	570	0	0.0%	316	254	80.1%
USD	146.83	152.06	5.23		144.40	7.66	
EUR	160.97	163.38	2.41		156.80	6.58	

- The exchange rates for the forecast period : 1 USD = 145 yen, 1 EUR = 155 yen

Forecast for FY2024 by Business Segment

(100 Millions of Yen)

Sales revenue				Business segment profit			Operating profit		
	Previous Forecast	FY24 Forecast	Change	Previous Forecast	FY24 Forecast	Change	Previous Forecast	FY24 Forecast	Change
P&S	5,326	5,446	120	630	652	22	613	645	32
Machinery	900	860	-40	34	13	-21	32	12	-20
Domino	1,160	1,174	14	47	47	0	41	41	0
Nissei	209	202	-7	6	3	-3	6	3	-3
P&H	560	571	11	56	57	1	56	57	1
N&C	388	388	-1	20	20	0	21	21	0
Other	108	111	3	6	8	1	-8	-18	-10
Total	8,650	8,750	100	800	800	0	760	760	0

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

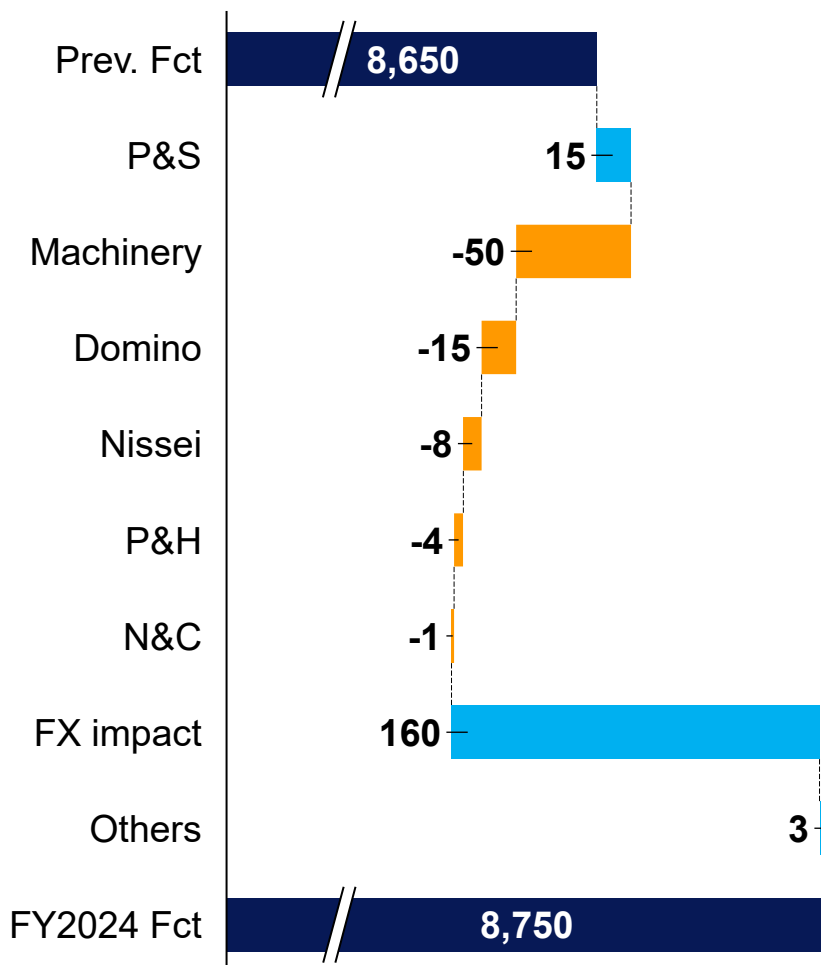
FY2024

Changes in Sales Revenue / Business Segment Profit

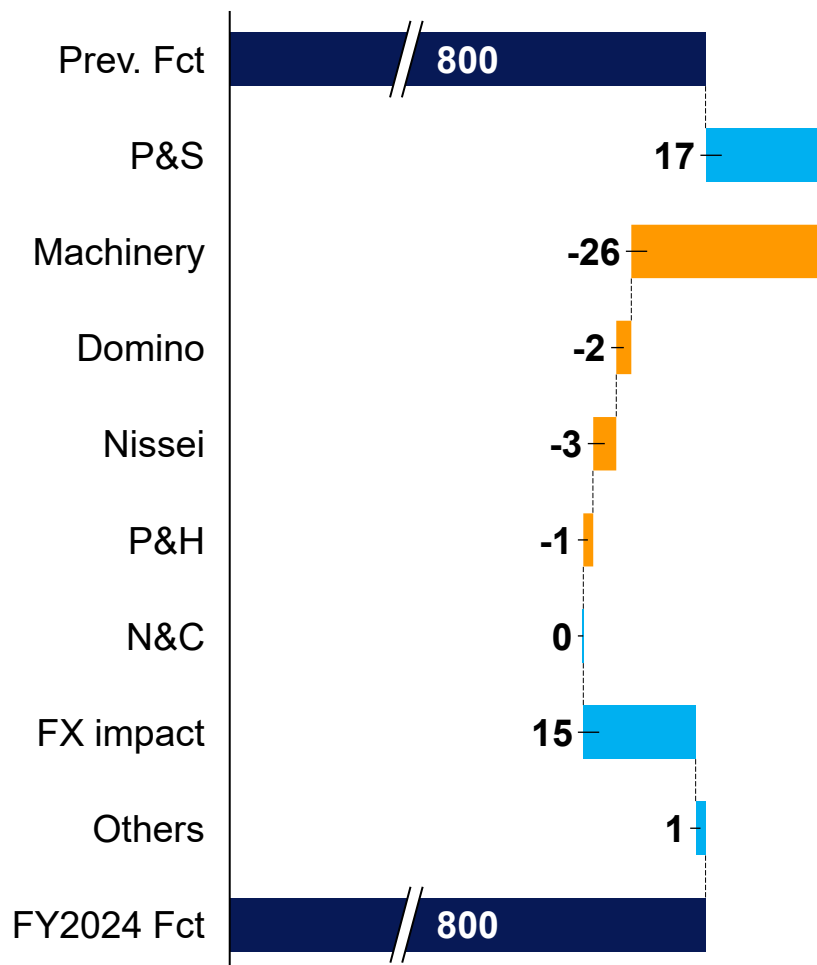
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(100 Millions of Yen)

Changes in Sales Revenue



Changes in Business Segment Profit



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

Financial Position

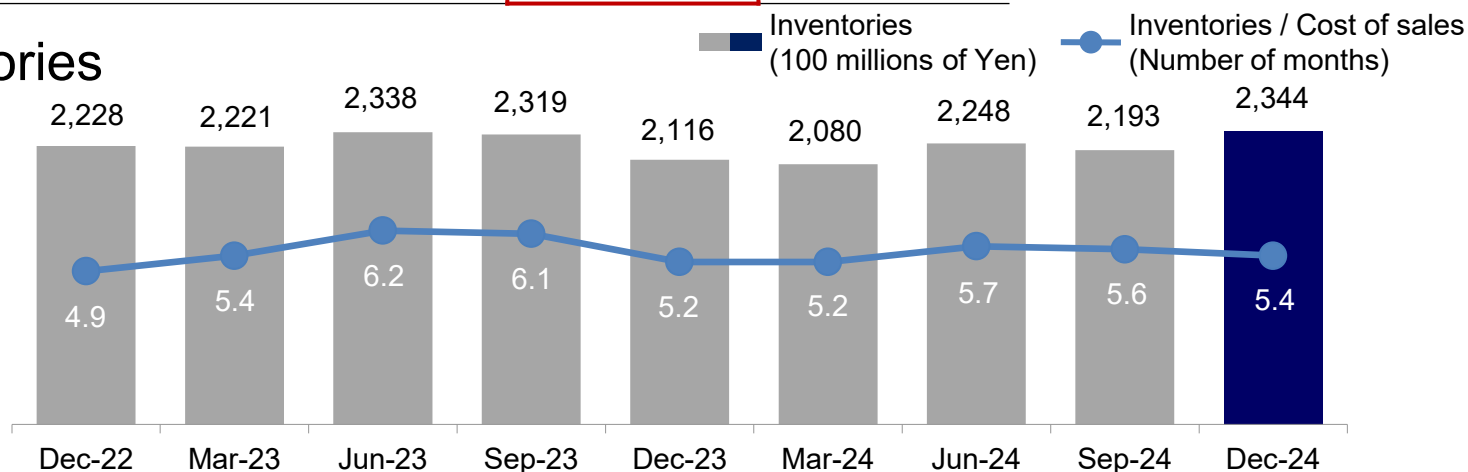
(100 Millions of Yen)

	End of Mar 24	End of Dec 24	Change
Current assets	5,419	5,861	442
Cash&Cash equivalents	1,661	1,745	83
Inventories	2,080	2,344	265
Non-current assets	3,542	3,609	66
Total liabilities	2,280	2,384	104
Interest-bearing debt	6	6	0
Shareholders' equity*	6,680	7,084	404
Total assets	8,961	9,469	508

*Equity attributable to owners of the parent company

	End of Mar 24	End of Dec 24	Change
Net cash	1,655	1,739	83
Shareholders' equity ratio	74.5%	74.8%	0.3
ROE	5.0%	-	-

Inventories

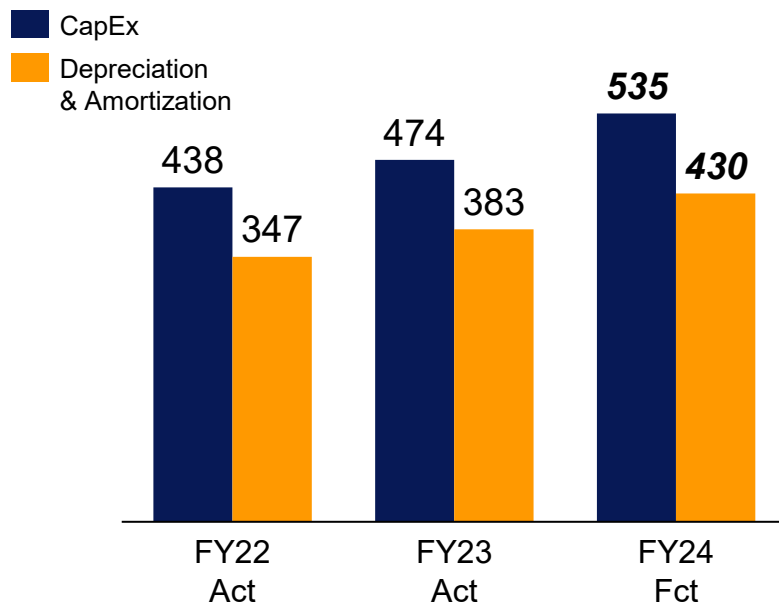


Capital Expenditure, Depreciation and Amortization/ R&D Expenses

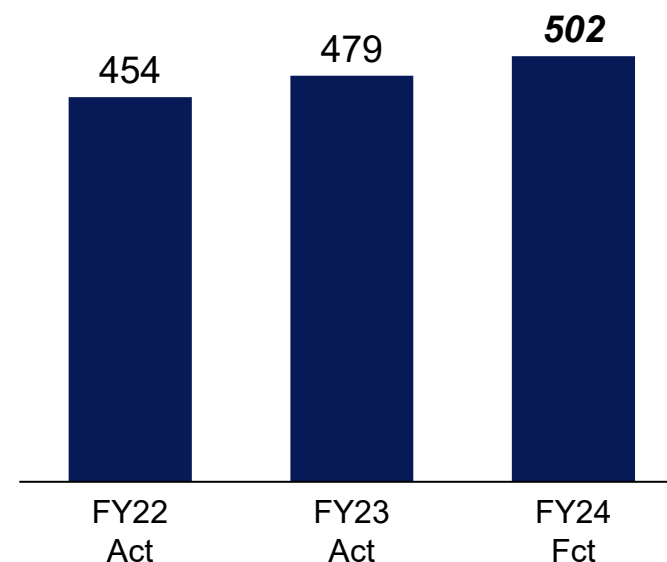
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(100 Millions of Yen)

Capital Expenditure/Depreciation & Amortization



R&D Expenses



Breakdown by business (CapEx)

	FY22	FY23	FY24 Fct
Industrial area	82	100	104
Consumer area & Others	356	375	431
Total	438	474	535

Breakdown by business (R&D)

	FY22	FY23	FY24 Fct
Industrial area	123	134	147
Consumer area & Others	331	346	355
Total	454	479	502

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

Business Segment Information

*The annual forecast figures for each business segment include amounts less than 100 million yen.

Printing & Solutions

Sales Revenue & Profit

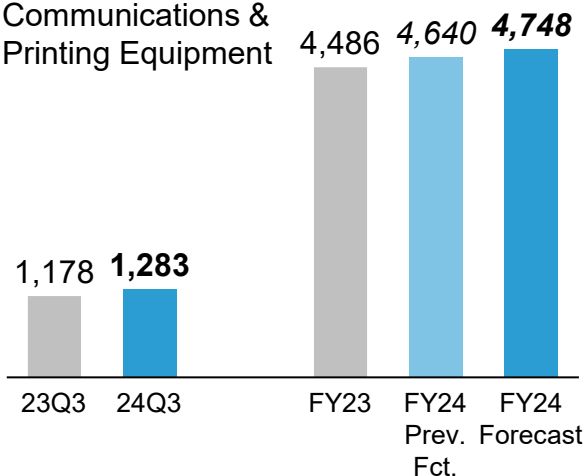
(100 Millions of Yen)

	23Q3	24Q3	Change	Change w/o FX
Sales revenue	1,346	1,462	8.6%	8.2%
Communications & printing equipment	1,178	1,283	8.9%	8.7%
Americas	426	463	8.8%	12.1%
Europe	396	437	10.4%	8.0%
Asia & others	222	254	14.5%	11.3%
Japan (incl. OEM)	134	128	-4.5%	-4.6%
Labeling	168	179	6.3%	5.4%
Americas	73	78	7.4%	8.1%
Europe	55	58	6.0%	3.5%
Asia & others	29	30	6.1%	3.2%
Japan	12	13	2.2%	-
Business segment profit	164	216	31.7%	-
Operating profit	170	214	26.4%	-

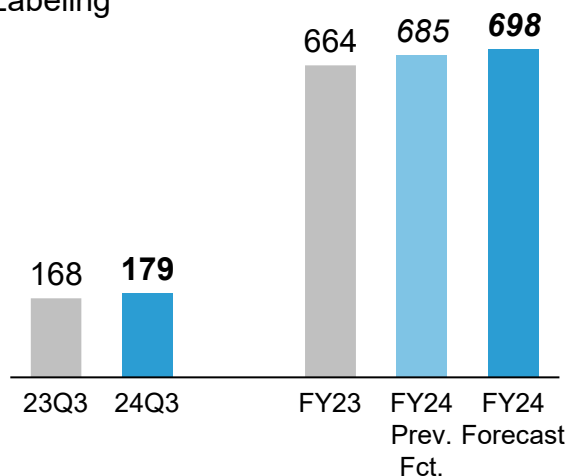
FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
5,149	5,326	5,446	5.8%	3.6%
4,486	4,640	4,748	5.8%	3.8%
1,742	1,780	1,835	5.4%	6.1%
1,449	1,494	1,525	5.3%	1.2%
866	925	937	8.2%	3.8%
429	442	450	5.0%	2.9%
664	685	698	5.2%	2.4%
304	309	319	5.2%	3.6%
208	218	220	5.8%	1.7%
104	108	109	4.5%	0.2%
48	51	50	3.5%	-
625	630	652	4.3%	-
610	613	645	5.7%	-

<Sales Revenue>

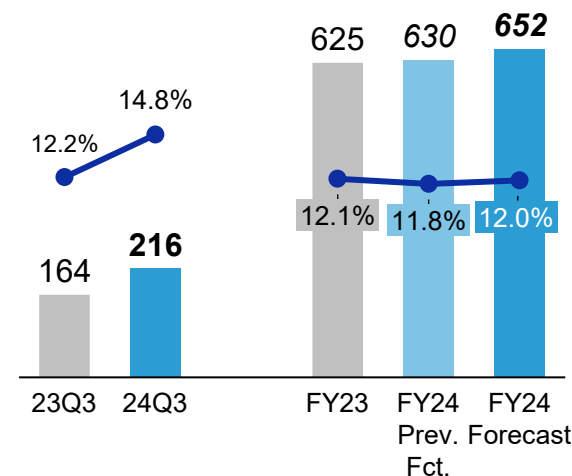
Communications & Printing Equipment



Labeling



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

Machinery

Sales Revenue & Profit

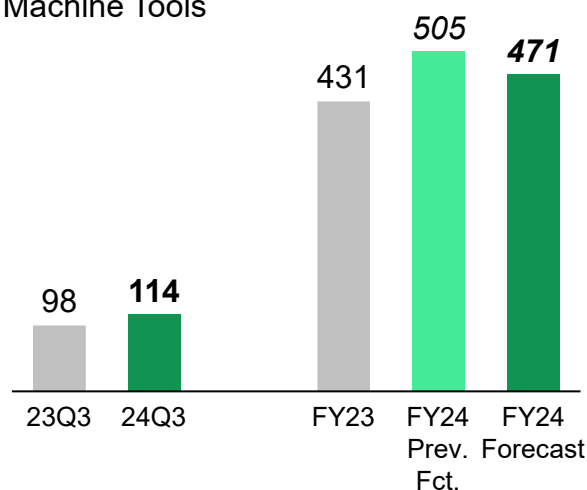
(100 Millions of Yen)

	23Q3	24Q3	Change	Change w/o FX
Sales revenue	187	206	10.2%	8.6%
Machine tools	98	114	16.7%	15.4%
Americas	8	7	-14.4%	-
Europe	7	7	-0.6%	-
Asia & others	55	79	42.6%	-
Japan	27	21	-21.8%	-
Industrial sewing machines	89	92	3.1%	1.1%
Americas	33	29	-13.3%	-13.6%
Europe	18	15	-16.4%	-18.1%
Asia & others	33	44	34.5%	30.2%
Japan	5	4	-24.1%	-
Business segment profit	7	0	-99.8%	-
Operating profit	6	3	-53.1%	-

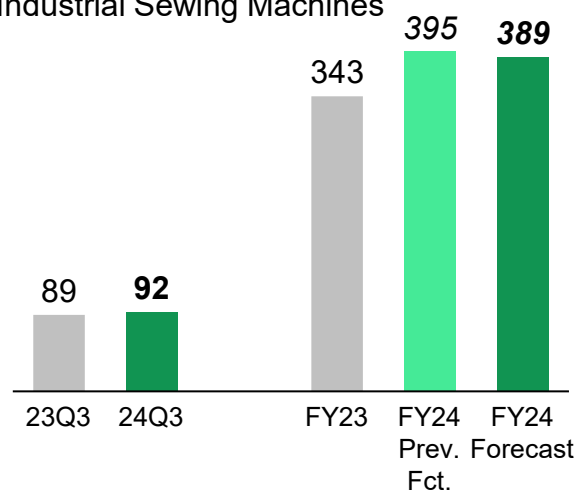
	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	774	900	860	11.1%	8.4%
Machine tools	431	505	471	9.3%	8.1%
Americas	36	38	34	-5.8%	-
Europe	32	25	26	-18.0%	-
Asia & others	244	329	314	28.9%	-
Japan	119	112	97	-19.0%	-
Industrial sewing machines	343	395	389	13.4%	8.9%
Americas	114	120	117	1.9%	-1.1%
Europe	74	75	70	-5.3%	-9.0%
Asia & others	134	182	186	38.5%	31.7%
Japan	20	18	16	-20.2%	-
Business segment profit	22	34	13	-42.1%	-
Operating profit	23	32	12	-46.4%	-

<Sales Revenue>

Machine Tools

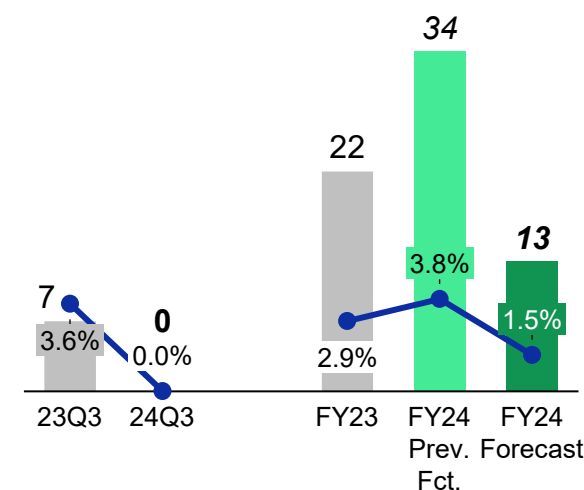


Industrial Sewing Machines



<Business Segment Profit>

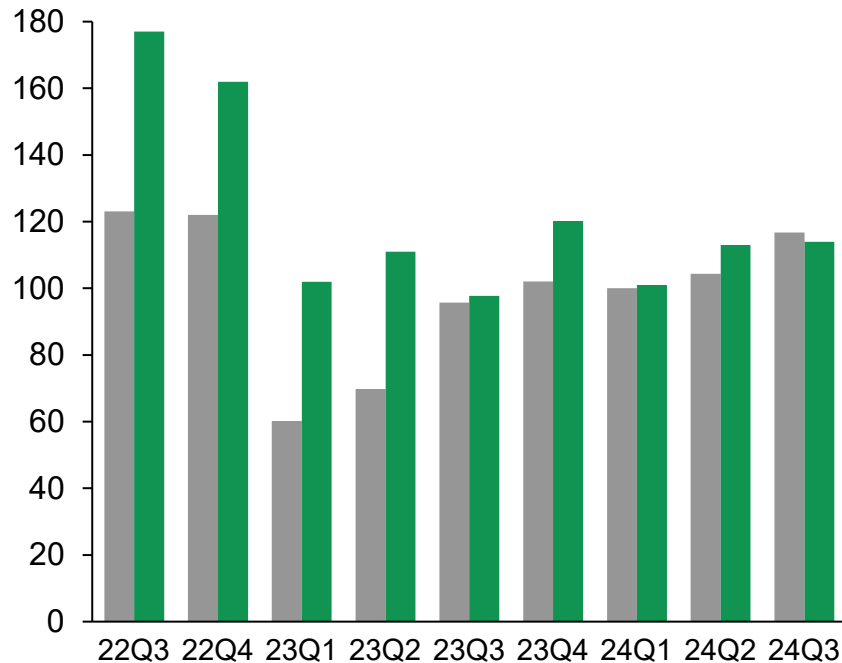
Profit ratio



Machinery (Machine Tools) Order Trends

Trends in order amount and sales revenue

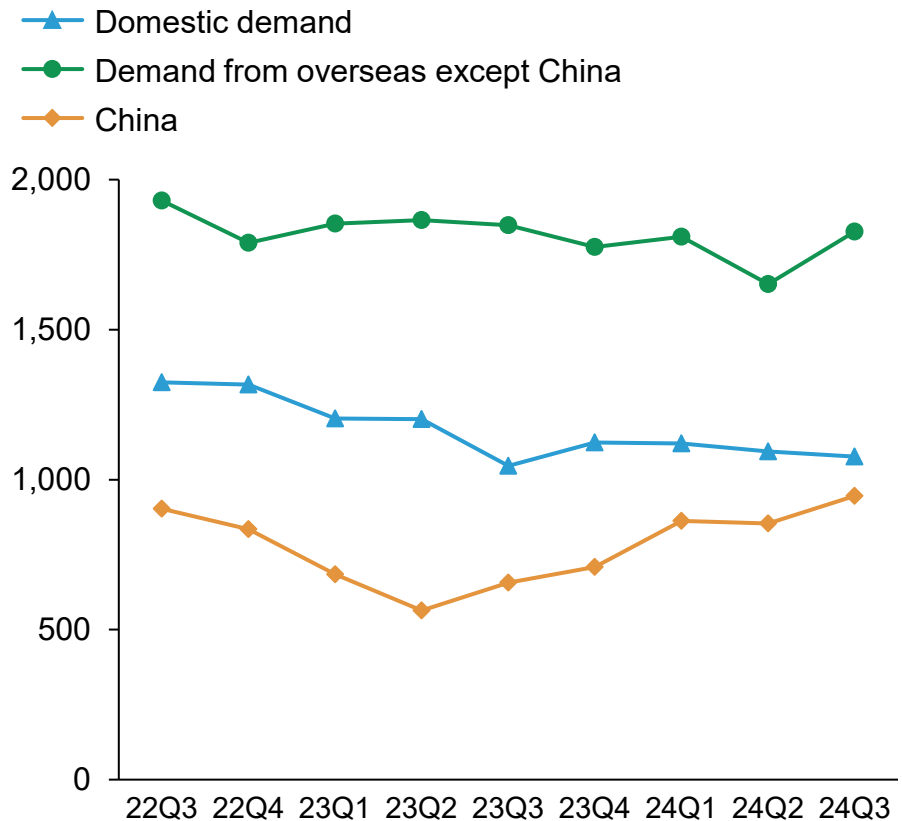
Order amount
Sales revenue



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

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

(100 Millions of Yen)



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

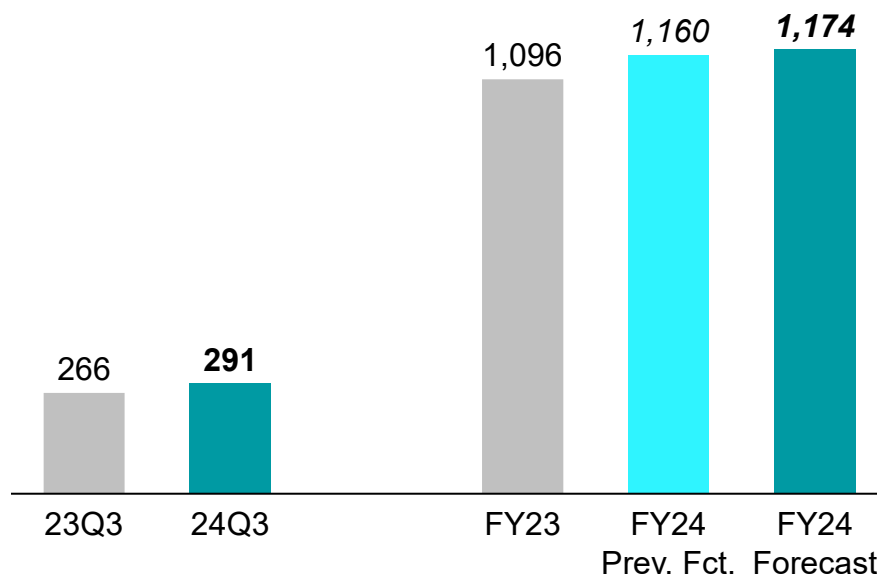
Domino Sales Revenue & Profit

(100 Millions of Yen)

	23Q3	24Q3	Change	Change w/o FX
Sales revenue	266	291	9.6%	5.9%
Americas	72	78	7.8%	6.3%
Europe	111	122	10.4%	1.5%
Asia & others	74	81	9.2%	10.5%
Japan	9	10	17.2%	-
Business segment profit	7	7	6.8%	-
Operating profit	2	8	270.9%	-

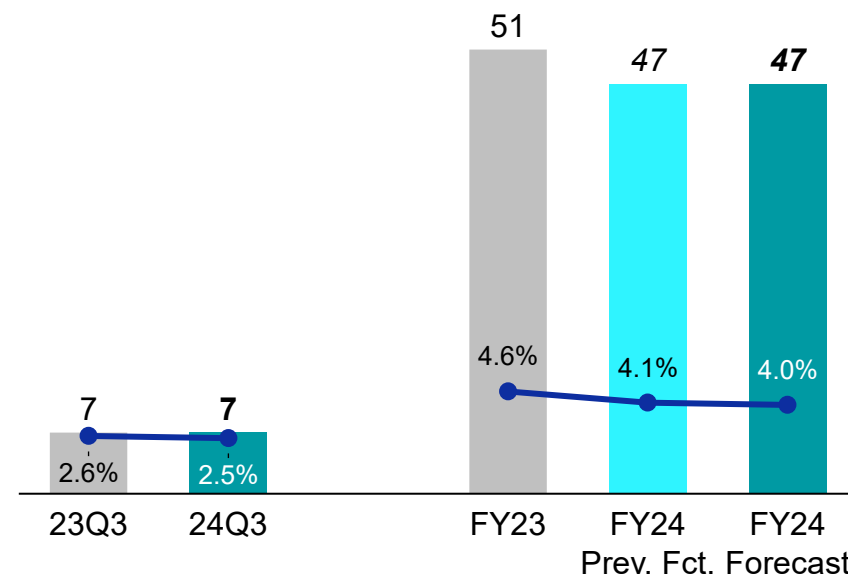
	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	1,096	1,160	1,174	7.0%	2.4%
Americas	281	298	308	9.6%	6.5%
Europe	469	506	507	8.2%	0.9%
Asia & others	310	314	317	2.2%	-0.4%
Japan	36	41	41	14.2%	-
Business segment profit	51	47	47	-6.9%	-
Operating profit	-241	41	41	-	-

<Sales Revenue>



<Business Segment Profit>

● Profit ratio



Nissei

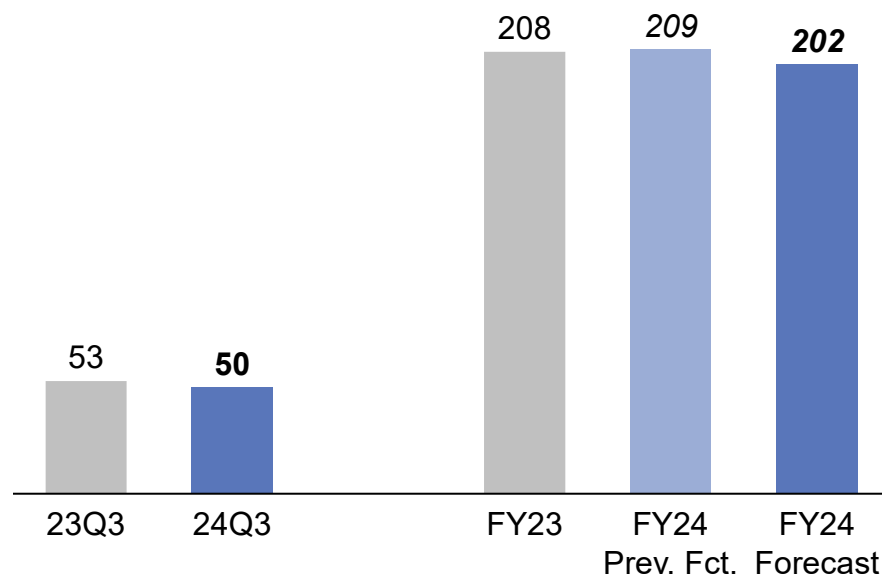
Sales Revenue & Profit

(100 Millions of Yen)

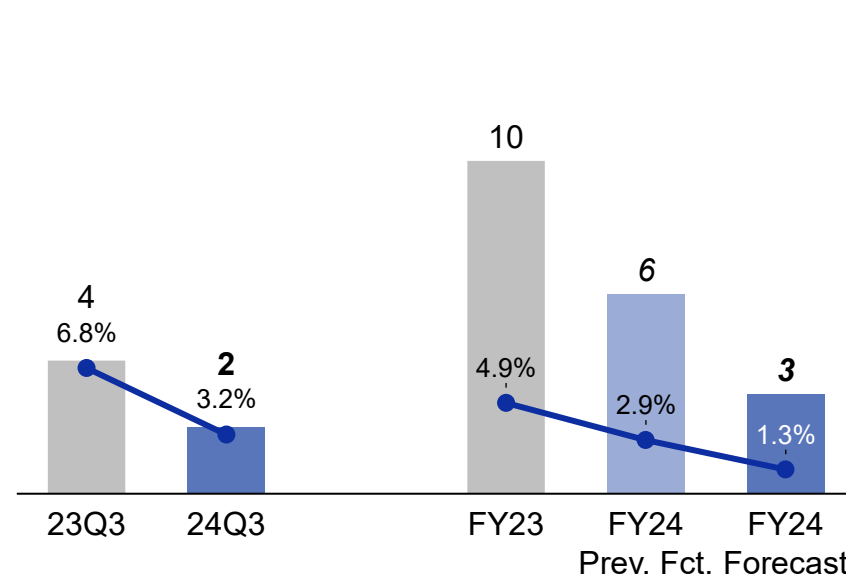
	23Q3	24Q3	Change	Change w/o FX
Sales revenue	53	50	-6.5%	-6.8%
Americas	8	7	-11.2%	-13.2%
Europe	-	-	-	-
Asia & others	9	7	-24.9%	-25.0%
Japan	37	37	-1.1%	-
Business segment profit	4	2	-55.9%	-
Operating profit	4	2	-53.1%	-

	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	208	209	202	-3.2%	-4.1%
Americas	33	30	31	-6.0%	-10.0%
Europe	-	-	-	-	-
Asia & others	35	34	30	-12.8%	-14.7%
Japan	141	144	141	-0.1%	-
Business segment profit	10	6	3	-73.5%	-
Operating profit	10	6	3	-72.8%	-

<Sales Revenue>



<Business Segment Profit> Profit ratio



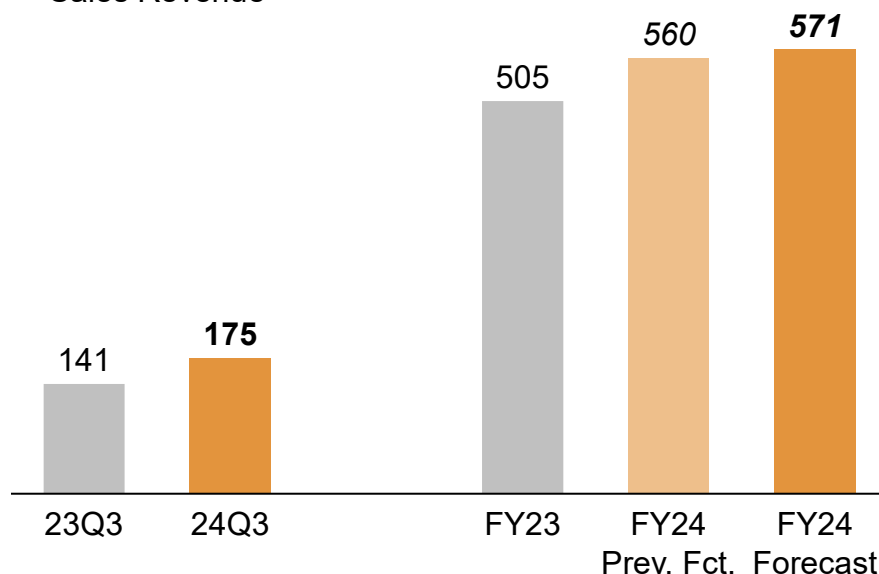
Personal & Home Sales Revenue & Profit

(100 Millions of Yen)

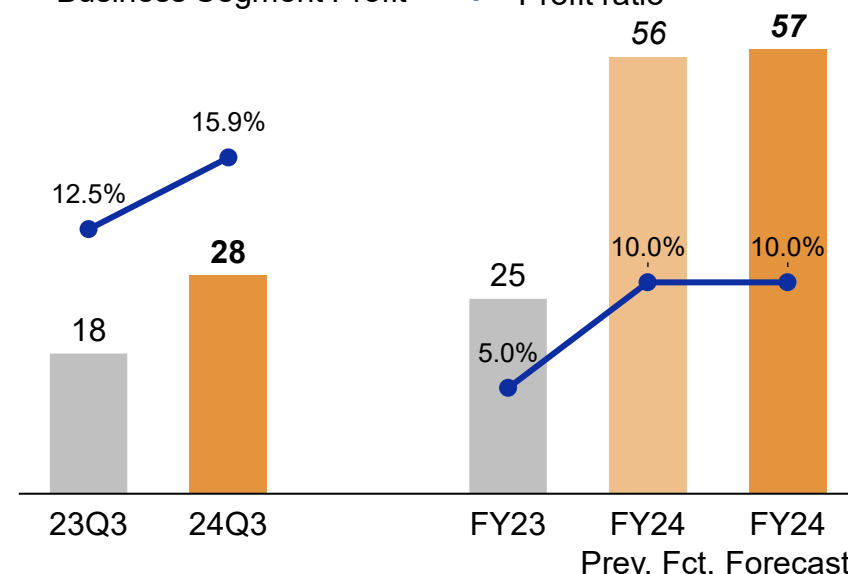
	23Q3	24Q3	Change	Change w/o FX
Sales revenue	141	175	24.1%	22.9%
Americas	79	106	33.9%	33.6%
Europe	41	46	13.4%	11.1%
Asia & others	14	16	9.6%	6.5%
Japan	7	7	4.3%	-
Business segment profit	18	28	57.3%	-
Operating profit	17	29	67.5%	-

	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY	Change w/o FX
Sales revenue	505	560	571	13.1%	10.9%
Americas	300	339	345	15.0%	14.0%
Europe	126	135	139	10.6%	6.3%
Asia & others	51	56	57	11.9%	7.4%
Japan	28	30	29	5.8%	-
Business segment profit	25	56	57	126.5%	-
Operating profit	25	56	57	130.0%	-

<Sales Revenue>



<Business Segment Profit> —●— Profit ratio



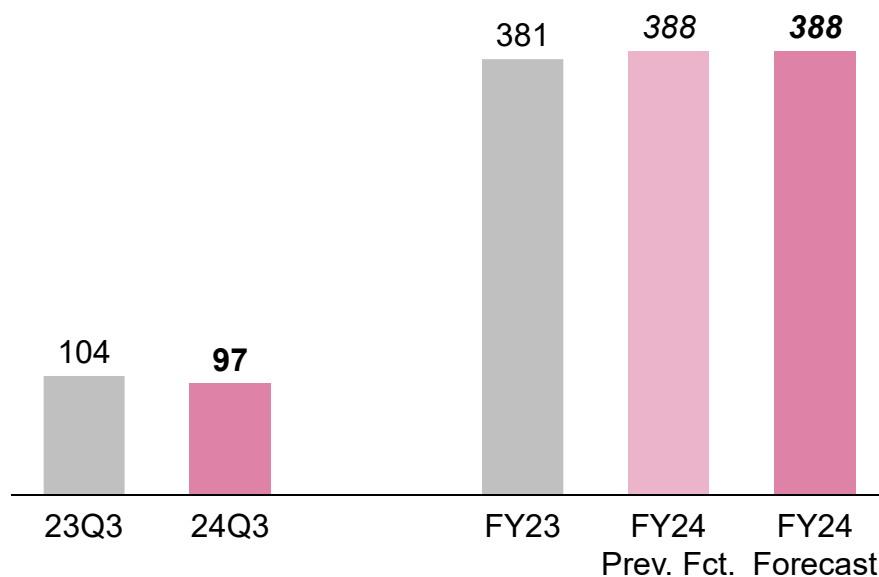
Network & Contents Sales Revenue & Profit

(100 Millions of Yen)

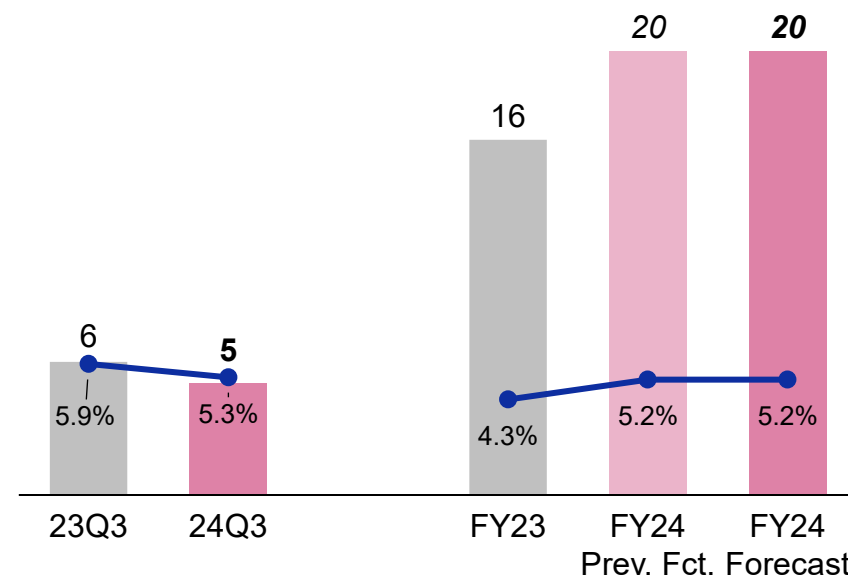
	23Q3	24Q3	Change
Sales revenue	104	97	-6.7%
Business segment profit	6	5	-16.7%
Operating profit	6	5	-13.5%

	FY23	FY24 Prev. Fct.	FY24 Forecast	Change vs LY
Sales revenue	381	388	388	1.8%
Business segment profit	16	20	20	23.2%
Operating profit	17	21	21	26.5%

<Sales Revenue>



<Business Segment Profit> —●— Profit ratio



Notice of Announcement of New Medium-Term Business Strategy

Release of Materials

Monday, March 3, 11:00 a.m.

On TDnet and the Company's website

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							
			Industrial Sewing Machines	Industrial Sewing Machines						
	Industrial Printing	Domino	Garment Printing							
Printing & Solutions			Labeling	Commercial & Industrial Labeling						
	Home & Office Labeling									
	Communications & Printing Equipment									
Consumer area	Printing									
	Home & Culture	Personal & Home								
		Network & Contents								
					Area (Main products & service portfolio)					