FY2025 Financial Results

Progress on the Medium-term Business Strategy “CS B2027”

May 8, 2026

Brother Industries, Ltd.

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.

Agenda

◆ Financial Results

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- Results for FY2025
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- Financial Position/ Cash Flows/ Capital Expenditure, Depreciation & Amortization/ R&D Expenses
- Shareholder Returns
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  - Results for FY2025 Q4 (Jan.-Mar., 2026)
  - Business Segment Information (Results for FY2025)
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◆ Progress on the Medium-term Business Strategy "CS B2027"

Fiscal Year 2025 (ended March 31, 2026)
Financial Results

May 8, 2026

Brother Industries, Ltd.

Akira Nakashima

Executive Officer, Responsible for Finance & Accounting Dept.

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Highlights

Highlights

Results for FY2025

Sales revenue 893.5 billion yen/ +5.3% (YoY)

- Sales of hardware and consumables were steady, including the impact of price adjustments in the P&S business, and sales of machine tools were strong in the Machinery business. In addition to these results, there were positive FX effects, and sales revenue reached a new record high.

Business segment profit 83.6 billion yen/ +10.8% (YoY)

- Despite an increase in sales promotion and SG&A expenses, business segment profit increased as a result of effects from higher sales revenues from machine tools in the Machinery business, as well as positive FX effects.
- The additional U.S. tariff burden was fully absorbed through price adjustments and control of expenses.

Operating profit 77.9 billion yen/ +15.0% (YoY)

- Despite recording FX losses, operating profit increased due to the recording of temporary proceeds, such as a gain on transfer of the Karaoke Club business.

Net income* 67.6 billion yen/ +23.5% (YoY)

- Net income reached a new record high with addition of adjustments to tax effects in discontinued operations.

Forecast for FY2026

Sales revenue 910.0 billion yen/ +1.9% (YoY)

Business segment profit 85.0 billion yen/ +1.6% (YoY)

- Although risks stemming from the situation in the Middle East, soaring parts and materials prices, and the impact of changes in U.S. tariff policies are anticipated, we will increase sales revenue and profits due to business expansion in the industrial area.
- We will steadily execute the growth investments outlined in our medium-term strategy, "CS B2027."

Shareholder returns

- Annual dividend for FY2025 of 100 yen per share (planned)
- Annual dividend for FY2026 of 100 yen per share (planned)
- In addition, the Company will conduct share repurchases up to 20 billion yen

* Net income attributable to owners of the parent company

As of the third quarter of FY2025, the N&C (Network & Contents) business has been classified as discontinued operations. The figures from sales revenue to income before tax are the amounts excluding discontinued operations, and the figure for net income attributable to owners of the parent company is the total amount of continuing operations and discontinued operations. Figures for the same period of the previous fiscal year have been reclassified on the same basis for comparison.

Results for FY2025

Consolidated Results for FY2025

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Sales revenue and profit increased mainly due to increased sales in the P&S and Machinery businesses. Despite recording FX losses, operating profit increased due to the recording of temporary proceeds, such as a gain on transfer of the Karaoke Club business.

(100 Millions of yen)

	(A) FY24 Actual Pre-Reclass (disclosed last year)	(B) FY24 Actual Post-Reclass	(C) FY25 Actual	(C-B) Change (w/o FX)	(C/B-1) Rate of Change (w/o FX)	(D) Previous Forecast	(C-D) Change (w/o FX)	(C/D-1) Rate of Change (w/o FX)
Sales revenue	8,766	8,489	**8,935**	446 (329)	5.3% (3.9%)	8,850	85 (15)	1.0% (0.2%)
Business segment profit	777	755	**836**	81 (8)	10.8% (1.1%)	800	36 (22)	4.5% (2.7%)
Business segment profit ratio	8.9%	8.9%	**9.4%**			9.0%		
Other income/expense	-78	-78	**-58**	20	-	-0	-58	-
Operating profit	699	677	**779**	102	15.0%	800	-21	-2.7%
Operating profit ratio	8.0%	8.0%	**8.7%**			9.0%		
Income before tax	747	725	**820**	94	13.0%	830	-10	-1.3%
Net income from continuing operations	548	534	**626**	92	17.2%		1	0.1%
Net income from discontinued operations	-	14	**50**	37	265.8%		5	11.7%
Net income attributable to owners of the parent company	548	548	**676**	128	23.5%	670	6	0.9%
USD	152.48	152.48	**150.97**	-1.51	-	149.99	0.98	-
EUR	163.62	163.62	**174.54**	10.92	-	173.29	1.25	-

■FX sensitivity

(Impact on annual results from a one-yen depreciation of the yen)
(Billions of yen)

FY25 results	Sales revenue	Business Segment Profit
USD	1.6	-0.3
EUR	1.1	0.8

- ・Gains on sales of fixed assets (Q2) : +23
- ・Gain on transfer the Karaoke Club business : +46
- ・Impairment loss on on some fixed assets related to Printing & Automation in the IP business (Q4) : -20
- ・Structural reform expense for the P&S business (Q4) : -27
- ・FX losses : -69

・Adjustments to tax effects related to a partial transfer of XING shares in FY26 : +41

As of the third quarter of FY25, the N&C (Network & Contents) business has been classified as discontinued operations. Regarding the actual results of FY25 shown in Column C (and the previous forecast shown in Column D), the figures from sales revenue to income before tax are the amounts excluding discontinued operations, and the figure for net income attributable to owners of the parent company is the total amount of continuing operations and discontinued operations. Figures in Column B for the same period of the previous fiscal year have been reclassified on the same basis.

Results for FY2025 by Business Segment

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・Structural reform expense for the P&S business (Q4) : -27

・Impairment loss on some fixed assets related to Printing & Automation in the IP business (Q4): -20

(100 Millions of yen)

	Sales revenue			Business segment profit			Operating profit		
	FY24 Actual Post-Reclass	**FY25 Actual**	Change	FY24 Actual Post-Reclass	**FY25 Actual**	Change	FY24 Actual Post-Reclass	**FY25 Actual**	Change
P&S (Printing & Solutions)	5,448	5,706	258	610	664	55	589	581	-8
IP (Industrial Printing)	1,373	1,393	20	52	29	-23	32	-17	-49
Machinery	673	830	157	11	67	56	12	67	55
Nissei	200	214	14	5	10	5	0	10	10
P&H (Personal & Home)	572	610	38	73	66	-7	67	60	-7
Other	223	182	-41	4	0	-4	-22	78	100
Total	**8,489**	**8,935**	**446**	**755**	**836**	**81**	**677**	**779**	**102**

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

・Gains on sales of fixed assets (Q2): ＋23
・Gain on transfer the Karaoke Club business : ＋46

・FX losses : -69

As the N&C (Network & Contents) business is a discontinued operation, it is excluded from the figures. Figures for results of the previous fiscal year have been reclassified on the same basis.

Review of FY2025

Review of FY2025 by Business Segment (on a results basis excluding FX effects)

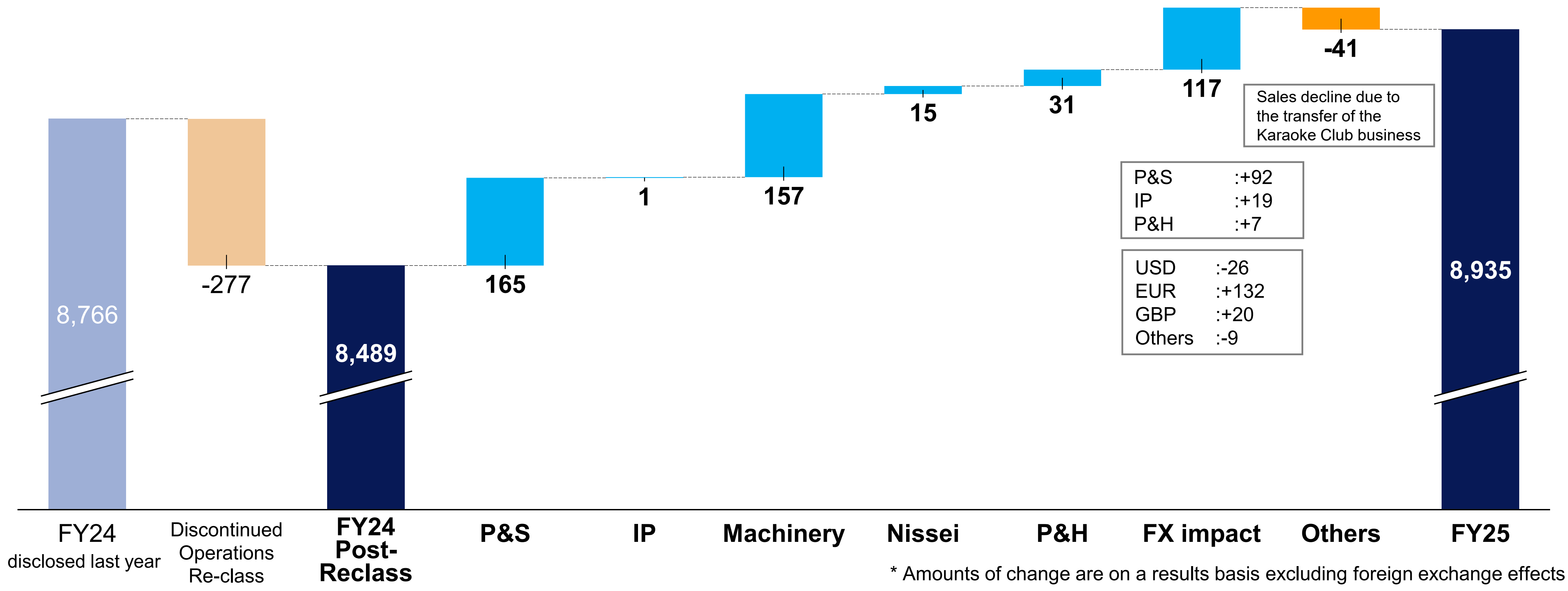
(Blue indicates positive change from the previous year; red indicates negative change.)

P&S	Sales revenue	**[Communications & printing equipment]** Hardware： Revenue increased due to higher sales volumes in each regions compared to the previous year, which was affected by supply constraints, as well as the effect from price adjustments Consumables：Revenue increased as sales were firm overall due to the effect from price adjustments and other factors **[Labeling]** Revenue increased as sales of both hardware and consumables were firm in all regions except Europe
P&S	Profit	Although business segment profit increased due to price adjustments and other factors, operating profit declined due to the recording of foreign exchange losses and other items
IP	Sales revenue	**[Domino]** Although demand for capital investment was soft, consumables sales were firm and revenue increased **[Printing & automation]** Revenue decreased due to intensified competition and lower sales of both hardware and consumables.
IP	Profit	Business segment profit decreased due to the impact of reduced revenue from Printing & Automation, as well as increases in SG&A expenses and U.S. tariff costs among other factors Operating profit posted a loss due to the recording of impairment losses in Printing & Automation and foreign exchange losses
Machinery	Sales revenue	**[Machine tools]** Revenue increased as demand for capital investment in the automotive and general machinery markets expanded, mainly in China and Asia **[Industrial sewing machines]** Revenue decreased due to postponed of capital investment in the apparel market caused by U.S. tariffs
Machinery	Profit	Profit increased significantly due to increased revenue from machine tools
Nissei	Sales revenue/ Profit	With signs of a recovery in demand for capital investment in some markets, sales of both reducers and gears remained steady, resulting in increased revenue and profit
P&H	Sales revenue	Sales of low- and middle-end models remained steady across all regions, resulting in increased revenue
P&H	Profit	Profit decreased from the previous year, which benefited from effects from new high-end models

FY2025
Main Factors for Changes in Sales Revenue

Sales revenue increased due to steady sales of both hardware and consumables in the P&S business, including the impact of price adjustments, strong sales of machine tools in the Machinery business, and positive FX effects.

(100 Millions of Yen)

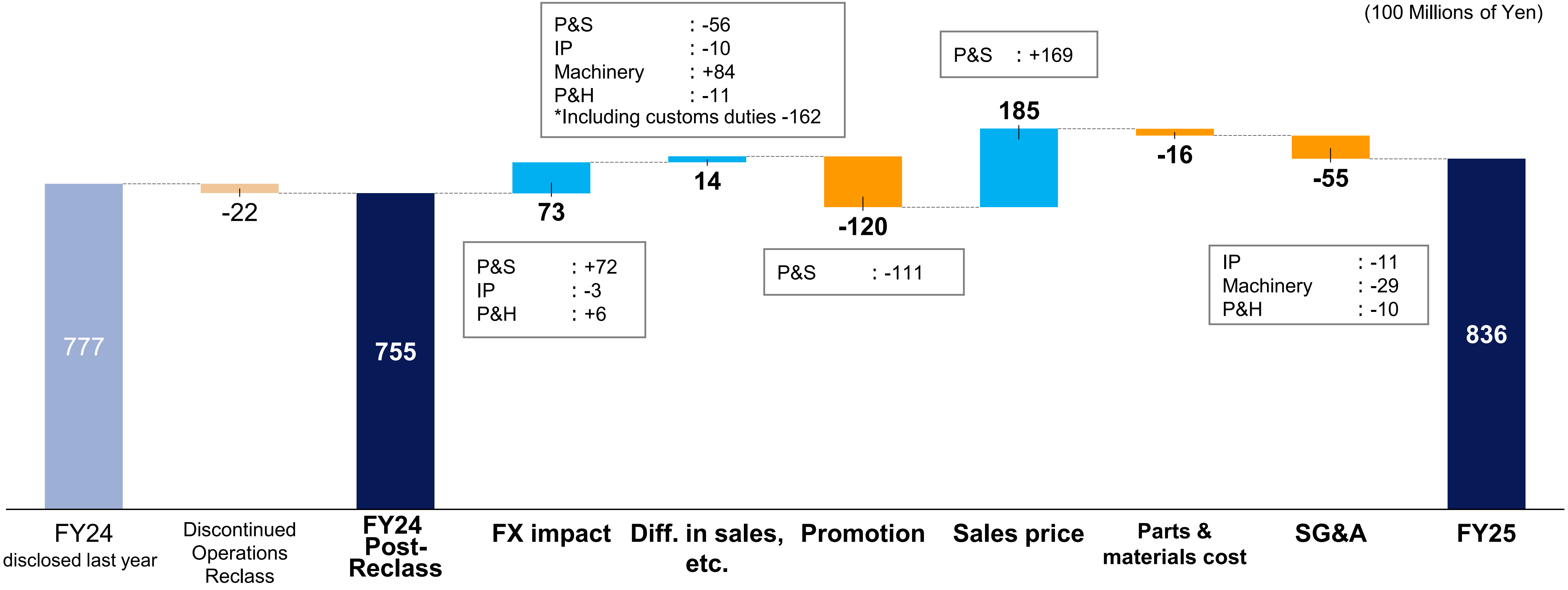


* Amounts of change are on a results basis excluding foreign exchange effects

As the N&C (Network & Contents) business is a discontinued operation, it is excluded from the figures. Figures for results of the previous fiscal year have been reclassified on the same basis for comparison.

Main Factors for Changes in Business Segment Profit

Despite an increase in sales promotion and SG&A expenses, business segment profit increased as a result of effects from higher sales revenues from machine tools in the Machinery business, as well as positive FX effects. The additional tariff burden was fully absorbed through price adjustments and control of expenses.



As the N&C (Network & Contents) business is a discontinued operation, it is excluded from the figures. Figures for results of the previous fiscal year have been reclassified on the same basis for comparison.

Forecast for FY2026

Changes in Disclosed Segments

As of the third quarter of FY2025, the N&C (Network & Contents) business has been classified as discontinued operations. From FY2026, results from MUTOH HOLDINGS will be included in the Printing & Automation segment of the IP business for disclosure purposes.

～FY25Q2

- **P&S (Printing & Solutions)**
  - Communications & printing equipment
  - Labeling
- **IP (Industrial Printing)**
  - Domino
  - Printing & automation
- **Machinery**
  - Machine tools
  - Industrial sewing machines
- **Nissei**
- **P&H (Personal & Home)**
- **N&C (Network & Contents)**
- **Other**

FY25Q3～

＊FY25 reclassified retrospectively.

- **P&S (Printing & Solutions)**
  - Communications & printing equipment
  - Labeling
- **IP (Industrial Printing)**
  - Domino
  - Printing & automation
- **Machinery**
  - Machine tools
  - Industrial sewing machines
- **Nissei**
- **P&H (Personal & Home)**
- **Other** — Gain on transfer the Karaoke Club business and pre-transfer earnings
- **Discontinued operations**

FY26～

- **P&S (Printing & Solutions)**
  - Communications & printing equipment
  - Labeling

- **IP (Industrial Printing)**
  - Domino
  - Printing & automation — **MUTOH results included**

- **Machinery**
  - Machine tools
  - Industrial sewing machines
- **Nissei**
- **P&H (Personal & Home)**

- **Other**
- **Discontinued operations**

*Sub-businesses within P&S, IP and Machinery businesses disclose sales revenue only.

Forecast for FY2026

Although risks stemming from the situation in the Middle East, soaring parts and materials prices, and the impact of changes in U.S. tariff policies are anticipated, we will increase sales revenue and profits due to business expansion in the industrial area.

(100 Millions of Yen)

	FY25 Actual	FY26 Forecast	Change (w/o FX)	Rate of Change (w/o FX)	Reference: Original forecast (before reflecting effects)
Sales revenue	8,935	**9,100**	165 (163)	1.9% (1.8%)	9,520
Business segment profit	836	**850**	14 (-29)	1.6% (-3.4%)	940
Business segment profit ratio	9.4%	**9.3%**			9.9%
Other income/expense	-58	**0**	58		-30
Operating profit	779	**850**	71	9.2%	910
Operating profit ratio	8.7%	**9.3%**			9.6%
Income before tax	820	**875**	55	6.7%	940
Net income from continuing operations	626	**640**	14	2.2%	700
Net income from discontinued operations	50	**80**	30	58.8%	80
Net income attributable to owners of the parent company	676	**720**	44	6.4%	780
USD	150.97	**150.00**	-0.97		150.00
EUR	174.54	**180.00**	5.46		180.00

Preconditions for Forecast for FY2026

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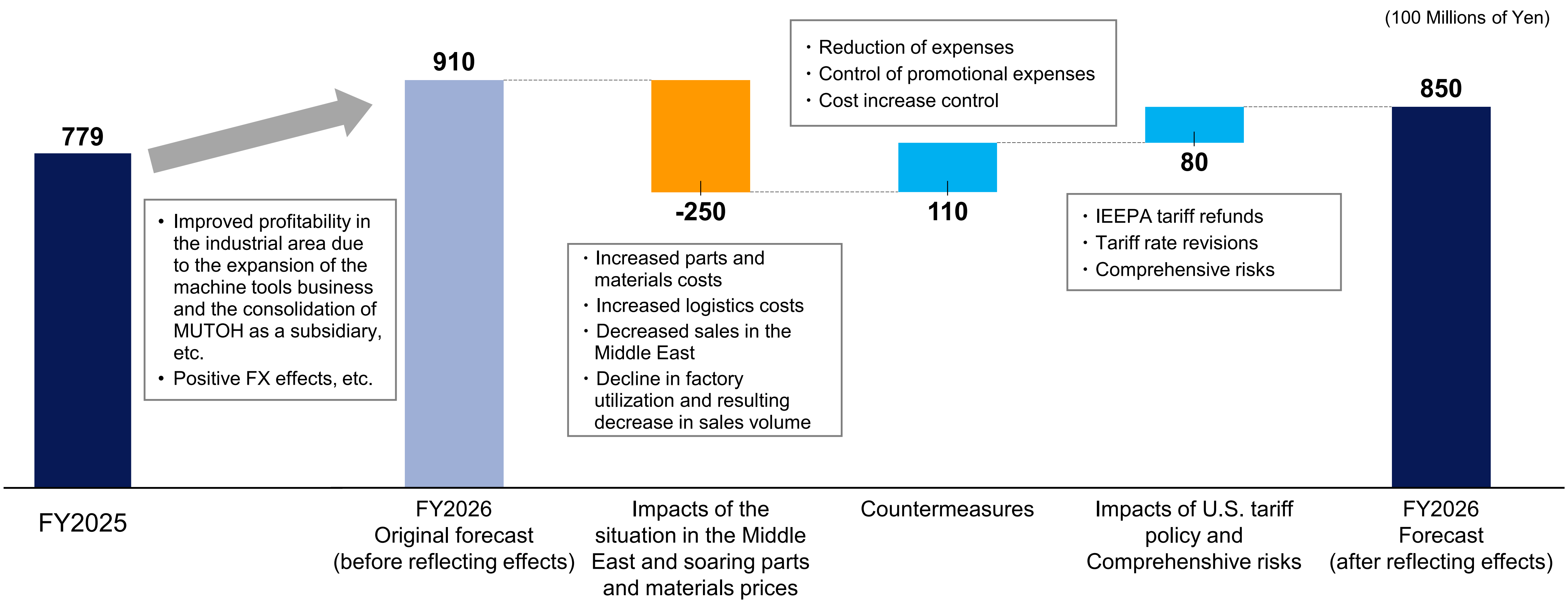
The effects of risks stemming from the situation in the Middle East, soaring parts and materials prices, and changes in U.S. tariff policies have been factored into the forecasts for FY2026 based on the following assumptions. We plan to continue closely monitoring the situation, assessing impacts, and will update the forecasts for the year as necessary.

Exchange rate assumptions	**1USD＝150 yen, 1EUR＝180 yen**	
Impacts of the situation in the Middle East and soaring parts and materials prices	Assuming the situation in the Middle East will continue for about six months, and soaring parts and materials prices will continue whole year. the following factors are factored into the forecast. **[Risk factors] -25 billion yen** ・Increased parts and materials costs, primarily for resin and memory ・Increased logistics costs ・Decreased sales in the Middle East ・Decline in factory utilization due to difficulties in procuring parts and materials, and a decrease in sales volume due to subsequent product supply shortages **[Countermeasures] +11 billion yen** ・Reduction of expenses, control of promotional expenses, cost cutting	**Profit impact** **Approx.** **-14billion yen** (YoY) expected
Impacts of U.S. tariff policy	• Assuming a flat **10%** additional tariff rate until late July and a flat **15%** rate thereafter until the end of the fiscal year, the additional tariff burden is expected to decrease compared to the previous year. • A certain extent of IEEPA tariff refunds is also factored in.	**Profit impact** **Approx.** **+8billion yen** (YoY) expected
Comprehensive risks	• The outlook for profit and loss in the event that the above assumptions do not hold is factored in to a certain extent.	

Change in Operating Profit　Effects of the Situation in the Middle East and other factors

While negative impacts on profit, such as rising costs and declining sales, are anticipated due to the situation in the Middle East and soaring parts and materials prices, these effects will be minimized through the implementation of countermeasures and a review of additional U.S. tariffs.

Change in Operating profit (before and after reflecting effects from the situation in the Middle East and other factors)



Forecast for FY2026 by Business Segment

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While impact from the situation in the Middle East and soaring parts and materials prices is expected, particularly in the P&S business, we will pursue further growth for machine tools in the Machinery business and expand the IP business including MUTOH HOLDINGS.

(100 Millions of Yen)

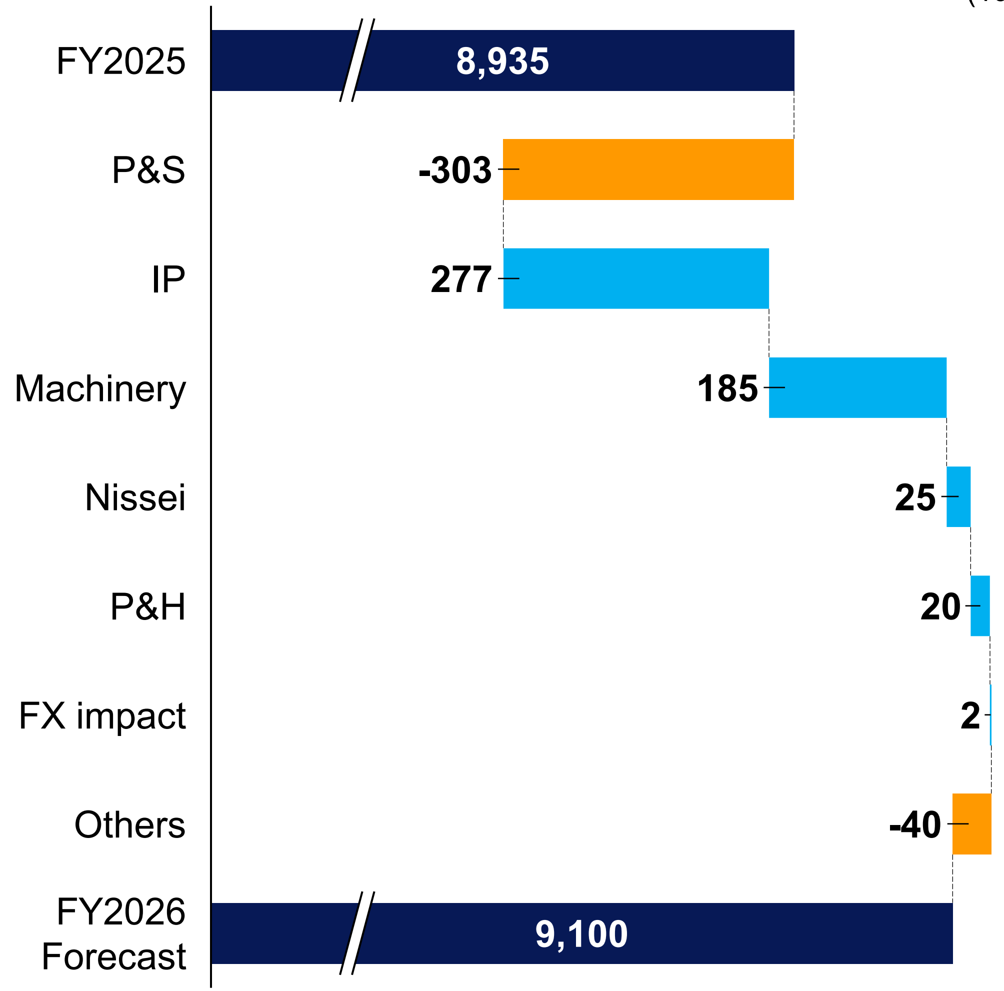
	Sales revenue			Business segment profit			Operating profit		
	FY25 Actual	**FY26 Forecast**	Change	FY25 Actual	**FY26 Forecast**	Change	FY25 Actual	**FY26 Forecast**	Change
P&S (Printing & Solutions)	5,706	5,409	-297	664	630	-34	581	630	49
IP (Industrial Printing)	1,393	1,670	277	29	40	11	-17	40	57
Machinery	830	1,010	180	67	110	43	67	110	43
Nissei	214	239	25	10	11	1	10	11	1
P&H (Personal & Home)	610	630	20	66	53	-13	60	53	-7
Other	182	142	-40	0	6	6	78	6	-71
Total	**8,935**	**9,100**	**165**	**836**	**850**	**14**	**779**	**850**	**71**

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

Sales decline due to the transfer of the Karaoke Club business

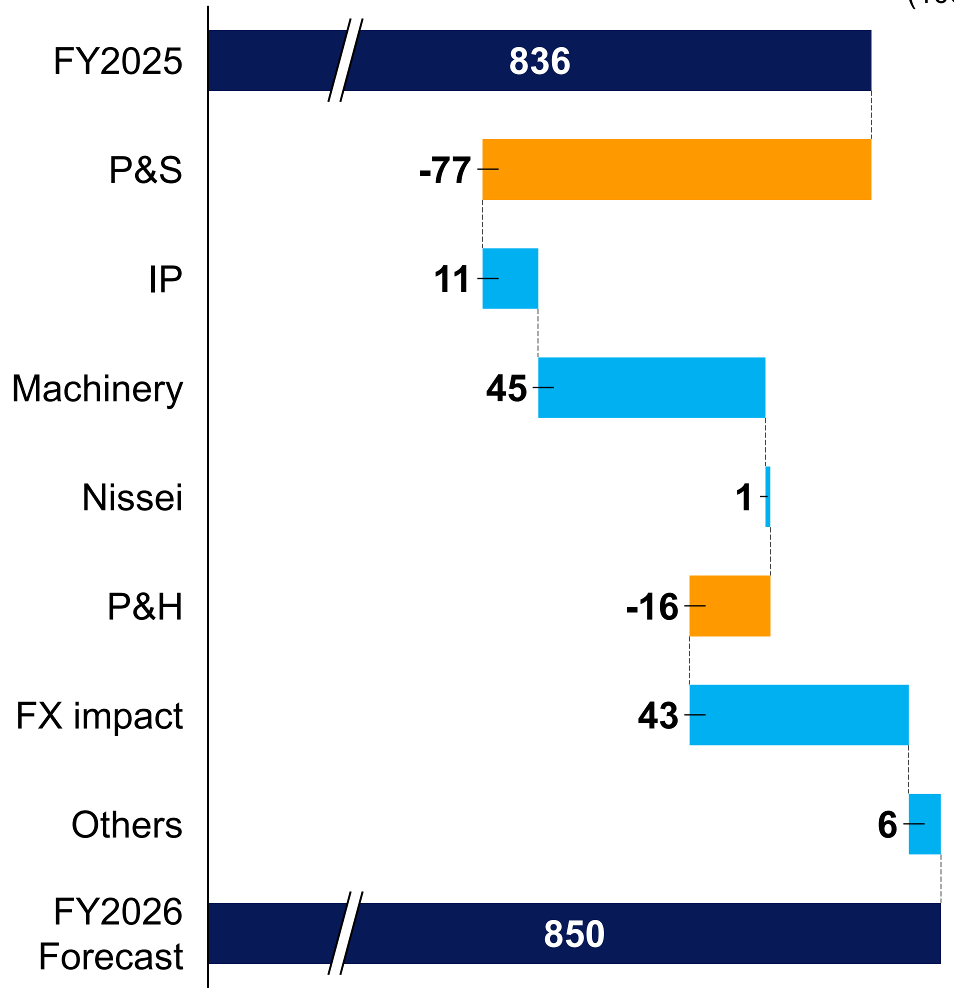
Changes in Sales Revenue

(100 Millions of Yen)



Changes in Business Segment Profit

(100 Millions of Yen)



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

Financial Position/ Cash Flows/
Capital Expenditure, Depreciation & Amortization/ R&D Expenses

Financial Position

Statements of Financial Position: Main Items

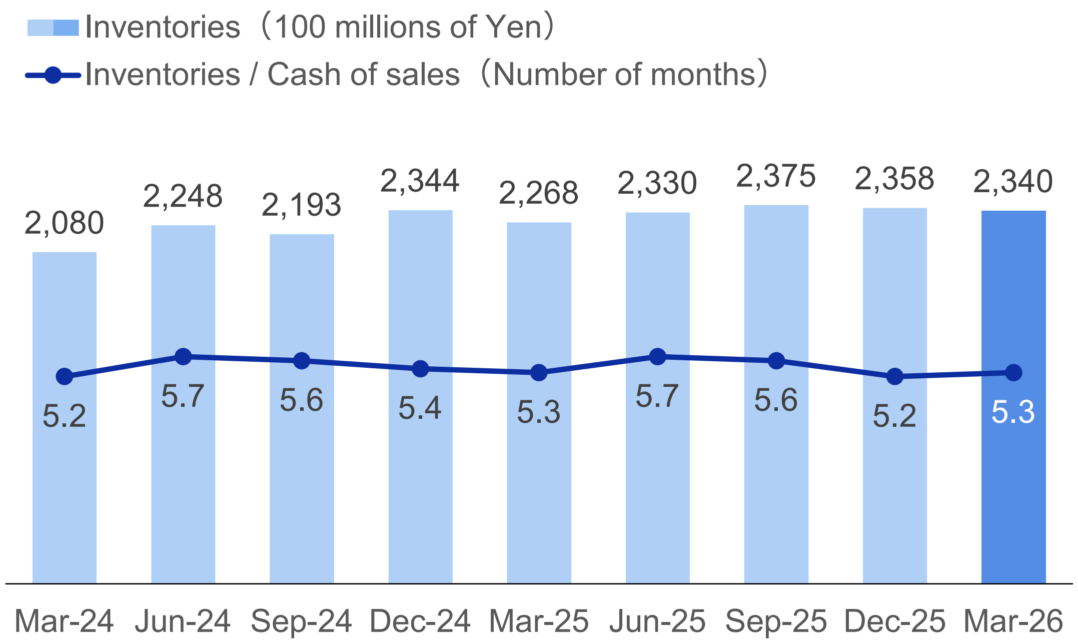
(100 Millions of Yen)

	End of Mar 25	**End of Mar 26**	Change
Current assets	5,741	**6,474**	734
Cash&Cash equivalents	1,728	**1,977**	249
Inventories	2,268	**2,340**	72
Non-current assets	3,586	**3,714**	128
Total liabilities	2,412	**2,515**	103
Interest-bearing debt	6	**10**	4
Shareholders' equity*	6,914	**7,633**	719
Total assets	9,327	**10,188**	862

	End of Mar 25	**End of Mar 26**	Change
Net cash	1,722	**1,967**	245
Shareholders' equity ratio	74.1%	**74.9%**	-
ROE	8.1%	**9.3%**	-
PBR	1.00	**0.94**	-

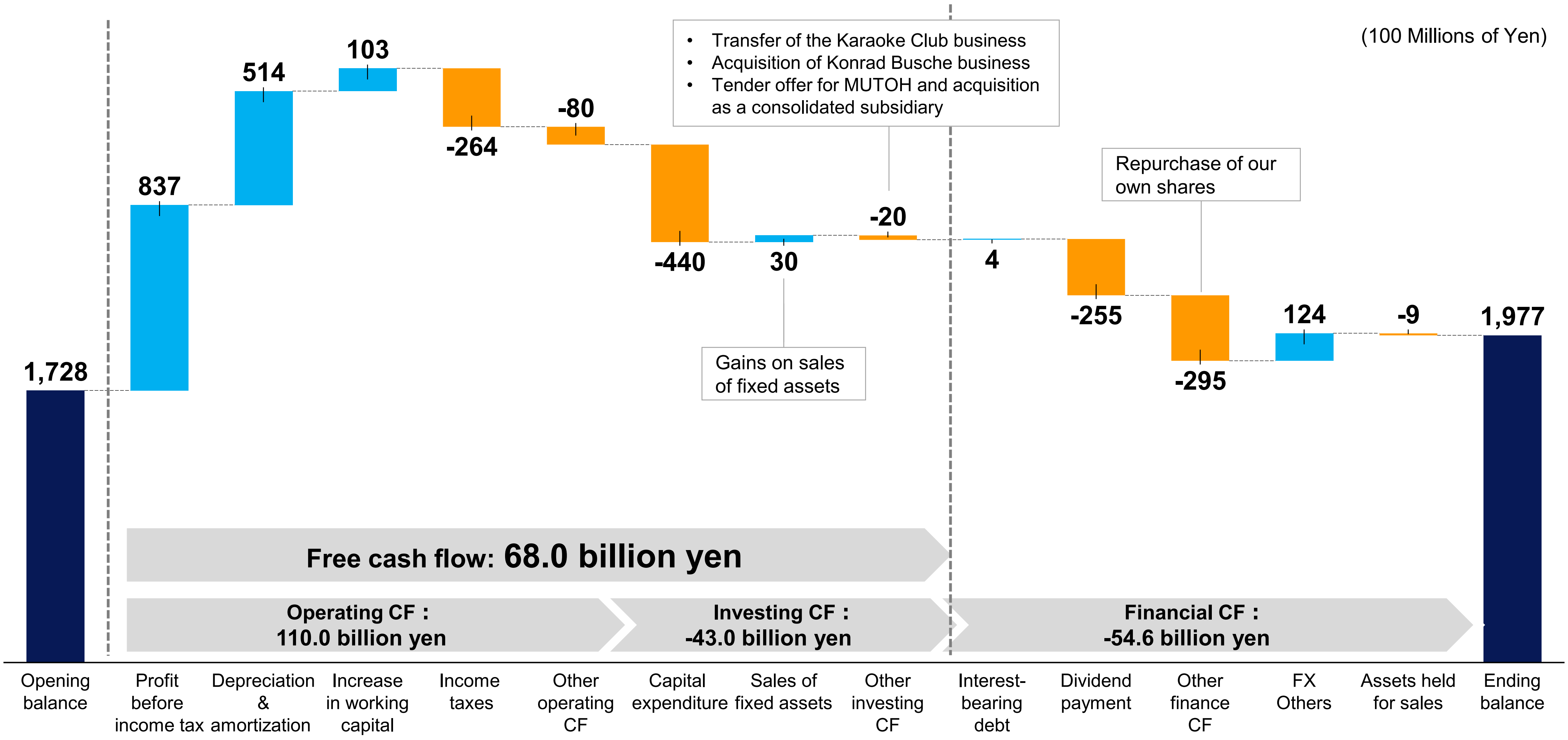
*Equity attributable to owners of the parent company

Inventory



The inventory figure from the end of December 2025 excludes discontinued operations.

FY2025 Cash Flow Analysis



Capital Expenditure, Depreciation and Amortization/ R&D Expenses

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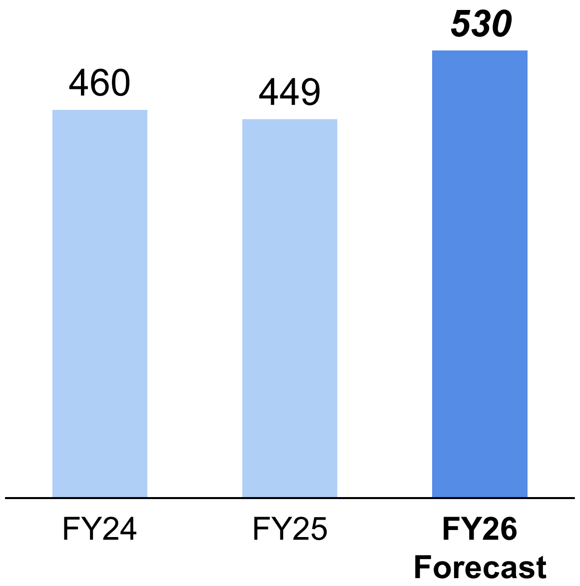
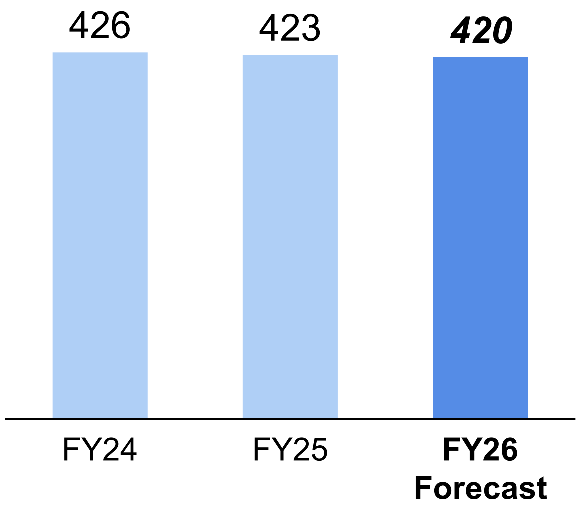
Capital Expenditure

(100 Millions of Yen)



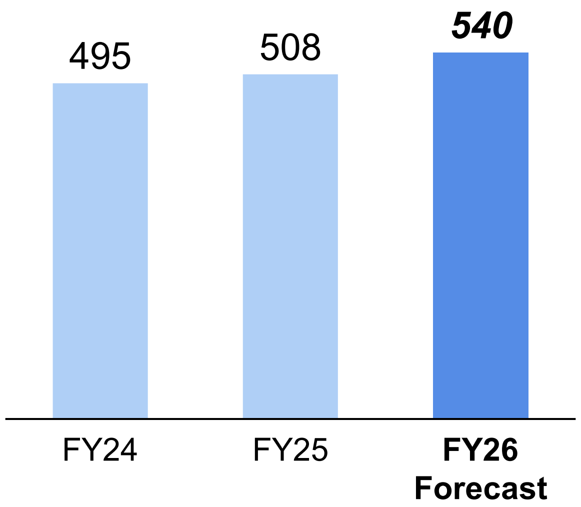
Depreciation & Amortization

(100 Millions of Yen)



R&D Expenses

(100 Millions of Yen)



Breakdown by business (CapEx) (100 Millions of Yen)

	FY24	FY25	FY26 Fct
Industrial area	83	81	145
Consumer area & Others	376	368	385
Total	460	449	530

Breakdown by business (R&D) (100 Millions of Yen)

	FY24	FY25	FY26 Fct
Industrial area	148	179	183
Consumer area & Others	347	330	357
Total	495	508	540

* The industrial area combines the Machinery, Domino (Industrial Printing for FY25), and Nissei businesses

Capital expenditure, depreciation & amortization, and R&D expenses include discontinued operations.

Shareholder Returns

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An annual dividend for FY2025 of 100 yen per share and also an annual dividend for FY2026 of 100 yen per share are planned.

CS B2027 Shareholder return policy

Basic policy **Implement stable and continuous shareholder returns**

Dividend

- Minimum annual dividend of **100 yen** per share.
- Target **dividend payout ratio of 40%**.

Repurchase of our own shares

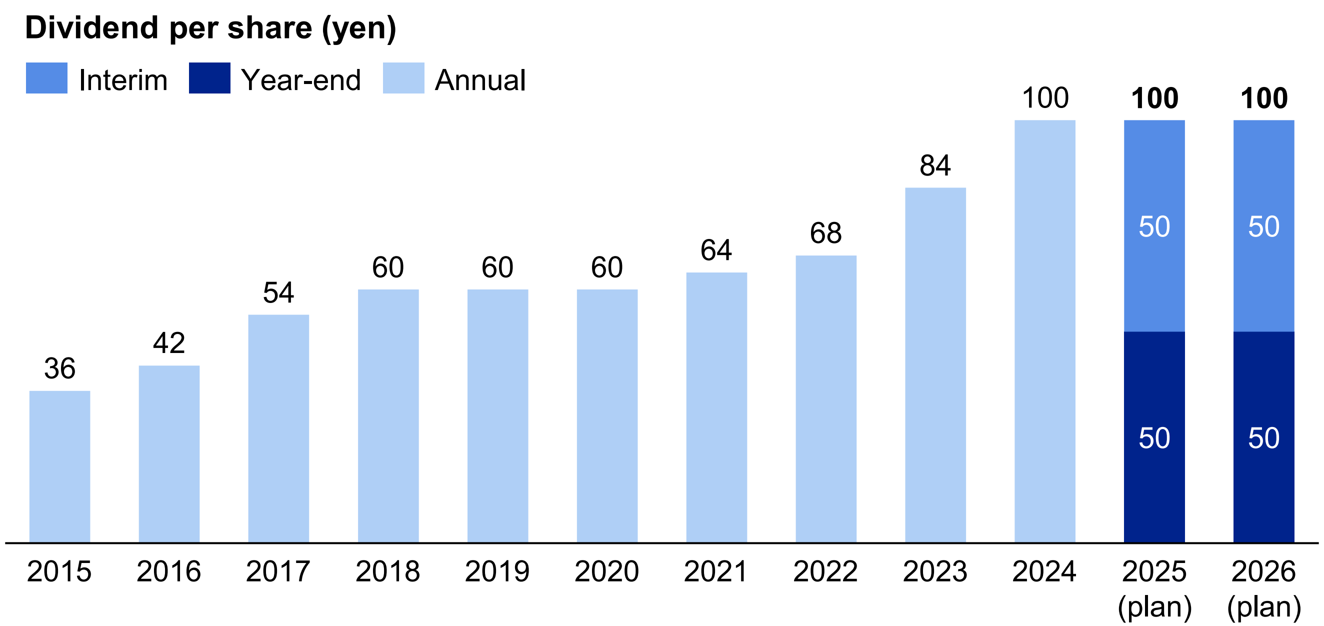
- Plan to **repurchase a total of 60 billion yen (3-year total)** of our own shares during the CS B2027 period.

Additional shareholder returns

- **Consider additional shareholder returns depending on factors such as business performance.**
  (increase in dividend level and flexible repurchase of our own shares additionally.)

Dividend

- Annual dividend for FY2025 of **100 yen** per share planned
- Annual dividend for FY2026 of **100 yen** per share planned



Repurchase our own shares up to 20 billion yen from May 2026 in order to improve shareholder return, capital efficiency and to implement flexible capital policies.
All treasury shares acquired from May 2025 onward will be cancelled.

Total purchase price	**Up to 20 billion yen**
Number of shares	**Up to 10 million shares** (% to total number of shares issued excluding treasury stock: 4.02%)
Period of repurchase	From May 11, 2026 to April 30, 2027
Treatment of shares after the share repurchase	Cancel the shares after the share repurchase in order to eliminate concerns over dilution

*The treasury shares acquired from May 12, 2025 to April 30, 2026 (about 20 billion yen) are scheduled to be cancelled on June 1, 2026.

Appendix

Results for FY2025 Q4 (Jan.-Mar., 2026)

Consolidated Results for FY2025 Q4

Sales revenue and profit both increased mainly due to higher sales of consumables in the P&S business and higher sales in the Machinery business.For operating profit, restructuring costs in the P&S business and an impairment loss on Printing & Automation in the IP business were recorded.

(100 Millions of yen)

	(A) 24Q4 Pre-Reclass (disclosed last year)	(B) 24Q4 Post-Reclass	(C) 25Q4	(C-B) Change (w/o FX)	(C/B-1) Rate of Change (w/o FX)
Sales revenue	2,178	2,106	**2,325**	218 (73)	10.4% (3.5%)
Business segment profit	85	80	**200**	120 (68)	150.2% (85.0%)
Business segment profit ratio	3.9%	3.8%	**8.6%**		
Other income/expense	-27	-27	**-49**	-21	-
Operating profit	58	53	**152**	99	187.1%
Operating profit ratio	2.7%	2.5%	**6.5%**		
Income before tax	66	61	**164**	104	171.0%
Net income from continuing operations	44	40	**156**	115	285.2%
Net income from discontinued operations	-	3	**2**	-2	-51.6%
Net income attributable to owners of the parent company	44	44	**157**	113	259.1%
USD	152.95	152.95	**156.48**	3.53	-
EUR	160.74	160.74	**183.73**	22.99	-

・Structural reform expense for the P&S business (Q4) : -27
・Impairment loss on some fixed assets related to Printing & Automation in the IP business (Q4) : -20

As of the current third quarter of FY25, the N&C (Network & Contents) business has been classified as discontinued operations. Regarding the actual results of the current quarter shown in Column C, the figures from sales revenue to income before tax are the amounts excluding discontinued operations, and the figure for net income attributable to owners of the parent company is the total amount of continuing operations and discontinued operations. Figures in Column B for the same period of the previous fiscal year have been reclassified on the same basis.

Results for FY2025 Q4 by Business Segment

・Structural reform expense for the P&S business (Q4) : -27

(100 Millions of yen)

	Sales revenue			Business segment profit			Operating profit		
	24Q4	**25Q4**	Change	24Q4	**25Q4**	Change	24Q4	**25Q4**	Change
P&S (Printing & Solutions)	1,323	1,485	161	43	163	120	42	140	98
IP (Industrial Printing)	345	374	29	5	3	-2	-8	-30	-22
Machinery	193	226	33	4	18	15	4	17	13
Nissei	51	56	5	1	1	0	-4	1	5
P&H (Personal & Home)	141	149	8	28	13	-15	22	12	-10
Other	53	35	-18	-1	2	3	-3	12	14
Total	**2,106**	**2,325**	**218**	**80**	**200**	**120**	**53**	**152**	**99**

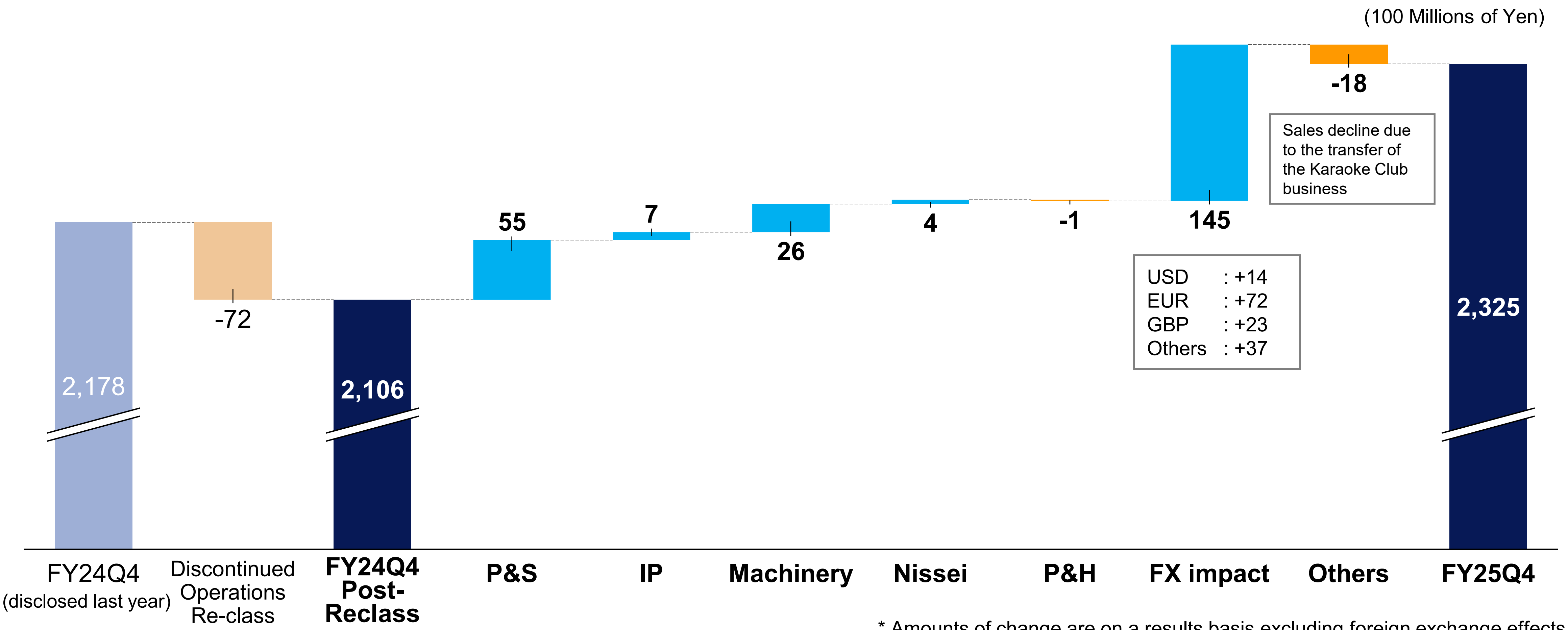
* "Other" includes elimination amounts from inter-segment transactions.

・Impairment loss on some fixed assets related to Printing & Automation in the IP business (Q4) : -20

As the N&C (Network & Contents) business is a discontinued operation, it is excluded from the figures. Figures for the same period of the previous fiscal year have been reclassified on the same basis.

FY2025 Q4
Main Factors for Changes in Sales Revenue

Sales revenue increased due to higher sales, mainly in the P&S and Machinery businesses, and positive FX effects.

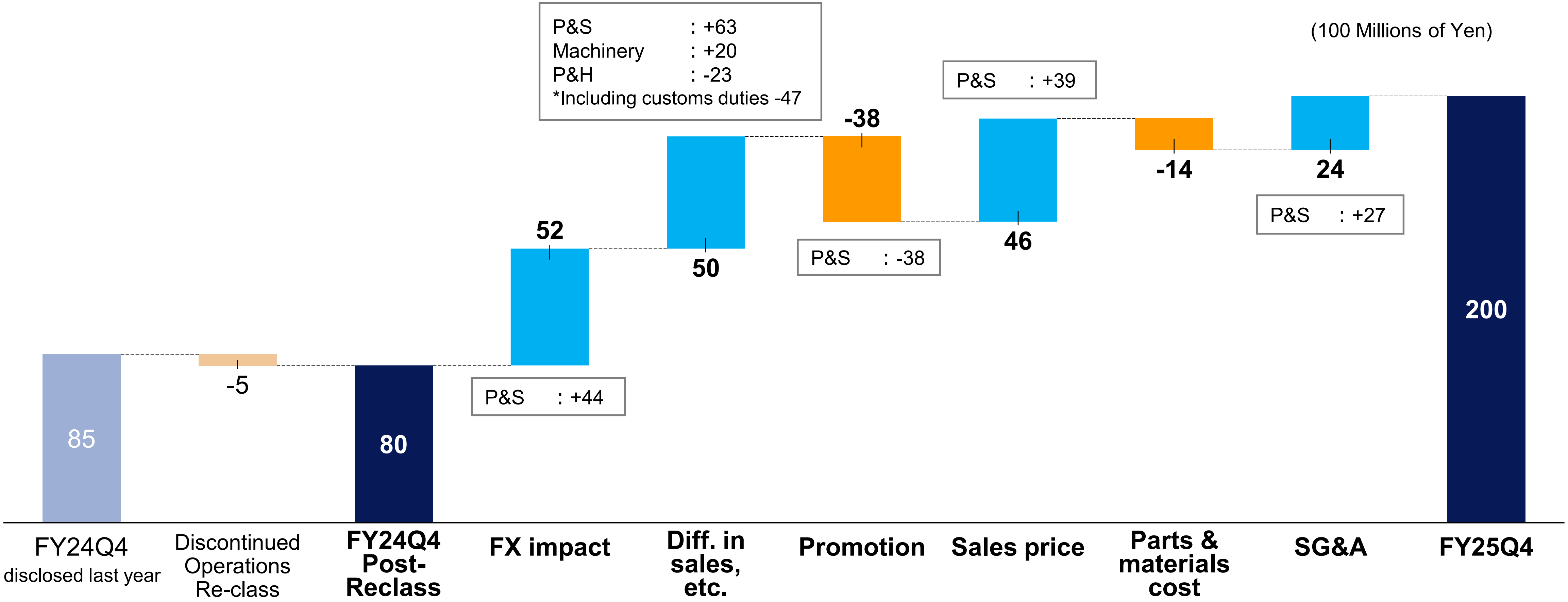


* Amounts of change are on a results basis excluding foreign exchange effects

As the N&C (Network & Contents) business is a discontinued operation, it is excluded from the figures. Figures for the same period of the previous fiscal year have been reclassified on the same basis for comparison.

Main Factors for Changes in Business Segment Profit

Although sales promotion expenses increased, business segment profit increased due to higher sales of consumables in the P&S business, the effects of higher sales revenue in the Machinery business, control of expenses, and positive FX effects. The increased in additional tariff burden was absorbed through price adjustments.



As the N&C (Network & Contents) business is a discontinued operation, it is excluded from the figures. Figures for the same period of the previous fiscal year have been reclassified on the same basis for comparison.

Business Segment Information
(Results for FY2025)

Printing & Solutions
Sales Revenue & Profit

brother at your side

(100 Millions of Yen)

	24Q4	25Q4	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Actual	Change vsFY24 (w/o FX)	Change vsFY24 (w FX)
Sales revenue	**1,323**	**1,485**	**4.2%**	**12.2%**	**5,448**	**5,661**	**5,706**	**3%**	**4.7%**
Communications & printing equipment	**1,154**	**1,296**	**4.2%**	**12.3%**	**4,755**	**4,940**	**4,983**	**3.1%**	**4.8%**
Americas	484	504	-0.1%	4.2%	1,850	1,907	1,923	5%	3.9%
Europe	352	459	13.3%	30.2%	1,501	1,616	1,621	0.8%	8%
Asia & others	212	231	2.9%	9%	952	984	1,002	5.7%	5.2%
Japan (incl. OEM)	106	102	-3.8%	-3.5%	452	433	438	-2.6%	-3.1%
Labeling	**169**	**188**	**3.8%**	**11.3%**	**693**	**721**	**722**	**2.6%**	**4.2%**
Americas	77	82	2.3%	5.7%	318	329	323	2.8%	1.6%
Europe	55	66	4.4%	19.9%	217	226	232	-0.3%	6.7%
Asia & others	23	27	9.6%	16.6%	109	112	115	5.4%	5%
Japan	14	14	0.3%	0.3%	49	54	53	7.9%	7.7%
Business segment profit	**43**	**163**	**-**	**276.1%**	**610**	**644**	**664**	**-**	**9%**
Operating profit	**42**	**140**	**-**	**232.6%**	**589**	**600**	**581**	**-**	**-1.3%**

Industrial/Consumer

Communications & Printing Equipment, Home & Office labeling — Consumer

Commercial & Industrial Labeling — Industrial

Positioning in CS B2027

Communications & Printing Equipment, Home & Office labeling — Core business

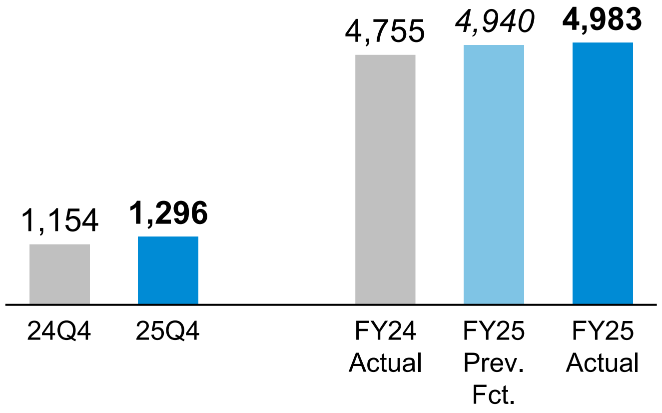
Commercial & Industrial Labeling — Growth business

Main Products and Services

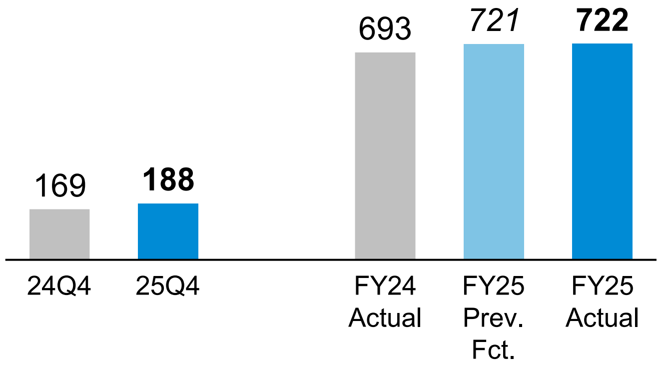
Sales Revenue

(100 Millions of Yen)

Communications & Printing Equipment

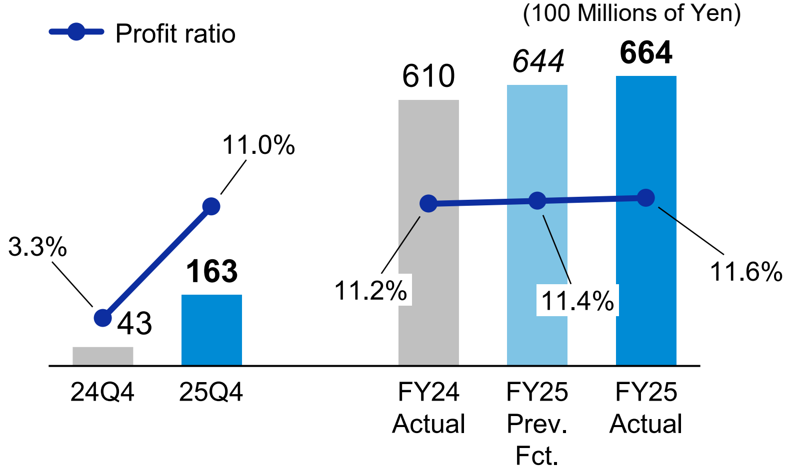


Labeling



Business Segment Profit

(100 Millions of Yen)



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

brother at your side

		23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	FY23	FY24	FY25
Sales revenue growth rate (YoY)																
Laser																
JPY	Hardware	4%	-17%	-13%	-1%	-5%	2%	-1%	1%	1%	5%	6%	8%	-8%	-1%	5%
	Consumable	3%	15%	11%	18%	11%	14%	14%	-2%	-3%	3%	0%	18%	11%	9%	4%
LC	Hardware	-1%	-21%	-16%	-9%	-12%	2%	0%	1%	9%	5%	1%	1%	-13%	-2%	4%
	Consumable	-3%	7%	5%	7%	0%	12%	12%	-2%	3%	2%	-4%	8%	4%	5%	2%
Inkjet																
JPY	Hardware	5%	3%	-5%	-1%	18%	12%	17%	14%	4%	13%	13%	3%	0%	15%	8%
	Consumable	15%	16%	0%	5%	-1%	6%	11%	-2%	-4%	9%	5%	21%	8%	3%	8%
LC	Hardware	2%	-2%	-8%	-7%	10%	14%	18%	16%	12%	13%	9%	-3%*	-4%	15%	8%
	Consumable	9%	9%	-4%	-3%	-9%	4%	10%	-2%	1%	8%	1%	12%	2%	1%	5%
Cosumable ratio		54%	53%	54%	56%	55%	55%	56%	55%	54%	54%	55%	58%	54%	55%	55%
Growth rate of hardware (Units/YoY)																
Laser		-1%	-21%	-8%	-6%	-13%	-2%	-6%	1%	5%	5%	1%	-2%	-10%	-5%	2%
Inkjet		4%	0%	-3%	-9%	13%	14%	17%	11%	9%	10%	6%	8%	-2%	14%	8%

*Q4 FY25 inkjet hardware sales (in local currency) include adjustments to IFRS sales deductions at overseas subsidiaries for Q2 and Q3 FY25

Industrial Printing
Sales Revenue & Profit

brother at your side

(100 Millions of Yen)

	24Q4	25Q4	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Actual	Change vsFY24 (w/o FX)	Change vsFY24 (w FX)
Sales revenue	**345**	**374**	**2.1%**	**8.6%**	**1,373**	**1,379**	**1,393**	**0.1%**	**1.5%**
Domino	**311**	**344**	**4%**	**10.6%**	**1,194**	**1,238**	**1,253**	**3.5%**	**5%**
Americas	81	92	-0.4%	13%	313	335	341	5.2%	8.7%
Europe	138	150	0.4%	8.4%	516	524	528	0.8%	2.2%
Asia & others	80	89	13.2%	11.6%	322	328	334	3.8%	3.7%
Japan	12	13	-	13.9%	42	50	51	-	21%
Printing & automation	**33**	**30**	**-15.6%**	**-10.8%**	**179**	**141**	**140**	**-22.4%**	**-22%**
Americas	18	13	-26.6%	-24.2%	98	65	65	-33.3%	-34.1%
Europe	8	7	-22.9%	-11.5%	38	35	33	-18.9%	-14.2%
Asia & others	4	5	21.1%	28.2%	28	26	26	-5.6%	-6.2%
Japan	4	4	-	8.5%	14	16	16	-	9.8%
Business segment profit	**5**	**3**	**-**	**-41.8%**	**52**	**16**	**29**	**-**	**-44.3%**
Operating profit	**-8**	**-30**	**-**	**263.7%**	**32**	**1**	**-17**	**-**	**-**

Industrial/Consumer

Industrial

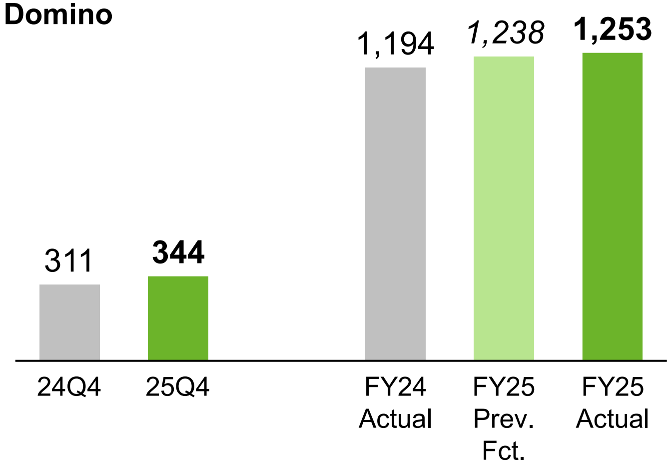
Positioning in CS B2027

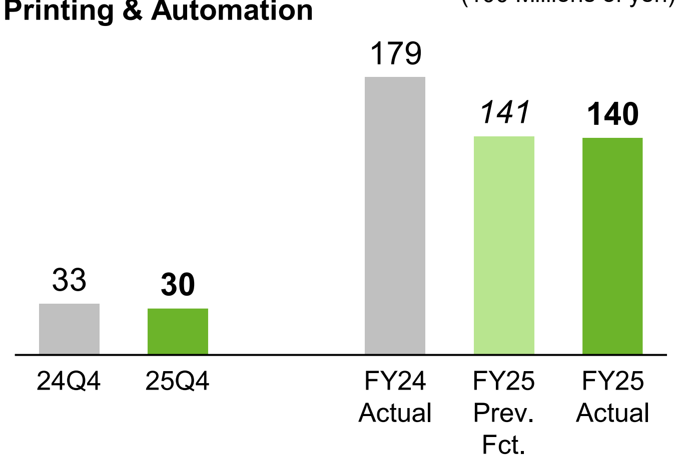
Growth business

Main Products and Services

Sales Revenue

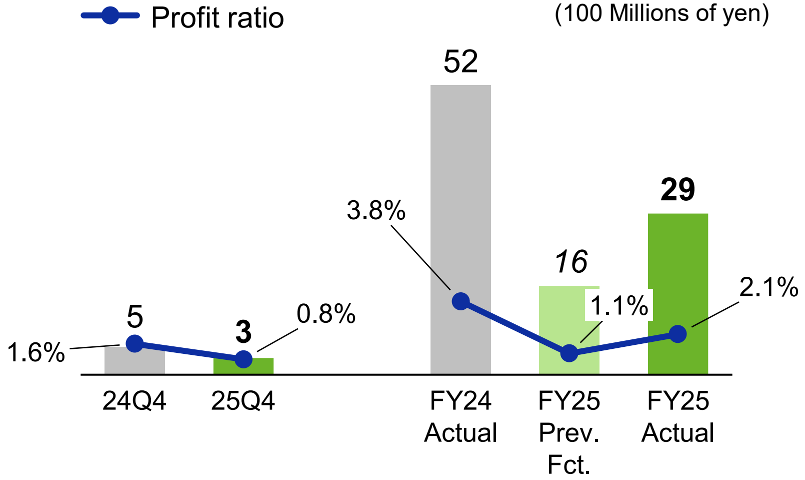
(100 Millions of yen)





Business Segment Profit

(100 Millions of yen)



Machinery
Sales Revenue & Profit

brother
at your side

(100 Millions of Yen)

	24Q4	25Q4	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Actual	Change vsFY24 (w/o FX)	Change vsFY24 (w FX)
Sales revenue	**193**	**226**	**13.6%**	**17.0%**	**673**	**824**	**830**	**23.3%**	**23.3%**
Machine tools	**145**	**178**	**19.8%**	**22.5%**	**473**	**640**	**643**	**35.9%**	**35.9%**
Americas	8	10	-	18.5%	33	37	39	-	18.6%
Europe	10	12	-	25.6%	26	30	31	-	21.6%
Asia & others	104	126	-	20.6%	319	469	466	-	46.4%
Japan	23	30	-	31.4%	96	103	106	-	10.7%
Industrial sewing machines	**48**	**49**	**-4.8%**	**0.5%**	**200**	**184**	**187**	**-6.6%**	**-6.6%**
Americas	3	4	29.6%	33.1%	11	14	14	36.4%	34.7%
Europe	6	7	-4.8%	9.4%	27	23	24	-16.9%	-11.1%
Asia & others	38	36	-8.8%	-4.6%	159	144	144	-8.1%	-9.0%
Japan	1	1	-	42.6%	4	3	4	-	10.5%
Business segment profit	**4**	**18**	-	**405.1%**	**11**	**60**	**67**	-	**529.5%**
Operating profit	**4**	**17**	-	**350.1%**	**12**	**60**	**67**	-	**468.2%**

Industrial/Consumer

Industrial

Positioning in CS B2027

Machine tool: **Growth business**

Industrial Sewing Machines: **Profitability transformation business**

Main Products and Services

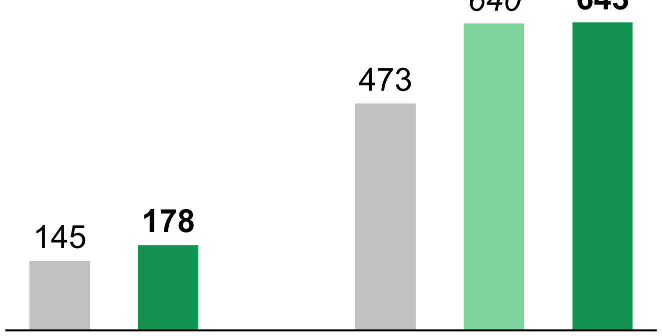
Machine tool

Industrial Sewing Machines

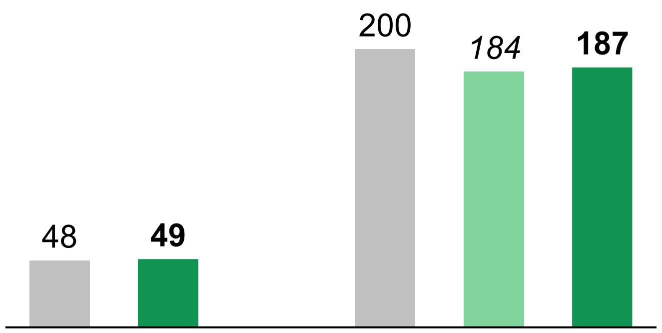
Sales Revenue

(100 Millions of Yen)

Machine Tools

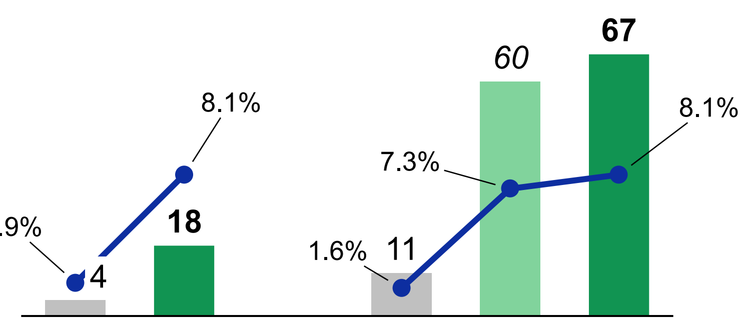


Industrial Sewing Machines



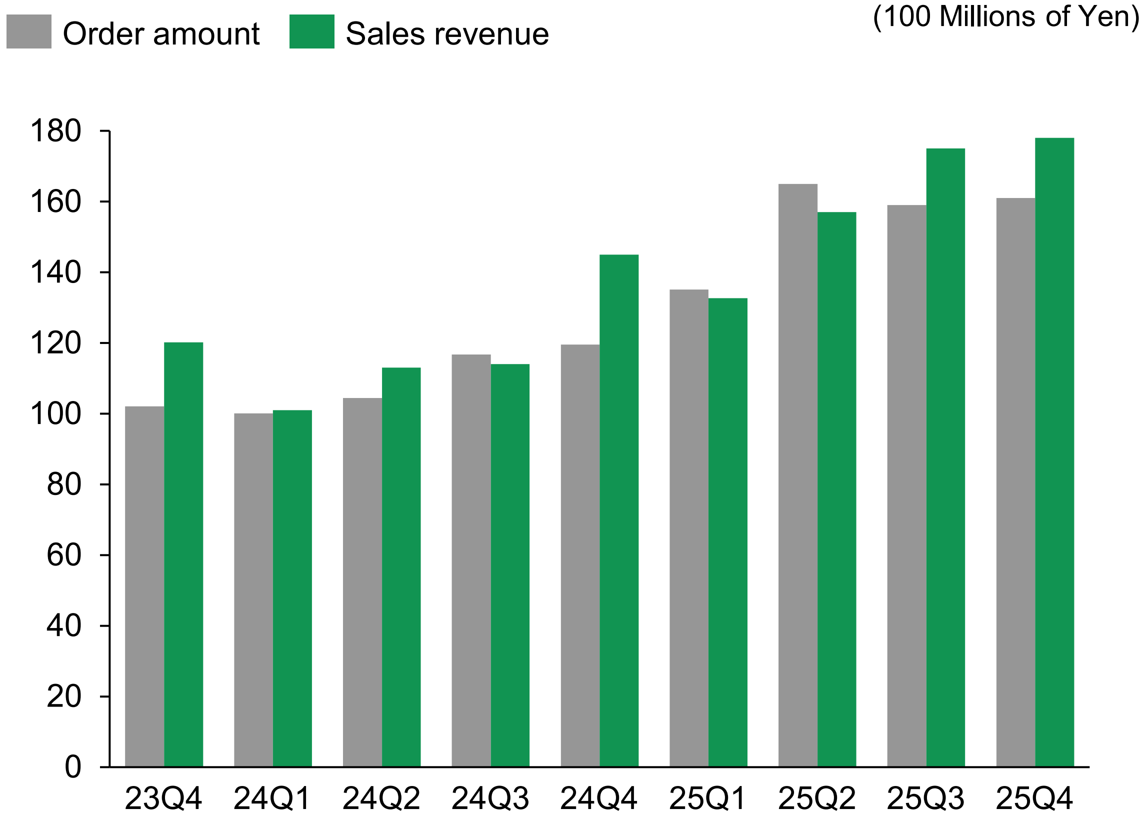
Business Segment Profit

(100 Millions of Yen)



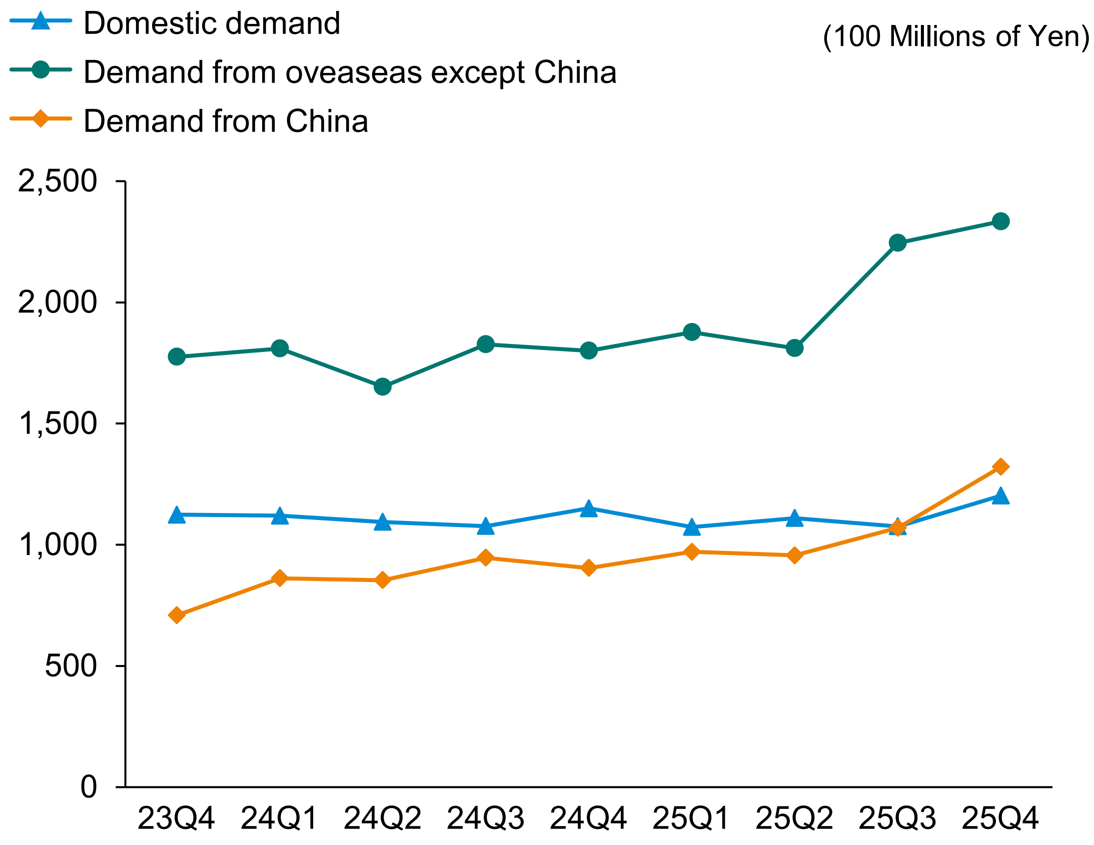
Machinery (Machine Tools)
Order Trends

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

Nissei
Sales Revenue & Profit

brother at your side

(100 Millions of Yen)

	24Q4	25Q4	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Actual	Change vsFY24 (w/o FX)	Change vsFY24 (w FX)
Sales revenue	**51**	**56**	**8.2%**	**9.5%**	**200**	**211**	**214**	**7.5%**	**7.1%**
Americas	9	9	-0.7%	1.8%	31	38	38	25.8%	24.3%
Europe	-	-	-	-	-	-	-	-	-
Asia & others	6	8	18.5%	25.2%	29	27	27	-6.1%	-7.1%
Japan	36	39	-	8.7%	140	146	149	-	6.3%
Business segment profit	**1**	**1**	-	**-17.7%**	**5**	**9**	**10**	-	**101.8%**
Operating profit	**-4**	**1**	-	-	**0**	**9**	**10**	-	-

Industrial/Consumer

Industrial

Positioning in CS B2027

Profit-driven business

Main Products and Services

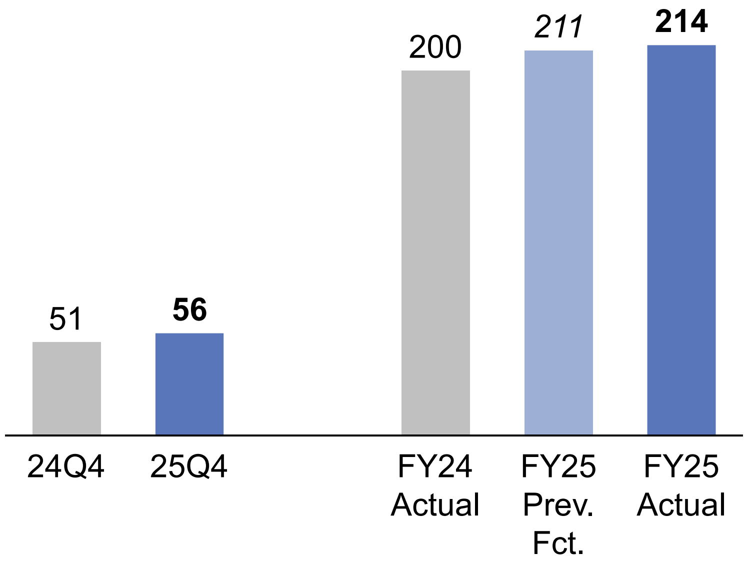
Gearmotor

High stiffness reducer

Gear

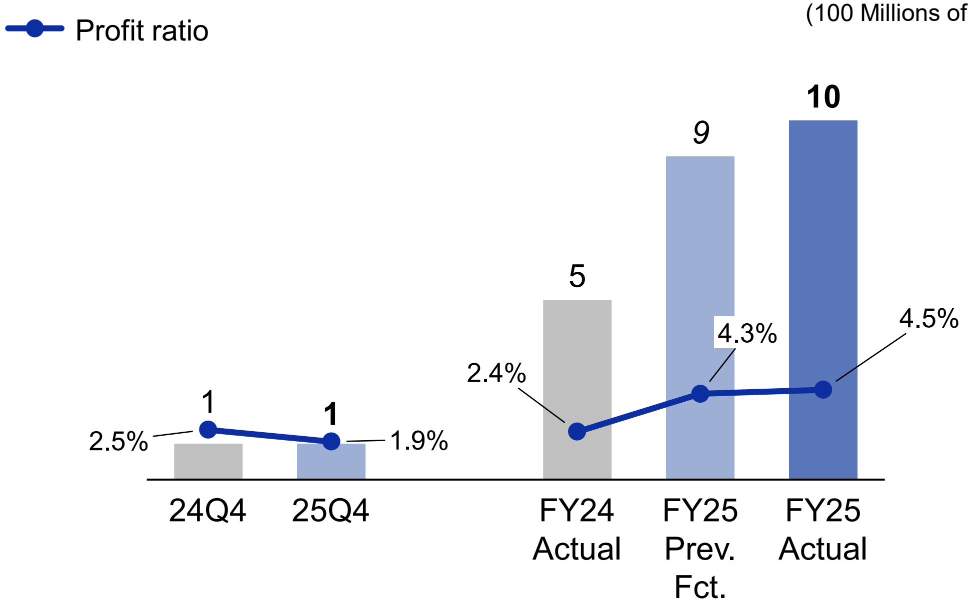
Sales Revenue

(100 Millions of Yen)



Business Segment Profit

(100 Millions of Yen)



Personal & Home
Sales Revenue & Profit

brother at your side

(100 Millions of Yen)

	24Q4	25Q4	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Actual	Change vsFY24 (w/o FX)	Change vsFY24 (w FX)
Sales revenue	**141**	**149**	**-1.0%**	**5.5%**	**572**	**601**	**610**	**5.4%**	**6.7%**
Americas	87	83	-8.4%	-4.5%	346	345	351	2.4%	1.4%
Europe	32	36	0.1%	14.9%	139	155	155	3.6%	11.0%
Asia & others	14	19	29.0%	36.8%	57	68	69	20.3%	20.6%
Japan	9	11	-	21.2%	28	33	34	-	21.3%
Business segment profit	**28**	**13**	**-**	**-54.8%**	**73**	**61**	**66**	**-**	**-9.8%**
Operating profit	**22**	**12**	**-**	**-45.0%**	**67**	**55**	**60**	**-**	**-9.9%**

Industrial/Consumer

Consumer

Positioning in CS B2027

Profit-driven business

Main Products and Services

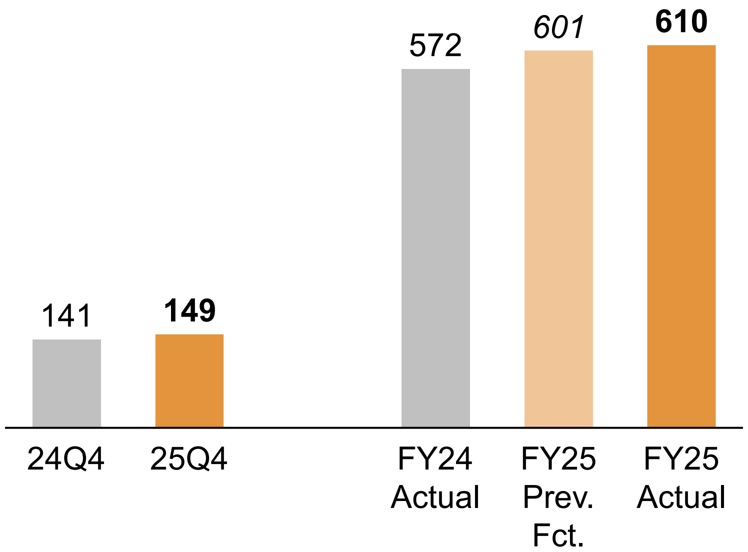
©Disney

Home sewing machine

Home cutting machine

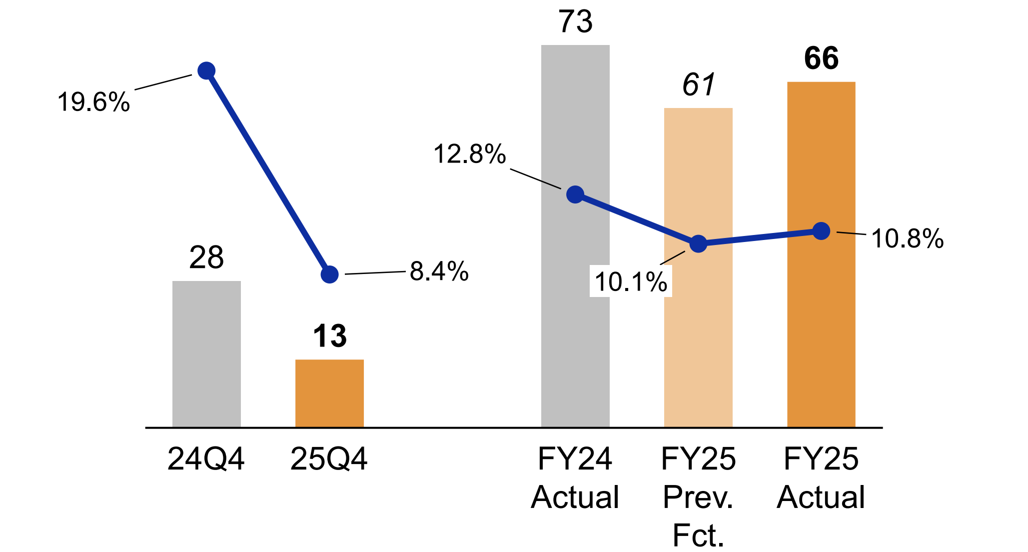
Sales Revenue

(100 Millions of Yen)



Business Segment Profit

(100 Millions of Yen)



Business Segment Information (Forecast for FY2026)

Due to the impact of the situation in the Middle East and other factors,
we will not be disclosing regional forecasts at this time.
We plan to provide an update at the time of the first quarter earnings announcement.

Printing & Solutions / Industrial Printing
Sales Revenue & Profit

Printing & Solutions

(100 Millions of Yen)

	FY25	FY26 Forecast	Change vsFY25 (w/o FX)	Change vsFY25 (w FX)
Sales revenue	**5,706**	**5,409**	**-5.3%**	**-5.2%**
Communications & printing equipment	**4,983**	**4,690**	**-6.0%**	**-5.9%**
Americas	1,923	-	-	-
Europe	1,621	-	-	-
Asia & others	1,002	-	-	-
Japan (incl. OEM)	438	-	-	-
Labeling	**722**	**719**	**-0.7%**	**-0.4%**
Americas	323	-	-	-
Europe	232	-	-	-
Asia & others	115	-	-	-
Japan	53	-	-	-
Business segment profit	**664**	**630**	**-**	**-5.2%**
Operating profit	**581**	**630**	**-**	**8.4%**

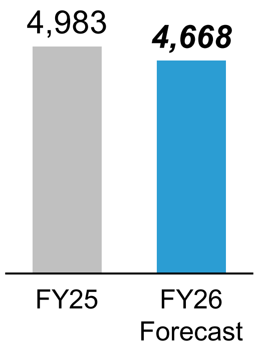
Industrial Printing

(100 Millions of Yen)

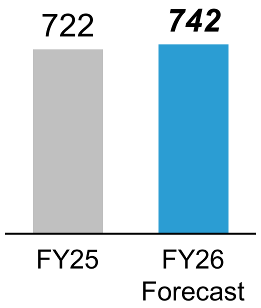
	FY25	FY26 Forecast	Change vsFY25 (w/o FX)	Change vsFY25 (w FX)
Sales revenue	**1,393**	**1,670**	**19.9%**	**19.9%**
Domino	**1,253**	**1,302**	**3.9%**	**3.9%**
Americas	341	-	-	-
Europe	528	-	-	-
Asia & others	334	-	-	-
Japan	51	-	-	-
Printing & automation	**140**	**368**	**163.3%**	**163.4%**
Americas	65	-	-	-
Europe	33	-	-	-
Asia & others	26	-	-	-
Japan	16	-	-	-
Business segment profit	**29**	**40**	**-**	**37.5%**
Operating profit	**-17**	**40**	**-**	**-**

Sales Revenue

Communications & Printing Equipment

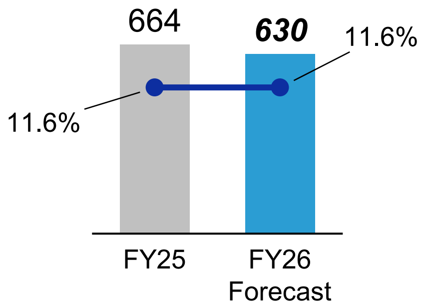


Labeling



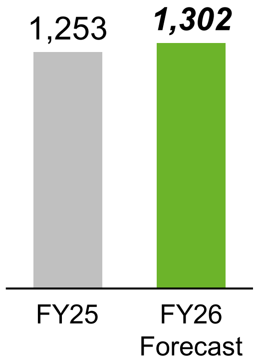
Business Segment Profit

Profit ratio

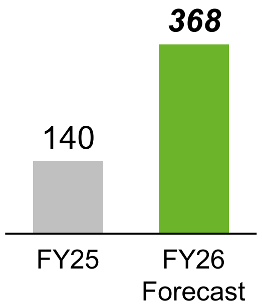


Sales Revenue

Domino

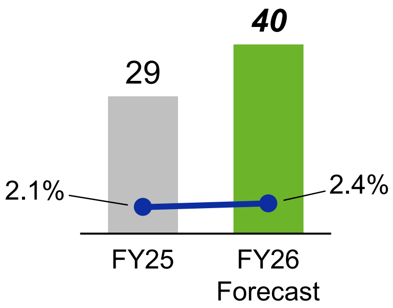


Printing & Automation



Business Segment Profit

Profit ratio



Machinery / Nissei
Sales Revenue & Profit

Machinery

(100 Millions of Yen)

	FY25	FY26 Forecast	Change vsFY25 (w/o FX)	Change vsFY25 (w FX)
Sales revenue	**830**	**1,010**	**22.2%**	**21.7%**
Machine tools	**643**	**800**	**25.2%**	**24.4%**
Americas	39	-	-	-
Europe	31	-	-	-
Asia & others	466	-	-	-
Japan	106	-	-	-
Industrial sewing machines	**187**	**210**	**12.2%**	**12.5%**
Americas	14	-	-	-
Europe	24	-	-	-
Asia & others	144	-	-	-
Japan	4	-	-	-
Business segment profit	**67**	**110**	**-**	**64.1%**
Operating profit	**67**	**110**	**-**	**65.1%**

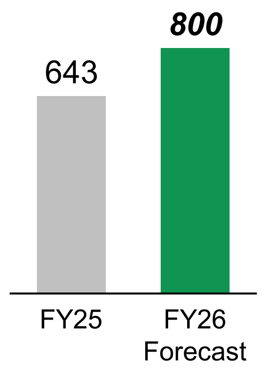
Nissei

(100 Millions of Yen)

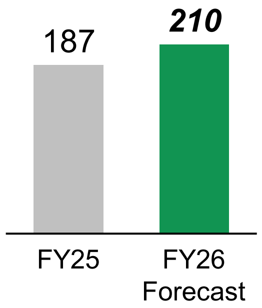
	FY25	FY26 Forecast	Change vsFY25 (w/o FX)	Change vsFY25 (w FX)
Sales revenue	**214**	**239**	**11.7%**	**11.5%**
Americas	38	-	-	-
Europe	-	-	-	-
Asia & others	27	-	-	-
Japan	149	-	-	-
Business segment profit	**10**	**11**	**-**	**12.9%**
Operating profit	**10**	**11**	**-**	**6.7%**

Sales Revenue

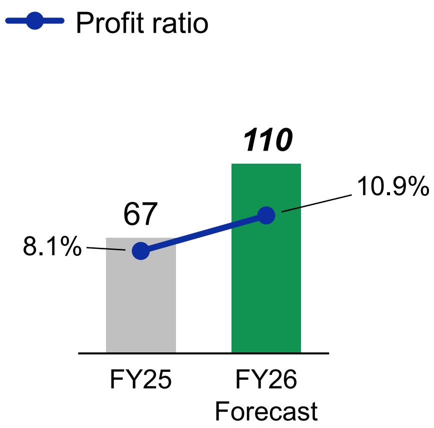
Machine Tools



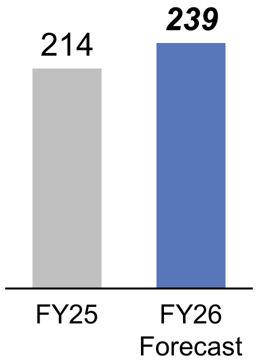
Industrial Sewing Machines



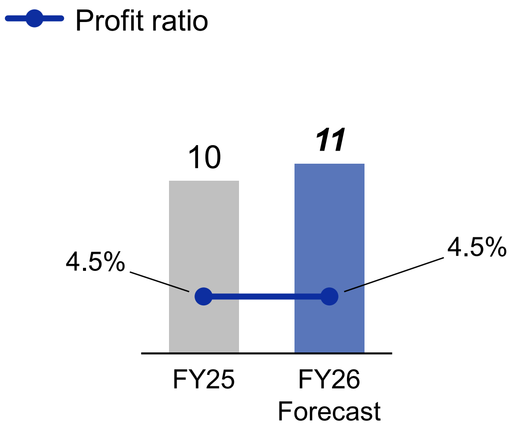
Business Segment Profit



Sales Revenue



Business Segment Profit



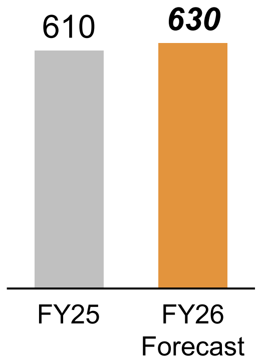
Personal & Home
Sales Revenue & Profit

Personal & Home

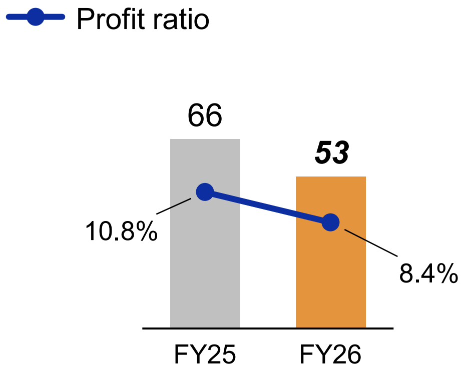
(100 Millions of Yen)

	FY25	FY26 Forecast	Change vsFY25 (w/o FX)	Change vsFY25 (w FX)
Sales revenue	**610**	**630**	**3.3%**	**3.3%**
Americas	351	-	-	-
Europe	155	-	-	-
Asia & others	69	-	-	-
Japan	34	-	-	-
Business segment profit	**66**	**53**	**-**	**-20.1%**
Operating profit	**60**	**53**	**-**	**-12.1%**

Sales Revenue



Business Segment Profit



Reference

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Many of the production sites are located in Southeast Asia. The U.S. accounts for just over 20% of the company's total sales. The P&S business accounts for the largest share of sales.

Business (New Segments)		Main Products	Main Production Sites	U.S. Sales Ratio (FY2025 Result)
P&S Printing & Solutions	Communications & Printing Equipment	Laser products	Vietnam, China (certain products only)	Slightly less than 30%
		Inkjet products	Philippines	
	Labeling	Labeling products	China, Philippines	
IP Industrial Printing	Domino	Coding & marking equipment Digital printing equipment	U.K. China	Slightly less than 20%
	Printing & Automation*	Garment printer	Japan	Approx. 50%
Machinery	Industrial Equipment	Industrial equipment	Japan, China (for Chinese market) India (for Indian market)	Mid-single digits %
	Industrial Sewing Machine	Industrial Sewing Machine	China	
Nissei		Gearmotor & gear	Japan	Approx. 15%
P&H Personal & Home		Home sewing machine	Taiwan, Vietnam	Approx. 50%
Company total		-	-	**Slightly more than 20%**

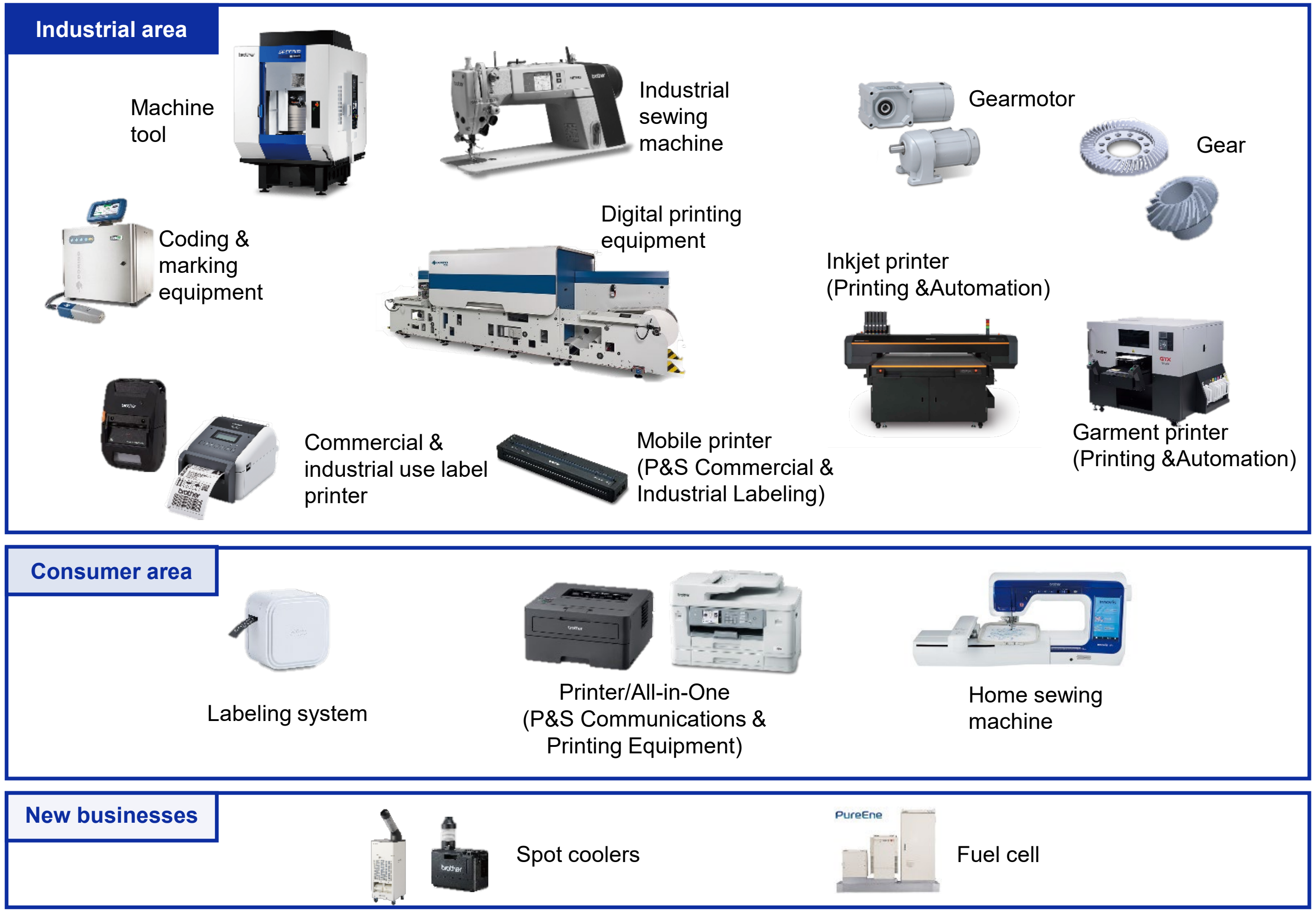
* MUTOH holdings is excluded from the figures.

Reference: Brother Group’s business areas

Business areas

	Business Name	Sub-segments
Industrial area	Machinery	Industrial Equipment
Industrial area	Machinery	Industrial Sewing Machines
Industrial area	Nissei	
Industrial area	IP (Industrial Printing)	Domino
Industrial area	IP (Industrial Printing)	Printing & Automation
Industrial area	P&S (Printing & Solutions)	Commercial & Industrial Labeling
Consumer area	P&S (Printing & Solutions)	Home & Office Labeling
Consumer area	P&S (Printing & Solutions)	Communications & Printing Equipment
Consumer area	P&H (Personal & Home)	
New businesses		

Product / Service portfolio



Progress on the Medium-term Business Strategy

CS B2027

May 8, 2026

Brother Industries, Ltd.

Kazufumi Ikeda
Representative Director & President

CS B2027 outline and progress

Key points of CS B2027

CS B2027

The Brother Group
Medium-Term Business Strategy

Creating our Future.
Boldly.

We will accelerate business portfolio transformation for the enhancement of our corporate value over the long term, improving profit-generating capabilities.

- Aim to achieve an operating profit of 100 billion yen by clarifying the role of each business and executing strategies based on key indicators.
- We will steadily execute growth investments of approximately 200 billion yen over the next three years, driving growth in the industrial area.
- Strengthen the technological and talent foundations that support transformation.
- Enhance shareholder value by implementing management with a focus on cost of capital and share prices.

Outline of CS B2027

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Aiming to improve profit-generating capabilities by accelerating business portfolio transformation.

- Clarification of the role of each business and investment policies
- Solid execution of growth investments
- Enhancement of the management foundation
- Financial strategy to support growth and transformation

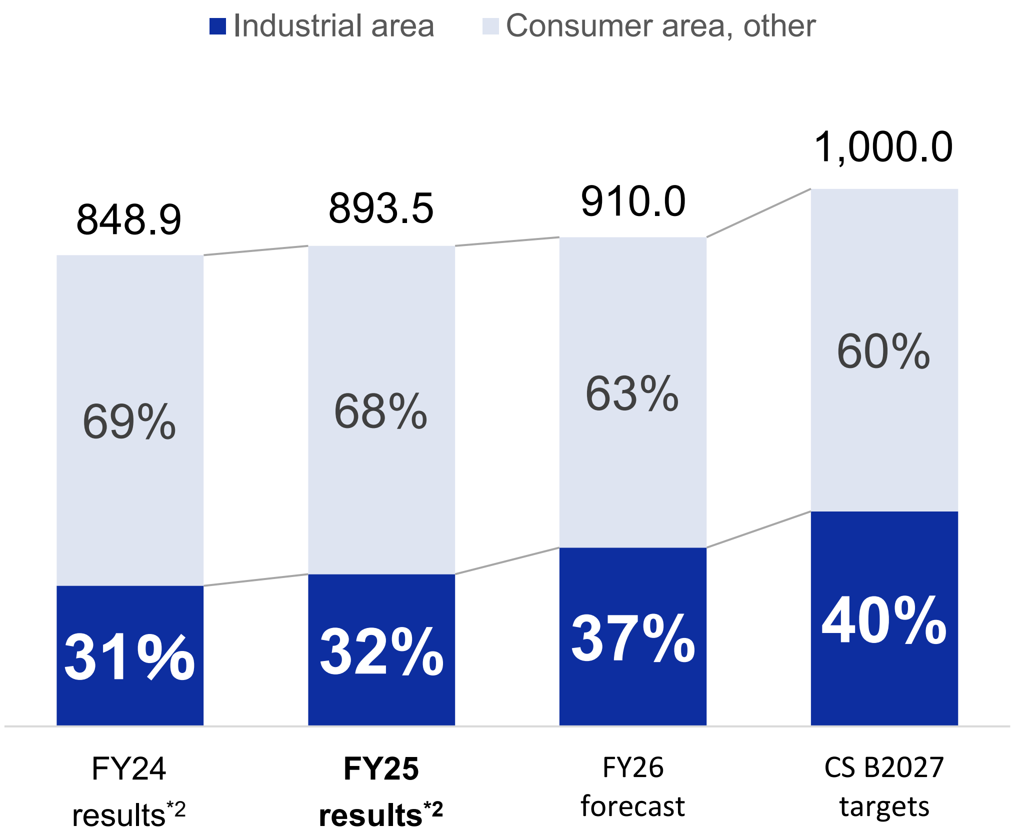
CS B2027 financial targets and FY2025 results

Absorbed the impacts of U.S. tariff policies through countermeasures, resulting in steady business performance.
Business portfolio transformation is accelerating alongside concrete implementation.

CS B2027 financial targets and trends

	FY2024 results*2	FY2025 results*2	FY2026 Forecast	CS B2027 Targets
Sales revenue	848.9 billion yen	893.5 billion yen	910.0 billion yen	1 trillion yen
Top priority indicator **Operating profit**	**67.7 billion yen**	**77.9 billion yen**	**85.0 billion yen**	**100.0 billion yen**
ROE	8.1%	9.3%	–	10%
TSR*1 compared to TOPIX (including dividends)	89.6% (FY2022-FY2024)	81.9% (FY2025)	–	At least 100%
Assumed exchange rate **USD**	152.48 yen	150.97 yen	150 yen	145 yen
Assumed exchange rate **EUR**	163.62 yen	174.54 yen	180 yen	155 yen

Industrial area sales revenue ratio trends (Billion yen)



*1: TSR: Total Shareholder Return. An indicator that measures the overall return to investors (capital gains + dividends). *2: As of the third quarter of 2025, the N&C (Network & Contents) business has been classified as discontinued operations and has been excluded from the figures retroactively from the beginning of FY2025. Figures for FY2024 have been reclassified on the same basis.

CS B2027 roles of business units

The roles and key indicators of each business were clarified. In FY2025, the Industrial Equipment, P&S and P&H businesses performed steadily.

Businesses			Key indicators	FY24 results	FY25 results	FY26 forecast	CS B2027 targets
Growth business	Industrial Equipment		Sales revenue	47.3 billion yen	**64.3 billion yen**	80.0 billion yen	**100.0 billion yen**
Growth business	Industrial Printing [Domino / Printing & Automation]		Sales revenue	137.3 billion yen	**139.3 billion yen**	167.0 billion yen	**155.0 billion yen**
Growth business	New businesses		Sales revenue	-	-	-	-
Core business	P&S (Printing & Solutions)	Commercial & Industrial Labeling	Sales revenue	36.8 billion yen	**38.4 billion yen**	40.0 billion yen	**44.0 billion yen**
Core business	P&S (Printing & Solutions)	Communications and Printing Equipment / Home & Office Labeling	Operating profit	58.9 billion yen*1	**58.1 billion yen*1**	63.0 billion yen*1	**55.0 billion yen*1**
Profit-driven business	P&H (Personal & Home)		Operating profit ratio	12%	**10%**	8%	**10%**
Profit-driven business	Nissei		Operating profit ratio	0%	**5%**	5%	**10%**
Profitability transformation business	Industrial Sewing Machines		Operating profit ratio	3%	**3%**	5%	**7%**
Profitability transformation business	N&C (Network & Contents)		Operating profit ratio	5%	**Discontinued operations*2**	-	-
			Assumed exchange rate USD	152.48 yen	150.97 yen	150 yen	145 yen
			Assumed exchange rate EUR	163.62 yen	174.54 yen	180 yen	155 yen

*1: Operating profit of the P&S business, including Commercial & Industrial Labeling

*2: As of the third quarter of 2025, classified as discontinued operations and excluded from the figures retroactively from the beginning of FY2025

Business strategy progress

Industrial Equipment | Key indicators and themes

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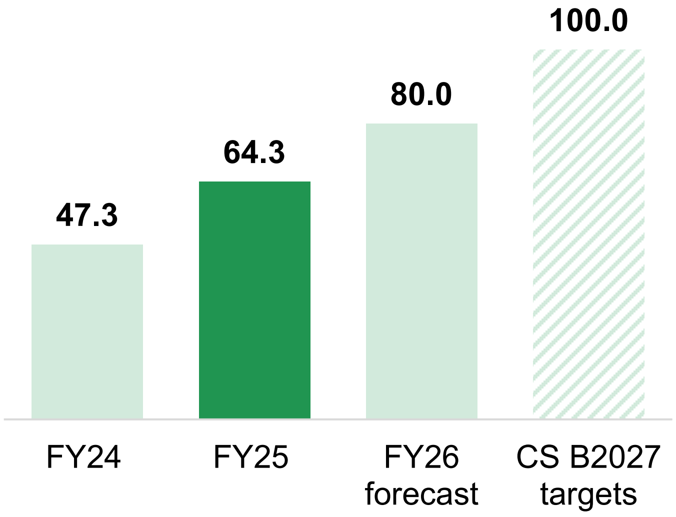
In addition to significantly expanding the product lineup that meet automation and labor-saving needs, a focus of the previous medium-term business strategy, and enhancing the sales and service network, sales revenue grew substantially due to a recovery in demand for capital investment, particularly in China.

Key indicator trends

(Billion yen)

Role of the business	Growth business
Key indicator	Sales revenue



Assumed exchange rate		FY24	FY25	FY26 forecast	CS B2027 targets
	USD	152.48	150.97 yen	150.00	145.00
	EUR	163.62	174.54 yen	180.00	155.00

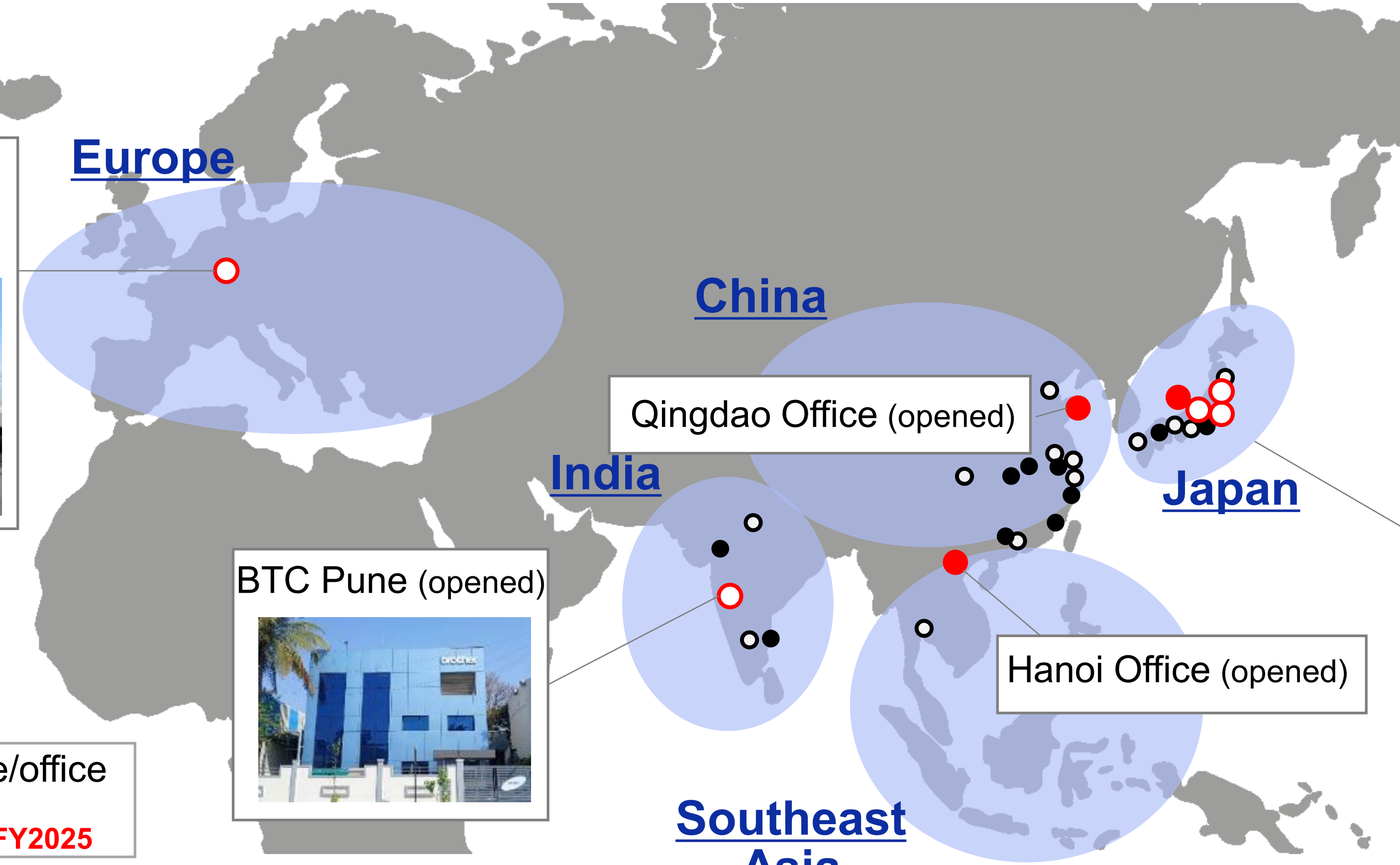
Initiative status of key themes

	FY2025 progress
Strengthen value proposition to customers	• Reinforced sales and service facilities and human resources in key regions. In addition to China, India, and Japan, also expanded facilities in newly designated key regions such as Europe and Southeast Asia • Launched multiple new products to meet process consolidation and automation needs and strengthened product lineup, thereby capturing existing customers' needs for upgrades and expansions while expanding the reach market to enable outreach to new customers

Industrial Equipment | Strengthen value proposition to customers

Expansion of sales and service facility network serving as touchpoints with customers, including the newly designated key regions of Europe and Southeast Asia, is proceeding as planned, enhancing ability to make proposals quickly and respond promptly and thus expanding opportunities to secure business deals.

Sales facility network in key regions



BTC Frankfurt
(Became third-largest BTC in the world following expansion and relocation)

BTC Pune (opened)

Hokuriku Sales Office (opened)

BTC Tokyo (renovated)

BTC North Kanto (relocated and expanded)

BTC Nagano (opened)

Key regions

○ BTC* ● Sales office/office

Red dots are facilities newly established or expanded in FY2025

*BTC: Brother Technology Center (service and support facility with an attached showroom)

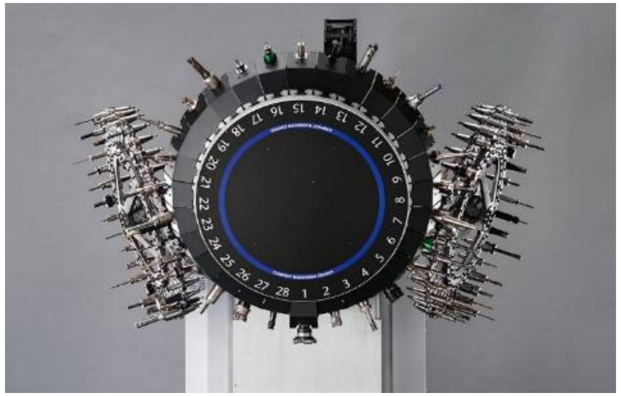
Industrial Equipment | Strengthen value proposition to customers

Introduced new products to meet the diversifying needs of customers and eliminate barriers.

Major products launched in FY2025

Increased tool-capacity model S700Xd2-100T/ U500Xd2-100T

S700Xd2-100T

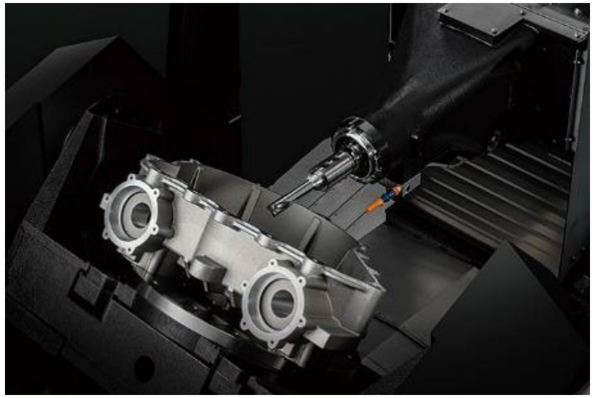


The world's first* 100-tool magazine for a compact machining center, capable of mounting 100 tools. It supports high-mix, small-lot production and meets process consolidation and automation needs.

*First for a BT30 spindle compact machining center

Horizontal 5-axis machining center HU550Xd1/ HU550Xd1-5AX

HU550Xd1



- A model featuring a large tilting rotary table on a horizontal machining center
- Maintaining the high productivity of a BT30 spindle while also handling large parts that require indexing to multiple machined surfaces, thereby contributing to process consolidation

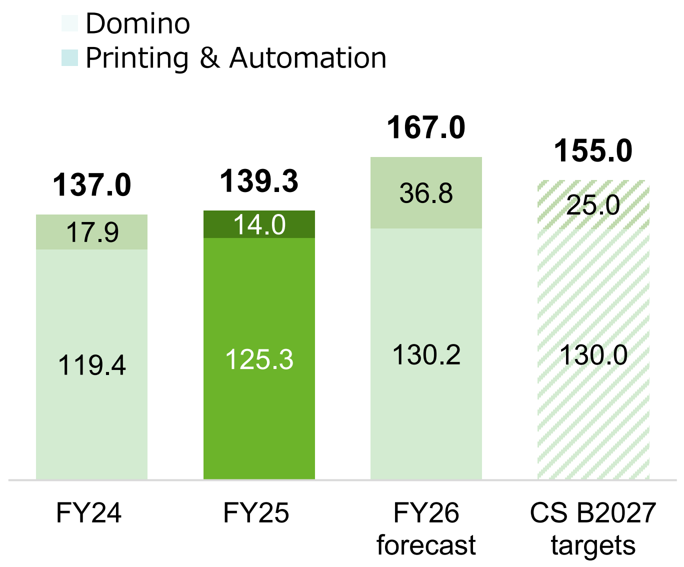
Industrial Printing | Key indicators and themes

Despite the challenging business environment facing Printing & Automation, strengthened the business foundation by expanding the product lineup and making MUTOH HOLDINGS a consolidated subsidiary. Promoting initiatives to position the entire IP business as a growth engine for the Brother Group.

Key indicator trends

(Billion yen)

Role of the business	Growth business
Key indicator	Sales revenue



Assumed exchange rate	FY24	FY25	FY26 forecast	CS B2027 targets
USD	152.48	150.97 yen	150.00	145.00
EUR	163.62	174.54 yen	180.00	155.00

*Sales figures for FY2026 and beyond include MUTOH Holdings

Initiative status of key themes

	FY2025 progress
Expand product and business areas	•[Domino] Strengthened the product lineup by introducing products with lower initial setup costs. Promoted the acquisition of new customers. •[Printing & Automation] Launched Brother's first DTF* printer and restructured the product lineup.
Strengthen service and solution businesses	•[Printing & Automation] Launched a new model of garment printer featuring fully automated pre- and post-processing to help improve customer productivity.

*DTF (Direct to Film): A garment printer that prints onto film and then transfers the image onto fabric

Industrial Printing | Expand product and business areas

In Domino business, expanded customer base by launching products with lower initial setup costs. In Printing & Automation business, aiming for recovery by expanding lineup, including Brother's first DTF* garment printer.

Major products launched in FY2025

Large character inkjet printer for printing on boxes Cx150i

Cx150i

- A compact, high-resolution piezoelectric inkjet printer designed for both non-porous and porous boxes
- Enables sustainable and efficient packaging processes through reduced environmental impact, reduced waste, and enhanced connectivity

Digital label printer N410

N410

- The most compact digital LED inkjet label printer in the N Series with the lowest initial setup costs
- Combines high productivity and environmental performance with a robust support system to help enhance customer competitiveness

Industrial DTF* printer DTRX100

DTRX100

- A roll-to-roll DTF printing solution realizing high-speed, stable production
- Combines in-house industrial print head technology with proprietary inks and advanced maintenance features to deliver high durability and productivity

*DTF (Direct to Film): A garment printer that prints onto film and then transfers the image onto fabric

P&S | Key indicators and themes

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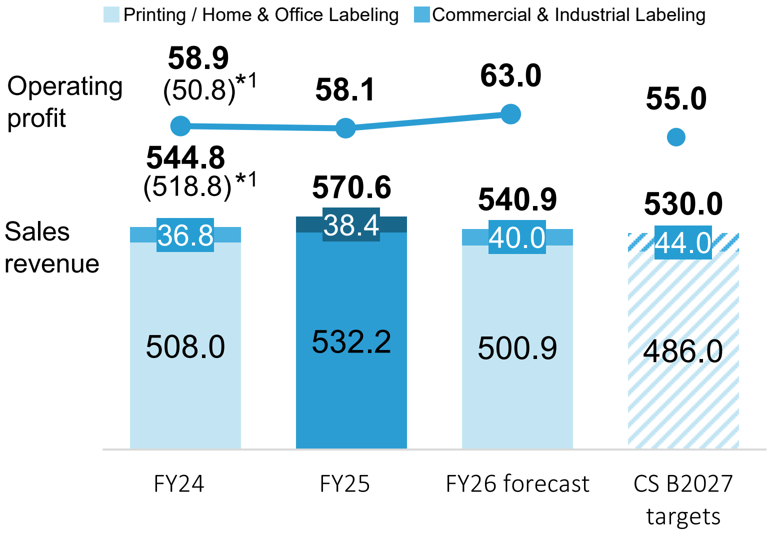
Continued initiatives aimed at future growth while maintaining solid revenue based on existing areas.

Key indicator trends

(Billion yen)

Role of the business	Core business
Key indicator	Operating profit



Assumed exchange rate	FY24	FY25	FY26 forecast	CS B2027 targets
USD	152.48	150.97 yen	150.00	145.00
EUR	163.62	174.54 yen	180.00	155.00

Initiative status of key themes

	FY2025 progress
Expand businesses with continuous ties to customers	• Launched a service platform to maintain continuous ties to customers in Europe and the U.S. and strengthened customer touchpoints to increase LTV*2
Expand the Commercial & Industrial Labeling business	• Promoted solution proposals tailored to key applications and drove application development to expand future sales
Strengthen profitability in existing areas	• Introduced more competitive new products for the inkjet and color laser printer markets, where there is room for our growth

*1: Based on the exchange rate used in CS B2027, FY2024 revenue was 518.8 billion yen and operating profit was 50.8 billion yen (Reference values with exchange rate conversion are estimates based on the sensitivity of exchange rates to the JPY based on the sales revenue / cost of sales / SG&A denominated in foreign currencies)

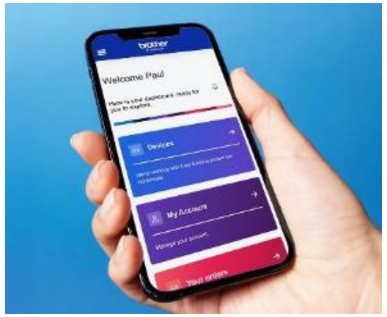
*2: LTV: Customer lifetime value, which is the value to customers and profits generated for companies over the entire usage period of products and services.

P&S | Expand services with continuous ties to customers / Strengthen profitability in existing areas

For businesses with continuous ties to customers, launched service with continuous ties to customers for B2C in Europe and the U.S. to increase LTV*. In existing areas, launched new products in the key areas of inkjet and color laser printer markets, aiming for further growth.

Launched service with continuous ties to customers for B2C

A system with continuous ties to customers that delivers optimal value based on usage patterns



connect.

- Increase in genuine consumable ratio
- Enhancement of understanding about customers

brother

- Extended warranties for the product itself and discounts on the official online store
- Improved convenience through the app

* LTV: Customer lifetime value, which is the value to customers and profits generated for companies over the entire usage period of products and services.

Updated product lineup of inkjet and color laser printers

MFC-J7610CDW

A3 business inkjet printers

- Achieves both high-speed printing and high durability thanks to Brother's proprietary MAXIDRIVE inkjet printing technology
- Contributes to reducing costs through the use of high-capacity cartridges
- Reduces environmental impact by lowering power consumption

DCP-J929N-W

DCP-T430W

A4 inkjet printers

- Updates the cartridge model for developed countries and the bottle model for emerging markets
- Achieves a more compact body size than before while maintaining the same cartridge and bottle capacities

MFC-L8970CDW

Color laser printers

- This is designed for long-term use with a highly durable body and high-capacity toner
- Reduces environmental impact by lowering CO_2 emissions over the product's lifecycle
- Flexible installation options thanks to a compact design

Strategic investment progress

Review of FY2025

Implemented M&A to enhance profitability and drive business growth while deciding to divest* the karaoke business. Continuing to accelerate business portfolio transformation, including through M&A.

Role of the business in the Medium-term Business Strategy CS B2027

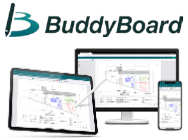
Growth business	Industrial Equipment	
	Industrial Printing [Domino / Printing & Automation]	
	New businesses	
Core business	P&S	Commercial & Industrial Labeling
		Communications and Printing Equipment / Home & Office Labeling
Profit-driven business	P&H	
	Nissei	
Profitability transformation business	Industrial Sewing Machine	
	N&C	

Business portfolio transformation progress

Industrial Printing | Expand Printing & Automation lineup and strengthen the business foundation

Feb. 2026 **Launched tender offer for shares of MUTOH HOLDINGS**
Mar. 2026 **Made MUTOH HOLDINGS a consolidated subsidiary**

New businesses | Accelerate BuddyBoard's business expansion through partnership with fund



May 2026 **Transferred the business to BuddyBoard Inc. through a company split*1 and conducted a third-party allotment of shares*2**

*1: Simplified absorption-type split
*2: 51% owned by IXS No. 1 Investment Limited Partnership, an investment fund operated by IncubeX Studio Co., Ltd., and 49% owned by Brother Industries

Industrial Sewing Machine | Strengthen non-apparel solutions such as airbags

Jan. 2026 **Completed acquisition of automotive division from Konrad Busche GmbH in Germany**

N&C | Further expand the karaoke business

Nov. 2025 **Karaoke club business: Completed transfer of karaoke club business operated by Standard**
Apr. 2026 **Karaoke equipment business: Completed transfer of 70% of XING shares**

*30% XING shares will continue to be held by Brother Industries.

Strategic investments

Printing & Automation | Acquisition of MUTOH HOLDINGS as a consolidated subsidiary

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Through the Tender Offer, we aim not only to secure a product lineup and market position in Printing & Automation area where we seek growth, but also to enhance corporate value by strengthening the business foundations of both companies.

Expanding the business by complementing product lineups

■ Main Products of both Companies

Background Color : Brother products Background Color : MUTOH products Ink Type

Size/Type \ Usage		Textiles/Soft Signs	Goods/Multi-Purpose Printing	Sign & Graphics
Roll to Roll Printers* (*Printers for printing on roll media)		Dye-Sublimation	Multi-Purpose Ink; Solvent; Multi-Purpose Ink	Water-based UV; Solvent; Latex; UV; UV
Flatbed Printers	Large	Pigment Garment printer		UV
	Desktop	Pigment Garment printer	Pigment Button badge maker; UV	

Synergy

- Strengthen competitiveness of products/services through technical cooperation
- Utilize sales/service channels, customer base
- Reduce cost of manufacture, procurement, and logistics
- Increase corporate value by utilizing human/financial resources

Enhancement of the management foundation progress

Management foundation theme progress

Progress is being made across all areas in strengthening the management foundation that supports business portfolio transformation.

	Policy of CS B2027	FY2025 progress
Integrate and strengthen inkjet technology and expand its applications to diverse fields	• Expand diverse applications of inkjet technology and strengthen inkjet devices • Achieve stable production through enhanced manufacturing capabilities	• Expand Brother's proprietary MAXIDRIVE technology into industrial products • Promote in-house production of industrial water-based pigment inks
Strengthen talent in key areas	• Strengthen the talent portfolio in key areas • Actively invest in talent development • Ongoing initiatives for diversity and engagement	• Increase the number of experienced hires and managerial hires in key areas • Update and strengthen education programs aimed at developing next-generation leaders
Strengthen company-wide procurement functions (establishment of Centralized Procurement Dept.)	• Formulate and implement a procurement strategy optimized across all businesses, including the industrial area. • Establish Centralized Procurement Dept. to centrally manage procurement operations and carry them out efficiently in collaboration with related departments.	• Procure components across all businesses and promote cost reductions through centralized purchasing through the newly established Centralized Procurement Dept. (established in FY2025) • Improve stability by visualizing high-risk components and diversifying suppliers
Strengthen quality assurance capabilities	• Strengthen quality assurance capabilities across all company and business operations, particularly for industrial products.	• Maintain high quality standards and strengthen measures to prevent irregularities and nonconformities
Promote company-wide business process efficiency	• Promote streamlining and standardization of business processes using AI technology. • Maximize operational efficiency and productivity to improve organizational performance.	• Carry out company-wide efforts toward utilizing AI on an organizational level as planned • Analyze the status of generative AI utilization and sequentially roll out specialized applications

Inkjet Technology | Expand MAXIDRIVE into industrial products

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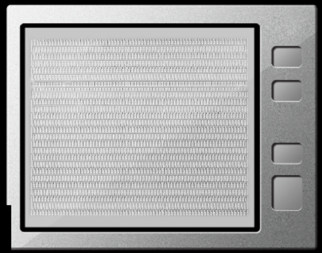
Launch the first industrial garment printer to feature Brother's proprietary MAXIDRIVE printhead technology.
Continue to accelerate the expansion of diverse applications with proprietary technology at the core.

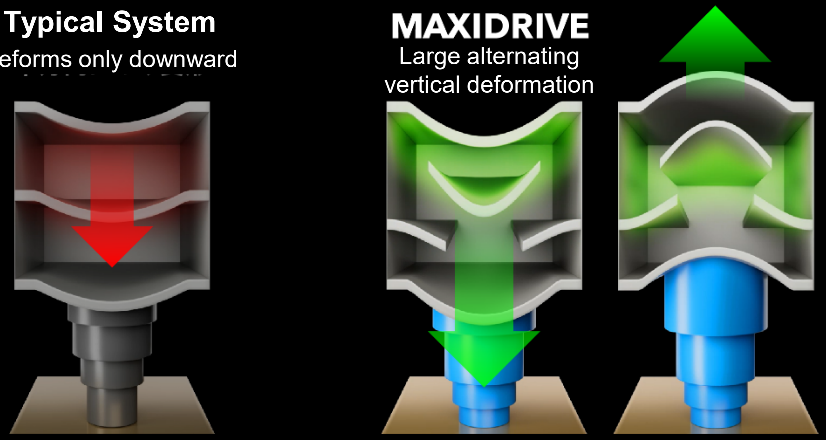
Features of MAXIDRIVE

MAXIDRIVE

A proprietary three-layer piezoelectric discharge technology designed to meet demanding industrial printing needs



- A three-layer piezoelectric drive achieves large alternating vertical motion, enabling powerful ink discharge.
- Alternating up-and-down drive reduces expansion and contraction fatigue, delivering the durability required for industrial printing.



Major products announced in FY2025 using MAXIDRIVE

Launched Brother's first products to feature MAXIDRIVE in industrial products

P&S: Consumer business printers

A3 business inkjet printers

NEW Industrial Printing: Industrial garment printers

Industrial DTF*1 printer/DTG*2 printer

DTRX100

New DTG printer

Accelerating expansion to meet diverse needs by integrating and refining printheads, ink, and manufacturing capabilities, with inkjet technology at the core

*1: DTF (Direct to Film): A garment printer that prints onto film and then transfers the image onto fabric

*2: DTG (Direct to Garment): A garment printer that prints by applying ink directly to the fabric

AI utilization

Promote the organizational use of AI in business processes while advancing AI utilization to enhance value provided to customers.

AI utilization strategy

Individual utilization	Organizational utilization	Company-wide implementation
• Increase employee use of generative AI through education and specialized apps (such as translation and meeting note-taking tools)	• Generate ideas for AI utilization through workshops and promote its utilization at the organizational level	• Build a foundation for advancing AI utilization (FY2026 and beyond)

Maximize value provided to customers by leveraging AI to enhance and accelerate BVCM*

*Brother Value Chain Management (BVCM): Brother's unique management system that considers customer demands and expectations to be top priority as our guide for all of our business operations, and is designed to quickly provide them with exceptional value

Examples of organizational AI utilization in business

Customer value creation with AI via Artspira creative support app — P&H

- Implemented an image generation feature utilizing AI technology in Artspira

Artspira

[Input example]

[Output example]

Development of a knowledge base utilizing AI — Commercial & Industrial Labeling

- Built a foundation for accumulating insights and providing better value propositions to customers

Internal knowledge
- Sales information
- Product information
- Industry expertise

AI orchestration system
- Integrated control of AI agents to handle complex queries
- Sales AI Agent
- Products AI Agent
- Industry expertise AI Agent

Utilization of BtoB customer expertise
- Product development
- Sales marketing
- Customer support

Materiality and sustainability target progress

Reducing CO_2 emissions / Promoting sustainable use of resources

Activities such as improving the energy efficiency of products and actively introducing electricity generated from renewable energy sources at offices are progressing.

Sustainability targets (environment)

Currently implementing reduction activities as planned to achieve CS B2027 targets

	Reducing CO_2 emissions		Promoting sustainable use of resources
	Scope 1, 2	Scope 3	
CS B2027 target values	**56**% reduction (compared to the FY2015 level)	Per unit of sales*1 **25.2**% reduction (compared to the FY2022 level)	New resource volume per unit of sales*1 **16.9**% reduction (compared to the FY2022 level)

*1: CO_2 emissions/Reduction of virgin material usage per unit of sales: An indicator showing CO_2 emissions or virgin material usage relative to sales revenue.
Formula: CO_2 emissions or virgin material usage per unit of sales = CO_2 emissions or virgin material usage / Sales revenue

Major topics

SPEEDIO S Series of machine tools won the Grand Prize at the Minister of the Environment Awards for Climate Action for the first time

Winning products (from left: S300Xd2, S500Xd2, S700Xd2)

[Reason for winning]

- Achieves significantly higher productivity and energy efficiency through the expansion of new features
- Contributes significantly to technological development that supports the decarbonization of the entire industry

Expanded use of renewable energy at Philippines factory

Brother Industries (Philippines)

- Expanded the proportion of electricity generated from renewable energy sources in total electricity consumption by installing solar power systems on rooftops, among other measures

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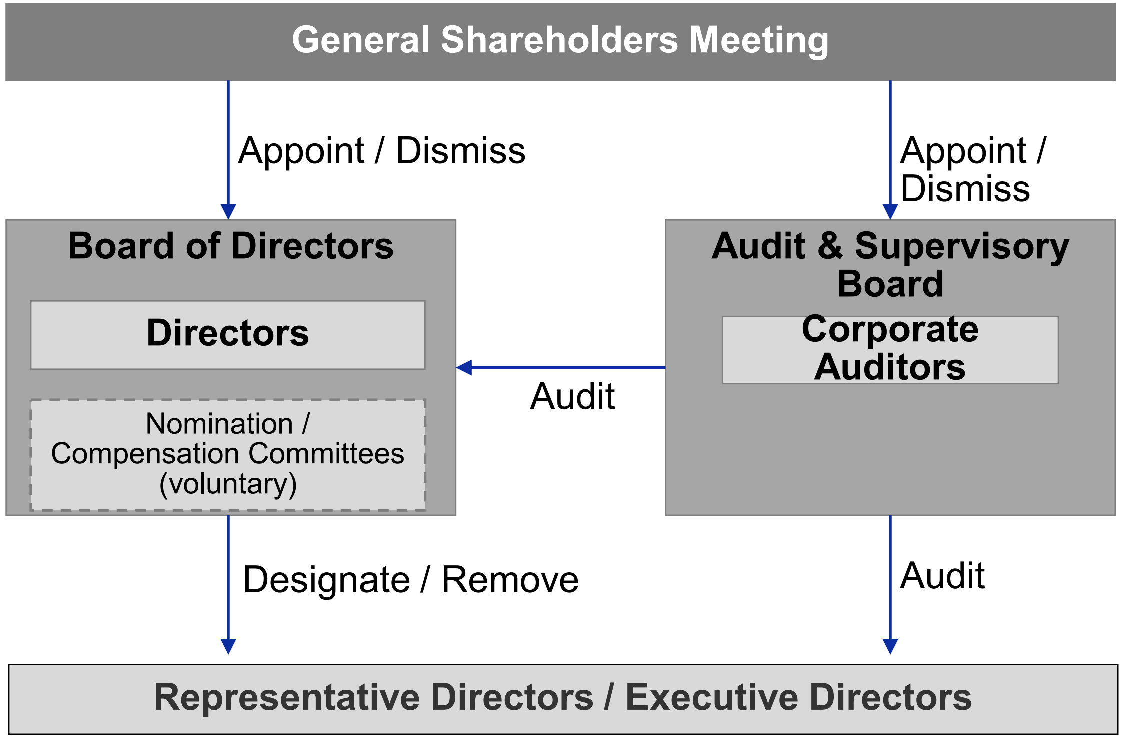
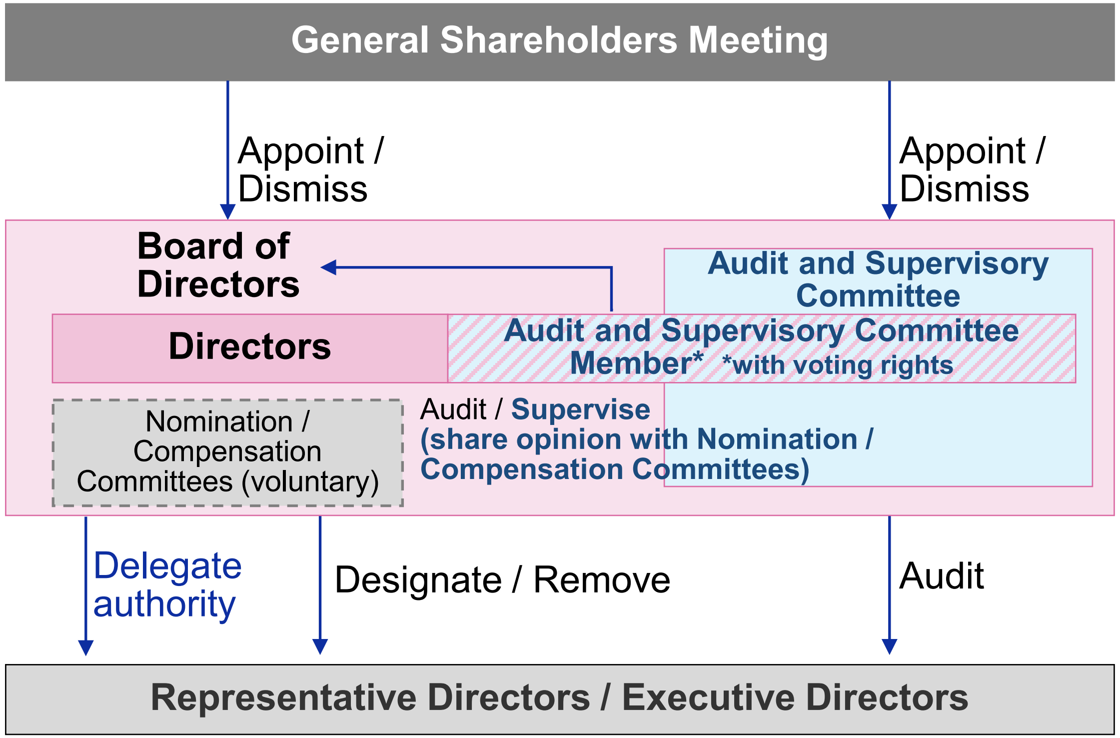
Planning to transition to a Company with an Audit and Supervisory Committee, subject to approval at the 134th Ordinary General Meeting of Shareholders to be held in June 2026.

Current structure (Company with an Audit & Supervisory Board)



Post-transition structure (Company with an Audit and Supervisory Committee)

[Purpose]
- Strengthen the Board of Directors' oversight function by granting voting rights to Audit and Supervisory Committee members
- Promote swift decision-making and enhance corporate value through the appropriate delegation of authority to executive departments



Financial strategy progress

Capital cost and share price (current situation and awareness of issues)

PBR hovered around 1x; while the stock price has performed steadily, it has underperformed the TOPIX. We will continue efforts to further enhance profitability through the transformation of our business portfolio.

Item	Policy	Current situation	FY27 target
Capital cost	✓ Drive business portfolio transformation while effectively utilizing interest-bearing debt to reduce the cost of equity	**Cost of equity:** 8-10%	-
Capital profitability	✓ Adopt a basic policy of improving ROE in a sound manner through business growth	**ROE** FY2025: **9.3 %** Five-year*1 average: 8.2 %	10%
Market valuation	✓ Aim to continuously enhance shareholder value in accordance with the financial policies of CS B2027	**PBR** As of end of FY2025: **0.94x** Five-year*1 average: 1.00x	-
	✓ Strive to further improve PBR and TSR by driving business portfolio transformation through enhanced profitability and continued growth investments	**TSR (including dividends)** FY2025 Company: **110.3%** FY2025 Compared to TOPIX: **81.9%**	Compared to TOPIX Over 100%
Shareholder returns	✓ Minimum annual dividend of 100 yen per share and target dividend payout ratio of 40% as returns ✓ Plan to repurchase a total of 60 billion yen of our own shares during the CS B2027 period ✓ Consider additional shareholder returns depending on factors such as business performance	**Dividend (per share)** FY2025: 100 yen (planned) FY2026: 100 yen (planned) **Share repurchase** FY2025*2: Approx. 20 billion yen FY2026*3: 20 billion yen (planned)	-

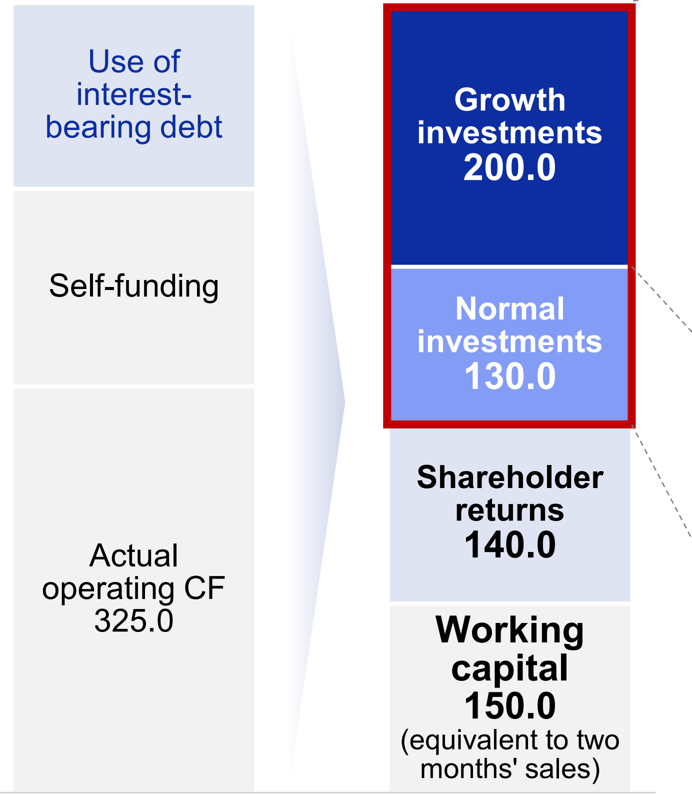
*1: FY2021–2025 *2: May 12, 2025–April 30, 2026 *3: May 11, 2026–April 30, 2027

Investment progress

Strategic investments, such as M&A, are progressing steadily; actively making growth investments to accelerate business portfolio transformation.

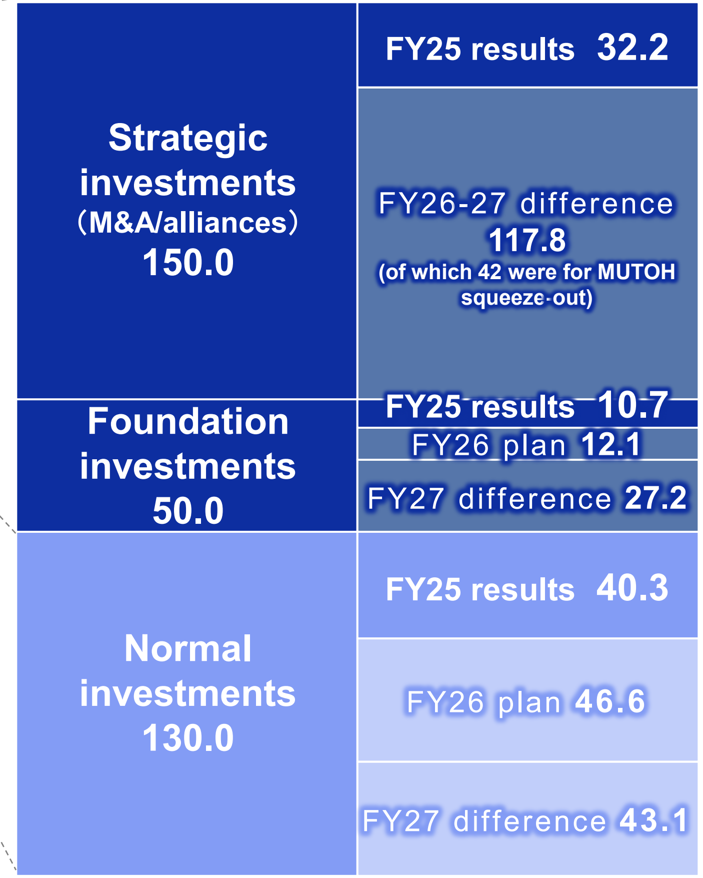
CS B2027 cash allocation

(Billion yen)



Investment progress

(Billion yen)



- **Made growth investments totaling 42.9 billion yen in FY2025: 32.2 billion yen in strategic investments and 10.7 billion yen in foundation investments**
- **No changes to the three-year investment plan**

Strategic investments	**FY25 results**	FY26 forecast
Acquisition Konrad Busche's business	**1.4**	-
Acquisition of MUTOH HOLDINGS as consolidated subsidiary	**30.8**	4.2

Major foundation investments	**FY25 results**	FY26 forecast
Company-wide ｜ Enhance quality manufacturing capabilities, including automating inkjet head production	**2.3**	3.5
Domino ｜ Update core business systems, etc.	**1.7**	2.0
P&S ｜ Strengthen IT systems for businesses with continuous ties to customers	**1.7**	1.5
Industrial Equipment ｜ Strengthen development/manufacturing/sales structure	**0.6**	1.5

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