

Fiscal Year 2025 (ending March 31, 2026) First Quarter Financial Results

August 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 FY2025 Q1(Apr.-Jun.)

Both sales revenue and profit decreased due to negative FX effects. Higher SG&A and sales promotion expenses impacted profits.

Sales revenue 213.1 billion yen/ **-0.8%** (YoY)

- Sales revenue increased on a local currency basis due to higher sales of both hardware and consumables in the P&S business and steady sales in the Machinery and P&H businesses
- Sales revenue decreased due to negative FX effects caused by the appreciation of the yen

Business segment profit 18.9 billion yen/ **-17.3%** (YoY)

- Despite the effects from price adjustments in the P&S business and higher sales mainly in the Machinery business, business segment profit decreased due to higher SG&A and sales promotion expenses and negative FX effects

Forecast for FY2025

- No change from the previous forecast (May 9, 2025), including the exchange rate precondition and segment breakdown
- Although the U.S. additional tariff assumptions and the impact amount change, countermeasures are expected to absorb them completely

Results for FY2025 Q1 (Apr.-Jun.)

Both sales revenue and profit decreased due to negative FX effects. SG&A and sales promotion expenses impacted profits.

Sales revenue

Sales revenue decreased by 0.8% year-on-year to 213.1 billion yen.

Sales revenue decreased due to negative effects from the high value of the yen. On a local currency basis, sales were increased due to higher sales of both hardware and consumables in the P&S business and steady sales in the Machinery and P&H businesses.

Business segment profit

Business segment profit decreased by 17.3% year-on-year to 18.9 billion yen.

Despite the effects from price adjustments in the P&S business and effects from higher sales, mainly in the Machinery business, business segment profit decreased due to higher SG&A and sales promotion expenses and negative FX effects.

Forecast for FY2025

There are no changes from the previous forecast (announced on May 9, 2025) including the exchange rate assumptions and segment breakdown. Although the U.S. additional tariff assumptions and the impact amount change, countermeasures are expected to absorb them completely.

Results for FY2025 Q1 (Apr.-Jun.)

While sales revenue on a local currency basis increased, sales revenue decreased due to negative FX effects. Business segment profit and subsequent items decreased due to negative FX effects and higher SG&A and sales promotion expenses.

(100 Millions of Yen)

	24Q1	25Q1	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	2,147	2,131	-16 (103)	-0.8% (4.8%)
Business segment profit	228	189	-39 (-21)	-17.3% (-9.1%)
Business segment profit ratio	10.6%	8.9%		
Other income/expense	-10	-29	-19	-
Operating profit	218	160	-58	-26.8%
Operating profit ratio	10.2%	7.5%		
Income before tax	235	170	-66	-27.9%
Net income	165	117	-48	-29.0%
attribute to parent company				
USD	156.53	145.19	-11.34	-
EUR	168.37	164.37	-4.00	-

In the first quarter of FY2025, sales revenue was **213.1 billion** yen, a year-on-year decrease of 1.6 billion yen.

Business segment profit decreased by 3.9 billion yen to **18.9 billion** yen.

Operating profit decreased by 5.8 billion yen to **16.0 billion** yen.

Net income attributable to owners of the parent company decreased by 4.8 billion yen to **11.7 billion** yen.

Results for FY2025 Q1 by Business Segment

(100 Millions of Yen)

	Sales revenue			Business segment profit			Operating profit		
	24Q1	25Q1	Change	24Q1	25Q1	Change	24Q1	25Q1	Change
P&S (Printing & Solutions)	1,343	1,323	-20	179	152	-27	168	128	-41
IP (Industrial Printing)	345	323	-22	22	9	-13	22	6	-16
Machinery	158	181	23	3	13	10	4	14	10
Nissei	50	50	0	1	2	1	1	2	1
P&H (Personal & Home)	125	133	9	14	9	-5	13	6	-7
N&C (Network & Contents)	98	93	-5	6	2	-4	7	2	-5
Other	28	27	-1	3	1	-2	4	1	-2
Total	2,147	2,131	-16	228	189	-39	218	160	-58

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

This slide shows a summary of results for each business segment.

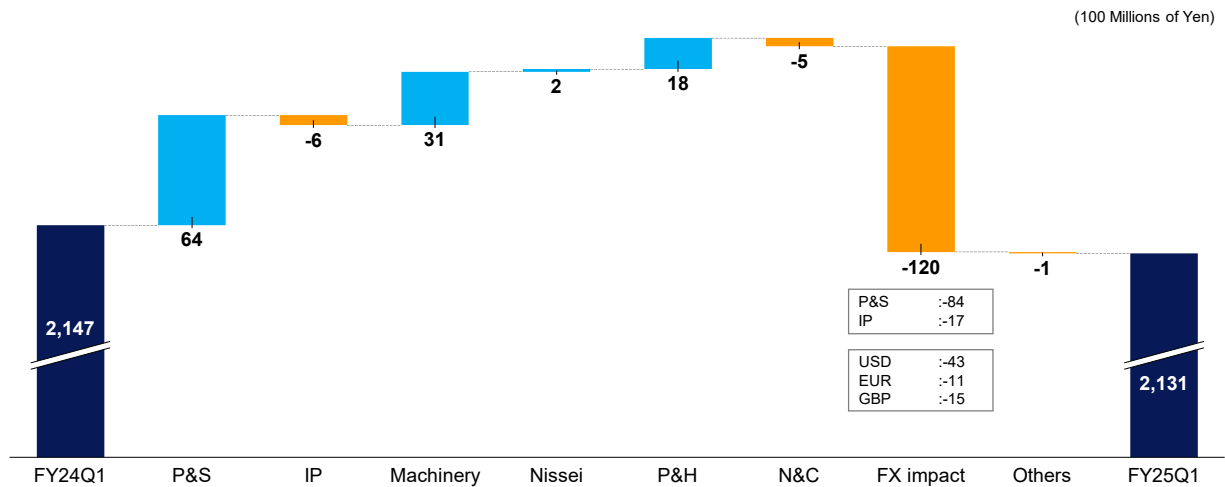
Reporting segments were changed, starting in FY2025, in accordance with the "CS B2027" Medium-Term Business Strategy (covering FY2025 to FY2027).

The Industrial Printing (IP) business is a new segment that consolidates the Domino business and Printing & Automation, which had been included in Industrial Sewing Machines in the Machinery business.

Figures from FY2024 have been restated to reflect the current segments.
This also applies on subsequent slides.

FY2025 Q1
Main Factors for Changes in Sales Revenue

Despite higher sales of both hardware and consumables in the P&S business and steady sales in the Machinery and P&H businesses, sales revenue decreased due to negative FX effects.



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

These are the factors contributing to increases or decreases in sales revenue in the first quarter of FY2025. The amount of change for each business is on a results basis excluding FX effects.

•P&S (Printing & Solutions)

Sales of both hardware and consumables were steady for communications & printing equipment and for labeling, and sales revenue increased.

•IP (Industrial Printing)

Despite steady sales of consumables in the Domino business, sales of garment printers were sluggish, and overall, sales revenue declined.

•Machinery

Although sales of industrial sewing machines were sluggish, sales of machine tools increased, and overall, sales revenue increased.

•Nissei

Sales revenue increased, mainly due to steady sales of gears.

•P&H (Personal & Home)

Sales in the Americas were strong, and sales revenue increased.

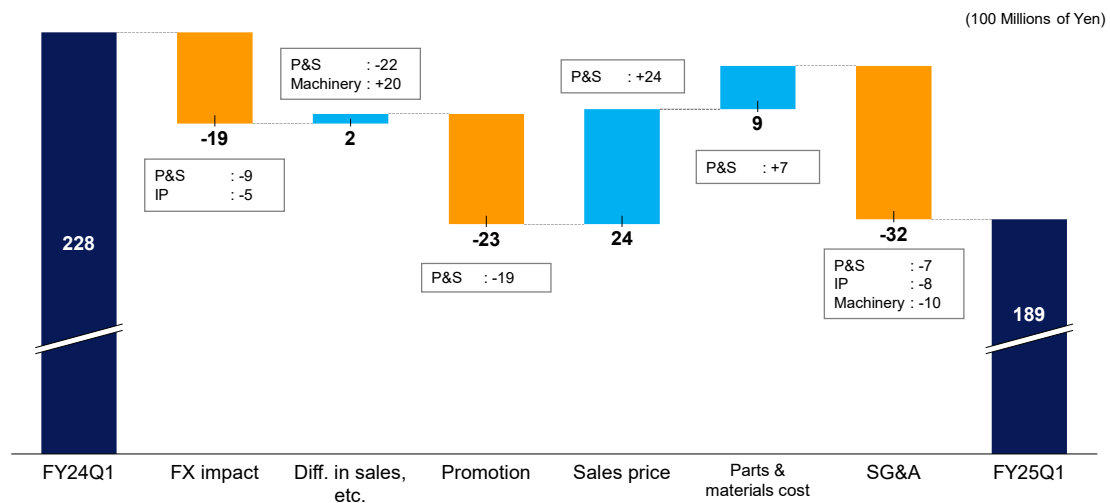
•N&C (Network & Contents)

Sales revenue was down due to a decrease in sales to karaoke clubs and other factors.

In addition to these factors, there were negative FX effects of 12.0 billion yen due to the stronger yen, and company-wide sales revenue decreased by 1.6 billion yen to **213.1 billion yen**.

FY2025 Q1
Main Factors for Changes in Business Segment Profit

Despite effects from price adjustments in the P&S business and higher sales mainly in the Machinery business, business segment profit decreased due to higher SG&A and sales promotion expenses as well as negative FX effects.



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These are the main factors contributing to increases or decreases in business segment profit. Here are comments on the main elements of these.

•FX impact

There were negative foreign exchange effects, mainly in the P&S and IP businesses.

•Differences in sales, etc.

There were also effects from changes in the sales composition in the P&S business, while higher sales volumes of machine tools in the Machinery business contributed.

•Promotion expenses

Sales promotion expenses increased, mainly in the P&S business, in conjunction with higher sales of hardware.

•Sales price

There were effects from price adjustments for consumables, mainly in the P&S business.

•SG&A

Expenses including freight expenses and personnel expenses increased.

As a result of these factors, business segment profit was 18.9 billion yen, a year-on-year decrease of 3.9 billion yen.

Forecast for FY2025

Exchange rates for the forecast period are remained unchanged, but the U.S. tariff policy assumptions was changed as follows and incorporated into the forecast for FY2025.

Additional tariff burden of approximately 16 billion yen* is expected to be absorbed by countermeasures.

Exchange rate assumptions

Assumptions related to U.S. tariff policy

1 USD = 140 yen, 1 EUR = 160 yen (No change from the previous forecast)

■ **Additional tariff assumptions (Taking into account the tariff rates announced as of August 1)**

Major countries and regions	April	May	June	July	August to fiscal year-end
China	145%	30%			
Vietnam	10%				20%
Philippines	10%				19%
Japan	10%				15%

(Refer to page 28 for main production areas of each business)

■ **Impact and countermeasures**

- ✗ Additional tariff burden based on the above assumptions (a factor pushing down profit by approximately 16 billion yen) * Forecast as of August 6, 2025
- ✓ Sales price increases in the U.S. market, control of sales promotion and other expenses, costcutting measures, and production adjustments
- ✗ Decrease in sales volume in conjunction with higher prices in the U.S. market
- ✗ Risk of market deterioration in the Machinery and other businesses, which are expected to see a decline in demand for capital investment

Continue to pay close attention to the circumstances and fully examine the effects, and update the forecast for FY2025, if necessary

These are our preconditions used in the forecasts for FY2025.

• **Exchange rates**

Exchange rates for the forecast period remain unchanged from the previous forecast: the assumed rates are 140 yen per U.S. dollar and 160 yen per euro.

• **U.S. tariff policy**

The additional tariff rates imposed on each country announced on August 1, 2025 are incorporated into the forecast.

The tariff rate assumptions for countries and regions that will have a major impact on the Group are as indicated above.

The additional tariff rates imposed on Vietnam, the Philippines, Japan, and other countries were increased from 10%,

but the rate for China was reduced from 145% to 30%, and due to production adjustments, changes in the product mix, and other factors,

we project that the total additional tariff burden will be approximately 16 billion yen.

In response to the additional tariff burden, we will absorb the costs through measures including sales price increases in the U.S. market.

The expected decrease in sales volume resulting from higher sales prices and the deterioration of market conditions, mainly in the Machinery business, have been factored into the results forecasts.

We anticipate that conditions relating to U.S. tariff policies will change on a daily basis, and accordingly, we will update our results forecasts for the year as necessary.

Forecast for FY2025

The forecast for FY2025, including the exchange rate precondition, remains unchanged from the previous forecast. Although the U.S. additional tariff assumptions and the impact amount change, countermeasures will absorb them and the same level as the previous year will be ensured for both sales revenue and profits.

(100 Millions of Yen)

	FY24 Actual	FY25 Forecast	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	8,766	8,750	-15 (423)	-0.2% (4.8%)
Business segment profit	777	750	-27 (3)	-3.5% (0.4%)
Business segment profit ratio	8.9%	8.6%		
Other income/expense	-78	-20	58	-
Operating profit	699	730	31	4.5%
Operating profit ratio	8.0%	8.3%		
Income before tax	747	750	3	0.4%
Net income attribute to parent company	548	550	2	0.4%
USD	152.48	141.97	-10.51	-
EUR	163.62	162.09	-1.53	-

This slide shows our forecast for FY2025.

The forecast previously announced on May 9, 2025, including the foreign exchange assumptions, which are 140 yen per dollar and 160 yen per euro, remain unchanged.

Although the assumptions and amounts of impact relating to the additional U.S. tariff burdens have changed, we will absorb these costs through measures including price increases, and we project that sales revenue and profits will remain at the same level as in the previous fiscal year.

Forecast for FY2025 by Business Segment

The forecast by business segment also remains unchanged from the previous forecast.

(100 Millions of Yen)

	Sales revenue			Business segment profit			Operating profit		
	FY24 Actual	FY25 Forecast	Change	FY24 Actual	FY25 Forecast	Change	FY24 Actual	FY25 Forecast	Change
P&S (Printing & Solutions)	5,448	5,327	-121	610	612	2	589	615	26
IP (Industrial Printing)	1,373	1,345	-28	52	24	-28	32	23	-9
Machinery	673	791	118	11	46	35	12	46	34
Nissei	200	220	20	5	5	0	0	5	5
P&H (Personal & Home)	572	552	-20	73	58	-15	67	58	-9
N&C (Network & Contents)	388	396	8	19	22	3	20	22	2
Other	111	119	7	7	-16	-23	-19	-38	-18
Total	8,766	8,750	-15	777	750	-27	699	730	31

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

The forecast of results by business segment announced previously also remains unchanged from the previous forecast.

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

Statements of Financial Position: Main Items

(100 Millions of Yen)

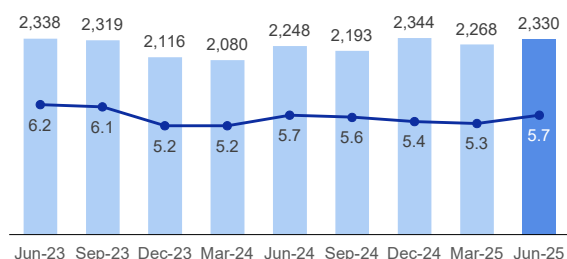
	End of Mar 25	End of Jun 25	Change
Current assets	5,741	5,465	-275
Cash&Cash equivalents	1,728	1,456	-271
Inventories	2,268	2,330	62
Non-current assets	3,586	3,587	1
Total liabilities	2,412	2,197	-215
Interest-bearing debt	6	6	0
Shareholders' equity*	6,914	6,855	-59
Total assets	9,327	9,052	-274

	End of Mar 25	End of Jun 25	Change
Net cash	1,722	1,450	-271
Shareholders' equity ratio	74.1%	75.7%	1.6
ROE	8.1%	-	-
PBR	1.00	-	-

*Equity attributable to owners of the parent company

Inventory

■ Inventories (100 Millions of Yen)
● Inventories / Cash of sales (Number of months)



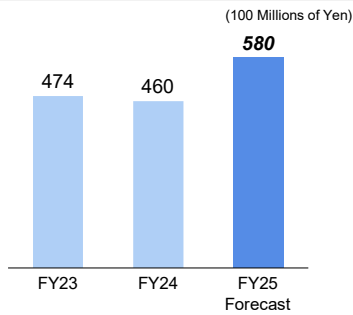
Net cash decreased due to seasonal factors, including the payment of dividends, as well as share repurchases.

Both inventories and inventory turnover in months increased compared to the end of March 2025. The increases were mainly in Europe, the result of soft market conditions in the P&S business and effects from the weak yen.

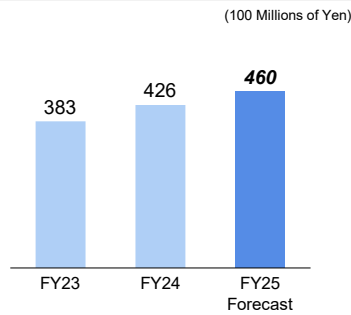
We will make efforts to normalize inventory levels by the end of the fiscal year.

The forecasts for capital expenditure, depreciation and amortization, and R&D expenses remain unchanged from the previous forecast.

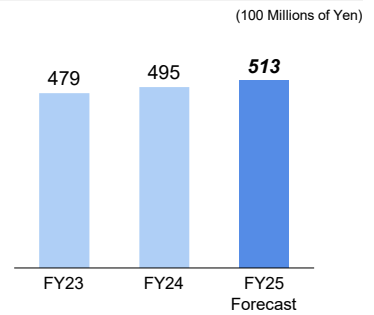
Capital Expenditure



Depreciation & Amortization



R&D Expenses



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

	FY23	FY24	FY25 Fct
Industrial area	100	83	113
Consumer area & Others	375	376	467
Total	474	460	580

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

	FY23	FY24	FY25 Fct
Industrial area	134	148	177
Consumer area & Others	346	347	336
Total	479	495	513

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

The forecasts for capital expenditure, depreciation and amortization, and R&D expenses in FY2025 remain unchanged from the previous forecast.

Business Segment Information

Printing & Solutions Sales Revenue & Profit

	24Q1	25Q1	Change		FY24		FY25		Change	
			(w/o FX)	(w/ FX)	Actual	Forecast	(w/o FX)	(w/ FX)		
Sales revenue	1,343	1,323	4.8%	-1.5%	5,448	5,327	2.8%	-2.2%		
Communications & printing equipment	1,169	1,153	5.0%	-1.3%	4,755	4,647	2.8%	-2.3%		
Americas	441	446	11.5%	1.2%	1,850	1,734	1.7%	-6.3%		
Europe	366	353	-1.2%	-3.5%	1,501	1,566	5.6%	4.3%		
Asia & others	247	255	10.5%	3.3%	952	932	4.9%	-2.0%		
Japan (incl. OEM)	114	98	-12.4%	-14.2%	452	415	-6.7%	-8.2%		
Labeling	174	170	3.3%	-2.7%	693	680	3.1%	-1.9%		
Americas	80	78	6.9%	-1.9%	318	307	4.5%	-3.5%		
Europe	54	50	-5.2%	-7.3%	217	219	2.4%	1.1%		
Asia & others	29	29	8.4%	1.0%	109	105	2.7%	-4.0%		
Japan	12	12	-	4.0%	49	49	-	-1.6%		
Business segment profit	179	152	-	-15.0%	610	612	-	0.3%		
Operating profit	168	128	-	-24.2%	589	615	-	4.4%		

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**

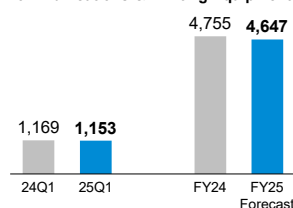
Commercial & Industrial Labeling **Growth business**

Main Products and Services

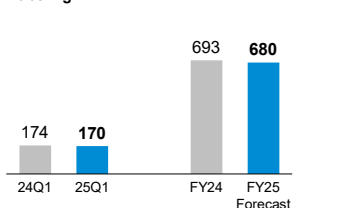
Laser All-in-One Inkjet All-in-One Label printer

Sales Revenue

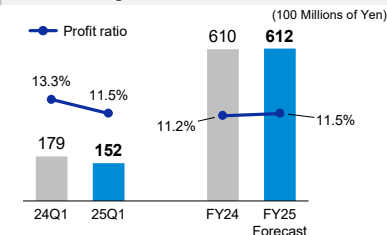
Communications & Printing Equipment



Labeling



Business Segment Profit



This slide describes the results for the first quarter of FY2025.

In the P&S business, sales revenue was **132.3 billion yen**.

Sales revenue increased by 4.8% on a local currency basis, but decreased by 1.5% when the effects of foreign exchange are taken into account.

•Communications & printing equipment

Sales revenue was **115.3 billion yen**.

Sales revenue increased by 5.0% on a local currency basis, but decreased by 1.3% when the effects of foreign exchange are taken into account.

Although signs of a recovery in market conditions in Europe were not observed, overall sales of both hardware and consumables were steady.

Sales revenue increased on a local currency basis, but decreased when the effects of foreign exchange are taken into account.

The details are explained on the next page.

•Labeling

Sales revenue was **17.0 billion yen**.

Sales revenue increased by 3.3% on a local currency basis, but decreased by 2.7% when the effects of foreign exchange are taken into account.

Sales of Home & Office labeling were flat year on year, but sales of Commercial & Industrial labeling were steady.

Sales revenue increased on a local currency basis, but decreased when the effects of foreign exchange are taken into account.

Business segment profit was **15.2 billion yen**.

Despite effects from price adjustments for consumables, profit was down due to higher sales promotion expenses in conjunction with increased sales of hardware as well as negative foreign-exchange effects and other factors.

Operating profit was **12.8 billion yen**.

There were effects from foreign-exchange losses.

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

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

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This slide shows the sales revenue growth rates of major printing products in the first quarter (local currency basis, year-on-year comparison).

The laser sales growth rates were positive 9% for hardware and positive 3% for consumables. The inkjet sales growth rates were positive 12% for hardware and positive 1% for consumables.

[Hardware]

Sales of laser products in each region increased from the same period of the previous fiscal year, when there were supply constraints.

Sales of inkjet products increased in the Americas, China, and Asia.

[Consumables]

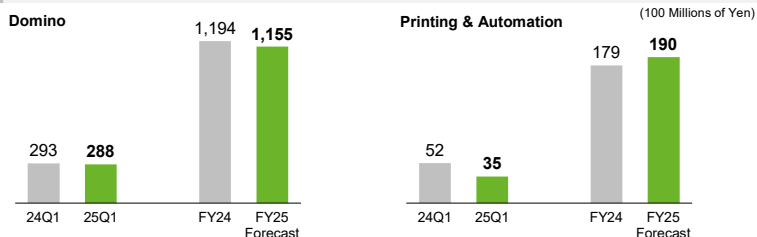
Sales decreased, mainly in Europe, but there were effects from price adjustments, and overall sales revenue was steady.

Industrial Printing Sales Revenue & Profit

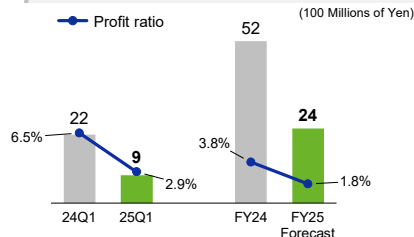
	24Q1	25Q1	Change (w/o FX)	Change (w/ FX)	(100 million yen)			
					FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
Sales revenue	345	323	-1.7%	-6.5%	1,373	1,345	5.4%	-2.0%
Domino	293	288	3.0%	-2.0%	1,194	1,155	4.5%	-3.3%
Americas	78	76	2.9%	-2.8%	313	314	-0.3%	0.2%
Europe	124	124	2.5%	0.6%	516	488	9.9%	-5.4%
Asia & others	82	76	2.0%	-7.5%	322	307	-0.1%	-4.7%
Japan	10	12	-	17.5%	42	46	-	8.5%
Printing & automation	52	35	-28.1%	-32.2%	179	190	11.4%	6.3%
Americas	29	15	-44.5%	-49.0%	98	103	12.2%	4.7%
Europe	11	9	-21.5%	-23.5%	38	43	14.4%	13.3%
Asia & others	9	8	-4.3%	-10.7%	28	29	9.1%	2.8%
Japan	3	4	-	30.7%	14	14	-	1.2%
Business segment profit	22	9	-	-57.9%	52	24	-	-54.3%
Operating profit	22	6	-	-72.3%	32	23	-	-28.3%



Sales Revenue



Business Segment Profit



In the IP business, sales revenue in the first quarter was **32.3 billion yen**.

Sales revenue decreased by 1.7% on a local currency basis and decreased by 6.5% when the effects of foreign exchange are taken into account.

•Domino

Sales revenue was **28.8 billion yen**.

Sales revenue increased by 3.0% on a local currency basis, but decreased by 2.0% when the effects of foreign exchange are taken into account.

Sales of consumables were steady, and sales increased in each region on a local currency basis, but sales revenue decreased due to negative foreign-exchange effects.

•Printing & automation

Sales revenue was **3.5 billion yen**.

Sales revenue decreased by 28.1% on a local currency basis and decreased by 32.2% when the effects of foreign exchange are taken into account.

Sales revenue was down sharply due to changes in the competitive environment in Europe and around the U.S. as well as negative foreign-exchange effects.

It should also be noted that there were effects from large-scale projects in the same period of the previous fiscal year.

Business segment profit was **0.9 billion yen**.

Profit was down significantly due to higher SG&A expenses, mainly personnel and development expenses, as well as increased U.S. tariff burdens and negative FX effects.

Operating profit was **0.6 billion yen**.

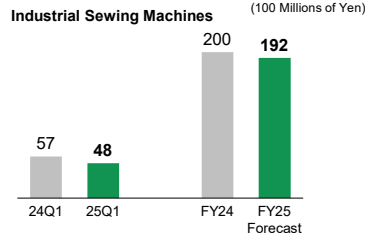
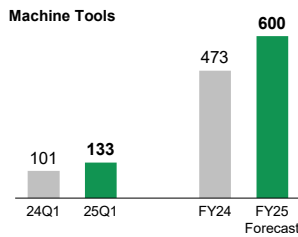
There were effects from foreign-exchange losses.

Machinery Sales Revenue & Profit

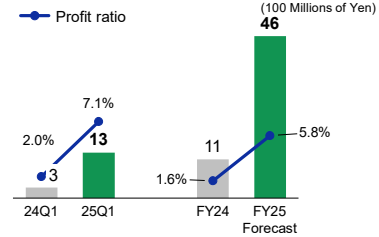
	24Q1	25Q1	Change		(100 million yen)			
			(w/o FX)	(w/ FX)	FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
Sales revenue	158	181	19.6%	14.6%	673	791	21.2%	17.6%
Machine tools	101	133	36.0%	31.4%	473	600	28.4%	26.7%
Americas	8	11	-	49.1%	33	49	-	46.3%
Europe	5	6	-	37.3%	26	40	-	56.5%
Asia & others	65	92	-	41.6%	319	387	-	21.6%
Japan	24	23	-	-3.9%	96	124	-	29.1%
Industrial sewing machines	57	48	-9.4%	-15.1%	200	192	1.8%	-4.1%
Americas	3	4	32.5%	22.5%	11	12	16.7%	8.3%
Europe	8	6	-23.1%	-24.8%	27	32	19.0%	17.9%
Asia & others	45	37	-9.9%	-16.1%	159	145	-1.7%	-8.3%
Japan	1	1	-	-9.3%	4	3	-	-19.4%
Business segment profit	3	13	-	301.8%	11	46	-	327.7%
Operating profit	4	14	-	271.5%	12	46	-	288.6%



Sales Revenue



Business Segment Profit



In the Machinery business, sales revenue in the first quarter was **18.1 billion yen**.

Sales revenue increased by 19.6% on a local currency basis and increased by 14.6% when the effects of foreign exchange are taken into account.

•Machine tools

Sales revenue was **13.3 billion yen**.

Sales revenue increased by 36.0% on a local currency basis and increased by 31.4% when the effects of foreign exchange are taken into account.

Although domestic sales were sluggish, there was a recovery in demand for capital investment in the automotive and general machinery markets, mainly in China and Asia, and as a result, sales revenue was up substantially.

•Industrial sewing machines

Sales revenue was **4.8 billion yen**.

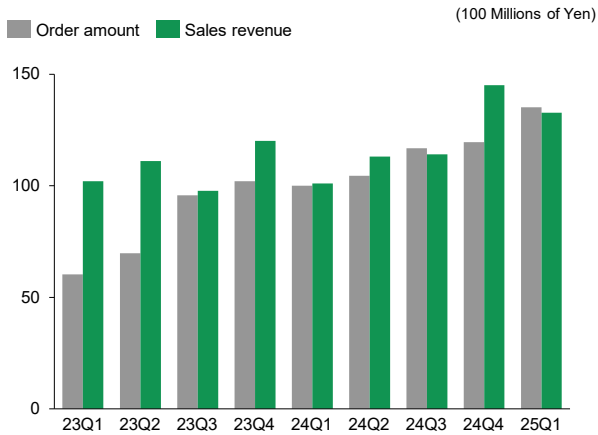
Sales revenue decreased by 9.4% on a local currency basis and decreased by 15.1% when the effects of foreign exchange are taken into account.

Although there was an increase in sales for non-apparel products, primarily automotive interior products such as airbags, capital investment for apparel in Asia was postponed in response to effects from U.S. tariff policies. In addition to these factors, there were also negative FX effects, and sales revenue decreased.

Business segment profit was **1.3 billion yen**.

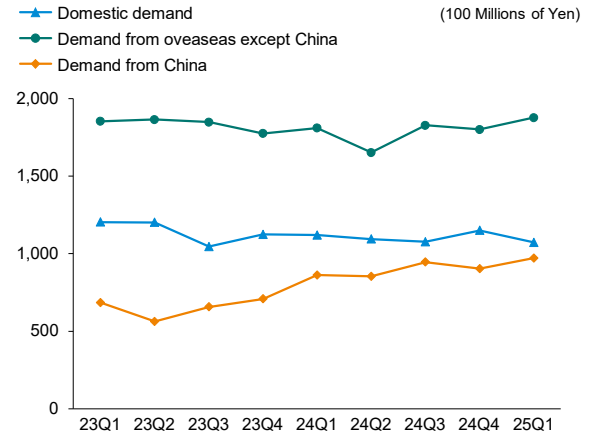
Despite higher SG&A and other expenses, sales revenue increased, leading to a substantial increase in profit.

Trends in order amount and sales revenue



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

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



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

This slide shows quarterly trends in sales revenue and order amounts for machine tools. The order amounts are the aggregate amounts of orders for hardware products from both Japan and overseas.

Despite some weakness in domestic order amounts, the automotive and general machinery markets showed signs of steady recovery, mainly in China and Asia.

Nissei Sales Revenue & Profit

(100 million yen)								
	24Q1	25Q1	Change (w/o FX)	Change (w/ FX)	FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
Sales revenue	50	50	3.2%	0.6%	200	220	12.3%	10.0%
Americas	8	9	25.1%	16.1%	31	35	20.1%	11.7%
Europe	-	-	-	-	-	-	-	-
Asia & others	9	7	-18.2%	-24.9%	29	31	11.8%	4.8%
Japan	33	35	-	3.9%	140	155	-	10.7%
Business segment profit	1	2	-	248.9%	5	5	-	-3.9%
Operating profit	1	2	-	144.6%	0	5	-	-

Industrial/Consumer

Industrial

Positioning in CS B2027

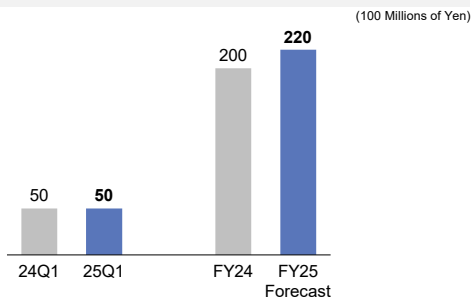
Profit-driven business

Main Products and Services

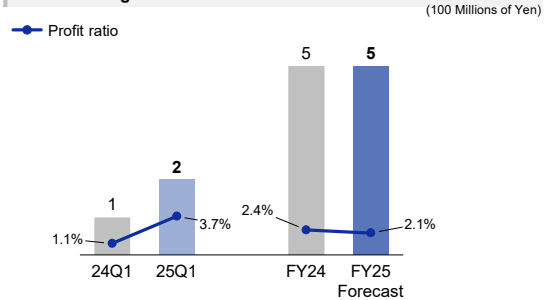


Gearmotor High stiffness reducer Gear

Sales Revenue



Business Segment Profit



In the Nissei business, sales revenue in the first quarter was **5.0 billion yen**. Sales revenue increased by 3.2% on a local currency basis and increased by 0.6% when the effects of foreign exchange are taken into account.

Regarding reducers, recovery of capital investment demand has been slow and remained flat from the same period of the previous fiscal year, but sales of gears recovered at a moderate pace. Despite negative foreign exchange effects, overall, sales revenue was flat from the same period of the previous fiscal year.

Business segment profit was **0.2 billion yen**.

As a result of effects from price adjustments and other factors, profit was up substantially.

Personal & Home Sales Revenue & Profit

	24Q1	25Q1	Change		(100 million yen)			
			(w/o FX)	(w/ FX)	FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
Sales revenue	125	133	14.5%	6.9%	572	552	2.2%	-3.5%
Americas	70	78	23.0%	12.1%	346	321	0.3%	-7.4%
Europe	33	32	-0.3%	-2.7%	139	143	4.0%	2.8%
Asia & others	16	16	8.8%	2.2%	57	56	4.3%	-2.2%
Japan	6	6	-	13.2%	28	32	-	11.5%
Business segment profit	14	9	-	-35.3%	73	58	-	-20.8%
Operating profit	13	6	-	-51.8%	67	58	-	-13.0%

Industrial/Consumer

Consumer

Positioning in CS B2027

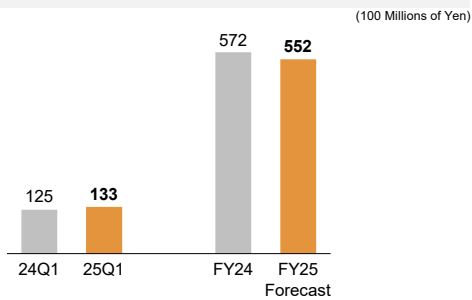
Profit-driven business

Main Products and Services

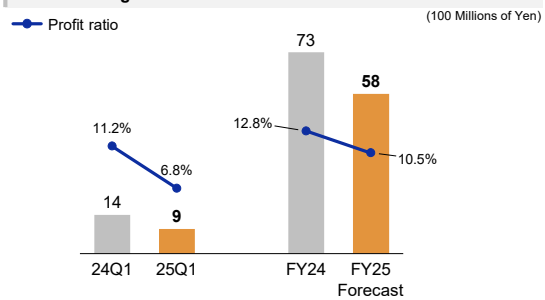


©Disney Home sewing machine Home cutting machine

Sales Revenue



Business Segment Profit



In the P&H business, sales revenue in the first quarter was **13.3 billion yen**.

Sales revenue increased by 14.5% on a local currency basis and increased by 6.9% when the effects of foreign exchange are taken into account.

Despite negative FX effects, sales were strong in the Americas, and sales revenue increased.

Business segment profit was **0.9 billion yen**.

Although sales revenue increased, sales promotion and SG&A expenses increased and there were changes in the sales composition as well as negative FX effects, and as a result, profit was down sharply from the same period of the previous fiscal year, when profits were at high levels.

Operating profit was **0.6 billion yen**.

There were effects from foreign-exchange losses.

Network & Contents Sales Revenue & Profit



	24Q1	25Q1	Change	(100 million yen)		
				FY24 Actual	FY25 Forecast	Change
Sales revenue	98	93	-5.0%	388	396	2.1%
Business segment profit	6	2	-64.2%	19	22	13.8%
Operating profit	7	2	-68.2%	20	22	9.7%

Industrial/Consumer

Consumer

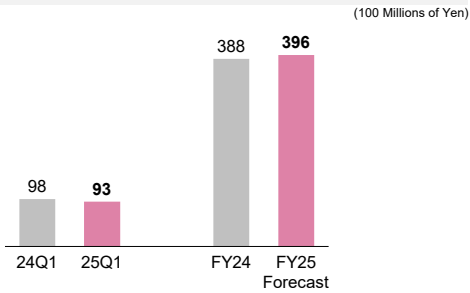
Positioning in CS B2027
Profitability transformation business

Main Products and Services

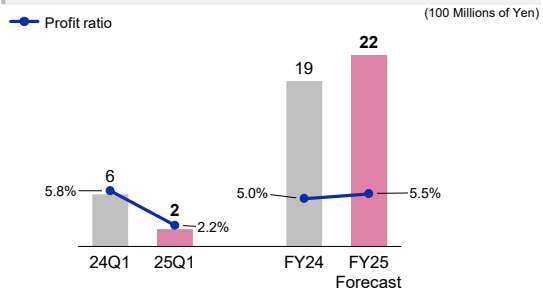



Online karaoke system Entertainment platform

Sales Revenue



Business Segment Profit



In the N&C business, sales revenue in the first quarter was **9.3 billion** yen, a year-on-year decrease of 5.0%.

Sales to karaoke clubs decreased and sales of karaoke systems were soft compared to the same period of the previous fiscal year, when there were effects from the introduction of new products. As a result, sales revenue decreased.

Business segment profit was **0.2 billion** yen.

Due to the effects of lower sales revenue, higher SG&A expenses, and other factors, profit decreased substantially.

Topics

The newly designed molded pulp cushioning material won the WorldStar Award*¹



WORLDSTAR WINNER 2025

WorldStar Award's logo

- Brother developed molded pulp made from recycled paper to align with our plastic-free goals
- The award-winning molded pulp was made **smaller and lighter** while maintaining its cushioning performance, and **reducing CO₂ emissions by 33%** compared to the traditional design
- The molded pulp allows it to be **stacked more compactly** during storage and disposal

Image of the molded pulp in use and disposal



Brother has been named a Leader in the IDC MarketScape: Worldwide Hardcopy Remanufacturing 2025 Vendor Assessment

■ Main evaluation points

- Brother is currently **the only*² hardware manufacturer** to have a fully certified **remanufacturing program for both its inkjet and toner consumables**
- Committed to design cartridges which is easy to remanufacture



Image of ink cartridge collection



Image of toner cartridge remanufacturing

*1 At the WorldStar Global Packaging Awards 2025, hosted by the World Packaging Organisation (WPO)

*2 Source: IDC, as of March 2025

Newly-designed molded pulp cushioning material won the WorldStar Award

Brother is promoting the use of recycled materials and has developed molded pulp made from paper for use as a cushioning material to protect printers and other products in place of Styrofoam, which is made from plastic.

A newly developed molded pulp cushioning material recently won the WorldStar Award in an international contest hosted by the World Packaging Organisation.

The newly-designed molded pulp is smaller and lighter than earlier designs while maintaining cushioning performance, reducing CO₂ emissions from production, transportation, and other processes.

Also, the molded pulp can be stacked more compactly during storage and disposal.

In addition, the number of prototypes produced during the development stage was reduced by utilizing proprietary simulation technology for testing impact during drops and in other situations.

As a result, the CO₂ generated during the production of prototypes and in other processes was also reduced.

Brother designated as Leader in the IDC report on hardcopy remanufacturing

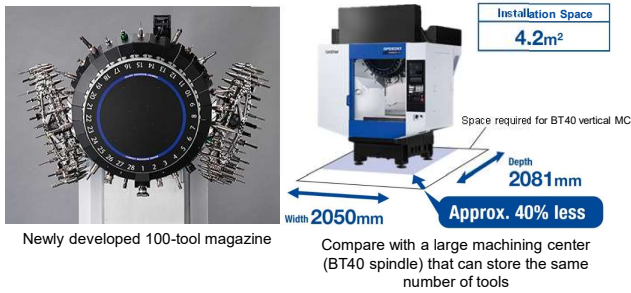
Brother was designated as a Leader in a report on hardcopy remanufacturing issued by the IDC, a U.S.-based research firm that specializes in IT.

This IDC MarketScape evaluates hardcopy vendors that provide remanufactured devices and/or consumables to the worldwide marketplace, positioning them into four categories -Leaders, Major Players, Contenders, and Participants.

Brother was highly evaluated for being the only hardware manufacturer that supports remanufacturing of both toner and inkjet cartridges as well as for our efforts in designing cartridges that are easy to remanufacture.

Launch of machine tools with a 100-tool magazine which support high-mix, small-lot production

- In April, launched a machine tool that can mount **100 pieces of tools** at with the **BT30 spindle compact machining center for the first time**
- Satisfied the needs for automation of **high-mix, small-lot production** in Europe, etc. by shortening tools' setup and replacement time



※SPEEDIO S700Xd2-100T / U500Xd2-100T

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Strengthening of our sales and service bases in key areas such as China and India

- Newly established **Technology Centers (BTCs)** in **Tianjin (China)** and **Pune (India)** as a service support site with a showroom of machine tools to boost sales
- They are the sixth BTC in China and the third in India



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Machine tools with 100-tool magazine launched

Parts machining needs are shifting from mass production to high-mix, small-lot production, and there is a need to reduce tool set up and replacement times when switching to the next workpiece.

In response to these needs, Brother developed the SPEEDIO S700Xd2-100T and U500Xd2-100T, the first compact machining center with a BT30 spindle and a magazine that can accommodate 100 tools.

In addition, by using the special-purpose optional Pallet Changer PC-1, set up changes for pallets loaded with workpieces become unnecessary, enabling long-term operations and improving the operating rate of the machine itself.

Strengthening Sales and Service Bases

Brother established new Brother Technology Centers (BTCs) in China and India, which have been designated as key areas.

The BTCs are sites that perform machine tool sales activities, hold various seminars, provide service support, and have showrooms.

The new BTCs are the sixth in China and third in India.

With the opening of these new BTCs, it is possible to conduct marketing and provide technical support closer to customers, even in regions that previously had no sites.

Reference

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 (FY2024 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%
N&C Network & Contents		Online Karaoke system	Japan	None
Company total		-	-	Slightly more than 20%

Business areas

Product / Service portfolio

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

Industrial area

Consumer area

New businesses

brother
at your side