

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

**November 10, 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 Q2(Jul.-Sep.)

Both sales revenue and profit increased due to higher sales in the P&S and Machinery businesses

Sales revenue **224.7 billion yen/ +5.7%** (YoY)

- Sales revenue increased due to higher sales of both hardware and consumables in the P&S business and strong sales of machine tools in the Machinery business

Business segment profit **22.0 billion yen/ +8.9%** (YoY)

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

Operating profit **22.8 billion yen/ +36.0%** (YoY)

- Operating profit and subsequent items increased significantly due to the posting of gains on sales of fixed assets and other factors

Forecast for FY2025

The forecasts for both sales revenue and profits were revised upward

- Reflecting steady performance in the first half and positive effects from changes in the exchange rate for the forecast period
- The forecast for operating profit takes into account a gain on transfer of the Karaoke Club business and other factors

Shareholder Returns

- The interim dividend for FY2025 is 50 yen per share
- The forecast for the annual dividend remains unchanged

Results for FY2025 Q2 (Jul.-Sep.)

Both sales revenue and profit increased due to higher sales in the P&S and Machinery businesses.

Sales revenue

Sales revenue increased by 5.7% year-on-year to **224.7 billion yen**.

Sales revenue increased due to higher sales of both hardware and consumables in the P&S business and strong sales of machine tools in the Machinery business.

Business segment profit

Business segment profit increased by 8.9% year-on-year to **22.0 billion yen**.

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

Operating profit

Operating profit increased by 36.0% year-on-year to **22.8 billion yen**.

Operating profit and subsequent items increased significantly due to the posting of gains on sales of fixed assets and other factors.

Forecast for FY2025

The forecasts for both sales revenue and profits were revised upward, reflecting the steady performance in the first half and the review of the exchange rate for the forecast period.

The forecast for operating profit takes into account a gain on transfer of the Karaoke Club business and other factors.

Shareholder Returns

The interim dividend for FY2025 is 50 yen per share.

The forecast for the annual dividend remains unchanged from 100 yen per share.

Results for FY2025 Q2 (Jul.-Sep.)

Both sales revenue and profit increased mainly due to higher sales in the P&S and Machinery businesses. Operating profit and subsequent items increased significantly due to the posting of gains on sales of fixed assets and other factors.

(100 Millions of yen)

	24Q2	25Q2	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	2,125	2,247	122 (118)	5.7% (5.6%)
Business segment profit	202	220	18 (9)	8.9% (4.5%)
Business segment profit ratio	9.5%	9.8%		
Other income/expense	-34	8	42	-
Operating profit	167	228	60	36.0%
Operating profit ratio	7.9%	10.1%		
Income before tax	179	235	56	31.2%
Net income	116	165	49	42.2%
attribute to parent company				
USD	150.26	147.50	-2.76	-
EUR	164.27	171.59	7.32	-

• Gains on sales of fixed assets : +23

In the second quarter of FY2025, sales revenue was **224.7 billion** yen, a year-on-year increase of 12.2 billion yen. It reached a record high for the second quarter.

Business segment profit increased by 1.8 billion yen to **22.0 billion** yen.

Operating profit increased by 6.0 billion yen to **22.8 billion** yen due to the posting of gains on sales of fixed assets and other factors.

Net income attributable to owners of the parent company increased by 4.9 billion yen to **16.5 billion** yen.

Results for FY2025 Q2 by Business Segment

(100 Millions of yen)

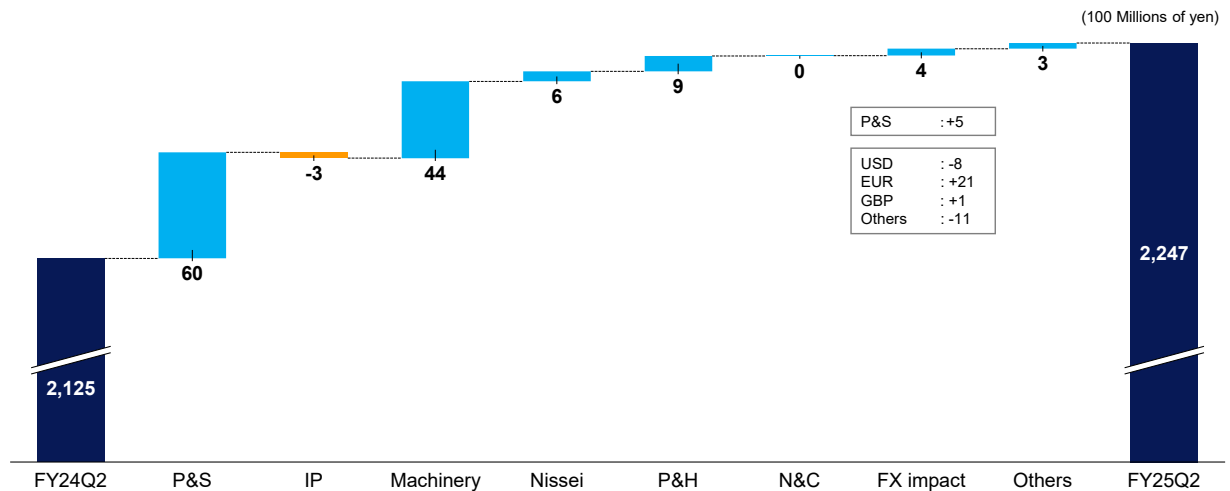
	Sales revenue			Business segment profit			Operating profit		
	24Q2	25Q2	Change	24Q2	25Q2	Change	24Q2	25Q2	Change
P&S (Printing & Solutions)	1,320	1,385	65	171	178	7	164	169	5
IP (Industrial Printing)	346	343	-3	20	4	-17	13	-1	-13
Machinery	162	203	42	1	18	17	-1	17	18
Nissei	50	55	5	1	4	3	1	4	3
P&H (Personal & Home)	131	140	9	4	14	10	3	13	10
N&C (Network & Contents)	95	95	0	4	3	-1	3	3	-1
Others	22	25	3	0	0	0	-16	23	39
Total	2,125	2,247	122	202	220	18	167	228	60

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

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

FY2025 Q2
Main Factors for Changes in Sales Revenue

Sales revenue increased due to higher sales of both hardware and consumables in the P&S business and strong sales of machine tools in the Machinery business.



These are the factors contributing to increases or decreases in sales revenue in the second 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 Printing & automation (garment printers) were sluggish, and overall, sales revenue declined.

•Machinery

Sales of machine tools increased, and overall, sales revenue increased.

•Nissei

Sales revenue increased due to steady sales of both gearmotors and gears.

•P&H (Personal & Home)

Sales in each region were steady, especially for low-end models, and sales revenue increased.

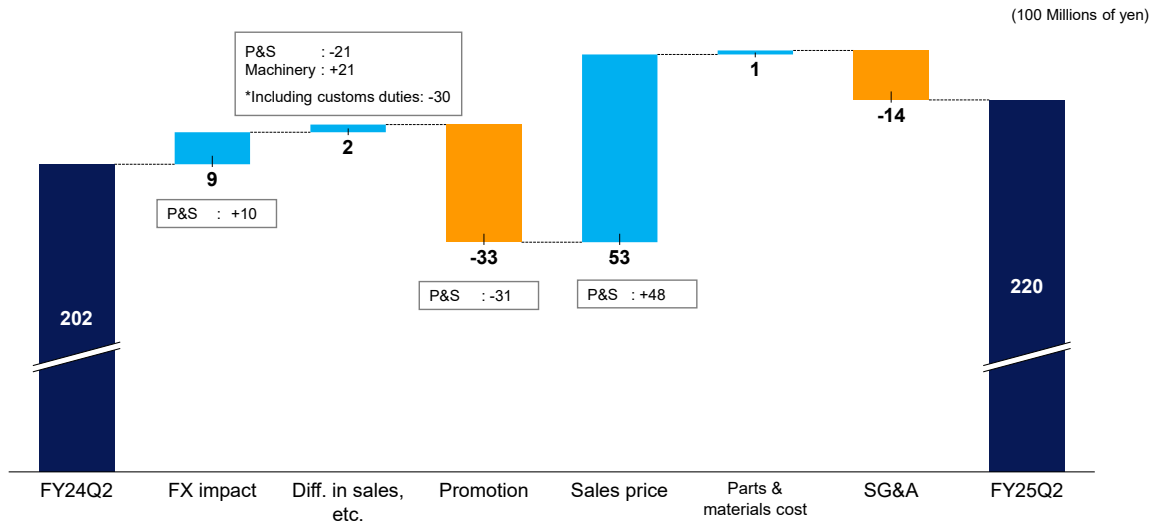
•N&C (Network & Contents)

Although sales in the Karaoke Club business were down, sales of karaoke systems were steady, and sales revenue was flat year-on-year.

In addition to these factors, there were positive FX effects of 0.4 billion yen, and company-wide sales revenue increased by 12.2 billion yen to **224.7 billion yen**.

FY2025 Q2
Main Factors for Changes in Business Segment Profit

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



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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 positive foreign exchange effects, mainly in the P&S business.

•Differences in sales, etc.

Despite increased U.S. tariff burdens in the P&S business, sales revenue increased mainly backed by higher sales of machine tools in the Machinery business.

•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 sales price increases, including responses to the U.S. tariff policy, mainly in the P&S business.

•SG&A

SG&A expenses increased in each business.

As a result of these factors, business segment profit was **22.0 billion yen**, a year-on-year increase of 1.8 billion yen.

Results for FY2025 First Half (Apr.-Sep.)

While sales revenue increased backed by higher sales in the P&S and Machinery businesses, business segment profit decreased due to higher sales promotion and SG&A expenses. Operating profit and subsequent items were flat year-on-year due to the posting of gains on sales of fixed assets and other factors.

(100 Millions of yen)

	FY24 1H	FY25 1H	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	4,272	4,378	105	2.5%
			(221)	(5.2%)
Business segment profit	430	408	-21	-5.0%
			(-12)	(-2.7%)
Business segment profit ratio	10.1%	9.3%		
Other income/expense	-44	-21	23	-
Operating profit	385	387	2	0.5%
Operating profit ratio	9.0%	8.8%		
Income before tax	415	405	-10	-2.4%
Net income	281	283	1	0.4%
attribute to parent company				
USD	152.30	146.57	-5.73	-
EUR	165.46	167.74	2.28	-

*Gains on sales of fixed assets : +23

Sales revenue in the first half of FY2025 was **437.8 billion** yen, up 10.5 billion yen from the same period of the previous fiscal year, mainly backed by higher sales in the P&S and Machinery businesses. It reached a record high for the first half .

Business segment profit decreased by 2.1 billion yen to **40.8 billion** yen.

Operating profit increased by 0.2 billion yen to **38.7 billion** yen due to the posting of gains on sales of fixed assets and other factors.

Net income attributable to owners of the parent company increased by 0.1 billion yen to **28.3 billion** yen.

Results for FY2025 1H by Business Segment

(100 Millions of yen)

	Sales revenue			Business segment profit			Operating profit		
	FY24 1H	FY25 1H	Change	FY24 1H	FY25 1H	Change	FY24 1H	FY25 1H	Change
P&S (Printing & Solutions)	2,663	2,708	45	350	330	-20	332	296	-36
IP (Industrial Printing)	691	666	-25	43	13	-30	34	5	-29
Machinery	320	384	65	4	31	27	3	31	28
Nissei	99	105	6	2	6	4	2	7	4
P&H (Personal & Home)	255	273	18	18	23	5	16	19	3
N&C (Network & Contents)	193	189	-5	10	5	-5	10	5	-6
Others	50	53	2	4	1	-2	-12	24	37
Total	4,272	4,378	105	430	408	-21	385	387	2

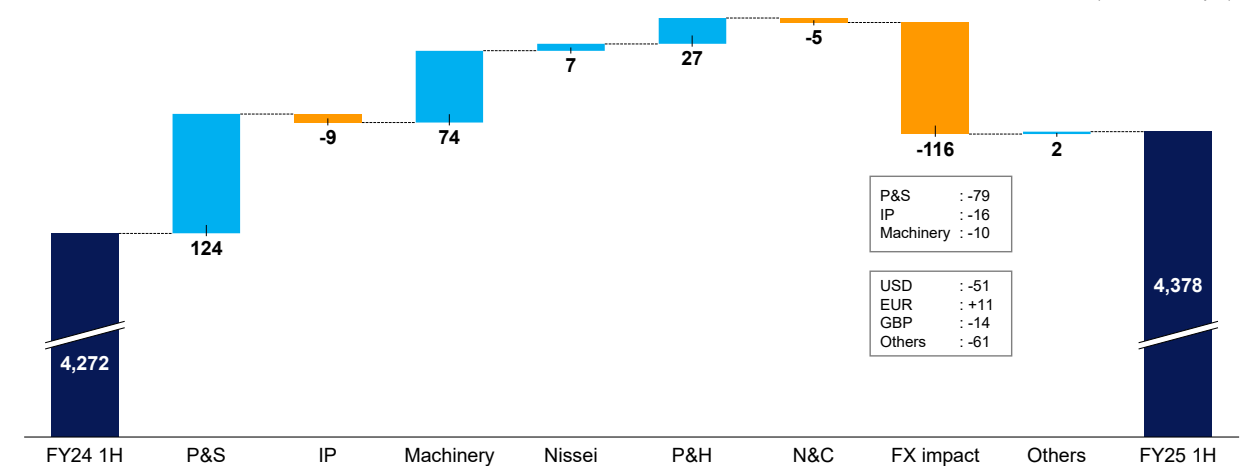
* "Other" includes elimination amounts from inter-segment transactions.

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

FY2025 1H
Main Factors for Changes in Sales Revenue

Despite negative FX effects, sales revenue 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.

(100 Millions of yen)



* 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 half 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 Printing & automation (garment printers) were sluggish, and overall, sales revenue declined.

•Machinery

Sales of machine tools increased, and overall, sales revenue increased.

•Nissei

Sales revenue increased due to higher sales of both gearmotors and gears.

•P&H (Personal & Home)

Sales revenue increased due to steady sales in each region.

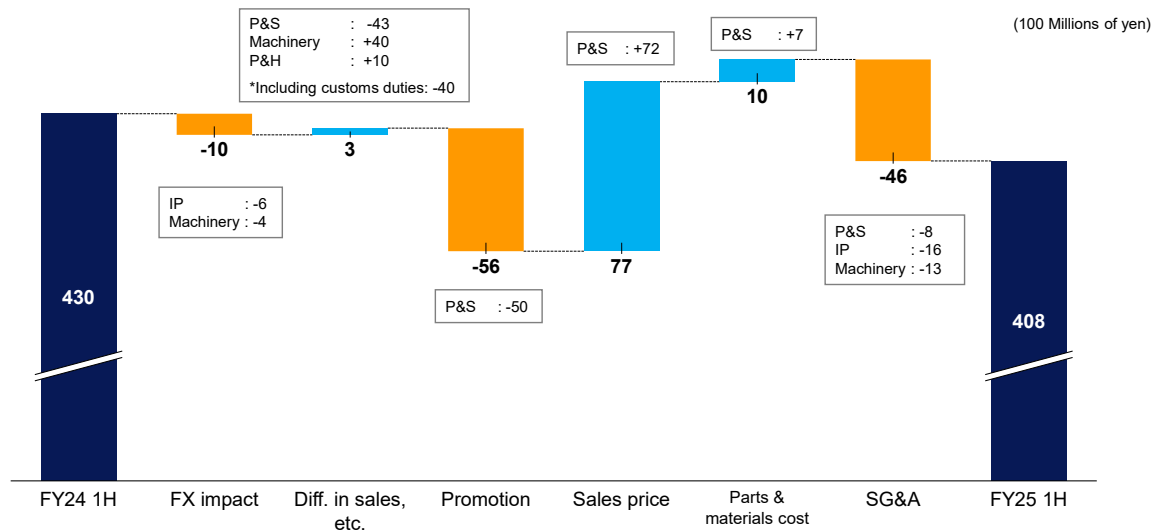
•N&C (Network & Contents)

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

As a result of these factors, despite negative FX effects of 11.6 billion yen, company-wide sales revenue increased by 10.5 billion yen to **437.8 billion yen**.

FY2025 1H
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 sales promotion and SG&A expenses and other factors.



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 IP and Machinery businesses

•Differences in sales, etc.

Despite increased U.S. tariff burdens in the P&S business, sales revenue increased backed by higher sales of machine tools in the Machinery business.

•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, including responses to the U.S. tariff policy, mainly in the P&S business.

•SG&A

SG&A expenses increased in each business.

As a result of these factors, business segment profit was **40.8 billion** yen, a year-on-year decrease of 2.1 billion yen.

Forecast for FY2025

Exchange rates for the forecast period were changed.
 The impact from tariff policies by the U.S. is expected to be entirely absorbed by price adjustments and other countermeasures.

Exchange rate

- **Exchange rates for the forecast period**
 1 USD = 140 yen, 1 EUR = 165 yen (Change from 1 EUR = 160 yen)

U.S. tariff policy

- **Additional tariff assumptions** (Refer to page 35 for main production areas of each business)

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

- **Outlook for tariff impact**
 - ✓ Based on the above assumptions, the additional tariff burden for the full year will be approximately 14 billion yen (forecast as of November 10, 2025; the result for the first half year of approximately 4 billion yen is included)
 - ✓ It is expected that the impact of tariffs on profit will be entirely absorbed by implementing countermeasures against the additional tariff burden and risk of a decrease in sales, such as price increases in the U.S., control of expenses, cost-cutting measures, and production adjustments

These are our preconditions used in the forecasts for FY2025.

•Exchange rates

The exchange rate for the forecast period remained unchanged for the U.S. dollar at 140 yen per U.S. dollar and was revised for the euro from 160 yen to 165 yen per euro.

•Impact from the U.S. tariff policy

In the previous forecast, we projected that the additional tariff burden for the full year would be approximately 16 billion yen. However, in light of factors such as changes in the production volume and product mix, we now project that the burden for the full year will be approximately 14 billion yen. (the result for the first half of approximately 4 billion yen is included.)

It is expected that the impact of tariffs on profit will be entirely absorbed by implementing countermeasures against the additional tariff burden and risk of a decrease in sales, such as price increases in the U.S., control of expenses, cost-cutting measures, and production adjustments.

Forecast for FY2025

The forecasts for both sales revenue and profits were revised upward, reflecting the steady performance in the first half and the review of in the exchange rate for the forecast period.
The forecast for operating profit takes into account a gain on transfer of the Karaoke Club business and other factors.

(100 Millions of yen)

	Previous Forecast	FY25 Forecast	Change (w/o FX)	Rate of Change (w/o FX)	FY24 Actual	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	8,750	9,000	250	2.9%	8,766	234	2.7%
			(50)	(0.6%)		(474)	(5.4%)
Business segment profit	750	800	50	6.7%	777	23	3.0%
			(6)	(0.8%)		(7)	(0.9%)
Business segment profit ratio	8.6%	8.9%			8.9%		
Other income/expense	-20	20	40	-	-78	98	-
Operating profit	730	820	90	12.3%	699	121	17.3%
Operating profit ratio	8.3%	9.1%			8.0%		
Income before tax	750	840	90	12.0%	747	93	12.5%
Net income							
attribute to parent company	550	630	80	14.5%	548	82	15.0%
USD	141.97	144.22	2.25	-	152.48	-8.26	-
EUR	162.09	167.20	5.11	-	163.62	3.58	-

- The exchange rates for the forecast period : 1 USD = 140 yen, 1 EUR = 165 yen

•Gains on sales of fixed assets (Q2) : +23
•Gain on transfer of the Karaoke Club business, etc. (Q3) : +45
•FX losses : approximately-25

This slide shows our forecast for FY2025.

The forecasts for both sales revenue and profits were revised upward, reflecting the steady performance in the first half and the review of the exchange rate for the forecast period.

The forecast for operating profit takes into account a gain on transfer of the Karaoke Club business and other factors.

The forecasts were revised upward for sales revenue by 25.0 billion yen to **900.0 billion** yen, business segment profit by 5.0 billion yen to **80.0 billion** yen, operating profit by 9.0 billion yen to **82.0 billion** yen, and net income attributable to owners of the parent company by 8.0 billion yen to **63.0 billion** yen.

The exchange rates used as preconditions for our forecasts remained unchanged for the U.S. dollar at 140 yen per U.S. dollar and was revised from 160 yen to 165 yen per euro.

Forecast for FY2025 by Business Segment



(100 Millions of yen)

	Sales revenue			Business segment profit			Operating profit		
	Previous Forecast	FY25 Forecast	Change	Previous Forecast	FY25 Forecast	Change	Previous Forecast	FY25 Forecast	Change
P&S (Printing & Solutions)	5,327	5,568	241	612	644	32	615	626	11
IP (Industrial Printing)	1,345	1,363	19	24	24	0	23	15	-8
Machinery	791	812	21	46	50	4	46	50	4
Nissei	220	210	-11	5	8	3	5	8	4
P&H (Personal & Home)	552	569	18	58	54	-4	58	49	-9
N&C (Network & Contents)	396	364	-32	22	16	-6	22	61	40
Others	119	115	-4	-16	5	21	-38	11	48
Total	8,750	9,000	250	750	800	50	730	820	90

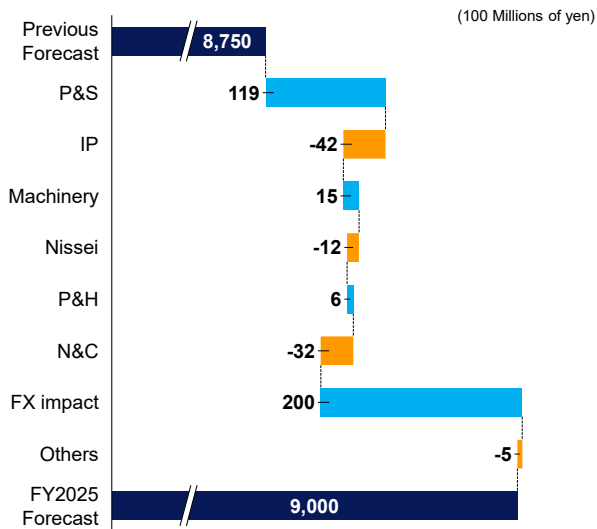
* "Others" includes elimination amounts from inter-segment transactions.

· Gain on transfer of the Karaoke Club business, etc. (Q3) : +45

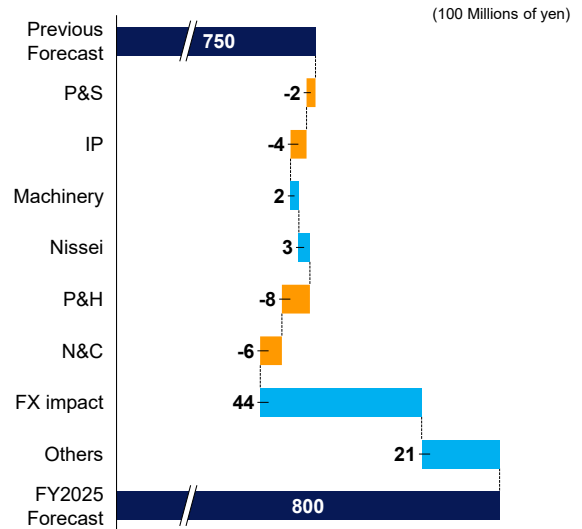
· Gains on sales of fixed assets (Q2) : +23

This slide shows the forecast of results by business segment.

Changes in Sales Revenue



Changes in Business Segment Profit



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

These are changes from the previous full-year forecast.

The major factor behind the upward revisions made this time is positive FX impact.

Main revisions for each business are as follows.

•P&S

Plans of each region were reviewed, and the sales forecast was revised upward.

Meanwhile, the profit forecast is roughly flat from the previous forecast due to an increase in sales promotion expenses in conjunction with higher sales, changes in the sales composition, and other factors.

•IP

Taking progress and the current situation into account, the forecasts for both sales and profit were revised downward.

•Machinery

The forecasts for both sales and profit were revised upward to mainly reflect the upturns in machine tools in the first half.

•Nissei

The sales forecast was revised downward in consideration of uncertainty in market conditions, while the profit forecast was revised upward due to control of SG&A expenses.

•P&H

The profit forecast was revised downward due to U.S. tariff effects and changes in the sales composition.

•N&C

Downward revisions were made, taking into account decreases in sales and profit due to factors such as transfer of the Karaoke Club business.

•Other

The profit forecast was reviewed as the risk with the U.S. tariff policy expected in the first half was reviewed.

Taking into account these factors and positive FX impact, the forecasts for sales revenue and business segment profit for FY2025 were revised upward.

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

Statements of Financial Position: Main Items

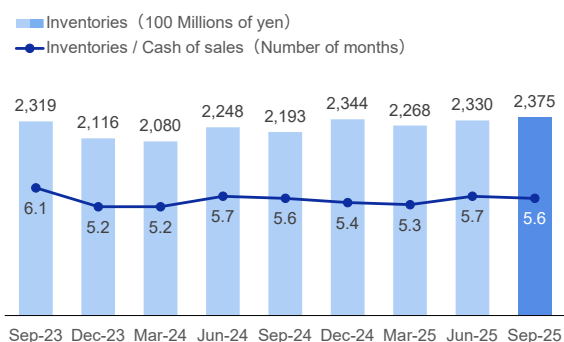
(100 Millions of yen)

	End of Mar 25	End of Sep 25	Change
Current assets	5,741	5,810	69
Cash&Cash equivalents	1,728	1,595	-133
Inventories	2,268	2,375	107
Non-current assets	3,586	3,581	-5
Total liabilities	2,412	2,297	-115
Interest-bearing debt	6	8	2
Shareholders' equity*	6,914	7,093	180
Total assets	9,327	9,391	65

	End of Mar 25	End of Sep 25	Change
Net cash	1,722	1,586	-135
Shareholders' equity ratio	74.1%	75.5%	1.4%
ROE	8.1%	-	-

*Equity attributable to owners of the parent company

Inventory



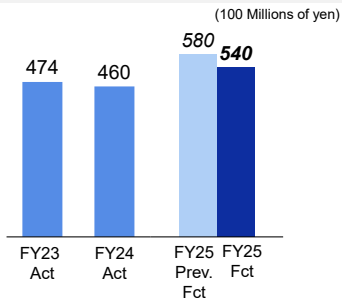
Net cash decreased due to share repurchases and other factors.

Although inventories increased compared to the end of June 2025 due in part to effects from the weak yen, inventory turnover in months decreased gradually.

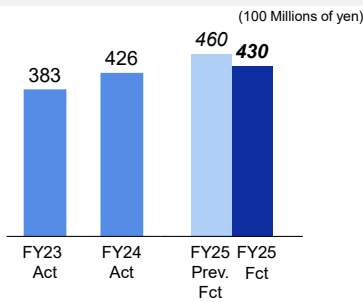
We will make efforts to normalize inventory levels by the end of the fiscal year.

The forecasts for capital expenditure, depreciation and amortization, and R&D expenses were revised downward in light of the progress in the first half.

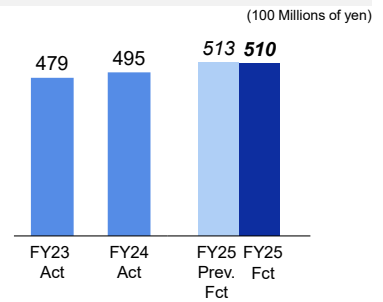
Capital Expenditure



Depreciation & Amortization



R&D Expenses



Breakdown by business (CapEx)

	(100 Millions of yen)			
	FY23	FY24	FY25 Prev. Fct	FY25 Fct
Industrial area	100	83	113	103
Consumer area & Others	375	376	467	437
Total	474	460	580	540

Breakdown by business (R&D)

	(100 Millions of yen)			
	FY23	FY24	FY25 Prev. Fct	FY25 Fct
Industrial area	134	148	177	179
Consumer area & Others	346	347	336	331
Total	479	495	513	510

* The industrial area combines the IP (Domino for FY23-24), Machinery and Nissei businesses

The forecasts for capital expenditure, depreciation and amortization, and R&D expenses for FY2025 were revised downward in light of the progress in the first half.

Shareholder Returns

There has been no change since the the previous forecast.
 The interim dividend for FY2025 is 50 yen per share. The annual dividend is scheduled to be 100 yen.

**[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 of our own shares during the CS B2027 period
- Currently conducting a share repurchase up to 20 billion yen (From May 12, 2025 to April 30, 2026)

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)

	Interim dividend	Year-end dividend	Annual dividend
FY2023	34 yen	50 yen	84 yen
FY2024	50 yen	50 yen	100 yen
FY2025	50 yen	50 yen (planned)	100 yen (planned)

There has been no change since the the previous forecast.
 The interim dividend for FY2025 is 50 yen per share. The annual dividend is scheduled to be 100 yen.

Business Segment Information

Printing & Solutions Sales Revenue & Profit



(100 Millions of yen)

	24Q2	25Q2	Change (w/o FX)	Change (w FX)	FY24	FY25	FY25	Change vs LY	Change vs LY
					Actual	Prev. Fct.	Forecast	(w/o FX)	(w FX)
Sales revenue	1,320	1,385	4.5%	4.9%	5,448	5,327	5,568	5.0%	2.2%
Communications & printing equipment	1,149	1,207	4.7%	5.0%	4,755	4,647	4,858	5.0%	2.2%
Americas	462	471	3.5%	1.9%	1,850	1,734	1,839	5.6%	-0.6%
Europe	345	383	5.8%	10.8%	1,501	1,566	1,622	5.6%	8.0%
Asia & others	238	247	5.6%	3.9%	952	932	961	6.1%	0.9%
Japan (incl. OEM)	104	106	4.2%	2.5%	452	415	436	-1.8%	-3.4%
Labeling	171	178	3.8%	4.3%	693	680	710	5.3%	2.4%
Americas	83	84	2.3%	1.0%	318	307	322	7.4%	1.1%
Europe	50	54	3.5%	8.4%	217	219	228	3.0%	5.4%
Asia & others	27	28	5.8%	4.1%	109	105	109	4.4%	-0.6%
Japan	11	12	-	11.0%	49	49	51	-	3.8%
Business segment profit	171	178	-	3.8%	610	612	644	-	5.6%
Operating profit	164	169	-	2.9%	589	615	626	-	6.3%

Industrial/Consumer

Communications & Printing Equipment, Home & Office labeling **Consumer**

Commercial & Industrial Labeling **Industrial**

Positioning in CS B2027

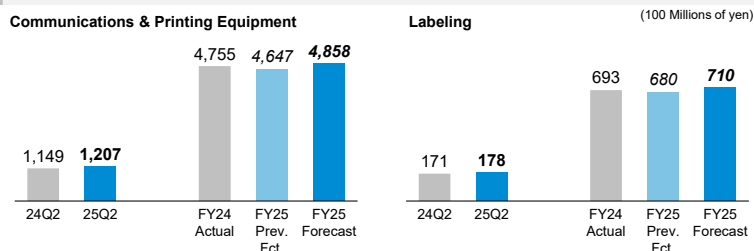
Communications & Printing Equipment, Home & Office labeling **Core business**

Commercial & Industrial Labeling **Growth business**

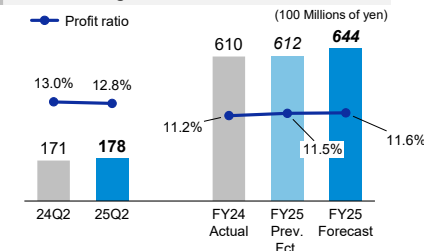
Main Products and Services

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

Sales Revenue



Business Segment Profit



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

In the P&S business, sales revenue was **138.5 billion yen**.

Sales revenue increased by 4.5% on a local currency basis, and increased by 4.9% when the effects of foreign exchange are taken into account.

•Communications & printing equipment

Sales revenue was **120.7 billion yen**.

Sales revenue increased by 4.7% on a local currency basis, and increased by 5.0% when the effects of foreign exchange are taken into account.

Sales revenue increased due to steady sales of both hardware and consumables.

The details are explained on the next page.

•Labeling

Sales revenue was **17.8 billion yen**.

Sales revenue increased by 3.8% on a local currency basis, and increased by 4.3% when the effects of foreign exchange are taken into account.

Sales revenue increased due to steady sales of both hardware and consumables in each region and other factors.

Business segment profit was **17.8 billion yen**.

Despite increased sales promotion expenses mainly in conjunction with higher sales of hardware, profit increased due to positive FX effects.

The U.S. tariff burden was absorbed by effects from price adjustments.

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%	5%	-	-	-8%	-1%
	Consumable	3%	15%	11%	18%	11%	14%	14%	-2%	-3%	3%	-	-	11%	9%
LC	Hardware	-1%	-21%	-16%	-9%	-12%	2%	0%	1%	9%	5%	-	-	-13%	-2%
	Consumable	-3%	7%	5%	7%	0%	12%	12%	-2%	3%	2%	-	-	4%	5%
Inkjet															
JPY	Hardware	5%	3%	-5%	-1%	18%	12%	17%	14%	4%	13%	-	-	0%	15%
	Consumable	15%	16%	0%	5%	-1%	6%	11%	-2%	-4%	9%	-	-	8%	3%
LC	Hardware	2%	-2%	-8%	-7%	10%	14%	18%	16%	12%	13%	-	-	-4%	15%
	Consumable	9%	9%	-4%	-3%	-9%	4%	10%	-2%	1%	8%	-	-	2%	1%
Cosumable ratio		54%	53%	54%	56%	55%	55%	56%	55%	54%	54%	-	-	54%	55%
Growth rate of hardware (Units/YoY)															
Laser		-1%	-21%	-8%	-6%	-13%	-2%	-6%	1%	5%	5%	-	-	-10%	-5%
Inkjet		4%	0%	-3%	-9%	13%	14%	17%	11%	9%	10%	-	-	-2%	14%

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

The laser sales growth rates were positive 5% for hardware and positive 2% for consumables. The inkjet sales growth rates were positive 13% for hardware and positive 8% for consumables.

[Hardware]

Except in China, where market conditions were sluggish, sales of laser products were steady compared to the same period of the previous fiscal year, when there were supply constraints.

Sales of inkjet products were softer in Japan, but increased in other regions.

Both laser and inkjet products include effects from price adjustments as countermeasures against U.S. additional tariffs.

[Consumables]

There were effects from price adjustments including countermeasures against the U.S. tariff policy, and overall sales revenue was steady.

Industrial Printing Sales Revenue & Profit

(100 Millions of yen)

	24Q2	25Q2	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change vs LY (w/o FX)	Change vs LY (w FX)
Sales revenue	346	343	-0.9%	-0.8%	1,373	1,345	1,363	2.1%	-0.7%
Domino	298	306	2.3%	2.5%	1,194	1,155	1,198	3.1%	0.3%
Americas	77	86	7.1%	12.0%	313	314	324	3.3%	3.4%
Europe	131	125	-1.6%	-4.8%	516	488	508	2.3%	-1.5%
Asia & others	80	81	0.2%	1.4%	322	307	318	2.8%	-1.3%
Japan	10	14	-	32.7%	42	46	48	-	12.7%
Printing & automation	48	37	-21.3%	-21.2%	179	190	165	-4.4%	-7.8%
Americas	25	18	-28.5%	-29.5%	98	103	86	-7.0%	-12.7%
Europe	10	9	-17.4%	-13.8%	38	43	39	-0.8%	1.4%
Asia & others	8	7	-10.5%	-11.7%	28	29	26	-4.9%	-9.1%
Japan	4	4	-	-7.5%	14	14	15	-	4.3%
Business segment profit	20	4	-	-82.2%	52	24	24	-	-54.9%
Operating profit	13	-1	-	-	32	23	15	-	-53.3%

Industrial/Consumer

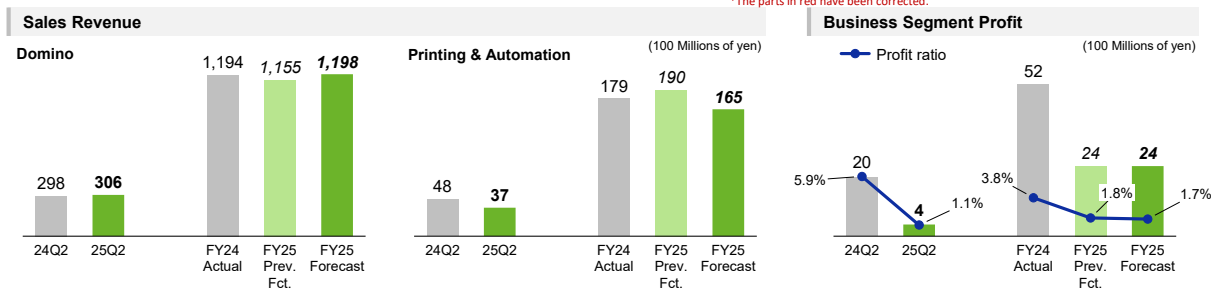
Industrial

Positioning in CS B2027

Growth business

Main Products and Services

Coding and marking equipment
Digital printing equipment
Garment printer



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In the IP business, sales revenue in the second quarter was **34.3 billion yen**.

Sales revenue decreased by 0.9% on a local currency basis and decreased by 0.8% when the effects of foreign exchange are taken into account.

•Domino

Sales revenue was **30.6 billion yen**.

Sales revenue increased by 2.3% on a local currency basis, but decreased by 2.5% when the effects of foreign exchange are taken into account.

Sales revenue increased mainly due to steady sales of consumables.

•Printing & automation

Sales revenue was **3.7 billion yen**.

Sales revenue decreased by 21.3% on a local currency basis and decreased by 21.2% 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 the U.S.

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 **0.4 billion yen**.

Profit was down significantly due to factors such as higher SG&A expenses and increased U.S. tariff burdens, as well as effects from lower sales of Printing & automation (garment printers).

Due to effects from foreign exchange losses, an operating loss of **0.1 billion yen** was recorded.

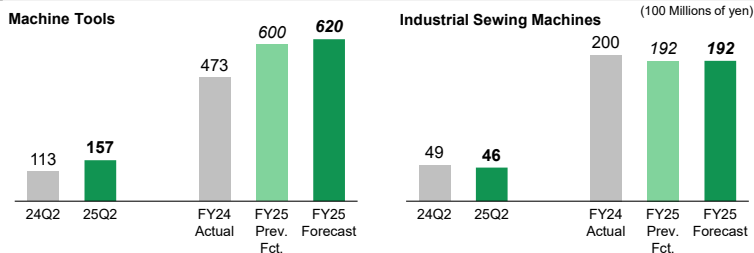
Machinery Sales Revenue & Profit

(100 Millions of yen)

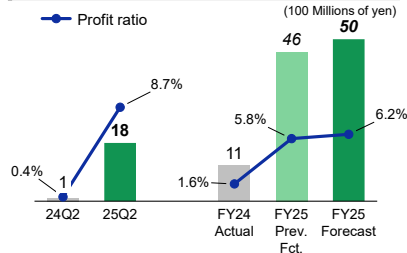
	24Q2	25Q2	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change vs LY (w/o FX)	Change vs LY (w FX)
Sales revenue	162	203	26.9%	25.7%	673	791	812	23.8%	20.6%
Machine tools	113	157	40.1%	39.0%	473	600	620	33.6%	31.0%
Americas	10	7	-	-35.4%	33	49	42	-	24.9%
Europe	4	8	-	78.6%	26	40	26	-	0.9%
Asia & others	70	118	-	68.1%	319	387	442	-	38.8%
Japan	28	25	-	-12.7%	96	124	110	-	15.0%
Industrial sewing machines	49	46	-4.0%	-5.4%	200	192	192	0.6%	-4.0%
Americas	2	4	60.1%	59.9%	11	12	14	36.8%	29.1%
Europe	6	4	-33.7%	-31.0%	27	32	24	-12.5%	-10.5%
Asia & others	39	37	-2.9%	-5.1%	159	145	151	0.6%	-4.9%
Japan	1	1	-	-10.0%	4	3	3	-	-13.5%
Business segment profit	1	18	-	2396.9%	11	46	50	-	370.7%
Operating profit	-1	17	-	-	12	46	50	-	327.4%



Sales Revenue



Business Segment Profit



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In the Machinery business, sales revenue in the second quarter was **20.3 billion yen**.

Sales revenue increased by 26.9% on a local currency basis and increased by 25.7% when the effects of foreign exchange are taken into account.

•Machine tools

Sales revenue was **15.7 billion yen**.

Sales revenue increased by 40.1% on a local currency basis and increased by 39.0% when the effects of foreign exchange are taken into account.

There was a recovery in demand for capital investment in the automotive and general machinery markets, mainly in China, and as a result, sales revenue was up substantially.

•Industrial sewing machines

Sales revenue was **4.6 billion yen**.

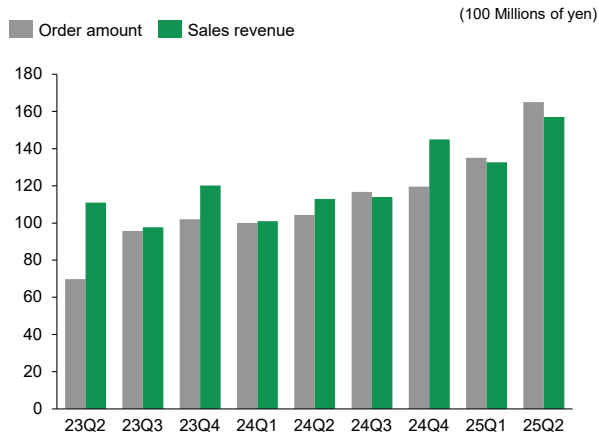
Sales revenue decreased by 4.0% on a local currency basis and decreased by 5.4% when the effects of foreign exchange are taken into account.

Despite steady sales of non-apparel products, primarily automotive interior products such as airbags, sales revenue decreased as capital investment for apparel in Asia was postponed in response to effects from U.S. tariff policies.

Business segment profit was **1.8 billion yen**.

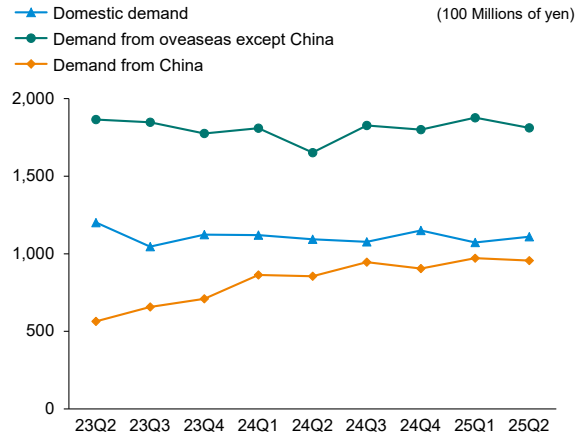
Despite higher SG&A and other expenses, sales revenue increased, leading to a substantial increase in profit.

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. Order amounts recovered significantly for the automotive and general machinery markets, mainly in China and Asia.

Nissei Sales Revenue & Profit

(100 Millions of yen)									
	24Q2	25Q2	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change vs LY (w/o FX)	Change vs LY (w FX)
Sales revenue	50	55	11.4%	10.7%	200	220	210	6.4%	4.7%
Americas	8	12	56.1%	53.9%	31	35	37	24.8%	18.3%
Europe	-	-	-	-	-	-	-	-	-
Asia & others	8	7	-12.0%	-14.1%	29	31	27	-4.7%	-9.7%
Japan	34	36	-	6.6%	140	155	146	-	4.7%
Business segment profit	1	4	-	215.2%	5	5	8	-	59.8%
Operating profit	1	4	-	277.5%	0	5	8	-	-

Industrial/Consumer

Industrial

Positioning in CS B2027

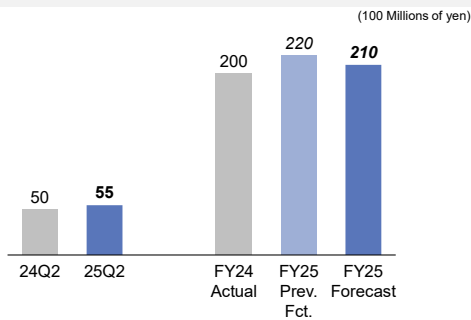
Profit-driven business

Main Products and Services

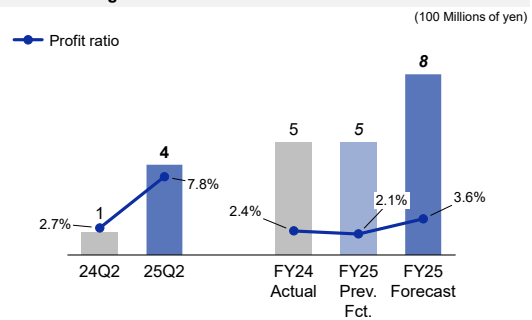


Gearmotor High stiffness reducer Gear

Sales Revenue



Business Segment Profit



In the Nissei business, sales revenue in the second quarter was **5.5 billion** yen.

Sales revenue increased by 11.4% on a local currency basis and increased by 10.7% when the effects of foreign exchange are taken into account.

In addition to steady sales of both gearmotors and gears, there were also effects from price adjustments, and sales revenue increased.

Business segment profit was **0.4 billion** yen.

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

Personal & Home Sales Revenue & Profit



(100 Millions of yen)

	24Q2	25Q2	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change vs LY (w/o FX)	Change vs LY (w FX)
Sales revenue	131	140	6.6%	6.9%	572	552	569	3.1%	-0.4%
Americas	84	83	-0.2%	-1.5%	346	321	327	0.2%	-5.7%
Europe	28	35	17.5%	23.6%	139	143	147	3.4%	5.9%
Asia & others	12	15	23.3%	21.1%	57	56	62	13.9%	8.6%
Japan	7	8	-	16.1%	28	32	33	-	15.5%
Business segment profit	4	14	-	267.6%	73	58	54	-	-26.7%
Operating profit	3	13	-	314.5%	67	58	49	-	-26.1%

Industrial/Consumer

Consumer

Positioning in CS B2027

Profit-driven business

Main Products and Services

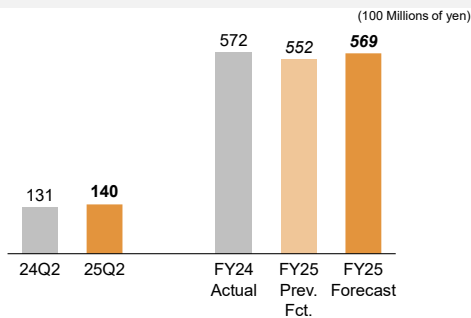


©Disney Home sewing machine

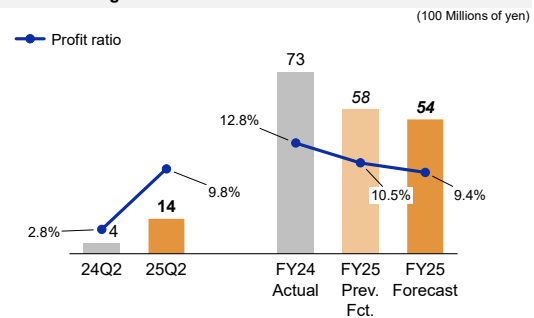


Home cutting machine

Sales Revenue



Business Segment Profit



In the P&H business, sales revenue in the second quarter was **14.0 billion yen**. Sales revenue increased by 6.6% on a local currency basis and increased by 6.9% when the effects of foreign exchange are taken into account.

In addition to steady sales of low-end models in each region, there were also effects from sales of the top-end models launched in the latter half of the previous fiscal year, and sales revenue increased.

Business segment profit was **1.4 billion yen**.

Due to effects from higher sales and an improvement in the sales composition, profit increased from the same period of the previous fiscal year, when expenses related to new products were incurred.

Network & Contents Sales Revenue & Profit

(100 Millions of yen)							
	24Q2	25Q2	Change	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change vs LY
Sales revenue	95	95	0.2%	388	396	364	-6.2%
Business segment profit	4	3	-32.3%	19	22	16	-16.9%
Operating profit	3	3	-21.1%	20	22	61	210.9%

Industrial/Consumer

Consumer

Positioning in CS B2027

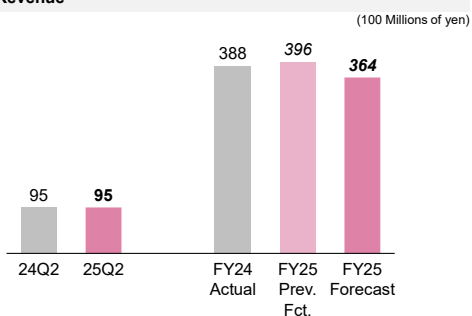
Profitability transformation business

Main Products and Services

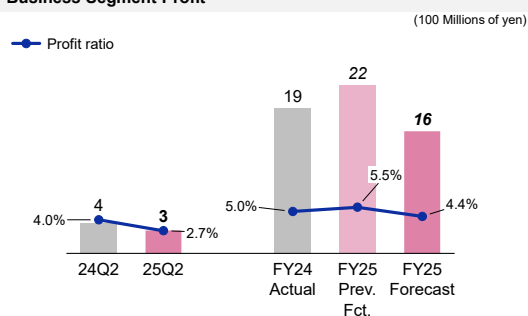



Online karaoke system Entertainment platform

Sales Revenue



Business Segment Profit



In the N&C business, sales revenue in the second quarter was **9.5 billion** yen, a year-on-year decrease of 0.2%.

Despite decreased sales to karaoke clubs, sales of karaoke systems increased, and sales revenue was flat year-on-year.

Business segment profit was **0.3 billion** yen.

Profit decreased due to increase in sales promotion and SG&A expenses and other factors.

Topics

To accelerate business portfolio transformation, we have decided to proceed with business transfers and acquisitions as part of the strategic policy of our medium-term business strategy "CS B2027."

Target Businesses	Overview	Effective date
N&C Business	<p>Transfer karaoke club business operated by Standard to Koshidaka Holdings</p> <p>September 12, 2025 News Release: https://download.brother.com/pub/com/en/news/2025/250912e-01.pdf</p>	November 1, 2025 (Completion of business transfer)
Industrial Sewing Machine Business (Machinery Business)	<p>Acquisition of the automotive division from Konrad Busche GmbH, which provides industrial sewing machine solutions mainly in Europe</p> <p>November 10, 2025 News Release: https://download.brother.com/pub/com/en/news/2025/251110e-01.pdf</p>	Scheduled on January 1, 2026

This is an update on the progress of our M&A activities.

As part of the strategic policy under our medium-term strategy "CS B2027," we have decided to transfer and acquire businesses in order to accelerate the transformation of our business portfolio.

Regarding the transfer of the business operated by Standard Co., Ltd., which manages karaoke stores and other facilities, to Koshidaka Holdings, as announced on September 12, 2025, the transfer was completed on November 1, 2025.

For details, please refer to the following news release:
<https://download.brother.com/pub/com/en/news/2025/250912e-01.pdf>

Additionally, we have decided to acquire the automotive parts division of Konrad Busche, a company mainly engaged in industrial sewing machine solutions in Europe.
 The business acquisition is scheduled for January 1, 2026.

For more information, please refer to the news release announced on November 10, 2025.
<https://download.brother.com/pub/com/en/news/2025/251110e-01.pdf>

We will continue to pursue various initiatives to accelerate the transformation of our business portfolio and enhance our profit-generating capabilities.

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

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