

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

February 6, 2026

BROTHER INDUSTRIES, LTD.

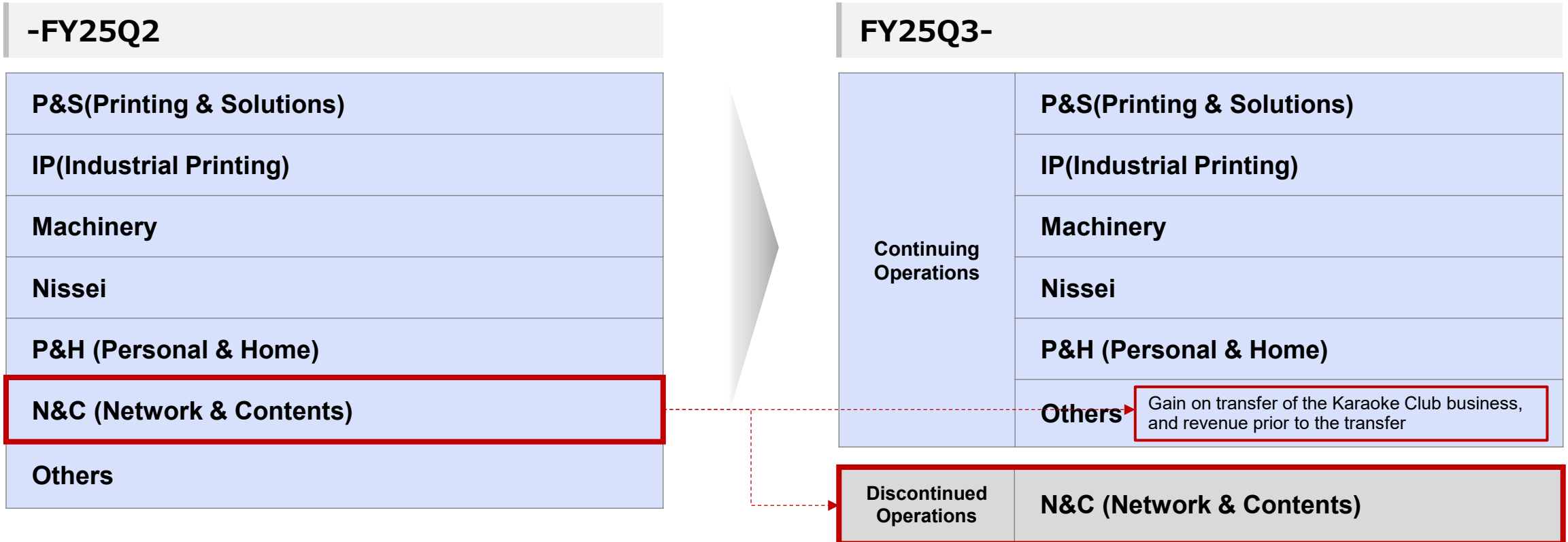
Akira Nakashima

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.

Notice of Change in Reportable Segments

- ✓ As of the current third quarter, the N&C business has been classified as discontinued operations. (excluding the Karaoke Club business)
- ✓ Figures from sales revenue to income before tax exclude discontinued operations retroactively from the beginning of the fiscal year.
- ✓ Net income attributable to owners of the parent is the total of profits from continuing and discontinued operations.
- ✓ The results for the same period of the previous year have also been reclassified on the same basis.



Results for FY2025 Q3(Oct.-Dec.)

Sales revenue **237.3 billion yen/ +5.6%** (YoY)

- Sales revenue increased due to positive FX effects and higher sales of machine tools

Business segment profit **23.3 billion yen/ -9.1%** (YoY)

- Despite positive FX effects, business segment profit decreased due to changes in the sales composition and higher SG&A and sales promotion expenses mainly in the P&S business

Operating profit **24.6 billion yen/ -1.8%** (YoY)

- Although a gain on transfer of the Karaoke Club business was recorded, operating profit was flat year-on-year due to effects of FX losses

Net income* **23.7 billion yen/ +6.3%** (YoY)

- Net income increased with addition of adjustments to tax effects in discontinued operations

* Net income attributable to owners of the parent company

As of the current third quarter, 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.

Forecast for FY2025

- Sales revenue and business segment profit incorporate positive FX effects, and operating profit takes into account FX losses. The forecasts for each business has been revised according to their progress.
- With the addition of adjustments to tax effects in discontinued operations, net income* has been revised upward.

Progress of Business Portfolio Transformation

- November 2025: Transfer of the Karaoke Club business was completed
- January 2026: Acquisition of the automotive division of Konrad Busche in Germany was completed
- February 2026: **Commencement of Tender Offer for Shares of MUTOH HOLDINGS CO., LTD.**
- April 2026: 70% of XING shares will be transferred

Results for FY2025 Q3 (Oct.-Dec.)

Consolidated Results for FY2025 Q3

Although sales revenue increased due to positive FX effects and higher sales in the Machinery business, business segment profit decreased due in part to changes in the sales composition in the P&S business. Operating profit was flat year-on-year as a result of the recording of a gain on transfer of the Karaoke Club business and other factors.

	(A)	(B)	(C)	(C-B)	(C/B-1)	(100 Millions of yen)
	24Q3 Pre-Reclass (disclosed last year)	24Q3 Post-Reclass	25Q3	Change (w/o FX)	Rate of Change (w/o FX)	
Sales revenue	2,315	2,248	2,373	125 (37)	5.6% (1.7%)	
Business segment profit	262	257	233	-23 (-54)	-9.1% (-21.1%)	
Business segment profit ratio	11.3%	11.4%	9.8%			• Gain on transfer of the Karaoke Club business : +45 • FX losses : -23
Other income/expense	-6	-7	12	19	-	
Operating profit	255	250	246	-5	-1.8%	
Operating profit ratio	11.0%	11.1%	10.3%			
Income before tax	266	261	256	-5	-2.0%	
Net income from continuing operations	223	220	192	-28	-12.9%	
Net income from discontinued operations	-	2	45	42	1819.6%	
Net income attributable to owners of the parent company	223	223	237	14	6.3%	• Adjustments to tax effects related to a partial transfer of XING shares in FY26 : +41
USD	151.32	151.32	154.04	2.72	-	
EUR	162.57	162.57	179.68	17.11	-	

As of the current third quarter, 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 Q3 by Business Segment

(100 Millions of yen)

	Sales revenue			Business segment profit			Operating profit		
	24Q3 Post-Reclass	25Q3	Change	24Q3 Post-Reclass	25Q3	Change	24Q3 Post-Reclass	25Q3	Change
P&S (Printing & Solutions)	1,462	1,513	51	216	171	-45	214	145	-70
IP (Industrial Printing)	338	353	16	4	13	9	6	8	2
Machinery	160	219	59	3	18	15	5	19	14
Nissei	50	54	4	2	2	1	2	2	1
P&H (Personal & Home)	175	188	13	28	31	3	29	29	0
Others	64	47	-18	4	-2	-6	-6	43	48
Total	2,248	2,373	125	257	233	-23	250	246	-5

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

• Gain on transfer of the Karaoke Club business : +45

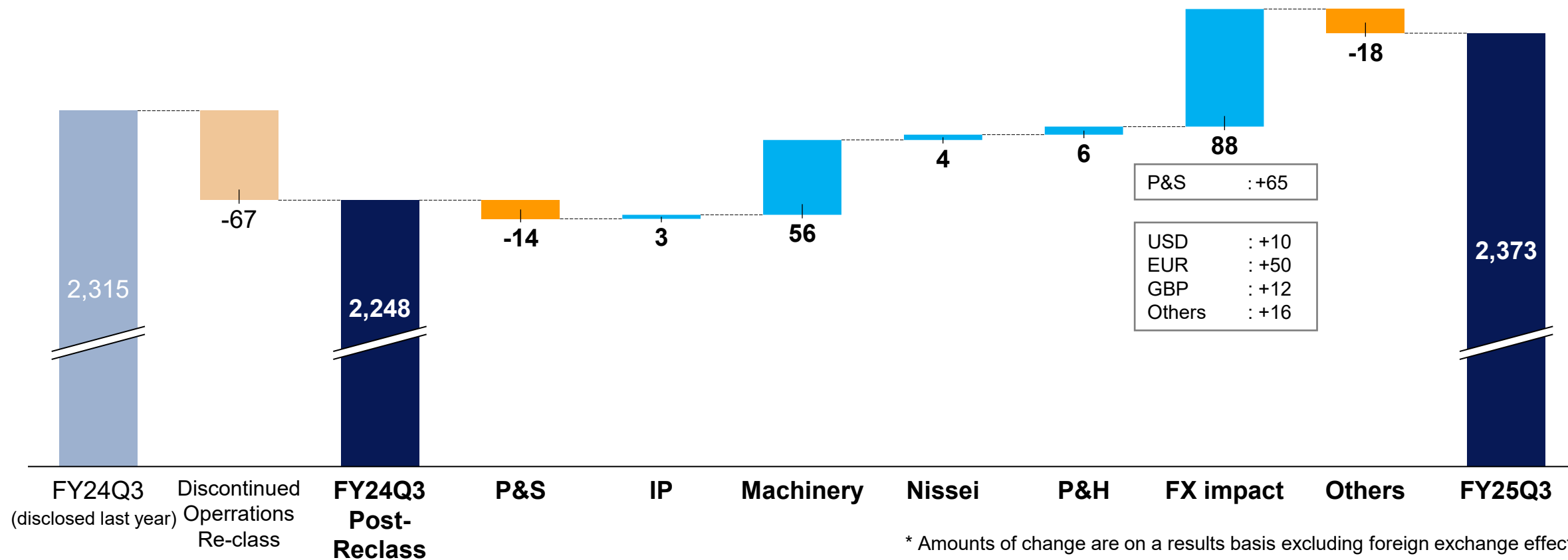
As the N&C (Network & Contents) business is a discontinued operation, it is excluded from the figures. Figures for the same period of the previous fiscal year have been reclassified on the same basis.

FY2025 Q3

Main Factors for Changes in Sales Revenue

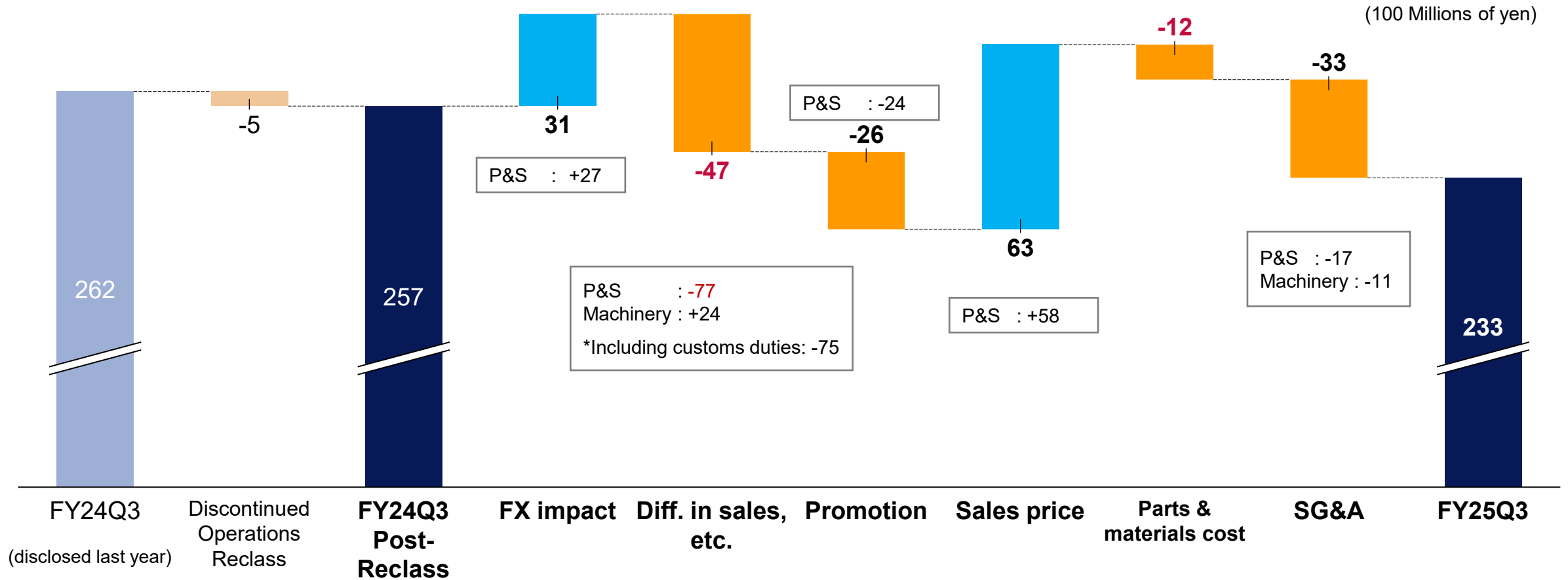
Sales revenue increased due to positive FX effects and strong sales of machine tools in the Machinery business.

(100 Millions of yen)



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.

Despite positive FX effects, business segment profit decreased due to changes in the sales composition and higher SG&A and sales promotion expenses mainly in the P&S business.



*The parts in red have been corrected. ("Diff.in sales, etc."-71 → -47 (P&S -101 → -77), "Parts& materials cost" 12 → -12)

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.

Results for FY2025 Q3 YTD (Apr.-Dec.)

Consolidated Results for FY2025 Q3 YTD

Although sales revenue increased due to higher sales mainly in the Machinery and P&S businesses, business segment profit decreased due to higher sales promotion and SG&A expenses. As a result of the recording of temporary proceeds such as a gain on transfer of the Karaoke Club business, operating profit was flat year-on-year.

	(A)	(B)	(C)	(C-B)	(C/B-1)	(100 Millions of yen)
	FY24 Q3 YTD Pre-Reclass (disclosed last year)	FY24 Q3 YTD Post-Reclass	FY25 Q3 YTD	Change (w/o FX)	Rate of Change (w/o FX)	
Sales revenue	6,588	6,382	6,610	228 (256)	3.6% (4.0%)	
Business segment profit	691	675	636	-39 (-60)	-5.8% (-8.9%)	
Business segment profit ratio	10.5%	10.6%	9.6%			
Other income/expense	-51	-51	-9	42	-	
Operating profit	641	624	627	3	0.5%	
Operating profit ratio	9.7%	9.8%	9.5%			
Income before tax	681	665	655	-9	-1.4%	
Net income from continuing operations	504	494	471	-23	-4.7%	
Net income from discontinued operations	-	10	49	38	369.4%	
Net income attributable to owners of the parent company	504	504	519	15	3.0%	
USD	152.87	152.87	149.33	-3.54	-	
EUR	164.91	164.91	171.84	6.93	-	

- Gains on sales of fixed assets (Q2) : +23
- Gain on transfer the Karaoke Club business (Q3) : +45
- FX losses : -67

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

Regarding the actual results for the first three quarters of the current fiscal year shown in Column C, as the N&C (Network & Contents) business is a discontinued operation, the figures from sales revenue to income before tax are the amounts excluding discontinued operations retroactively from the beginning of the fiscal year 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 Q3 YTD by Business Segment

(100 Millions of yen)

	Sales revenue			Business segment profit			Operating profit		
	FY24 Q3 YTD Post-Reclass	FY25 Q3 YTD	Change	FY24 Q3 YTD Post-Reclass	FY25 Q3 YTD	Change	FY24 Q3 YTD Post-Reclass	FY25 Q3 YTD	Change
P&S (Printing & Solutions)	4,125	4,221	96	566	501	-65	547	441	-106
IP (Industrial Printing)	1,028	1,019	-9	47	26	-21	40	13	-27
Machinery	480	603	124	7	49	42	8	49	42
Nissei	149	159	9	3	9	5	4	9	5
P&H (Personal & Home)	430	461	30	45	53	8	45	48	3
Others	170	147	-23	6	-2	-8	-19	66	85
Total	6,382	6,610	228	675	636	-39	624	627	3

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

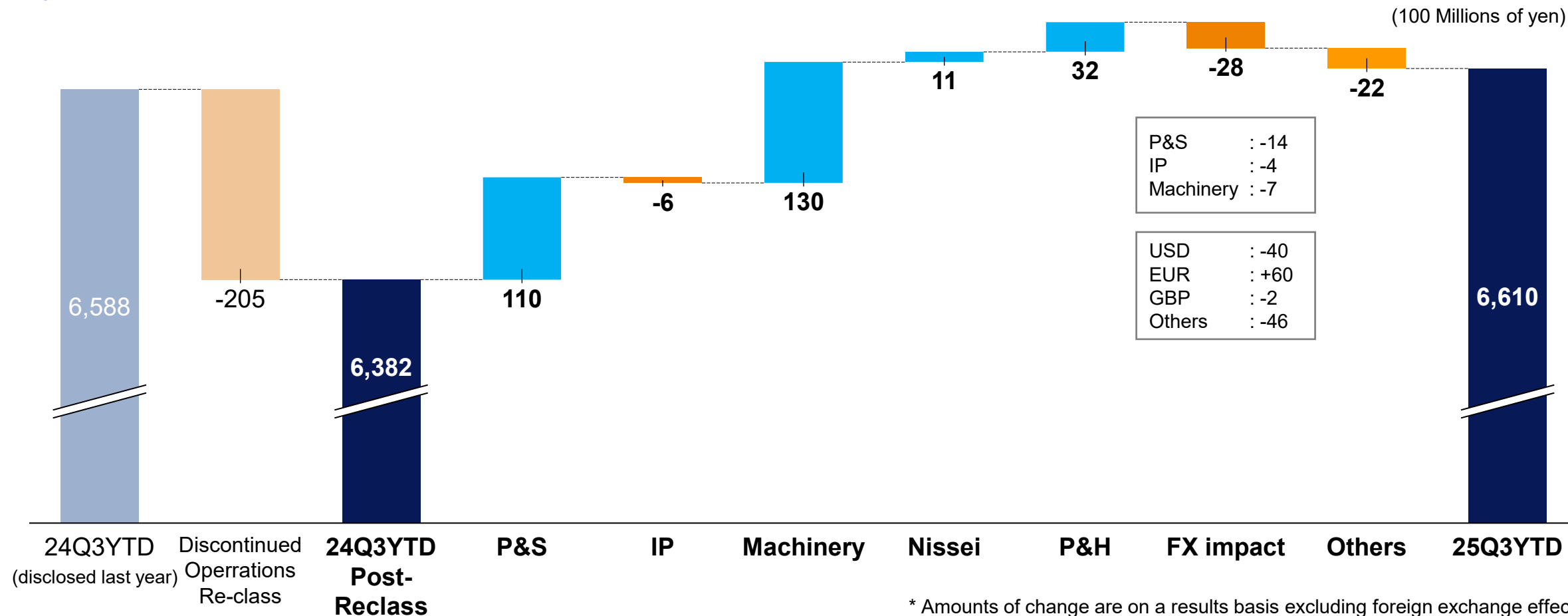
• Gains on sales of fixed assets (Q2) : +23
• Gain on transfer of the Karaoke Club business (Q3) : +45

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

FY2025 Q3 YTD

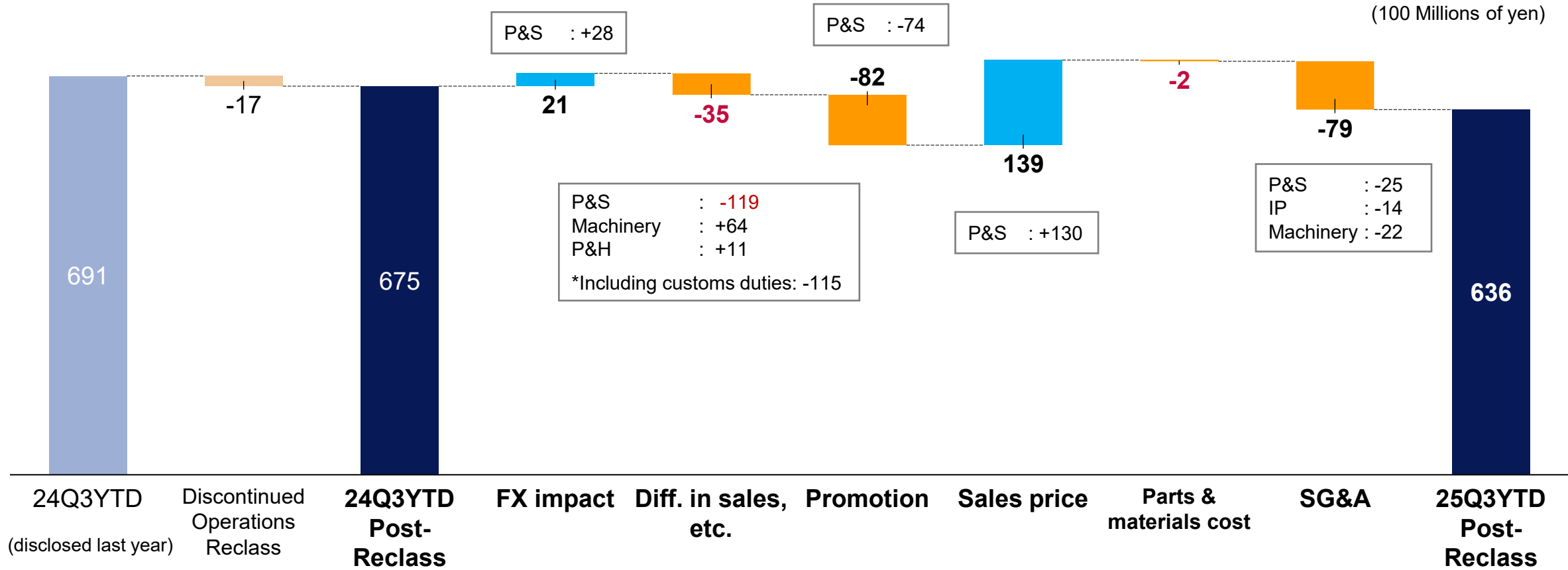
Main Factors for Changes in Sales Revenue

Sales revenue increased due to strong sales of machine tools in the Machinery business, effects from price adjustments in the P&S business, and other factors.



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

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



*The parts in red have been corrected. ("Diff.in sales, etc."-60 → -35 (P&S -143 → -119), "Parts& materials cost" +22→ -2)

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

Forecast for FY2025

Exchange rates for the forecasts 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	1 USD = 150 yen, 1 EUR = 175 yen (Change from 1 USD=140 yen, 1 EUR = 165 yen)
U.S. tariff policy	✓ 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.

The effects of M&A and other factors	Event	Major business	Changes affecting forecasts	
			Previous time (Nov 10, 2025)	This time
	Transfer of the Karaoke Club business (Completed on Nov 1, 2025)	Operation of karaoke clubs, etc.	Incorporated in forecast for the N&C business	The following are reclassified under “Others” <ul style="list-style-type: none"> • Gain on transfer of 4.5 billion yen (operating profit for Q3) • Sales and profits for Apr to Oct
	Acquisition of Konrad Busche business (Completed on Jan 1, 2026)	Provision of industrial sewing machine solutions for automotive parts	Not incorporated in forecast	The following is incorporated in the Machinery business <ul style="list-style-type: none"> • Positive effects on sales and profits for the Q4 period (minor)
	Partial transfer of XING shares (Planned for Apr 1, 2026)	Manufacture and sale of karaoke systems	Not incorporated in forecast	Incorporated as “Net income from discontinued operations”

*Regarding the Tender Offer for Shares of MUTOH HOLDINGS CO., LTD. announced on February 4, 2026, there will not affect the FY2025 PL.

Forecast for FY2025

Sales revenue and business segment profit incorporate positive FX effects, and operating profit takes into account FX losses. The forecasts for each business has been revised according to their progress. With the addition of adjustments to tax effects in discontinued operations, net income has been revised upward.

(100 Millions of yen)

	(A)	(B)	(C)	(C-B)	(C/B-1)	(D)	(E)	(C-E)	(C/E-1)
	Previous Forecast Pre-Reclass (disclosed last year)	Previous Forecast Post-Reclass	FY25 Forecast	Change (w/o FX)	Rate of Change (w/o FX)	FY24 Actual Pre-Reclass (disclosed last year)	FY24 Actual Post-Reclass	Change (w/o FX)	Rate of Change (w/o FX)
Sales revenue	9,000	8,702	8,850	148 (-141)	1.7% (-1.6%)	8,766	8,489	361 (310)	4.3% (3.7%)
Business segment profit	800	786	800	15 (-29)	1.9% (-3.7%)	777	755	45 (-18)	6.0% (-2.4%)
Business segment profit ratio	8.9%	9.0%	9.0%			8.9%	8.9%		
Other income/expense	20	20	0	-20	-	-78	-78	78	-
Operating profit	820	806	800	-5	-0.7%	699	677	123	18.2%
Operating profit ratio	9.1%	9.3%	9.0%			8.0%	8.0%		
Income before tax	840	826	830	4	0.4%	747	725	105	14.4%
Net income from continuing operations	630	621	625	4	0.7%	548	534	91	17.1%
Net income from discontinued operations	-	9	45	36	405.0%	-	14	31	227.6%
Net income attributable to owners of the parent company	630	630	670	40	6.4%	548	548	123	22.3%
USD	144.22	144.22	149.99	5.77	-	152.48	152.48	-2.49	-
EUR	167.20	167.20	173.29	6.09	-	163.62	163.62	9.67	-

- The exchange rates for the forecast period : 1 USD = 150 yen, 1 EUR = 175 yen

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

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

Forecast for FY2025 by Business Segment

(100 Millions of yen)

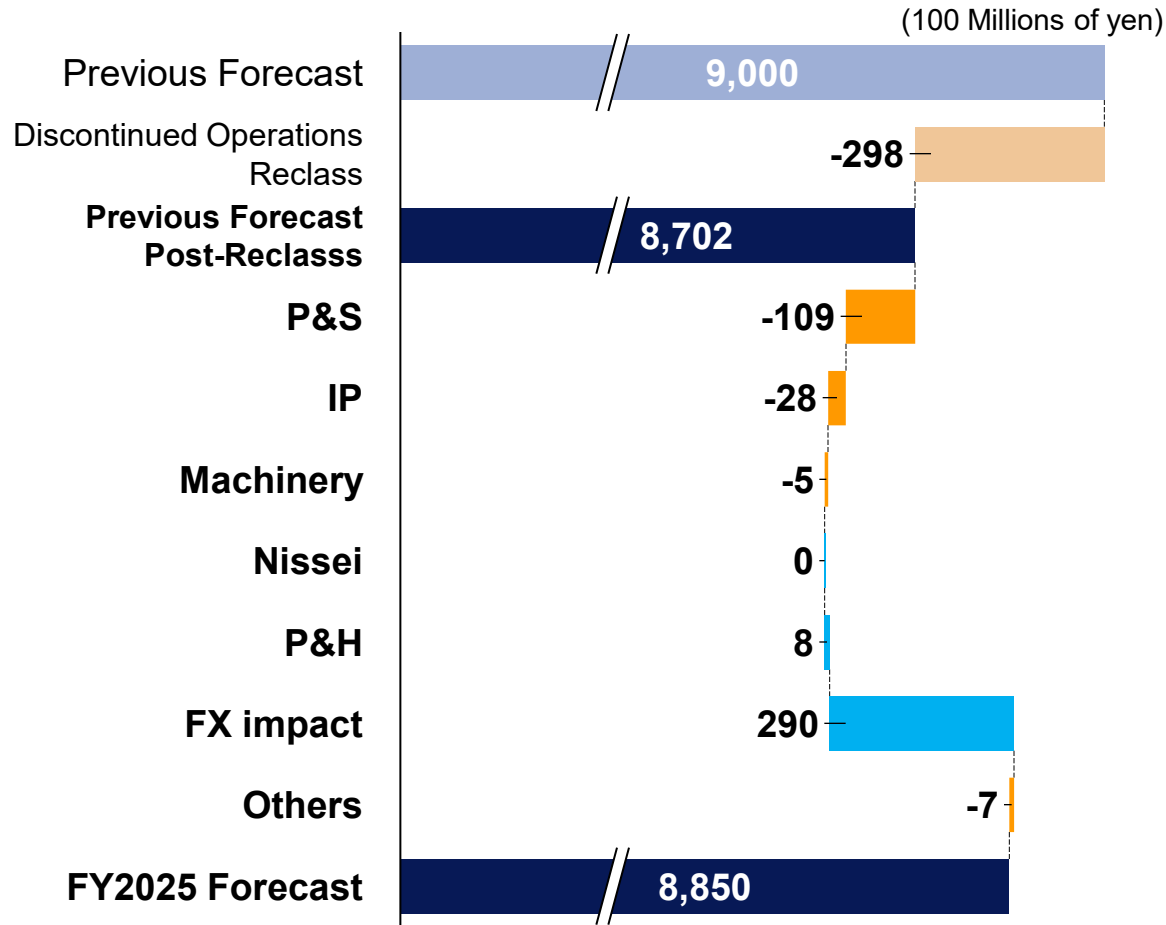
	Sales revenue			Business segment profit			Operating profit		
	Previous Forecast Post-Reclass	FY25 Forecast	Change	Previous Forecast Post-Reclass	FY25 Forecast	Change	Previous Forecast Post-Reclass	FY25 Forecast	Change
P&S (Printing & Solutions)	5,568	5,661	93	644	644	0	626	600	-26
IP (Industrial Printing)	1,363	1,379	16	24	16	-8	15	1	-14
Machinery	812	824	12	50	60	10	50	60	10
Nissei	210	211	2	8	9	1	8	9	1
P&H (Personal & Home)	569	601	32	54	61	7	49	55	6
Other	180	174	-7	7	11	4	57	74	17
Total	8,702	8,850	148	786	800	15	806	800	-5

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

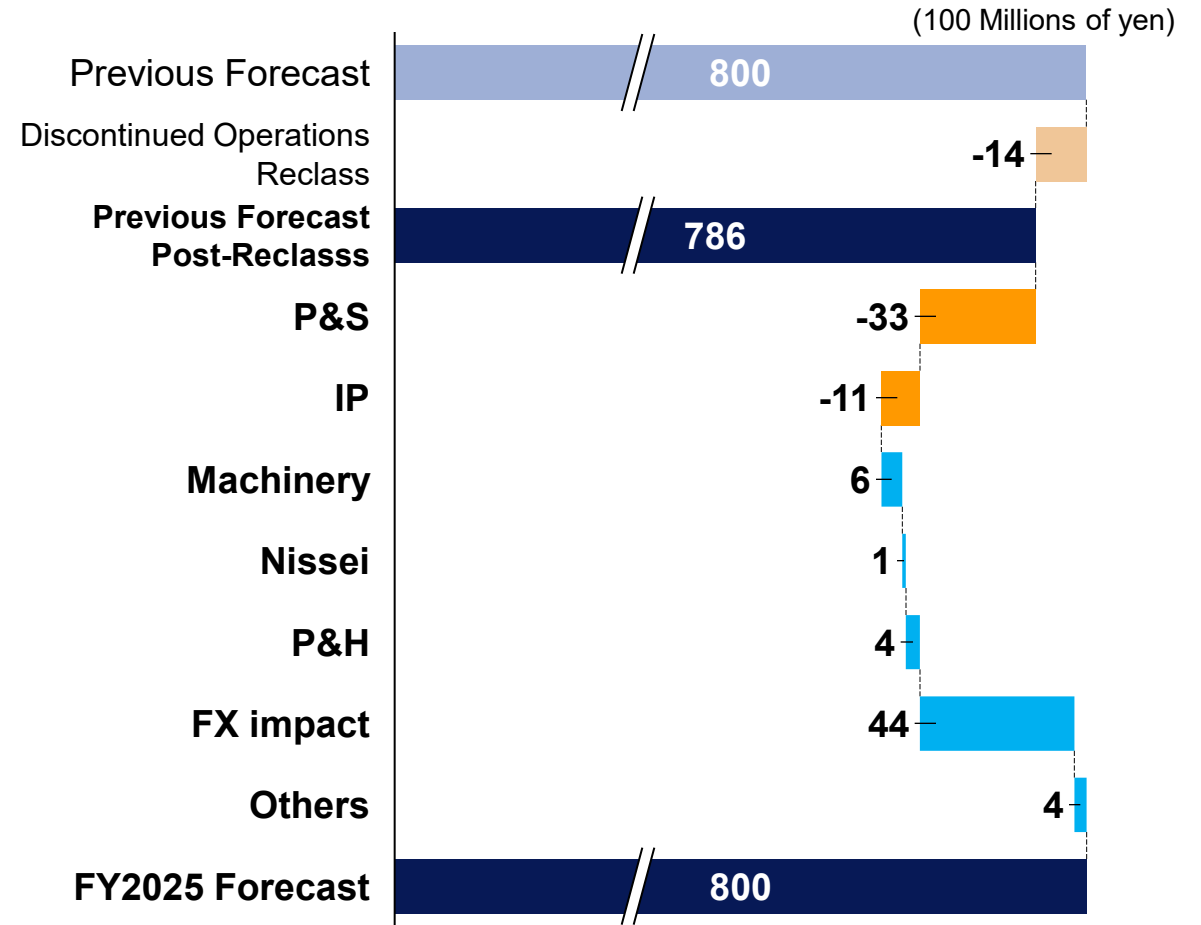
• Gains on sales of fixed assets (Q2) : +23
• Gain on transfer of the Karaoke Club business (Q3) : +45

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

Changes in Sales Revenue



Changes in Business Segment Profit



* 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 retroactively from the beginning of the fiscal year. The previous forecasts have been reclassified on the same basis for comparison.

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

Statements of Financial Position: Main Items

(100 Millions of yen)

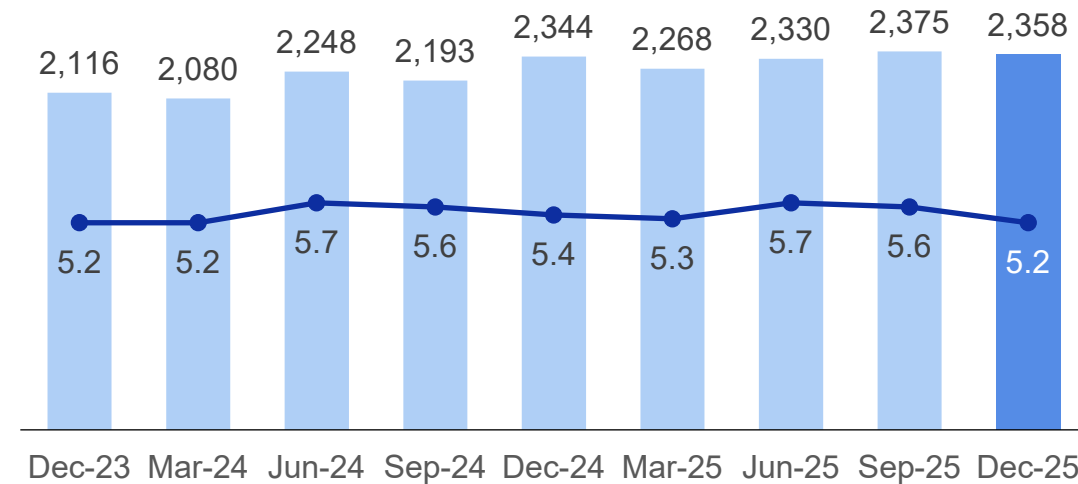
	End of Mar 25	End of Dec 25	Change
Current assets	5,741	6,280	540
Cash&Cash equivalents	1,728	1,773	45
Inventories	2,268	2,358	90
Non-current assets	3,586	3,551	-35
Total liabilities	2,412	2,393	-18
Interest-bearing debt	6	8	2
Shareholders' equity*	6,914	7,437	523
Total assets	9,327	9,831	505

	End of Mar 25	End of Dec 25	Change
Net cash	1,722	1,766	44
Shareholders' equity ratio	74.1%	75.6%	1.5%
ROE	8.1%	-	-

*Equity attributable to owners of the parent company

Inventory

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

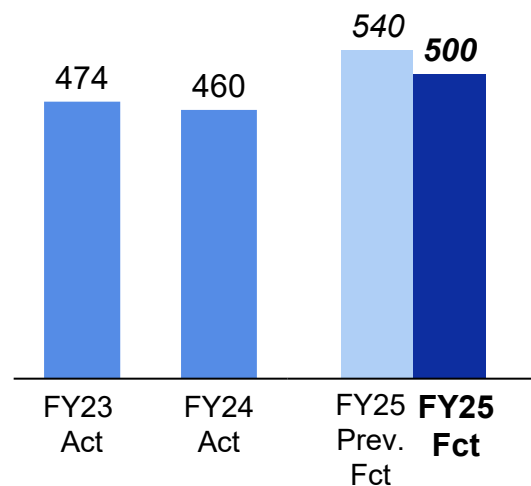


The inventory figure at the end of December 2025 excludes discontinued operations.

The outlook for capital expenditure and R&D expenses has been revised in light of their progress.

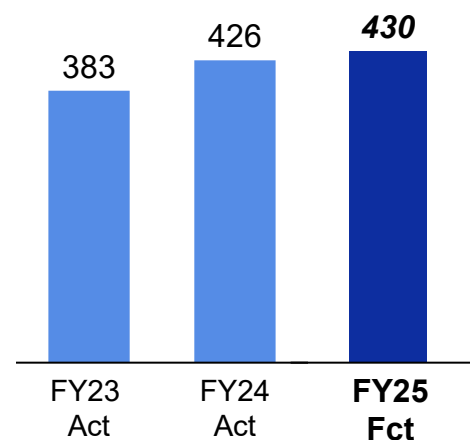
Capital Expenditure

(100 Millions of yen)



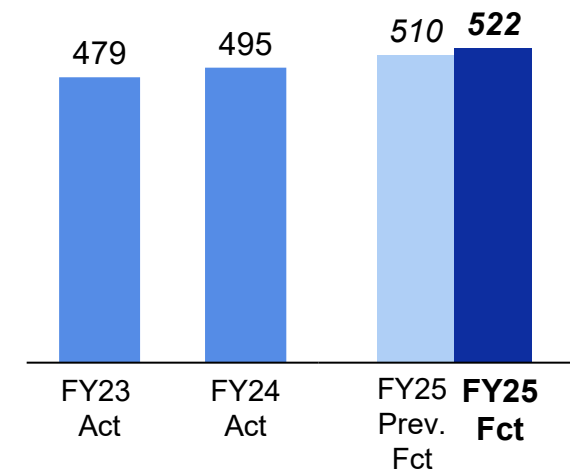
Depreciation & Amortization

(100 Millions of yen)



R&D Expenses

(100 Millions of yen)



Breakdown by business (CapEx)

(100 Millions of yen)

	FY23	FY24	FY25 Prev. Fct	FY25 Fct
Industrial area	100	83	103	87
Consumer area & Others	375	376	437	413
Total	474	460	540	500

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

Breakdown by business (R&D)

(100 Millions of yen)

	FY23	FY24	FY25 Prev. Fct	FY25 Fct
Industrial area	134	148	179	182
Consumer area & Others	346	347	331	340
Total	479	495	510	522

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

Business Segment Information

Printing & Solutions Sales Revenue & Profit

(100 Millions of yen)

	24Q3	25Q3	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change (w/o FX)	Change (w FX)
Sales revenue	1,462	1,513	-0.9%	3.5%	5,448	5,568	5,661	3.1%	3.9%
Communications & printing equipment	1,283	1,327	-1.0%	3.4%	4,755	4,858	4,940	3.0%	3.9%
Americas	463	501	5.7%	8.2%	1,850	1,839	1,907	5.1%	3.1%
Europe	437	427	-11.5%	-2.4%	1,501	1,622	1,616	1.4%	7.7%
Asia & others	254	268	3.4%	5.2%	952	961	984	4.8%	3.3%
Japan (incl. OEM)	128	131	1.8%	2.5%	452	436	433	-3.4%	-4.1%
Labeling	179	186	-0.3%	4.0%	693	710	721	3.3%	4.0%
Americas	78	79	-0.2%	1.7%	318	322	329	5.4%	3.4%
Europe	58	61	-3.6%	6.1%	217	228	226	-1.6%	4.4%
Asia & others	30	30	-1.1%	0.6%	109	109	112	4.1%	2.7%
Japan	13	15	-	16.2%	49	51	54	-	8.6%
Business segment profit	216	171	-	-20.8%	610	644	644	-	5.6%
Operating profit	214	145	-	-32.6%	589	626	600	-	2.0%

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

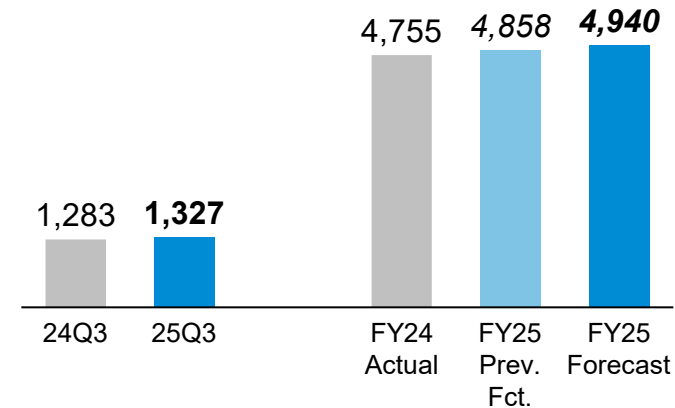




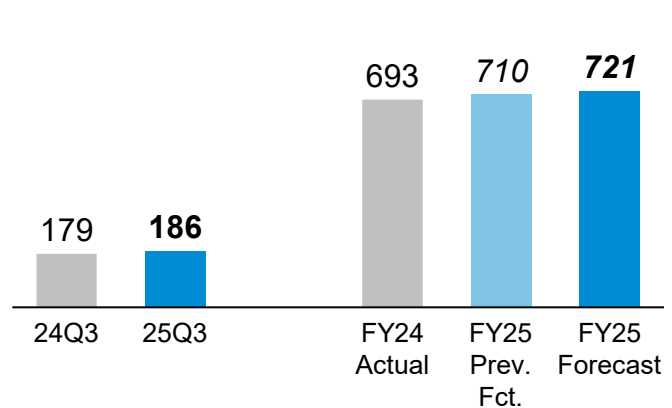
Laser All-in-One
Inkjet All-in-One
Label printer

Sales Revenue

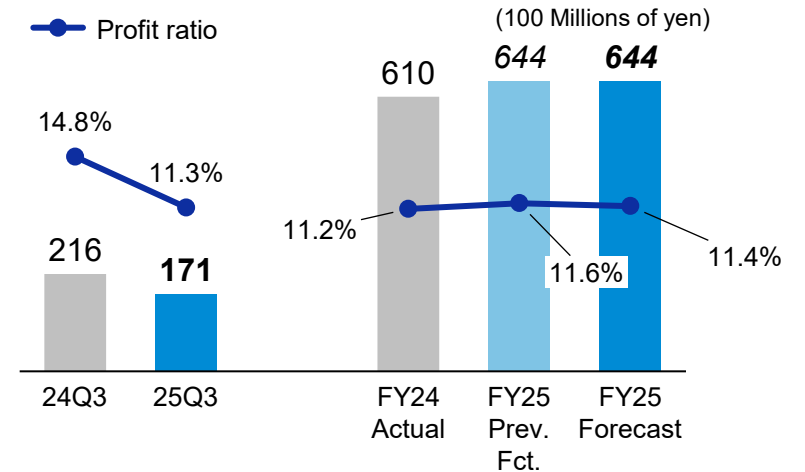
Communications & Printing Equipment



Labeling



Business Segment Profit



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

Industrial Printing Sales Revenue & Profit

(100 Millions of yen)

	24Q3	25Q3	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change (w/o FX)	Change (w FX)
Sales revenue	338	353	1.0%	4.7%	1,373	1,363	1,379	-0.1%	0.4%
Domino	291	316	4.7%	8.5%	1,194	1,198	1,238	3.0%	3.6%
Americas	78	87	9.6%	12.2%	313	324	335	4.4%	6.9%
Europe	122	128	1.2%	5.2%	516	508	524	1.3%	1.6%
Asia & others	81	88	3.1%	8.3%	322	318	328	2.4%	2.0%
Japan	10	12	-	20.6%	42	48	50	-	17.5%
Printing & automation	46	37	-22.2%	-19.4%	179	165	141	-21.0%	-20.9%
Americas	27	19	-30.4%	-29.1%	98	86	65	-32.8%	-34.0%
Europe	9	8	-14.0%	-5.0%	38	39	35	-14.0%	-9.2%
Asia & others	8	7	-16.8%	-14.5%	28	26	26	-5.6%	-6.9%
Japan	3	3	-	14.2%	14	15	16	-	10.4%
Business segment profit	4	13	-	212.2%	52	24	16	-	-69.9%
Operating profit	6	8	-	39.3%	32	15	1	-	-97.2%

Industrial/Consumer

Industrial

Positioning in CS B2027

Growth business

Main Products and Services



Coding and marking equipment



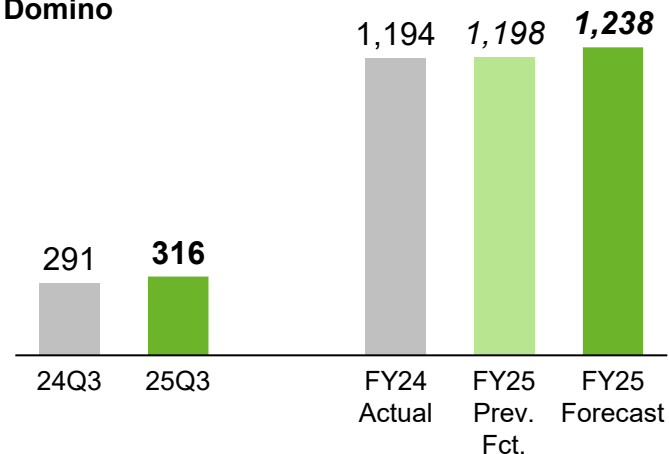
Garment printer



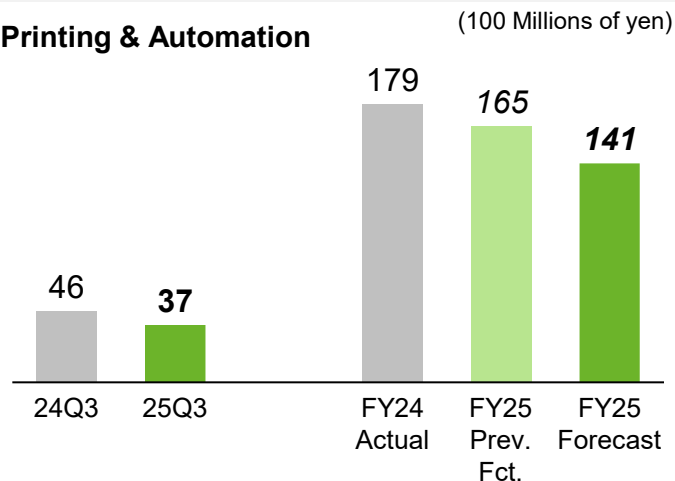
Digital printing equipment

Sales Revenue

Domino

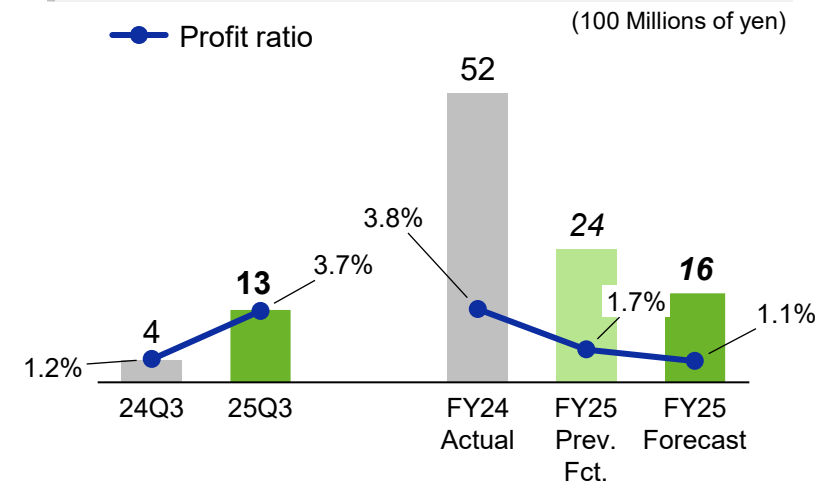


Printing & Automation



Business Segment Profit

Profit ratio



Machinery Sales Revenue & Profit

(100 Millions of yen)

	24Q3	25Q3	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change (w/o FX)	Change (w FX)
Sales revenue	160	219	35.0%	36.9%	673	812	824	22.9%	22.4%
Machine tools	114	175	52.2%	53.8%	473	620	640	35.8%	35.2%
Americas	7	12	-	63.4%	33	42	37	-	11.2%
Europe	7	5	-	-29.3%	26	26	30	-	18.1%
Asia & others	79	130	-	65.2%	319	442	469	-	47.3%
Japan	21	29	-	35.7%	96	110	103	-	7.9%
Industrial sewing machines	46	44	-7.7%	-4.9%	200	192	184	-7.4%	-8.0%
Americas	2	3	26.2%	28.1%	11	14	14	35.2%	32.3%
Europe	6	7	-3.7%	6.3%	27	24	23	-20.6%	-13.3%
Asia & others	37	33	-10.9%	-9.2%	159	151	144	-7.7%	-9.5%
Japan	1	1	-	15.6%	4	3	3	-	-21.9%
Business segment profit	3	18	-	484.9%	11	50	60	-	463.6%
Operating profit	5	19	-	257.6%	12	50	60	-	411.7%

Industrial/Consumer

Industrial

Positioning in CS B2027

Machine tool **Growth business**

Industrial Sewing Machines **Profitability transformation business**

Main Products and Services



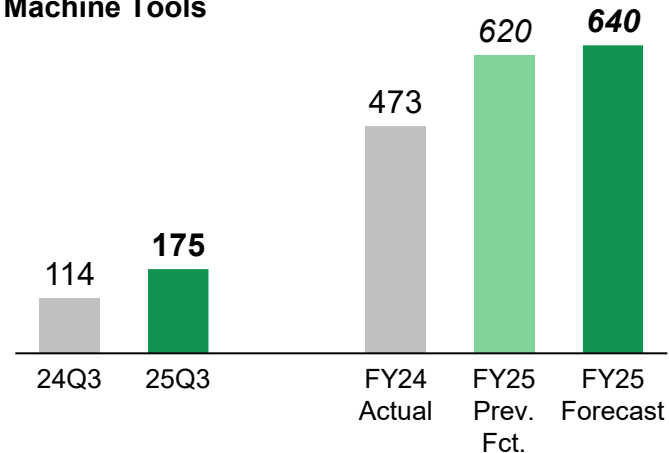
Machine tool



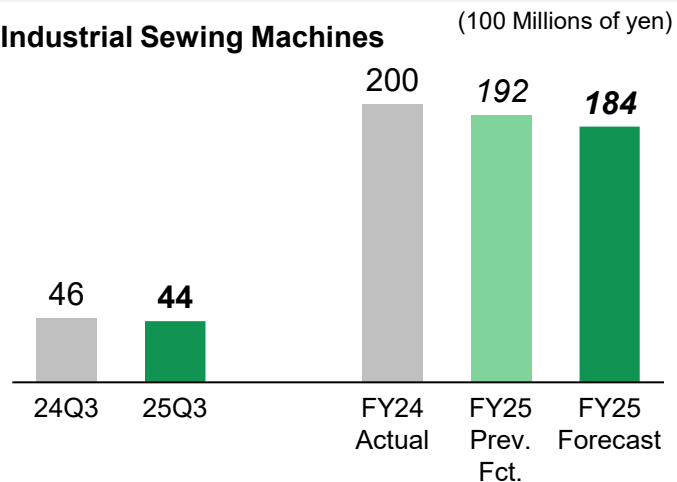
Industrial Sewing Machines

Sales Revenue

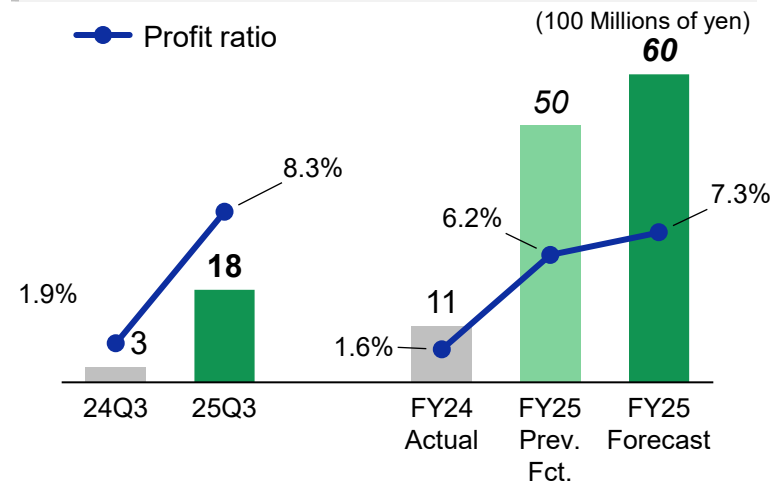
Machine Tools



Industrial Sewing Machines

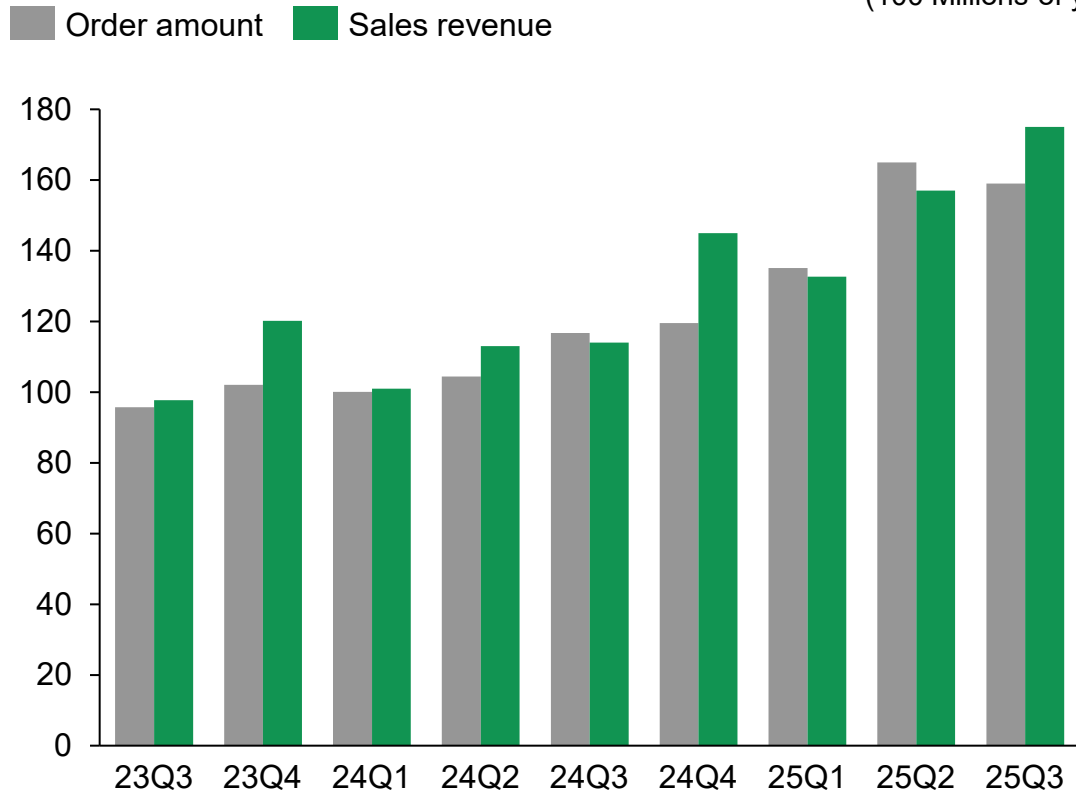


Business Segment Profit



Trends in order amount and sales revenue

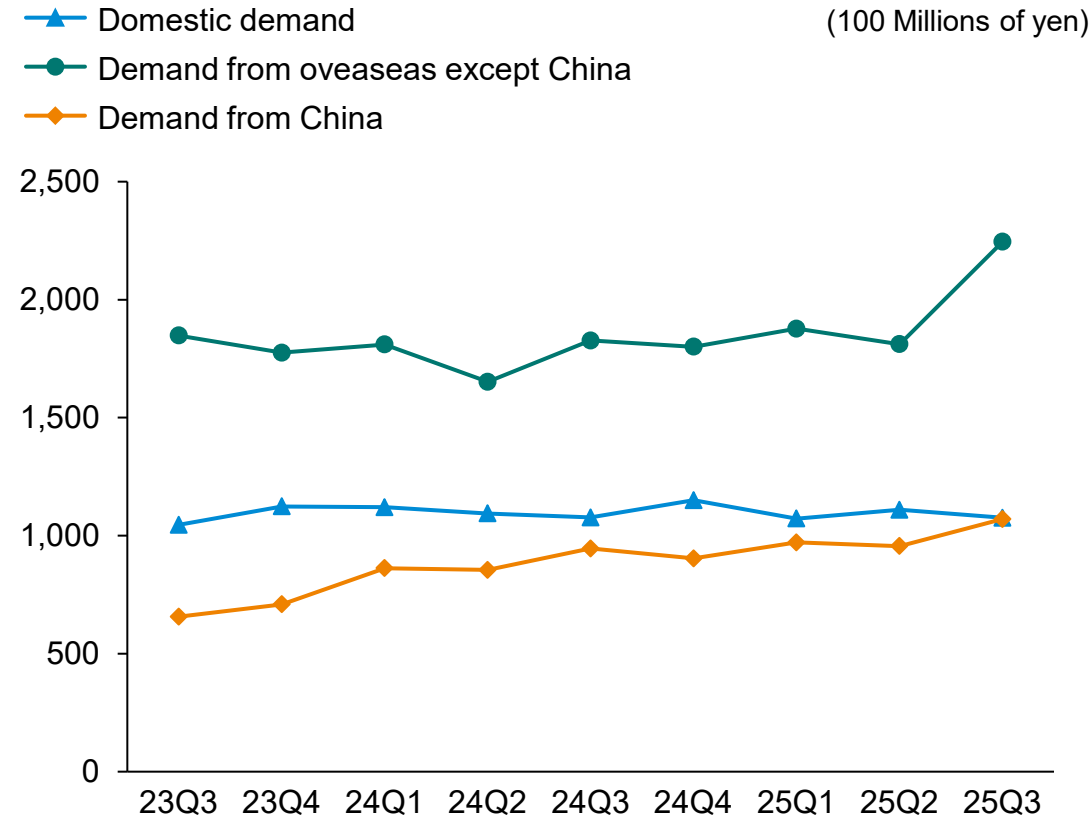
(100 Millions of yen)



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

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

(100 Millions of yen)



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

Nissei Sales Revenue & Profit

(100 Millions of yen)

	24Q3	25Q3	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change (w/o FX)	Change (w FX)
Sales revenue	50	54	7.1%	7.6%	200	210	211	6.2%	5.5%
Americas	7	9	26.8%	29.3%	31	37	38	24.9%	22.5%
Europe	-	-	-	-	-	-	-	-	-
Asia & others	7	6	-5.8%	-5.2%	29	27	27	-6.9%	-8.8%
Japan	37	39	-	5.8%	140	146	146	-	4.8%
Business segment profit	2	2	-	50.3%	5	8	9	-	90.5%
Operating profit	2	2	-	43.6%	0	8	9	-	-

Industrial/Consumer

Industrial

Positioning in CS B2027

Profit-driven business

Main Products and Services



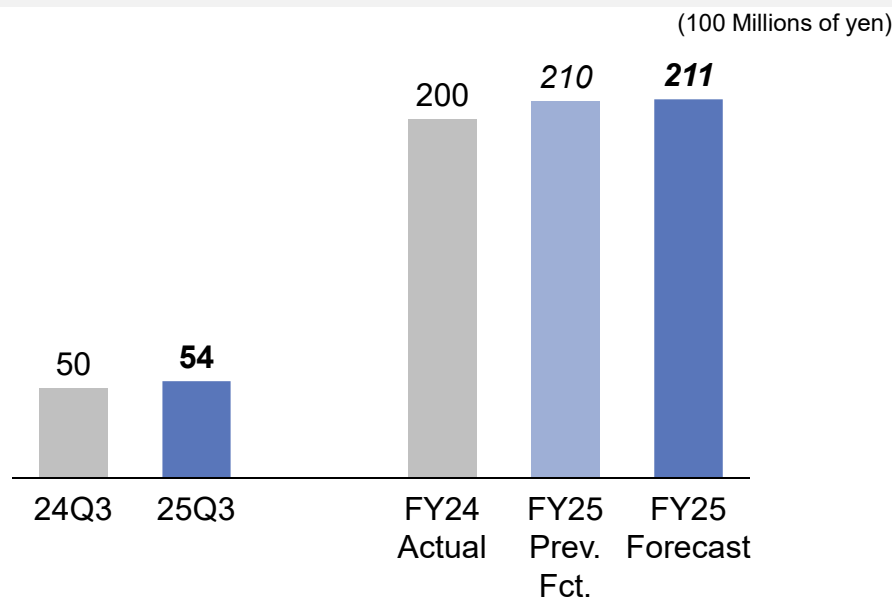


Gearmotor

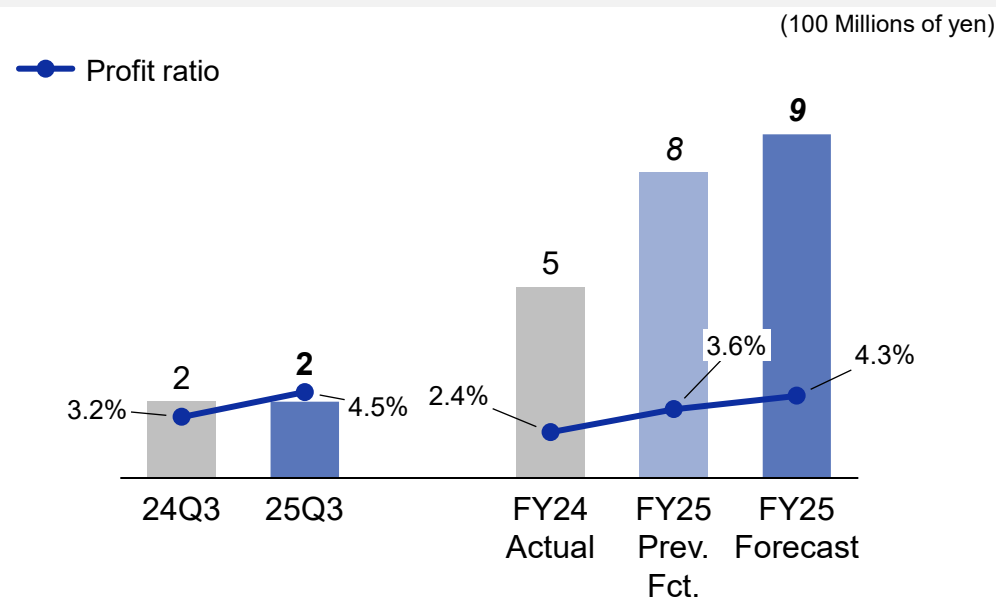
High stiffness reducer

Gear

Sales Revenue



Business Segment Profit



Personal & Home Sales Revenue & Profit

(100 Millions of yen)

	24Q3	25Q3	Change (w/o FX)	Change (w FX)	FY24 Actual	FY25 Prev. Fct.	FY25 Forecast	Change (w/o FX)	Change (w FX)
Sales revenue	175	188	3.2%	7.3%	572	569	601	4.6%	5.2%
Americas	106	108	-0.3%	1.6%	346	327	345	1.2%	-0.5%
Europe	46	51	0.3%	10.7%	139	147	155	4.5%	11.4%
Asia & others	16	20	22.2%	24.6%	57	62	68	19.4%	18.3%
Japan	7	9	-	32.8%	28	33	33	-	17.0%
Business segment profit	28	31	-	10.9%	73	54	61	-	-16.8%
Operating profit	29	29	-	0.6%	67	49	55	-	-16.8%

Industrial/Consumer

Consumer

Positioning in CS B2027

Profit-driven business

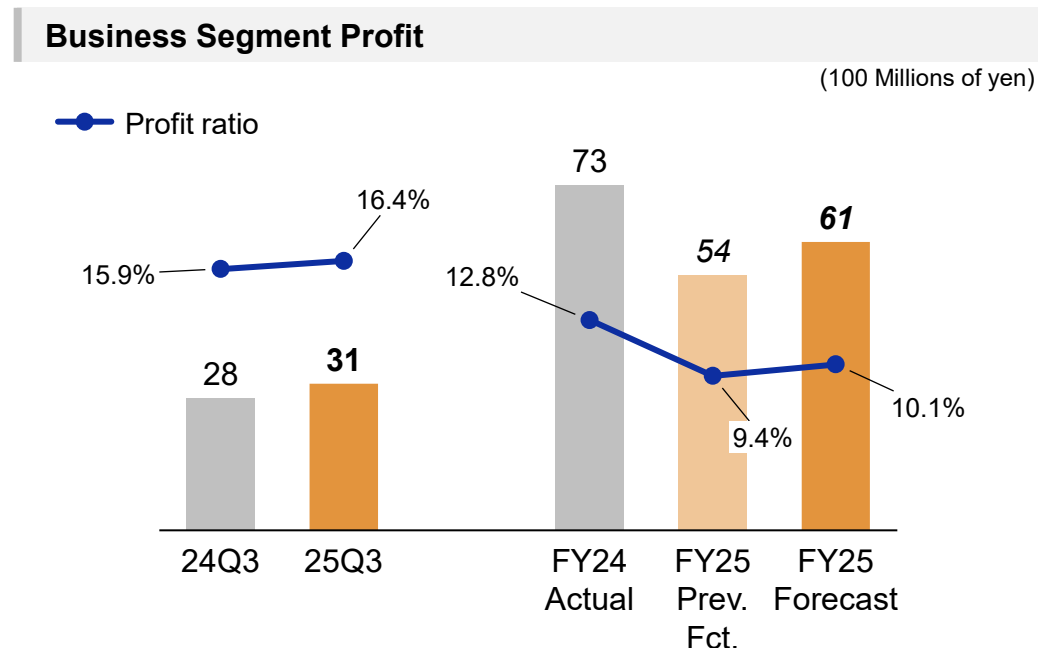
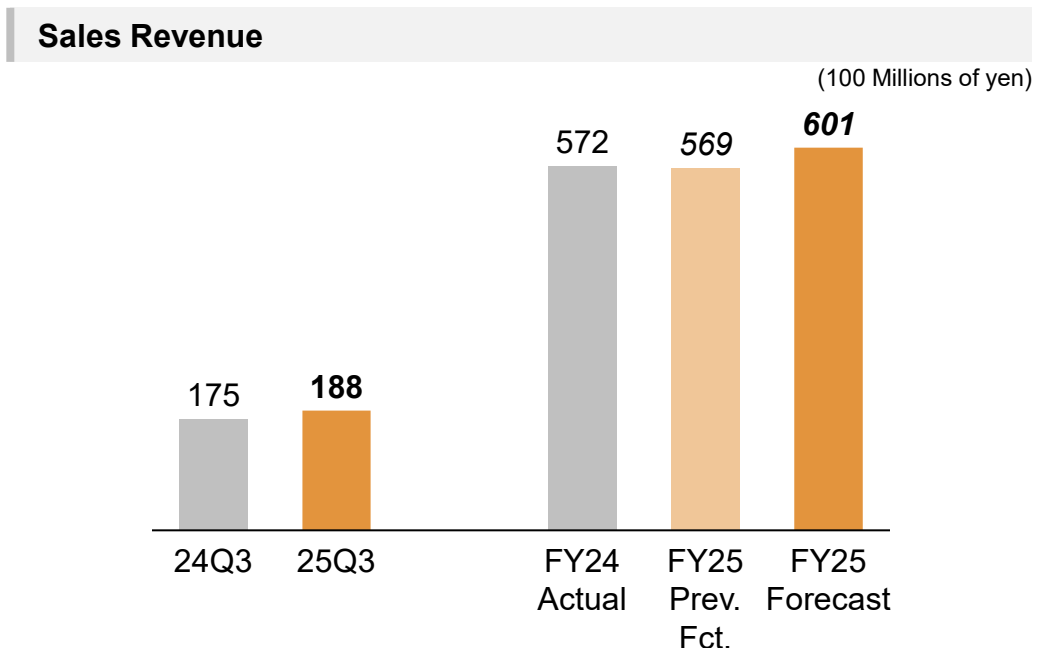
Main Products and Services



©Disney
Home sewing machine



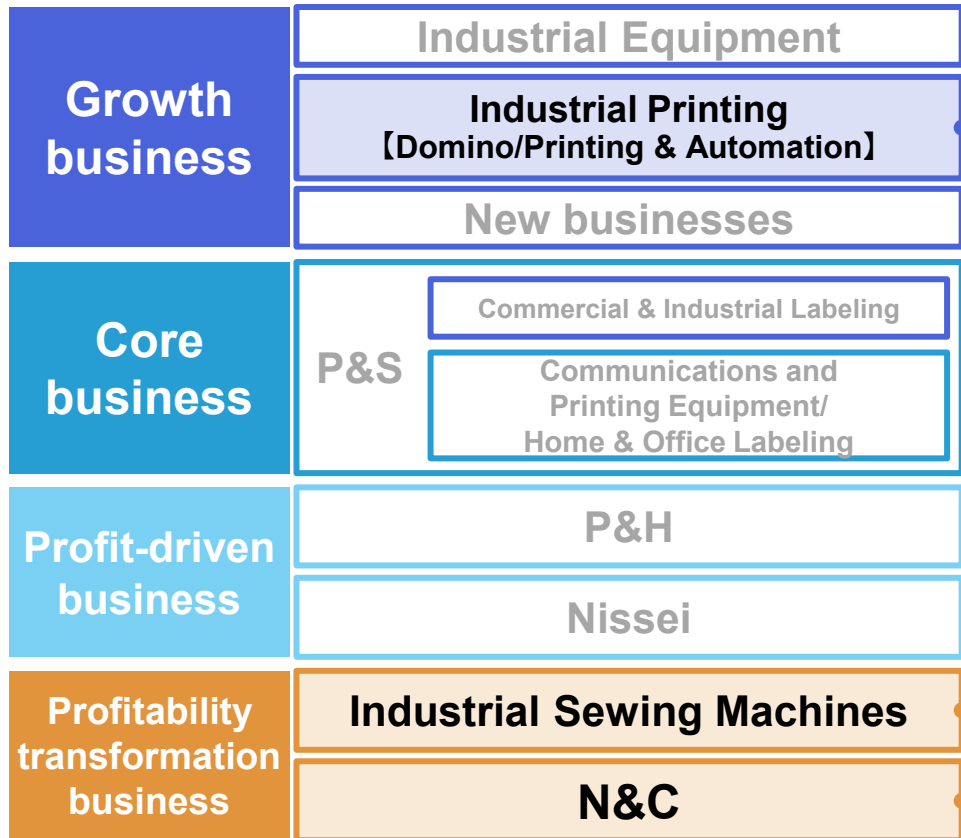
Home cutting machine



Updates in business portfolio transformation

Based on the policy of our Medium-Term Business Strategy “CS B2027,” we have decided to transfer the online karaoke business while undertaking M&As that contribute to profitability improvement and business growth. We will continue to accelerate business portfolio transformation, including M&As.

Role of business in the Medium-Term Business Strategy “CS B2027”



Progress of business portfolio transformation in FY2025



Toward Further Development of the Karaoke Business

Nov 1, 2025 Karaoke club business: Transfer of STANDARD business completed
 Apr 1, 2026 Karaoke system business: Transfer of 70% of XING shares planned
 *30% of XING shares will continue to be held by Brother Industries



Strengthening solutions for non-apparel applications, such as airbags

Jan 1, 2026 Acquisition of the automotive division of Konrad Busche in Germany completed



Expanding the product lineup and strengthening the business foundations of Printing & Automation

Feb 5, 2026 Commencement of Tender Offer for Shares of MUTOH HOLDINGS CO., LTD.



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

- ✓ MUTOH has an extensive lineup and brand recognition in large format printers and inks. Although the product lineups of the two companies are in closely related domains, they do not overlap and are complementary

■ Main Products of both Companies

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

Synergy

- ✓ Utilizing two companies' resources can strengthen our business foundation.

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

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 (FY2025Q3-)		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%
Company total		-	-	Slightly more than 20%

Reference: Change in disclosure segments

-FY25Q2

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

FY25Q3-

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

brother
at your side