

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.)

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.

	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 attribute to parent company	165	117	-48	-29.0%
USD	156.53	145.19	-11.34	-
EUR	168.37	164.37	-4.00	-

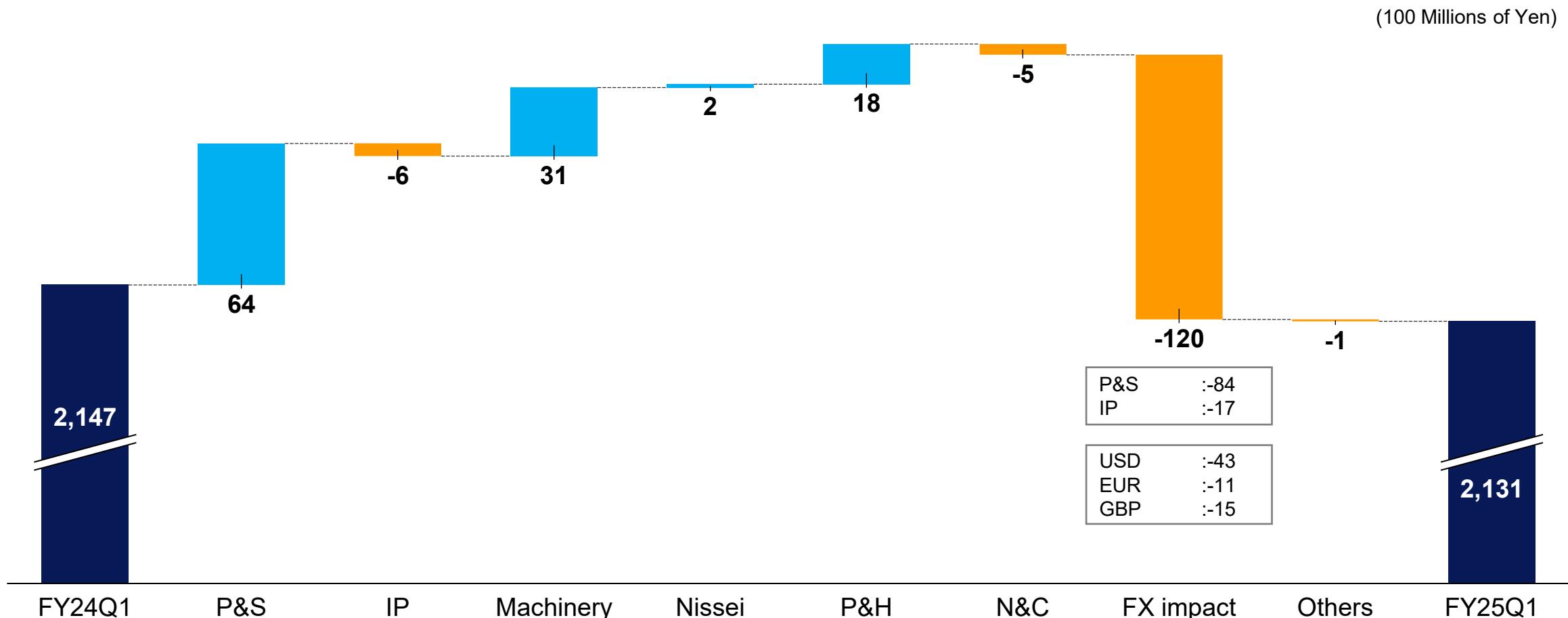
Results for FY2025 Q1 by Business Segment

(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

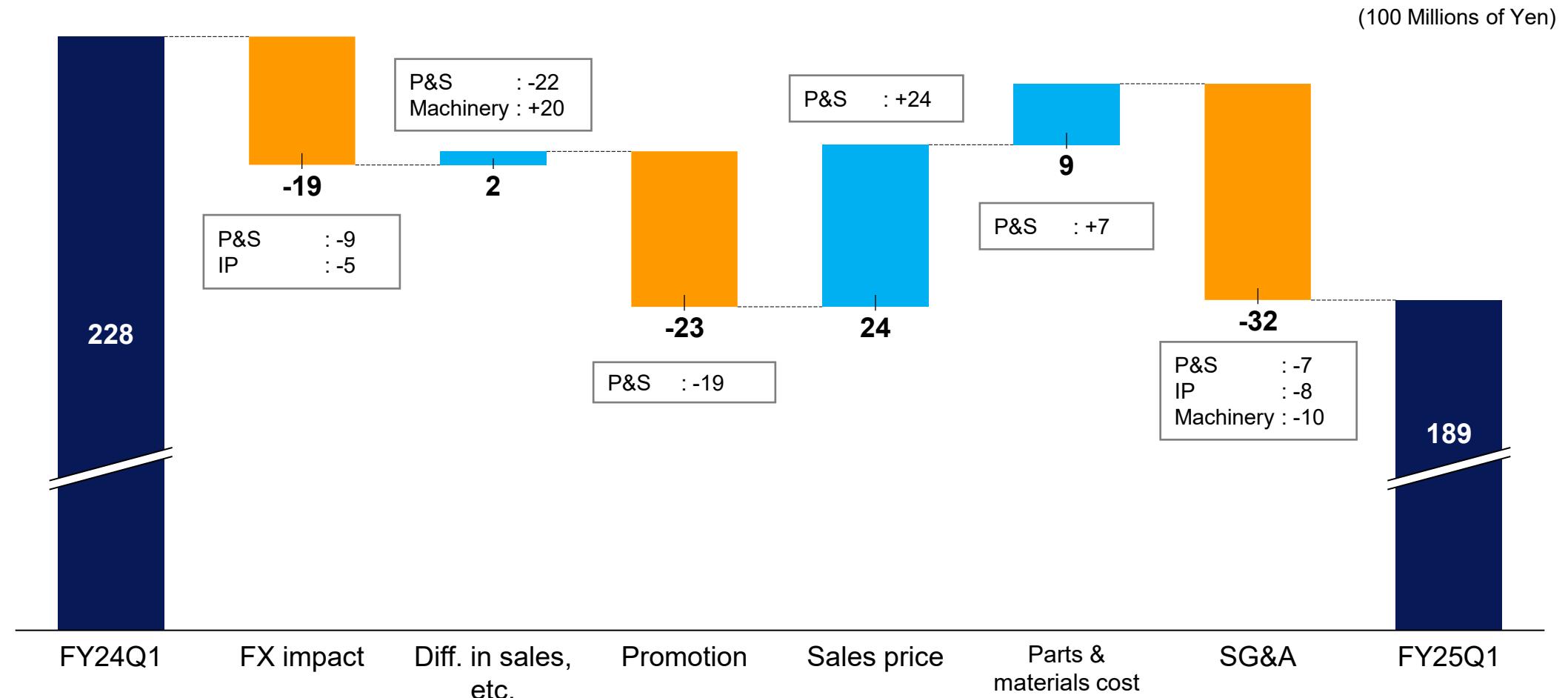
* "Other" includes elimination amounts from inter-segment transactions.

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

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.



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	<p>1 USD = 140 yen, 1 EUR = 160 yen (No change from the previous forecast)</p>																														
Assumptions related to U.S. tariff policy	<p>■ Additional tariff assumptions (Taking into account the tariff rates announced as of August 1)</p> <table border="1" data-bbox="583 577 2375 807"><thead><tr><th>Major countries and regions</th><th>April</th><th>May</th><th>June</th><th>July</th><th>August to fiscal year-end</th></tr></thead><tbody><tr><td>China</td><td>145%</td><td>30%</td><td></td><td></td><td></td></tr><tr><td>Vietnam</td><td>10%</td><td></td><td></td><td></td><td>20%</td></tr><tr><td>Philippines</td><td>10%</td><td></td><td></td><td>19%</td><td></td></tr><tr><td>Japan</td><td>10%</td><td></td><td></td><td>15%</td><td></td></tr></tbody></table> <p>(Refer to page 28 for main production areas of each business)</p> <p>■ Impact and countermeasures</p> <ul style="list-style-type: none">✗ 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 <p>Continue to pay close attention to the circumstances and fully examine the effects, and update the forecast for FY2025, if necessary</p>	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%	
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%																											

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.

	FY24 Actual	FY25 Forecast	Change (w/o FX)	(100 Millions of Yen) 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	-

Forecast for FY2025 by Business Segment

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

	Sales revenue			Business segment profit			Operating profit			(100 Millions of Yen)
	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.

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

Statements of Financial Position: Main Items

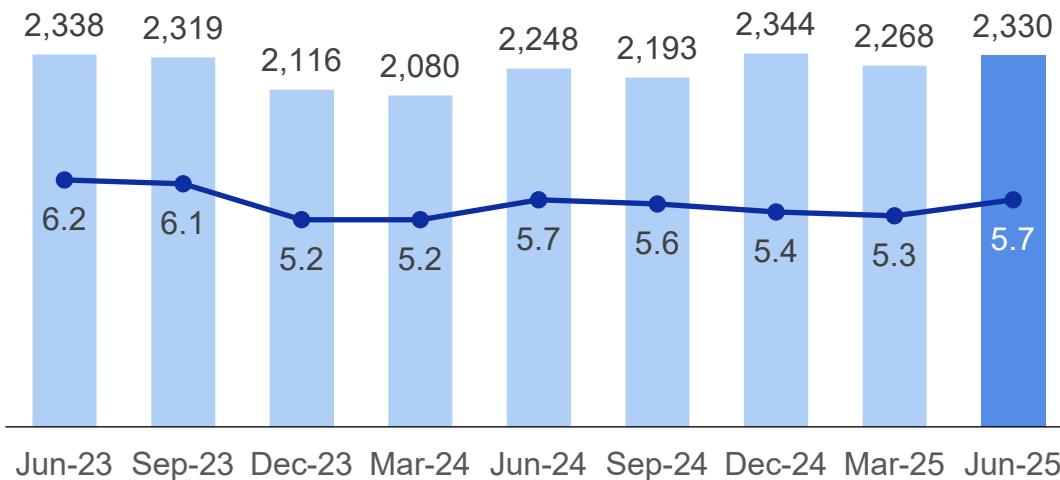
	End of Mar 25	End of Jun 25	Change
Current assets	5,741	5,465	-275
Cash&Cash equivalents	1,728	1,456	-271
Inventories	2,268	2,330	62
Non-current assets	3,586	3,587	1
Total liabilities	2,412	2,197	-215
Interest-bearing debt	6	6	0
Shareholders' equity*	6,914	6,855	-59
Total assets	9,327	9,052	-274

	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

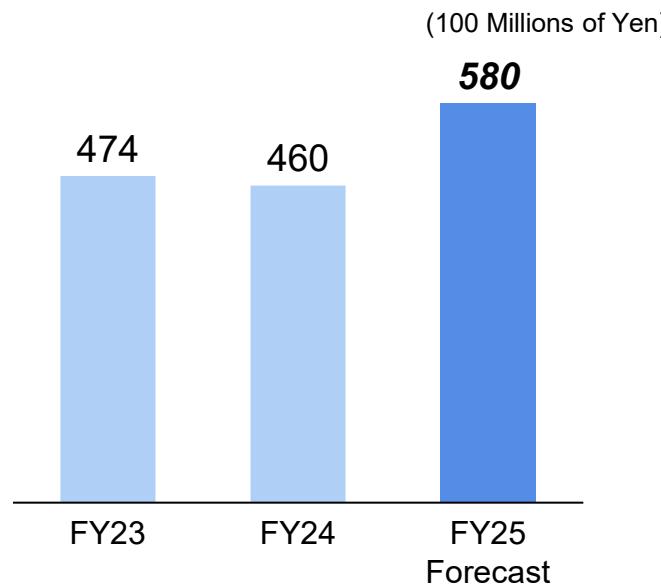
Inventory

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

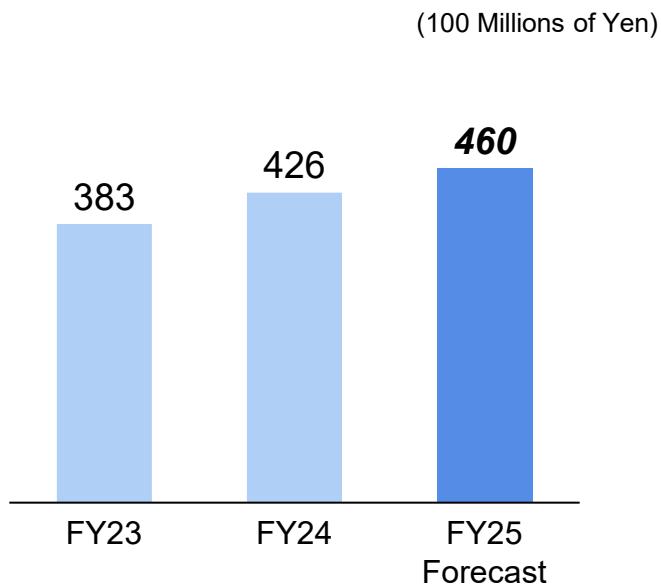


The forecasts for capital expenditure, depreciation and amortization, and R&D expenses remain unchanged from the previous forecast.

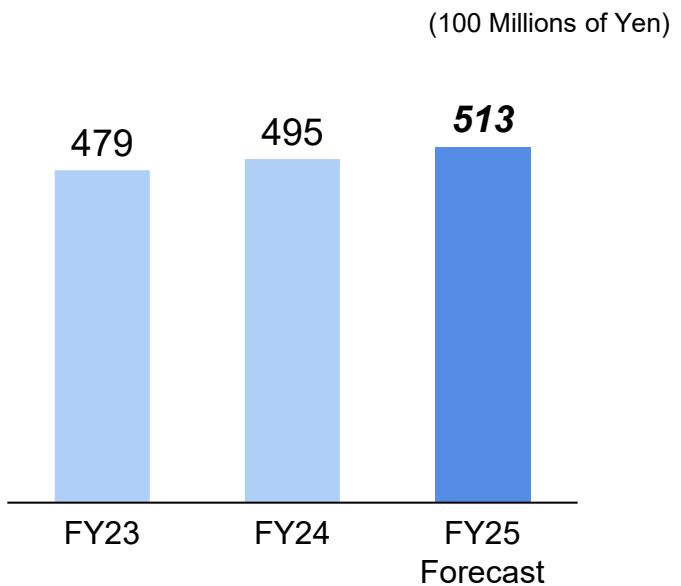
Capital Expenditure



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

Business Segment Information

Printing & Solutions

Sales Revenue & Profit

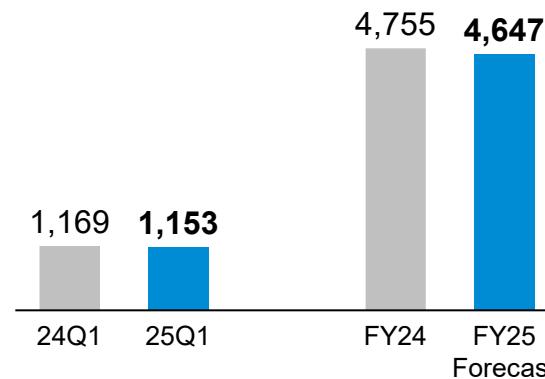
	24Q1	25Q1	Change (w/o FX)	Change (w/ FX)
Sales revenue	1,343	1,323	4.8%	-1.5%
Communications & printing equipment	1,169	1,153	5.0%	-1.3%
Americas	441	446	11.5%	1.2%
Europe	366	353	-1.2%	-3.5%
Asia & others	247	255	10.5%	3.3%
Japan (incl. OEM)	114	98	-12.4%	-14.2%
Labeling	174	170	3.3%	-2.7%
Americas	80	78	6.9%	-1.9%
Europe	54	50	-5.2%	-7.3%
Asia & others	29	29	8.4%	1.0%
Japan	12	12	-	4.0%
Business segment profit	179	152	-	-15.0%
Operating profit	168	128	-	-24.2%

	FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
Sales revenue	5,448	5,327	2.8%	-2.2%
Communications & printing equipment	4,755	4,647	2.8%	-2.3%
Americas	1,850	1,734	1.7%	-6.3%
Europe	1,501	1,566	5.6%	4.3%
Asia & others	952	932	4.9%	-2.0%
Japan (incl. OEM)	452	415	-6.7%	-8.2%
Labeling	693	680	3.1%	-1.9%
Americas	318	307	4.5%	-3.5%
Europe	217	219	2.4%	1.1%
Asia & others	109	105	2.7%	-4.0%
Japan	49	49	-	-1.6%
Business segment profit	610	612	-	0.3%
Operating profit	589	615	-	4.4%

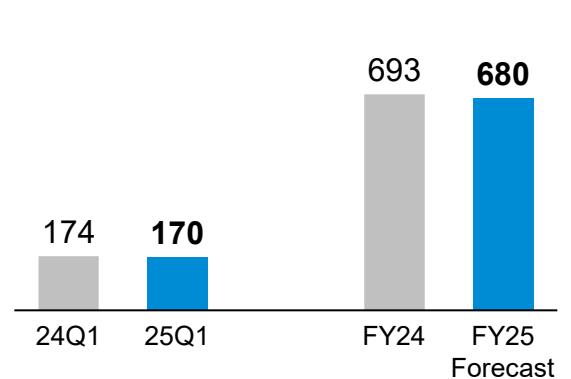


Sales Revenue

Communications & Printing Equipment

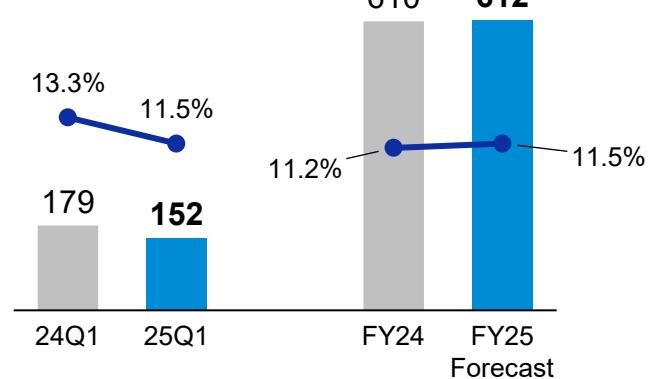


Labeling



Business Segment Profit

Profit ratio



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

brother
at your side

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	FY23	FY24
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%

Industrial Printing Sales Revenue & Profit

brother
at your side

	24Q1	25Q1	Change (w/o FX)	Change (w/ FX)
Sales revenue	345	323	-1.7%	-6.5%
Domino	293	288	3.0%	-2.0%
Americas	78	76	2.9%	-2.8%
Europe	124	124	2.5%	0.6%
Asia & others	82	76	2.0%	-7.5%
Japan	10	12	-	17.5%
Printing & automation	52	35	-28.1%	-32.2%
Americas	29	15	-44.5%	-49.0%
Europe	11	9	-21.5%	-23.5%
Asia & others	9	8	-4.3%	-10.7%
Japan	3	4	-	30.7%
Business segment profit	22	9	-	-57.9%
Operating profit	22	6	-	-72.3%

	FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
	1,373	1,345	5.4%	-2.0%
	1,194	1,155	4.5%	-3.3%
	313	314	-0.3%	0.2%
	516	488	9.9%	-5.4%
	322	307	-0.1%	-4.7%
	42	46	-	8.5%
	179	190	11.4%	6.3%
	98	103	12.2%	4.7%
	38	43	14.4%	13.3%
	28	29	9.1%	2.8%
	14	14	-	1.2%
	52	24	-	-54.3%
	32	23	-	-28.3%

Industrial/Consumer

Industrial

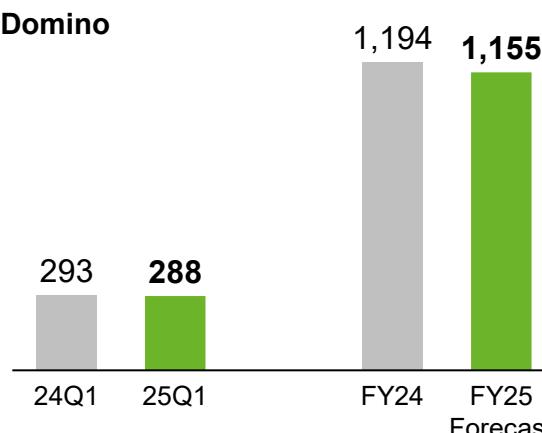
Positioning in CS B2027

Growth business

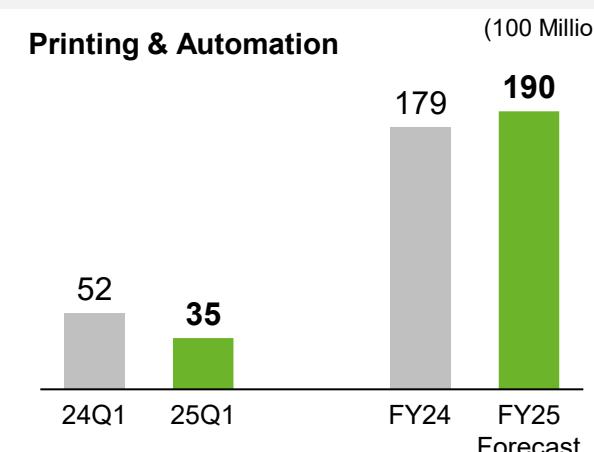
Main Products and Services



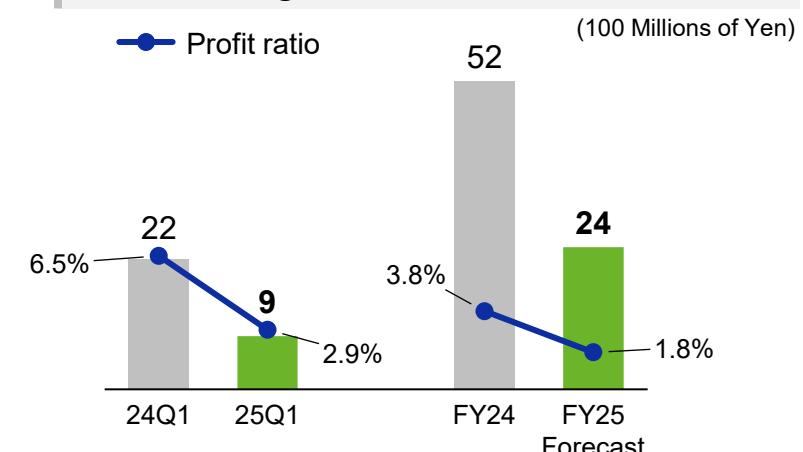
Sales Revenue



Printing & Automation



Business Segment Profit



Machinery Sales Revenue & Profit

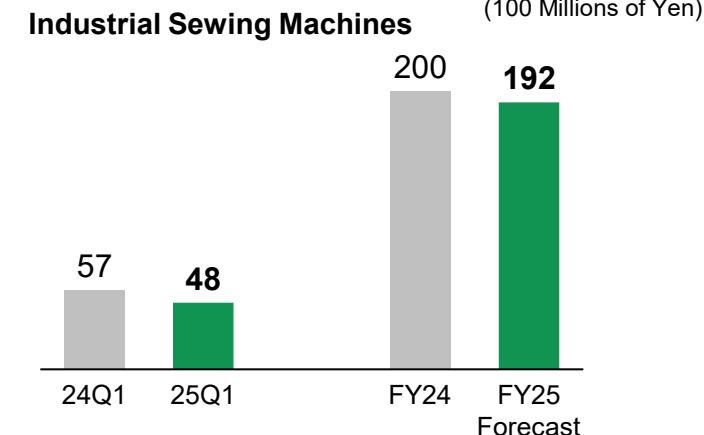
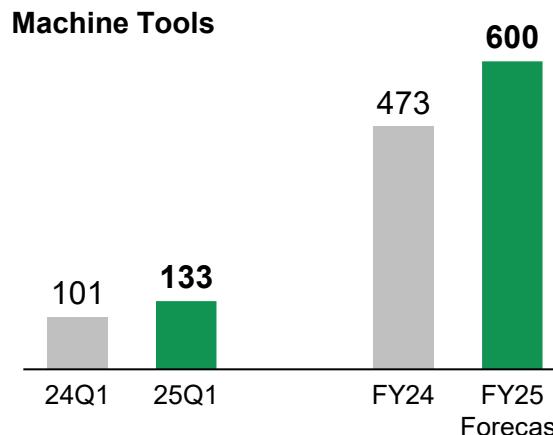
brother
at your side

	24Q1	25Q1	Change (w/o FX)	Change (w/ FX)
Sales revenue	158	181	19.6%	14.6%
Machine tools	101	133	36.0%	31.4%
Americas	8	11	-	49.1%
Europe	5	6	-	37.3%
Asia & others	65	92	-	41.6%
Japan	24	23	-	-3.9%
Industrial sewing machines	57	48	-9.4%	-15.1%
Americas	3	4	32.5%	22.5%
Europe	8	6	-23.1%	-24.8%
Asia & others	45	37	-9.9%	-16.1%
Japan	1	1	-	-9.3%
Business segment profit	3	13	-	301.8%
Operating profit	4	14	-	271.5%

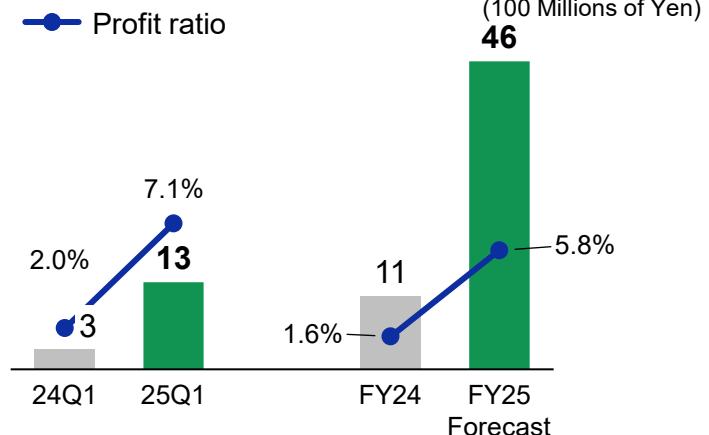
	FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
	673	791	21.2%	17.6%
	473	600	29.4%	26.7%
	33	49	-	46.3%
	26	40	-	56.5%
	319	387	-	21.6%
	96	124	-	29.1%
	200	192	1.8%	-4.1%
	11	12	16.7%	8.3%
	27	32	19.0%	17.9%
	159	145	-1.7%	-8.3%
	4	3	-	-19.4%
	11	46	-	327.7%
	12	46	-	288.6%



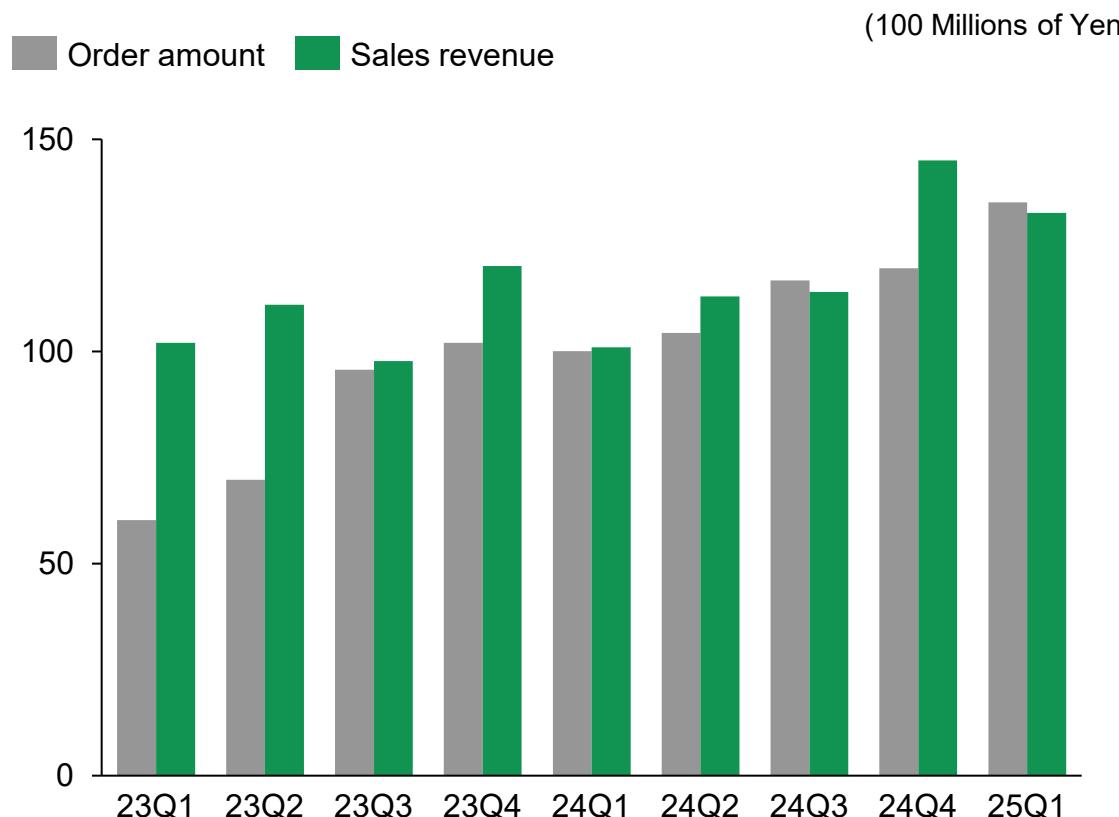
Sales Revenue



Business Segment Profit

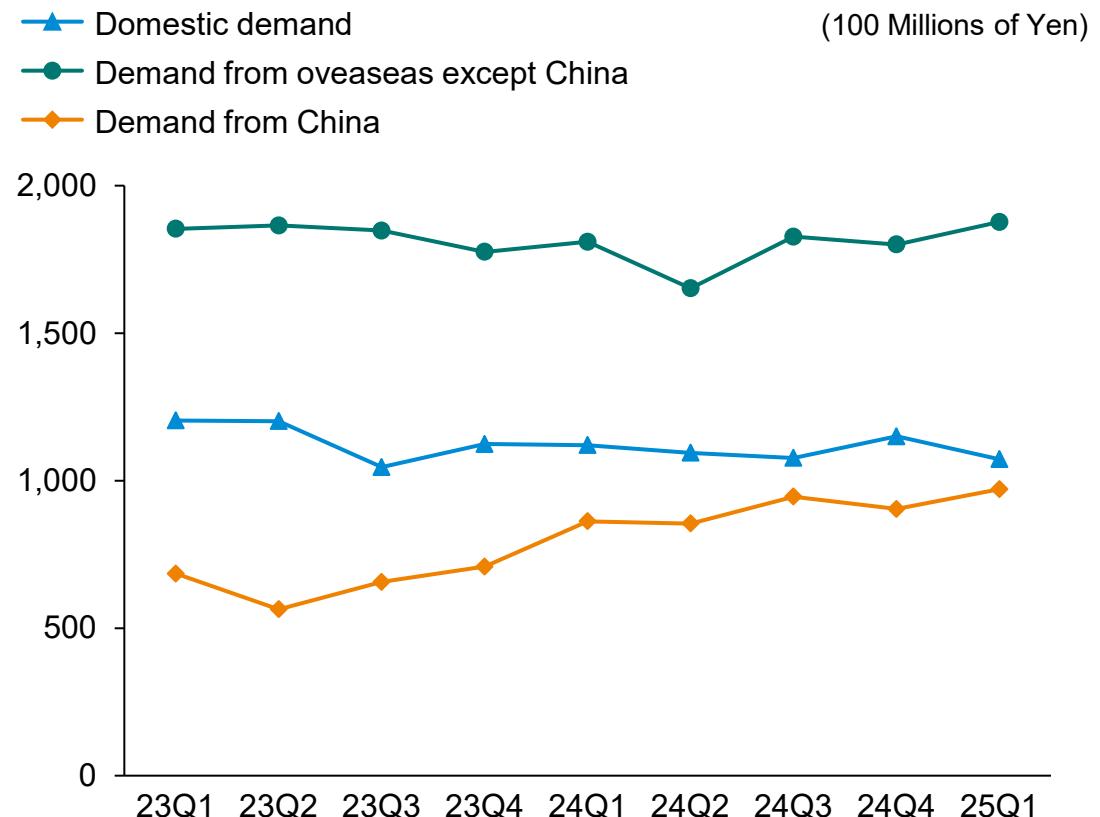


Trends in order amount and sales revenue



* 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

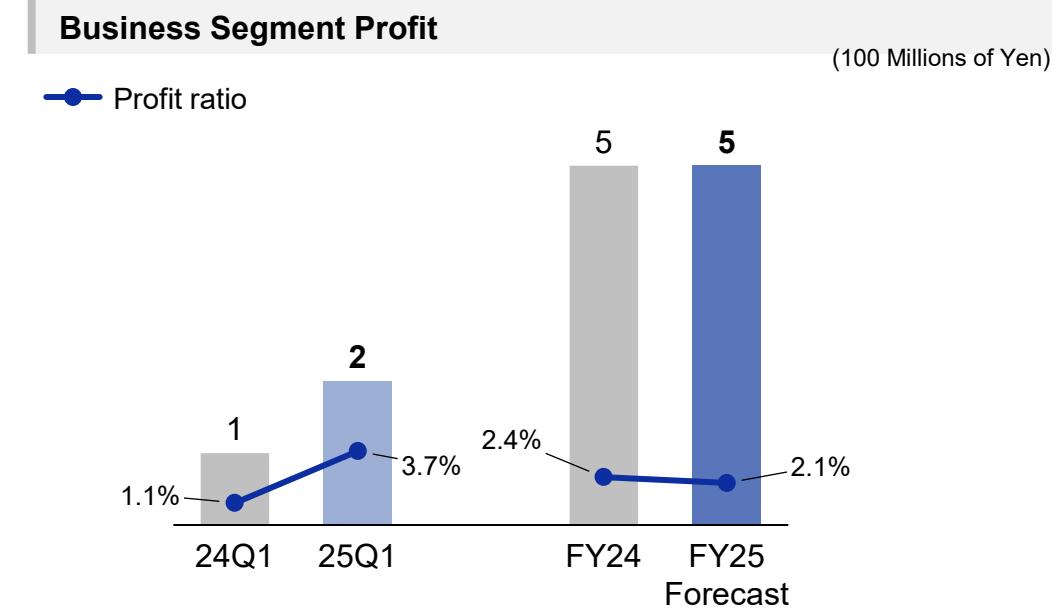
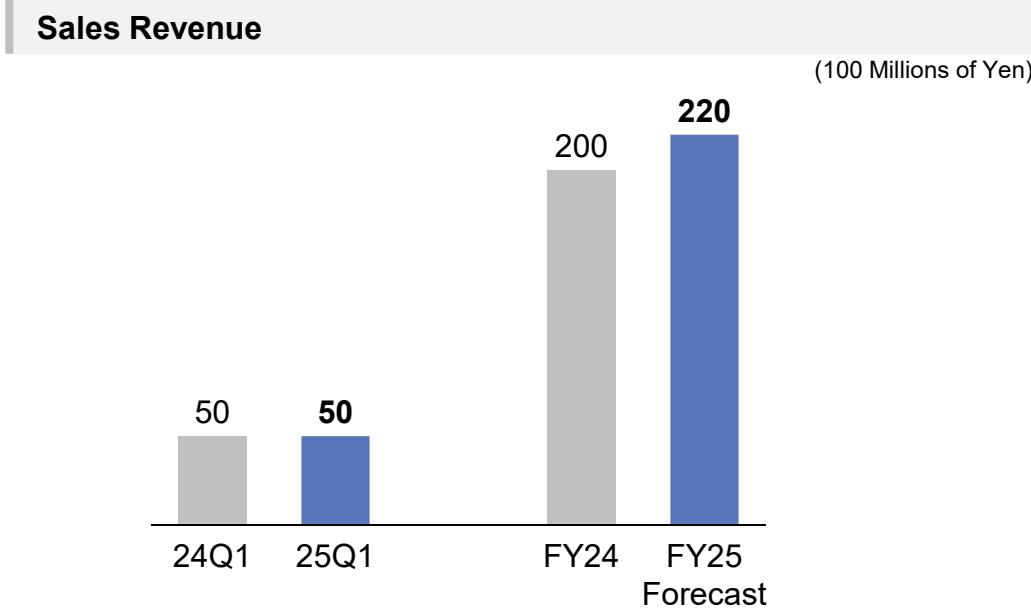


* Source: Major machine tool statistics of the Japan Machine Tool Builders' Association

Nissei Sales Revenue & Profit

brother
at your side

	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	-	-



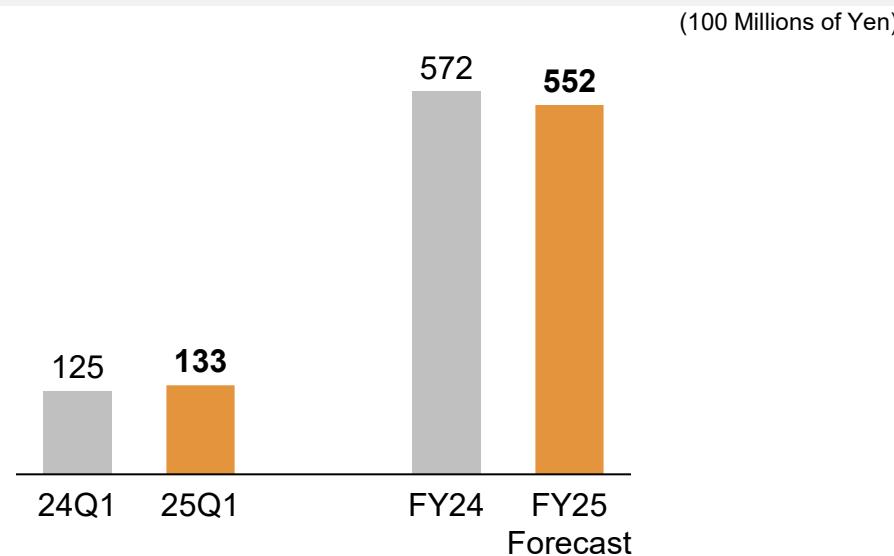
Personal & Home Sales Revenue & Profit

brother
at your side

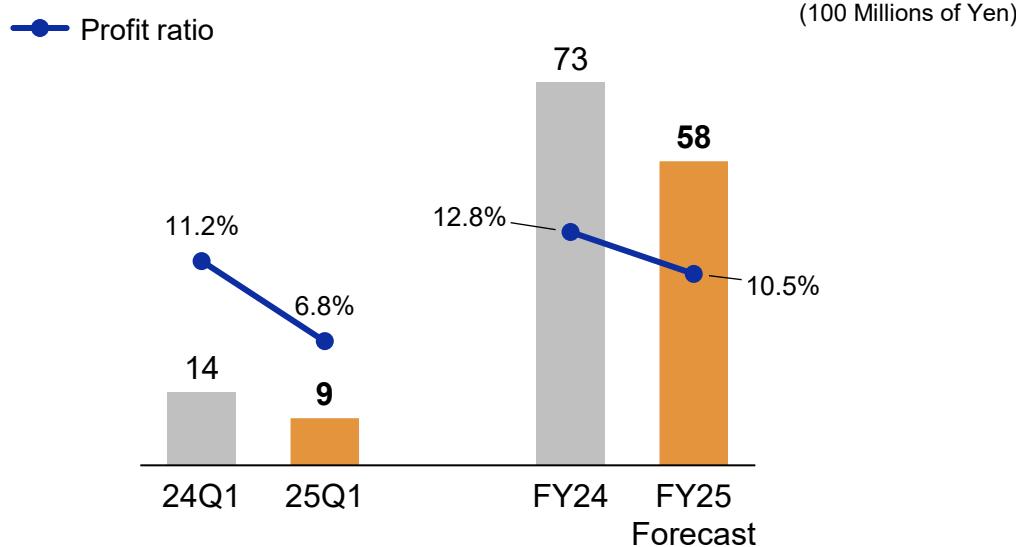
	24Q1	25Q1	Change (w/o FX)	Change (w/ FX)
Sales revenue	125	133	14.5%	6.9%
Americas	70	78	23.0%	12.1%
Europe	33	32	-0.3%	-2.7%
Asia & others	16	16	8.8%	2.2%
Japan	6	6	-	13.2%
Business segment profit	14	9	-	-35.3%
Operating profit	13	6	-	-51.8%

	FY24 Actual	FY25 Forecast	Change (w/o FX)	Change (w/ FX)
Sales revenue	572	552	2.2%	-3.5%
Americas	346	321	0.3%	-7.4%
Europe	139	143	4.0%	2.8%
Asia & others	57	56	4.3%	-2.2%
Japan	28	32	-	11.5%
Business segment profit	73	58	-	-20.8%
Operating profit	67	58	-	-13.0%

Sales Revenue



Business Segment Profit



Industrial/Consumer

Consumer

Positioning in CS B2027

Profit-driven business

Main Products and Services



©Disney
Home sewing
machine



Home cutting
machine

Network & Contents

Sales Revenue & Profit

	24Q1	25Q1	Change	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

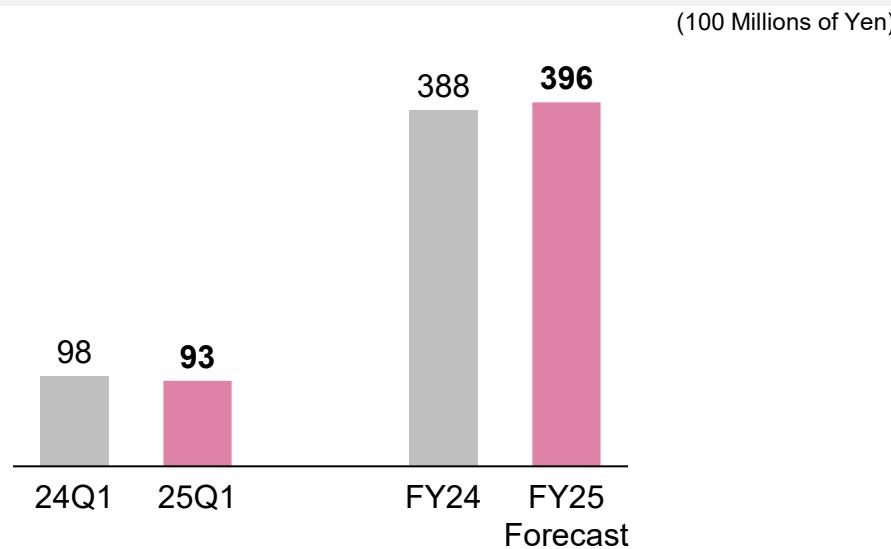


Online karaoke system

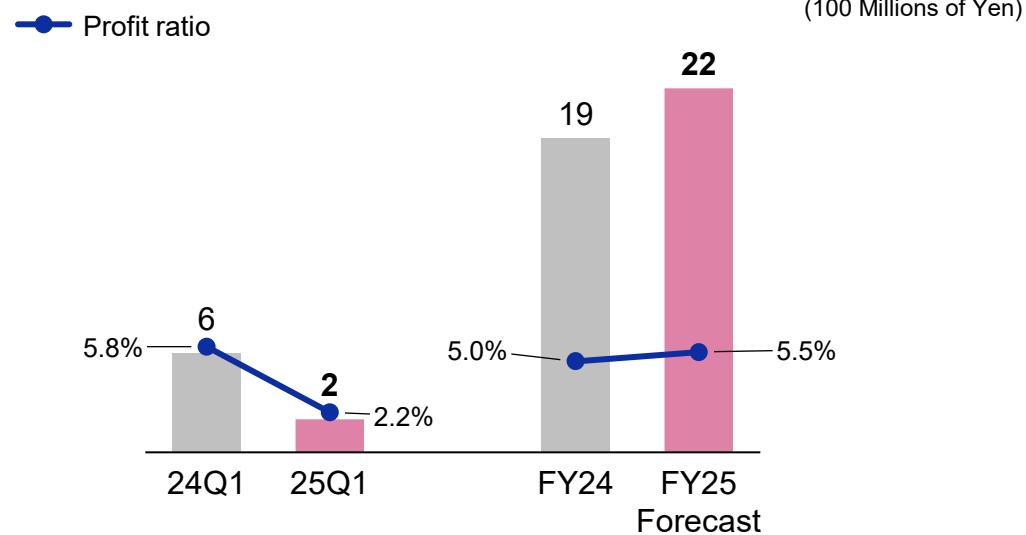


Entertainment platform

Sales Revenue



Business Segment Profit



Topics

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



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

Traditional design



New design



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

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



Newly developed 100-tool magazine

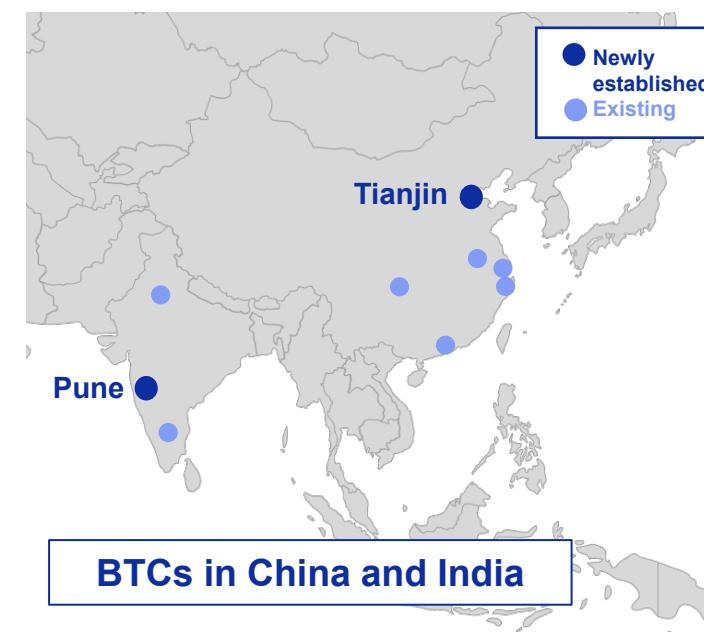


Compare with a large machining center (BT40 spindle) that can store the same number of tools

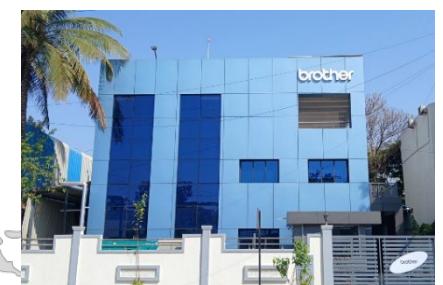
※SPEEDIO S700Xd2-100T / U500Xd2-100T

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



BTC Tianjin's showroom



BTC Pune's appearance

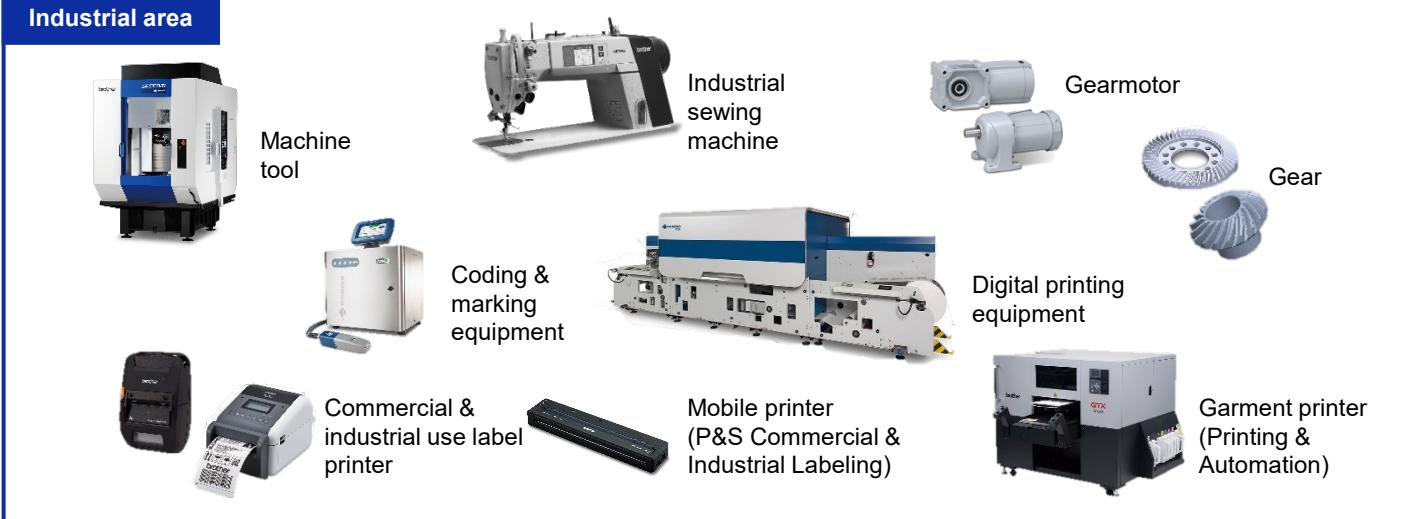
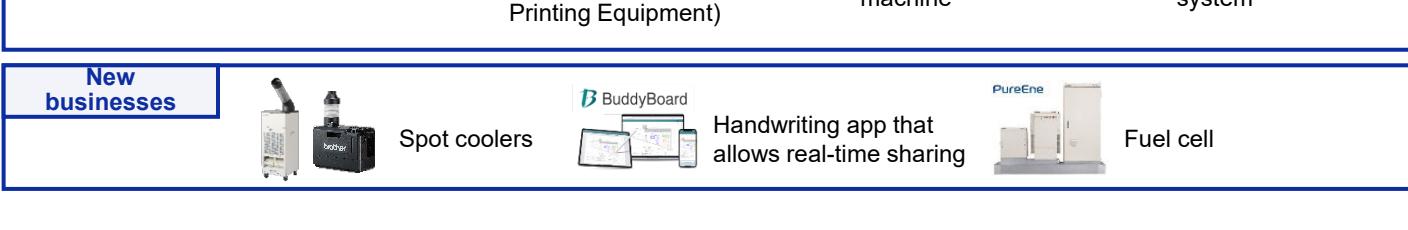
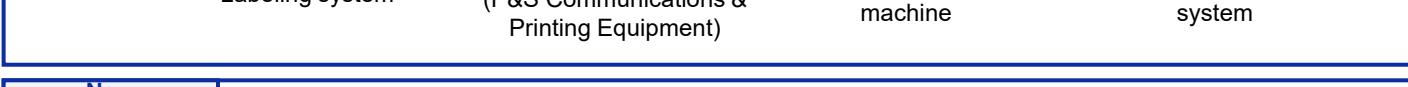
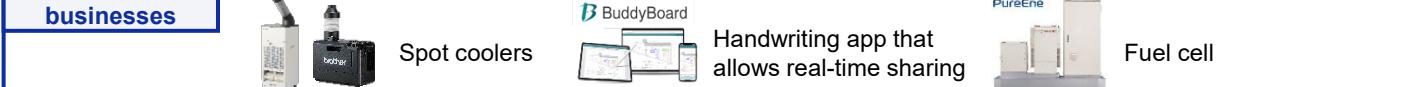
Reference

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)	
	Labeling	Inkjet products	Philippines	Slightly less than 30%
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)	
	Industrial Sewing Machine	Industrial Sewing Machine	China	Mid-single digits %
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	 <p>Industrial area</p> <p>Machine tool</p> <p>Industrial sewing machine</p> <p>Gearmotor</p> <p>Gear</p>
	Nissei	Industrial Sewing Machines	
	IP (Industrial Printing)	Domino	 <p>Coding & marking equipment</p> <p>Digital printing equipment</p>
		Printing & Automation	
	P&S (Printing & Solutions)	Commercial & Industrial Labeling	 <p>Commercial & industrial use label printer</p> <p>Mobile printer (P&S Commercial & Industrial Labeling)</p> <p>Garment printer (Printing & Automation)</p>
Consumer area		Home & Office Labeling	 <p>Consumer area</p> <p>Labeling system</p> <p>Printer/All-in-One (P&S Communications & Printing Equipment)</p> <p>Home sewing machine</p> <p>Online karaoke system</p>
	P&H (Personal & Home)	Communications & Printing Equipment	
N&C (Network & Contents)			 <p>New businesses</p> <p>Spot coolers</p> <p>BuddyBoard</p> <p>Handwriting app that allows real-time sharing</p> <p>PureEne</p> <p>Fuel cell</p>
	New businesses		

brother
at your side