

Fiscal Year 2022 (ending March 31, 2023)

Second Quarter Financial Results

Brother Industries, Ltd.

November 9, 2022

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 FY2022 Q2 (Jul.–Sep.)

Revenue increased due mainly to positive FX effects

Profit decreased substantially due to factors such as the lower gross profit caused by decreased sales of consumables in the P&S business, a significant increase in parts and materials costs, and an increase in SG&A

◆ **Sales revenue** **196.9 billion yen/ +11.6% (year-on-year)**

- ✓ The positive FX effects resulting from the weaker yen contributed greatly to the increase in revenue
- ✓ If the FX effects are excluded, revenue decreased in the P&S business due to downturn after a last-minute surge in demand ahead of consumables price hikes
- ✓ Revenue decreased in the P&H business as stay-at-home demand has run its course and sales decreased for middle- and high-end models

◆ **Business segment profit** **11.1 billion yen/ -52.1% (year-on-year)**

- ✓ Profit decreased substantially mainly due to lower gross profit caused by decreased sales of consumables in the P&S business
- ✓ A significant increase in parts and materials costs and an increase in SG&A put pressure on profit

Forecast for FY2022

The forecast for sales revenue has been revised upward in response to positive FX effects and easing of supply constraints in the P&S business

The forecast for business segment profit has been revised downward, despite positive FX effects, in response to a significant increase in parts and materials costs and lower-than-expected profit in the first half

Results for FY2022 Q2 (Jul.-Sep.)

Consolidated Results for FY2022 Q2

Revenue increased due mainly to positive FX effects

Profit decreased substantially due to factors such as the lower gross profit caused by decreased sales of consumables in the P&S business, a significant increase in parts and materials costs, and an increase in SG&A

| | 21Q2 | 22Q2 | Change (w/o FX) | Rate of Change (w/o FX) |
|---|--------|---------------|--------------------|----------------------------|
| | | | | |
| Sales revenue | 1,765 | 1,969 | 204 (-37) | 11.6% (-2.1%) |
| Business Segment Profit | 232 | 111 | -121 (-152) | -52.1% (-65.5%) |
| Business Segment Profit Ratio | 13.2% | 5.7% | | |
| Other income/expense | 15 | 13 | -2 | |
| Operating Profit | 247 | 124 | -123 | -49.6% |
| Operating Profit Ratio | 14.0% | 6.3% | | |
| Income before Tax | 248 | 129 | -119 | -48.0% |
| Net Income attribute to parent company | 182 | 129 | -53 | -29.3% |
| USD | 110.47 | 138.68 | 28.21 | |
| EUR | 130.31 | 140.32 | 10.01 | |

(100 Millions of Yen)

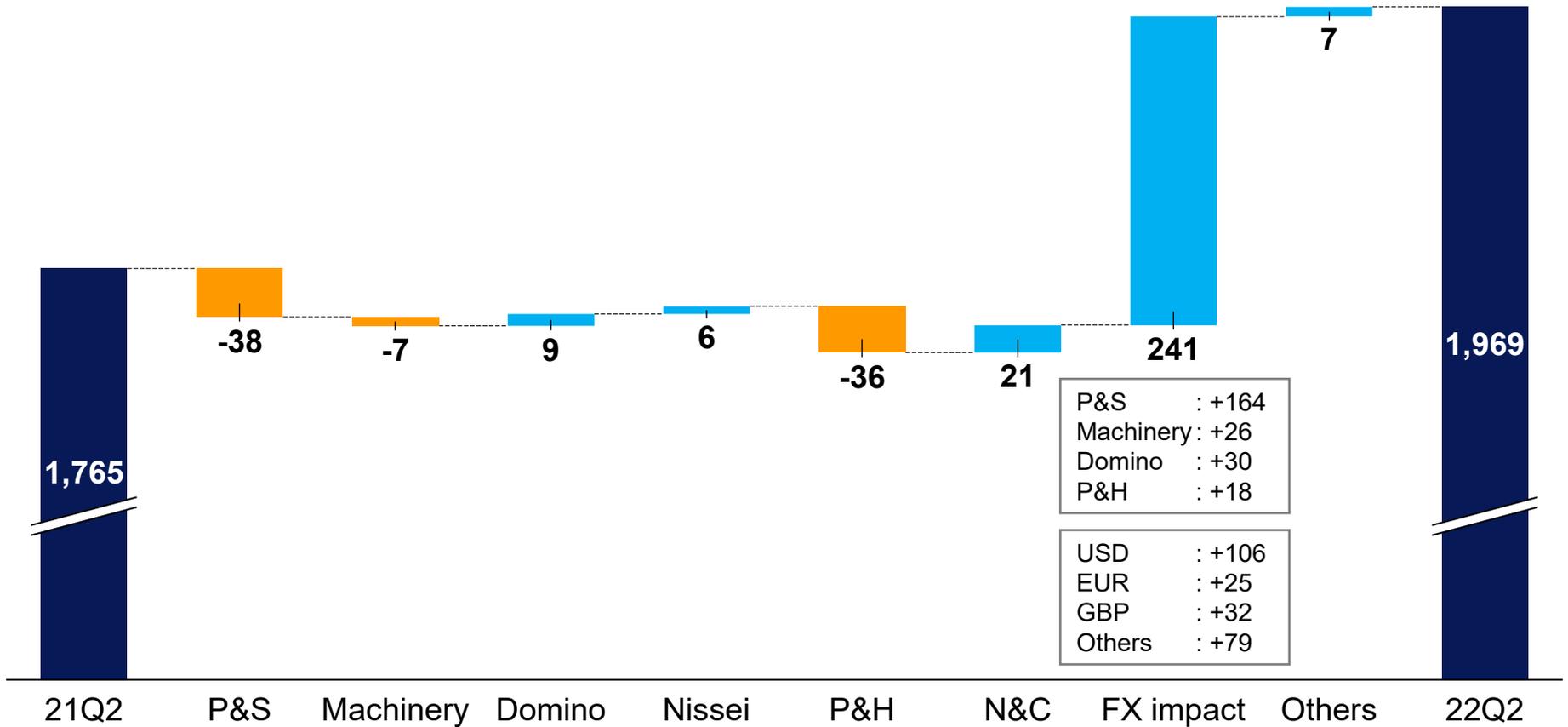
Results for FY2022 Q2 by Business Segment

(100 Millions of Yen)

| | Sales revenue | | | Business segment profit | | | Operating profit | | |
|------------------|---------------|--------------|------------|-------------------------|------------|-------------|------------------|------------|-------------|
| | 21Q2 | 22Q2 | Change | 21Q2 | 22Q2 | Change | 21Q2 | 22Q2 | Change |
| P&S | 1,061 | 1,187 | 126 | 159 | 51 | -108 | 164 | 54 | -109 |
| Machinery | 221 | 240 | 19 | 31 | 32 | 1 | 32 | 34 | 2 |
| Domino | 212 | 251 | 40 | 22 | 13 | -9 | 22 | 18 | -4 |
| Nissei | 50 | 59 | 9 | 5 | 6 | 1 | 5 | 6 | 1 |
| P&H | 134 | 116 | -18 | 26 | 7 | -19 | 28 | 8 | -19 |
| N&C | 64 | 85 | 22 | -12 | 1 | 13 | -5 | 2 | 7 |
| Other | 23 | 31 | 7 | 0 | 2 | 1 | 2 | 2 | -0 |
| Total | 1,765 | 1,969 | 204 | 232 | 111 | -121 | 247 | 124 | -123 |

Although revenue decreased mainly in the P&S and P&H businesses, overall revenue increased due to positive FX effects

(100 Millions of Yen)

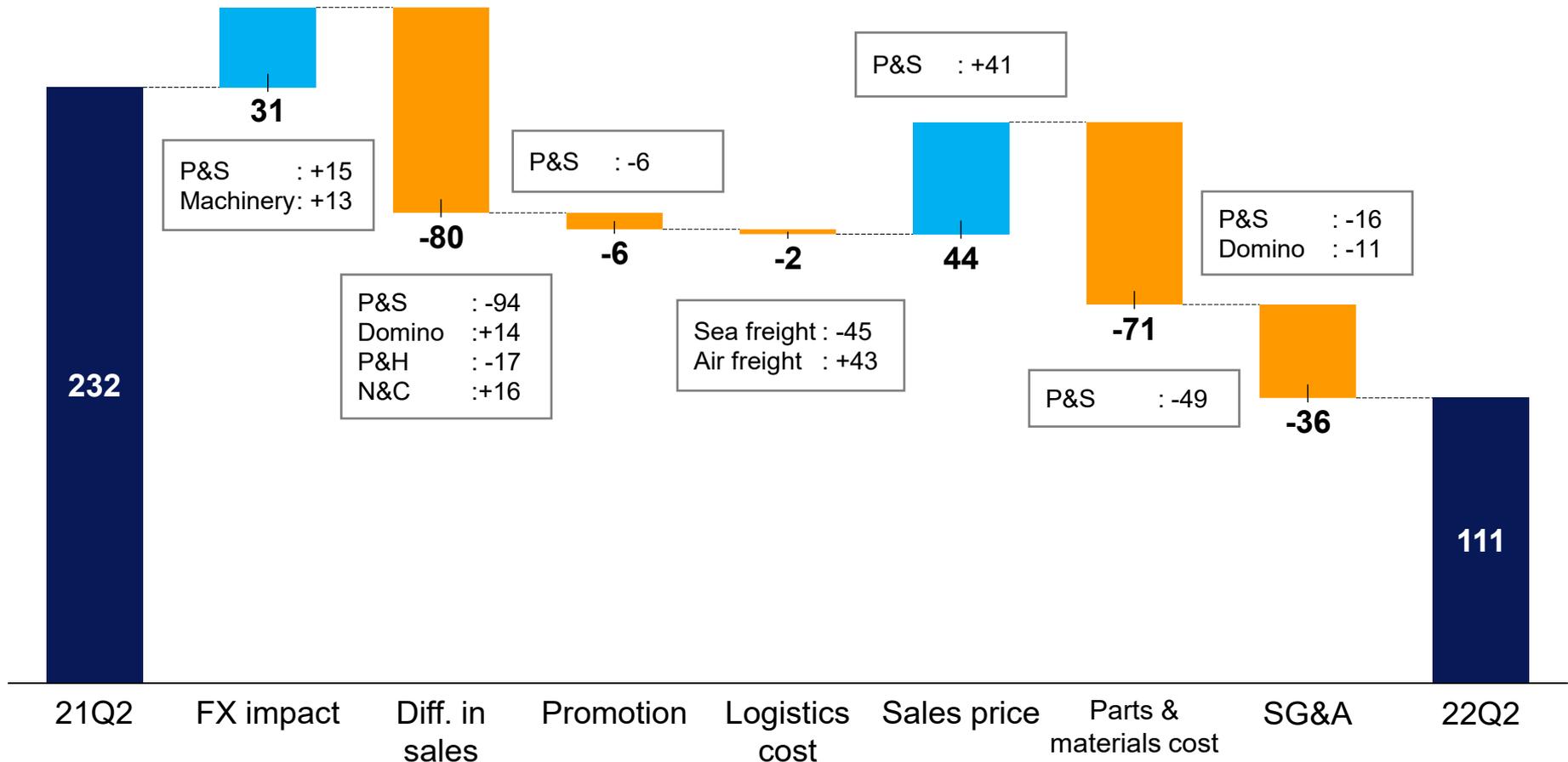


* Amounts of change are on a results basis excluding foreign exchange effects

Main Factors for Changes in Business Segment Profit

Profit decreased substantially due to factors such as the lower gross profit resulting from decreased sales of consumables in the P&S business, a significant increase in parts and materials costs, and an increase in SG&A, despite effects from price responses mainly in the P&S business and positive FX effects

(100 Millions of Yen)



Results for FY2022 First Half (Apr.-Sep.)

Consolidated Results for FY2022 1H

Revenue increased, due mainly to firm performance of the P&S business in the first quarter, in addition to positive FX effects

Business segment profit decreased substantially due mainly to a significant increase in parts and materials costs and an increase in SG&A, despite effects from price responses mainly in the P&S business

(100 Millions of Yen)

| | FY21 Q2 YTD | FY22 Q2 YTD | Change (w/o FX) | Rate of Change (w/o FX) |
|-------------------------------|----------------|----------------|--------------------|----------------------------|
| Sales revenue | 3,505 | 3,967 | 461 | 13.2% |
| | | | (46) | (1.3%) |
| Business Segment Profit | 494 | 359 | -135 | -27.3% |
| | | | (-190) | (-38.5%) |
| Business Segment Profit Ratio | 14.1% | 9.1% | | |
| Other income/expense | 18 | 15 | -2 | |
| Operating Profit | 512 | 375 | -137 | -26.8% |
| Operating Profit Ratio | 14.6% | 9.4% | | |
| Income before Tax | 516 | 382 | -134 | -25.9% |
| Net Income | | | | |
| attribute to parent company | 368 | 303 | -66 | -17.8% |
| USD | 110.18 | 133.46 | 23.28 | |
| EUR | 130.97 | 138.79 | 7.82 | |

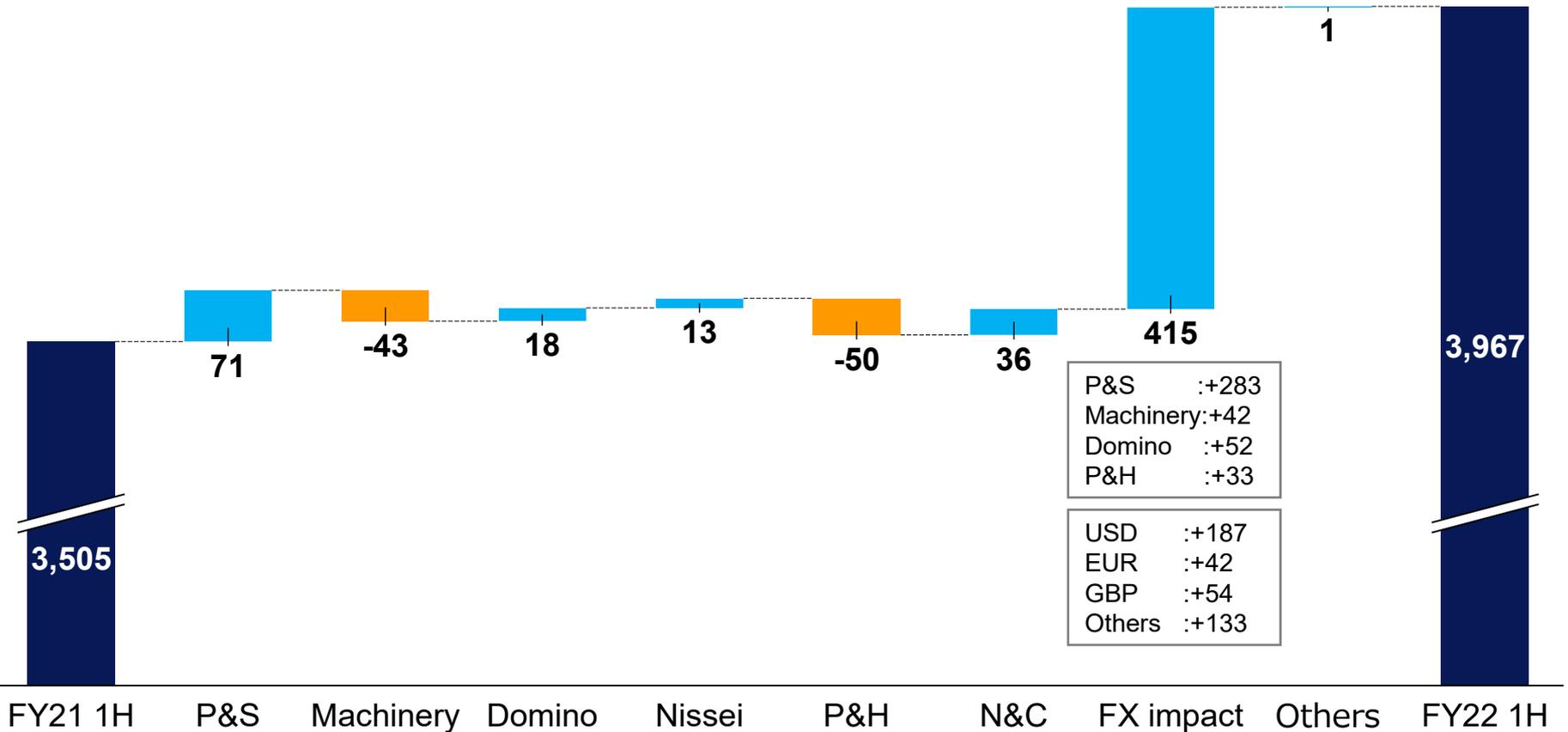
Results for FY2022 1H by Business Segment

(100 Millions of Yen)

| | Sales revenue | | | Business segment profit | | | Operating profit | | |
|------------------|----------------|----------------|------------|-------------------------|----------------|-------------|------------------|----------------|-------------|
| | FY21 Q2 YTD | FY22 Q2 YTD | Change | FY21 Q2 YTD | FY22 Q2 YTD | Change | FY21 Q2 YTD | FY22 Q2 YTD | Change |
| P&S | 2,052 | 2,405 | 353 | 323 | 230 | -93 | 327 | 224 | -103 |
| Machinery | 474 | 474 | -0 | 78 | 53 | -25 | 78 | 58 | -19 |
| Domino | 419 | 489 | 70 | 43 | 30 | -14 | 43 | 37 | -5 |
| Nissei | 101 | 119 | 18 | 10 | 12 | 2 | 10 | 13 | 3 |
| P&H | 275 | 258 | -17 | 58 | 27 | -31 | 58 | 28 | -30 |
| N&C | 133 | 169 | 36 | -20 | 4 | 24 | -9 | 9 | 17 |
| Other | 51 | 52 | 1 | 2 | 5 | 3 | 4 | 5 | 1 |
| Total | 3,505 | 3,967 | 461 | 494 | 359 | -135 | 512 | 375 | -137 |

Revenue increased, due mainly to positive FX effects

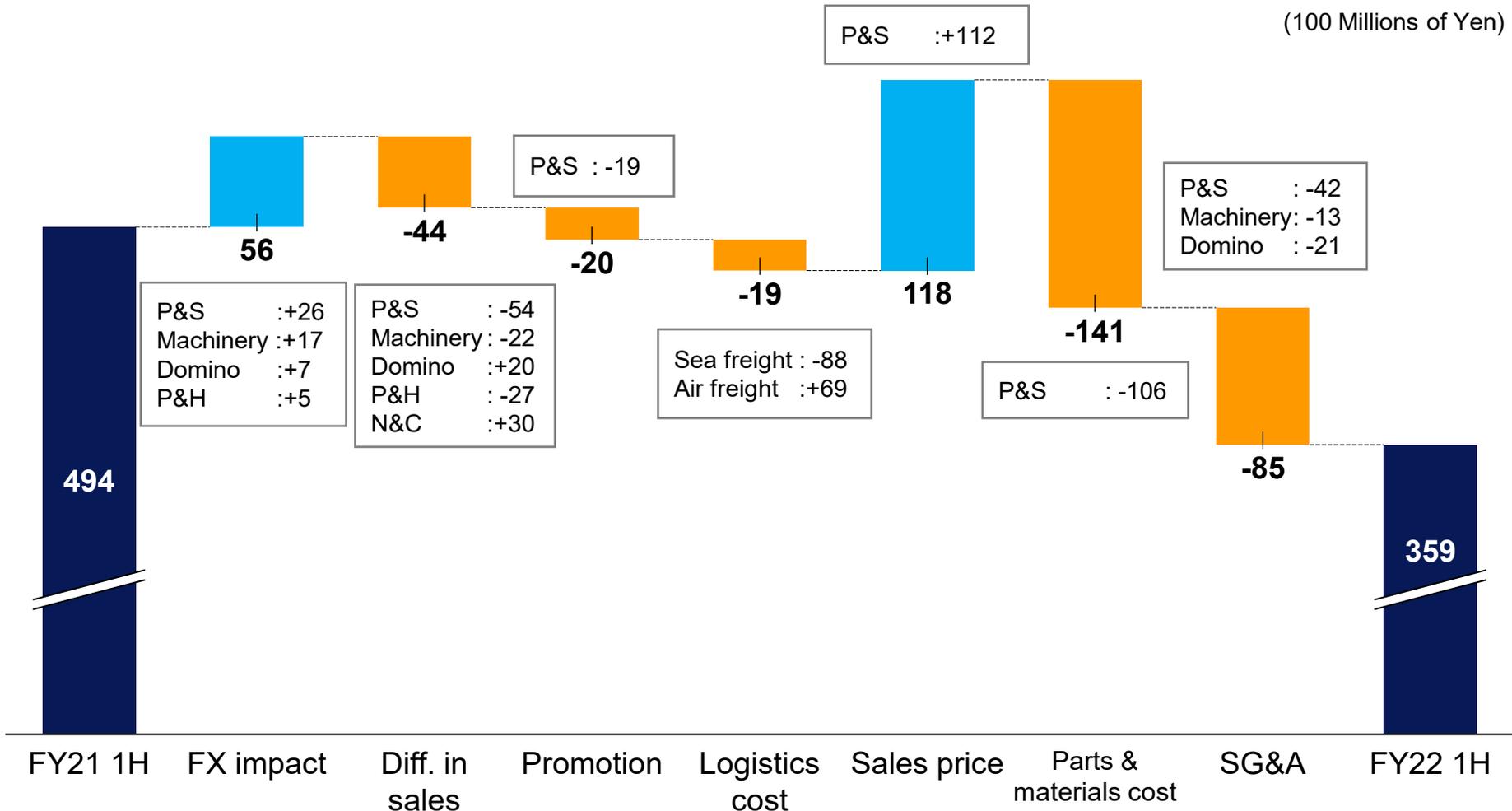
(100 Millions of Yen)



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

Main Factors for Changes in Business Segment Profit

Profit decreased due to a significant increase of parts and materials costs, an increase in SG&A and the lower gross profit despite effects from price responses mainly in the P&S business and positive FX effects



Forecast for FY2022

Forecast for FY2022

The forecast for sales revenue has been revised upward in response to positive FX effects and easing of supply constraints in the P&S business

The forecast for business segment profit has been revised downward in response to a significant increase in parts and materials costs and lower-than-expected profit in the first half

(100 Millions of Yen)

| | Previous Forecast | FY22 Forecast | Change (w/o FX) | Rate of Change (w/o FX) | FY21 Actual | Change (w/o FX) | Rate of Change (w/o FX) |
|-------------------------------|-------------------|----------------------|-----------------|-------------------------|-------------|-----------------|-------------------------|
| Sales revenue | 7,750 | 8,400 | 650 (194) | 8.4% (2.5%) | 7,109 | 1,291 (527) | 18.2% (7.4%) |
| Business Segment Profit | 730 | 700 | -30 (-37) | -4.1% (-5.0%) | 846 | -146 (-175) | -17.2% (-20.7%) |
| Business Segment Profit Ratio | 9.4% | 8.3% | | | 11.9% | | |
| Other income/expense | 0 | 30 | 30 | | 9 | 21 | |
| Operating Profit | 730 | 730 | 0 | 0.0% | 855 | -125 | -14.6% |
| Operating Profit Ratio | 9.4% | 8.7% | | | 12.0% | | |
| Income before Tax | 730 | 730 | 0 | 0.0% | 864 | -134 | -15.5% |
| Net Income | | | | | | | |
| attribute to parent company | 510 | 510 | 0 | 0.0% | 610 | -100 | -16.4% |
| USD | 122.00 | 134.92 | 12.92 | | 112.86 | 22.06 | |
| EUR | 133.00 | 137.61 | 4.61 | | 131.01 | 6.60 | |

Forecast for FY2022 by Business Segment

(100 Millions of Yen)

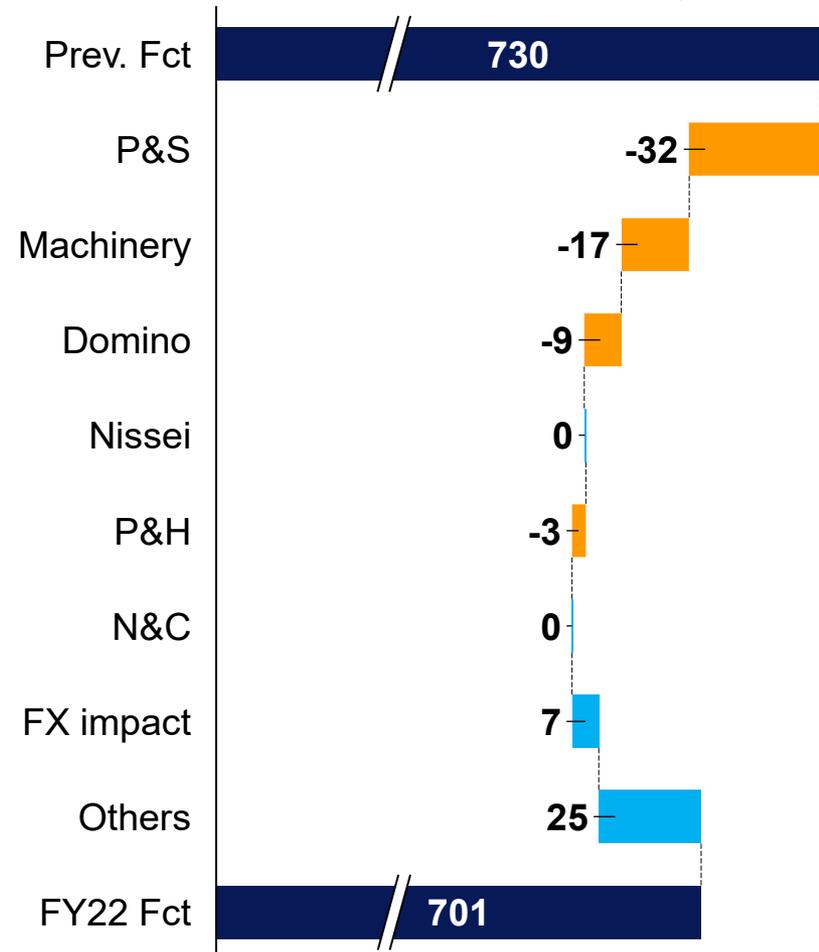
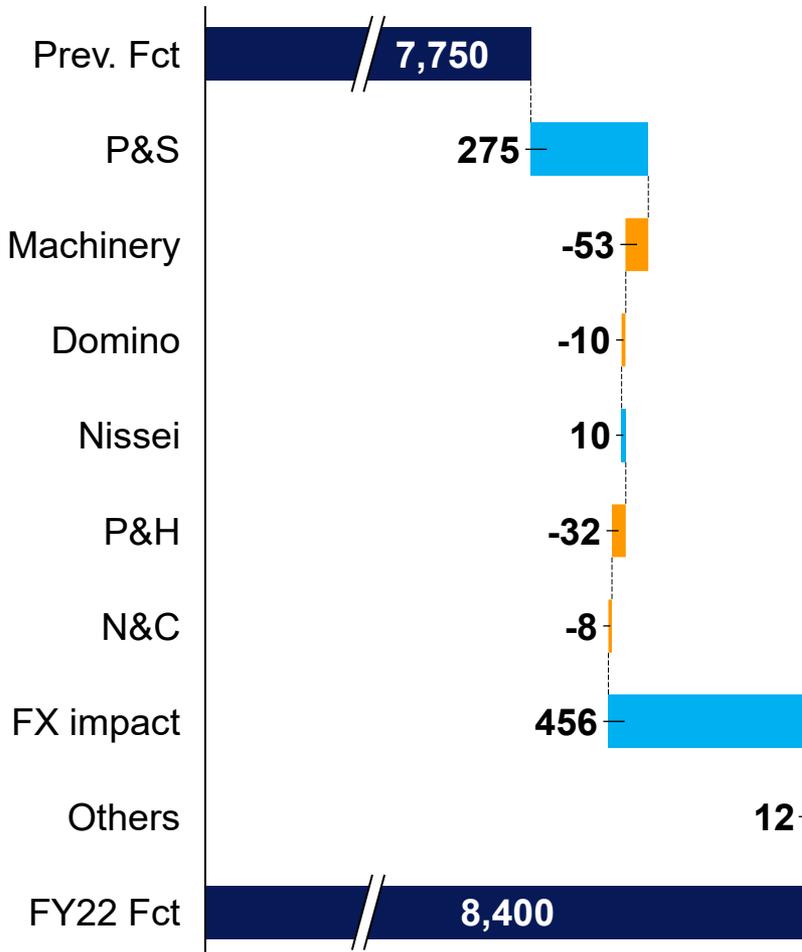
| | Sales revenue | | | Business Segment Profit | | | Operating Profit | | |
|------------------|-------------------|---------------|------------|-------------------------|---------------|------------|-------------------|---------------|----------|
| | Previous Forecast | FY22 Forecast | Change | Previous Forecast | FY22 Forecast | Change | Previous Forecast | FY22 Forecast | Change |
| P&S | 4,553 | 5,132 | 579 | 485 | 430 | -55 | 485 | 430 | -55 |
| Machinery | 1,070 | 1,053 | -17 | 135 | 135 | 0 | 136 | 136 | 0 |
| Domino | 900 | 966 | 66 | 43 | 43 | 0 | 42 | 42 | 0 |
| Nissei | 220 | 234 | 13 | 18 | 18 | 0 | 16 | 16 | 0 |
| P&H | 513 | 517 | 4 | 60 | 60 | 0 | 60 | 60 | 0 |
| N&C | 369 | 361 | -8 | 4 | 4 | 0 | 4 | 4 | 0 |
| Other | 125 | 137 | 12 | -15 | 10 | 25 | -13 | 42 | 55 |
| Total | 7,750 | 8,400 | 650 | 730 | 700 | -30 | 730 | 730 | 0 |

Changes in Sales Revenue / Business Segment Profit

Changes in Sales Revenue

Changes in Business Segment Profit

(100 Millions of Yen)



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

Financial Position

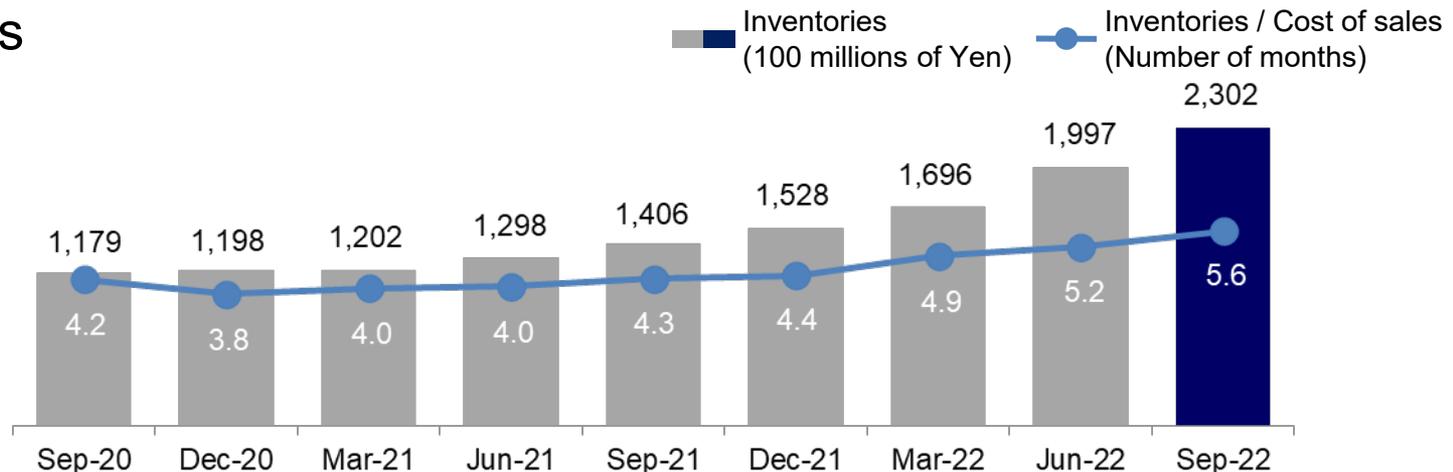
(100 Millions of Yen)

| | End of Mar 22 | End of Sep22 | Change |
|-----------------------|---------------|--------------|--------|
| Current assets | 4,767 | 5,294 | 527 |
| Cash&Cash equivalents | 1,679 | 1,298 | -382 |
| Inventories | 1,696 | 2,302 | 606 |
| Non-current assets | 3,344 | 3,482 | 138 |
| Total liabilities | 2,499 | 2,660 | 161 |
| Interest-bearing debt | 408 | 415 | 7 |
| Shareholders' equity* | 5,611 | 6,116 | 504 |
| Total assets | 8,111 | 8,776 | 665 |

*Equity attributable to owners of the parent company

| | End of Mar 22 | End of Sep22 | Change |
|----------------------------|---------------|--------------|--------|
| Net cash | 1,271 | 882 | -389 |
| Shareholders' equity ratio | 69.2% | 69.7% | 0.5% |
| ROE | 11.7% | - | - |

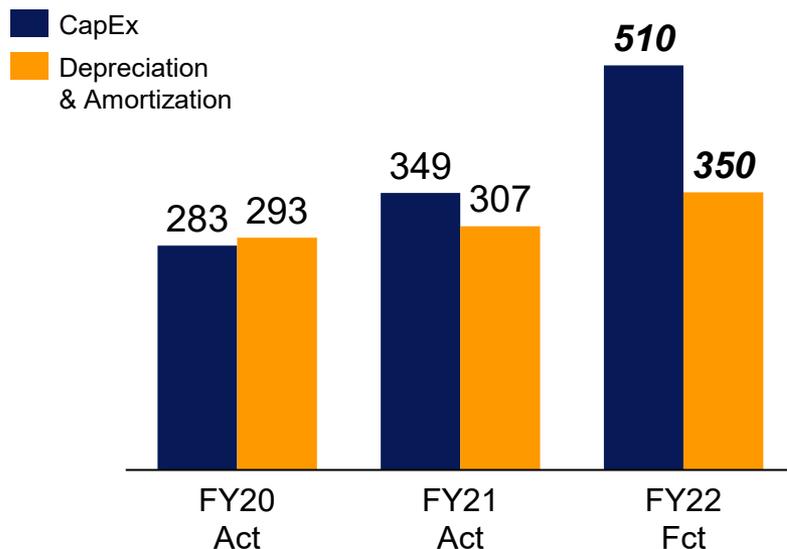
Inventories



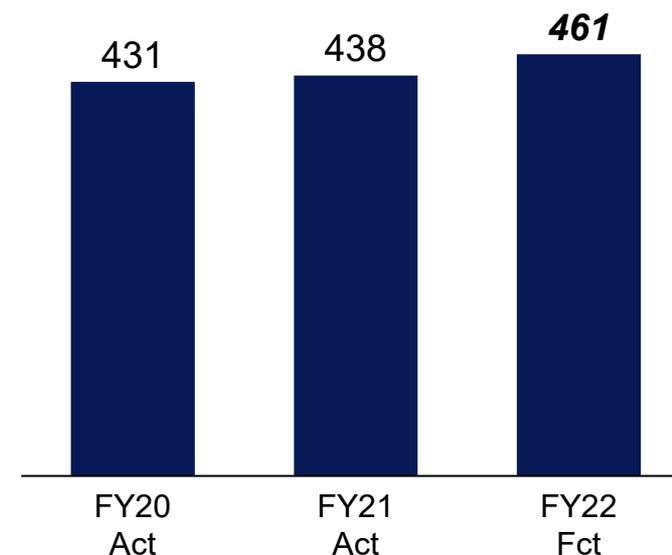
Capital Expenditure/ Depreciation and Amortization/ R&D Expenses

(100 Millions of Yen)

Capital Expenditure/Depreciation & Amortization



R&D Expenses



Breakdown by business (CapEx)

| | FY20 | FY21 | FY22 |
|------------------------|------------|------------|------------|
| Industrial area | 52 | 68 | 113 |
| Consumer area & Others | 231 | 281 | 397 |
| Total | 283 | 349 | 510 |

Breakdown by business (R&D)

| | FY20 | FY21 | FY22 |
|------------------------|------------|------------|------------|
| Industrial area | 91 | 103 | 129 |
| Consumer area & Others | 340 | 335 | 332 |
| Total | 431 | 438 | 461 |

* The industrial area combines the Machinery, Domino, and Nissei businesses

Business Segment Information

*The sales revenue by region of the first quarter of FY2022 is disclosed as a supplementary information below
<https://download.brother.com/pub/com/investor/accounts/2023/fy2023q1/2022q1e-sup.pdf>

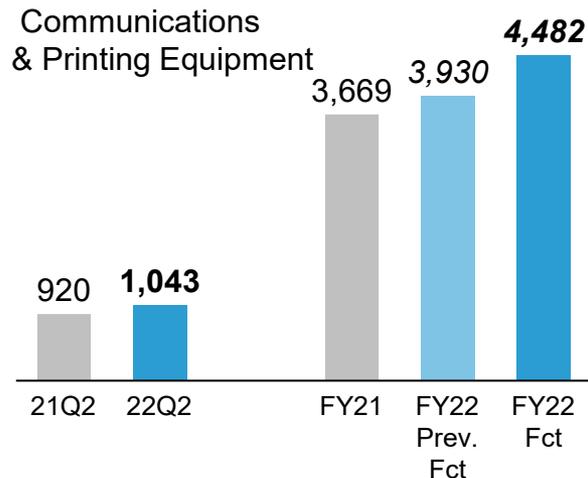
Printing & Solutions Sales Revenue & Profit

(100 Millions of Yen)

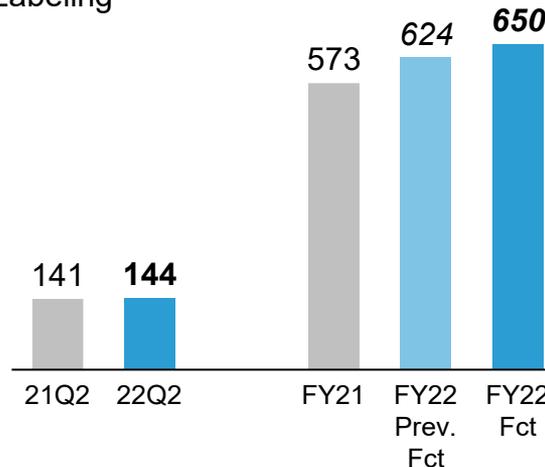
| | 21Q2 | 22Q2 | Change | Change w/o FX | FY21 | Previous Forecast | FY22 Forecast | Change vs LY | Change w/o FX |
|--|--------------|--------------|---------------|---------------|--------------|-------------------|---------------|---------------|---------------|
| Sales Revenue | 1,061 | 1,187 | 11.9% | -3.6% | 4,242 | 4,553 | 5,132 | 21.0% | 8.4% |
| Communications & Printing Equipment | 920 | 1,043 | 13.4% | -2.2% | 3,669 | 3,930 | 4,482 | 22.2% | 9.5% |
| Americas | 331 | 392 | 18.6% | -4.2% | 1,307 | 1,518 | 1,800 | 37.7% | 16.6% |
| Europe | 290 | 295 | 1.7% | -6.5% | 1,210 | 1,151 | 1,335 | 10.4% | 4.5% |
| Asia & Others | 189 | 240 | 27.2% | 8.9% | 698 | 732 | 860 | 23.4% | 10.6% |
| Japan | 110 | 116 | 5.0% | -4.0% | 455 | 529 | 486 | 7.0% | 0.8% |
| Labeling | 141 | 144 | 1.7% | -12.5% | 573 | 624 | 650 | 13.4% | 1.2% |
| Americas | 68 | 65 | -4.2% | -23.0% | 260 | 282 | 321 | 23.6% | 4.4% |
| Europe | 39 | 39 | -1.3% | -8.9% | 173 | 188 | 181 | 4.3% | -1.0% |
| Asia & Others | 22 | 30 | 36.3% | 16.8% | 91 | 101 | 102 | 11.7% | 0.1% |
| Japan | 12 | 10 | -18.3% | -18.3% | 49 | 53 | 47 | -5.4% | -5.4% |
| Business Segment Profit | 159 | 51 | -68.1% | - | 598 | 485 | 430 | -28.0% | - |
| Operating Profit | 164 | 54 | -66.8% | - | 594 | 485 | 430 | -27.6% | - |

*Japan includes OEM

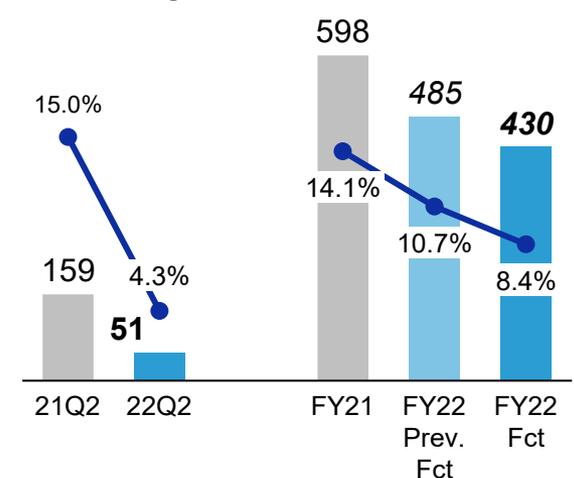
<Sales Revenue>



Labeling



<Business Segment Profit> — Profit ratio



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

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| | 20Q1 | 20Q2 | 20Q3 | 20Q4 | 21Q1 | 21Q2 | 21Q3 | 21Q4 | 22Q1 | 22Q2 | 22Q3 | 22Q4 | FY20 | FY21 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| LBP | | | | | | | | | | | | | | |
| Sales revenue growth rate (JPY/YoY) | | | | | | | | | | | | | | |
| Hardware | 6% | 19% | 18% | 18% | -10% | -4% | -9% | -8% | 41% | 45% | - | - | 15% | -8% |
| Consumable | -18% | 1% | 0% | -1% | 21% | 15% | 14% | 16% | 18% | -8% | - | - | -5% | 16% |
| Sales revenue growth rate (LC/YoY) | | | | | | | | | | | | | | |
| Hardware | 11% | 22% | 21% | 18% | -16% | -9% | -15% | -13% | 25% | 23% | - | - | 18% | -13% |
| Consumable | -15% | 2% | 2% | -3% | 12% | 9% | 6% | 9% | 7% | -20% | - | - | -4% | 9% |
| IJP | | | | | | | | | | | | | | |
| Sales revenue growth rate (JPY/YoY) | | | | | | | | | | | | | | |
| Hardware | -37% | -49% | -12% | -3% | 90% | 95% | 17% | 15% | 18% | 32% | - | - | -25% | 45% |
| Consumable | -23% | -1% | 9% | -6% | 11% | -6% | -3% | 2% | 19% | -2% | - | - | -5% | 0% |
| Sales revenue growth rate (LC/YoY) | | | | | | | | | | | | | | |
| Hardware | -33% | -48% | -9% | -3% | 79% | 87% | 11% | 10% | 8% | 16% | - | - | -23% | 38% |
| Consumable | -20% | -1% | 10% | -8% | 5% | -10% | -7% | -2% | 11% | -12% | - | - | -5% | -4% |
| Cosumable Ratio | 55% | 57% | 55% | 56% | 56% | 57% | 58% | 59% | 53% | 47% | - | - | 55% | 57% |
| Growth rate of Hardware (Units/YoY) | | | | | | | | | | | | | | |
| LBP | 12% | 10% | 6% | 0% | -28% | -16% | -20% | -16% | 14% | 9% | - | - | 7% | -20% |
| IJP | -39% | -57% | -24% | -25% | 65% | 101% | 1% | 7% | 8% | 16% | - | - | -36% | 34% |

*The sales revenue growth rate of LBP Hardware (local currency basis) for the first quarter of FY2022 has been revised to 25% from the previous announcement (August 5, 2022) of 28%.

Machinery Sales Revenue & Profit

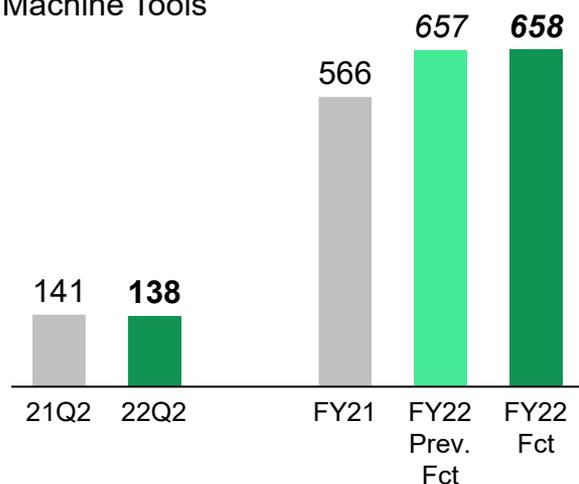
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(100 Millions of Yen)

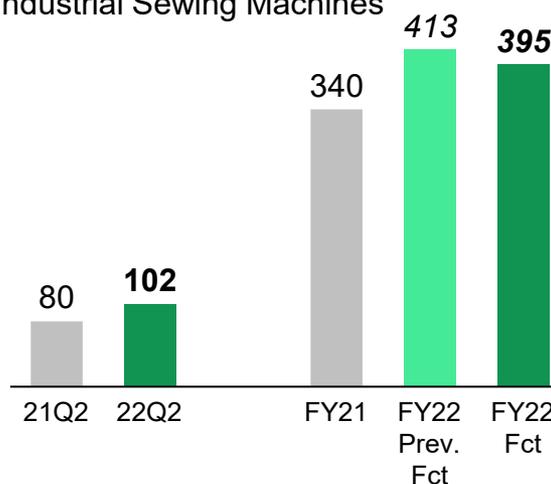
| | 21Q2 | 22Q2 | Change | Change w/o FX | FY21 | Previous Forecast | FY22 Forecast | Change vs LY | Change w/o FX |
|-----------------------------------|------------|------------|--------------|---------------|------------|-------------------|---------------|--------------|---------------|
| Sales Revenue | 221 | 240 | 8.6% | -3.1% | 905 | 1,070 | 1,053 | 16.3% | 7.7% |
| Machine Tools | 141 | 138 | -1.7% | -8.8% | 566 | 657 | 658 | 16.4% | 11.4% |
| Americas | 10 | 5 | -45.2% | - | 33 | 36 | 35 | 7.2% | - |
| Europe | 8 | 6 | -28.3% | - | 34 | 36 | 35 | 2.8% | - |
| Asia & Others | 102 | 105 | 3.0% | - | 408 | 468 | 444 | 8.7% | - |
| Japan | 21 | 22 | 4.8% | - | 90 | 117 | 143 | 59.5% | - |
| Industrial Sewing Machines | 80 | 102 | 26.7% | 6.8% | 340 | 413 | 395 | 16.1% | 1.6% |
| Americas | 23 | 27 | 14.9% | -7.8% | 94 | 116 | 115 | 22.6% | 2.6% |
| Europe | 15 | 19 | 28.6% | 19.4% | 72 | 84 | 80 | 10.4% | 4.8% |
| Asia & Others | 39 | 51 | 31.2% | 7.3% | 159 | 191 | 182 | 14.4% | -2.3% |
| Japan | 3 | 4 | 50.4% | 50.4% | 15 | 22 | 18 | 21.3% | 21.3% |
| Business Segment Profit | 31 | 32 | 1.8% | - | 126 | 135 | 135 | 7.3% | - |
| Operating Profit | 32 | 34 | 7.4% | - | 126 | 136 | 136 | 8.1% | - |

<Sales Revenue>

Machine Tools

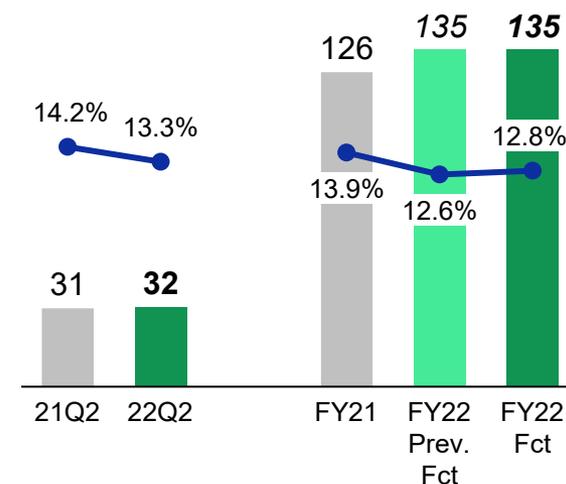


Industrial Sewing Machines



<Business Segment Profit>

Profit ratio

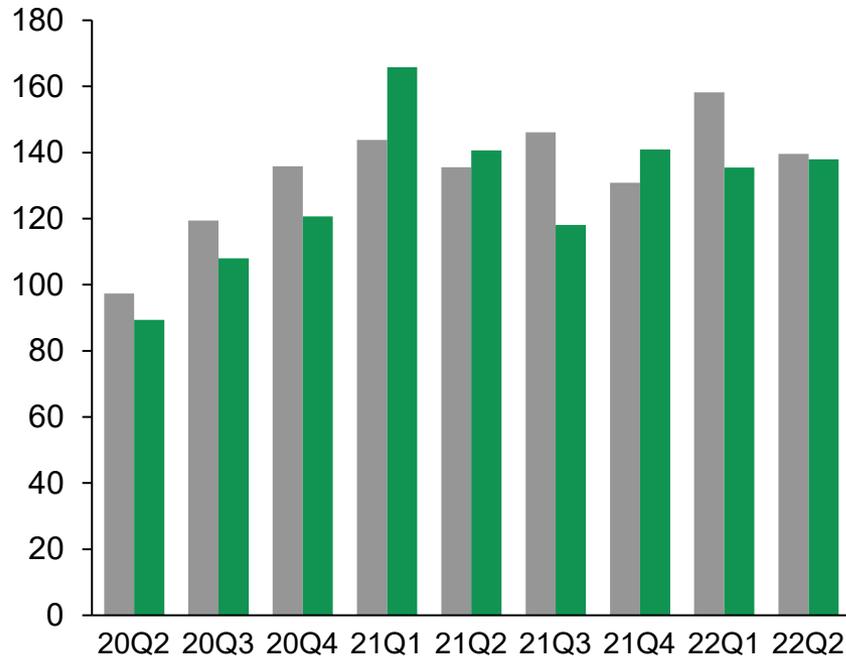


Machinery (Machine Tools) Order Trends

(100 Millions of Yen)

Trends in order amount and sales revenue

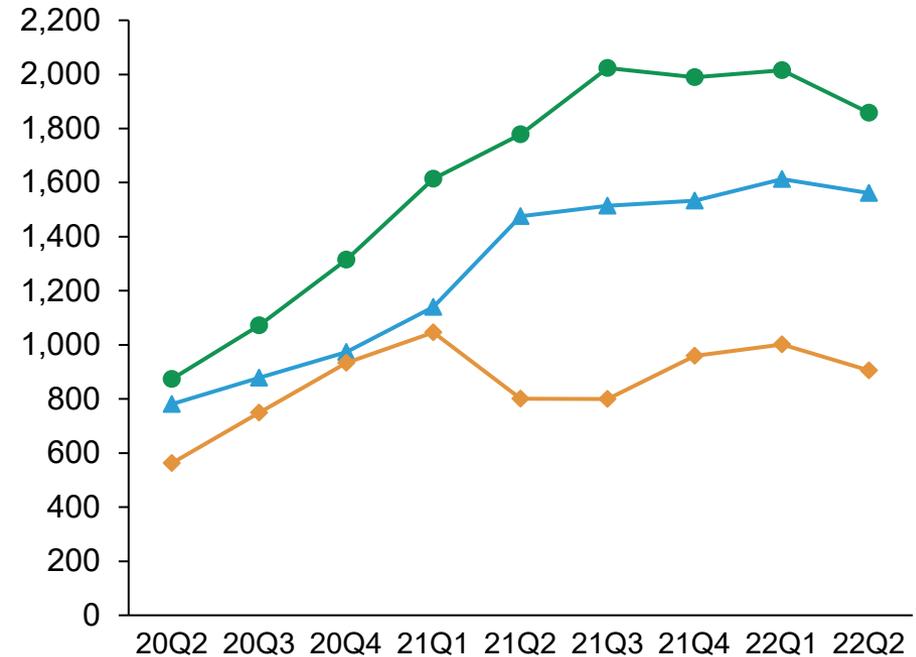
■ Order amount
■ Sales revenue



* 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

▲ Domestic demand
● Demand from overseas except China
◆ China



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

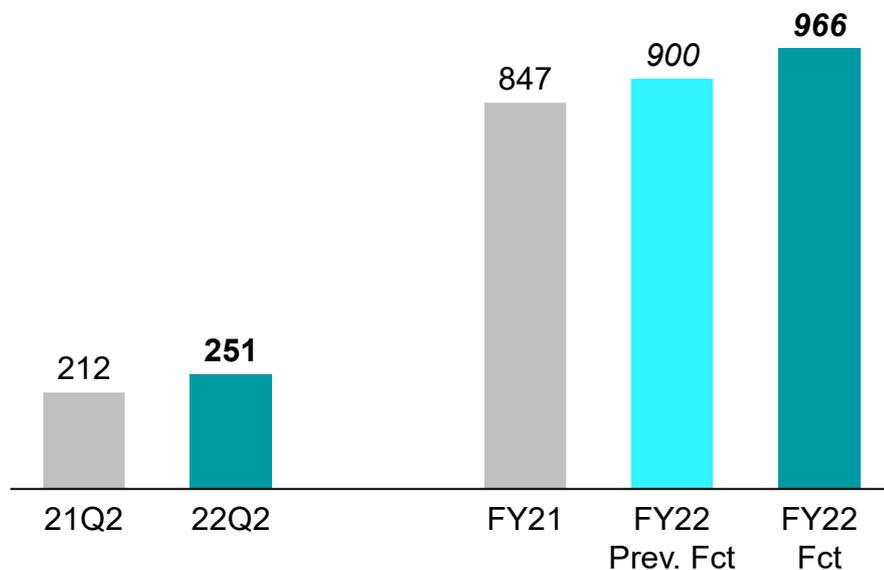
Domino Sales Revenue & Profit

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(100 Millions of Yen)

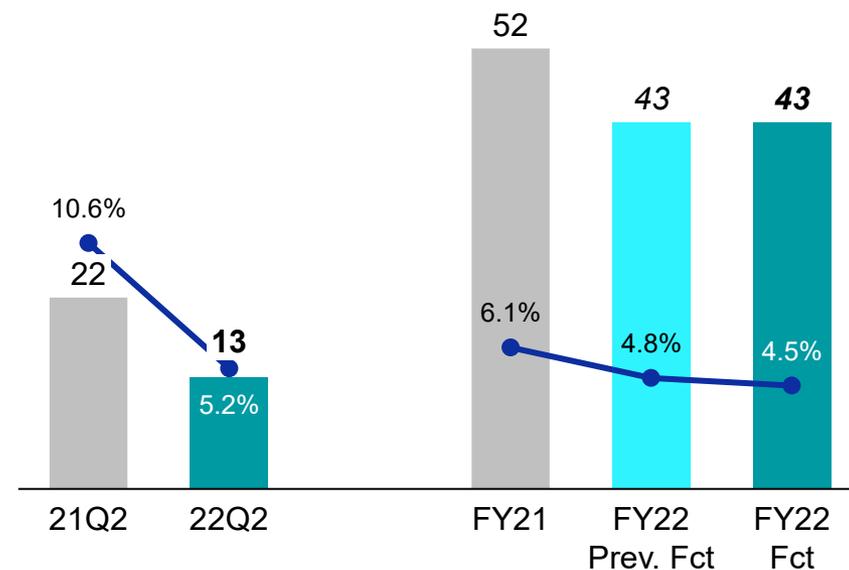
| | 21Q2 | 22Q2 | Change | Change w/o FX | FY21 | Previous Forecast | FY22 Forecast | Change vs LY | Change w/o FX |
|--------------------------------|------------|------------|---------------|---------------|------------|-------------------|---------------|---------------|---------------|
| Sales Revenue | 212 | 251 | 18.8% | 4.4% | 847 | 900 | 966 | 14.0% | 4.4% |
| Americas | 51 | 57 | 13.3% | -0.6% | 202 | 215 | 233 | 15.3% | 4.8% |
| Europe | 91 | 111 | 22.5% | 7.5% | 379 | 388 | 416 | 9.9% | 1.7% |
| Asia & Others | 62 | 72 | 14.6% | -1.0% | 237 | 253 | 276 | 16.7% | 4.2% |
| Japan | 8 | 11 | 44.5% | 44.5% | 30 | 44 | 41 | 36.3% | 36.3% |
| Business Segment Profit | 22 | 13 | -41.8% | - | 52 | 43 | 43 | -16.7% | - |
| Operating Profit | 22 | 18 | -19.7% | - | 43 | 42 | 42 | -2.5% | - |

<Sales Revenue>



<Business Segment Profit>

● Profit ratio



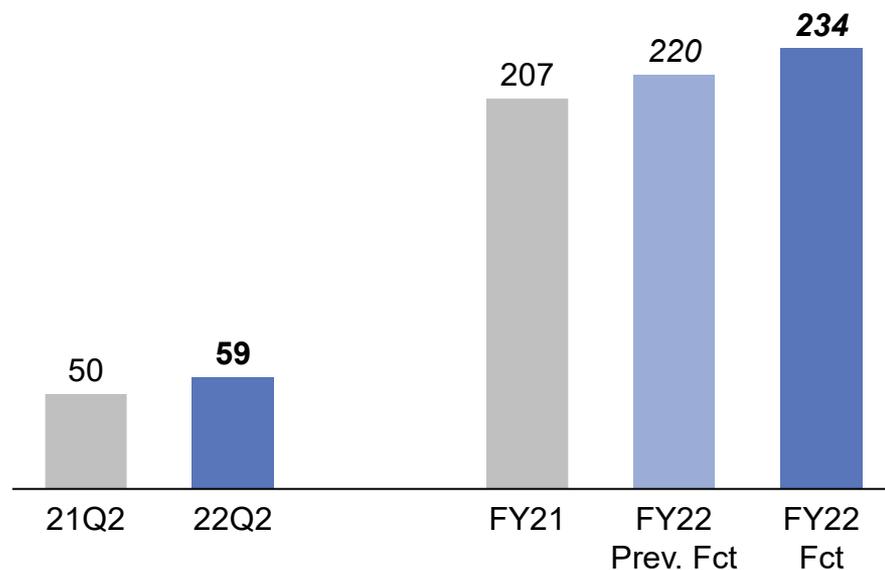
Nissei Sales Revenue & Profit

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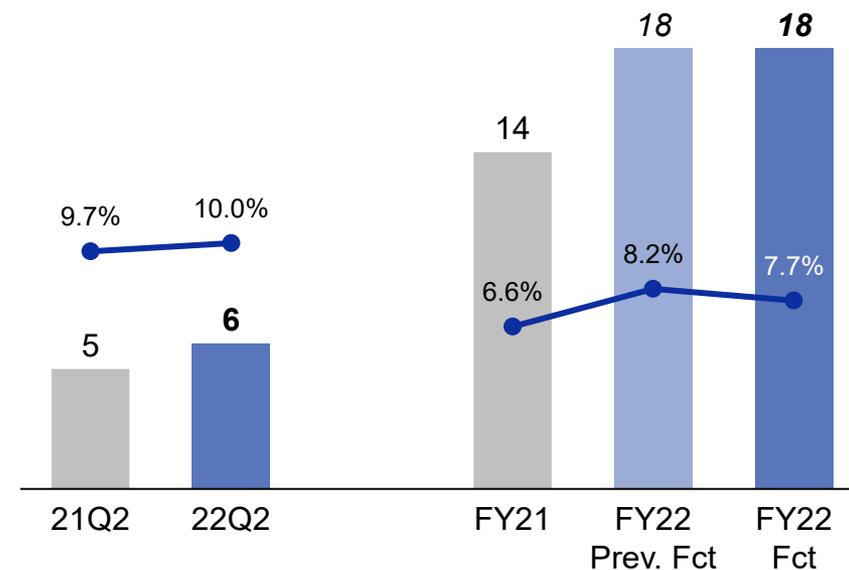
(100 Millions of Yen)

| | 21Q2 | 22Q2 | Change | Change w/o FX | FY21 | Previous Forecast | FY22 Forecast | Change vs LY | Change w/o FX |
|--------------------------------|-----------|-----------|--------------|---------------|------------|-------------------|---------------|--------------|---------------|
| Sales Revenue | 50 | 59 | 17.6% | 11.6% | 207 | 220 | 234 | 12.8% | 8.3% |
| Americas | 8 | 8 | 7.4% | -14.6% | 30 | 32 | 37 | 21.1% | 1.0% |
| Europe | - | - | - | - | - | - | - | - | - |
| Asia & Others | 6 | 11 | 68.7% | 48.0% | 28 | 31 | 35 | 22.2% | 12.5% |
| Japan | 36 | 40 | 10.7% | 10.7% | 149 | 158 | 162 | 9.0% | 9.0% |
| Business Segment Profit | 5 | 6 | 21.5% | - | 14 | 18 | 18 | 30.8% | - |
| Operating Profit | 5 | 6 | 21.3% | - | 13 | 16 | 16 | 18.6% | - |

<Sales Revenue>



<Business Segment Profit> Profit ratio



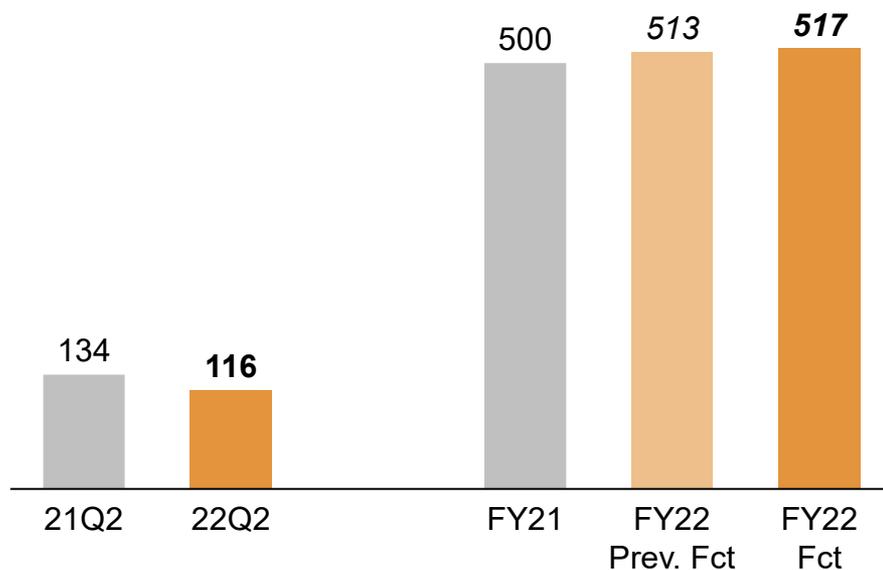
Personal & Home Sales Revenue & Profit

brother
at your side

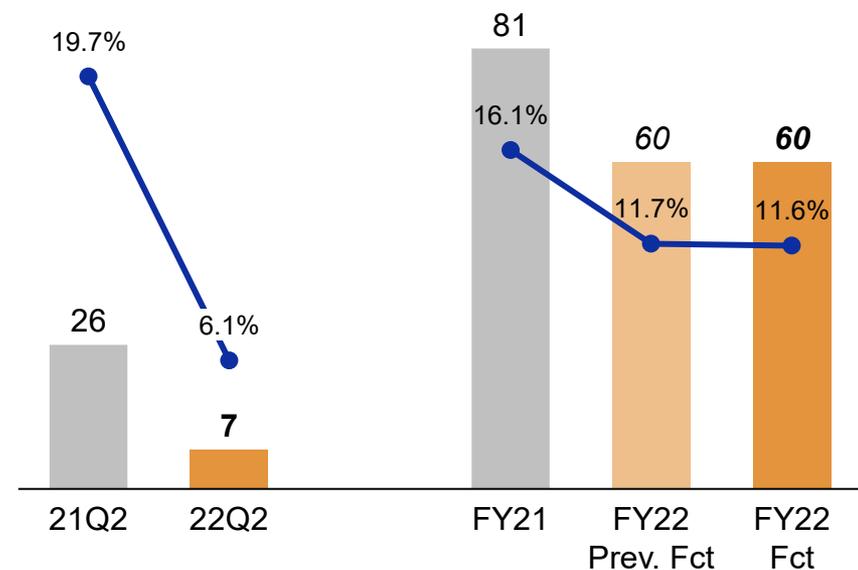
(100 Millions of Yen)

| | 21Q2 | 22Q2 | Change | Change w/o FX | FY21 | Previous Forecast | FY22 Forecast | Change vs LY | Change w/o FX |
|--------------------------------|------------|------------|---------------|---------------|------------|-------------------|---------------|---------------|---------------|
| Sales Revenue | 134 | 116 | -13.4% | -27.0% | 500 | 513 | 517 | 3.4% | -8.9% |
| Americas | 79 | 77 | -2.6% | -21.6% | 277 | 295 | 325 | 17.3% | -1.4% |
| Europe | 36 | 20 | -45.0% | -49.0% | 140 | 140 | 106 | -24.5% | -28.2% |
| Asia & Others | 12 | 14 | 13.4% | -0.7% | 52 | 60 | 55 | 7.1% | -2.1% |
| Japan | 7 | 6 | -21.3% | -21.4% | 31 | 18 | 31 | 0.4% | 0.4% |
| Business Segment Profit | 26 | 7 | -73.1% | - | 81 | 60 | 60 | -25.7% | - |
| Operating Profit | 28 | 8 | -70.3% | - | 82 | 60 | 60 | -26.9% | - |

<Sales Revenue>



<Business Segment Profit> ● Profit ratio



Network & Contents

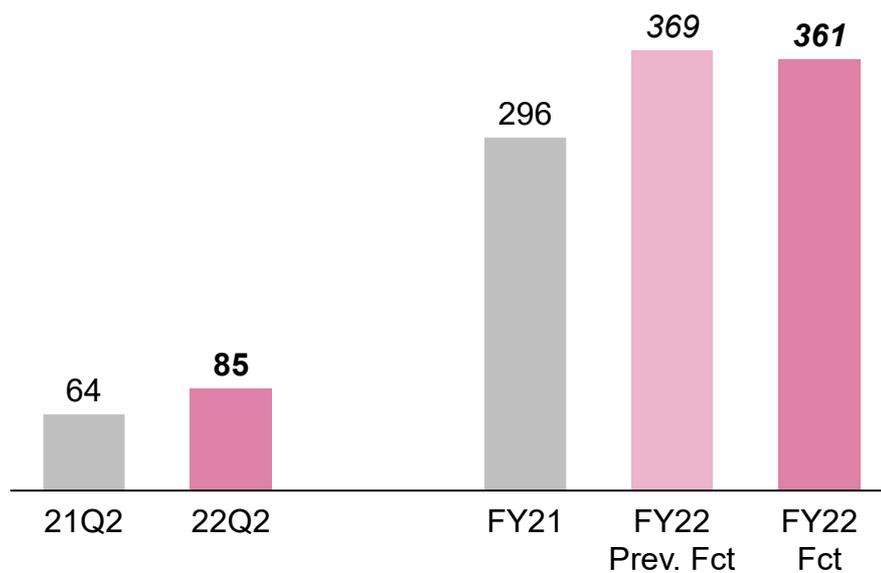
Sales Revenue & Profit

(100 Millions of Yen)

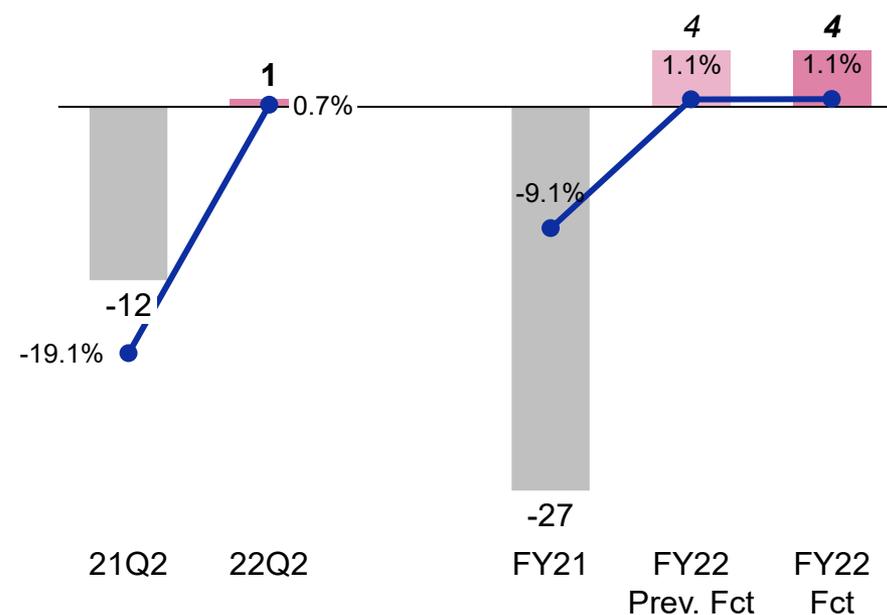
| | 21Q2 | 22Q2 | Change |
|--------------------------------|------------|-----------|--------------|
| Sales Revenue | 64 | 85 | 33.7% |
| Business Segment Profit | -12 | 1 | - |
| Operating Profit | -5 | 2 | - |

| | FY21 | Previous Forecast | FY22 Forecast | Change vs LY |
|--------------------------------|------------|-------------------|---------------|--------------|
| Sales Revenue | 296 | 369 | 361 | 22.2% |
| Business Segment Profit | -27 | 4 | 4 | - |
| Operating Profit | -6 | 4 | 4 | - |

<Sales Revenue>



<Business Segment Profit> —●— Profit ratio



ESG Initiatives

Strengthening of Sustainability Promotion

Established the Sustainability Committee chaired by the President in April 2022
Globally promoting various activities centered on the materiality initiatives
based on the Basic Policy on Sustainability



| Subcommittee | Role | Progress of activities for FY2022 |
|--|--|---|
| Climate Change Subcommittee | Promotes company-wide activities to resolve materiality issues related to protecting the earth | Promoting activities toward achievement of targets for reducing CO ₂ emissions and resources circulation <ul style="list-style-type: none"> • Scope 1, 2: Although energy-saving and creation activities have progressed steadily, considering additional reduction measures that compensate for effects from the worsening global energy situation • Scope 3 & resources circulation: Progressing as planned in each business |
| Society Subcommittee | Promotes company-wide activities to resolve materiality issues related to contributing to society | <ul style="list-style-type: none"> • To support people's value creation, promoting activities specified under sustainability targets in the Industrial Equipment business and the P&S business • Conducted an engagement survey (Brother Industries) • Conducted supply chain human rights due diligence • Conducted a Conflict Minerals Survey • Acquired RBA Gold certification at the Vietnam factory |
| Corporate Governance Subcommittee | Creates corporate governance to help realize the Brother Group's vision and formulate an effective management strategy to achieve it | <ul style="list-style-type: none"> • Provided Outside Directors with internal information that contributes to discussions at the Board of Directors • Held exchange meetings between Outside Directors and internal personnel and an Outside Directors Round Table |

Release of Integrated Report

Released the Japanese Integrated Report 2022 on the website at the end of October
English version will be released at the end of November

- ✓ Placing the spirit of “At your side.” at the core, organized the report with a focus on the correlation of our Vision, medium-term business strategy, and materiality
- ✓ Revised the value creation process based on discussions at the Sustainability Committee
- ✓ Presented an Outside Directors Round Table



Cover



Value creation process

URL: <https://global.brother/en/sustainability/report-archive/bir>

Vietnam Factory's Acquisition of RBA Gold Certification

BROTHER INDUSTRIES (VIETNAM) LTD., which produces P&S products, became the first in the Brother Group to receive Gold certification from the RBA



BROTHER INDUSTRIES (VIETNAM) LTD.



RBA Gold certificate

Responsible Business Alliance (RBA)

A global organization whose member companies are committed to fulfilling their social responsibilities through the establishment of sustainable supply chains

Brother Group's five materialities

Contribute to society

- Supporting people's value creation
- Realizing a diverse and active society
- **Pursuing a responsible value chain**

Protect the earth

- Reducing CO₂ emissions
- Circulating resources

Target for FY2024:

“Attain RBA Gold certification for three Group manufacturing facilities”

→ **Attained at one facility**

→ Two other facilities are also working toward acquisition of certification

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Reference: Brother's business areas

| Business areas | | Business segments | | Area (Main products & service portfolio) | | | | | | |
|------------------------|---------------------|-------------------------------------|----------------------------|--|----------------------------------|---|----------------------------|-----------------|--------------|---------------------------|
| Industrial area | Machinery/FA | Nissei | | Machinery | Industrial Equipment | | Reducer | Gear | Machine tool | Industrial Sewing Machine |
| | | Industrial Sewing Machines | Industrial Sewing Machines | | | | | | | |
| | Industrial Printing | | Domino | | Garment printer | Coding and marking equipment | Digital printing equipment | | | |
| | | Printing & Solutions | Labeling | | Commercial & Industrial Labeling | Commercial & Industrial use label printer | Mobile printer | Labeling system | Printer | All-in-One |
| Home & Office Labeling | | | | | | | | | | |
| Consumer area | Printing | Communications & Printing Equipment | | | | | | | | |
| | Home & Culture | Personal & Home | | Network & Contents | Home sewing machine | Home cutting machine | Online Karaoke system | | | |