

Fiscal Year 2021 (ending March 31, 2022)

First Quarter Financial Results

Brother Industries, Ltd.

August 3, 2021

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 FY2021 Q1 (Apr.-Jun.)

**Both profit and revenue increased due mainly to strong performance of the P&S and Machinery businesses in addition to positive FX effects
(All-time high business segment profit and operating profit for Q1)**

◆ **Sales revenue** **174.0 billion yen/+ 30.7% (year-on-year)**

- ✓ In the P&S business, despite supply restrictions, revenue increased due to strong demand for hardware products for people working from home, firm performance of consumables, and positive FX effects.
- ✓ The Machinery business recorded a substantial increase in revenue, mainly backed by strong performance of machine tools in China and recovery of demand for capital investment in industrial sewing machines among apparel manufacturers.

◆ **Business segment profit** **26.2 billion yen/ +203.5% (year-on-year)**

- ✓ Profit increased substantially as revenue increased in all businesses from FY2020 Q1, which was significantly affected by COVID-19.

Forecast for FY2021

The results outlook has been revised upward in response to positive FX effects and better-than-expected performance for Q1 mainly in the P&S and Machinery businesses.

Results for FY2021 Q1

Both profit and revenue increased due mainly to strong performance of the P&S and Machinery businesses in addition to positive FX effects.

Business segment profit and operating profit reached an all-time high for the first quarter.

Sales revenue

Sales revenue increased by 30.7% year-on-year to **174.0** billion yen.

In the P&S business, the overall sales volume of hardware declined due to supply restrictions caused by factory lockdowns. Nevertheless, revenue increased as demand remained strong among people working from home, enabling us to sell products without changing their prices, and consumables also performed well.

In the Machinery business, revenue increased substantially, mainly backed by strong performance of machine tools in the automotive industry in China and recovery of demand for capital investment in industrial sewing machines among apparel manufacturers.

Business segment profit

Business segment profit increased by 203.5% year-on-year to **26.2** billion yen.

Profit increased substantially due to all businesses recording a revenue increase from the first quarter of FY2020, which was significantly affected by COVID-19, in addition to positive FX effects.

Forecast for FY2021

We have revised up our forecast for FY2021 in response to positive FX effects and better-than-expected performance for the first quarter mainly in the P&S and Machinery businesses.

Results for FY2021 Q1 (Apr.-Jun.)

Consolidated Results for FY2021 Q1



In all businesses, results improved substantially from FY2020 Q1, which was significantly affected by COVID-19, with business segment profit and operating profit reaching an all-time high for Q1

(100 Millions of Yen)

	20Q1	21Q1	Change	Rate of Change (w/o FX)
Sales Revenue	1,332	1,740	408	30.7% (+22.7%)
Business Segment Profit	86	262	175	203.5%
Business Segment Profit Ratio	6.5%	15.0%		
Other income/expense	6	3	-3	
Operating Profit	93	265	172	185.7%
Operating Profit Ratio	7.0%	15.2%		
Income before Tax	95	267	173	182.6%
Net Income	66	186	120	181.3%
USD	107.74	110.00		
EUR	118.94	131.78		

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I will now discuss business results.

In the first quarter of FY2021, sales revenue was **174.0** billion yen, up 40.8 billion yen from the same period of the previous year, which was significantly affected by COVID-19.

Business segment profit was **26.2** billion yen, up 17.5 billion yen.
Operating profit was **26.5** billion yen, up 17.2 billion yen.

Both business segment profit and operating profit reached an all-time high for the first quarter, and the profit ratio also exceeded 15%.

Net income attributable to owners of the parent was **18.6** billion yen, up 12.0 billion yen.

Results for FY2021 Q1 by Business Segment



(100 Millions of Yen)

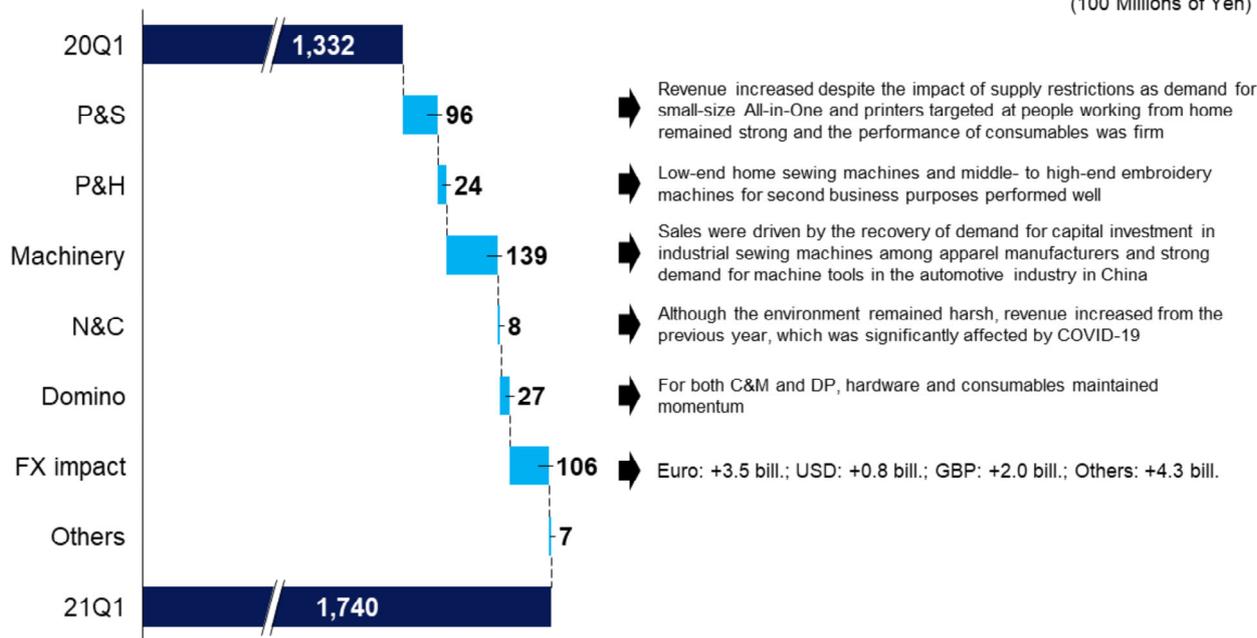
	20Q1	21Q1	change	
Printing & Solutions	Sales Revenue	829	991	161
	Business Segment Profit	94	164	70
	Operating Profit	101	163	62
Personal & Home	Sales Revenue	109	141	32
	Business Segment Profit	14	31	17
	Operating Profit	14	31	17
Machinery	Sales Revenue	150	304	154
	Business Segment Profit	-1	52	53
	Operating Profit	-4	51	55
Network & Contents	Sales Revenue	62	70	8
	Business Segment Profit	-23	-8	15
	Operating Profit	-23	-3	19
Domino business	Sales Revenue	154	200	46
	Business Segment Profit	4	21	17
	Operating Profit	2	21	18
Other	Sales Revenue	28	35	7
	Business Segment Profit	-0	2	2
	Operating Profit	2	2	-0
Total	Sales Revenue	1,332	1,740	408
	Business Segment Profit	86	262	175
	Operating Profit	93	265	172

*Not including elimination amount by inter-segment transaction.

This is a list of results by business segment.

All businesses were firm and, due in part to positive FX effects, recorded a substantial increase in revenue from FY2020 Q1, which was significantly affected by COVID-19

(100 Millions of Yen)



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

These are the main factors behind the changes in sales revenue for the first quarter of FY2021.

As you can see, revenue increased in all businesses.

•P&S

Despite the impact of supply restrictions on sales, revenue increased due to ongoing strong demand for small-size All-in-One and printers targeted at people working from home, as well as the firm performance of ink and laser consumables.

•P&H

Revenue increased substantially due to ongoing strong sales of low-end home sewing machines resulting from continued demand for handmade using home sewing machines, and middle- to high-end embroidery machines for second business purposes.

•Machinery

Revenue increased substantially, driven by the recovery of demand for capital investment in industrial sewing machines among apparel manufacturers and strong demand for machine tools in the automotive industry in China.

•N&C

Although the environment remained harsh, revenue increased from the previous year, which was significantly affected by COVID-19.

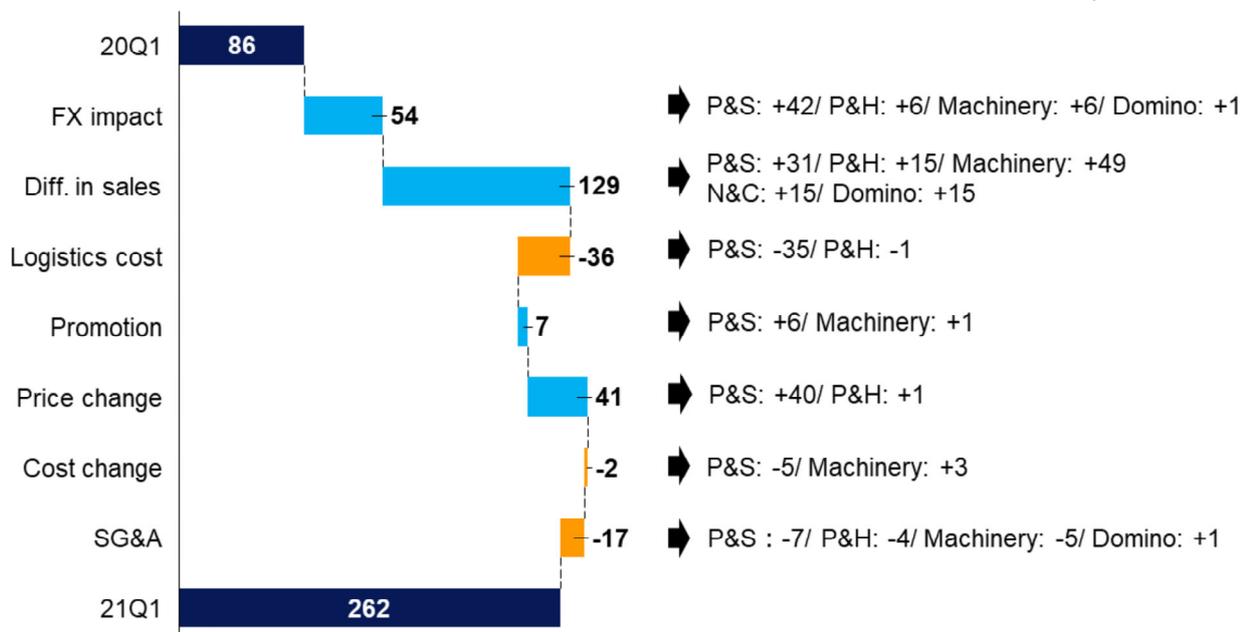
•Domino

Revenue increased as hardware and consumables maintained momentum for both C&M and DP.

Due to the weaker yen, there was a positive FX impact of 10.6 billion yen. Consolidated sales revenue was up 40.8 billion yen to **174.0** billion yen.

Profit increased substantially due to increased gross profit in the Machinery business and higher average unit price in the P&S business, in addition to positive FX effects

(100 Millions of Yen)



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These are the main factors behind the changes in business segment profit. I will comment on the main elements of these.

• **FX impact**

The FX impact came almost entirely from the P&S business.

• **Difference in sales**

Sales increase, especially in the Machinery and P&S businesses, had great impact.

• **Logistics cost**

(*This was previously included in difference in sales, but from now on will be shown as logistics cost.)

Logistics cost (ocean and air freight) increased mainly in the P&S business.

Air transportation was used to deal with delays in supply of consumables caused by factory lockdowns.

• **Price change**

The price change is mainly associated with the P&S business. The average unit price increased due to the improvement of the product mix.

As a result of these factors, business segment profit was **26.2** billion yen, up 17.5 billion yen.

Forecast for FY2021

Forecast for FY2021

The results outlook has been revised upward in response to positive FX effects and strong performance for Q1 mainly in the P&S and Machinery businesses

(100 Millions of Yen)

	Previous Forecast	FY21 Forecast	Change	Rate of Change	FY20	Change	Rate of Change (w/o FX)
Sales Revenue	6,260	6,950	690	11.0%	6,318	632	10.0% (+6.6%)
Business Segment Profit	600	680	80	13.3%	781	-101	-12.9%
Business Segment Profit Ratio	9.6%	9.8%			12.4%		
Other income/expense	0	-5	-5		-353	348	
Operating Profit	600	675	75	12.5%	427	248	58.0%
Operating Profit Ratio	9.6%	9.7%			6.8%		
Income before Tax	595	675	80	13.4%	429	246	57.2%
Net Income	425	460	35	8.2%	245	215	87.6%
USD	103.00	108.81			106.17		
EUR	125.00	127.59			123.73		

With regard to results for FY2021, we have revised the forecast announced in May in response to better than expected performance for the first quarter mainly in the P&S and Machinery businesses, in addition to positive effects associated with revisions to our previous FX projection in anticipation of a weaker yen.

We now project that sales revenue will be **695.0** billion yen, up 69.0 billion yen from the previous forecast.

With regard to profits, we forecast that business segment profit will be **68.0** billion yen, up 8.0 billion yen; operating profit will be **67.5** billion yen, up 7.5 billion yen; and net income attributable to owners of the parent will be **46.0** billion yen, up 3.5 billion yen.

Forecast for FY2021 by Business Segment



(100 Millions of Yen)

	Previous Fct	FY21 Fct	change	FY20 Act	FY21 Fct	change	
Printing & Solutions	Sales Revenue	3,644	4,110	466	3,848	4,110	262
	Business Segment Profit	435	471	36	652	471	-181
	Operating Profit	439	489	50	610	489	-121
Personal & Home	Sales Revenue	460	509	49	537	509	-28
	Business Segment Profit	46	62	16	98	62	-36
	Operating Profit	47	64	17	96	64	-32
Machinery	Sales Revenue	912	1,064	152	789	1,064	275
	Business Segment Profit	72	115	43	41	115	74
	Operating Profit	72	115	43	33	115	82
Network & Contents	Sales Revenue	366	335	-31	310	335	25
	Business Segment Profit	0	-17	-17	-52	-17	35
	Operating Profit	-1	-2	-1	-73	-2	71
Dom Ino business	Sales Revenue	717	767	50	698	767	69
	Business Segment Profit	40	47	7	48	47	-1
	Operating Profit	38	43	5	-239	43	282
Other	Sales Revenue	161	165	4	136	165	29
	Business Segment Profit	7	2	-5	-5	2	7
	Operating Profit	5	-34	-39	2	-34	-36
Total	Sales Revenue	6,260	6,950	690	6,318	6,950	632
	Business Segment Profit	600	680	80	781	680	-101
	Operating Profit	600	675	75	427	675	248

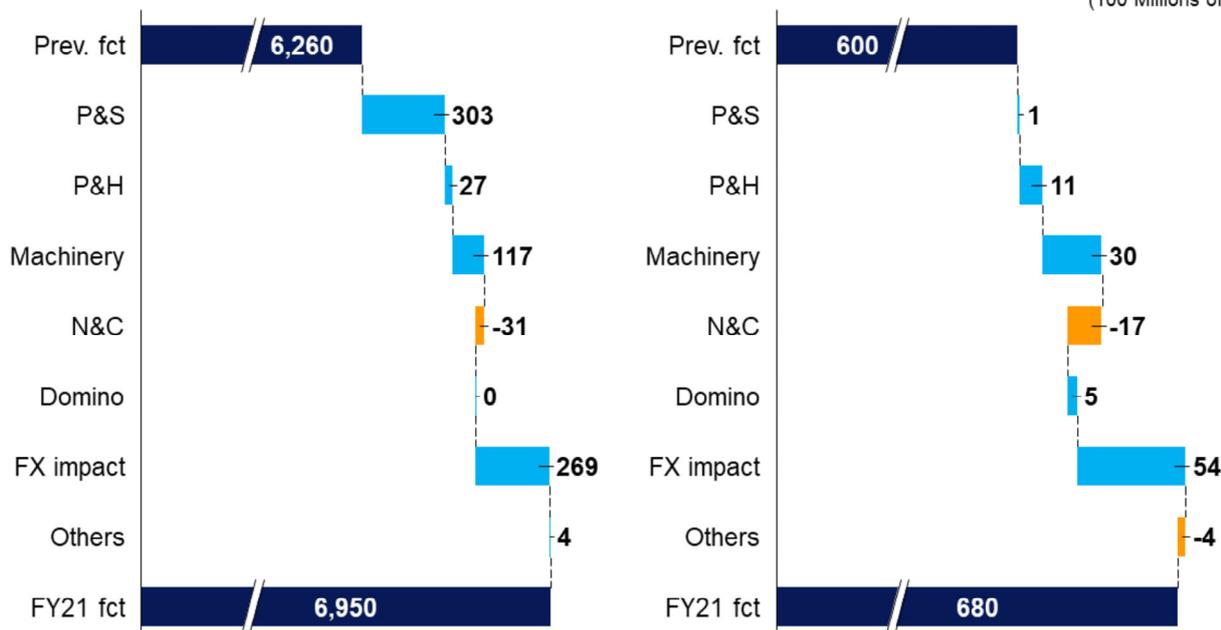
*Not including elimination amount by inter-segment transaction.

This is a list of results forecasts by business segment.

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

These are major factors behind revisions to the previous forecasts for sales revenue and business segment profit in FY2021.

- As for the P&S business, we have revised up our sales forecast due to strong performance in the first quarter and an anticipated increase in the sales volume for FY2021 from the previous projection. We have left the profit forecast unchanged in consideration of various risks.
- With regard to the P&H and Machinery businesses, forecasts for both sales and profit have been revised upward due mainly to strong results in the first quarter.
- Downward revisions have been made to the forecasts for the N&C business in consideration of the recent resurgence of COVID-19.

Due to these factors, along with positive FX effects, we have revised up our forecasts for both sales and business segment profit for FY2021.

Financial Position

(100 Millions of Yen)

	End of FY20	End of FY21Q1	Change
Current assets	4,288	4,435	148
Cash&Cash equivalents	1,910	1,938	28
Inventories	1,202	1,298	96
Non-current assets	3,151	3,157	6
Total liabilities	2,442	2,471	29
Interest-bearing debt	575	575	0
Equity attributable to owners of the parent company	4,831	4,954	124
Total assets	7,439	7,592	153

Net Cash

End of FY20 : +133.5 billion yen
End of FY21Q1 : +136.3 billion yen

Shareholders' Equity Ratio

End of FY20 : 64.9%
End of FY21Q1 : 65.3%

Inventories



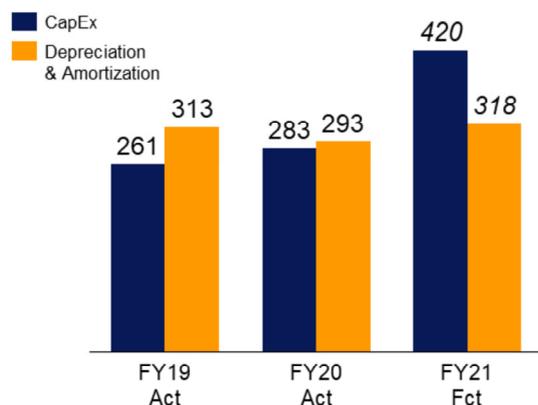
Net cash stood at 136.3 billion yen. There are no major changes to our inventory level.

Capital Expenditure/ Depreciation and Amortization/ R&D Expenses

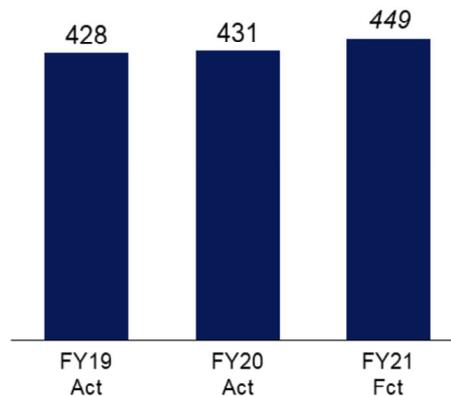
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(100 Millions of Yen)

Capital Expenditure/ Depreciation & Amortization



R&D Expenses



Breakdown by business (CapEx)

	FY19	FY20	FY21
P&S	109	135	199
P&H	5	10	14
Machinery	24	30	52
N&C	49	19	28
Domino	21	21	34
Others	52	67	93
Total	261	283	420

Breakdown by business (R&D)

	FY19	FY20	FY21
P&S	277	283	277
P&H	22	20	24
Machinery	54	51	61
N&C	9	9	11
Domino	38	40	44
Others	29	28	33
Total	428	431	449

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No revisions have been made to the previously announced forecasts for capital expenditure, depreciation & amortization, and R&D expenses in FY2021.

[Reference]

Below are major capital expenditure plans for FY2021.

P&S business

- Mold investment for new products
- The cost of reconstructing Hoshizaki Factory (Nagoya City, Aichi Prefecture), which produces inkjet heads, to strengthen BCP
- The cost of constructing a new warehouse for storing products and parts (Nagoya City, Aichi Prefecture)

Machinery business

- The cost of constructing a heat treatment factory (Anjo City, Aichi Prefecture) to produce precision gears in the industrial parts business

•As for R&D expenses for FY2021, we anticipate an increase in the cost of developing new products in the machinery and FA areas.

Business Segment Information

Printing & Solutions Sales Revenue & Profit

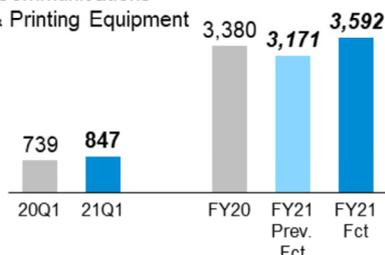
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(100 Millions of Yen)

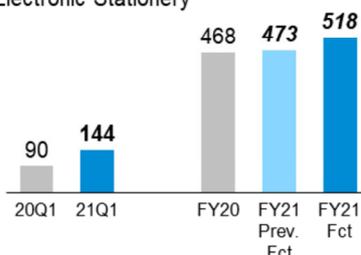
	20Q1	21Q1	Change	Change w/o FX	FY20	Previous Forecast	FY21 Forecast	Change vs LY	Change w/o FX
Sales Revenue	829	991	19.5%	11.6%	3,848	3,644	4,110	6.8%	3.6%
Communications & Printing equipment	739	847	14.7%	7.1%	3,380	3,171	3,592	6.3%	3.1%
Americas	277	291	5.3%	1.2%	1,214	-	1,251	3.1%	0.1%
Europe	231	271	17.3%	5.9%	1,133	-	1,147	1.2%	-1.8%
Asia & Others	141	183	29.2%	16.3%	622	-	670	7.7%	1.5%
Japan	89	102	13.8%	13.8%	410	-	524	27.7%	27.7%
Electronic stationery	90	144	58.7%	48.7%	468	473	518	10.6%	7.0%
Americas	40	64	62.3%	57.2%	204	-	225	10.1%	6.9%
Europe	22	43	95.4%	75.7%	142	-	161	13.6%	10.0%
Asia & Others	16	25	55.9%	38.5%	70	-	82	17.2%	9.4%
Japan	13	11	-13.2%	-13.2%	52	-	50	-4.0%	-4.0%
Business Segment Profit	94	164	75.3%	-	652	435	471	-27.7%	-
Operating Profit	101	163	61.9%	-	610	439	489	-19.8%	-

<Sales Revenue>

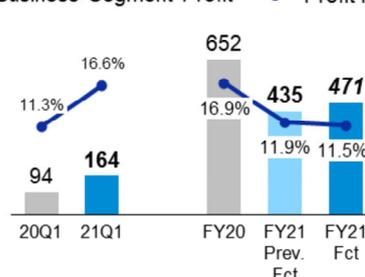
Communications
& Printing Equipment



Electronic Stationery



<Business Segment Profit> Profit ratio



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Sales revenue in the P&S business in the first quarter was 99.1 billion yen, up 11.6% on a local currency basis.

• Communications & printing equipment

Sales revenue was **84.7** billion yen, up 7.1% on a local currency basis.

As for inkjet multi-function printers, the sales volume of hardware increased substantially due to eased supply restrictions.

On the other hand, for laser All-in-One and printers, the sales volume of hardware dropped significantly, affected by supply restrictions resulting from the temporary suspension of factory operation in the fourth quarter of FY2020. For consumables, we used air transportation as a measure to deal with supply delays.

Although the supply status differs among products, demand for hardware targeted at people working from home has continued to be strong. Due to this, along with the firm performance of consumables and positive FX impacts, revenue in the business increased overall.

• Electronic stationery

Sales revenue was **14.4** billion yen, up 48.7% on a local currency basis.

Thanks to recovery in demand, revenue increased substantially in both the labeling system/label printer field and the solution field centered on mobile printers.

Business segment profit was **16.4** billion yen, up 5.3% year-on-year, due to positive FX effects and the firm overall performance of consumables although material and logistics costs increased.

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

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	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	FY2019	FY2020	FY2021
LBP															
Sales revenue growth rate (JPY)															
Hardware	-9%	-8%	-7%	-2%	6%	19%	18%	18%	-10%	-	-	-	-7%	15%	-3%
Consumable	2%	-6%	-2%	-3%	-18%	1%	0%	-1%	21%	-	-	-	-2%	-5%	6%
Sales revenue growth rate (LC)															
Hardware	-6%	-4%	-3%	2%	11%	22%	21%	18%	-16%	-	-	-	-3%	18%	-6%
Consumable	4%	-1%	3%	0%	-15%	2%	2%	-3%	12%	-	-	-	1%	-4%	3%
IJP															
Sales revenue growth rate (JPY)															
Hardware	-2%	8%	-7%	-3%	-37%	-49%	-12%	-3%	90%	-	-	-	-1%	-25%	48%
Consumable	1%	-2%	-8%	4%	-23%	-1%	9%	-6%	11%	-	-	-	-2%	-5%	-2%
Sales revenue growth rate (LC)															
Hardware	1%	13%	-4%	0%	-33%	-48%	-9%	-3%	79%	-	-	-	2%	-23%	44%
Consumable	3%	3%	-5%	7%	-20%	-1%	10%	-8%	5%	-	-	-	2%	-5%	-5%
Consumable Ratio															
	60%	58%	57%	59%	55%	57%	55%	56%	56%	-	-	-	58%	55%	54%
Growth rate of Hardware															
LBP	-13%	-4%	-2%	3%	12%	10%	6%	0%	-28%	-	-	-	-5%	7%	-
IJP	0%	13%	1%	7%	-39%	-57%	-24%	-25%	65%	-	-	-	5%	-36%	-

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This shows the sales growth rates of major products and consumable ratios.

• **Sales growth rates (on a local currency basis):**

For laser printers (LBP), the sales growth rates were minus 16% for hardware and 12% for consumables.

This is due to restrictions on hardware supply resulting from the temporary suspension of factory operation in the fourth quarter of FY2020

For inkjet printers (IJP), the sales growth rates were 79% for hardware and 5% for consumables.

Sales for the same period of the previous year dropped sharply due to supply restrictions, but the supply status for this fiscal year has improved.

• **Sales volume growth rates:**

The sales volume growth rate for LBP was minus 28%, affected by restrictions on hardware supply.

The sales volume growth rate for IJP was 65% as the supply status improved.

Personal & Home Sales Revenue & Profit



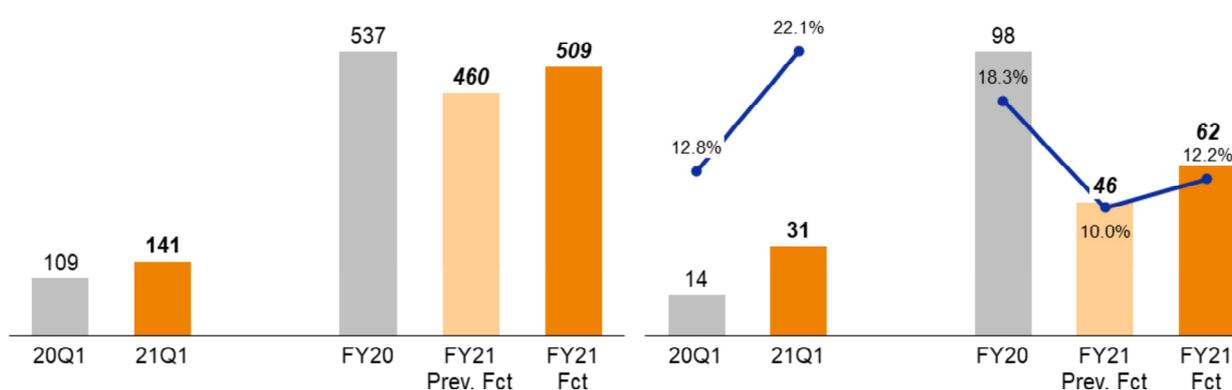
(100 Millions of Yen)

	20Q1	21Q1	Change	Change w/o FX	FY20	Previous Forecast	FY21 Forecast	Change vs LY	Change w/o FX
Sales Revenue	109	141	29.9%	22.2%	537	460	509	-5.2%	-8.0%
Americas	52	72	38.8%	34.4%	273	-	271	-0.8%	-3.4%
Europe	34	47	38.6%	24.5%	160	-	146	-8.8%	-12.1%
Asia & Others	13	14	6.9%	-3.1%	56	-	56	-0.2%	-5.0%
Japan	10	8	-17.0%	-17.0%	48	-	37	-23.8%	-23.8%
Business Segment Profit	14	31	124.7%	-	98	46	62	-36.8%	-
Operating Profit	14	31	122.1%	-	96	47	64	-33.6%	-

<Sales Revenue>

<Business Segment Profit>

Profit Ratio



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Sales revenue in the P&H business was **14.1** billion yen in the first quarter, up 22.2% on a local currency basis.

Home sewing machines, particularly low-end equipment, sold well as demand for handmade continued as a result of more people spending time at home. In addition, demand grew for middle- to high-end embroidery machines for second business purposes, resulting in a substantial increase in revenue.

Business segment profit was 3.1 billion yen.

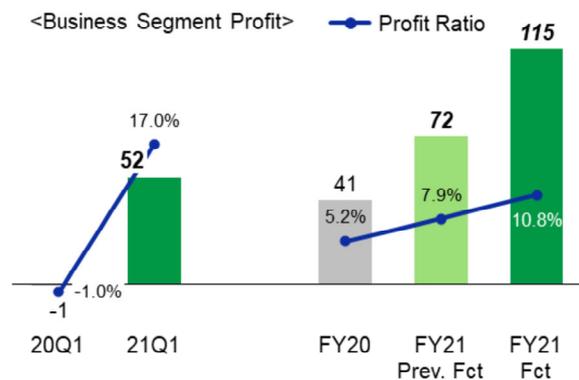
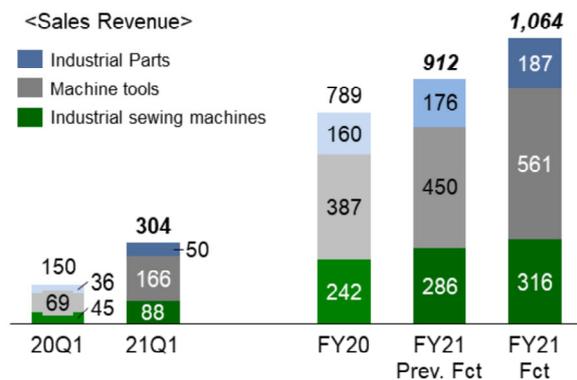
Profit increased substantially, up 124.7% year-on-year, mainly due to the effects of sales increase.

Machinery Sales Revenue & Profit

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(100 Millions of Yen)

	20Q1	21Q1	Change	Change w/o FX	FY20	Previous Forecast	FY21 Forecast	Change vs LY	Change w/o FX
Sales Revenue	150	304	102.0%	92.5%	789	912	1,064	34.8%	30.7%
Industrial sewing machines	45	88	94.9%	84.0%	242	286	316	30.8%	26.3%
Machine tools	69	166	140.3%	128.0%	387	450	561	44.9%	39.9%
Industrial Parts	36	50	38.3%	35.7%	160	176	187	16.5%	15.2%
Business Segment Profit	-1	52	-	-	41	72	115	179.1%	-
Operating Profit	-4	51	-	-	33	72	115	248.1%	-



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Sales and profit in the Machinery business both remained strong in the first quarter.

Sales revenue for the entire Machinery business was **30.4** billion yen in the first quarter. On a local currency basis, revenue increased substantially, with a 92.5% increase.

The breakdown of sales revenue was as follows:

8.8 billion yen for industrial sewing machines, **16.6** billion yen for machine tools, and **5.0** billion yen for industrial parts.

•Industrial sewing machines

The industrial sewing machine segment handles two product categories: the industrial sewing machine category and the garment printer category.

Industrial sewing machines maintained momentum as demand for capital expenditure recovered among apparel manufacturers in Asia and China.

Sales of garment printers were also firm, mainly in Europe and the U.S., resulting in a substantial increase in revenue from the entire business.

•Machine tools

Revenue increased substantially due to the effects of spot orders for IT-related customers, in addition to strong performance of products targeted at the automotive market in China.

•Industrial parts

Revenue increased significantly due to the recovery of demand especially in the Americas and Asia.

The Machinery business recorded positive profits thanks to the effects of revenue increase.

Business segment profit was **5.2** billion yen, increasing substantially from a loss of 100 million yen in the same period of the previous year.

Machinery Sales Revenue by Region

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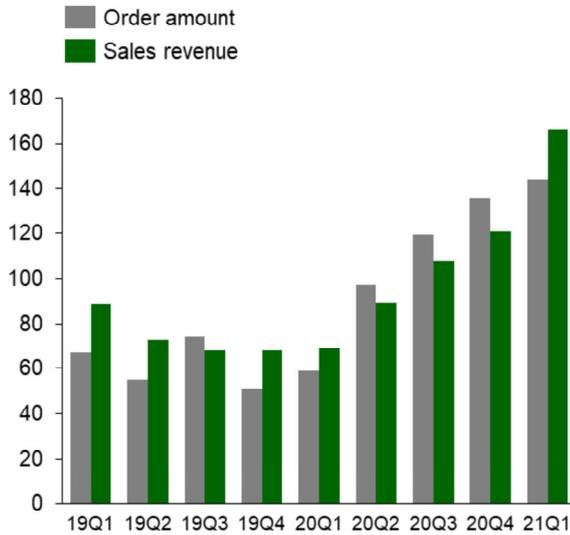
(100 Millions of Yen)

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Industrial sewing machines	45	88	94.9%	84.0%	242	286	316	30.8%	26.3%
Americas	18	22	21.7%	18.7%	87	-	98	12.6%	9.7%
Europe	11	17	58.7%	43.0%	56	-	73	30.7%	27.4%
Asia & Others	14	43	206.3%	187.1%	88	-	130	48.6%	41.2%
Japan	2	6	152.6%	152.6%	12	-	16	33.0%	33.0%
Machine tools	69	166	140.3%	128.0%	387	450	561	44.9%	39.9%
Americas	6	9	43.1%	-	20	-	34	69.0%	-
Europe	3	9	177.2%	-	19	-	30	56.2%	-
Asia & Others	49	125	155.9%	-	289	-	401	38.7%	-
Japan	11	23	112.4%	-	59	-	97	63.5%	-
Industrial Parts	36	50	38.3%	35.7%	160	176	187	16.5%	15.2%
Americas	5	8	59.8%	56.2%	21	-	20	-4.4%	-6.9%
Europe	-	-	-	-	-	-	-	-	-
Asia & Others	4	7	80.9%	61.8%	20	-	22	15.0%	6.6%
Japan	28	35	28.3%	28.3%	120	-	145	20.4%	20.4%

Machinery (Machine tools) Order Trends

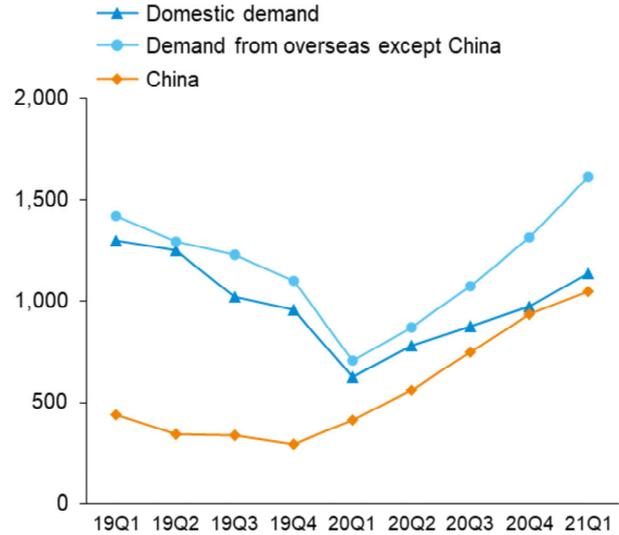
(100 Millions of Yen)

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

These are sales revenue and order amount for each quarter.

The order amount represents the total amount of orders for hardware received in Japan and overseas.

Since the second quarter of FY2020, orders have been robust, especially for products targeted at China.

The graph on the right is a reference material from machine tool statistics of the Japan Machine Tool Builders' Association. Both domestic and overseas demand are recovering.

Network & Contents Sales Revenue & Profit

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(100 Millions of Yen)

	20Q1	21Q1	Change
Sales Revenue	62	70	12.9%

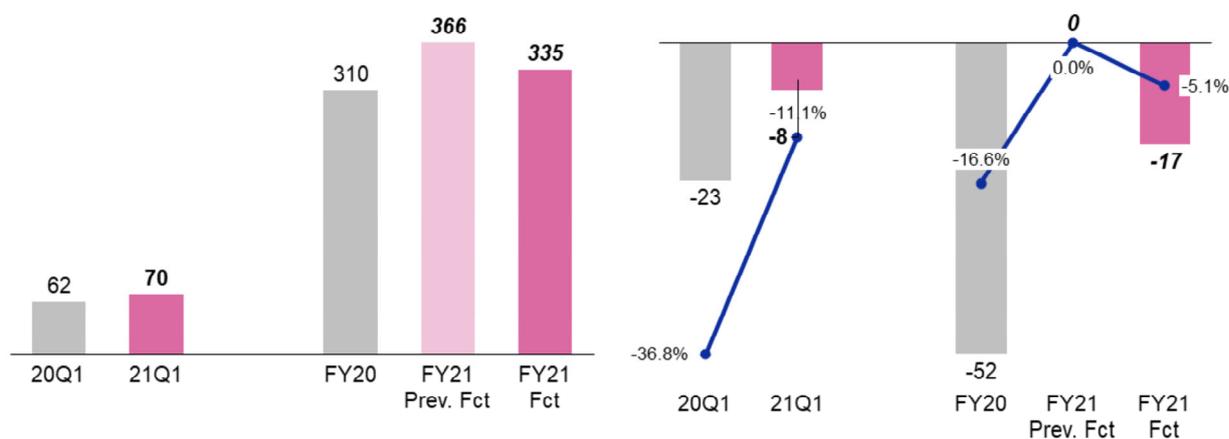
	FY20	Previous Forecast	FY21 Forecast	Change vs LY
Sales Revenue	310	366	335	7.9%

Business Segment Profit	-23	-8	-
Operating Profit	-23	-3	-

Business Segment Profit	-52	0	-17	-
Operating Profit	-73	-1	-2	-

<Sales Revenue>

<Business Segment Profit> Profit Ratio



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The harsh business environment has continued in the N&C business due to the impact of resurgence of COVID-19. However, sales increased compared to the same period of the previous year, in which both the karaoke club business and the karaoke business were in a significant slump.

Sales revenue in the first quarter was **7.0** billion yen, up 12.9% year-on-year.

With regard to business segment profit, the amount of losses narrowed from 2.3 billion yen in the same period of the previous year to **800** million yen due to the effects of revenue increase and cost reduction.

As for operating profit, compared to a loss of 2.3 billion yen in the same period of the previous year, a loss of **300** million yen was recorded due in part to the receipt of employment adjustment subsidies (the government's special measure against COVID-19).

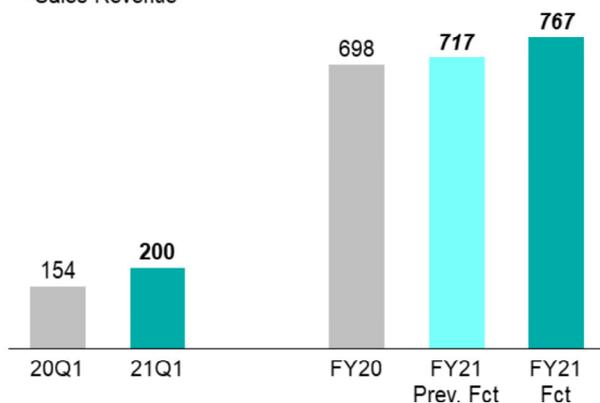
Domino Sales Revenue & Profit

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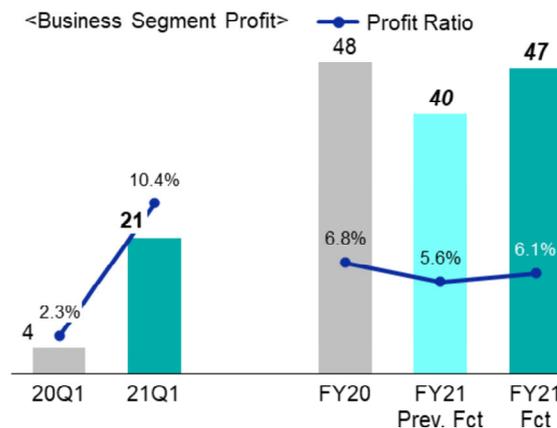
(100 Millions of Yen)

	20Q1	21Q1	Change	Change w/o FX	FY20	Previous Forecast	FY21 Forecast	Change vs LY	Change w/o FX
Sales Revenue	154	200	29.9%	17.8%	698	717	767	9.9%	3.5%
Americas	42	48	14.9%	1.6%	176	-	190	7.7%	2.1%
Europe	68	91	34.5%	21.4%	324	-	358	10.5%	2.8%
Asia & Others	44	61	36.9%	22.4%	198	-	219	10.8%	6.7%
Business Segment Profit	4	21	477.2%	-	48	40	47	-1.1%	-
Operating Profit	2	21	785.4%	-	-239	38	43	-	-

<Sales Revenue>



<Business Segment Profit>



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Sales revenue in the Domino business was **20.0** billion yen in the first quarter. The growth rate on a pound basis was 17.8 %.

There was a significant recovery in Europe, where business was sluggish in the first quarter of FY2020 due to the effects of lockdowns.

In the first quarter, the hardware market was on track to recovery for both C&M and DP. Consumables also remained firm for both C&M and DP.

Thanks to the effects of revenue increase, business segment profit was **2.1** billion yen, a significant increase from 400 million yen in the same period of the previous year, in which a large drop in profit was recorded due to the impact of COVID-19.

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