

### Highlights of Consolidated Results for the Nine Months and the Third Quarter of Fiscal Year ending March 31, 2020

	Millions of yen (except for per share amounts)		
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Change
	Y	Y	
Revenue	521,817	<b>484,883</b>	-7.1 %
Business segment profit	60,415	<b>54,492</b>	-9.8 %
Operating profit	61,672	<b>55,423</b>	-10.1 %
Profit before income taxes	62,032	<b>55,662</b>	-10.3 %
Profit for the period	46,760	<b>41,668</b>	-10.9 %
Profit for the period attributable to owners of the parent company	46,508	<b>41,566</b>	-10.6 %
Comprehensive income for the period	32,522	<b>35,478</b>	9.1 %
Basic earnings per share for the period (yen)	179.08	<b>160.01</b>	
Diluted earnings per share for the period (yen)	178.53	<b>159.51</b>	

(Note) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

	As of March 31, 2019		As of December 31, 2019	Change
	Y		Y	
Total assets	708,604		<b>713,617</b>	
Total equity	441,593		<b>460,826</b>	
Equity attributable to owners of the parent company	424,759		<b>444,170</b>	
Equity attributable to owners of the parent company ratio	59.9 %		<b>62.2 %</b>	
Equity attributable to owners of the parent company per share (yen)	1,635.22		<b>1,709.81</b>	

### Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2020

	Millions of yen (except for per share amounts)		
	Year ended March 31, 2019	[Forecast] Year ending March 31, 2020	Change
	Y	Y	
Revenue	683,972	642,000	-6.1 %
Business segment profit	71,973	60,000	-16.6 %
Operating profit	71,925	60,500	-15.9 %
Profit before income taxes	72,274	59,800	-17.3 %
Profit for the period	54,177	44,600	-17.7 %
Profit for the period attributable to owners of the parent company	53,902	44,500	-17.4 %
Basic earnings per share for the period (yen)	207.54	171.30	
Dividends per common share (yen)	60.00	60.00	

(Note 1) No change has been made to forecasted operating results from the most recent announcement.

(Note 2) No change has been made to forecasted dividends per common share from the most recent announcement.

(Note 3) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

#### Notes:

- The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
- Amounts less than 1 million yen have been rounded down.
- Yen amounts for the nine months ended December 31, 2019 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=110.00 yen, in the accompanying consolidated financial statements.
- Operating results for the nine months ended December 31, 2019 are based on the following currency exchange rates:  
Actual average rates for the nine months ended December 31, 2019: US\$=109.10 yen, EURO=121.46 yen  
Forecasts for the year ending March 31, 2020 are based on the following currency exchange rates:  
Assumed average rates for the year ending March 31, 2020: US\$=108.53 yen, EURO=120.62 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of March 31, 2019, 262,220 thousands as of December 31, 2019  
Number of treasury stock outstanding: 2,463 thousands as of March 31, 2019, 2,442 thousands as of December 31, 2019  
Number of weighted average shares:  
259,712 thousands during the nine months ended December 31, 2018, 259,775 thousands during the nine months ended December 31, 2019
- Changes in Accounting Policies: The Brother Group adopted IFRS 16 "Leases" as of April 1, 2019.  
The Group applied this standard in compliance with the transition provisions, thereby recognizing the cumulative effects of adoption of this standard as an adjustment to the opening balance of retained earnings as at the beginning of the current fiscal year. Figures as of March 31, 2019 are not restated, complying with IAS 17 "Leases".

The above-mentioned forecasts are the results of estimations based on outlook for economic environment and predictions at the time of this announcement. The actual results of business performance may sometimes differ from these forecasts due to various factors.

## Consolidated Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2019	As of December 31, 2019	As of December 31, 2019
<b>Assets</b>			
Current assets			
Cash and cash equivalents	Y 131,152	Y 116,643	\$ 1,060,391
Trade and other receivables	101,498	103,207	938,245
Other financial assets	7,970	12,835	116,682
Inventories	128,517	127,105	1,155,500
Other current assets	15,633	16,598	150,891
Subtotal	384,772	376,390	3,421,727
Non-current assets classified as held for sale	157	116	1,055
Total current assets	384,930	376,506	3,422,782
Non-current assets			
Property, plant and equipment	115,997	104,966	954,236
Right-of-use assets	-	27,483	249,845
Investment property	6,040	7,930	72,091
Goodwill and intangible assets	146,203	143,340	1,303,091
Investments accounted for using the equity method	1,538	1,588	14,436
Other financial assets	32,799	30,589	278,082
Deferred tax assets	14,827	15,032	136,655
Other non-current assets	6,265	6,179	56,173
Total non-current assets	323,673	337,111	3,064,645
Total assets	Y 708,604	Y 713,617	\$ 6,487,427
<b>Equity and liabilities</b>			
Liabilities			
Current liabilities			
Trade and other payables	Y 62,216	Y 50,800	\$ 461,818
Bonds and borrowings	19,560	20,569	186,991
Other financial liabilities	2,382	8,977	81,609
Income taxes payable	8,071	3,701	33,645
Provisions	3,806	3,772	34,291
Contract liabilities	4,299	4,338	39,436
Other current liabilities	49,507	45,003	409,118
Total current liabilities	149,844	137,162	1,246,927
Non-current liabilities			
Bonds and borrowings	77,232	57,043	518,573
Other financial liabilities	9,666	29,255	265,955
Retirement benefits liabilities	17,585	17,817	161,973
Provisions	3,160	3,149	28,627
Deferred tax liabilities	6,456	5,993	54,482
Contract liabilities	890	1,216	11,055
Other non-current liabilities	2,174	1,152	10,473
Total non-current liabilities	117,166	115,628	1,051,164
Total liabilities	267,010	252,791	2,298,100
Equity			
Capital stock	19,209	19,209	174,627
Capital surplus	17,577	17,690	160,818
Retained earnings	462,244	488,544	4,441,309
Treasury stock	(2,694)	(2,672)	(24,291)
Other components of equity	(71,577)	(78,601)	(714,555)
Equity attributable to owners of the parent company	424,759	444,170	4,037,909
Non-controlling interests	16,833	16,655	151,409
Total equity	441,593	460,826	4,189,327
Total equity and liabilities	Y 708,604	Y 713,617	\$ 6,487,427

## Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Nine months ended December 31, 2019
Revenue	Y 521,817	Y 484,883	\$ 4,408,027
Cost of sales	(299,308)	(270,173)	(2,456,118)
Gross profit	222,508	214,709	1,951,900
Selling, general and administrative expenses	(162,092)	(160,217)	(1,456,518)
Other income	3,712	2,580	23,455
Other expenses	(2,456)	(1,649)	(14,991)
Operating profit	61,672	55,423	503,845
Finance income	3,568	2,038	18,527
Finance expenses	(3,297)	(1,902)	(17,291)
Share of profit/(loss) of investments accounted for using the equity method	89	104	945
Profit before income taxes	62,032	55,662	506,018
Income tax expenses	(15,272)	(13,994)	(127,218)
Profit for the period	46,760	41,668	378,800
Profit for the period attributable to:			
Owners of the parent company	46,508	41,566	377,873
Non-controlling interests	251	102	927
Profit for the period	Y 46,760	Y 41,668	\$ 378,800
Earnings per share:	Yen	Yen	U.S. dollars
Basic earnings per share	Y 179.08	Y 160.01	\$ 1.45
Diluted earnings per share	178.53	159.51	1.45

## Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31, 2018	Three months ended December 31, 2019	Three months ended December 31, 2019
Revenue	Y 178,127	Y 166,395	\$ 1,512,682
Cost of sales	(100,547)	(94,230)	(856,636)
Gross profit	77,579	72,164	656,036
Selling, general and administrative expenses	(55,526)	(53,836)	(489,418)
Other income	1,837	1,384	12,582
Other expenses	(249)	(816)	(7,418)
Operating profit	23,640	18,896	171,782
Finance income	1,376	1,421	12,918
Finance expenses	(1,436)	(1,059)	(9,627)
Share of profit/(loss) of investments accounted for using the equity method	46	35	318
Profit before income taxes	23,627	19,294	175,400
Income tax expenses	(5,560)	(4,977)	(45,245)
Profit for the period	18,066	14,316	130,145
Profit for the period attributable to:			
Owners of the parent company	17,954	14,290	129,909
Non-controlling interests	112	26	236
Profit for the period	Y 18,066	Y 14,316	\$ 130,145
Earnings per share:	Yen	Yen	U.S. dollars
Basic earnings per share	Y 69.13	Y 55.01	\$ 0.50
Diluted earnings per share	68.90	54.83	0.50

# Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Nine months ended December 31, 2019
Profit for the period	Y 46,760	Y 41,668	\$ 378,800
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Gains/(Losses) on investments in equity instruments designated as FVTOCI	(3,483)	849	7,718
Total of items that will not be reclassified subsequently to profit or loss	(3,483)	849	7,718
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(10,754)	(7,039)	(63,991)
Total of items that may be reclassified subsequently to profit or loss	(10,754)	(7,039)	(63,991)
Other comprehensive income for the period, net of income tax	(14,237)	(6,190)	(56,273)
Comprehensive income for the period	32,522	35,478	322,527
Comprehensive income for the period attributable to:			
Owners of the parent company	32,422	35,378	321,618
Non-controlling interests	100	99	900
Comprehensive income for the period	Y 32,522	Y 35,478	\$ 322,527

# **Consolidated Statement of Comprehensive Income**

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31, 2018	Three months ended December 31, 2019	Three months ended December 31, 2019
Profit for the period	Y 18,066	Y 14,316	\$ 130,145
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Gains/(Losses) on investments in equity instruments designated as FVTOCI	(3,078)	562	5,109
Total of items that will not be reclassified subsequently to profit or loss	(3,078)	562	5,109
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(15,838)	17,765	161,500
Total of items that may be reclassified subsequently to profit or loss	(15,838)	17,765	161,500
Other comprehensive income for the period, net of income tax	(18,917)	18,327	166,609
Comprehensive income for the period	(850)	32,644	296,764
Comprehensive income for the period attributable to:			
Owners of the parent company	(782)	32,577	296,155
Non-controlling interests	(68)	67	609
Comprehensive income for the period	Y (850)	Y 32,644	\$ 296,764

# Consolidated Statement of Changes in Equity

Nine months ended December 31, 2018

Millions of yen

	Equity attributable to owners of the parent company						Other components of equity			
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total	Total	Non-controlling interests	Total equity
Balance as of March 31, 2018	19,209	17,517	427,842	(2,800)	(66,255)	-	(66,255)	395,514	16,980	412,494
Cumulative effect of adoption of the new accounting standards	-	-	(393)	-	-	-	-	(393)	-	(393)
Balance as of April 1, 2018	19,209	17,517	427,449	(2,800)	(66,255)	-	(66,255)	395,120	16,980	412,101
Profit for the period	-	-	46,508	-	-	-	-	46,508	251	46,760
Other comprehensive income	-	-	-	-	(10,740)	(3,345)	(14,086)	(14,086)	(151)	(14,237)
Total comprehensive income for the period	-	-	46,508	-	(10,740)	(3,345)	(14,086)	32,422	100	32,522
Acquisition of treasury stock	-	-	-	(8)	-	-	-	(8)	-	(8)
Disposal of treasury stock	-	(48)	(27)	76	-	-	-	0	-	0
Dividends paid	-	-	(15,603)	-	-	-	-	(15,603)	(269)	(15,872)
Share-based payment transaction	-	137	-	-	-	-	-	137	-	137
Reclassification to retained earnings	-	-	(3,345)	-	-	3,345	3,345	-	-	-
Total transactions with owners	-	88	(18,976)	67	-	3,345	3,345	(15,474)	(269)	(15,743)
Balance as of December 31, 2018	19,209	17,606	454,981	(2,733)	(76,996)	-	(76,996)	412,068	16,811	428,880

Nine months ended December 31, 2019

Millions of yen

	Equity attributable to owners of the parent company						Other components of equity			
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total	Total	Non-controlling interests	Total equity
Balance as of March 31, 2019	19,209	17,577	462,244	(2,694)	(71,577)	-	(71,577)	424,759	16,833	441,593
Cumulative effect of adoption of the new accounting standards	-	-	(494)	-	-	-	-	(494)	(8)	(503)
Balance as of April 1, 2019	19,209	17,577	461,749	(2,694)	(71,577)	-	(71,577)	424,264	16,825	441,090
Profit for the period	-	-	41,566	-	-	-	-	41,566	102	41,668
Other comprehensive income	-	-	-	-	(7,023)	835	(6,187)	(6,187)	(2)	(6,190)
Total comprehensive income for the period	-	-	41,566	-	(7,023)	835	(6,187)	35,378	99	35,478
Acquisition of treasury stock	-	-	-	(8)	-	-	-	(8)	-	(8)
Disposal of treasury stock	-	(18)	-	30	-	-	-	12	-	12
Dividends paid	-	-	(15,607)	-	-	-	-	(15,607)	(269)	(15,876)
Share-based payment transaction	-	131	-	-	-	-	-	131	-	131
Reclassification to retained earnings	-	-	835	-	-	(835)	(835)	-	-	-
Total transactions with owners	-	112	(14,771)	22	-	(835)	(835)	(15,472)	(269)	(15,741)
Balance as of December 31, 2019	19,209	17,690	488,544	(2,672)	(78,601)	-	(78,601)	444,170	16,655	460,826

Nine months ended December 31, 2019

Thousands of U.S. dollars

	Equity attributable to owners of the parent company						Other components of equity			
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total	Total	Non-controlling interests	Total equity
Balance as of March 31, 2019	174,627	159,791	4,202,218	(24,491)	(650,700)	-	(650,700)	3,861,445	153,027	4,014,482
Cumulative effect of adoption of the new accounting standards	-	-	(4,491)	-	-	-	-	(4,491)	(73)	(4,573)
Balance as of April 1, 2019	174,627	159,791	4,197,718	(24,491)	(650,700)	-	(650,700)	3,856,945	152,955	4,009,909
Profit for the period	-	-	377,873	-	-	-	-	377,873	927	378,800
Other comprehensive income	-	-	-	-	(63,845)	7,591	(56,245)	(56,245)	(18)	(56,273)
Total comprehensive income for the period	-	-	377,873	-	(63,845)	7,591	(56,245)	321,618	900	322,527
Acquisition of treasury stock	-	-	-	(73)	-	-	-	(73)	-	(73)
Disposal of treasury stock	-	(164)	-	273	-	-	-	109	-	109
Dividends paid	-	-	(141,882)	-	-	-	-	(141,882)	(2,445)	(144,327)
Share-based payment transaction	-	1,191	-	-	-	-	-	1,191	-	1,191
Reclassification to retained earnings	-	-	7,591	-	-	(7,591)	(7,591)	-	-	-
Total transactions with owners	-	1,018	(134,282)	200	-	(7,591)	(7,591)	(140,655)	(2,445)	(143,100)
Balance as of December 31, 2019	174,627	160,818	4,441,309	(24,291)	(714,555)	-	(714,555)	4,037,909	151,409	4,189,327

## Consolidated Statement of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2018	Nine months ended December 31, 2019	Nine months ended December 31, 2019
<b>Cash flows from operating activities</b>			
Profit before income taxes	Y 62,032	Y 55,662	\$ 506,018
Depreciation and amortization	25,181	30,334	275,764
Finance expenses/(income)	(271)	(135)	(1,227)
Share of loss/(profit) of investments accounted for using the equity method	(89)	(104)	(945)
Losses/(gains) on sale and disposal of fixed assets	525	(60)	(545)
Decrease/(increase) in trade and other receivables	(3,283)	(2,701)	(24,555)
Decrease/(increase) in inventories	(15,337)	192	1,745
Increase/(decrease) in trade and other payables	(5,893)	(8,857)	(80,518)
Decrease/(increase) in retirement benefit assets	225	41	373
Increase/(decrease) in retirement benefit liabilities	15	412	3,745
Other	(3,626)	(2,841)	(25,827)
Subtotal	59,480	71,943	654,027
Interest received	757	763	6,936
Dividends received	366	349	3,173
Interest paid	(384)	(950)	(8,636)
Income taxes paid	(14,732)	(18,896)	(171,782)
Net cash provided by operating activities	Y 45,488	Y 53,210	\$ 483,727
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(13,636)	(12,715)	(115,591)
Proceeds from sales of property, plant and equipment	335	1,313	11,936
Purchases of intangible assets	(5,278)	(6,536)	(59,418)
Purchases of investments in equity instruments	(470)	(702)	(6,382)
Proceeds from sales of investments in equity instruments	58	826	7,509
Purchase of investments in debt instruments	(2,831)	(5,887)	(53,518)
Proceeds from sales or redemption of investments in debt instruments	6,822	5,211	47,373
Payments for acquisition of business	-	(2,030)	(18,455)
Other	(550)	(916)	(8,327)
Net cash provided by (used in) investing activities	Y (15,551)	Y (21,437)	\$ (194,882)
<b>Cash flows from financing activities</b>			
Repayment of short-term borrowings	(1,122)	(7)	(64)
Proceeds from long-term borrowings	-	200	1,818
Repayment of long-term borrowings	(294)	(20,197)	(183,609)
Redemption of bonds	(20,070)	-	-
Repayment of lease obligations	(1,217)	(6,496)	(59,055)
Dividends paid	(15,603)	(15,607)	(141,882)
Dividends paid to non-controlling interests	(269)	(269)	(2,445)
Other	(5)	(6)	(55)
Net cash provided by (used in) financing activities	Y (38,582)	Y (42,384)	\$ (385,309)
Effect of exchange rate changes on cash and cash equivalents	(2,058)	(3,897)	(35,427)
Net increase/(decrease) in cash and cash equivalents	(10,703)	(14,508)	(131,891)
Cash and cash equivalents at the beginning of the period	121,384	131,152	1,192,291
Cash and cash equivalents at the end of the period	Y 110,680	Y 116,643	\$ 1,060,391



## Segment Information

Nine months ended December 31, 2018

		Millions of yen							
		Reportable segments					Total	Reconciliations	Consolidated
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino			
Revenue									
Customers		307,346	35,488	81,779	35,673	52,558	8,969	521,817	-
Intersegment		-	-	-	-	-	9,213	9,213	(9,213)
Total		307,346	35,488	81,779	35,673	52,558	18,183	531,031	(9,213)
Business segment profit		43,358	3,358	8,775	1,264	3,089	697	60,544	(128)
Other income and expenses		576	16	178	(59)	320	224	1,256	-
Operating profit		43,934	3,374	8,954	1,204	3,409	922	61,800	(128)
Finance income and expenses									271
Share of profit/(loss) of investments accounted for using the equity method									89
Profit before income taxes									62,032

Nine months ended December 31, 2019

		Millions of yen							
		Reportable segments					Total	Reconciliations	Consolidated
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino			
Revenue									
Customers		297,166	31,486	57,927	37,669	50,755	9,876	484,883	-
Intersegment		-	-	-	-	479	7,652	8,132	(8,132)
Total		297,166	31,486	57,927	37,669	51,235	17,529	493,015	(8,132)
Business segment profit		45,788	2,372	1,633	1,943	2,692	277	54,707	(215)
Other income and expenses		385	102	7	1	(35)	468	930	-
Operating profit		46,174	2,474	1,640	1,945	2,657	745	55,638	(215)
Finance income and expenses									135
Share of profit/(loss) of investments accounted for using the equity method									104
Profit before income taxes									55,662

Nine months ended December 31, 2019

		Thousand of U.S. dollars							
		Reportable segments					Total	Reconciliations	Consolidated
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino			
Revenue									
Customers		2,701,509	286,236	526,609	342,445	461,409	89,782	4,408,027	-
Intersegment		-	-	-	-	4,355	69,564	73,927	(73,927)
Total		2,701,509	286,236	526,609	342,445	465,773	159,355	4,481,955	(73,927)
Business segment profit		416,255	21,564	14,845	17,664	24,473	2,518	497,336	(1,955)
Other income and expenses		3,500	927	64	9	(318)	4,255	8,455	-
Operating profit		419,764	22,491	14,909	17,682	24,155	6,773	505,800	(1,955)
Finance income and expenses									1,227
Share of profit/(loss) of investments accounted for using the equity method									945
Profit before income taxes									506,018

### Notes:

1) Main products in each business segment are as follows:

Printing & Solutions	Printers, All-in-Ones, Labeling Systems, Label Printers, Scanners, etc.
Personal & Home	Home Sewing Machines, Home Cutting Machines, etc.
Machinery	Industrial Sewing Machines, Garment Printers, Machine Tools, Reducers, Gears, etc.
Network & Contents	Online Karaoke Systems, Management of Karaoke Clubs, Content Services, etc.
Domino	Cording & Marking Equipment, Digital Printing Equipment, etc.
Others	Real Estate, etc.

2) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

## Segment Information

Three months ended December 31, 2018

		Millions of yen							
		Reportable segments					Total	Reconciliations	Consolidated
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino			
Revenue									
Customers		108,741	14,073	22,461	12,391	17,841	2,619	178,127	-
Intersegment		-	-	-	-	-	3,233	3,233	(3,233)
Total		108,741	14,073	22,461	12,391	17,841	5,852	181,361	(3,233)
Business segment profit		16,592	2,343	1,694	656	643	185	22,116	(63)
Other income and expenses		1,093	106	16	13	277	79	1,587	-
Operating profit		17,686	2,450	1,710	670	921	265	23,704	(63)
Finance income and expenses									(59)
Share of profit/(loss) of investments accounted for using the equity method									46
Profit before income taxes									23,627

Three months ended December 31, 2019

		Millions of yen							
		Reportable segments					Total	Reconciliations	Consolidated
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino			
Revenue									
Customers		103,919	11,605	18,613	12,482	17,240	2,533	166,395	-
Intersegment		-	-	-	-	133	2,344	2,477	(2,477)
Total		103,919	11,605	18,613	12,482	17,373	4,877	168,873	(2,477)
Business segment profit (loss)		14,558	1,438	777	842	769	(46)	18,339	(11)
Other income and expenses		507	166	(26)	(44)	(86)	52	568	-
Operating profit		15,065	1,604	750	798	682	6	18,908	(11)
Finance income and expenses									361
Share of profit/(loss) of investments accounted for using the equity method									35
Profit before income taxes									19,294

Three months ended December 31, 2019

		Thousand of U.S. dollars							
		Reportable segments					Total	Reconciliations	Consolidated
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino			
Revenue									
Customers		944,718	105,500	169,209	113,473	156,727	23,027	1,512,682	-
Intersegment		-	-	-	-	1,209	21,309	22,518	(22,518)
Total		944,718	105,500	169,209	113,473	157,936	44,336	1,535,209	(22,518)
Business segment profit (loss)		132,345	13,073	7,064	7,655	6,991	(418)	166,718	(100)
Other income and expenses		4,609	1,509	(236)	(400)	(782)	473	5,164	-
Operating profit		136,955	14,582	6,818	7,255	6,200	55	171,891	(100)
Finance income and expenses									3,282
Share of profit/(loss) of investments accounted for using the equity method									318
Profit before income taxes									175,400

Notes:

1) Main products in each business segment are as follows:

Printing & Solutions	Printers, All-in-Ones, Labeling Systems, Label Printers, Scanners, etc.
Personal & Home	Home Sewing Machines, Home Cutting Machines, etc.
Machinery	Industrial Sewing Machines, Garment Printers, Machine Tools, Reducers, Gears, etc.
Network & Contents	Online Karaoke Systems, Management of Karaoke Clubs, Content Services, etc.
Domino	Cording & Marking Equipment, Digital Printing Equipment, etc.
Others	Real Estate, etc.

2) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

# **FY2019 Q3 Results**

## **Supplementary Information**

1. Consolidated results
2. Balance sheet
3. Cash flows
4. Sales Revenue by business segment
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6. Operating profit by business segment
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### **Brother Industries, Ltd.**

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.

**1. Consolidated results**

(Millions of yen)

	2018 3Q Act	2019 3Q Act	Change (w/o fx impact )	2018 3Q YTD	2019 3Q YTD	Change (w/o fx impact )
Sales Revenue	178,127	166,395	-6.6% (-2.9%)	521,817	484,883	-7.1% (-3.8%)
Business Segment profit	22,052	18,327	-16.9%	60,415	54,492	-9.8%
Operating profit	23,640	18,896	-20.1%	61,672	55,423	-10.1%
Net Income	17,954	14,290	-20.4%	46,508	41,566	-10.6%
ROS(Business Segment profit)	12.4%	11.0%	-	11.6%	11.2%	-
ROS(Operating profit)	13.3%	11.4%	-	11.8%	11.4%	-
Yen-USD	112.83	108.98	-	110.82	109.10	-
Yen-Euro	129.19	120.65	-	129.38	121.46	-
Yen-GBP	144.48	139.55	-	145.83	138.34	-

	2018 Full Year Act	2019 Full Year Fct	Change (w/o fx impact )	2019 Previous Forecast	2019 Revised Forecast	Change (w/o fx impact )
Sales Revenue	683,972	642,000	-6.1% (-2.5%)	642,000	642,000	-
Business Segment profit	71,973	60,000	-16.6%	60,000	60,000	-
Operating profit	71,925	60,500	-15.9%	60,500	60,500	-
Net Income	53,902	44,500	-17.4%	44,500	44,500	-
ROS(Business Segment profit)	10.5%	9.3%	-	9.3%	9.3%	-
ROS(Operating profit)	10.5%	9.4%	-	9.4%	9.4%	-
Yen-USD	110.69	108.53	-	108.53	108.53	-
Yen-Euro	128.43	120.62	-	120.62	120.62	-
Yen-GBP	145.68	133.89	-	133.89	133.89	-

**2. Balance sheet**

(Millions of yen)

	2018 Full Year Act	2019 3Q Act	Change
Current assets	384,930	376,506	- 8,424
Non-current assets	323,673	337,111	13,437
Current liabilities	149,844	137,162	- 12,681
Non-current liabilities	117,166	115,628	- 1,538
Equity attributable to owners of the parent company	424,759	444,170	19,411
Total assets	708,604	713,617	5,013
Cash & cash equivalents	131,152	116,643	-14,508
Interest-bearing debt	96,792	77,612	-19,180
DER*	0.23	0.17	—
Equity ratio attributable to owners of the parent company	59.9%	62.2%	—

\* DER = Interest-bearing debt / Equity attributable to owners of the parent company

**3. Cash flows**

(Millions of yen)

	2018 3Q Act	2019 3Q Act	Change	2018 3Q YTD	2019 3Q YTD	Change
Net cash provided by operating activities	17,906	22,035	4,129	45,488	53,210	7,721
Net cash used in investing activities	- 6,583	- 6,138	444	- 15,551	- 21,437	- 5,886
Net cash used in financing activities	- 28,483	- 10,296	18,187	- 38,582	- 42,384	- 3,801
Cash and cash equivalents at end of period	110,680	116,643	5,962	110,680	116,643	5,962

## 4. Sales Revenue by business segment

(Millions of yen)

	2018 3Q Act	2019 3Q Act	Change (w/o fx impact)
Printing & Solutions	108,741	103,919	-4.4% (-0.2%)
Communications and Printing equipment	96,146	91,330	-5.0% (-0.8%)
Electronic stationery	12,594	12,589	-0.0% (+4.6%)
Personal & Home	14,073	11,605	-17.5% (-13.4%)
Machinery	22,461	18,613	-17.1% (-14.8%)
Industrial sewing machines	8,706	7,458	-14.3% (-10.3%)
Machine tools	8,754	6,804	-22.3% (-20.9%)
Industrial Parts	5,000	4,351	-13.0% (-11.9%)
Network & Contents	12,391	12,482	0.7% (+0.8%)
Domino	17,841	17,240	-3.4% (+1.6%)
Others	2,619	2,533	-3.3% (-3.3%)
G. total	178,127	166,395	-6.6% (-2.9%)

	2018 Full Year Act	2019 Full Year Fct	Change (w/o fx impact)
Printing & Solutions	403,036	387,300	-3.9% (+0.2%)
Communications and Printing equipment	353,120	338,600	-4.1% (+0.0%)
Electronic stationery	49,916	48,700	-2.4% (+1.6%)
Personal & Home	45,445	41,800	-8.0% (-4.3%)
Machinery	104,130	79,800	-23.4% (-21.6%)
Industrial sewing machines	32,626	29,600	-9.3% (-5.8%)
Machine tools	51,768	31,900	-38.4% (-37.4%)
Industrial Parts	19,735	18,300	-7.3% (-6.1%)
Network & Contents	47,926	50,600	5.6% (+5.6%)
Domino	71,234	67,400	-5.4% (+0.8%)
Others	12,198	15,100	23.8% (+24.1%)
G. total	683,972	642,000	-6.1% (-2.5%)

	2018 3Q YTD	2019 3Q YTD	Change (w/o fx impact)
Printing & Solutions	307,346	297,166	-3.3% (+0.6%)
Communications and Printing equipment	270,566	260,315	-3.8% (+0.1%)
Electronic stationery	36,780	36,851	0.2% (+4.1%)
Personal & Home	35,488	31,486	-11.3% (-7.6%)
Machinery	81,779	57,927	-29.2% (-27.6%)
Industrial sewing machines	24,955	21,830	-12.5% (-9.2%)
Machine tools	41,937	22,990	-45.2% (-44.4%)
Industrial Parts	14,886	13,106	-12.0% (-11.1%)
Network & Contents	35,673	37,669	5.6% (+5.7%)
Domino	52,558	50,755	-3.4% (+1.8%)
Others	8,969	9,876	10.1% (+10.1%)
G. total	521,817	484,883	-7.1% (-3.8%)

	2019 Previous Forecast	2019 Revised Forecast	Change (w/o fx impact)
Printing & Solutions	387,300	387,300	-
Communications and Printing equipment	338,600	338,600	-
Electronic stationery	48,700	48,700	-
Personal & Home	41,800	41,800	-
Machinery	79,800	79,800	-
Industrial sewing machines	29,600	29,600	-
Machine tools	31,900	31,900	-
Industrial Parts	18,300	18,300	-
Network & Contents	50,600	50,600	-
Domino	67,400	67,400	-
Others	15,100	15,100	-
G. total	642,000	642,000	-

## 5. Business Segment profit by business segment

(Millions of yen)

	2018 3Q Act	2019 3Q Act	Change
Printing & Solutions	16,592	14,558	-12.3%
Personal & Home	2,343	1,438	-38.6%
Machinery	1,694	777	-54.1%
Network & Contents	656	842	28.3%
Domino	643	769	19.5%
Others	185	-46	-
Adjustment	-63	-11	-
G. total	22,052	18,327	-16.9%

	2018 Full Year Act	2019 Full Year Fct	Change
Printing & Solutions	52,181	50,400	-3.4%
Personal & Home	4,037	2,700	-33.1%
Machinery	9,753	1,500	-84.6%
Network & Contents	1,778	1,900	6.8%
Domino	3,948	3,700	-6.3%
Others	436	-200	-
Adjustment	-161	-	-
G. total	71,973	60,000	-16.6%

	2018 3Q YTD	2019 3Q YTD	Change
Printing & Solutions	43,358	45,788	5.6%
Personal & Home	3,358	2,372	-29.3%
Machinery	8,775	1,633	-81.4%
Network & Contents	1,264	1,943	53.7%
Domino	3,089	2,692	-12.9%
Others	697	277	-60.3%
Adjustment	-128	-215	-
G. total	60,415	54,492	-9.8%

	2019 Previous Forecast	2019 Revised Forecast	Change
Printing & Solutions	50,400	50,400	-
Personal & Home	2,700	2,700	-
Machinery	1,500	1,500	-
Network & Contents	1,900	1,900	-
Domino	3,700	3,700	-
Others	-200	-200	-
Adjustment	-	-	-
G. total	60,000	60,000	-

## 6. Operating profit by business segment

(Millions of yen)

	2018 3Q Act	2019 3Q Act	Change
Printing & Solutions	17,686	15,065	-14.8%
Personal & Home	2,450	1,604	-34.5%
Machinery	1,710	750	-56.1%
Network & Contents	670	798	19.0%
Domino	921	682	-25.9%
Others	265	6	-
Adjustment	-63	-11	-
G. total	23,640	18,896	-20.1%

	2018 Full Year Act	2019 Full Year Fct	Change
Printing & Solutions	52,903	50,800	-4.0%
Personal & Home	4,028	2,700	-33.0%
Machinery	9,910	1,400	-85.9%
Network & Contents	1,593	1,700	6.7%
Domino	2,864	3,900	36.1%
Others	786	0	-
Adjustment	-161	-	-
G. total	71,925	60,500	-15.9%

	2018 3Q YTD	2019 3Q YTD	Change
Printing & Solutions	43,934	46,174	5.1%
Personal & Home	3,374	2,474	-26.7%
Machinery	8,954	1,640	-81.7%
Network & Contents	1,204	1,945	61.5%
Domino	3,409	2,657	-22.1%
Others	922	745	-19.1%
Adjustment	-128	-215	-
G. total	61,672	55,423	-10.1%

	2019 Previous Forecast	2019 Revised Forecast	Change
Printing & Solutions	50,800	50,800	-
Personal & Home	2,700	2,700	-
Machinery	1,400	1,400	-
Network & Contents	1,700	1,700	-
Domino	3,900	3,900	-
Others	0	0	-
Adjustment	-	-	-
G. total	60,500	60,500	-

**7. Sales revenue by region**

(Millions of yen)

	2017 Full Year Act	2018 Full Year Act	Change
The Americas	209,602	208,916	-0.3%
Europe	181,224	180,341	-0.5%
Asia & Others	201,162	170,293	-15.3%
Japan	121,008	124,421	2.8%
G. total	712,997	683,972	-4.1%

**8. R&D Expenses / Capex / Depreciation & Amortization**

(Millions of yen)

	2018 3Q Act	2019 3Q Act	Change
R&D Expenses	10,320	10,556	236
Capex	6,501	5,723	- 778
Depreciation & Amortization	8,399	7,809	- 589

2018 3Q YTD	2019 3Q YTD	Change
31,064	31,429	364
18,244	17,087	- 1,157
25,181	23,752	- 1,429

	2018 Full Year Act	2019 Full Year Fct	Change
R&D Expenses	43,259	44,900	1,640
Capex	27,030	34,000	6,969
Depreciation & Amortization	33,674	31,300	- 2,374

2019 Previous Forecast	2019 Revised Forecast	Change
44,900	44,900	-
34,000	34,000	-
31,300	31,300	-

\*Excluding acquisition and depreciation of right-of-use assets pursuant to application of IFRS 16 Leases.

**9. Other Financial Data**

	2017 Full Year Act	2018 Full Year Act
ROE	13.5%	13.1%
ROA	7.2%	7.6%
EPS	192.63	207.54
Dividend per Share	54.0	60.0
Dividend payout ratio	28.0%	28.9%

**10. Exchange rates**

	2018 3Q Act	2019 3Q Act
Yen-USD	112.83	108.98
Yen-Euro	129.19	120.65
Yen-GBP	144.48	139.55

2017 Full Year Act	2018 Full Year Act	2019 Full Year Fct
110.81	110.69	108.53
129.45	128.43	120.62
147.27	145.68	133.89