

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2022

	Millions of yen (except for per share amounts)				
	Y	Six months ended Sept. 30, 2020	Y	Six months ended Sept. 30, 2021	Change
Revenue		290,062		350,517	20.8 %
Business segment profit		31,985		49,401	54.4 %
Operating profit		32,518		51,178	57.4 %
Profit before income taxes		32,643		51,576	58.0 %
Profit for the period		24,726		37,114	50.1 %
Profit for the period attributable to owners of the parent company		24,697		36,812	49.1 %
Comprehensive income for the period		32,519		37,736	16.0 %
Basic earnings per share for the period (yen)		95.04		141.61	
Diluted earnings per share for the period (yen)		94.75		141.19	
Dividends per common share (yen)		27.00		30.00	

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

	As of Mar. 31, 2021		As of Sept. 30, 2021	
	Y		Y	
Total assets		743,896		757,891
Total equity		499,707		528,871
Equity attributable to owners of the parent company		483,050		511,961
Equity attributable to owners of the parent company ratio		64.9 %		67.6 %
Equity attributable to owners of the parent company per share (yen)		1,858.28		1,969.35

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2022

	Millions of yen (except for per share amounts)				
	Y	Year ended Mar. 31, 2021	[Forecast]		Change
			Y	Year ended Mar. 31, 2022	
Revenue		631,812		695,000	10.0 %
Business segment profit		78,076		78,000	-0.1 %
Operating profit		42,731		78,000	82.5 %
Profit before income taxes		42,944		78,000	81.6 %
Profit for the period		24,659		53,000	114.9 %
Profit for the period attributable to owners of the parent company		24,520		53,000	116.1 %
Basic earnings per share for the period (yen)		94.36		203.88	
Dividends per common share (yen)		60.00		60.00	

(Note) 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.
- Operating results for the six months ended Sept. 30, 2021 are based on the following currency exchange rates:
Actual average rates for the six months ended Sept. 30, 2021: US\$=110.18 yen, EURO=130.97 yen
Forecasts for the year ending Mar. 31, 2022 are based on the following currency exchange rates:
Assumed average rates for the year ending Mar. 31, 2022: US\$=109.48 yen, EURO=128.59 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of Mar. 31, 2021, 262,220 thousands as of Sept. 30, 2021
Number of treasury stock outstanding: 2,276 thousands as of Mar. 31, 2021, 2,255 thousands as of Sept. 30, 2021
Number of weighted average shares:
259,851 thousands during the six months ended Sept 30, 2020, 259,954 thousands during the six months ended Sept 30, 2021
- Changes in Accounting Policies: Amendment to IFRS 16 Leases
The Brother Group early applied the practical expedient in paragraph 46A from the first quarter of the year ending March 31, 2021. Furthermore, with the renewal of Section 46B (b), the Brother Group applied the renewed standards from the first quarter of the year ending March 31, 2022.
- Impact of COVID-19
Regarding the impact of COVID-19, it is impossible to predict when it will end and how it will affect future cash-flow. Although the global GDP forecast is on a recovery trend, the degree of recovery will vary depending on the country/region. Due to these differences and other reasons, the uncertainty over the Group's future business activities continues.
The Group has made estimates and judgements involving estimations that the current situation will affect its consolidated financial performance for the year ending Mar. 31, 2022. The Group's consolidated financial statements for the year ending Mar. 31, 2022 and onwards (particularly, impairment losses of property, plant and equipment, right-of-use assets, intangible assets, including goodwill, and investment property) may be significantly affected depending on the actual outcome.

Consolidated Statement of Financial Position

Millions of yen

	As of Mar. 31, 2021	As of Sept. 30, 2021
Assets		
Current assets		
Cash and cash equivalents	Y 191,002	Y 173,360
Trade and other receivables	93,055	100,738
Other financial assets	8,391	7,103
Inventories	120,186	140,643
Other current assets	16,070	19,761
Subtotal	428,705	441,606
Non-current assets classified as held for sale	45	-
Total current assets	428,751	441,606
Non-current assets		
Property, plant and equipment	107,742	107,853
Right-of-use assets	20,835	19,877
Investment property	8,248	8,043
Goodwill and intangible assets	118,196	115,409
Investments accounted for using the equity method	1,772	1,797
Other financial assets	36,042	38,184
Deferred tax assets	14,842	17,363
Other non-current assets	7,464	7,755
Total non-current assets	315,145	316,284
Total assets	Y 743,896	Y 757,891
Equity and liabilities		
Liabilities		
Current liabilities		
Trade and other payables	Y 54,589	Y 61,392
Bonds and borrowings	19,167	19,080
Other financial liabilities	9,887	9,127
Income taxes payable	6,779	11,301
Provisions	4,015	3,587
Contract liabilities	5,636	5,276
Other current liabilities	51,412	47,787
Total current liabilities	151,489	157,554
Non-current liabilities		
Bonds and borrowings	38,290	19,665
Other financial liabilities	23,295	19,955
Retirement benefits liabilities	19,316	19,376
Provisions	2,848	2,901
Deferred tax liabilities	6,394	7,228
Contract liabilities	1,506	1,282
Other non-current liabilities	1,047	1,054
Total non-current liabilities	92,700	71,465
Total liabilities	244,189	229,020
Equity		
Capital stock	19,209	19,209
Capital surplus	17,652	17,738
Retained earnings	509,662	537,234
Treasury stock	(2,477)	(2,433)
Other components of equity	(60,998)	(59,787)
Equity attributable to owners of the parent company	483,050	511,961
Non-controlling interests	16,657	16,909
Total equity	499,707	528,871
Total equity and liabilities	Y 743,896	Y 757,891

Consolidated Statement of Income

	Millions of yen			
	Six months ended		Six months ended	
	Sept. 30,		Sept. 30,	
	2020		2021	
Revenue	Y	290,062	Y	350,517
Cost of sales		(160,446)		(195,179)
Gross profit		129,616		155,337
Selling, general and administrative expenses		(97,630)		(105,936)
Other income		2,606		3,294
Other expenses		(2,073)		(1,517)
Operating profit		32,518		51,178
Finance income		1,383		1,127
Finance expenses		(1,391)		(834)
Share of profit/(loss) of investments accounted for using the equity method		131		104
Profit before income taxes		32,643		51,576
Income tax expenses		(7,917)		(14,461)
Profit for the period		<u>24,726</u>		<u>37,114</u>
Profit for the period attributable to:				
Owners of the parent company		24,697		36,812
Non-controlling interests		28		302
Profit for the period	Y	<u>24,726</u>	Y	<u>37,114</u>
Earnings per share:		Yen		Yen
Basic earnings per share	Y	95.04	Y	141.61
Diluted earnings per share		<u>94.75</u>		<u>141.19</u>

Consolidated Statement of Income

	Millions of yen			
	Three months ended		Three months ended	
	Sept. 30,		Sept. 30,	
	2020		2021	
Revenue	Y	156,876	Y	176,504
Cost of sales		(83,398)		(98,923)
Gross profit		73,477		77,580
Selling, general and administrative expenses		(50,114)		(54,348)
Other income		1,715		2,601
Other expenses		(1,823)		(1,116)
Operating profit		23,255		24,717
Finance income		762		706
Finance expenses		(919)		(624)
Share of profit/(loss) of investments accounted for using the equity method		83		42
Profit before income taxes		23,181		24,841
Income tax expenses		(5,085)		(6,497)
Profit for the period		18,095		18,343
Profit for the period attributable to:				
Owners of the parent company		18,079		18,193
Non-controlling interests		15		149
Profit for the period	Y	18,095	Y	18,343
Earnings per share:		Yen		Yen
Basic earnings per share	Y	69.58	Y	69.99
Diluted earnings per share		69.36		69.77

Consolidated Statement of Comprehensive Income

	Millions of yen	
	Six months ended Sept. 30, 2020	Six months ended Sept. 30, 2021
Profit for the period	Y 24,726	Y 37,114
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	2,858	(600)
Total of items that will not be reclassified subsequently to profit or loss	<u>2,858</u>	<u>(600)</u>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	4,935	1,223
Total of items that may be reclassified subsequently to profit or loss	<u>4,935</u>	<u>1,223</u>
Other comprehensive income for the period, net of income tax	<u>7,793</u>	<u>622</u>
Comprehensive income for the period	<u><u>32,519</u></u>	<u><u>37,736</u></u>
Comprehensive income for the period attributable to:		
Owners of the parent company	32,402	37,370
Non-controlling interests	117	366
Comprehensive income for the period	<u>Y 32,519</u>	<u>Y 37,736</u>

Consolidated Statement of Comprehensive Income

	Millions of yen	
	Three months ended Sept. 30, 2020	Three months ended Sept. 30, 2021
Profit for the period	Y 18,095	Y 18,343
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	1,452	144
Total of items that will not be reclassified subsequently to profit or loss	1,452	144
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	3,993	(1,857)
Total of items that may be reclassified subsequently to profit or loss	3,993	(1,857)
Other comprehensive income for the period, net of income tax	5,445	(1,712)
Comprehensive income for the period	23,541	16,630
Comprehensive income for the period attributable to:		
Owners of the parent company	23,462	16,422
Non-controlling interests	79	208
Comprehensive income for the period	Y 23,541	Y 16,630

Consolidated Statement of Changes in Equity

Six months ended Sept. 30, 2020

	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
Balance as of Apr. 1, 2020	19,209	17,632	491,803	(2,597)	(97,526)
Profit for the period	-	-	24,697	-	-
Other comprehensive income	-	-	-	-	4,929
Total comprehensive income for the period	-	-	24,697	-	4,929
Acquisition of treasury stock	-	-	-	(2)	-
Disposal of treasury stock	-	(20)	(4)	30	-
Dividends paid	-	-	(7,805)	-	-
Share-based payment transaction	-	120	-	-	-
Reclassification to retained earnings	-	-	2,775	-	-
Total transactions with owners	-	100	(5,034)	28	-
Balance as of Sept. 30, 2020	19,209	17,732	511,466	(2,569)	(92,596)

	Equity attributable to owners of the parent company				Total equity
	Other components of equity		Total	Non-controlling interests	
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total			Total
Balance as of Apr. 1, 2020	-	(97,526)	428,520	16,650	445,171
Profit for the period	-	-	24,697	28	24,726
Other comprehensive income	2,775	7,704	7,704	88	7,793
Total comprehensive income for the period	2,775	7,704	32,402	117	32,519
Acquisition of treasury stock	-	-	(2)	-	(2)
Disposal of treasury stock	-	-	6	-	6
Dividends paid	-	-	(7,805)	(135)	(7,940)
Share-based payment transaction	-	-	120	-	120
Reclassification to retained earnings	(2,775)	(2,775)	-	-	-
Total transactions with owners	(2,775)	(2,775)	(7,680)	(135)	(7,816)
Balance as of Sept. 30, 2020	-	(92,596)	453,242	16,632	469,874

Six months ended Sept. 30, 2021

	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
Balance as of Apr. 1, 2021	19,209	17,652	509,662	(2,477)	(60,998)
Profit for the period	-	-	36,812	-	-
Other comprehensive income	-	-	-	-	1,211
Total comprehensive income for the period	-	-	36,812	-	1,211
Acquisition of treasury stock	-	-	-	(3)	-
Disposal of treasury stock	-	(32)	0	47	-
Dividends paid	-	-	(8,589)	-	-
Share-based payment transaction	-	117	-	-	-
Reclassification to retained earnings	-	-	(652)	-	-
Total transactions with owners	-	85	(9,240)	43	-
Balance as of Sept. 30, 2021	19,209	17,738	537,234	(2,433)	(59,787)

	Equity attributable to owners of the parent company				Total equity
	Other components of equity		Total	Non-controlling interests	
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total			Total
Balance as of Apr. 1, 2021	-	(60,998)	483,050	16,657	499,707
Profit for the period	-	-	36,812	302	37,114
Other comprehensive income	(652)	558	558	63	622
Total comprehensive income for the period	(652)	558	37,370	366	37,736
Acquisition of treasury stock	-	-	(3)	-	(3)
Disposal of treasury stock	-	-	15	-	15
Dividends paid	-	-	(8,589)	(113)	(8,702)
Share-based payment transaction	-	-	117	-	117
Reclassification to retained earnings	652	652	-	-	-
Total transactions with owners	652	652	(8,459)	(113)	(8,572)
Balance as of Sept. 30, 2021	-	(59,787)	511,961	16,909	528,871

Consolidated Statement of Cash Flows

Millions of yen

	Six months ended		Six months ended	
	Sept. 30,		Sept. 30,	
	2020		2021	
Cash flows from operating activities				
Profit before income taxes	Y	32,643	Y	51,576
Depreciation and amortization		19,318		19,028
Finance expenses/(income)		7		(292)
Share of loss/(profit) of investments accounted for using the equity method		(131)		(104)
Losses/(gains) on sale and disposal of fixed assets		(216)		388
Decrease/(increase) in trade and other receivables		3,341		(7,716)
Decrease/(increase) in inventories		197		(19,613)
Increase/(decrease) in trade and other payables		3,457		7,807
Decrease/(increase) in retirement benefit assets		(97)		(0)
Increase/(decrease) in retirement benefit liabilities		416		52
Other		(5,647)		(5,939)
Subtotal		53,288		45,182
Interest received		354		552
Dividends received		191		213
Interest paid		(591)		(383)
Income taxes paid		(6,429)		(13,198)
Net cash provided by operating activities	Y	46,813	Y	32,366
Cash flows from investing activities				
Purchases of property, plant and equipment		(10,378)		(11,940)
Proceeds from sales of property, plant and equipment		1,194		486
Purchases of intangible assets		(2,667)		(3,658)
Purchases of investments in equity instruments		(60)		(841)
Purchase of investments in debt instruments		(3,932)		(4,482)
Proceeds from sales or redemption of investments in debt instruments		5,005		2,983
Other		(681)		(356)
Net cash provided by (used in) investing activities	Y	(11,521)	Y	(17,808)
Cash flows from financing activities				
Proceeds from short-term borrowings		9,987		-
Proceeds from long-term borrowings		200		200
Repayment of long-term borrowings		(200)		(20,197)
Redemption of bonds		(140)		-
Repayment of lease obligations		(4,242)		(4,058)
Dividends paid		(7,805)		(8,589)
Dividends paid to non-controlling interests		(135)		(113)
Other		(1)		(1)
Net cash provided by (used in) financing activities	Y	(2,339)	Y	(32,760)
Effect of exchange rate changes on cash and cash equivalents		4,598		560
Net increase/(decrease) in cash and cash equivalents		37,550		(17,642)
Cash and cash equivalents at the beginning of the period		168,422		191,002
Cash and cash equivalents at the end of the period	Y	205,973	Y	173,360

Segment Information

Six months ended Sept. 30, 2020

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	177,948	25,246	33,967	14,999	32,650	5,249	290,062	-	290,062
Intersegment	-	-	-	-	252	5,697	5,950	(5,950)	-
Total	177,948	25,246	33,967	14,999	32,903	10,947	296,013	(5,950)	290,062
Business segment profit/(loss)	28,269	4,087	695	(2,712)	1,956	(242)	32,055	(69)	31,985
Other income and expenses	456	(98)	(192)	489	(516)	395	533	-	533
Operating profit/(loss)	28,725	3,988	503	(2,222)	1,439	153	32,588	(69)	32,518
Finance income and expenses									(7)
Share of profit/(loss) of investments accounted for using the equity method									131
Profit before income taxes									32,643

Six months ended Sept. 30, 2021

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	205,158	27,537	57,528	13,341	40,328	6,622	350,517	-	350,517
Intersegment	-	-	-	-	284	5,710	5,994	(5,994)	-
Total	205,158	27,537	57,528	13,341	40,612	12,333	356,511	(5,994)	350,517
Business segment profit/(loss)	32,296	5,752	8,801	(1,990)	4,305	269	49,435	(34)	49,401
Other income and expenses	423	78	(7)	1,126	(49)	206	1,777	-	1,777
Operating profit/(loss)	32,719	5,831	8,794	(863)	4,256	475	51,213	(34)	51,178
Finance income and expenses									292
Share of profit/(loss) of investments accounted for using the equity method									104
Profit before income taxes									51,576

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	Coding & 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 Sept. 30, 2020

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	95,028	14,385	18,919	8,840	17,274	2,429	156,876	-	156,876
Intersegment	-	-	-	-	120	3,626	3,747	(3,747)	-
Total	95,028	14,385	18,919	8,840	17,394	6,055	160,623	(3,747)	156,876
Business segment profit/(loss)	18,911	2,702	845	(447)	1,598	(219)	23,391	(27)	23,363
Other income and expenses	(278)	(97)	27	491	(393)	142	(107)	-	(107)
Operating profit/(loss)	18,632	2,605	873	43	1,204	(76)	23,283	(27)	23,255
Finance income and expenses									(156)
Share of profit/(loss) of investments accounted for using the equity method									83
Profit before income taxes									23,181

Three months ended Sept. 30, 2021

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	106,094	13,425	27,127	6,389	20,358	3,108	176,504	-	176,504
Intersegment	-	-	-	-	167	3,398	3,566	(3,566)	-
Total	106,094	13,425	27,127	6,389	20,525	6,507	180,070	(3,566)	176,504
Business segment profit/(loss)	15,890	2,640	3,633	(1,219)	2,236	84	23,266	(33)	23,232
Other income and expenses	493	118	40	697	(61)	196	1,484	-	1,484
Operating profit/(loss)	16,384	2,758	3,674	(522)	2,174	281	24,750	(33)	24,717
Finance income and expenses									81
Share of profit/(loss) of investments accounted for using the equity method									42
Profit before income taxes									24,841

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	Coding & 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.