

## Highlights of Consolidated Results for the Nine Months and the Third Quarter of Fiscal Year ending March 31, 2022

	Millions of yen (except for per share amounts)			
	Y	Y	Y	
Revenue	467,486	534,974		14.4 %
Business segment profit	63,337	72,921		15.1 %
Operating profit	62,840	76,020		21.0 %
Profit before income taxes	63,011	76,775		21.8 %
Profit for the period	47,609	54,732		15.0 %
Profit for the period attributable to owners of the parent company	47,526	54,252		14.2 %
Comprehensive income for the period	62,700	66,022		5.3 %
Basic earnings per share for the period (yen)	182.90	208.70		
Diluted earnings per share for the period (yen)	182.33	208.07		
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 Dec. 31, 2021	
	Y		Y	
Total assets	743,896		765,719	
Total equity	499,707		533,881	
Equity attributable to owners of the parent company	483,050		532,327	
Equity attributable to owners of the parent company ratio	64.9 %		69.5 %	
Equity attributable to owners of the parent company per share (yen)	1,858.28		2,047.76	

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

	Millions of yen (except for per share amounts)			
	Year ended Mar. 31, 2021		[Forecast]	
	Y		Y	
Revenue	631,812		700,000	10.8 %
Business segment profit	78,076		81,000	3.7 %
Operating profit	42,731		82,000	91.9 %
Profit before income taxes	42,944		82,500	92.1 %
Profit for the period	24,659		58,000	135.2 %
Profit for the period attributable to owners of the parent company	24,520		58,000	136.5 %
Basic earnings per share for the period (yen)	94.36		223.11	
Dividends per common share (yen)	60.00		64.00	

(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 nine months ended Dec. 31, 2021 are based on the following currency exchange rates:  
Actual average rates for the nine months ended Dec. 31, 2021: US\$=111.38 yen, EURO=130.85 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\$=111.14 yen, EURO=129.92 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of Mar. 31, 2021, 262,220 thousands as of Dec. 31, 2021  
Number of treasury stock outstanding: 2,276 thousands as of Mar. 31, 2021, 2,264 thousands as of Dec. 31, 2021  
Number of weighted average shares:  
259,852 thousands during the nine months ended Dec. 31, 2020, 259,955 thousands during the nine months ended Dec. 31, 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 Dec. 31, 2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	Y 191,002	Y <b>160,202</b>
Trade and other receivables	93,055	<b>101,910</b>
Other financial assets	8,391	<b>8,807</b>
Inventories	120,186	<b>152,766</b>
Other current assets	16,070	<b>19,449</b>
Subtotal	428,705	<b>443,136</b>
Non-current assets classified as held for sale	45	-
Total current assets	428,751	<b>443,136</b>
Non-current assets		
Property, plant and equipment	107,742	<b>111,671</b>
Right-of-use assets	20,835	<b>19,074</b>
Investment property	8,248	<b>7,941</b>
Goodwill and intangible assets	118,196	<b>118,263</b>
Investments accounted for using the equity method	1,772	<b>1,865</b>
Other financial assets	36,042	<b>37,043</b>
Deferred tax assets	14,842	<b>18,874</b>
Other non-current assets	7,464	<b>7,849</b>
Total non-current assets	315,145	<b>322,583</b>
Total assets	Y <b>743,896</b>	Y <b>765,719</b>
<b>Equity and liabilities</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	Y 54,589	Y <b>63,985</b>
Bonds and borrowings	19,167	<b>19,402</b>
Other financial liabilities	9,887	<b>8,508</b>
Income taxes payable	6,779	<b>12,567</b>
Provisions	4,015	<b>3,398</b>
Contract liabilities	5,636	<b>5,982</b>
Other current liabilities	51,412	<b>47,604</b>
Total current liabilities	151,489	<b>161,449</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	38,290	<b>19,988</b>
Other financial liabilities	23,295	<b>18,830</b>
Retirement benefits liabilities	19,316	<b>18,897</b>
Provisions	2,848	<b>2,907</b>
Deferred tax liabilities	6,394	<b>7,158</b>
Contract liabilities	1,506	<b>1,525</b>
Other non-current liabilities	1,047	<b>1,080</b>
Total non-current liabilities	92,700	<b>70,388</b>
Total liabilities	244,189	<b>231,838</b>
<b>Equity</b>		
Capital stock	19,209	<b>19,209</b>
Capital surplus	17,652	<b>17,779</b>
Retained earnings	509,662	<b>546,371</b>
Treasury stock	(2,477)	<b>(2,452)</b>
Other components of equity	(60,998)	<b>(48,580)</b>
Equity attributable to owners of the parent company	483,050	<b>532,327</b>
Non-controlling interests	16,657	<b>1,554</b>
Total equity	499,707	<b>533,881</b>
Total equity and liabilities	Y <b>743,896</b>	Y <b>765,719</b>

## Consolidated Statement of Income

	Millions of yen			
	Nine months ended		Nine months ended	
	Dec. 31,		Dec. 31,	
	2020		2021	
Revenue	Y	467,486	Y	<b>534,974</b>
Cost of sales		(254,578)		<b>(300,388)</b>
Gross profit		212,907		<b>234,586</b>
Selling, general and administrative expenses		(149,569)		<b>(161,664)</b>
Other income		4,579		<b>5,328</b>
Other expenses		(5,076)		<b>(2,229)</b>
Operating profit		62,840		<b>76,020</b>
Finance income		2,379		<b>2,231</b>
Finance expenses		(2,398)		<b>(1,667)</b>
Share of profit/(loss) of investments accounted for using the equity method		190		<b>190</b>
Profit before income taxes		63,011		<b>76,775</b>
Income tax expenses		(15,402)		<b>(22,043)</b>
Profit for the period		47,609		<b>54,732</b>
Profit for the period attributable to:				
Owners of the parent company		47,526		<b>54,252</b>
Non-controlling interests		82		<b>480</b>
Profit for the period	Y	47,609	Y	<b>54,732</b>
Earnings per share:		Yen		Yen
Basic earnings per share	Y	182.90	Y	<b>208.70</b>
Diluted earnings per share		182.33		<b>208.07</b>

## Consolidated Statement of Income

	Millions of yen			
	Three months ended		Three months ended	
	Dec. 31,		Dec. 31,	
	2020		2021	
Revenue	Y	177,423	Y	<b>184,457</b>
Cost of sales		(94,131)		<b>(105,208)</b>
Gross profit		83,291		<b>79,249</b>
Selling, general and administrative expenses		(51,939)		<b>(55,728)</b>
Other income		1,973		<b>2,038</b>
Other expenses		(3,003)		<b>(716)</b>
Operating profit		30,321		<b>24,842</b>
Finance income		995		<b>1,103</b>
Finance expenses		(1,007)		<b>(832)</b>
Share of profit/(loss) of investments accounted for using the equity method		58		<b>86</b>
Profit before income taxes		30,368		<b>25,199</b>
Income tax expenses		(7,485)		<b>(7,581)</b>
Profit for the period		<u>22,883</u>		<u><b>17,617</b></u>
Profit for the period attributable to:				
Owners of the parent company		22,829		<b>17,440</b>
Non-controlling interests		53		<b>177</b>
Profit for the period	Y	<u>22,883</u>	Y	<u><b>17,617</b></u>
Earnings per share:		Yen		Yen
Basic earnings per share	Y	87.85	Y	<b>67.09</b>
Diluted earnings per share		87.57		<b>66.88</b>

## Consolidated Statement of Comprehensive Income

	Millions of yen	
	Nine months ended Dec. 31, 2020	<b>Nine months ended Dec. 31, 2021</b>
Profit for the period	Y 47,609	<b>Y 54,732</b>
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	5,283	<b>(1,160)</b>
Total of items that will not be reclassified subsequently to profit or loss	5,283	<b>(1,160)</b>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	9,808	<b>12,450</b>
Total of items that may be reclassified subsequently to profit or loss	9,808	<b>12,450</b>
Other comprehensive income for the period, net of income tax	15,091	<b>11,290</b>
Comprehensive income for the period	62,700	<b>66,022</b>
Comprehensive income for the period attributable to:		
Owners of the parent company	62,512	<b>65,524</b>
Non-controlling interests	188	<b>498</b>
Comprehensive income for the period	Y 62,700	<b>Y 66,022</b>

## Consolidated Statement of Comprehensive Income

	Millions of yen	
	Three months ended Dec. 31, 2020	<b>Three months ended Dec. 31, 2021</b>
Profit for the period	Y 22,883	<b>Y 17,617</b>
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	2,424	<b>(559)</b>
Total of items that will not be reclassified subsequently to profit or loss	2,424	<b>(559)</b>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	4,872	<b>11,227</b>
Total of items that may be reclassified subsequently to profit or loss	4,872	<b>11,227</b>
Other comprehensive income for the period, net of income tax	7,297	<b>10,668</b>
Comprehensive income for the period	30,180	<b>28,286</b>
Comprehensive income for the period attributable to:		
Owners of the parent company	30,109	<b>28,153</b>
Non-controlling interests	70	<b>132</b>
Comprehensive income for the period	Y 30,180	<b>Y 28,286</b>

## Consolidated Statement of Changes in Equity

Nine months ended Dec. 31, 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	-	-	47,526	-	-	
Other comprehensive income	-	-	-	-	9,794	
Total comprehensive income for the period	-	-	47,526	-	9,794	
Acquisition of treasury stock	-	-	-	(6)	-	
Disposal of treasury stock	-	(20)	(4)	31	-	
Dividends paid	-	-	(14,830)	-	-	
Share-based payment transaction	-	120	-	-	-	
Reclassification to retained earnings	-	-	5,190	-	-	
Total transactions with owners	-	100	(9,643)	24	-	
Balance as of Dec. 31, 2020	19,209	17,732	529,686	(2,573)	(87,732)	

	Equity attributable to owners of the parent company					Total equity
	Other components of equity		Total	Non-controlling interests	Total	
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total				
Balance as of Apr. 1, 2020	-	(97,526)	428,520	16,650	445,171	
Profit for the period	-	-	47,526	82	47,609	
Other comprehensive income	5,190	14,985	14,985	105	15,091	
Total comprehensive income for the period	5,190	14,985	62,512	188	62,700	
Acquisition of treasury stock	-	-	(6)	-	(6)	
Disposal of treasury stock	-	-	6	-	6	
Dividends paid	-	-	(14,830)	(247)	(15,078)	
Share-based payment transaction	-	-	120	-	120	
Reclassification to retained earnings	(5,190)	(5,190)	-	-	-	
Total transactions with owners	(5,190)	(5,190)	(14,710)	(247)	(14,957)	
Balance as of Dec. 31, 2020	-	(87,732)	476,322	16,591	492,914	

Nine months ended Dec. 31, 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	-	-	54,252	-	-	
Other comprehensive income	-	-	-	-	12,417	
Total comprehensive income for the period	-	-	54,252	-	12,417	
Acquisition of treasury stock	-	-	-	(7)	-	
Disposal of treasury stock	-	(31)	-	31	-	
Dividends paid	-	-	(16,397)	-	-	
Share-based payment transaction	-	117	-	-	-	
Changes in ownership interest in subsidiaries	-	39	-	-	-	
Reclassification to retained earnings	-	-	(1,145)	-	-	
Total transactions with owners	-	126	(17,543)	24	-	
Balance as of Dec. 31, 2021	19,209	17,779	546,371	(2,452)	(48,580)	

	Equity attributable to owners of the parent company					Total equity
	Other components of equity		Total	Non-controlling interests	Total	
	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total				
Balance as of Apr. 1, 2021	-	(60,998)	483,050	16,657	499,707	
Profit for the period	-	-	54,252	480	54,732	
Other comprehensive income	(1,145)	11,272	11,272	18	11,290	
Total comprehensive income for the period	(1,145)	11,272	65,524	498	66,022	
Acquisition of treasury stock	-	-	(7)	-	(7)	
Disposal of treasury stock	-	-	0	-	0	
Dividends paid	-	-	(16,397)	(247)	(16,645)	
Share-based payment transaction	-	-	117	-	117	
Changes in ownership interest in subsidiaries	-	-	39	(15,353)	(15,313)	
Reclassification to retained earnings	1,145	1,145	-	-	-	
Total transactions with owners	1,145	1,145	(16,246)	(15,601)	(31,848)	
Balance as of Dec. 31, 2021	-	(48,580)	532,327	1,554	533,881	

## Consolidated Statement of Cash Flows

	Millions of yen			
	Nine months ended Dec. 31, 2020		Nine months ended Dec. 31, 2021	
<b>Cash flows from operating activities</b>				
Profit before income taxes	Y	63,011	Y	76,775
Depreciation and amortization		28,852		28,778
Finance expenses/(income)		19		(563)
Share of loss/(profit) of investments accounted for using the equity method		(190)		(190)
Losses/(gains) on sale and disposal of fixed assets		(154)		505
Decrease/(increase) in trade and other receivables		(1,605)		(6,927)
Decrease/(increase) in inventories		(1,180)		(28,654)
Increase/(decrease) in trade and other payables		7,224		8,483
Decrease/(increase) in retirement benefit assets		(60)		96
Increase/(decrease) in retirement benefit liabilities		271		(570)
Other		(3,459)		(5,635)
Subtotal		92,728		72,097
Interest received		580		919
Dividends received		305		319
Interest paid		(879)		(566)
Income taxes paid		(12,585)		(19,620)
Net cash provided by operating activities	Y	80,149	Y	53,149
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment		(14,959)		(19,009)
Proceeds from sales of property, plant and equipment		1,415		938
Purchases of intangible assets		(4,227)		(5,976)
Purchases of investments in equity instruments		(114)		(919)
Proceeds from sales of investments in equity instruments		408		-
Purchase of investments in debt instruments		(6,020)		(6,649)
Proceeds from sales or redemption of investments in debt instruments		7,541		4,108
Other		(511)		(688)
Net cash provided by (used in) investing activities	Y	(16,468)	Y	(28,194)
<b>Cash flows from financing activities</b>				
Proceeds from short-term borrowings		9,987		-
Proceeds from long-term borrowings		200		200
Repayment of long-term borrowings		(200)		(20,197)
Repayment of lease obligations		(6,493)		(6,596)
Payments for acquisition of interests in subsidiaries from non-controlling interests		-		(15,335)
Dividends paid		(14,830)		(16,397)
Dividends paid to non-controlling interests		(247)		(247)
Redemption of bonds		(20,140)		-
Other		(4)		(4)
Net cash provided by (used in) financing activities	Y	(31,730)	Y	(58,579)
Effect of exchange rate changes on cash and cash equivalents		5,020		2,824
Net increase/(decrease) in cash and cash equivalents		36,971		(30,800)
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	205,393	Y	160,202

## Segment Information

Nine months ended Dec. 31, 2020

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	287,142	41,345	56,021	23,762	50,220	8,993	467,486	-	467,486
Intersegment	-	-	-	-	393	8,402	8,795	(8,795)	-
Total	287,142	41,345	56,021	23,762	50,613	17,395	476,281	(8,795)	467,486
Business segment profit/(loss)	52,571	8,176	2,872	(3,345)	3,251	(54)	63,471	(133)	63,337
Other income and expenses	377	(145)	(1,020)	461	(796)	626	(497)	-	(497)
Operating profit/(loss)	52,948	8,030	1,851	(2,884)	2,454	572	62,974	(133)	62,840
Finance income and expenses									(19)
Share of profit/(loss) of investments accounted for using the equity method									190
Profit before income taxes									63,011

Nine months ended Dec. 31, 2021

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	320,063	38,887	83,724	21,835	60,328	10,136	534,974	-	534,974
Intersegment	-	-	-	-	488	10,280	10,769	(10,769)	-
Total	320,063	38,887	83,724	21,835	60,817	20,417	545,744	(10,769)	534,974
Business segment profit/(loss)	50,115	7,274	11,958	(1,948)	5,024	574	72,998	(76)	72,921
Other income and expenses	525	118	69	2,251	(74)	209	3,099	-	3,099
Operating profit	50,641	7,393	12,027	302	4,949	783	76,097	(76)	76,020
Finance income and expenses									563
Share of profit/(loss) of investments accounted for using the equity method									190
Profit before income taxes									76,775

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 Dec. 31, 2020

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	109,194	16,098	22,053	8,762	17,570	3,743	177,423	-	177,423
Intersegment	-	-	-	-	140	2,704	2,844	(2,844)	-
Total	109,194	16,098	22,053	8,762	17,710	6,447	180,267	(2,844)	177,423
Business segment profit/(loss)	24,302	4,088	2,176	(633)	1,294	187	31,416	(64)	31,352
Other income and expenses	(78)	(46)	(828)	(28)	(279)	231	(1,030)	-	(1,030)
Operating profit/(loss)	24,223	4,042	1,348	(661)	1,014	419	30,385	(64)	30,321
Finance income and expenses									(11)
Share of profit/(loss) of investments accounted for using the equity method									58
Profit before income taxes									30,368

Three months ended Dec. 31, 2021

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	114,905	11,349	26,195	8,493	19,999	3,513	184,457	-	184,457
Intersegment	-	-	-	-	204	4,570	4,774	(4,774)	-
Total	114,905	11,349	26,195	8,493	20,204	8,083	189,232	(4,774)	184,457
Business segment profit	17,818	1,522	3,156	41	718	304	23,562	(41)	23,520
Other income and expenses	102	40	76	1,124	(25)	2	1,322	-	1,322
Operating profit	17,921	1,562	3,233	1,166	693	307	24,884	(41)	24,842
Finance income and expenses									271
Share of profit/(loss) of investments accounted for using the equity method									86
Profit before income taxes									25,199

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.