

## Highlights of Consolidated Results for the Nine Months and the Third Quarter of Fiscal Year ending March 31, 2019

Millions of yen (except for per share amounts)				
	Nine months ended December 31, 2017		Nine months ended December 31, 2018	
				Change
Revenue	Y	534,162	Y	521,817 -2.3 %
Business segment profit		61,527		60,415 -1.8 %
Operating profit		53,106		61,672 16.1 %
Profit before income taxes		53,723		62,032 15.5 %
Profit for the period		39,184		46,760 19.3 %
Profit for the period attributable to owners of the parent company		38,838		46,508 19.7 %
Comprehensive income for the period		65,779		32,522 -50.6 %
Basic earnings per share for the period (yen)		149.57		179.08
Diluted earnings per share for the period (yen)		149.14		178.53

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

	As of March 31, 2018		As of December 31, 2018	
Total assets	Y	708,278	Y	693,008
Total equity		412,494		428,880
Equity attributable to owners of the parent company		395,514		412,068
Equity attributable to owners of the parent company ratio		55.8 %		59.5 %
Equity attributable to owners of the parent company per share (yen)		1,523.09		1,586.53

## Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2019

Millions of yen (except for per share amounts)				
	Year ended March 31, 2018		[Forecast] Year ending March 31, 2019	
				Change
Revenue	Y	712,997	Y	690,000 -3.2 %
Business segment profit		77,229		69,000 -10.7 %
Operating profit		68,672		70,000 1.9 %
Profit before income taxes		69,669		70,000 0.5 %
Profit for the period		50,472		52,500 4.0 %
Profit for the period attributable to owners of the parent company		50,020		52,000 4.0 %
Basic earnings per share for the period (yen)		192.63		200.25
Dividends per common share (yen)		54.00		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, 2018 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=111.00 yen, in the accompanying consolidated financial statements.
- Operating results for the nine months ended December 31, 2018 are based on the following currency exchange rates:  
Actual average rates for the nine months ended December 31, 2018: US\$=110.82 yen, EURO=129.38 yen  
Forecasts for the year ending March 31, 2019 are based on the following currency exchange rates:  
Assumed average rates for the year ending March 31, 2019: US\$=109.16 yen, EURO=129.33 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of March 31, 2018, 262,220 thousands as of December 31, 2018  
Number of treasury stock outstanding: 2,541 thousands as of March 31, 2018, 2,491 thousands as of December 31, 2018  
Number of weighted average shares: 259,673 thousands during the nine months ended December 31, 2017, 259,712 thousands during the nine months ended December 31, 2018
- Changes in Accounting Policies: The Brother Group adopted IFRS 15 "Revenue from Contracts with Customers" as of April 1, 2018.  
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.

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, 2018	As of December 31, 2018	As of December 31, 2018
<b>Assets</b>			
Current assets			
Cash and cash equivalents	Y 121,384	Y 110,680	\$ 997,117
Trade and other receivables	104,624	106,616	960,505
Other financial assets	9,272	6,901	62,171
Inventories	116,967	131,196	1,181,946
Other current assets	14,211	14,116	127,171
Subtotal	366,459	369,512	3,328,937
Non-current assets classified as held for sale	174	155	1,396
Total current assets	366,633	369,667	3,330,333
Non-current assets			
Property, plant and equipment	120,320	115,284	1,038,595
Investment property	6,465	6,384	57,514
Goodwill and intangible assets	153,913	143,719	1,294,766
Investments accounted for using the equity method	1,498	1,512	13,622
Other financial assets	38,681	32,569	293,414
Deferred tax assets	13,489	16,398	147,730
Other non-current assets	7,275	7,471	67,306
Total non-current assets	341,644	323,340	2,912,973
Total assets	Y 708,278	Y 693,008	\$ 6,243,315
<b>Equity and liabilities</b>			
Liabilities			
Current liabilities			
Trade and other payables	Y 68,189	Y 61,033	\$ 549,847
Bonds and borrowings	21,894	19,713	177,595
Other financial liabilities	3,328	2,456	22,126
Income taxes payable	6,099	8,513	76,694
Provisions	4,823	4,077	36,730
Contract liabilities	-	4,918	44,306
Other current liabilities	52,676	46,220	416,396
Subtotal	157,012	146,933	1,323,721
Liabilities directly associated with assets classified as held for sale	27	-	-
Total current liabilities	157,039	146,933	1,323,721
Non-current liabilities			
Bonds and borrowings	94,552	77,443	697,685
Other financial liabilities	12,040	9,620	86,667
Retirement benefits liabilities	17,610	17,367	156,459
Provisions	3,141	3,301	29,739
Deferred tax liabilities	8,257	6,681	60,189
Contract liabilities	-	809	7,288
Other non-current liabilities	3,143	1,970	17,748
Total non-current liabilities	138,743	117,195	1,055,811
Total liabilities	295,783	264,128	2,379,532
Equity			
Capital stock	19,209	19,209	173,054
Capital surplus	17,517	17,606	158,613
Retained earnings	427,842	454,981	4,098,928
Treasury stock	(2,800)	(2,733)	(24,622)
Other components of equity	(66,255)	(76,996)	(693,658)
Equity attributable to owners of the parent company	395,514	412,068	3,712,324
Non-controlling interests	16,980	16,811	151,450
Total equity	412,494	428,880	3,863,784
Total equity and liabilities	Y 708,278	Y 693,008	\$ 6,243,315

## Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2018
Revenue	Y 534,162	Y 521,817	\$ 4,701,054
Cost of sales	(308,402)	(299,308)	(2,696,468)
Gross profit	225,759	222,508	2,004,577
Selling, general and administrative expenses	(164,232)	(162,092)	(1,460,288)
Other income	1,550	3,712	33,441
Other expenses	(9,970)	(2,456)	(22,126)
Operating profit	53,106	61,672	555,604
Finance income	2,185	3,568	32,144
Finance expenses	(1,625)	(3,297)	(29,703)
Share of profit/(loss) of investments accounted for using the equity method	56	89	802
Profit before income taxes	53,723	62,032	558,847
Income tax expenses	(14,538)	(15,272)	(137,586)
Profit for the period	39,184	46,760	421,261
Profit for the period attributable to:			
Owners of the parent company	38,838	46,508	418,991
Non-controlling interests	345	251	2,261
Profit for the period	Y 39,184	Y 46,760	\$ 421,261
Earnings per share:	Yen	Yen	U.S. dollars
Basic earnings per share	Y 149.57	Y 179.08	\$ 1.61
Diluted earnings per share	149.14	178.53	1.61

## Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31, 2017	Three months ended December 31, 2018	Three months ended December 31, 2018
Revenue	Y 187,761	Y 178,127	\$ 1,604,748
Cost of sales	(108,649)	(100,547)	(905,829)
Gross profit	79,112	77,579	698,910
Selling, general and administrative expenses	(56,700)	(55,526)	(500,234)
Other income	450	1,837	16,550
Other expenses	(1,066)	(249)	(2,243)
Operating profit	21,795	23,640	212,973
Finance income	782	1,376	12,396
Finance expenses	(490)	(1,436)	(12,937)
Share of profit/(loss) of investments accounted for using the equity method	46	46	414
Profit before income taxes	22,134	23,627	212,856
Income tax expenses	(5,918)	(5,560)	(50,090)
Profit for the period	16,216	18,066	162,757
Profit for the period attributable to:			
Owners of the parent company	16,156	17,954	161,748
Non-controlling interests	60	112	1,009
Profit for the period	Y 16,216	Y 18,066	\$ 162,757
Earnings per share:	Yen	Yen	U.S. dollars
Basic earnings per share	Y 62.22	Y 69.13	\$ 0.62
Diluted earnings per share	62.04	68.90	0.62

## Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2018
Profit for the period	Y 39,184	Y 46,760	\$ 421,261
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	2,829	(3,483)	(31,378)
Total of items that will not be reclassified subsequently to profit or loss	2,829	(3,483)	(31,378)
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	120	-	-
Exchange differences on translating foreign operations	23,644	(10,754)	(96,883)
Total of items that may be reclassified subsequently to profit or loss	23,765	(10,754)	(96,883)
Other comprehensive income for the period, net of income tax	26,594	(14,237)	(128,261)
Comprehensive income for the period	65,779	32,522	292,991
Comprehensive income for the period attributable to:			
Owners of the parent company	65,316	32,422	292,090
Non-controlling interests	463	100	901
Comprehensive income for the period	Y 65,779	Y 32,522	\$ 292,991

# **Consolidated Statement of Comprehensive Income**

	Millions of yen		Thousands of U.S. dollars
	Three months ended December 31, 2017	Three months ended December 31, 2018	Three months ended December 31, 2018
Profit for the period	Y 16,216	Y 18,066	\$ 162,757
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	1,260	(3,078)	(27,730)
Total of items that will not be reclassified subsequently to profit or loss	1,260	(3,078)	(27,730)
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	(28)	-	-
Exchange differences on translating foreign operations	2,701	(15,838)	(142,685)
Total of items that may be reclassified subsequently to profit or loss	2,673	(15,838)	(142,685)
Other comprehensive income for the period, net of income tax	3,934	(18,917)	(170,423)
Comprehensive income for the period	20,150	(850)	(7,658)
Comprehensive income for the period attributable to:			
Owners of the parent company	20,067	(782)	(7,045)
Non-controlling interests	83	(68)	(613)
Comprehensive income for the period	Y 20,150	Y (850)	\$ (7,658)

# Consolidated Statement of Changes in Equity

Nine months ended December 31, 2017	Millions of yen											
	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Other components of equity							Total				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Cash flow hedges	Gains/(Losses) on investments in equity instruments designated as FVTOCI		Total	Total		
Balance as of April 1, 2017	19,209	17,455	407,843	(24,230)	(75,055)	(161)	-	(75,216)	345,061	16,647	361,709	
Profit for the period	-	-	38,838	-	-	-	-	-	38,838	345	39,184	
Other comprehensive income	-	-	-	-	23,629	120	2,727	26,477	26,477	117	26,594	
Total comprehensive income for the period	-	-	38,838	-	23,629	120	2,727	26,477	65,316	463	65,779	
Acquisition of treasury stock	-	-	-	(10)	-	-	-	-	(10)	-	(10)	
Disposal of treasury stock	-	(36)	(11)	47	-	-	-	-	0	-	0	
Cancellation of treasury stock	-	(21)	(21,369)	21,391	-	-	-	-	-	-	-	
Dividends paid	-	-	(12,480)	-	-	-	-	-	(12,480)	(246)	(12,726)	
Change due to stock swap	-	(2)	-	6	-	-	-	-	3	(3)	-	
Reclassification to retained earnings	-	-	2,727	-	-	-	(2,727)	(2,727)	-	-	-	
Total transactions with owners	-	(59)	(31,134)	21,434	-	-	(2,727)	(2,727)	(12,487)	(249)	(12,736)	
Balance as of December 31, 2017	19,209	17,395	415,547	(2,795)	(51,425)	(40)	-	(51,466)	397,891	16,860	414,751	

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, 2018	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, 2018	173,054	157,811	3,854,432	(25,225)	(596,892)	-	(596,892)	3,563,189	152,973	3,716,162
Cumulative effect of adoption of the new accounting standards	-	-	(3,541)	-	-	-	-	(3,541)	-	(3,541)
Balance as of April 1, 2018	173,054	157,811	3,850,892	(25,225)	(596,892)	-	(596,892)	3,559,640	152,973	3,712,622
Profit for the period	-	-	418,991	-	-	-	-	418,991	2,261	421,261
Other comprehensive income	-	-	-	-	(96,757)	(30,135)	(126,901)	(126,901)	(1,360)	(128,261)
Total comprehensive income for the period	-	-	418,991	-	(96,757)	(30,135)	(126,901)	292,090	901	292,991
Acquisition of treasury stock	-	-	-	(72)	-	-	-	(72)	-	(72)
Disposal of treasury stock	-	(432)	(243)	685	-	-	-	0	-	0
Dividends paid	-	-	(140,568)	-	-	-	-	(140,568)	(2,423)	(142,991)
Share-based payment transaction	-	1,234	-	-	-	-	-	1,234	-	1,234
Reclassification to retained earnings	-	-	(30,135)	-	-	30,135	30,135	-	-	-
Total transactions with owners	-	793	(170,955)	604	-	30,135	30,135	(139,405)	(2,423)	(141,829)
Balance as of December 31, 2018	173,054	158,613	4,098,928	(24,622)	(693,658)	-	(693,658)	3,712,324	151,450	3,863,784

## Consolidated Statement of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	Nine months ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2018
Cash flows from operating activities			
Profit before income taxes	Y 53,723	Y 62,032	\$ 558,847
Depreciation and amortization	25,544	25,181	226,856
Finance expenses/(income)	(560)	(271)	(2,441)
Share of loss/(profit) of investments accounted for using the equity method	(56)	(89)	(802)
Losses/(gains) on sale and disposal of fixed assets	394	525	4,730
Decrease/(increase) in trade and other receivables	(12,415)	(3,283)	(29,577)
Decrease/(increase) in inventories	(5,891)	(15,337)	(138,171)
Increase/(decrease) in trade and other payables	3,367	(5,893)	(53,090)
Decrease/(increase) in retirement benefit assets	552	225	2,027
Increase/(decrease) in retirement benefit liabilities	209	15	135
Other	1,835	(3,626)	(32,667)
Subtotal	66,702	59,480	535,856
Interest received	751	757	6,820
Dividends received	322	366	3,297
Interest paid	(409)	(384)	(3,459)
Income taxes paid	(15,665)	(14,732)	(132,721)
Net cash provided by operating activities	Y 51,702	Y 45,488	\$ 409,802
Cash flows from investing activities			
Purchases of property, plant and equipment	(17,281)	(13,636)	(122,847)
Proceeds from sales of property, plant and equipment	471	335	3,018
Purchases of intangible assets	(6,638)	(5,278)	(47,550)
Purchases of investments in equity instruments	(533)	(470)	(4,234)
Proceeds from sales of investments in equity instruments	422	58	523
Purchase of investments in debt instruments	(9,198)	(2,831)	(25,505)
Proceeds from sales or redemption of investments in debt instruments	4,330	6,822	61,459
Payments for acquisition of business	(617)	-	-
Other	(514)	(550)	(4,955)
Net cash provided by (used in) investing activities	Y (29,559)	Y (15,551)	\$ (140,099)
Cash flows from financing activities			
Proceeds from short-term borrowings	3,154	-	-
Repayment of short-term borrowings	-	(1,122)	(10,108)
Repayment of long-term borrowings	(20,294)	(294)	(2,649)
Redemption of bonds	-	(20,070)	(180,811)
Repayment of lease obligations	(1,324)	(1,217)	(10,964)
Dividends paid	(12,480)	(15,603)	(140,568)
Dividends paid to non-controlling interests	(246)	(269)	(2,423)
Other	(66)	(5)	(45)
Net cash provided by (used in) financing activities	Y (31,257)	Y (38,582)	\$ (347,586)
Effect of exchange rate changes on cash and cash equivalents	6,295	(2,058)	(18,541)
Net increase/(decrease) in cash and cash equivalents	(2,819)	(10,703)	(96,423)
Cash and cash equivalents at the beginning of the period	112,032	121,384	1,093,550
Cash and cash equivalents at the end of the period	Y 109,213	Y 110,680	\$ 997,117

## Segment Information

Nine months ended December 31, 2017

Nine months ended December 31, 2017									
Millions of yen									
Reportable segments									
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue									
Customers	309,850	34,375	94,085	37,101	50,052	8,696	534,162	-	534,162
Intersegment	-	-	-	-	-	8,789	8,789	(8,789)	-
Total	309,850	34,375	94,085	37,101	50,052	17,486	542,951	(8,789)	534,162
Business segment profit	42,499	1,568	11,420	2,131	3,255	726	61,601	(74)	61,527
Other income and expenses	(7,164)	(604)	(187)	(159)	(413)	109	(8,420)	-	(8,420)
Operating profit	35,335	963	11,232	1,972	2,841	836	53,181	(74)	53,106
Finance income and expenses									560
Share of profit/(loss) of investments accounted for using the equity method									56
Profit before income taxes									53,723

Nine months ended December 31, 2018

		Millions of yen								
		Reportable segments								
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
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Revenue										
Customers		307,346	35,488	81,779	35,673	52,558	8,969	521,817	-	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)	521,817
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Business segment profit		43,358	3,358	8,775	1,264	3,089	697	60,544	(128)	60,415
Other income and expenses		576	16	178	(59)	320	224	1,256	-	1,256
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Operating profit		43,934	3,374	8,954	1,204	3,409	922	61,800	(128)	61,672
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Finance income and expenses										271
Share of profit/(loss) of investments accounted for using the equity method										89
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Profit before income taxes										62,032

Nine months ended December 31, 2018

		Thousand of U.S. dollars								
		Reportable segments								
		Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue										
Customers		2,768,883	319,712	736,748	321,378	473,495	80,802	4,701,054	-	4,701,054
Intersegment		-	-	-	-	-	83,000	83,000	(83,000)	-
Total		2,768,883	319,712	736,748	321,378	473,495	163,811	4,784,063	(83,000)	4,701,054
Business segment profit		390,613	30,252	79,054	11,387	27,829	6,279	545,441	(1,153)	544,279
Other income and expenses		5,189	144	1,604	(532)	2,883	2,018	11,315	-	11,315
Operating profit		395,802	30,396	80,667	10,847	30,712	8,306	556,757	(1,153)	555,604
Finance income and expenses										2,441
Share of profit/(loss) of investments accounted for using the equity method										802
Profit before income taxes										558,847

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, 2017

Millions of yen								
	Reportable segments						Total	Reconciliations
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others		
Revenue								
Customers	110,619	13,648	30,602	13,119	17,047	2,723	187,761	-
Intersegment	-	-	-	-	-	2,634	2,634	(2,634)
Total	110,619	13,648	30,602	13,119	17,047	5,358	190,396	(2,634)
Business segment profit	15,590	1,136	3,809	1,064	734	93	22,429	(18)
Other income and expenses	(597)	(157)	(32)	(23)	168	26	(615)	-
Operating profit	14,993	979	3,776	1,040	903	119	21,814	(18)
Finance income and expenses								292
Share of profit/(loss) of investments accounted for using the equity method								46
Profit before income taxes								22,134

Three months ended December 31, 2018

Millions of yen								
	Reportable segments						Total	Reconciliations
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others		
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, 2018

Thousand of U.S. dollars								
	Reportable segments						Total	Reconciliations
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others		
Revenue								
Customers	979,649	126,784	202,351	111,631	160,730	23,595	1,604,748	-
Intersegment	-	-	-	-	-	29,126	29,126	(29,126)
Total	979,649	126,784	202,351	111,631	160,730	52,721	1,633,883	(29,126)
Business segment profit	149,477	21,108	15,261	5,910	5,793	1,667	199,243	(568)
Other income and expenses	9,847	955	144	117	2,495	712	14,297	-
Operating profit	159,333	22,072	15,405	6,036	8,297	2,387	213,550	(568)
Finance income and expenses								(532)
Share of profit/(loss) of investments accounted for using the equity method								414
Profit before income taxes								212,856

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.

# **FY2018 Q3 Results**

## **Supplementary Information**

1. Consolidated results
2. Balance sheet
3. Cash flows
4. Sales Revenue by business segment
5. Business Segment profit by business segment
6. Operating profit by business segment
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8. R&D Expenses / Capex / Depreciation & Amortization
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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)

	2017 3Q Act	2018 3Q Act	Change (w/o fx impact )	2017 3Q YTD	2018 3Q YTD	Change (w/o fx impact )
Sales Revenue	187,761	178,127	-5.1% (-2.2%)	534,162	521,817	-2.3% (-0.6%)
Business Segment profit	22,411	22,052	-1.6%	61,527	60,415	-1.8%
Operating profit	21,795	23,640	8.5%	53,106	61,672	16.1%
Net Income	16,156	17,954	11.1%	38,838	46,508	19.7%
ROS(Business Segment profit)	11.9%	12.4%	-	11.5%	11.6%	-
ROS(Operating profit)	11.6%	13.3%	-	9.9%	11.8%	-
Yen-USD	112.74	112.83	-	111.82	110.82	-
Yen-Euro	133.09	129.19	-	128.59	129.38	-
Yen-GBP	150.77	144.48	-	146.24	145.83	-

	2017 Full Year Act	2018 Full Year Fct	Change (w/o fx impact )	2018 Previous Forecast	2018 Revised Forecast	Change (w/o fx impact )
Sales Revenue	712,997	690,000	-3.2% (-1.5%)	690,000	690,000	-
Business Segment profit	77,229	69,000	-10.7%	69,000	69,000	-
Operating profit	68,672	70,000	1.9%	70,000	70,000	-
Net Income	50,020	52,000	4.0%	52,000	52,000	-
ROS(Business Segment profit)	10.8%	10.0%	-	10.0%	10.0%	-
ROS(Operating profit)	9.6%	10.1%	-	10.1%	10.1%	-
Yen-USD	110.81	109.16	-	109.16	109.16	-
Yen-Euro	129.45	129.33	-	129.33	129.33	-
Yen-GBP	147.27	148.27	-	148.27	148.27	-

## 2. Balance sheet

(Millions of yen)

	2017 Full Year Act	2018 2Q Act	Change
Current assets	366,633	369,667	3,033
Non-current assets	341,644	323,340	- 18,303
Current liabilities	157,039	146,933	- 10,106
Non-current liabilities	138,743	117,195	- 21,548
Equity attributable to owners of the parent company	395,514	412,068	16,554
Total assets	708,278	693,008	- 15,269
Cash & cash equivalents	121,384	110,680	-10,703
Interest-bearing debt	116,446	97,157	△ 19,289
DER*	0.29	0.24	—
Equity ratio attributable to owners of the parent company	55.8%	59.5%	—

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

## 3. Cash flows

(Millions of yen)

	2017 3Q Act	2018 3Q Act	Change	2017 3Q YTD	2018 3Q YTD	Change
Net cash provided by operating activities	13,849	17,906	4,057	51,702	45,488	- 6,213
Net cash used in investing activities	- 9,783	- 6,583	3,200	- 29,559	- 15,551	14,008
Net cash used in financing activities	- 3,211	- 28,483	- 25,272	- 31,257	- 38,582	- 7,325
Cash and cash equivalents at end of period	109,213	110,680	1,467	109,213	110,680	1,467

## 4. Sales Revenue by business segment

(Millions of yen)

	2017 3Q Act	2018 3Q Act	Change (w/o fx impact )	2017 3Q YTD	2018 3Q YTD	Change (w/o fx impact )
Printing & Solutions	110,619	108,741	-1.7% (+1.9%)	309,850	307,346	-0.8% (+1.5%)
Communications and Printing equipment	98,460	96,146	-2.4% (+1.2%)	274,649	270,566	-1.5% (+0.9%)
Electronic stationery	12,158	12,594	3.6% (+6.9%)	35,200	36,780	4.5% (+6.7%)
Personal & Home	13,648	14,073	3.1% (+6.0%)	34,375	35,488	3.2% (+5.5%)
Machinery	30,602	22,461	-26.6% (-25.5%)	94,085	81,779	-13.1% (-12.8%)
Industrial sewing machines	8,800	8,706	-1.1% (+0.6%)	22,812	24,955	9.4% (+9.9%)
Machine tools	16,757	8,754	-47.8% (-47.2%)	56,316	41,937	-25.5% (-25.7%)
Industrial Parts	5,043	5,000	-0.9% (+0.9%)	14,956	14,886	-0.5% (+1.1%)
Network & Contents	13,119	12,391	-5.5% (-5.4%)	37,101	35,673	-3.8% (-4.0%)
Domino	17,047	17,841	4.7% (+9.1%)	50,052	52,558	5.0% (+6.4%)
Others	2,723	2,619	-3.8% (-3.8%)	8,696	8,969	3.1% (+3.1%)
G. total	187,761	178,127	-5.1% (-2.2%)	534,162	521,817	-2.3% (-0.6%)

  

	2017 Full Year Act	2018 Full Year Fct	Change (w/o fx impact )	2018 Previous Forecast	2018 Revised Forecast	Change
Printing & Solutions	412,165	401,200	-2.7% (-0.3%)	401,200	401,200	-
Communications and Printing equipment	364,903	351,900	-3.6% (-1.3%)	351,900	351,900	-
Electronic stationery	47,262	49,300	4.3% (+6.7%)	49,300	49,300	-
Personal & Home	44,466	46,300	4.1% (+7.2%)	46,300	46,300	-
Machinery	127,299	109,000	-14.4% (-14.0%)	109,000	109,000	-
Industrial sewing machines	31,094	33,100	6.5% (+8.0%)	33,100	33,100	-
Machine tools	76,018	55,200	-27.4% (-27.4%)	55,200	55,200	-
Industrial Parts	20,186	20,700	2.5% (+2.9%)	20,700	20,700	-
Network & Contents	49,052	48,700	-0.7% (-0.7%)	48,700	48,700	-
Domino	68,390	71,400	4.4% (+5.4%)	71,400	71,400	-
Others	11,623	13,400	15.3% (+15.3%)	13,400	13,400	-
G. total	712,997	690,000	-3.2% (-1.5%)	690,000	690,000	-

## 5. Business Segment profit by business segment

(Millions of yen)

	2017 3Q Act	2018 3Q Act	Change	2017 3Q YTD	2018 3Q YTD	Change
Printing & Solutions	15,590	16,592	6.4%	42,499	43,358	2.0%
Personal & Home	1,136	2,343	106.1%	1,568	3,358	114.1%
Machinery	3,809	1,694	-55.5%	11,420	8,775	-23.2%
Network & Contents	1,064	656	-38.3%	2,131	1,264	-40.7%
Domino	734	643	-12.4%	3,255	3,089	-5.1%
Others	93	185	99.1%	726	697	-4.0%
Adjustment	- 18	- 63	-	- 74	- 128	-
G. total	22,411	22,052	-1.6%	61,527	60,415	-1.8%

  

	2017 Full Year Act	2018 Full Year Fct	Change	2018 Previous Forecast	2018 Revised Forecast	Change
Printing & Solutions	52,890	48,500	-8.3%	48,500	48,500	-
Personal & Home	1,981	3,700	86.7%	3,700	3,700	-
Machinery	14,426	10,000	-30.7%	10,000	10,000	-
Network & Contents	2,663	2,400	-9.9%	2,400	2,400	-
Domino	4,640	4,000	-13.8%	4,000	4,000	-
Others	736	400	-45.7%	400	400	-
Adjustment	- 107	-	-	-	-	-
G. total	77,229	69,000	-10.7%	69,000	69,000	-

## 6. Operating profit by business segment

(Millions of yen)

	2017 3Q Act	2018 3Q Act	Change	2017 3Q YTD	2018 3Q YTD	Change
Printing & Solutions	14,993	17,686	18.0%	35,335	43,934	24.3%
Personal & Home	979	2,450	150.1%	963	3,374	250.2%
Machinery	3,776	1,710	-54.7%	11,232	8,954	-20.3%
Network & Contents	1,040	670	-35.6%	1,972	1,204	-38.9%
Domino	903	921	2.0%	2,841	3,409	20.0%
Others	119	265	121.3%	836	922	10.2%
Adjustment	- 18	- 63	-	- 74	- 128	-
G. total	21,795	23,640	8.5%	53,106	61,672	16.1%

  

	2017 Full Year Act	2018 Full Year Fct	Change	2018 Previous Forecast	2018 Revised Forecast	Change
Printing & Solutions	47,353	49,300	4.1%	49,300	49,300	-
Personal & Home	1,051	3,700	251.9%	3,700	3,700	-
Machinery	14,131	10,300	-27.1%	10,300	10,300	-
Network & Contents	1,343	2,100	56.3%	2,100	2,100	-
Domino	3,998	4,000	0.0%	4,000	4,000	-
Others	901	600	-33.4%	600	600	-
Adjustment	- 107	-	-	-	-	-
G. total	68,672	70,000	1.9%	70,000	70,000	-

**7. Sales revenue by region**

(Millions of yen)

	2016 Full Year Act	2017 Full Year Act	Change
The Americas	202,599	209,602	3.5%
Europe	161,092	181,224	12.5%
Asia & Others	157,968	201,162	27.3%
Japan	119,525	121,008	1.2%
G. total	641,185	712,997	11.2%

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

(Millions of yen)

	2017 3Q Act	2018 3Q Act	Change
R&D Expenses	11,014	10,320	- 694
Capex	9,189	6,501	- 2,687
Depreciation & Amortization	8,578	8,399	- 178

	2017 Full Year Act	2018 Full Year Fct	Change
R&D Expenses	45,649	44,800	- 849
Capex	33,993	32,500	- 1,493
Depreciation & Amortization	34,141	34,400	258

	2017 2Q YTD	2018 2Q YTD	Change
R&D Expenses	33,970	31,064	- 2,905
Capex	24,184	18,244	- 5,940
Depreciation & Amortization	25,544	25,181	- 362

	2018 Previous Forecast	2018 Revised Forecast	Change
R&D Expenses	44,800	44,800	-
Capex	32,500	32,500	-
Depreciation & Amortization	34,400	34,400	-

**9. Other Financial Data**

	2016 Full Year Act	2017 Full Year Act
ROE	13.9%	13.5%
ROA	7.0%	7.2%
EPS	181.96	192.63
Dividend per Share	42.0	54.0
Dividend payout ratio	23.1%	28.0%