

### Highlights of Consolidated Results for Fiscal Year ended March 31, 2014

Millions of yen (except for per share amounts)			
	Year ended March 31, 2014	Year ended March 31, 2013	Change (%)
Net sales	Y 616,834	Y 516,066	19.5
Operating income	43,301	29,775	45.4
Current profits	35,613	23,144	53.9
Net income	19,220	17,826	7.8
(Ref.) Comprehensive income	41,553	38,668	7.5
Net income per share:			
Basic	Y 72.20	Y 66.65	
Diluted	72.06	66.54	
Dividends per common share	24.00	24.00	
	As of March 31, 2014	As of March 31, 2013	
Total assets	Y 469,973	Y 421,494	
Net assets	308,310	278,769	
Owners' equity ratio	62.0 %	62.4 %	
Owners' equity per share	Y 1,097.01	Y 985.85	
(Ref.) Owners' equity	291,164	262,837	
Net cash provided by operating activities	Y 55,019	Y 32,734	
Net cash used in investing activities	(39,099)	(41,771)	
Net cash used in financing activities	(13,433)	(6,413)	
Cash and cash equivalents at end of period	68,934	55,059	
Number of consolidated subsidiaries	62	60	
Number of affiliates using the applied equity method	5	5	

### Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2015

Millions of yen (except for per share amounts)			
	[Forecast] Year ending March 31, 2015	Year ended March 31, 2014	Change (%)
Net sales	Y 670,000	Y 616,834	8.6
Operating income	47,000	43,301	8.5
Current profits	43,000	35,613	20.7
Net income	46,000	19,220	139.3
Net income per share	Y 173.31	Y 72.20	
Dividends per common share	30.00	24.00	

Notes:

- The financial statements have been prepared in accordance with accounting principles generally accepted in Japan.
- Amounts less than 1 million yen have been rounded down.
- Yen amounts for the year ended March 31, 2014 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=94.00 yen, in the accompanying consolidated financial statements.
- Operating results for the year ended March 31, 2014 are based on the following currency exchange rates:  
Actual average rates for the year ended March 31, 2014: US\$=100.00 yen, EURO=134.01yen  
Forecasts for the year ending March 31, 2015 are based on the following currency exchange rates:  
Assumed average rates for the fiscal year: US\$=100.00 yen, EURO=138.00 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of March 31, 2014, 277,535 thousands as of March 31, 2013  
Number of treasury stock outstanding: 12,118 thousands as of March 31, 2014, 10,925 thousands as of March 31, 2013  
Number of weighted average shares (full year): 266,213 thousands during the year ended March 31, 2014, 267,473 thousands during the year ended March 31, 2013

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 BALANCE SHEETS

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2014	As of March 31, 2013	As of March 31, 2014
<b>ASSETS</b>			
Current assets			
Cash and deposits	Y 71,357	Y 52,320	\$ 759,127
Marketable securities	3,017	10,004	32,106
Trade receivables	90,490	80,418	962,660
Allowance for doubtful accounts	(1,994)	(1,555)	(21,216)
Inventories	103,406	87,679	1,100,072
Other current assets	23,973	19,685	255,041
Total current assets	<u>290,252</u>	<u>248,554</u>	<u>3,087,790</u>
Net property, plant and equipment	100,422	88,588	1,068,325
Securities investments	37,627	38,612	400,287
Other assets	43,070	54,423	458,197
Allowance for doubtful accounts	(1,399)	(8,684)	(14,886)
Total assets	<u>Y 469,973</u>	<u>Y 421,494</u>	<u>\$ 4,999,714</u>
<b>LIABILITIES AND NET ASSETS</b>			
Current liabilities			
Short-term borrowings	Y 1,466	Y 6,524	\$ 15,602
Trade payables	42,771	32,107	455,017
Other current liabilities	72,558	68,422	771,902
Total current liabilities	<u>116,797</u>	<u>107,054</u>	<u>1,242,522</u>
Long-term liabilities			
Long-term borrowings	12,900	12,700	137,234
Other long-term liabilities	31,965	22,970	340,058
Total liabilities	<u>161,662</u>	<u>142,724</u>	<u>1,719,814</u>
Net assets			
Shareholders' equity			
Capital stock	19,209	19,209	204,361
Capital surplus	16,682	16,463	177,474
Retained earnings	268,156	255,639	2,852,727
Treasury stock	(14,074)	(12,971)	(149,729)
Total shareholders' equity	<u>289,974</u>	<u>278,341</u>	<u>3,084,833</u>
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	4,209	2,344	44,779
Deferred gain (loss) under hedge accounting	(1,534)	(443)	(16,321)
Foreign currency translation adjustments	4,494	(17,405)	47,810
Accumulated other comprehensive income on defined retirement benefit plans	(5,978)	-	(63,605)
Total other comprehensive income	<u>1,190</u>	<u>(15,503)</u>	<u>12,663</u>
Stock acquisition rights	532	458	5,670
Minority interests	16,613	15,473	176,735
Total net assets	<u>308,310</u>	<u>278,769</u>	<u>3,279,900</u>
Total liabilities and net assets	<u>Y 469,973</u>	<u>Y 421,494</u>	<u>\$ 4,999,714</u>

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2014	As of March 31, 2013	As of March 31, 2014
Accumulated depreciation	Y 169,272	Y 160,309	\$ 1,800,776

## CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars
	Year ended	Year ended	Year ended
	March 31, 2014	March 31, 2013	March 31, 2014
Net sales	Y 616,834	Y 516,066	\$ 6,562,072
Cost of sales	349,014	300,006	3,712,924
Gross profit	267,819	216,060	2,849,148
Selling, general and administrative expenses	224,518	186,284	2,388,497
Operating income	43,301	29,775	460,651
Non-operating income (expenses):			
Interest and dividend income	1,515	1,451	16,124
Interest expenses	(276)	(451)	(2,944)
Other, net	(8,926) <sup>*1</sup>	(7,632) <sup>*2</sup>	(94,961)
Current profits	35,613	23,144	378,870
Extraordinary income (expenses):			
Gain (Loss) on sales and disposals of property, plant and equipment, net	(458)	(170)	(4,879)
Other, net	(1,627)	4,971 <sup>*3</sup>	(17,317)
Income before income taxes	33,527	27,946	356,673
Income taxes	13,651	10,088	145,224
Income before minority interests	19,876	17,857	211,449
Minority interests in net income	655	30	6,972
Net income	Y 19,220	Y 17,826	\$ 204,477

### Notes:

<sup>\*1</sup> Valuation gain on derivatives of 4,461 million yen and Foreign exchange loss of 11,611 million yen are included.

<sup>\*2</sup> Valuation loss on derivatives of 4,625 million yen is included.

<sup>\*3</sup> Gain on negative goodwill of 7,194 million yen and Loss from step acquisitions of 3,843 million yen are included.

Net income per share:	Yen	Yen	U.S. dollars
Basic	Y 72.20	Y 66.65	\$ 0.77
Diluted	72.06	66.54	0.77

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars
	Year ended	Year ended	Year ended
	March 31, 2014	March 31, 2013	March 31, 2014
Income before minority interests	Y 19,876	Y 17,857	\$ 211,449
Other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	1,519	168	16,170
Deferred gain (loss) under hedge accounting	(1,090)	(258)	(11,604)
Foreign currency translation adjustments	21,247	20,861	226,042
Share of other comprehensive income of associates	-	40	-
Total other comprehensive income (loss)	21,677	20,811	230,608
Comprehensive income	Y 41,553	Y 38,668	\$ 442,057
Comprehensive income attributable to:			
Owners of the Company	Y 41,242	Y 38,597	\$ 438,751
Minority interests	310	71	3,306

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Year ended March 31, 2014

	Shareholders' equity					Other comprehensive income							Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) under hedge accounting	Foreign currency translation adjustments	Accumulated other comprehensive income on defined retirement benefit plans	Total other comprehensive income	Stock acquisition rights	Minority interests	
Balance at April 1, 2013	19,209	16,463	255,639	(12,971)	278,341	2,344	(443)	(17,405)	-	(15,503)	458	15,473	278,769
Increase (Decrease) during the term:													
Cash dividends	-	-	(6,378)	-	(6,378)	-	-	-	-	-	-	-	(6,378)
Net income	-	-	19,220	-	19,220	-	-	-	-	-	-	-	19,220
Acquisition of treasury stock	-	215	-	(1,130)	(914)	-	-	-	-	-	-	1,122	207
Gain on sales of treasury stock	-	3	-	27	30	-	-	-	-	-	-	-	30
Change in scope of consolidation	-	-	(325)	-	(325)	-	-	-	-	-	-	-	(325)
Net increase (decrease) during the term, except for items under shareholders' equity	-	-	-	-	-	1,864	(1,090)	21,899	(5,978)	16,694	74	17	16,785
<b>Total</b>	<b>-</b>	<b>218</b>	<b>12,516</b>	<b>(1,103)</b>	<b>11,632</b>	<b>1,864</b>	<b>(1,090)</b>	<b>21,899</b>	<b>(5,978)</b>	<b>16,694</b>	<b>74</b>	<b>1,139</b>	<b>29,540</b>
Balance at March 31, 2014	19,209	16,682	268,156	(14,074)	289,974	4,209	(1,534)	4,494	(5,978)	1,190	532	16,613	308,310

Year ended March 31, 2013

	Shareholders' equity					Other comprehensive income							Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) under hedge accounting	Foreign currency translation adjustments	Accumulated other comprehensive income on defined retirement benefit plans	Total other comprehensive income	Stock acquisition rights	Minority interests	
Balance at April 1, 2012	19,209	16,151	243,725	(11,672)	267,413	2,176	(184)	(38,404)	-	(36,412)	420	3	231,425
Increase (Decrease) during the term:													
Cash dividends	-	-	(6,450)	-	(6,450)	-	-	-	-	-	-	-	(6,450)
Net income	-	-	17,826	-	17,826	-	-	-	-	-	-	-	17,826
Acquisition of treasury stock	-	-	-	(1,704)	(1,704)	-	-	-	-	-	-	-	(1,704)
Gain on sales of treasury stock	-	312	-	405	717	-	-	-	-	-	-	-	717
Change in scope of consolidation	-	-	538	-	538	-	-	-	-	-	-	-	538
Net increase (decrease) during the term, except for items under shareholders' equity	-	-	-	-	-	168	(258)	20,999	-	20,908	38	15,469	36,416
<b>Total</b>	<b>-</b>	<b>312</b>	<b>11,914</b>	<b>(1,298)</b>	<b>10,927</b>	<b>168</b>	<b>(258)</b>	<b>20,999</b>	<b>-</b>	<b>20,908</b>	<b>38</b>	<b>15,469</b>	<b>47,344</b>
Balance at March 31, 2013	19,209	16,463	255,639	(12,971)	278,341	2,344	(443)	(17,405)	-	(15,503)	458	15,473	278,769

Year ended March 31, 2014

	Shareholders' equity					Other comprehensive income							Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) under hedge accounting	Foreign currency translation adjustments	Accumulated other comprehensive income on defined retirement benefit plans	Total other comprehensive income	Stock acquisition rights	Minority interests	
Balance at April 1, 2013	204,361	175,145	2,719,567	(137,991)	2,961,081	24,943	(4,717)	(185,160)	-	(164,934)	4,880	164,611	2,965,638
Increase (Decrease) during the term:													
Cash dividends	-	-	(67,852)	-	(67,852)	-	-	-	-	-	-	-	(67,852)
Net income	-	-	204,477	-	204,477	-	-	-	-	-	-	-	204,477
Acquisition of treasury stock	-	2,297	-	(12,030)	(9,733)	-	-	-	-	-	-	11,938	2,205
Gain on sales of treasury stock	-	33	-	292	325	-	-	-	-	-	-	-	325
Change in scope of consolidation	-	-	(3,465)	-	(3,465)	-	-	-	-	-	-	-	(3,465)
Net increase (decrease) during the term, except for items under shareholders' equity	-	-	-	-	-	19,836	(11,604)	232,970	(63,605)	177,597	789	186	178,572
<b>Total</b>	<b>-</b>	<b>2,330</b>	<b>133,159</b>	<b>(11,738)</b>	<b>123,751</b>	<b>19,836</b>	<b>(11,604)</b>	<b>232,970</b>	<b>(63,605)</b>	<b>177,597</b>	<b>789</b>	<b>12,124</b>	<b>314,261</b>
Balance at March 31, 2014	204,361	177,474	2,852,727	(149,729)	3,084,833	44,779	(16,321)	47,810	(63,605)	12,663	5,670	176,735	3,279,900

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of yen		Thousands of
	Year ended March 31, 2014	Year ended March 31, 2013	U.S. dollars Year ended March 31, 2014
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes	Y 33,527	Y 27,946	\$ 356,673
Adjustments for:			
Depreciation and amortization	27,613	24,476	293,765
Impairment loss	2,121	268	22,571
Amortization of goodwill	1,537	1,418	16,359
Provision for (Reversal of) allowance for doubtful accounts	883	1,443	9,403
Provision for (Reversal of) retirement benefits	-	429	-
Provision for (Reversal of) product warranty	898	178	9,560
Provision for (Reversal of) bonus reserve	1,176	(239)	12,518
Increase (Decrease) in liability for retirement benefits	1,752	-	18,639
Loss (Gain) on cancellation of shares due to absorption of a subsidiary	(144)	-	(1,533)
Loss (Gain) from liquidation of subsidiaries	-	(136)	-
Interest and dividend income	(1,515)	(1,451)	(16,124)
Interest expenses	276	451	2,944
Foreign exchange loss (gain)	2,092	(2,420)	22,256
Valuation loss (gain) on derivatives	(4,461)	4,625	(47,462)
Equity in loss (earnings) of affiliates	241	(160)	2,572
Loss (Gain) on sales and disposals of property, plant and equipment, net	458	170	4,879
Loss (Gain) on sales of investment securities	(464)	(1,723)	(4,945)
Compensations receivable	-	(288)	-
Gain on negative goodwill	-	(7,194)	-
Loss (Gain) from step acquisitions	-	3,843	-
Decrease (Increase) in trade notes and accounts receivable	(5,422)	(4,500)	(57,687)
Decrease (Increase) in inventories	(5,993)	2,333	(63,764)
Increase (Decrease) in trade notes and accounts payable	6,973	(6,673)	74,182
Increase (Decrease) in accrued expenses	807	(1,729)	8,592
Other, net	1,396	(1,035)	14,858
Cash generated from operations	63,756	40,030	678,257
Interest and dividends received	1,295	1,623	13,783
Interest paid	(277)	(489)	(2,950)
Compensations received	-	385	-
Income taxes paid	(9,755)	(8,815)	(103,777)
Net cash provided by operating activities	Y 55,019	Y 32,734	\$ 585,313
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sales and redemption of marketable securities	5,103	1,300	54,292
Disbursement for purchases of property, plant and equipment	(27,634)	(24,941)	(293,980)
Proceeds from sales of property, plant and equipment	1,361	1,080	14,484
Disbursement for purchases of intangible assets	(6,635)	(5,723)	(70,585)
Disbursement for purchases of investment securities	(11,152)	(2,170)	(118,639)
Proceeds from sales and redemption of investment securities	2,760	2,660	29,368
Disbursement for purchases of shares in affiliates	(1,058)	(6,617)	(11,266)
Acquisition of a newly consolidated subsidiary, net of cash	-	(7,010)	-
Disbursement for payment of investments in affiliates	(2,188)	-	(23,279)
Other, net	343	(349)	3,650
Net cash used in investing activities	Y (39,099)	Y (41,771)	\$ (415,955)
<b>FINANCING ACTIVITIES:</b>			
Increase (Decrease) in short-term borrowings, net	(5,684)	4,532	(60,471)
Proceeds from borrowings of long-term debt	200	12,200	2,128
Repayment of bonds	-	(15,000)	-
Disbursement for repayment of lease obligations	(1,251)	(1,700)	(13,310)
Decrease (Increase) in treasury stock, net	(10)	5	(112)
Cash dividends paid	(6,687)	(6,450)	(71,143)
Net cash used in financing activities	Y (13,433)	Y (6,413)	\$ (142,909)
Effect of foreign currency exchange rate changes on cash and cash equivalents	6,877	10,569	73,168
Net increase (decrease) in cash and cash equivalents	9,364	(4,882)	99,618
Cash and cash equivalents at beginning of period	55,059	58,731	585,740
Cash and cash equivalents of newly consolidated subsidiaries	4,301	1,209	45,756
Cash and cash equivalents increased due to merger of an unconsolidated subsidiary	210	-	2,235
Cash and cash equivalents at end of period	Y 68,934	Y 55,059	\$ 733,350

## SEGMENT INFORMATION

	Millions of yen		Thousands of U.S. dollars	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	
<b>Printing &amp; Solutions</b>				
Net sales				
Unaffiliated customers	Y 430,826	Y 350,836	\$ 4,583,257	
Intersegment	-	-	-	
Total	430,826	350,836	4,583,257	
Operating income	30,957	18,826	329,336	
<b>Personal &amp; Home</b>				
Net sales				
Unaffiliated customers	Y 43,275	Y 33,804	\$ 460,379	
Intersegment	-	-	-	
Total	43,275	33,804	460,379	
Operating income	4,215	2,488	44,848	
<b>Machinery &amp; Solution</b>				
Net sales				
Unaffiliated customers	Y 63,097	Y 61,415	\$ 671,251	
Intersegment	-	-	-	
Total	63,097	61,415	671,251	
Operating income	4,990	4,006	53,095	
<b>Network &amp; Contents</b>				
Net sales				
Unaffiliated customers	Y 47,582	Y 50,083	\$ 506,193	
Intersegment	-	-	-	
Total	47,582	50,083	506,193	
Operating income	451	2,314	4,808	
<b>Industrial Part</b>				
Net sales				
Unaffiliated customers	Y 16,098	Y 3,680	\$ 171,263	
Intersegment	-	-	-	
Total	16,098	3,680	171,263	
Operating income	1,106	307	11,766	
<b>Others</b>				
Net sales				
Unaffiliated customers	Y 15,954	Y 16,247	\$ 169,730	
Intersegment	10,378	10,965	110,410	
Total	26,333	27,212	280,140	
Operating income	1,674	1,943	17,815	
<b>Adjustment</b>				
Net sales				
Unaffiliated customers	Y -	Y -	\$ -	
Intersegment	(10,378)	(10,965)	(110,410)	
Total	(10,378)	(10,965)	(110,410)	
Operating income	(96)	(110)	(1,023)	
<b>Consolidated</b>				
Net sales				
Unaffiliated customers	Y 616,834	Y 516,066	\$ 6,562,072	
Intersegment	-	-	-	
Total	616,834	516,066	6,562,072	
Operating income	43,301	29,775	460,651	

### Notes:

1. Brother reviewed its business segments in the year ended March 31, 2014.

Main products in each business segment are as follows:

Printing & Solutions	All-in-Ones, Printers, FAX Machines, Electronic Stationeries, Typewriters, Scanners
Personal & Home	Home Sewing Machines, etc.
Machinery & Solution	Industrial Sewing Machines, Machine Tools, Garment Printers
Network & Contents	Online Karaoke System, Fitness Lesson System for Fitness Studio, Applications for Smartphones / Tablets, etc.
Industrial Part	Reducers, Gears, etc.
Others	Real Estate, etc.

2. Figures for the year ended March 31, 2013 are reclassified based on the above segments.