

Fiscal Year 2016 (ending March 31, 2017)

Third Quarter Results
(ended December 31, 2016)

Brother Industries, Ltd.

February 8, 2017

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.

Consolidated Results for FY2016 Q3



(100 Millions of Yen)

	16Q3 YTD	15Q3 YTD	Rate of Change (w/o forex impact)	16Q3	15Q3	Rate of Change (w/o forex impact)
Sales Revenue	4,769	5,228	-8.8% (+2.7%)	1,666	1,813	-8.1% (+2.9%)
Business Segment Profit	494	452	9.3%	147	182	-18.8%
Business Segment Profit Ratio	10.4%	8.6%		8.8%	10.0%	
Operating Profit	473	515	-8.2%	112	213	-47.5%
Operating Profit Ratio	9.9%	9.9%		6.7%	11.7%	
Income before Tax	489	505	-3.3%	118	212	-44.4%
Net Income	387	363	6.7%	117	151	-22.9%
Exchange Rates						
USD	107.88	121.49		108.72	121.07	
EUR	119.13	133.67		117.70	132.37	

<Main Points for FY2016 Q3>

Sales Revenue:

Although sales decreased on a yen basis due to a 20 billion yen large negative impact of the yen's appreciation, sales on a local currency basis increased due to steady growth of the P&S business mainly for hardware in respective regions and steady growth of the machine tools business and Domino business.

Business Segment Profit:

Business segment profit decreased due to a 3.8 billion yen negative impact of forex rate.

Operating Profit:

Operating profit decreased significantly due to reduced profit relating to foreign exchange contracts, which resulted from accelerated depreciation of the yen against the assumed exchange rate.

Highlight by business segment

< FY2016 Q3 (3-month results) >

(100 Millions of Yen)

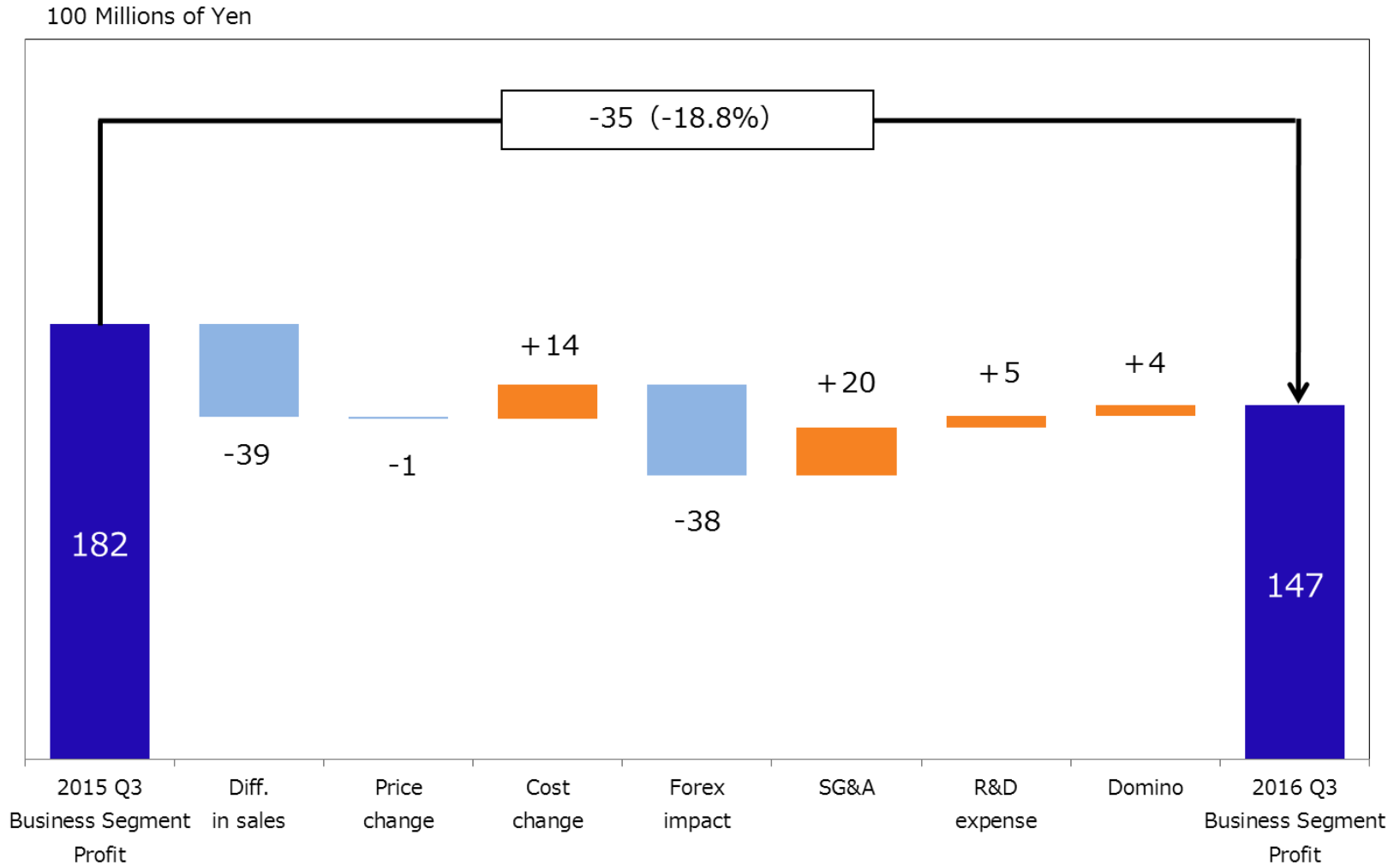
Sales Revenue	16Q3	15Q3	Rate of Change	Rate of Change (w/o forex impact)
Total	1,666	1,813	-8.1%	2.9%
Printing & Solutions	984	1,108	-11.2%	-1.0%
Personal & Home	136	156	-12.9%	-3.2%
Machinery	227	209	8.8%	17.0%
Network & Contents	130	137	-4.9%	-4.5%
Domino business	155	164	-5.6%	27.6%
Other	35	40	-13.7%	-13.8%

Business Segment Profit	16Q3	15Q3	Rate of Change
Total	147	182	-18.8%
Printing & Solutions	98	123	-20.6%
Personal & Home	12	19	-38.3%
Machinery	13	19	-34.4%
Network & Contents	9	7	25.6%
Domino business	15	10	43.5%
Other	2	4	-36.9%
Adjustment	0	0	-

Operating Profit	16Q3	15Q3	Rate of Change
Total	112	213	-47.5%
Printing & Solutions	58	151	-61.8%
Personal & Home	10	19	-46.9%
Machinery	14	23	-40.6%
Network & Contents	8	5	52.9%
Domino business	20	11	83.8%
Other	2	3	-37.9%
Adjustment	0	0	-

Main Factors for Changes in Business Segment Profit

< FY2016 Q3 (3-month results) >



Highlight by business segment

< FY2016 Q3 (9-month results) >

(100 Millions of Yen)

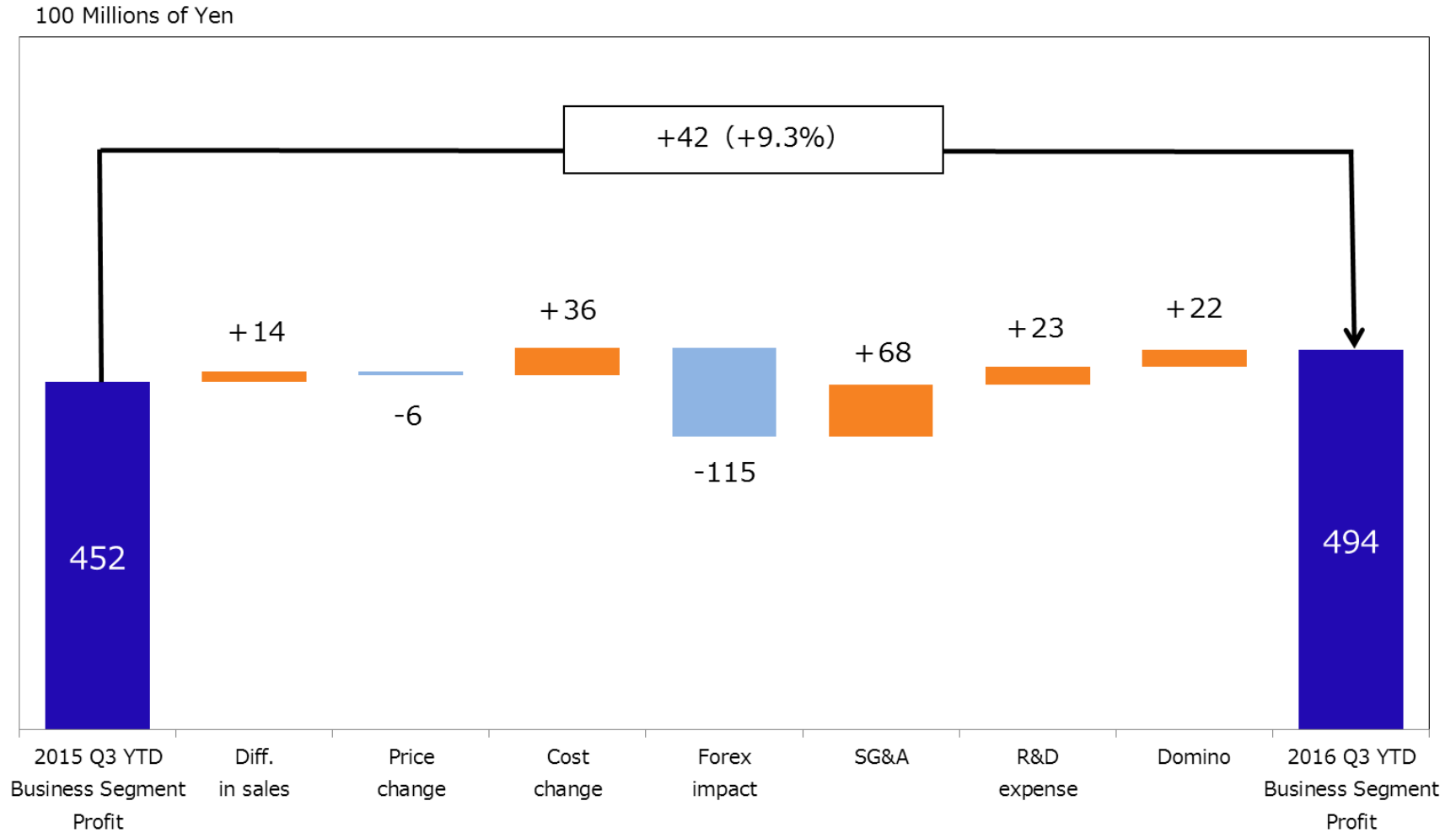
Sales Revenue	16Q3 YTD	15Q3 YTD	Rate of Change	Rate of Change (w/o forex impact)
Total	4,769	5,228	-8.8%	2.7%
Printing & Solutions	2,851	3,177	-10.3%	2.0%
Personal & Home	342	403	-15.1%	-3.5%
Machinery	664	791	-16.1%	-9.5%
Network & Contents	375	410	-8.5%	-8.2%
Domino business	436	332	-	-
Other	100	115	-13.1%	-13.1%

Business Segment Profit	16Q3 YTD	15Q3 YTD	Rate of Change
Total	494	452	9.3%
Printing & Solutions	379	266	42.5%
Personal & Home	16	44	-63.5%
Machinery	42	105	-60.2%
Network & Contents	19	15	24.0%
Domino business	34	30	-
Other	6	11	-43.2%
Adjustment	-2	-19	-90.5%

Operating Profit	16Q3 YTD	15Q3 YTD	Rate of Change
Total	473	515	-8.2%
Printing & Solutions	360	314	14.9%
Personal & Home	15	46	-66.5%
Machinery	45	108	-58.0%
Network & Contents	8	13	-36.2%
Domino business	39	29	-
Other	7	25	-73.5%
Adjustment	-2	-19	-90.5%

Main Factors for Changes in Business Segment Profit

< FY2016 Q3 (9-month results) >



Forecast for FY2016

(100 Millions of Yen)

	FY16	Previous forecast	Rate of Change	FY15	Rate of Change (w/o forex impact)
Sales Revenue	6,400	6,300	1.6%	6,821	-6.2% (+3.6%)
Business Segment Profit	600	550	9.1%	549	9.2%
Business Segment Profit Ratio	9.4%	8.7%		8.1%	
Operating Profit	570	550	3.6%	586	-2.8%
Operating Profit Ratio	8.9%	8.7%		8.6%	
Income before Tax	570	550	3.6%	572	-0.3%
Net Income	430	390	10.3%	412	4.3%
Exchange Rates					
USD	109.64	105.47		120.16	
EUR	119.54	117.09		132.36	

<Main Points for the Revised Forecast>

Sales Revenue:

Revised upward by 10 billion yen due mainly to the revision of the assumed exchange rate (\$1=105JPY to 115JPY, €1=115JPY to 120JPY).

Business Segment Profit:

Revised upward by 5 billion yen after progress on the improvement of profitability of the P&S business was mainly taken into consideration.

Net Income:

Revised upward by 4 billion yen due to the impact of tax effect accounting resulting from the acquisition of Xing Inc. as a 100% subsidiary of Brother in addition to an upward revision of pre-tax income.

Forecast for 2016 by business segment

(100 Millions of Yen)

Sales Revenue	FY16 Forecast	Previous Forecast	Rate of Change	FY15	Rate of Change	Rate of Change (w/o forex impact)
Total	6,400	6,300	1.6%	6,821	-6.2%	3.6%
Printing & Solutions	3,829	3,716	3.0%	4,150	-7.7%	2.4%
Personal & Home	459	461	-0.4%	510	-10.0%	-0.3%
Machinery & Solution	901	902	-0.1%	993	-9.3%	-3.5%
Network & Contents	498	502	-0.8%	539	-7.6%	-7.4%
Domino business	581	571	1.7%	483	20.2%	48.1%
Other	132	148	-10.9%	146	0.8%	-7.5%

Business Segment Profit	FY16 Forecast	Previous Forecast	Rate of Change	FY15	Rate of Change
Total	600	550	9.1%	549	9.2%
Printing & Solutions	462	420	10.0%	336	37.7%
Personal & Home	25	25	0.0%	48	-47.4%
Machinery & Solution	51	46	10.9%	114	-55.3%
Network & Contents	19	18	5.6%	22	-12.7%
Domino business	38	37	2.7%	38	-
Other	5	4	25.0%	12	-57.7%
Adjustment	-	-	-	-20	-

Operating Profit	FY16 Forecast	Previous Forecast	Rate of Change	FY15	Rate of Change
Total	570	550	3.6%	586	-2.8%
Printing & Solutions	442	433	2.1%	390	13.3%
Personal & Home	25	25	0.0%	49	-48.7%
Machinery & Solution	50	48	4.2%	114	-56.1%
Network & Contents	6	4	50.0%	-5	-
Domino business	42	36	16.7%	35	-
Other	5	4	25.0%	23	-78.2%
Adjustment	-	-	-	-20	-

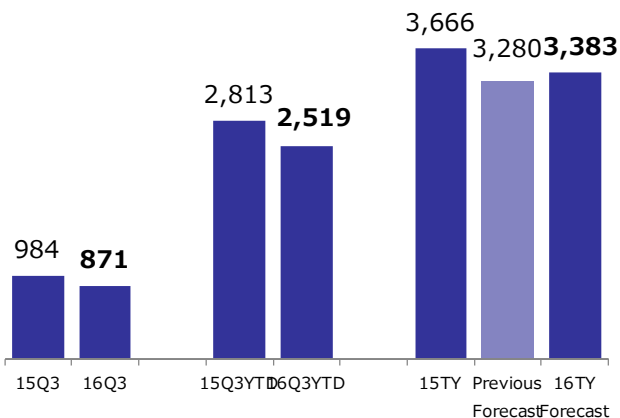
Printing & Solutions Sales Revenue & Operating Profit

(100 Millions of Yen)

	15Q3	16Q3	Change	Change x FX	15Q3 YTD	16Q3 YTD	Change	Change x FX	15TY	Previous Forecast	16TY Forecast	Change	Change x FX
Sales Revenue	1,108	984	-11.2%	-1.0%	3,177	2,851	-10.3%	2.0%	4,150	3,716	3,829	-7.7%	2.4%
Communications & Printing equipment	984	871	-11.5%	-1.4%	2,813	2,519	-10.5%	1.7%	3,666	3,280	3,383	-7.7%	2.4%
Americas	368	323	-12.0%	-0.7%	1,079	953	-11.7%	2.2%	1,393	1,238	1,285	-7.7%	3.3%
Europe	337	278	-17.6%	-5.4%	908	791	-12.9%	1.0%	1,221	1,054	1,076	-11.9%	0.3%
Asia & Others	145	138	-5.3%	6.2%	476	413	-13.2%	0.8%	600	532	543	-9.4%	1.9%
Japan	134	132	-1.3%	-1.3%	350	362	3.4%	3.4%	453	456	479	5.7%	5.8%
Electronic stationery	124	113	-9.1%	1.7%	364	333	-8.7%	4.1%	484	436	446	-7.8%	2.5%
Americas	59	51	-13.8%	-3.5%	176	158	-10.2%	3.0%	230	207	213	-7.5%	2.8%
Europe	38	35	-8.9%	4.4%	108	97	-10.1%	3.9%	147	128	131	-11.1%	0.9%
Asia & Others	19	18	-7.0%	5.0%	54	50	-7.4%	8.1%	69	63	65	-5.4%	7.0%
Japan	8	10	19.1%	19.1%	26	28	4.7%	4.7%	38	38	37	-1.7%	-1.0%
Business Segment Profit	123	98	-20.6%	-	266	379	42.5%	-	336	420	462	37.7%	-
Operating Profit	151	58	-61.8%	-	314	360	14.9%	-	390	433	442	13.3%	-

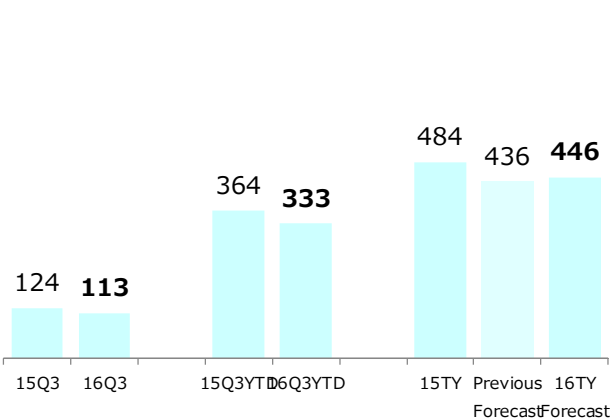
<Sales Revenue>

Communications & Printing equipment

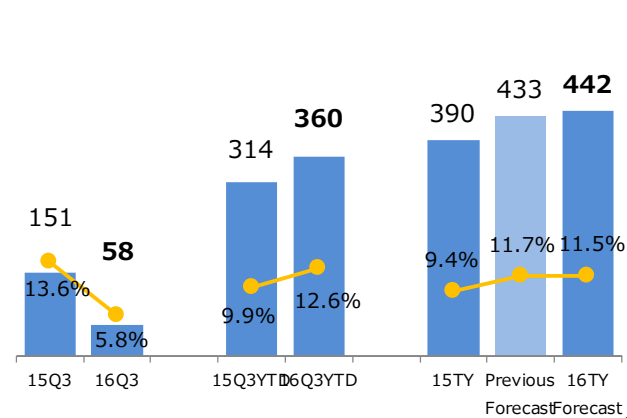


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Electronic stationery



<Operating Profit>

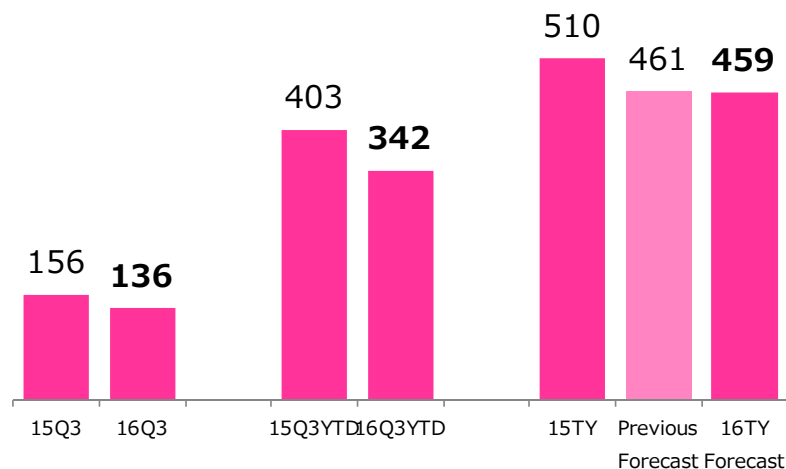


Personal & Home Sales Revenue & Operating Profit

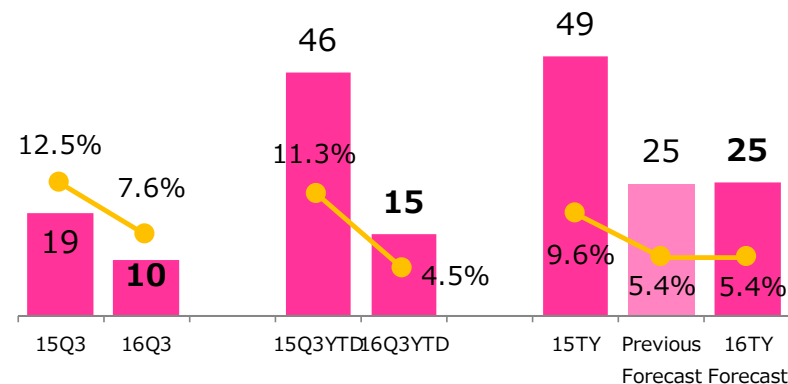
(100 Millions of Yen)

	15Q3	16Q3	Change	Change x FX	15Q3 YTD	16Q3 YTD	Change	Change x FX	15TY	Previous Forecast	16TY Forecast	Change	Change x FX
Sales Revenue	156	136	-12.9%	-3.2%	403	342	-15.1%	-3.5%	510	461	459	-10.0%	-0.3%
Americas	96	80	-17.1%	-6.9%	248	199	-19.5%	-6.7%	304	270	266	-12.5%	-1.7%
Europe	33	31	-5.8%	5.7%	77	72	-6.1%	6.1%	101	90	94	-7.2%	3.4%
Asia & Others	16	15	-5.2%	4.5%	48	42	-12.7%	-1.0%	62	57	56	-8.6%	1.0%
Japan	11	10	-8.3%	-8.3%	30	28	-5.6%	-5.6%	43	43	43	-0.9%	-1.1%
Business Segment Profit	19	12	-38.3%	-	44	16	-63.5%	-	48	25	25	-47.4%	-
Operating Profit	19	10	-46.9%	-	46	15	-66.5%	-	49	25	25	-48.7%	-

<Sales Revenue>



<Operating Profit>

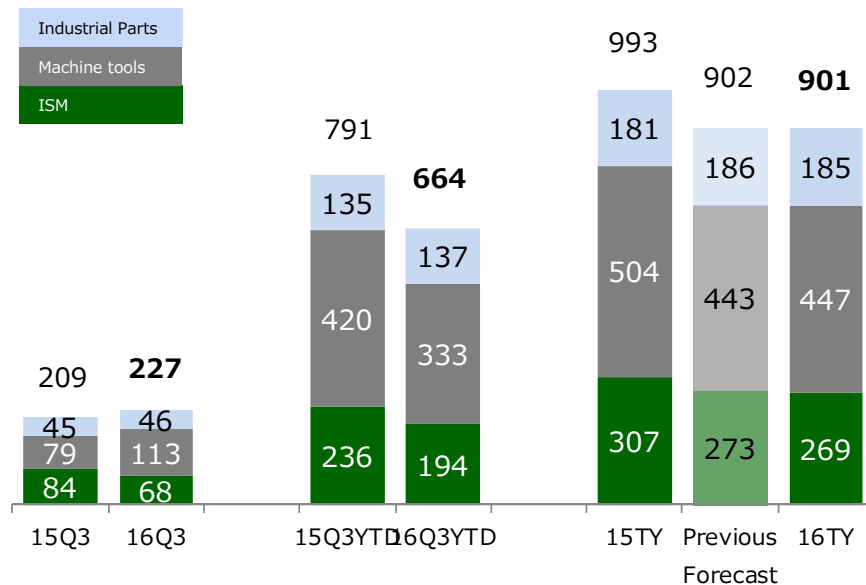


Machinery Business Sales Revenue & Operating Profit

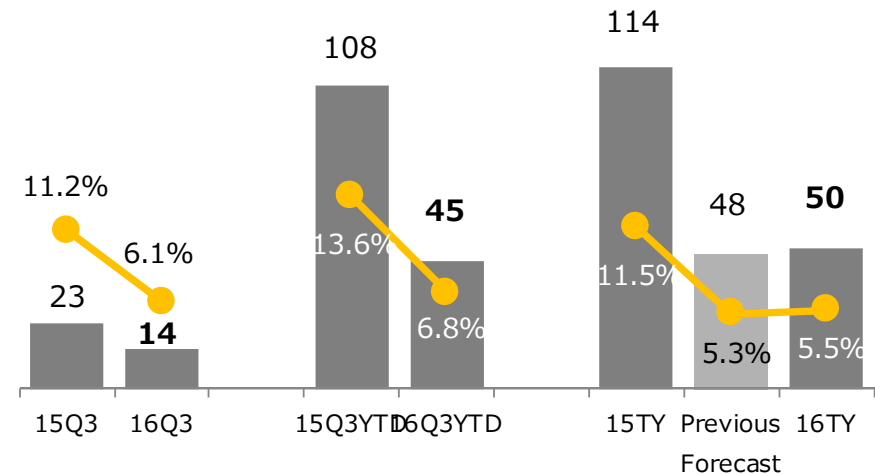
(100 Millions of Yen)

	15Q3	16Q3	Change	Change x FX	15Q3 YTD	16Q3 YTD	Change	Change x FX	15TY	Previous Forecast	16TY Forecast	Change	Change x FX
Sales Revenue	209	227	8.8%	17.0%	791	664	-16.1%	-9.5%	993	902	901	-9.3%	-3.5%
Industrial sewing machines	84	68	-19.8%	-9.4%	236	194	-17.9%	-5.8%	307	273	269	-12.5%	-2.5%
Machine tools	79	113	43.3%	52.0%	420	333	-20.6%	-16.1%	504	443	447	-11.3%	-7.0%
Industrial Parts	45	46	1.9%	4.6%	135	137	1.3%	4.7%	181	186	185	2.0%	4.8%
Business Segment Profit	19	13	-34.4%	-	105	42	-60.2%	-	114	46	51	-55.3%	-
Operating Profit	23	14	-40.6%	-	108	45	-58.0%	-	114	48	50	-56.1%	-

<Sales Revenue>



<Operating Profit>



Machinery Business Sales Revenue & Operating Profit

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(100 Millions of Yen)

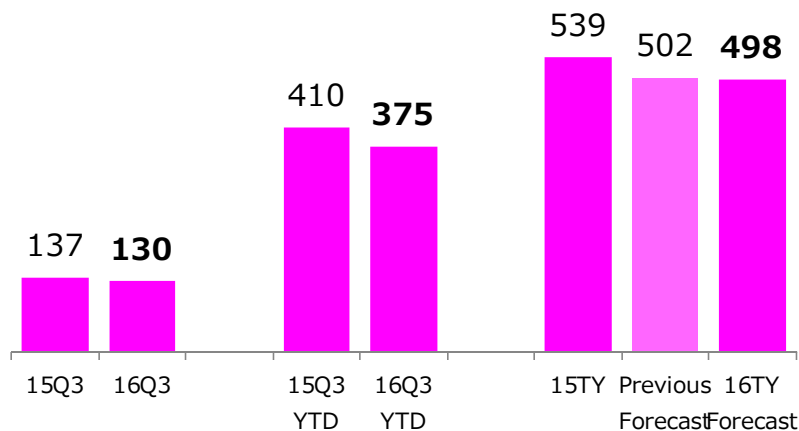
	15Q3	16Q3	Change	Change x FX	15Q3 YTD	16Q3 YTD	Change	Change x FX	15TY	Previous Forecast	16TY Forecast	Change	Change x FX
Sales Revenue	209	227	8.8%	17.0%	791	664	-16.1%	-9.5%	993	902	901	-9.3%	-3.5%
Industrial sewing machines	84	68	-19.8%	-9.4%	236	194	-17.9%	-5.8%	307	273	269	-12.5%	-2.5%
Americas	17	14	-15.2%	-5.0%	49	41	-16.8%	-4.7%	63	53	56	-11.3%	-1.4%
Europe	13	10	-21.5%	-12.0%	36	32	-11.0%	0.6%	46	46	43	-6.3%	4.2%
Asia & Others	53	42	-20.6%	-9.5%	146	117	-20.2%	-7.5%	192	168	164	-14.9%	-4.6%
Japan	2	1	-26.6%	-26.6%	5	4	-13.2%	-13.2%	6	7	7	3.8%	-0.2%
Machine tools	79	113	43.3%	52.0%	420	333	-20.6%	-16.1%	504	443	447	-11.3%	-7.0%
Americas	5	7	26.4%	-	18	21	12.3%	-	25	29	27	7.5%	-
Europe	4	4	3.4%	-	17	15	-11.1%	-	19	22	20	5.7%	-
Asia & Others	51	83	63.0%	-	334	244	-26.9%	-	392	305	327	-16.6%	-
Japan	18	19	2.2%	-	51	54	5.9%	-	68	88	73	7.3%	-
Industrial Parts	45	46	1.9%	4.6%	135	137	1.3%	4.7%	181	186	185	2.0%	4.8%
Americas	7	6	-19.9%	-10.7%	21	19	-10.8%	1.4%	28	26	27	-4.7%	4.9%
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Asia & Others	3	4	23.6%	40.8%	11	12	5.0%	22.5%	15	16	16	11.9%	26.4%
Japan	35	36	4.5%	4.5%	102	106	3.4%	3.4%	139	144	142	2.2%	2.5%
Business Segment Profit	19	13	-34.4%	-	105	42	-60.2%	-	114	46	51	-55.3%	-
Operating Profit	23	14	-40.6%	-	108	45	-58.0%	-	114	56	50	-56.1%	-

Network & Contents Sales Revenue & Operating Profit

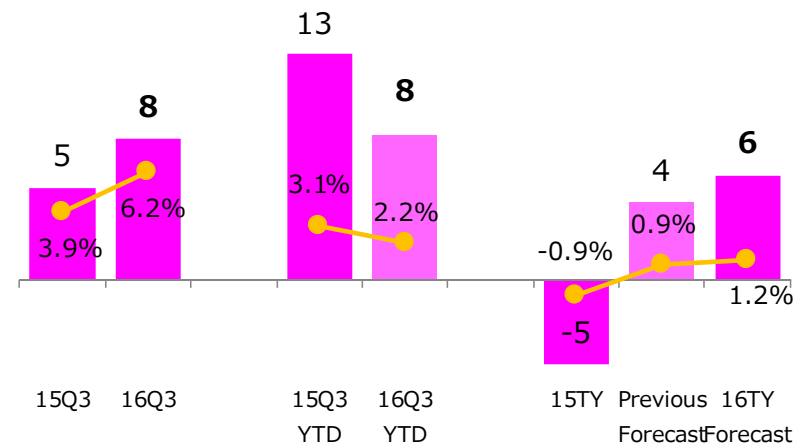
(100 Millions of Yen)

	15Q3	16Q3	Change	15Q3 YTD	16Q3 YTD	Change	15TY	Previous Forecast	16TY Forecast	Change
Sales Revenue	137	130	-4.9%	410	375	-8.5%	539	502	498	-7.6%
Business Segment Profit	7	9	25.6%	15	19	24.0%	22	18	19	-12.7%
Operating Profit	5	8	52.9%	13	8	-36.2%	-5	4	6	-

<Sales Revenue>



<Operating Profit>



Domino Business Sales Revenue & Operating Profit

(100 Millions of Yen)

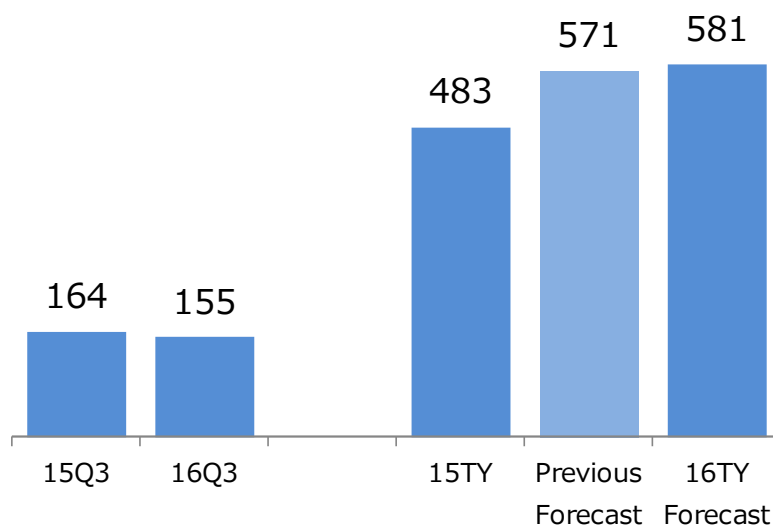
	15Q3	16Q3	Change	Change x FX	15TY	Previous Forecast	16TY Forecast	Change	Change x FX
Sales Revenue	164	155	-5.6%	27.2%	483	571	581	-	-
Americas	36	42	15.2%	55.2%	112	135	144	-	-
Europe	84	75	-11.3%	19.5%	239	278	281	-	-
Asia & Others	44	38	-11.8%	18.8%	133	158	157	-	-
Business Segment Profit	10	15	43.5%	-	38	37	38	-	-
Operating Profit	11	20	83.8%	-	35	36	42	-	-

*The FY 2015 figures are the results for the nine months from the 2nd quarter when Domino became a consolidated company.

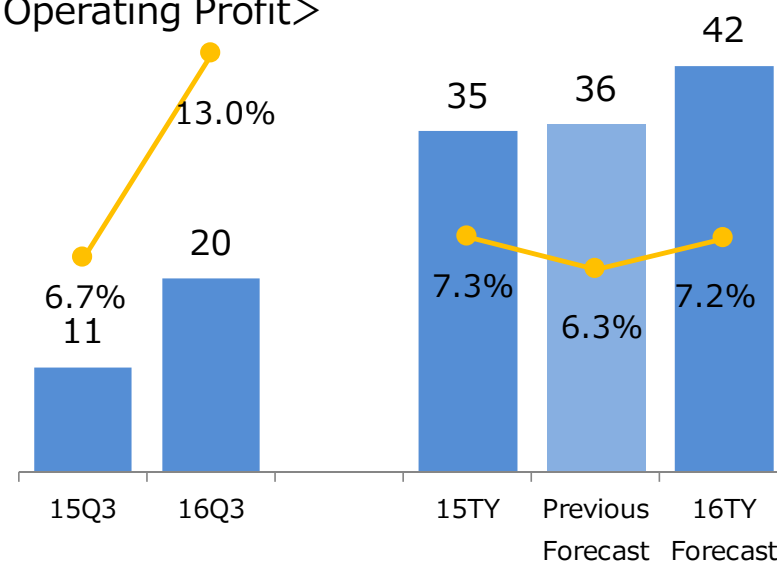
*The figures for FY2016 Q3 (9-month) and FY2015 Q3 (9-month) are not shown because they are not comparable to each other.

* The growth rates are shown on a British pound basis.

<Sales Revenue>

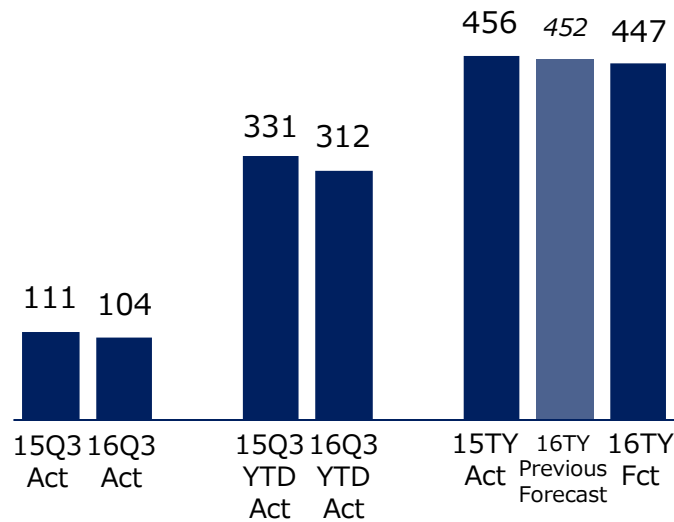


<Operating Profit>



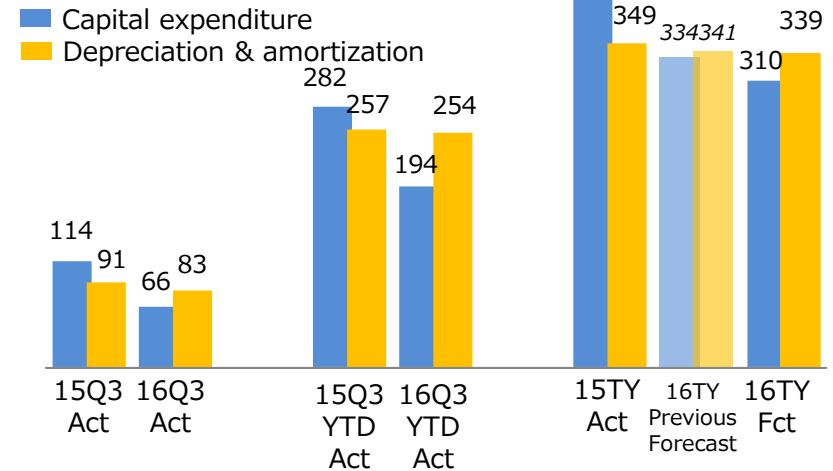
R&D expenses

(100 Millions of Yen)



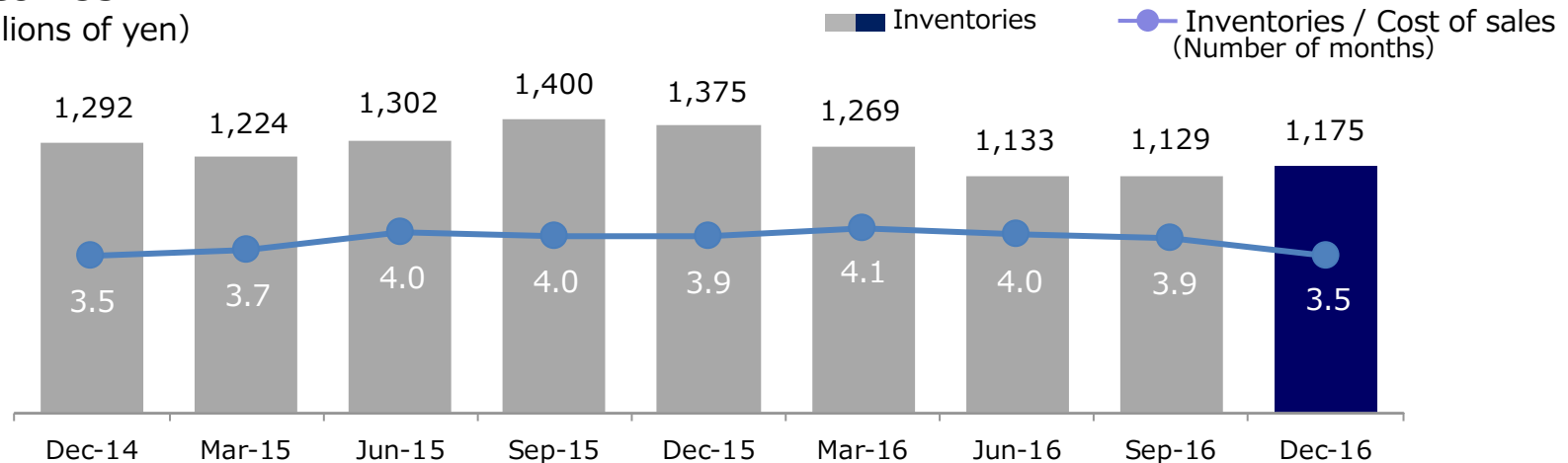
Capital expenditure / Depreciation & amortization

(100 Millions of Yen)



Inventories

(100 Millions of yen)



*Jun-15 actual for Inventories does not include Domino business figures.

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