

Highlights of Consolidated Results for Fiscal Year ended March 31, 2020

	Millions of yen (except for per share amounts)		
	Year ended Mar 31, 2019	Year ended Mar 31, 2020	Change
Revenue	Y 683,972	Y 637,259	-6.8 %
Business segment profit	71,973	66,942	-7.0 %
Operating profit	71,925	67,329	-6.4 %
Profit before income taxes	72,274	67,046	-7.2 %
Profit for the period	54,177	49,699	-8.3 %
Profit for the period attributable to owners of the parent company	53,902	49,566	-8.0 %
Profit for the period attributable to owners of the parent company ratio	13.1 %	11.6 %	
Comprehensive income for the period	45,239	19,826	-56.2 %
Basic earnings per share for the period (yen)	207.54	190.80	
Diluted earnings per share for the period (yen)	206.90	190.21	
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.

	As of Mar 31, 2019		As of Mar 31, 2020	
	Y		Y	
Total assets	708,604		731,472	
Total equity	441,593		445,171	
Equity attributable to owners of the parent company	424,759		428,520	
Equity attributable to owners of the parent company ratio	59.9 %		58.6 %	
Equity attributable to owners of the parent company per share (yen)	1,635.22		1,649.22	

	Year ended Mar 31, 2019		Year ended Mar 31, 2020	
	Y		Y	
Net cash provided by operating activities	73,280		87,748	
Net cash provided by (used in) investing activities	(22,624)		(27,955)	
Net cash provided by (used in) financing activities	(39,040)		(14,916)	
Cash and cash equivalents at end of period	131,152		168,422	

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2021

At this point in time, it is impossible to expect when the novel coronavirus infection will be settled. Thus it is difficult to reasonably predict the impact on our consolidated forecast for the year ending March 31, 2021. The forecast will be promptly released as soon as it is determined.

Notes:

- 1) The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
- 2) Amounts less than 1 million yen have been rounded down.
- 3) Yen amounts for the year ended March 31, 2020 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=109.00 yen, in the accompanying consolidated financial statements.
- 4) Operating results for the year ended March 31, 2020 are based on the following currency exchange rates:
Actual average rates for the year ended March 31, 2020: US\$=109.10 yen, EURO=121.14 yen
- 5) Number of shares outstanding (including treasury stock): 262,220 thousands as of March 31, 2019, 262,220 thousands as of March 31, 2020
Number of treasury stock outstanding: 2,463 thousands as of March 31, 2019, 2,388 thousands as of March 31, 2020
Number of weighted average shares:
259,719 thousands during the year ended March 31, 2019, 259,781 thousands during the year ended March 31, 2020
- 6) Changes in Accounting Policies: The Brother Group adopted IFRS 16 "Leases" as of April 1, 2019.
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. Figures as of March 31, 2019 are not restated, complying with IAS 17 "Leases".

Consolidated Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars
	As of Mar 31, 2019	As of Mar 31, 2020	As of Mar 31, 2020
Assets			
Current assets			
Cash and cash equivalents	Y 131,152	Y 168,422	\$ 1,545,156
Trade and other receivables	101,498	95,067	872,174
Other financial assets	7,970	11,277	103,459
Inventories	128,517	117,858	1,081,266
Other current assets	15,633	15,554	142,697
Subtotal	384,772	408,179	3,744,761
Non-current assets classified as held for sale	157	601	5,514
Total current assets	384,930	408,780	3,750,275
Non-current assets			
Property, plant and equipment	115,997	104,204	956,000
Right-of-use assets	-	25,727	236,028
Investment property	6,040	8,122	74,514
Goodwill and intangible assets	146,203	134,409	1,233,110
Investments accounted for using the equity method	1,538	1,594	14,624
Other financial assets	32,799	27,871	255,697
Deferred tax assets	14,827	14,533	133,330
Other non-current assets	6,265	6,229	57,147
Total non-current assets	323,673	322,692	2,960,477
Total assets	Y 708,604	Y 731,472	\$ 6,710,752
Equity and liabilities			
Liabilities			
Current liabilities			
Trade and other payables	Y 62,216	Y 51,041	\$ 468,266
Bonds and borrowings	19,560	50,361	462,028
Other financial liabilities	2,382	8,482	77,817
Income taxes payable	8,071	3,455	31,697
Provisions	3,806	3,349	30,725
Contract liabilities	4,299	4,413	40,486
Other current liabilities	49,507	48,813	447,826
Total current liabilities	149,844	169,918	1,558,881
Non-current liabilities			
Bonds and borrowings	77,232	56,650	519,725
Other financial liabilities	9,666	28,540	261,835
Retirement benefits liabilities	17,585	20,261	185,881
Provisions	3,160	2,986	27,394
Deferred tax liabilities	6,456	5,564	51,046
Contract liabilities	890	1,189	10,908
Other non-current liabilities	2,174	1,188	10,899
Total non-current liabilities	117,166	116,382	1,067,725
Total liabilities	267,010	286,300	2,626,606
Equity			
Capital stock	19,209	19,209	176,229
Capital surplus	17,577	17,632	161,761
Retained earnings	462,244	491,803	4,511,954
Treasury stock	(2,694)	(2,597)	(23,826)
Other components of equity	(71,577)	(97,526)	(894,734)
Equity attributable to owners of the parent company	424,759	428,520	3,931,376
Non-controlling interests	16,833	16,650	152,752
Total equity	441,593	445,171	4,084,138
Total equity and liabilities	Y 708,604	Y 731,472	\$ 6,710,752

Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar 31, 2019	Year ended Mar 31, 2020	Year ended Mar 31, 2020
Revenue	Y 683,972	Y 637,259	\$ 5,846,413
Cost of sales	(391,893)	(354,987)	(3,256,761)
Gross profit	292,079	282,272	2,589,651
Selling, general and administrative expenses	(220,105)	(215,330)	(1,975,505)
Other income	4,875	3,264	29,945
Other expenses	(4,924)	(2,876)	(26,385)
Operating profit	71,925	67,329	617,697
Finance income	4,039	2,289	21,000
Finance expenses	(3,800)	(2,700)	(24,771)
Share of profit/(loss) of investments accounted for using the equity method	109	128	1,174
Profit before income taxes	72,274	67,046	615,101
Income tax expenses	(18,097)	(17,347)	(159,147)
Profit for the period	54,177	49,699	455,954
Profit for the period attributable to:			
Owners of the parent company	53,902	49,566	454,734
Non-controlling interests	274	132	1,211
Profit for the period	Y 54,177	Y 49,699	\$ 455,954
Earnings per share:	Yen	Yen	U.S. dollars
Basic earnings per share	Y 207.54	Y 190.80	\$ 1.75
Diluted earnings per share	206.90	190.21	1.75

Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar 31, 2019	Year ended Mar 31, 2020	Year ended Mar 31, 2020
	Y	Y	\$
Profit for the period	54,177	49,699	455,954
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	(2,665)	(1,948)	(17,872)
Remeasurement of net defined benefit liability (asset)	(953)	(1,933)	(17,734)
Share of other comprehensive income of investments accounted for using the equity method	11	(17)	(156)
Total of items that will not be reclassified subsequently to profit or loss	<u>(3,607)</u>	<u>(3,899)</u>	<u>(35,771)</u>
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(5,329)	(25,973)	(238,284)
Total of items that may be reclassified subsequently to profit or loss	<u>(5,329)</u>	<u>(25,973)</u>	<u>(238,284)</u>
Other comprehensive income for the period, net of income tax	<u>(8,937)</u>	<u>(29,873)</u>	<u>(274,064)</u>
Comprehensive income for the period	<u>45,239</u>	<u>19,826</u>	<u>181,890</u>
Comprehensive income for the period attributable to:			
Owners of the parent company	45,115	19,729	181,000
Non-controlling interests	124	96	881
Comprehensive income for the period	<u>Y 45,239</u>	<u>Y 19,826</u>	<u>\$ 181,890</u>

Consolidated Statement of Changes in Equity

Year ended Mar 31, 2019	Millions of yen											
	Equity attributable to owners of the parent company										Non-controlling interests	Total 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	Remeasurement of net defined benefit liability (asset)	Other components of equity				
Total								Total				
Balance as of Mar 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 Apr 1, 2018	19,209	17,517	427,449	(2,800)	(66,255)	-	-	(66,255)	395,120	16,980	412,101	
Profit for the period	-	-	53,902	-	-	-	-	-	53,902	274	54,177	
Other comprehensive income	-	-	-	-	(5,321)	(2,525)	(939)	(8,786)	(8,786)	(150)	(8,937)	
Total comprehensive income for the period	-	-	53,902	-	(5,321)	(2,525)	(939)	(8,786)	45,115	124	45,239	
Acquisition of treasury stock	-	-	-	(11)	-	-	-	-	(11)	-	(11)	
Disposal of treasury stock	-	(78)	(39)	117	-	-	-	-	0	-	0	
Dividends paid	-	-	(15,603)	-	-	-	-	-	(15,603)	(270)	(15,873)	
Share-based payment transaction	-	137	-	-	-	-	-	-	137	-	137	
Reclassification to retained earnings	-	-	(3,464)	-	-	2,525	939	3,464	-	-	-	
Total transactions with owners	-	59	(19,107)	106	-	2,525	939	3,464	(15,476)	(270)	(15,747)	
Balance as of Mar 31, 2019	19,209	17,577	462,244	(2,694)	(71,577)	-	-	(71,577)	424,759	16,833	441,593	

Year ended Mar 31, 2020	Millions of yen											
	Equity attributable to owners of the parent company										Non-controlling interests	Total 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	Remeasurement of net defined benefit liability (asset)	Other components of equity				
Total								Total				
Balance as of Mar 31, 2019	19,209	17,577	462,244	(2,694)	(71,577)	-	-	(71,577)	424,759	16,833	441,593	
Cumulative effect of adoption of the new accounting standards	-	-	(494)	-	-	-	-	-	(494)	(8)	(503)	
Balance as of Apr 1, 2019	19,209	17,577	461,749	(2,694)	(71,577)	-	-	(71,577)	424,264	16,825	441,090	
Profit for the period	-	-	49,566	-	-	-	-	-	49,566	132	49,699	
Other comprehensive income	-	-	-	-	(25,949)	(1,927)	(1,959)	(29,836)	(29,836)	(36)	(29,873)	
Total comprehensive income for the period	-	-	49,566	-	(25,949)	(1,927)	(1,959)	(29,836)	19,729	96	19,826	
Acquisition of treasury stock	-	-	-	(10)	-	-	-	-	(10)	-	(10)	
Disposal of treasury stock	-	(76)	(18)	107	-	-	-	-	12	-	12	
Dividends paid	-	-	(15,607)	-	-	-	-	-	(15,607)	(270)	(15,877)	
Share-based payment transaction	-	131	-	-	-	-	-	-	131	-	131	
Reclassification to retained earnings	-	-	(3,887)	-	-	1,927	1,959	3,887	-	-	-	
Total transactions with owners	-	54	(19,513)	97	-	1,927	1,959	3,887	(15,474)	(270)	(15,744)	
Balance as of Mar 31, 2020	19,209	17,632	491,803	(2,597)	(97,526)	-	-	(97,526)	428,520	16,650	445,171	

Year ended Mar 31, 2020	Thousands of U.S. dollars											
	Equity attributable to owners of the parent company										Non-controlling interests	Total 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	Remeasurement of net defined benefit liability (asset)	Other components of equity				
Total								Total				
Balance as of Mar 31, 2019	176,229	161,257	4,240,771	(24,716)	(656,670)	-	-	(656,670)	3,896,872	154,431	4,051,312	
Cumulative effect of adoption of the new accounting standards	-	-	(4,532)	-	-	-	-	-	(4,532)	(73)	(4,615)	
Balance as of Apr 1, 2019	176,229	161,257	4,236,229	(24,716)	(656,670)	-	-	(656,670)	3,892,330	154,358	4,046,697	
Profit for the period	-	-	454,734	-	-	-	-	-	454,734	1,211	455,954	
Other comprehensive income	-	-	-	-	(238,064)	(17,679)	(17,972)	(273,725)	(273,725)	(330)	(274,064)	
Total comprehensive income for the period	-	-	454,734	-	(238,064)	(17,679)	(17,972)	(273,725)	181,000	881	181,890	
Acquisition of treasury stock	-	-	-	(92)	-	-	-	-	(92)	-	(92)	
Disposal of treasury stock	-	(697)	(165)	982	-	-	-	-	110	-	110	
Dividends paid	-	-	(143,183)	-	-	-	-	-	(143,183)	(2,477)	(145,661)	
Share-based payment transaction	-	1,202	-	-	-	-	-	-	1,202	-	1,202	
Reclassification to retained earnings	-	-	(35,661)	-	-	17,679	17,972	35,661	-	-	-	
Total transactions with owners	-	495	(179,018)	890	-	17,679	17,972	35,661	(141,963)	(2,477)	(144,440)	
Balance as of Mar 31, 2020	176,229	161,761	4,511,954	(23,826)	(894,734)	-	-	(894,734)	3,931,376	152,752	4,084,138	

Consolidated Statement of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar 31, 2019	Year ended Mar 31, 2020	Year ended Mar 31, 2020
Cash flows from operating activities			
Profit before income taxes	Y 72,274	Y 67,046	\$ 615,101
Depreciation and amortization	33,674	40,197	368,780
Impairment loss	188	429	3,936
Finance expenses/(income)	(239)	411	3,771
Share of loss/(profit) of investments accounted for using the equity method	(109)	(128)	(1,174)
Losses/(gains) on sale and disposal of fixed assets	2,154	289	2,651
Decrease/(increase) in trade and other receivables	2,133	1,658	15,211
Decrease/(increase) in inventories	(12,179)	6,053	55,532
Increase/(decrease) in trade and other payables	(6,879)	(9,366)	(85,927)
Decrease/(increase) in retirement benefit assets	1,651	66	606
Increase/(decrease) in retirement benefit liabilities	361	3,161	29,000
Other	(3,148)	(1,323)	(12,138)
Subtotal	89,880	108,496	995,376
Interest received	984	1,028	9,431
Dividends received	378	360	3,303
Interest paid	(502)	(1,365)	(12,523)
Income taxes paid	(17,459)	(20,772)	(190,569)
Net cash provided by operating activities	Y 73,280	Y 87,748	\$ 805,028
Cash flows from investing activities			
Purchases of property, plant and equipment	(17,673)	(16,872)	(154,789)
Proceeds from sales of property, plant and equipment	387	1,172	10,752
Purchases of intangible assets	(7,794)	(9,212)	(84,514)
Purchases of investments in equity instruments	(1,022)	(834)	(7,651)
Proceeds from sales of investments in equity instruments	1,117	859	7,881
Purchase of investments in debt instruments	(4,782)	(7,537)	(69,147)
Proceeds from sales or redemption of investments in debt instruments	8,077	7,666	70,330
Payments for acquisition of business	-	(2,030)	(18,624)
Other	(934)	(1,166)	(10,697)
Net cash provided by (used in) investing activities	Y (22,624)	Y (27,955)	\$ (256,468)
Cash flows from financing activities			
Proceeds from short-term borrowings	-	29,873	274,064
Repayment of short-term borrowings	(1,042)	-	-
Proceeds from long-term borrowings	-	200	1,835
Repayment of long-term borrowings	(296)	(20,197)	(185,294)
Redemption of bonds	(20,231)	(92)	(844)
Repayment of lease obligations	(1,590)	(8,813)	(80,853)
Dividends paid	(15,603)	(15,607)	(143,183)
Dividends paid to non-controlling interests	(270)	(270)	(2,477)
Other	(7)	(8)	(73)
Net cash provided by (used in) financing activities	Y (39,040)	Y (14,916)	\$ (136,844)
Effect of exchange rate changes on cash and cash equivalents	(1,847)	(7,606)	(69,780)
Net increase/(decrease) in cash and cash equivalents	9,767	37,270	341,927
Cash and cash equivalents at the beginning of the period	121,384	131,152	1,203,229
Cash and cash equivalents at the end of the period	Y 131,152	Y 168,422	\$ 1,545,156

Segment Information

Year ended Mar 31, 2019

	Millions of yen								
	Reportable segments						Total	Reconciliations	Consolidated
Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others				
Revenue									
Customers	403,036	45,445	104,130	47,926	71,234	12,198	683,972	-	683,972
Intersegment	-	-	-	-	-	12,503	12,503	(12,503)	-
Total	403,036	45,445	104,130	47,926	71,234	24,701	696,476	(12,503)	683,972
Business segment profit	52,181	4,037	9,753	1,778	3,948	436	72,135	(161)	71,973
Other income and expenses	721	(9)	157	(184)	(1,083)	349	(48)	-	(48)
Operating profit	52,903	4,028	9,910	1,593	2,864	786	72,086	(161)	71,925
Finance income and expenses									239
Share of profit/(loss) of investments accounted for using the equity method									109
Profit before income taxes									72,274

Year ended Mar 31, 2020

	Millions of yen								
	Reportable segments						Total	Reconciliations	Consolidated
Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others				
Revenue									
Customers	390,687	40,864	74,814	49,108	67,537	14,247	637,259	-	637,259
Intersegment	-	-	-	-	656	11,223	11,880	(11,880)	-
Total	390,687	40,864	74,814	49,108	68,193	25,471	649,139	(11,880)	637,259
Business segment profit	57,105	3,129	694	2,087	3,786	397	67,199	(257)	66,942
Other income and expenses	(24)	45	(81)	(222)	131	539	387	-	387
Operating profit	57,080	3,174	612	1,864	3,918	936	67,587	(257)	67,329
Finance income and expenses									(411)
Share of profit/(loss) of investments accounted for using the equity method									128
Profit before income taxes									67,046

Year ended Mar 31, 2020

	Thousand of U.S. dollars								
	Reportable segments						Total	Reconciliations	Consolidated
Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others				
Revenue									
Customers	3,584,284	374,899	686,367	450,532	619,606	130,706	5,846,413	-	5,846,413
Intersegment	-	-	-	-	6,018	102,963	108,991	(108,991)	-
Total	3,584,284	374,899	686,367	450,532	625,624	233,679	5,955,404	(108,991)	5,846,413
Business segment profit	523,899	28,706	6,367	19,147	34,734	3,642	616,505	(2,358)	614,147
Other income and expenses	(220)	413	(743)	(2,037)	1,202	4,945	3,550	-	3,550
Operating profit	523,670	29,119	5,615	17,101	35,945	8,587	620,064	(2,358)	617,697
Finance income and expenses									(3,771)
Share of profit/(loss) of investments accounted for using the equity method									1,174
Profit before income taxes									615,101

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.