

Highlights of Consolidated Results for Fiscal Year ended March 31, 2022

	Millions of yen (except for per share amounts)			Change
	Year ended Mar 31, 2021	Year ended Mar 31, 2022		
Revenue	Y 631,812	Y 710,938		12.5 %
Business segment profit	78,076	84,552		8.3 %
Operating profit	42,731	85,501		100.1 %
Profit before income taxes	42,944	86,429		101.3 %
Profit for the period	24,659	61,515		149.5 %
Profit for the period attributable to owners of the parent company	24,520	61,030		148.9 %
Comprehensive income for the period	69,474	97,734		40.7 %
Basic earnings per share for the period (yen)	94.36	234.89		
Diluted earnings per share for the period (yen)	94.07	234.18		
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.

	As of Mar. 31, 2021		As of Mar. 31, 2022	
	Y		Y	
Total assets	743,896		811,149	
Total equity	499,707		561,211	
Equity attributable to owners of the parent company	483,050		561,146	
Equity attributable to owners of the parent company ratio	64.9 %		69.2 %	
Equity attributable to owners of the parent company per share (yen)	1,858.28		2,170.46	

	Year ended Mar 31, 2021		Year ended Mar 31, 2022	
	Y		Y	
Net cash provided by operating activities	109,265		72,254	
Net cash provided by (used in) investing activities	(25,080)		(40,781)	
Net cash provided by (used in) financing activities	(74,038)		(65,191)	
Cash and cash equivalents at end of period	191,002		167,915	

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2023

	Millions of yen (except for per share amounts)		
	[Forecast]		
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023	Change
Revenue	Y 710,938	Y 775,000	9.0 %
Business segment profit	84,552	73,000	-13.7 %
Operating profit	85,501	73,000	-14.6 %
Profit before income taxes	86,429	73,000	-15.5 %
Profit for the period	61,515	51,000	-17.1 %
Profit for the period attributable to owners of the parent company	61,030	51,000	-16.4 %
Basic earnings per share for the period (yen)	234.89	199.40	
Dividends per common share (yen)	64.00	68.00	

(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 year ended Mar 31, 2022 are based on the following currency exchange rates:
Actual average rates for the year ended Mar 31, 2022: US\$=112.86 yen, EURO=131.01 yen
Forecasts for the year ending Mar. 31, 2023 are based on the following currency exchange rates:
Assumed average rates for the year ending Mar. 31, 2023: US\$=122.00 yen, EURO=133.00 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of Mar. 31, 2021, 262,220 thousands as of Mar 31, 2022
Number of treasury stock outstanding: 2,276 thousands as of Mar. 31, 2021, 3,683 thousands as of Mar. 31, 2022
Number of weighted average shares:
259,868 thousands during the year ended March 31, 2021, 259,827 thousands during the year ended March 31, 2022
- 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 difficult to predict when it will end and how it will affect future cash-flow. Measures such as vaccines are being considered and economic activity is on a recovery trend, but we do not know when the global chip shortage will be resolved and the supply shortage is likely to continue, and there is a high possibility that sea freight will continue to rise due to port congestion and imbalance between supply and demand. 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, 2023. The Group's consolidated financial statements for the year ending Mar. 31, 2023 and onwards may be significantly affected depending on the actual outcome.

Consolidated Statement of Financial Position

	Millions of yen	
	As of Mar. 31, 2021	As of Mar 31, 2022
Assets		
Current assets		
Cash and cash equivalents	Y 191,002	Y 167,915
Trade and other receivables	93,055	102,685
Other financial assets	8,391	11,419
Inventories	120,186	169,583
Other current assets	16,070	24,843
Subtotal	428,705	476,447
Non-current assets classified as held for sale	45	297
Total current assets	428,751	476,745
Non-current assets		
Property, plant and equipment	107,742	117,127
Right-of-use assets	20,835	21,136
Investment property	8,248	7,858
Goodwill and intangible assets	118,196	121,689
Investments accounted for using the equity method	1,772	1,862
Other financial assets	36,042	33,389
Deferred tax assets	14,842	21,261
Other non-current assets	7,464	10,078
Total non-current assets	315,145	334,404
Total assets	Y 743,896	Y 811,149
Equity and liabilities		
Liabilities		
Current liabilities		
Trade and other payables	Y 54,589	Y 71,247
Bonds and borrowings	19,167	20,121
Other financial liabilities	9,887	9,517
Income taxes payable	6,779	14,084
Provisions	4,015	3,211
Contract liabilities	5,636	7,807
Other current liabilities	51,412	53,516
Total current liabilities	151,489	179,506
Non-current liabilities		
Bonds and borrowings	38,290	20,705
Other financial liabilities	23,295	20,379
Retirement benefits liabilities	19,316	16,366
Provisions	2,848	2,972
Deferred tax liabilities	6,394	7,207
Contract liabilities	1,506	1,600
Other non-current liabilities	1,047	1,197
Total non-current liabilities	92,700	70,431
Total liabilities	244,189	249,937
Equity		
Capital stock	19,209	19,209
Capital surplus	17,652	17,866
Retained earnings	509,662	554,910
Treasury stock	(2,477)	(5,428)
Other components of equity	(60,998)	(25,411)
Equity attributable to owners of the parent company	483,050	561,146
Non-controlling interests	16,657	65
Total equity	499,707	561,211
Total equity and liabilities	Y 743,896	Y 811,149

Consolidated Statement of Income

	Millions of yen	
	Year ended Mar 31, 2021	Year ended Mar 31, 2022
Revenue	Y 631,812	Y 710,938
Cost of sales	(345,209)	(403,614)
Gross profit	286,602	307,324
Selling, general and administrative expenses	(208,526)	(222,771)
Other income	6,107	5,621
Other expenses	(41,451)	(4,672)
Operating profit	42,731	85,501
Finance income	2,209	4,079
Finance expenses	(2,231)	(3,338)
Share of profit/(loss) of investments accounted for using the equity method	235	186
Profit before income taxes	42,944	86,429
Income tax expenses	(18,285)	(24,914)
Profit for the period	<u>24,659</u>	<u>61,515</u>
Profit for the period attributable to:		
Owners of the parent company	24,520	61,030
Non-controlling interests	138	484
Profit for the period	<u>Y 24,659</u>	<u>Y 61,515</u>
Earnings per share:	Yen	Yen
Basic earnings per share	Y 94.36	Y 234.89
Diluted earnings per share	94.07	234.18

Consolidated Statement of Comprehensive Income

	Millions of yen	
	Year ended Mar 31, 2021	Year ended Mar 31, 2022
Profit for the period	Y 24,659	Y 61,515
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	6,128	(3,234)
Remeasurement of net defined benefit liability (asset)	2,128	3,831
Share of other comprehensive income of investments accounted for using the equity method	(7)	(0)
Total of items that will not be reclassified subsequently to profit or loss	8,248	597
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	36,565	35,622
Total of items that may be reclassified subsequently to profit or loss	36,565	35,622
Other comprehensive income for the period, net of income tax	44,814	36,219
Comprehensive income for the period	69,474	97,734
Comprehensive income for the period attributable to:		
Owners of the parent company	69,219	97,231
Non-controlling interests	255	503
Comprehensive income for the period	Y 69,474	Y 97,734

Consolidated Statement of Changes in Equity

Year ended Mar 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	Gains/(Losses) on investments in equity instruments designated as FVTOCI
Balance as of Apr. 1, 2020	19,209	17,632	491,803	(2,597)	(97,526)	-
Profit for the period	-	-	24,520	-	-	-
Other comprehensive income	-	-	-	-	36,528	6,057
Total comprehensive income for the period	-	-	24,520	-	36,528	6,057
Acquisition of treasury stock	-	-	-	(17)	-	-
Disposal of treasury stock	-	(100)	-	137	-	-
Dividends paid	-	-	(14,830)	-	-	-
Share-based payment transaction	-	120	-	-	-	-
Reclassification to retained earnings	-	-	8,170	-	-	(6,057)
Total transactions with owners	-	20	(6,660)	120	-	(6,057)
Balance as of Mar 31, 2021	19,209	17,652	509,662	(2,477)	(60,998)	-

	Equity attributable to owners of the parent company				Total equity
	Other components of equity		Total	Non-controlling interests	
	Remeasurement of net defined benefit liability (asset)	Total			
Balance as of Apr. 1, 2020	-	(97,526)	428,520	16,650	445,171
Profit for the period	-	-	24,520	138	24,659
Other comprehensive income	2,112	44,698	44,698	116	44,814
Total comprehensive income for the period	2,112	44,698	69,219	255	69,474
Acquisition of treasury stock	-	-	(17)	-	(17)
Disposal of treasury stock	-	-	37	-	37
Dividends paid	-	-	(14,830)	(248)	(15,079)
Share-based payment transaction	-	-	120	-	120
Reclassification to retained earnings	(2,112)	(8,170)	-	-	-
Total transactions with owners	(2,112)	(8,170)	(14,689)	(248)	(14,938)
Balance as of Mar 31, 2021	-	(60,998)	483,050	16,657	499,707

Year ended Mar 31, 2022

	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
Balance as of Apr. 1, 2021	19,209	17,652	509,662	(2,477)	(60,998)	-
Profit for the period	-	-	61,030	-	-	-
Other comprehensive income	-	-	-	-	35,586	(3,216)
Total comprehensive income for the period	-	-	61,030	-	35,586	(3,216)
Acquisition of treasury stock	-	-	-	(3,009)	-	-
Disposal of treasury stock	-	(54)	-	57	-	-
Dividends paid	-	-	(16,397)	-	-	-
Share-based payment transaction	-	117	-	-	-	-
Changes in ownership interest in subsidiaries	-	149	-	-	-	-
Reclassification to retained earnings	-	-	614	-	-	3,216
Total transactions with owners	-	213	(15,783)	(2,951)	-	3,216
Balance as of Mar 31, 2022	19,209	17,866	554,910	(5,428)	(25,411)	-

	Equity attributable to owners of the parent company				Total equity
	Other components of equity		Total	Non-controlling interests	
	Remeasurement of net defined benefit liability (asset)	Total			
Balance as of Apr. 1, 2021	-	(60,998)	483,050	16,657	499,707
Profit for the period	-	-	61,030	484	61,515
Other comprehensive income	3,830	36,200	36,200	18	36,219
Total comprehensive income for the period	3,830	36,200	97,231	503	97,734
Acquisition of treasury stock	-	-	(3,009)	-	(3,009)
Disposal of treasury stock	-	-	3	-	3
Dividends paid	-	-	(16,397)	(249)	(16,647)
Share-based payment transaction	-	-	117	-	117
Changes in ownership interest in subsidiaries	-	-	149	(16,845)	(16,695)
Reclassification to retained earnings	(3,830)	(614)	-	-	-
Total transactions with owners	(3,830)	(614)	(19,135)	(17,094)	(36,230)
Balance as of Mar 31, 2022	-	(25,411)	561,146	65	561,211

Consolidated Statement of Cash Flows

	Millions of yen	
	Year ended Mar 31, 2021	Year ended Mar 31, 2022
Cash flows from operating activities		
Profit before income taxes	Y 42,944	Y 86,429
Depreciation and amortization	38,252	38,700
Impairment loss	30,787	2,123
Finance expenses/(income)	22	(740)
Share of loss/(profit) of investments accounted for using the equity method	(235)	(186)
Losses/(gains) on sale and disposal of fixed assets	859	670
Decrease/(increase) in trade and other receivables	7,484	(2,954)
Decrease/(increase) in inventories	3,953	(37,964)
Increase/(decrease) in trade and other payables	1,232	12,450
Decrease/(increase) in retirement benefit assets	(831)	(1,748)
Increase/(decrease) in retirement benefit liabilities	(1,863)	(3,646)
Other	3,643	2,562
Subtotal	<u>126,250</u>	<u>95,695</u>
Interest received	877	1,231
Dividends received	312	330
Interest paid	(1,229)	(756)
Income taxes paid	(16,945)	(24,245)
Net cash provided by operating activities	<u>Y 109,265</u>	<u>Y 72,254</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(20,655)	(26,606)
Proceeds from sales of property, plant and equipment	1,674	1,019
Purchases of intangible assets	(6,859)	(9,236)
Purchases of investments in equity instruments	(238)	(1,244)
Proceeds from sales of investments in equity instruments	706	10
Purchase of investments in debt instruments	(7,299)	(9,297)
Proceeds from sales or redemption of investments in debt instruments	8,541	5,880
Other	(950)	(1,305)
Net cash provided by (used in) investing activities	<u>Y (25,080)</u>	<u>Y (40,781)</u>
Cash flows from financing activities		
Repayment of short-term borrowings	(30,012)	-
Proceeds from long-term borrowings	200	200
Repayment of long-term borrowings	(200)	(20,197)
Repayment of lease obligations	(8,798)	(8,825)
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(16,715)
Purchase of treasury stock	(6)	(3,005)
Dividends paid	(14,830)	(16,397)
Dividends paid to non-controlling interests	(248)	(249)
Redemption of bonds	(20,140)	-
Other	(0)	(0)
Net cash provided by (used in) financing activities	<u>Y (74,038)</u>	<u>Y (65,191)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>12,434</u>	<u>10,630</u>
Net increase/(decrease) in cash and cash equivalents	<u>22,580</u>	<u>(23,087)</u>
Cash and cash equivalents at the beginning of the period	<u>168,422</u>	<u>191,002</u>
Cash and cash equivalents at the end of the period	<u>Y 191,002</u>	<u>Y 167,915</u>

Segment Information

Year ended Mar 31, 2021

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	384,766	53,668	78,917	31,044	69,824	13,591	631,812	-	631,812
Intersegment	-	-	-	-	557	11,697	12,254	(12,254)	-
Total	384,766	53,668	78,917	31,044	70,381	25,289	644,067	(12,254)	631,812
Business segment profit/(loss)	65,151	9,803	4,120	(5,159)	4,753	(484)	78,184	(108)	78,076
Other income and expenses	(4,162)	(161)	(816)	(2,188)	(28,694)	678	(35,344)	-	(35,344)
Operating profit/(loss)	60,989	9,641	3,303	(7,348)	(23,940)	194	42,840	(108)	42,731
Finance income and expenses									(22)
Share of profit/(loss) of investments accounted for using the equity method									235
Profit before income taxes									42,944

Year ended Mar 31, 2022

	Millions of yen						Total	Reconciliations	Consolidated
	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others			
Revenue									
Customers	424,247	49,995	111,292	29,552	81,726	14,123	710,938	-	710,938
Intersegment	-	-	-	-	699	13,680	14,380	(14,380)	-
Total	424,247	49,995	111,292	29,552	82,426	27,804	725,319	(14,380)	710,938
Business segment profit/(loss)	59,754	8,072	13,955	(2,700)	4,893	662	84,638	(86)	84,552
Other income and expenses	(331)	134	(25)	2,132	56	(1,016)	949	-	949
Operating profit	59,422	8,207	13,930	(568)	4,950	(354)	85,587	(86)	85,501
Finance income and expenses									740
Share of profit/(loss) of investments accounted for using the equity method									186
Profit before income taxes									86,429

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.