May 12, 2016
Brother Industries, Ltd.

Company name: Brother Industries, Ltd.
Stock code: 6448 (First Section, Tokyo Stock Exchange)
Representative: Toshikazu Koike,
Representative Director & President
Contact: Yoshitsugu Asai,
Managing Executive Officer
Finance & Accounting Department
Tel: +81-52-824-2075

(Correction) Notice of Partial Correction to "Explanatory Presentation [Fiscal Year 2015 (ended March 31, 2016)]"

Brother Industries, Ltd. announces that it has made a partial correction to the "Explanatory Presentation [Fiscal Year 2015 (ended March 31, 2016)]" released on May 9, 2016. The correction is underlined.

[Correction]

The underlined portion on Page 3 (Highlight for FY2015)

*Unit: 100 Millions of yen

[Before Correction]

	FY15	FY14
Net Sales	7,459	7,459
Operating Income	473	476
Current Profits	486	486
Income before Tax	493	654
Net Income	310	310

[After Correction]

	FY15	FY14
Net Sales	7,459	7,072
Operating Income	473	575
Current Profits	486	516
Income before Tax	493	654
Net Income	310	540

Financial Results for Fiscal Year 2015
(ended March 31, 2016)

Brother Industries, Ltd.

May 9, 2016

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.

Highlight for FY2015

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight for FY2015

(100 Millions of Yen)

	FY15	FY14	Rate of Change (w/o forex impact)	15Q4	14Q4	Rate of Change (w/o forex impact)
Net Sales	**7,459**	7,072	5.5% (+4.0%)	1,762	1,858	-5.2% (-1.2%)
Operating Income	**473**	575	-17.8%	77	117	-34.1%
Current Profits	**486**	516	-5.7%	73	92	-20.2%
Income before Tax	**493**	654	-24.5%	58	78	-25.3%
Net Income	**310**	540	-42.5%	57	59	-4.1%
Exchange Rates						
USD	**120.16**	110.03		116.95	119.56	
EUR	**132.36**	138.68		128.94	136.10	

- ✓ Sales reached a record high primarily due to the new consolidated company Domino, despite negative factors, such as growing macroeconomic uncertainty and significantly decreased sales of machine tools.
- ✓ Operating income decreased by 18%. However, it maintained almost the same level of profit as last year's, excluding the impact from the consolidation of Domino and a negative impact from forex, mainly due to the yen's appreciation against the Euro.
- ✓ Ordinary profit decreased by 6%. However, it increased year-on-year in real terms, excluding the impact from the consolidation of Domino.

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight by business segment

(100 Millions of Yen)

Net Sales	FY15	FY14	Rate of Change	Rate of Change (w/o forex impact)
Total	**7,459**	**7,072**	**5.5%**	**4.0%**
Printing & Solutions	**4,768**	**4,743**	**0.5%**	**-0.6%**
Personal & Home	**528**	**514**	**2.6%**	**0.0%**
Machinery & Solution	**814**	**1,006**	**-19.1%**	**-22.2%**
Network & Contents	**537**	**490**	**9.7%**	**9.5%**
Industrial Parts	**183**	**174**	**5.0%**	**3.4%**
Domino business	**483**	**-**	**-**	**-**
Other	**146**	**145**	**0.5%**	**0.4%**

Operating Margin	FY15	FY14	Rate of Change
Total	**473**	**575**	**-17.8%**
Printing & Solutions	**342**	**357**	**-4.3%**
Personal & Home	**48**	**49**	**-1.7%**
Machinery & Solution	**104**	**162**	**-36.1%**
Network & Contents	**-3**	**-9**	**-**
Industrial Parts	**9**	**3**	**207.0%**
Domino business	**-20**	**-**	**-**
Other	**13**	**12**	**2.9%**
Adjustment	**-20**	**-**	**-**

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight by business segment



Printing & Solutions

Communications & Printing equipment / Electronic stationery

(100 Millions of Yen)

	FY14	FY15	Change
Net Sales			
Printing & Solutions	4,743	**4,768**	**0.5%**
Communication & Printing equipment	4,218	**4,215**	**-0.1%**
Electronic stationery	525	**553**	**5.4%**
Operating Income			
Printing & Solutions	357	**342**	**-4.3%**



Inkjet MFC
DCP-T700W



Black & White
All-in-One
MFC-L5800DW



Document Scanner
ADS-3600W

<Net sales>

(Communications & Printing equipment)

Sales remained at almost the same level as last year due to steady sales of color laser MFC and the launch of inkjet MFC with high-yield ink tanks, despite the severe business environment due to maturity of the printing market and the economic slowdown in emerging markets.

(Electronic stationery)

Sales steadily increased in the labeling business and solution business as well, despite the economic slowdown in China and other emerging markets.

<Operating income>

Operating income remained at the same level as last year, excluding a negative impact from a stronger Yen against the Euro.

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight by business segment



Personal & Home

Home sewing machines

(100 Millions of Yen)

	FY14	FY15	Change
Net Sales	514	**528**	**2.6%**
Operating Income	49	**48**	**-1.7%**



Embroidery machine
VR100



Cutting machine
ScanNCut 650W

<Net sales>
Sales of mid-range/high-end models steadily increased globally, despite the economic slowdown in Russia. Especially in Western Europe, sales for the year were strong with record high sales achieved in many countries.

<Operating income>
Operating income margin retained a high profitability of approximately 9%, although operating income decreased due to the economic slowdown in Russia and a change in the product mix.

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight by business segment



Machinery & Solution

Industrial sewing machines/Machine tools

(100 Millions of Yen)

	FY14	FY15	Change
Net Sales			
Machinery & Solution	1,006	**814**	**-19.1%**
Industrial sewing machi	273	**308**	**12.7%**
Machine tools	733	**506**	**-30.9%**
Operating Income			
Machinery & Solution	162	**104**	**-36.1%**



SPEEDIO S500X1



SPEEDIO S1000X1



NEXIO S7300A

<Net sales>

(Industrial sewing machines)

Strategic lock stich model S7300A enjoyed a good reputation. Sales increased even though China experienced economic slowdown.

(Machine tools)

Demand from IT customers peaked in the first half of the year. Sales to the automobile and motorcycle industries steadily increased with the strengthened product lineup.

<Operating income>

In industrial machines, operating income rose due to an improvement in profit margin because sales of new lock stich S7300A were robust, and owing to steady sales of garment printers. However, operating income in the entire business decreased because operating income in machine tools significantly dropped due to shrinking demand from the IT industry.

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight by business segment



Network & Contents

Online karaoke machines

(100 Millions of Yen)

	FY14	FY15	Change
Net Sales	490	**537**	**9.7%**
Operating Income	-9	**-3**	-



JOYSOUND MAX



JOYSOUND 響 HIBIKI

New models, Joysound Max and Joysound Hibiki, were launched for the first time in approximately three years. With all music played by using musical instruments, which is the industry's first, as well as the industry's largest number of songs available, these models provide overwhelming performance.

<Net sales>

Amid slowdown in the karaoke market, sales increased due to the launch of new models, Joysound Max and Joysound Hibiki, and new consolidated subsidiary Teichiku Entertainment, Inc.

<Operating income>

Operating losses were recorded for two consecutive years due to increases in sales promotion and music production costs associated with the launch of the new models and owing to deferred income resulting from an increase in rental transaction volume.

*Impairment loss on subsidiary shares

We calculated an impairment loss for the shares of consolidated subsidiary Xing Inc. under "Accounting Standard for Financial Instruments" because the actual value of the shares significantly fell due to deterioration in Xing's financial position, and recorded approximately 10.2 billion yen as a loss on valuation of shares of affiliates in the extraordinary loss items of our non-consolidated financial statements for the year ended March 31, 2016. (There was no impact on our consolidated financial statements because the amount was eliminated on consolidation.)

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight by business segment

Industrial parts

Reducer・Gear

(100 Millions of Yen)

	FY14	FY15	Change
Net Sales	174	**183**	**5.0%**
Operating Income	3	**9**	**207.0%**



GTR F Series

Helical gear



Hypoid gear



<Net sales>
Despite a decrease in sales of reducers in Japan, the entire sales increased by approximately 5% due to steadily growing sales in the Americas.

<Operating income>
Profitability improved due to increased sales.

***Change of business segments**
To accelerate synergies between businesses, industrial parts will be integrated into the Machinery and Solution business in FY 2016. (Machinery and Solution business will be renamed Machinery business in FY 2016.)

© 2016 Brother Industries, Ltd. All Rights Reserved.

Highlight by business segment

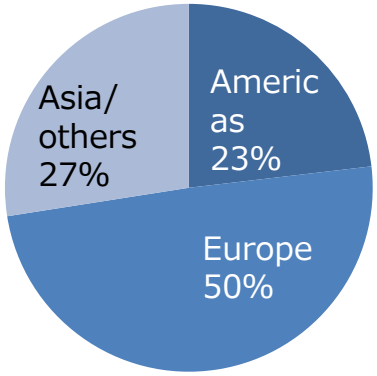
Domino Business

<(Ref.) sales comparison by region>

	FY15	Change x FX
Net Sales	**483**	**3.2%**
Americas	**112**	**2.8%**
Europe	**239**	**5.6%**
Asia & Others	**133**	**2.0%**

*FY2015 is 9 month figures after newly consolidation with Brother group

< Sales breakdown by region >



<Net sales>

In the cording business, sales as a whole increased steadily and maintained single digit year-on-year growth.
In the digital printing business, sales rose with an annual growth rate of over 15% due to growing needs for digital printing.

<Operating income>

Domino group maintained a profit margin of approximately 15%.
However, operating loss was recorded in Brother consolidation due to the amortization of goodwill.
(With Brother's adoption of IFRS, goodwill will not be amortized from FY 2016.)





© 2016 Brother Industries, Ltd. All Rights Reserved.

Forecast for FY2016

© 2016 Brother Industries, Ltd. All Rights Reserved.

Mid-Term Business Strategy "CS B2018"

brother at your side

2018 Performance goal (IFRS)

Sales revenue	750 B.JPY
Operating income	60 B.JPY
Operating income rate	8.0%

Our aspiration for Brother:

"A multi-business enterprise with resilient DNA and a track record of success that continually evolves to deliver profitable growth by meeting the challenges of changing times and environments"

Image of transition in business areas

Industrial areas continuing on from CS B2015
Machine Tools | Industrial sewing machine | Industrial parts | Domino

+

Industrial areas aiming for expansion in CS B2018
Industrial printing | Factory automation | CIV solution | Office solution | …

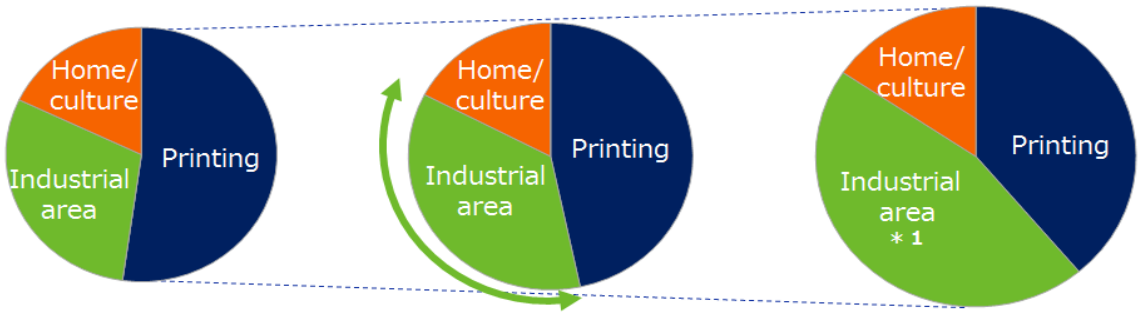


Image of CS B2015 business areas[1] | Image of CS B2018 business areas[1] | Image of business areas in the future

＊1: "Industrial area" includes solution. "Home/culture" means P&H and N&C.

© 2016 Brother Industries, Ltd. All Rights Reserved.

Policy to strengthen our businesses in CS B2018

Concept of strengthen our businesses in CS B2015

Promote growth strategies across all businesses

Communications & Printing equipment	E-stationery	P&H	M&S	N&C	New business

Placed the printing related business as the primary axis inside the head office, and growth strategies promoted across all businesses

Concept of strengthen our businesses in CS B2018

Businesses for profitability enhancement

Expected to contribute to overall group profit as future cash cow groups

Communications & Printing equipment	N&C

Reallocation of HR/ investment



Growth businesses and new businesses

Expected to be growth drivers of the entire group

Growth business

- P&H
- E-stationery
- Machinery business
- Domino business

New business

- Industrial printing
- Factory automation
- Solution

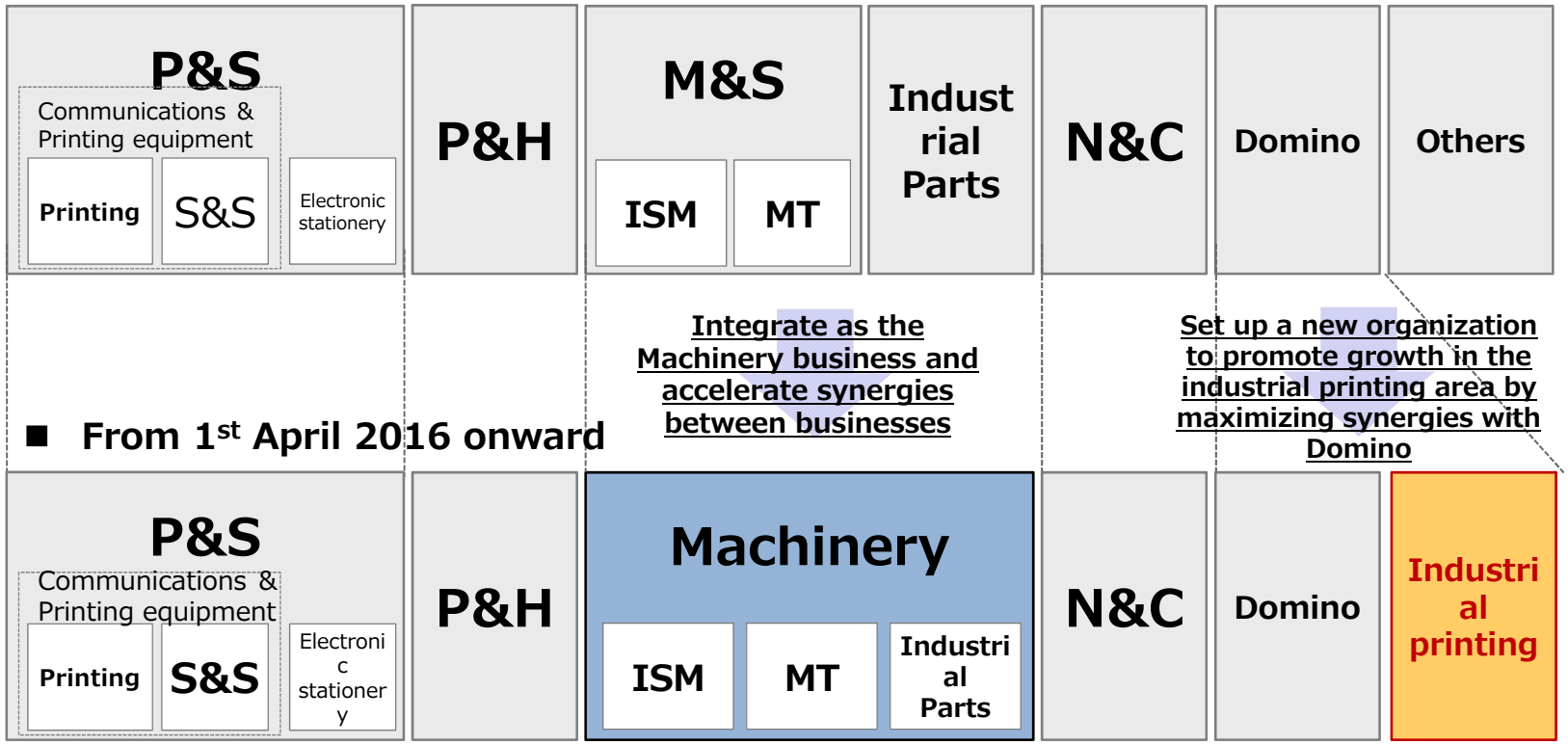
Clearly differentiate between “businesses for profitability enhancement” and “businesses for growth” and reallocate our resources to strengthen the portfolio

© 2016 Brother Industries, Ltd. All Rights Reserved.

Change of business segments

Changes to business segments have resulted from the organizational change to promote CS B2018.

■ **Current**



© 2016 Brother Industries, Ltd. All Rights Reserved.

Main measures in FY2016

P&S

✓ Communications & Printing equipment

・Establish a new marketing strategy to survive in the SOHO market
・Shift to a proposal-based business to establish a presence in the SMB area
・Change into a highly profitable product mix, aiming to enhance profitability in emerging markets
・Promote approaches to increase sales of genuine consumables

✓ Electronic stationery

・Maintain the overwhelming position of No.1 in the labeling market
・Increase sales in the solution business area

P&H

✓ Home sewing machines

・Maintain global No.1 market share
・Strengthen sales activities to expand share in the mid-range/high-end markets
・Enhance development of sales channels towards growth in the craft area

© 2016 Brother Industries, Ltd. All Rights Reserved.

Main measures in FY2016

Machinery	✓ **Industrial sewing machines** ・Enhance structure to support sales growth in the expanding Asian markets. ・Strengthen R&D and sales to evolve the garment printer business
	✓ **Machine tools** ・Strengthen sales and service capabilities to increase sales to the automobile and motorcycle industries ・Optimize production structure with an eye to a recovery in demand from IT related customers
	✓ **Industrial parts** ・In the reducers business, aim to increase sales of gear motors mainly in the USA ・Transform into a highly profitable product mix by focusing on gears for robots
N&C	・Dispose of underperforming businesses, such as the content business, and restrain new business plans/investments ・Improve profitability in existing stores by closing underperforming stores
Domino	・Invest in sales/service network to strengthen sales ・Realize synergies with Brother (in R&D and production) ・Increase production facilities (in U.K. and China)

© 2016 Brother Industries, Ltd. All Rights Reserved.

Forecast for FY2016

(100 Millions of Yen)

IFRS

	FY16
Sales Revenue	**6,575**
Business Segment Profit	**460**
Operating Profit	**450**
Income before Tax	**450**
Net Income	**315**

Exchange Rates

USD	110.00
EUR	125.00

(Ref.) J-GAAP

	FY16	FY15	Rate of Change (w/o forex impact)
Net Sales	**7,150**	7,459	-4.1% (+3.3%)
Operating Income	**400**	473	-15.4%
Current Profits	**380**	486	-21.8%
Income before Tax	**365**	493	-26.0%
Net Income	**255**	310	-17.8%

Exchange Rates

USD	110.00	120.16
EUR	125.00	132.36

<Main impacts due to the adoption of IFRS>
*Sales (Sales revenue)
Primarily in the P&S business, most of sales promotion and advertising expenses associated with sales of products will be deduced from sales as discounts in real terms.
*Operating profit
While goodwill is amortized regularly under Japanese GAAP, it is not amortized under IFRS.
(An impairment test shall be performed each period, and an impairment loss shall be recognized, if needed.)
*Corporate tax
Tax rate will become stable because the way tax effects on unrealized profits are recorded will change.

© 2016 Brother Industries, Ltd. All Rights Reserved.

Forecast for 2016 by business segment

(100 Millions of Yen)

Sales Revenue (IFRS)

	FY16 Fct
Total	**6,575**
Printing & Solutions	3,845
Personal & Home	488
Machinery	959
Network & Contents	525
Domino business	614
Others	144

(Ref)Net Sales (J-GAAP)

	FY16 Fct	FY15 Act	Rate of Change	Rate of Change x FX
Total	**7,150**	**7,459**	**-4.1%**	**3.3%**
Printing & Solutions	4,404	4,768	-7.6%	0.5%
Personal & Home	503	528	-4.7%	3.9%
Machinery	962	997	-3.6%	0.3%
Network & Contents	525	537	-2.3%	-2.0%
Domino business	614	483	27.1%	43.9%
Others	143	146	-1.8%	-1.9%

Business Segment Profit (IFRS)

	FY16 Fct
Total	**460**
Printing & Solutions	300
Personal & Home	38
Machinery	57
Network & Contents	20
Domino business	40
Others	5

(Ref)Operating Income (J-GAAP)

	FY16 Fct	FY15 Act	Rate of Change
Total	**400**	**473**	**-15.4%**
Printing & Solutions	321	342	-6.2%
Personal & Home	39	48	-18.9%
Machinery	55	112	-51.1%
Network & Contents	9	-3	-
Domino business	-31	-20	-
Others	7	13	-41.9%
Adjustment	-	-20	-

Operating Income (IFRS)

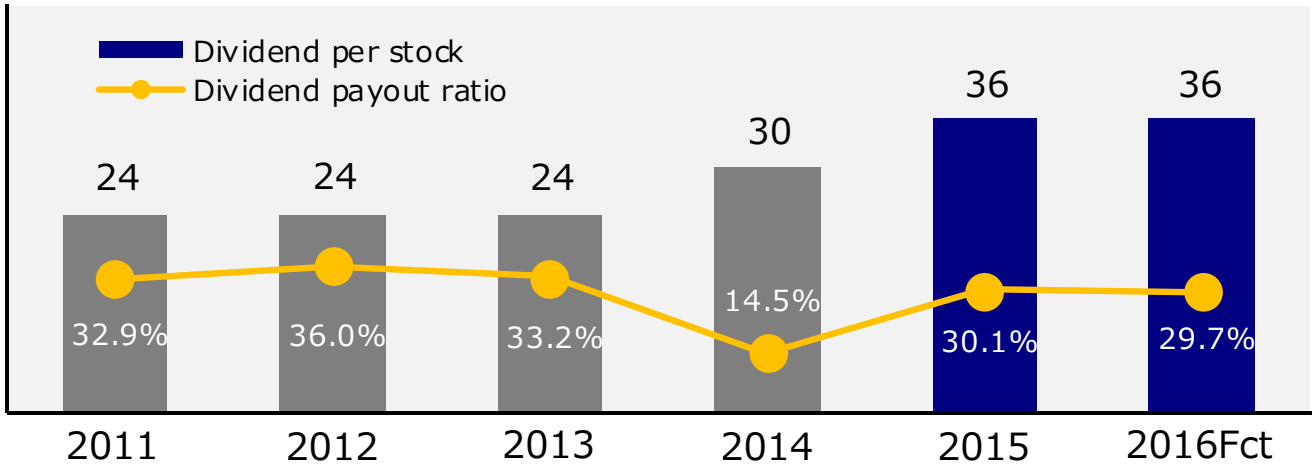
	FY16 Fct
Total	**450**
Printing & Solutions	294
Personal & Home	37
Machinery	56
Network & Contents	18
Domino business	40
Others	5

© 2016 Brother Industries, Ltd. All Rights Reserved.

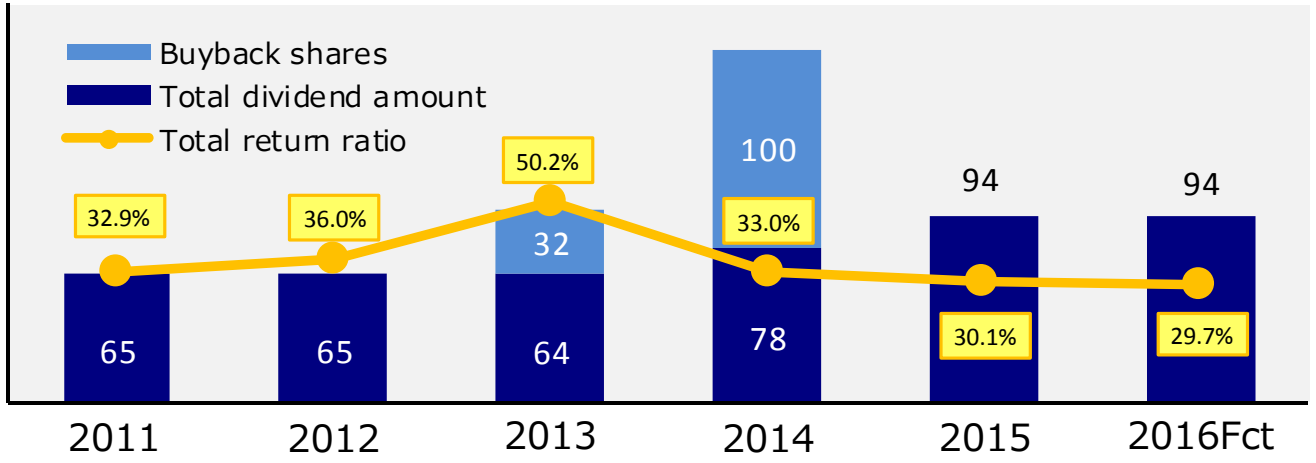
Dividend and Payout ratio

- ✓ Basic policy remains unchanged with consolidated payout ratio of about 30%
- ✓ Stable return to shareholders

<Dividend record>



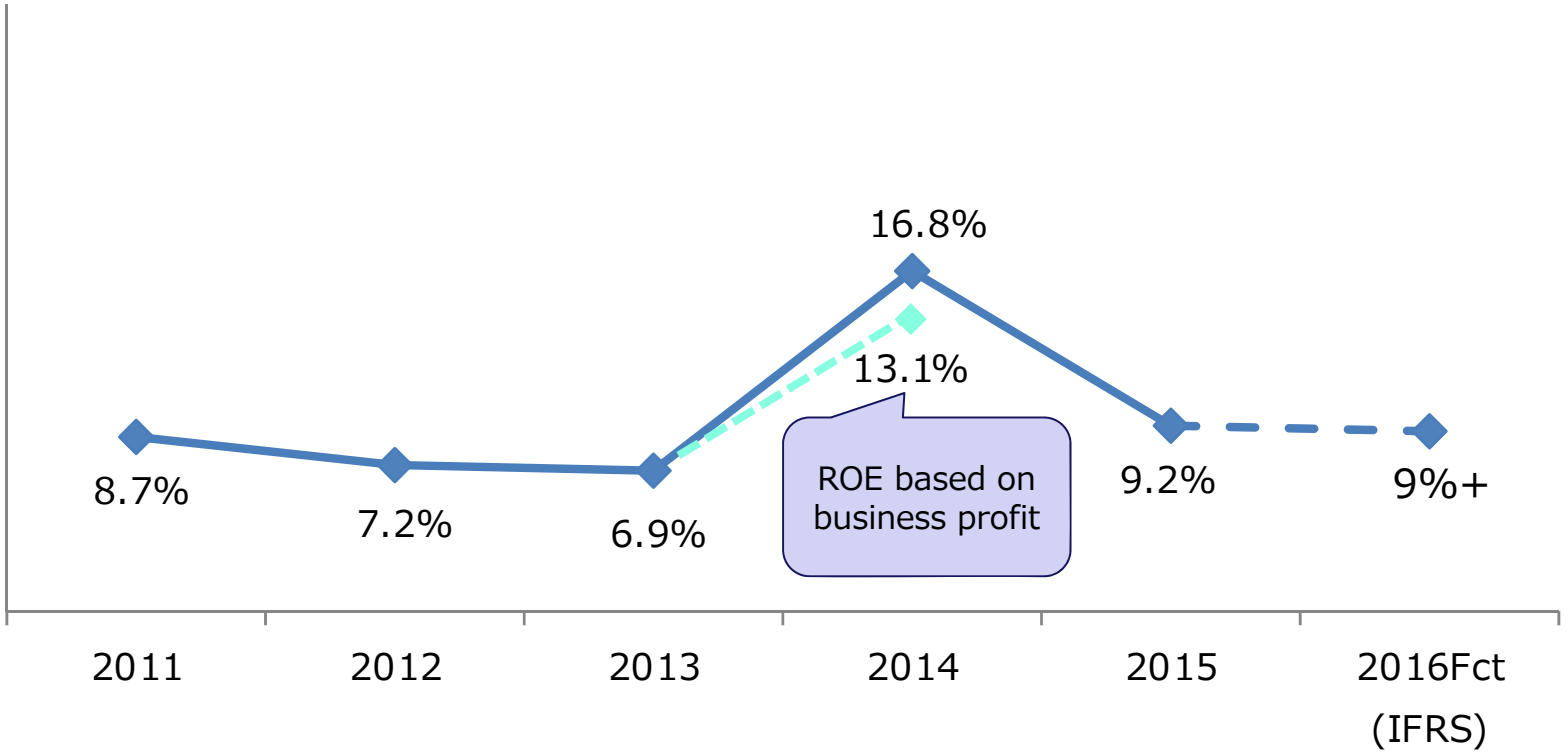
<Total return ratio>



© 2016 Brother Industries, Ltd. All Rights Reserved.

ROE record

ROE for FY 2016 is forecasted to be 9%+



© 2016 Brother Industries, Ltd. All Rights Reserved.

Appendix

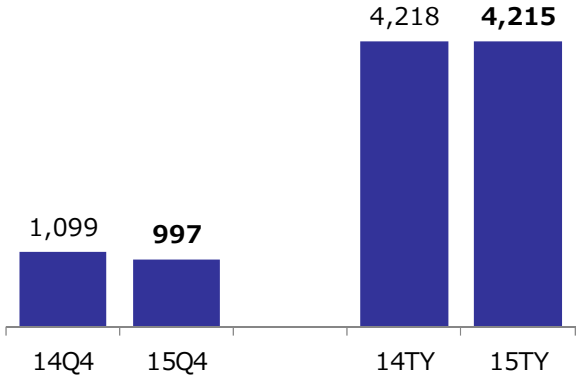
Printing & Solutions Sales & Operating Income
< Results for FY2015 (ended March 31, 2016) >

brother at your side

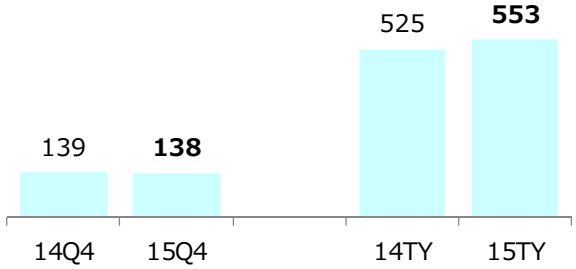
(100 Millions of Yen)

	14Q4	15Q4	Change	Change x FX	14TY	15TY	Change	Change x FX
Net Sales	**1,238**	**1,135**	**-8.4%**	**-3.2%**	**4,743**	**4,768**	**0.5%**	**-0.6%**
Communications & Printing equipme	**1,099**	**997**	**-9.3%**	**-4.1%**	**4,218**	**4,215**	**-0.1%**	**-1.0%**
Americas	446	399	-10.4%	-5.1%	1,680	1,733	3.2%	-2.1%
Europe	376	355	-5.6%	-0.2%	1,417	1,367	-3.5%	0.2%
Asia & Others	167	133	-20.0%	-11.6%	694	645	-7.1%	-7.9%
Japan	111	109	-1.7%	-1.7%	427	470	10.1%	10.1%
Electronic stationery	**139**	**138**	**-0.6%**	**4.3%**	**525**	**553**	**5.4%**	**2.9%**
Americas	68	67	-1.6%	2.8%	253	278	9.6%	3.0%
Europe	42	42	1.2%	6.6%	158	158	0.3%	3.7%
Asia & Others	18	16	-9.0%	-0.1%	78	77	-1.9%	-3.7%
Japan	11	12	12.0%	12.0%	35	40	13.5%	13.5%
Operating Income	**54**	**68**			**357**	**342**		

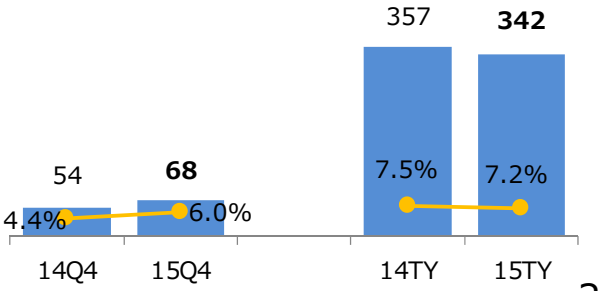
<Net Sales>
Communications & Printing equipment



<Net Sales>
Electronic stationery



<Operating Income>



© 2016 Brother Industries, Ltd. All Rights Reserved.

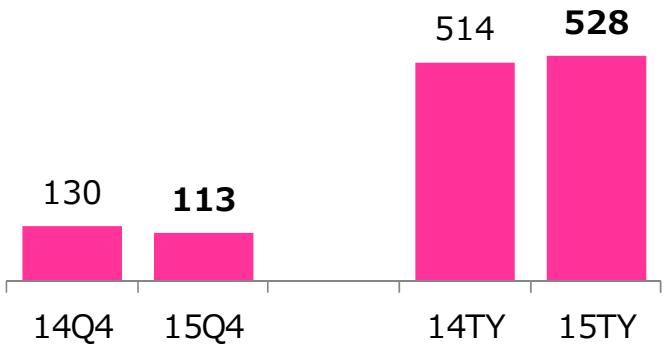
Personal & Home Sales & Operating Income
< Results for FY2015 (ended March 31, 2016) >

brother at your side

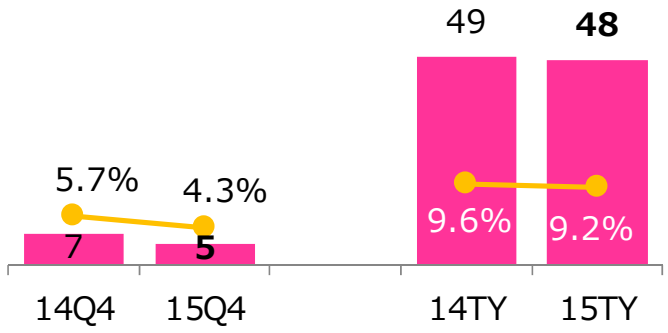
(100 Millions of Yen)

	14Q4	15Q4	Change	Change x FX	14TY	15TY	Change	Change x FX
Net Sales	**130**	**113**	**-12.6%**	**-8.3%**	**514**	**528**	**2.6%**	**0.0%**
Americas	70	58	-16.7%	-12.0%	296	313	5.7%	-0.5%
Europe	28	25	-11.1%	-6.7%	111	105	-5.9%	-1.3%
Asia & Others	14	14	-4.0%	3.2%	60	63	6.1%	5.5%
Japan	17	16	-5.1%	-5.1%	48	47	-0.6%	-0.6%
Operating Income	**7**	**5**			**49**	**48**		

<Net Sales>



<Operating Income>



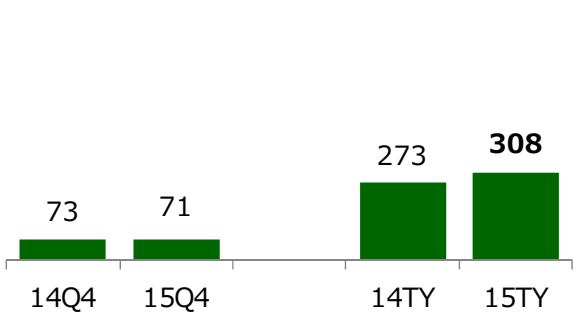
© 2016 Brother Industries, Ltd. All Rights Reserved.

Machinery & Solution Sales & Operating Income
< Results for FY2015 (ended March 31, 2016) >

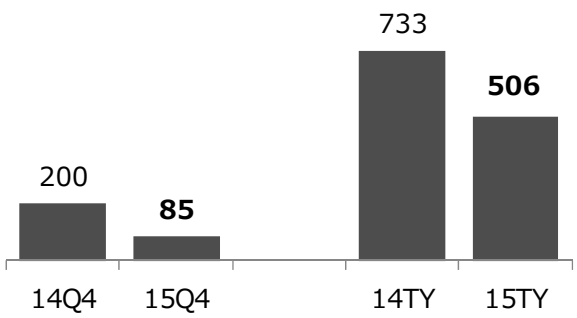
(100 Millions of Yen)

	14Q4	15Q4	Change	Change x FX	14TY	15TY	Change	Change x FX
Net Sales	**273**	**157**	**-42.6%**	**-41.2%**	**1,006**	**814**	**-19.1%**	**-22.2%**
Industrial sewing machines	**73**	**71**	**-2.3%**	**1.4%**	**273**	**308**	**12.7%**	**6.3%**
Americas	14	13	-2.1%	2.0%	54	63	16.8%	7.5%
Europe	11	10	-4.2%	0.2%	43	46	7.5%	12.6%
Asia & Others	46	46	-0.6%	3.0%	169	192	13.5%	4.9%
Japan	2	1	-34.9%	-34.9%	7	6	-7.8%	-7.8%
Machine tools	**200**	**85**	**-57.3%**	**-56.7%**	**733**	**506**	**-30.9%**	**-32.8%**
Americas	7	6	-7.3%	-	29	25	-12.8%	-
Europe	5	3	-47.3%	-	23	19	-16.9%	-
Asia & Others	171	58	-66.2%	-	622	392	-37.0%	-
Japan	17	19	10.3%	-	59	71	18.8%	-
Operating Income	**45**	**7**			**162**	**104**		

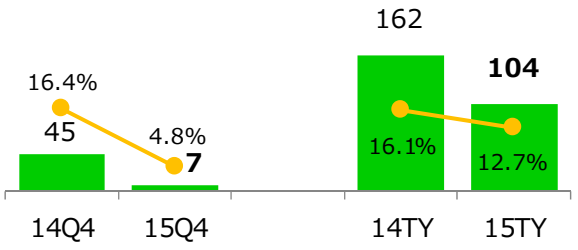
<Net Sales>
Industrial sewing machines



<Net Sales>
Machine tools



<Operating Income>



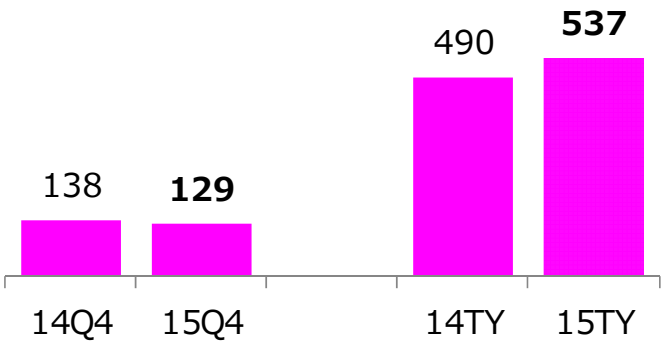
© 2016 Brother Industries, Ltd. All Rights Reserved.

Network & Contents Sales & Operating Income
< Results for FY2015 (ended March 31, 2016) >

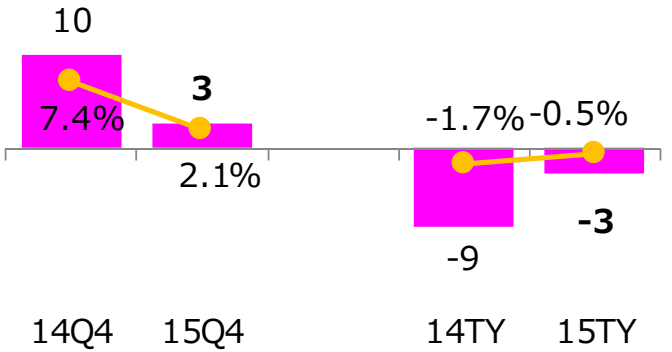
(100 Millions of Yen)

	14Q4	15Q4	Change	14TY	15TY	Change
Net Sales	**138**	**129**	**-6.7%**	**490**	**537**	**9.7%**
Operating Income	**10**	**3**		**-9**	**-3**	

<Net Sales>



<Operating Income>



© 2016 Brother Industries, Ltd. All Rights Reserved.

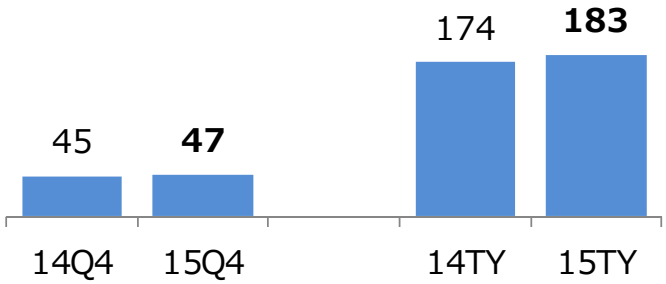
Industrial Part Sales & Operating Income
< Results for FY2015 (ended March 31, 2016) >

brother at your side

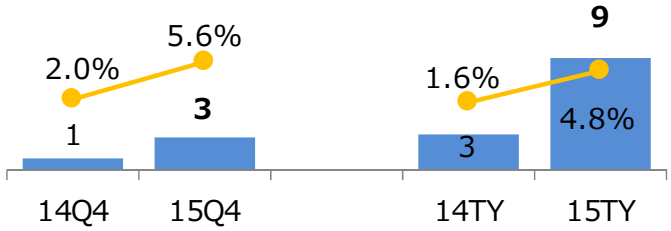
(100 Millions of Yen)

	14Q4	15Q4	Change	Change x FX	14TY	15TY	Change	Change x FX
Net Sales	**45**	**47**	**3.3%**	**4.3%**	**174**	**183**	**5.0%**	**3.4%**
Americas	5	7	28.3%	31.0%	23	28	23.1%	12.6%
Asia & Others	1	4	182.7%	208.5%	5	15	217.3%	209.3%
Japan	39	36	-6.0%	-6.0%	147	140	-4.5%	-4.5%
Operating Income	**1**	**3**			**3**	**9**		

<Net Sales>



<Operating Income>

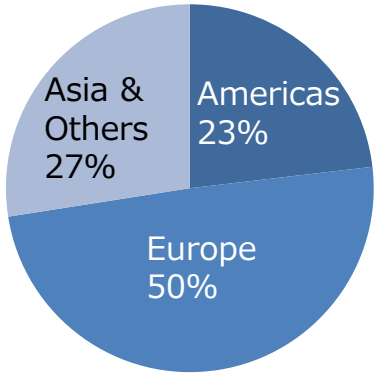


© 2016 Brother Industries, Ltd. All Rights Reserved.

Domino Business Sales & Operating Income
< Results for FY2015 (ended March 31, 2016) >

(100 Millions of Yen)

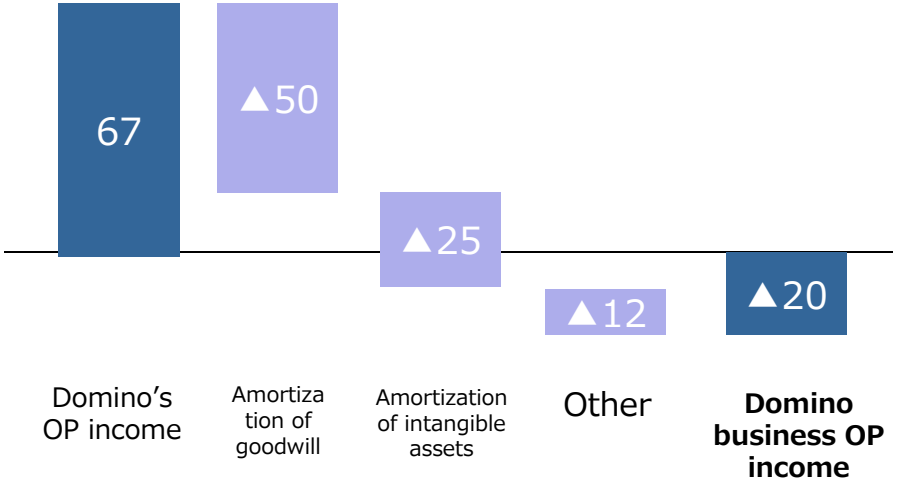
<Sales by Regions>



*Ref: Year-on-year growth rate by geography (local currency basis)

	FY15	Change x FX
Net Sales	**483**	**3.2%**
Americas	**112**	**2.8%**
Europe	**239**	**5.6%**
Asia & Others	**133**	**2.0%**

<Breakdown of operating income of Domino business>



Domino's OP income	67
Amortization of goodwill	▲50
Amortization of intangible assets	▲25
Other*	▲12
Domino business OP income	**▲20**

*Other mainly represents an adjustment from IFRS to J-GAAP.

© 2016 Brother Industries, Ltd. All Rights Reserved.

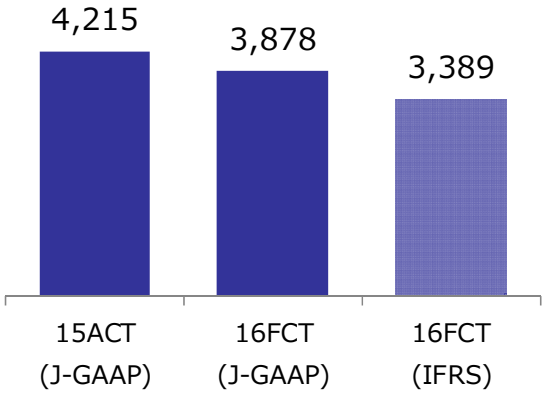
Printing & Solutions Sales & Operating Income
< Forecast for FY2016 (ending March 31, 2017) >

(100 Millions of Yen)

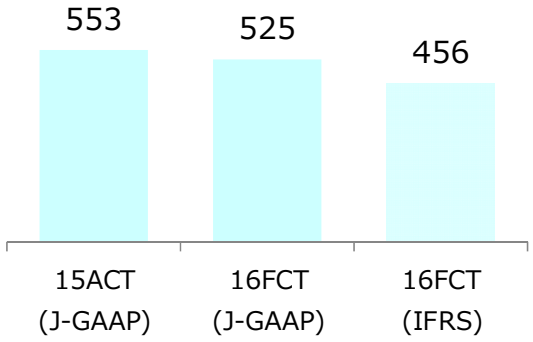
	15TY ACT (J-GAAP)	16TY FCT (J-GAAP)	Change	Change x FX
Net Sales	**4,768**	**4,404**	**-7.6%**	**0.5%**
Communications & Printing eq	**4,215**	**3,878**	**-8.0%**	**0.1%**
Americas	1,733	1,542	-11.0%	-0.6%
Europe	1,367	1,262	-7.7%	-1.1%
Asia & Others	645	600	-7.0%	3.7%
Japan	470	475	1.1%	1.1%
Electronic stationery	**553**	**525**	**-4.9%**	**3.5%**
Americas	278	259	-6.5%	3.6%
Europe	158	150	-5.3%	1.4%
Asia & Others	77	73	-5.2%	5.3%
Japan	40	43	7.8%	7.8%
Operating Income	**342**	**321**		

	16TY FCT (IFRS)
Sales Revenue	**3,845**
Communications & Printing eq	**3,389**
Americas	1,252
Europe	1,124
Asia & Others	559
Japan	455
Electronic stationery	**456**
Americas	213
Europe	138
Asia & Others	65
Japan	40
Business Segment Profit	**300**
Operating Income	**294**

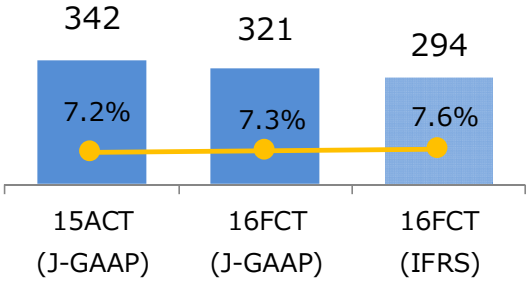
<Sales>
Communications & Printing equipment



<Sales>
Electronic stationery



<Operating Income>



© 2016 Brother Industries, Ltd. All Rights Reserved.

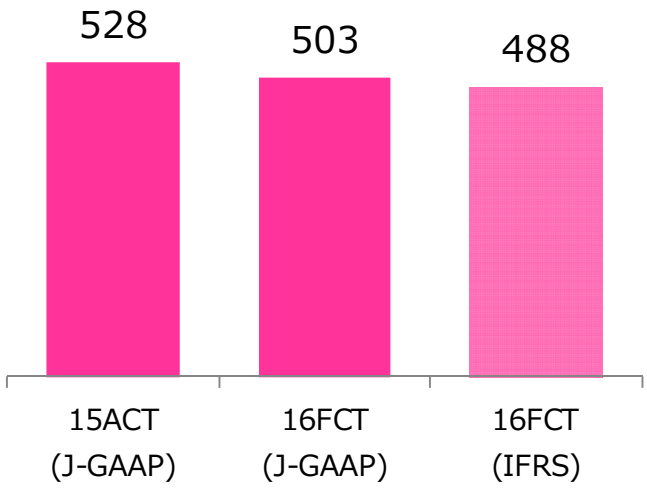
Personal & Home Sales & Operating Income
< Forecast for FY2016 (ending March 31, 2017) >

(100 Millions of Yen)

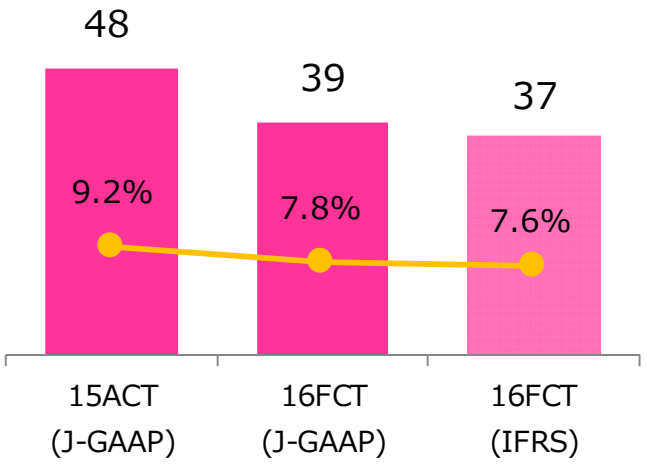
	15TY ACT (J-GAAP)	16TY FCT (J-GAAP)	Change	Change x FX
Net Sales	**528**	**503**	**-4.7%**	**3.9%**
Americas	313	291	-7.0%	3.7%
Europe	105	97	-7.5%	-2.0%
Asia & Others	63	64	0.9%	10.4%
Japan	47	52	9.1%	9.1%
Operating Income	**48**	**39**		

	16TY FCT (IFRS)
Sales Revenue	**488**
Americas	282
Europe	97
Asia & Others	62
Japan	47
Business Segment Profit	**38**
Operating Income	**37**

<Sales>



<Operating Income>



© 2016 Brother Industries, Ltd. All Rights Reserved.

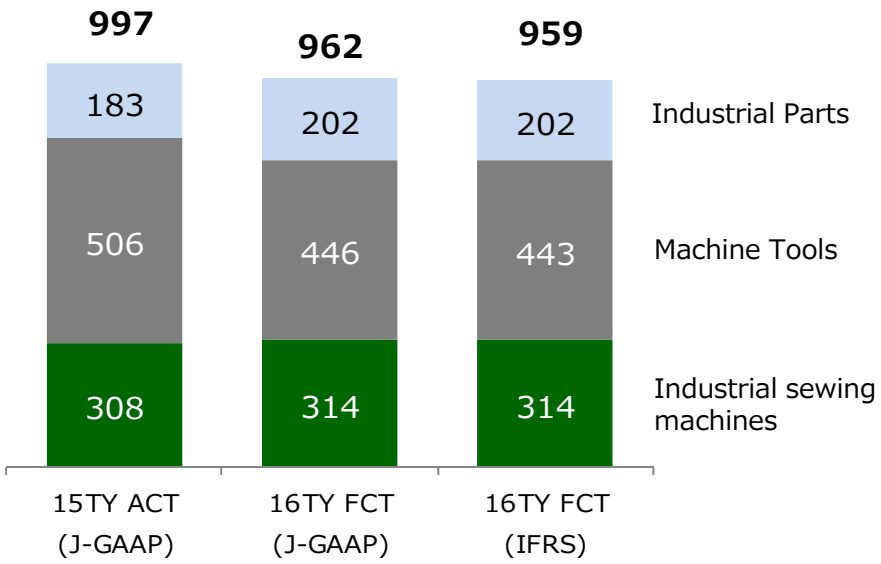
Machinery Business Sales & Operating Income
< Forecast for FY2016 (ending March 31, 2017) >

(100 Millions of Yen)

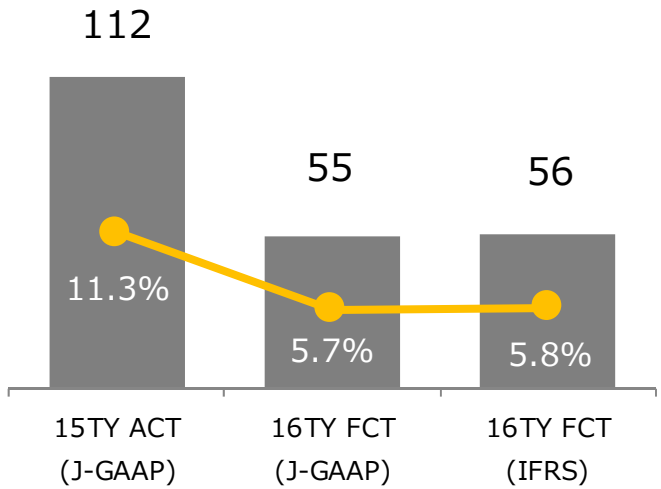
	15TY ACT (J-GAAP)	16TY FCT (J-GAAP)	Change	Change x FX
Net Sales	**997**	**962**	**-3.6%**	**0.3%**
Industrial sewing machines	**308**	**314**	**2.2%**	**0.3%**
Machine tools	**506**	**446**	**-12.0%**	**-10.7%**
Industrial Parts	**183**	**202**	**10.1%**	**12.7%**
Operating Income	**112**	**55**		

	16TY FCT (IFRS)
Sales Revenue	**959**
Industrial sewing machines	**314**
Machine tools	**443**
Industrial Parts	**202**
Business Segment Profit	**57**
Operating Income	**56**

<Sales>



<Operating Income>



© 2016 Brother Industries, Ltd. All Rights Reserved.

Machinery Business Sales & Operating Income
< Forecast for FY2016 (ending March 31, 2017) >

brother at your side

(100 Millions of Yen)

	15TY ACT (J-GAAP)	16TY FCT (J-GAAP)	Change	Change x FX
Net Sales	**997**	**962**	**-3.6%**	**0.3%**
Industrial sewing machines	**308**	**314**	**2.2%**	**10.9%**
Americas	63	59	-5.0%	5.0%
Europe	46	49	5.7%	12.1%
Asia & Others	192	199	3.6%	12.7%
Japan	6	7	6.1%	6.1%
Machine tools	**506**	**446**	**-12.0%**	**-10.7%**
Americas	25	28	13.6%	-
Europe	19	26	32.3%	-
Asia & Others	392	305	-22.1%	-
Japan	71	87	22.7%	-
Industrial Parts	**183**	**202**	**10.1%**	**12.7%**
Americas	28	29	3.8%	13.7%
Europe	-	-	-	-
Asia & Others	15	17	14.3%	27.4%
Japan	140	156	10.9%	10.9%
Operating Income	**112**	**55**		

	16TY FCT (IFRS)
Sales Revenue	**959**
Industrial sewing machines	**314**
Americas	59
Europe	49
Asia & Others	199
Japan	7
Machine tools	**443**
Americas	28
Europe	26
Asia & Others	302
Japan	87
Industrial Parts	**202**
Americas	29
Europe	-
Asia & Others	17
Japan	156
Business Segment Profit	**57**
Operating Income	**56**

© 2016 Brother Industries, Ltd. All Rights Reserved.

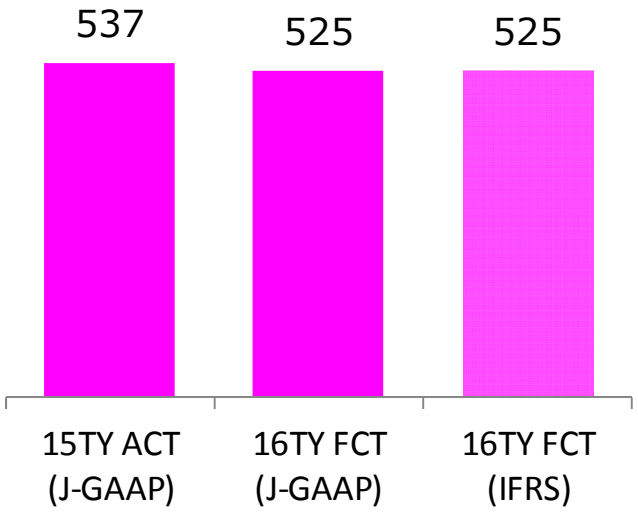
Network & Contents Sales & Operating Income
< Forecast for FY2016 (ending March 31, 2017) >

(100 Millions of Yen)

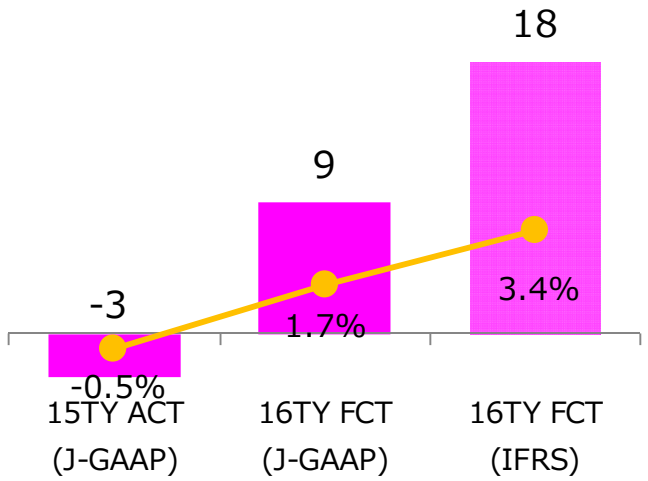
	15TY ACT (J-GAAP)	16TY FCT (J-GAAP)	Change
Net Sales	**537**	**525**	**-2.3%**
Operating Income	**-3**	**9**	

	16TY FCT (IFRS)
Sales Revenue	**525**
Business Segment Profit	**20**
Operating Income	**18**

<Sales>



<Operating Income>



© 2016 Brother Industries, Ltd. All Rights Reserved.

Domino Business Sales & Operating Income
< Forecast for FY2016 (ending March 31, 2017) >

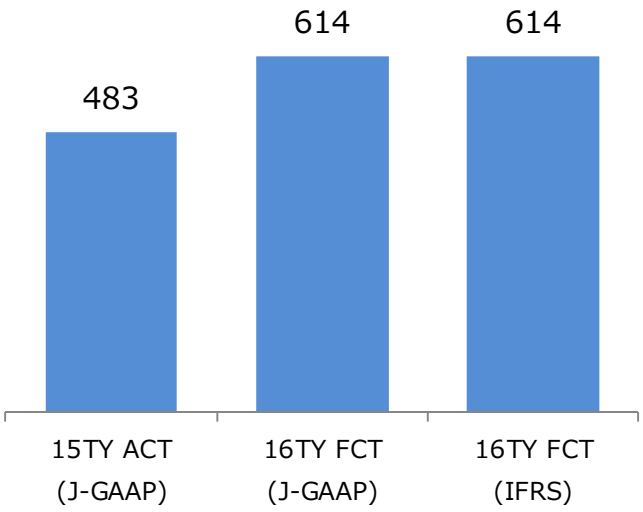
brother at your side

(100 Millions of Yen)

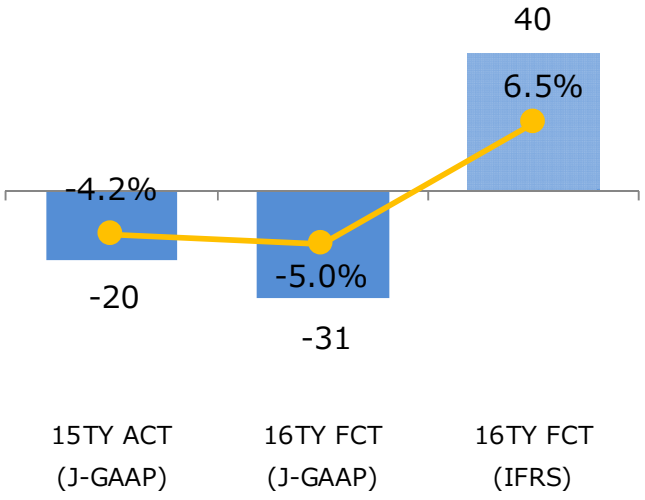
	15TY ACT (J-GAAP)	16TY FCT (J-GAAP)
Net Sales	**483**	**614**
Americas	112	138
Europe	239	310
Asia & Others	133	165
Operating Income	**-20**	**-31**

	16TY FCT (IFRS)
Sales Revenue	**614**
Americas	138
Europe	310
Asia & Others	165
Business Segment Profit	**40**
Operating Income	**40**

<Sales>



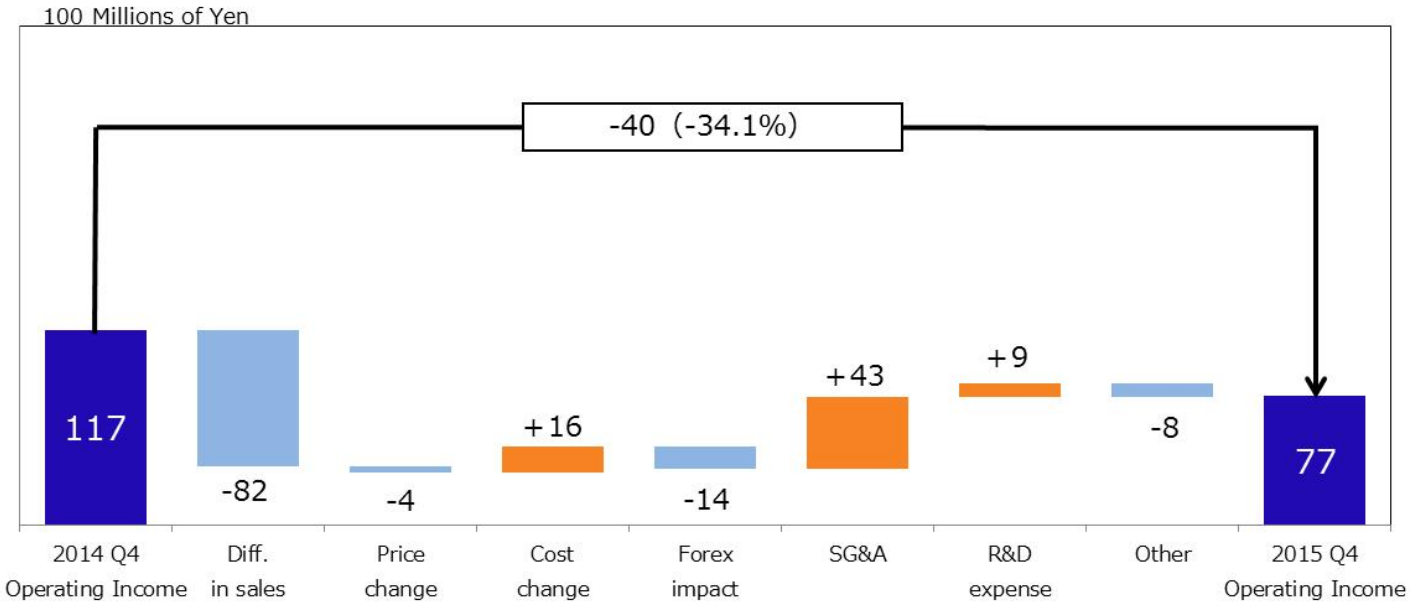
<Operating Income>



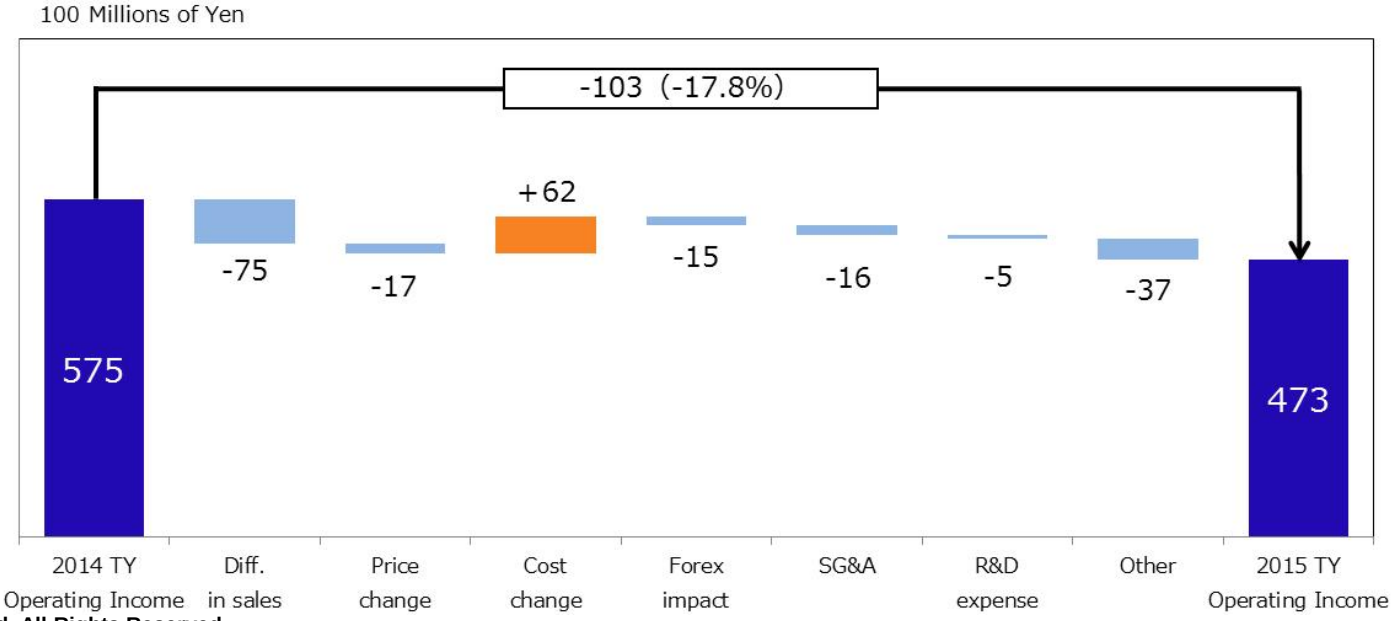
© 2016 Brother Industries, Ltd. All Rights Reserved.

Main Factors for Changes in Operating Income

<Q4>



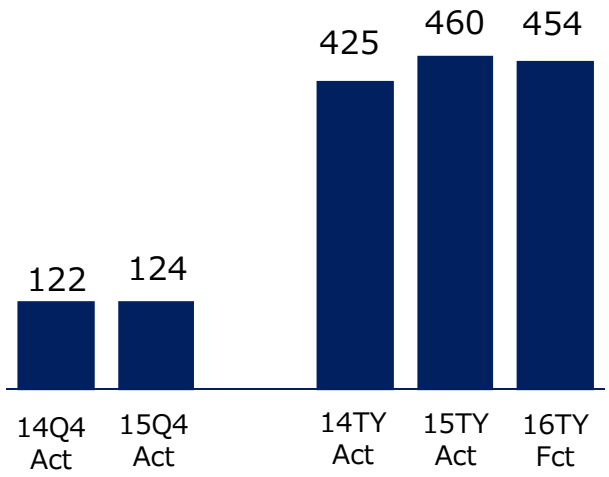
<2015TY>



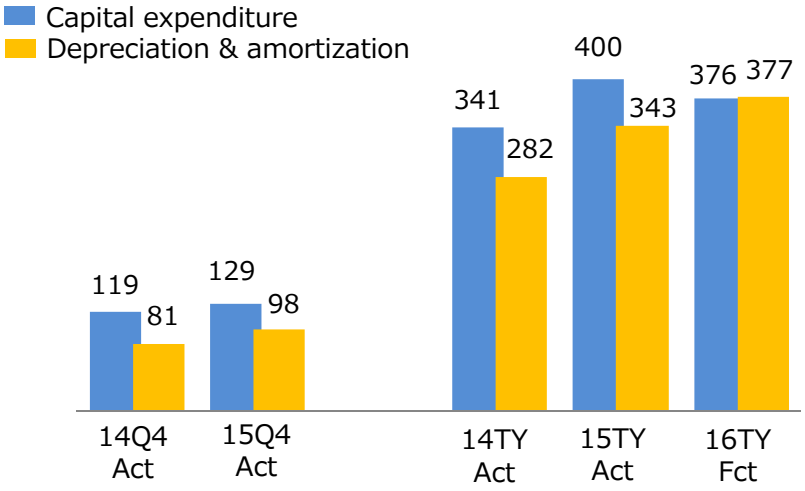
© 2016 Brother Industries, Ltd. All Rights Reserved.

R&D expenses / Capital expenditure / Depreciation and amortization / Inventories

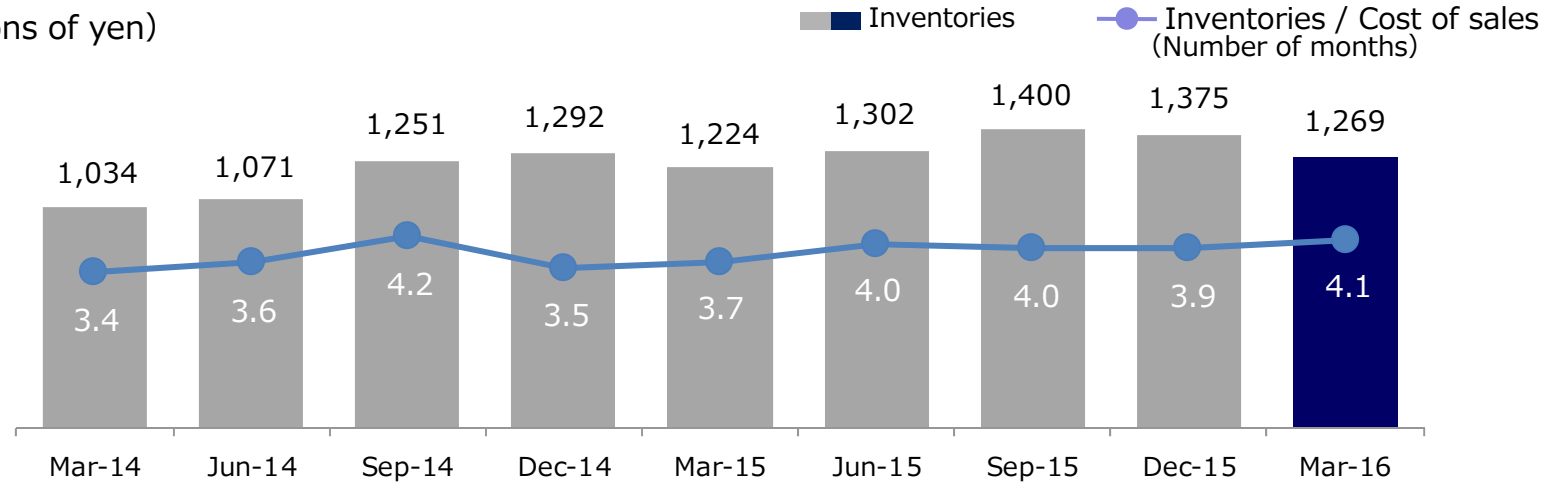
R&D expenses
(100 Millions of Yen)



Capital expenditure / Depreciation & amortization
(100 Millions of Yen)



Inventories
(100 Millions of yen)



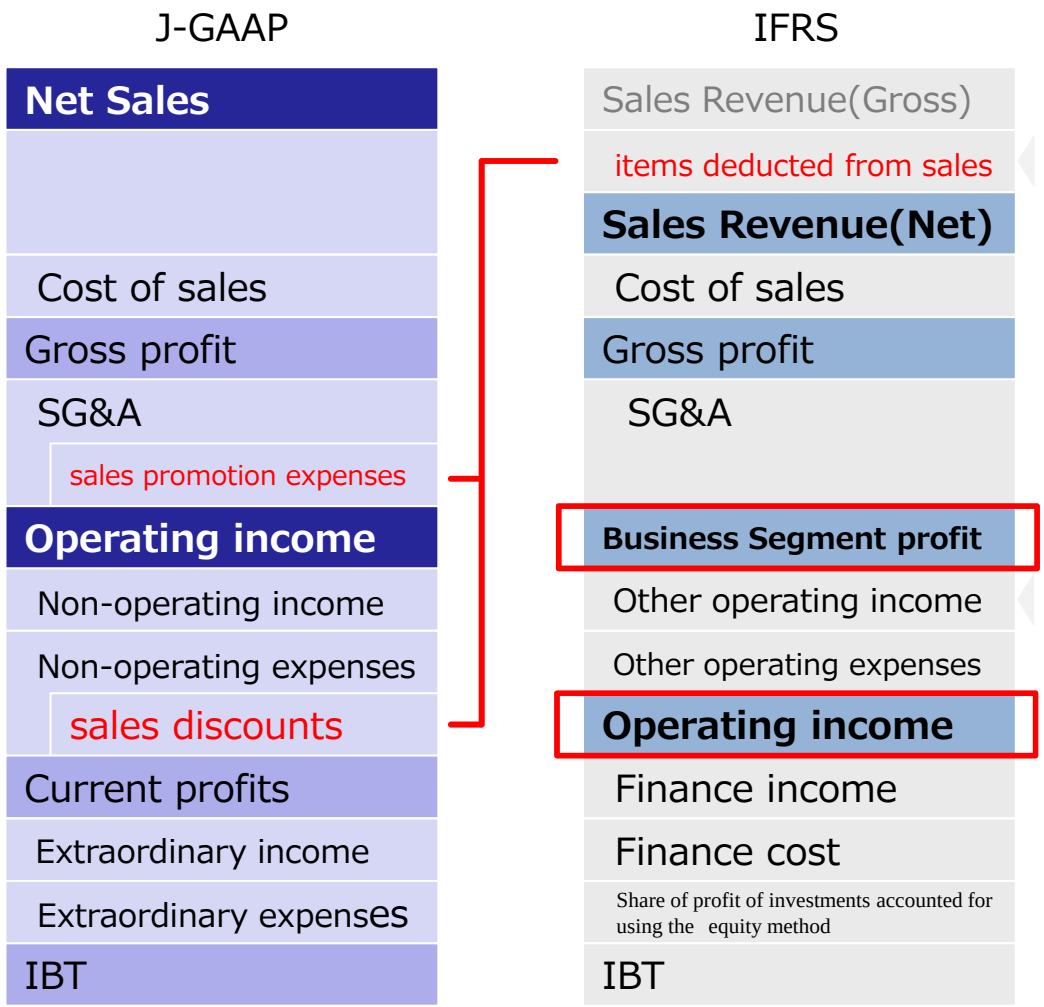
*Jun-15 actual for Inventories does not include Domino business figures.

© 2016 Brother Industries, Ltd. All Rights Reserved.

Changes in PL presentation resulting from the transition to IFRS

brother at your side

Adopt IFRS voluntarily and start disclosing financial results under IFRS at the FY 2016 Q1 earnings announcement.



For financial results by business segment, both business segment profit and operating profit will be disclosed. The notion of business segment profit is similar to that of operating profit under Japanese GAAP.

© 2016 Brother Industries, Ltd. All Rights Reserved.


brother
at your side