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November 6, 2018

Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2019

	Millions of yen (except for per share amounts)		
	Six months ended September 30, 2017	**Six months ended September 30, 2018**	Change
Revenue	Y 346,400	**Y 343,689**	-0.8 %
Business segment profit	39,115	**38,363**	-1.9 %
Operating profit	31,310	**38,031**	21.5 %
Profit before income taxes	31,588	**38,405**	21.6 %
Profit for the period	22,967	**28,693**	24.9 %
Profit for the period attributable to owners of the parent company	22,682	**28,553**	25.9 %
Comprehensive income for the period	45,628	**33,372**	-26.9 %
Basic earnings per share for the period (yen)	87.35	**109.95**	
Diluted earnings per share for the period (yen)	87.10	**109.61**	
Dividends per common share (yen)	24.00	**30.00**	

(Note) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

	As of March 31, 2018	**As of September 30, 2018**
Total assets	Y 708,278	**Y 731,450**
Total equity	412,494	**437,671**
Equity attributable to owners of the parent company	395,514	**420,657**
Equity attributable to owners of the parent company ratio	55.8 %	**57.5 %**
Equity attributable to owners of the parent company per share (yen)	1,523.09	**1,619.59**

Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2019

	Millions of yen (except for per share amounts)		
	Year ended March 31, 2018	[Revised] Year ending March 31, 2019	Change
Revenue	Y 712,997	Y 690,000	-3.2 %
Business segment profit	77,229	69,000	-10.7 %
Operating profit	68,672	70,000	1.9 %
Profit before income taxes	69,669	70,000	0.5 %
Profit for the period	50,472	52,500	4.0 %
Profit for the period attributable to owners of the parent company	50,020	52,000	4.0 %

	[Previous] Year ending March 31, 2019	[Revised] Year ending March 31, 2019	Change
Revenue	Y 690,000	Y 690,000	- %
Business segment profit	71,000	69,000	-2.8 %
Operating profit	70,000	70,000	- %
Profit for the period attributable to owners of the parent company	52,000	52,000	- %
Basic earnings per share for the period (yen)	200.25	200.25	
Dividends per common share (yen)	60.00	60.00	

(Note 1) Forecasted operating results have been changed from the most recent announcement.
(Note 2) No change has been made to forecasted dividends per common share from the most recent announcement.
(Note 3) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

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 six months ended September 30, 2018 have been translated into U.S. dollars for convenience only, at a uniform rate of US$1=114.00 yen, in the accompanying consolidated financial statements.
4) Operating results for the six months ended September 30, 2018 are based on the following currency exchange rates:
   Actual average rates for the six months ended September 30, 2018: US$=110.07 yen, EURO=129.88 yen
   Forecasts for the year ending March 31, 2019 are based on the following currency exchange rates:
   Assumed average rates for the year ending March 31, 2019: US$=109.16 yen, EURO=129.33 yen
5) Number of shares outstanding (including treasury stock): 262,220 thousands as of March 31, 2018, 262,220 thousands as of September 30, 2018
   Number of treasury stock outstanding: 2,541 thousands as of March 31, 2018, 2,488 thousands as of September 30, 2018
   Number of weighted average shares: 259,668 thousands during the six months ended September 30, 2017, 259,703 thousands during the six months ended September 30, 2018
6) Changes in Accounting Policies: The Brother Group adopted IFRS 15 "Revenue from Contracts with Customers" as of April 1, 2018.
   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.

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 Statement of Financial Position

	Millions of yen		Thousands of U.S. dollars
	As of March 31, 2018	**As of September 30, 2018**	**As of September 30, 2018**
Assets			
Current assets			
Cash and cash equivalents	Y 121,384	**Y 131,153**	**$ 1,150,465**
Trade and other receivables	104,624	**107,848**	**946,035**
Other financial assets	9,272	**6,793**	**59,588**
Inventories	116,967	**134,723**	**1,181,781**
Other current assets	14,211	**13,173**	**115,553**
Subtotal	366,459	**393,692**	**3,453,439**
Non-current assets classified as held for sale	174	**167**	**1,465**
Total current assets	366,633	**393,860**	**3,454,912**
Non-current assets			
Property, plant and equipment	120,320	**117,876**	**1,034,000**
Investment property	6,465	**6,415**	**56,272**
Goodwill and intangible assets	153,913	**152,089**	**1,334,114**
Investments accounted for using the equity method	1,498	**1,466**	**12,860**
Other financial assets	38,681	**36,799**	**322,798**
Deferred tax assets	13,489	**15,479**	**135,781**
Other non-current assets	7,275	**7,462**	**65,456**
Total non-current assets	341,644	**337,589**	**2,961,307**
Total assets	Y 708,278	**Y 731,450**	**$ 6,416,228**
Equity and liabilities			
Liabilities			
Current liabilities			
Trade and other payables	Y 68,189	**Y 68,667**	**$ 602,342**
Bonds and borrowings	21,894	**40,086**	**351,632**
Other financial liabilities	3,328	**1,936**	**16,982**
Income taxes payable	6,099	**8,319**	**72,974**
Provisions	4,823	**4,220**	**37,018**
Contract liabilities	-	**4,590**	**40,263**
Other current liabilities	52,676	**48,212**	**422,912**
Subtotal	157,012	**176,033**	**1,544,149**
Liabilities directly associated with assets classified as held for sale	27	**-**	**-**
Total current liabilities	157,039	**176,033**	**1,544,149**
Non-current liabilities			
Bonds and borrowings	94,552	**77,969**	**683,939**
Other financial liabilities	12,040	**8,590**	**75,351**
Retirement benefits liabilities	17,610	**17,764**	**155,825**
Provisions	3,141	**3,257**	**28,570**
Deferred tax liabilities	8,257	**7,272**	**63,789**
Contract liabilities	-	**787**	**6,904**
Other non-current liabilities	3,143	**2,103**	**18,447**
Total non-current liabilities	138,743	**117,744**	**1,032,842**
Total liabilities	295,783	**293,778**	**2,577,000**
Equity			
Capital stock	19,209	**19,209**	**168,500**
Capital surplus	17,517	**17,606**	**154,439**
Retained earnings	427,842	**447,733**	**3,927,482**
Treasury stock	(2,800)	**(2,728)**	**(23,930)**
Other components of equity	(66,255)	**(61,163)**	**(536,518)**
Equity attributable to owners of the parent company	395,514	**420,657**	**3,689,974**
Non-controlling interests	16,980	**17,013**	**149,237**
Total equity	412,494	**437,671**	**3,839,219**
Total equity and liabilities	Y 708,278	**Y 731,450**	**$ 6,416,228**

Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2017	**Six months ended September 30, 2018**	**Six months ended September 30, 2018**
Revenue	Y 346,400	**Y 343,689**	**$ 3,014,816**
Cost of sales	(199,753)	**(198,760)**	**(1,743,509)**
Gross profit	146,647	**144,929**	**1,271,307**
Selling, general and administrative expenses	(107,532)	**(106,566)**	**(934,789)**
Other income	1,136	**1,977**	**17,342**
Other expenses	(8,940)	**(2,308)**	**(20,246)**
Operating profit	31,310	**38,031**	**333,605**
Finance income	1,403	**4,148**	**36,386**
Finance expenses	(1,135)	**(3,818)**	**(33,491)**
Share of profit/(loss) of investments accounted for using the equity method	9	**43**	**377**
Profit before income taxes	31,588	**38,405**	**336,886**
Income tax expenses	(8,620)	**(9,711)**	**(85,184)**
Profit for the period	22,967	**28,693**	**251,693**
Profit for the period attributable to:			
Owners of the parent company	22,682	**28,553**	**250,465**
Non-controlling interests	285	**139**	**1,219**
Profit for the period	Y 22,967	**Y 28,693**	**$ 251,693**

Earnings per share:	Yen	**Yen**	U.S. dollars
Basic earnings per share	Y 87.35	**Y 109.95**	**$ 0.96**
Diluted earnings per share	87.10	**109.61**	**0.96**

Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30, 2017	**Three months ended September 30, 2018**	**Three months ended September 30, 2018**
Revenue	Y 178,672	**Y 172,594**	**$ 1,513,982**
Cost of sales	(102,407)	**(100,635)**	**(882,763)**
Gross profit	76,264	**71,959**	**631,219**
Selling, general and administrative expenses	(54,647)	**(54,073)**	**(474,325)**
Other income	335	**692**	**6,070**
Other expenses	(3,246)	**(2,802)**	**(24,579)**
Operating profit	18,706	**15,776**	**138,386**
Finance income	750	**1,779**	**15,605**
Finance expenses	(792)	**(1,678)**	**(14,719)**
Share of profit/(loss) of investments accounted for using the equity method	(61)	**25**	**219**
Profit before income taxes	18,603	**15,902**	**139,491**
Income tax expenses	(4,958)	**(3,836)**	**(33,649)**
Profit for the period	13,645	**12,066**	**105,842**
Profit for the period attributable to:			
Owners of the parent company	13,535	**11,988**	**105,158**
Non-controlling interests	109	**77**	**675**
Profit for the period	Y 13,645	**Y 12,066**	**$ 105,842**

Earnings per share:	Yen	**Yen**	U.S. dollars
Basic earnings per share	Y 52.12	**Y 46.16**	**$ 0.40**
Diluted earnings per share	51.98	**46.02**	**0.40**

Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2017	**Six months ended September 30, 2018**	**Six months ended September 30, 2018**
Profit for the period	Y 22,967	**Y 28,693**	**$ 251,693**
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	1,569	**(405)**	**(3,553)**
Total of items that will not be reclassified subsequently to profit or loss	1,569	**(405)**	**(3,553)**
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	149	**-**	-
Exchange differences on translating foreign operations	20,942	**5,084**	**44,596**
Total of items that may be reclassified subsequently to profit or loss	21,091	**5,084**	**44,596**
Other comprehensive income for the period, net of income tax	22,660	**4,679**	**41,044**
Comprehensive income for the period	45,628	**33,372**	**292,737**
Comprehensive income for the period attributable to:			
Owners of the parent company	45,249	**33,204**	**291,263**
Non-controlling interests	379	**168**	**1,474**
Comprehensive income for the period	Y 45,628	**Y 33,372**	**$ 292,737**

Consolidated Statement of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30, 2017	**Three months ended September 30, 2018**	**Three months ended September 30, 2018**
Profit for the period	Y 13,645	**Y 12,066**	**$ 105,842**
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	552	**(63)**	**(553)**
Total of items that will not be reclassified subsequently to profit or loss	552	**(63)**	**(553)**
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	(16)	**-**	-
Exchange differences on translating foreign operations	10,518	**8,866**	**77,772**
Total of items that may be reclassified subsequently to profit or loss	10,502	**8,866**	**77,772**
Other comprehensive income for the period, net of income tax	11,054	**8,803**	**77,219**
Comprehensive income for the period	24,700	**20,869**	**183,061**
Comprehensive income for the period attributable to:			
Owners of the parent company	24,536	**20,738**	**181,912**
Non-controlling interests	163	**131**	**1,149**
Comprehensive income for the period	Y 24,700	**Y 20,869**	**$ 183,061**

Consolidated Statement of Changes in Equity

Six months ended September 30, 2017

Millions of yen

	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	Cash flow hedges	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2017	19,209	17,455	407,843	(24,230)	(75,055)	(161)	-	(75,216)	345,061	16,647	361,709
Profit for the period	-	-	22,682	-	-	-	-	-	22,682	285	22,967
Other comprehensive income	-	-	-	-	20,932	149	1,484	22,566	22,566	93	22,660
Total comprehensive income for the period	-	-	22,682	-	20,932	149	1,484	22,566	45,249	379	45,628
Acquisition of treasury stock	-	-	-	(7)	-	-	-	-	(7)	-	(7)
Disposal of treasury stock	-	(36)	(11)	47	-	-	-	-	0	-	0
Cancellation of treasury stock	-	(21)	(21,369)	21,391	-	-	-	-	-	-	-
Dividends paid	-	-	(6,239)	-	-	-	-	-	(6,239)	(111)	(6,351)
Change due to stock swap	-	(2)	-	6	-	-	-	-	3	(3)	-
Reclassification to retained earnings	-	-	1,484	-	-	-	(1,484)	(1,484)	-	-	-
Total transactions with owners	-	(59)	(26,136)	21,437	-	-	(1,484)	(1,484)	(6,243)	(115)	(6,358)
Balance as of September 30, 2017	19,209	17,395	404,389	(2,792)	(54,122)	(12)	-	(54,134)	384,067	16,910	400,978

Six months ended September 30, 2018

Millions of yen

	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	Total	Total	Non-controlling interests	Total equity
Balance as of March 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 April 1, 2018	**19,209**	**17,517**	**427,449**	**(2,800)**	**(66,255)**	**-**	**(66,255)**	**395,120**	**16,980**	**412,101**
Profit for the period	**-**	**-**	**28,553**	**-**	**-**	**-**	**-**	**28,553**	**139**	**28,693**
Other comprehensive income	**-**	**-**	**-**	**-**	**5,092**	**(441)**	**4,650**	**4,650**	**28**	**4,679**
Total comprehensive income for the period	**-**	**-**	**28,553**	**-**	**5,092**	**(441)**	**4,650**	**33,204**	**168**	**33,372**
Acquisition of treasury stock	**-**	**-**	**-**	**(3)**	**-**	**-**	**-**	**(3)**	**-**	**(3)**
Disposal of treasury stock	**-**	**(48)**	**(27)**	**76**	**-**	**-**	**-**	**0**	**-**	**0**
Dividends paid	**-**	**-**	**(7,800)**	**-**	**-**	**-**	**-**	**(7,800)**	**(135)**	**(7,936)**
Share-based payment transaction	**-**	**137**	**-**	**-**	**-**	**-**	**-**	**137**	**-**	**137**
Reclassification to retained earnings	**-**	**-**	**(441)**	**-**	**-**	**441**	**441**	**-**	**-**	**-**
Total transactions with owners	**-**	**88**	**(8,270)**	**72**	**-**	**441**	**441**	**(7,666)**	**(135)**	**(7,802)**
Balance as of September 30, 2018	**19,209**	**17,606**	**447,733**	**(2,728)**	**(61,163)**	**-**	**(61,163)**	**420,657**	**17,013**	**437,671**

Six months ended September 30, 2018

Thousands of U.S. dollars

	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	Total	Total	Non-controlling interests	Total equity
Balance as of March 31, 2018	**168,500**	**153,658**	**3,753,000**	**(24,561)**	**(581,184)**	**-**	**(581,184)**	**3,469,421**	**148,947**	**3,618,368**
Cumulative effect of adoption of the new accounting standards	**-**	**-**	**(3,447)**	**-**	**-**	**-**	**-**	**(3,447)**	**-**	**(3,447)**
Balance as of April 1, 2018	**168,500**	**153,658**	**3,749,553**	**(24,561)**	**(581,184)**	**-**	**(581,184)**	**3,465,965**	**148,947**	**3,614,921**
Profit for the period	**-**	**-**	**250,465**	**-**	**-**	**-**	**-**	**250,465**	**1,219**	**251,693**
Other comprehensive income	**-**	**-**	**-**	**-**	**44,667**	**(3,868)**	**40,789**	**40,789**	**246**	**41,044**
Total comprehensive income for the period	**-**	**-**	**250,465**	**-**	**44,667**	**(3,868)**	**40,789**	**291,263**	**1,474**	**292,737**
Acquisition of treasury stock	**-**	**-**	**-**	**(26)**	**-**	**-**	**-**	**(26)**	**-**	**(26)**
Disposal of treasury stock	**-**	**(421)**	**(237)**	**667**	**-**	**-**	**-**	**0**	**-**	**0**
Dividends paid	**-**	**-**	**(68,421)**	**-**	**-**	**-**	**-**	**(68,421)**	**(1,184)**	**(69,614)**
Share-based payment transaction	**-**	**1,202**	**-**	**-**	**-**	**-**	**-**	**1,202**	**-**	**1,202**
Reclassification to retained earnings	**-**	**-**	**(3,868)**	**-**	**-**	**3,868**	**3,868**	**-**	**-**	**-**
Total transactions with owners	**-**	**772**	**(72,544)**	**632**	**-**	**3,868**	**3,868**	**(67,246)**	**(1,184)**	**(68,439)**
Balance as of September 30, 2018	**168,500**	**154,439**	**3,927,482**	**(23,930)**	**(536,518)**	**-**	**(536,518)**	**3,689,974**	**149,237**	**3,839,219**

Consolidated Statement of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30, 2017	**Six months ended September 30, 2018**	**Six months ended September 30, 2018**
Cash flows from operating activities			
Profit before income taxes	Y 31,588	**Y 38,405**	**$ 336,886**
Depreciation and amortization	16,966	**16,781**	**147,202**
Finance expenses/(income)	(268)	**(330)**	**(2,895)**
Share of loss/(profit) of investments accounted for using the equity method	(9)	**(43)**	**(377)**
Losses/(gains) on sale and disposal of fixed assets	280	**354**	**3,105**
Decrease/(increase) in trade and other receivables	(8,241)	**(1,730)**	**(15,175)**
Decrease/(increase) in inventories	(7,963)	**(15,442)**	**(135,456)**
Increase/(decrease) in trade and other payables	6,437	**302**	**2,649**
Decrease/(increase) in retirement benefit assets	543	**104**	**912**
Increase/(decrease) in retirement benefit liabilities	(78)	**(48)**	**(421)**
Other	7,632	**(2,031)**	**(17,816)**
Subtotal	46,886	**36,321**	**318,605**
Interest received	483	**521**	**4,570**
Dividends received	214	**245**	**2,149**
Interest paid	(268)	**(263)**	**(2,307)**
Income taxes paid	(9,461)	**(9,242)**	**(81,070)**
Net cash provided by operating activities	Y 37,853	**Y 27,582**	**$ 241,947**
Cash flows from investing activities			
Purchases of property, plant and equipment	(11,138)	**(9,316)**	**(81,719)**
Proceeds from sales of property, plant and equipment	417	**201**	**1,763**
Purchases of intangible assets	(4,515)	**(3,584)**	**(31,439)**
Purchases of investments in equity instruments	(353)	**(425)**	**(3,728)**
Proceeds from sales of investments in equity instruments	422	**14**	**123**
Purchase of investments in debt instruments	(6,589)	**(3,139)**	**(27,535)**
Proceeds from sales or redemption of investments in debt instruments	2,938	**7,535**	**66,096**
Payments for acquisition of business	(617)	**-**	**-**
Other	(339)	**(252)**	**(2,211)**
Net cash provided by (used in) investing activities	Y (19,775)	**Y (8,967)**	**$ (78,658)**
Cash flows from financing activities			
Repayment of short-term borrowings	(423)	**(959)**	**(8,412)**
Repayment of long-term borrowings	(20,289)	**(292)**	**(2,561)**
Repayment of lease obligations	(917)	**(839)**	**(7,360)**
Dividends paid	(6,239)	**(7,800)**	**(68,421)**
Dividends paid to non-controlling interests	(111)	**(135)**	**(1,184)**
Other	(64)	**(71)**	**(623)**
Net cash provided by (used in) financing activities	Y (28,045)	**Y (10,098)**	**$ (88,579)**
Effect of exchange rate changes on cash and cash equivalents	3,920	**1,253**	**10,991**
Net increase/(decrease) in cash and cash equivalents	(6,047)	**9,769**	**85,693**
Cash and cash equivalents at the beginning of the period	112,032	**121,384**	**1,064,772**
Cash and cash equivalents at the end of the period	Y 105,985	**Y 131,153**	**$ 1,150,465**

Segment Information

Six months ended September 30, 2017

Millions of yen

	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue									
Customers	199,230	20,726	63,482	23,982	33,004	5,973	346,400	-	346,400
Intersegment	-	-	-	-	-	6,154	6,154	(6,154)	-
Total	199,230	20,726	63,482	23,982	33,004	12,127	352,555	(6,154)	346,400
Business segment profit	26,909	431	7,610	1,067	2,520	633	39,172	(56)	39,115
Other income and expenses	(6,567)	(447)	(154)	(135)	(582)	83	(7,804)	-	(7,804)
Operating profit/(loss)	20,341	(16)	7,455	931	1,938	716	31,367	(56)	31,310
Finance income and expenses									268
Share of profit/(loss) of investments accounted for using the equity method									9
Profit before income taxes									31,588

Six months ended September 30, 2018

Millions of yen

	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue									
Customers	**198,605**	**21,415**	**59,318**	**23,282**	**34,717**	**6,349**	**343,689**	**-**	**343,689**
Intersegment	**-**	**-**	**-**	**-**	**-**	**5,980**	**5,980**	**(5,980)**	**-**
Total	**198,605**	**21,415**	**59,318**	**23,282**	**34,717**	**12,330**	**349,670**	**(5,980)**	**343,689**
Business segment profit	**26,765**	**1,014**	**7,081**	**607**	**2,445**	**512**	**38,427**	**(64)**	**38,363**
Other income and expenses	**(517)**	**(90)**	**162**	**(73)**	**42**	**144**	**(331)**	**-**	**(331)**
Operating profit	**26,248**	**924**	**7,243**	**534**	**2,488**	**656**	**38,096**	**(64)**	**38,031**
Finance income and expenses									**330**
Share of profit/(loss) of investments accounted for using the equity method									**43**
Profit before income taxes									**38,405**

Six months ended September 30, 2018

Thousand of U.S. dollars

	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue									
Customers	**1,742,149**	**187,851**	**520,333**	**204,228**	**304,535**	**55,693**	**3,014,816**	**-**	**3,014,816**
Intersegment	**-**	**-**	**-**	**-**	**-**	**52,456**	**52,456**	**(52,456)**	**-**
Total	**1,742,149**	**187,851**	**520,333**	**204,228**	**304,535**	**108,158**	**3,067,281**	**(52,456)**	**3,014,816**
Business segment profit	**234,781**	**8,895**	**62,114**	**5,325**	**21,447**	**4,491**	**337,079**	**(561)**	**336,518**
Other income and expenses	**(4,535)**	**(789)**	**1,421**	**(640)**	**368**	**1,263**	**(2,904)**	**-**	**(2,904)**
Operating profit	**230,246**	**8,105**	**63,535**	**4,684**	**21,825**	**5,754**	**334,175**	**(561)**	**333,605**
Finance income and expenses									**2,895**
Share of profit/(loss) of investments accounted for using the equity method									**377**
Profit before income taxes									**336,886**

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.

Segment Information

Three months ended September 30, 2017

Millions of yen

	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue									
Customers	100,430	11,377	34,426	12,764	16,556	3,117	178,672	-	178,672
Intersegment	-	-	-	-	-	3,514	3,514	(3,514)	-
Total	100,430	11,377	34,426	12,764	16,556	6,632	182,186	(3,514)	178,672
Business segment profit	13,548	594	5,066	1,127	927	397	21,661	(44)	21,617
Other income and expenses	(2,350)	(158)	(123)	(93)	(232)	47	(2,910)	-	(2,910)
Operating profit	11,197	436	4,943	1,033	695	444	18,751	(44)	18,706
Finance income and expenses									(42)
Share of profit/(loss) of investments accounted for using the equity method									(61)
Profit before income taxes									18,603

Three months ended September 30, 2018

Millions of yen

	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue									
Customers	**99,151**	**12,604**	**27,922**	**11,753**	**17,611**	**3,550**	**172,594**	**-**	**172,594**
Intersegment	**-**	**-**	**-**	**-**	**-**	**3,123**	**3,123**	**(3,123)**	**-**
Total	**99,151**	**12,604**	**27,922**	**11,753**	**17,611**	**6,673**	**175,717**	**(3,123)**	**172,594**
Business segment profit	**11,901**	**1,160**	**2,920**	**384**	**1,222**	**340**	**17,930**	**(44)**	**17,885**
Other income and expenses	**(1,663)**	**(165)**	**(23)**	**(26)**	**(293)**	**63**	**(2,109)**	**-**	**(2,109)**
Operating profit	**10,237**	**994**	**2,896**	**358**	**928**	**404**	**15,820**	**(44)**	**15,776**
Finance income and expenses									**101**
Share of profit/(loss) of investments accounted for using the equity method									**25**
Profit before income taxes									**15,902**

Three months ended September 30, 2018

Thousand of U.S. dollars

	Reportable segments								
	Printing & Solutions	Personal & Home	Machinery	Network & Contents	Domino	Others	Total	Reconciliations	Consolidated
Revenue									
Customers	**869,746**	**110,561**	**244,930**	**103,096**	**154,482**	**31,140**	**1,513,982**	**-**	**1,513,982**
Intersegment	**-**	**-**	**-**	**-**	**-**	**27,395**	**27,395**	**(27,395)**	**-**
Total	**869,746**	**110,561**	**244,930**	**103,096**	**154,482**	**58,535**	**1,541,377**	**(27,395)**	**1,513,982**
Business segment profit	**104,395**	**10,175**	**25,614**	**3,368**	**10,719**	**2,982**	**157,281**	**(386)**	**156,886**
Other income and expenses	**(14,588)**	**(1,447)**	**(202)**	**(228)**	**(2,570)**	**553**	**(18,500)**	**-**	**(18,500)**
Operating profit	**89,798**	**8,719**	**25,404**	**3,140**	**8,140**	**3,544**	**138,772**	**(386)**	**138,386**
Finance income and expenses									**886**
Share of profit/(loss) of investments accounted for using the equity method									**219**
Profit before income taxes									**139,491**

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.

FY2018 Q2 Results
Supplementary Information

1. Consolidated results
2. Balance sheet
3. Cash flows
4. Sales Revenue by business segment
5. Business Segment profit by business segment
6. Operating profit by business segment
7. Sales revenue by region
8. R&D Expenses / Capex / Depreciation & Amortization
9. Other Financial Data

Brother Industries, Ltd.

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.

1. Consolidated results

(Millions of yen)

	2017 2Q Act	2018 2Q Act	Change (w/o fx impact)	2017 2Q YTD	2018 2Q YTD	Change (w/o fx impact)
Sales Revenue	178,672	172,594	-3.4% (-2.3%)	346,400	343,689	-0.8% (-0.4%)
Business Segment profit	21,617	17,885	-17.3%	39,115	38,363	-1.9%
Operating profit	18,706	15,776	-15.7%	31,310	38,031	21.5%
Net Income	13,535	11,988	-11.4%	22,682	28,553	25.9%
ROS(Business Segment profit)	12.1%	10.4%	-	11.3%	11.2%	-
ROS(Operating profit)	10.5%	9.1%	-	9.0%	11.1%	-
Yen-USD	111.38	111.55	-	111.42	110.07	-
Yen-Euro	130.45	129.89	-	126.63	129.88	-
Yen-GBP	146.20	145.84	-	144.38	146.99	-

	2017 Full Year Act	2018 Full Year Fct	Change (w/o fx impact)	2018 Previous Forecast	2018 Revised Forecast	Change (w/o fx impact)
Sales Revenue	712,997	690,000	-3.2% (-1.5%)	690,000	690,000	-
Business Segment profit	77,229	69,000	-10.7%	71,000	69,000	-2.8%
Operating profit	68,672	70,000	1.9%	70,000	70,000	-
Net Income	50,020	52,000	4.0%	52,000	52,000	-
ROS(Business Segment profit)	10.8%	10.0%	-	10.3%	10.0%	-
ROS(Operating profit)	9.6%	10.1%	-	10.1%	10.1%	-
Yen-USD	110.81	109.16	-	107.00	109.16	-
Yen-Euro	129.45	129.33	-	128.00	129.33	-
Yen-GBP	147.27	148.27	-	150.00	148.27	-

2. Balance sheet

(Millions of yen)

	2017 Full Year Act	2018 2Q Act	Change
Current assets	366,633	393,860	27,226
Non-current assets	341,644	337,589	- 4,054
Current liabilities	157,039	176,033	18,994
Non-current liabilities	138,743	117,744	- 20,998
Equity attributable to owners of the parent company	395,514	420,657	25,143
Total assets	708,278	731,450	23,171
Cash & cash equivalents	121,384	131,153	9,769
Interest-bearing debt	116,446	118,055	1,609
DER*	0.29	0.28	—
Equity ratio attritutable to owners of the parent company	55.8%	57.5%	—

* DER = Interest-bearing debt / Equity attributable to owners of the parent company

3. Cash flows

(Millions of yen)

	2017 2Q Act	2018 2Q Act	Change	2017 2Q YTD	2018 2Q YTD	Change
Net cash provided by operating activities	25,341	10,982	- 14,359	37,853	27,582	- 10,270
Net cash used in investing activities	- 9,624	- 1,567	8,056	- 19,775	- 8,967	10,807
Net cash used in financing activities	- 20,627	- 387	20,239	- 28,045	- 10,098	17,947
Cash and cash equivalents at end of period	105,985	131,153	25,168	105,985	131,153	25,168

4. Sales Revenue by business segment

(Millions of yen)

	2017 2Q Act	2018 2Q Act	Change (w/o fx impact)	2017 2Q YTD	2018 2Q YTD	Change (w/o fx impact)
Printing & Solutions	100,430	99,151	-1.3% (+0.3%)	199,230	198,605	-0.3% (+0.3%)
Communications and Printing equipment	88,522	86,855	-1.9% (-0.3%)	176,188	174,419	-1.0% (-0.4%)
Electronic stationery	11,907	12,295	3.3% (+4.6%)	23,041	24,186	5.0% (+5.7%)
Personal & Home	11,377	12,604	10.8% (+12.2%)	20,726	21,415	3.3% (+4.3%)
Machinery	34,426	27,922	-18.9% (-18.7%)	63,482	59,318	-6.6% (-6.9%)
Industrial sewing machines	7,235	7,589	4.9% (+5.3%)	14,012	16,249	16.0% (+15.7%)
Machine tools	22,166	15,400	-30.5% (-30.3%)	39,558	33,182	-16.1% (-16.6%)
Industrial Parts	5,025	4,933	-1.8% (-1.9%)	9,912	9,886	-0.3% (-0.3%)
Network & Contents	12,764	11,753	-7.9% (-7.9%)	23,982	23,282	-2.9% (-2.9%)
Domino	16,556	17,611	6.4% (+7.8%)	33,004	34,717	5.2% (+5.0%)
Others	3,117	3,550	13.9% (+13.9%)	5,973	6,349	6.3% (+6.3%)
G. total	178,672	172,594	-3.4% (-2.3%)	346,400	343,689	-0.8% (-0.4%)

	2017 Full Year Act	2018 Full Year Fct	Change (w/o fx impact)	2018 Previous Forecast	2018 Revised Forecast	Change
Printing & Solutions	412,165	401,200	-2.7% (-0.3%)	393,500	401,200	2.0%
Communications and Printing equipment	364,903	351,900	-3.6% (-1.3%)	346,200	351,900	1.6%
Electronic stationery	47,262	49,300	4.3% (+6.7%)	47,300	49,300	4.2%
Personal & Home	44,466	46,300	4.1% (+7.2%)	44,900	46,300	3.1%
Machinery	127,299	109,000	-14.4% (-14.0%)	115,300	109,000	-5.5%
Industrial sewing machines	31,094	33,100	6.5% (+8.0%)	33,000	33,100	0.3%
Machine tools	76,018	55,200	-27.4% (-27.4%)	61,300	55,200	-10.0%
Industrial Parts	20,186	20,700	2.5% (+2.9%)	21,000	20,700	-1.4%
Network & Contents	49,052	48,700	-0.7% (-0.7%)	49,000	48,700	-0.6%
Domino	68,390	71,400	4.4% (+5.4%)	73,500	71,400	-2.9%
Others	11,623	13,400	15.3% (+15.3%)	13,800	13,400	-2.9%
G. total	712,997	690,000	-3.2% (-1.5%)	690,000	690,000	-

5. Business Segment profit by business segment

(Millions of yen)

	2017 2Q Act	2018 2Q Act	Change	2017 2Q YTD	2018 2Q YTD	Change
Printing & Solutions	13,548	11,901	-12.2%	26,909	26,765	-0.5%
Personal & Home	594	1,160	95.2%	431	1,014	135.1%
Machinery	5,066	2,920	-42.4%	7,610	7,081	-6.9%
Network & Contents	1,127	384	-65.9%	1,067	607	-43.1%
Domino	927	1,222	31.8%	2,520	2,445	-3.0%
Others	397	340	-14.2%	633	512	-19.1%
Adjustment	- 44	- 44	-	- 56	- 64	-
G. total	21,617	17,885	-17.3%	39,115	38,363	-1.9%

	2017 Full Year Act	2018 Full Year Fct	Change	2018 Previous Forecast	2018 Revised Forecast	Change
Printing & Solutions	52,890	48,500	-8.3%	49,800	48,500	-2.6%
Personal & Home	1,981	3,700	86.7%	3,000	3,700	23.3%
Machinery	14,426	10,000	-30.7%	11,600	10,000	-13.8%
Network & Contents	2,663	2,400	-9.9%	2,400	2,400	-
Domino	4,640	4,000	-13.8%	4,000	4,000	-
Others	736	400	-45.7%	200	400	100.0%
Adjustment	- 107	-	-	-	-	-
G. total	77,229	69,000	-10.7%	71,000	69,000	-2.8%

6. Operating profit by business segment

(Millions of yen)

	2017 2Q Act	2018 2Q Act	Change	2017 2Q YTD	2018 2Q YTD	Change
Printing & Solutions	11,197	10,237	-8.6%	20,341	26,248	29.0%
Personal & Home	436	994	127.8%	- 16	924	-
Machinery	4,943	2,896	-41.4%	7,455	7,243	-2.8%
Network & Contents	1,033	358	-65.3%	931	534	-42.6%
Domino	695	928	33.6%	1,938	2,488	28.4%
Others	444	404	-9.2%	716	656	-8.4%
Adjustment	- 44	- 44	-	- 56	- 64	-
G. total	18,706	15,776	-15.7%	31,310	38,031	21.5%

	2017 Full Year Act	2018 Full Year Fct	Change	2018 Previous Forecast	2018 Revised Forecast	Change
Printing & Solutions	47,353	49,300	4.1%	48,900	49,300	0.8%
Personal & Home	1,051	3,700	251.9%	3,000	3,700	23.3%
Machinery	14,131	10,300	-27.1%	11,700	10,300	-12.0%
Network & Contents	1,343	2,100	56.3%	2,100	2,100	-
Domino	3,998	4,000	0.0%	4,000	4,000	-
Others	901	600	-33.4%	300	600	100.0%
Adjustment	- 107	-	-	-	-	-
G. total	68,672	70,000	1.9%	70,000	70,000	-

7. Sales revenue by region

(Millions of yen)

	2016 Full Year Act	2017 Full Year Act	Change
The Americas	202,599	209,602	3.5%
Europe	161,092	181,224	12.5%
Asia & Others	157,968	201,162	27.3%
Japan	119,525	121,008	1.2%
G. total	641,185	712,997	11.2%

8. R&D Expenses / Capex / Depreciation & Amortization

(Millions of yen)

	2017 2Q Act	2018 2Q Act	Change
R&D Expenses	12,225	10,657	- 1,568
Capex	8,608	6,147	- 2,461
Depreciation & Amortization	8,567	8,359	- 207

	2017 2Q YTD	2018 2Q YTD	Change
R&D Expenses	22,955	20,743	- 2,211
Capex	14,995	11,742	- 3,252
Depreciation & Amortization	16,966	16,781	- 184

	2017 Full Year Act	2018 Full Year Fct	Change
R&D Expenses	45,649	44,800	- 849
Capex	33,993	32,500	- 1,493
Depreciation & Amortization	34,141	34,400	258

	2018 Previous Forecast	2018 Revised Forecast	Change
R&D Expenses	45,600	44,800	- 800
Capex	33,600	32,500	- 1,100
Depreciation & Amortization	35,900	34,400	- 1,500

9. Other Financial Data

	2016 Full Year Act	2017 Full Year Act
ROE	13.9%	13.5%
ROA	7.0%	7.2%
EPS	181.96	192.63
Dividend per Share	42.0	54.0
Dividend payout ratio	23.1%	28.0%