This document is a summary translation of the Japanese language original version. In the event of any discrepancy, errors and/or omissions, the Japanese language version shall prevail.

May 9, 2018

# Highlights of Consolidated Results for Fiscal Year ended March 31, 2018

| | Millions of yen (except for per share amounts) | | | |
|---|---|---|---|---|
| | **Year ended March 31, 2018** | Year ended March 31, 2017 | Change | |
| Revenue | **Y 712,997** | Y 641,185 | 11.2 | % |
| Business segment profit | **77,229** | 60,759 | 27.1 | % |
| Operating profit | **68,672** | 59,152 | 16.1 | % |
| Profit before income taxes | **69,669** | 61,257 | 13.7 | % |
| Profit for the period | **50,472** | 47,440 | 6.4 | % |
| Profit for the period attributable to owners of the parent company | **50,020** | 47,242 | 5.9 | % |
| Profit for the period attributable to owners of the parent company ratio | **13.5** % | 13.9 % | | |
| Comprehensive income for the period | **63,408** | 21,260 | 198.2 | % |
| Basic earnings per share for the period (yen) | **192.63** | 181.96 | | |
| Diluted earnings per share for the period (yen) | **192.08** | 181.46 | | |
| Dividends per common share (yen) | **54.00** | 42.00 | | |

(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 March 31, 2017 |
|---|---|---|
| Total assets | **Y 708,278** | Y 674,107 |
| Total equity | **412,494** | 361,709 |
| Equity attributable to owners of the parent company | **395,514** | 345,061 |
| Equity attributable to owners of the parent company ratio | **55.8 %** | 51.2 % |
| Equity attributable to owners of the parent company per share (yen) | **1,523.09** | 1,328.97 |

| | **Year ended March 31, 2018** | Year ended March 31, 2017 |
|---|---|---|
| Net cash provided by operating activities | **Y 81,817** | Y 99,155 |
| Net cash provided by (used in) investing activities | **(37,090)** | (23,271) |
| Net cash provided by (used in) financing activities | **(34,551)** | (30,389) |
| Cash and cash equivalents at end of period | **121,384** | 112,032 |

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

| | Millions of yen (except for per share amounts) | | | |
|---|---|---|---|---|
| | [Forecast] Year ending March 31, 2019 | Year ended March 31, 2018 | Change | |
| Revenue | Y 690,000 | Y 712,997 | (3.2) | % |
| Business segment profit | 71,000 | 77,229 | (8.1) | % |
| Operating profit | 70,000 | 68,672 | 1.9 | % |
| Profit before income taxes | 70,000 | 69,669 | 0.5 | % |
| Profit for the period | 52,500 | 50,472 | 4.0 | % |
| Profit for the period attributable to owners of the parent company | 52,000 | 50,020 | 4.0 | % |
| Basic earnings per share for the period (yen) | 200.25 | 192.63 | | |
| Dividends per common share (yen) | 60.00 | 54.00 | | |

(Note) 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 year ended March 31, 2018 have been translated into U.S. dollars for convenience only, at a uniform rate of US$1=106.00 yen, in the accompanying consolidated financial statements.
4) Operating results for the year ended March 31, 2018 are based on the following currency exchange rates:
   Actual average rates for the year ended March 31, 2018: US$=110.81 yen, EURO=129.45 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$=107.00 yen, EURO=128.00 yen
5) Number of shares outstanding (including treasury stock): 262,220 thousands as of March 31, 2018, 277,535 thousands as of March 31, 2017
   Number of treasury stock outstanding: 2,541 thousands as of March 31, 2018, 17,889 thousands as of March 31, 2017
   Number of weighted average shares (full year): 259,674 thousands during the period ended March 31, 2018, 259,635 thousands during the period ended March 31, 2017

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, 2017 | **As of March 31, 2018** | **As of March 31, 2018** |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | Y 112,032 | **Y 121,384** | **$ 1,145,132** |
| Trade and other receivables | 96,112 | **104,624** | **987,019** |
| Other financial assets | 9,701 | **9,272** | **87,472** |
| Inventories | 112,432 | **116,967** | **1,103,462** |
| Other current assets | 14,701 | **14,211** | **134,066** |
| Subtotal | 344,980 | **366,459** | **3,457,160** |
| Non-current assets classified as held for sale | 245 | **174** | **1,642** |
| Total current assets | 345,225 | **366,633** | **3,458,802** |
| Non-current assets | | | |
| Property, plant and equipment | 120,767 | **120,320** | **1,135,094** |
| Investment property | 6,646 | **6,465** | **60,991** |
| Goodwill and intangible assets | 147,012 | **153,913** | **1,452,009** |
| Investments accounted for using the equity method | 1,506 | **1,498** | **14,132** |
| Other financial assets | 29,640 | **38,681** | **364,915** |
| Deferred tax assets | 16,691 | **13,489** | **127,255** |
| Other non-current assets | 6,617 | **7,275** | **68,632** |
| Total non-current assets | 328,881 | **341,644** | **3,223,057** |
| Total assets | Y 674,107 | **Y 708,278** | **$ 6,681,868** |
| Equity and liabilities | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | Y 66,268 | **Y 68,189** | **$ 643,292** |
| Bonds and borrowings | 20,509 | **21,894** | **206,547** |
| Other financial liabilities | 3,053 | **3,328** | **31,396** |
| Income taxes payable | 6,461 | **6,099** | **57,538** |
| Provisions | 5,691 | **4,823** | **45,500** |
| Other current liabilities | 50,350 | **52,676** | **496,943** |
| Subtotal | 152,337 | **157,012** | **1,481,245** |
| Liabilities directly associated with assets classified as held for sale | 20 | **27** | **255** |
| Total current liabilities | 152,357 | **157,039** | **1,481,500** |
| Non-current liabilities | | | |
| Bonds and borrowings | 117,082 | **94,552** | **892,000** |
| Other financial liabilities | 10,969 | **12,040** | **113,585** |
| Retirement benefits liabilities | 17,612 | **17,610** | **166,132** |
| Provisions | 3,376 | **3,141** | **29,632** |
| Deferred tax liabilities | 7,843 | **8,257** | **77,896** |
| Other non-current liabilities | 3,154 | **3,143** | **29,651** |
| Total non-current liabilities | 160,040 | **138,743** | **1,308,896** |
| Total liabilities | 312,398 | **295,783** | **2,790,406** |
| Equity | | | |
| Capital stock | 19,209 | **19,209** | **181,217** |
| Capital surplus | 17,455 | **17,517** | **165,255** |
| Retained earnings | 407,843 | **427,842** | **4,036,245** |
| Treasury stock | (24,230) | **(2,800)** | **(26,415)** |
| Other components of equity | (75,216) | **(66,255)** | **(625,047)** |
| Equity attributable to owners of the parent company | 345,061 | **395,514** | **3,731,264** |
| Non-controlling interests | 16,647 | **16,980** | **160,189** |
| Total equity | 361,709 | **412,494** | **3,891,453** |
| Total equity and liabilities | Y 674,107 | **Y 708,278** | **$ 6,681,868** |

## Consolidated Statement of Income

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | Year ended March 31, 2017 | **Year ended March 31, 2018** | **Year ended March 31, 2018** |
| Revenue | Y 641,185 | **Y 712,997** | **$ 6,726,387** |
| Cost of sales | (368,016) | **(412,211)** | **(3,888,783)** |
| Gross profit | 273,169 | **300,786** | **2,837,604** |
| Selling, general and administrative expenses | (212,410) | **(223,557)** | **(2,109,028)** |
| Other income | 3,647 | **1,832** | **17,283** |
| Other expenses | (5,253) | **(10,390)** | **(98,019)** |
| Operating profit | 59,152 | **68,672** | **647,849** |
| Finance income | 3,600 | **3,522** | **33,226** |
| Finance expenses | (1,648) | **(2,598)** | **(24,509)** |
| Share of profit/(loss) of investments accounted for using the equity method | 152 | **72** | **679** |
| Profit before income taxes | 61,257 | **69,669** | **657,255** |
| Income tax expenses | (13,817) | **(19,196)** | **(181,094)** |
| Profit for the period | 47,440 | **50,472** | **476,151** |
| | | | |
| Profit for the period attributable to: | | | |
| Owners of the parent company | 47,242 | **50,020** | **471,887** |
| Non-controlling interests | 198 | **451** | **4,255** |
| Profit for the period | Y 47,440 | **Y 50,472** | **$ 476,151** |

| Earnings per share: | Yen | **Yen** | U.S. dollars |
|---|---|---|---|
| Basic earnings per share | Y 181.96 | **Y 192.63** | **$ 1.82** |
| Diluted earnings per share | 181.46 | **192.08** | **1.81** |

## Consolidated Statement of Comprehensive Income

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | Year ended March 31, 2017 | **Year ended March 31, 2018** | **Year ended March 31, 2018** |
| Profit for the period | Y 47,440 | **Y 50,472** | **$ 476,151** |
| 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 | 2,689 | **2,591** | **24,443** |
| Remeasurement of net defined benefit liability (asset) | 63 | **1,377** | **12,991** |
| Share of other comprehensive income of investments accounted for using the equity method | (21) | **(2)** | **(19)** |
| Total of items that will not be reclassified subsequently to profit or loss | 2,730 | **3,966** | **37,415** |
| Items that may be reclassified subsequently to profit or loss | | | |
| Cash flow hedges | 38 | **161** | **1,519** |
| Exchange differences on translating foreign operations | (28,948) | **8,808** | **83,094** |
| Total of items that may be reclassified subsequently to profit or loss | (28,909) | **8,969** | **84,613** |
| Other comprehensive income for the period, net of income tax | (26,179) | **12,936** | **122,038** |
| Comprehensive income for the period | 21,260 | **63,408** | **598,189** |
| Comprehensive income for the period attributable to: | | | |
| Owners of the parent company | 20,983 | **62,822** | **592,660** |
| Non-controlling interests | 277 | **586** | **5,528** |
| Comprehensive income for the period | Y 21,260 | **Y 63,408** | **$ 598,189** |

## Consolidated Statement of Changes in Equity

Year ended March 31, 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 | Unrealized gains/(losses) on available-for-sale securities | Gains/(Losses) on investments in equity instruments designated as FVTOCI | Remeasument of net defined benefit liability (asset) | Total | Total | Non-controlling interests | Total equity |
| Balance as of Mach 31, 2016 | 19,209 | 17,321 | 363,864 | (24,225) | (46,083) | (200) | 3,554 | - | - | (42,729) | 333,440 | 16,545 | 349,986 |
| Cumulative effect of adoption of the new accounting standards | - | - | 3,420 | - | - | - | (3,554) | - | - | (3,554) | (133) | 44 | (88) |
| Balance as of April 1, 2016 | 19,209 | 17,321 | 367,285 | (24,225) | (46,083) | (200) | - | - | - | (46,284) | 333,307 | 16,589 | 349,897 |
| Profit for the period | - | - | 47,242 | - | - | - | - | - | - | - | 47,242 | 198 | 47,440 |
| Other comprehensive income/(loss) | - | - | - | - | (28,971) | 38 | - | 2,644 | 30 | (26,258) | (26,258) | 79 | (26,179) |
| Total comprehensive income/(loss) for the period | - | - | 47,242 | - | (28,971) | 38 | - | 2,644 | 30 | (26,258) | 20,983 | 277 | 21,260 |
| Acquisition of treasury stock | - | - | - | (26) | - | - | - | - | - | - | (26) | - | (26) |
| Disposal of treasury stock | - | (9) | - | 22 | - | - | - | - | - | - | 12 | - | 12 |
| Dividends paid | - | - | (9,359) | - | - | - | - | - | - | - | (9,359) | (215) | (9,575) |
| Share-based payment transaction | - | 143 | - | - | - | - | - | - | - | - | 143 | - | 143 |
| Reclassification to retained earnings | - | - | 2,674 | - | - | - | - | (2,644) | (30) | (2,674) | - | - | - |
| Other increase/(decrease) | - | - | 0 | - | - | - | - | - | - | - | 0 | (3) | (3) |
| Total transactions with owners | - | 133 | (6,684) | (4) | - | - | - | (2,644) | (30) | (2,674) | (9,229) | (219) | (9,449) |
| Balance as of March 31, 2017 | 19,209 | 17,455 | 407,843 | (24,230) | (75,055) | (161) | - | - | - | (75,216) | 345,061 | 16,647 | 361,709 |

**Year ended March 31, 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 | Cash flow hedges | Gains/(Losses) on investments in equity instruments designated as FVTOCI | Remeasument of net defined benefit liability (asset) | 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 | **-** | **-** | **50,020** | **-** | **-** | **-** | **-** | **-** | **-** | **50,020** | **451** | **50,472** |
| Other comprehensive income | **-** | **-** | **-** | **-** | **8,799** | **161** | **2,462** | **1,378** | **12,801** | **12,801** | **134** | **12,936** |
| Total comprehensive income for the period | **-** | **-** | **50,020** | **-** | **8,799** | **161** | **2,462** | **1,378** | **12,801** | **62,822** | **586** | **63,408** |
| Acquisition of treasury stock | **-** | **-** | **-** | **(15)** | **-** | **-** | **-** | **-** | **-** | **(15)** | **-** | **(15)** |
| Disposal of treasury stock | **-** | **(36)** | **(11)** | **47** | **-** | **-** | **-** | **-** | **-** | **0** | **-** | **0** |
| Cancellation of treasury stock | **-** | **(21)** | **(21,369)** | **21,391** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Dividends paid | **-** | **-** | **(12,480)** | **-** | **-** | **-** | **-** | **-** | **-** | **(12,480)** | **(249)** | **(12,729)** |
| Share-based payment transaction | **-** | **122** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **122** | **-** | **122** |
| Change due to stock swap | **-** | **(2)** | **-** | **6** | **-** | **-** | **-** | **-** | **-** | **3** | **(3)** | **-** |
| Reclassification to retained earnings | **-** | **-** | **3,840** | **-** | **-** | **-** | **(2,462)** | **(1,378)** | **(3,840)** | **-** | **-** | **-** |
| Total transactions with owners | **-** | **62** | **(30,021)** | **21,429** | **-** | **-** | **(2,462)** | **(1,378)** | **(3,840)** | **(12,370)** | **(252)** | **(12,622)** |
| Balance as of March 31, 2018 | **19,209** | **17,517** | **427,842** | **(2,800)** | **(66,255)** | **-** | **-** | **-** | **(66,255)** | **395,514** | **16,980** | **412,494** |

**Year ended March 31, 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 | Cash flow hedges | Gains/(Losses) on investments in equity instruments designated as FVTOCI | Remeasument of net defined benefit liability (asset) | Total | Total | Non-controlling interests | Total equity |
| Balance as of April 1, 2017 | **181,217** | **164,670** | **3,847,575** | **(228,585)** | **(708,066)** | **(1,519)** | **-** | **-** | **(709,585)** | **3,255,292** | **157,047** | **3,412,349** |
| Profit for the period | **-** | **-** | **471,887** | **-** | **-** | **-** | **-** | **-** | **-** | **471,887** | **4,255** | **476,151** |
| Other comprehensive income | **-** | **-** | **-** | **-** | **83,009** | **1,519** | **23,226** | **13,000** | **120,764** | **120,764** | **1,264** | **122,038** |
| Total comprehensive income for the period | **-** | **-** | **471,887** | **-** | **83,009** | **1,519** | **23,226** | **13,000** | **120,764** | **592,660** | **5,528** | **598,189** |
| Acquisition of treasury stock | **-** | **-** | **-** | **(142)** | **-** | **-** | **-** | **-** | **-** | **(142)** | **-** | **(142)** |
| Disposal of treasury stock | **-** | **(340)** | **(104)** | **443** | **-** | **-** | **-** | **-** | **-** | **0** | **-** | **0** |
| Cancellation of treasury stock | **-** | **(198)** | **(201,594)** | **201,802** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Dividends paid | **-** | **-** | **(117,736)** | **-** | **-** | **-** | **-** | **-** | **-** | **(117,736)** | **(2,349)** | **(120,085)** |
| Share-based payment transaction | **-** | **1,151** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **1,151** | **-** | **1,151** |
| Change due to stock swap | **-** | **(19)** | **-** | **57** | **-** | **-** | **-** | **-** | **-** | **28** | **(28)** | **-** |
| Reclassification to retained earnings | **-** | **-** | **36,226** | **-** | **-** | **-** | **(23,226)** | **(13,000)** | **(36,226)** | **-** | **-** | **-** |
| Total transactions with owners | **-** | **585** | **(283,217)** | **202,160** | **-** | **-** | **(23,226)** | **(13,000)** | **(36,226)** | **(116,698)** | **(2,377)** | **(119,075)** |
| Balance as of March 31, 2018 | **181,217** | **165,255** | **4,036,245** | **(26,415)** | **(625,047)** | **-** | **-** | **-** | **(625,047)** | **3,731,264** | **160,189** | **3,891,453** |

## Consolidated Statement of Cash Flows

| | Millions of yen | | Thousands of U.S. dollars |
|---|---|---|---|
| | Year ended March 31, 2017 | **Year ended March 31, 2018** | **Year ended March 31, 2018** |
| Cash flows from operating activities | | | |
| Profit before income taxes | Y 61,257 | **Y 69,669** | **$ 657,255** |
| Depreciation and amortization | 33,811 | **34,141** | **322,085** |
| Impairment loss | 406 | **1,223** | **11,538** |
| Finance expenses/(income) | (1,952) | **(924)** | **(8,717)** |
| Share of loss/(profit) of investments accounted for using the equity method | (152) | **(72)** | **(679)** |
| Losses/(gains) on sale and disposal of fixed assets | 761 | **613** | **5,783** |
| Decrease/(increase) in trade and other receivables | (2,962) | **(8,756)** | **(82,604)** |
| Decrease/(increase) in inventories | 9,609 | **(4,129)** | **(38,953)** |
| Increase/(decrease) in trade and other payables | 5,748 | **2,756** | **26,000** |
| Decrease/(increase) in retirement benefit assets | (523) | **80** | **755** |
| Increase/(decrease) in retirement benefit liabilities | 1,321 | **(954)** | **(9,000)** |
| Other | 3,738 | **5,638** | **53,189** |
| Subtotal | 111,063 | **99,285** | **936,651** |
| Interest received | 937 | **1,030** | **9,717** |
| Dividends received | 361 | **332** | **3,132** |
| Interest paid | (1,130) | **(531)** | **(5,009)** |
| Income taxes paid | (12,076) | **(18,300)** | **(172,642)** |
| Net cash provided by operating activities | Y 99,155 | **Y 81,817** | **$ 771,858** |
| Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | (20,497) | **(22,727)** | **(214,406)** |
| Proceeds from sales of property, plant and equipment | 542 | **565** | **5,330** |
| Purchases of intangible assets | (8,454) | **(9,144)** | **(86,264)** |
| Purchases of investments in equity instruments | (425) | **(535)** | **(5,047)** |
| Proceeds from sales of investments in equity instruments | 2,292 | **532** | **5,019** |
| Purchase of investments in debt instruments | (8,126) | **(10,689)** | **(100,840)** |
| Proceeds from sales or redemption of investments in debt instruments | 12,371 | **6,337** | **59,783** |
| Payments for acquisition of business | (140) | **(617)** | **(5,821)** |
| Other | (831) | **(810)** | **(7,642)** |
| Net cash provided by (used in) investing activities | Y (23,271) | **Y (37,090)** | **$ (349,906)** |
| Cash flows from financing activities | | | |
| Proceeds from short-term borrowings | - | **671** | **6,330** |
| Repayment of short-term borrowings | (6,361) | **-** | **-** |
| Repayment of long-term borrowings | (12,312) | **(20,299)** | **(191,500)** |
| Repayment of lease obligations | (1,878) | **(1,760)** | **(16,604)** |
| Dividends paid | (9,359) | **(12,480)** | **(117,736)** |
| Dividends paid to non-controlling interests | (215) | **(248)** | **(2,340)** |
| Other | (261) | **(433)** | **(4,085)** |
| Net cash provided by (used in) financing activities | Y (30,389) | **Y (34,551)** | **$ (325,953)** |
| Effect of exchange rate changes on cash and cash equivalents | (849) | **(823)** | **(7,764)** |
| Net increase/(decrease) in cash and cash equivalents | 44,645 | **9,351** | **88,217** |
| Cash and cash equivalents at the beginning of the period | 67,387 | **112,032** | **1,056,906** |
| Cash and cash equivalents at the end of the period | Y 112,032 | **Y 121,384** | **$ 1,145,132** |

## Segment Information

Year ended March 31, 2017

Millions of yen

| | Reportable segments | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Printing & Solutions | Personal & Home | Machinery | Network & Contents | Domino | Others | Total | Reconciliations | Consolidated |
| Revenue | | | | | | | | | |
| Customers | 383,628 | 44,409 | 90,944 | 49,731 | 59,354 | 13,117 | 641,185 | - | 641,185 |
| Intersegment | - | - | - | - | - | 14,621 | 14,621 | (14,621) | - |
| Total | 383,628 | 44,409 | 90,944 | 49,731 | 59,354 | 27,738 | 655,806 | (14,621) | 641,185 |
| Business segment profit | 45,654 | 2,038 | 6,177 | 2,213 | 4,177 | 697 | 60,958 | (199) | 60,759 |
| Other income and expenses | (133) | (158) | (197) | (1,358) | 189 | 52 | (1,606) | - | (1,606) |
| Operating profit | 45,520 | 1,880 | 5,980 | 854 | 4,366 | 749 | 59,352 | (199) | 59,152 |
| Finance income and expenses | | | | | | | | | 1,952 |
| Share of profit/(loss) of investments accounted for using the equity method | | | | | | | | | 152 |
| Profit before income taxes | | | | | | | | | 61,257 |

**Year ended March 31, 2018**

Millions of yen

| | Reportable segments | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Printing & Solutions | Personal & Home | Machinery | Network & Contents | Domino | Others | Total | Reconciliations | Consolidated |
| Revenue | | | | | | | | | |
| Customers | **412,165** | **44,466** | **127,299** | **49,052** | **68,390** | **11,623** | **712,997** | **-** | **712,997** |
| Intersegment | **-** | **-** | **-** | **-** | **-** | **12,033** | **12,033** | **(12,033)** | **-** |
| Total | **412,165** | **44,466** | **127,299** | **49,052** | **68,390** | **23,656** | **725,031** | **(12,033)** | **712,997** |
| Business segment profit | **52,890** | **1,981** | **14,426** | **2,663** | **4,640** | **736** | **77,337** | **(107)** | **77,229** |
| Other income and expenses | **(5,536)** | **(929)** | **(295)** | **(1,319)** | **(641)** | **165** | **(8,557)** | **-** | **(8,557)** |
| Operating profit | **47,353** | **1,051** | **14,131** | **1,343** | **3,998** | **901** | **68,780** | **(107)** | **68,672** |
| Finance income and expenses | | | | | | | | | **924** |
| Share of profit/(loss) of investments accounted for using the equity method | | | | | | | | | **72** |
| Profit before income taxes | | | | | | | | | **69,669** |

**Year ended March 31, 2018**

Thousand of U.S. dollars

| | Reportable segments | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Printing & Solutions | Personal & Home | Machinery | Network & Contents | Domino | Others | Total | Reconciliations | Consolidated |
| Revenue | | | | | | | | | |
| Customers | **3,888,349** | **419,491** | **1,200,934** | **462,755** | **645,189** | **109,651** | **6,726,387** | **-** | **6,726,387** |
| Intersegment | **-** | **-** | **-** | **-** | **-** | **113,519** | **113,519** | **(113,519)** | **-** |
| Total | **3,888,349** | **419,491** | **1,200,934** | **462,755** | **645,189** | **223,170** | **6,839,915** | **(113,519)** | **6,726,387** |
| Business segment profit | **498,962** | **18,689** | **136,094** | **25,123** | **43,774** | **6,943** | **729,594** | **(1,009)** | **728,575** |
| Other income and expenses | **(52,226)** | **(8,764)** | **(2,783)** | **(12,443)** | **(6,047)** | **1,557** | **(80,726)** | **-** | **(80,726)** |
| Operating profit | **446,726** | **9,915** | **133,311** | **12,670** | **37,717** | **8,500** | **648,868** | **(1,009)** | **647,849** |
| Finance income and expenses | | | | | | | | | **8,717** |
| Share of profit/(loss) of investments accounted for using the equity method | | | | | | | | | **679** |
| Profit before income taxes | | | | | | | | | **657,255** |

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 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
10. Exchange rates

## 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)

| | 2016 4Q Act | 2017 4Q Act | Change (w/o fx impact ) | 2016 Full Year Act | 2017 Full Year Act | Change (w/o fx impact ) |
|---|---|---|---|---|---|---|
| Sales Revenue | 164,318 | 178,835 | 8.8% (+7.0%) | 641,185 | 712,997 | 11.2% (+7.4%) |
| Business Segment profit | 11,351 | 15,702 | 38.3% | 60,759 | 77,229 | 27.1% |
| Operating profit | 11,813 | 15,565 | 31.8% | 59,152 | 68,672 | 16.1% |
| Net Income* | 8,574 | 11,181 | 30.4% | 47,242 | 50,020 | 5.9% |
| ROS(Business Segment profit) | 6.9% | 8.8% | - | 9.5% | 10.8% | - |
| ROS(Operating profit) | 7.2% | 8.7% | - | 9.2% | 9.6% | - |
| Yen-USD | 113.76 | 108.85 | - | 109.03 | 110.81 | - |
| Yen-Euro | 120.81 | 132.96 | - | 119.37 | 129.45 | - |

* Net Income = Profit for the period attributable to owners of the parent company

| | 2017 Full Year Act | 2018 Full Year Fct | Change (w/o fx impact ) |
|---|---|---|---|
| Sales Revenue | 712,997 | 690,000 | -3.2% (-1.6%) |
| Business Segment profit | 77,229 | 71,000 | -8.1% |
| Operating profit | 68,672 | 70,000 | 1.9% |
| Net Income* | 50,020 | 52,000 | 4.0% |
| ROS(Business Segment profit) | 10.8% | 10.3% | - |
| ROS(Operating profit) | 9.6% | 10.1% | - |
| Yen-USD | 110.81 | 107.00 | - |
| Yen-Euro | 129.45 | 128.00 | - |

* Net Income = Profit for the period attributable to owners of the parent company

## 2. Balance sheet

(Millions of yen)

| | 2016 Full Year Act | 2017 Full Year Act | Change |
|---|---|---|---|
| Current assets | 345,225 | 366,633 | 21,408 |
| Non-current assets | 328,881 | 341,644 | 12,762 |
| Current liabilities | 152,357 | 157,039 | 4,682 |
| Non-current liabilities | 160,040 | 138,743 | -21,296 |
| Equity attributable to owners of the parent company | 345,061 | 395,514 | 50,452 |
| Total assets | 674,107 | 708,278 | 34,171 |
| Inventories | 112,432 | 116,967 | 4,534 |
| Inventories turnover | 3.7 | 3.4 | — |
| Cash & cash equivalents | 112,032 | 121,384 | 9,351 |
| Interest-bearing debt | 137,592 | 116,446 | -21,145 |
| DER | 0.40 | 0.29 | — |
| Equity ratio attritutable to owners of the parent company | 51.2% | 55.8% | — |

* Inventories turnover = Inventories / Cost of sales(monthly average)

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

## 3. Cash flows

(Millions of yen)

| | 2016 4Q Act | 2017 4Q Act | Change | 2016 Full Year Act | 2017 Full Year Act | Change |
|---|---|---|---|---|---|---|
| Net cash provided by operating activities | 37,493 | 30,115 | -7,378 | 99,155 | 81,817 | -17,338 |
| Net cash used in investing activities | -8,644 | -7,531 | 1,113 | -23,271 | -37,090 | -13,819 |
| Net cash used in financing activities | -9,973 | -3,294 | 6,679 | -30,389 | -34,551 | -4,162 |
| Cash and cash equivalents at end of period | 112,032 | 121,384 | 9,351 | 112,032 | 121,384 | 9,351 |

## 4. Sales Revenue by business segment

(Millions of yen)

| | 2016 4Q Act | 2017 4Q Act | Change (w/o fx impact ) | 2016 Full Year Act | 2017 Full Year Act | Change (w/o fx impact ) |
|---|---|---|---|---|---|---|
| Printing & Solutions | 98,478 | 102,315 | 3.9% (+2.3%) | 383,628 | 412,165 | 7.4% (+2.9%) |
| Communications and Printing equipment | 86,676 | 90,253 | 4.1% (+2.4%) | 338,562 | 364,903 | 7.8% (+3.2%) |
| Electronic stationery | 11,802 | 12,062 | 2.2% (+1.0%) | 45,066 | 47,262 | 4.9% (+0.5%) |
| Personal & Home | 10,217 | 10,091 | -1.2% (-1.3%) | 44,409 | 44,466 | 0.1% (-4.1%) |
| Machinery | 24,590 | 33,213 | 35.1% (+34.5%) | 90,944 | 127,299 | 40.0% (+37.8%) |
| Industrial sewing machines | 7,409 | 8,281 | 11.8% (+11.3%) | 26,802 | 31,094 | 16.0% (+12.0%) |
| Machine tools | 12,053 | 19,701 | 63.4% (+62.5%) | 45,352 | 76,018 | 67.6% (+66.0%) |
| Industrial Parts | 5,127 | 5,230 | 2.0% (+2.2%) | 18,789 | 20,186 | 7.4% (+6.6%) |
| Network & Contents | 12,193 | 11,950 | -2.0% (-2.0%) | 49,731 | 49,052 | -1.4% (-1.4%) |
| Domino | 15,705 | 18,337 | 16.8% (+9.3%) | 59,354 | 68,390 | 15.2% (+10.0%) |
| Others | 3,132 | 2,926 | -6.6% (-6.6%) | 13,117 | 11,623 | -11.4% (-11.4%) |
| G. total | 164,318 | 178,835 | 8.8% (+7.0%) | 641,185 | 712,997 | 11.2% (+7.4%) |

| | 2017 Full Year Fct | 2018 Full Year Fct | Change (w/o fx impact ) |
|---|---|---|---|
| Printing & Solutions | 412,165 | 393,500 | -4.5% (-2.2%) |
| Communications and Printing equipment | 364,903 | 346,200 | -5.1% (-2.8%) |
| Electronic stationery | 47,262 | 47,300 | 0.1% (+2.5%) |
| Personal & Home | 44,466 | 44,900 | 1.0% (+4.4%) |
| Machinery | 127,299 | 115,300 | -9.4% (-8.3%) |
| Industrial sewing machines | 31,094 | 33,000 | 6.1% (+9.1%) |
| Machine tools | 76,018 | 61,300 | -19.4% (-19.0%) |
| Industrial Parts | 20,186 | 21,000 | 4.0% (+4.8%) |
| Network & Contents | 49,052 | 49,000 | -0.1% (-0.1%) |
| Domino | 68,390 | 73,500 | 7.5% (+5.5%) |
| Others | 11,623 | 13,800 | 18.7% (+18.6%) |
| G. total | 712,997 | 690,000 | -3.2% (-1.6%) |

## 5. Business Segment profit by business segment

(Millions of yen)

| | 2016 4Q Act | 2017 4Q Act | Change | 2016 Full Year Act | 2017 Full Year Act | Change |
|---|---|---|---|---|---|---|
| Printing & Solutions | 7,724 | 10,390 | 34.5% | 45,654 | 52,890 | 15.9% |
| Personal & Home | 426 | 412 | -3.2% | 2,038 | 1,981 | -2.8% |
| Machinery | 2,006 | 3,005 | 49.8% | 6,177 | 14,426 | 133.5% |
| Network & Contents | 339 | 531 | 56.8% | 2,213 | 2,663 | 20.3% |
| Domino | 798 | 1,385 | 73.5% | 4,177 | 4,640 | 11.1% |
| Others | 80 | 9 | -88.3% | 697 | 736 | 5.6% |
| Adjustment | -24 | -33 | — | -199 | -107 | — |
| G. total | 11,351 | 15,702 | 38.3% | 60,759 | 77,229 | 27.1% |

| | 2017 Full Year Act | 2018 Full Year Fct | Change |
|---|---|---|---|
| Printing & Solutions | 52,890 | 49,800 | -5.8% |
| Personal & Home | 1,981 | 3,000 | 51.4% |
| Machinery | 14,426 | 11,600 | -19.6% |
| Network & Contents | 2,663 | 2,400 | -9.9% |
| Domino | 4,640 | 4,000 | -13.8% |
| Others | 736 | 200 | -72.8% |
| Adjustment | -107 | — | — |
| G. total | 77,229 | 71,000 | -8.1% |

## 6. Operating profit by business segment

(Millions of yen)

| | 2016 4Q Act | 2017 4Q Act | Change | 2016 Full Year Act | 2017 Full Year Act | Change |
|---|---|---|---|---|---|---|
| Printing & Solutions | 9,471 | 12,018 | 26.9% | 45,520 | 47,353 | 4.0% |
| Personal & Home | 349 | 87 | -74.9% | 1,880 | 1,051 | -44.1% |
| Machinery | 1,459 | 2,898 | 98.5% | 5,980 | 14,131 | 136.3% |
| Network & Contents | 34 | -628 | — | 854 | 1,343 | 57.2% |
| Domino | 444 | 1,157 | 160.4% | 4,366 | 3,998 | -8.4% |
| Others | 78 | 64 | -17.4% | 749 | 901 | 20.2% |
| Adjustment | -24 | -33 | — | -199 | -107 | — |
| G. total | 11,813 | 15,565 | 31.8% | 59,152 | 68,672 | 16.1% |

| | 2017 Full Year Act | 2018 Full Year Fct | Change |
|---|---|---|---|
| Printing & Solutions | 47,353 | 48,900 | 3.3% |
| Personal & Home | 1,051 | 3,000 | 185.3% |
| Machinery | 14,131 | 11,700 | -17.2% |
| Network & Contents | 1,343 | 2,100 | 56.3% |
| Domino | 3,998 | 4,000 | 0.0% |
| Others | 901 | 300 | -66.7% |
| Adjustment | -107 | — | — |
| G. total | 68,672 | 70,000 | 1.9% |

## 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% |
| Total | 641,185 | 712,997 | 11.2% |

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

(Millions of yen)

| | 2016 4Q Act | 2017 4Q Act | Change |
|---|---|---|---|
| R&D Expenses | 11,394 | 11,679 | 285 |
| Capex | 9,201 | 9,808 | 607 |
| Depreciation & Amortization | 8,457 | 8,597 | 139 |

| 2016 Full Year Act | 2017 Full Year Act | Change |
|---|---|---|
| 42,547 | 45,649 | 3,102 |
| 28,644 | 33,993 | 5,348 |
| 33,811 | 34,141 | 330 |

| | 2017 Full Year Act | 2018 Full Year Fct | Change |
|---|---|---|---|
| R&D Expenses | 45,649 | 45,600 | -49 |
| Capex | 33,993 | 33,600 | -393 |
| Depreciation & Amortization | 34,141 | 35,900 | 1,758 |

## 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% |

## 10. Exchange rates

| | 2016 4Q Act | 2017 4Q Act |
|---|---|---|
| Yen-USD | 113.76 | 108.85 |
| Yen-Euro | 120.81 | 132.96 |
| Yen-GBP | 141.33 | 151.01 |

| 2016 Full Year Act | 2017 Full Year Act | 2018 Full Year Fct |
|---|---|---|
| 109.03 | 110.81 | 107.00 |
| 119.37 | 129.45 | 128.00 |
| 143.04 | 147.27 | 150.00 |