

## Business Summary by Segment

### Domino Business

#### Business Objectives

- Maximize synergy as Brother's next pillar

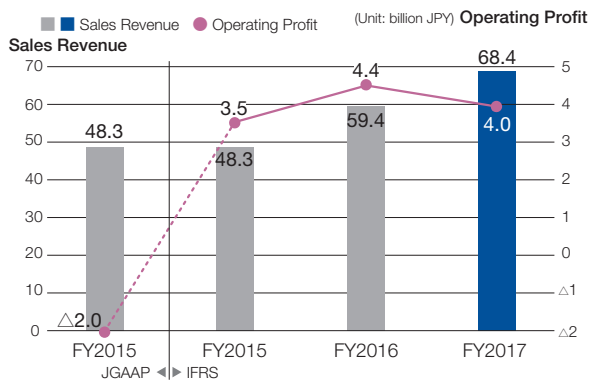
Group Managing Executive Officer  
CEO of Domino Printing Sciences plc

**Nigel Bond**



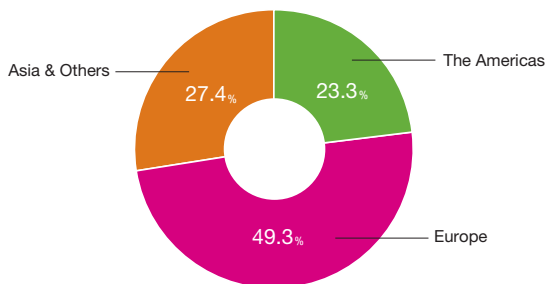
#### FY2017 Operational Highlights

##### Transition of Sales Revenue/Operating Profit



\* The subject names used for IFRS are applied. The subject names based on Japanese GAAP are switched to the subject names indicated below: \* Net sales (JGAAP)/Sales revenue (IFRS)

##### Sales Revenue by Region (FY2017)



\* Classified by region based on the locations of the customers

##### Sales Revenue: 68.4 billion yen (+15.2% y/y)

Sales revenue increased due to steady global sales growth of both coding and marking ("C&M") equipment and digital printing equipment.

##### Operating Profit: 4 billion yen (-8.4% y/y)

Business segment profit increased as sales grew despite the increase of prior investment, such as R&D expenditure, for further business growth. Operating profit decreased due to the fact that a foreign exchange loss was reported.

\* The sales revenue, and profit and loss related to Domino and its subsidiaries, which were allocated after July 1, 2015 are disclosed as those of the Domino Business segment. Therefore, there is no comparison of the results of the current term with those of the previous term.

#### Business Summary

##### < Brother's Strength >

Domino Printing Sciences plc ("Domino"), a consolidated subsidiary of Brother, has been growing its business steadily for the past 30 years as a UK-based industrial printing equipment manufacturer. It develops and manufactures C&M equipment which is used to print expiration dates, and so forth, on plastic bottles and cans, and digital printing equipment. In both of these fields, the number of operating units is expected to increase steadily, and consumption of consumables with a high genuine product ratio is anticipated.

##### < Market Trend and Brother's Business Strategies >

- Target a CAGR of 9 percent in sales in the 5 years between 2017 and 2021 as the core growth area
- Expand business by enhancing Domino Group's sales strength and collaboration with Brother's technological capacity
- Enhance our market position in the C&M field
- Expand digital printing

In the C&M business in which stable growth is expected, sales of the continuous inkjet printers released in 2016 have been expanding. We are continuing to invest in our sales activities and develop products which utilize Brother's technological abilities. Domino is aiming at becoming the next pillar of the Brother Group through continuous growth in the C&M field and business expansion in the digital printing field which has potential for higher-rate growth.

##### Main Product Lineup



Coding and Marking Equipment



Digital Printing Equipment