

### Highlights of Consolidated Results for the First Half and the Second Quarter of Fiscal Year ending March 31, 2017

| Millions of yen<br>(except for per share amounts)                  |   |   |               |
|--|---|---|---------------|
|  | Six months ended<br>September 30,<br>2016 | Six months ended<br>September 30,<br>2015 | Change<br>(%) |
| Revenue  | Y 310,270                                 | Y 341,526                                 | -9.2          |
| Operating profit   | 36,164                                    | 30,266                                    | 19.5          |
| Profit before tax  | 37,062                                    | 29,301                                    | 26.5          |
| Profit for the period  | 26,990                                    | 21,287                                    | 26.8          |
| Profit for the period attributable to owners of the parent company | 26,991                                    | 21,106                                    | 27.9          |
| Comprehensive income for the period                                | (31,233)                                  | 9,336                                     | -             |
| Basic earnings per share for the period                            | Y 103.96                                  | Y 81.29                                   |               |
| Diluted earnings per share for the period                          | 103.67                                    | 81.11                                     |               |
| Dividends per common share   | 18.00                                     | 18.00                                     |               |

  

|   | As of<br>September 30,<br>2016 | As of<br>March 31,<br>2016 |  |
|---|--------------------------------|----------------------------|--|
| Total assets  | Y 618,190                      | Y 675,301                  |  |
| Total equity  | 313,878                        | 349,986                    |  |
| Equity attributable to owners of the parent company           | 297,463                        | 333,440                    |  |
| Equity attributable to owners of the parent company ratio     | 48.1 %                         | 49.4 %                     |  |
| Equity attributable to owners of the parent company per share | Y 1,145.71                     | Y 1,284.27                 |  |

### Highlights of Consolidated Forecast for Fiscal Year ending March 31, 2017

| Millions of yen<br>(except for per share amounts)                  |   |                                 |               |
|--|---|---------------------------------|---------------|
|  | [Revised]<br>Year ending<br>March 31,<br>2017 | Year ended<br>March 31,<br>2016 | Change<br>(%) |
| Revenue  | Y 630,000                                     | Y 682,100                       | -7.6          |
| Business segment profit  | 55,000  | 54,900                          | 0.1           |
| Operating profit   | 55,000  | 58,600                          | -6.2          |
| Profit for the period attributable to owners of the parent company | 39,000  | 41,200                          | -5.4          |

  

|  | [Revised]<br>Year ending<br>March 31,<br>2017 | [Previous]<br>Year ending<br>March 31,<br>2017 | Change<br>(%) |
|--|---|--|---------------|
| Revenue  | Y 630,000                                     | Y 640,000                                      | -1.6          |
| Business segment profit  | 55,000  | 50,000   | 10.0          |
| Operating profit   | 55,000  | 48,500   | 13.4          |
| Profit for the period attributable to owners of the parent company | 39,000  | 33,500   | 16.4          |
| Basic earnings per share for the period                            | Y 150.21                                      | Y 129.03                                       |               |
| Dividends per common share   | 36.00   | 36.00  |               |

(Note 1) Forecasted operating results have been changed from the most recent announcement.

(Note 2) No change has been made in 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:

- The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
- Amounts less than 1 million yen have been rounded down.
- Yen amounts for the six months ended September 30, 2016 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=101.00 yen, in the accompanying consolidated financial statements.
- Operating results for the six months ended September 30, 2016 are based on the following currency exchange rates:  
Actual average rates for the six months ended September 30, 2016: US\$=106.43 yen, EURO=119.12 yen  
Forecasts for the year ending March 31, 2017 are based on the following currency exchange rates:  
Assumed average rates for the fiscal year: US\$=105.47 yen, EURO=117.09 yen
- Number of shares outstanding (including treasury stock): 277,535 thousands as of September 30, 2016, 277,535 thousands as of March 31, 2016  
Number of treasury stock outstanding: 17,903 thousands as of September 30, 2016, 17,901 thousands as of March 31, 2016  
Number of weighted average shares (first half): 259,633 thousands during the period ended September 30, 2016, 259,630 thousands during the period ended September 30, 2015

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 BALANCE SHEET

|  | Millions of yen           |                            |                                | Thousands of                   |
|--|---------------------------|----------------------------|--------------------------------|--------------------------------|
|  | (Transition date)         |                            |                                | U.S. dollars                   |
|  | As of<br>April 1,<br>2015 | As of<br>March 31,<br>2016 | As of<br>September 30,<br>2016 | As of<br>September 30,<br>2016 |
| <b>Assets</b>  |                           |                            |                                |                                |
| Current assets   |                           |                            |                                |                                |
| Cash and cash equivalents                              | Y 105,347                 | Y 67,387                   | Y 77,757                       | \$ 769,871                     |
| Trade and other receivables                            | 96,404                    | 94,750                     | 90,325                         | 894,307                        |
| Other financial assets                                 | 9,367                     | 16,100                     | 14,807                         | 146,604                        |
| Inventories  | 121,982                   | 126,542                    | 112,863                        | 1,117,455                      |
| Other current assets                                   | 13,366                    | 15,383                     | 11,925                         | 118,069                        |
| Subtotal   | 346,468                   | 320,164                    | 307,679                        | 3,046,327                      |
| Non-current assets held for sale                       | 385                       | -                          | -                              | -                              |
| Total current assets                                   | 346,854                   | 320,164                    | 307,679                        | 3,046,327                      |
| Non-current assets                                     |                           |                            |                                |                                |
| Property, plant and equipment                          | 117,453                   | 128,920                    | 118,688                        | 1,175,129                      |
| Investment properties                                  | 7,609                     | 6,907                      | 6,742                          | 66,752                         |
| Goodwill and other intangible assets                   | 17,954                    | 168,117                    | 137,956                        | 1,365,901                      |
| Investments accounted for using<br>the equity method   | 1,343                     | 1,437                      | 1,436                          | 14,218                         |
| Other financial assets                                 | 42,753                    | 26,881                     | 25,490                         | 252,376                        |
| Deferred tax assets                                    | 17,618                    | 16,872                     | 14,493                         | 143,495                        |
| Other non-current assets                               | 7,871                     | 6,000                      | 5,703                          | 56,465                         |
| Total non-current assets                               | 212,604                   | 355,137                    | 310,511                        | 3,074,366                      |
| Total assets   | Y 559,458                 | Y 675,301                  | Y 618,190                      | \$ 6,120,693                   |
| <b>Liabilities and Equity</b>                          |                           |                            |                                |                                |
| Liabilities  |                           |                            |                                |                                |
| Current liabilities                                    |                           |                            |                                |                                |
| Trade and other payables                               | Y 73,817                  | Y 62,139                   | Y 55,652                       | \$ 551,010                     |
| Bonds and borrowings                                   | 10,494                    | 20,701                     | 26,460                         | 261,980                        |
| Other financial liabilities                            | 7,787                     | 2,558                      | 2,382                          | 23,584                         |
| Current tax liabilities                                | 14,449                    | 2,888                      | 5,294                          | 52,416                         |
| Provisions   | 5,351                     | 6,889                      | 6,413                          | 63,495                         |
| Other current liabilities                              | 42,442                    | 46,550                     | 46,137                         | 456,802                        |
| Total current liabilities                              | 154,342                   | 141,728                    | 142,340                        | 1,409,307                      |
| Non-current liabilities                                |                           |                            |                                |                                |
| Bonds and borrowings                                   | 4,705                     | 137,786                    | 112,618                        | 1,115,030                      |
| Other financial liabilities                            | 5,858                     | 11,754                     | 18,064                         | 178,851                        |
| Retirement benefit obligations                         | 19,564                    | 17,033                     | 15,519                         | 153,653                        |
| Provisions   | 3,701                     | 2,852                      | 3,486                          | 34,515                         |
| Deferred tax liabilities                               | 2,601                     | 11,212                     | 9,510                          | 94,158                         |
| Other non-current liabilities                          | 2,848                     | 2,947                      | 2,773                          | 27,455                         |
| Total non-current liabilities                          | 39,279                    | 183,586                    | 161,972                        | 1,603,683                      |
| Total liabilities                                      | 193,622                   | 325,315                    | 304,312                        | 3,012,990                      |
| Equity   |                           |                            |                                |                                |
| Capital stock  | 19,209                    | 19,209                     | 19,209                         | 190,188                        |
| Capital surplus  | 17,200                    | 17,321                     | 17,321                         | 171,495                        |
| Retained earnings                                      | 331,165                   | 363,864                    | 390,118                        | 3,862,554                      |
| Treasury stock   | (24,224)                  | (24,225)                   | (24,227)                       | (239,871)                      |
| Other components of equity                             | 6,110                     | (42,729)                   | (104,959)                      | (1,039,198)                    |
| Equity attributable to owners of the<br>parent company | 349,460                   | 333,440                    | 297,463                        | 2,945,178                      |
| Non-controlling interests                              | 16,375                    | 16,545                     | 16,414                         | 162,515                        |
| Total equity   | 365,835                   | 349,986                    | 313,878                        | 3,107,703                      |
| Total liabilities and equity                           | Y 559,458                 | Y 675,301                  | Y 618,190                      | \$ 6,120,693                   |

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

|  | Millions of yen                           |   | Thousands of U.S.<br>dollars              |
|--|---|---|---|
|  | Six months ended<br>September 30,<br>2015 | Six months ended<br>September 30,<br>2016 | Six months ended<br>September 30,<br>2016 |
| Revenue  | Y 341,526                                 | Y 310,270                                 | \$ 3,071,980                              |
| Cost of sales  | (203,404)                                 | (172,612)                                 | (1,709,030)                               |
| Gross profit   | 138,122                                   | 137,657                                   | 1,362,941                                 |
| Selling, general and administrative expenses                                   | (111,054)                                 | (102,986)                                 | (1,019,663)                               |
| Other income   | 4,561                                     | 5,172                                     | 51,208                                    |
| Other expenses   | (1,363)                                   | (3,679)                                   | (36,426)                                  |
| Operating profit   | 30,266                                    | 36,164                                    | 358,059                                   |
| Finance income   | 1,252                                     | 7,216                                     | 71,446                                    |
| Finance costs  | (2,200)                                   | (6,386)                                   | (63,228)                                  |
| Share of profit (loss) of investments accounted for using<br>the equity method | (17)                                      | 67  | 663                                       |
| Profit before tax  | 29,301                                    | 37,062                                    | 366,950                                   |
| Income taxes   | (8,013)                                   | (10,072)                                  | (99,723)                                  |
| Profit for the period  | 21,287                                    | 26,990                                    | 267,228                                   |
| Profit for the period attributable to:   |   |   |   |
| Owners of the parent company   | 21,106                                    | 26,991                                    | 267,238                                   |
| Non-controlling interests  | 181                                       | (0)                                       | (0)                                       |
| Profit for the period  | Y 21,287                                  | Y 26,990                                  | \$ 267,228                                |
| Earnings per share for the period:   | Yen                                       | Yen                                       | U.S. dollars                              |
| Basic earnings per share for the period  | Y 81.29                                   | Y 103.96                                  | \$ 1.03                                   |
| Diluted earnings per share for the period                                      | 81.11                                     | 103.67                                    | 1.03                                      |

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

|  | Millions of yen                             |   | Thousands of U.S.<br>dollars                |
|--|---|---|---|
|  | Three months ended<br>September 30,<br>2015 | Three months ended<br>September 30,<br>2016 | Three months ended<br>September 30,<br>2016 |
| Revenue  | Y 177,384                                   | Y 152,742                                   | \$ 1,512,297                                |
| Cost of sales  | (105,795)                                   | (86,966)                                    | (861,050)                                   |
| Gross profit   | 71,588                                      | 65,775                                      | 651,238                                     |
| Selling, general and administrative expenses                                   | (59,821)                                    | (51,244)                                    | (507,366)                                   |
| Other income   | 2,847                                       | 2,608                                       | 25,822                                      |
| Other expenses   | (754)                                       | (2,083)                                     | (20,624)                                    |
| Operating profit   | 13,859                                      | 15,056                                      | 149,069                                     |
| Finance income   | 833   | 1,317                                       | 13,040                                      |
| Finance costs  | (1,965)                                     | (492)                                       | (4,871)                                     |
| Share of profit (loss) of investments accounted for using<br>the equity method | (36)  | 66  | 653   |
| Profit before tax  | 12,691                                      | 15,948                                      | 157,901                                     |
| Income taxes   | (3,154)                                     | (4,283)                                     | (42,406)                                    |
| Profit for the period  | 9,536                                       | 11,665                                      | 115,495                                     |
| Profit for the period attributable to:   |   |   |   |
| Owners of the parent company   | 9,471                                       | 11,652                                      | 115,366                                     |
| Non-controlling interests  | 64  | 12  | 119   |
| Profit for the period  | Y 9,536                                     | Y 11,665                                    | \$ 115,495                                  |
| Earnings per share for the period:   | Yen   | Yen   | U.S. dollars                                |
| Basic earnings per share for the period  | Y 36.48                                     | Y 44.88                                     | \$ 0.44                                     |
| Diluted earnings per share for the period                                      | 36.40                                       | 44.76                                       | 0.44  |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | Millions of yen                           |   | Thousands of U.S.<br>dollars              |
|--|---|---|---|
|  | Six months ended<br>September 30,<br>2015 | Six months ended<br>September 30,<br>2016 | Six months ended<br>September 30,<br>2016 |
| Profit for the period  | Y 21,287                                  | Y 26,990                                  | \$ 267,228                                |
| Other comprehensive income   |   |   |   |
| Items that will not be reclassified to profit or loss                      |   |   |   |
| Net gain (loss) on revaluation of equity<br>instruments measured at FVTOCI | -   | 519                                       | 5,139                                     |
| Subtotal   | -   | 519                                       | 5,139                                     |
| Items that may be reclassified to profit or loss                           |   |   |   |
| Valuation differences on available-for sale<br>securities                  | (1,605)                                   | -   | -   |
| Net changes in fair value of cash flow hedges                              | 487                                       | (70)                                      | (693)                                     |
| Exchange differences on translation of foreign<br>operations               | (10,832)                                  | (58,673)                                  | (580,921)                                 |
| Subtotal   | (11,951)                                  | (58,744)                                  | (581,624)                                 |
| Other comprehensive income, net of tax                                     | (11,951)                                  | (58,224)                                  | (576,475)                                 |
| Comprehensive income for the period  | 9,336                                     | (31,233)                                  | (309,238)                                 |
| Comprehensive income for the period<br>attributable to:                    |   |   |   |
| Owners of the parent company   | 9,191                                     | (31,163)                                  | (308,545)                                 |
| Non-controlling interests  | 145                                       | (70)                                      | (693)                                     |
| Comprehensive income for the period  | Y 9,336                                   | Y (31,233)                                | \$ (309,238)                              |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | Millions of yen                             |   | Thousands of U.S.<br>dollars                |           |
|--|---|---|---|-----------|
|  | Three months ended<br>September 30,<br>2015 | Three months ended<br>September 30,<br>2016 | Three months ended<br>September 30,<br>2016 |           |
|  | Y   | Y   | \$  |           |
| Profit for the period  | 9,536                                       | 11,665                                      | \$  | 115,495   |
| Other comprehensive income   |   |   |   |           |
| Items that will not be reclassified to profit or loss                      |   |   |   |           |
| Net gain (loss) on revaluation of equity<br>instruments measured at FVTOCI | -   | 1,363                                       |   | 13,495    |
| Subtotal   | -   | 1,363                                       |   | 13,495    |
| Items that may be reclassified to profit or loss                           |   |   |   |           |
| Valuation differences on available-for sale<br>securities                  | (2,177)                                     | -   |   | -         |
| Net changes in fair value of cash flow hedges                              | 231   | (45)  |   | (446)     |
| Exchange differences on translation of foreign<br>operations               | (18,074)                                    | (10,164)                                    |   | (100,634) |
| Subtotal   | (20,021)                                    | (10,209)                                    |   | (101,079) |
| Other comprehensive income, net of tax                                     | (20,021)                                    | (8,846)                                     |   | (87,584)  |
| Comprehensive income for the period  | (10,484)                                    | 2,819                                       |   | 27,911    |
| Comprehensive income for the period<br>attributable to:                    |   |   |   |           |
| Owners of the parent company   | (10,473)                                    | 2,760                                       |   | 27,327    |
| Non-controlling interests  | (11)  | 58  |   | 574       |
| Comprehensive income for the period  | Y (10,484)                                  | Y 2,819                                     | \$  | 27,911    |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended September 30, 2015

|   | 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 translation of foreign operations | Net changes in fair value of cash flow hedges | Valuation differences on available-for sale securities | Net gain (loss) on revaluation of equity instruments measured at FVTOCI | Total other components of equity | Total equity attributable to owners of the parent company | Non-controlling interests | Total equity |
| Balance at April 1, 2015                                  | 19,209  | 17,200          | 331,165           | (24,224)       | -   | (447)   | 6,557  | -   | 6,110                            | 349,460   | 16,375                    | 365,835      |
| Profit for the period                                     | -   | -               | 21,106            | -              | -   | -   | -  | -   | -                                | 21,106  | 181                       | 21,287       |
| Other comprehensive income                                | -   | -               | -                 | -              | (10,824)  | 487   | (1,579)  | -   | (11,916)                         | (11,916)  | (35)                      | (11,951)     |
| Total comprehensive income for the period                 | -   | -               | 21,106            | -              | (10,824)  | 487   | (1,579)  | -   | (11,916)                         | 9,191   | 145                       | 9,336        |
| Acquisition of treasury stock                             | -   | -               | -                 | (4)            | -   | -   | -  | -   | -                                | (4)   | -                         | (4)          |
| Disposal of treasury stock                                | -   | 0               | -                 | 0              | -   | -   | -  | -   | -                                | 0   | -                         | 0            |
| Dividends   | -   | -               | (3,899)           | -              | -   | -   | -  | -   | -                                | (3,899)   | (90)                      | (3,989)      |
| Increase(decrease) due to newly consolidated subsidiaries | -   | -               | -                 | -              | -   | -   | -  | -   | -                                | -   | 35                        | 35           |
| Other increases(decrease)                                 | -   | -               | 4                 | -              | -   | -   | -  | -   | -                                | 4   | (0)                       | 4            |
| Total transactions with the owners                        | -   | 0               | (3,894)           | (4)            | -   | -   | -  | -   | -                                | (3,899)   | (55)                      | (3,954)      |
| Balance at September 30, 2015                             | 19,209  | 17,200          | 348,377           | (24,229)       | (10,824)  | 39  | 4,978  | -   | (5,806)                          | 354,752   | 16,465                    | 371,217      |

Six months ended September 30, 2016

|   | 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 translation of foreign operations | Net changes in fair value of cash flow hedges | Valuation differences on available-for sale securities | Net gain (loss) on revaluation of equity instruments measured at FVTOCI | Total other components of equity | Total equity attributable to owners of the parent company | Non-controlling interests | Total equity |
| Balance at March 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 accounting change    | -   | -               | 3,420             | -              | -   | -   | (3,554)  | -   | (3,554)                          | (133)   | 44                        | (88)         |
| Balance at 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                     | -   | -               | 26,991            | -              | -   | -   | -  | -   | -                                | 26,991  | (0)                       | 26,990       |
| Other comprehensive income                | -   | -               | -                 | -              | (58,604)  | (70)  | -  | 521   | (58,154)                         | (58,154)  | (69)                      | (58,224)     |
| Total comprehensive income for the period | -   | -               | 26,991            | -              | (58,604)  | (70)  | -  | 521   | (58,154)                         | (31,163)  | (70)                      | (31,233)     |
| Acquisition of treasury stock             | -   | -               | -                 | (2)            | -   | -   | -  | -   | -                                | (2)   | -                         | (2)          |
| Disposal of treasury stock                | -   | -               | -                 | -              | -   | -   | -  | -   | -                                | -   | -                         | -            |
| Dividends                                 | -   | -               | (4,679)           | -              | -   | -   | -  | -   | -                                | (4,679)   | (101)                     | (4,780)      |
| Transfer to retained earnings             | -   | -               | 521               | -              | -   | -   | -  | (521)   | (521)                            | -   | -                         | -            |
| Other increases (decreases)               | -   | -               | -                 | -              | -   | -   | -  | -   | -                                | -   | (3)                       | (3)          |
| Total transactions with the owners        | -   | -               | (4,158)           | (2)            | -   | -   | -  | (521)   | (521)                            | (4,681)   | (104)                     | (4,786)      |
| Balance at September 30, 2016             | 19,209  | 17,321          | 390,118           | (24,227)       | (104,687)   | (271)   | -  | -   | (104,959)                        | 297,463   | 16,414                    | 313,878      |

Six months ended September 30, 2016

|   | 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 translation of foreign operations | Net changes in fair value of cash flow hedges | Valuation differences on available-for sale securities | Net gain (loss) on revaluation of equity instruments measured at FVTOCI | Total other components of equity | Total equity attributable to owners of the parent company | Non-controlling interests | Total equity |
| Balance at March 31, 2016                 | 190,188   | 171,495         | 3,602,614         | (239,851)      | (456,267)   | (1,980)                                       | 35,188   | -   | (423,059)                        | 3,301,386   | 163,812                   | 3,465,208    |
| Cumulative effect of accounting change    | -   | -               | 33,861            | -              | -   | -   | (35,188)   | -   | (35,188)                         | (1,317)   | 436                       | (871)        |
| Balance at April 1, 2016                  | 190,188   | 171,495         | 3,636,485         | (239,851)      | (456,267)   | (1,980)                                       | -  | -   | (458,257)                        | 3,300,069   | 164,248                   | 3,464,327    |
| Profit for the period                     | -   | -               | 267,238           | -              | -   | -   | -  | -   | -                                | 267,238   | (0)                       | 267,228      |
| Other comprehensive income                | -   | -               | -                 | -              | (580,238)   | (693)   | -  | 5,158   | (575,782)                        | (575,782)   | (683)                     | (576,475)    |
| Total comprehensive income for the period | -   | -               | 267,238           | -              | (580,238)   | (693)   | -  | 5,158   | (575,782)                        | (308,545)   | (693)                     | (309,238)    |
| Acquisition of treasury stock             | -   | -               | -                 | (0)            | -   | -   | -  | -   | -                                | (0)   | -                         | (0)          |
| Disposal of treasury stock                | -   | -               | -                 | -              | -   | -   | -  | -   | -                                | -   | -                         | -            |
| Dividends                                 | -   | -               | (46,327)          | -              | -   | -   | -  | -   | -                                | (46,327)  | (1,000)                   | (47,327)     |
| Transfer to retained earnings             | -   | -               | 5,158             | -              | -   | -   | -  | (5,158)   | (5,158)                          | -   | -                         | -            |
| Other increases (decreases)               | -   | -               | -                 | -              | -   | -   | -  | -   | -                                | -   | (30)                      | (30)         |
| Total transactions with the owners        | -   | -               | (41,168)          | (0)            | -   | -   | -  | (5,158)   | (5,158)                          | (46,347)  | (1,030)                   | (47,386)     |
| Balance at September 30, 2016             | 190,188   | 171,495         | 3,862,554         | (239,871)      | (1,036,505)   | (2,683)                                       | -  | -   | (1,039,198)                      | 2,945,178   | 162,515                   | 3,107,703    |

## CONSOLIDATED STATEMENT OF CASH FLOWS

|   | Millions of yen                           |   | Thousands of<br>U.S. dollars              |
|---|---|---|---|
|   | Six months ended<br>September 30,<br>2015 | Six months ended<br>September 30,<br>2016 | Six months ended<br>September 30,<br>2016 |
| Cash flows from operating activities  |   |   |   |
| Profit before tax   | Y 29,301                                  | Y 37,062                                  | \$ 366,950                                |
| Depreciation and amortization   | 16,669                                    | 17,037                                    | 168,683                                   |
| Finance costs (income), net   | 947                                       | (830)                                     | (8,218)                                   |
| Share of loss (profit) of investments accounted for using the equity method | 17  | (67)                                      | (663)                                     |
| Loss (gain) on sales and disposal of fixed assets, net                      | (1,435)                                   | 329                                       | 3,257                                     |
| Decrease (increase) in trade and other receivables                          | 1,289                                     | (3,789)                                   | (37,515)                                  |
| Decrease (increase) in inventories  | (11,376)                                  | (658)                                     | (6,515)                                   |
| Increase (decrease) in trade and other payables                             | (2,017)                                   | 130                                       | 1,287                                     |
| Decrease (increase) in retirement benefit assets                            | 38  | 124                                       | 1,228                                     |
| Increase (decrease) in retirement benefit liabilities                       | 116                                       | (73)                                      | (723)                                     |
| Other, net  | (3,114)                                   | (1,376)                                   | (13,624)                                  |
| Subtotal  | 30,435                                    | 47,889                                    | 474,149                                   |
| Interest income received  | 499                                       | 447                                       | 4,426                                     |
| Dividend income received  | 250                                       | 236                                       | 2,337                                     |
| Interest expenses paid  | (259)                                     | (314)                                     | (3,109)                                   |
| Income taxes paid   | (17,918)                                  | (5,146)                                   | (50,950)                                  |
| Net cash provided by operating activities                                   | Y 13,008                                  | Y 43,112                                  | \$ 426,851                                |
| Cash flows from investing activities  |   |   |   |
| Purchase of property, plant and equipment                                   | (13,502)                                  | (11,312)                                  | (112,000)                                 |
| Proceeds from sales of property, plant and equipment                        | 972                                       | 289                                       | 2,861                                     |
| Purchase of intangible assets   | (4,194)                                   | (3,458)                                   | (34,238)                                  |
| Purchase of equity instruments  | (427)                                     | (361)                                     | (3,574)                                   |
| Proceeds from sales of equity instruments                                   | 617                                       | 327                                       | 3,238                                     |
| Purchase of debt instruments  | (1,550)                                   | (2,290)                                   | (22,673)                                  |
| Proceeds from sales and redemption of debt instruments                      | 3,527                                     | 5,761                                     | 57,040                                    |
| Acquisition of business   | (186,071)                                 | (140)                                     | (1,386)                                   |
| Other, net  | 1,484                                     | (313)                                     | (3,099)                                   |
| Net cash provided by (used in) investing activities                         | Y (199,144)                               | Y (11,498)                                | \$ (113,842)                              |
| Cash flows from financing activities  |   |   |   |
| Proceeds from short-term debt   | 183,258                                   | -   | -   |
| Repayments of short-term borrowings   | (130,500)                                 | (468)                                     | (4,634)                                   |
| Proceeds from long-term debt  | 109,520                                   | -   | -   |
| Repayments of long-term borrowings  | (3)                                       | (10,605)                                  | (105,000)                                 |
| Proceeds from issuance of bonds   | 1,430                                     | -   | -   |
| Repayments of lease obligations   | (814)                                     | (1,034)                                   | (10,238)                                  |
| Dividends paid  | (3,899)                                   | (4,679)                                   | (46,327)                                  |
| Dividends paid to non-controlling interests                                 | (90)                                      | (101)                                     | (1,000)                                   |
| Other, net  | (274)                                     | (1)                                       | (10)                                      |
| Net cash provided by (used in) financing activities                         | Y 158,626                                 | Y (16,890)                                | \$ (167,228)                              |
| Effect of exchange rate changes on cash and cash equivalents                | 314                                       | (4,354)                                   | (43,109)                                  |
| Net increase (decrease) in cash and cash equivalents                        | (27,194)                                  | 10,369                                    | 102,663                                   |
| Cash and cash equivalents at beginning of period                            | 105,347                                   | 67,387                                    | 667,198                                   |
| Cash and cash equivalents at end of period                                  | Y 78,153                                  | Y 77,757                                  | \$ 769,871                                |



## SEGMENT INFORMATION

Six months ended September 30, 2015

|   | Reportable segments    |                   |               |                      |               |               | S.total        | Adjustments    | Consolidated   |
|---|------------------------|-------------------|---------------|----------------------|---------------|---------------|----------------|----------------|----------------|
|   | Printing and Solutions | Personal and Home | Machinery     | Network and Contents | Domino        | Others        |                |                |                |
| Millions of yen   |                        |                   |               |                      |               |               |                |                |                |
| Revenue   |                        |                   |               |                      |               |               |                |                |                |
| External revenue  | 206,973                | 24,659            | 58,195        | 27,389               | 16,824        | 7,485         | 341,526        | -              | 341,526        |
| Inter-segment revenue   | -                      | -                 | -             | -                    | -             | 6,028         | 6,028          | (6,028)        | -              |
| Total revenue   | <u>206,973</u>         | <u>24,659</u>     | <u>58,195</u> | <u>27,389</u>        | <u>16,824</u> | <u>13,513</u> | <u>347,555</u> | <u>(6,028)</u> | <u>341,526</u> |
| Business segment profit   | 14,305                 | 2,546             | 8,535         | 800                  | 1,957         | 734           | 28,881         | (1,812)        | 27,068         |
| Other income (expenses)   | 1,991                  | 75                | (115)         | (42)                 | (172)         | 1,460         | 3,197          | -              | 3,197          |
| Operating profit  | <u>16,297</u>          | <u>2,622</u>      | <u>8,420</u>  | <u>757</u>           | <u>1,785</u>  | <u>2,195</u>  | <u>32,079</u>  | <u>(1,812)</u> | <u>30,266</u>  |
| Finance income (costs)  |                        |                   |               |                      |               |               |                |                | (947)          |
| Share of profit (loss) of investments accounted for using the equity method |                        |                   |               |                      |               |               |                |                | (17)           |
| Profit before tax   |                        |                   |               |                      |               |               |                |                | <u>29,301</u>  |

Six months ended September 30, 2016

|   | Reportable segments    |                   |               |                      |               |               | S.total        | Adjustments    | Consolidated   |
|---|------------------------|-------------------|---------------|----------------------|---------------|---------------|----------------|----------------|----------------|
|   | Printing and Solutions | Personal and Home | Machinery     | Network and Contents | Domino        | Others        |                |                |                |
| Millions of yen   |                        |                   |               |                      |               |               |                |                |                |
| Revenue   |                        |                   |               |                      |               |               |                |                |                |
| External revenue  | 186,798                | 20,592            | 43,639        | 24,553               | 28,155        | 6,531         | 310,270        | -              | 310,270        |
| Inter-segment revenue   | -                      | -                 | -             | -                    | -             | 9,080         | 9,080          | (9,080)        | -              |
| Total revenue   | <u>186,798</u>         | <u>20,592</u>     | <u>43,639</u> | <u>24,553</u>        | <u>28,155</u> | <u>15,611</u> | <u>319,350</u> | <u>(9,080)</u> | <u>310,270</u> |
| Business segment profit   | 28,149                 | 459               | 2,901         | 982                  | 1,926         | 395           | 34,815         | (143)          | 34,671         |
| Other income (expenses)   | 2,147                  | 36                | 225           | (969)                | (13)          | 66            | 1,492          | -              | 1,492          |
| Operating profit  | <u>30,296</u>          | <u>496</u>        | <u>3,127</u>  | <u>12</u>            | <u>1,912</u>  | <u>461</u>    | <u>36,308</u>  | <u>(143)</u>   | <u>36,164</u>  |
| Finance income (costs)  |                        |                   |               |                      |               |               |                |                | 830            |
| Share of profit (loss) of investments accounted for using the equity method |                        |                   |               |                      |               |               |                |                | 67             |
| Profit before tax   |                        |                   |               |                      |               |               |                |                | <u>37,062</u>  |

Six months ended September 30, 2016

|   | Reportable segments    |                   |                |                      |                |                | S.total          | Adjustments     | Consolidated     |
|---|------------------------|-------------------|----------------|----------------------|----------------|----------------|------------------|-----------------|------------------|
|   | Printing and Solutions | Personal and Home | Machinery      | Network and Contents | Domino         | Others         |                  |                 |                  |
| Thousand of U.S. dollars  |                        |                   |                |                      |                |                |                  |                 |                  |
| Revenue   |                        |                   |                |                      |                |                |                  |                 |                  |
| External revenue  | 1,849,485              | 203,881           | 432,069        | 243,099              | 278,762        | 64,663         | 3,071,980        | -               | 3,071,980        |
| Inter-segment revenue   | -                      | -                 | -              | -                    | -              | 89,901         | 89,901           | (89,901)        | -                |
| Total revenue   | <u>1,849,485</u>       | <u>203,881</u>    | <u>432,069</u> | <u>243,099</u>       | <u>278,762</u> | <u>154,564</u> | <u>3,161,881</u> | <u>(89,901)</u> | <u>3,071,980</u> |
| Business segment profit   | 278,703                | 4,545             | 28,723         | 9,723                | 19,069         | 3,911          | 344,703          | (1,416)         | 343,277          |
| Other income (expenses)   | 21,257                 | 356               | 2,228          | (9,594)              | (129)          | 653            | 14,772           | -               | 14,772           |
| Operating profit  | <u>299,960</u>         | <u>4,911</u>      | <u>30,960</u>  | <u>119</u>           | <u>18,931</u>  | <u>4,564</u>   | <u>359,485</u>   | <u>(1,416)</u>  | <u>358,059</u>   |
| Finance income (costs)  |                        |                   |                |                      |                |                |                  |                 | 8,218            |
| Share of profit (loss) of investments accounted for using the equity method |                        |                   |                |                      |                |                |                  |                 | 663              |
| Profit before tax   |                        |                   |                |                      |                |                |                  |                 | <u>366,950</u>   |

Notes:

1) Brother changed its segments effective April 1, 2016.

Main products in each business segment are as follows:

|                        |   |
|------------------------|---|
| Printing and Solutions | Printers, All-in-Ones, Electronic Stationery, Scanners, etc.                          |
| Personal and Home      | Home Sewing Machines, Home Cutting Machines, etc.                                     |
| Machinery              | Industrial Sewing Machines, Garment Printers, Machine Tools, Reducers and Gears, etc. |
| Network and Contents   | Online Karaoke Systems, Content Services, etc.  |
| Domino                 | Industrial Inkjet Printers, Digital Printing Machines, etc.                           |
| Others                 | Real Estate, etc.   |

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

3) The figures for the previous year are presented following the above new classification.

## SEGMENT INFORMATION

Three months ended September 30, 2015

|   | Reportable segments    |                   |           |                      |        |        | S.total | Adjustments | Consolidated |
|---|------------------------|-------------------|-----------|----------------------|--------|--------|---------|-------------|--------------|
|   | Printing and Solutions | Personal and Home | Machinery | Network and Contents | Domino | Others |         |             |              |
| Millions of yen   |                        |                   |           |                      |        |        |         |             |              |
| Revenue   |                        |                   |           |                      |        |        |         |             |              |
| External revenue  | 103,068                | 13,790            | 23,474    | 15,475               | 16,824 | 4,750  | 177,384 | -           | 177,384      |
| Inter-segment revenue   | -                      | -                 | -         | -                    | -      | 3,252  | 3,252   | (3,252)     | -            |
| Total revenue   | 103,068                | 13,790            | 23,474    | 15,475               | 16,824 | 8,003  | 180,636 | (3,252)     | 177,384      |
| Business segment profit   | 4,014                  | 1,854             | 2,339     | 1,090                | 1,957  | 544    | 11,802  | (35)        | 11,766       |
| Other income (expenses)   | 1,260                  | 25                | (244)     | 10                   | (172)  | 1,212  | 2,092   | -           | 2,092        |
| Operating profit  | 5,275                  | 1,880             | 2,094     | 1,101                | 1,785  | 1,756  | 13,894  | (35)        | 13,859       |
| Finance income (costs)  |                        |                   |           |                      |        |        |         |             | (1,132)      |
| Share of profit (loss) of investments accounted for using the equity method |                        |                   |           |                      |        |        |         |             | (36)         |
| Profit before tax   |                        |                   |           |                      |        |        |         |             | 12,691       |

Three months ended September 30, 2016

|   | Reportable segments    |                   |           |                      |        |        | S.total | Adjustments | Consolidated |
|---|------------------------|-------------------|-----------|----------------------|--------|--------|---------|-------------|--------------|
|   | Printing and Solutions | Personal and Home | Machinery | Network and Contents | Domino | Others |         |             |              |
| Millions of yen   |                        |                   |           |                      |        |        |         |             |              |
| Revenue   |                        |                   |           |                      |        |        |         |             |              |
| External revenue  | 91,500                 | 11,093            | 20,676    | 11,967               | 13,740 | 3,763  | 152,742 | -           | 152,742      |
| Inter-segment revenue   | -                      | -                 | -         | -                    | -      | 2,548  | 2,548   | (2,548)     | -            |
| Total revenue   | 91,500                 | 11,093            | 20,676    | 11,967               | 13,740 | 6,312  | 155,290 | (2,548)     | 152,742      |
| Business segment profit   | 11,214                 | 479               | 1,022     | 570                  | 1,065  | 196    | 14,549  | (18)        | 14,531       |
| Other income (expenses)   | 1,173                  | 5                 | 157       | (835)                | (9)    | 33     | 525     | -           | 525          |
| Operating profit (loss)   | 12,387                 | 485               | 1,179     | (264)                | 1,055  | 230    | 15,074  | (18)        | 15,056       |
| Finance income (costs)  |                        |                   |           |                      |        |        |         |             | 825          |
| Share of profit (loss) of investments accounted for using the equity method |                        |                   |           |                      |        |        |         |             | 66           |
| Profit before tax   |                        |                   |           |                      |        |        |         |             | 15,948       |

Three months ended September 30, 2016

|   | Reportable segments    |                   |           |                      |         |        | S.total   | Adjustments | Consolidated |
|---|------------------------|-------------------|-----------|----------------------|---------|--------|-----------|-------------|--------------|
|   | Printing and Solutions | Personal and Home | Machinery | Network and Contents | Domino  | Others |           |             |              |
| Thousand of U.S. dollars  |                        |                   |           |                      |         |        |           |             |              |
| Revenue   |                        |                   |           |                      |         |        |           |             |              |
| External revenue  | 905,941                | 109,832           | 204,713   | 118,485              | 136,040 | 37,257 | 1,512,297 | -           | 1,512,297    |
| Inter-segment revenue   | -                      | -                 | -         | -                    | -       | 25,228 | 25,228    | (25,228)    | -            |
| Total revenue   | 905,941                | 109,832           | 204,713   | 118,485              | 136,040 | 62,495 | 1,537,525 | (25,228)    | 1,512,297    |
| Business segment profit   | 111,030                | 4,743             | 10,119    | 5,644                | 10,545  | 1,941  | 144,050   | (178)       | 143,871      |
| Other income (expenses)   | 11,614                 | 50                | 1,554     | (8,267)              | (89)    | 327    | 5,198     | -           | 5,198        |
| Operating profit (loss)   | 122,644                | 4,802             | 11,673    | (2,614)              | 10,446  | 2,277  | 149,248   | (178)       | 149,069      |
| Finance income (costs)  |                        |                   |           |                      |         |        |           |             | 8,168        |
| Share of profit (loss) of investments accounted for using the equity method |                        |                   |           |                      |         |        |           |             | 653          |
| Profit before tax   |                        |                   |           |                      |         |        |           |             | 157,901      |

Notes:

1) Brother changed its segments effective April 1, 2016.

Main products in each business segment are as follows:

|                        |   |
|------------------------|---|
| Printing and Solutions | Printers, All-in-Ones, Electronic Stationery, Scanners, etc.                          |
| Personal and Home      | Home Sewing Machines, Home Cutting Machines, etc.                                     |
| Machinery              | Industrial Sewing Machines, Garment Printers, Machine Tools, Reducers and Gears, etc. |
| Network and Contents   | Online Karaoke Systems, Content Services, etc.  |
| Domino                 | Industrial Inkjet Printers, Digital Printing Machines, etc.                           |
| Others                 | Real Estate, etc.   |

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

3) The figures for the previous year are presented following the above new classification.

## Supplementary Information for the 1st Half and the 2nd Quarter of Fiscal Year Ending March 31, 2017

### 1-1. Consolidated results (1st half results)

(Millions of yen)

|                            | FY ended<br>31-Mar-16<br>(Apr to Sep 2015) | FY ending<br>31-Mar-17<br>(Apr to Sep 2016) | Change<br>( w/o fx impact ) |
|----------------------------|--|---|-----------------------------|
| Sales Revenue              | 341,526                                    | 310,270                                     | -9.2%<br>(+2.5%)            |
| Business Segment Profit    | 27,068                                     | 34,671                                      | 28.1%                       |
| Operating profit           | 30,266                                     | 36,164                                      | 19.5%                       |
| Net Income                 | 21,106                                     | 26,991                                      | 27.9%                       |
| Exchange rates             |  |   |                             |
| Yen-USD                    | 121.50                                     | 106.43                                      | -                           |
| Yen-EUR                    | 134.60                                     | 119.12                                      | -                           |
| Operating profit ratio (%) | 8.9%                                       | 11.7%                                       | -                           |

\* Operating profit ratio = Operating Profit / Sales Revenue

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

\* "Exchange rates" are the rates used to convert financial statements of overseas subsidiaries into yen.

### 1-2. Sales Revenue by Business Segment ( 1st half results )

(Millions of yen)

|                      |                                      | FY ended<br>31-Mar-16<br>(Apr to Sep 2015) | FY ending<br>31-Mar-17<br>(Apr to Sep 2016) | Change | Change<br>( w/o fx impact ) |
|----------------------|--------------------------------------|--|---|--------|-----------------------------|
| Printing & Solutions | Communication and Printing equipment | 182,930                                    | 164,791                                     | -9.9%  | 3.4%                        |
|                      | Electronic stationery                | 24,042                                     | 22,007                                      | -8.5%  | 5.4%                        |
|                      | Total                                | 206,973                                    | 186,798                                     | -9.7%  | 3.6%                        |
| Personal & Home      |                                      | 24,659                                     | 20,592                                      | -16.5% | -3.7%                       |
| Machinery            | Industrial sewing machines           | 15,209                                     | 12,638                                      | -16.9% | -3.8%                       |
|                      | Machine tools                        | 34,037                                     | 21,957                                      | -35.5% | -31.9%                      |
|                      | Industrial Part                      | 8,948                                      | 9,043                                       | 1.1%   | 4.8%                        |
|                      | Total                                | 58,195                                     | 43,639                                      | -25.0% | -18.9%                      |
| Network & Contents   |                                      | 27,389                                     | 24,553                                      | -10.4% | -10.0%                      |
| Domino               |                                      | 16,824                                     | 28,155                                      | -      | -                           |
| Others               |                                      | 7,485                                      | 6,531                                       | -12.7% | -12.7%                      |
| Total                |                                      | 341,526                                    | 310,270                                     | -9.2%  | 2.5%                        |

### 2-1. Consolidated results (quarterly results)

(Millions of yen)

|                            | FY ended March, 31 2016          |                                  | FY ending March31, 2017          |                                  |
|----------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                            | 1st Quarter<br>(Apr to Jun 2015) | 2nd Quarter<br>(Jul to Sep 2015) | 1st Quarter<br>(Apr to Jun 2016) | 2nd Quarter<br>(Jul to Sep 2016) |
| Sales Revenue              | 164,142                          | 177,384                          | 157,528                          | 152,742                          |
| Business Segment Profit    | 15,301                           | 11,766                           | 20,140                           | 14,531                           |
| Operating profit           | 16,406                           | 13,859                           | 21,107                           | 15,056                           |
| Net Income                 | 11,634                           | 9,471                            | 15,338                           | 11,652                           |
| Exchange rates             |                                  |                                  |                                  |                                  |
| Yen-USD                    | 121.34                           | 121.91                           | 109.07                           | 102.91                           |
| Yen-EUR                    | 133.86                           | 136.00                           | 122.47                           | 114.59                           |
| Operating profit ratio (%) | 10.0%                            | 7.8%                             | 13.4%                            | 9.9%                             |

\* Operating profit ratio = Operating Profit / Sales Revenue

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

\* "Exchange rates" are the rates used to convert financial statements of overseas subsidiaries into yen.

### 2-2. Sales Revenue by business segment (quarterly results)

(Millions of yen)

|                      |                             | FY ended March, 31 2016          |                                  | FY ending March31, 2017          |                                  |
|----------------------|-----------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                      |                             | 1st Quarter<br>(Apr to Jun 2015) | 2nd Quarter<br>(Jul to Sep 2015) | 1st Quarter<br>(Apr to Jun 2016) | 2nd Quarter<br>(Jul to Sep 2016) |
| Printing & Solutions | Communications and Printing | 92,153                           | 90,777                           | 83,963                           | 80,827                           |
|                      | Electronic stationery       | 11,751                           | 12,290                           | 11,334                           | 10,672                           |
|                      | Total                       | 103,904                          | 103,068                          | 95,298                           | 91,500                           |
| Personal & Home      |                             | 10,868                           | 13,790                           | 9,499                            | 11,093                           |
| Machinery            | Industrial sewing machines  | 7,772                            | 7,436                            | 6,598                            | 6,040                            |
|                      | Machine tools               | 22,484                           | 11,552                           | 11,840                           | 10,117                           |
|                      | Industrial Part             | 4,463                            | 4,485                            | 4,524                            | 4,518                            |
|                      | Total                       | 34,721                           | 23,474                           | 22,962                           | 20,676                           |
| Network & Contents   |                             | 11,914                           | 15,475                           | 12,586                           | 11,967                           |
| Domino               |                             | -                                | 16,824                           | 14,414                           | 13,740                           |
| Others               |                             | 2,734                            | 4,750                            | 2,767                            | 3,763                            |
| Total                |                             | 164,142                          | 177,384                          | 157,528                          | 152,742                          |

### 2-3. Business Segment profit by business segment (quarterly results)

(Millions of yen)

|                      | FY ended March, 31 2016          |                                  | FY ending March31, 2017          |                                  |
|----------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                      | 1st Quarter<br>(Apr to Jun 2015) | 2nd Quarter<br>(Jul to Sep 2015) | 1st Quarter<br>(Apr to Jun 2016) | 2nd Quarter<br>(Jul to Sep 2016) |
| Printing & Solutions | 10,290                           | 4,014                            | 16,934                           | 11,214                           |
| Personal & Home      | 691                              | 1,854                            | -19                              | 479                              |
| Machinery            | 6,196                            | 2,339                            | 1,879                            | 1,022                            |
| Network & Contents   | -290                             | 1,090                            | 411                              | 570                              |
| Domino               | -                                | 1,957                            | 861                              | 1,065                            |
| Others               | 190                              | 544                              | 198                              | 196                              |
| Adjustment           | -1,777                           | -35                              | -125                             | -18                              |
| G. total             | 15,301                           | 11,766                           | 20,140                           | 14,531                           |

\*\*Adjustment\* for the first quarter of the FY endedg March 31, 2016 is mainly costs associated with the share acquisition of Domino.

### 2-4. Operating profit by business segment

(Millions of yen)

|                      | FY ended March, 31 2016          |                                  | FY ending March31, 2017          |                                  |
|----------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                      | 1st Quarter<br>(Apr to Jun 2015) | 2nd Quarter<br>(Jul to Sep 2015) | 1st Quarter<br>(Apr to Jun 2016) | 2nd Quarter<br>(Jul to Sep 2016) |
| Printing & Solutions | 11,021                           | 5,275                            | 17,908                           | 12,387                           |
| Personal & Home      | 741                              | 1,880                            | 10                               | 485                              |
| Machinery            | 6,325                            | 2,094                            | 1,948                            | 1,179                            |
| Network & Contents   | -343                             | 1,101                            | 276                              | -264                             |
| Domino               | -                                | 1,785                            | 857                              | 1,055                            |
| Others               | 438                              | 1,756                            | 231                              | 230                              |
| Adjustment           | -1,777                           | -35                              | -125                             | -18                              |
| G. total             | 16,406                           | 13,859                           | 21,107                           | 15,056                           |

\*\*Adjustment\* for the first quarter of the FY endedg March 31, 2016 is mainly costs associated with the share acquisition of Domino.

### 2-5. Sales Revenue by geographic segment ( quarterly results )

(Millions of yen)

|                 | FY ended March, 31 2016          |                                  | FY ending March31, 2017          |                                  |
|-----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                 | 1st Quarter<br>(Apr to Jun 2015) | 2nd Quarter<br>(Jul to Sep 2015) | 1st Quarter<br>(Apr to Jun 2016) | 2nd Quarter<br>(Jul to Sep 2016) |
| Japan           | 46,365                           | 45,172                           | 41,290                           | 39,844                           |
| Americas        | 48,938                           | 57,465                           | 48,368                           | 47,968                           |
| Europe          | 37,604                           | 41,293                           | 39,066                           | 38,218                           |
| Asia and Others | 31,234                           | 33,453                           | 28,803                           | 26,710                           |
| G. total        | 164,142                          | 177,384                          | 157,528                          | 152,742                          |

### 3-1. Consolidated results(annual)

(Millions of yen)

|                            | J=GAAP                   |                          |                          |                          |                          |                          | IFRS                     |                                       |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|
|                            | FY ended<br>Mar 31, 2011 | FY ended<br>Mar 31, 2012 | FY ended<br>Mar 31, 2013 | FY ended<br>Mar 31, 2014 | FY ended<br>Mar 31, 2015 | FY ended<br>Mar 31, 2016 | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>forecast |
| Net Sales (Sales Revenue)  | 502,830                  | 497,390                  | 516,066                  | 616,834                  | 707,237                  | 745,888                  | 682,119                  | 630,000                               |
| Business Segment Profit    | -                        | -                        | -                        | -                        | -                        | -                        | 54,934                   | 55,000                                |
| Operating profit           | 36,092                   | 34,183                   | 29,775                   | 43,301                   | 57,541                   | 47,276                   | 58,640                   | 55,000                                |
| Current profits            | 38,612                   | 34,351                   | 23,144                   | 35,613                   | 51,557                   | 48,611                   | -                        | -                                     |
| Net Income                 | 26,238                   | 19,525                   | 17,826                   | 19,220                   | 53,969                   | 31,017                   | 41,238                   | 39,000                                |
| Exchange rates             | Yen-USD                  | 85.82                    | 79.30                    | 83.23                    | 100.00                   | 110.03                   | 120.16                   | 105.47                                |
|                            | Yen-EUR                  | 113.56                   | 110.17                   | 107.57                   | 134.01                   | 138.68                   | 132.36                   | 117.09                                |
| Operating profit ratio (%) | 7.2%                     | 6.9%                     | 5.8%                     | 7.0%                     | 8.1%                     | 6.3%                     | 8.6%                     | 8.7%                                  |
| ROE (%)                    | 12.1%                    | 8.7%                     | 7.2%                     | 6.9%                     | 16.8%                    | 9.2%                     | 12.1%                    | -                                     |
| ROA (%)                    | 7.1%                     | 5.3%                     | 4.5%                     | 4.3%                     | 10.4%                    | 5.0%                     | 6.7%                     | -                                     |
| Net income per share (yen) | 98.03                    | 72.95                    | 66.65                    | 72.20                    | 206.68                   | 119.47                   | 158.83                   | 150.21                                |

- \* Operating profit ratio = Operating income / Net sales(Sales Revenue)
- \* ROE = Net income Attributable to owners of the company / Owners' equity (average of opening balance and ending balance)  
Owners' equity represents Shareholders' equity and Other comprehensive income.
- \* ROA = Net income Attributable to owners of the company / Total assets (average of opening balance and ending balance)
- \* "Exchange rates" are the rates used to convert financial statements of overseas subsidiaries into yen.

### 3-2. Sales Revenue by business segment

(Millions of yen)

|                      |                                       | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>forecast | Change | Change x FX |
|----------------------|---------------------------------------|--------------------------|---------------------------------------|--------|-------------|
| Printing & Solutions | Communications and Printing equipment | 366,639                  | 328,000                               | -10.5% | 1.7%        |
|                      | Electronic stationery                 | 48,380                   | 43,600                                | -9.9%  | 2.8%        |
|                      | Total                                 | 415,020                  | 371,600                               | -10.5% | 1.8%        |
| Personal & Home      |                                       | 50,990                   | 46,100                                | -9.6%  | 3.0%        |
| Machinery            | Industrial sewing machines            | 30,740                   | 27,300                                | -11.2% | 2.0%        |
|                      | Machine tools                         | 50,416                   | 44,300                                | -12.1% | -8.7%       |
|                      | Industrial Parts                      | 18,144                   | 18,600                                | 2.5%   | 5.9%        |
| Total                |                                       | 99,301                   | 90,200                                | -9.2%  | -2.7%       |
| Network & Contents   |                                       | 53,904                   | 50,200                                | -6.9%  | -6.6%       |
| Domino               |                                       | 48,321                   | 57,100                                | -      | -           |
| Others               |                                       | 14,582                   | 14,800                                | 1.5%   | -1.4%       |
| G. total             |                                       | 682,119                  | 630,000                               | -7.6%  | 3.6%        |

### 3-3. Business segment profit by segment

(Millions of yen)

|                      | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>forecast | Change |
|----------------------|--------------------------|---------------------------------------|--------|
| Printing & Solutions | 33,551                   | 42,000                                | 25.2%  |
| Personal & Home      | 4,753                    | 2,500                                 | -47.4% |
| Machinery            | 11,408                   | 4,600                                 | -59.7% |
| Network & Contents   | 2,175                    | 1,800                                 | -17.3% |
| Domino               | 3,839                    | 3,700                                 | -      |
| Others               | 1,180                    | 400                                   | -66.1% |
| Adjustment           | -1,975                   | -                                     | -      |
| G. total             | 54,934                   | 55,000                                | 0.1%   |

\*\*Adjustment\* in the Actual for the FY ended March 31, 2016 is mainly costs associated with the share acquisition of Domino, which was recorded in the first quarter of the FY ended March 31, 2016.

### 3-4. Operating Profit by segment

(Millions of yen)

|                      | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>forecast | Change |
|----------------------|--------------------------|---------------------------------------|--------|
| Printing & Solutions | 39,017                   | 43,300                                | 11.0%  |
| Personal & Home      | 4,871                    | 2,500                                 | -48.7% |
| Machinery            | 11,379                   | 4,800                                 | -57.8% |
| Network & Contents   | -470                     | 400                                   | -      |
| Domino               | 3,523                    | 3,600                                 | -      |
| Others               | 2,294                    | 400                                   | -82.6% |
| Adjustment           | -1,975                   | -                                     | -      |
| G. total             | 58,640                   | 55,000                                | -6.2%  |

\*\*Adjustment\* in the Actual for the FY ended March 31, 2016 is mainly costs associated with the share acquisition of Domino, which was recorded in the first quarter of the FY ended March 31, 2016.

### 3-5. Sales Revenue by geographic segment

(Millions of yen)

|                 | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>forecast | Change |
|-----------------|--------------------------|---------------------------------------|--------|
| Japan           | 173,118                  | 168,747                               | -2.5%  |
| Americas        | 212,904                  | 192,936                               | -9.4%  |
| Europe          | 175,414                  | 159,677                               | -9.0%  |
| Asia and Others | 120,681                  | 108,638                               | -10.0% |
| G. total        | 682,119                  | 630,000                               | -7.6%  |

#### 4-1. Capital expenditure/Depreciation and amortization (annual)

(Millions of yen)

|                               | J-GAAP                   |                          |                          |                          |                          |                          | IFRS                                  |
|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|
|                               | FY ended<br>Mar 31, 2011 | FY ended<br>Mar 31, 2012 | FY ended<br>Mar 31, 2013 | FY ended<br>Mar 31, 2014 | FY ended<br>Mar 31, 2015 | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>forecast |
| Capital expenditure           | 19,787                   | 27,833                   | 30,237                   | 34,858                   | 34,064                   | 39,976                   | 33,400                                |
| Depreciation and amortization | 24,027                   | 23,069                   | 24,476                   | 27,613                   | 28,205                   | 34,341                   | 34,100                                |

#### 4-2. Capital expenditure/Depreciation and amortization (quarterly results)

(Millions of yen)

|                               | J-GAAP                           |                                  |                                  |                                  | IFRS                             |                                  |
|-------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                               | FY ended March 31, 2016          |                                  |                                  |                                  | FY ending March 31, 2017         |                                  |
|                               | 1st Quarter<br>(Apr to Jun 2015) | 2nd Quarter<br>(Jul to Sep 2015) | 3rd Quarter<br>(Oct to Dec 2015) | 4th Quarter<br>(Jan to Mar 2016) | 1st Quarter<br>(Apr to Jun 2016) | 2nd Quarter<br>(Jul to Sep 2016) |
| Capital expenditure           | 5,824                            | 10,146                           | 11,066                           | 12,939                           | 6,656                            | 6,200                            |
| Depreciation and amortization | 6,695                            | 7,695                            | 10,197                           | 9,752                            | 8,633                            | 8,403                            |

#### 5-1. R&D Expenses (annual)

(Millions of yen)

|                            | J-GAAP                   |                          |                          |                          |                          |                          | IFRS                                  |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|
|                            | FY ended<br>Mar 31, 2011 | FY ended<br>Mar 31, 2012 | FY ended<br>Mar 31, 2013 | FY ended<br>Mar 31, 2014 | FY ended<br>Mar 31, 2015 | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>Forecast |
| R&D expenses               | 36,252                   | 39,232                   | 37,514                   | 40,137                   | 42,523                   | 46,017                   | 45,200                                |
| R&D expenses per sales (%) | 7.2%                     | 7.9%                     | 7.3%                     | 6.5%                     | 6.0%                     | 6.2%                     | 7.2%                                  |

#### 5-2. R&D Expenses (quarterly results)

(Millions of yen)

|              | J-GAAP                           |                                  |                                  |                                  | IFRS                             |                                  |
|--------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|              | FY ended March 31, 2016          |                                  |                                  |                                  | FY ending March 31, 2017         |                                  |
|              | 1st Quarter<br>(Apr to Jun 2015) | 2nd Quarter<br>(Jul to Sep 2015) | 3rd Quarter<br>(Oct to Dec 2015) | 4th Quarter<br>(Jan to Mar 2016) | 1st Quarter<br>(Apr to Jun 2016) | 2nd Quarter<br>(Jul to Sep 2016) |
| R&D expenses | 10,376                           | 11,873                           | 11,417                           | 12,350                           | 9,740                            | 11,060                           |

#### 6. Inventories (quarterly results)

|                               | J-GAAP                            |                                   |                                   |                                   | IFRS                              |                                   |
|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                               | FY ended March 31, 2016           |                                   |                                   |                                   | FY ending March 31, 2017          |                                   |
|                               | 1st Quarter<br>as of Jun 30, 2015 | 2nd Quarter<br>as of Sep 30, 2015 | 3rd Quarter<br>as of Dec 31, 2015 | 4th Quarter<br>as of Mar 31, 2016 | 1st Quarter<br>as of Jun 30, 2016 | 2nd Quarter<br>as of Sep 30, 2016 |
| Inventories (Millions of yen) | 138,435                           | 139,966                           | 137,517                           | 126,871                           | 113,299                           | 112,863                           |
| Inventories/cost of sales     | 4.3                               | 4.0                               | 3.9                               | 4.1                               | 4.0                               | 3.9                               |

#### 7. Interest - bearing debt

|   | J-GAAP                   |                          |                          |                          |                          |                          | IFRS                                  |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|
|   | FY ended<br>Mar 31, 2011 | FY ended<br>Mar 31, 2012 | FY ended<br>Mar 31, 2013 | FY ended<br>Mar 31, 2014 | FY ended<br>Mar 31, 2015 | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>Forecast |
| Interest - bearing debt (Millions of yen) | 24,386                   | 19,966                   | 19,224                   | 14,366                   | 15,481                   | 158,440                  | 139,079                               |
| DER                                       | 0.1                      | 0.1                      | 0.1                      | 0.05                     | 0.04                     | 0.49                     | 0.47                                  |

\* DER = Interest-bearing debt / Owners' equity  
Owners' equity represents Shareholders' equity and Other comprehensive income.

#### 8. Cash flows

(Millions of yen)

|  | J-GAAP                   |                          |                          |                          |                          |                          | IFRS                                  |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------------------|
|  | FY ended<br>Mar 31, 2011 | FY ended<br>Mar 31, 2012 | FY ended<br>Mar 31, 2013 | FY ended<br>Mar 31, 2014 | FY ended<br>Mar 31, 2015 | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>1st Half |
| Net cash provided by operating activities  | 49,488                   | 39,327                   | 32,734                   | 55,019                   | 58,021                   | 49,241                   | 43,112                                |
| Net cash used in investing activities      | -20,043                  | -30,758                  | -41,771                  | -39,099                  | -15,326                  | -215,091                 | -11,498                               |
| Net cash used in financing activities      | -10,950                  | -14,117                  | -6,413                   | -13,433                  | -18,451                  | 134,317                  | -16,890                               |
| Cash and cash equivalents at end of period | 65,100                   | 58,731                   | 55,059                   | 68,934                   | 104,732                  | 66,690                   | 77,757                                |

#### 9. Owners' equity

(Millions of yen)

|                          | J-GAAP                   |                          |                          |                          |                          |                          | IFRS   |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
|                          | FY ended<br>Mar 31, 2011 | FY ended<br>Mar 31, 2012 | FY ended<br>Mar 31, 2013 | FY ended<br>Mar 31, 2014 | FY ended<br>Mar 31, 2015 | FY ended<br>Mar 31, 2016 | FY ending<br>Mar 31, 2017<br>2nd Quarter<br>as of Sep 30, 2016 |
| Total assets             | 372,645                  | 370,906                  | 421,494                  | 469,973                  | 567,230                  | 667,811                  | 618,190  |
| Owners' equity           | 220,122                  | 231,001                  | 262,837                  | 291,164                  | 350,162                  | 322,146                  | 297,463  |
| Owners' equity ratio (%) | 59.1%                    | 62.3%                    | 62.4%                    | 62.0%                    | 61.7%                    | 48.2%                    | 48.1%  |

\* Owners' equity ratio = Owners' equity / Total assets  
Owners' equity represents Shareholders' equity and Other comprehensive income.