

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

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

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

	As of March 31, 2018	As of March 31, 2017
Total assets	Y 708,278	Y 674,107
Total equity	412,494	361,709
Equity attributable to owners of the parent company	395,514	345,061
Equity attributable to owners of the parent company ratio	55.8 %	51.2 %
Equity attributable to owners of the parent company per share (yen)	1,523.09	1,328.97
	Year ended March 31, 2018	Year ended March 31, 2017
Net cash provided by operating activities	Y 81,817	Y 99,155
Net cash provided by (used in) investing activities	(37,090)	(23,271)
Net cash provided by (used in) financing activities	(34,551)	(30,389)
Cash and cash equivalents at end of period	121,384	112,032

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

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

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

Notes:

- 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 year ended March 31, 2018 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=106.00 yen, in the accompanying consolidated financial statements.
- Operating results for the year ended March 31, 2018 are based on the following currency exchange rates:
Actual average rates for the year ended March 31, 2018: US\$=110.81 yen, EURO=129.45 yen
Forecasts for the year ending March 31, 2019 are based on the following currency exchange rates:
Assumed average rates for the year ending March 31, 2019: US\$=107.00 yen, EURO=128.00 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of March 31, 2018, 277,535 thousands as of March 31, 2017
Number of treasury stock outstanding: 2,541 thousands as of March 31, 2018, 17,889 thousands as of March 31, 2017
Number of weighted average shares (full year): 259,674 thousands during the period ended March 31, 2018, 259,635 thousands during the period ended March 31, 2017

The above-mentioned forecasts are the results of estimations based on outlook for economic environment and predictions at the time of this announcement. The actual results of business performance may sometimes differ from these forecasts due to various factors.

Consolidated Statement of Financial Position

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

Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2018
Revenue	Y 641,185	Y 712,997	\$ 6,726,387
Cost of sales	(368,016)	(412,211)	(3,888,783)
Gross profit	273,169	300,786	2,837,604
Selling, general and administrative expenses	(212,410)	(223,557)	(2,109,028)
Other income	3,647	1,832	17,283
Other expenses	(5,253)	(10,390)	(98,019)
Operating profit	59,152	68,672	647,849
Finance income	3,600	3,522	33,226
Finance expenses	(1,648)	(2,598)	(24,509)
Share of profit/(loss) of investments accounted for using the equity method	152	72	679
Profit before income taxes	61,257	69,669	657,255
Income tax expenses	(13,817)	(19,196)	(181,094)
Profit for the period	47,440	50,472	476,151
Profit for the period attributable to:			
Owners of the parent company	47,242	50,020	471,887
Non-controlling interests	198	451	4,255
Profit for the period	Y 47,440	Y 50,472	\$ 476,151
Earnings per share:	Yen	Yen	U.S. dollars
Basic earnings per share	Y 181.96	Y 192.63	\$ 1.82
Diluted earnings per share	181.46	192.08	1.81

Consolidated Statement of Comprehensive Income

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

Consolidated Statement of Changes in Equity

Year ended March 31, 2017

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

Year ended March 31, 2018

	Millions of yen												
	Equity attributable to owners of the parent company							Other components of equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Cash flow hedges	Gains/(Losses) on investments in equity instruments designated as FVTOCI	Remeasurement of net defined benefit liability (asset)	Total	Total	Non-controlling interests	Total equity	
Balance as of April 1, 2017	19,209	17,455	407,843	(24,230)	(75,055)	(161)	-	-	(75,216)	345,061	16,647	361,709	
Profit for the period	-	-	50,020	-	-	-	-	-	-	50,020	451	50,472	
Other comprehensive income	-	-	-	-	8,799	161	2,462	1,378	12,801	12,801	134	12,936	
Total comprehensive income for the period	-	-	50,020	-	8,799	161	2,462	1,378	12,801	62,822	586	63,408	
Acquisition of treasury stock	-	-	-	(15)	-	-	-	-	-	(15)	-	(15)	
Disposal of treasury stock	-	(36)	(11)	47	-	-	-	-	-	0	-	0	
Cancellation of treasury stock	-	(21)	(21,369)	21,391	-	-	-	-	-	-	-	-	
Dividends paid	-	-	(12,480)	-	-	-	-	-	-	(12,480)	(249)	(12,729)	
Share-based payment transaction	-	122	-	-	-	-	-	-	-	122	-	122	
Change due to stock swap	-	(2)	-	6	-	-	-	-	-	3	(3)	-	
Reclassification to retained earnings	-	-	3,840	-	-	-	(2,462)	(1,378)	(3,840)	-	-	-	
Total transactions with owners	-	62	(30,021)	21,429	-	-	(2,462)	(1,378)	(3,840)	(12,370)	(252)	(12,622)	
Balance as of March 31, 2018	19,209	17,517	427,842	(2,800)	(66,255)	-	-	-	(66,255)	395,514	16,980	412,494	

Year ended March 31, 2018

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

Consolidated Statement of Cash Flows

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

Segment Information

Year ended March 31, 2017

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

Year ended March 31, 2018

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

Year ended March 31, 2018

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

Notes:

1) Main products in each business segment are as follows:

Printing & Solutions	Printers, All-in-Ones, Labeling Systems, Label Printers, Scanners, etc.
Personal & Home	Home Sewing Machines, Home Cutting Machines, etc.
Machinery	Industrial Sewing Machines, Garment Printers, Machine Tools, Reducers, Gears, etc.
Network & Contents	Online Karaoke Systems, Management of Karaoke Clubs, Content Services, etc.
Domino	Cording & Marking Equipment, Digital Printing Equipment, etc.
Others	Real Estate, etc.

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