

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

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

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

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

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

	Millions of yen (except for per share amounts)		
	Year ended March 31, 2018	[Revised] Year ending March 31, 2019	Change
	Y	Y	
Revenue	712,997	690,000	-3.2 %
Business segment profit	77,229	69,000	-10.7 %
Operating profit	68,672	70,000	1.9 %
Profit before income taxes	69,669	70,000	0.5 %
Profit for the period	50,472	52,500	4.0 %
Profit for the period attributable to owners of the parent company	50,020	52,000	4.0 %
	[Previous] Year ending March 31, 2019	[Revised] Year ending March 31, 2019	Change
Revenue	Y 690,000	Y 690,000	- %
Business segment profit	71,000	69,000	-2.8 %
Operating profit	70,000	70,000	- %
Profit for the period attributable to owners of the parent company	52,000	52,000	- %
Basic earnings per share for the period (yen)	200.25	200.25	
Dividends per common share (yen)	60.00	60.00	

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

(Note 2) No change has been made to forecasted dividends per common share from the most recent announcement.

(Note 3) Business segment profit is calculated by subtracting cost of sales and selling, general and administrative expenses from revenue.

### Notes:

- 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, 2018 have been translated into U.S. dollars for convenience only, at a uniform rate of US\$1=114.00 yen, in the accompanying consolidated financial statements.
- Operating results for the six months ended September 30, 2018 are based on the following currency exchange rates:  
Actual average rates for the six months ended September 30, 2018: US\$=110.07 yen, EURO=129.88 yen  
Forecasts for the year ending March 31, 2019 are based on the following currency exchange rates:  
Assumed average rates for the year ending March 31, 2019: US\$=109.16 yen, EURO=129.33 yen
- Number of shares outstanding (including treasury stock): 262,220 thousands as of March 31, 2018, 262,220 thousands as of September 30, 2018  
Number of treasury stock outstanding: 2,541 thousands as of March 31, 2018, 2,488 thousands as of September 30, 2018  
Number of weighted average shares: 259,668 thousands during the six months ended September 30, 2017, 259,703 thousands during the six months ended September 30, 2018
- Changes in Accounting Policies: The Brother Group adopted IFRS 15 "Revenue from Contracts with Customers" as of April 1, 2018.  
The Group applied this standard in compliance with the transition provisions, thereby recognizing the cumulative effects of adoption of this standard as an adjustment to the opening balance of retained earnings as at the beginning of the current fiscal year.

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

## Consolidated Statement of Financial Position

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

## Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Six months ended September 30,	<b>Six months ended September 30,</b>	<b>Six months ended September 30,</b>
	2017	<b>2018</b>	<b>2018</b>
Revenue	Y 346,400	<b>Y 343,689</b>	\$ 3,014,816
Cost of sales	(199,753)	<b>(198,760)</b>	<b>(1,743,509)</b>
Gross profit	146,647	<b>144,929</b>	1,271,307
Selling, general and administrative expenses	(107,532)	<b>(106,566)</b>	(934,789)
Other income	1,136	<b>1,977</b>	17,342
Other expenses	(8,940)	<b>(2,308)</b>	<b>(20,246)</b>
Operating profit	31,310	<b>38,031</b>	333,605
Finance income	1,403	<b>4,148</b>	36,386
Finance expenses	(1,135)	<b>(3,818)</b>	(33,491)
Share of profit/(loss) of investments accounted for using the equity method	9	<b>43</b>	377
Profit before income taxes	31,588	<b>38,405</b>	336,886
Income tax expenses	(8,620)	<b>(9,711)</b>	(85,184)
Profit for the period	22,967	<b>28,693</b>	251,693
Profit for the period attributable to:			
Owners of the parent company	22,682	<b>28,553</b>	250,465
Non-controlling interests	285	<b>139</b>	1,219
Profit for the period	Y 22,967	<b>Y 28,693</b>	\$ 251,693
Earnings per share:	Yen	<b>Yen</b>	U.S. dollars
Basic earnings per share	Y 87.35	<b>Y 109.95</b>	\$ 0.96
Diluted earnings per share	87.10	<b>109.61</b>	0.96

## Consolidated Statement of Income

	Millions of yen		Thousands of U.S. dollars
	Three months ended September 30,	<b>Three months ended September 30,</b>	<b>Three months ended September 30,</b>
	2017	<b>2018</b>	<b>2018</b>
Revenue	Y 178,672	<b>Y 172,594</b>	\$ 1,513,982
Cost of sales	(102,407)	<b>(100,635)</b>	<b>(882,763)</b>
Gross profit	76,264	<b>71,959</b>	<b>631,219</b>
Selling, general and administrative expenses	(54,647)	<b>(54,073)</b>	<b>(474,325)</b>
Other income	335	<b>692</b>	6,070
Other expenses	(3,246)	<b>(2,802)</b>	<b>(24,579)</b>
Operating profit	18,706	<b>15,776</b>	<b>138,386</b>
Finance income	750	<b>1,779</b>	15,605
Finance expenses	(792)	<b>(1,678)</b>	<b>(14,719)</b>
Share of profit/(loss) of investments accounted for using the equity method	(61)	<b>25</b>	219
Profit before income taxes	18,603	<b>15,902</b>	<b>139,491</b>
Income tax expenses	(4,958)	<b>(3,836)</b>	<b>(33,649)</b>
Profit for the period	13,645	<b>12,066</b>	<b>105,842</b>
Profit for the period attributable to:			
Owners of the parent company	13,535	<b>11,988</b>	<b>105,158</b>
Non-controlling interests	109	<b>77</b>	<b>675</b>
Profit for the period	Y 13,645	<b>Y 12,066</b>	<b>\$ 105,842</b>
Earnings per share:	Yen	<b>Yen</b>	U.S. dollars
Basic earnings per share	Y 52.12	<b>Y 46.16</b>	\$ 0.40
Diluted earnings per share	51.98	<b>46.02</b>	<b>0.40</b>

## Consolidated Statement of Comprehensive Income

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

## Consolidated Statement of Comprehensive Income

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

## Consolidated Statement of Changes in Equity

Six months ended September 30, 2017

Millions of yen

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

Six months ended September 30, 2018

Millions of yen

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Other components of equity							Total	Total			
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Exchange differences on translating foreign operations	Gains/(Losses) on investments in equity instruments designated as FVTOCI						
Balance as of March 31, 2018	19,209	17,517	427,842	(2,800)	(66,255)	-	(66,255)	395,514	16,980	412,494		
Cumulative effect of adoption of the new accounting standards	-	-	(393)	-	-	-	-	(393)	-	(393)		
Balance as of April 1, 2018	19,209	17,517	427,449	(2,800)	(66,255)	-	(66,255)	395,120	16,980	412,101		
Profit for the period	-	-	28,553	-	-	-	-	28,553	139	28,693		
Other comprehensive income	-	-	-	-	5,092	(441)	4,650	4,650	28	4,679		
Total comprehensive income for the period	-	-	28,553	-	5,092	(441)	4,650	33,204	168	33,372		
Acquisition of treasury stock	-	-	-	(3)	-	-	-	(3)	-	(3)		
Disposal of treasury stock	-	(48)	(27)	76	-	-	-	0	-	0		
Dividends paid	-	-	(7,800)	-	-	-	-	(7,800)	(135)	(7,936)		
Share-based payment transaction	-	137	-	-	-	-	-	137	-	137		
Reclassification to retained earnings	-	-	(441)	-	-	441	441	-	-	-		
Total transactions with owners	-	88	(8,270)	72	-	441	441	(7,666)	(135)	(7,802)		
Balance as of September 30, 2018	19,209	17,606	447,733	(2,728)	(61,163)	-	(61,163)	420,657	17,013	437,671		

Six months ended September 30, 2018

Thousands of U.S. dollars

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

## Consolidated Statement of Cash Flows

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

## Segment Information

Six months ended September 30, 2017

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

Six months ended September 30, 2018

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

Six months ended September 30, 2018

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

### Notes:

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

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

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

## Segment Information

Three months ended September 30, 2017

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

Three months ended September 30, 2018

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

Three months ended September 30, 2018

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

### 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.