

# Financial Results for Fiscal Year 2017 (ended March 31, 2018)

**Brother Industries, Ltd.**  
**May 9, 2018**

Information on this report, other than historical facts, refers to future prospects and performance, and has been prepared by our Management on the basis of information available at the time of the announcement. This covers various risks, including, but not limited to, economic conditions, customer demand, foreign currency exchange rates, tax rules, regulation and other factors. As a result, actual future performance may differ from any forecasts contained on this report.

- |   |                |
|---|----------------|
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## ◆ Sales Revenue 7,130 / +11.2%

**The P&S Business and Machinery Business drove sales revenue to a record high**

- ✓ Sales of printing products hardware were strong globally
- ✓ Sales of machine tools for automobiles, general machinery and IT were strong and reached record highs

## ◆ Business Segment Profit 772 / +27.1%

## ◆ Operating Profit 687 / +16.1%

**Machine Tools profit was up sharply and exchange rates had a positive impact, resulting in a record high for profits**

- ✓ The P&S Business segment profit ratio was 12.8% (up approx. 1%), and profitability is steadily improving

## ◆ Net income\* 500 / +5.9%

**Net income reached a new record high, with the exception of FY2014 when gains were realized from the sale of assets**

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

These are the highlights of Brother's financial results for FY2017.

Performance of printing equipment was strong globally, and sales of machine tools reached a record high.

As a result, sales revenues increased 11.2% year-on-year.

With regard to profit, business segment profit and operating profit both reached new record highs. Net income also effectively reached a new record high when one-time profits from gains on the sale of assets in FY2014 are excluded.

# Highlights of Consolidated Results for FY2017



(100 Millions of Yen)

	FY16	FY17	change	Rate of Change (w/o FX)	Previous forecast	change
Sales Revenue	6,412	<b>7,130</b>	718	11.2% (+7.4%)	7,000	130
Business Segment Profit	608	<b>772</b>	165	27.1%	725	47
Business Segment Profit Ratio	9.5%	<b>10.8%</b>			10.4%	
Operating Profit	592	<b>687</b>	95	16.1%	660	27
Operating Profit Ratio	9.2%	<b>9.6%</b>			9.4%	
Income before Tax	613	<b>697</b>	84	13.7%	655	42
Net Income	472	<b>500</b>	28	5.9%	485	15
USD	109.03	<b>110.81</b>			110.97	
EUR	119.37	<b>129.45</b>			127.63	

## Main Factors for Changes in Business Segment Profit



## ROE (%)



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This slide shows a comparison with performance in the previous fiscal year.

In FY2017, sales revenue increased by 71.8 billion yen or 11.2% to 713.0 billion yen year-on-year. In real terms excluding the effects of exchange rates, sales revenue increased by approximately 47.5 billion yen.

The main factors were strong sales globally of laser all-in-one units and printers for both black-and-white and color devices and solid sales of machine tools to the IT, automotive, and general machinery industries.

Business segment profit increased substantially year-on-year, up 16.5 billion yen to 77.2 billion yen. The value of the yen against the euro decreased by about 10 yen, which had a positive impact of 9.7 billion yen. In addition, profit in the Machinery Business, which had much higher sales revenue, increased substantially, contributing significantly to results.

Operating profit increased by 9.5 billion yen year-on-year to 68.7 billion yen. Valuation losses relating to forward currency exchange contracts increased, and as a result, other revenue and expenses underwent a net decrease of 7.0 billion yen, but operating profit still reached a new record high.

Net income attributable to owners of the parent company increased by 2.8 billion yen year-on-year to 50.0 billion yen.

## Highlight by business segment

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(100 Millions of Yen)

Sales Revenue	FY16	FY17	Rate of Change	Rate of Change (w/o FX)	Previous forecast	Rate of Change
<b>Total</b>	<b>6,412</b>	<b>7,130</b>	<b>11.2%</b>	<b>7.4%</b>	<b>7,000</b>	<b>1.9%</b>
Printing & Solutions	3,836	4,122	7.4%	2.9%	4,059	1.5%
Personal & Home	444	445	0.1%	-4.1%	454	-2.1%
Machinery	909	1,273	40.0%	37.8%	1,227	3.7%
Network & Contents	497	491	-1.4%	-1.4%	494	-0.7%
Domino business	594	684	15.2%	10.0%	670	2.1%
Other	131	116	-11.4%	-11.4%	96	21.1%

Business Segment Profit	FY16	FY17	Rate of Change	Previous forecast	Rate of Change
<b>Total</b>	<b>608</b>	<b>772</b>	<b>27.1%</b>	<b>725</b>	<b>6.5%</b>
Printing & Solutions	457	529	15.9%	497	6.4%
Personal & Home	20	20	-2.8%	22	-10.0%
Machinery	62	144	133.5%	127	13.6%
Network & Contents	22	27	20.3%	25	6.5%
Domino business	42	46	11.1%	48	-3.3%
Other	7	7	5.0%	6	22.7%
Adjustment	-2	-1	-	-	-

Operating Profit	FY16	FY17	Rate of Change	Previous forecast	Rate of Change
<b>Total</b>	<b>592</b>	<b>687</b>	<b>16.1%</b>	<b>660</b>	<b>4.0%</b>
Printing & Solutions	455	474	4.0%	455	4.1%
Personal & Home	19	11	-44.1%	13	-19.2%
Machinery	60	141	136.3%	128	10.4%
Network & Contents	9	13	57.2%	20	-32.9%
Domino business	44	40	-8.4%	42	-4.8%
Other	7	9	20.2%	2	350.5%
Adjustment	-2	-1	-	-	-

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These are the results in each segment.

## Highlight for FY2017 Q4

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(100 Millions of Yen)

	16Q4	17Q4	change	Rate of Change (w/o FX)
Sales Revenue	1,643	<b>1,788</b>	145	8.8% (+7.0%)
Business Segment Profit	114	<b>157</b>	44	38.3%
Business Segment Profit Ratio	6.9%	<b>8.8%</b>		
Operating Profit	118	<b>156</b>	38	31.8%
Operating Profit Ratio	7.2%	<b>8.7%</b>		
Income before Tax	124	<b>159</b>	36	28.7%
Net Income	86	<b>112</b>	26	30.4%
USD	113.76	<b>108.85</b>		-
EUR	120.81	<b>132.96</b>		

### Main Factors for Changes in Business Segment Profit



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Sales revenue in the 4th quarter of FY2017 was 178.8 billion yen, up 14.5 billion yen or 8.8% year-on-year.

In real terms excluding the effects of exchange rates, sales revenue increased by approximately 11.6 billion yen.

Similar to the results for the entire fiscal year, the main factors were strong sales globally of laser all-in-one units and printers for both black-and-white and color devices and solid sales of machine tools to the IT, automotive, and general machinery industries.

Business segment profit was up 4.4 billion yen year-on-year to 15.7 billion yen.

The value of the yen against the euro decreased by about 12 yen, and exchange rates had a positive impact of approximately 3.0 billion yen. In addition, revenue was up in the Machinery Business, contributing significantly to results.

Operating profit increased by 3.8 billion yen year-on-year to 15.6 billion yen.

Net income attributable to owners of the parent company increased by 2.6 billion yen year-on-year to 11.2 billion yen.

## Highlight by business segment

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(100 Millions of Yen)

Sales Revenue	16Q4	17Q4	Rate of Change	Rate of Change (w/o FX)
<b>Total</b>	<b>1,643</b>	<b>1,788</b>	<b>8.8%</b>	<b>7.0%</b>
Printing & Solutions	985	1,023	3.9%	2.3%
Personal & Home	102	101	-1.2%	-1.3%
Machinery	246	332	35.1%	34.5%
Network & Contents	122	120	-2.0%	-2.0%
Domino business	157	183	16.8%	9.3%
Other	31	29	-6.6%	-6.6%

Business Segment Profit	16Q4	17Q4	Rate of Change
<b>Total</b>	<b>114</b>	<b>157</b>	<b>38.3%</b>
Printing & Solutions	77	104	34.5%
Personal & Home	4	4	-3.2%
Machinery	20	30	49.8%
Network & Contents	3	5	56.8%
Domino business	8	14	73.5%
Other	1	0	-88.3%
Adjustment	-0	-0	-

Operating Profit	16Q4	17Q4	Rate of Change
<b>Total</b>	<b>118</b>	<b>156</b>	<b>31.8%</b>
Printing & Solutions	95	120	26.9%
Personal & Home	3	1	-74.9%
Machinery	15	29	98.5%
Network & Contents	0	-6	-
Domino business	4	12	160.4%
Other	1	1	-17.4%
Adjustment	-0	-0	-

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These are the results in each segment.

# Balance Sheet

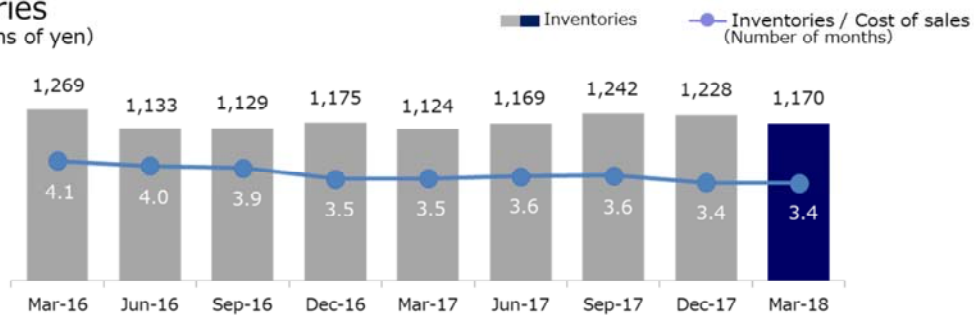


(100 Millions of Yen)

	FY16	FY17	Change	
Current assets	3,452	3,666	214	<b>Net Cash</b> End of FY2016: -¥25.6 billion End of FY2017: +¥4.9 billion
Cash&Cash equivalents	1,120	1,214	94	
Inventories	1,124	1,170	45	
Non-current assets	3,289	3,416	128	
Total liabilities	3,124	2,958	-166	<b>Shareholders' Equity Ratio</b> End of FY2016: 51.2% End of FY2017: 55.8%
Interest-bearing debt	1,376	1,164	-211	
Equity attributable to owners of the parent company	3,451	3,955	505	
Total assets	6,741	7,083	342	

## Inventories

(100 Millions of yen)



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Next is financial status.

In FY2017, total assets increased by 34.2 billion yen year-on-year to 708.3 billion yen. Shareholders' equity was 395.5 billion yen, and the shareholders' equity ratio was 55.8%, an increase of 4.6% year-on-year.

In addition, efforts to reduce interest-bearing liabilities made progress, and as of the end of FY2017, net cash was once again positive.

Inventories remained at stable levels.



## ◆ Sales Revenue 6,900 / -3.2%

IT-related orders are undetermined, and with the negative impact of exchange rates and the effects of application of IFRS 15, sales revenue is expected to decrease

## ◆ Business Segment Profit 710 / -8.1%

Due to the effects of lower revenue from machine tools and the negative impact of exchange rates, business segment profit is expected to decrease

## ◆ Operating Profit 700 / +1.9%

With a record high for profits, operating profit is expected to increase 1.9% YoY

## ◆ Net income\* 520 / +4.0%

Due to the effects of lower corporate taxes in the U.S. and other factors, record high profits are forecast

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

This is an explanation of the main points of the forecast of results for FY2018.

As you can see, sales revenue is expected to decline, but both operating profit and net income attributable to owners of the parent company are projected to increase.

# Highlights of Consolidated forecast for FY2018

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(100 Millions of Yen)

	FY17	FY18	change	Rate of Change (w/o FX)
Sales Revenue	7,130	<b>6,900</b>	-230	-3.2% (-1.6%)
Business Segment Profit	772	<b>710</b>	-62	-8.1%
Business Segment Profit Ratio	10.8%	<b>10.3%</b>		
Operating Profit	687	<b>700</b>	13	1.9%
Operating Profit Ratio	9.6%	<b>10.1%</b>		
Income before Tax	697	<b>700</b>	3	0.5%
Net Income	500	<b>520</b>	20	4.0%
USD	110.81	<b>107.00</b>		
EUR	129.45	<b>128.00</b>		

## Effect of Application of IFRS 15 (Approx. ¥5.4 billion decrease in revenue)

Payments to customers that contribute to higher sales by customers (sales promotion expenses, etc.) will, in principle, be treated as "deductions from sales." Many expenses that in the past were reported as advertising and publicity expenses or sales promotion expenses will be **deducted from sales revenue**.

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Sales revenue is expected to decrease by 23.0 billion yen to 690 billion yen.

Business segment profit is expected to decrease by 6.2 billion yen to 71.0 billion yen.

Net income attributable to owners of the parent company is projected to increase by 2.0 billion yen to 52.0 billion yen.

The three main factors of the decrease in sales revenues are as follows:

IT-related orders are undetermined, and revenue from machine tools is expected to decrease;

The exchange rate assumption sets the value of the yen higher than results in FY2017, and the negative effects of this are incorporated into the forecasts; and

As a result of IFRS 15 coming into effect, expenses that in the past were reported as SG&A expenses will become deductions from sales.

Business segment profit is projected to decrease by approximately 2.0 billion yen as a result of lower sales revenue in the Machinery Business due to lower sales revenue from machine tools as well as negative effects from exchange rates.

Operating profit is expected to increase as a result of a year-on-year decrease in other non-operating profit.

As a result, net income attributable to owners of the parent company is expected to increase.

## Highlight by business segment

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(100 Millions of Yen)

Sales Revenue	FY17	FY18	Rate of Change	Rate of Change (w/o FX)
<b>Total</b>	<b>7,130</b>	<b>6,900</b>	<b>-3.2%</b>	<b>-1.6%</b>
Printing & Solutions	4,122	3,935	-4.5%	-2.2%
Personal & Home	445	449	1.0%	4.4%
Machinery	1,273	1,153	-9.4%	-8.3%
Network & Contents	491	490	-0.1%	-0.1%
Domino business	684	735	7.5%	5.5%
Other	116	138	18.7%	18.6%

Business Segment Profit	FY17	FY18	Rate of Change
<b>Total</b>	<b>772</b>	<b>710</b>	<b>-8.1%</b>
Printing & Solutions	529	498	-5.8%
Personal & Home	20	30	51.4%
Machinery	144	116	-19.6%
Network & Contents	27	24	-9.9%
Domino business	46	40	-13.8%
Other	7	2	-72.8%
Adjustment	-1	-	-

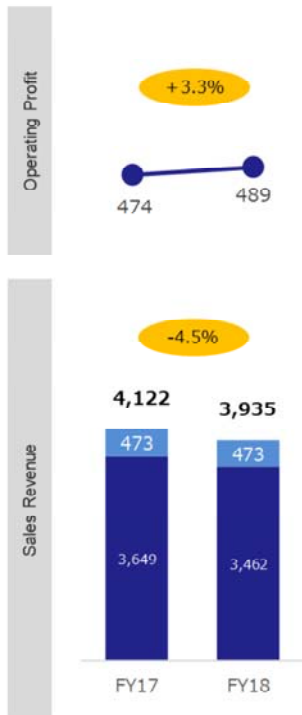
Operating Profit	FY17	FY18	Rate of Change
<b>Total</b>	<b>687</b>	<b>700</b>	<b>1.9%</b>
Printing & Solutions	474	489	3.3%
Personal & Home	11	30	185.3%
Machinery	141	117	-17.2%
Network & Contents	13	21	56.3%
Domino business	40	40	0.0%
Other	9	3	-66.7%
Adjustment	-1	-	-

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These are the forecasts for each segment.

## Forecast ¥100 million, IFRS



## Main Management Issues and Measures

SOHO Maintain Presence	<ul style="list-style-type: none"> <li>Maintain and expand share of the SOHO market</li> <li>Increase profitability by reinforcing the lineup of high-capacity consumable models</li> </ul>
Expand Business with SMB	<ul style="list-style-type: none"> <li>Develop solutions business tailored to conditions in each region such as MPS and contract-type business</li> </ul>
Expand Business in Emerging Nations	<ul style="list-style-type: none"> <li>Shift the lineup to high-profit products by increase sales of ink tank models</li> </ul>
Expand Solutions Business	<ul style="list-style-type: none"> <li>Expand and enhance the product lineup to meet a variety of needs including offices, retail, and logistics</li> </ul>



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Next are the main points for this fiscal year in each segment.

In the P&S Business, we will maintain and expand profitability and undertake the measures you see here.

First, in the SOHO market, we will use the competitiveness of new black-and-white laser products introduced in January 2018 to maintain and expand market share. With regard to inkjet products, we will shift to more profitable models with the aim of increasing profitability.

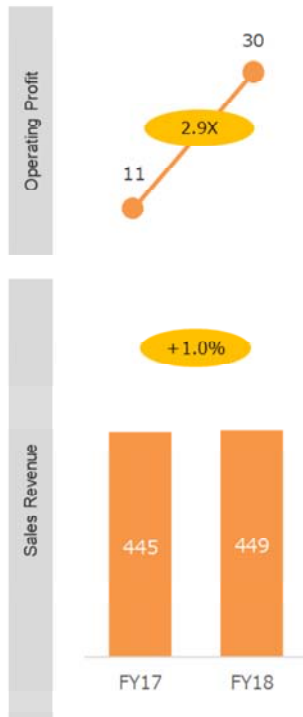
In the SMB segment, we will aim to achieve growth through measures tailored to each region and channel such as distributed solutions that utilize the characteristics of compact LBP.

In emerging nations, we will shift towards a more profitable product lineup by expanding sales of ink tank models.

With regard to electronic stationery, we will expand the solution business by increasing business applications such as retail and logistics.

As a result of these measures, sales revenue is expected to decline slightly, but operating profit will likely increase.

Forecast ¥100 million, IFRS



## Main Management Issues and Measures

- |                      |  |
|----------------------|--|
| Home sewing machines | <p><b>Increase Sales and Profit in the Sewing Machine Business</b></p> <ul style="list-style-type: none"> <li>◆ Introduce new models for high-end machines</li> </ul>  |
| Craft                | <p><b>Growth in the Craft Business</b></p> <ul style="list-style-type: none"> <li>◆ Introduce unique new models</li> <li>◆ Expand sales for accessories and contents</li> <li>◆ Expand sales routes by acquiring new channels</li> </ul> |



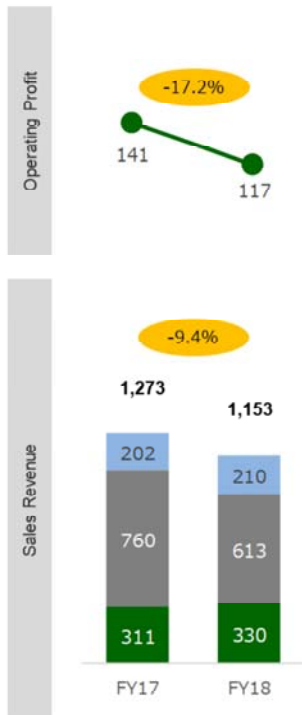
Sewing and Embroidery Machine  
Innovis VF1



Cutting Machine  
CM650W

In the P&H Business, we will bolster competitiveness in the high-end machine market, one of Brother's strengths, to increase revenue and profit. In the craft business, we aim to achieve stable growth by introducing new products and acquiring new channels.

Forecast ¥100 million, IFRS



## Main Management Issues and Measures

Industrial sewing machines	<p><b>Reinforce Sales Capabilities and Solution Proposal Capabilities</b></p> <ul style="list-style-type: none"> <li>◆ Expand sales of specialty machines such as programmable electronic sewing machines</li> <li>◆ Develop new products and services compatible with automation and IoT</li> <li>◆ Further expand sales of garment printers</li> </ul>
Machine tools	<p><b>Expand Customer Base in the Automobile-Related Market</b></p> <ul style="list-style-type: none"> <li>◆ Reinforce domestic and overseas bases</li> <li>◆ Reinforce sales expansion activities for strategic products</li> </ul>
Industrial Parts	<p><b>Expand Sales</b></p> <ul style="list-style-type: none"> <li>◆ Expand sales by increasing sales of gears in the robot market, demand for which is expected to grow</li> </ul>



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In the Machinery Business, IT-related orders are undetermined, and as a result, sales revenue from machine tools is expected to decline, and the business as a whole is also expected to report lower revenue and profit.

In the Industrial Sewing Machines business, we will increase sales of single needle machines, demand for which remains strong, and reinforce support for automatic machines, specialty machines, and the Internet of Things (IoT).

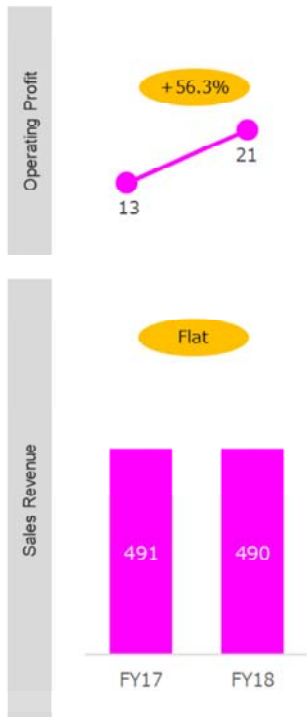
With regard to machine tools, we will continue efforts to expand sales to automobile-related customers.

In the IT-related business, the outlook is uncertain at this time, and as a result, the IT business is included in only a portion of the forecasts, and we will continue to closely monitor demand trends.

We will also seek to increase sales of industrial parts by increasing sales of gears to the robot market, demand for which is expected to grow, and through other means.



## Forecast ¥100 million, IFRS



## Main Management Issues and Measures

Online karaoke machines	<p><b>Stable Operation of Commercial Karaoke Machines</b></p> <ul style="list-style-type: none"> <li>◆ Expand sales of highly competitive model such as JOYSOUND MAX2</li> </ul>
Online karaoke machines	<p><b>Reinforce Profitability of Karaoke Club Business</b></p> <ul style="list-style-type: none"> <li>◆ Enhance Karaoke Club's capabilities through continued QSC and human resource development</li> <li>◆ Expand profitability by opening new shops</li> </ul>
Teichiku	<p><b>Establish a Profit Base for the Renewed Growth Stage</b></p> <ul style="list-style-type: none"> <li>◆ Endeavor to create hit songs</li> <li>◆ Expand business fields including live concerts and events</li> </ul>



JOYSOUND MAX2

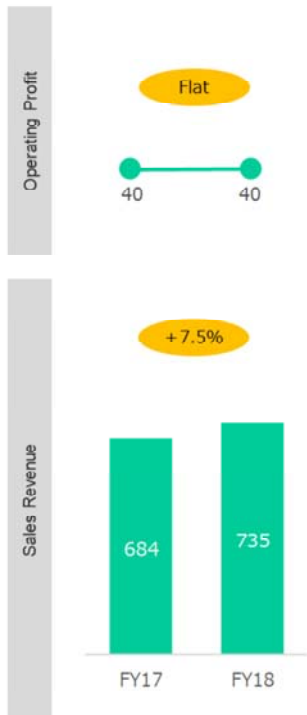


JOYSOUND HIBIKI

In the N&C Business, we aim to maintain stable sales and profits through stable operation of commercial karaoke machines and increased profitability achieved by continuing to improve Karaoke Clubs.

In FY2018, sales revenue is expected to remain nearly flat from the previous year, but with the elimination of impairment losses reported in FY2017, operating profit is expected to increase.

Forecast ¥100 million, IFRS



Main Management Issues and Measures

C&M	Continuous Investment in Channels	◆ Continue investment in channels to maintain strong topline growth
	Brother Development Support	◆ Accelerate development taking the achievement of the five-year plan into account, and increase development efficiency by collaborating with Brother development resources
Digital printing equipment business	Reinforce Product Competitiveness	◆ Reinforce projects for the introduction of highly-competitive products



Coding and marking machines



Digital printing equipment

In the Domino Business, we will continue to reinforce sales and service structures for coding and marking equipment with the aim of achieving growth that exceeds the rate of growth in the global market.

We also aim to strengthen development by enhancing efficiencies through the frontloading of our development schedule and collaborations with Brother Industries development resources to achieve the five-year plan we devised internally.

With regard to digital printing, we will reinforce sales and service structures and enhance development projects in order to introduce highly competitive products.

In the profit front, we expect to be on a par with the previous fiscal year, reflecting in part depreciation of the newly established plants in Liverpool (UK) and China, as well as frontloaded development. However, given market growth expectations, we plan to implement growth strategies that focus on the long term to achieve profit growth that outperforms market growth.

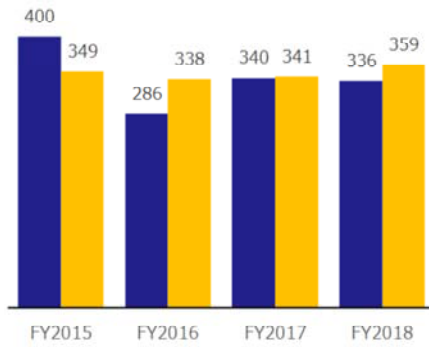


## R&D expenses / Capital expenditure / Depreciation and amortization

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(100 Millions of Yen)

Capital expenditure /  
Depreciation & amortization



	FY16	FY17	FY18
P&S	108	152	126
P&H	9	9	16
Machinery	46	36	51
N&C	45	65	58
Domino	46	46	36
Others	33	33	48
Total	286	340	336

R&D expenses



	FY16	FY17	FY18
P&S	311	315	300
P&H	23	29	27
Machinery	42	48	56
N&C	7	9	6
Domino	23	35	42
Others	19	21	25
Total	425	456	456

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Capital investment is expected to be 33.6 billion yen, down 4.0 billion yen compared to FY2017, primarily due to a decrease in die investment in the P&S business.

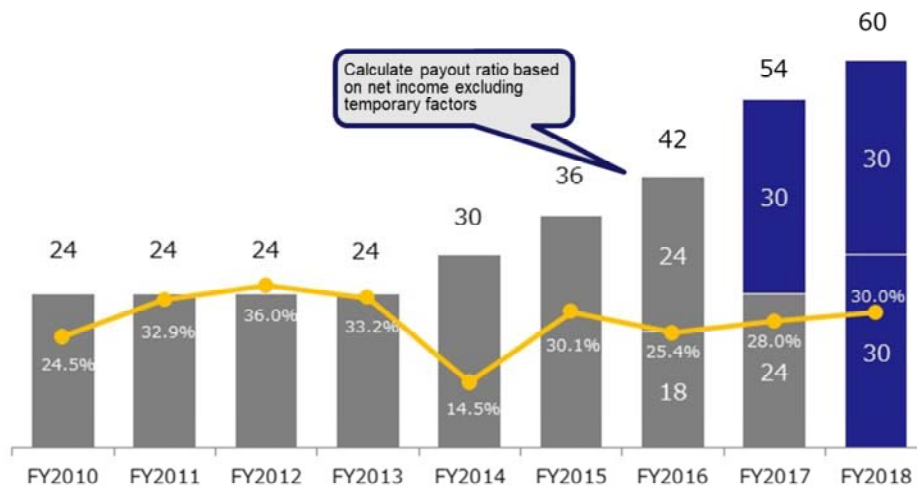
Depreciation expenses are expected to increase by 1.8 billion yen year-on-year to 35.9 billion yen as a result of effects from the increase in capital investment in FY2017.

Research and development expenses are expected to be 45.6 billion yen, the same as in FY2017.

## Dividend and Payout Ratio

(Yen)

Stable increases in dividends over the long term with a dividend payout ratio target of 30%  
 The annual dividend per share for FY2017 increased by 6 yen to 54 yen per year.  
 The annual dividend for FY2018 is expected to be 60 yen.



The year-end dividend for FY2017 was revised upward to reflect an increase of 6 yen to 30 yen per share, compared with our previous dividend plan.

In FY2018, we aim to achieve a consolidated dividend payout ratio of 30% and plan to increase the dividend by 6 yen from FY2017 to a total of 60 yen per share.

## **Appendix:** Business Segment Information

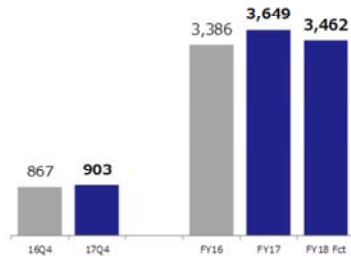
# Printing & Solutions Sales Revenue & Business Segment Profit



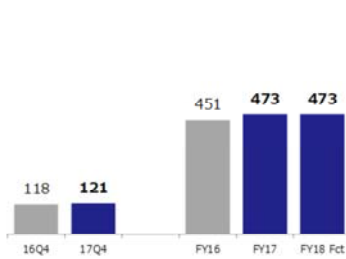
(100 Millions of Yen)

	16Q4	17Q4	Change	Change x FX	FY16	FY17	Change	Change x FX	FY18 Fct	Change v LY	Change x FX
<b>Sales Revenue</b>	<b>985</b>	<b>1,023</b>	3.0%	2.3%	<b>3,836</b>	<b>4,122</b>	7.4%	2.9%	<b>3,935</b>	-4.5%	-2.2%
<b>Communications &amp; Printing equipment</b>	<b>867</b>	<b>903</b>	4.1%	2.4%	<b>3,386</b>	<b>3,649</b>	7.8%	3.2%	<b>3,462</b>	-5.1%	-2.8%
Americas	330	328	-0.5%	3.3%	1,283	1,335	4.1%	1.4%	1,263	-5.4%	-1.1%
Europe	286	319	11.9%	2.7%	1,076	1,192	10.8%	2.1%	1,155	-3.1%	-2.0%
Asia & Others	133	140	4.9%	4.3%	546	616	12.8%	8.2%	615	-0.1%	2.3%
Japan	118	115	-2.7%	-2.7%	480	505	5.2%	5.2%	428	-15.2%	-15.2%
<b>Electronic stationery</b>	<b>118</b>	<b>121</b>	2.2%	1.0%	<b>451</b>	<b>473</b>	4.9%	0.5%	<b>473</b>	0.1%	2.5%
Americas	57	52	-9.0%	-5.2%	214	212	-1.1%	-3.5%	209	-1.4%	2.8%
Europe	34	40	17.1%	7.4%	132	146	10.9%	2.3%	148	1.1%	2.2%
Asia & Others	16	17	9.0%	7.9%	66	76	14.9%	10.1%	75	-0.8%	1.6%
Japan	11	12	3.6%	3.6%	39	39	0.2%	0.2%	41	5.6%	4.4%
<b>Business Segment Profit</b>	<b>77</b>	<b>104</b>	34.5%	-	<b>457</b>	<b>529</b>	15.9%	-	<b>498</b>	-5.8%	-
<b>Operating Profit</b>	<b>95</b>	<b>120</b>	26.9%	-	<b>455</b>	<b>474</b>	4.0%	-	<b>489</b>	-3.3%	-

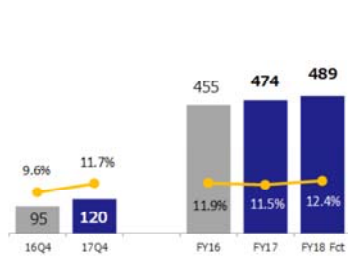
<Sales Revenue>  
Communications & Printing equipment



<Sales Revenue>  
Electronic stationery



<Operating Profit>



## Sales Revenue Growth Rate / Consumable Ratio / Growth Rate of hardware

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	17Q1	17Q2	17Q3	17Q4	FY2017	FY2018
<b>LBP</b>						
<b>Sales revenue growth rate (JPY)</b>						
Hardware	13%	24%	23%	11%	17%	-8%
Consumable	-1%	2%	9%	1%	3%	-3%
<b>Sales revenue growth rate (LC)</b>						
Hardware	12%	15%	15%	10%	13%	-6%
Consumable	-2%	-8%	2%	-1%	-2%	0%
<b>IJP</b>						
<b>Sales revenue growth rate (JPY)</b>						
Hardware	3%	15%	3%	-1%	4%	-1%
Consumable	4%	3%	13%	3%	6%	-6%
<b>Sales revenue growth rate (LC)</b>						
Hardware	3%	6%	-3%	-2%	1%	1%
Consumable	4%	-5%	6%	1%	1%	-5%
<b>Cosumable Ratio</b>	57%	57%	56%	58%	57%	58%
<b>Growth rate of Hardware</b>						
LBP	13%	9%	10%	3%	9%	-
IJP	-7%	-5%	-9%	3%	-5%	-

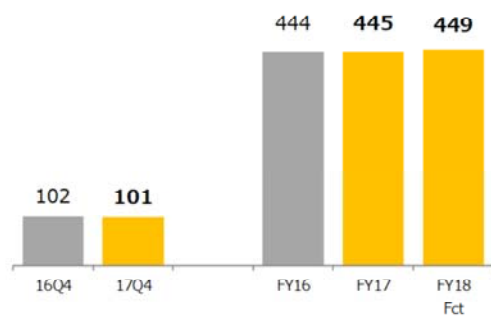
# Personal & Home Sales Revenue & Business Segment Profit



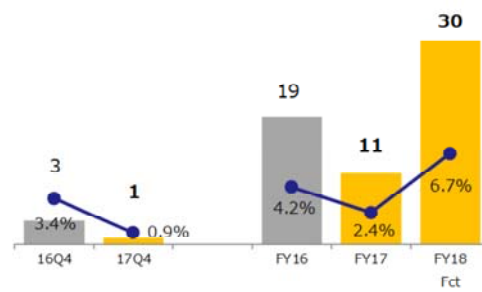
(100 Millions of Yen)

	16Q4	17Q4	Change	Change x FX	FY16	FY17	Change	Change x FX	FY18 Fct	Change v LY	Change x FX
<b>Sales Revenue</b>	<b>102</b>	<b>101</b>	-1.2%	-1.3%	<b>444</b>	<b>445</b>	0.1%	-4.1%	<b>449</b>	1.0%	4.4%
Americas	54	50	-6.9%	-2.5%	253	240	-5.0%	-7.6%	240	-0.2%	4.6%
Europe	23	26	10.9%	0.8%	96	113	17.8%	7.5%	115	2.0%	3.8%
Asia & Others	13	13	4.6%	3.6%	55	55	0.6%	-3.3%	58	5.4%	8.1%
Japan	13	12	-5.4%	-5.4%	41	36	-10.5%	-10.5%	36	-0.9%	-0.6%
<b>Business Segment Profit</b>	<b>4</b>	<b>4</b>	-3.2%	-	<b>20</b>	<b>20</b>	-2.8%	-	<b>30</b>	51.4%	-
<b>Operating Profit</b>	<b>3</b>	<b>1</b>	-74.9%	-	<b>19</b>	<b>11</b>	-44.1%	-	<b>30</b>	185.3%	-

<Sales Revenue>



<Operating Profit>



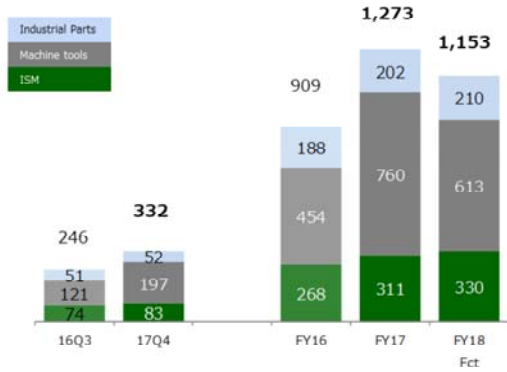
# Machinery Business Sales Revenue & Business Segment Profit



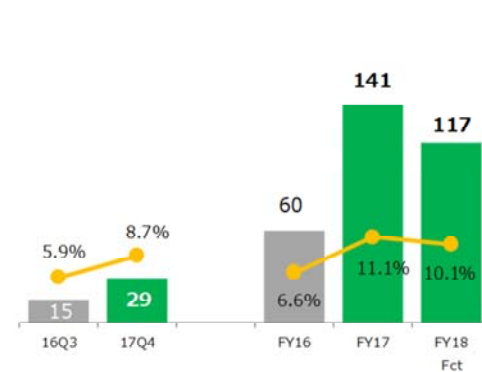
(100 Millions of Yen)

	16Q4	17Q4	Change	Change x FX	FY16	FY17	Change	Change x FX	FY18 Fct	Change v LY	Change x FX
<b>Sales Revenue</b>	<b>246</b>	<b>332</b>	35.1%	34.5%	<b>909</b>	<b>1,273</b>	40.0%	37.8%	<b>1,153</b>	-9.4%	-8.3%
Industrial sewing machines	74	83	11.8%	11.3%	268	311	16.0%	12.0%	330	6.1%	9.1%
Machine tools	121	197	63.4%	62.5%	454	760	67.6%	66.0%	613	-19.4%	-19.0%
Industrial Parts	51	52	2.0%	2.2%	188	202	7.4%	6.6%	210	4.0%	4.8%
<b>Business Segment Profit</b>	<b>20</b>	<b>30</b>	49.8%	-	<b>62</b>	<b>144</b>	133.5%	-	<b>116</b>	-10.6%	-
<b>Operating Profit</b>	<b>15</b>	<b>29</b>	98.5%	-	<b>60</b>	<b>141</b>	136.3%	-	<b>117</b>	-17.2%	-

<Sales Revenue>



<Operating Profit>



# Machinery Business Sales Revenue & Business Segment Profit

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(100 Millions of Yen)

	16Q4	17Q4	Change	Change × FX	FY16	FY17	Change	Change × FX	FY18 Fct	Change v LY	Change × FX
<b>Sales Revenue</b>	<b>246</b>	<b>332</b>	<b>35.1%</b>	<b>34.5%</b>	<b>909</b>	<b>1,273</b>	<b>40.0%</b>	<b>37.8%</b>	<b>1,153</b>	<b>-9.4%</b>	<b>-8.3%</b>
<b>Industrial sewing machines</b>	<b>74</b>	<b>83</b>	<b>11.8%</b>	<b>11.3%</b>	<b>268</b>	<b>311</b>	<b>16.0%</b>	<b>12.0%</b>	<b>330</b>	<b>6.1%</b>	<b>9.1%</b>
Americas	13	15	15.2%	20.0%	54	64	17.5%	14.8%	68	6.8%	11.0%
Europe	10	17	80.3%	63.9%	41	63	51.1%	38.4%	64	2.8%	4.3%
Asia & Others	50	48	-3.4%	-2.2%	167	178	6.8%	4.3%	191	7.3%	10.5%
Japan	1	2	44.3%	44.3%	6	7	17.2%	17.2%	7	-0.6%	-1.4%
<b>Machine tools</b>	<b>121</b>	<b>197</b>	<b>63.4%</b>	<b>62.5%</b>	<b>454</b>	<b>760</b>	<b>67.6%</b>	<b>66.0%</b>	<b>613</b>	<b>-19.4%</b>	<b>-19.0%</b>
Americas	6	10	65.6%	-	27	33	21.2%	-	38	16.4%	-
Europe	6	10	63.1%	-	21	30	43.8%	-	33	9.1%	-
Asia & Others	90	152	69.2%	-	334	608	82.2%	-	442	-27.4%	-
Japan	19	25	35.1%	-	72	89	24.2%	-	100	12.5%	-
<b>Industrial Parts</b>	<b>51</b>	<b>52</b>	<b>2.0%</b>	<b>2.2%</b>	<b>188</b>	<b>202</b>	<b>7.4%</b>	<b>6.6%</b>	<b>210</b>	<b>4.0%</b>	<b>4.8%</b>
Americas	7	6	-17.8%	-14.2%	26	25	-5.5%	-7.6%	26	6.8%	10.6%
Europe	-	-	-	-	-	-	-	-	-	-	-
Asia & Others	5	5	5.9%	2.4%	17	20	18.9%	13.2%	23	13.6%	15.9%
Japan	39	41	5.2%	5.2%	145	157	8.4%	8.4%	160	2.3%	2.4%
<b>Business Segment Profit</b>	<b>20</b>	<b>30</b>	<b>49.8%</b>	<b>-</b>	<b>62</b>	<b>144</b>	<b>133.5%</b>	<b>-</b>	<b>116</b>	<b>-19.6%</b>	<b>-</b>
<b>Operating Profit</b>	<b>15</b>	<b>29</b>	<b>98.5%</b>	<b>-</b>	<b>60</b>	<b>141</b>	<b>136.3%</b>	<b>-</b>	<b>117</b>	<b>-17.2%</b>	<b>-</b>



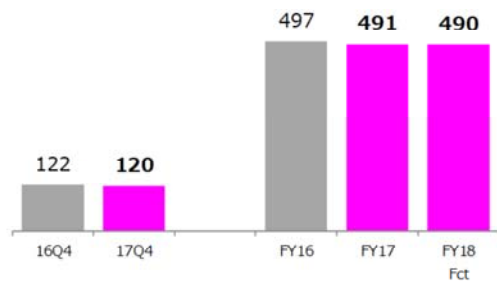
# Network & Contents Sales Revenue & Business Segment Profit



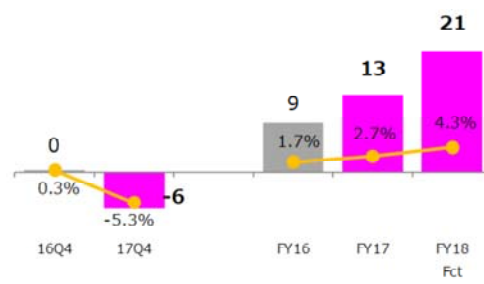
(100 Millions of Yen)

	16Q4	17Q4	Change	FY16	FY17	Change x FX	FY18 Fct	Change v LY
Sales Revenue	122	120	-2.0%	497	491	-1.4%	490	-0.1%
Business Segment Profit	3	5	56.8%	22	27	20.3%	24	-9.9%
Operating Profit	0	-6	-	9	13	57.2%	21	56.3%

<Sales Revenue>



<Operating Profit>



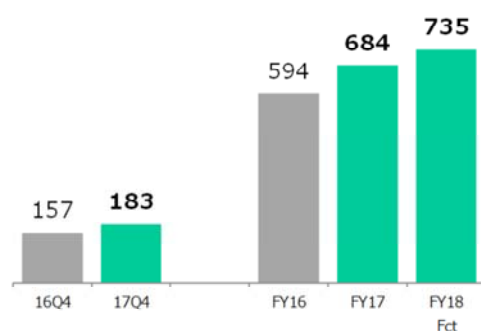
# Domino Business Sales Revenue & Business Segment Profit



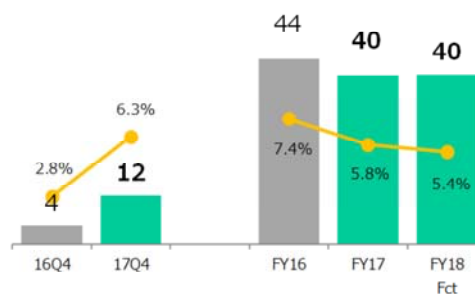
(100 Millions of Yen)

	16Q4	17Q4	Change	Change x FX	FY16	FY17	Change	Change x FX	FY18 Fct	Change v LY	Change x FX
<b>Sales Revenue</b>	<b>157</b>	<b>183</b>	16.8%	9.3%	<b>594</b>	<b>684</b>	15.2%	10.0%	<b>734</b>	7.5%	5.5%
Americas	41	38	-6.0%	-12.0%	150	159	6.0%	1.4%	176	10.6%	8.9%
Europe	74	97	30.9%	22.5%	283	337	19.3%	14.2%	351	4.1%	2.6%
Asia & Others	42	48	13.7%	6.4%	161	187	16.7%	11.9%	207	10.5%	9.2%
<b>Business Segment Profit</b>	<b>8</b>	<b>14</b>	73.5%	-	<b>42</b>	<b>46</b>	11.1%	-	<b>40</b>	-13.8%	-
<b>Operating Profit</b>	<b>4</b>	<b>12</b>	160.4%	-	<b>44</b>	<b>40</b>	-8.4%	-	<b>40</b>	0.0%	-

<Sales Revenue>



<Operating Profit>



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