

Financial Results for Fiscal Year 2018 (ended March 31, 2019)

Brother Industries, Ltd.
May 8, 2019

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**Results for FY2018
Forecast for FY2019
Dividend and Payout Ratio**

**Representative Director & President
Ichiro Sasaki**

Results for FY2018

- ✓ **Sales and profits remained solid. Operating profit hit a record high.**
 - Both IJP and LBP are making a steady shift to a high-profitability model, and profitability continues to improve.
 - In the United States, premium sewing and embroidery machines were a major hit, contributing to profits.
 - Sales of machine tools were affected by U.S.-China trade friction, and sales to China were down sharply.
 - In the Domino business, losses on retirement of some development assets were reported as a result of reviews of some development projects.

Forecast for FY2019

- ✓ **Business segment profit is expected to decrease, primarily as a result of negative effects from exchange rates.**
 - P&S is expected to maintain or expand profitability as new business models expand.
 - Results for machine tools are expected to recover in the second half of the fiscal year.
 - New models are expected to be introduced in the Domino business.

Consolidated Results for FY2018



(100 Millions of Yen)

	FY17	FY18	Change	Rate of Change (w/o FX)	17Q4	18Q4	Change	Rate of Change (w/o FX)
Sales Revenue	7,130	6,840	-290 [*]	-4.1% (-2.1%)	1,788	1,622	-167 [*]	-9.3% (-6.6%)
Business Segment Profit	772	720	-53	-6.8%	157	116	-41	-26.4%
BSP Ratio	10.8%	10.5%			8.8%	7.1%		
Other income/expense	-86	0	85		-1	-13	-12	
Operating Profit	687	719	33	4.7%	156	103	-53	-34.1%
OP Ratio	9.6%	10.5%			8.7%	6.3%		
Income before Tax	697	723	26	3.7%	159	102	-57	-35.8%
Net Income	500	539	39	7.8%	112	74	-38	-33.9%
USD	110.81	110.69			108.85	110.46		
EUR	129.45	128.43			132.96	125.70		

- Including negative impact due to application of IFRS 15
FY18: -5.2 billion Yen
Q4 : -1.5 billion Yen

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In FY2018,

Sales revenue was 684.0 billion yen, a decrease of 29.0 billion yen year-on-year,

Business segment profit was 72.0 billion yen, a decrease of 5.3 billion yen,

Operating profit was 71.9 billion yen, an increase of 3.3 billion yen as a result of the absence of the currency exchange valuation losses reported in the previous fiscal year.

Net income attributable to owners of the parent company was 53.9 billion yen, up 3.9 billion yen.

The 71.9 billion yen in operating profit is a record high.

Results for FY2018 by Business Segment



(100 Millions of Yen)

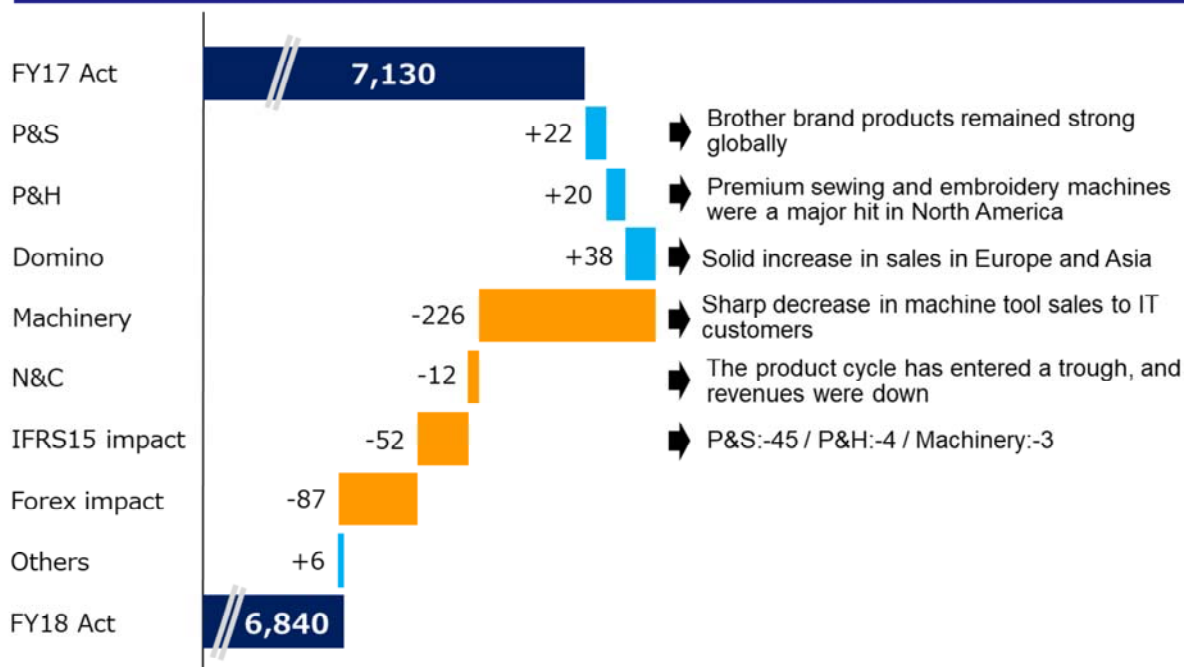
		FY17	FY18	change	17Q4	18Q4	change
Printing & Solutions	Sales Revenue	4,122	4,030	-91	1,023	957	-66
	Business Segment Profit	529	522	-7	104	88	-16
	Operating Profit	474	529	55	120	90	-30
Personal & Home	Sales Revenue	445	454	10	101	100	-1
	Business Segment Profit	20	40	21	4	7	3
	Operating Profit	11	40	30	1	7	6
Machinery	Sales Revenue	1,273	1,041	-232	332	224	-109
	Business Segment Profit	144	98	-47	30	10	-20
	Operating Profit	141	99	-42	29	10	-19
Network & Contents	Sales Revenue	491	479	-11	120	123	3
	Business Segment Profit	27	18	-9	5	5	0
	Operating Profit	13	16	2	-6	4	10
Domino business	Sales Revenue	684	712	28	183	187	3
	Business Segment Profit	46	39	-7	14	9	-5
	Operating Profit	40	29	-11	12	-5	-17
Other	Sales Revenue	116	122	6	29	32	3
	Business Segment Profit	7	4	-3	0	-3	-3
	Operating Profit	9	8	-1	1	-1	-2
Total	Sales Revenue	7,130	6,840	-290	1,788	1,622	-167
	Business Segment Profit	772	720	-53	157	116	-41
	Operating Profit	687	719	33	156	103	-53

*Not including elimination amount by inter-segment transaction.

Main Factors for Changes in Sales Revenue FY18

(100 Millions of Yen)

Lower revenues as a result of Machine tools decrease in sales , exchange rates and effects from IFRS 15



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This is an explanation of the main factors of changes in sales revenue.

OEM sales in the Printing & Solutions business segment declined, but overseas sales of Brother brand products were solid, and sales of electronic stationery were firm, resulting in a 2.2 billion yen increase.

In the Personal & Home business segment, top-of-the-line sewing and embroidery machines that sell for approximately 18,000 U.S. dollars were a major hit in the United States, resulting in an increase of 2.0 billion yen.

The Domino business expanded, mainly in Europe and Asia, resulting in a 3.8 billion yen increase.

Machinery was down 22.6 billion yen as a result of effects from a decline in orders received for machine tools, mainly from IT customers.

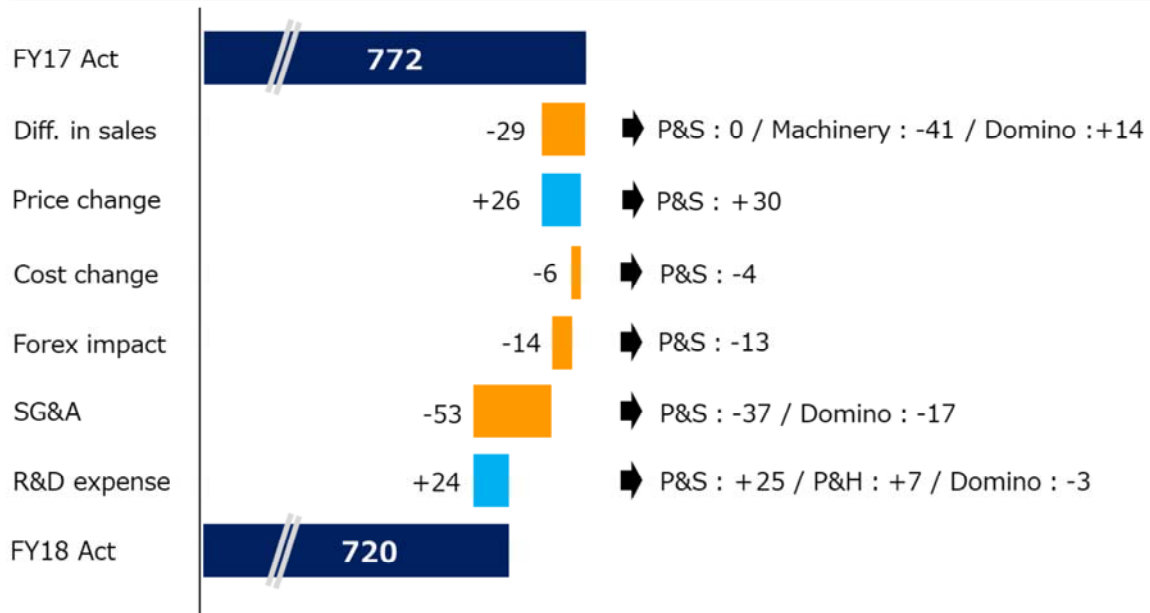
In the Network & Contents business, FY2018 was a trough in the model cycle and the ratio of rental transactions in the machinery trade increased, resulting in a decrease of 1.2 billion yen.

Other factors included a decrease of approximately 5.2 billion yen as a result of effects from changes in standards relating to the recognition of sales revenues pursuant to the application of IFRS 15 and a decrease of 8.7 billion yen as a result of currency exchange effects.

Overall, sales revenue was down 29.0 billion yen.

Main Factors for Changes in Business Segment Profit FY18

Lower Business Segment Profit, primarily as a result of sharp decrease in machine tool sales.



Next is an analysis of the main factors of the causes of changes in business segment profit.

The Domino Business contributed to the change in sales revenues but was unable to cover the effects from the decrease in machine tools, resulting in a 2.9 billion yen decrease in profit.

With regard to price changes, in the P&S business, the price increases for black-and-white LBP implemented as a measure to improve profitability had a significant impact.

Cost variations resulted in a 600 million yen decrease in profit. The main factor was an increase in costs in the P&S business.

The impact of foreign exchange was a decrease of 1.4 billion yen. The breakdown by currency is as follows: the yen increased in value slightly against the euro, resulting in a decrease of approximately 600 million yen. The remaining decrease of 800 million yen can be considered the total amount of the impact from currencies other than main currencies.

Changes in SG&A expenses resulted in a 5.3 billion yen decrease in profit. SG&A expenses increased in the P&S and Domino business.

Last, R&D expenses were down, resulting in a 2.4 billion yen increase in profit. This was primarily the result of curtailing R&D expenses in the P&S business.

As a result of these factors, business profit segment was down 5.3 billion yen.

Forecast for FY2019



(100 Millions of Yen)

	FY18	FY19 Forecast	Change	Rate of Change (w/o FX)
Sales Revenue	6,840	6,900	60	0.9% (+1.9%)
Business Segment Profit	720	665	-55	-7.6%
BSP Ratio	10.5%	9.6%		
Other income/expense	0	-15	-15	
Operating Profit	719	650	-69	-9.6%
OP Ratio	10.5%	9.4%		
Income before Tax	723	650	-73	-10.1%
Net Income	539	485	-54	-10.0%
USD	110.69	110.00		
EUR	128.43	125.00		

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This is the forecast of results for FY2019.

Sales revenue will be 690 billion yen, an increase of 6.0 billion yen year-on-year.

Business segment profit will be 66.5 billion yen, a decrease of 5.5 billion yen.

Operating profit will be 65.0 billion yen, a decrease of 6.9 billion yen.

Net income attributable to owners of the parent company is projected to be 48.5 billion yen, a decrease of 5.4 billion yen.

Forecast for FY2019 by Business Segment



(100 Millions of Yen)

	FY18	FY19 Forecast	change	
Printing & Solutions	Sales Revenue	4,030	3,975	-56
	Business Segment Profit	522	481	-41
	Operating Profit	529	474	-55
Personal & Home	Sales Revenue	454	452	-2
	Business Segment Profit	40	32	-8
	Operating Profit	40	32	-8
Machinery	Sales Revenue	1,041	1,079	38
	Business Segment Profit	98	88	-10
	Operating Profit	99	87	-12
Network & Contents	Sales Revenue	479	502	23
	Business Segment Profit	18	22	4
	Operating Profit	16	20	4
Domino business	Sales Revenue	712	739	27
	Business Segment Profit	39	39	0
	Operating Profit	29	39	10
Other	Sales Revenue	122	152	30
	Business Segment Profit	4	3	-1
	Operating Profit	8	-2	-10
Total	Sales Revenue	6,840	6,900	60
	Business Segment Profit	720	665	-55
	Operating Profit	719	650	-69

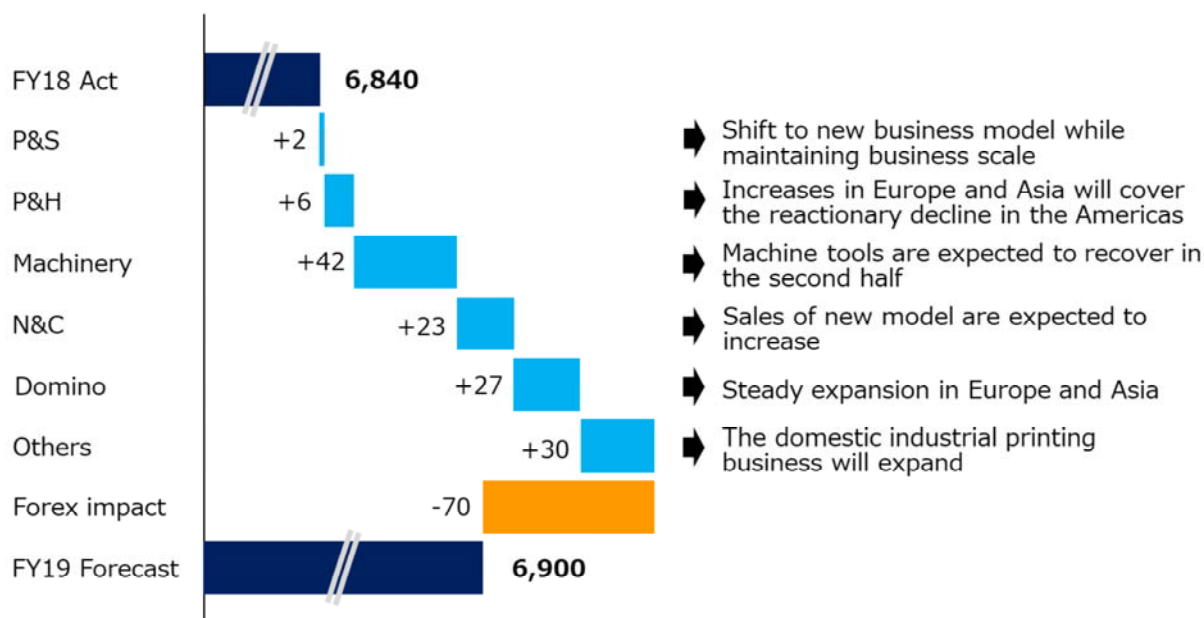
*Not including elimination amount by inter-segment transaction.

Main Factors for Changes in Sales Revenue FY19 Forecast

brother
at your side

(100 Millions of yen)

Steady increases in sales revenues are expected in each business



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I will explain the main factors contributing to the 6.0 billion increase in sales revenue in FY2019.

Sales revenue in the P&S business will be essentially flat. In accordance with the policies in the mid-term business strategy, we will implement business model transformations while maintaining the scale of sales.

Sales revenue in the P&H business is expected to increase slightly. We anticipate a downturn in the United States, where sales were strong in FY2018, but sales in Europe and Asia will increase and cover the difference.

Sales revenue in all three businesses of the Machinery segment is expected to increase. The status of orders for machine tools remains challenging, but our expectations for recovery starting in the second half are incorporated in the forecast.

In the N&C business, sales of online karaoke machines are expected to increase.

In the Domino business, the increase in sales is expected to be mainly in Europe and Asia, the same as the previous year.

The increase in other business segments will be the result of effects from expansion of the industrial printing business in Japan. The bulk of the increase will be due to effects from the addition to the Domino business acquired from Cornes in Japan.

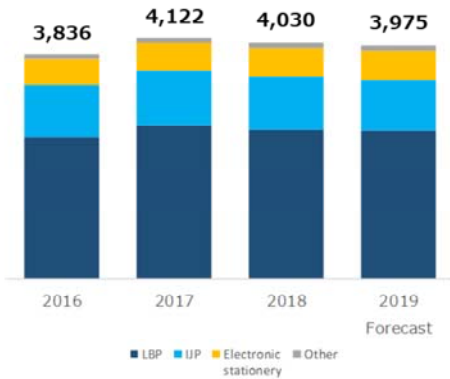
Currency exchange effects will result in a 7.0 billion yen decrease.

As a result of these factors, we project that sales revenue overall will increase by 6.0 billion yen.

Amidst a harsh printing business environment, stable sales are expected in all product categories this fiscal year as well

*Change rate is on Local Currency basis.

◆ **Sales Revenue** (100 Millions of yen)



◆ **FY2018**

- Sales: +0.5%
- Black-and-white laser printers: -2% (excluding OEM: +1%)
- Color laser printers: +4%
- IJP: 0%
- Electronic stationery: +8%

- Global sales of black-and-white laser printers increased, excluding the effects of current OEM products decline
- Sales of large-capacity ink tank models increased substantially in emerging nations

◆ **FY2019**

- Sales: +0.1%
- Black-and-white laser printers: 0%
- Color laser printers: +4%
- IJP: -2%
- Electronic stationery: +1%

- Black-and-white laser printers will maintain superiority
- Reinforced marketing targeting e-commerce
- Increased sales of TCO models including ink tank models and toner box models
- Expansion of consumable subscription services

		FY17	FY18	FY19 Forecast
LBP	Hardware	+13%	-2%	+2%
	Consumable	-2%	+1%	+1%
IJP	Hardware	+1%	0%	+5%
	Consumable	+1%	0%	-7%

* The decline in LBP in FY2018 was due to a temporary decrease in OEM orders.



Black-and white All-in-one



Ink tank model



Label Printer

*TCO...Total Cost of Ownership

Below is an update of the main business segments.

First is the P&S business.

In FY2018, sales revenue on a local currency basis were up 0.5%, nearly flat. In FY2019, we anticipate that sales revenue will again remain flat.

The printing market is shrinking, but premised on increasing profitability, Brother will reinforce black-and-white laser printers, one of its strengths, and develop business with a focus on specific points such as high-volume ink-Tank models, which are growing, thereby maintaining stable sales in all product categories.

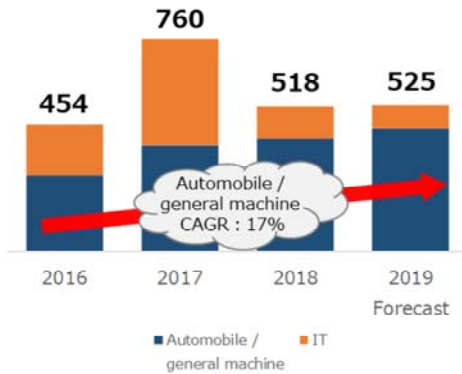
In accordance with the policies of the new mid-term business strategy that starts this fiscal year Brother will:

- Maintain its position in black-and-white laser printers,
- Reinforce marketing in E-commerce,
- Expand sales of TCO models such as ink tank models,
- Expand consumable subscription services.

Through these and other measures, we will maintain and reinforce business.

A recovery in results is expected in the second half, and measures to achieve growth will be accelerated

◆ **Sales Revenue** (100 Millions of yen)



*Change rate is on Local Currency basis.

◆ **FY2018**

Sales revenues: -31.9%
 Sales to automotive and general industry: +6%
 Sales to IT industry: -69%

- Despite the harsh environment for orders, sales revenues to the automobile and general industries were up 6%
- The F600X1, featuring higher rigidity and improve machining performance, was launched
- The R650X2 with a 40 tool magazine capacity was launched

◆ **FY2019**

Sales revenues: +1.3%
 Sales to automotive and general industry: +9%
 Sales to IT industry: -26%

- SPEEDIO special-purpose loading system to be launched
- Sales to IT are expected to recover in the second half
- A new showroom will be established in Kariya, the Xian Plant expanded, and other measures taken to reinforce domestic and overseas sites in preparation for the recovery in demand

◆ **Sales Revenue by Region** (100 Millions of yen)

	FY16	FY17	FY18	FY19 Forecast
Americas	27	33	33	40
Europe	21	30	30	32
Asia & China	334	608	341	324
Japan	72	89	114	129



SPEEDIO F600X1



Loading system BV7-870

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Next is the Machinery business.

In FY2018, sales revenue was down substantially from the previous year as a result of a slump in sales to the IT industry and other factors. Despite this challenging business environment, however, we managed to achieve increases in sales to the automobile and general industries.

In FY2019, we expect a further decline in sales to the IT industry, but anticipate an increase in automotive related sales, resulting in an overall increase in sales revenue.

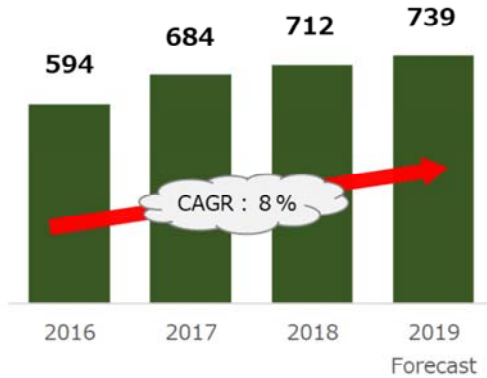
To reinforce business, in FY2018 we introduced the F600X1 with increased mechanical rigidity and enhanced processing capacity to the SPEEDIO series and launched the R650X2, a derivative model equipped with 40 tools capabilities.

In FY2019, we will release a loading system exclusive to the SPEEDIO series. To reinforce business, we will expand the Kariya Showroom and increase capacity at the Xian Factory.

Efforts will be made to build solid foundations for new growth while maintaining profitability

*Change rate is on Local Currency basis.

◆ **Domino Sales Revenue** (100 Millions of yen)



◆ **FY2018**

Sales: +5.6%

- Achieved stable growth in Europe, the U.S., and Asia
- DP underwent substantial growth in Asian markets
- Losses on retirement (approx. ¥1.3 billion) of some development assets were reported as a result of reviews of some development projects

◆ **FY2019**

Sales: +3.8%

- New product development programs will be improved including the introduction of agile development methods
- New products will be introduced to markets
- Brother Industrial Printing (Japan), Ltd. began operations on April 1 to reinforce domestic business (reported in the "other business" segment)

◆ **Sales Revenue by Region** (100 Millions of yen)

	FY16	FY17	FY18	FY19 Forecast
Americas	150	159	159	174
Europe	283	337	358	359
Asia & China	161	187	195	207



Coding and Marking equipment

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With regard to the Domino business, sales revenue in FY2018 continued to expand at a steady pace, primarily in Europe and Asia. We expect that sales revenues will continue to increase stably in FY2019.

With regard to profit, as a result of higher SG&A expenses due to prior investments, which put pressure on profit, as well as 1.3 billion yen in losses on retirement resulting from a review of development projects and other factors, there continued to be no improvement.

It appears that FY2019 will also be year requiring patience with regard to profit, but we are conducting development and reinforcing business to make the transition to profit growth during the three-year plan.

With regard to development, improvements in development processes will continue to be made with ongoing support from Brother.

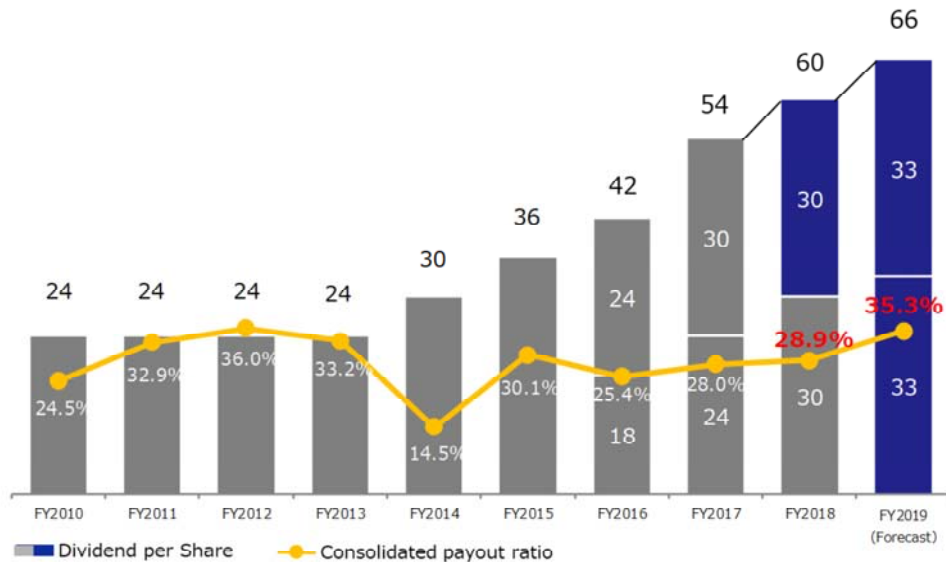
As for marketing, we acquired the Domino business in Japan from Cornes, and Brother Industrial Printing, Ltd. began operations in April.

For purposes of management convenience, this segment is reported as Other rather than under the Domino business.

Dividend and Payout Ratio

Plan to raise the target of consolidated dividend payout ratio to 35% in the three years starting from FY2019.

In FY2018, dividends were 60 yen per share.
For FY2019, the policy is to pay annual dividends of 66 yen per share



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Turning to shareholder returns, for FY2018, Brother will pay an annual dividend of 60 yen in accordance with its existing criteria, a payout ratio of 28.9%.

During the three years starting in FY2019, we will seek to raise the consolidated payout ratio to 35%, as indicated at the time of announcement of the new mid-term business strategy.

As a result, we plan to pay an annual dividend of 66 yen in FY2019, an increase of 6 yen from FY2018 and a payout ratio of 35.3%.

FY2018 Results Supplementary Information
BS·CF·Capex·R&D

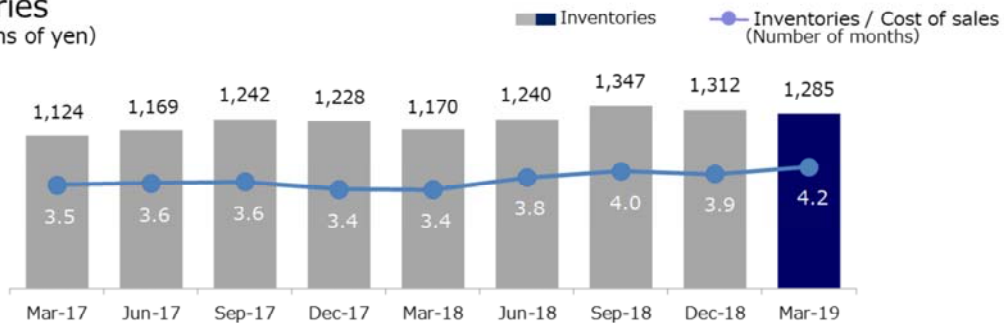
CFO
Toshihiro Ito

Balance Sheet

	FY17	FY18	Change	
Current assets	3,666	3,849	183	Net Cash End of FY2017 : +¥4.9 billion End of FY2018 : +¥34.3 billion
Cash&Cash equivalents	1,214	1,312	98	
Inventories	1,170	1,285	116	
Non-current assets	3,416	3,237	-180	
Total liabilities	2,958	2,670	-288	Shareholders' Equity Ratio End of FY2017 : 55.8% End of FY2018 : 59.9%
Interest-bearing debt	1,164	968	-197	
Equity attributable to owners of the parent company	3,955	4,248	292	
Total assets	7,083	7,086	3	

Inventories

(100 Millions of yen)



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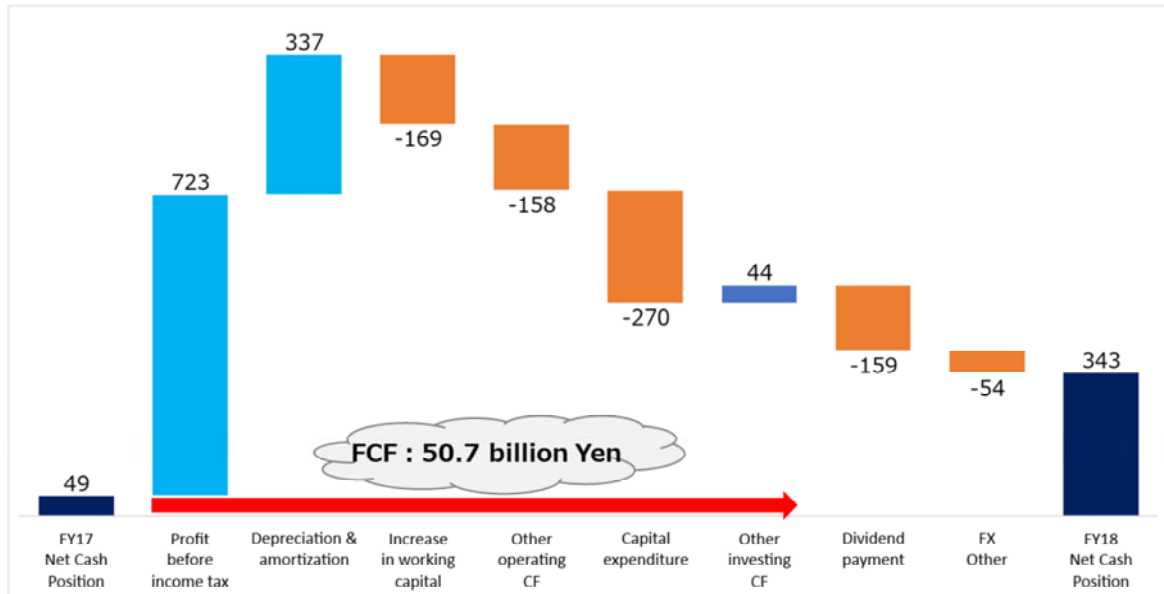
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With regard to the company's financial status, total assets compared to the end of the previous year, essentially remaining unchanged.

As a result of strong financial performance, net cash improved by 29.4 billion yen to 34.3 billion yen. The shareholders equity ratio was 59.9%, and the company's financial standing has become more solid.

Inventories at the end of the fiscal year were 128.5 billion yen, an increase of 11.6 billion yen from the end of the previous fiscal year. Production activities at Factories became more even in FY2018, resulting in overall higher inventory levels, primarily in the P&S business.

In FY2018, free cash flows of ¥50.7 billion were generated



- Net capital balance: Cash and cash equivalents minus balance of interest-bearing debt
- Depreciation expenses: Depreciation and amortization
- Change in working capital: Change in operating receivables and other receivables + Change in inventory assets + Change in operating liabilities and other liabilities

This graph analyzes cash flows from the perspective of changes in net cash. Net cash increased from 4.9 billion yen to 34.3 billion yen, an increase of 29.4 billion yen.

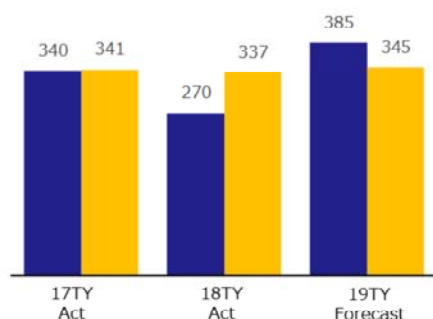
Free cash flows were high at 50.7 billion yen. The main factors were strong financial results and capital investment of 27.0 billion yen, a low level compared to other years.

In FY2019, we expect capital investment to increase by 11.5 billion yen from the previous year and project that pre-tax profit will decline by approximately 7.0 billion yen, resulting in a decline in free cash flows of approximately 15.0 billion yen compared to FY2018.

Under the new mid-term business strategy, we anticipate cumulative free cash flows of 100 billion yen to 120 billion yen over three years, and we expect that free cash flows will be in line with this projection in the current fiscal year.

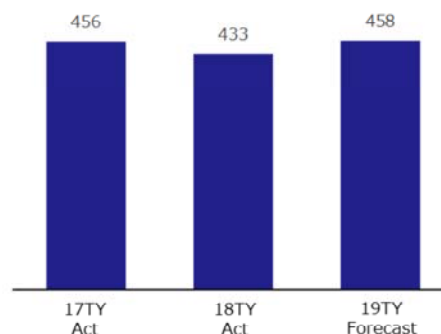
(100 Millions of Yen)

**Capital expenditure /
Depreciation & amortization**



	FY17	FY18	FY19
P&S	152	95	153
P&H	9	9	12
Machinery	36	40	44
N&C	65	52	81
Domino	46	31	35
Others	33	44	60
Total	340	270	385

R&D expenses



	FY17	FY18	FY19
P&S	315	290	294
P&H	29	22	24
Machinery	48	50	60
N&C	9	5	12
Domino	35	38	39
Others	21	27	29
Total	456	433	458

With regard to capital investment, P&S products entered a trough in the product introduction cycle in FY2018, and as a result, total capital investment was 27.0 billion yen, a decrease of 7.0 billion yen from the previous fiscal year.

In FY2019, capital investment including investment in the P&S business will return to normal levels, and we expect investment to increase in lease assets with the introduction of new models in the N&C business as well as in store facilities. As a result, capital investment is expected to increase by 11.5 billion yen to 38.5 billion yen.

As for R&D expenses, in FY2018, levels were low in the P&S business, and total R&D expenses were 43.3 billion yen, a decrease of 2.4 billion yen from the previous year.

In FY2019, R&D expenses will not increase substantially in the P&S business, but in line with the company's business expansion policies, R&D expenses in the Machinery business are expected to increase by 1.0 billion yen. There will also be a temporary increase in the N&C business in conjunction with the development of new models. As a result, total R&D expenses are projected to be 45.8 billion yen, an increase of 2.5 billion yen compared to FY2018.

This concludes the presentation.

**Appendix:
Business Segment Information**

Printing & Solutions Sales Revenue & Profit



(100 Millions of Yen)

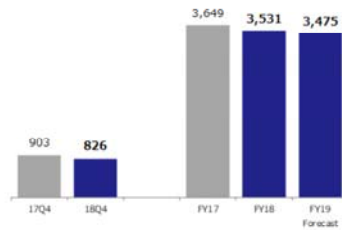
	17Q4	18Q4	Change	Change x FX	FY17	FY18	Change	Change x FX	FY19 Forecast	Change v LY	Change x FX
Sales Revenue	1,023	957	-6.5%	-2.5%	4,122	4,030	-2.2%	0.5%	3,975	-1.4%	0.1%
Communications & Printing equipment	903	826	-8.5%	-4.4%	3,649	3,531	-3.2%	-0.4%	3,475	-1.6%	-0.1%
Americas	328	316	-3.9%	-2.4%	1,335	1,300	-2.6%	0.0%	1,256	-3.4%	-2.3%
Europe	319	281	-12.2%	-4.6%	1,192	1,162	-2.5%	1.0%	1,146	-1.4%	0.8%
Asia & Others	140	130	-7.1%	-2.0%	616	620	0.6%	4.2%	652	5.1%	6.9%
Japan*	115	99	-13.4%	-12.7%	505	448	-11.3%	-10.8%	421	-5.9%	-5.9%
Electronic stationery	121	131	8.9%	12.4%	473	499	5.6%	8.1%	499	0.0%	1.4%
Americas	52	55	6.1%	6.5%	212	225	6.2%	8.0%	226	0.3%	1.4%
Europe	40	39	-2.1%	5.5%	146	145	-0.9%	2.9%	147	1.2%	3.3%
Asia & Others	17	17	0.9%	5.8%	76	79	4.2%	7.2%	82	4.4%	6.1%
Japan	12	20	71.4%	72.1%	39	50	29.4%	30.0%	45	-11.3%	-11.3%

*The decline in sales revenue in Japan resulted from decrease in OEM.

Business Segment Profit	104	88	-15.1%	-	529	522	-1.3%	-	481	-7.8%	-
Operating Profit	120	90	-25.4%	-	474	529	11.7%	-	474	-10.4%	-

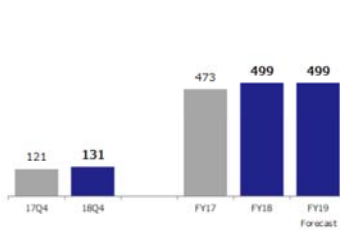
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Communications & Printing equipment

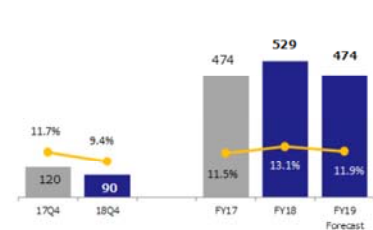


<Sales Revenue>

Electronic stationery



<Operating Profit>



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



	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	FY2017	FY2018	FY2019 Forecast
LBP											
Sales revenue growth rate (JPY)											
Hardware	13%	24%	23%	11%	1%	-3%	-5%	-17%	17%	-6%	0%
Consumable	-1%	2%	9%	1%	1%	1%	-1%	-4%	3%	-1%	-1%
Sales revenue growth rate (LC)											
Hardware	12%	15%	15%	10%	2%	0%	-1%	-12%	13%	-2%	2%
Consumable	-2%	-8%	2%	-1%	1%	3%	2%	-1%	-2%	1%	1%
IJP											
Sales revenue growth rate (JPY)											
Hardware	3%	15%	3%	-1%	-6%	-6%	2%	-6%	4%	-4%	3%
Consumable	4%	3%	13%	3%	1%	-1%	-3%	-5%	6%	-2%	-8%
Sales revenue growth rate (LC)											
Hardware	3%	6%	-3%	-2%	-3%	-2%	6%	-1%	1%	-1%	5%
Consumable	4%	-5%	6%	1%	1%	1%	0%	-2%	1%	0%	-7%
Cosumable Ratio											
	57%	57%	56%	58%	58%	58%	57%	61%	57%	58%	58%
Growth rate of Hardware											
LBP	13%	9%	10%	3%	-1%	-8%	-7%	-16%	9%	-8%	-
IJP	-7%	-5%	-9%	3%	-1%	-2%	-1%	-4%	-5%	-2%	-

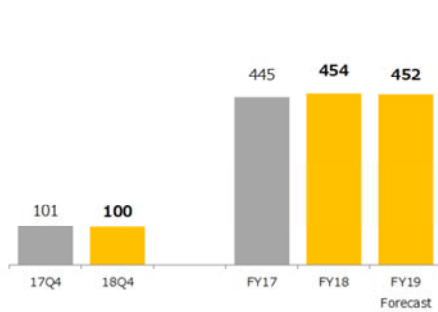
Personal & Home Sales Revenue & Profit



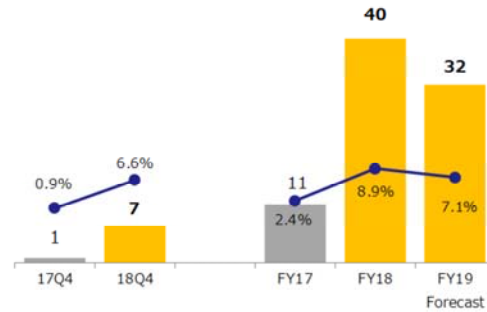
(100 Millions of Yen)

	17Q4	18Q4	Change	Change x FX	FY17	FY18	Change	Change x FX	FY19 Forecast	Change v LY	Change x FX
Sales Revenue	101	100	-1.3%	1.0%	445	454	2.2%	4.5%	452	-0.5%	1.3%
Americas	50	52	4.8%	5.0%	240	258	7.4%	10.0%	250	-3.2%	-1.7%
Europe	26	24	-6.7%	-0.3%	113	111	-1.4%	0.3%	113	1.9%	4.8%
Asia & Others	13	11	-18.3%	-14.6%	55	50	-9.9%	-6.9%	54	8.1%	10.1%
Japan	12	12	3.7%	4.3%	36	36	-2.2%	-1.8%	35	-0.5%	-0.5%
Business Segment Profit	4	7	64.5%	-	20	40	103.8%	-	32	-20.7%	-
Operating Profit	1	7	643.6%	-	11	40	283.1%	-	32	-20.6%	-

<Sales Revenue>



<Operating Profit>



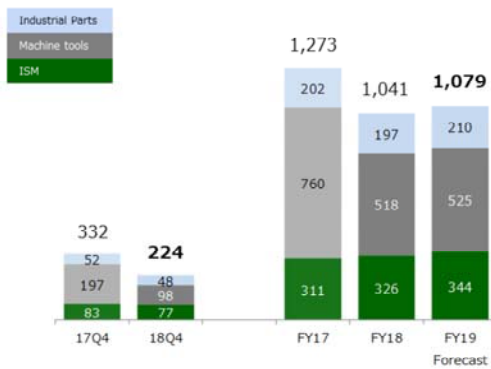
Machinery Business Sales Revenue & Profit



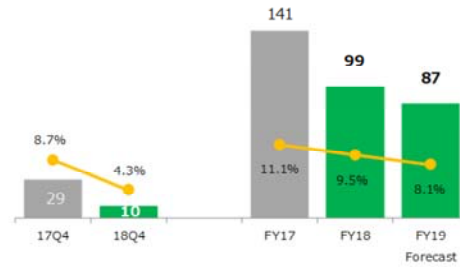
(100 Millions of Yen)

	17Q4	18Q4	Change	Change x FX	FY17	FY18	Change	Change x FX	FY19 Forecast	Change v LY	Change x FX
Sales Revenue	332	224	-32.7%	-31.8%	1,273	1,041	-18.2%	-17.8%	1,079	3.6%	4.0%
Industrial sewing machines	83	77	-7.4%	-5.7%	311	326	4.9%	5.8%	344	5.4%	6.6%
Machine tools	197	98	-50.1%	-49.7%	760	518	-31.9%	-31.9%	525	1.4%	1.3%
Industrial Parts	52	48	-7.3%	-6.0%	202	197	-2.2%	-0.8%	210	6.4%	6.9%
Business Segment Profit	30	10	-67.5%	-	144	98	-32.4%	-	88	-9.8%	-
Operating Profit	29	10	-67.0%	-	141	99	-29.9%	-	87	-12.2%	-

<Sales Revenue>



<Operating Profit>



Machinery Business Sales Revenue by Region



(100 Millions of Yen)

	17Q4	18Q4	Change	Change x FX	FY17	FY18	Change	Change x FX	FY19 Forecast	Change v LY	Change x FX
Sales Revenue	332	224	-32.7%	-31.8%	1,273	1,041	-18.2%	-17.8%	1,079	3.6%	4.0%
Industrial sewing machines	83	77	-7.4%	-5.7%	311	326	4.9%	5.8%	344	5.4%	6.6%
Americas	15	13	-15.6%	-16.5%	64	65	2.6%	3.3%	71	9.3%	10.6%
Europe	17	18	1.1%	7.1%	63	71	14.1%	14.9%	75	5.0%	7.9%
Asia & Others	48	44	-8.3%	-7.3%	178	181	2.0%	2.9%	190	4.6%	5.1%
Japan	2	2	3.2%	4.5%	7	8	20.1%	20.5%	8	-3.0%	-3.0%
Machine tools	197	98	-50.1%	-49.7%	760	518	-31.9%	-31.9%	525	1.4%	1.3%
Americas	10	5	-47.3%	-	33	33	1.3%	-	40	21.7%	-
Europe	10	6	-42.4%	-	30	30	-0.7%	-	32	5.9%	-
Asia & Others	152	61	-59.6%	-	608	341	-43.9%	-	324	-4.9%	-
Japan	25	26	3.3%	-	89	114	27.5%	-	129	13.4%	-
Industrial Parts	52	48	-7.3%	-6.0%	202	197	-2.2%	-0.8%	210	6.4%	6.9%
Americas	6	6	1.9%	0.2%	25	25	-0.3%	-0.2%	25	0.9%	1.7%
Europe	-	-	-	-	-	-	-	-	-	-	-
Asia & Others	5	5	-2.4%	0.9%	20	22	9.1%	9.9%	24	9.4%	11.4%
Japan	41	37	-9.3%	-7.8%	157	150	-4.0%	-2.2%	161	7.1%	7.1%

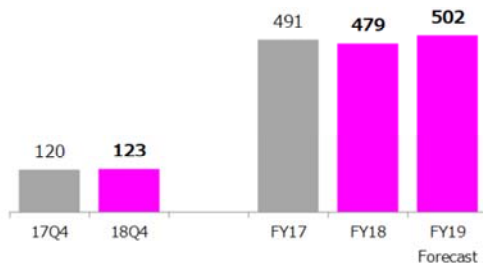
Network & Contents Sales Revenue & Profit



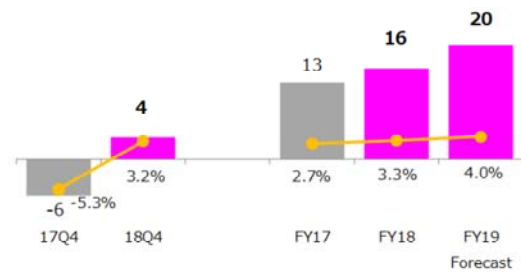
(100 Millions of Yen)

	17Q4	18Q4	Change	FY17	FY18	Change	FY19 Forecast	Change v LY
Sales Revenue	120	123	2.5%	491	479	-2.3%	502	4.8%
Business Segment Profit	5	5	-3.4%	27	18	-33.2%	22	23.7%
Operating Profit	-6	4	-	13	16	18.6%	20	25.5%

<Sales Revenue>



<Operating Profit>



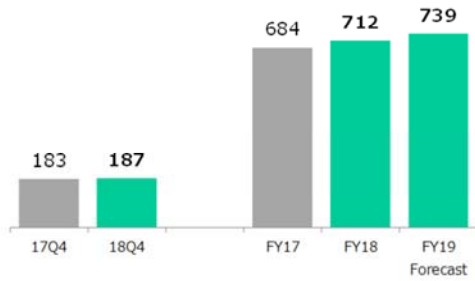
Domino Business Sales Revenue & Profit



(100 Millions of Yen)

	17Q4	18Q4	Change	Change x FX		FY17	FY18	Change	Change x FX		FY19 Forecast	Change v LY	Change x FX
Sales Revenue	183	187	1.8%	3.3%		684	712	4.2%	5.6%		739	3.7%	3.8%
Americas	38	41	8.6%	13.9%		159	159	0.2%	1.7%		174	9.2%	10.6%
Europe	97	95	-2.4%	2.4%		337	358	6.2%	8.0%		359	0.2%	1.6%
Asia & Others	48	50	5.1%	10.2%		187	195	3.9%	5.5%		207	6.3%	7.8%
Business Segment Profit	14	9	-38.0%	-		46	39	-14.9%	-		39	-1.2%	-
Operating Profit	12	-5	-	-		40	29	-28.4%	-		39	36.1%	-

<Sales Revenue>



<Operating Profit>



brother
at your side