

# **FY2018 Results**

## **Supplementary Information**

1. Consolidated results
2. Balance sheet
3. Cash flows
4. Sales Revenue by business segment
5. Business Segment profit by business segment
6. Operating profit by business segment
7. Sales revenue by region
8. R&D Expenses / Capex / Depreciation & Amortization
9. Other Financial Data
10. Exchange rates

### **Brother Industries, Ltd.**

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.

**1. Consolidated results**

(Millions of yen)

	2017 4Q Act	2018 4Q Act	Change (w/o fx impact )	2017 Full Year Act	2018 Full Year Act	Change (w/o fx impact )
Sales Revenue	178,835	162,155	-9.3% (-6.6%)	712,997	683,972	-4.1% (-2.1%)
Business Segment profit	15,702	11,557	-26.4%	77,229	71,973	-6.8%
Operating profit	15,565	10,252	-34.1%	68,672	71,925	4.7%
Net Income	11,181	7,394	-33.9%	50,020	53,902	7.8%
ROS(Business Segment profit)	8.8%	7.1%	-	10.8%	10.5%	-
ROS(Operating profit)	8.7%	6.3%	-	9.6%	10.5%	-
Yen-USD	108.85	110.46	-	110.81	110.69	-
Yen-Euro	132.96	125.70	-	129.45	128.43	-
Yen-GBP	151.01	143.99	-	147.27	145.68	-

	2018 Full Year Act	2019 Full Year Fct	Change (w/o fx impact )
Sales Revenue	683,972	690,000	0.9% (+1.9%)
Business Segment profit	71,973	66,500	-7.6%
Operating profit	71,925	65,000	-9.6%
Net Income	53,902	48,500	-10.0%
ROS(Business Segment profit)	10.5%	9.6%	-
ROS(Operating profit)	10.5%	9.4%	-
Yen-USD	110.69	110.00	-
Yen-Euro	128.43	125.00	-
Yen-GBP	145.68	145.00	-

**2. Balance sheet**

(Millions of yen)

	2017 Full Year Act	2018 Full Year Act	Change
Current assets	366,633	384,930	18,296
Non-current assets	341,644	323,673	- 17,971
Current liabilities	157,039	149,844	- 7,195
Non-current liabilities	138,743	117,166	- 21,577
Equity attributable to owners of the parent company	395,514	424,759	29,245
Total assets	708,278	708,604	325
Cash & cash equivalents	121,384	131,152	9,767
Interest-bearing debt	116,446	96,792	-19,653
DER*	0.29	0.23	—
Equity ratio attributable to owners of the parent company	55.8%	59.9%	—

\* DER = Interest-bearing debt / Equity attributable to owners of the parent company

**3. Cash flows**

(Millions of yen)

	2017 4Q Act	2018 4Q Act	Change	2017 Full Year Act	2018 Full Year Act	Change
Net cash provided by operating activities	30,115	27,792	- 2,322	81,817	73,280	- 8,536
Net cash used in investing activities	- 7,531	- 7,073	458	- 37,090	- 22,624	14,466
Net cash used in financing activities	- 3,294	- 458	2,835	- 34,551	- 39,040	- 4,489
Cash and cash equivalents at end of period	121,384	131,152	9,767	121,384	131,152	9,767

## 4. Sales Revenue by business segment

(Millions of yen)

	2017 4Q Act	2018 4Q Act	Change (w/o fx impact)
Printing & Solutions	102,315	95,689	-6.5% (-2.5%)
Communications and Printing equipment	90,253	82,553	-8.5% (-4.4%)
Electronic stationery	12,062	13,135	8.9% (+12.4%)
Personal & Home	10,091	9,957	-1.3% (+1.0%)
Machinery	33,213	22,351	-32.7% (-31.8%)
Industrial sewing machines	8,281	7,671	-7.4% (-5.7%)
Machine tools	19,701	9,830	-50.1% (-49.7%)
Industrial Parts	5,230	4,849	-7.3% (-6.0%)
Network & Contents	11,950	12,253	2.5% (+2.6%)
Domino	18,337	18,675	1.8% (+3.3%)
Others	2,926	3,228	10.3% (+10.3%)
G. total	178,835	162,155	-9.3% (-6.6%)

	2017 Full Year Act	2018 Full Year Act	Change (w/o fx impact)
	412,165	403,036	-2.2% (+0.5%)
Printing & Solutions	364,903	353,120	-3.2% (-0.4%)
Communications and Printing equipment	47,262	49,916	5.6% (+8.1%)
Electronic stationery	44,466	45,445	2.2% (+4.5%)
Personal & Home	127,299	104,130	-18.2% (-17.8%)
Machinery	31,094	32,626	4.9% (+5.8%)
Industrial sewing machines	76,018	51,768	-31.9% (-31.9%)
Machine tools	20,186	19,735	-2.2% (-0.8%)
Industrial Parts	49,052	47,926	-2.3% (-2.4%)
Network & Contents	68,390	71,234	4.2% (+5.6%)
Domino	11,623	12,198	4.9% (+4.9%)
Others	712,997	683,972	-4.1% (-2.1%)

	2018 Full Year Act	2019 Full Year Fct	Change (w/o fx impact)
Printing & Solutions	403,036	397,500	-1.4% (+0.1%)
Communications and Printing equipment	353,120	347,500	-1.6% (-0.1%)
Electronic stationery	49,916	49,900	-0.0% (+1.4%)
Personal & Home	45,445	45,200	-0.5% (+1.3%)
Machinery	104,130	107,900	3.6% (+4.0%)
Industrial sewing machines	32,626	34,400	5.4% (+6.6%)
Machine tools	51,768	52,500	1.4% (+1.3%)
Industrial Parts	19,735	21,000	6.4% (+6.9%)
Network & Contents	47,926	50,200	4.7% (+4.8%)
Domino	71,234	73,900	3.7% (+3.8%)
Others	12,198	15,200	24.6% (+24.9%)
G. total	683,972	690,000	0.9% (+1.9%)

## 5. Business Segment profit by business segment

(Millions of yen)

	2017 4Q Act	2018 4Q Act	Change
Printing & Solutions	10,390	8,823	-15.1%
Personal & Home	412	679	64.5%
Machinery	3,005	977	-67.5%
Network & Contents	531	514	-3.4%
Domino	1,385	858	-38.0%
Others	9	-260	-
Adjustment	-33	-33	-
G. total	15,702	11,557	-26.4%

	2017 Full Year Act	2018 Full Year Act	Change
Printing & Solutions	52,890	52,181	-1.3%
Personal & Home	1,981	4,037	103.8%
Machinery	14,426	9,753	-32.4%
Network & Contents	2,663	1,778	-33.2%
Domino	4,640	3,948	-14.9%
Others	736	436	-40.6%
Adjustment	-107	-161	-
G. total	77,229	71,973	-6.8%

	2018 Full Year Act	2019 Full Year Fct	Change
Printing & Solutions	52,181	48,100	-7.8%
Personal & Home	4,037	3,200	-20.7%
Machinery	9,753	8,800	-9.8%
Network & Contents	1,778	2,200	23.7%
Domino	3,948	3,900	-1.2%
Others	436	300	-31.3%
Adjustment	-161	0	-
G. total	71,973	66,500	-7.6%

## 6. Operating profit by business segment

(Millions of yen)

	2017 4Q Act	2018 4Q Act	Change
Printing & Solutions	12,018	8,969	-25.4%
Personal & Home	87	653	643.6%
Machinery	2,898	956	-67.0%
Network & Contents	-628	388	-
Domino	1,157	-545	-
Others	64	-136	-
Adjustment	-33	-33	-
G. total	15,565	10,252	-34.1%

	2017 Full Year Act	2018 Full Year Act	Change
Printing & Solutions	47,353	52,903	11.7%
Personal & Home	1,051	4,028	283.1%
Machinery	14,131	9,910	-29.9%
Network & Contents	1,343	1,593	18.6%
Domino	3,998	2,864	-28.4%
Others	901	786	-12.8%
Adjustment	-107	-161	-
G. total	68,672	71,925	4.7%

	2018 Full Year Act	2019 Full Year Fct	Change
Printing & Solutions	52,903	47,400	-10.4%
Personal & Home	4,028	3,200	-20.6%
Machinery	9,910	8,700	-12.2%
Network & Contents	1,593	2,000	25.5%
Domino	2,864	3,900	36.1%
Others	786	-200	-
Adjustment	-161	-	-
G. total	71,925	65,000	-9.6%

**7. Sales revenue by region**

(Millions of yen)

	2017 Full Year Act	2018 Full Year Act	Change
The Americas	209,602	208,916	-0.3%
Europe	181,224	180,341	-0.5%
Asia & Others	201,162	170,293	-15.3%
Japan	121,008	124,421	2.8%
G. total	712,997	683,972	-4.1%

**8. R&D Expenses / Capex / Depreciation & Amortization**

(Millions of yen)

	2017 4Q Act	2018 4Q Act	Change
R&D Expenses	11,679	12,195	515
Capex	9,808	8,785	- 1,023
Depreciation & Amortization	8,597	8,492	- 105

	2017 Full Year Act	2018 Full Year Act	Change
	45,649	43,259	- 2,390
	33,993	27,030	- 6,963
	34,141	33,674	- 467

	2018 Full Year Act	2019 Full Year Fct	Change
R&D Expenses	43,259	45,800	2,540
Capex	27,030	38,500	11,469
Depreciation & Amortization	33,674	34,500	825

**9. Other Financial Data**

	2017 Full Year Act	2018 Full Year Act
ROE	13.5%	13.1%
ROA	7.2%	7.6%
EPS	192.63	207.54
Dividend per Share	54.0	60.0
Dividend payout ratio	28.0%	28.9%

**10. Exchange rates**

	2017 4Q Act	2018 4Q Act
Yen-USD	108.85	110.46
Yen-Euro	132.96	125.70
Yen-GBP	151.01	143.99

	2017 Full Year Act	2018 Full Year Act	2019 Full Year Fct
	110.81	110.69	110.00
	129.45	128.43	125.00
	147.27	145.68	145.00