

## **The summary of Q&A at the 2017 Q1 financial results briefing**

### **Q1. What is in the background of the revision of the full-year forecast for the communications & printing equipment business?**

A1. So far, the sales of hardware of communications & printing equipment are increasing quite steadily on a global basis.

As for the sales of consumables, sell-in was slightly weaker than anticipated. However, sell-out appears to be steady. The points of the revision of the full-year forecasts are the upward revision mainly for the forecast for hardware sales, which remain strong, and the conservative revision of the forecast for consumables sales.

### **Q2. Has there been any change in demand in the printing markets in respective regions?**

A2. There has not been any major change in the competitive climate in the market for low-end monochrome laser products, which is Brother's core business. Thus, we have been able to maintain and expand our market share. The demand also seems to be getting stronger partly due to global economic expansion.

### **Q3. Do you mean that the full-year forecast for the machine tools business was revised upward, but the forecast for the machine tools business for the second half of FY2017 does not include the sales for IT-related customers?**

A3. As for the forecast related to sales for IT-related customers, sales from undetermined orders are not included in the financial forecast due to the fact that they are large orders. However, we are recognizing that we will continue to receive inquiries for orders.

By the way, the reasons for the steady financial performance of the industrial tools business are not only the large orders from IT-related customers. The sales for automobile related customers, which we have been striving to expand strategically, are increasing firmly. This is another

factor contributing to the steady financial performance of the industrial tools business.