

Financial Results for Fiscal Year 2008 (ended March 31, 2009)

Brother Industries, Ltd.

May 1, 2009

This report contains forward-looking statements which reflect management's views at the time of the announcement with respect to certain future events and financial performance. Actual results may differ materially from those projected or implied in any forward-looking statements. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate.

Global Vision 21

- To become a leading global company with high profitability
- To become a world-class manufacturer by developing outstanding proprietary technologies
- To embody Brother’s motto, “At your side,” throughout our corporate culture

“CS B2012” Mid-Term Business Strategy announced in March 2008

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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Global Vision 21

CS B2005

3/2004 – 3/2006

“Achieving a balance between sustaining high profitability and technology investment for the future”

CS B2008

3/2007 – 3/2008

“Driving Brother’s Growth”

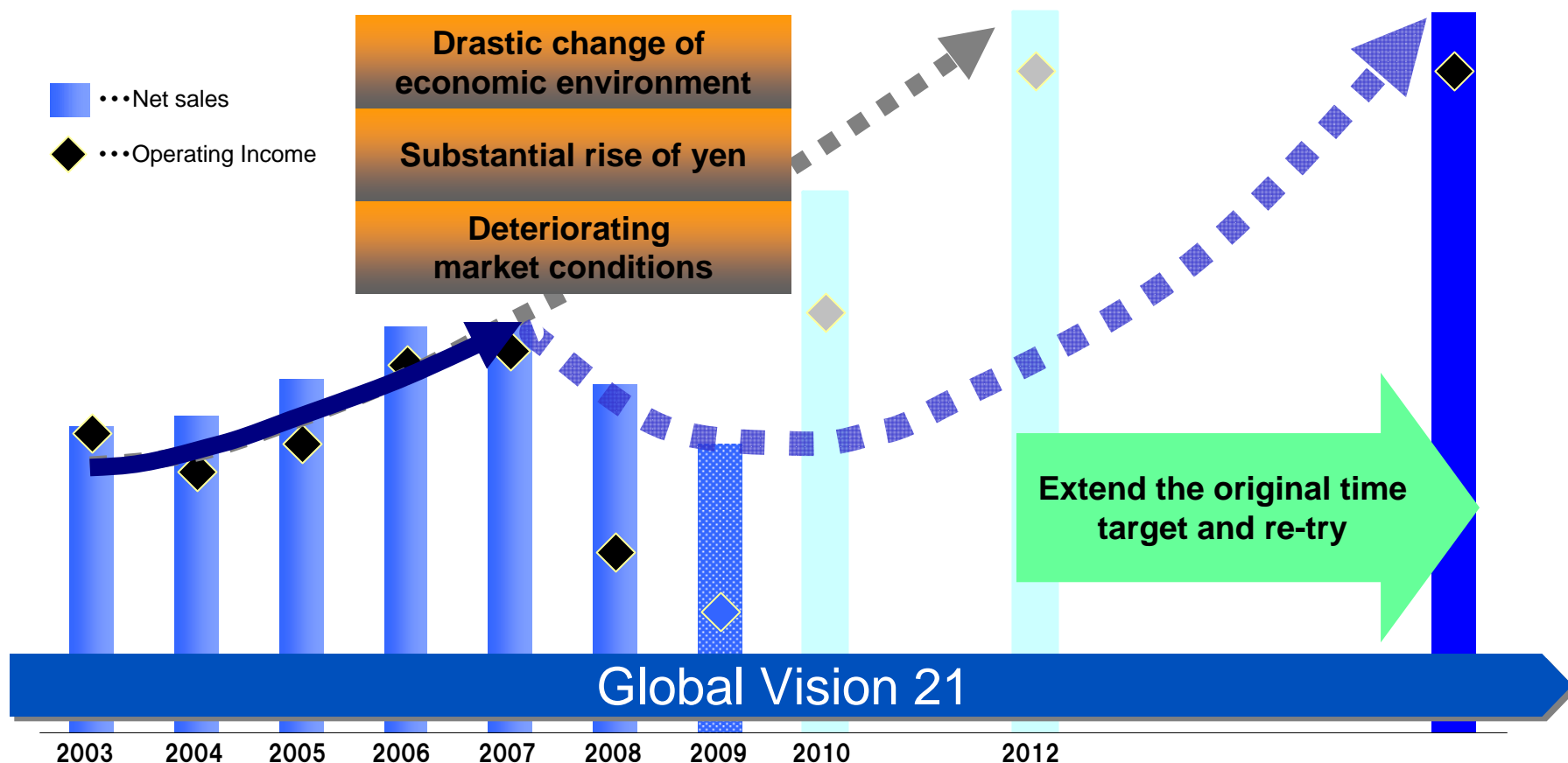
CS B2012

3/2009 – 3/2013

“Turning Global Vision 21 into Reality”

CS B2012 Target	FY2010 (3/2011) Milepost Objective	FY2012 (3/2013) “Challenge” Target
Net Sales	750 billion yen	One-trillion yen
Operating Income	60 billion yen	100 billion yen

Extension of Mid- and Long-Term Targets



- While our goal, “to become a highly profitable company with net sales of one-trillion yen,” remains unchanged, extend the original time target, FY2012, in light of severe economic environment.
- Put “securing profits and cash” before “expanding business” for FY09 & 10

Cost reduction

Reduce all of the costs including raw materials

Reduce all kinds of expenses and investments

Conduct overall review without sanctuary

Cut in standard remuneration for Director & Executive Officers by 15-5%

No performance-related remuneration made to Directors

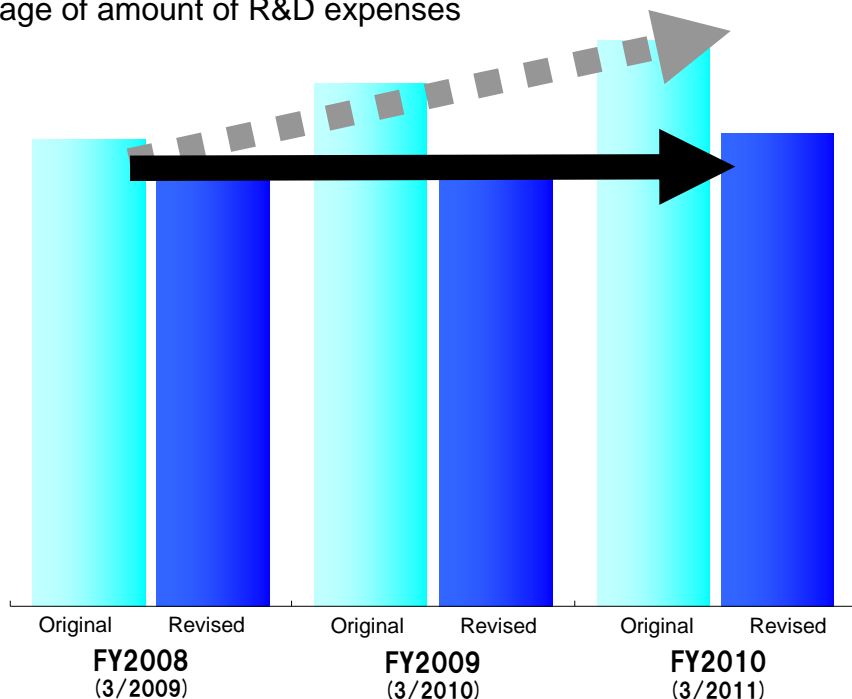
Decrease in bonus payment to employees

Improvement of profit structure in subsidiaries

Implemented right-sizing and impairment of the goodwill in FY2008 in Xing

Scale of R&D Expenses

Image of amount of R&D expenses



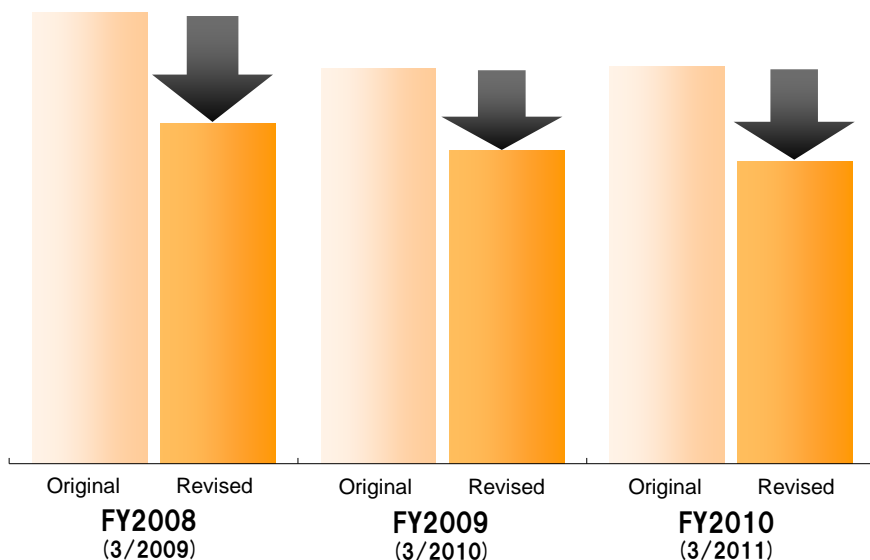
R&D Investment FY2008-FY2010 3-year total	
Original	Revised
Approx. 130 billion yen	Reduction by more than 10%

Maintaining FY2008 level, continue investments to necessary fields in preparation for the next growth period

- Development of next-generation printing technologies
- Acceleration of the development of core technologies in the new businesses
- Reinforcement of the fundamental technologies that support the printing business and new businesses

Reorganization of development-related departments to enhance ability of technology development and improve efficiency

Image of amount of capital expenditures



Strategic Investment & Capital Expenditure FY2008-FY2010 3-year total	
Original	Revised
<p>In total of capital expenditure and strategic investment : Approx. 200 billion yen</p>	<p>Capital expenditure: Reduction by more than 20% Strategic Investment: continue to implement flexibly</p>

Capital Expenditure

Carried out drastic review starting FY2008 to suppress investment amount

Strategic Investment

Continue to implement carefully and flexibly as an efficient means to accomplish strategies.

Newly established Business Development Dept. as an organization to deal with M&A and alliance, exclusively.

Printing Business

Original

Leading growth and making a leap forward



Revised

Well balance between profits and growth

New Businesses

Challenge



Establish business

Domestic Sewing Machine

Contributing to profit increase



Contributing to profit increase

Industrial Sewing Machine and Machine Tools Businesses

Contributing to profit increase



Reinforce structure to improve profitability

Management Infrastructure

Further strengthening



Strengthen infrastructure globally

Well balance between profits and growth :

While keeping the strategy “Brother Means Color” unchanged, shift to securing profits rather than expanding business in a short-term perspective.

Laser Business

- Provide attractive monochrome laser product line
- Establish a market position in color laser products



Inkjet Business

- Offer product line based on profitability rather than business expansion for the time being and focus on higher-end value-added models as well as business models



Electronic Stationery Business

- Reinforce solution-providing capability
- Exploit new demands from specialized applications for vertical markets
- Actively utilizing outside resources, including M&A



Reinforce structure to improve profitability :

Aim to get into the black as early as possible under the extremely severe environment

Industrial Sewing Machine and Machine Tools Businesses

- Drastic reduction of manufacturing costs and expenses
- Concentration on the targeted markets for ensuring sales
- Change of business structure
 - Reorganization aimed at streamlining development and manufacturing to sales and services
 - Reorganization and consolidation of sales organizations in Americas and Europe in the Industrial Sewing Machine business
- Implement further changes to improve business structure

Establish business :

Launch into the markets with focus and strategy

Network Imaging Device Business

Document Viewer



- Roll out marketing efforts in domestic and overseas markets

Retinal imaging display (RID)



- Aim to commercialize in FY2010 focusing on industrial applications

Network & Contents Business

A next-generation content-delivery system “Einy”



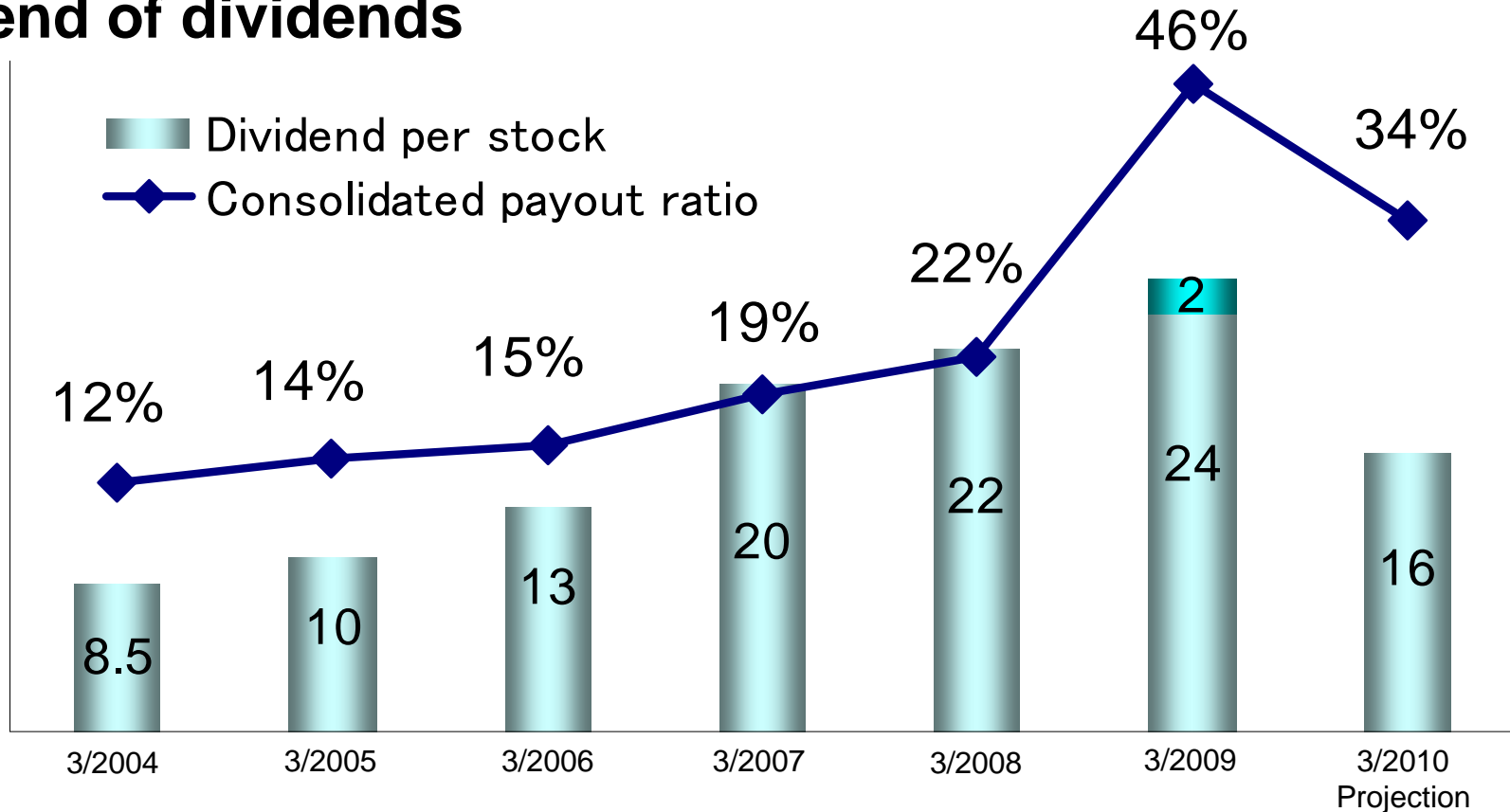
Music delivery for Jogging
“EXERMUSIC”



Expansion and promotion of business utilizing music contents

- Promote alliance with subsidiary, Xing, and push forward business as well as expand customer base

Trend of dividends



- Basic policy remains unchanged with consolidated payout ratio of about 30%
- Dividend for FY2008 (ended March 31, 2009): to be paid as initially planned
Dividend for FY2009 (ending March 31, 2010): projected to be 16 yen under the grim business forecast

Revision and Continuation of Policy Toward Large-scale Purchases of Brother Shares

Current “Policy Toward Large-scale Purchases of Brother Shares”

March 2006 Adopted (approved by majority of the Brother shareholders at the Annual Shareholders Meeting held in June 2006)

March 2008 Established Independent Advisory Committee

Reviewed how the “Policy” should be from the aspect of assuring and enhancing the common interests of Brother shareholders taking into account the amendments to the laws and ordinances, and the decisions and discussions made concerning the issue since the adoption of the “Policy”.

<CONCLUSION>

“Policy Toward Large-scale Purchases of Brother Shares” is still necessary to provide an opportunity for Brother shareholders to receive necessary and sufficient information about the Large-scale Purchase.

Provided that the “New Policy” is approved by the shareholders at the ASM in June 2009, it will be effectuated as of the resolution made at the first Board of Directors’ Meeting following the ASM (effective for 3 years)

Key revisions in the “New Policy”

- i) Clarification of the matters that the Board of Directors should consult to The Independent Advisory Committee.
(e.c. Request for additional information, Expression of opinion, etc.)
- ii) Manifestation of cases where it is obvious that Large-scale Purchase will cause irreparable damage or loss to the common interests of Brother shareholders as examples.

Members of Independent Advisory Committee-to-be

Yukio Masuda (Corporate Adviser of Mitsubishi Corporation)

Kunihiro Matsuo (Lawyer)

Atsushi Nishijo (Chairman of Sumisho Computer Systems Corporation)

Yasuhiro Tsubota (Management consultant)

Revision and Continuation of Policy Toward Large-scale Purchases of Brother Shares

Diagram of the Image of “New Policy”

Emergence of a Large-scale Purchaser

Submission of “Intention Letter” to the Board of Directors

Sudden commencement of
a Large-scale Purchase

Request for provision of “Large-scale Purchase information”

If information is insufficient, by consulting the
Independent Advisory Committee, request for
additional Large-scale Purchases information

Large-scale
Purchaser does
not comply with
the Large-scale
Purchase Rules

Evaluation and decision by the Board of Directors

Evaluation, forming of opinion, negotiation, proposal of
alternative plans etc. by the Board of Directors

Consultation with the Independent Advisory Committee
Place maximum respect to its advice and recommendation

Consultation with the
Independent Advisory
Committee
Place maximum respect to its
advice and recommendation

Expression of opinion, proposal of alternative plans, etc.
by the Board of Directors

Judgment by the shareholders

Take Countermeasures

Details of Financial Results for
FY2008 (ended March 31, 2009)
and Forecasts for FY2009 (ending March 31, 2010)

1. Consolidated Results for FY2008 (ended March 31, 2009)



(100 Millions of Yen)

	Year ended Mar. 31, 2009			
	3/2009 [Actual]	3/2008 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	4,822	5,664	-842	-14.9% (-4.4%)
Operating Income (Loss)	199	535	-336	-62.8%
Operating Income Ratio	4.1%	9.4%	-5.3%	
Non-operating Income (Loss)	57	-70	126	
Current Profits (Loss)	256	465	-210	-45.1%
Extraordinary Income (Loss)	-19	-3	-17	
Income Taxes	84	192	-108	
Net Income	153	271	-118	-43.7%

[Reference data] Three months ended Mar. 31, 2009			
3/2009 [Actual] Q4	3/2008 [Actual] Q4	Change	Rate of Change (w/o forex impact)
1,038	1,393	-355	-25.5% (-10.6%)
-38	120	-158	-
-3.7%	8.6%	-12.3%	
31	-7	39	
-7	113	-120	-
15	-10	25	
-43	66	-109	
51	38	14	35.9%

(Yen)

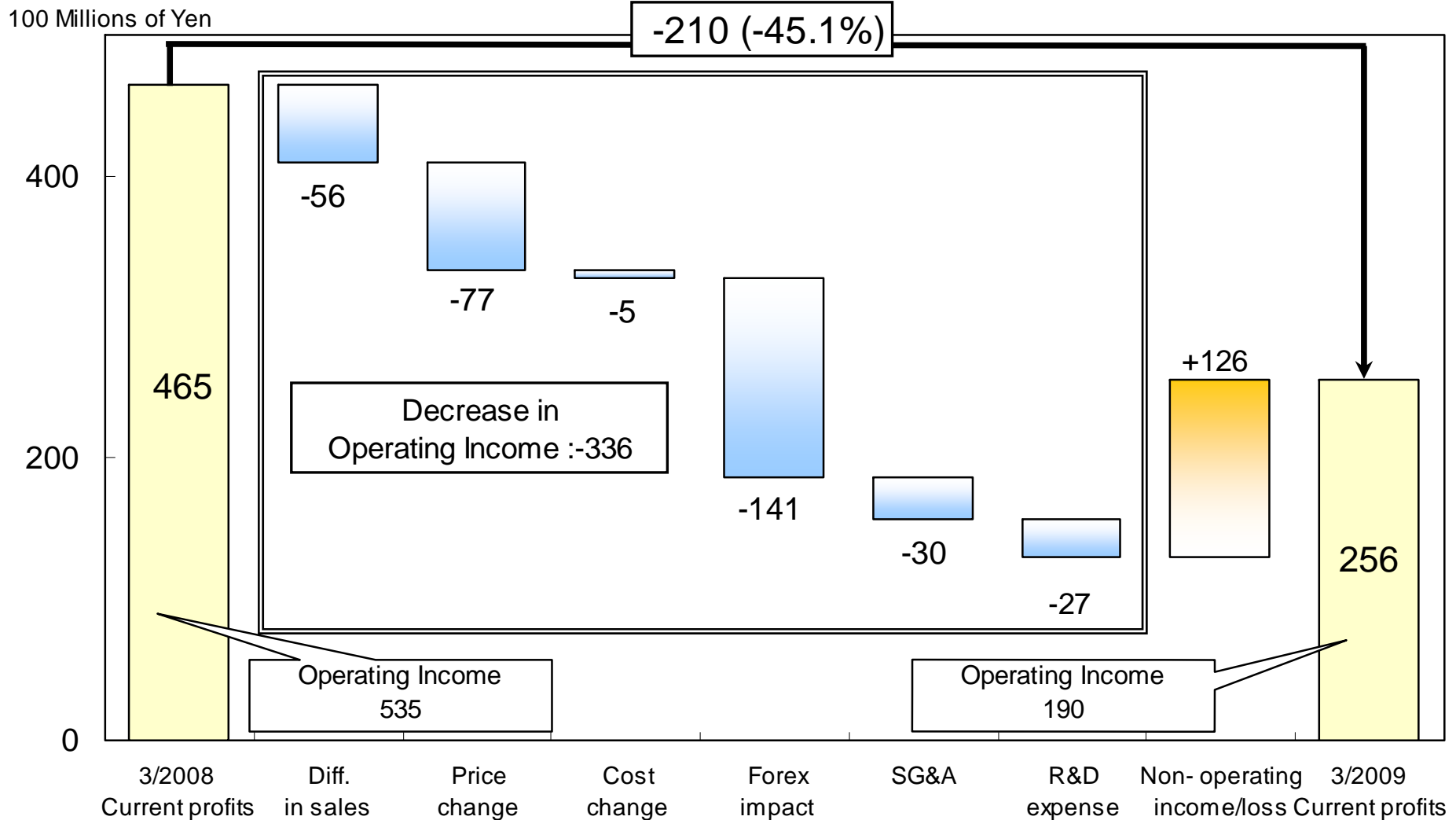
Exchange Rate	USD	100.62	114.13	-13.51
	EUR	144.43	161.88	-17.45

94.16	106.38	-12.22
124.39	160.42	-36.03

- Sales decreased sharply due to the fast-spreading worldwide recession and strong yen since the second half of the year. While sales in the Printing business increased on the local currency basis, sales in the Machinery business dropped sharply.
- Operating income decreased sharply due to negative impact from forex, reduced sales in the Machinery business, deteriorating market conditions in the Printing business and higher prices for raw materials.
- Hedging in forward-exchange contract improved non-operating income significantly. As for extraordinary profits and losses, profit on sale of land, the impairment losses on investment securities and the impairment on the goodwill in a subsidiary have been posted.

2. Main Factors for Changes in Current Profits

< Results for FY2008 (ended March 31, 2009) >

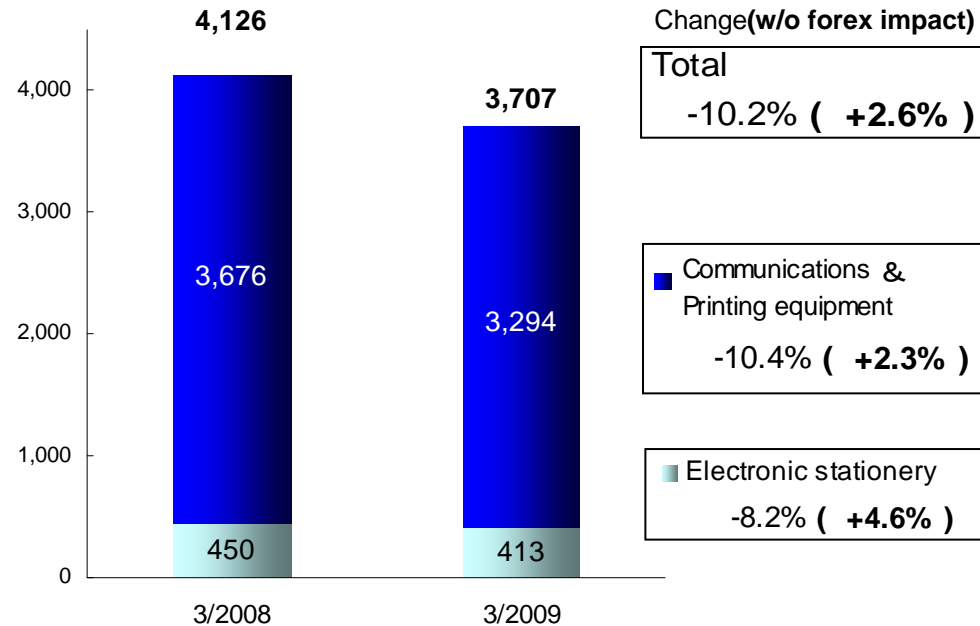


3-1. Printing & Solutions Sales & Operating Income

< Results for FY2008 (ended March 31, 2009) >

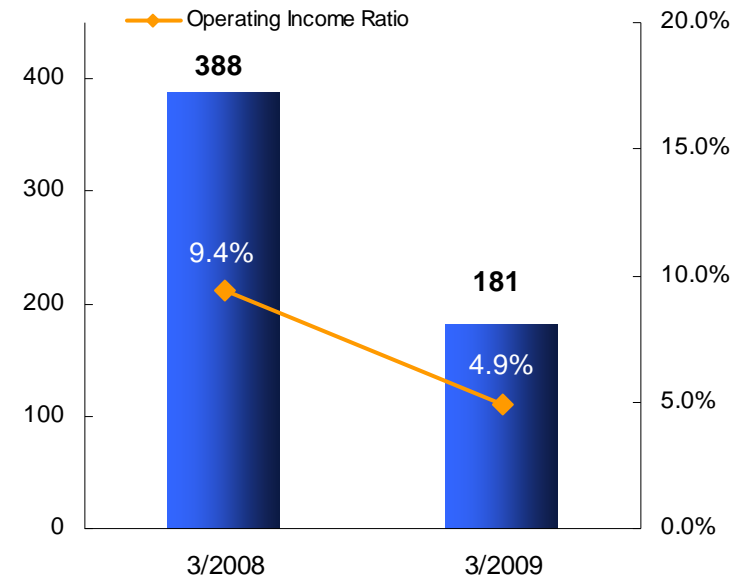
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2008	3/2009	Change (w/o forex impact)
Americas	1,291	1,182	-8.5% (+5.5%)
Europe	1,650	1,421	-13.9% (+0.3%)
Asia & Others	376	343	-8.8% (+5.4%)
Japan	359	348	-3.2% (-3.2%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2008	3/2009	Change (w/o forex impact)
Americas	233	213	-8.6% (+5.1%)
Europe	148	134	-9.7% (+4.4%)
Asia & Others	34	32	-7.7% (+6.4%)
Japan	35	35	+0.5% (+0.5%)

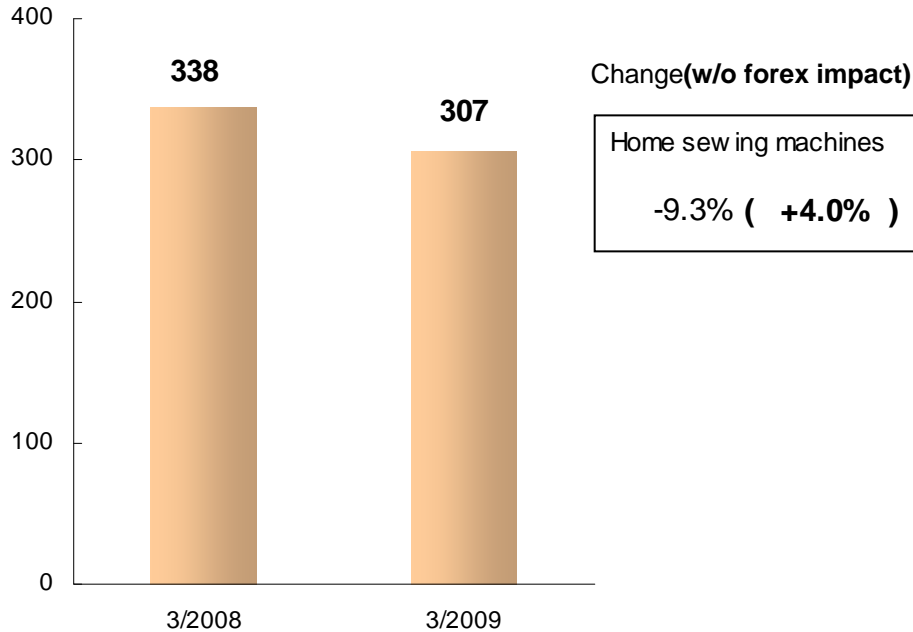
- As for Communications & Printing equipment, sales in laser and inkjet business increased on a local currency basis.
- Operating income decreased mainly due to the tough market conditions, negative impact from forex and higher prices for raw materials.

3-2. Personal & Home Sales & Operating Income

< Results for FY2008 (ended March 31, 2009) >

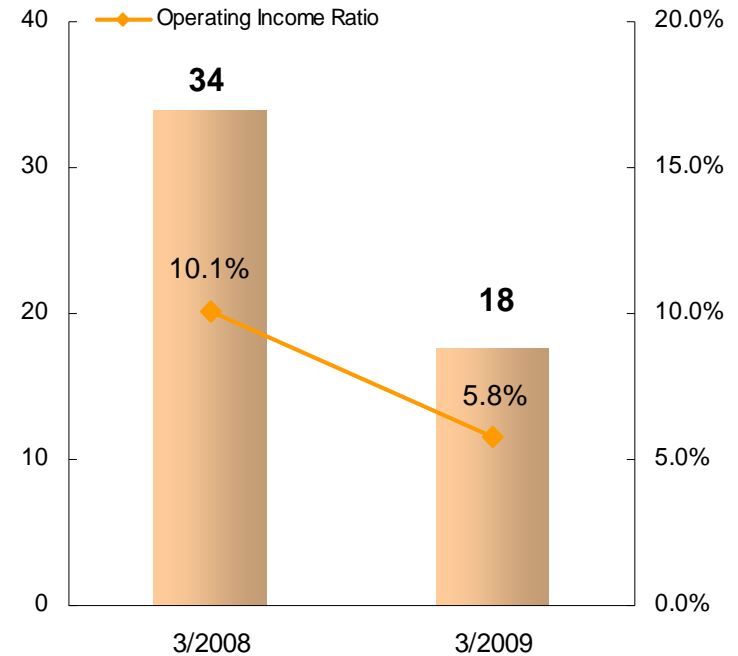
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2008	3/2009	Change (w/o forex impact)
Americas	153	136	-11.0% (+2.9%)
Europe	94	79	-15.7% (+3.5%)
Asia & Others	27	27	-0.2% (+20.0%)
Japan	63	64	+0.6% (+0.6%)

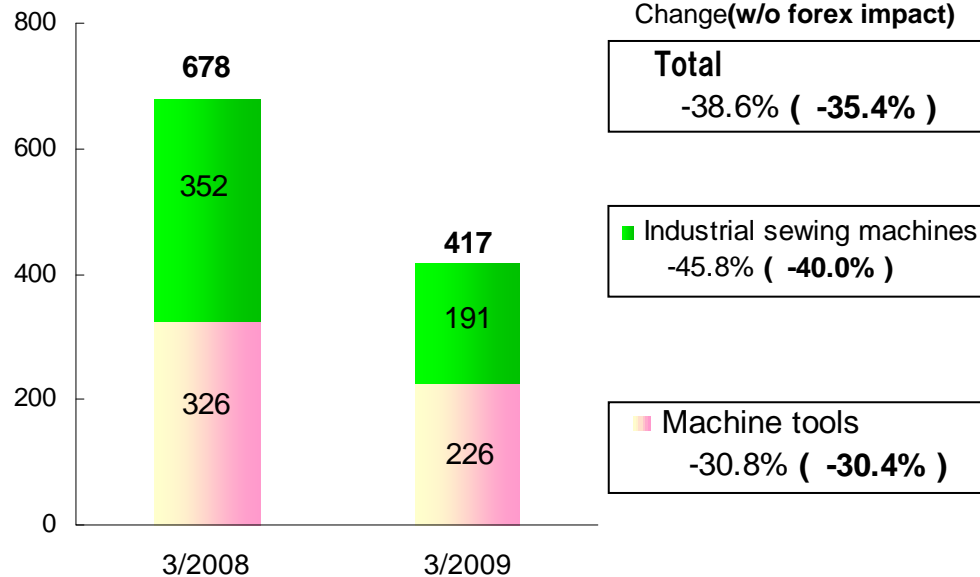
➤ While sales grew steadily mainly in low-end sewing machines, operating income decreased due to negative impact from forex and change of sales composition.

3-3. Machinery & Solution Sales & Operating Income

< Results for FY2008 (ended March 31, 2009) >

Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

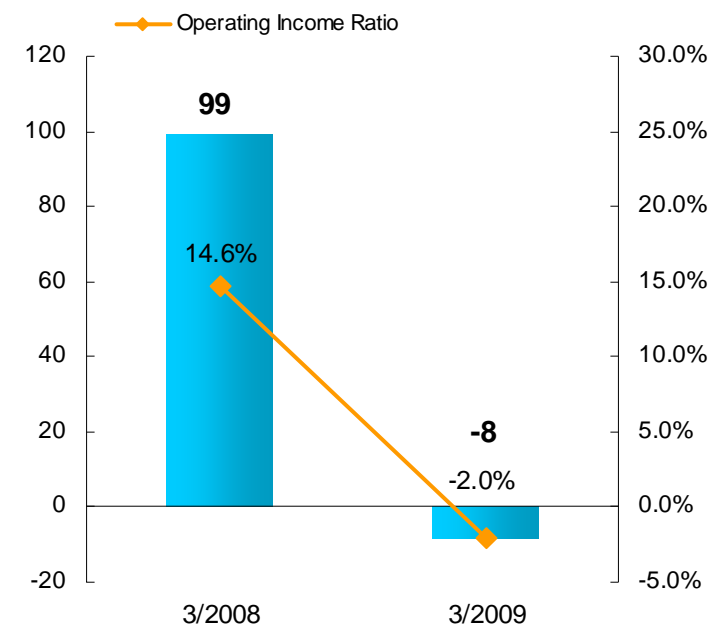
Total
-38.6% (-35.4%)

■ Industrial sewing machines
-45.8% (-40.0%)

■ Machine tools
-30.8% (-30.4%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2008	3/2009	Change (w/o forex impact)
Americas	64	43	-33.5% (-23.5%)
Europe	45	26	-43.0% (-37.5%)
Asia & Others	205	107	-47.6% (-42.1%)
Japan	38	15	-59.9% (-59.9%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2008	3/2009	Change
Americas	14	19	+31.1%
Europe	26	16	-38.8%
Asia & Others	215	145	-32.3%
Japan	71	45	-35.8%

➤ Posted a deficit for the year, due to the reduced sales of industrial sewing machines and rapid deterioration of market conditions of machine tools since the 3rd quarter.

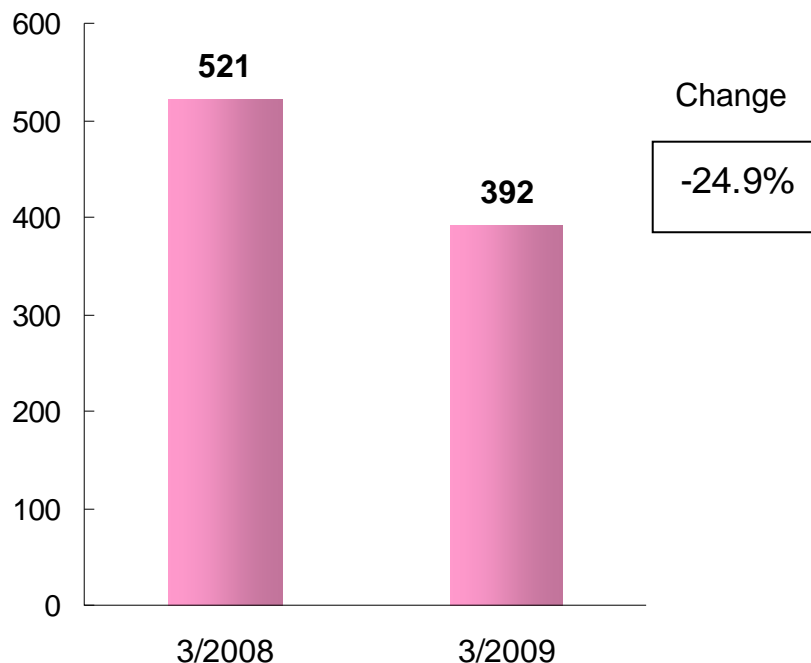
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

3-4. Others Sales & Operating Income

< Results for FY2008 (ended March 31, 2009) >

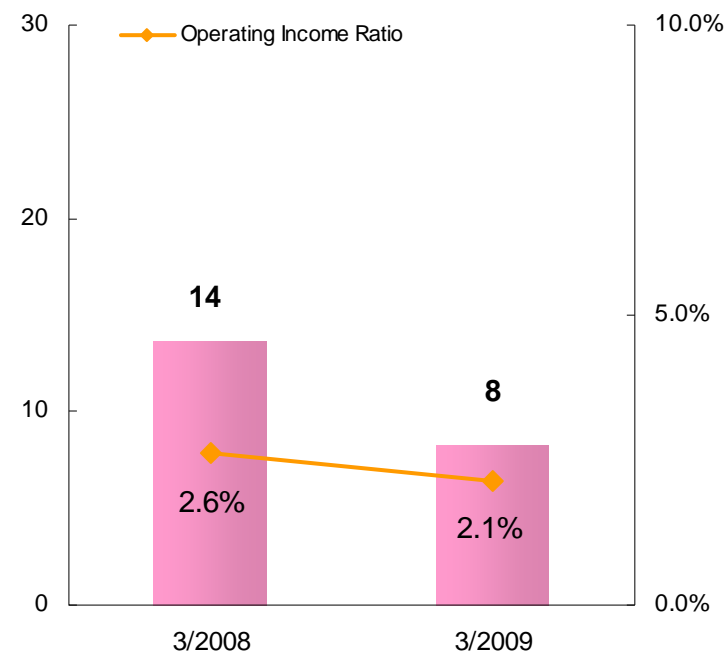
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



- Sales declined mainly due to the sales decrease in online karaoke and contents business, and transfer of a subsidiary retailing PC and computer peripherals.
- Operating income decreased because of the decline of sales.

* Regional sales breakdown for “Others” is not referred to here because the major part of sales are made in Japan.

4. Consolidated Forecast for FY 2009 (ending March 31, 2010)

(100 Millions of Yen)

	3/2010 [Forecast]	3/2009 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	4,250	4,822	-572	-11.9% (-0.0%)
Operating Income (loss)	130	199	-69	-34.7%
Operating Income Ratio	3.1%	4.1%	-1.1%	
Non-operating Income (Loss)	70	57	13	
Current Profits (loss)	200	256	-56	-21.8%
Extraordinary Income (Loss)	-16	-19	3	
Income Taxes	59	84	-25	
Net Income	125	153	-28	-18.1%

(Yen)

Exchange Rate	USD	90.00	100.62	-10.62
	EUR	120.00	144.43	-24.43

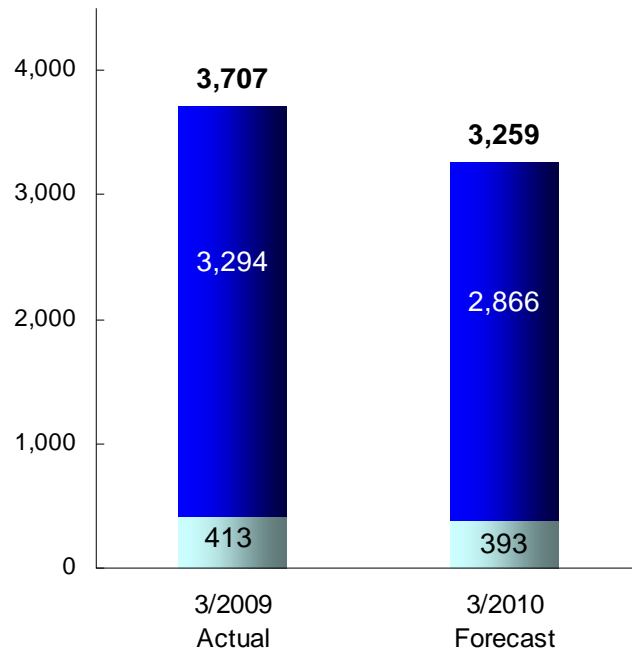
- Sales are expected to sharply decrease due to the continuing weak sales in the Machining business and negative impact from forex.
- Despite the effects of the drastic reduction of costs and expenses, operating income is expected to decline due to the reduced sales in the Machinery business and the negative impact from forex.
- Because of the hedging in forward-exchanging contract, exchange profit is expected in non-operating income/loss.

4-1. Printing & Solutions Sales & Operating Income

< Forecast for FY 2009(ending March 31, 2010) >

Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

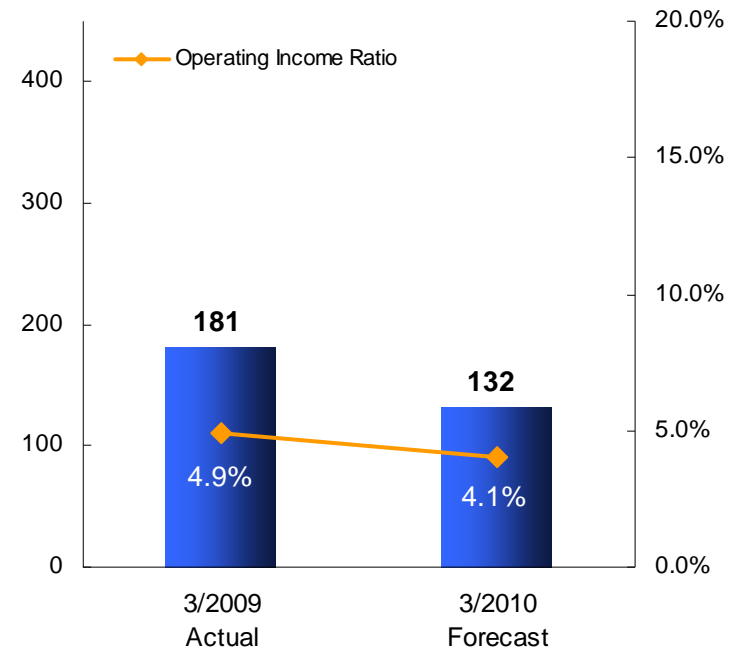
Total
-12.1% (+1.6%)

Communications & Printing equipment
-13.0% (+0.6%)

Electronic stationery
-4.8% (+9.3%)

Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2009 Actual	3/2010 Forecast	Change (w/o forex impact)
Americas	1,182	1,040	- 12.0% (-0.3%)
Europe	1,421	1,155	- 18.7% (-0.9%)
Asia & Others	343	313	- 8.7% (+7.8%)
Japan	348	358	+2.9% (+2.9%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2009 Actual	3/2010 Forecast	Change (w/o forex impact)
Americas	213	203	- 4.5% (+8.2%)
Europe	134	117	- 12.4% (+6.6%)
Asia & Others	32	33	+3.7% (+22.2%)
Japan	35	40	+14.2% (+14.2%)

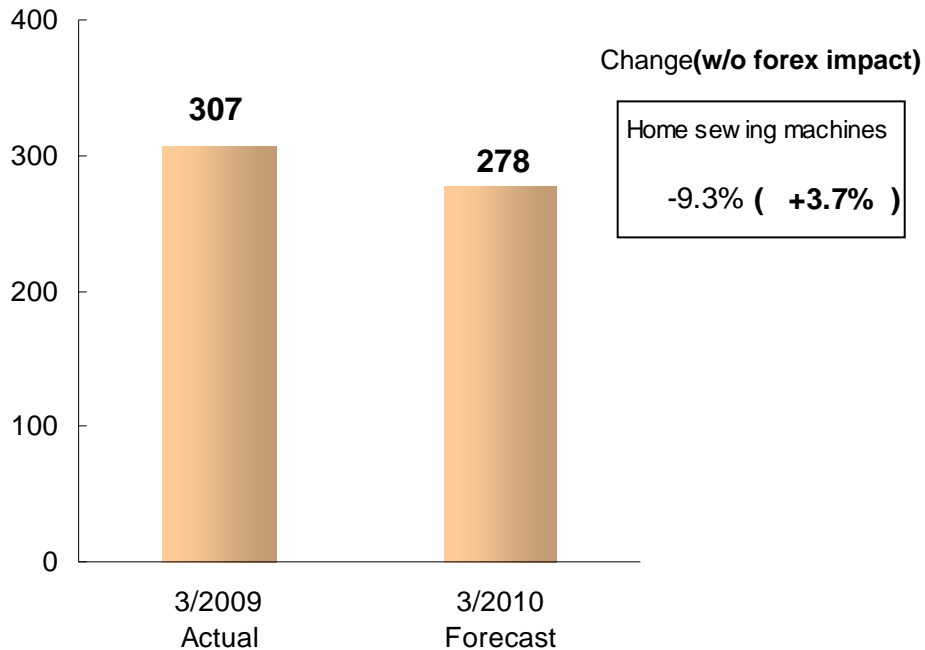
- As for Communications & Printing equipment, sales are expected to remain at a similar level to last year on the local currency basis.
- Operating income is expected to decline due to the significantly negative impact from forex, despite the efforts for improvement by changing sales composition and cutting costs.

4-2. Personal & Home Sales & Operating Income

< Forecast for FY 2009(ending March 31, 2010) >

Net Sales

(100 Millions of Yen)



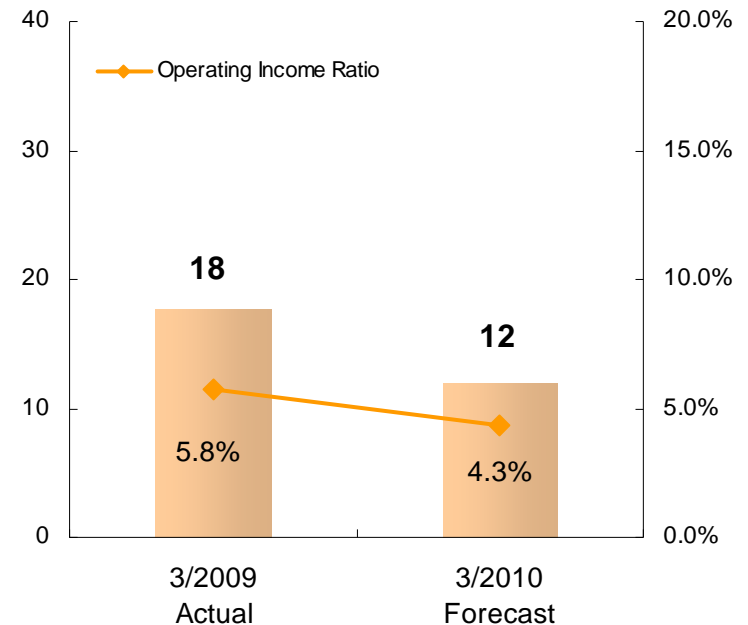
Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2009 Actual	3/2010 Forecast	Change (w/o forex impact)
Americas	136	119	- 12.8% (-0.6%)
Europe	79	70	- 11.7% (+11.4%)
Asia & Others	27	23	- 15.6% (+2.9%)
Japan	64	66	+3.7% (+3.7%)

Operating Income

(100 Millions of Yen)



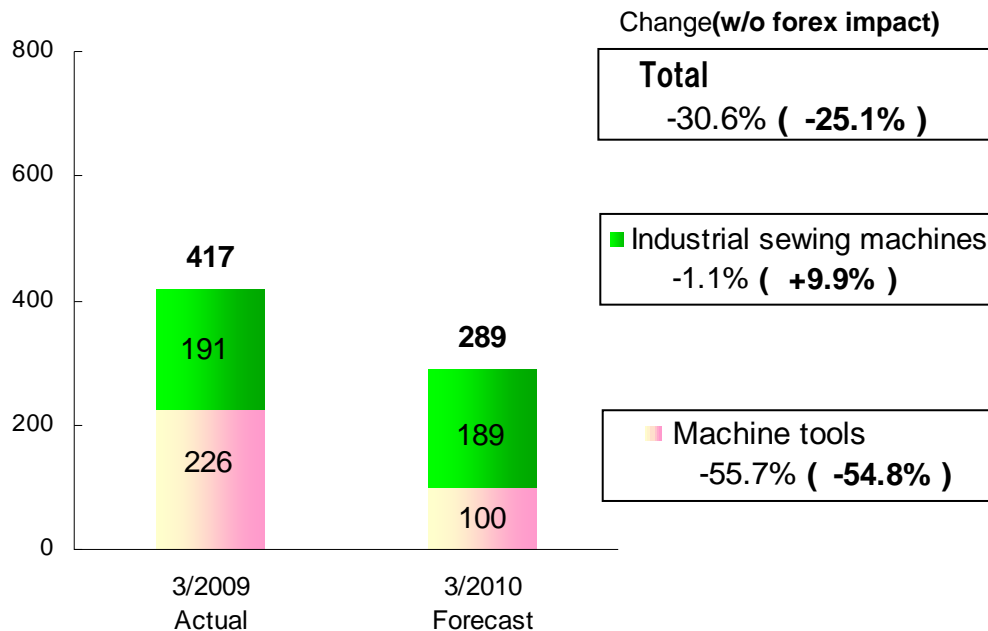
- While sales on the local currency basis is expected to increase, operating income is expected to decrease due to the negative impact from forex and change of sales composition.

4-3. Machinery & Solution Sales & Operating Income

< Forecast for FY 2009(ending March 31, 2010) >

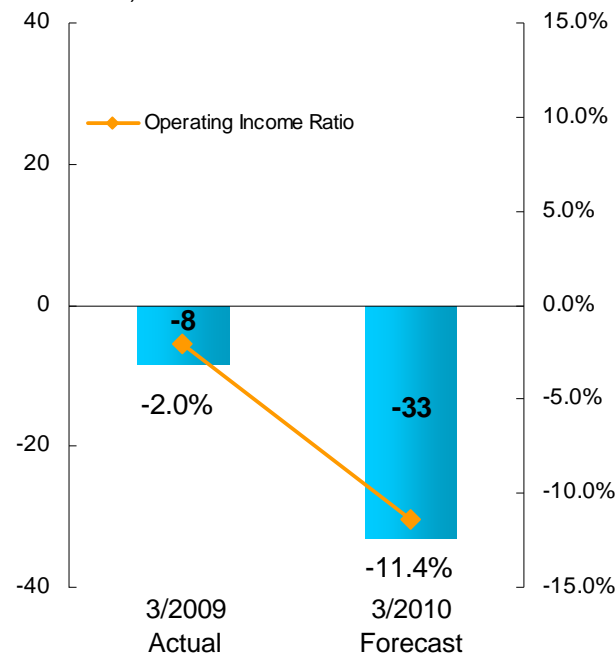
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2009 Actual	3/2010 Forecast	Change (w/o forex impact)
Americas	43	35	- 18.4% (-6.3%)
Europe	26	30	+16.3% (+35.2%)
Asia & Others	107	113	+5.4% (+15.6%)
Japan	15	11	- 27.3% (-27.3%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2009 Actual	3/2010 Forecast	Change
Americas	19	7	- 60.4%
Europe	16	7	- 55.5%
Asia & Others	145	64	- 55.7%
Japan	45	21	- 53.7%

- As for industrial sewing machines, slight recovery is expected toward the latter half of the year.
- As for the machine tools business, tough market conditions is expected to continue.
- Despite various kinds of measures to be taken to reduce costs and expenses, operating income is expected to decline due to the sales decrease.

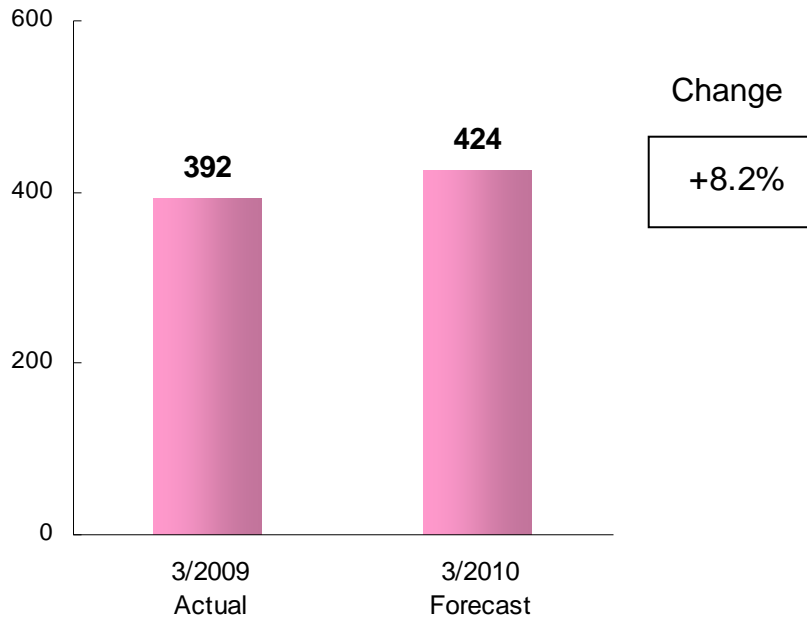
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

4-4. Others Sales & Operating Income

< Forecast for FY 2009(ending March 31, 2010) >

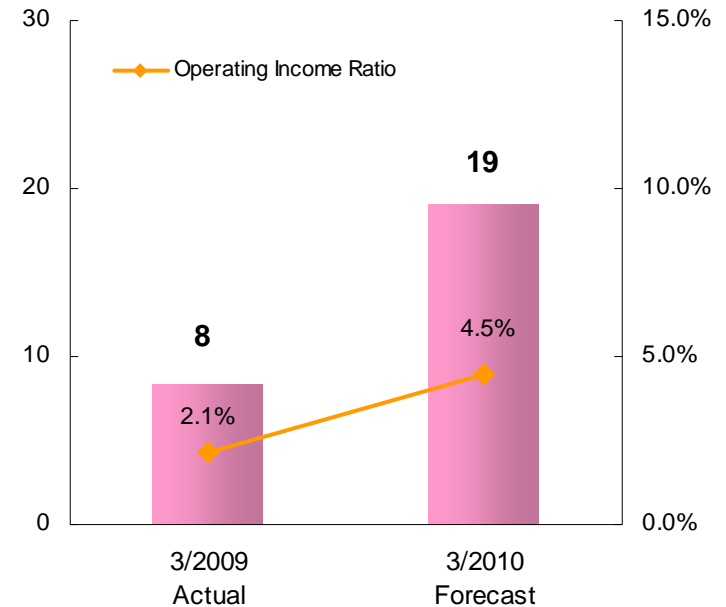
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



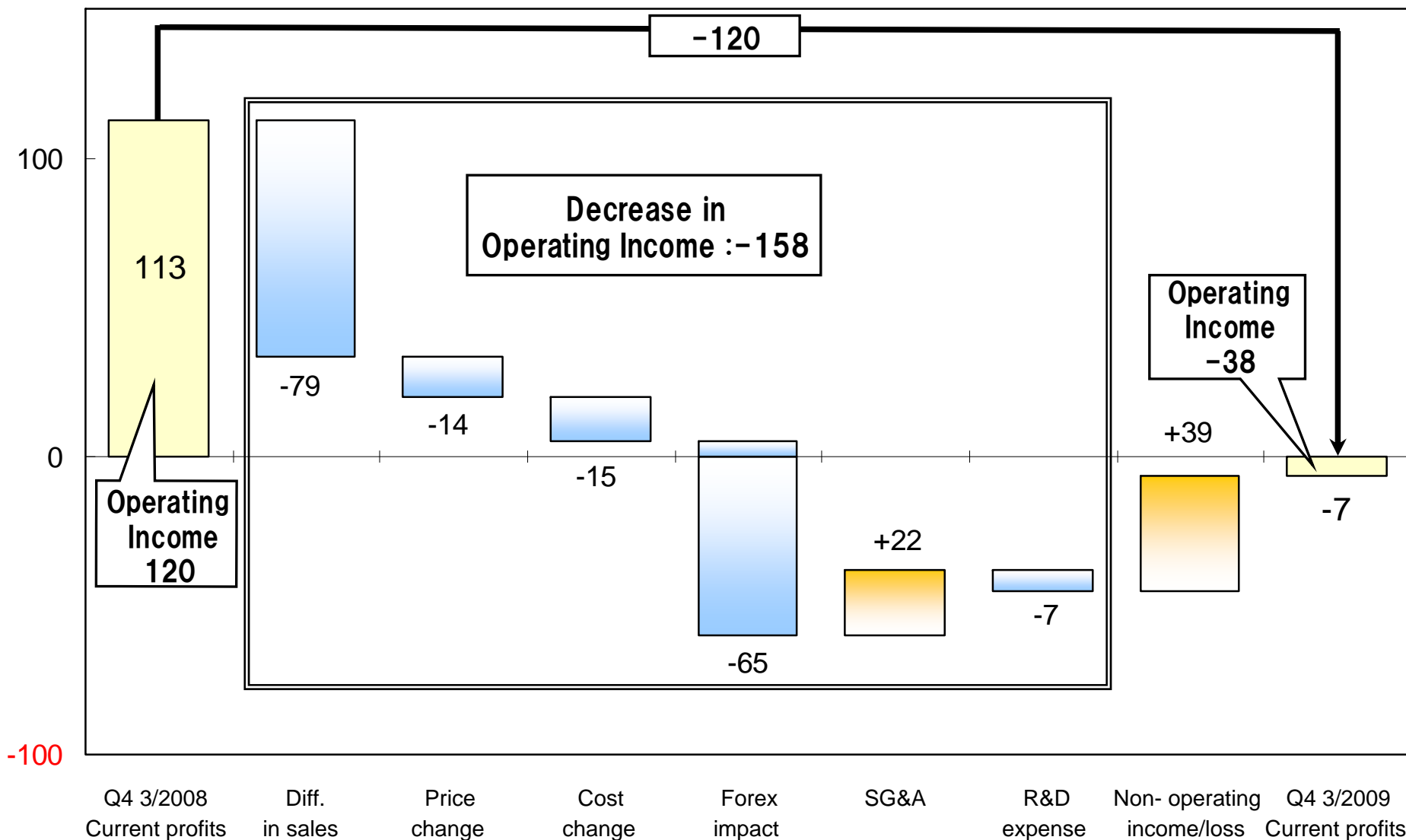
➤ Operating income is expected to increase in the online karaoke and content business due to the improved profit structure and sales increase.

* Regional sales breakdown for “Others” is not referred to here because the major part of sales are made in Japan.

(Reference) Main Factors for Changes in Current Profits

< FY2008 Q4(3-month Results) >

100 Millions of Yen



-100

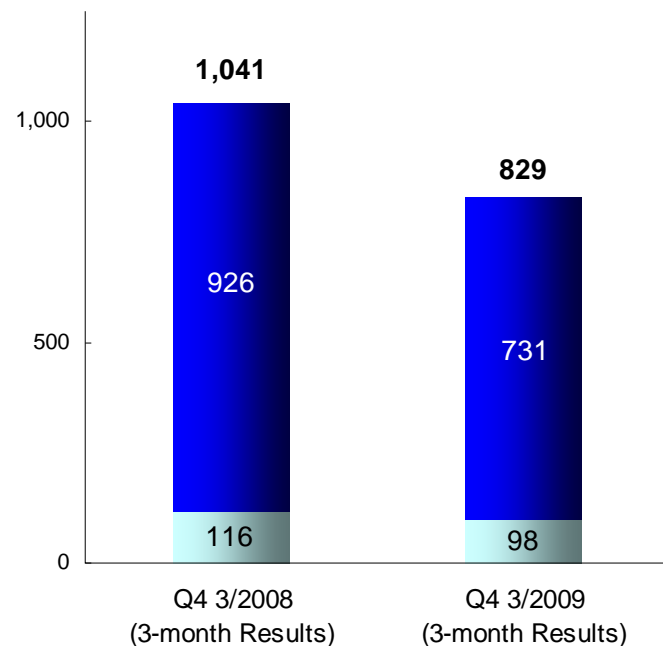
(Reference) Printing & Solutions Sales & Operating Income

< FY2008 Q4(3-month Results)>



Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

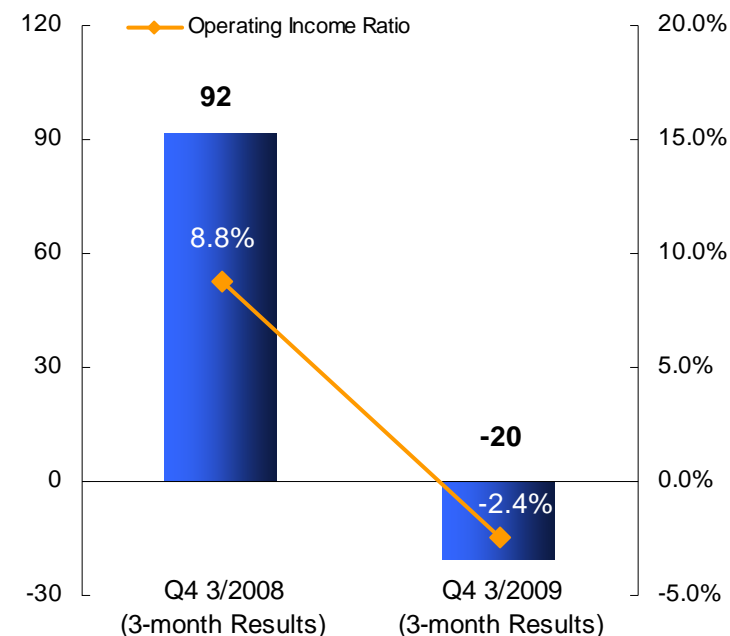
Total
-20.4% (-2.1%)

Communications & Printing equipment
-21.1% (-2.6%)

Electronic stationery
-15.5% (+1.9%)

Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q4 3/2008 (3-month Results)	Q4 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	329	274	-16.8% (-2.9%)
Europe	426	313	-26.6% (-2.0%)
Asia & Others	89	68	-23.3% (-1.3%)
Japan	82	76	-6.3% (-6.3%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

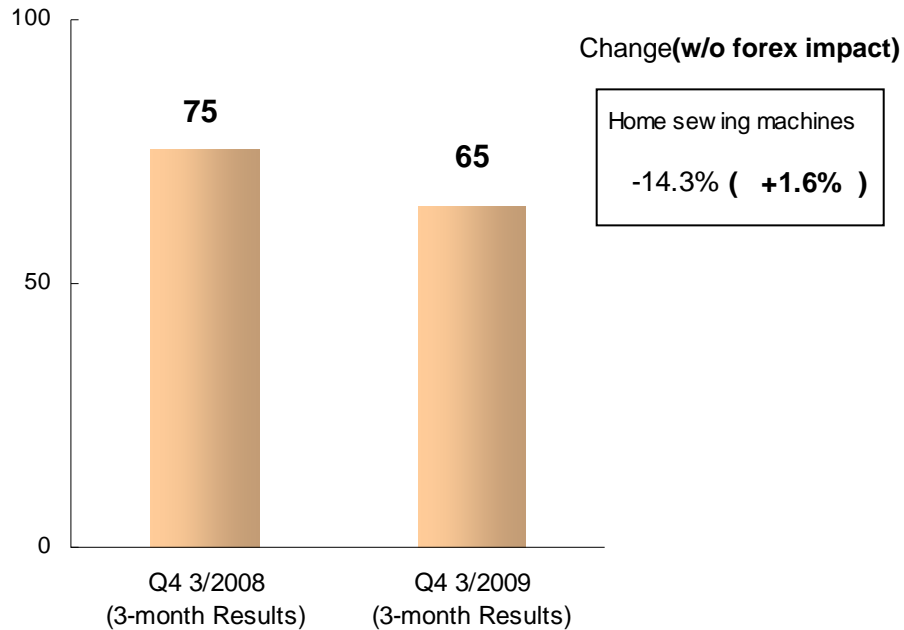
	Q4 3/2008 (3-month Results)	Q4 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	57	50	-13.0% (+1.3%)
Europe	39	30	-24.5% (+0.7%)
Asia & Others	8	7	-13.6% (+10.5%)
Japan	11	11	+2.8% (+2.8%)

(Reference) Personal & Home Sales & Operating Income

< FY2008 Q4(3-month Results)>

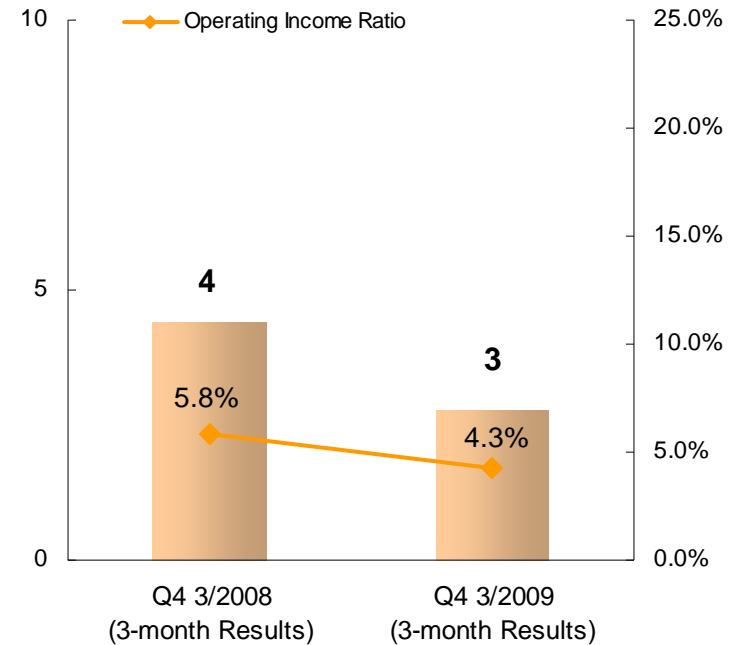
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	Q4 3/2008 (3-month Results)	Q4 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	29	27	-7.7% (+8.6%)
Europe	24	13	-44.8% (-22.2%)
Asia & Others	7	5	-24.6% (+1.1%)
Japan	16	20	+25.0% (+25.0%)

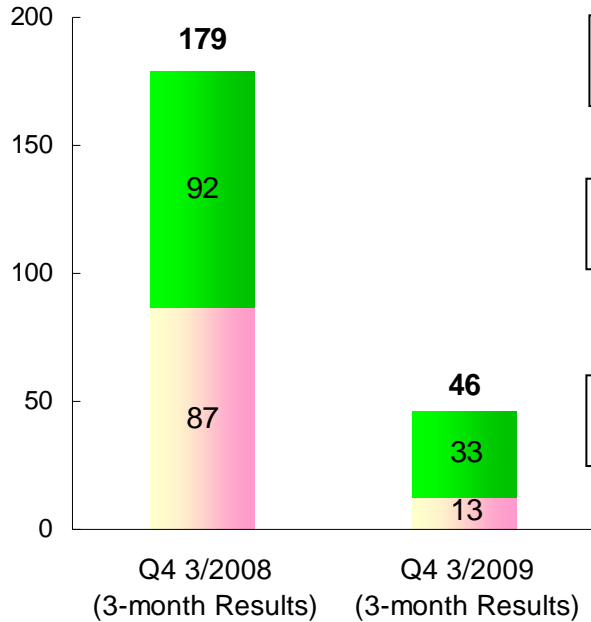
(Reference) Machinery & Solution Sales & Operating Income

< FY2008 Q4(3-month Results)>



Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

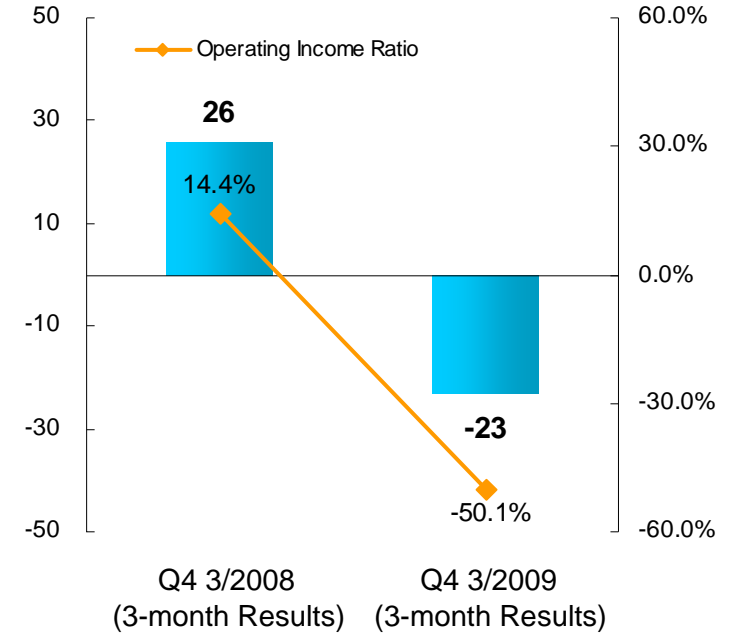
Total
-74.1% (-71.7%)

Industrial sewing machines
-63.8% (-59.2%)

Machine tools
-85.1% (-85.0%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q4 3/2008 (3-month Results)	Q4 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	15	6	-56.6% (-49.4%)
Europe	11	4	-65.9% (-56.0%)
Asia & Others	56	22	-61.7% (-57.9%)
Japan	11	2	-82.3% (-82.3%)

Machine tools

Geographical Sales(100 Millions of Yen)

	Q4 3/2008 (3-month Results)	Q4 3/2009 (3-month Results)	Change
Americas	4	2	-57.0%
Europe	6	0	-96.3%
Asia & Others	58	6	-90.1%
Japan	18	5	-71.7%

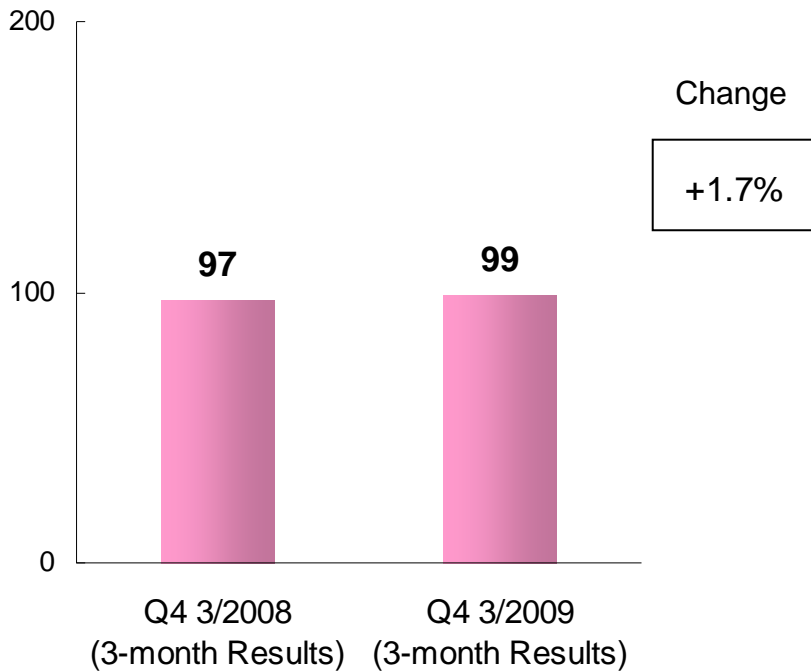
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

(Reference) Others Sales & Operating Income

< FY2008 Q4(3-month Results)>

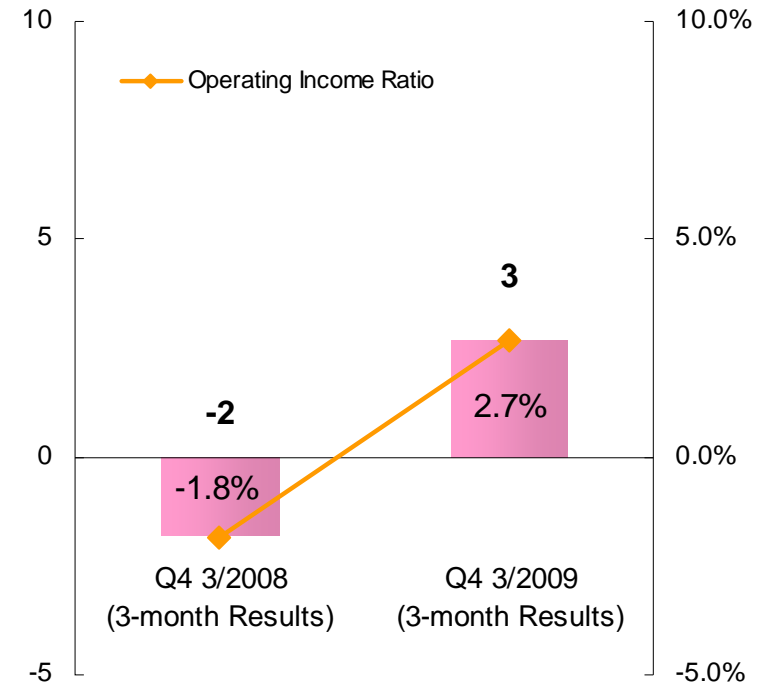
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)

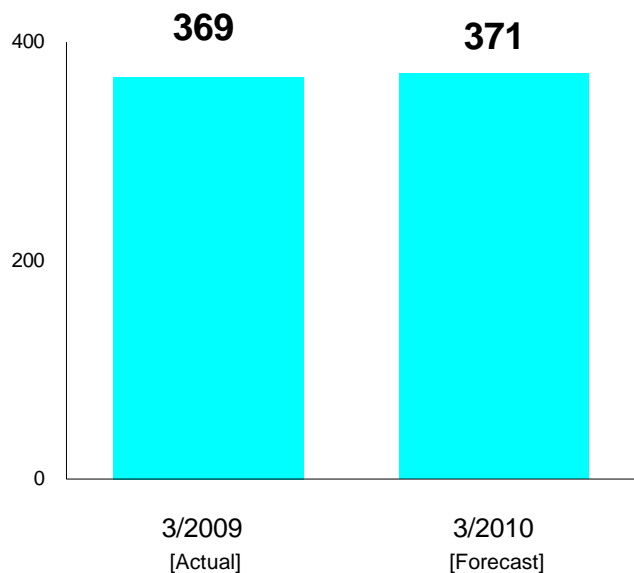


* Regional sales breakdown for "Others" is not referred to here because the major part of sales are made in Japan.

(Reference) R&D expenses, Capital expenditure, Depreciation and amortization and Inventories

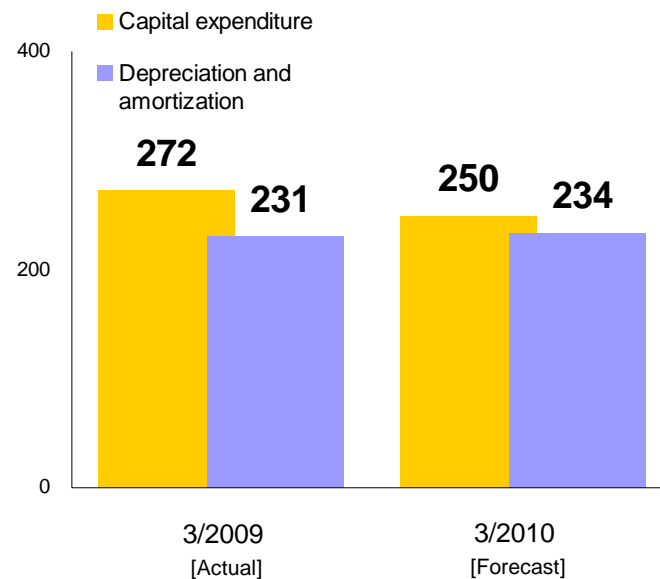
R&D expenses

(100 Millions of Yen)



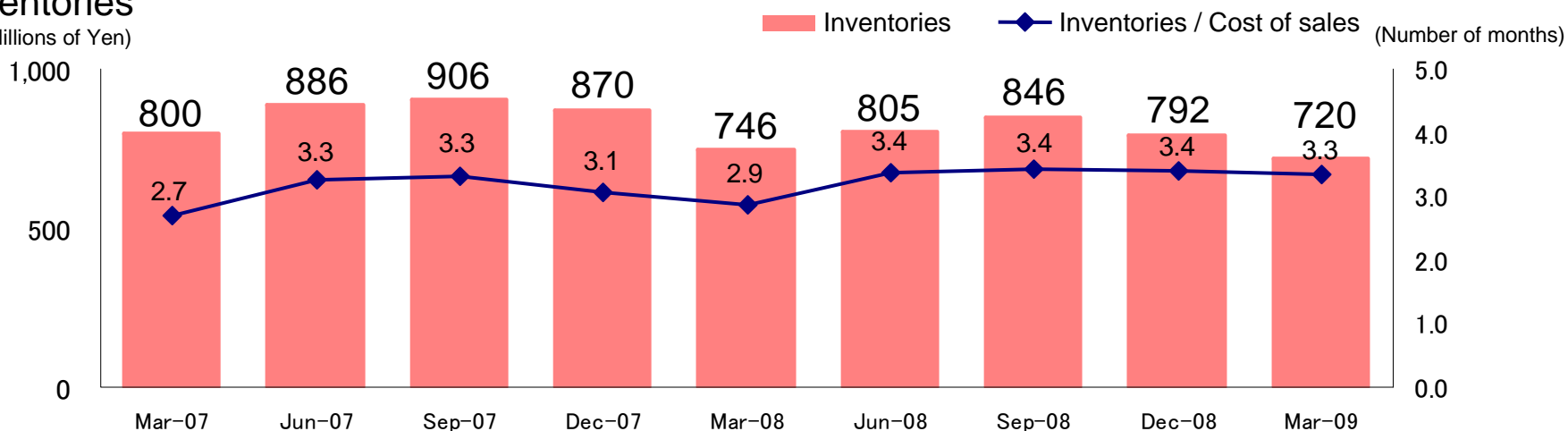
Capital expenditure and Depreciation and amortization

(100 Millions of Yen)



Inventories

(100 Millions of Yen)



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