

Fiscal Year 2008 (ending March 31, 2009)

First Quarter Results

(3-month results ended June 30, 2008)

Brother Industries, Ltd.

August 1, 2008

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.

1. Consolidated Results for FY2008 Q1(3-month Results)

(100 Millions of Yen)

	Q1 3/2009 [Actual]	Q1 3/2008 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	1,261	1,374	-113	-8.2% (-2.3%)
Operating Income	92	120	-28	-23.4%
Operating Income Ratio	7.3%	8.7%	-1.4%	
Non-operating Income	4	-21	25	
Current Profits	96	99	-3	-2.7%
Extraordinary Income	-3	3	-6	
Income Taxes	29	42	-13	
Net Income	65	60	4	7.1%

(Yen)

Exchange Rate	USD	104.13	120.70	-16.57
	EUR	163.13	162.33	0.80

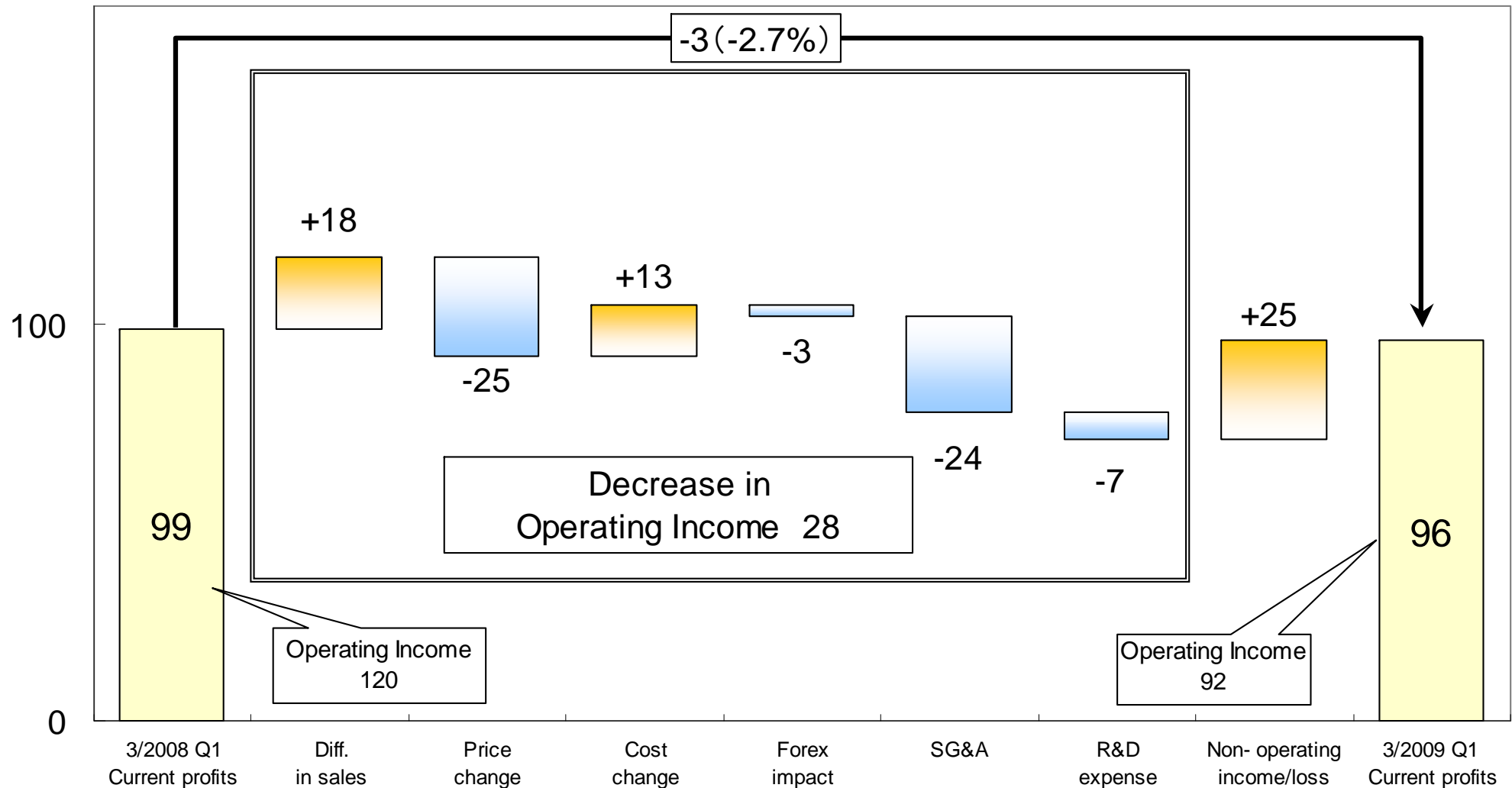
- Net sales decreased due to the negative impact from exchange conversion, reduced sales in industrial sewing machines and the transfer of business, etc.
- Operating income decreased mainly in industrial sewing machines.
- Net income increased due to the decrease of exchange losses on non-operating income (expense) and the decrease of corporate tax.

2. Main Factors for Changes in Current Profits

< FY2008 Q1(3-month Results)>



100 Millions of Yen



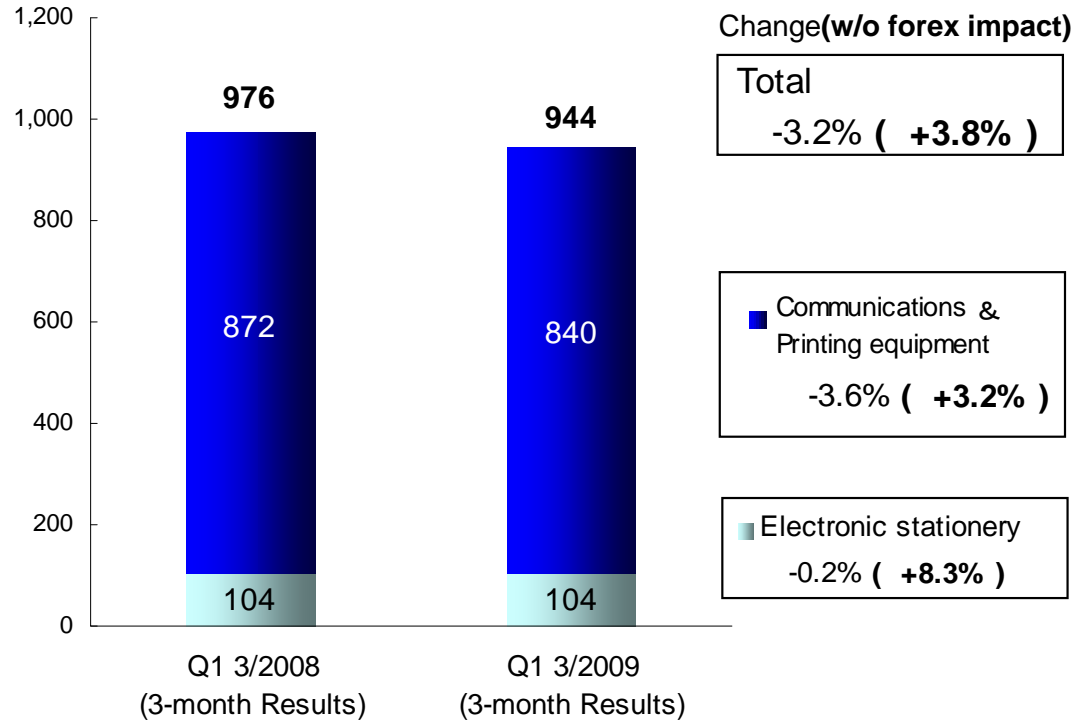
3-1. Printing & Solutions Sales & Operating Income

< FY2008 Q1(3-month Results)>



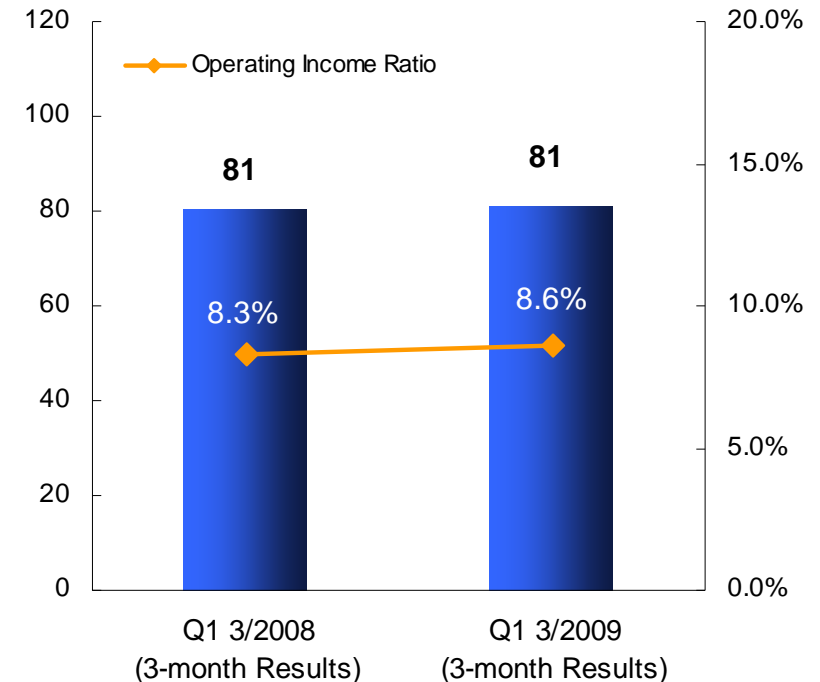
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q1 3/2008	Q1 3/2009	Change(w/o forex impact)
Americas	310	297	-4.4% (+9.3%)
Europe	378	366	-3.0% (-0.5%)
Asia & Others	97	97	+0.9% (+8.7%)
Japan	87	80	-8.2% (-8.2%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	Q1 3/2008	Q1 3/2009	Change(w/o forex impact)
Americas	56	53	-5.9% (+7.5%)
Europe	33	36	+11.0% (+13.5%)
Asia & Others	7	8	+9.5% (+16.6%)
Japan	8	7	-15.3% (-15.3%)

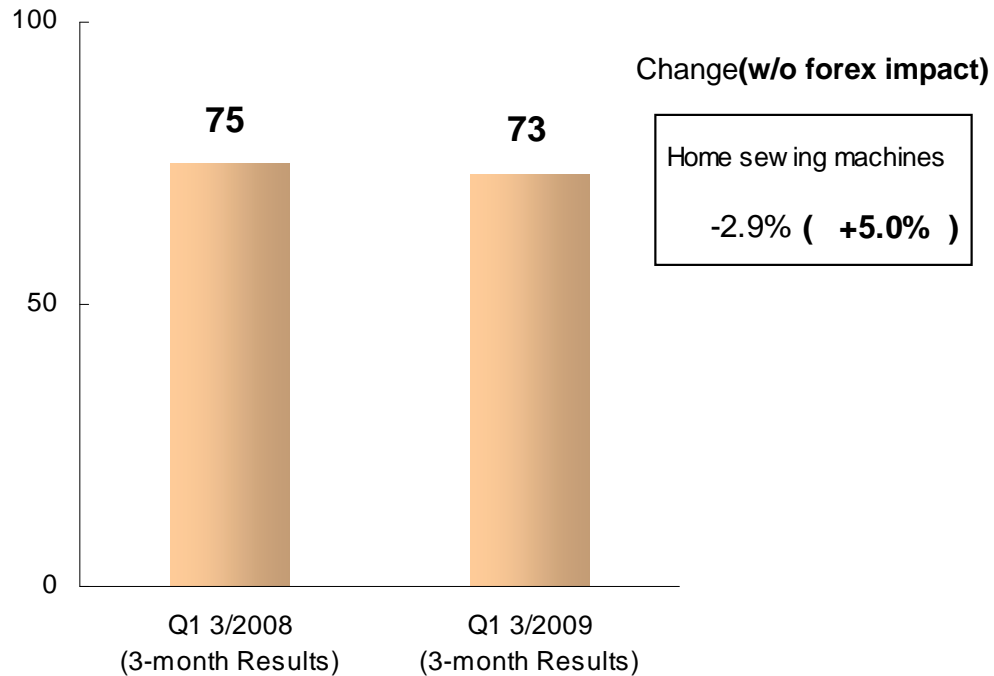
- As for Communication & Printing equipment, sales in laser and inkjet business increased on a local currency basis.
- Operating income remained at a level similar to the same period last year due to the increased sales and the sales composition, despite the increase of SG&A including R&D expenses.

3-2. Personal & Home Sales & Operating Income

< FY2008 Q1(3-month Results)>

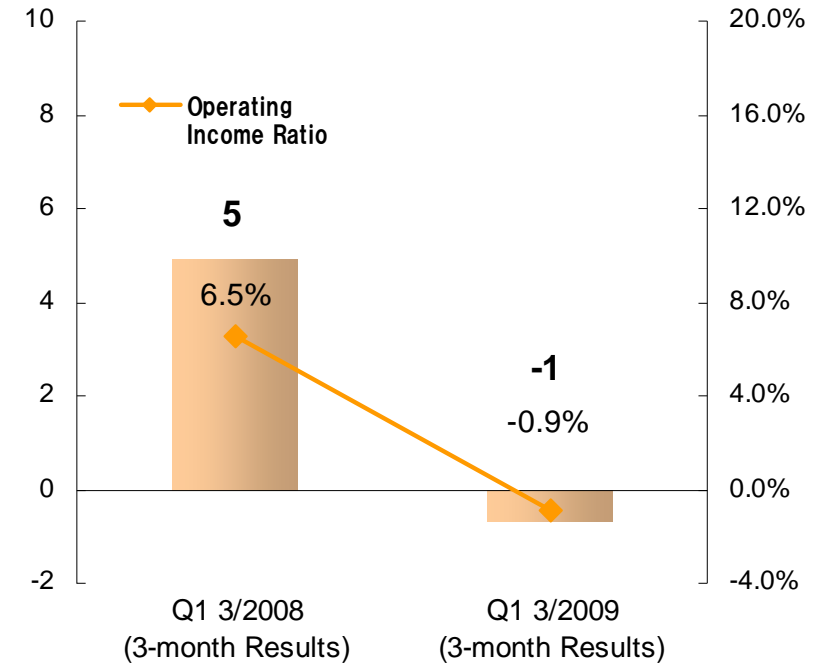
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	Q1 3/2008	Q1 3/2009	Change(w/o forex impact)
Americas	31	28	-10.7% (+1.3%)
Europe	20	21	+5.6% (+14.6%)
Asia & Others	6	7	+12.3% (+19.6%)
Japan	17	17	-4.6% (-4.6%)

➤ Sales increased mainly in the lower-end sewing machines while operating income declined due to the change in sales composition caused by the decline in mid- to high-end sewing machines and the increase of SG&A.

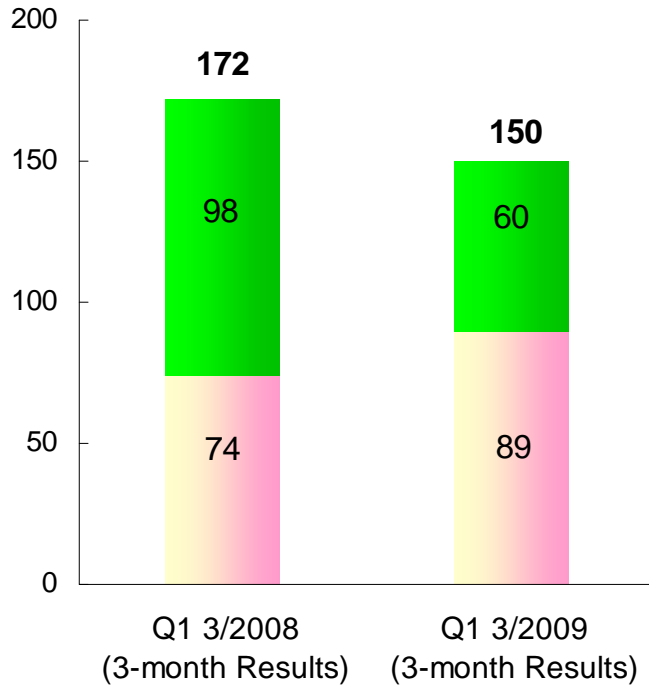
3-3. Machinery & Solution Sales & Operating Income

< FY2008 Q1(3-month Results)>



Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

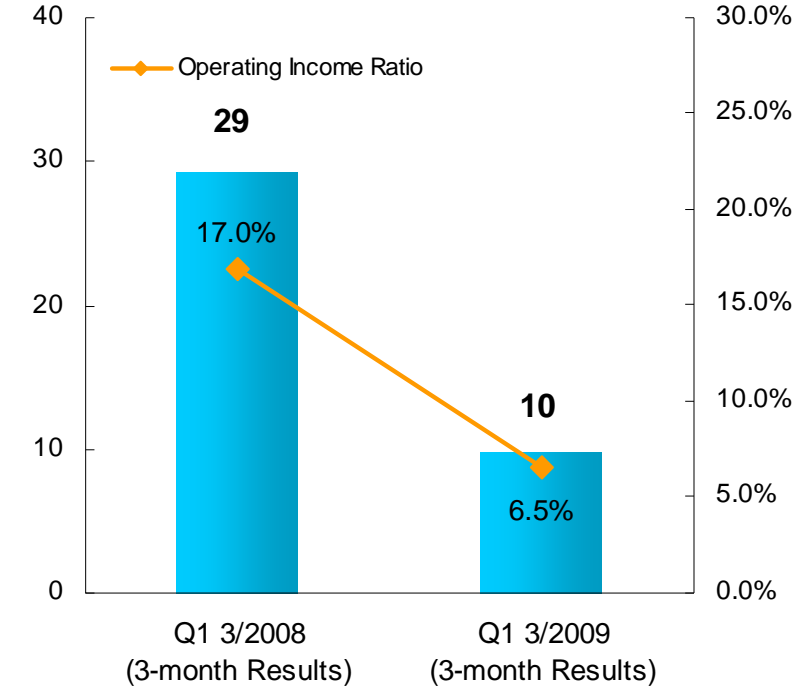
Total
-12.9% (-9.3%)

Industrial sewing machines
-38.3% (-32.3%)

Machine tools
+20.6% (+21.2%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q1 3/2008	Q1 3/2009	Change(w/o forex impact)
Americas	18	13	-28.6% (-18.0%)
Europe	12	9	-22.6% (-22.9%)
Asia & Others	58	33	-43.4% (-36.6%)
Japan	9	5	-45.4% (-45.4%)

Machine tools

Geographical Sales(100 Millions of Yen)

	Q1 3/2008	Q1 3/2009	Change(w/o forex impact)
Americas	3	7	+141.6%
Europe	9	6	-28.1%
Asia & Others	45	62	+38.6%
Japan	18	15	-18.5%

- Sales in machine tools grew steadily while sales in industrial sewing machines marked a sharp decline.
- Operating income sharply declined due to the sales decrease in industrial sewing machines.

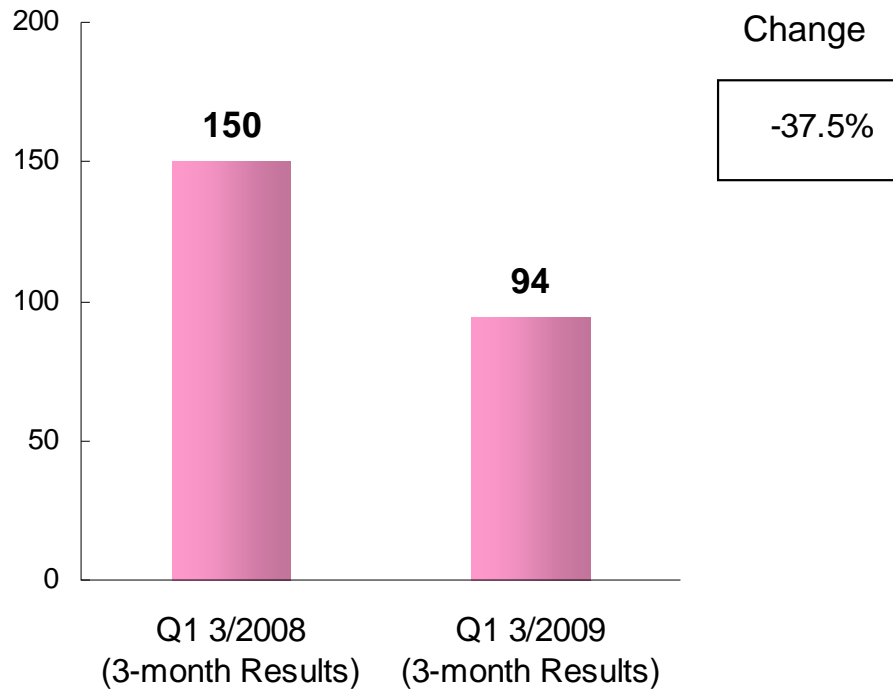
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

3-4. Others Sales & Operating Income

< FY2008 Q1(3-month Results)>

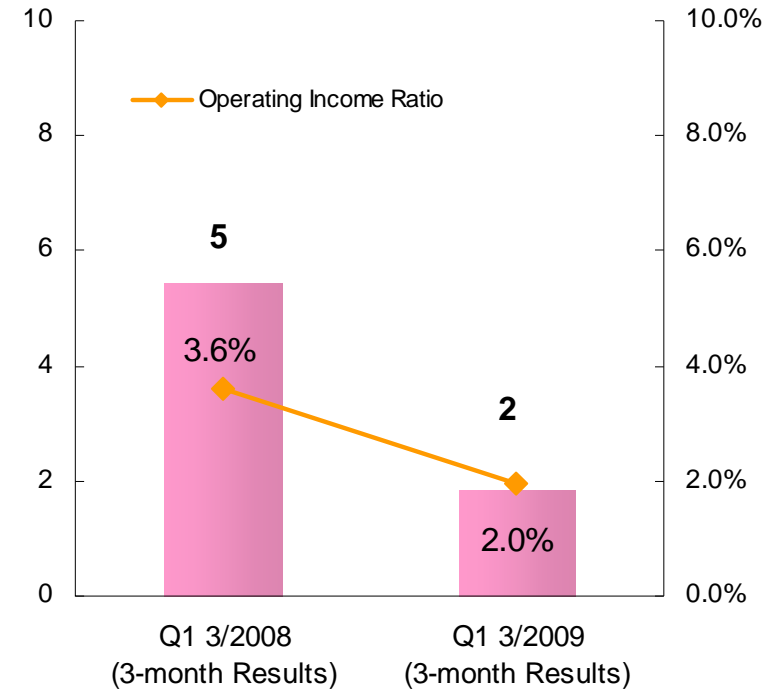
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



* Regional sales breakdown for “Others” is not referred here because most part of sales is made in Japan.

- Sales decreased due to the transfer of a subsidiary retailing PC and computer peripherals, etc.
- Operating income declined due to over all sales decrease.

4-1. Revised Forecast for FY 2008 (ending March 31, 2009)

(100 Millions of Yen)

	3/2009 [Revised]	3/2009 [Previous]	Change	Rate of Change (w/o forex impact)
Net Sales	5,700	5,700	0	- (-2.0%)
Operating Income	450	450	0	-
Operating Income Ratio	7.9%	7.9%	0.0%	
Non-operating Income	-30	-10	-20	
Current Profits	420	440	-20	-4.5%
Extraordinary Income	-5	-5	0	
Income Taxes	140	150	-10	
Net Income	275	285	-10	-3.5%

* Assumed exchange rates
from the second quarter to the
fourth quarter
1 USD=100.00 JPY
1 EUR=160.00 JPY

		(Yen)		
Exchange Rate	USD	101.27	100.00	1.27
	EUR	160.96	155.00	5.96

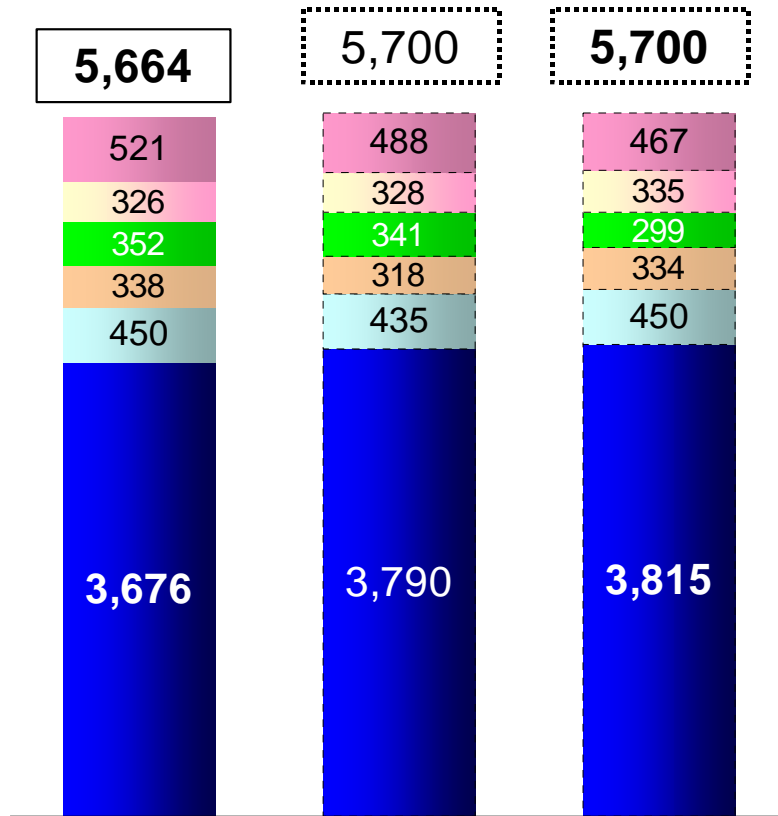
- Net sales remain unchanged due to a positive impact from forex while lowering the forecast of industrial sewing machines sales.
- Operating income remains unchanged due to a positive impact from forex despite cost-up factors such as higher prices for raw materials and reduced operating income in industrial sewing machines.
- Current profits and net income are revised downward from the previous forecast due to an increase of exchange losses on non-operating income (expense).

4-1. Revised Forecast for FY 2008 (ending March 31, 2009)

Sales and Operating Income by Business Segment

Net Sales

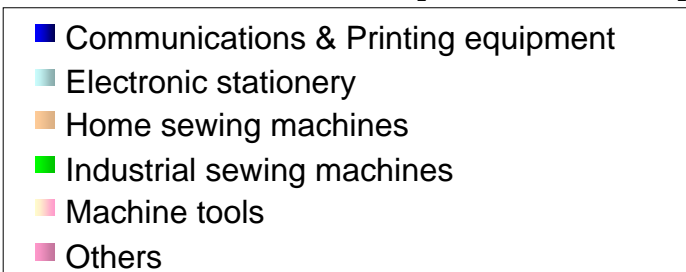
(100 Millions of Yen)



3/2008
[Actual]

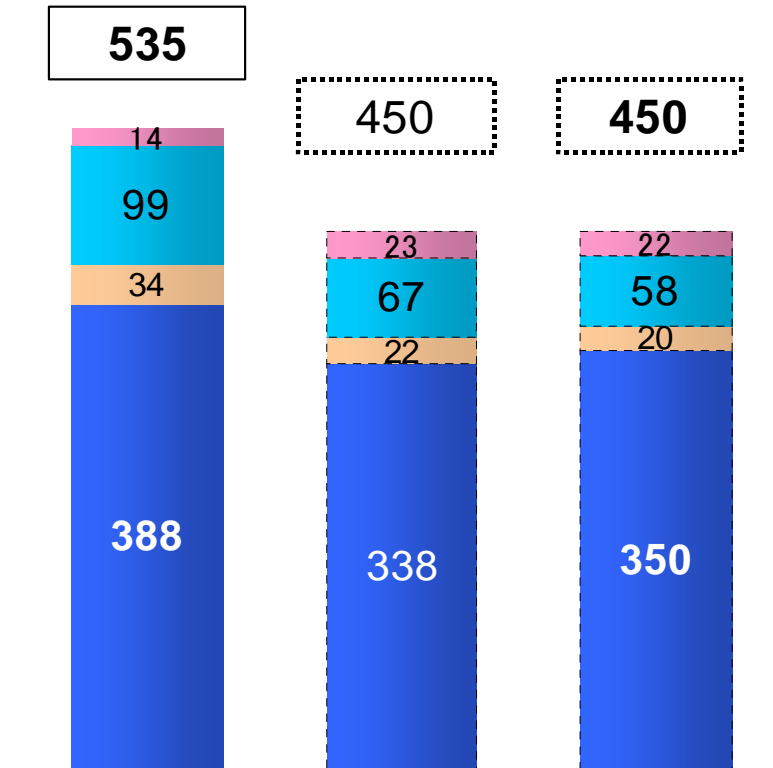
3/2009
[Previous
Forecast]

3/2009
[Revised
Forecast]



Operating Income

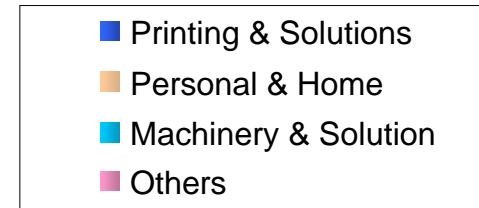
(100 Millions of Yen)



3/2008
[Actual]

3/2009
[Previous
Forecast]

3/2009
[Revised
Forecast]



5. Consolidated Forecast for FY 2008 (ending March 31, 2009)

(100 Millions of Yen)

	3/2009 [Forecast]	3/2008 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	5,700	5,664	36	0.6% (6.8%)
Operating Income	450	535	-85	-15.9%
Operating Income Ratio	7.9%	9.4%	-1.6%	
Non-operating Income	-30	-70	40	
Current Profits	420	465	-45	-9.7%
Extraordinary Income	-5	-3	-2	
Income Taxes	140	192	-52	
Net Income	275	271	4	1.4%

(Yen)

Exchange Rate	USD	101.27	114.13	-12.86
	EUR	160.96	161.88	-0.92

- Net sales are expected to increase due to sales increase of Communication & Printing equipment in spite of a negative impact from forex.
- Operating income is expected to decline due to factors such as higher prices for raw materials and an increase of R&D expenses and amortization cost.
- Net income is expected to remain at a level similar to the same period last year due to a decrease of exchange losses of non-operating income (expense) and a decrease of corporate tax.

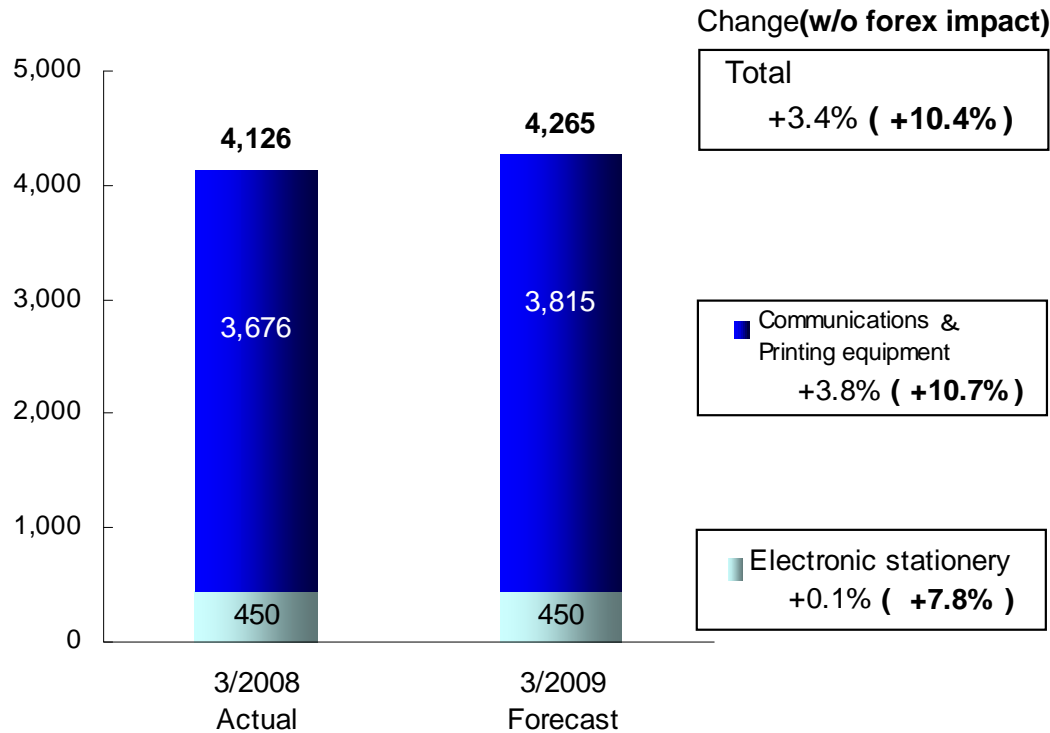
5-1. Printing & Solutions Sales & Operating Income

<Forecast for FY 2008(ending March 31, 2009)>



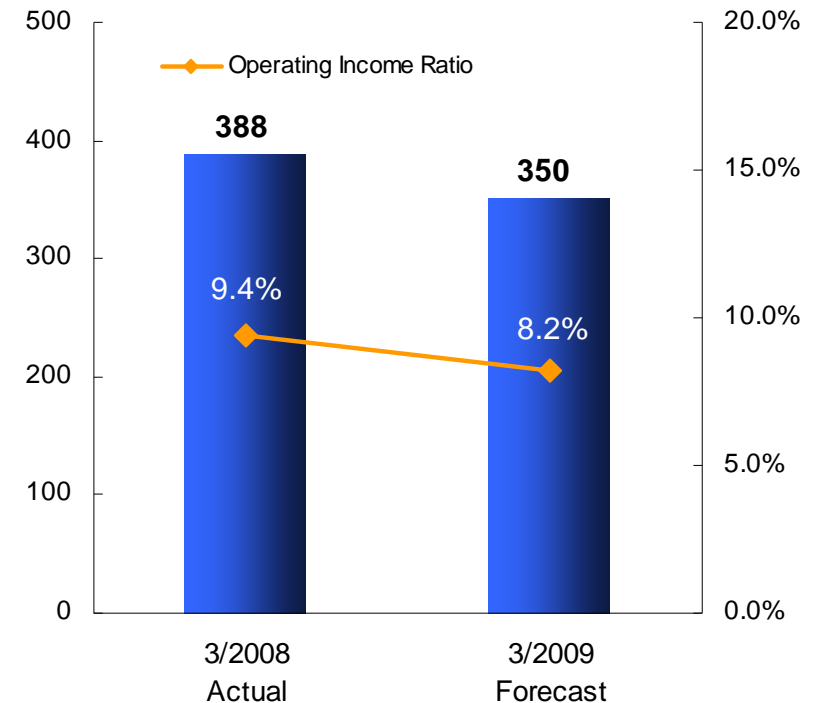
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change(w/o forex impact)
Americas	1,291	1,284	- 0.6% (+12.8%)
Europe	1,650	1,721	+4.3% (+7.2%)
Asia & Others	376	425	+13.1% (+22.3%)
Japan	359	385	+7.2% (+7.2%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change(w/o forex impact)
Americas	233	224	- 3.7% (+8.6%)
Europe	148	155	+4.9% (+7.3%)
Asia & Others	34	35	+1.5% (+9.2%)
Japan	35	36	+3.3% (+3.3%)

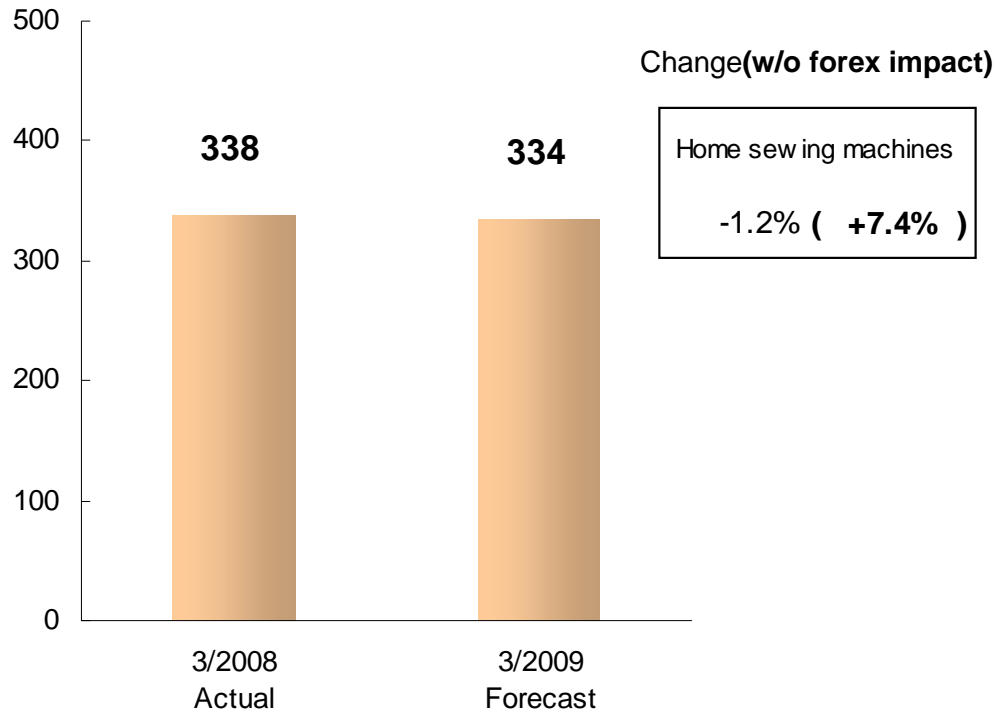
- As for Communication & Printing equipment, sales in laser and inkjet business are expected to increase on a local currency basis.
- Operating income is expected to decline due to factors such as higher prices for raw materials and an increase of R&D expenses and amortization cost.

5-2. Personal & Home Sales & Operating Income

<Forecast for FY 2008(ending March 31, 2009)>

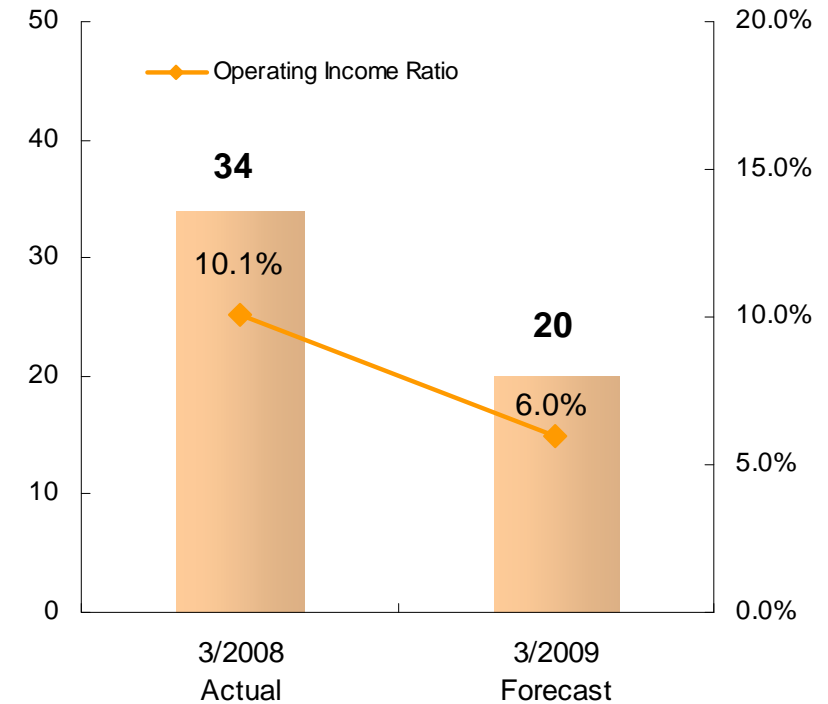
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change(w/o forex impact)
Americas	153	150	- 2.1% (+11.5%)
Europe	94	91	- 3.3% (+2.9%)
Asia & Others	27	27	- 1.2% (+6.6%)
Japan	63	66	+4.4% (+4.4%)

➤ While a sales increase is expected in low-end sewing machines on a local currency basis, operating income is expected to decline due to the change of sales composition caused by a decrease in mid- to high-end sewing machines and an increase of SG&A.

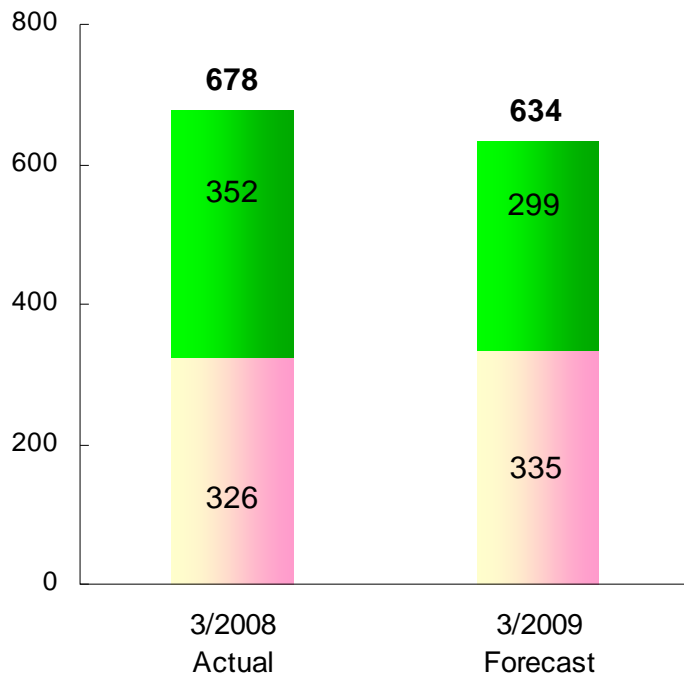
5-3. Machinery & Solution Sales & Operating Income

<Forecast for FY 2008(ending March 31, 2009)>



Net Sales

(100 Millions of Yen)

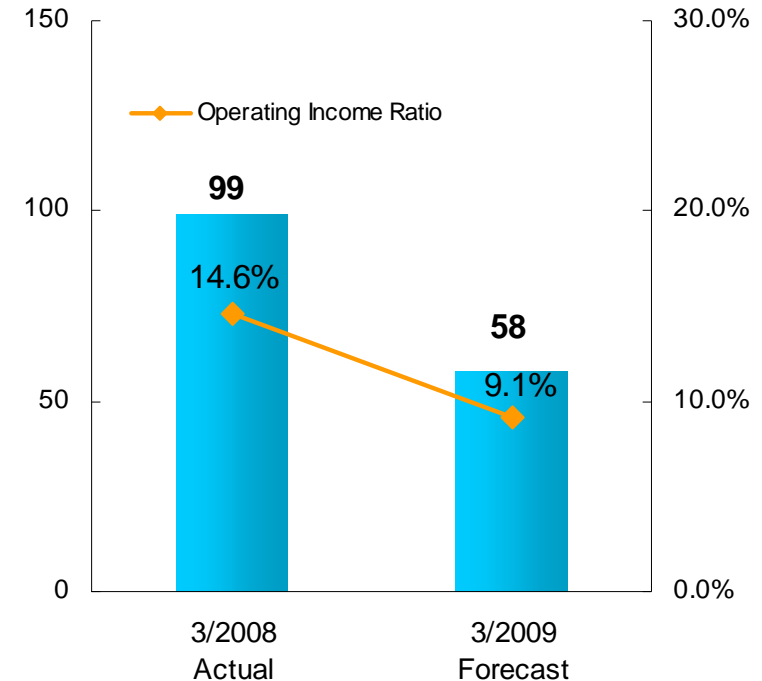


Change(w/o forex impact)

Total	-6.5% (-2.7%)
Industrial sewing machines	-15.2% (-8.2%)
Machine tools	+2.8% (+3.3%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change(w/o forex impact)
Americas	64	57	- 11.6% (-0.0%)
Europe	45	39	- 13.9% (-13.3%)
Asia & Others	205	180	- 12.1% (-4.0%)
Japan	38	23	- 39.1% (-39.1%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change
Americas	14	20	+38.1%
Europe	26	25	- 5.2%
Asia & Others	215	227	+5.6%
Japan	71	64	- 10.0%

- Sales of machine tools are expected to grow steadily while sales in industrial sewing machines are expected to decline.
- Operating income is expected to sharply decrease due to the sales decline in industrial sewing machines and a negative impact from forex.

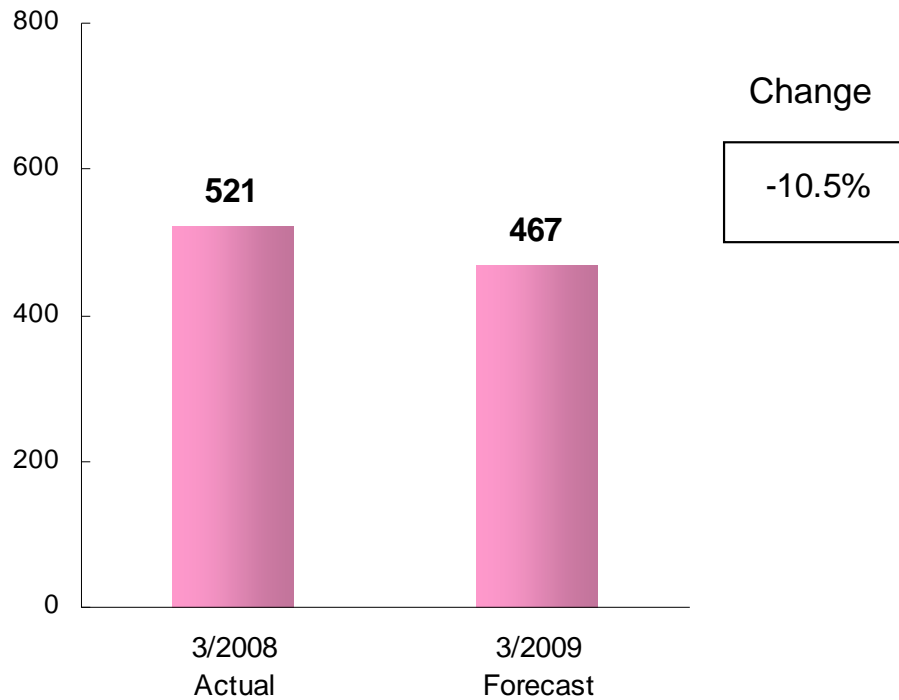
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

5-4. Others Sales & Operating Income

<Forecast for FY 2008(ending March 31, 2009)>

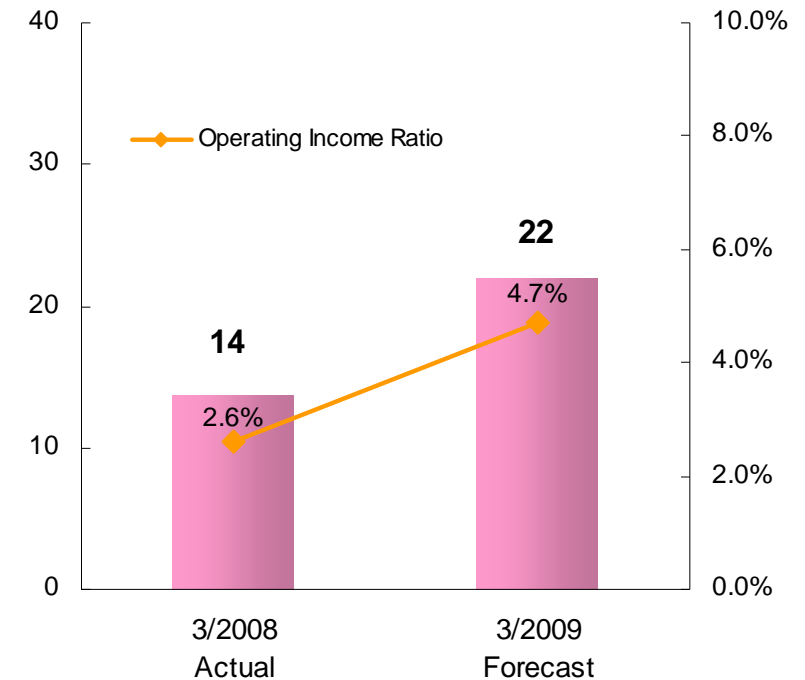
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



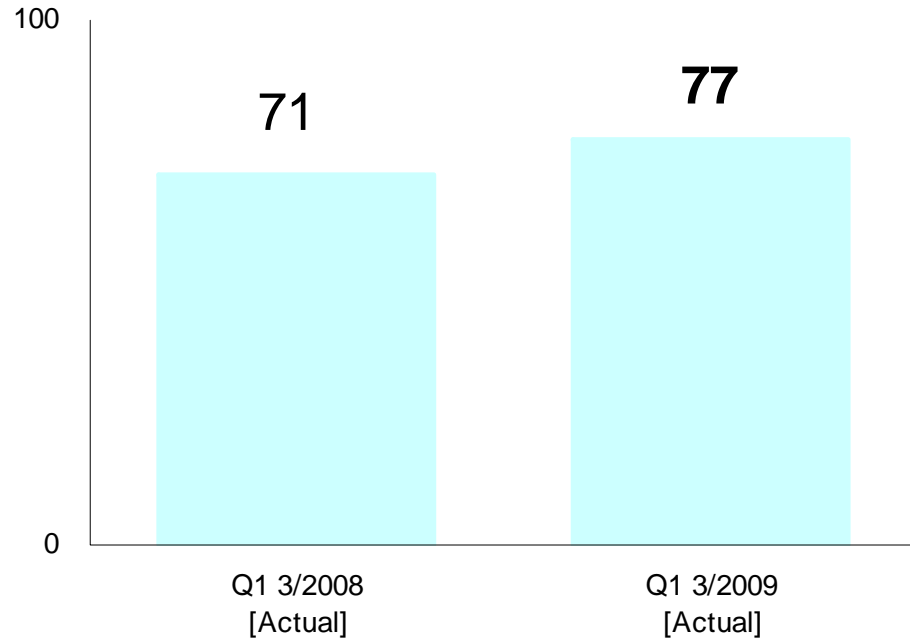
* Regional sales breakdown for “Others” is not referred here because most part of sales is made in Japan.

- Sales are expected to decline mainly due to the transfer of a subsidiary retailing PC and computer peripherals.
- Operating income is expected to improve in online karaoke and contents business.

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

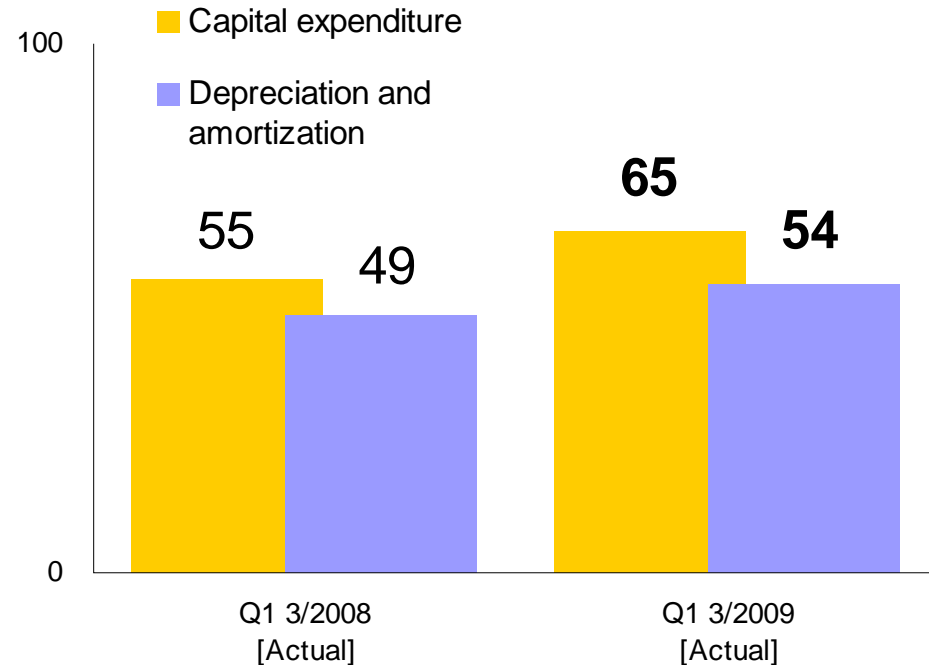
R&D expenses

(100 Millions of Yen)



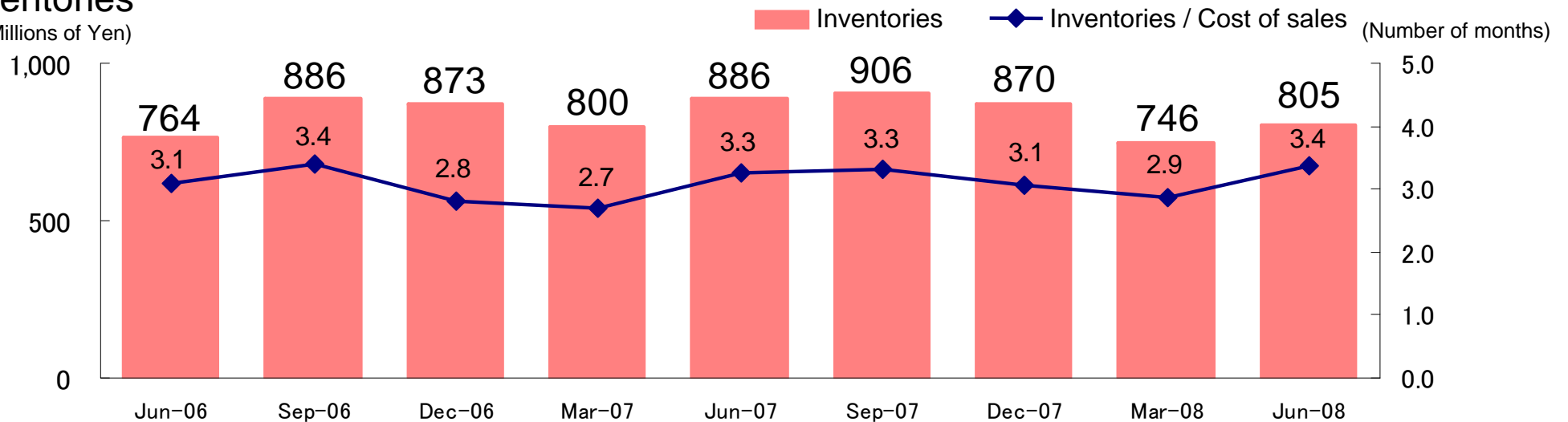
Capital expenditure and Depreciation and amortization

(100 Millions of Yen)



Inventories

(100 Millions of Yen)



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