

Fiscal Year 2008 (ending March 31, 2009)

First Half & Second Quarter Results
(ended September 30, 2008)

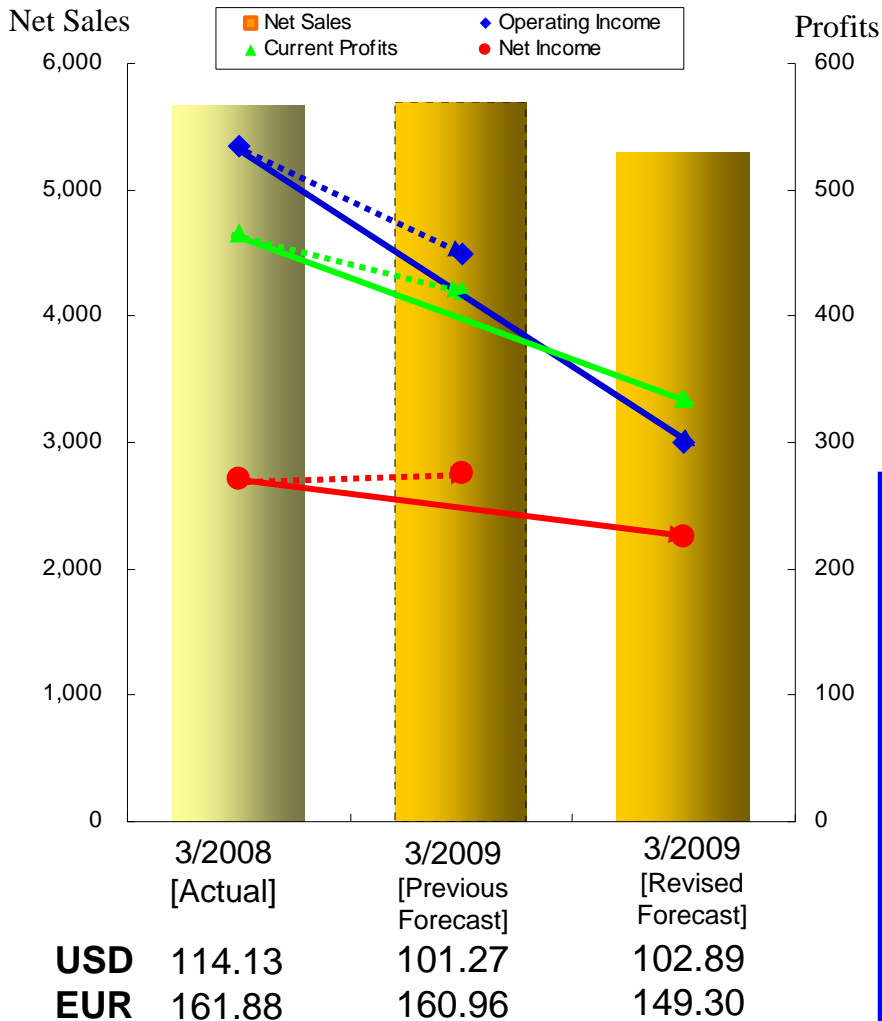
Brother Industries, Ltd.

November 4, 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.

Forecast for FY2008 (ending March 31, 2009)

100 millions of yen



USD	114.13	101.27	102.89
EUR	161.88	160.96	149.30

*exchange rates
from Q2 to Q4
100.00
160.00

* exchange rates
from Q3 to Q4
100.00
135.00

(w/o forex impact) [100 Millions of Yen]

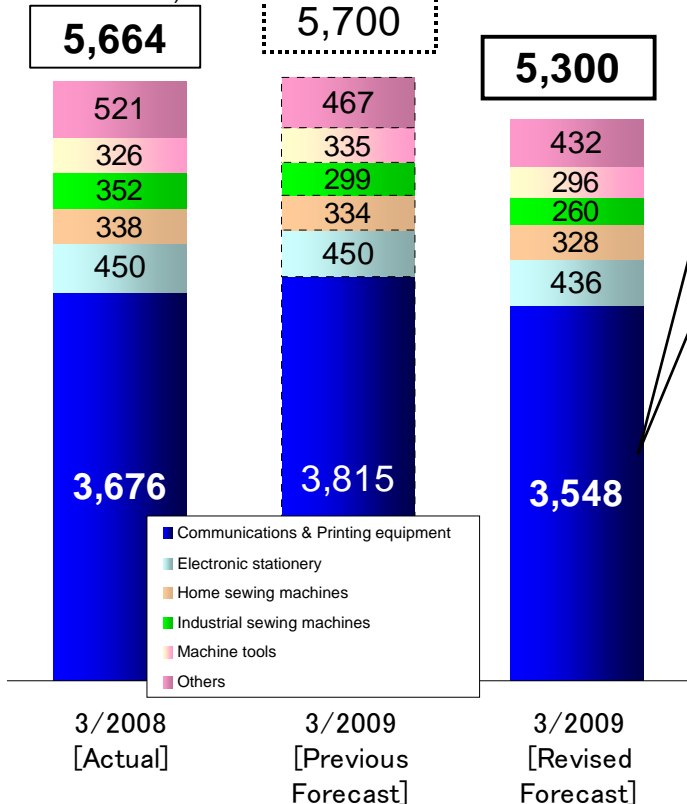
	3/2009 Forecast	Changes to Previous Forecast (Aug.1)		Year-on-Year Changes	
Net Sales	5,300	- 400	-7.0% (-4.4%)	- 364	-6.4% (2.6%)
Operating Income	300	- 150	-33.3%	- 235	-43.9%
Current Profits	335	- 85	-20.2%	- 130	-28.0%
Net Income	225	- 50	-18.2%	- 46	-17.0%

- Due to the deteriorating macro economic conditions and the sharp drop in European currencies, forecasts of sales and profits have been revised downward.
- Impacts caused by exchange fluctuations compared to previous forecasts are; (100 Millions of Yen)
 - ✓ Sales : -150
 - ✓ Operating income : -105
 - ✓ Non-operating exchange profits and losses : +55
 Hedging in forward-exchange contract is expected to lessen the impact on current profit.
- Capital expenditure is expected to decrease by around 40 millions of yen while R&D expenses to remain at a level similar to the previous forecast.
- While continuing efforts to reduce costs and expenses, implement measures based on the mid- to long-term business strategy.

Sales and Operating Income by Business Segment

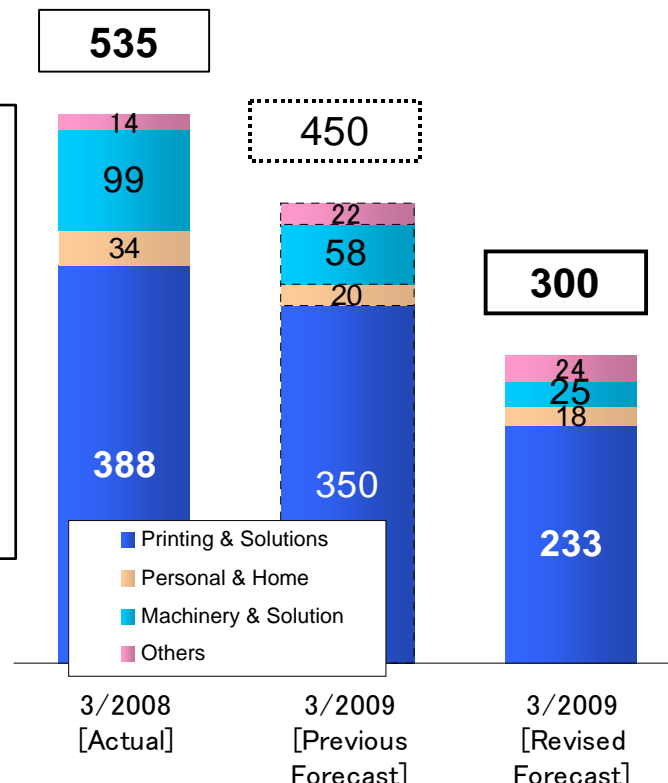
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communication and Printing equipment

Changes w/o forex impact
from the previous forecast
-3.5%
from last year
+7.4%

- Forecasts for sales and profits in industrial sewing machine and machine tools have been largely reduced because of the rapid slowdown in the demands for capital investments.
- The main factor for the revision of profits in the printing business is the impact from forex changes. The sales forecast has been revised downward due to forex changes and uncertain economic trends. Sales on a local currency basis, however, are expected to increase from the previous year thanks to new products and the steady demand for consumables.

Progress in Priority Issues

Take measures to establish market image that “Brother Means Color” - Color Lasers



- Under the uncertain economic environment, expansion of color Laser market has been slower than expected.
- Despite severe market conditions, sales have been expanding due to proactive advertising and promotion activities to establish market position. Especially in the United States, MFPs have increased their market share.



Store Display

Advertising - TV



Advertising - Magazine

Take measures to establish market image that “Brother Means Color” - Color Inkjet

- Overall renewal of inkjet models for Home/Home Office Use and enhancement of those for Business Use
- Launching this autumn sequentially aiming at sales expansion towards year-end sales campaign



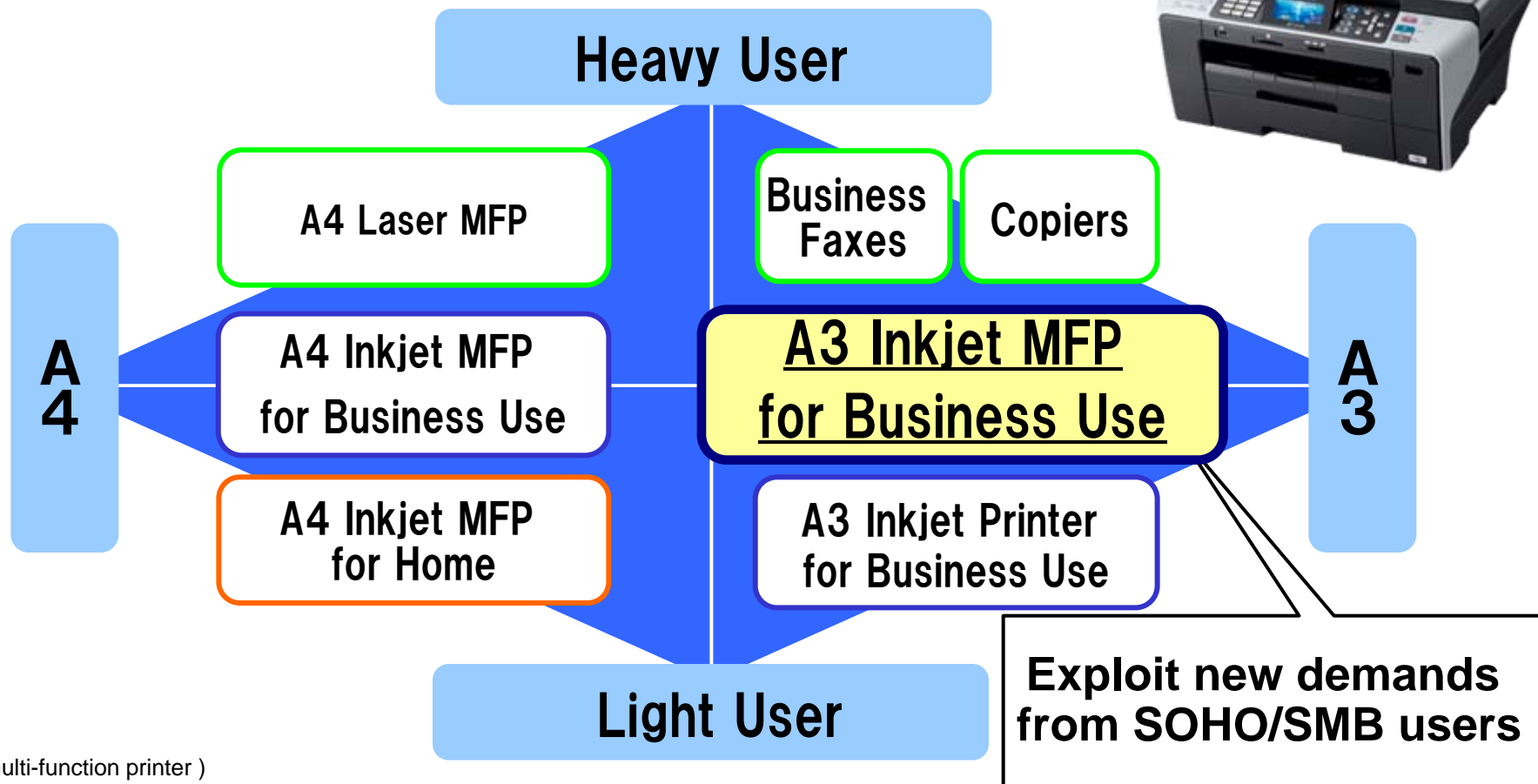
Inkjet Models for Home/Home Office Use



A3 Inkjet Models for Business Use

Take measures to establish market image that “Brother Means Color” - Color Inkjet

- World smallest* “A3 Color Inkjet MFP” has been well received in many countries as a unique product which did not previously exist in the market.



(MFP = multi-function printer)

Accelerate development of core technologies, and expand new businesses as pillars of Brother's next-generation business

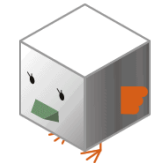
- Thin electronic viewer
Prototypes shown at an exhibition



- Music delivery for Jogging
Launch of "EXERMUSIC" service



- A next-generation content-delivery system
"Einy"
Started service to mioSoft Co. ,Ltd



Some of the projects have advanced forward for commercialization

- Acquisition of A4-size mobile printer business from HOYA under PENTAX brand on September 1st



**Label writer & label printer
for specialized applications for vertical markets**



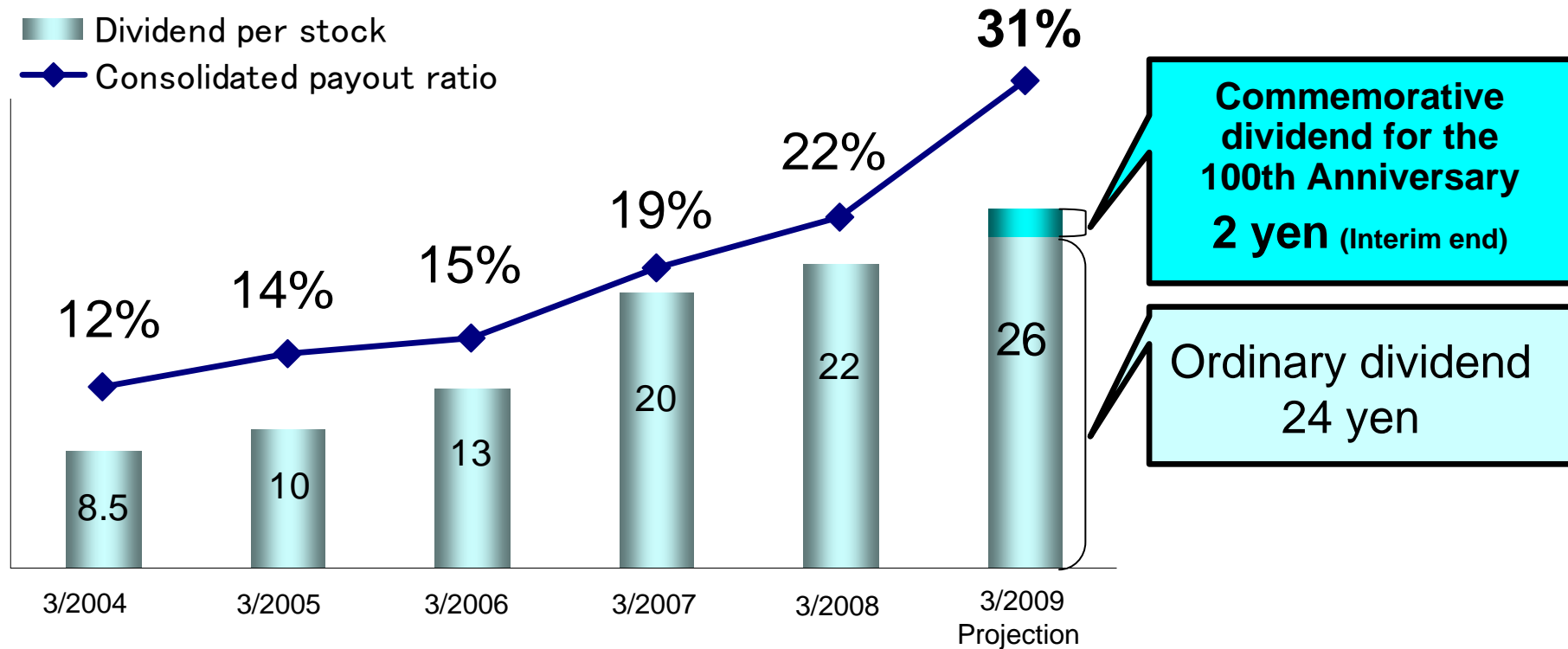
**A7-A6 size
mobile printer**



**A4 size
mobile printer**

Strengthen solution providing business through specialized applications for vertical markets by acquisition of outside resources

Trend of dividends



Dividends remain unchanged from the previous forecast.

Details of Financial Results for First Half & Second Quarter

(ended September 30, 2008)

and Forecasts for FY2008

(ending March 31, 2009)

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



<First half and quarterly Results>

(100 Millions of Yen)

	Six months ended Sep. 30, 2008			
	1H 3/2009 [Actual]	1H 3/2008 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	2,566	2,783	-217	-7.8% (-2.3%)
Operating Income	172	265	-93	-35.0%
Operating Income Ratio	6.7%	9.5%	-2.8%	
Non-operating Income (Loss)	-11	-50	38	
Current Profits	161	215	-54	-25.3%
Extraordinary Income (Loss)	3	13	-10	
Income Taxes	46	85	-38	
Net Income	117	143	-26	-18.2%

[Reference data] Three months ended Sep. 30, 2008			
Q2 3/2009 [Actual]	Q2 3/2008 [Actual]	Change	Rate of Change (w/o forex impact)
1,305	1,410	-105	-7.4% (-2.4%)
80	145	-65	-44.6%
6.2%	10.3%	-4.1%	
-16	-28	13	
65	117	-52	-44.4%
5	9	-4	
18	43	-25	
53	83	-30	-36.6%

(Yen)

Exchange Rate	USD	105.36	119.03	-13.67
	EUR	161.56	162.05	-0.49

106.87	118.43	-11.56
161.62	162.67	-1.05

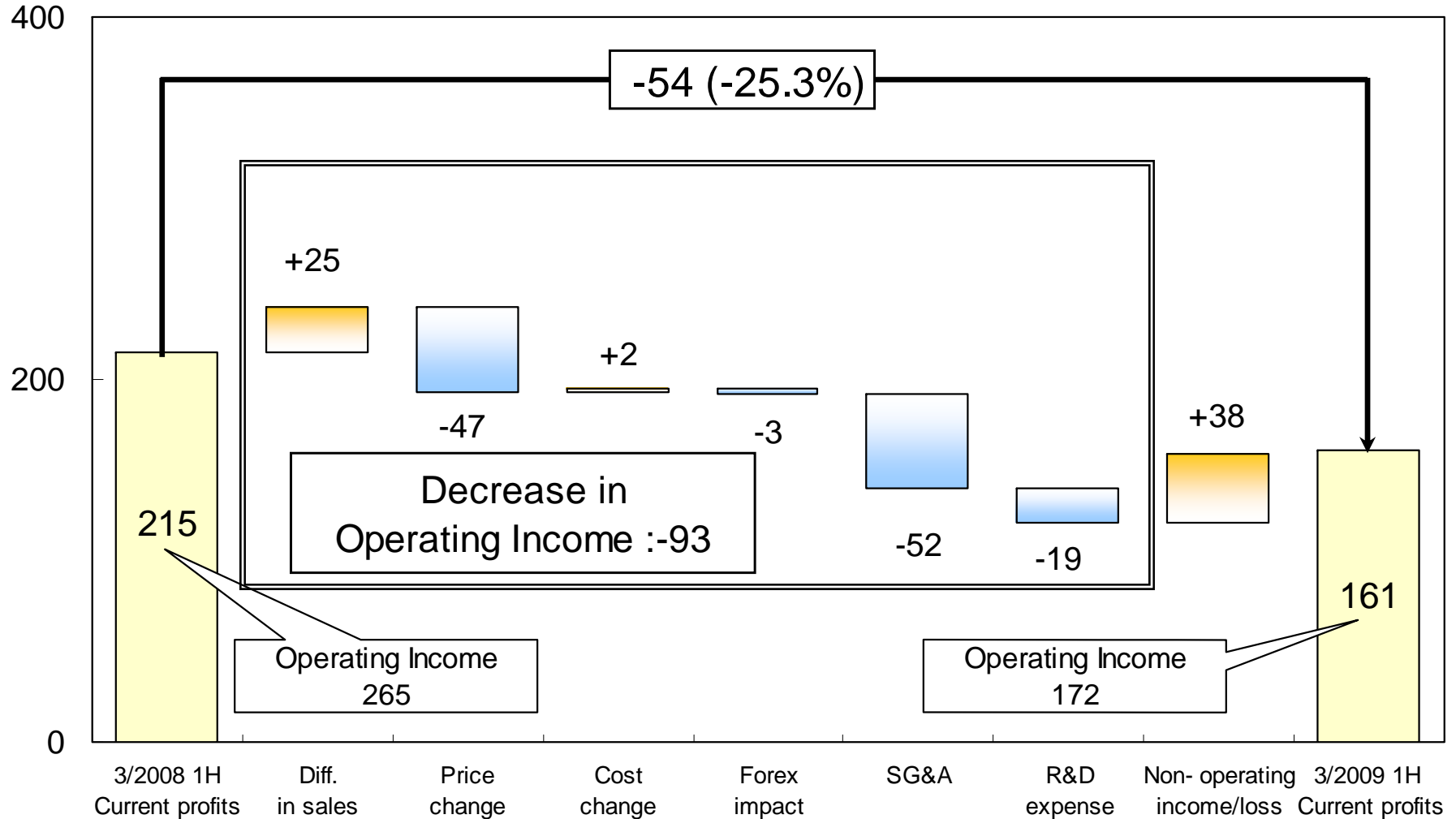
- Sales decreased due to the negative impact from exchange conversion, reduced sales in industrial sewing machines and the transfer of business, etc.
- Operating income decreased due to cost-up factors such as higher prices for raw materials, tougher market in the printing business and reduced sales in industrial sewing machines.
- Exchange losses on non-operating income were improved and the burden of corporate tax caused by the tax-deferred accounting decreased.

2. Main Factors for Changes in Current Profits

< FY2008 1H (6-month Results)>



100 Millions of Yen

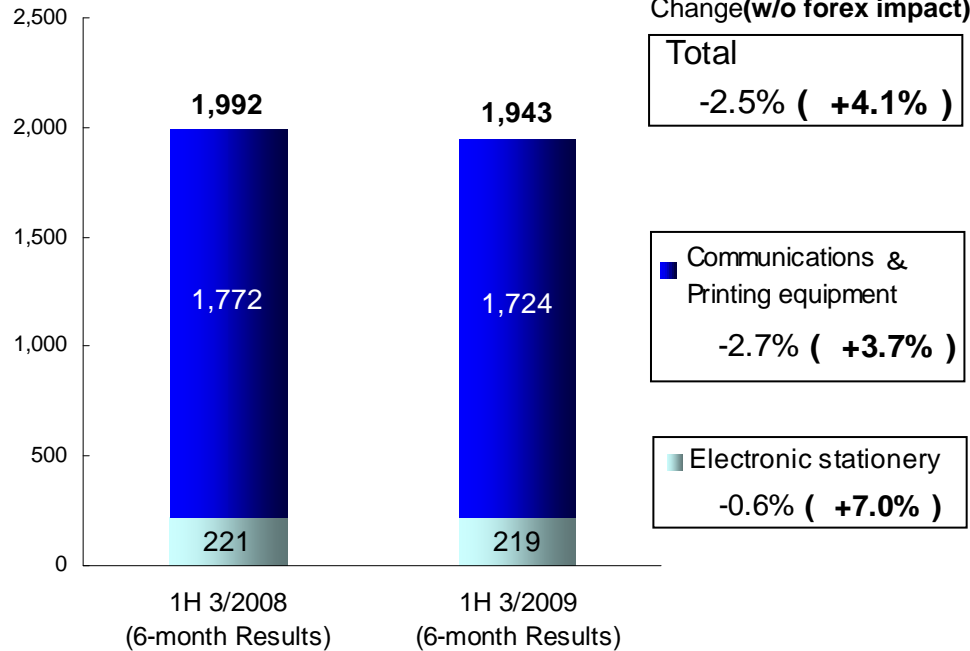


3-1. Printing & Solutions Sales & Operating Income

< FY2008 1H(6-month Results)>

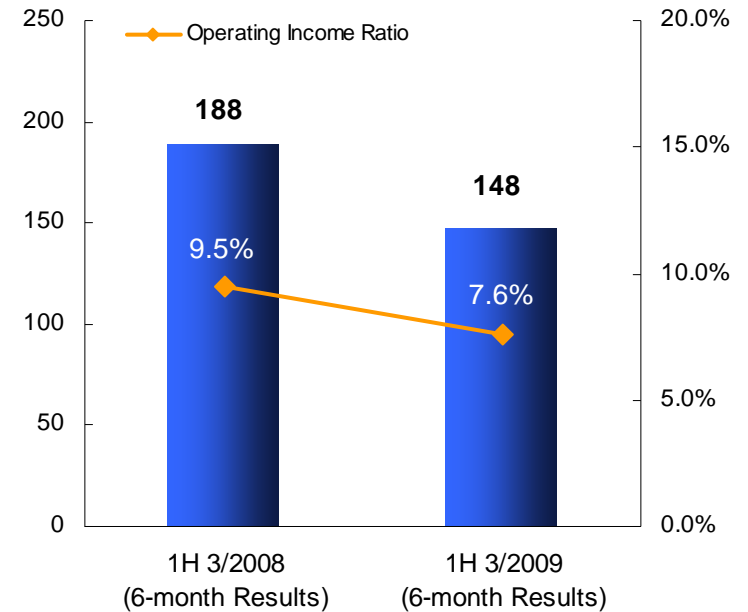
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	1H 3/2008	1H 3/2009	Change (w/o forex impact)
Americas	636	620	-2.5% (+9.4%)
Europe	770	740	-4.0% (-0.9%)
Asia & Others	192	195	+1.5% (+9.0%)
Japan	173	169	-2.5% (-2.5%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	1H 3/2008	1H 3/2009	Change (w/o forex impact)
Americas	119	113	-5.1% (+6.5%)
Europe	69	72	+5.1% (+7.9%)
Asia & Others	16	17	+7.8% (+14.1%)
Japan	17	17	+0.6% (+0.6%)

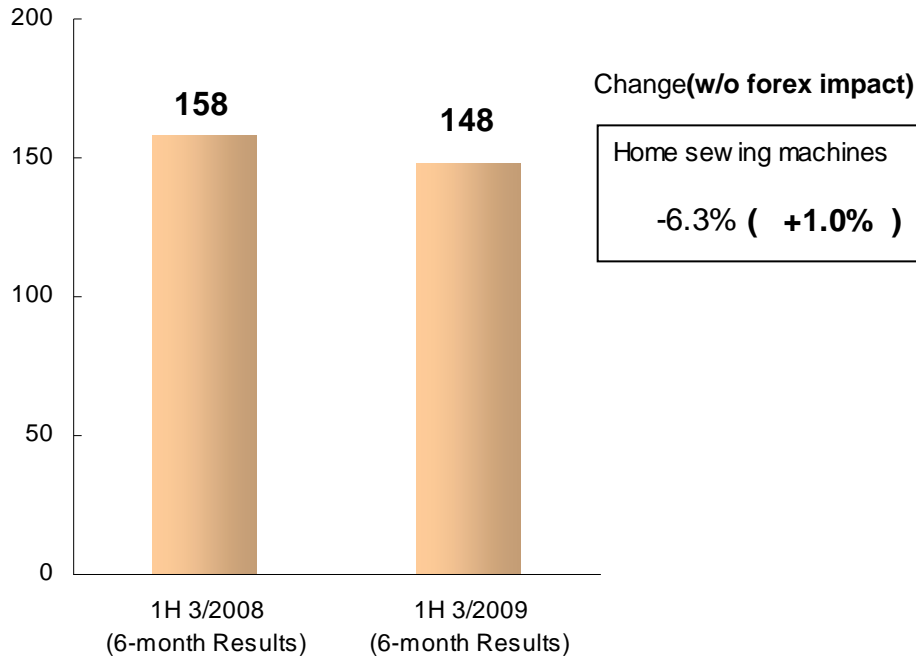
- As for Communication & Printing equipment, sales in laser and inkjet business increased on a local currency basis.
- Operating income decreased due to the increase of sales promotion cost in tough market conditions and cost-up factors, such as higher prices for raw materials.

3-2. Personal & Home Sales & Operating Income

< FY2008 1H(6-month Results)>

Net Sales

(100 Millions of Yen)



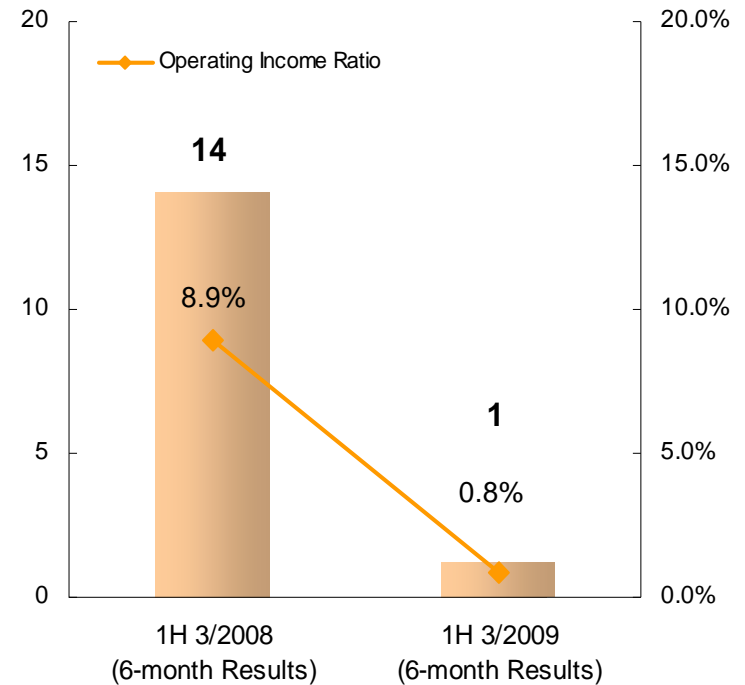
Home sewing machines

Geographical Sales(100 Millions of Yen)

	1H 3/2008	1H 3/2009	Change (w/o forex impact)
Americas	72	61	-15.2% (-5.5%)
Europe	41	41	+1.7% (+10.7%)
Asia & Others	12	14	+20.1% (+28.1%)
Japan	33	30	-6.4% (-6.4%)

Operating Income

(100 Millions of Yen)



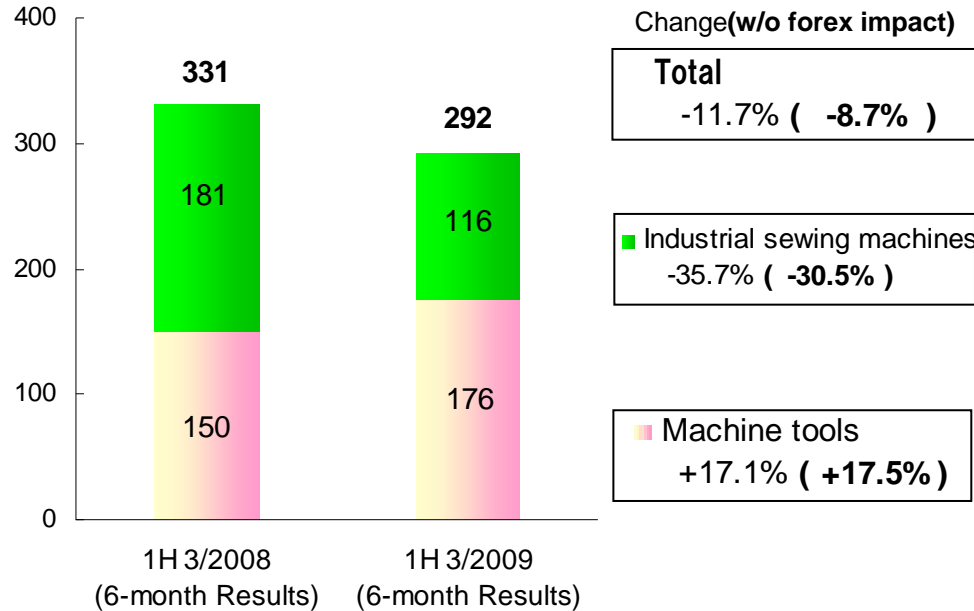
➤ While sales remained at a similar level to the same period last year, operating income decreased due to the change in sales composition caused by the decline in mid- to high-end sewing machines and the increase of SG&A.

3-3. Machinery & Solution Sales & Operating Income

< FY2008 1H(6-month Results)>

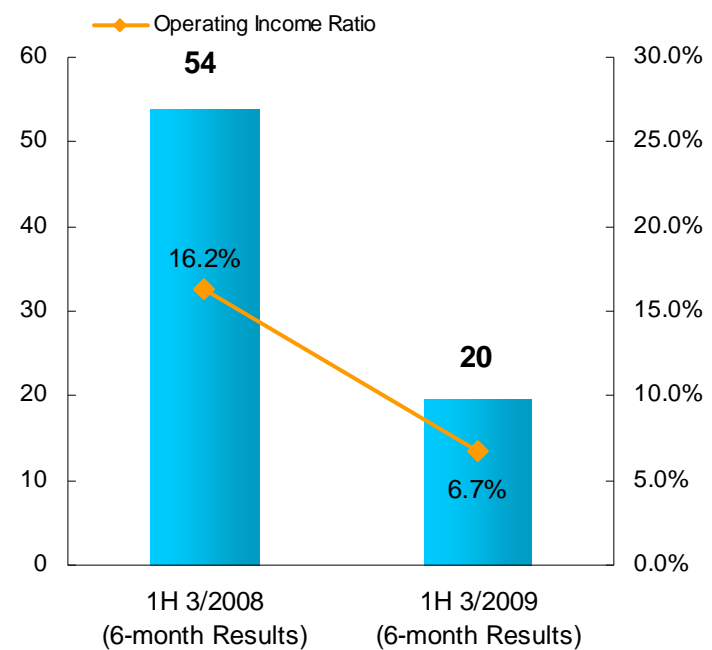
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	1H 3/2008	1H 3/2009	Change (w/o forex impact)
Americas	34	26	-23.8% (-14.2%)
Europe	22	16	-25.5% (-25.5%)
Asia & Others	106	64	-40.2% (-34.4%)
Japan	18	10	-44.7% (-44.7%)

Machine tools

Geographical Sales(100 Millions of Yen)

	1H 3/2008	1H 3/2009	Change
Americas	7	12	+76.5%
Europe	14	11	-20.3%
Asia & Others	93	122	+32.2%
Japan	36	30	-17.9%

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

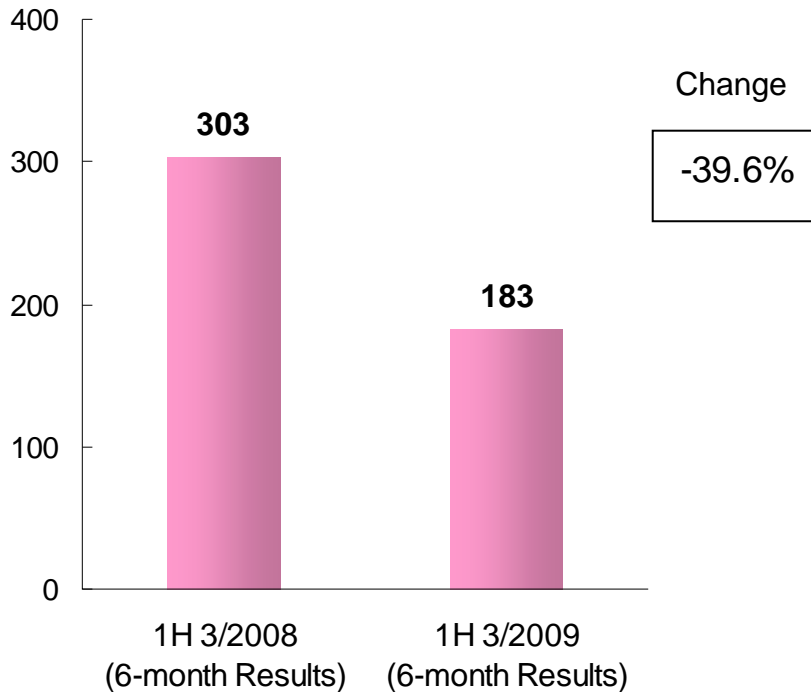
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

3-4. Others Sales & Operating Income

< FY2008 1H(6-month Results)>

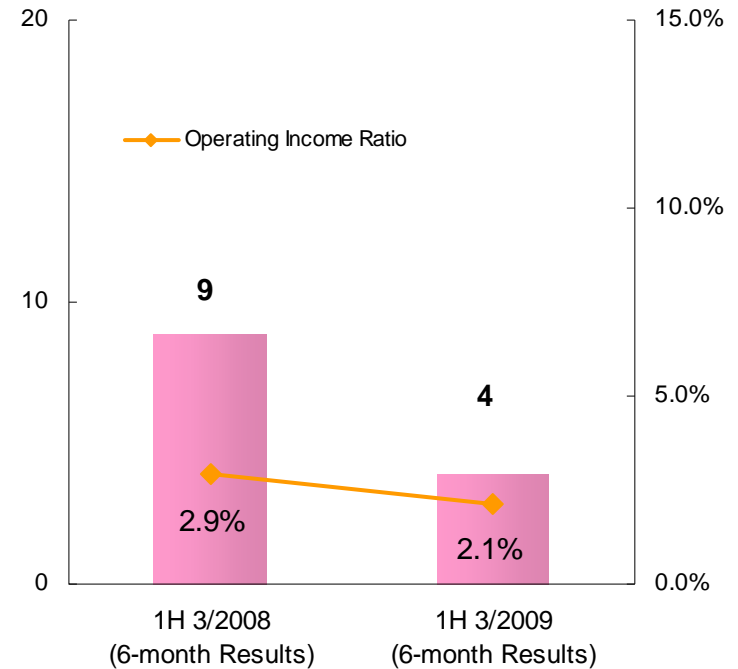
Net Sales

(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.

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

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

(100 Millions of Yen)

	3/2009 [Revised] (A)	3/2008 [Actual] (B)	Change (A - B)	Rate of Change (w/o forex impact) (A/B - 1)	3/2009 [Previous] (C)	Rate of Change (w/o forex impact) (A/C - 1)
Net Sales	5,300	5,664	-364	-6.4% (2.6%)	5,700	-7.0% (-4.4%)
Operating Income	300	535	-235	-43.9%	450	-33.3%
Operating Income Ratio	5.7%	9.4%	-3.8%		7.9%	
Non-operating Income (Loss)	35	-70	105		-30	
Current Profits	335	465	-130	-28.0%	420	-20.2%
Extraordinary Income (Loss)	0	-3	3		-5	
Income Taxes	110	192	-82		140	
Net Income	225	271	-46	-17.0%	275	-18.2%

(Yen)

Exchange Rate	USD	102.89	114.13	-11.24	101.27
	EUR	149.30	161.88	-12.58	160.96

* Assumed exchange rates from the third quarter to the fourth quarter 1 USD=100.00 JPY 1 EUR=135.00 JPY

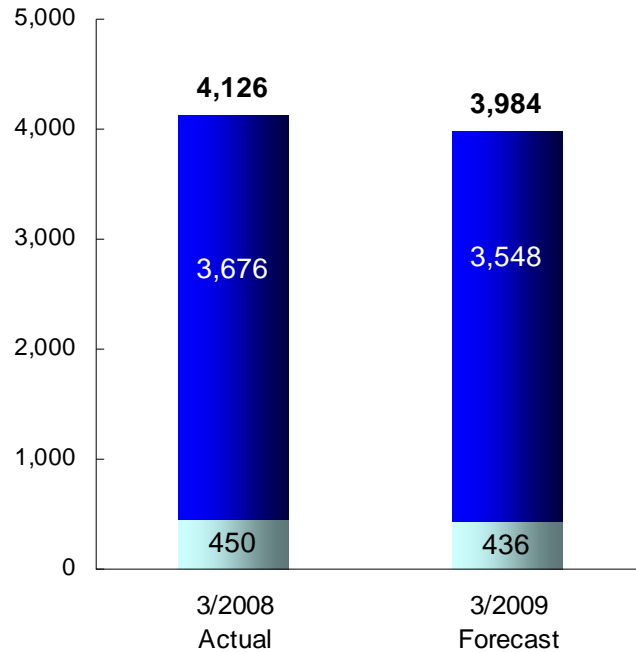
- Despite a significantly negative impact from exchange conversion, sales in the printing business is expected to increase on a local basis.
- Operating income will be decreased because negative factors such as forex changes, an increase of SG&A and higher prices for raw materials are expected to largely surpass the profits from increased sales.
- Exchange profits and losses in non-operating income (expense) are expected to improve and corporate taxes are expected to decrease due to tax effect accounting.

4-1. Printing & Solutions Sales & Operating Income

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

Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

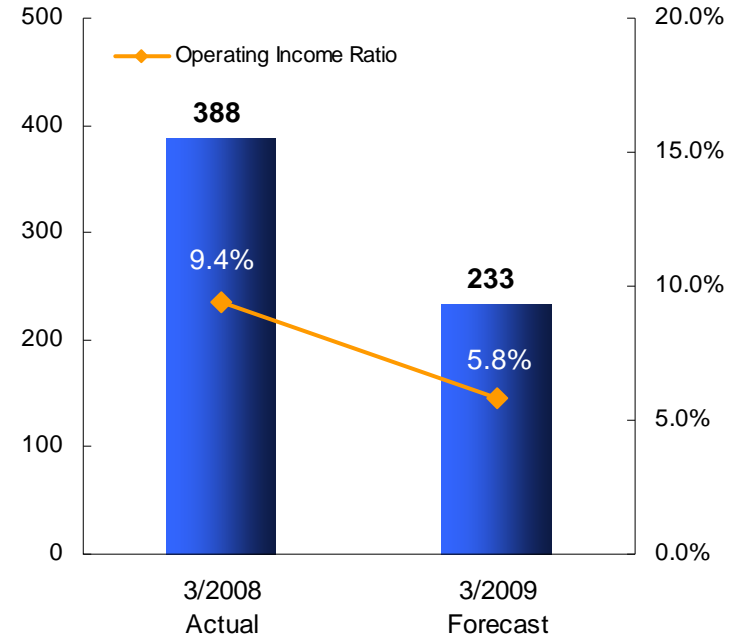
Total
-3.4% (+7.4%)

Communications & Printing equipment
-3.5% (+7.4%)

Electronic stationery
-3.1% (+7.9%)

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	1,261	- 2.3% (+10.0%)
Europe	1,650	1,514	- 8.3% (+3.3%)
Asia & Others	376	398	+5.9% (+19.3%)
Japan	359	375	+4.4% (+4.4%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change (w/o forex impact)
Americas	233	226	- 2.8% (+9.3%)
Europe	148	141	- 4.6% (+6.7%)
Asia & Others	34	33	- 4.3% (+7.9%)
Japan	35	36	+3.3% (+3.3%)

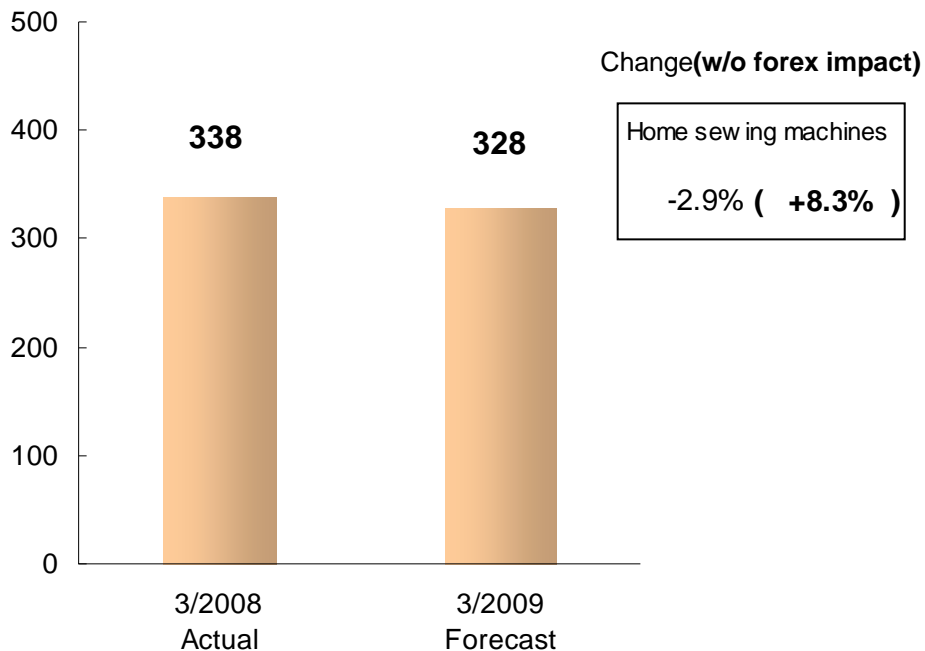
- As for Communication & Printing equipment, sales in laser and inkjet business are expected to increase on a local currency basis.
- Operating income is expected to decrease due to the negative impact from forex, an increase of SG&A and higher prices for raw materials.

4-2. Personal & Home Sales & Operating Income

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

Net Sales

(100 Millions of Yen)



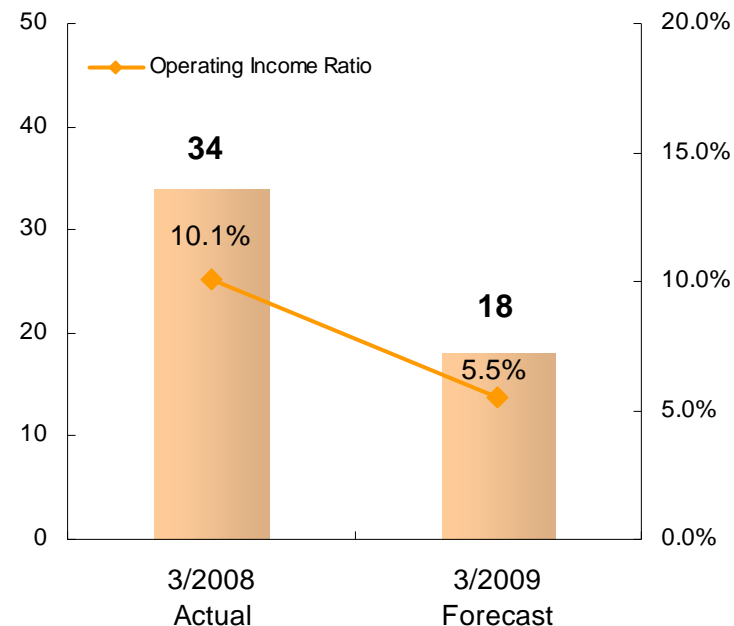
Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change (w/o forex impact)
Americas	153	155	+1.2% (+14.3%)
Europe	94	83	- 11.8% (+2.7%)
Asia & Others	27	26	- 4.9% (+10.3%)
Japan	63	64	+1.2% (+1.2%)

Operating Income

(100 Millions of Yen)



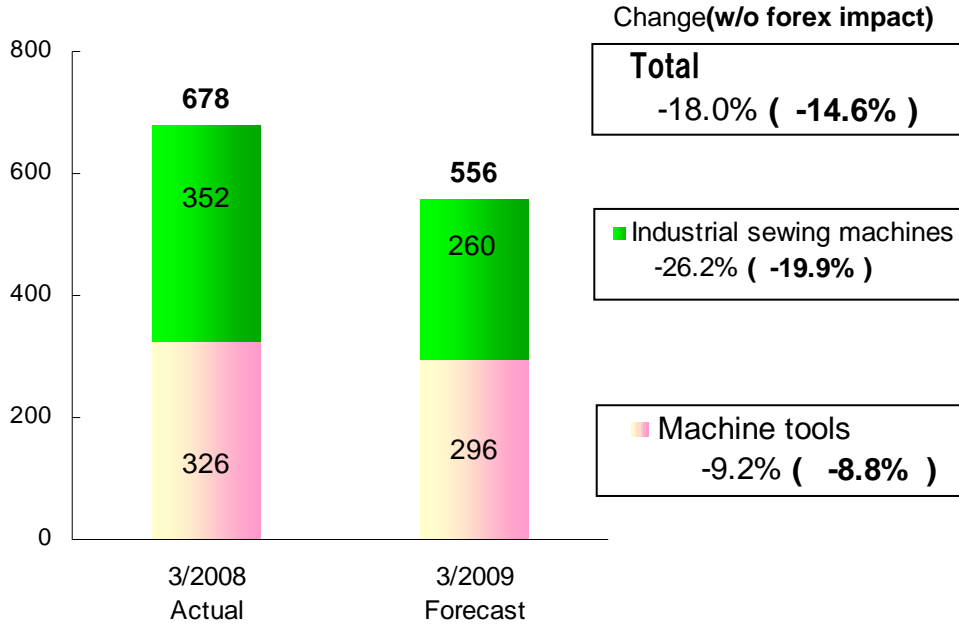
- While sales are expected to increase on a local currency basis due to a sales increase in low-end sewing machines, operating income is expected to decline due to the change of sales composition caused by a sales decrease in mid- to high-end sewing machines and an increase of SG&A.

4-3. Machinery & Solution Sales & Operating Income

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

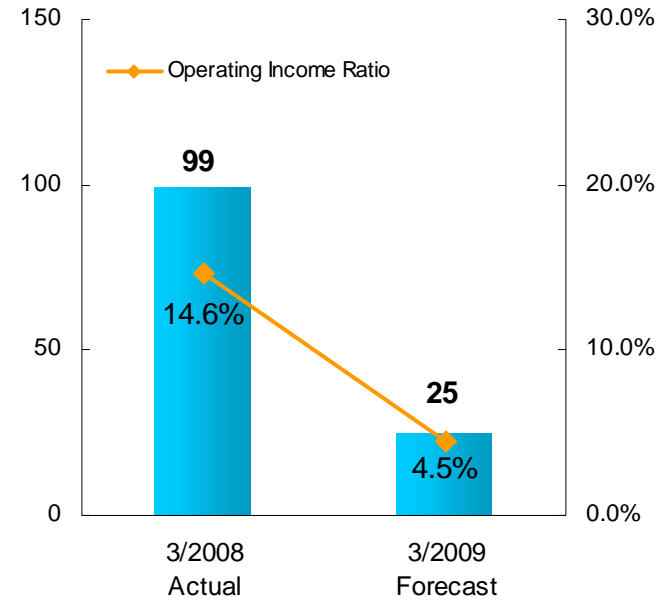
Net Sales

(100 Millions of Yen)



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	53	- 17.8% (-7.3%)
Europe	45	32	- 29.3% (-22.1%)
Asia & Others	205	154	- 24.8% (-18.8%)
Japan	38	21	- 44.4% (-44.4%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change
Americas	14	20	+35.2%
Europe	26	23	- 10.0%
Asia & Others	215	195	- 9.0%
Japan	71	58	- 18.5%

➤ Because of the drastic shortfall of demand for capital investment, both sales and operating income are expected to sharply decrease.

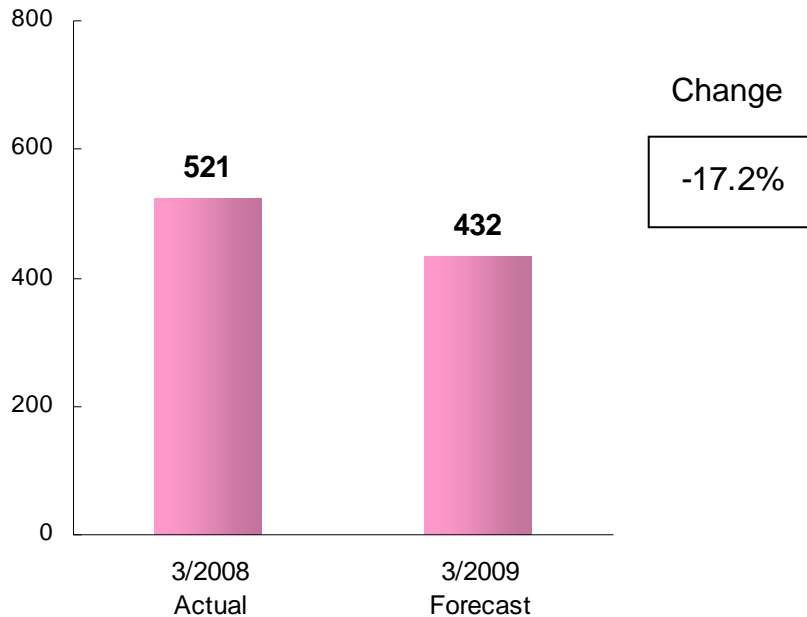
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

4-4. Others Sales & Operating Income

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

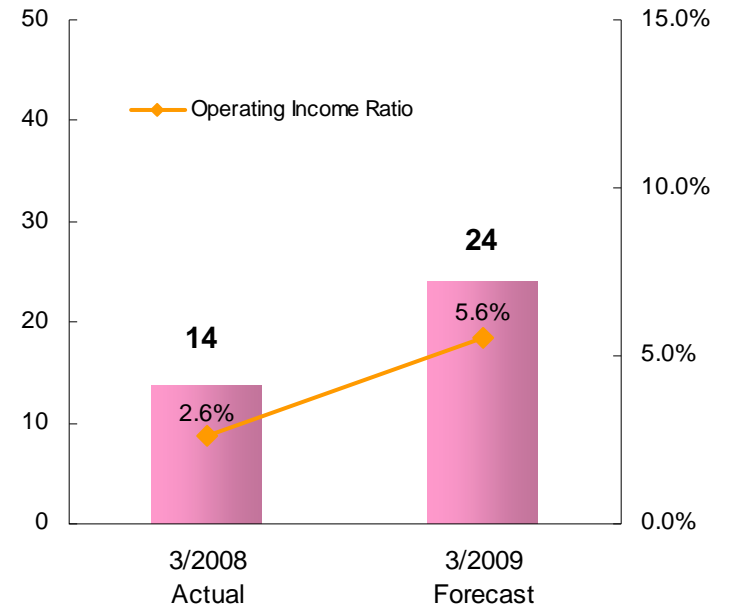
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



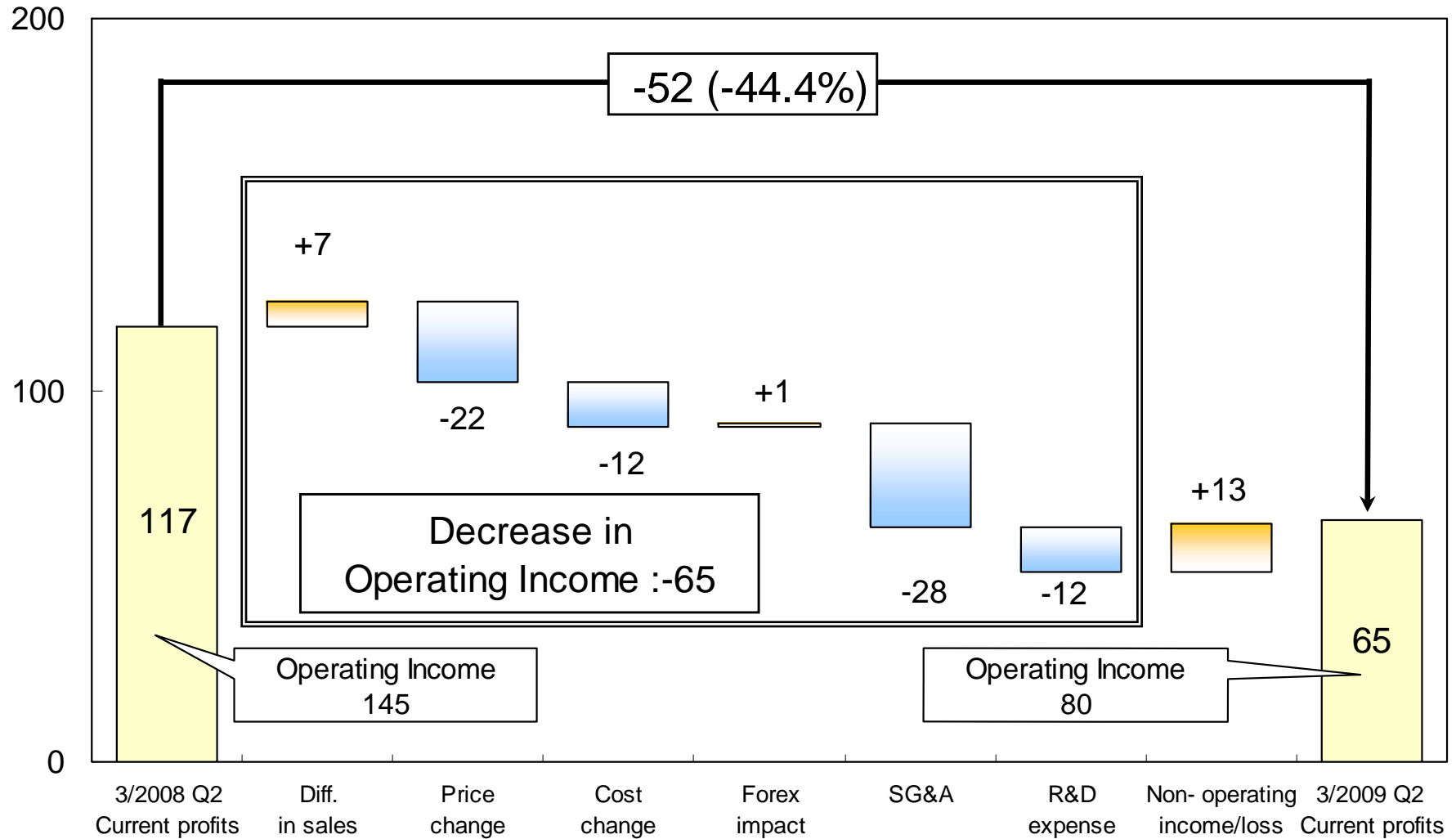
* Regional sales breakdown for “Others” is not referred to here because the major part of sales are made in Japan.

- 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) Main Factors for Changes in Current Profits

< FY2008 Q2(3-month Results)>

100 Millions of Yen



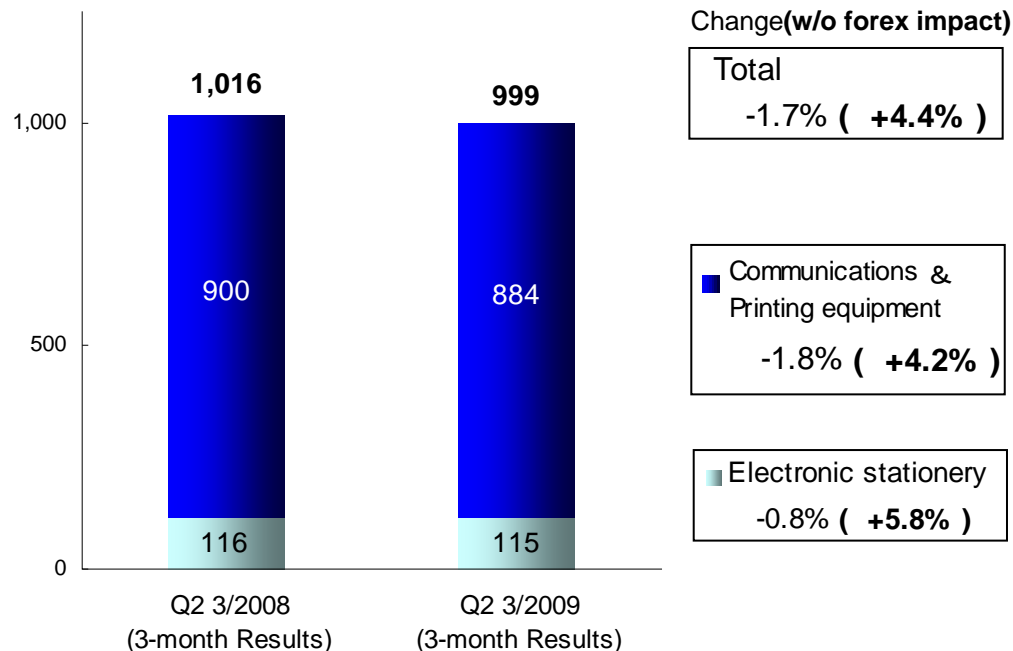
(Reference) Printing & Solutions Sales & Operating Income

< FY2008 Q2(3-month Results)>



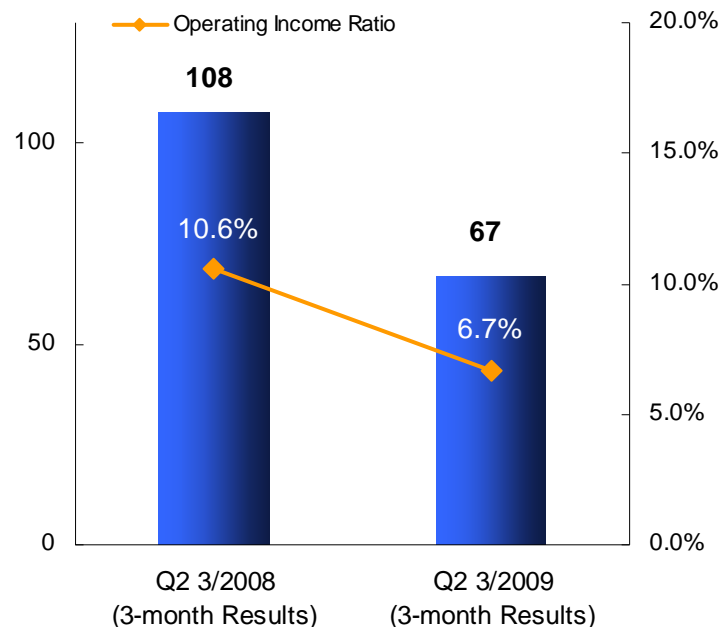
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q2 3/2008	Q2 3/2009	Change (w/o forex impact)
Americas	325	323	-0.6% (+9.6%)
Europe	393	374	-4.9% (-1.3%)
Asia & Others	96	98	+2.2% (+9.4%)
Japan	86	89	+3.3% (+3.3%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	Q2 3/2008	Q2 3/2009	Change (w/o forex impact)
Americas	62	60	-4.3% (+5.6%)
Europe	36	36	-0.3% (+2.8%)
Asia & Others	8	9	+6.3% (+11.9%)
Japan	10	11	+13.4% (+13.4%)

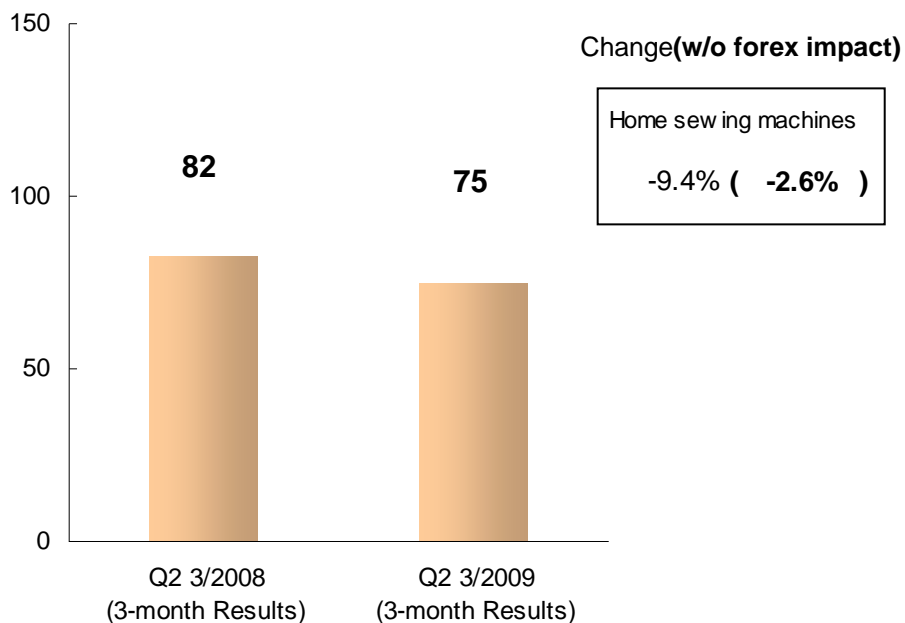
(Reference) Personal & Home Sales & Operating Income

< FY2008 Q2(3-month Results)>



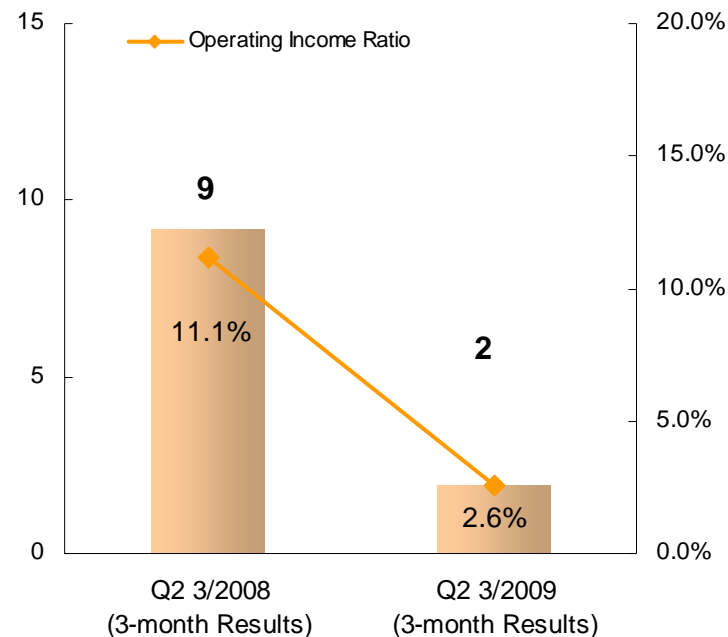
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	Q2 3/2008	Q2 3/2009	Change (w/o forex impact)
Americas	41	34	-18.5% (-10.7%)
Europe	20	20	-2.1% (+6.8%)
Asia & Others	6	7	+28.9% (+37.8%)
Japan	15	14	-8.4% (-8.4%)

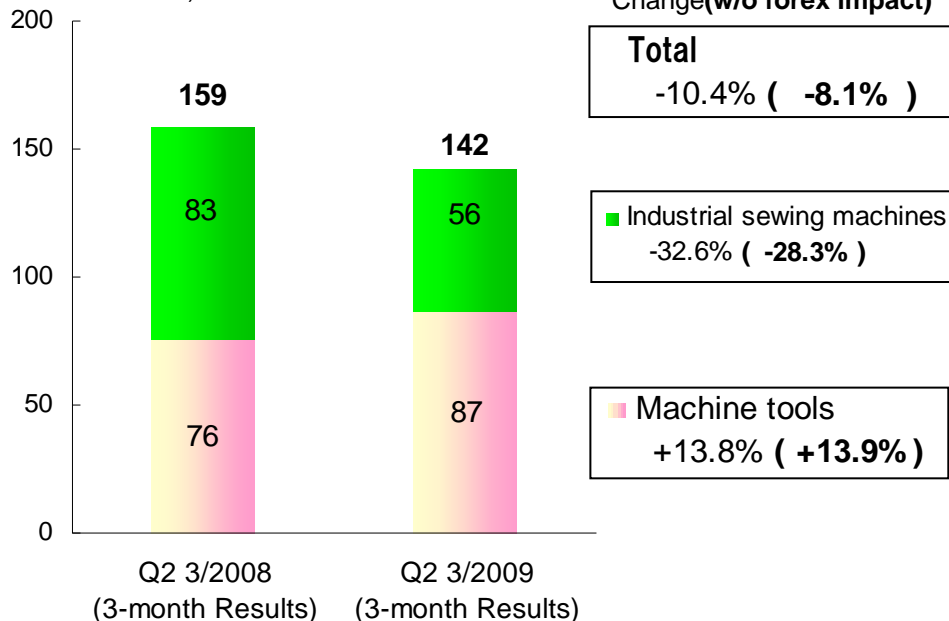
(Reference) Machinery & Solution Sales & Operating Income

< FY2008 Q2(3-month Results)>



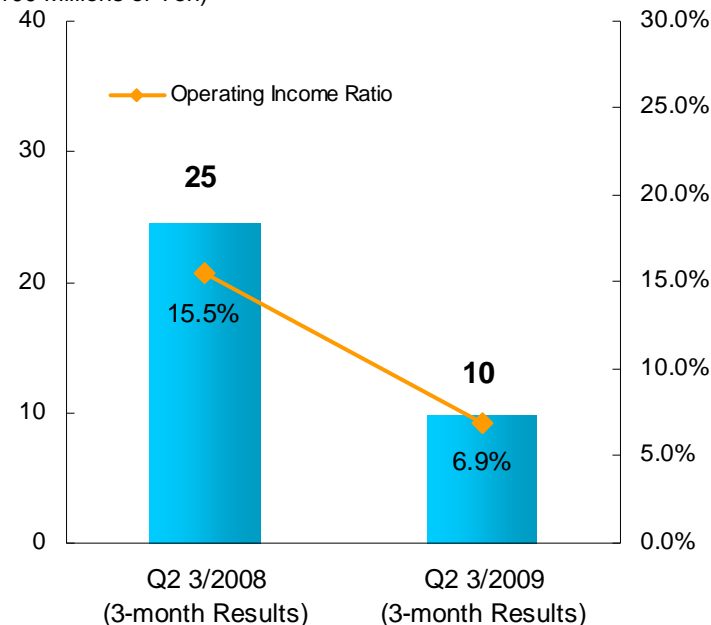
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q2 3/2008	Q2 3/2009	Change (w/o forex impact)
Americas	16	13	-18.4% (-10.1%)
Europe	10	7	-29.0% (-28.6%)
Asia & Others	48	31	-36.3% (-31.8%)
Japan	8	5	-44.0% (-44.0%)

Machine tools

Geographical Sales(100 Millions of Yen)

	Q2 3/2008	Q2 3/2009	Change
Americas	4	6	+35.7%
Europe	6	5	-8.4%
Asia & Others	48	60	+26.2%
Japan	18	15	-17.3%

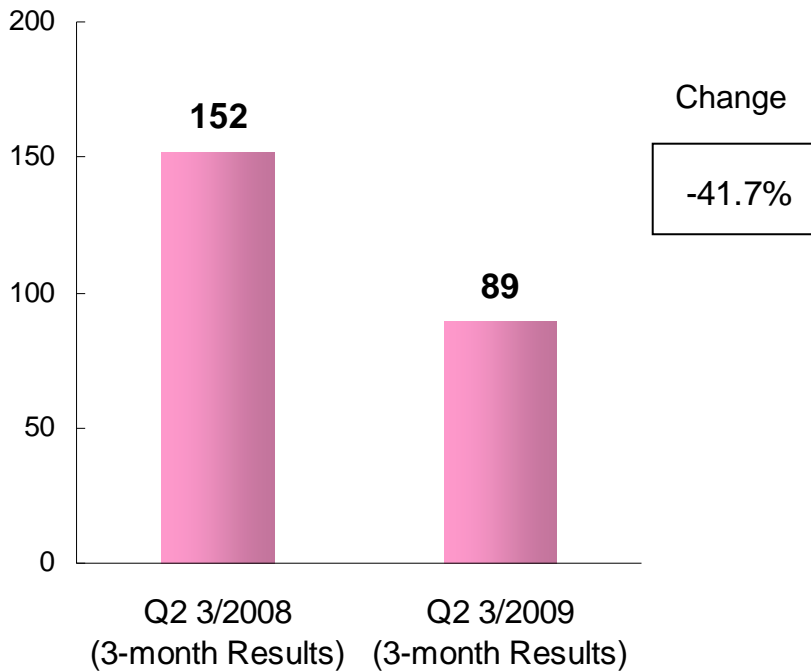
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(Reference) Others Sales & Operating Income

< FY2008 Q2(3-month Results)>

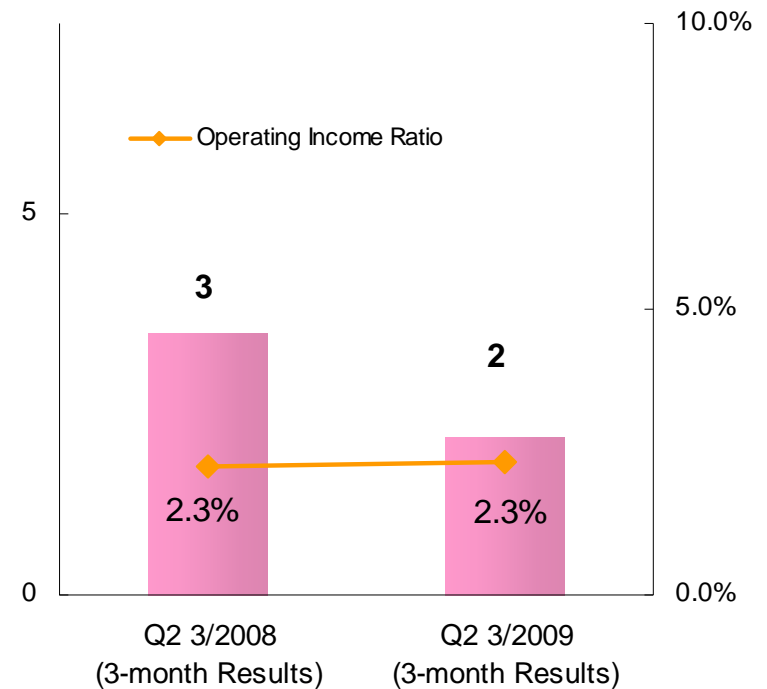
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)

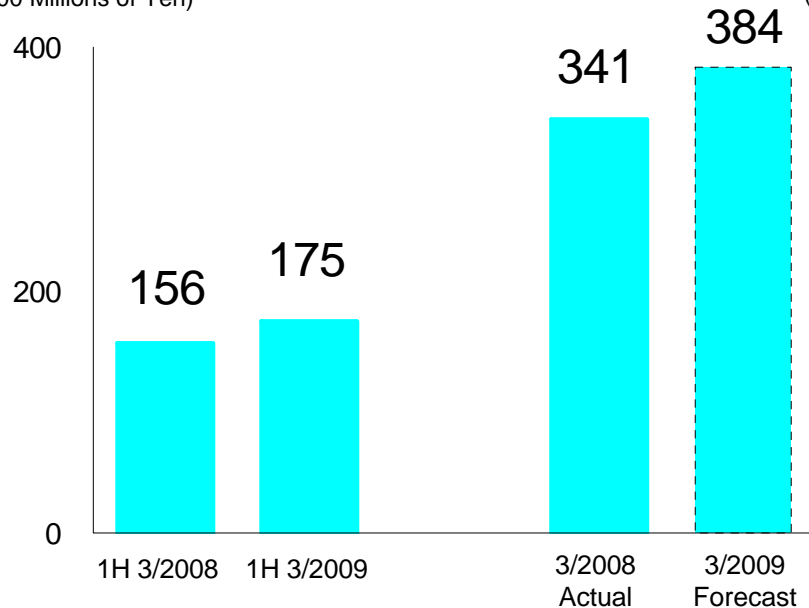


* Regional sales breakdown for “Others” is not referred to here because the major part of sales are made in Japan.

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

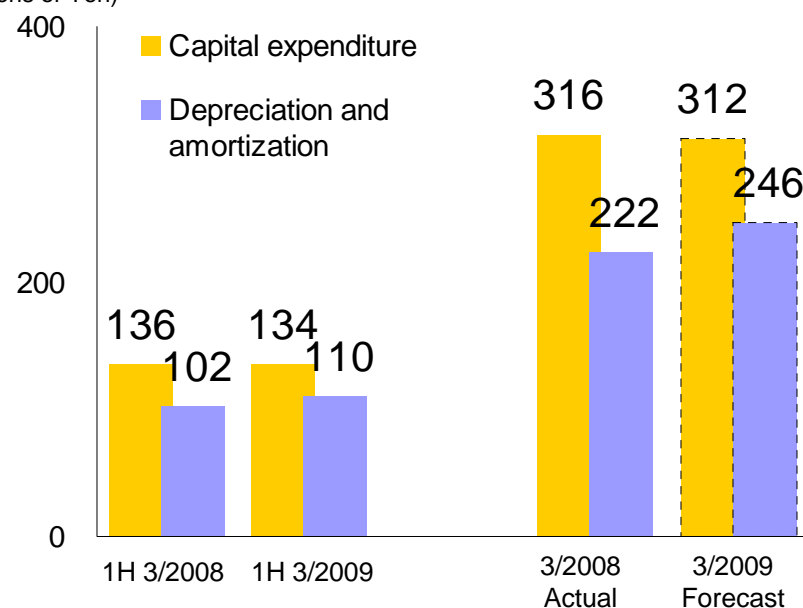
R&D expenses

(100 Millions of Yen)



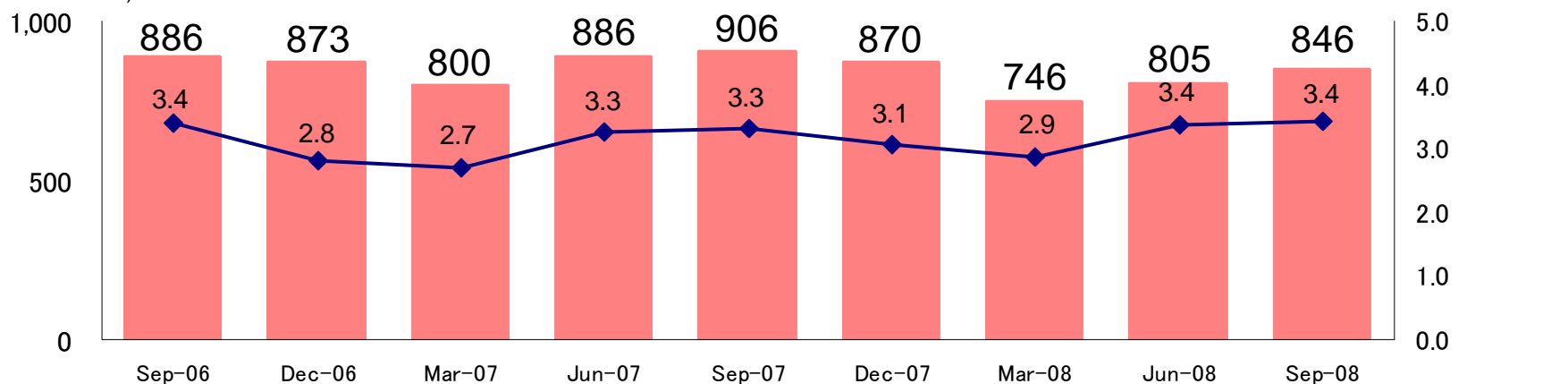
Capital expenditure and Depreciation and amortization

(100 Millions of Yen)



Inventories

(100 Millions of Yen)



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