

Fiscal Year 2008 (ending March 31, 2009)

Third Quarter Results

(ended December 31, 2008)

Brother Industries, Ltd.

February 2, 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.

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

< Q3(9-month Results and 3-month Results) >



(100 Millions of Yen)

	Nine months ended Dec.31, 2008			
	Q3 3/2009 [Actual]	Q3 3/2008 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	3,784	4,271	-487	-11.4% (-2.4%)
Operating Income	237	415	-178	-42.9%
Operating Income Ratio	6.3%	9.7%	-3.4%	
Non-operating Income (Loss)	25	-62	88	
Current Profits	262	353	-90	-25.6%
Extraordinary Income (Loss)	-35	7	-42	
Income Taxes	126	126	0	
Net Income (Loss)	101	233	-132	-56.6%

	[Reference data] Three months ended Dec.31, 2008			
	Q3 3/2009 [Actual]	Q3 3/2008 [Actual]	Change	Rate of Change (w/o forex impact)
	1,218	1,487	-270	-18.1% (-2.5%)
	65	150	-85	-56.8%
	5.3%	10.1%	-4.8%	
	37	-13	49	
	101	137	-36	-26.1%
	-37	-6	-32	
	80	42	39	
	-16	90	-106	-

(Yen)

Exchange Rate	USD	102.25	117.23	-14.98
	EUR	150.80	162.94	-12.14

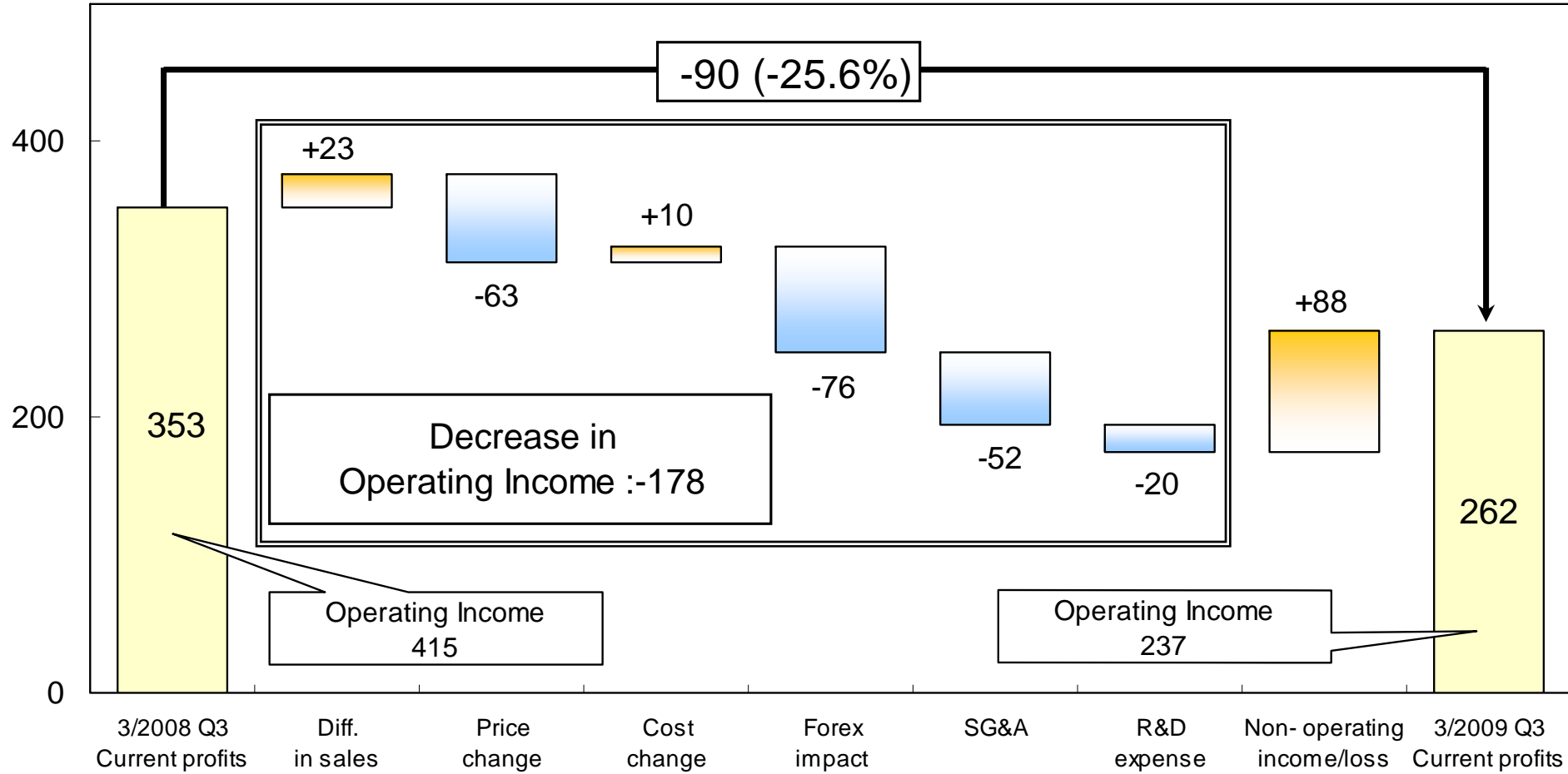
	97.14	113.63	-16.49
	131.53	164.61	-33.08

- Sales decreased sharply due to fast-spreading worldwide recession and strong yen. While sales in the Printing business increased on the local currency basis, sales in the Machinery business dropped sharply.
- Operating income decreased 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. Net income decreased sharply mainly due to the impairment losses on investment securities posted at the end of the 3rd quarter and tax effect accounting.

2. Main Factors for Changes in Current Profits

< FY2008 Q3 (9-month Results) >

100 Millions of Yen

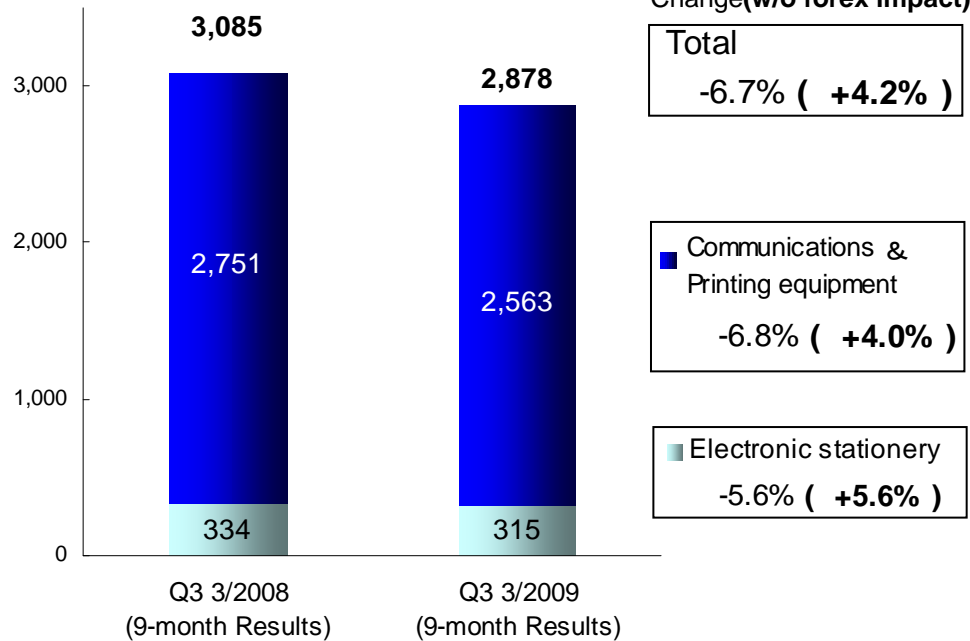


3-1. Printing & Solutions Sales & Operating Income

< FY2008 Q3(9-month Results)>

Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

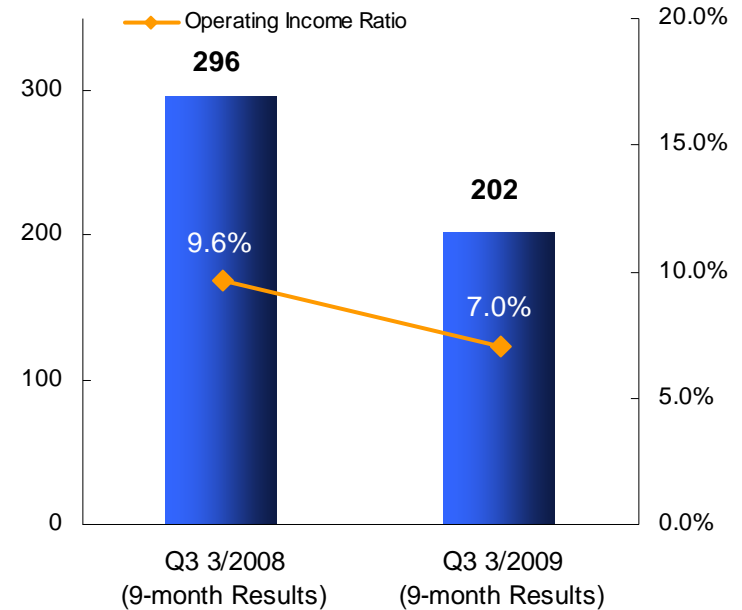
Total
-6.7% (+4.2%)

Communications & Printing equipment
-6.8% (+4.0%)

Electronic stationery
-5.6% (+5.6%)

Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (9-month Results)	Q3 3/2009 (9-month Results)	Change (w/o forex impact)
Americas	962	908	-5.6% (+8.4%)
Europe	1,224	1,109	-9.4% (+1.1%)
Asia & Others	287	275	-4.3% (+7.5%)
Japan	278	271	-2.2% (-2.2%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (9-month Results)	Q3 3/2009 (9-month Results)	Change (w/o forex impact)
Americas	175	163	-7.2% (+6.4%)
Europe	108	104	-4.3% (+5.7%)
Asia & Others	26	25	-5.8% (+5.2%)
Japan	24	24	-0.5% (-0.5%)

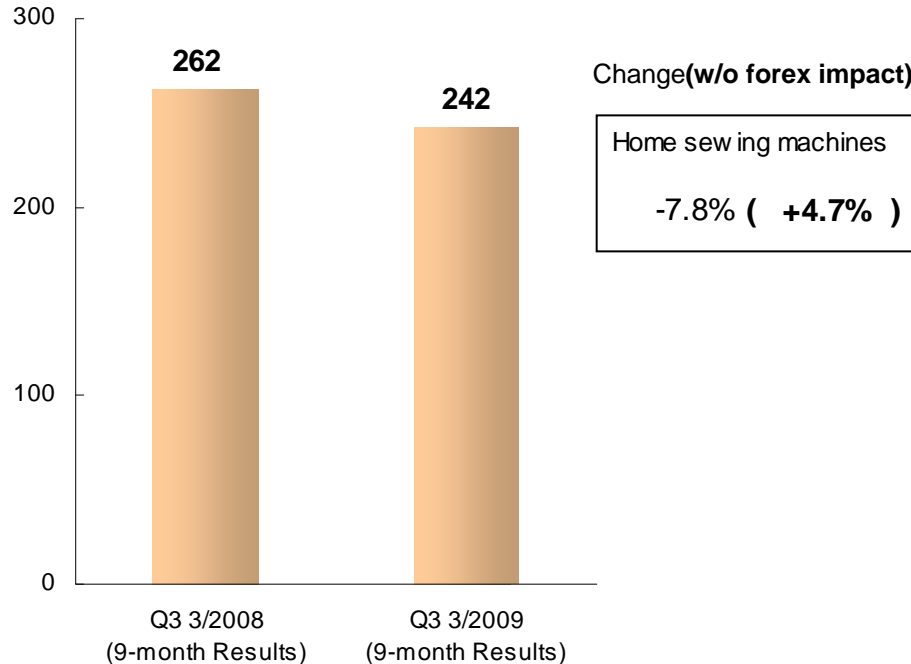
- As for Communications & Printing equipment, sales in laser and inkjet business increased on a local currency basis.
- Operating income decreased mainly due to the tough market conditions, negative impact from forex and higher prices for raw materials.

3-2. Personal & Home Sales & Operating Income

< FY2008 Q3(9-month Results)>

Net Sales

(100 Millions of Yen)



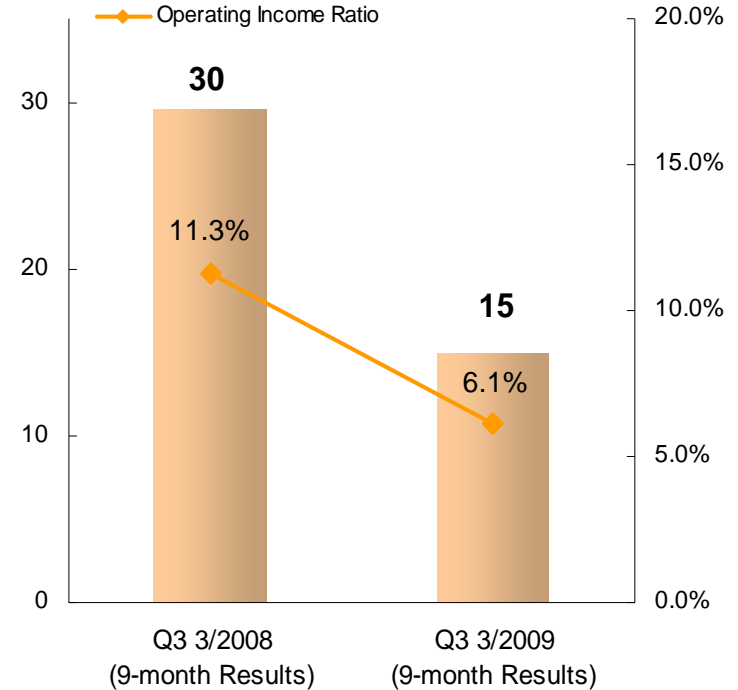
Home sewing machines

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (9-month Results)	Q3 3/2009 (9-month Results)	Change (w/o forex impact)
Americas	124	110	-11.7% (+1.5%)
Europe	70	66	-5.7% (+12.3%)
Asia & Others	21	22	+7.6% (+26.1%)
Japan	48	44	-7.4% (-7.4%)

Operating Income

(100 Millions of Yen)



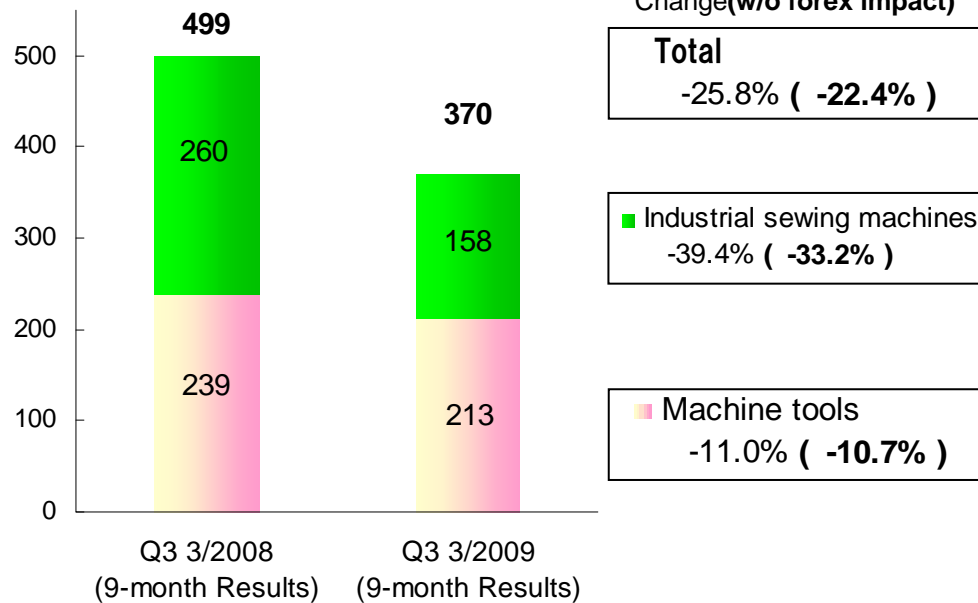
➤ While sales grew steadily mainly in low-end sewing machines, operating income decreased due to negative impact from forex and change of sales composition.

3-3. Machinery & Solution Sales & Operating Income

< FY2008 Q3(9-month Results)>

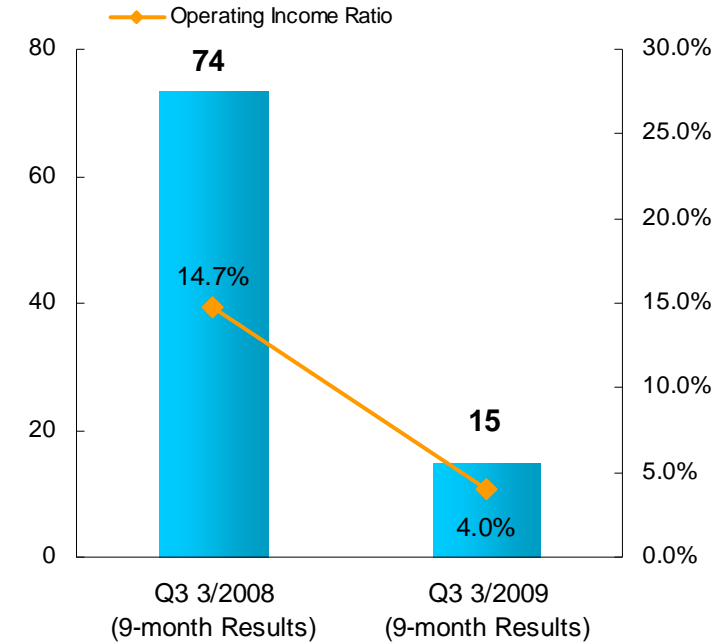
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (9-month Results)	Q3 3/2009 (9-month Results)	Change (w/o forex impact)
Americas	50	36	-26.7% (-15.8%)
Europe	35	22	-35.9% (-31.8%)
Asia & Others	149	86	-42.3% (-36.1%)
Japan	27	13	-51.0% (-51.0%)

Machine tools

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (9-month Results)	Q3 3/2009 (9-month Results)	Change
Americas	10	17	+70.4%
Europe	20	16	-20.0%
Asia & Others	157	140	-10.8%
Japan	53	40	-23.9%

➤ Both sales and operating income decreased sharply due to the reduced sales of industrial sewing machines and rapid deterioration of market conditions of machine tools in the 3rd quarter.

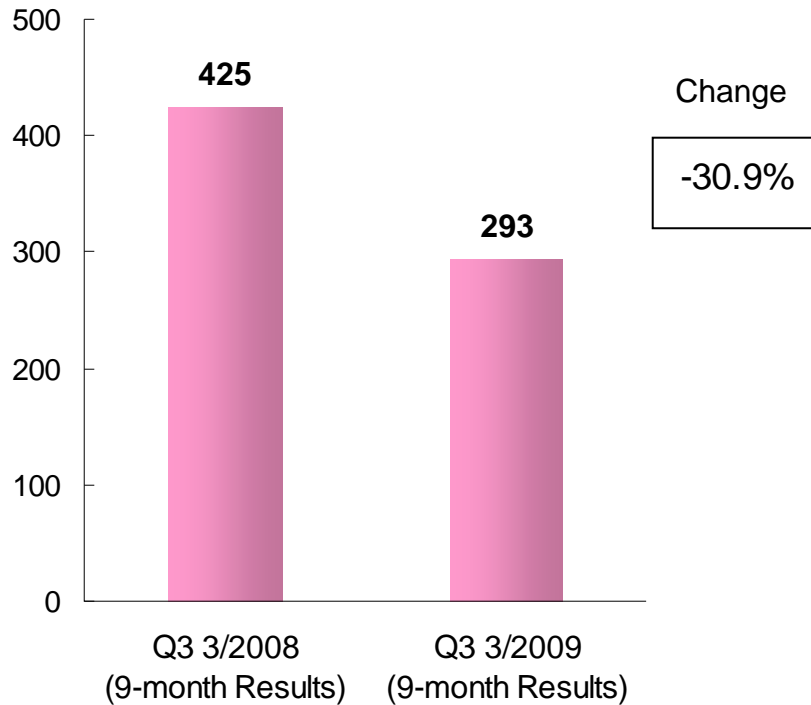
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

3-4. Others Sales & Operating Income

< FY2008 Q3(9-month Results)>

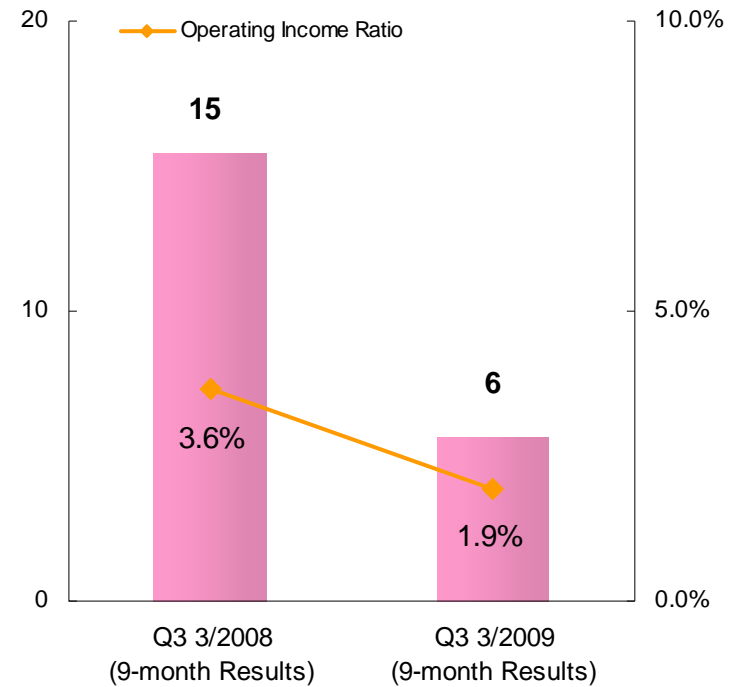
Net Sales

(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 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.

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	4,750	5,300	-550	-10.4% (-7.6%)
Operating Income	190	300	-110	-36.7%
Operating Income Ratio	4.0%	5.7%	-1.7%	
Non-operating Income (Loss)	60	35	25	
Current Profits	250	335	-85	-25.4%
Extraordinary Income (Loss)	-10	0	-10	
Income Taxes	80	110	-30	
Net Income	160	225	-65	-28.9%

(Yen)

Exchange Rate	USD	99.42	102.89	-3.47
	EUR	143.69	149.30	-5.61

* Assumed exchange rates for the fourth quarter
 [Revised] [Previous]
 1 USD= 90.00 JPY 1 USD= 100.00 JPY
 1 EUR= 120.00 JPY 1 EUR= 135.00 JPY

- By reflecting the rapid deterioration of market conditions and the sharp rise in the yen, forecasts of both sales and operating income have been revised downwards from the previous forecast in all businesses. While expecting positive factors including a reduction in expenses and in the allowance for copyright fee, negative factors are expected to outweigh them.
- While the impairment losses on investment securities posted during the 3rd quarter, profit on sale of land is expected in the 4th quarter.

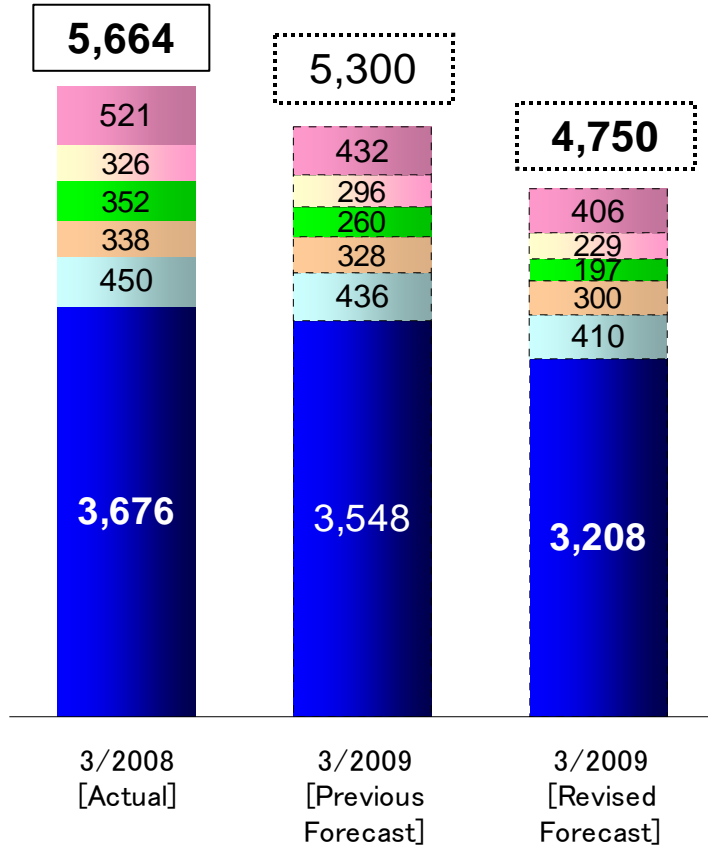
4-2. Revised Forecast for FY 2008 (ending March 31, 2009)

Sales and Operating Income by Business Segment



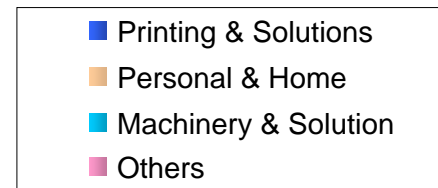
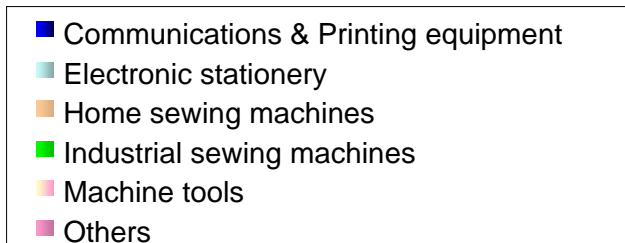
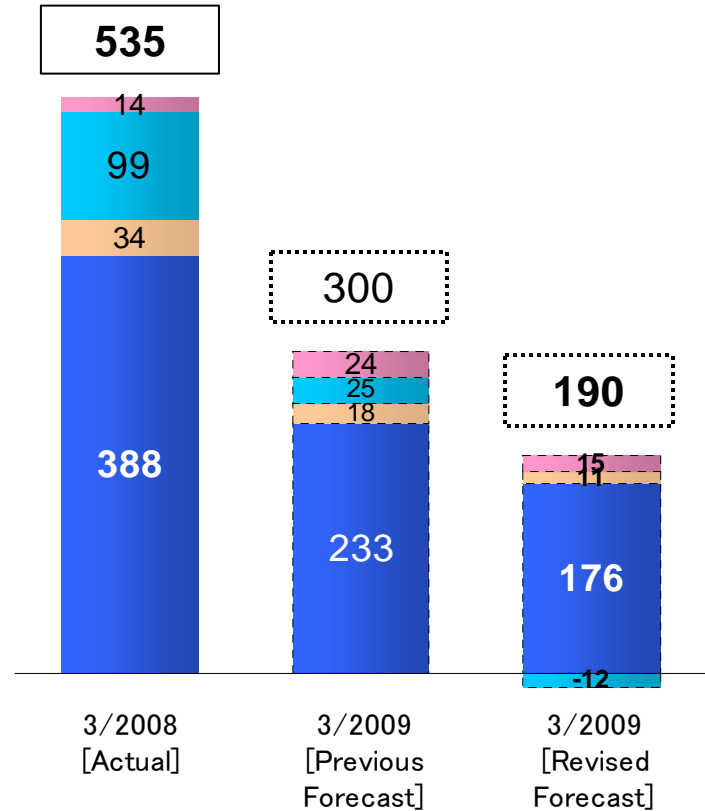
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



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	4,750	5,664	-914	-16.1% (-5.0%)
Operating Income	190	535	-345	-64.5%
Operating Income Ratio	4.0%	9.4%	-5.4%	
Non-operating Income (Loss)	60	-70	130	
Current Profits	250	465	-215	-46.3%
Extraordinary Income (Loss)	-10	-3	-7	
Income Taxes	80	192	-112	
Net Income	160	271	-111	-41.0%

(Yen)

Exchange Rate	USD	99.42	114.13	-14.71
	EUR	143.69	161.88	-18.19

- Sales are expected to decline sharply in all businesses due to the fast-spreading worldwide recession and strong yen.
- Operating income is expected to decrease mainly due to negative impact from forex, reduced sales in the Machinery business, and the deterioration of market conditions in the Printing business.
- Non-operating income/loss is expected to improve significantly due to hedging in forward-exchange contract.

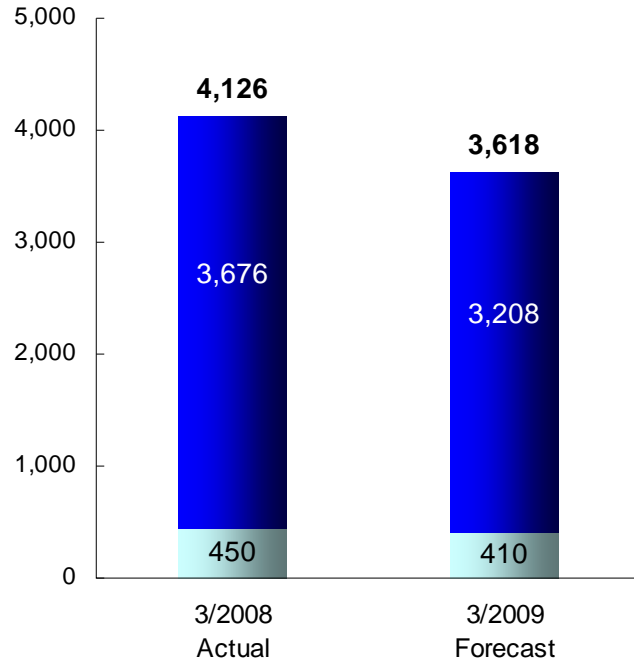
5-1. Printing & Solutions Sales & Operating Income

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



Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

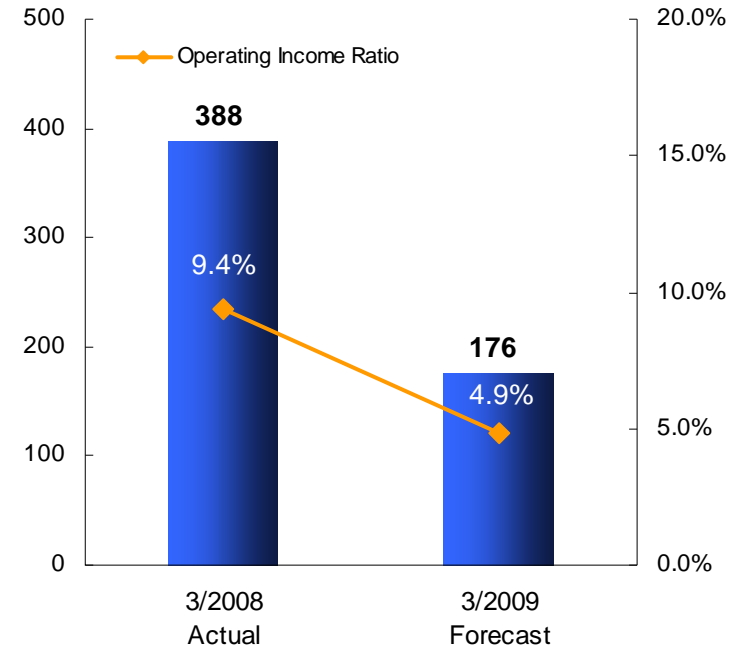
Total
-12.3% (+1.2%)

Communications & Printing equipment
-12.7% (+0.8%)

Electronic stationery
-8.8% (+4.8%)

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	1,143	- 11.5% (+3.5%)
Europe	1,650	1,372	- 16.9% (-2.0%)
Asia & Others	376	339	- 9.8% (+6.0%)
Japan	359	354	- 1.5% (-1.5%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change (w/o forex impact)
Americas	233	208	- 10.6% (+4.0%)
Europe	148	134	- 9.3% (+5.9%)
Asia & Others	34	31	- 10.1% (+4.8%)
Japan	35	37	+6.2% (+6.2%)

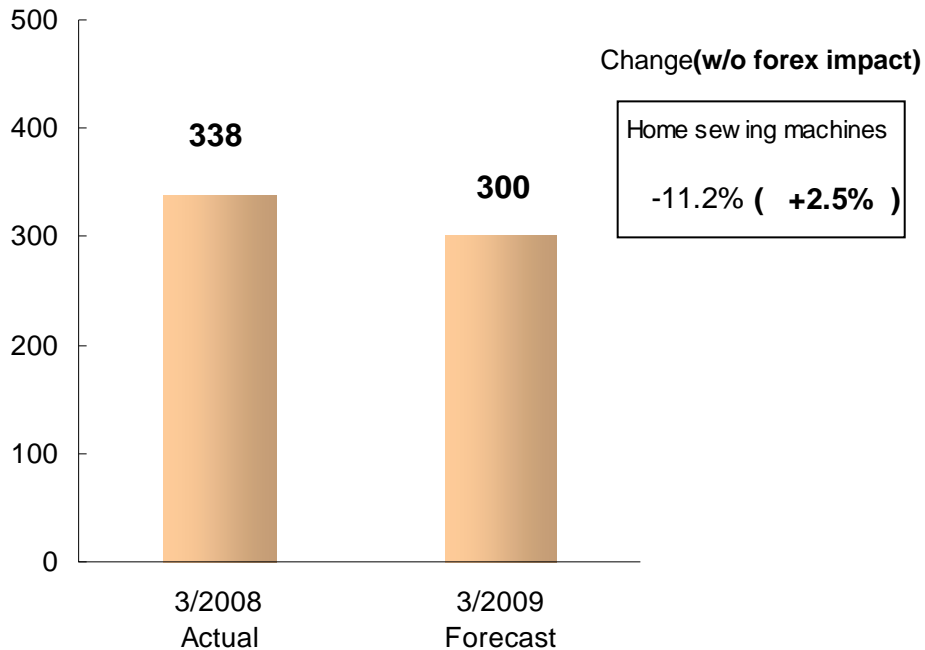
- As for Communications & Printing equipment, sales are expected to remain at a similar level to last year on the local currency basis.
- Operating income is expected to decrease sharply mainly due to the rapid deterioration of market conditions and negative impact from forex.

5-2. Personal & Home Sales & Operating Income

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

Net Sales

(100 Millions of Yen)



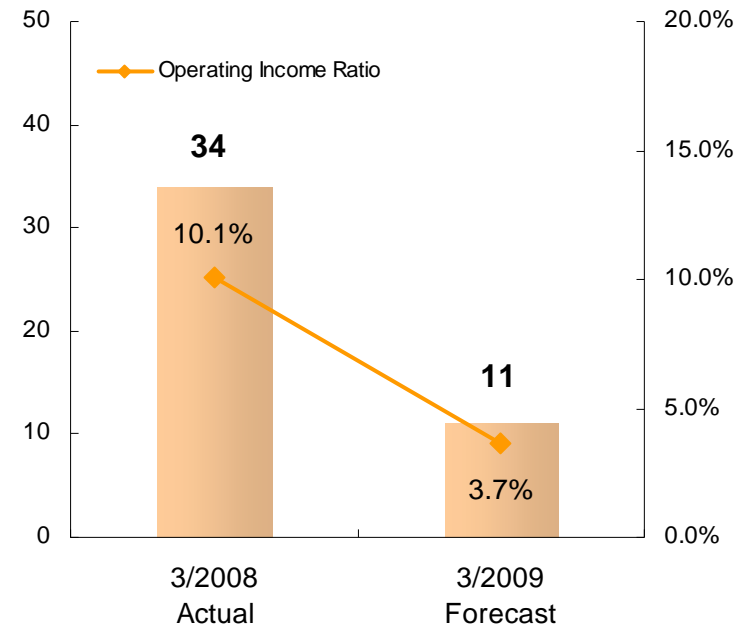
Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change (w/o forex impact)
Americas	153	132	- 13.8% (+0.9%)
Europe	94	79	- 16.1% (+3.4%)
Asia & Others	27	26	- 4.9% (+15.2%)
Japan	63	63	- 0.4% (-0.4%)

Operating Income

(100 Millions of Yen)



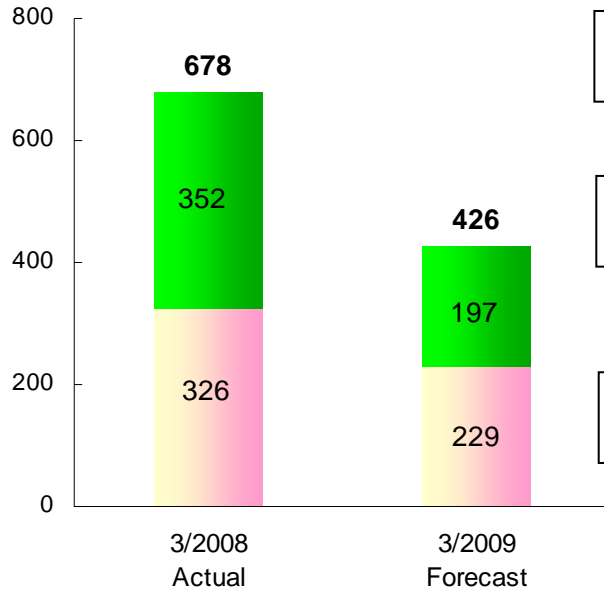
➤ While sales are expected to increase mainly in low-end sewing machines, operating income is expected to decline due to negative impact from forex and change of the sales composition.

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)

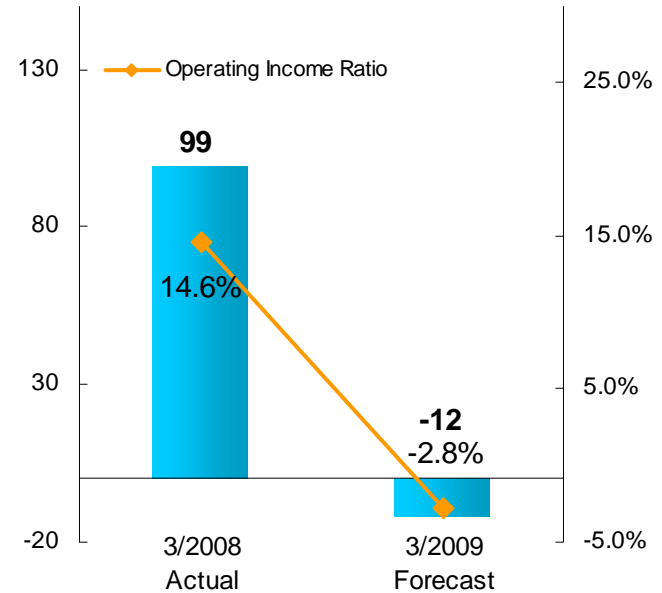
Total
-37.2% (**-33.4%**)

■ Industrial sewing machines
-44.1% (**-37.2%**)

■ Machine tools
-29.7% (**-29.4%**)

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	43	- 33.3% (-21.8%)
Europe	45	26	- 42.6% (-35.2%)
Asia & Others	205	113	- 44.8% (-38.2%)
Japan	38	15	- 60.3% (-60.3%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2008 Actual	3/2009 Forecast	Change
Americas	14	19	+29.3%
Europe	26	16	- 37.9%
Asia & Others	215	147	- 31.4%
Japan	71	47	- 33.7%

➤ In the midst of rapid deterioration of market conditions, both sales and operating income are expected to decline significantly in both the industrial sewing machine business and the machine tools business.

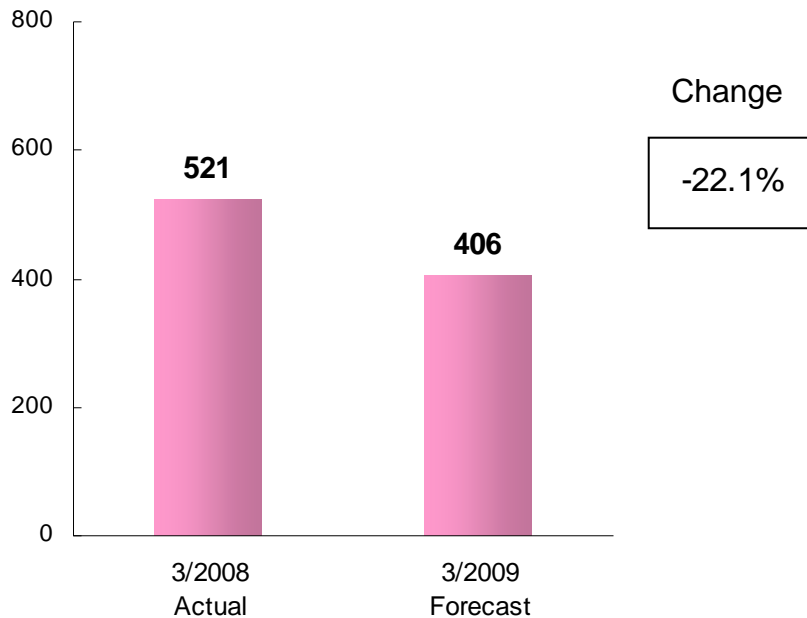
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

5-4. Others Sales & Operating Income

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

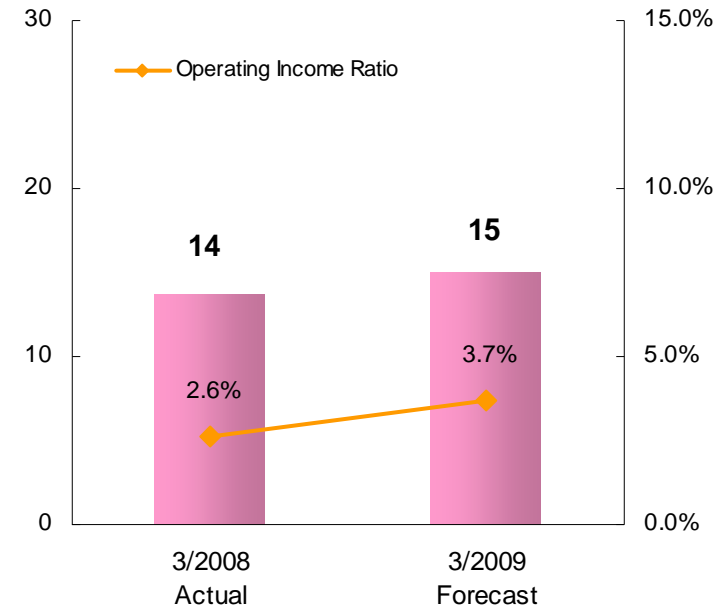
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



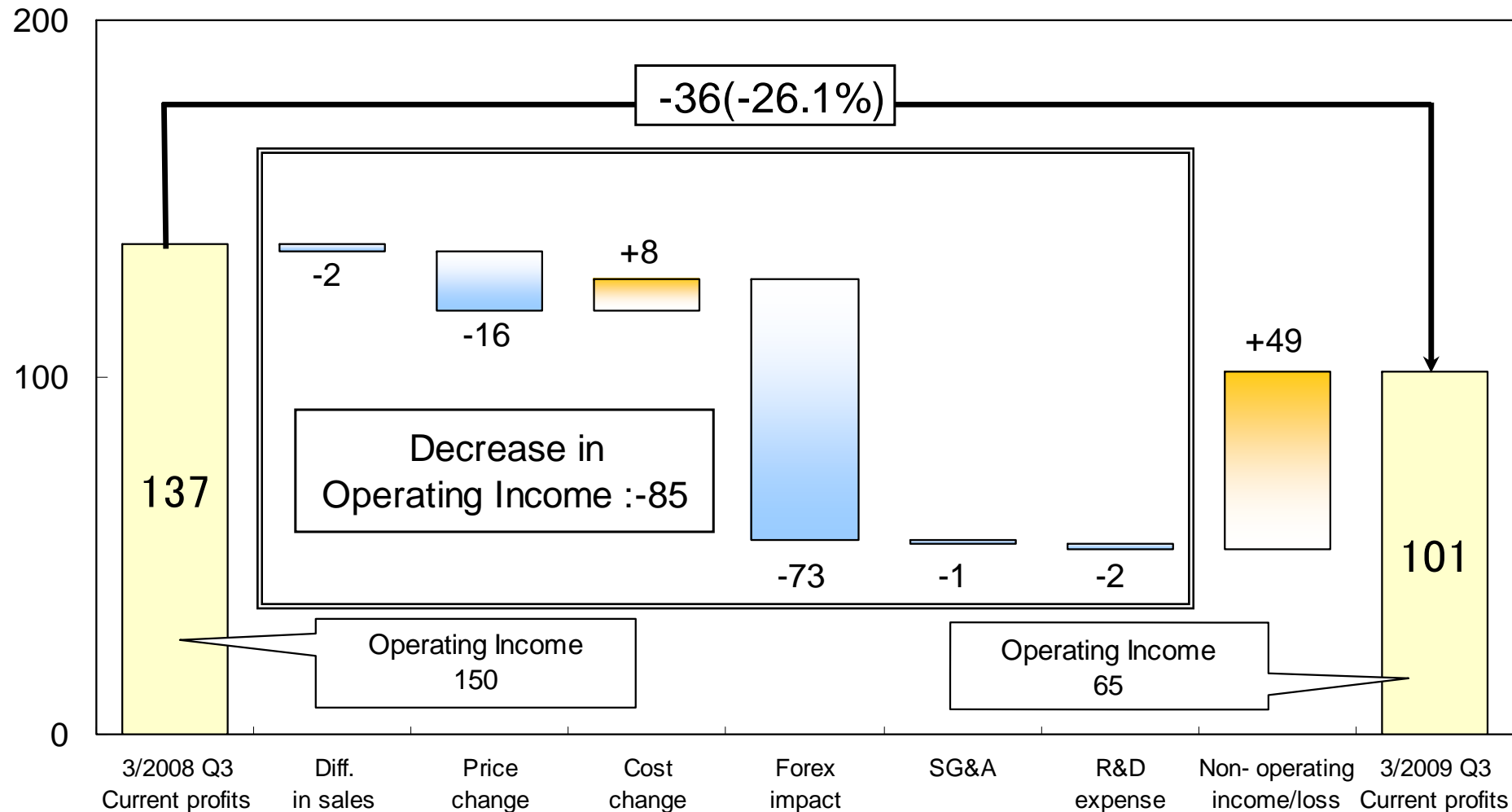
* Regional sales breakdown for “Others” is not referred to here because the major part of sales are made in Japan.

- 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 Q3(3-month Results)>

100 Millions of Yen



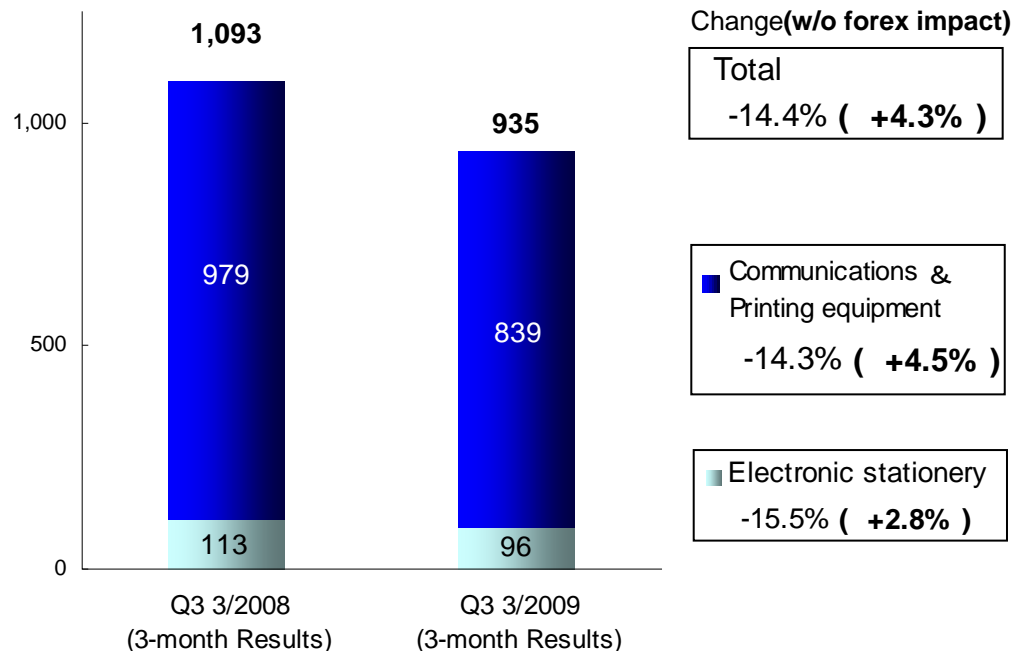
(Reference) Printing & Solutions Sales & Operating Income

< FY2008 Q3(3-month Results)>



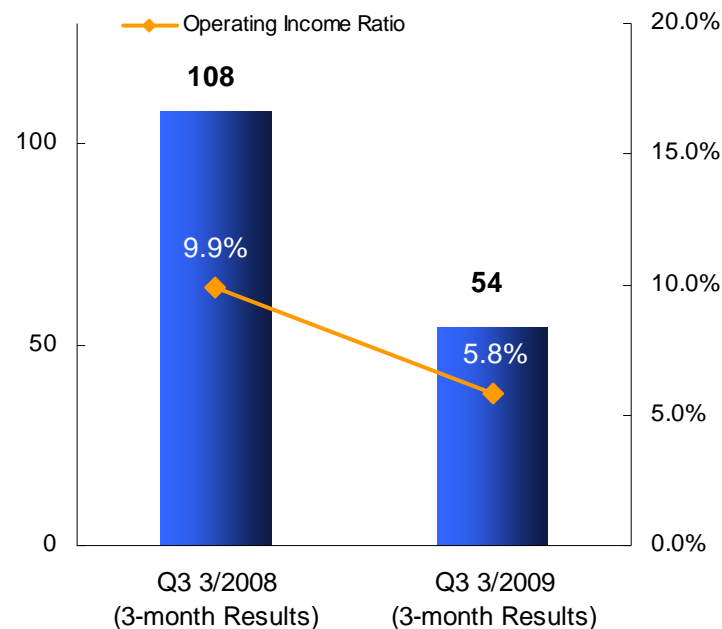
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (3-month Results)	Q3 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	326	288	-11.7% (+6.3%)
Europe	454	369	-18.7% (+4.6%)
Asia & Others	95	80	-16.1% (+4.4%)
Japan	104	102	-1.8% (-1.8%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (3-month Results)	Q3 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	56	50	-11.6% (+6.1%)
Europe	40	32	-20.4% (+1.9%)
Asia & Others	10	8	-26.3% (-8.3%)
Japan	7	7	-3.3% (-3.3%)

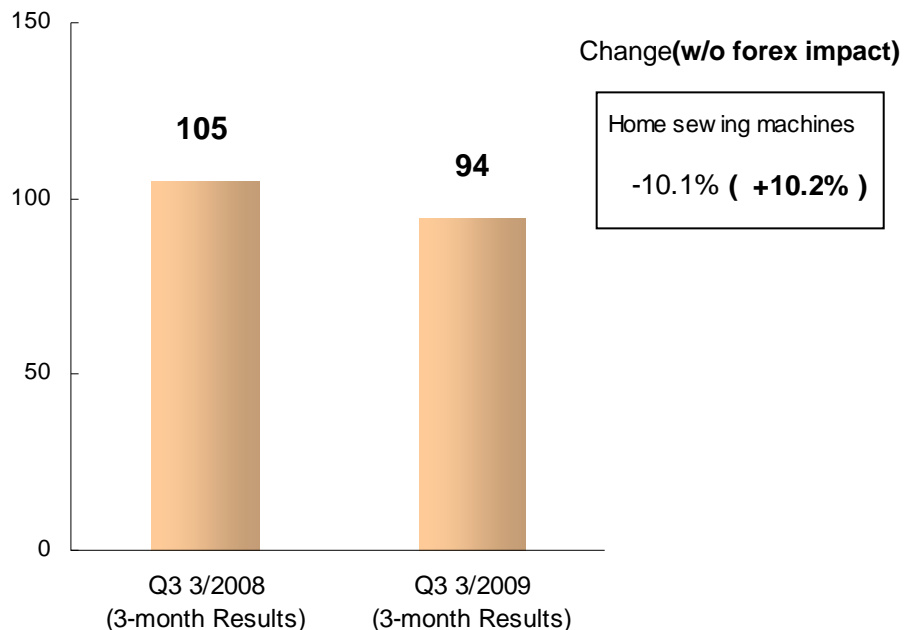
(Reference) Personal & Home Sales & Operating Income

< FY2008 Q3(3-month Results)>



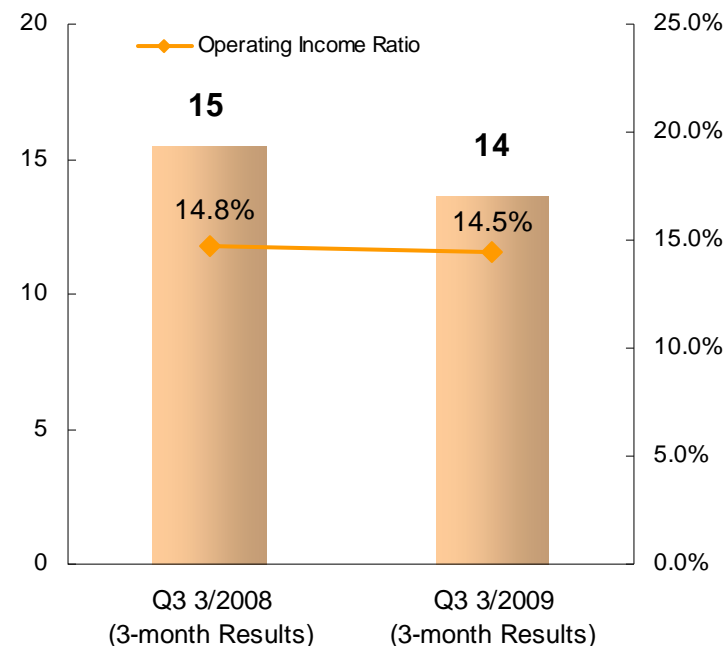
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (3-month Results)	Q3 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	52	48	-6.9% (+11.4%)
Europe	29	25	-16.1% (+14.6%)
Asia & Others	9	8	-9.7% (+23.3%)
Japan	15	14	-9.6% (-9.6%)

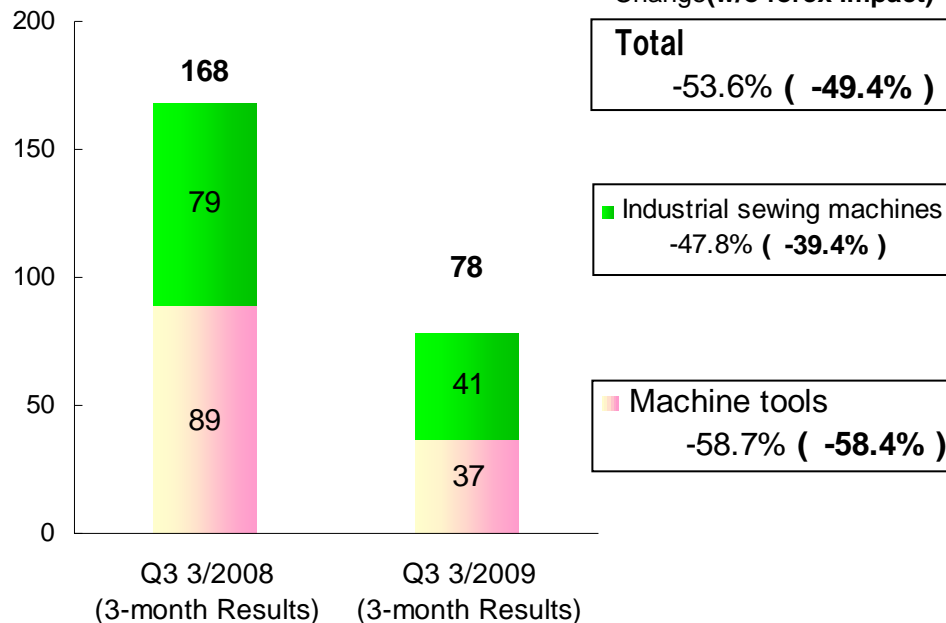
(Reference) Machinery & Solution Sales & Operating Income

< FY2008 Q3(3-month Results)>



Net Sales

(100 Millions of Yen)



Change(w/o forex impact)

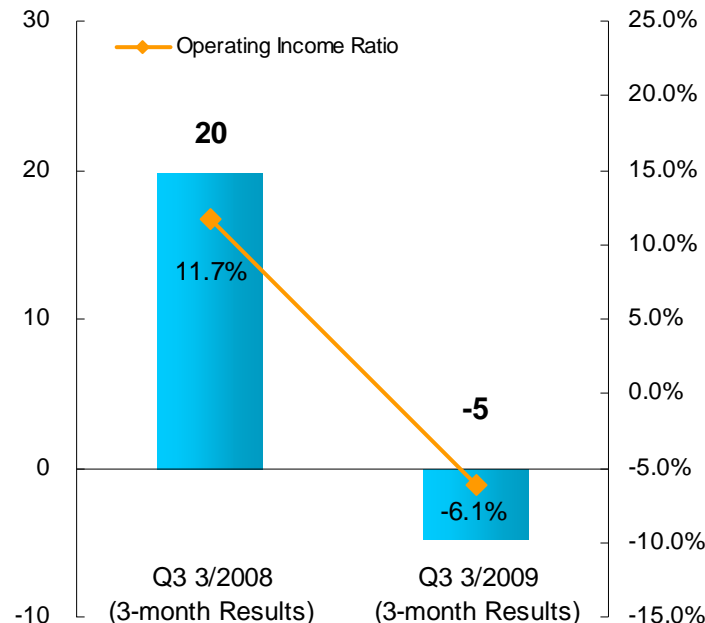
Total
-53.6% (-49.4%)

Industrial sewing machines
-47.8% (-39.4%)

Machine tools
-58.7% (-58.4%)

Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (3-month Results)	Q3 3/2009 (3-month Results)	Change (w/o forex impact)
Americas	15	10	-33.3% (-19.3%)
Europe	12	6	-54.3% (-42.9%)
Asia & Others	42	22	-47.7% (-40.4%)
Japan	9	3	-63.0% (-63.0%)

Machine tools

Geographical Sales(100 Millions of Yen)

	Q3 3/2008 (3-month Results)	Q3 3/2009 (3-month Results)	Change
Americas	3	5	+56.1%
Europe	5	4	-19.2%
Asia & Others	64	17	-73.0%
Japan	17	10	-37.1%

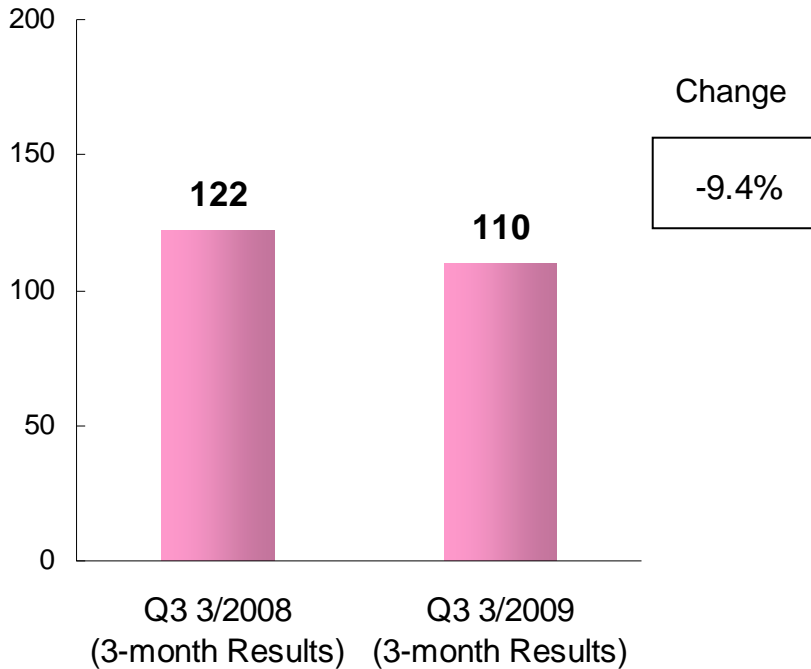
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

(Reference) Others Sales & Operating Income

< FY2008 Q3(3-month Results)>

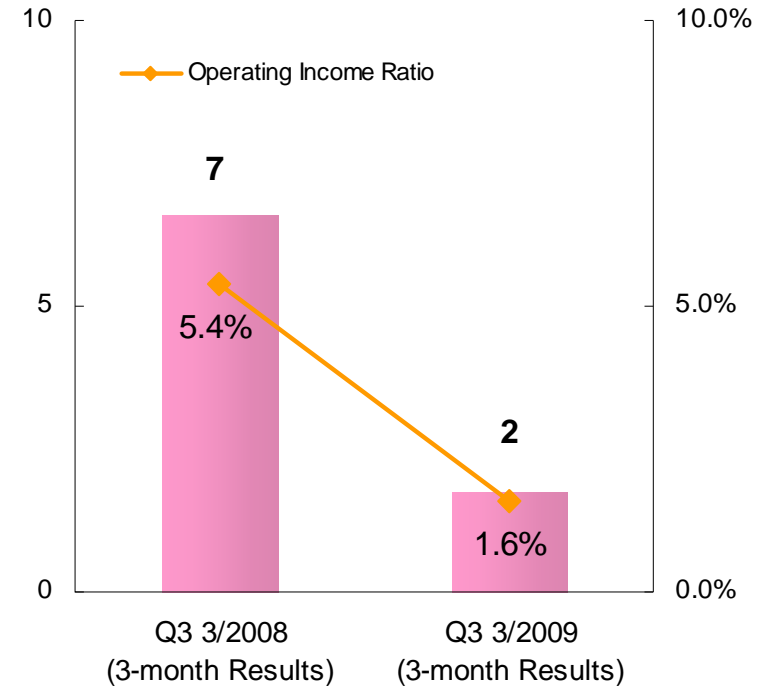
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)

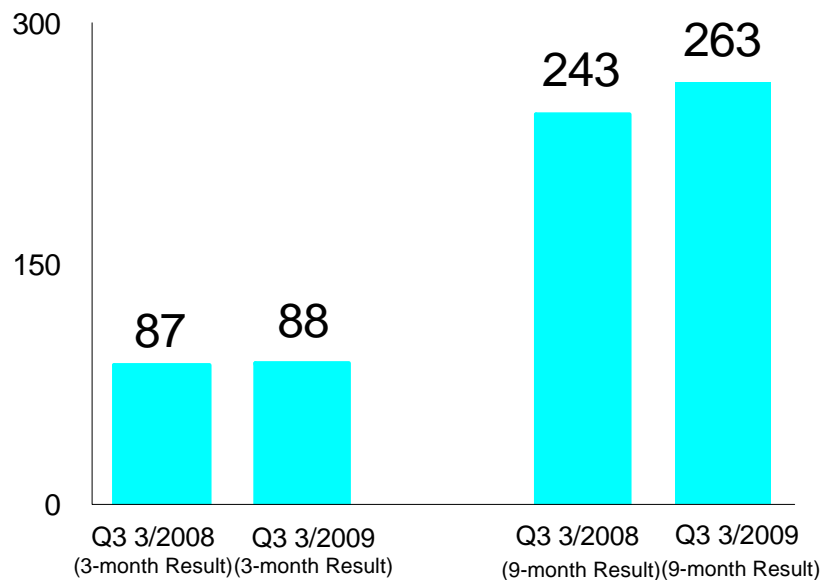


* Regional sales breakdown for “Others” is not referred to here because the major part of sales are made in Japan.

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

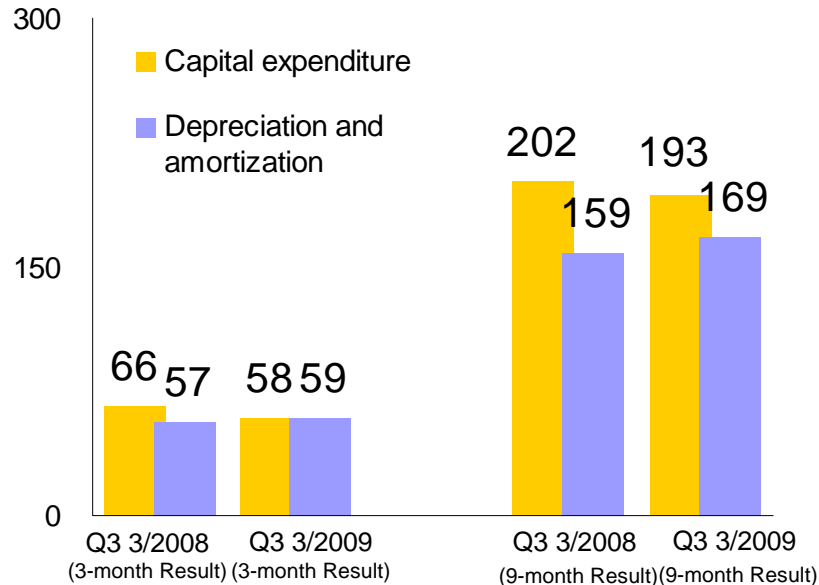
R&D expenses

(100 Millions of Yen)



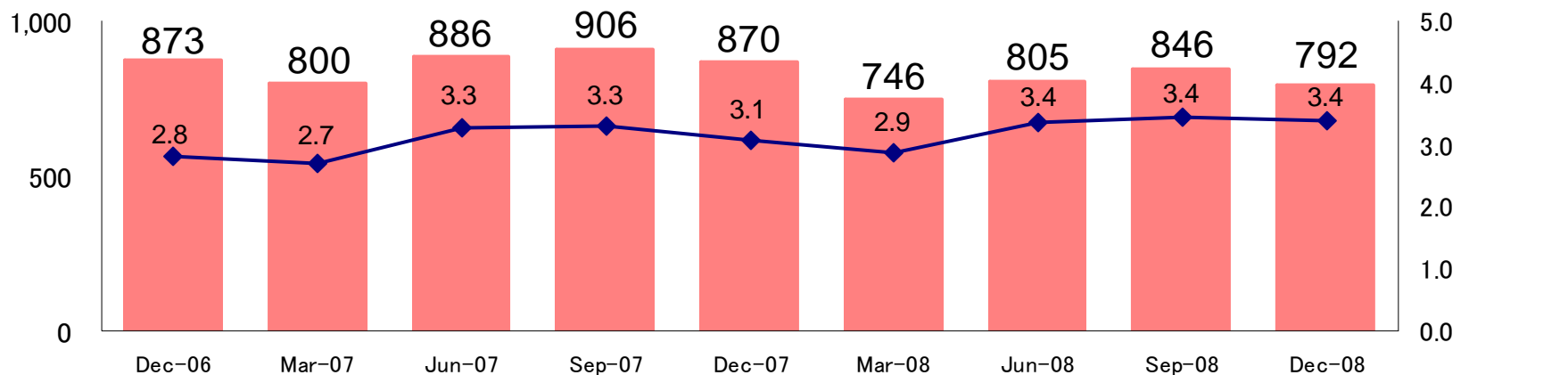
Capital expenditure and Depreciation and amortization

(100 Millions of Yen)



Inventories

(100 Millions of Yen)



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