

**Fiscal Year 2011 (ending March 31, 2012)**

**First Quarter Results**  
**(3-month results ended June 30, 2011)**

**Brother Industries, Ltd.**

**August 1, 2011**

Information on this report, other than historical facts, refers to future prospects and performance, and has been prepared by Our Management on the basis of information available at the time of the announcement. This covers various risks, including, but not limited to, economic conditions, customer demand, foreign currency exchange rates, tax rules, regulation and other factors. As a result, actual future performance may differ from any forecasts contained on this report.

# Consolidated Results for FY2011 Q1(3-month Results)

(100 Millions of Yen)

	Q1 3/2012 [Actual]	Q1 3/2011 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	1,228	1,232	-5	-0.4% (3.2%)
Operating Income	142	133	9	6.9%
Operating Income Ratio	11.6%	10.8%	0.8%	
Non-operating Income (Loss)	4	-1	5	
Current Profits	146	132	14	10.4%
Extraordinary Income (Loss)	9	-6	15	
Income Taxes	89	39	50	
Net Income	66	87	-22	-24.9%

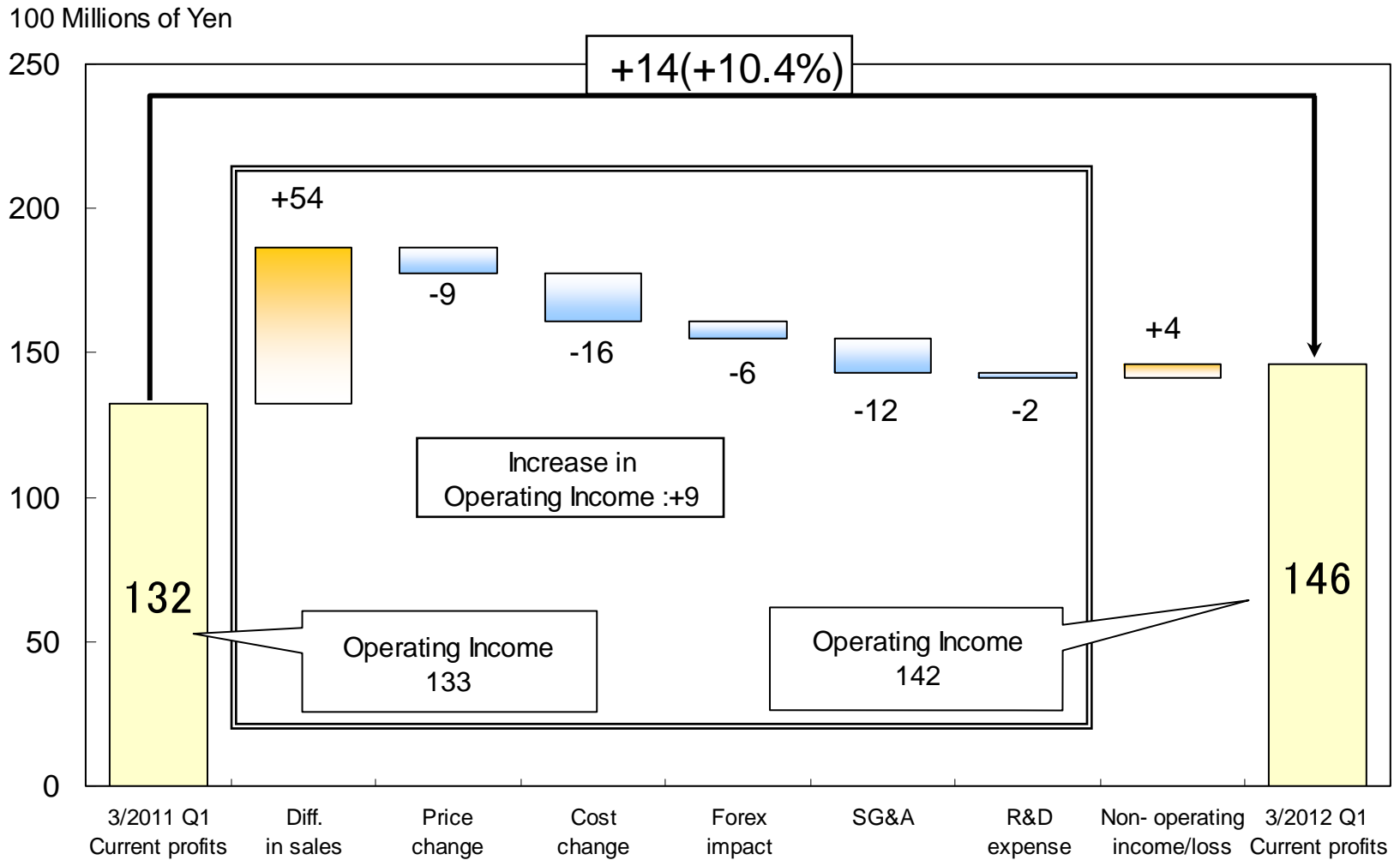
(Yen)

Exchange Rates	USD	81.71	91.73	-10.02
	EUR	118.11	117.35	0.76

- Despite a negative impact from forex, and the Great East Japan Earthquake, sales have remained at a similar level to the same period of last year due to the steady growth in sales from the Machinery and Solution business.
- Operating income increased due to higher profits led by the Machinery and Solution business despite a negative impact from increased SG&A and raw material costs.

# Main Factors for Changes in Current Profits

< FY2011 Q1 ( 3-month Results ) >

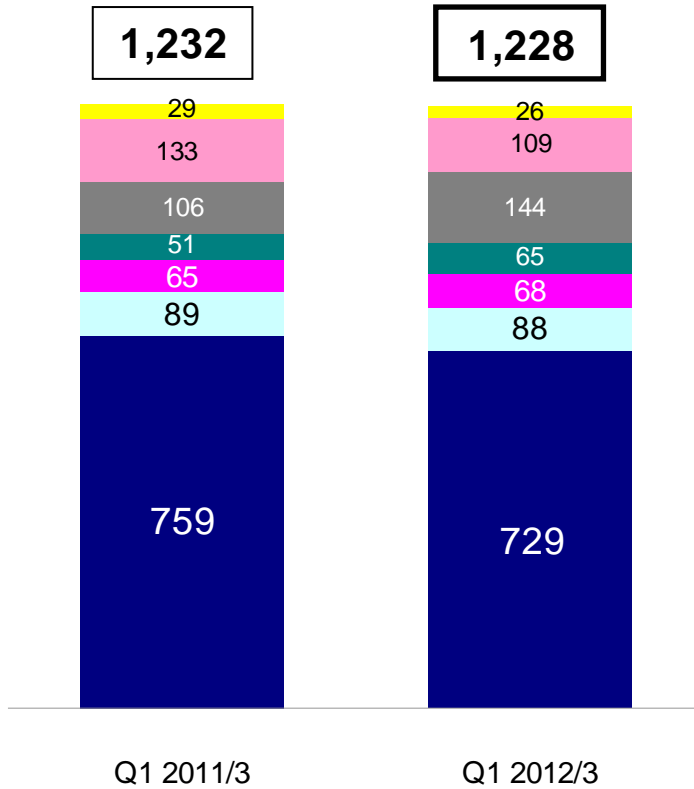


# Consolidated Results for FY2011 Q1 (3-month Results)

## Sales and Operating Income by Business Segment

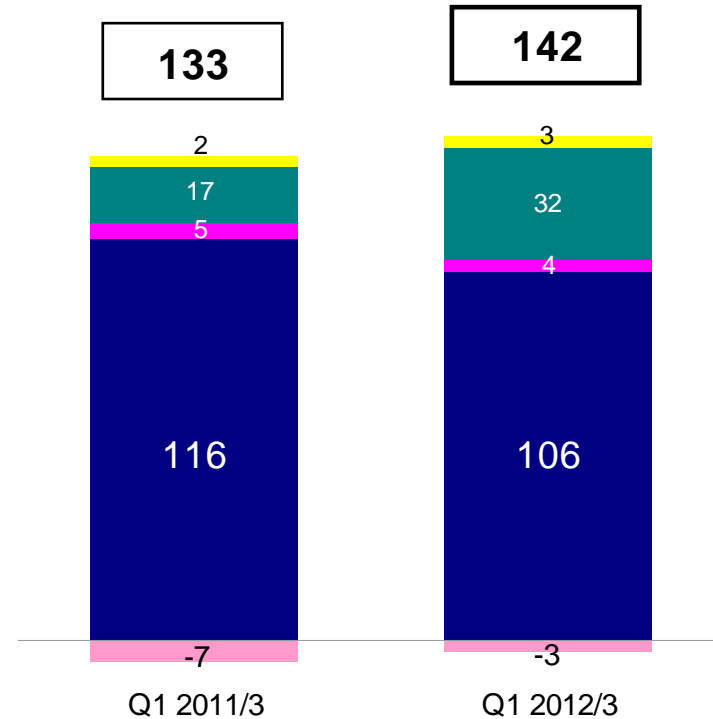
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)

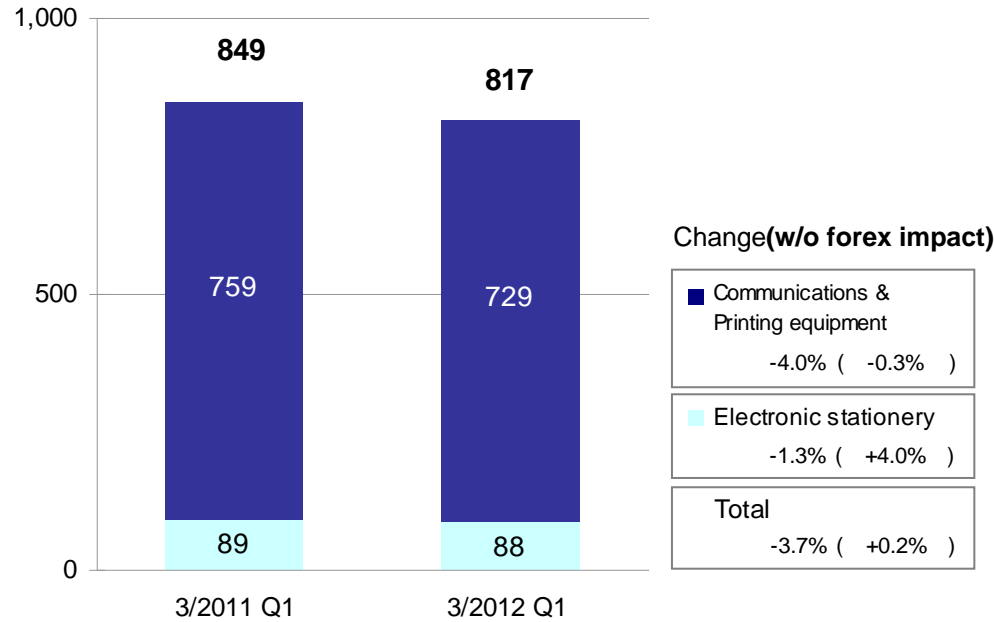


- Communications & Printing equipment
- Electronic stationery
- Home sewing machines
- Industrial sewing machines
- Machine tools
- Online karaoke, Contents distribution services
- Others

- Printing & Solutions
- Personal & Home
- Machinery & Solution
- Network & Contents
- Others

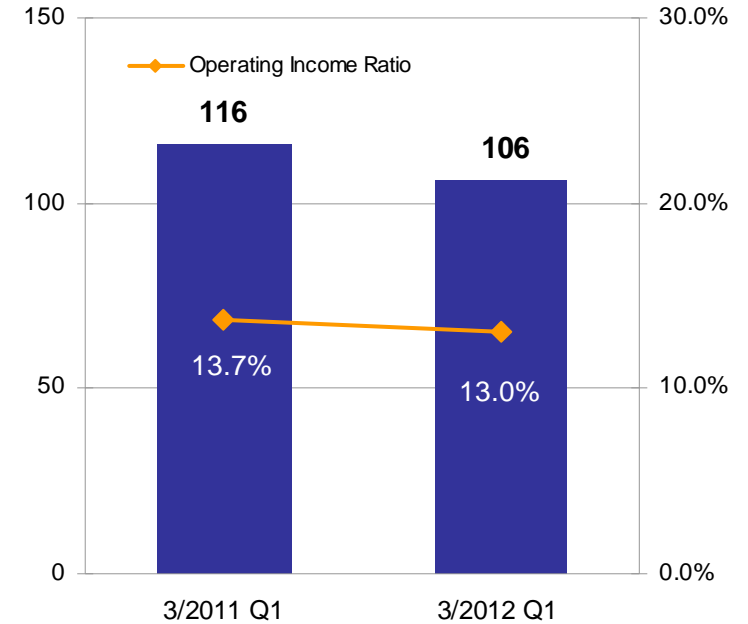
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



#### Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2011 Q1	3/2012 Q1	Change (w/o forex impact)
Americas	274	246	-10.3% (-1.0%)
Europe	276	277	+0.3% (-0.3%)
Asia & Others	109	105	-3.4% (+0.5%)
Japan	99	100	+0.7% (+0.7%)

#### Electronic stationery

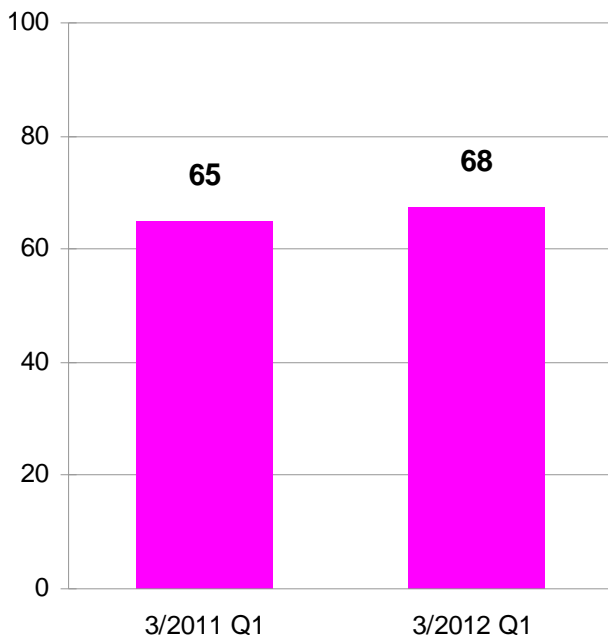
Geographical Sales(100 Millions of Yen)

	3/2011 Q1	3/2012 Q1	Change (w/o forex impact)
Americas	45	42	-6.5% (+3.5%)
Europe	28	28	+2.1% (+1.0%)
Asia & Others	9	10	+11.3% (+16.5%)
Japan	7	8	+2.2% (+2.2%)

- Sales decreased due to the negative impacts of forex and the earthquake.
- Operating income decreased due to effects of raw material cost increases, and increase in SG&A.

## Net Sales

(100 Millions of Yen)

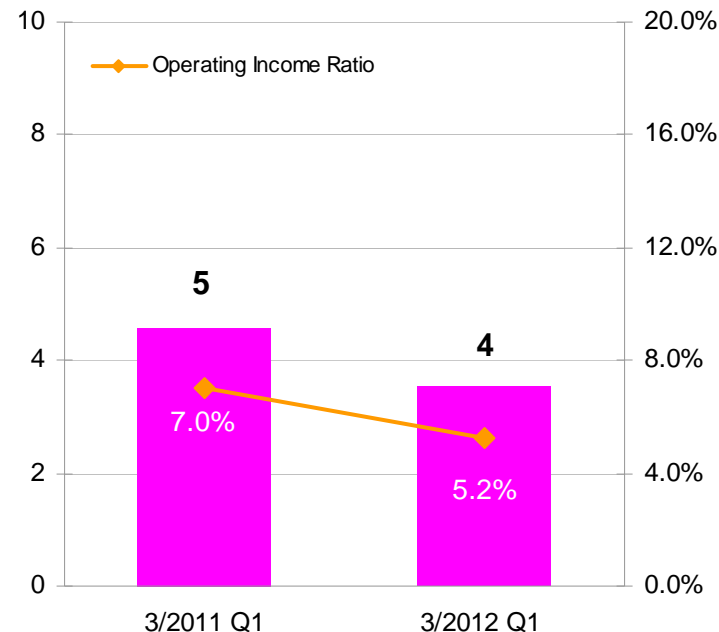


Change(w/o forex impact)

+3.8% ( +9.0% )

## Operating Income

(100 Millions of Yen)



## Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 Q1	3/2012 Q1	Change (w/o forex impact)
Americas	30	32	+7.3% (+18.4%)
Europe	13	14	+6.0% (+5.3%)
Asia & Others	7	7	-0.5% (+1.7%)
Japan	15	14	-3.6% (-3.6%)

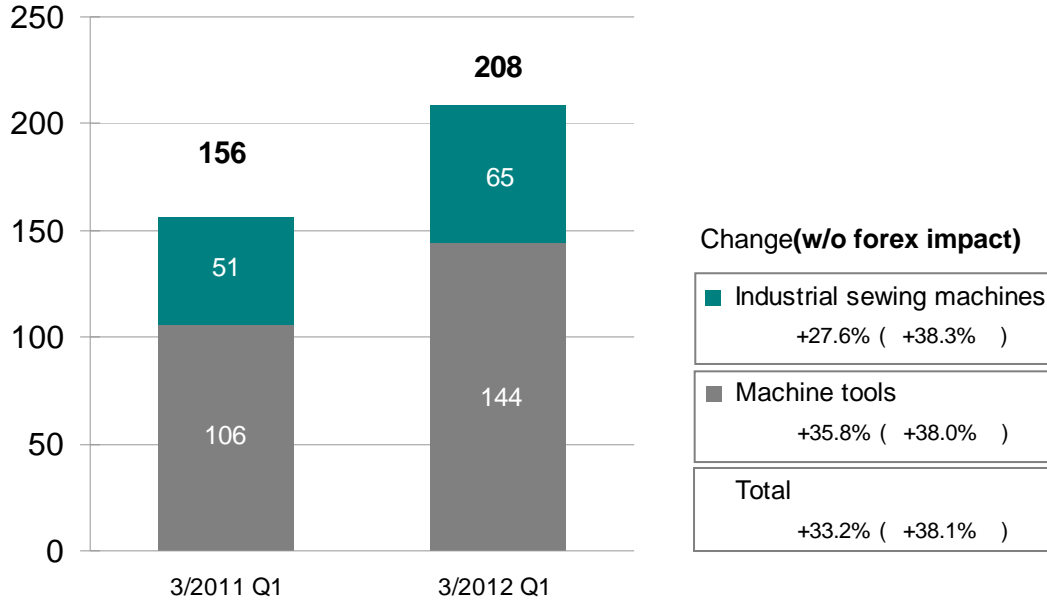
- Sales grew steadily mainly in the Americas.
- Despite the positive impact due of profits from increased sales, operating income decreased due to the negative impact of forex and higher raw material costs.

# Machinery & Solution Sales & Operating Income

## < FY2011 Q1(3-month Results ) >

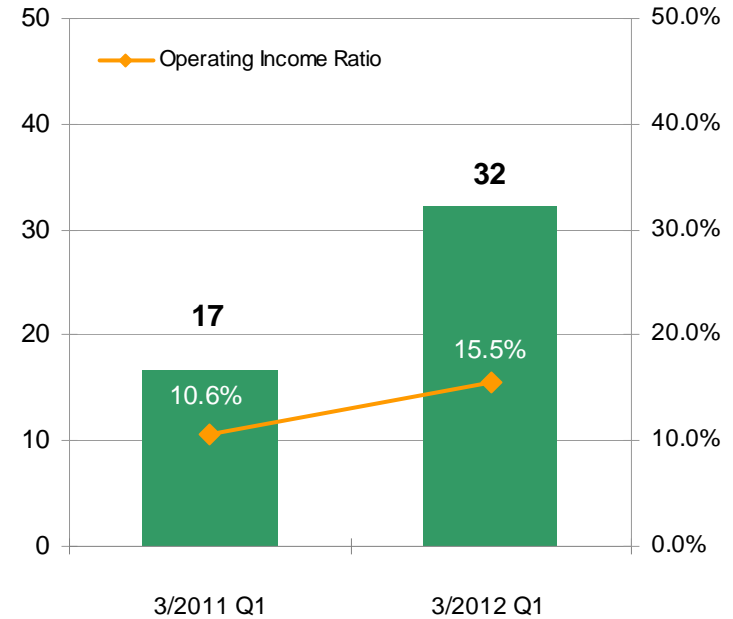
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



#### Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 Q1	3/2021 Q1	Change (w/o forex impact)
Americas	8	8	+3.1% (+15.3%)
Europe	6	10	+63.7% (+62.6%)
Asia & Others	34	44	+29.5% (+42.6%)
Japan	2	1	-24.6% (-24.6%)

#### Machine tools

Geographical Sales(100 Millions of Yen)

	3/2011 Q1	3/2021 Q1	Change
Americas	2	5	+169.4%
Europe	1	6	+761.0%
Asia & Others	96	123	+27.7%
Japan	7	10	+35.4%

- Sales grew steadily mainly in Asia & Others.
- Operating income rose sharply due to profits from increased sales.

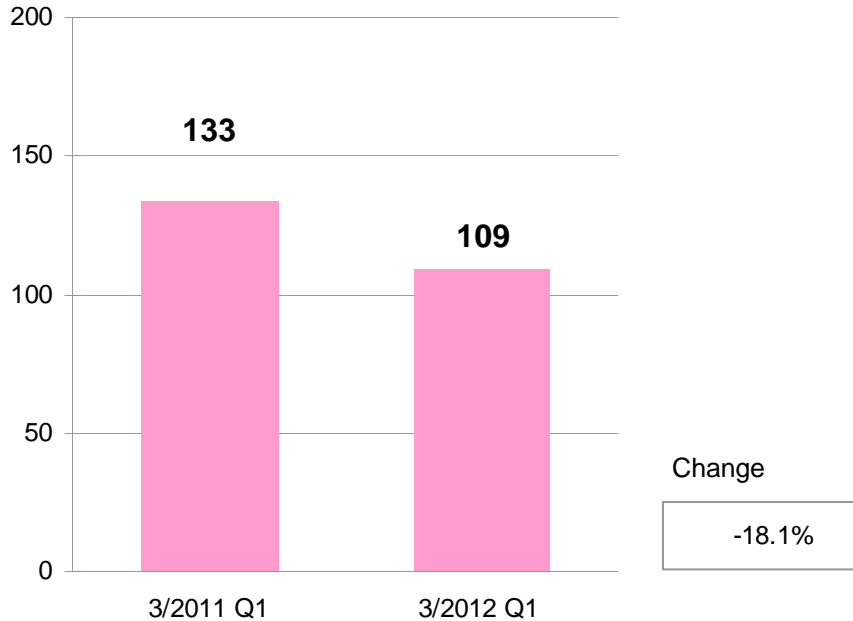
\*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown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

# Network & Contents Sales & Operating Income

## < FY2011 Q1(3-month Results ) >

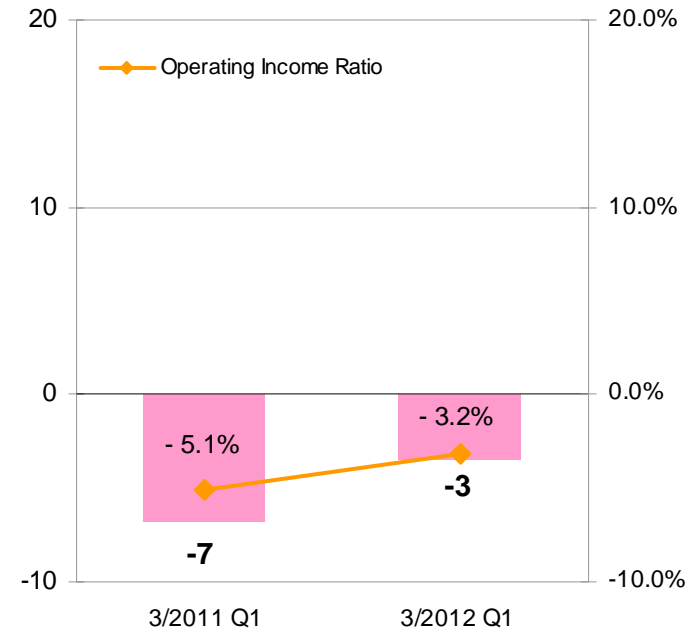
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



- Sales decreased due to the negative impact of the earthquake.
- Operating income improved due to an integration effect such as reduction of costs and expenses.

\* Regional sales breakdown for “Network & Contents” is not referred here because the major part of sales are made in Japan.

# Revised Forecast for FY 2011 ( ending March 31, 2012)

(100 Millions of Yen)

	3/2012 [Revised]	3/2012 [Previous]	Change	Rate of Change
Net Sales	5,200	5,200	-	-
Operating Income	355	340	15	4.4%
Operating Income Ratio	6.8%	6.5%	0.3%	
Non-operating Income (Loss)	5	0	5	
Current Profits	360	340	20	5.9%
Extraordinary Income (Loss)	0	0	0	
Income Taxes	150	140	10	
Net Income	210	200	10	5.0%

(Yen)

Exchange Rates	USD	80.58	85.00	-4.42
	EUR	116.10	115.00	1.10

\* Assumed future currency exchange rates for the consolidated forecasts for the fiscal year ending March 31, 2012 are USD=80.00 yen and EUR=115.00 yen.

\* The above "Exchange Rates" for the fiscal year ending March 31, 2012 are the average rates for the year.

- Despite a negative impact by revision of USD/JPY assumption rate from 85 to 80, sales are expected to be unchanged from the previous forecast, as the actual business impact of the earthquake is smaller than originally estimated.
- Operating income is expected to surpass the previous forecast because we originally over estimated the negative impact of the earthquake.

(100 Millions of Yen)

	3/2012 [Forecast]	3/2011 [Actual]	Change	Rate of Change
Net Sales	5,200	5,028	172	3.4%
Operating Income	355	361	-6	-1.6%
Operating Income Ratio	6.8%	7.2%	-0.4%	
Non-operating Income (Loss)	5	25	-20	
Current Profits	360	386	-26	-6.8%
Extraordinary Income (Loss)	0	-46	46	
Income Taxes	150	78	72	
Net Income	210	262	-52	-20.0%

(Yen)

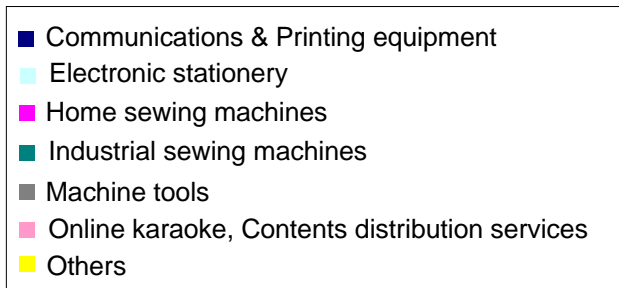
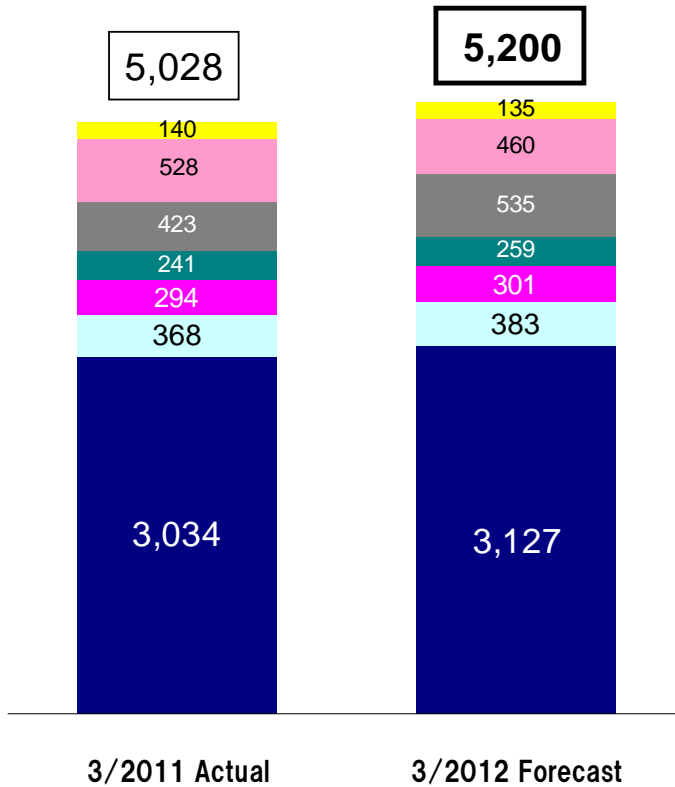
Exchange Rates	USD	80.58	85.82	-5.24
	EUR	116.10	113.56	2.54

- Sales are expected to increase in total, despite a negative forex impacts, and the effect of the earthquake.
- Operating income is expected to decrease due to raw material cost increases in the Communications & Printing businesses despite the profits from increased sales and positive effects associated with M&A.
- Net income is expected to decrease due to an increase of income tax caused by tax effect accounting.

# Consolidated Forecast for FY2011 (ending March 31, 2012) Sales and Operating Income by Business Segment

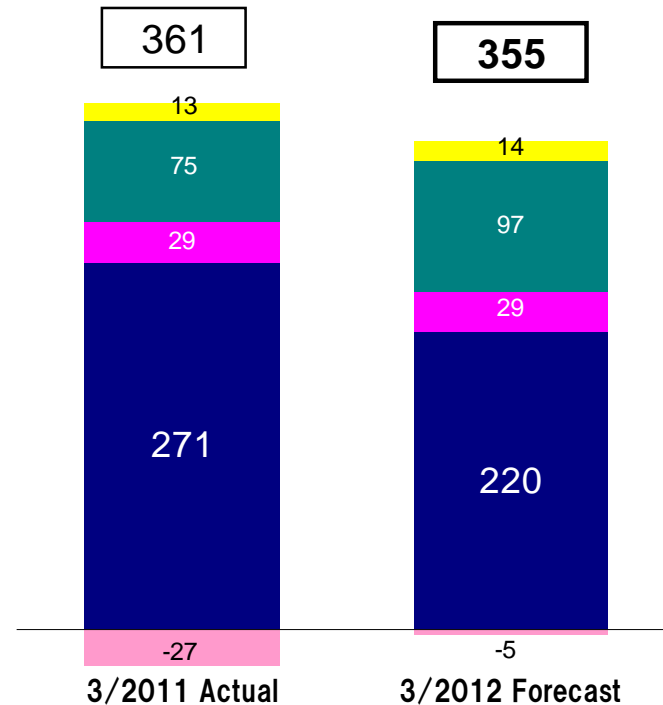
## Net Sales

(100 Millions of Yen)



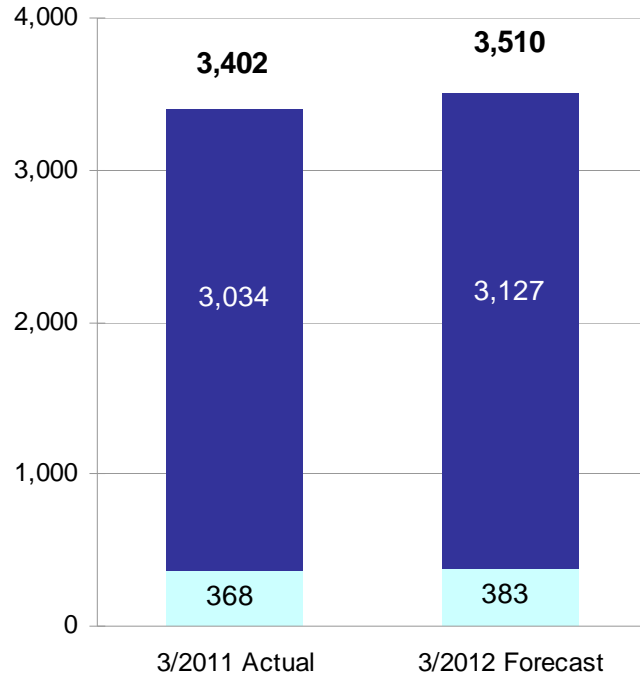
## Operating Income

(100 Millions of Yen)



## Net Sales

(100 Millions of Yen)



### Change(w/o forex impact)

■ Communications & Printing equipment	+3.1% ( +4.4% )
■ Electronic stationery	+4.0% ( +6.1% )
Total	+3.2% ( +4.6% )

## Operating Income

(100 Millions of Yen)



### Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change (w/o forex impact)
Americas	1,076	1,040	-3.4% (+2.2%)
Europe	1,142	1,204	+5.4% (+2.8%)
Asia & Others	421	430	+2.3% (+4.6%)
Japan	395	454	+14.8% (+14.8%)

### Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change (w/o forex impact)
Americas	180	180	-0.2% (+5.6%)
Europe	116	125	+8.0% (+5.1%)
Asia & Others	39	42	+8.0% (+10.6%)
Japan	34	36	+7.4% (+7.4%)

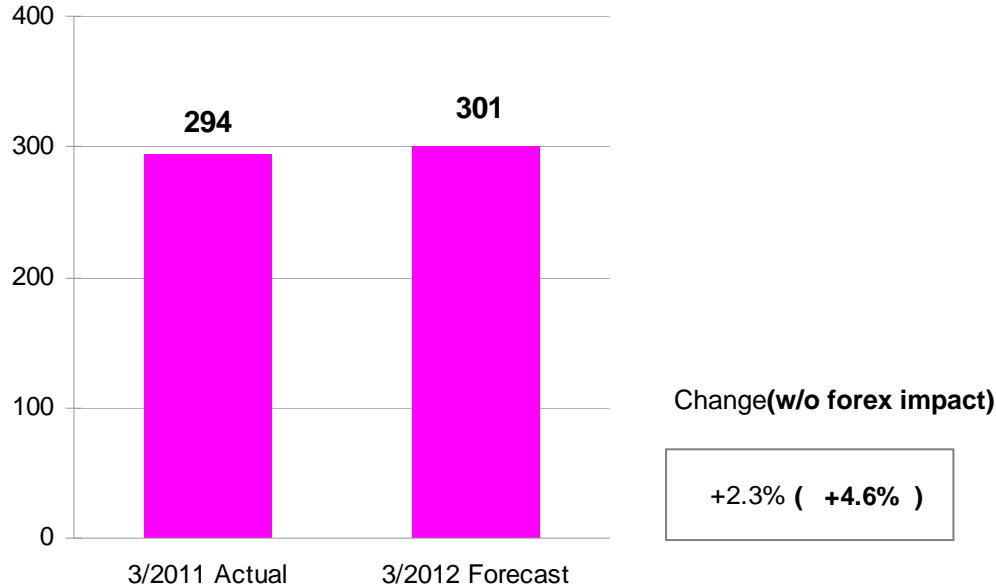
- Sales are expected to increase despite a negative impact of forex.
- Operating income is expected to decrease due to increased capital expenditure, R&D expenses and higher raw material costs.

# Personal & Home Sales & Operating Income

## < Forecast for FY2011( ending March 31,2012 ) >

### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



### Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change (w/o forex impact)
Americas	138	140	+1.3% (+7.2%)
Europe	66	71	+8.4% (+5.3%)
Asia & Others	30	28	-7.6% (-5.5%)
Japan	60	62	+2.7% (+2.7%)

- Sales are expected to grow steadily mainly in the Americas and Europe.
- Despite a positive impact on profits from increased sales, operating income is expected to remain at a similar level to the same period of last year due to raw material cost increases.

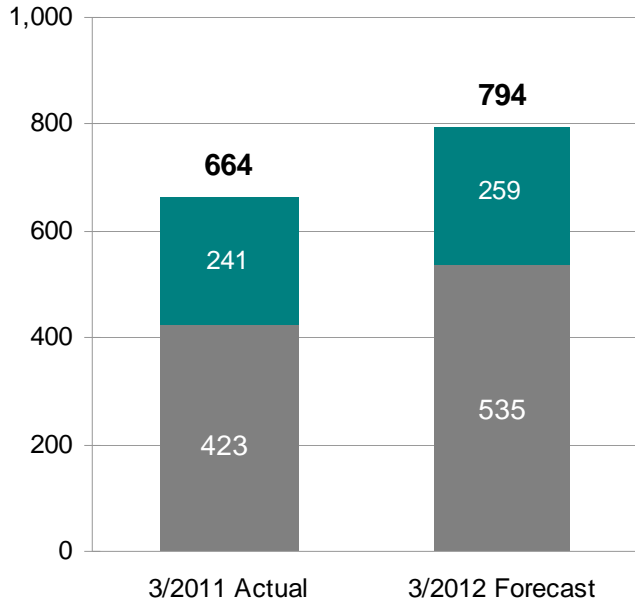
# Machinery & Solution Sales & Operating Income

< Forecast for FY2011 ( ending March 31, 2012 ) >



## Net Sales

(100 Millions of Yen)

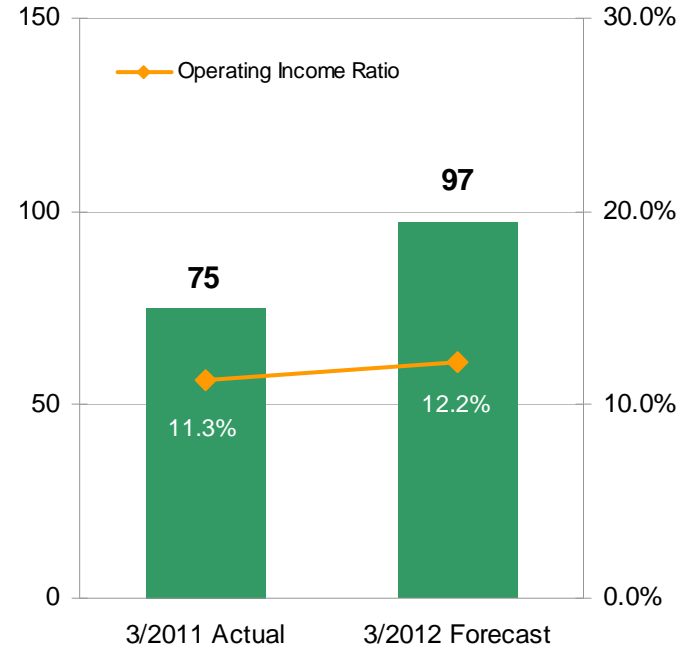


### Change(w/o forex impact)

Industrial sewing machines	+7.4% ( +10.9% )
Machine tools	+26.5% ( +27.0% )
<b>Total</b>	<b>+19.6% ( +21.2% )</b>

## Operating Income

(100 Millions of Yen)



### Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change (w/o forex impact)
Americas	32	29	-10.1% (-4.0%)
Europe	30	33	+10.3% (+7.6%)
Asia & Others	172	193	+11.9% (+16.1%)
Japan	6	4	-38.1% (-38.1%)

### Machine tools

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change
Americas	12	15	+19.9%
Europe	12	16	+31.4%
Asia & Others	364	466	+28.0%
Japan	35	38	+10.8%

- Sales are expected to increase steadily mainly in Asia & Others.
- Operating income is expected to increase due to profits from increased sales.

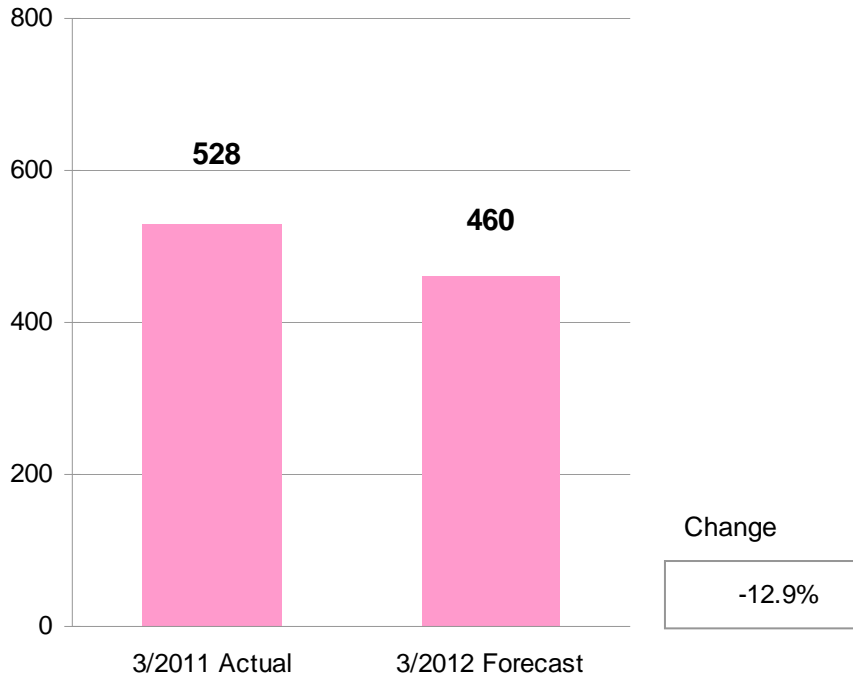
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# Network & Contents Sales & Operating Income

## < Forecast for FY2011( ending March 31,2012 ) >

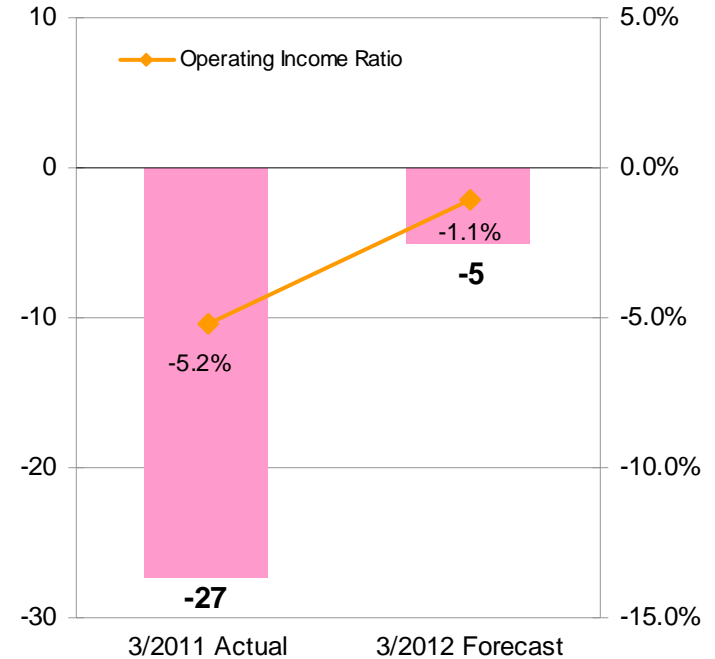
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



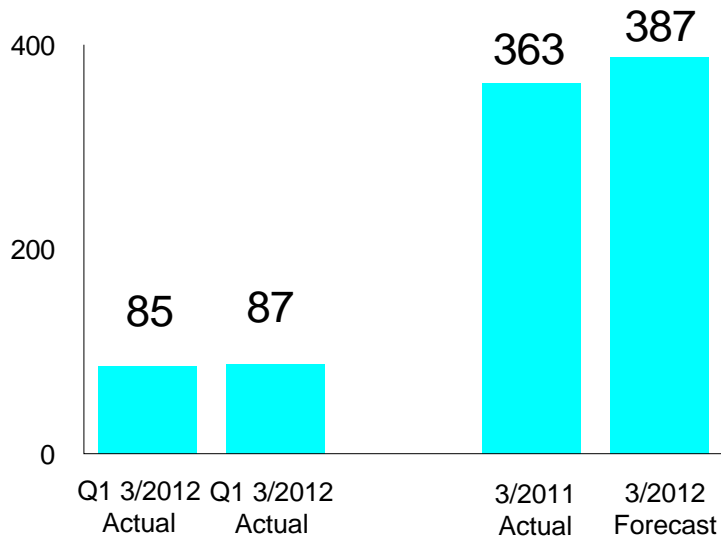
- Sales are expected to decrease mainly due to the negative impact of the earthquake.
- Operating income is expected to improve due to the reduction in expenses associated with M&A.

\* Regional sales breakdown for "Network & Contents" is not referred here because the major part of sales are made in Japan.

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

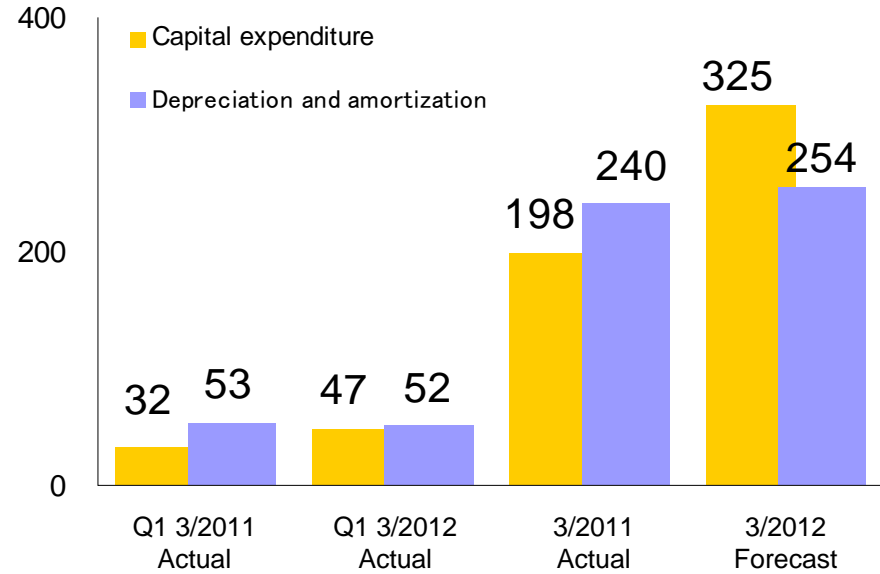
## R&D expenses

(100 Millions of Yen)



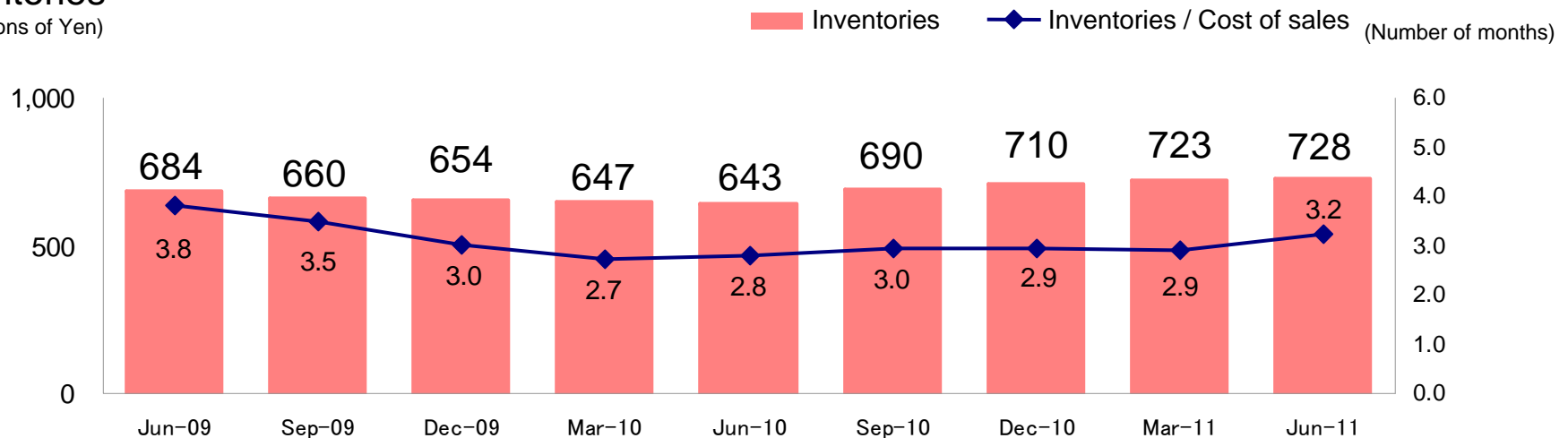
## Capital expenditure and Depreciation and amortization

(100 Millions of Yen)



## Inventories

(100 Millions of Yen)



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