

Fiscal Year 2011 (ending March 31, 2012)

First Half & Second Quarter Results
(ended September 30, 2011)

Brother Industries, Ltd.

November 1, 2011

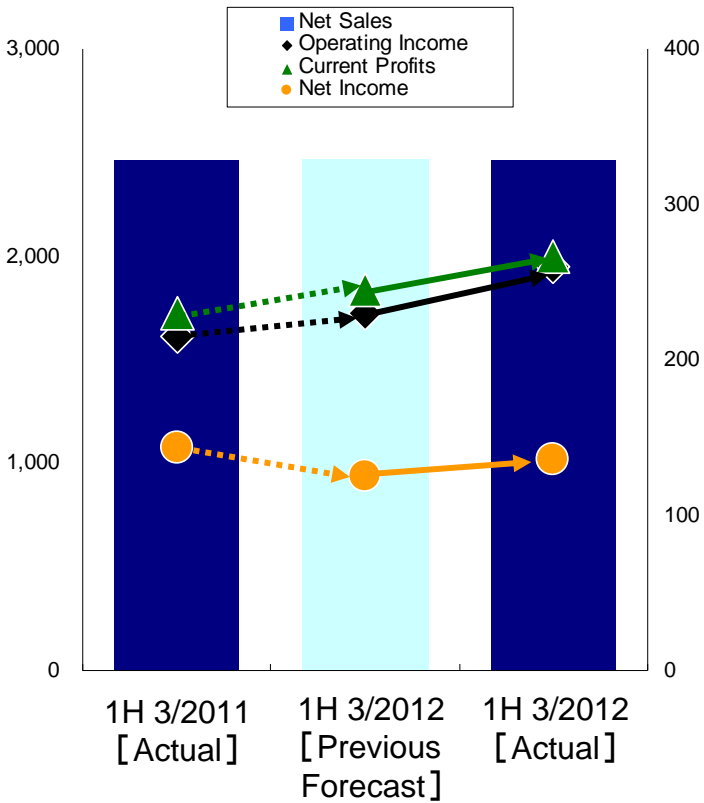
Information on this report, other than historical facts, refers to future prospects and performance, and has been prepared by Our Management on the basis of information available at the time of the announcement. This covers various risks, including, but not limited to, economic conditions, customer demand, 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.

Results for first half of FY2011 (ending March 31, 2012)

(100 Millions of Yen)

Net Sales

Profits



USD	88.85	79.74	79.73
EUR	114.82	115.04	114.09

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

	1H 3/2012 Actual	Year-on-Year Changes			Changes to Previous Forecast		
Net Sales	2,466	2,462	4	0.2% (+3.6%)	2,470	-4	-0.2%
Operating Income	260	215	45	20.8%	230	30	13.1%
Current Profits	267	230	37	15.9%	245	22	8.8%
Net Income	136	143	-7	-5.1%	125	11	8.4%

- ✓ Despite a negative impact from forex, sales increased mainly due to the steady growth in sales from the Machine tools.
- ✓ 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.

Business strategy for growth remains the same although the global economy is unclear.

P&S

Printing

- ▶ Establish a strong position in SOHO/SMB* market by promoting a global growth strategy

P&H

Home Sewing Machine

- ▶ Aim for steady growth and securing profitability

M&S

Industrial Sewing Machine /
Machine Tools

- ▶ Establish growth and profit with the products that are market leaders

N&C

Online karaoke /
New Business

- ▶ Establish Online karaoke business as a core and expand new business in the Network and Contents business

NID

Network Imaging
Device

- ▶ Develop and establish new businesses for the next generation in Network Imaging Device business

* SOHO: Small Office, Home Office, SMB: Small and Medium Business

- ✓ Maintain and grow share in SOHO/SMB whilst enhancing position in the business segment.
- ✓ Expand sales of Black-and-White Laser Printer in emerging countries.
- ✓ Enhance our sales force and develop/provide products which satisfy local needs.

Focus on sales promotion

- ◆ Effect of the Great East Japan Earthquake on supply chain ends, and manufacturing operation returns to normal during the second quarter.
- ◆ Enhance sales promotion in all global markets in the second quarter onwards.

Black-and-White
Laser Printer



HL-2270DW

Color Laser
All-in-One
Printer



MFC-9970CDW

New products of inkjet Printer

- ◆ Launch new products for home office users.

A new engine enables high speed print that is 3 times faster than previous model.



DCP-J925N

- ◆ Expand product lineups of high speed A3 inkjet All-in-One.



MFC-J5910CDW

Realize A3 duplex printing (two-sided documents). Size is as small as A4 All-in-One, and easy to use.



MFC-J6710CDW

A new product enables scanning, automatic duplex printing up to A3 and high speed print.

Realize high performance, low cost and energy-saving.

Enhance mobile solution by expanding product lineups Propose a new solution for SOHO/SMB market

Expand sales of labeling system
for office use



PT-2730



- Expand sales of mid to high-end class models.
- Focus on emerging countries and assure top position in the global market.

Expand the mobile printing business



PJ-663



- Enhance solution business for mobile printing based on the customer needs.

Solution for Document application
business



DS Mobile 600



DSmobile 700b

- Develop products such as a scanner, services and software that support document application business.

Printing & Solutions Business

NID business

Commercialize a see-through type head-mounted display “AiRScouter”

- ✓ Aim sales expansion for industrial use to support assembly line work.
- ✓ Start sales activity targeting on companies specializing in system development/architecture.
- ✓ NEC uses this product as a display of a wearable computer, “Tele Scouter®” manufactured for work site operators. Product shipment has been started for NEC.



Main uses①



Support assembly line work
in factories

Main uses②



Support picking operations
in warehouses

Main uses③



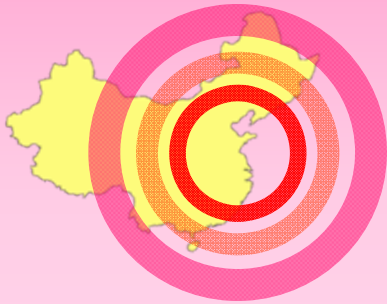
Support repair or maintenance
remotely

Progress in CS B2015 (Strengthen management infrastructure)

P&S

-Printing & Solutions Business (Printer, All-in-One printer, Electronic Stationery)

Enhance development function in China



Aim to enhance capability to develop products and expand business of development companies in China.

P&H

-Personal & Home Business (Home Sewing Machine)

Vietnam New factory (Near Ho-Chi-Minh)



Operation starts in Spring 2012(scheduled)

Build a manufacturing structure that supports stable business growth and profitability.

M&S

- Machinery & Solution Business (Industrial Sewing Machine / Machine Tools)

Consolidate manufacturing bases in Xian



Operation starts in Spring 2013(scheduled)

Consolidate manufacturing bases of industrial sewing machines and machine tools in China to enhance manufacturing functions and improve the business efficiency.

➤ Promote and strengthen “Research & Development/Production” systems to support business growth and profit.

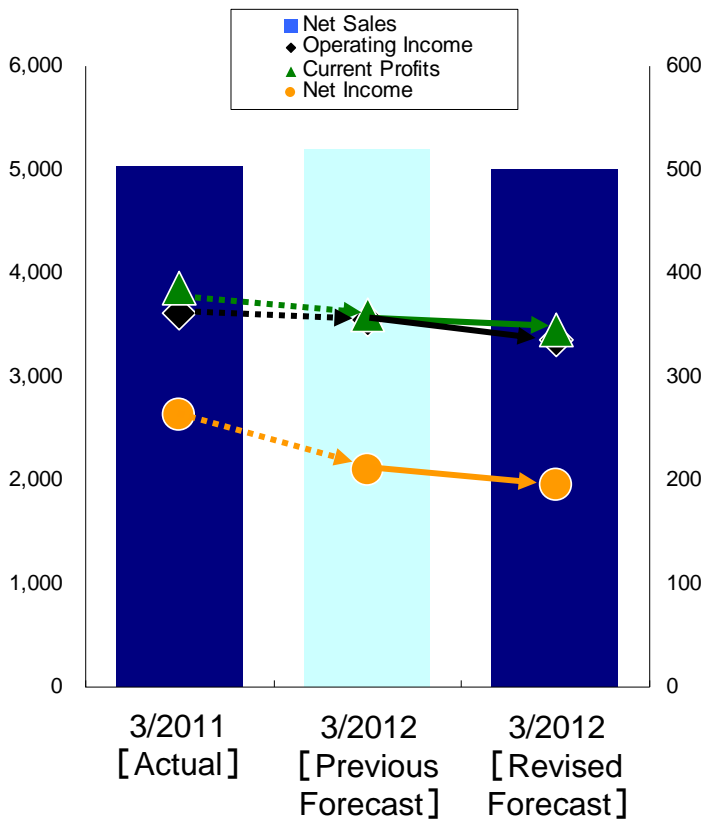
- ✓ Enhance development function in China in addition to Japan
- ✓ Execute optimal production base strategy globally
- ✓ Enhance a manufacturing structure that supports business growth

Forecast for FY2011 (ending March 31, 2012)

(100 Millions of Yen)

Net Sales

Profits



USD	85.82	80.58	77.67
EUR	113.56	116.10	109.83

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

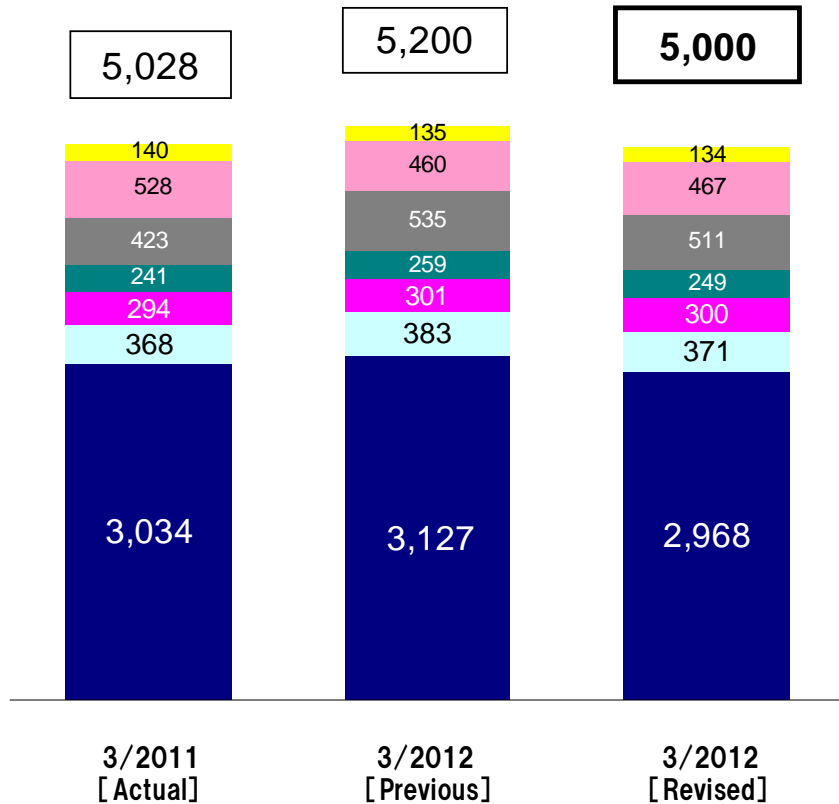
	3/2012 Revised	Year-on-Year Changes		Changes to Previous Forecast	
Net Sales	5,000	5,028	-28 -0.6% (+4.0%)	5,200	-200 -3.8%
Operating Income	335	361	-26 -7.2%	355	-20 -5.6%
Current Profits	345	386	-41 -10.7%	360	-15 -4.2%
Net Income	195	262	-67 -25.7%	210	-15 -7.1%

- ✓ Sales are expected to decrease from the previous forecast due to a negative impact from forex, while the sales forecast of communications & printing equipment and machine tool are decreased due to economic slowdown.
- ✓ Operating income is expected to decrease from the previous forecast due to a negative impact from forex, although operating income of printing and solutions business has a positive impact due to improved sales composition.

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

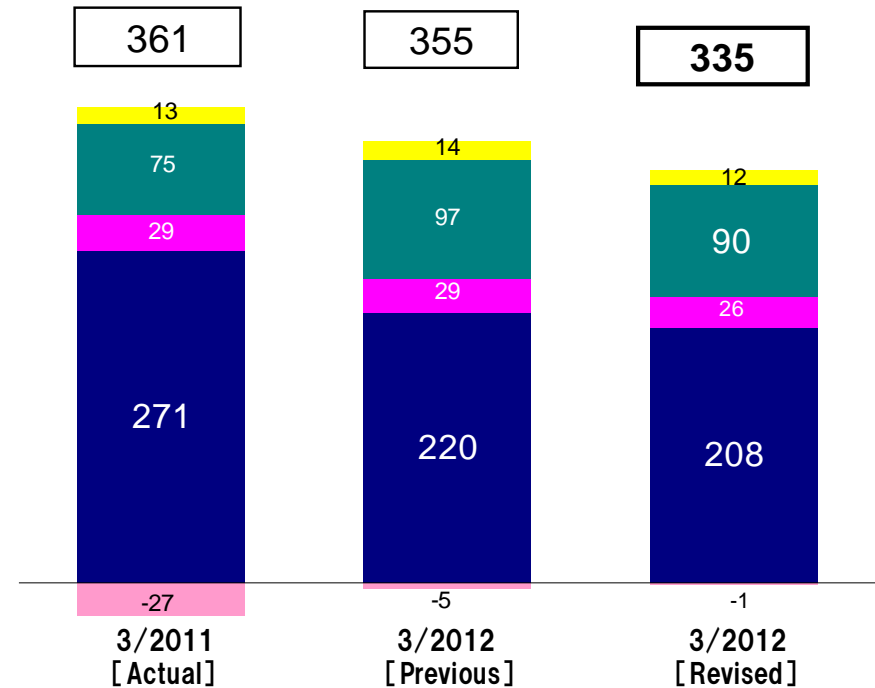
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)

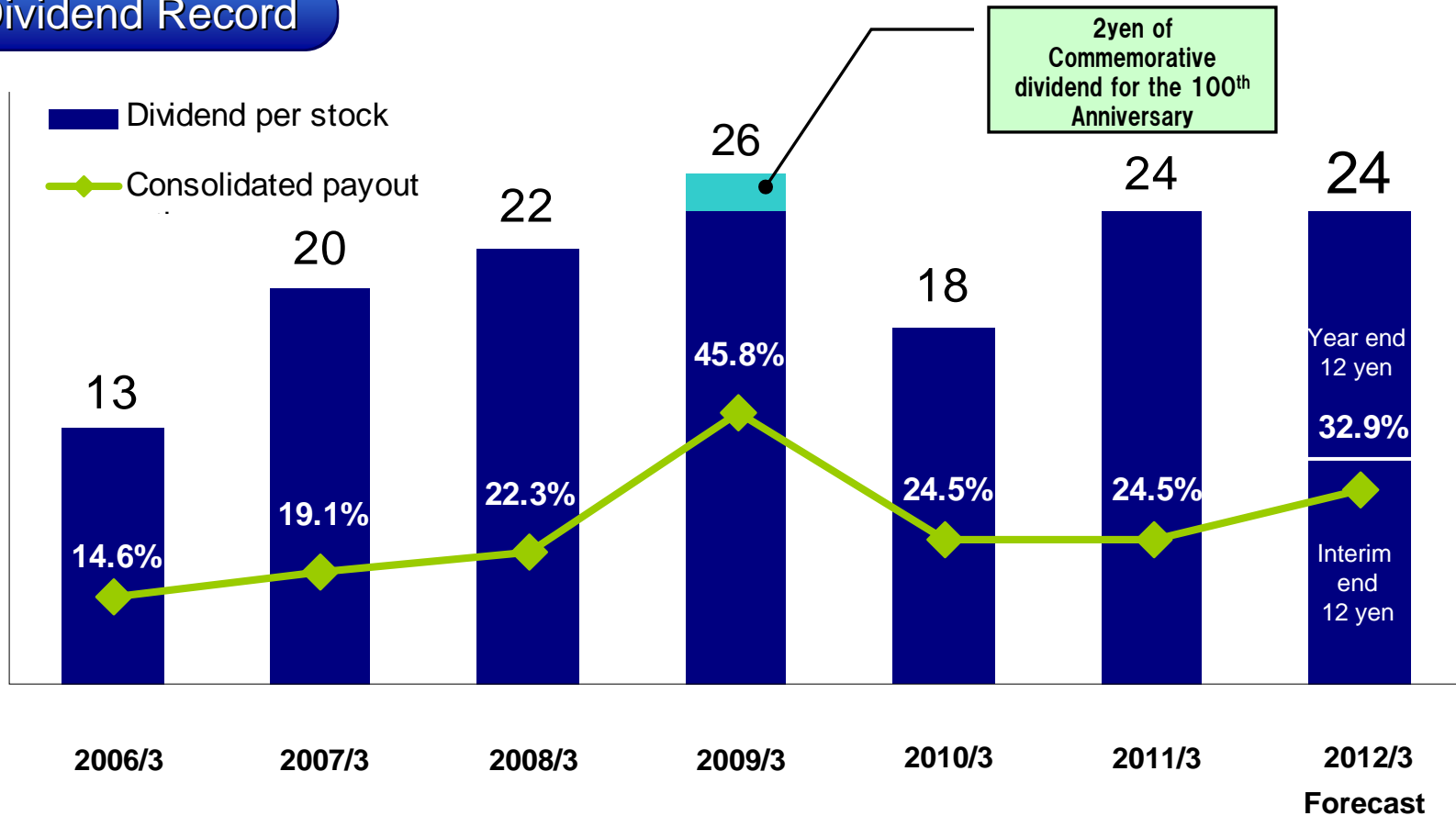


- Communications & Printing equipment
- Electronic stationery
- Home sewing machines
- Industrial sewing machines
- Machine tools
- Online karaoke, Contents distribution services
- Others

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

Basic policy remains unchanged with consolidated payout ratio of about 30%.
 Forecasted dividends for 3/2012 are not changed from 3/2011.

Dividend Record



Details of Financial Results for First Half & Second Quarter

(ended September 30, 2011)

and Forecasts for FY2011

(ending March 31, 2012)

Consolidated Results for FY2011 (ending March 31, 2012)

< FY2011 1H (6-month Results) >

(100 Millions of Yen)

	1H 3/2012 [Actual] (A)	1H 3/2011 [Actual] (B)	Change (A - B)	Rate of Change (w/o forex impact) (A/B - 1)	1H 3/2012 [Previous Forecast] (C)	Rate of Change (A/C - 1)
Net Sales	2,466	2,462	4	0.2% (+3.6%)	2,470	-0.2%
Operating Income	260	215	45	20.8%	230	13.1%
Operating Income Ratio	10.6%	8.7%	1.8%		9.3%	
Non-operating Income (Loss)	7	15	-8		15	
Current Profits	267	230	37	15.9%	245	8.8%
Extraordinary Income (Loss)	5	-33	38		0	
Income Taxes	137	54	82		120	
Net Income	136	143	-7	-5.1%	125	8.4%

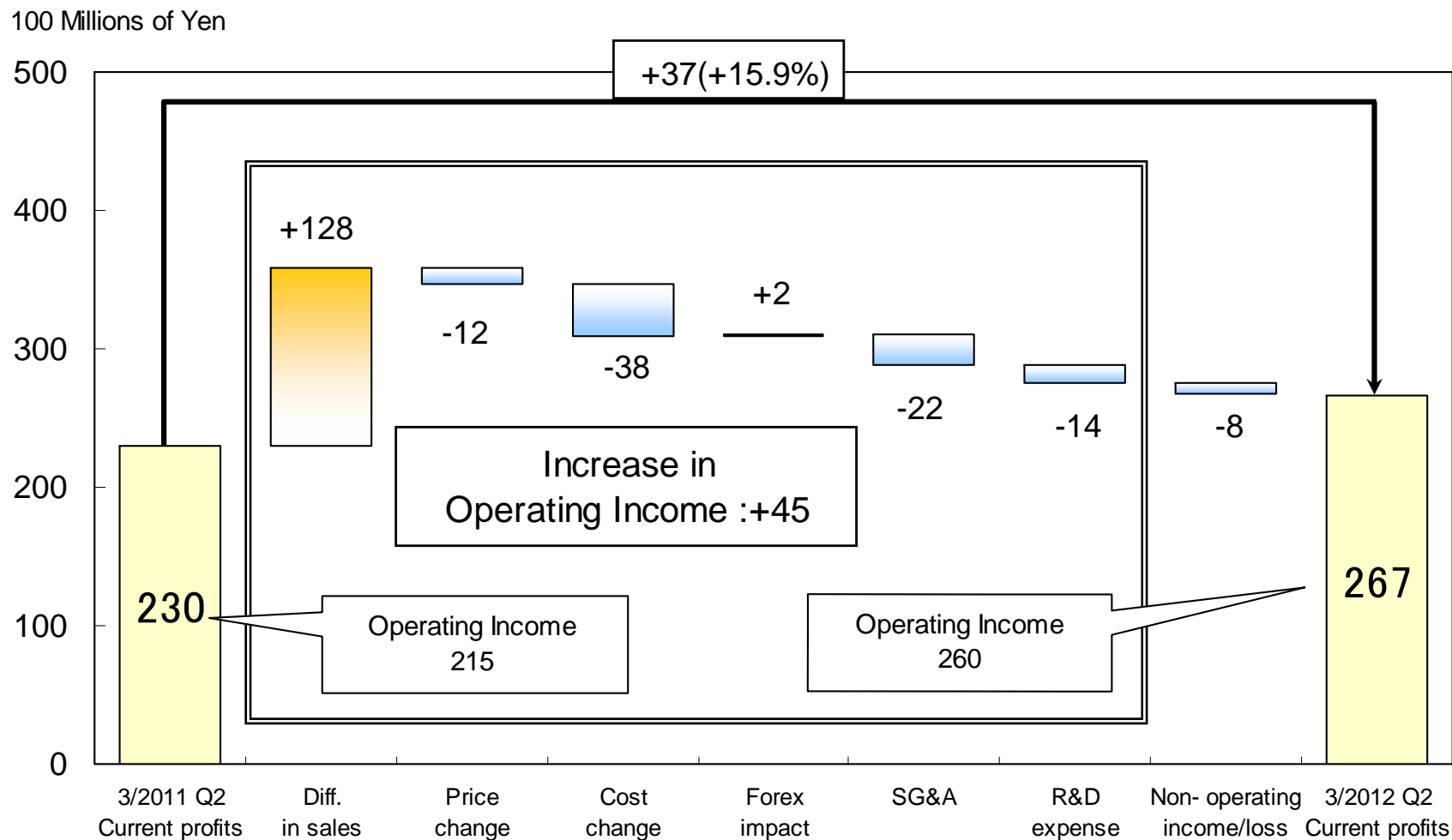
(Yen)

Exchange Rates	USD	79.73	88.85	-9.12
	EUR	114.09	114.82	-0.73

- ✓ Despite a negative impact from forex, sales increased mainly due to the steady growth in sales from the Machinery 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.
- ✓ Net income decreased due to an increase of income tax caused by tax effect accounting.

Main Factors for Changes in Current Profits

< FY2011 1H (6-month Results) >

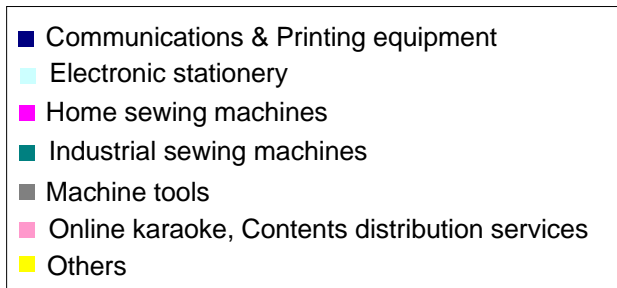
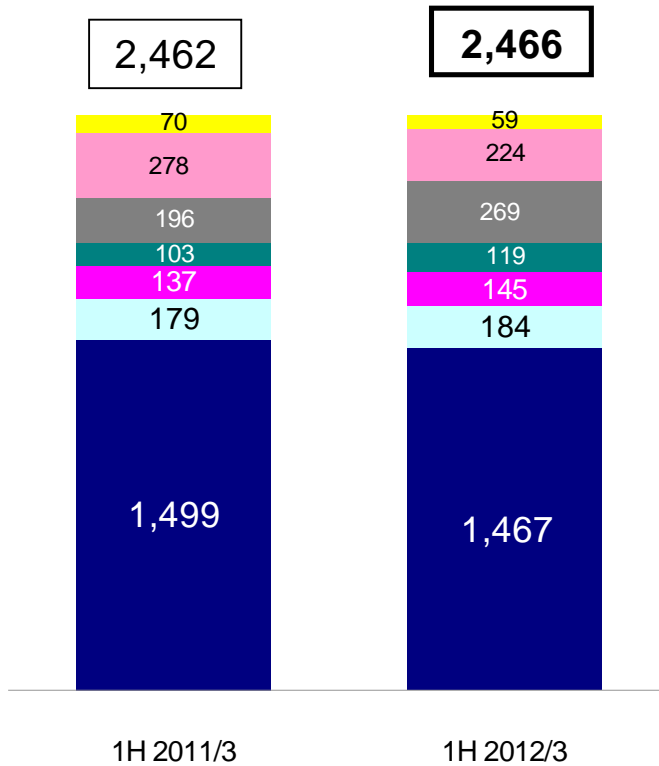


Consolidated Results for FY2011 1H (6-month Results)

Sales and Operating Income by Business Segment

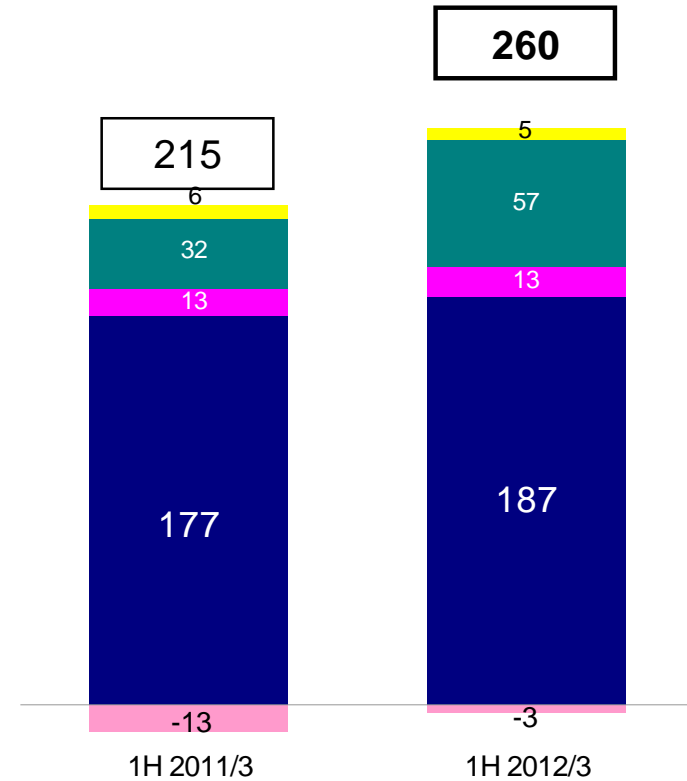
Net Sales

(100 Millions of Yen)



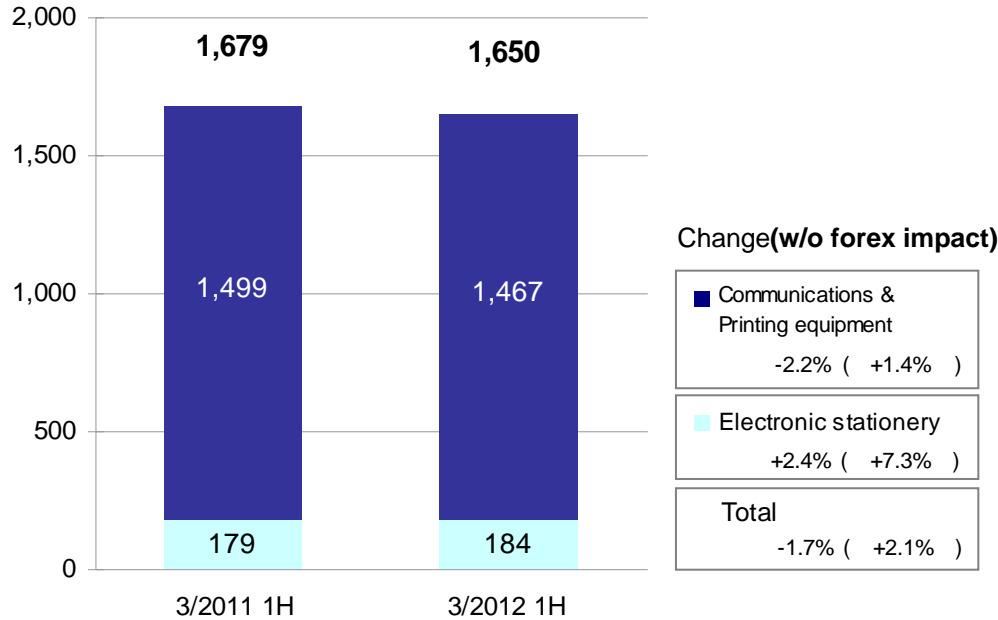
Operating Income

(100 Millions of Yen)



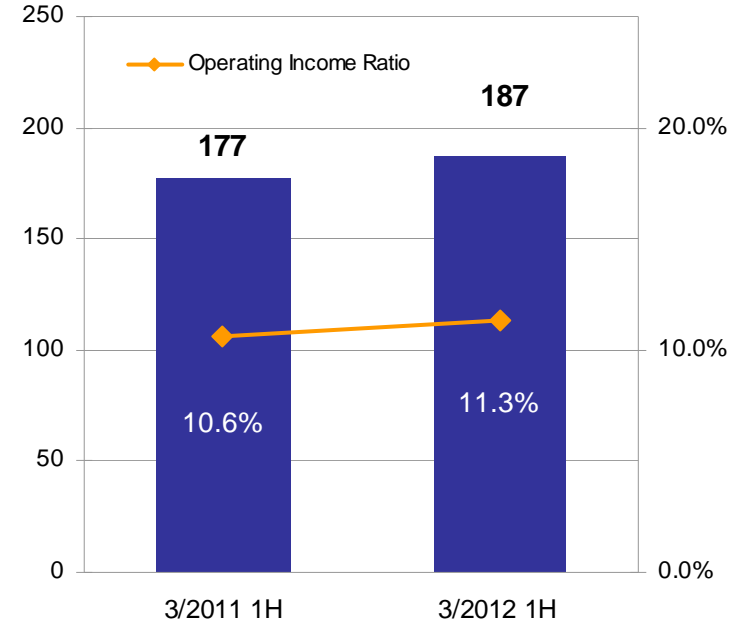
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2011 1H	3/2012 1H	Change (w/o forex impact)
Americas	546	505	-7.6% (+1.3%)
Europe	542	542	-0.0% (-0.1%)
Asia & Others	212	211	-0.7% (+2.4%)
Japan	199	209	+5.1% (+5.1%)

Electronic stationery

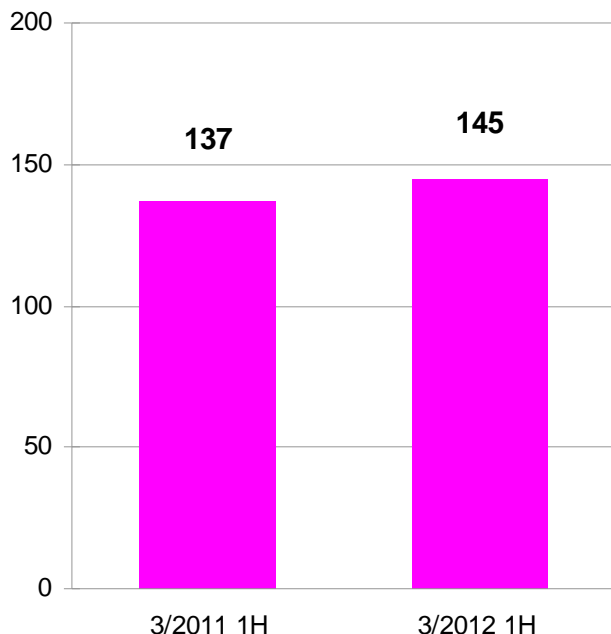
Geographical Sales(100 Millions of Yen)

	3/2011 1H	3/2012 1H	Change (w/o forex impact)
Americas	91	87	-4.3% (+5.2%)
Europe	53	57	+7.4% (+6.7%)
Asia & Others	19	21	+11.4% (+15.4%)
Japan	17	19	+12.4% (+12.4%)

- Sales decreased mainly due to a negative impact from forex.
- Despite a rising cost of raw material, operating income increased due to improved sales composition.

Net Sales

(100 Millions of Yen)

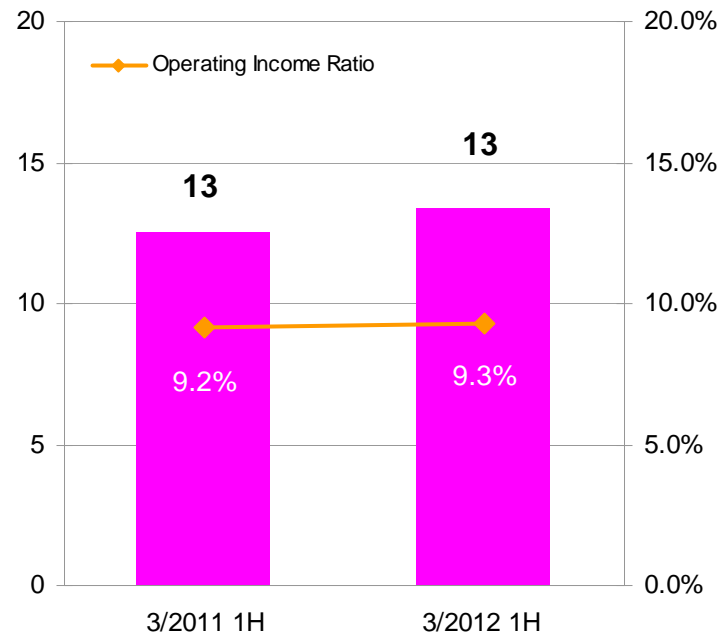


Change(w/o forex impact)

Home sewing machines
+5.7% (+10.8%)

Operating Income

(100 Millions of Yen)



Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 1H	3/2012 1H	Change (w/o forex impact)
Americas	68	71	+4.9% (+15.2%)
Europe	27	32	+18.4% (+17.9%)
Asia & Others	14	14	-0.9% (+0.6%)
Japan	28	28	-1.3% (-1.3%)

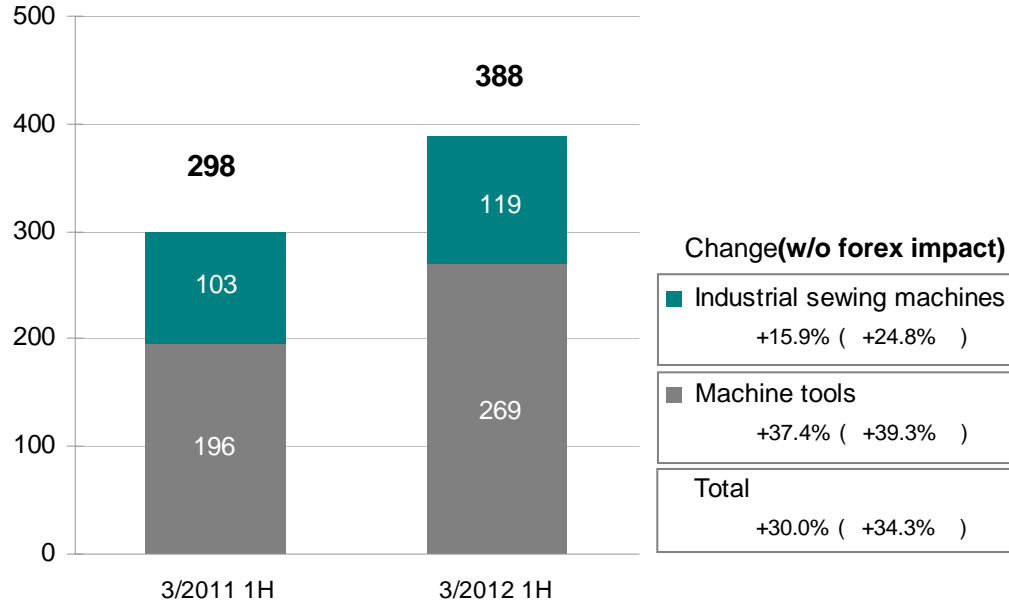
- Sales grew steadily mainly in Europe and Americas.
- Despite a rising cost of raw material, operating income remained at a similar level to the same period of last year.

Machinery & Solution Sales & Operating Income

< FY2011 1H(6-month Results) >

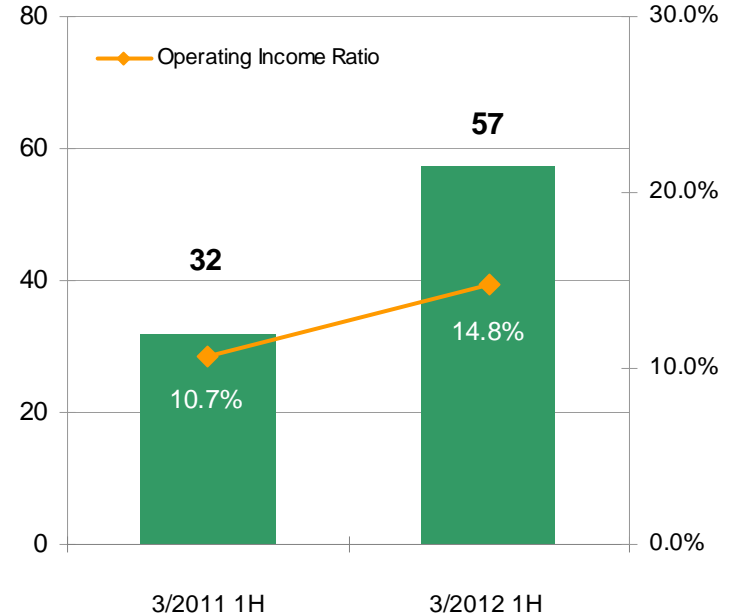
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 1H	3/2012 1H	Change (w/o forex impact)
Americas	17	17	+1.2% (+12.1%)
Europe	12	18	+46.9% (+46.2%)
Asia & Others	71	81	+15.4% (+25.9%)
Japan	3	3	-12.2% (-12.2%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2011 1H	3/2012 1H	Change
Americas	4	8	+96.4%
Europe	3	11	+294.1%
Asia & Others	173	226	+30.6%
Japan	16	24	+49.4%

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

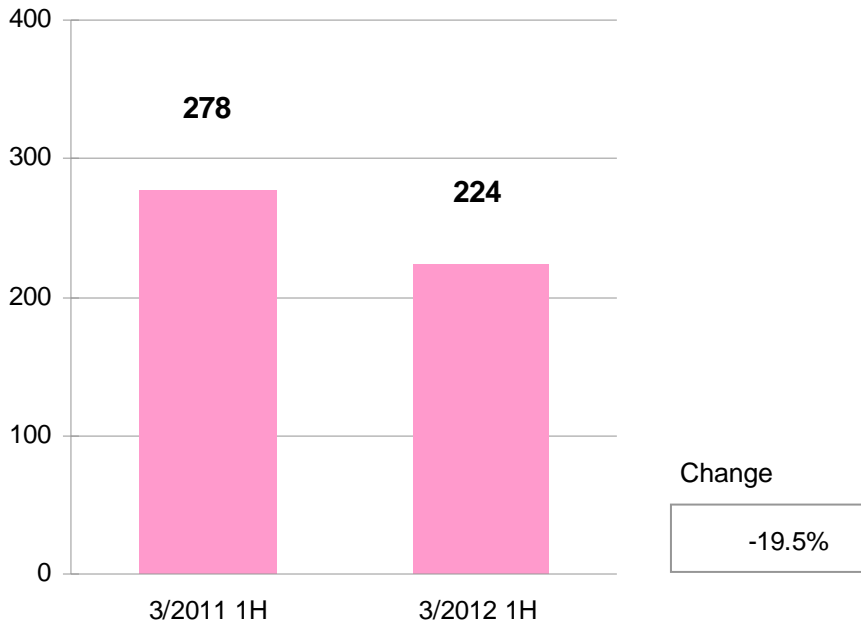
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

Network & Contents Sales & Operating Income

< FY2011 1H(6-month Results) >

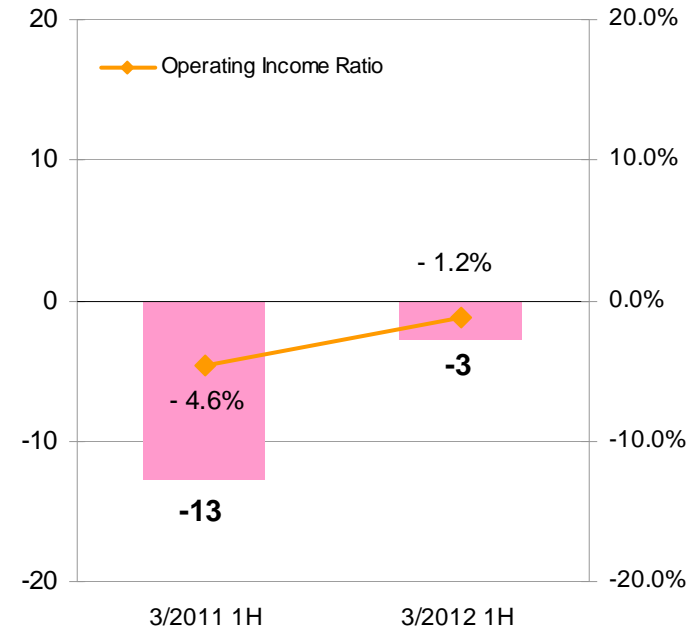
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



- Sales decreased due to a 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 [Forecast] (A)	3/2011 [Actual] (B)	Change (A - B)	Rate of Change (w/o forex impact) (A/B - 1)	3/2012 [Previous Forecast] (C)	Rate of Change (A/C - 1)
Net Sales	5,000	5,028	-28	-0.6% (+4.0%)	5,200	-3.8%
Operating Income	335	361	-26	-7.2%	355	-5.6%
Operating Income Ratio	6.7%	7.2%	-0.5%		6.8%	
Non-operating Income (Loss)	10	25	-15		5	
Current Profits	345	386	-41	-10.7%	360	-4.2%
Extraordinary Income (Loss)	-5	-46	41		0	
Income Taxes	145	78	67		150	
Net Income	195	262	-67	-25.7%	210	-7.1%

(Yen)

Exchange Rates	USD	77.67	85.82	-8.15	80.58
	EUR	109.83	113.56	-3.73	116.10

* Assumed future currency exchange rates for the consolidated forecasts for the fiscal year ending March 31, 2012 are USD=75.00 yen and EUR=105.00 yen.

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

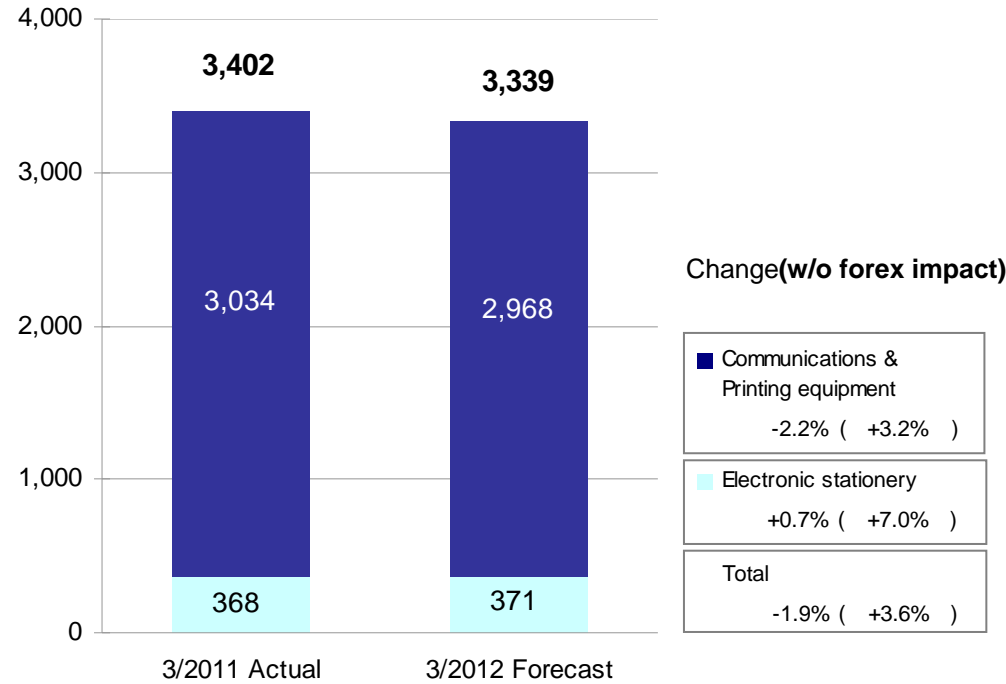
- Sales are expected to decrease slightly from the previous year due to a negative impact from forex, although sales in the Machinery and Solution business remain steady.
- Operating income is expected to decrease from the previous year due to a negative impact from forex and higher raw material costs, despite sales increase in the Machinery and Solution business and a reduction in expenses in the Network & Contents business.

Printing & Solutions Sales & Operating Income

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

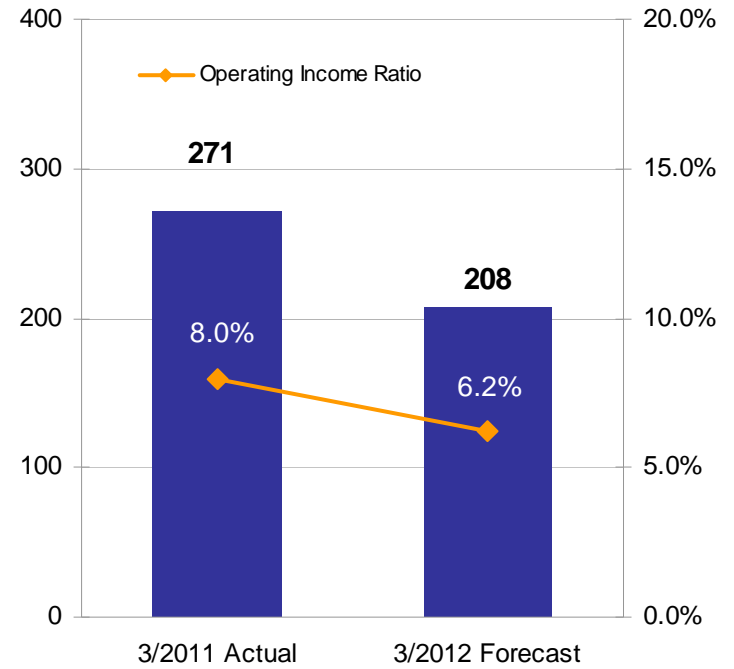
Net Sales

(100 Millions of Yen)



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	1,004	-6.7% (+2.5%)
Europe	1,142	1,122	-1.7% (+1.7%)
Asia & Others	421	414	-1.6% (+4.2%)
Japan	395	428	+8.3% (+8.3%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change (w/o forex impact)
Americas	180	174	-3.5% (+6.1%)
Europe	116	118	+1.9% (+5.0%)
Asia & Others	39	41	+5.5% (+11.6%)
Japan	34	38	+13.4% (+13.4%)

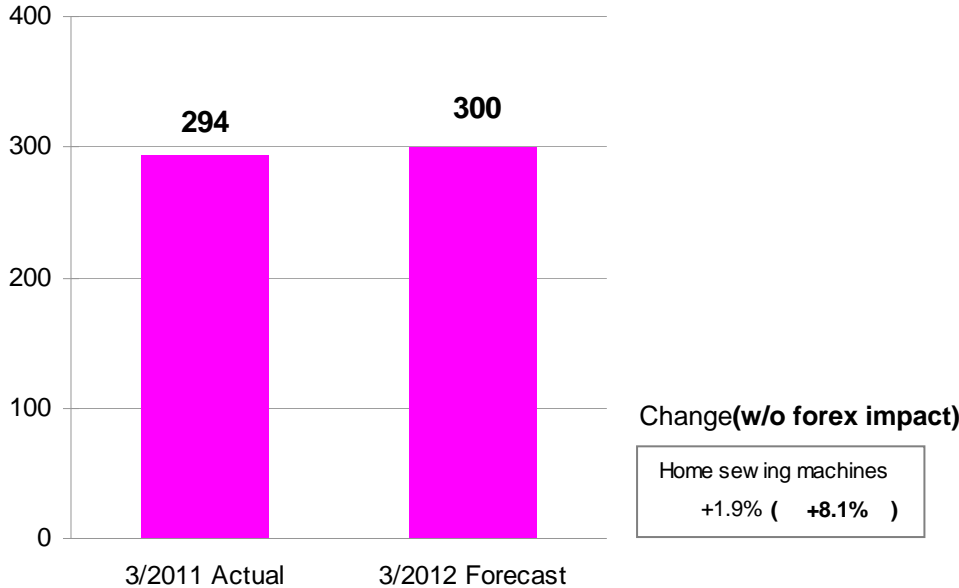
- Sales are expected to decrease mainly due to a negative impact from forex.
- Operating income is expected to decrease due to a negative impact from forex, increased capital expenditure, R&D expenses and higher raw material costs.

Personal & Home Sales & Operating Income

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

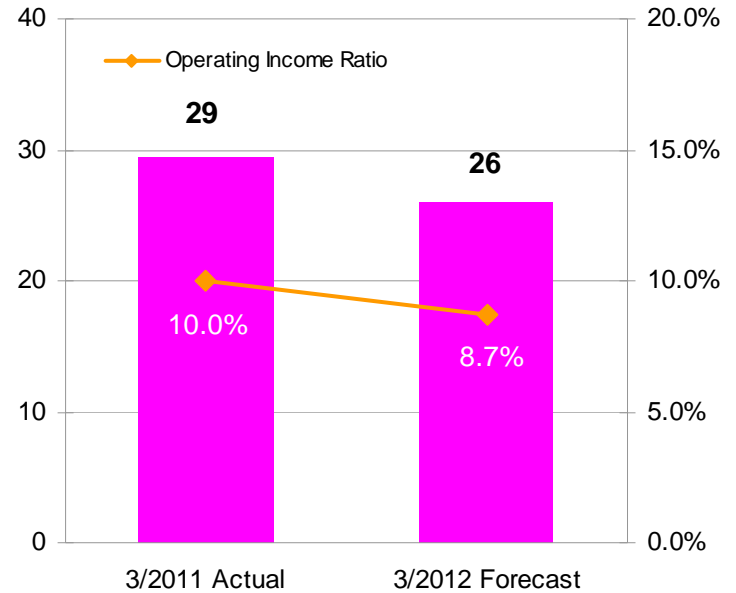
Net Sales

(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	141	+2.0% (+12.4%)
Europe	66	68	+3.8% (+7.2%)
Asia & Others	30	28	-7.6% (-2.5%)
Japan	60	63	+4.4% (+4.4%)

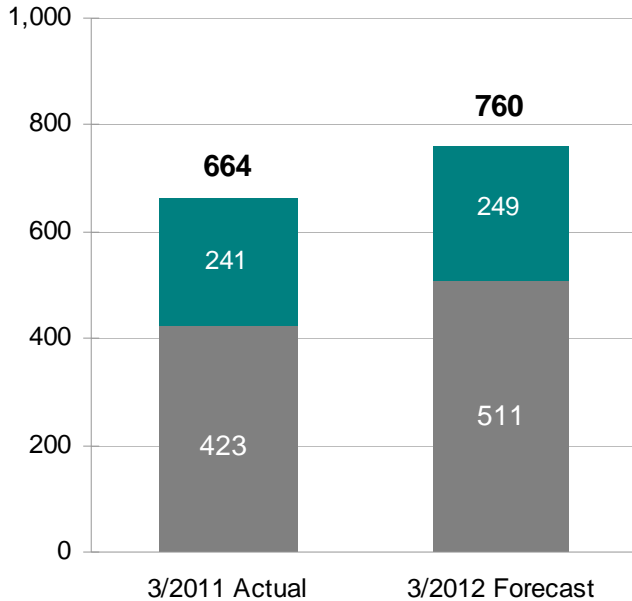
- Sales are expected to grow steadily mainly in the Americas and Europe.
- Operating income is expected to decrease due to a negative impact from forex and the rising cost of raw material.

Machinery & Solution Sales & Operating Income

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

Net Sales

(100 Millions of Yen)

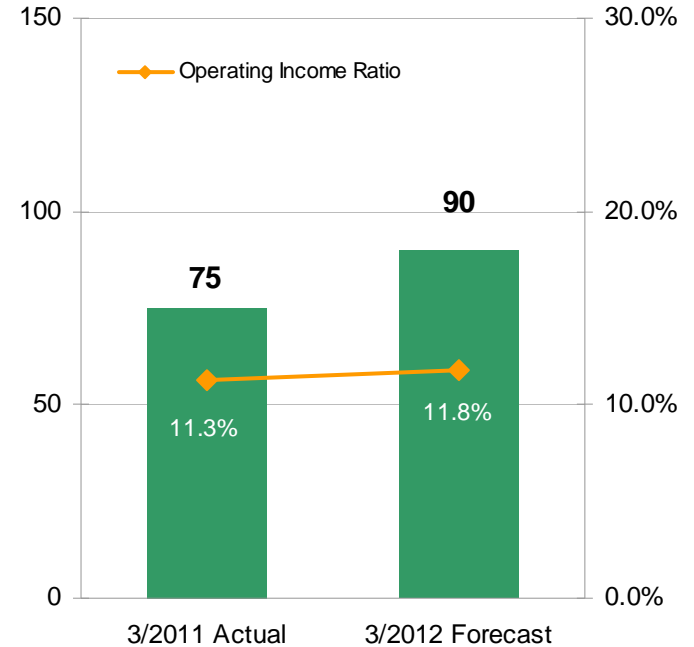


Change(w/o forex impact)

Industrial sewing machines	+3.3% (+11.0%)
Machine tools	+20.8% (+22.6%)
Total	+14.4% (+18.4%)

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	28	-13.2% (-4.2%)
Europe	30	37	+23.7% (+27.9%)
Asia & Others	172	179	+3.8% (+12.2%)
Japan	6	5	-22.7% (-22.7%)

Machine tools

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change
Americas	12	14	+17.9%
Europe	12	18	+48.6%
Asia & Others	364	428	+17.5%
Japan	35	51	+46.8%

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

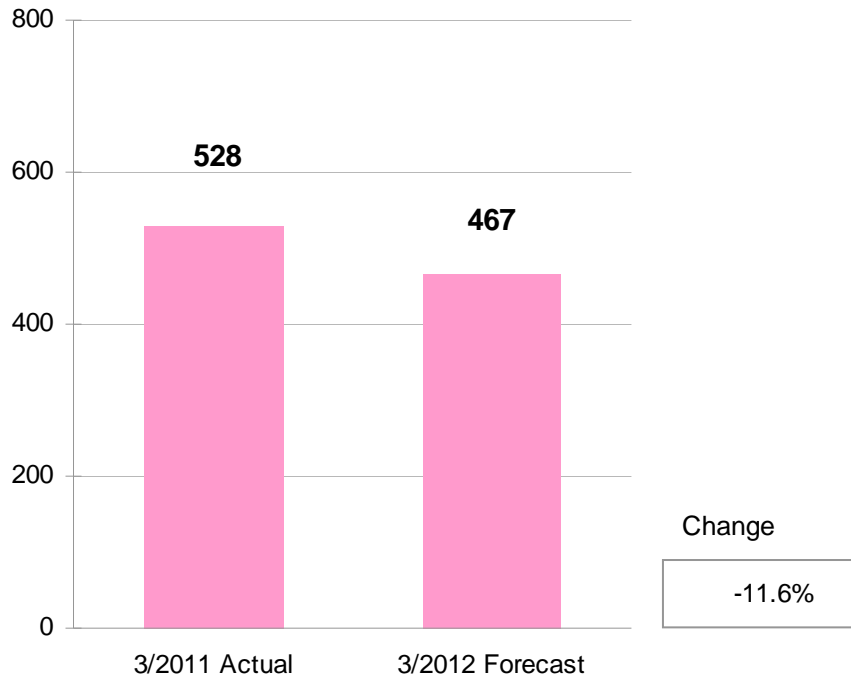
*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown here.

Network & Contents Sales & Operating Income

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

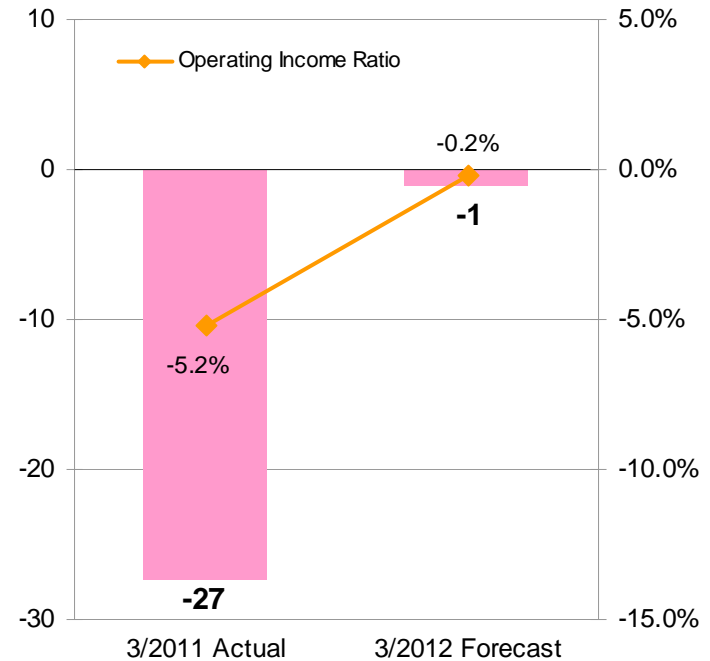
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



- Sales are expected to decrease mainly due to a negative impact of the earthquake.
- Operating income is expected to improve substantially due to a 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) Consolidated Results for FY2011 (ending March 31, 2012)
 <FY2011 Q2(3-month Results)>

(100 Millions of Yen)

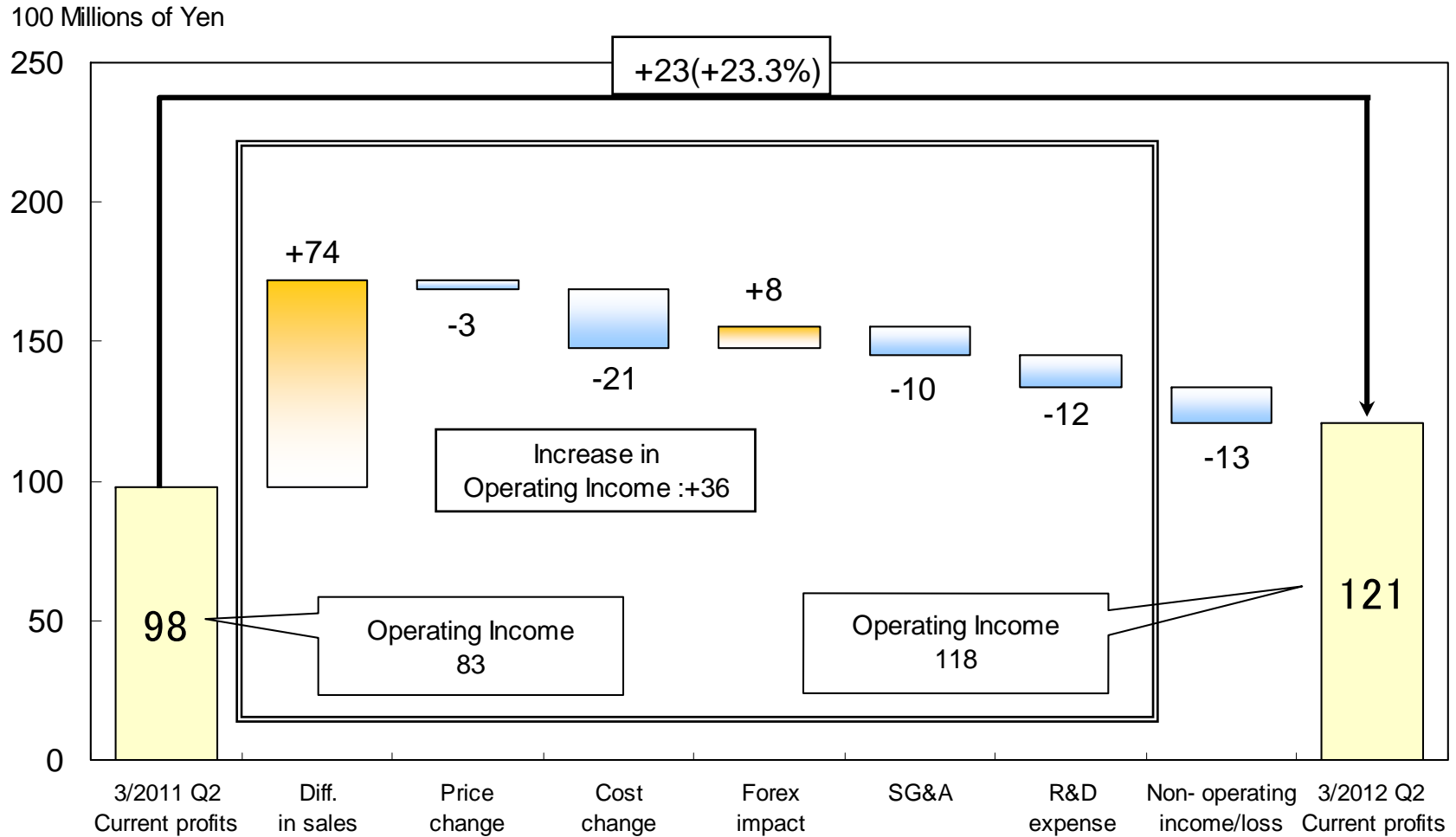
	[Reference data]			
	Three months ended Sep. 30, 2011			
	Q2 3/2012 [Actual]	Q2 3/2011 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	1,238	1,229	9	0.7% (+3.9%)
Operating Income	118	83	36	43.1%
Operating Income Ratio	9.5%	6.7%	2.8%	
Non-operating Income (Loss)	3	15	-13	
Current Profits	121	98	23	23.3%
Extraordinary Income (Loss)	-3	-27	23	
Income Taxes	48	16	32	
Net Income	70	55	14	25.9%

(Yen)

Exchange Rates	USD	77.99	85.89	-7.90
	EUR	110.76	110.54	0.22

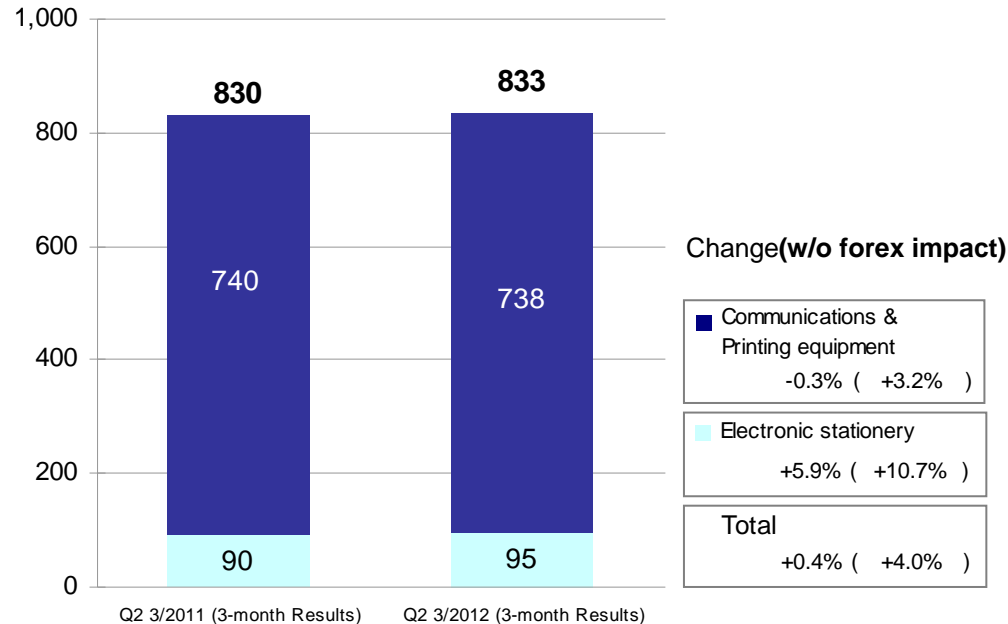
- ✓ Despite a negative impact from forex, sales increased mainly due to the steady growth in sales from the Machinery business.
- ✓ Operating income increased due to higher profits led by the Machinery and Solution business despite a negative impact from increased SG&A and raw material costs.

(Reference) Main Factors for Changes in Current Profits < FY2011 Q2 (3-month Results) >



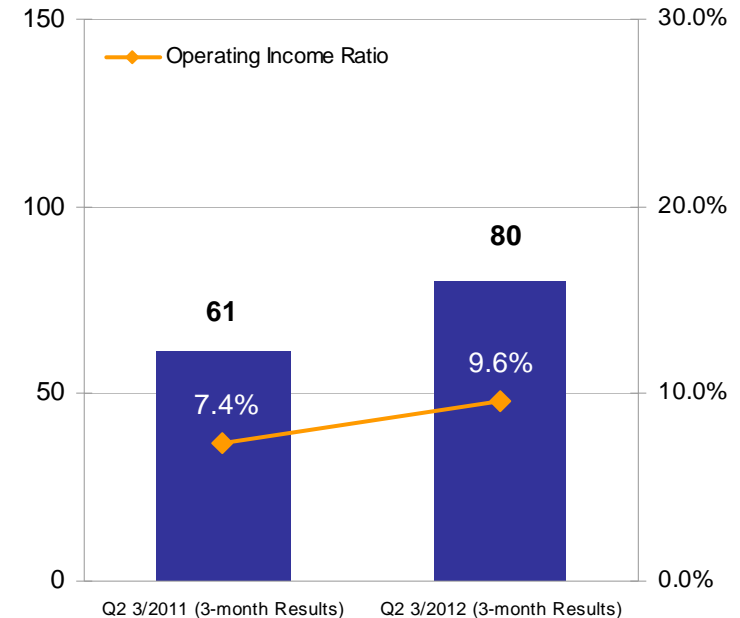
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)



Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q2 3/2011 (3-month Results)	Q2 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	272	259	-4.8% (+3.6%)
Europe	266	265	-0.3% (+0.0%)
Asia & Others	103	105	2.2% (+4.4%)
Japan	100	109	9.5% (+9.5%)

Electronic stationery

Geographical Sales(100 Millions of Yen)

	Q2 3/2011 (3-month Results)	Q2 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	46	45	-2.1% (+6.8%)
Europe	25	29	13.1% (+12.8%)
Asia & Others	9	10	11.6% (+14.3%)
Japan	9	11	20.6% (+20.6%)

Net Sales

(100 Millions of Yen)

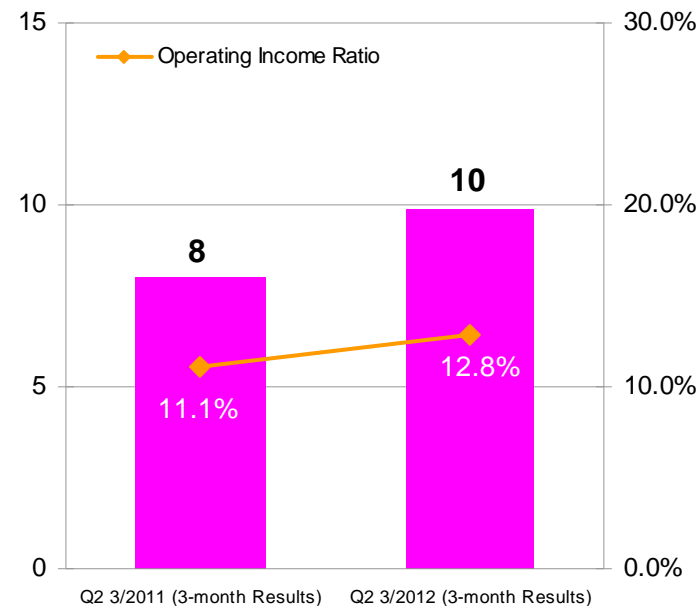


Change(w/o forex impact)

Home sewing machines
+7.5% (+12.5%)

Operating Income

(100 Millions of Yen)



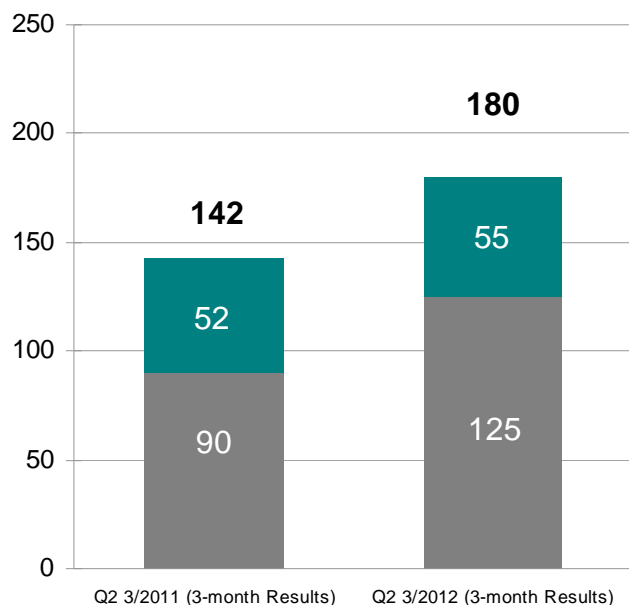
Home sewing machines

Geographical Sales(100 Millions of Yen)

	Q2 3/2011 (3-month Results)	Q2 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	38	39	3.0% (+12.6%)
Europe	14	18	30.7% (+30.5%)
Asia & Others	7	7	-1.3% (-0.5%)
Japan	13	14	1.2% (+1.2%)

Net Sales

(100 Millions of Yen)

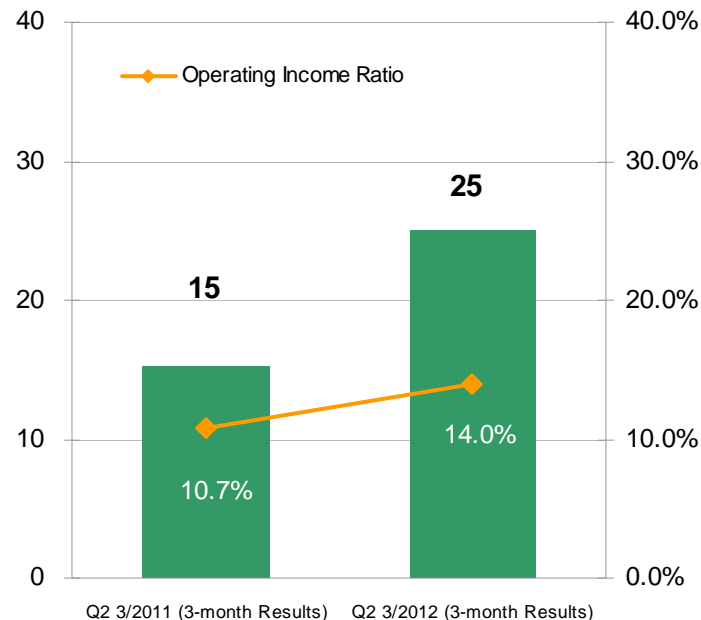


Operating Income

(100 Millions of Yen)

Change(w/o forex impact)

Industrial sewing machines	+4.6% (+11.7%)
Machine tools	+39.3% (+40.8%)
Total	+26.5% (+30.1%)



Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	Q2 3/2011 (3-month Results)	Q2 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	8	8	-0.7% (+9.0%)
Europe	6	7	28.5% (+28.2%)
Asia & Others	36	37	2.2% (+10.1%)
Japan	2	2	2.6% (+2.6%)

Machine tools

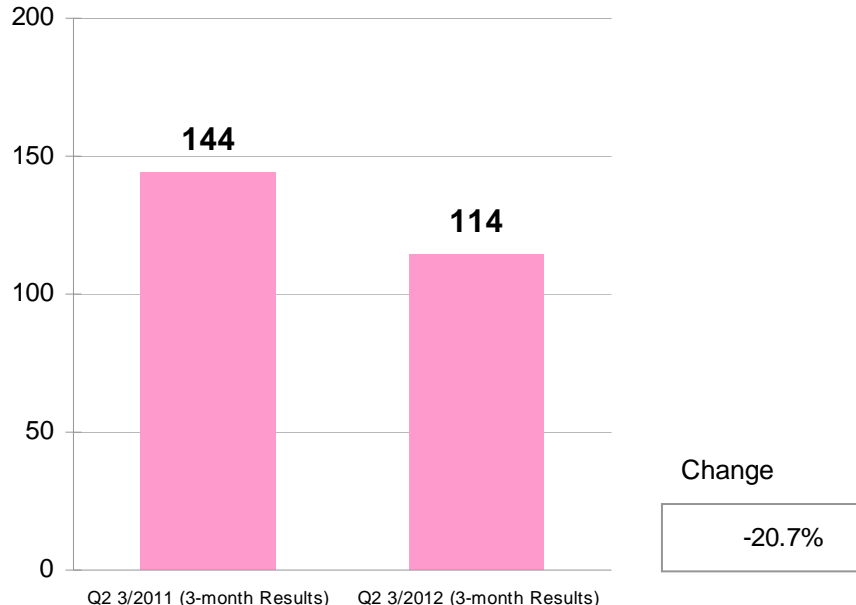
Geographical Sales(100 Millions of Yen)

	Q2 3/2011 (3-month Results)	Q2 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	2	3	42.0%
Europe	2	5	131.7%
Asia & Others	77	103	34.2%
Japan	9	14	61.0%

*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.

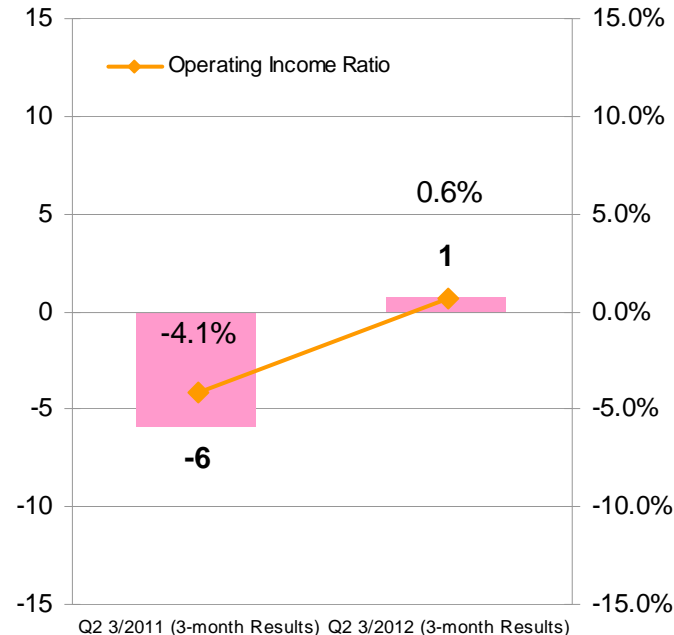
Net Sales

(100 Millions of Yen)



Operating Income

(100 Millions of Yen)

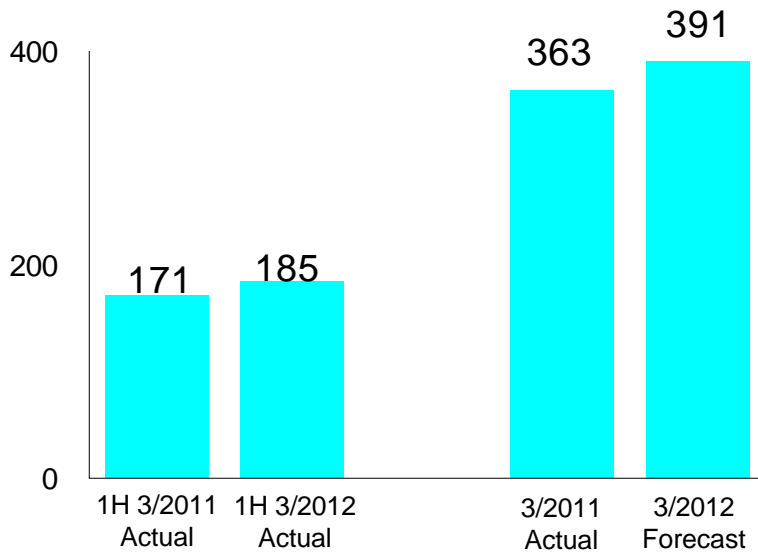


* Regional sales breakdown for "Network & Contents" is not referred here because the major part of sales are made in Japan.

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

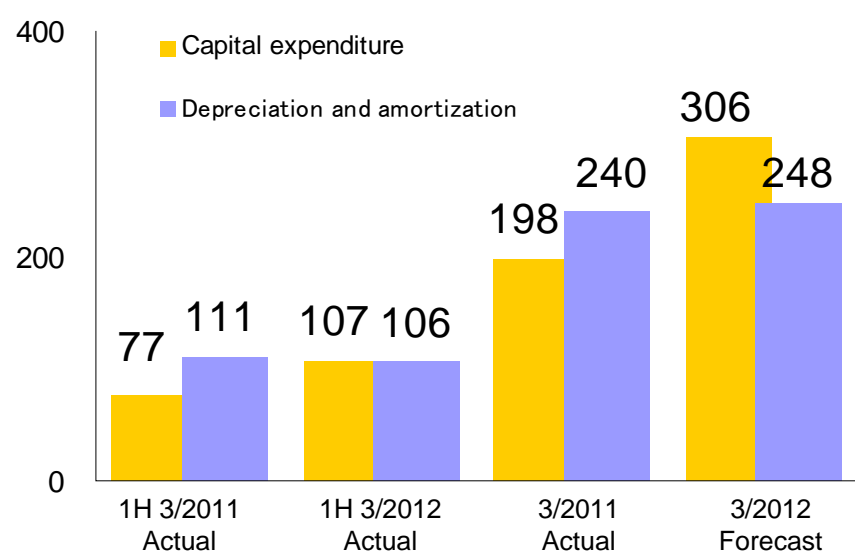
R&D expenses

(100 Millions of Yen)



Capital expenditure and Depreciation and amortization

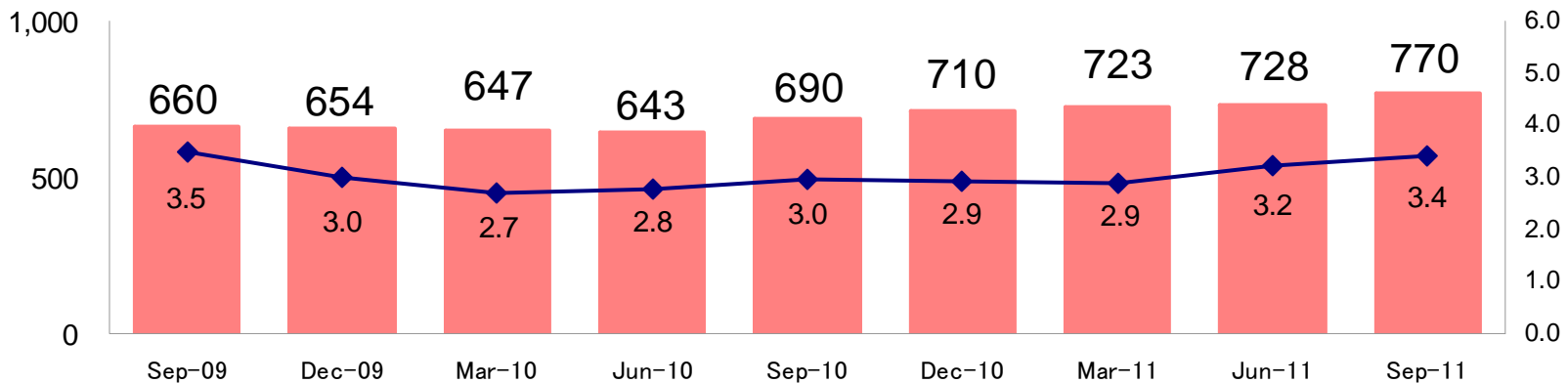
(100 Millions of Yen)



Inventories

(100 Millions of Yen)

Inventories (Red bars) Inventories / Cost of sales (Number of months) (Blue line with diamonds)



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