

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

**Third Quarter Results**  
(ended December 31, 2011)

**Brother Industries, Ltd.**  
**February 1, 2012**

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 (ending March 31, 2012)

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

(100 Millions of Yen)

	Nine months ended Dec.31, 2011			
	3/2012 [Actual]	3/2011 [Actual]	Change	Rate of Change (w/o forex impact)
Net Sales	3,728	3,761	-33	-0.9% (+2.8%)
Operating Income	336	326	10	3.1%
Operating Income Ratio	9.0%	8.7%	0.3%	
Non-operating Income (Loss)	15	36	-21	
Current Profits	351	362	-11	-3.0%
Extraordinary Income (Loss)	2	-31	34	
Income Taxes	162	85	77	
Net Income	192	246	-54	-22.0%

[Reference data]				
Three months ended Dec.31, 2011				
	Q3 3/2012 [Actual]	Q3 3/2011 [Actual]	Change	Rate of Change (w/o forex impact)
	1,263	1,299	-37	-2.8% (+1.3%)
	76	111	-35	-31.4%
	6.0%	8.5%	-2.5%	
	8	21	-13	
	84	132	-47	-36.0%
	-3	1	-4	
	25	31	-5	
	56	103	-47	-45.5%

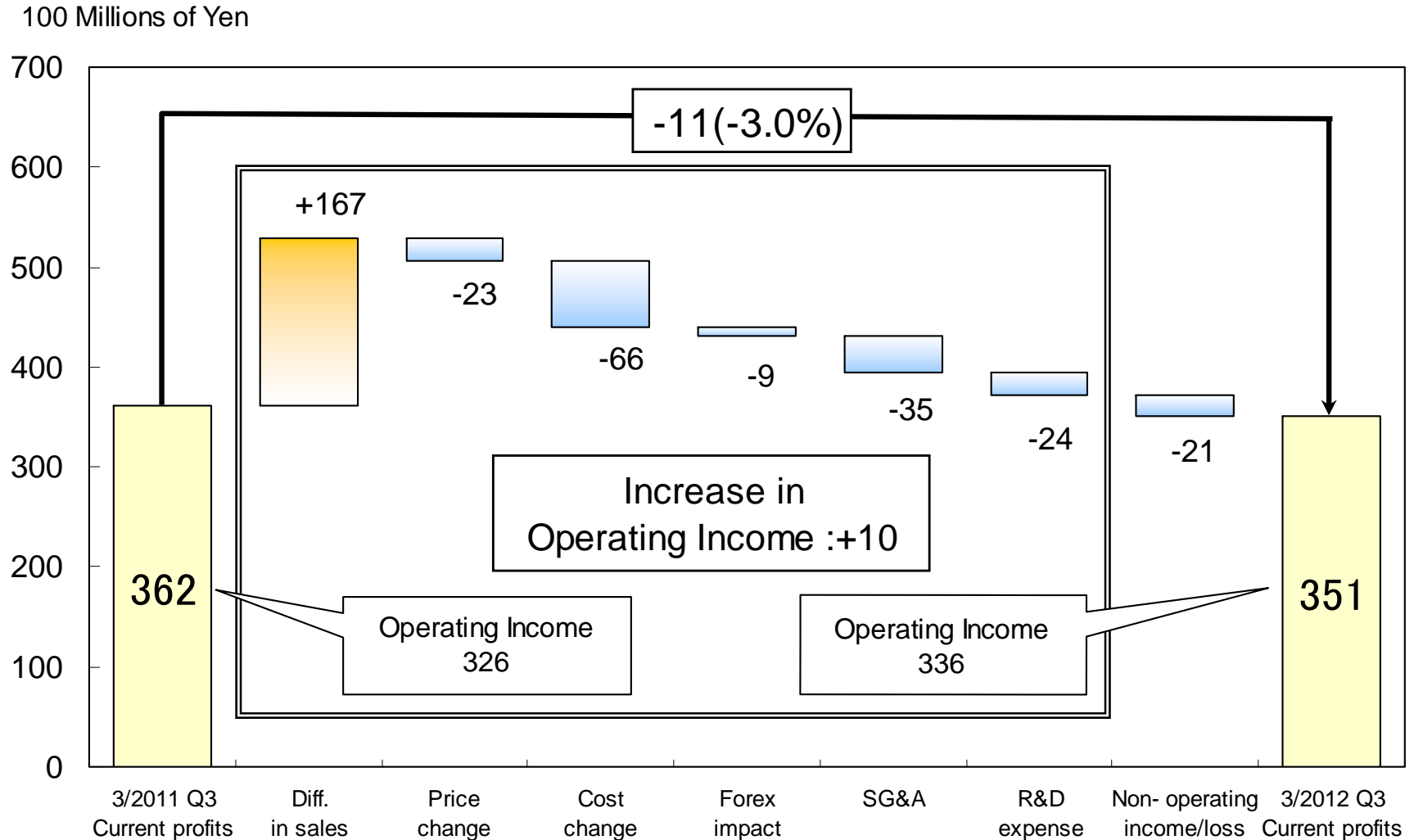
(Yen)

Exchange Rates	USD	79.17	86.86	-7.69
	EUR	111.32	113.49	-2.17

	77.57	82.62	-5.05
	104.67	111.35	-6.68

- Although sales grew steadily in machine tools, total sales decreased due to a negative impact from forex.
- Operating income increased due to a steady increase in the Machinery Business and the effect of the cost reduction performed by the Network & Contents Business, while operating income decreased in the Printing Business.
- Net income has decreased due to the increase in corporate tax caused by tax effect accounting.

# Main Factors for Changes in Current Profits < FY2011 Q3 (9-month Results)>

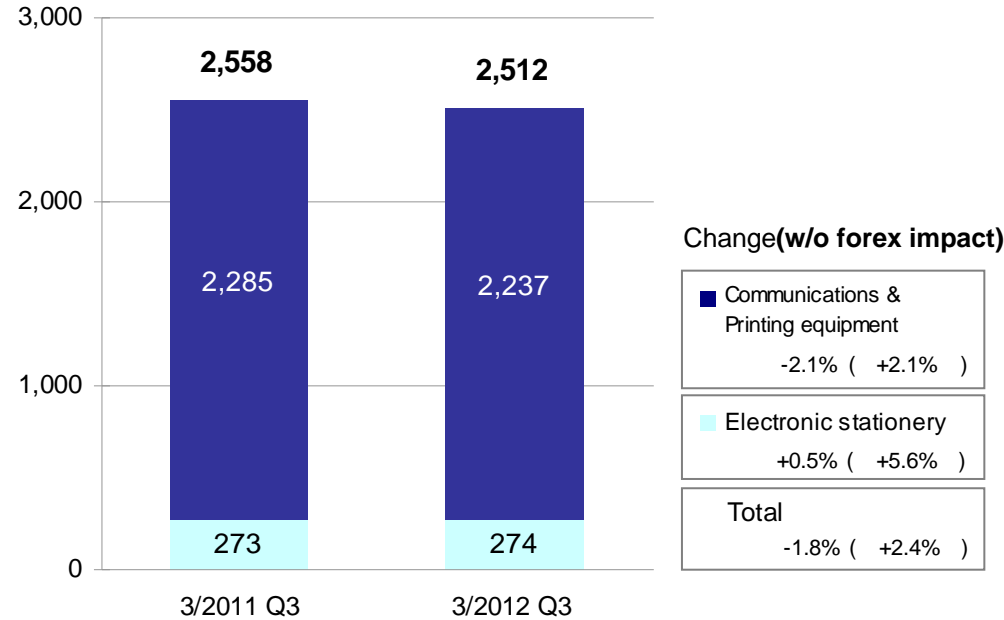


# Printing & Solutions Sales & Operating Income

## < FY2011 Q3(9-month Results)>

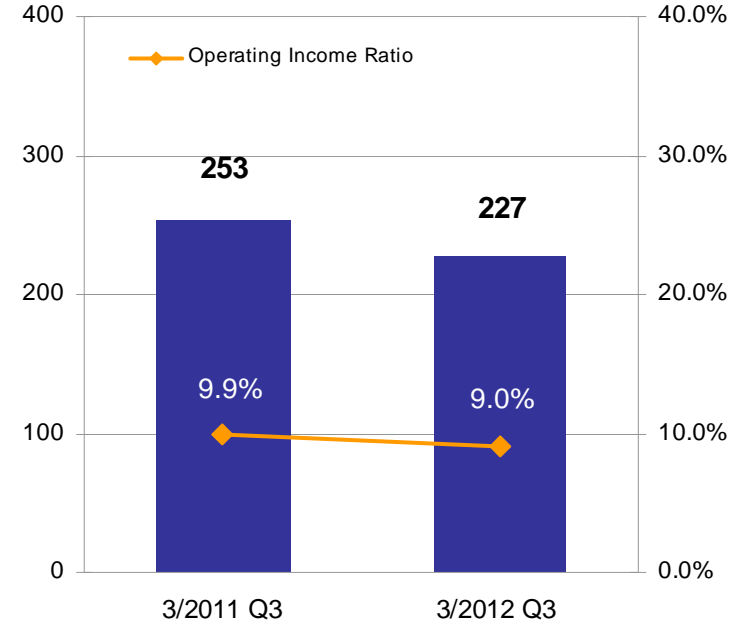
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



#### Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	3/2011 Q3	3/2012 Q3	Change (w/o forex impact)
Americas	823	770	-6.5% (+1.7%)
Europe	840	836	-0.4% (+1.6%)
Asia & Others	315	305	-3.3% (-0.1%)
Japan	307	326	+6.3% (+6.3%)

#### Electronic stationery

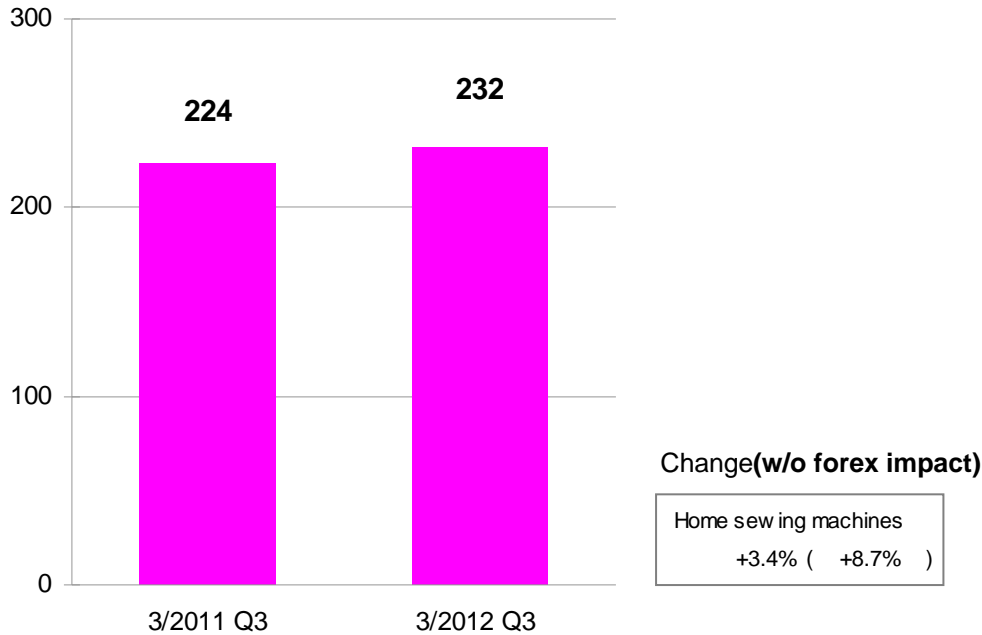
Geographical Sales(100 Millions of Yen)

	3/2011 Q3	3/2012 Q3	Change (w/o forex impact)
Americas	137	129	-5.5% (+2.9%)
Europe	84	85	+2.0% (+3.6%)
Asia & Others	29	33	+14.2% (+18.0%)
Japan	23	27	+14.0% (+14.0%)

- Sales decreased mainly due to a negative impact from forex, although it increased in local currency.
- Operating income decreased due to a higher prices for raw materials and an increase of SG&A.

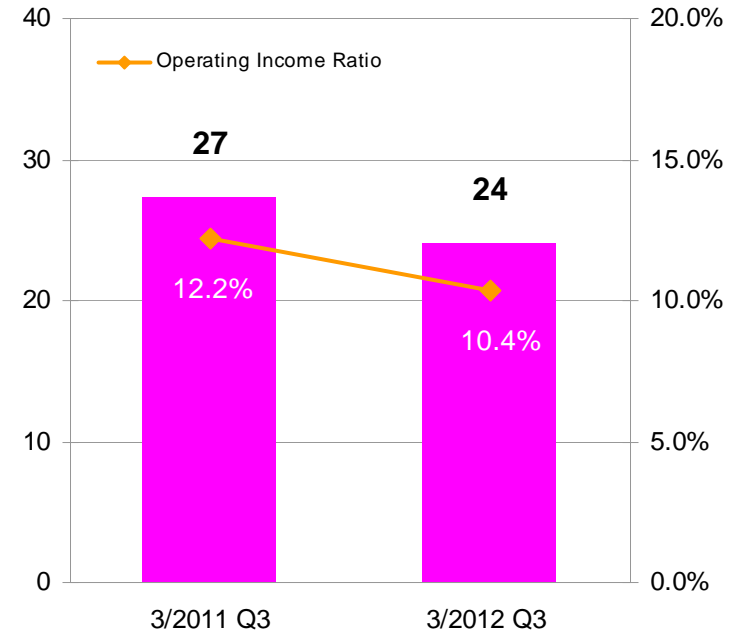
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



### Home sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 Q3	3/2012 Q3	Change (w/o forex impact)
Americas	110	116	+5.8% (+15.3%)
Europe	49	52	+4.3% (+6.6%)
Asia & Others	23	22	-5.2% (-3.0%)
Japan	42	42	+0.7% (+0.7%)

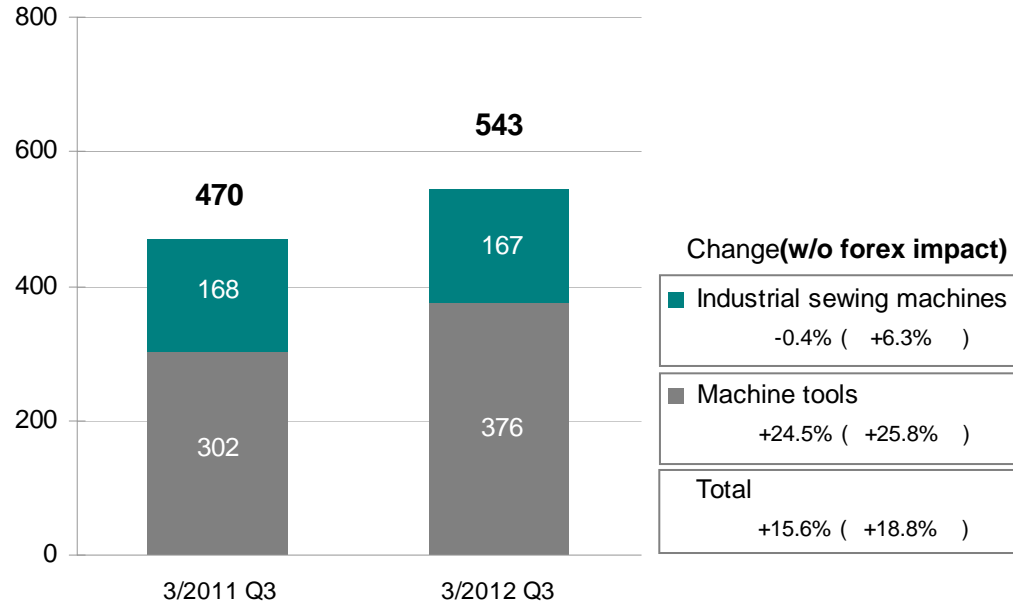
- Sales grew steadily mainly in Europe and Americas.
- Operating income decreased due to a negative impact from forex and a higher prices for raw material.

# Machinery & Solution Sales & Operating Income

## < FY2011 Q3(9-month Results)>

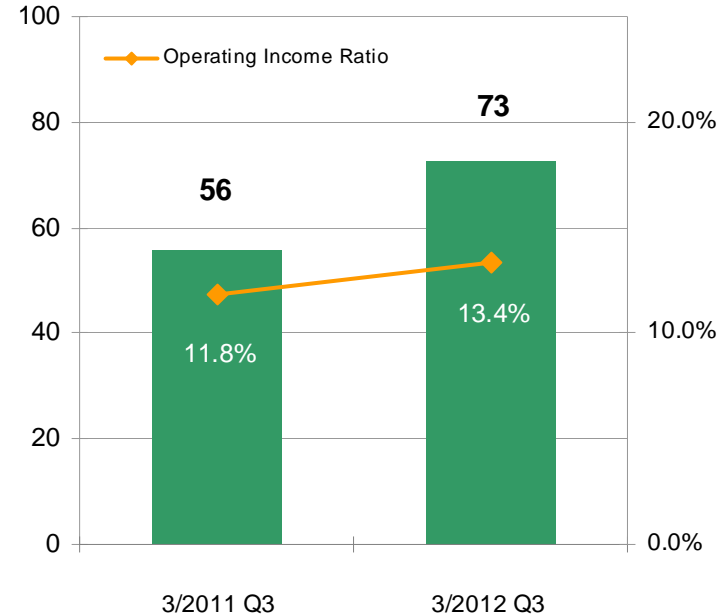
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



#### Industrial sewing machines

Geographical Sales(100 Millions of Yen)

	3/2011 Q3	3/2012 Q3	Change (w/o forex impact)
Americas	25	25	-1.7% (+7.7%)
Europe	21	24	+16.6% (+18.2%)
Asia & Others	117	114	-2.6% (+4.7%)
Japan	5	4	-13.1% (-13.1%)

#### Machine tools

Geographical Sales(100 Millions of Yen)

	3/2011 Q3	3/2012 Q3	Change
Americas	9	13	+48.1%
Europe	9	14	+51.1%
Asia & Others	259	312	+20.4%
Japan	25	37	+48.9%

- Although sales decreased in the industrial sewing machine business due to a negative impact from forex, total sales increased due to a steady sales growth in machine tools.
- Operating income increased due to a sales increase in machine tools.

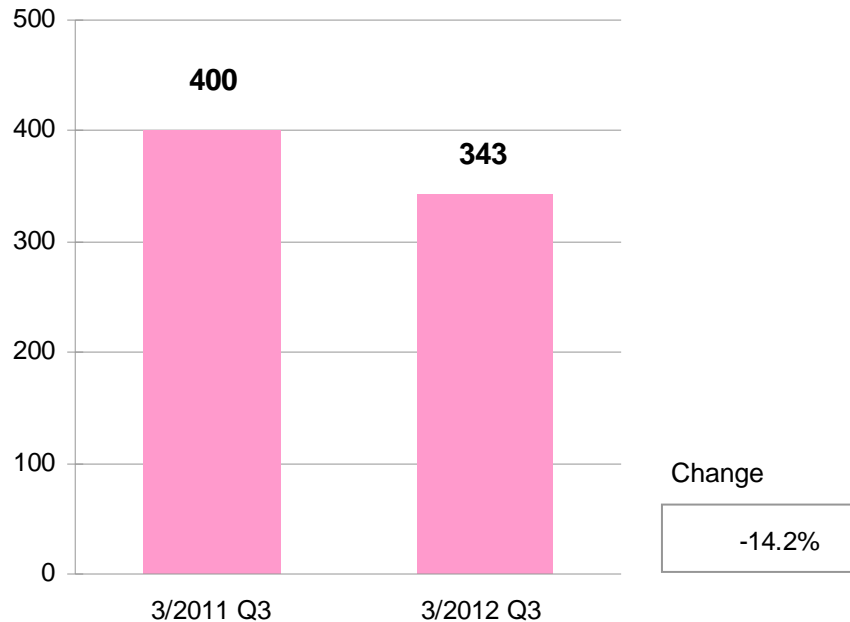
\*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown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

# Network & Contents Sales & Operating Income

## < FY2011 Q3(9-month Results)>

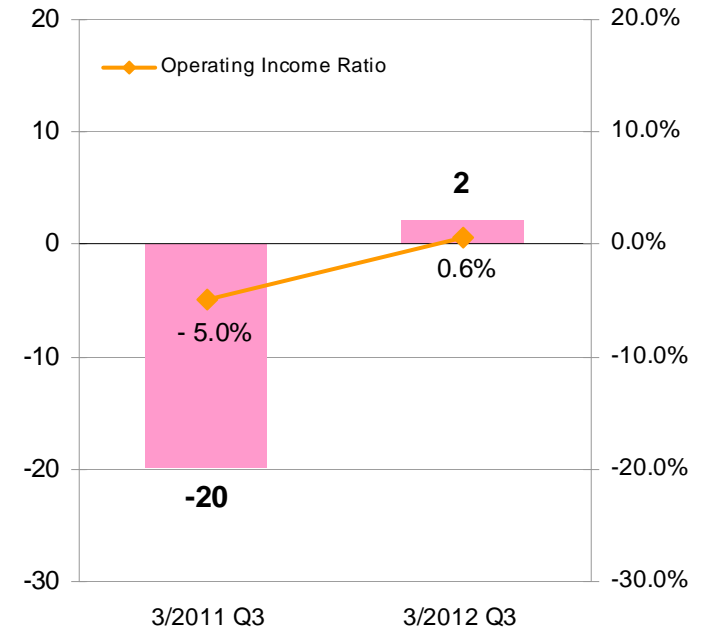
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



- Sales decreased mainly due to a negative impact of the earthquake.
- Operating income got into the black 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	4,920	5,028	-108	-2.2% (+2.1%)	5,000	-1.6%
Operating Income	320	361	-41	-11.3%	335	-4.5%
Operating Income Ratio	6.5%	7.2%	-0.7%		6.7%	
Non-operating Income (Loss)	10	25	-15		10	
Current Profits	330	386	-56	-14.5%	345	-4.3%
Extraordinary Income (Loss)	-5	-46	41		-5	
Income Taxes	150	78	72		145	
Net Income	175	262	-87	-33.3%	195	-10.3%

(Yen)

Exchange Rates	USD	78.42	85.82	-7.40	77.67
	EUR	108.77	113.56	-4.79	109.83

\* Assumed future currency exchange rates for the consolidated forecasts for the fiscal year ending March 31, 2012 are USD=75.00 yen and EUR=100.00 yen.

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

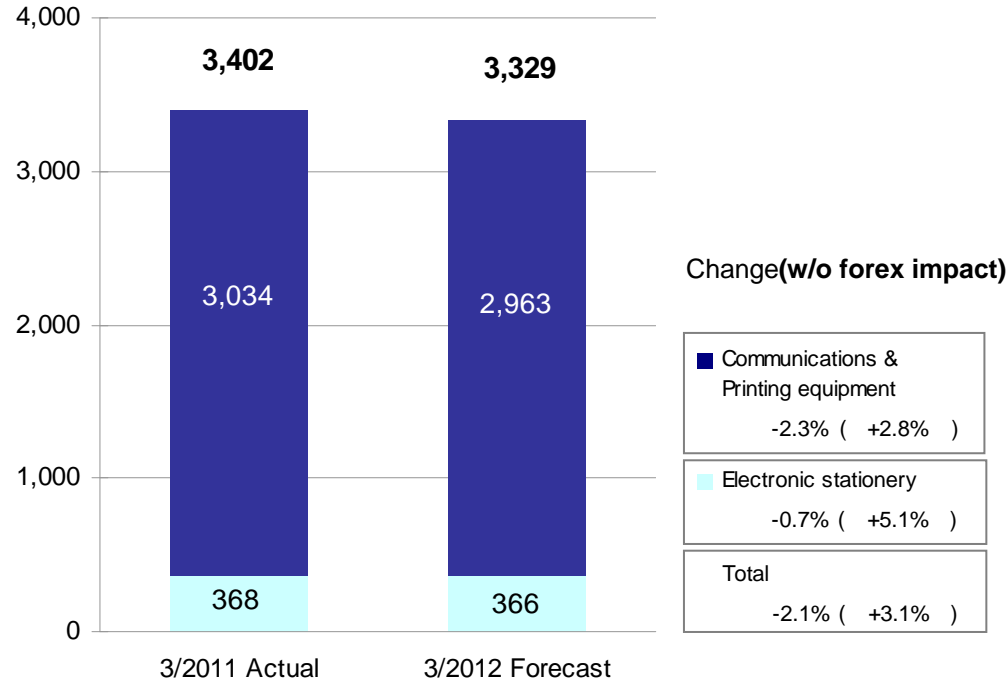
- Sales are expected to decrease primarily due to a negative impact from forex and sales decrease in Network & Contents Business.
- Despite a positive impact due to profits from increased sales in the Machinery & Solution Business and reduction of expenses in the Network & Contents Business, operating income is expected to decrease due to a negative impact from forex and a higher prices of raw materials.

# Printing & Solutions Sales & Operating Income

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

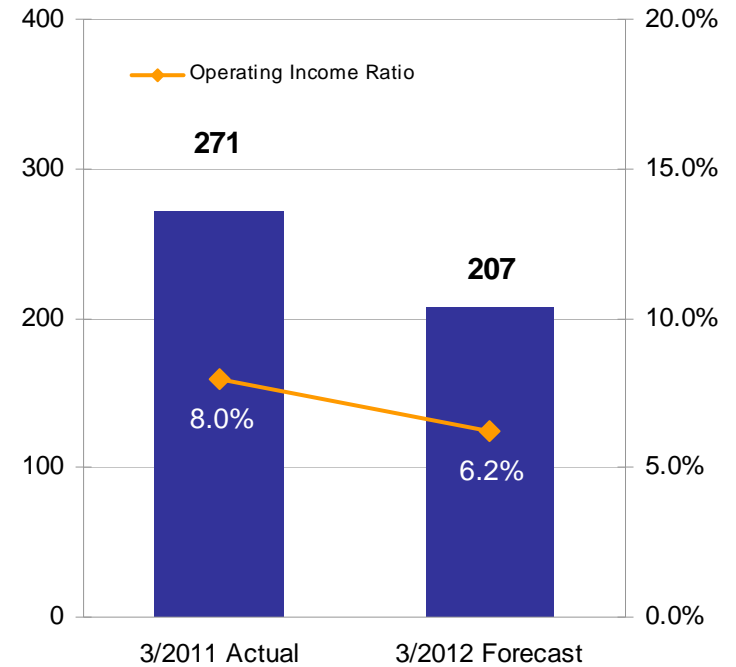
### Net Sales

(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	1,028	-4.5% (+3.9%)
Europe	1,142	1,117	-2.2% (+2.1%)
Asia & Others	421	395	-6.1% (-2.1%)
Japan	395	423	+7.1% (+7.1%)

#### Electronic stationery

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change (w/o forex impact)
Americas	180	170	-5.7% (+2.6%)
Europe	116	115	-0.6% (+3.4%)
Asia & Others	39	42	+8.0% (+12.5%)
Japan	34	39	+16.4% (+16.4%)

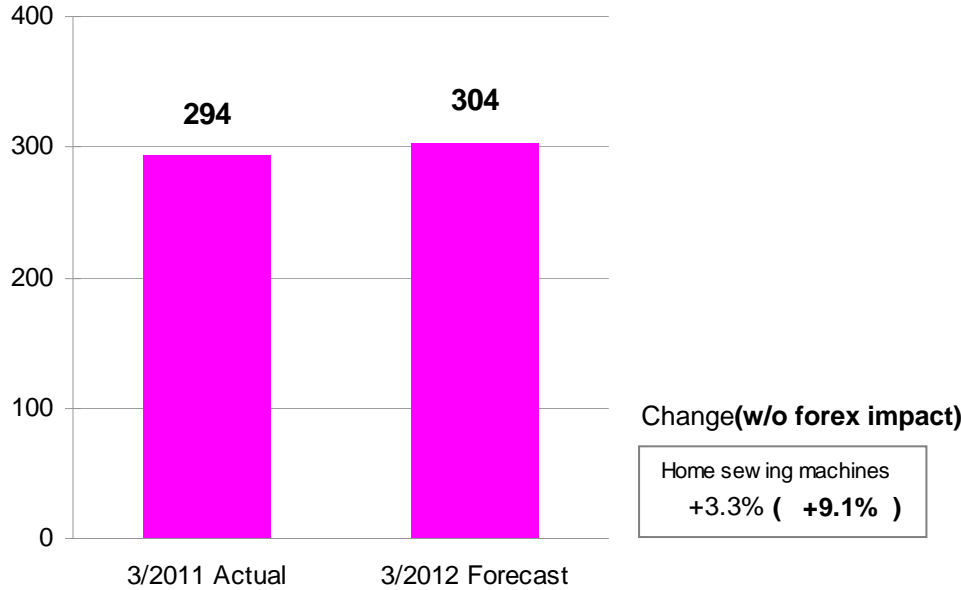
- Sales are expected to decrease mainly due to a negative impact from forex, although it increases in local currency.
- Operating income is expected to decrease due to a negative impact from forex, an increase of SG&A and R&D expenses, and a higher prices for raw materials.

# Personal & Home Sales & Operating Income

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

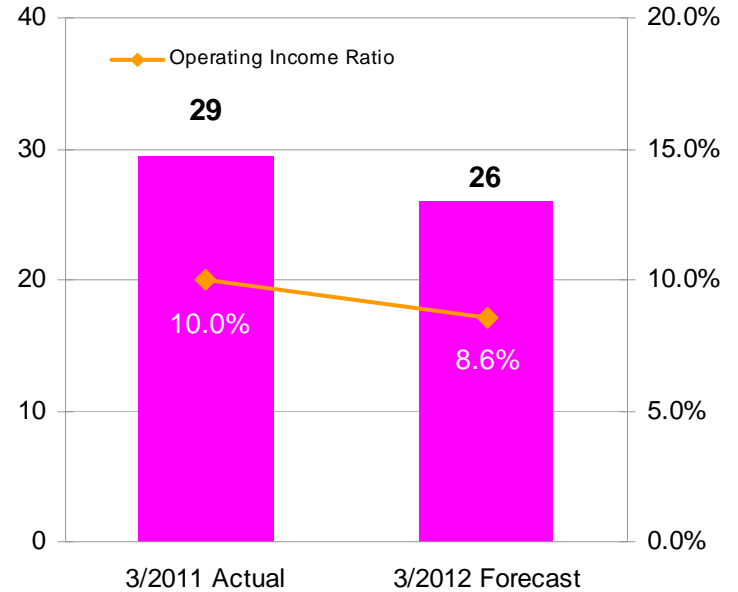
### Net Sales

(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	144	+4.2% (+13.6%)
Europe	66	68	+3.8% (+8.6%)
Asia & Others	30	28	-7.6% (-4.3%)
Japan	60	64	+6.1% (+6.1%)

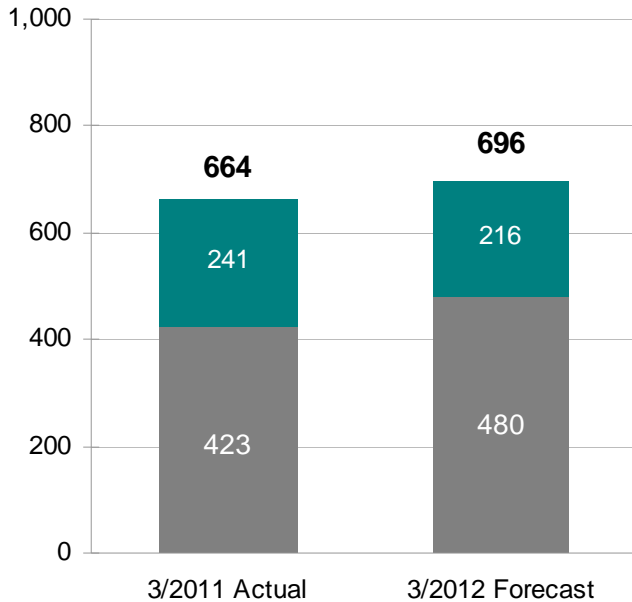
- Sales are expected to grow steadily mainly in Europe and Americas.
- Operating income is expected to decrease due to a negative impact from forex and an increase of SG&A.

# Machinery & Solution Sales & Operating Income

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

## Net Sales

(100 Millions of Yen)

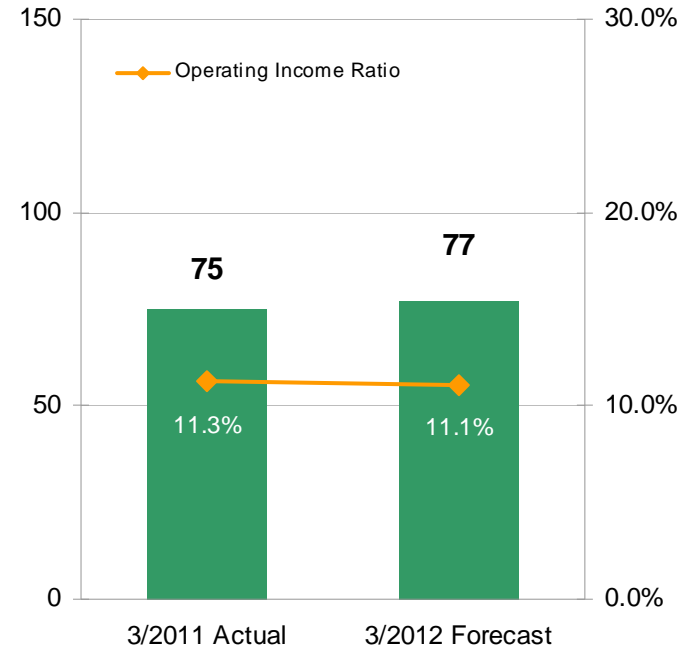


### Change(w/o forex impact)

Industrial sewing machines	-10.4% ( -4.4% )
Machine tools	+13.5% ( +14.6% )
<b>Total</b>	<b>+4.8% ( +7.7% )</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	30	-7.0% (+1.6%)
Europe	30	31	+3.7% (+7.5%)
Asia & Others	172	150	-13.0% (-6.9%)
Japan	6	5	-22.7% (-22.7%)

### Machine tools

Geographical Sales(100 Millions of Yen)

	3/2011 Actual	3/2012 Forecast	Change
Americas	12	17	+42.2%
Europe	12	15	+24.9%
Asia & Others	364	398	+9.2%
Japan	35	50	+43.6%

- Sales are expected to decrease in the industrial sewing machine business due to a slowdown for economy.
- Sales are expected to increase in machine tools, despite a slowdown for sales in a second half.
- Operating income is expected to increase due to a sales increase in machine tools.

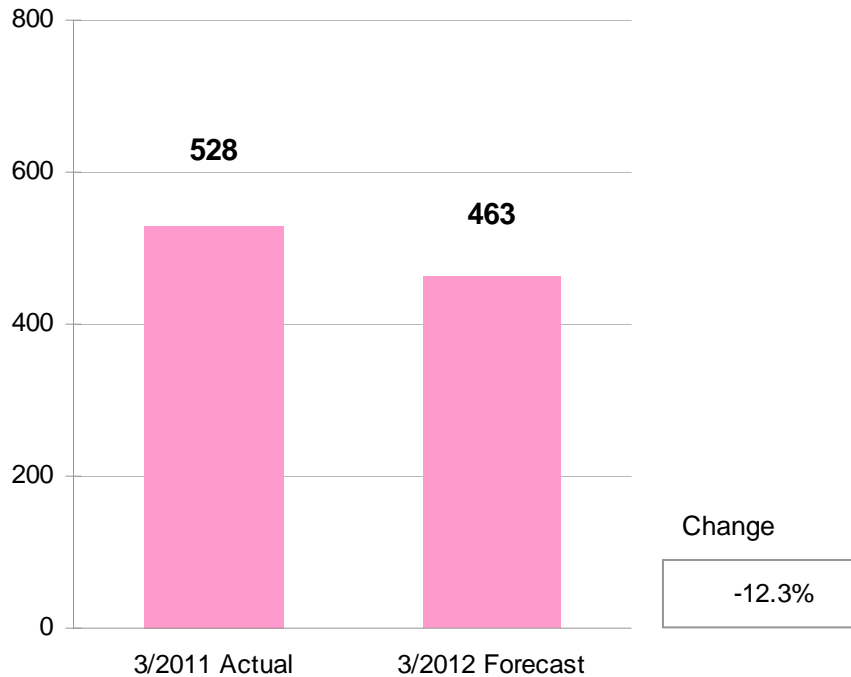
\*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown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

# Network & Contents Sales & Operating Income

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

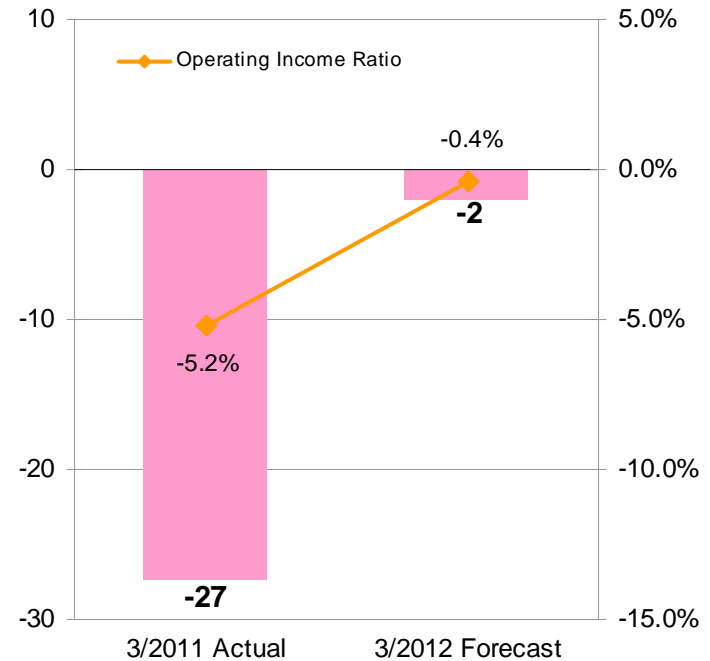
### Net Sales

(100 Millions of Yen)



### Operating Income

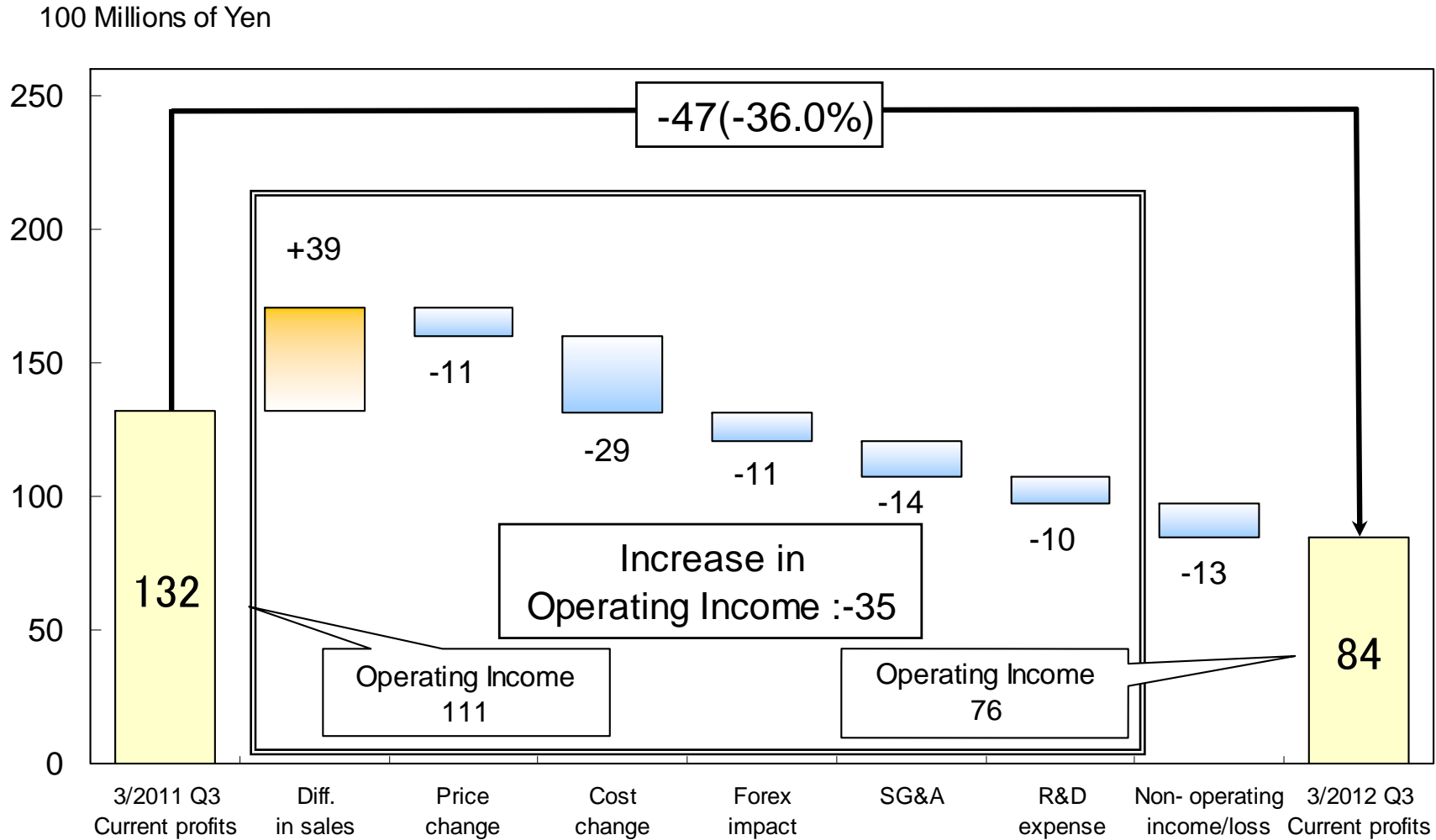
(100 Millions of Yen)



- Sales are expected to decrease mainly due to a negative impact of the earthquake.
- Operating income is expected to improve substantially due to an integration effect of M&A such as a reduction of costs and expenses.

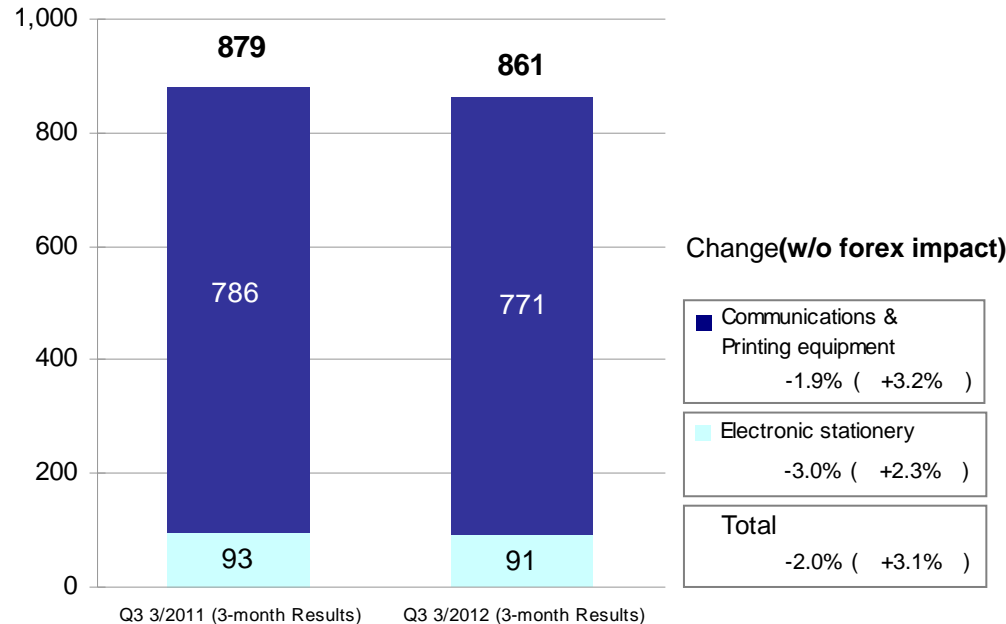
\* Regional sales breakdown for "Network & Contents" is not referred here because the major part of sales are made in Japan.

# (Reference) Main Factors for Changes in Current Profits < FY2011 Q3 ( 3-month Results ) >



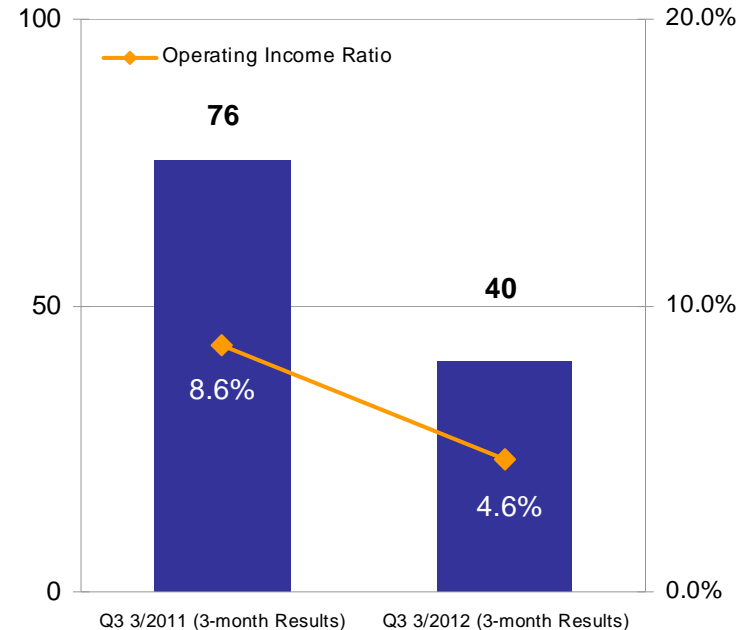
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



### Communications & Printing equipment

Geographical Sales(100 Millions of Yen)

	Q3 3/2011 (3-month Results)	Q3 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	277	265	-4.3% (+2.6%)
Europe	298	294	-1.1% (+4.9%)
Asia & Others	103	94	-8.6% (-5.1%)
Japan	108	117	+8.6% (+8.6%)

### Electronic stationery

Geographical Sales(100 Millions of Yen)

	Q3 3/2011 (3-month Results)	Q3 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	46	42	-8.0% (-1.7%)
Europe	31	29	-7.2% (-1.7%)
Asia & Others	10	12	+19.4% (+22.9%)
Japan	6	8	+18.1% (+18.1%)

# (Reference) Personal & Home Sales & Operating Income

## < FY2011 Q3(3-month Results ) >

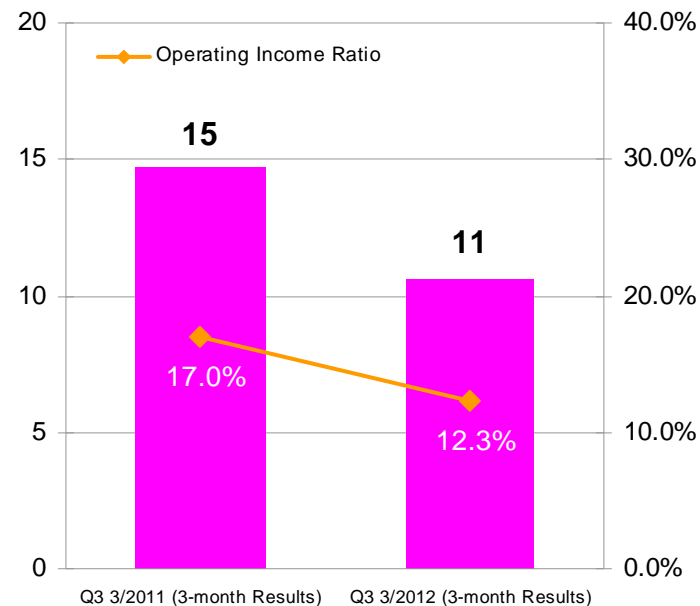
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)



### Home sewing machines

Geographical Sales(100 Millions of Yen)

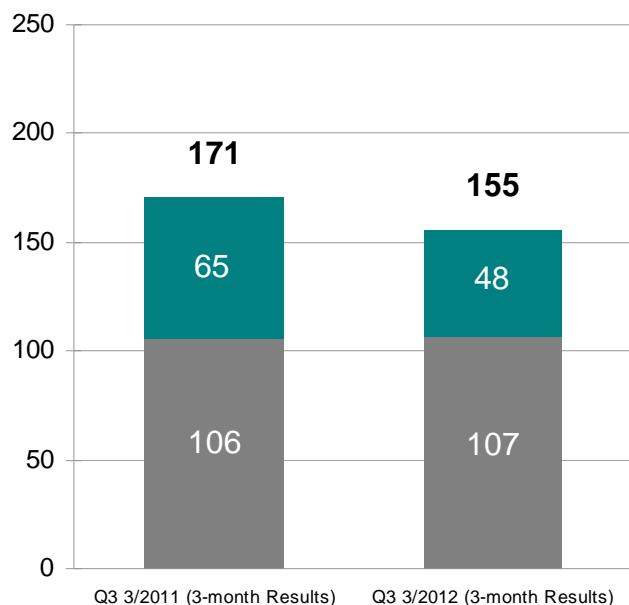
	Q3 3/2011 (3-month Results)	Q3 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	42	45	+7.2% (+15.4%)
Europe	22	20	-12.7% (-7.2%)
Asia & Others	9	8	-11.8% (-8.6%)
Japan	14	14	+5.0% (+5.0%)

# (Reference) Machinery & Solution Sales & Operating Income

## < FY2011 Q3(3-month Results ) >

### Net Sales

(100 Millions of Yen)

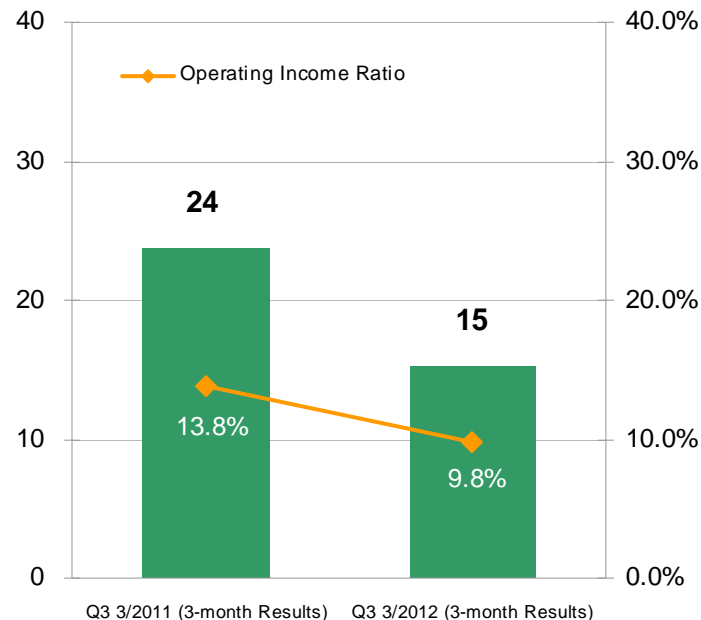


### Operating Income

(100 Millions of Yen)

#### Change(w/o forex impact)

Industrial sewing machines	-26.2% ( -22.9% )
Machine tools	+0.6% ( +0.9% )
<b>Total</b>	<b>-9.6% ( -8.2% )</b>



### Industrial sewing machines

Geographical Sales(100 Millions of Yen)

Geographical	Q3 3/2011 (3-month Results)	Q3 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	8	8	-7.2% (-0.9%)
Europe	9	6	-26.5% (-21.8%)
Asia & Others	47	33	-29.9% (-27.4%)
Japan	2	1	-14.9% (-14.9%)

### Machine tools

Geographical Sales(100 Millions of Yen)

Geographical	Q3 3/2011 (3-month Results)	Q3 3/2012 (3-month Results)	Change (w/o forex impact)
Americas	4	5	+1.7%
Europe	6	3	-60.1%
Asia & Others	86	86	- 0.0%
Japan	9	14	+48.2%

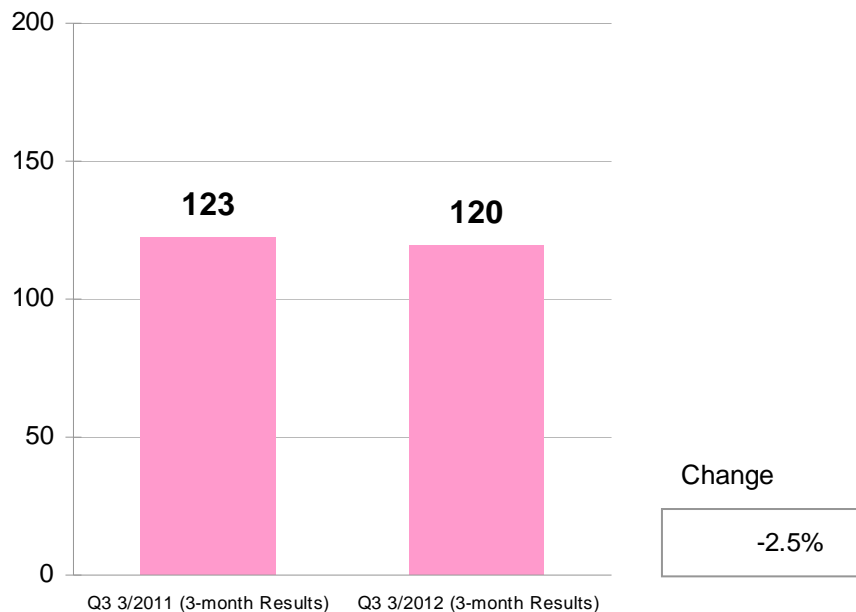
\*As machine tools are mostly exported to customers abroad directly from Japan, sales are reported in 'Japan' segment regardless of destination of exports. Therefore, for the purpose of this material, the regional breakdown ratios of exports from Japan multiplied by total consolidated sales is shown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

# (Reference) Network & Contents Sales & Operating Income

## < FY2011 Q3(3-month Results ) >

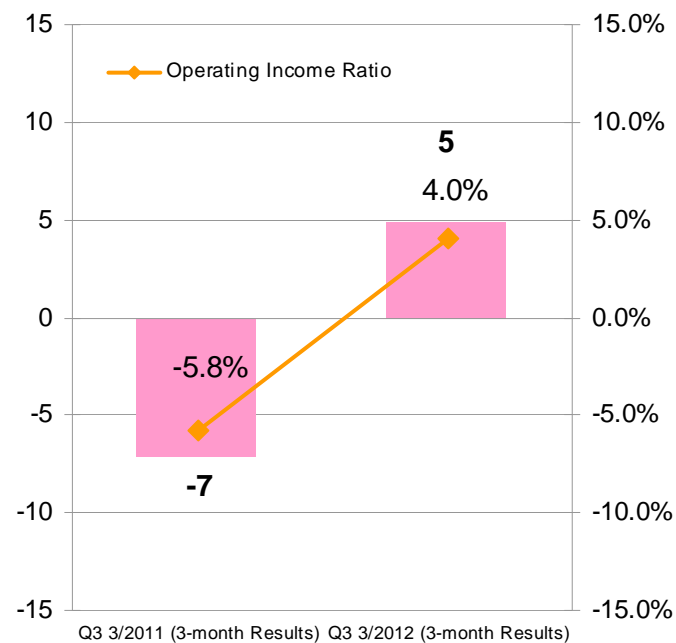
### Net Sales

(100 Millions of Yen)



### Operating Income

(100 Millions of Yen)

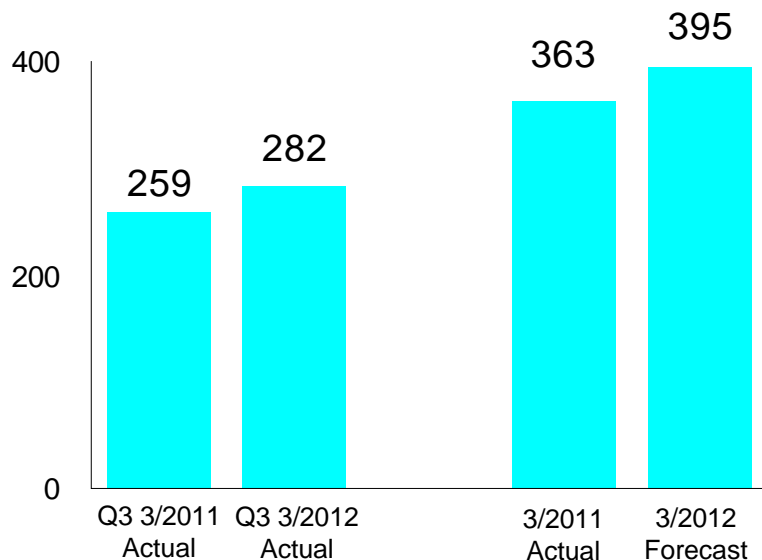


\* Regional sales breakdown for "Network & Contents" is not referred here because the major part of sales are made in Japan.

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

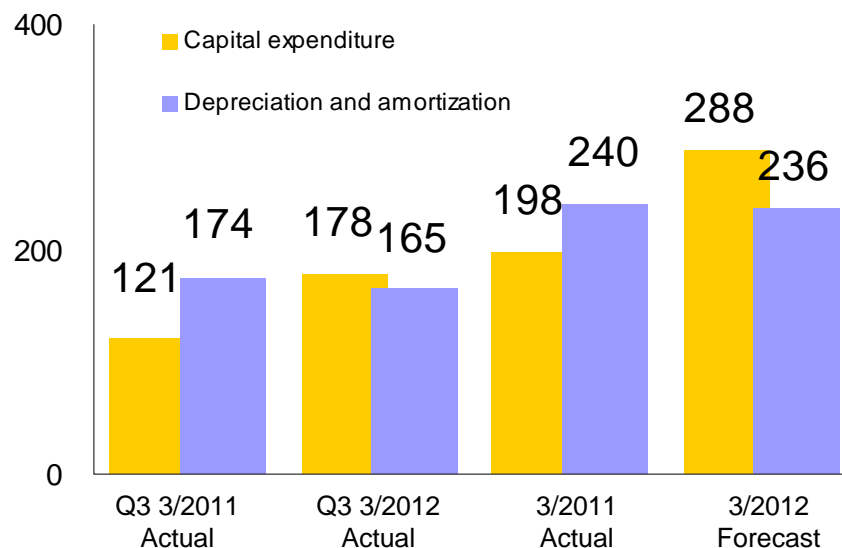
## R&D expenses

(100 Millions of Yen)



## Capital expenditure and Depreciation and amortization

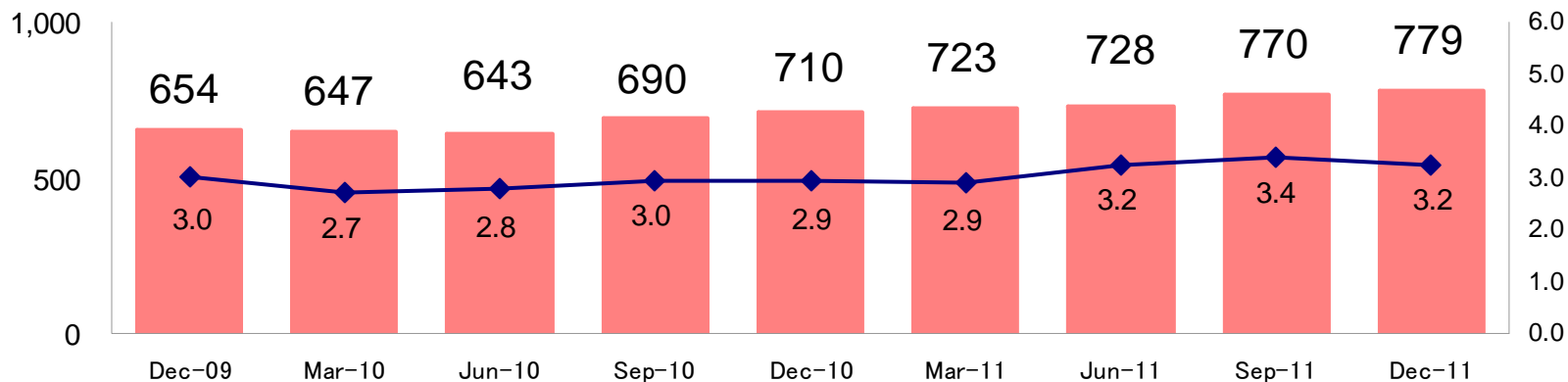
(100 Millions of Yen)



## Inventories

(100 Millions of Yen)

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



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