

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Brother Industries, Ltd. and Consolidated Subsidiaries
Years ended March 31, 2009 and 2008

	Thousands	Millions of Yen											
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Gain (Loss) Under Hedge Accounting	Land Revaluation Difference	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, APRIL 1, 2007	275,401	¥ 19,210	¥ 16,129	¥ 62	¥ 167,813	¥ 5,207	¥ (1,840)	¥ (1)	¥ 5,328	¥ (1,456)	¥ 210,452	¥ 3,212	¥ 213,664
Net income	—	—	—	—	27,110	—	—	—	—	—	27,110	—	27,110
Cash dividends, ¥ 24.00 per share	—	—	—	—	(6,631)	—	—	—	—	—	(6,631)	—	(6,631)
Increase due to deconsolidation	—	—	—	—	3	—	—	—	—	—	3	—	3
Acquisition of treasury stock	(71)	—	—	—	—	—	—	—	—	(126)	(126)	—	(126)
Sale of treasury stock	8	—	5	—	—	—	—	—	—	8	13	—	13
Net increase in stock acquisition rights	—	—	—	60	—	—	—	—	—	—	60	—	60
Net decrease in unrealized gain on available-for-sale securities	—	—	—	—	—	(4,258)	—	—	—	—	(4,258)	—	(4,258)
Net increase in deferred gain under hedge accounting	—	—	—	—	—	—	2,751	—	—	—	2,751	—	2,751
Net increase in land revaluation difference due to sales of land	—	—	—	—	—	(1)	—	1	—	—	—	—	—
Net change in foreign currency translation adjustments	—	—	—	—	—	—	—	—	(13,077)	—	(13,077)	—	(13,077)
Net decrease in minority interests	—	—	—	—	—	—	—	—	—	—	—	(286)	(286)
BALANCE, MARCH 31, 2008	275,338	19,210	16,134	122	188,294	949	911	—	(7,749)	(1,574)	216,297	2,926	219,223
Adjustment of retained earnings due to an adoption of PITF No.18 (Note2(3))	—	—	—	—	327	—	—	—	—	—	327	—	327
Net income	—	—	—	—	15,262	—	—	—	—	—	15,262	—	15,262
Cash dividends, ¥ 25.00 per share	—	—	—	—	(6,800)	—	—	—	—	—	(6,800)	—	(6,800)
Acquisition of treasury stock	(7,696)	—	—	—	—	—	—	—	—	(10,104)	(10,104)	—	(10,104)
Sale of treasury stock	7	—	(0)	—	—	—	—	—	—	6	6	—	6
Net increase in stock acquisition rights	—	—	—	73	—	—	—	—	—	—	73	—	73
Net decrease in unrealized gain on available-for-sale securities	—	—	—	—	—	(979)	—	—	—	—	(979)	—	(979)
Net increase in deferred gain under hedge accounting	—	—	—	—	—	—	2,203	—	—	—	2,203	—	2,203
Net change in foreign currency translation adjustments	—	—	—	—	—	—	—	—	(19,299)	—	(19,299)	—	(19,299)
Net decrease in minority interests	—	—	—	—	—	—	—	—	—	—	—	(541)	(541)
BALANCE, MARCH 31, 2009	267,649	¥ 19,210	¥ 16,134	¥ 195	¥ 197,083	¥ (30)	¥ 3,114	—	¥ (27,048)	¥ (11,672)	¥ 196,986	¥ 2,385	¥ 199,371

	Thousands of U.S. Dollars (Note 1)											
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Unrealized Gain (Loss) on Available-for-sale Securities	Deferred Gain (Loss) Under Hedge Accounting	Land Revaluation Difference	Foreign Currency Translation Adjustments	Treasury Stock	Total	Minority Interests	Total Equity
BALANCE, MARCH 31, 2008	\$ 196,020	\$ 164,633	\$ 1,245	\$ 1,921,367	\$ 9,684	\$ 9,295	—	\$ (79,071)	\$ (16,061)	\$ 2,207,112	\$ 29,857	\$ 2,236,969
Adjustment of retained earnings due to an adoption of PITF No.18 (Note2(3))	—	—	—	3,337	—	—	—	—	—	3,337	—	3,337
Net income	—	—	—	155,735	—	—	—	—	—	155,735	—	155,735
Cash dividends, \$ 0.255 per share	—	—	—	(69,388)	—	—	—	—	—	(69,388)	—	(69,388)
Acquisition of treasury stock	—	—	—	—	—	—	—	—	(103,102)	(103,102)	—	(103,102)
Sale of treasury stock	—	(0)	—	—	—	—	—	—	61	61	—	61
Net increase in stock acquisition rights	—	—	745	—	—	—	—	—	—	745	—	745
Net decrease in unrealized gain on available-for-sale securities	—	—	—	—	(9,990)	—	—	—	—	(9,990)	—	(9,990)
Net increase in deferred gain under hedge accounting	—	—	—	—	—	22,480	—	—	—	22,480	—	22,480
Net change in foreign currency translation adjustments	—	—	—	—	—	—	—	(196,929)	—	(196,929)	—	(196,929)
Net decrease in minority interests	—	—	—	—	—	—	—	—	—	—	(5,520)	(5,520)
BALANCE, MARCH 31, 2009	\$ 196,020	\$ 164,633	\$ 1,990	\$ 2,011,051	\$ (306)	\$ 31,775	—	\$ (276,000)	\$ (119,102)	\$ 2,010,061	\$ 24,337	\$ 2,034,398

See notes to consolidated financial statements.